

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

The State of Tennessee presents a comprehensive budget which includes funding from a variety of sources other than state tax revenues. All funding sources are subject to appropriation by the General Assembly. While the budget totals \$20.5 billion for fiscal year 2002-2003, **only \$9.7 billion is funded from general state tax sources for the provision of state services. The \$9.7 billion is called the State Taxpayers' Budget.** This is illustrated in the chart below.

Those other funding sources include federal grants (\$7.5 billion in the proposed 2002-2003 budget), interdepartmental revenue (\$1.4 billion), other departmental revenue (\$963.1 million), higher education student tuition and fees (\$609.3 million), bond authorizations for construction projects (\$256.4 million), and dedicated taxes which are narrowly levied and earmarked for specific programs (\$207.1 million).

	<u>Estimated 2000-2001</u>	<u>Recommended 2001-2002</u>
Total State Budget - All Funding Sources	\$ 19,484,103,600	\$ 20,542,088,400
Less:		
Federal Revenue	(7,056,580,900)	(7,470,160,800)
Interdepartmental Revenue	(1,357,830,800)	(1,381,327,700)
Other Departmental Revenue	(1,035,425,800)	(963,144,800)
Higher Education Student Tuition and Fees	(609,289,200)	(609,289,200)
Bonds	(162,600,000)	(256,400,000)
Total State Appropriation - Budget Document	\$ 9,262,376,900	\$ 9,861,765,900
Less:		
Appropriations from Dedicated Tax Sources	(210,842,450)	(207,133,000)
Total Taxpayers' Budget	\$ 9,051,534,450	\$ 9,654,632,900
General Fund and Education Fund	\$ 7,457,847,950	\$ 8,003,232,900
Transportation	667,220,000	669,750,000
Debt Service	244,698,000	247,102,000
Capital Outlay	16,068,500	51,748,000
Cities and Counties - State Shared Taxes	665,700,000	682,800,000

The \$1.4 billion "interdepartmental revenue" amounts to double counting in the budget. This is funding that a state agency makes available to provide services to a second agency or to help fund services provided by a second state agency. To maintain budgetary control, the expenditure must be funded in both agencies in the amount of the interdepartmental transfer. Thus, the expenditure is recorded twice in the state budget.

"Other departmental revenue" includes various fees, charges, and revenues supporting a specific program, and these revenues are not taxes.

The State of Tennessee's financial reporting is done in accordance with generally accepted accounting principles, as prescribed by the Governmental Accounting Standards Board. Comprehensive budgeting and accounting, reflecting all funding sources, assist the state in maintaining budgetary control. This also has resulted in the State of Tennessee's receiving recognition for many years from the Government Finance Officers Association for both the budget document and the comprehensive annual financial report. The budget document has been recognized with the "Distinguished Budget Presentation Award" for the last five years and nine of the last 11 years. The comprehensive annual financial report has received the "Certificate of Achievement for Excellence in Financial Reporting" for the last 22 consecutive years. Tennessee was the first state to receive the financial reporting award.

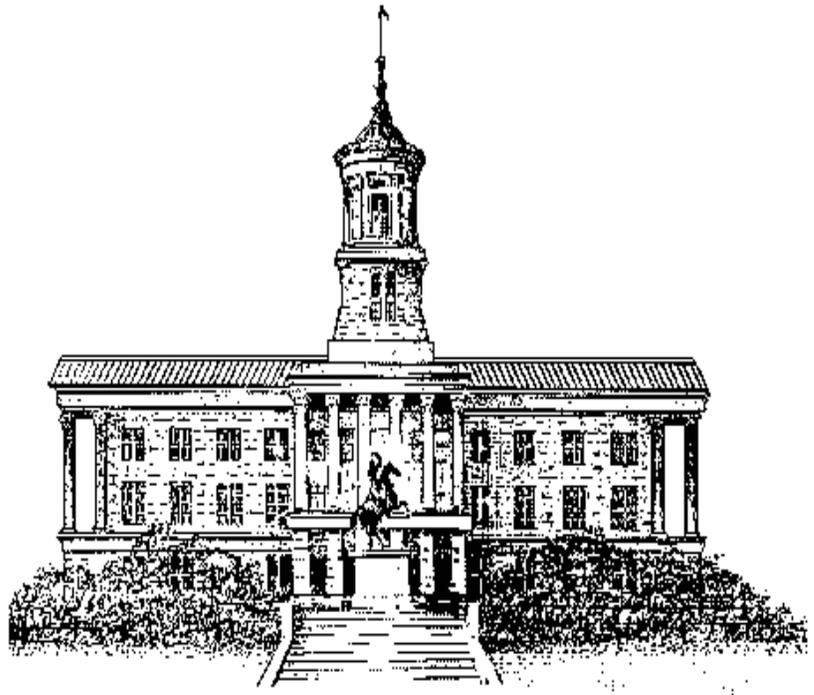
FISCAL YEAR 2002-2003

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The Budget



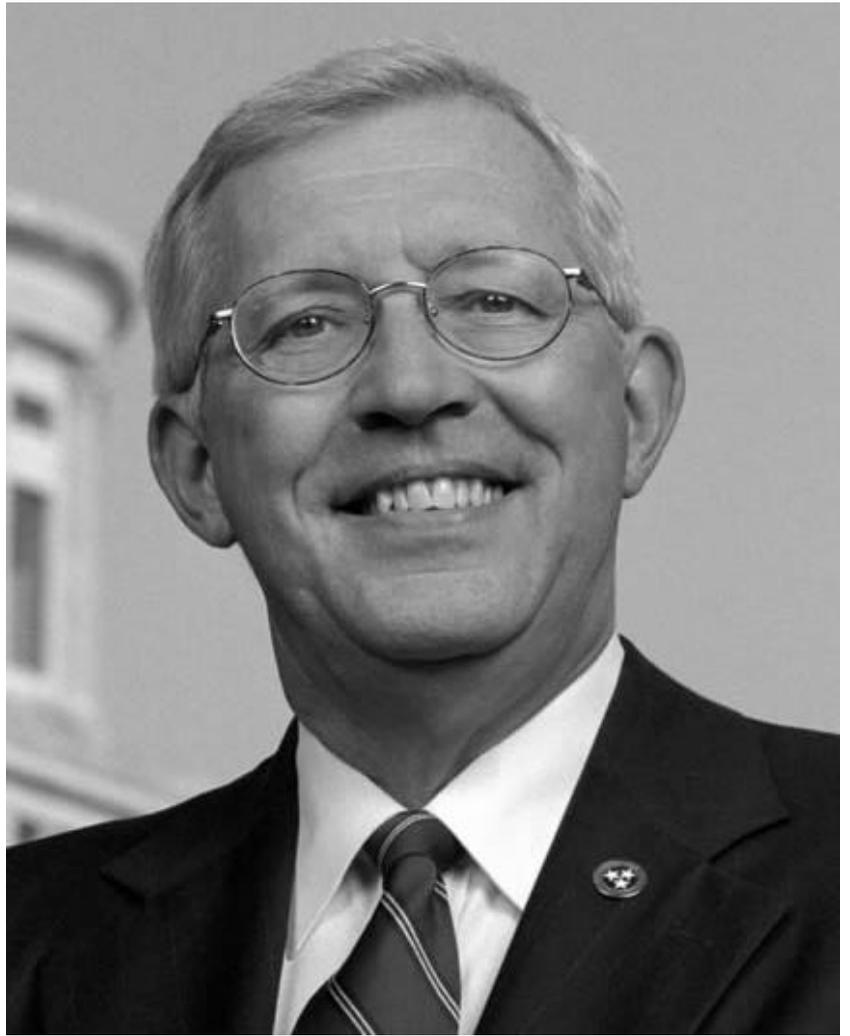
Don Sundquist, Governor



Fiscal Year 2002-2003

The Budget

Don Sundquist,
Governor



Don Sundquist,
Governor

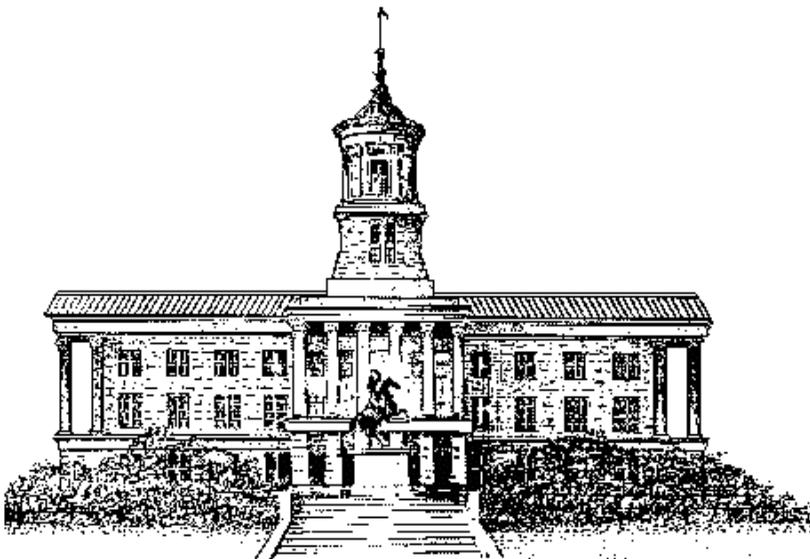


Table of Contents

The Budget

(more detailed contents tables appear under each tab)

Transmittal Letter, Governor Sundquist to the General Assembly	v
Transmittal Letter, Commissioner of Finance and Administration to Governor Sundquist	ix
Distinguished Budget Presentation Award (from Government Finance Officers Association)	xv
Budget Overview	A-1
Preface	A-3
The Budget Document	A-5
Summary Statements and Charts	A-9
A Vision for Tennessee	A-32
Tennessee Initiatives	A-33
Tennessee Characteristics	A-56
Tennessee Economic Overview	A-58
Federal Aid Trends and Federal Mandate Costs	A-60
The Budget Process	A-63
The Basis of Budgeting and Accounting	A-66
State Revenues	A-71
Financial Statements	A-119
Capital Outlay and Facilities Program	A-133
Program Statements by Functional Area	B-1
Tennessee State Government Organizational Chart	B-3
Funds by Program Area	B-5
General Government	B-13
Introduction	B-15
Improvements for Fiscal Year 2002-2003	B-22
Program Statements	B-29
Legislature	B-29
Secretary of State	B-32
Comptroller of the Treasury	B-36
Treasury Department	B-42
Claims and Compensation	B-44
Executive Department	B-46
Human Rights Commission	B-48
Tennessee Regulatory Authority	B-49
Advisory Commission on Intergovernmental Relations	B-50
Department of Finance and Administration	B-51
Department of Personnel	B-56

Table of Contents

The Budget

Department of General Services.....	B-59
Department of Veterans Affairs	B-64
Department of Revenue.....	B-65
Miscellaneous Appropriations.....	B-68
Emergency and Contingency Fund.....	B-69
State Building Commission.....	B-70
Performance Measures and Program Information	B-71
Education	B-87
Introduction	B-89
Higher Education Attainment and Comparisons.....	B-96
Improvements (K-12 Education and Higher Education) for Fiscal Year 2002-2003	B-102
Program Statements	B-112
Department of Education	B-112
Higher Education	B-124
Performance Measures and Program Information	B-149
Health and Social Services.....	B-155
Introduction	B-157
Improvements for Fiscal Year 2002-2003	B-162
Program Statements	B-171
Commission on Children and Youth	B-171
Commission on Aging and Disability.....	B-172
Health Facilities Commission.....	B-173
Council of Juvenile and Family Court Judges	B-174
Department of Finance and Administration - TennCare Program.....	B-175
Department of Finance and Administration - Office of Health Services.....	B-178
Department of Mental Health and Developmental Disabilities	B-179
Department of Finance and Administration - Mental Retardation.....	B-185
Department of Health.....	B-190
Department of Human Services.....	B-200
Department of Children’s Services	B-206
Performance Measures and Program Information	B-214
Law, Safety, and Correction.....	B-225
Introduction	B-227
Improvements for Fiscal Year 2002-2003	B-232
Program Statements	B-241
Court System.....	B-241
Attorney General and Reporter	B-247
District Attorneys General Conference	B-249

Table of Contents

The Budget

District Public Defenders Conference	B-251
Office of the Post-Conviction Defender.....	B-253
Alcoholic Beverage Commission	B-254
Tennessee Rehabilitative Initiative in Correction (TRICOR)	B-255
Tennessee Corrections Institute.....	B-256
Board of Probation and Parole	B-257
Department of Correction.....	B-259
Military Department.....	B-271
Tennessee Bureau of Investigation.....	B-274
Department of Safety	B-275
Performance Measures and Program Information	B-281
Resources and Regulation.....	B-289
Introduction	B-291
Improvements for Fiscal Year 2002-2003	B-294
Program Statements	B-298
Tennessee Arts Commission	B-298
Tennessee State Museum	B-299
Department of Environment and Conservation	B-300
Tennessee Wildlife Resources Agency	B-312
Department of Commerce and Insurance	B-315
Department of Financial Institutions	B-321
Department of Labor and Workforce Development.....	B-322
Performance Measures and Program Information	B-329
Transportation, Business, and Economic Development.....	B-337
Introduction	B-339
Improvements for Fiscal Year 2002-2003	B-342
Program Statements	B-344
Tennessee Housing Development Agency	B-344
Department of Agriculture	B-345
Department of Tourist Development.....	B-350
Department of Economic and Community Development.....	B-352
Department of Transportation	B-358
Performance Measures and Program Information	B-366
Glossary of Budget Terms	B-373
Index.....	B-379
Credits	B-389



STATE OF TENNESSEE

DON SUNDQUIST
GOVERNOR

February 8, 2002

To the Members of the 102nd General Assembly:

I am honored to present you the recommended Budget for fiscal year 2002-2003, the eighth and final budget of my Administration.

When I submitted the budget to you last year, I said: "It's a book that calls for reading. It tells us how to help the children of Tennessee fulfill their dreams."

I'm on the same page today. The dream is still a dream.

Last year, you improved and then enacted the Education Reform Act of 2001 for the children of Tennessee. But funding was not approved, and the reforms could not be implemented.

This budget again proposes to fund a Reading Initiative to ensure that every child learns to read by the third grade.

This budget is the last opportunity for my Administration – and for the 102nd General Assembly – to address the urgent need to improve K-12 and higher education in Tennessee. It's our children's responsibility to dream and take the opportunities available; it's our responsibility to set the opportunities within reach.

I repeat another statement, barely changed from my budget message last year:

This budget includes major education initiatives intended to prepare our children and our workforce for the realities of the 21st Century economy. Reading is imperative to our children's future and our state's. Despite full funding of the Basic Education Program for several years – and despite the gains this has earned us in K-12 Education – our children cannot read as well as they should – and must. This failing reflects itself not only in early-grade reading courses, but in every subject our children study, throughout their school years. If our children do not read well, they do not function well in English, math, science, and social studies. These are things they must master – and they must master them now – if they are to be prepared for the economic future they are anxious to reach.

For my Administration and the General Assembly, the future is now. We have analyzed our revenue problem and our choices for the past [three] years – through two regular sessions and two extraordinary sessions of the 101st General Assembly [and the First Regular Session of the 102nd

General Assembly]. The revenue problem is still here, and it is time to make our choices. We must do this to ensure the long-term economic viability of the people of Tennessee. We must do this to ensure we have the stable and fair tax structure necessary to allow us to make the right choices about the fundamental needs of the people – a safe, healthy childhood; excellence in education; economic opportunity; public health; public safety; natural resources; responsible government.

This budget again includes first-year funding of the Reading Initiative, funded from a combination of state and federal funds. The initiative has five components: (1) Reading Coaches, (2) Early Childhood Education, (3) Catching Up, (4) Teaching Resources – Quality Teaching, and (5) Teaching Resources – Classroom Materials.

Reading Coaches will make reading by the end of the third grade a priority and will build upon those reading skills. This remains the cornerstone of the Reading Initiative.

The Early Childhood Education proposal will jump-start Tennessee educational opportunities. This program will offer Early Childhood Education to every four-year-old child by the 2006-2007 school year. Currently, 36,850 of these children are not served by a pre-school program. The first phase of the program will serve 7,140 additional children and will focus on the educationally at-risk. This program will expand the Family Resource Centers so that every county will have at least one center. These centers will help identify children at risk of educational failure, increase family involvement in schools, and help with the transition into school.

Catching Up is essential to school-children's success. This program will provide targeted Catch-Up activities for seventh and eighth grade students at risk of failing the Gateway tests during their high school years. This program also will provide on-line professional development for teachers in the Gateway subjects.

Teaching Resources will be improved under the Reading Initiative. Quality Teaching will result from enhanced scholarships to attract new teachers into subject areas where shortages exist; a teacher mentoring program to increase the likelihood of new teachers remaining in the field; incentives for national board certification; and Teaching as a Second Career, a program to encourage professionals to earn teaching certificates in their fields.

An additional \$100 per teacher for Classroom Materials is provided in this budget, and this will double the amount now available to teachers. Providing proper materials is one of the most cost-effective ways to improve student achievement.

For Excellence in Higher Education, I again am recommending a budget that provides funds for the second year of the five-year plan to achieve excellence. The program improvement funding is similar to what I recommended last year and is based on recommendations of the Council on Excellence in Higher Education and a funding plan developed in consultation with the Tennessee Higher Education Commission, the University of Tennessee, and the State Board of Regents. The Higher Education Excellence Initiatives include funds for Faculty Retention and Recruiting in high-demand disciplines. We need to get and keep more outstanding professors; we must pay them better to do so. Right now, we cannot compete with public universities in surrounding

states. I again recommend additional funds for special equipment and research initiatives in both university systems; for technology initiatives; for a significant operating increase for higher education institutions and programs, allowing them to add faculty and improve academic quality; and for an increase in student assistance grants intended to serve an additional 5,894 needy students.

In addition, the budget includes funds to continue implementing the Geier desegregation settlement agreement in both university systems. This will provide sufficient funds to meet our settlement agreement obligations at Tennessee State University and other public colleges across the state.

Homeland Security for Tennessee is a vital concern. This is addressed with a recommended supplemental appropriation in the current year and an improvement for next year. Funds are provided for water supply protection, bomb and arson investigation, military equipment, emergency management, biological and other local health services, food and agricultural protection, criminal investigation, additional Trooper equipment, and additional security of state property and mail.

The budget further contains a new approach to technology in this state. This includes a new way to deliver state services and customize learning.

Choices and obligations in other critical areas are addressed in this budget:

- a) K-12 Basic Education Program full funding for the sixth straight year
- b) A TennCare open enrollment period for the uninsured and uninsurable
- c) TennCare actuarial funding and rate increases
- d) Title 33 Reform – Additional services for the developmentally disabled
- e) Home and community services for the non-Medicaid elderly and disabled
- f) Public Health – Better newborn screening and epidemiological outbreak investigation
- g) Child care rate increase, which will support the Families First welfare reforms
- h) Child Welfare Services – Improved foster care, custody, and adoption programs
- i) Prison pre-release and security improvements
- j) Better probation and parole supervision, and more community corrections
- k) Law enforcement and crime investigation
- l) State Parks operations and maintenance; Natural Area and Scenic River protection
- m) Opening of the Fire Service and Codes Enforcement Academy
- n) Industrial infrastructure for economic development
- o) Continuation of police pay and fire fighter pay supplements and other grants

In addition, the budget provides funds for salary increases, effective July 1, 2002, for state employees, higher education employees, and K-12 teachers; for the salary survey adjustment for Troopers; and for classification-compensation adjustments for state employees. Effective management, accountability, and delivery of services require that we adequately pay and retain our employees.

The Budget describes these improvements in detail. The base budget is presented program by program; initiatives and recommended improvements are explained item by item; performance measures and program information are listed at length following the program statements.

Consider carefully the education initiatives, both for K-12 children and higher education students. We do these things not for school systems and colleges, but for children and young adults reaching out to their futures.

These vital initiatives and other basic needs require additional tax revenues.

This budget is balanced. It is accompanied by a revenue proposal that raises the necessary revenue. Our proposal is just one method to raise the necessary revenue. There are other ways to reach our common goal. We will work closely and carefully with the General Assembly to raise the necessary revenue.

The budget is not easy reading, but it is a familiar story. I end the message this year, just as I did last year:

Read the budget. . . . It is important for our children's future that you do so. Give them the gift of Reading that this budget offers; help them Catch Up; give them Quality Teaching. Offer them Excellence in Higher Education. Their future – and our legacy – depends on this.

We can afford to do this; we cannot afford not to make the choices. Begin with Reading!

My staff and I will work with the members of the 102nd General Assembly on these initiatives, the Appropriations Bill, related legislation and other issues of interest to you.

You get to write the final page of this story. It is your Constitutional privilege, your obligation to the people. Write a good ending, and trust that the people will read with understanding.

Sincerely,

Don Sundquist
Governor of the State of Tennessee



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

**C. WARREN NEEL, Ph.D.
COMMISSIONER**

February 8, 2002

The Honorable Don Sundquist
State Capitol
Nashville, Tennessee 37243

Dear Governor Sundquist:

I am pleased to submit to you the 2002-2003 Budget Document. As you directed, the budget again emphasizes the vital need to better educate our children. Their place in our hearts and minds has not changed. As I said last year, Tennessee's children "need to be prepared for life in this information age and be able to make the choices leading to economic opportunity and fulfillment of dreams."

I stand by the remark I made in submitting the budget to you last February:

You had other choices, but you and I are not willing to recommend them, for they would lead to failure in school, failure in our commitment to Tennessee's children, and failure in our responsibility for our state's economic well-being. Those other choices also would represent failure in leadership and in responsible government. Your choices, instead – despite difficult structural revenue problems – offer hope for the future and investments which will allow children the opportunity not only to dream, but to live out their lives as productive citizens of Tennessee.

This budget again proposes major improvements in Tennessee education. The Reading Initiative, funded at \$90 million in the K-12 Education budget, with \$70 million from state funds and \$20 million from federal funds, has impact beyond the classroom. So does the \$88.9 million provided for the Higher Education Excellence Initiative. These improvements are essential to the long-term economic health of the people of Tennessee. Despite years of significant K-12 Education funding increases through the Basic Education Program (BEP) formula, our children's educational achievements fall short, compared with our neighboring states. Although the BEP improvements have reduced class sizes and kept pace with annual inflation in school costs, the funding formula increases have not addressed some of our major educational necessities.

The Reading Initiative will provide a Reading Coaches program, which will make reading by the end of the third grade a priority and will build upon those skills. The cost is \$23 million, with \$10 million from state appropriations and \$13 million from federal grants. This will pay dividends in all school subjects, for inability to read well has consequences in math, science, and other subjects – and in the workplace.

A second part of the Reading Initiative is Early Childhood Education, which is crucial to success of our children in the early grades and throughout their school years. The Budget includes \$40.3 million to make Early Childhood Education available to all four-year-old children by the 2006-2007 school year. Currently, 36,850 four-year-old children are not served by pre-school programs; the first year funding will serve 7,140 and be directed toward educationally at-risk children. From the \$40.3 million, \$35.3 million will be provided for the academic part of the program, and \$5 million will be provided for additional Family Resource Centers, which will allow funding for at least one center in every county. The centers will help identify children at risk of educational failure, increase parent involvement in schools, and help with the transition into school.

The Catching Up component of the Reading Initiative is designed to get all students prepared to pass the Gateway tests in high school. Funding for this improvement is \$16.6 million, including \$11.1 million from state funds and \$5.5 million from federal funds. This component includes \$14.1 million for targeted Catch-Up activities for seventh, eighth, and ninth grade students and \$2.5 million for on-line professional development for teachers in the Gateway subjects.

More and better Teaching Resources are needed as part of the Reading Initiative. Quality Teaching and Classroom Materials will result in better Teaching Resources. Quality Teaching requires that we address K-12 teacher recruitment and retention; the budget includes \$4.4 million for this purpose, funded by nearly \$3 million from state appropriations and \$1.5 million from federal funds. The elements of Quality Teaching will provide enhanced scholarships targeted to specific subject areas where teacher shortages exist; a mentoring program for new teachers, designed to keep them once we get them in the classroom; a Teaching as a Second Career program that will encourage professionals to earn teaching certificates in their fields; and national board certification incentives.

Teaching Resources also will be improved in the Reading Initiative through a Classroom Materials element. At \$5.6 million, an additional \$100 per teacher will be provided, and this will double the amount now available to them for materials.

For Higher Education, the \$88.9 million recommended improvement is the second-year installment of a five-year plan to achieve Excellence in Higher Education. This second-year funding is similar to the proposal you submitted in the budget for the current year, but the funds were not appropriated. This initiative addresses many of the goals recommended to you in the 1999 report of the Council on Excellence in Higher Education. The council set out a clear path to achieve academic excellence and place our public universities among the best in America. The funding plan also was developed in consultation with the Tennessee Higher Education Commission, the University of Tennessee (UT), and the State Board of Regents.

Second-year funding recommendations for Higher Education Excellence include a state appropriation of \$10 million for Faculty Retention and Recruiting in high-demand disciplines, to be matched with \$5 million from student tuition and fees, for a total of \$15 million, to make

Tennessee public colleges more competitive with those in other states in attracting outstanding faculty.

An operating increase necessary to attain Higher Education Excellence is recommended at \$40 million for institutions and programs of Higher Education. The increase would raise the academic formula units from the current 85.3 percent to 88.7 percent of full funding and also would provide an operating increase for non-formula units. This will improve library holdings, increase the number of faculty, improve instructional and laboratory materials, support technology initiatives, upgrade campus equipment, improve building maintenance, increase graduate student stipends, and address inflation of basic fixed operating costs.

To upgrade special instructional and research equipment, the Excellence Initiative includes \$10 million. This will address critical instructional, laboratory, and research equipment needs, particularly in technology areas. This improvement provides \$4 million for equipment at the East Tennessee State University College of Medicine, \$3.6 million for other institutions in the Board of Regents System, and \$2.4 million for the University of Tennessee.

Higher Education Excellence requires more funds for research initiatives of the two university systems. Of the \$12.5 million recommended, \$7.5 million is for UT, as the second-year installment of a multi-year plan to enable the university to double federal research and development grants to \$150 million per year and put UT among the top 25 public research universities by 2008. The total also includes \$5 million for research initiatives in the Board of Regents system. This improvement also will require campus matching funds and will allow research institutions to develop major research activities and attract federal and private research grants.

The Higher Education Excellence Initiative also includes \$2 million for technology initiatives, which will provide debt service on \$9 million in general obligation notes to buy infrastructure associated with technology initiatives. Such funds are necessary to provide a quality education in the information age.

Higher Education Excellence – and improvement in educational attainment – requires that more students be able to receive student assistance grants to enable them to attend college. To serve an additional 5,894 needy students, increase the maximum grant level, and offset tuition increases, an increase of \$14.4 million is recommended for student assistance grants. This also includes funds to increase the maximum grant level to the Tennessee Teaching Scholars program.

Aside from the Excellence Initiative, the budget provides an improvement of \$6 million to continue implementation of the Geier desegregation settlement agreement affecting both university systems. This will bring the total appropriation for this purpose to an amount necessary to meet our obligations for capital outlay at Tennessee State University and for program improvements at TSU and other colleges across the state. In addition, the capital outlay budget for the two university systems totals \$149.7 million, including \$37.4 million for capital maintenance necessary to maintain existing buildings and infrastructure on our college campuses. This is funded by a combination of bonds and cash appropriations.

In Health and Social Services, the Budget provides funds necessary to meet our TennCare obligations for the Medicaid-eligible, the uninsured, and the uninsurable and our child welfare obligations to children in foster care or state custody or those in need of adoption assistance.

In TennCare, an improvement of \$386 million is recommended, including \$114.5 million from state appropriations, in order to maintain actuarial soundness of the program and deliver essential services. This will provide funds necessary for an open enrollment period for the uninsured and uninsurable; for capitation rate increases for managed care organizations (MCOs) and behavioral health organizations (BHOs); for pharmacy inflation; for home and community services for the developmentally disabled; for nursing home facility rate increases and increased Medicare cost sharing; and for Department of Children's Services improvements.

The appropriation for TennCare provides necessary funds through the period when we anticipate the revised waiver to go into effect.

In fiscal year 2000-2001, mental health and developmental disabilities programs were reformed by the re-write of Title 33 of the state law. This budget includes an additional \$5 million to carry implementation into the next phase, expanding services to individuals with developmental disabilities.

In addition, the Aging Commission's program of home and community services for non-Medicaid eligible elderly and disabled clients will be expanded with a state appropriation increase of \$2.5 million. This includes an amount to provide the state match for the federal family caregiver support program, which allows for respite and other services.

In the Department of Children's Services, a total improvement of \$18.2 million is recommended, including \$10.3 million from state appropriations. This amount provides \$12.8 million, including \$6.5 million from state appropriations, to continue the child welfare services reforms suggested in the Child Welfare League report. This reform has reduced foster care caseloads, provided equitable foster care board rates, and otherwise improved child welfare. This is the fourth year of improvements addressing the recommendations of the Child Welfare League.

The budget recommends an additional \$2.9 million, including \$1.4 million from state funds, to provide better supervision of child welfare case workers, increase rates to foster parents, and provide graduate education stipends to case workers. This is an obligation of the Brian A. lawsuit settlement agreement.

Terrorist attacks against the American people on September 11, 2001, have required that we address Homeland Security in this budget. The Administration took immediate action to strengthen the security of Tennessee. Some security improvements will require a supplemental appropriation of \$5.9 million in the current year and an improvement of \$8.9 million in the upcoming year. Funds will be provided for water supply protection, bomb and arson investigation, military equipment, emergency management, biological and other local health

services, food and agricultural protection, criminal intelligence and investigation, Trooper equipment, security of state property and mail, and a coordinating Office of Homeland Security.

Other improvements recommended in this budget from state appropriations, reflecting choices to maintain and improve essential services to the people of Tennessee, include:

- a) Basic Education Program full funding for the sixth straight year – \$45.6 million
- b) Public Health – Epidemiological outbreak investigation – \$759,600
- c) Prisons – Population increase, pre-release, security, and operational – \$3.9 million
- d) Probation and parole supervision, and more community corrections – \$3.5 million
- e) State Parks operations and maintenance – \$ 2.5 million and \$3 million, respectively
- f) Tennessee Industrial Infrastructure Program (TIIP) – \$13.6 million, including the continuation of \$10 million funded on a non-recurring basis in final legislative action on the 2001-2002 budget
- g) Grants – Amounts in various agencies to restore the \$41.8 million in grants and programs designated as non-recurring in 2001-2002. This includes continuation of such programs as the police and fire fighter pay supplements, public television grants, and the Science Alliance grants. Some of this \$41.8 million is included above in items “d” (\$350,000 for DISMAS and Project Return) and “f” (\$10 million for TIIP).

In addition, the budget includes \$131.2 million in state appropriations to fund a salary increase, effective July 1, 2002, for state employees, K-12 teachers, and Higher Education employees; and \$20 million is recommended for classification-compensation salary issues for state employees. The salary survey adjustment for Troopers also is recommended. An improvement of \$47.6 million is required for the state share of the group health insurance premium increase; and an additional \$11.1 million is needed for the actuarial rate adjustment for the retirement program.

These and other recommended program improvements are explained in detail in the Budget Document. Major improvements are highlighted at the beginning of each program statement section and in the detailed improvement listings in each section.

The Budget fulfills the statutory mandate to be balanced. The additional revenue necessary to fund this budget is \$1,167,000,000. This amount is necessary to correct in the upcoming year the structural problem built into our current budget, in which recurring requirements are funded by non-recurring revenues; to offset the recurring impact on the revenue base of the undercollection of taxes in the current year; and to fund the recommended program improvements. As a companion to the general appropriations bill, the Administration is filing tax legislation which would raise the necessary revenue, although other tax options also could satisfy the revenue requirement.

The Revenue Fluctuation Reserve will be raised from \$178 million at June 30, 2001, to \$280.9 million at June 30, 2003, based on this budget. This reserve allows services to be maintained when revenue growth is slower than estimated in the budget, mainly during economic downturns. We should maintain this fund for that economic circumstance, if at all possible. During the

current fiscal year, however, it is possible that the undercollection of tax revenue could require some use of this rainy day fund.

The Tennessee Taxpayer Budget you are submitting to the General Assembly totals \$9.7 billion. While the Budget Document as recommended indicates a total budget of \$20.5 billion, including appropriations from state revenues and reserves of \$9.9 billion, the appropriation from the Taxpayer's general state tax sources is the lower \$9.7 billion. This Tennessee Taxpayer Budget amount excludes taxes and fees that are dedicated to a specific purpose and often are narrowly levied for that purpose; and it also excludes federal grant revenues and all other departmental revenues, which usually are collected for specific purposes.

I submit the 2002-2003 budget for your recommendation to the General Assembly. I look forward to assisting you and the General Assembly in considering the Reading Initiative, Higher Education Excellence Initiatives, other budget proposals, and related legislation.

Respectfully Submitted,

C. Warren Neel
Commissioner of Finance and Administration



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**State of Tennessee
Tennessee**

For the Fiscal Year Beginning
July 1, 2001

Timothy A. Brown
President

Jeffrey R. Egan
Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Presentation to the State of Tennessee, for its annual budget for the fiscal year beginning July 1, 2001.

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 communication 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.

Budget Overview

Table of Contents

Preface (The Budget Document)	A-5
Summary Statements and Charts	A-9
Total State Budget (Pie Charts)	A-10
General Fund Budget (Pie Charts)	A-11
Total State Budget, Comparison of Programs and Revenue Sources	A-12
Total State Budget, Comparison of Programs by Revenue Sources	A-13
Tennessee Taxpayer Budget and Budget Document Appropriations	A-14
Departmental Summary of Appropriation from Dedicated Taxes and Fees	A-15
Departmental Summary of Continuation and Improvement Recommendations	
from State Tax Revenue	A-16
Departmental Summary of Improvements.....	A-17
General Fund and Education Fund, Comparison of Appropriation Requirements	
and State Revenues, Fiscal Year 2001-2002	A-18
General Fund and Education Fund, Comparison of Appropriation Requirements	
and State Revenues, Fiscal Year 2002-2003	A-19
Department of Transportation, Comparison of Appropriations and Funding Requirements.....	A-20
Department of Transportation, Comparison of Appropriations by Funding Sources.....	A-21
Comparison of Programs (by Department)	A-22
General Fund and Education Fund, Supplemental Appropriations	A-26
Summary Comparison of Tennessee Personal Income and Appropriations	
from State Tax Revenues.....	A-27
Personnel and Funding Summary, All Programs	A-28
Comparison of Authorized Positions, State Agencies and Higher Education	A-30
Employees Overlapped Over 90 Days	A-31
A Vision for Tennessee	A-32
Tennessee Initiatives	A-33
Low and Fair Taxes.....	A-33
A Safe, Healthy Childhood for All Children.....	A-34
Excellence in Education.....	A-38

Budget Overview

Table of Contents

Economic Opportunity	A-42
Public Health.....	A-47
Public Safety	A-49
Natural Resources	A-52
Responsible and Accountable Government.....	A-54
Tennessee Characteristics	A-56
Tennessee Economic Overview	A-58
Federal Aid Trends and Federal Mandate Costs	A-60
The Budget Process	A-63
The Basis of Budgeting and Accounting	A-66

Budget Overview

Preface

The Budget Document

Tennessee Code Annotated, Section 9-4-5106, requires that the financial plan of Tennessee's state government be presented in three parts:

1. Financial Policy

The state's financial policy, contrasting the relationships between expenditures and revenues that are estimated for the ensuing fiscal year with the corresponding figures for the latest completed fiscal year and the fiscal year in progress;

2. Bonded Indebtedness

The state's bonded indebtedness detailing redemption requirements until retirement, the net and gross debt of the state, and condition of the sinking fund; and

3. Appropriations Bill

The General Appropriations Bill, whereby 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 are also detailed in this bill.

Parts one and two are included in the Budget Document. The format of the Budget Document is reviewed annually for clarity and content. Part three, the Appropriations Bill, is a separate document.

The first section of the Budget Document, entitled "Budget Overview," is a brief summary of the total budget, including the budget process itself.

The roles of the various branches of government in the budget process are described in "The Budget Process" narrative, located near the end of the "Budget Overview" section. The General Assembly, or Legislative Branch, makes the laws; the Judicial Branch interprets and enforces these laws; while the Executive Branch, headed by

the Governor, has the constitutional duty to administer and execute duties and functions that have been enacted into law by the General Assembly.

The "Budget Process" explanation is followed by a subsection entitled "Basis of Budgeting and Accounting," which explains how the Budget is presented and some of the mysteries of accounting.

Following this preface 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 education.

The overview schedules clarify and detail the expenditures, revenue sources, and personnel requirements of state government. There are 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 total requirement for appropriation and the General Fund revenues available to meet that need. These two charts are titled "General Fund and Education Fund, Comparison of Appropriation Requirements and State Revenues" for fiscal years 2001-2002 and 2002-2003. These charts show how the budget is balanced against General Fund and Education Fund tax revenues during the current and next fiscal years. Due to its unique funding source, the Department of Transportation is highlighted separately with its detailed funding requirements.

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

Two charts are included to distinguish between state appropriations from general

The Budget Document

state taxes and appropriations from dedicated taxes and fees. The so-called "Tennessee Taxpayer Budget" includes only appropriations from general state tax sources; it excludes major appropriations from dedicated tax and fee sources, all federal revenues, and all other departmental revenues. The chart entitled "Tennessee Taxpayer Budget and Budget Document Appropriations" includes this information, then shows a single line-item for appropriations from dedicated state sources, and then a total state appropriation. The next chart identifies the appropriations from dedicated state sources by agency. 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 the real estate transfer taxes supporting the Wetlands Acquisition Fund administered by TWRA.

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.

Other schedules provide detail on the supplemental appropriations required to maintain programs in the current fiscal year, the constitutional spending limitation requirement, and a summary of personnel and funding for all state agencies and higher education institutions.

Following the "Budget Overview" summary schedules is a description of the Administration's major multi-year initiatives. A "Tennessee Characteristics" section includes demographic and physical statistics on the state. The "Economic Overview" narrative discusses the relative trends and impacts of Tennessee's economy on state revenues. 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" lists the various sources of revenue, the collecting agencies, and the statutory apportionment among the various

funds (primarily the general fund, education fund, and sinking fund). Also listed are the city and county funds and the highway fund. A comparison of collections by fiscal year is presented on the remaining pages of that section.

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. 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, with the statewide capital maintenance effort included among the items for the Department of Finance and Administration. 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 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 concerned citizens to have a better concept of the magnitude and costs of the general responsibilities in 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

The Budget Document

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 projected year. Projected year data includes the level of funding and number of positions

for base, improvement, and recommended totals.

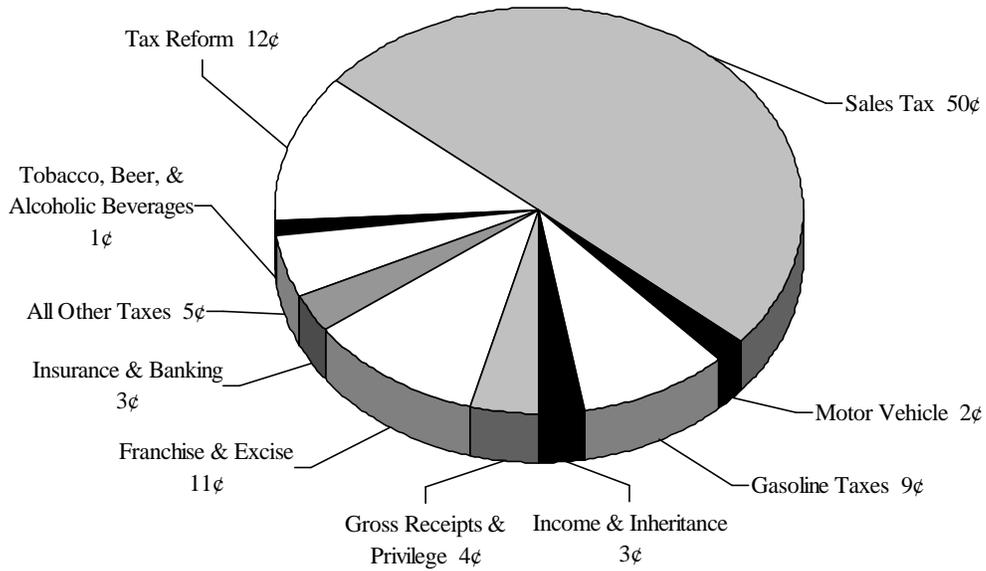
At the end of each functional area program statement is a table of performance measures and information, covering the three years for which funding is displayed.

The final section of the document provides a glossary of terms and an index to permit easy reference to specific departments or programs.

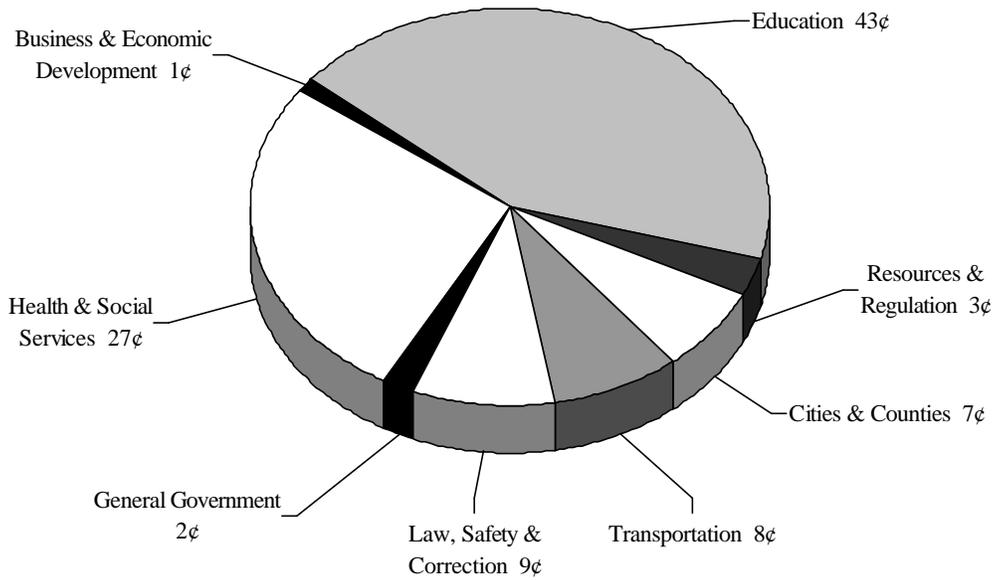
Summary Statements and Charts

Total State Budget

Where Your State Tax Dollar Comes From



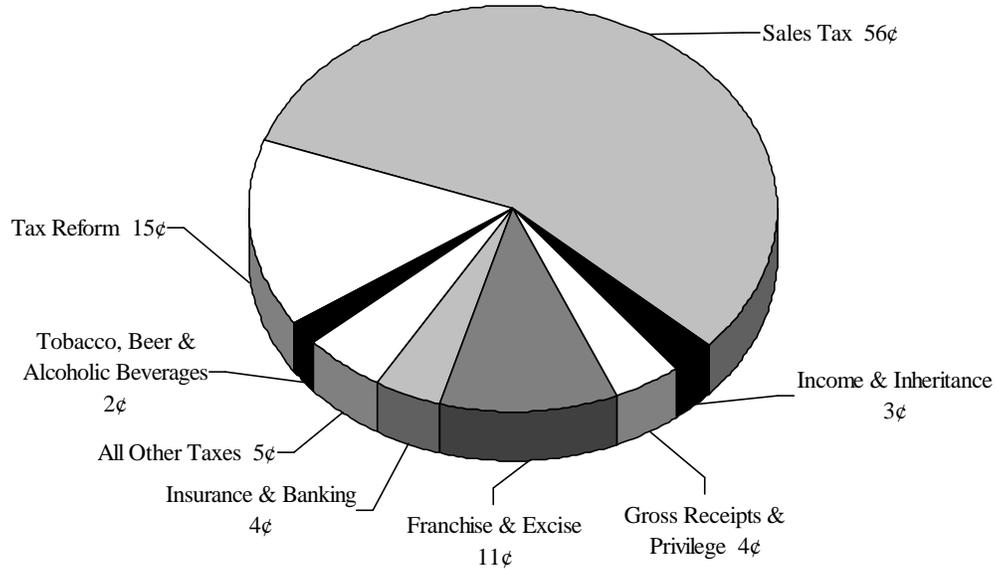
Where Your State Tax Dollar Goes



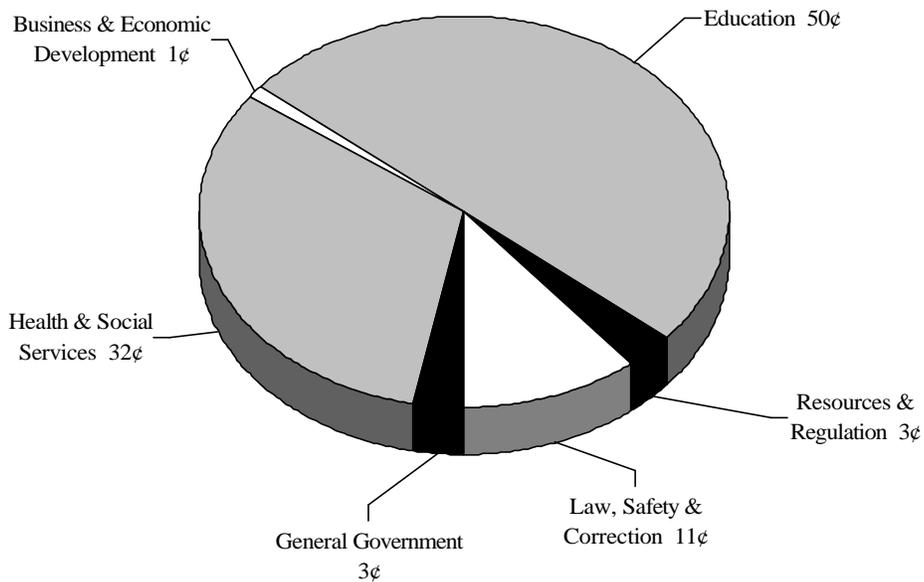
Fiscal Year 2002 - 2003

General Fund Budget

Where Your State Tax Dollar Comes From



Where Your State Tax Dollar Goes



Fiscal Year 2002 - 2003

**Total State Budget
Comparison of Programs and Revenue Sources
Fiscal Years 2000-2001, 2001-2002, and 2002-2003**

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Recommended 2002-2003</u>	<u>Act. vs. Est. Difference</u>	<u>Est. vs. Rec. Difference</u>
I. PROGRAMS					
ALL PROGRAMS	\$17,849,725,100	\$19,484,103,600	\$20,542,088,400	\$1,634,378,500	\$1,057,984,800
General Fund	15,510,908,900	16,903,302,900	17,663,864,400	1,392,394,000	760,561,500
Department of Transportation	1,261,887,600	1,446,612,000	1,555,050,000	184,724,400	108,438,000
Debt Service Requirements	253,321,000	244,698,000	247,102,000	(8,623,000)	2,404,000
Capital Outlay Program	55,679,000	66,716,700	293,456,000	11,037,700	226,739,300
Facilities Revolving Fund	92,512,000	157,074,000	99,816,000	64,562,000	(57,258,000)
Cities & Counties - State Shared Taxes	675,416,600	665,700,000	682,800,000	(9,716,600)	17,100,000
II. REVENUE SOURCES					
APPROPRIATION	\$8,733,365,700	\$9,262,376,900	\$9,861,765,900	\$529,011,200	\$599,389,000
General Fund	7,015,062,500	7,668,690,400	8,210,365,900	653,627,900	541,675,500
Department of Transportation	743,661,600 **	667,220,000	669,750,000	(76,441,600)	2,530,000
Debt Service Requirements	253,321,000	244,698,000	247,102,000	(8,623,000)	2,404,000
Capital Outlay Program	45,794,000 **	16,068,500	51,748,000	(29,725,500)	35,679,500
Facilities Revolving Fund	110,000	0	0	(110,000)	0
Cities & Counties - State Shared Taxes	675,416,600	665,700,000	682,800,000	(9,716,600)	17,100,000
BONDS	\$0	\$162,600,000	\$256,400,000	\$162,600,000	\$93,800,000
Department of Transportation	0	80,000,000	77,000,000	80,000,000	(3,000,000)
Capital Outlay Program	0	21,300,000	176,300,000	21,300,000	155,000,000
Facilities Revolving Fund	0	61,300,000	3,100,000	61,300,000	(58,200,000)
FEDERAL	\$6,309,445,700	\$7,056,580,900	\$7,470,160,800	\$747,135,200	\$413,579,900
General Fund	5,822,918,800	6,385,559,900	6,643,208,800	562,641,100	257,648,900
Department of Transportation	484,600,900	664,125,000	772,656,000	179,524,100	108,531,000
Capital Outlay Program	1,926,000	6,896,000	54,296,000	4,970,000	47,400,000
CURRENT SERVICES & OTHER	\$2,806,913,700	3,002,545,800	\$2,953,761,700	\$195,632,100	(\$48,784,100)
General Fund *	2,672,927,600	2,849,052,600	2,810,289,700	176,125,000	(38,762,900)
Department of Transportation	33,625,100	35,267,000	35,644,000	1,641,900	377,000
Capital Outlay Program	7,959,000	22,452,200	11,112,000	14,493,200	(11,340,200)
Facilities Revolving Fund	92,402,000 ***	95,774,000	96,716,000	3,372,000	942,000
TOTAL STATE BUDGET	\$17,849,725,100	\$19,484,103,600	\$20,542,088,400	\$1,634,378,500	\$1,057,984,800

* Includes Higher Education's Tuition and Student Fees.

** Includes Tax Revenues and Bonds.

*** Includes Departmental Operating Revenues and Bonds.

**Total State Budget
Comparison of Programs by Revenue Sources
Fiscal Years 2000-2001, 2001-2002, and 2002-2003**

	Actual 2000-2001	Estimated 2001-2002	Recommended 2002-2003	Act. vs. Est. Difference	Est. vs. Rec. Difference
I. GENERAL FUND	\$15,510,908,900	\$16,903,302,900	\$17,663,864,400	\$1,392,394,000	\$760,561,500
Appropriation	7,015,062,500	7,668,690,400	8,210,365,900	653,627,900	541,675,500
Federal	5,822,918,800	6,385,559,900	6,643,208,800	562,641,100	257,648,900
Current Services & Other Revenue*	2,672,927,600	2,849,052,600	2,810,289,700	176,125,000	(38,762,900)
II. DEPARTMENT OF TRANSPORTATION	\$1,261,887,600	\$1,446,612,000	\$1,555,050,000	\$184,724,400	\$108,438,000
Appropriation	743,661,600 **	667,220,000	669,750,000	(76,441,600)	2,530,000
Federal	484,600,900	664,125,000	772,656,000	179,524,100	108,531,000
Current Services & Other Revenue	33,625,100	35,267,000	35,644,000	1,641,900	377,000
Bonds	0	80,000,000	77,000,000	80,000,000	(3,000,000)
III. DEBT SERVICE REQUIREMENTS	\$253,321,000	\$244,698,000	\$247,102,000	(\$8,623,000)	\$2,404,000
Appropriation	253,321,000	244,698,000	247,102,000	(8,623,000)	2,404,000
IV. CAPITAL OUTLAY PROGRAM	\$55,679,000	\$66,716,700	\$293,456,000	\$11,037,700	\$226,739,300
Appropriation	45,794,000 **	16,068,500	51,748,000	(29,725,500)	35,679,500
Federal	1,926,000	6,896,000	54,296,000	4,970,000	47,400,000
Current Services & Other Revenue	7,959,000	22,452,200	11,112,000	14,493,200	(11,340,200)
Bonds	0	21,300,000	176,300,000	21,300,000	155,000,000
V. FACILITIES REVOLVING FUND	\$92,512,000	\$157,074,000	\$99,816,000	\$64,562,000	(\$57,258,000)
Appropriations	110,000	0	0	(110,000)	0
Current Services & Other Revenue	92,402,000 ***	95,774,000	96,716,000	3,372,000	942,000
Bonds	0	61,300,000	3,100,000	61,300,000	(58,200,000)
VI. CITIES & COUNTIES - STATE SHARED TAXES	\$675,416,600	\$665,700,000	\$682,800,000	(\$9,716,600)	\$17,100,000
Appropriation	675,416,600	665,700,000	682,800,000	(9,716,600)	17,100,000
VII. TOTAL STATE BUDGET	\$17,849,725,100	\$19,484,103,600	\$20,542,088,400	\$1,634,378,500	\$1,057,984,800
Appropriation	8,733,365,700	9,262,376,900	9,861,765,900	529,011,200	599,389,000
Federal	6,309,445,700	7,056,580,900	7,470,160,800	747,135,200	413,579,900
Current Services & Other Revenue*	2,806,913,700	3,002,545,800	2,953,761,700	195,632,100	(48,784,100)
Bonds	0	162,600,000	256,400,000	162,600,000	93,800,000

*Includes Higher Education's Tuition and Student Fees.

**Includes Tax Revenues and Bonds.

***Includes Departmental Operating Revenues and Bonds.

Tennessee Taxpayer Budget and Budget Document Appropriations

State Appropriations *

Fiscal Years 2000-2001, 2001-2002, and 2002-2003

		Actual Expenditures 2000-2001 *	Estimated 2001-2002	Recommended 2002-2003
General Fund and Education Fund				
301	Legislature	\$ 24,524,900	\$ 28,611,800	\$ 28,611,800
302	Court System	71,518,600	73,371,200	75,168,000
303	Attorney General and Reporter	12,286,100	14,513,300	14,532,100
304	District Attorneys General	40,338,500	42,466,800	44,467,900
305	Secretary of State	19,412,200	23,025,600	24,525,600
306	District Public Defenders	23,839,000	25,145,600	25,823,300
307	Comptroller of the Treasury	38,817,900	43,897,700	44,508,100
308	Post-Conviction Defender	927,300	809,300	827,700
309	Treasury Department	262,800	575,700	575,700
313	Claims and Compensation	-	-	-
315	Executive Department	3,613,200	3,971,900	4,221,900
316	Commissions	18,986,400	22,697,100	25,343,100
317	Finance and Administration (F&A)	6,935,600	11,823,300	14,323,300
318	F&A - TennCare	1,624,129,300	1,828,784,500	1,898,276,600
318.01	F&A - Office of Health Services	1,965,600	2,112,200	7,347,800
319	Personnel	3,555,500	4,463,900	4,534,900
321	General Services	5,564,700	6,948,200	6,448,200
323	Veterans Affairs	2,420,000	2,647,100	2,749,200
324	Board of Probation and Parole	50,918,200	55,095,200	57,685,800
325	Agriculture	33,367,200	38,890,300	38,890,300
326	Tourist Development	7,766,700	8,198,800	8,198,800
327	Environment and Conservation	58,945,700	62,592,700	66,725,200
328	Wildlife Resources Agency	-	-	-
329	Correction	405,841,100	474,070,300	477,737,700
330	Economic and Community Development	28,608,100	32,033,700	36,340,100
331	Education (K-12)	2,537,025,500	2,633,581,500	2,795,186,000
332	Higher Education	1,044,691,700	1,083,710,450	1,218,013,300
335	Commerce and Insurance	5,016,600	10,710,200	11,817,800
336	Financial Institutions	-	-	-
337	Labor and Workforce Development	17,345,300	23,436,000	23,386,000
339	Mental Health and Developmental Disabilities	76,601,400	92,978,600	99,064,100
339.21	F&A - Mental Retardation Division	56,674,000	67,182,600	70,469,000
341	Military	10,123,900	7,984,100	9,298,900
343	Health	81,068,700	85,502,900	88,396,700
345	Human Services	145,482,100	158,374,900	162,063,000
347	Revenue	40,417,700	42,734,000	45,392,500
348	Tennessee Bureau of Investigation	22,710,600	25,705,600	28,025,500
349	Safety	91,613,300	109,156,800	114,944,100
351	Miscellaneous Appropriations	21,533,400	61,535,600	176,438,800
353	Emergency and Contingency Fund	-	819,300	819,300
355	State Building Commission	359,000	250,000	250,000
359	Children's Services	213,681,500	247,439,200	251,804,800
Sub-total General Fund and Education Fund		\$ 6,848,889,300	\$ 7,457,847,950	\$ 8,003,232,900
	Transportation	743,661,600	667,220,000	669,750,000
	Debt Service Requirements	253,321,000	244,698,000	247,102,000
	Capital Outlay Program	45,794,000	16,068,500	51,748,000
	Facilities Revolving Fund	110,000	-	-
	Cities and Counties - State Shared Taxes	675,416,600	665,700,000	682,800,000
Total Tennessee Taxpayer Budget		\$ 8,567,192,500	\$ 9,051,534,450	\$ 9,654,632,900
	Dedicated Tax Sources - Appropriation	166,173,200	210,842,450	207,133,000
Grand Total State Appropriation - Budget Document		\$ 8,733,365,700	\$ 9,262,376,900	\$ 9,861,765,900

* FY 2000-2001 is actual expenditures from appropriations. "Taxpayer Budget" excludes appropriations from dedicated tax sources, federal revenues, and all other departmental revenues.

**Departmental Summary of Appropriations
from Dedicated Taxes and Fees ***
Fiscal Years 2000-2001, 2001-2002, and 2002-2003

	Actual Expenditures 2000-2001 *	Estimated 2001-2002	Recommended 2002-2003
301	\$ -	\$ -	\$ -
302	489,700	621,200	571,200
303	-	-	-
304	-	-	-
305	-	-	-
306	-	-	-
307	-	-	-
308	-	-	-
309	-	-	-
313	3,532,700	8,438,000	8,245,300
315	-	-	-
316	6,535,100	8,043,900	8,043,900
317	-	-	-
318	-	-	-
318.01	-	-	-
319	-	-	-
321	-	-	-
323	-	-	-
324	-	-	-
325	12,368,900	20,079,000	20,079,000
326	-	-	-
327	57,488,800	73,152,000	69,652,000
328	39,989,700	39,639,200	40,692,200
329	56,900	75,000	75,000
330	13,343,800	18,302,300	17,302,300
331	-	-	-
332	-	-	-
335	19,780,200	26,743,700	26,893,200
336	4,018,600	5,308,800	5,308,800
337	154,800	363,300	244,000
339	-	-	-
339.21	-	-	-
341	-	-	-
343	7,282,700	8,924,000	8,907,900
345	-	-	-
347	-	-	-
348	-	-	-
349	1,131,300	1,152,050	1,118,200
351	-	-	-
353	-	-	-
355	-	-	-
359	-	-	-

Total Appropriations from Dedicated State Sources	<u>\$ 166,173,200</u>	<u>\$ 210,842,450</u>	<u>\$ 207,133,000</u>
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* FY 2000-2001 is actual expenditures from appropriations

**Departmental Summary of Continuation and Improvement
Recommendations from State Tax Revenue, for Fiscal Year 2002-2003**

Department	2001-2002 Appropriations*		Recommended Appropriations for Fiscal Year 2002-2003				
	Recurring	Non-Recurring	Base	% Change	Total Improvements	Total Recommended	% Change
	Legislature	\$28,611,800	\$0	\$28,611,800	0.0%	\$0	\$28,611,800
Court System	73,874,400	118,000	73,874,400	0.0%	1,864,800	75,739,200	2.4%
Attorney General and Reporter	14,513,300	0	14,528,200	0.1%	3,900	14,532,100	0.1%
District Attorneys General	42,123,400	343,400	42,123,400	0.0%	2,344,500	44,467,900	4.7%
Secretary of State	21,493,600	1,532,000	21,493,600	0.0%	3,032,000	24,525,600	6.5%
District Public Defenders	24,998,700	146,900	24,998,700	0.0%	824,600	25,823,300	2.7%
Comptroller of the Treasury	42,097,700	1,800,000	42,097,700	0.0%	2,410,400	44,508,100	1.4%
Post-Conviction Defender	809,300	0	809,300	0.0%	18,400	827,700	2.3%
Treasury Department	515,500	60,200	515,500	0.0%	60,200	575,700	0.0%
Claims and Compensation	8,438,000	0	8,245,300	-2.3%	0	8,245,300	-2.3%
Executive Department	3,971,900	0	3,971,900	0.0%	250,000	4,221,900	6.3%
Commissions	29,736,400	1,004,600	29,831,000	0.3%	3,556,000	33,387,000	8.6%
Finance and Administration (F&A)	11,823,300	0	11,823,300	0.0%	2,500,000	14,323,300	21.1%
F&A - TennCare	1,781,460,300	47,324,200	1,783,797,200	0.1%	114,479,400	1,898,276,600	3.8%
F&A - Office of Health Services	2,112,200	0	2,347,800	11.2%	5,000,000	7,347,800	247.9%
Personnel	4,463,900	0	4,452,500	-0.3%	82,400	4,534,900	1.6%
General Services	6,448,200	500,000	6,248,200	-3.1%	200,000	6,448,200	-7.2%
Veterans Affairs	2,647,100	0	2,647,100	0.0%	102,100	2,749,200	3.9%
Board of Probation & Parole	54,145,200	950,000	54,175,200	0.1%	3,510,600	57,685,800	4.7%
Agriculture	56,183,800	2,785,500	56,183,800	0.0%	2,785,500	58,969,300	0.0%
Tourist Development	7,883,800	315,000	7,883,800	0.0%	315,000	8,198,800	0.0%
Environment and Conservation	129,744,700	6,000,000	129,744,700	0.0%	6,632,500	136,377,200	0.5%
Wildlife Resources Agency	39,261,400	377,800	39,141,600	-0.3%	1,550,600	40,692,200	2.7%
Correction	473,989,100	156,200	473,947,000	0.0%	3,865,700	477,812,700	0.8%
Economic & Community Development	39,286,000	11,050,000	38,161,400	-2.9%	15,481,000	53,642,400	6.6%
Education (K-12)	2,618,455,300	15,126,200	2,616,085,200	-0.1%	179,100,800	2,795,186,000	6.1%
Higher Education	1,081,513,250	2,197,200	1,081,513,300	0.0%	136,500,000	1,218,013,300	12.4%
Commerce and Insurance	35,116,900	2,337,000	35,016,900	-0.3%	3,694,100	38,711,000	3.4%
Financial Institutions	5,308,800	0	5,308,800	0.0%	0	5,308,800	0.0%
Labor and Workforce Development	23,799,300	0	23,630,000	-0.7%	0	23,630,000	-0.7%
Mental Health & Developmental Disabilities	92,678,600	300,000	92,678,600	0.0%	6,385,500	99,064,100	6.5%
F&A - Mental Retardation Division	66,302,600	880,000	66,302,600	0.0%	4,166,400	70,469,000	4.9%
Military	7,984,100	0	7,930,400	-0.7%	1,368,500	9,298,900	16.5%
Health	94,146,100	280,800	93,392,800	-0.8%	3,911,800	97,304,600	3.0%
Human Services	157,767,300	607,600	155,918,900	-1.2%	6,144,100	162,063,000	2.3%
Revenue	42,714,000	20,000	42,666,500	-0.1%	2,726,000	45,392,500	6.2%
Tennessee Bureau of Investigation	25,666,600	39,000	25,666,600	0.0%	2,358,900	28,025,500	9.0%
Safety	103,529,650	6,779,200	103,458,700	-0.1%	12,603,600	116,062,300	5.2%
Miscellaneous Appropriations	26,460,400	35,075,200	24,652,100	-6.8%	151,786,700	176,438,800	186.7%
Emergency and Contingency Fund	819,300	0	819,300	0.0%	0	819,300	0.0%
State Building Commission	250,000	0	250,000	0.0%	0	250,000	0.0%
Children's Services	245,883,100	1,556,100	241,494,300	-1.8%	10,310,500	251,804,800	1.8%
Total General Fund	\$7,529,028,300	\$139,662,100	\$7,518,439,400	-0.1%	\$691,926,500	\$8,210,365,900	7.1%

* Includes Recommended Supplemental appropriations in the Amount of \$37,417,100. For a detailed listing of supplementals, please see the table on page A-26.

**Departmental Summary of Improvements
Fiscal Year 2002-2003**

Code	Department	Total	Funding		
			Appropriation	Federal	Other
301	Legislature	\$0	\$0	\$0	\$0
302	Court System	1,864,800	1,864,800	0	0
303	Attorney General and Reporter	3,900	3,900	0	0
304	District Attorneys General	2,411,300	2,344,500	0	66,800
305	Secretary of State	3,032,000	3,032,000	0	0
306	District Public Defenders	824,600	824,600	0	0
307	Comptroller of the Treasury	2,410,400	2,410,400	0	0
308	Post-Conviction Defender	18,400	18,400	0	0
309	Treasury Department	689,000	60,200	0	628,800
315	Executive Department	250,000	250,000	0	0
316	Commissions	4,785,700	3,556,000	279,700	950,000
317	Finance and Administration (F&A)	2,500,000	2,500,000	0	0
318	F&A - TennCare	385,995,700	114,479,400	228,126,300	43,390,000
318.01	F&A - Office of Health Services	5,000,000	5,000,000	0	0
319	Personnel	112,400	82,400	0	30,000
321	General Services	200,000	200,000	0	0
323	Veterans Affairs	102,100	102,100	0	0
324	Board of Probation and Parole	3,510,600	3,510,600	0	0
325	Agriculture	2,785,500	2,785,500	0	0
326	Tourist Development	315,000	315,000	0	0
327	Environment and Conservation	6,744,300	6,632,500	111,800	0
328	Wildlife Resources Agency	1,601,200	1,550,600	0	50,600
329	Correction	3,865,700	3,865,700	0	0
330	Economic & Community Development	15,481,000	15,481,000	0	0
331	Education (K-12)	245,643,800	179,100,800	66,543,000	0
332	Higher Education	136,500,000	136,500,000	0	0
335	Commerce and Insurance	5,020,300	3,694,100	0	1,326,200
336	Financial Institutions	0	0	0	0
337	Labor and Workforce Development	0	0	0	0
339	Mental Health & Developmental Disabilities	6,617,400	6,385,500	0	231,900
339.21	F&A - Mental Retardation Divison	25,023,100	4,166,400	0	20,856,700
341	Military	2,088,100	1,368,500	719,600	0
343	Health	6,710,600	3,911,800	543,200	2,255,600
345	Human Services	20,097,200	6,144,100	13,863,900	89,200
347	Revenue	2,726,000	2,726,000	0	0
348	Tennessee Bureau of Investigation	2,358,900	2,358,900	0	0
349	Safety	12,603,600	12,603,600	0	0
351	Miscellaneous Appropriations	151,786,700	151,786,700	0	0
359	Children's Services	18,188,100	10,310,500	3,484,800	4,392,800
	Sub-total General Fund	\$1,079,867,400	\$691,926,500	\$313,672,300	\$74,268,600
400	Transportation	0	0	0	0
	Total All Funds	\$1,079,867,400	\$691,926,500	\$313,672,300	\$74,268,600

**General Fund and Education Fund
Comparison of Appropriation Requirements and State Revenues
Fiscal Year 2001-2002**

I. APPROPRIATION REQUIREMENTS

General Fund Programs:	
2001 Appropriations Act - Work Program	\$7,631,273,300
2002 Supplemental Appropriations	<u>37,417,100</u>

Total General Fund Requirements **\$7,668,690,400**

Less: Overappropriation (100,750,000)

Net General Fund Requirements **\$7,567,940,400**

Transportation Equity Fund	20,000,000
Capital Outlay Program	16,068,500
TennCare Reserve	57,598,500
Sports Authority Reserve	3,993,000
Personal License Plates Reserves	<u>2,195,700</u>

Total Appropriation Requirements **\$7,667,796,100**

II. GENERAL FUND REVENUES AND RESERVES

State Tax Revenue - Department of Revenue - Revised	\$6,022,300,000
State Tax Revenue - Other State Revenue - Revised	673,900,000
Miscellaneous Revenue - Revised	72,500,000
Tobacco Funds	188,863,700
IGT Revenue	119,298,600
Highway Fund Transfer - Gas Inspection Act	1,000,000
Reserve for Appropriations 2001-2002	<u>243,776,300</u>

Sub-Total General Fund Revenues and Reserves **\$7,321,638,600**

Revenue Shortfall at June 30, 2002 (\$346,157,500)

Additional Revenues and Reserves

Reserve for Future Requirements at June 30, 2001	\$31,200,000
Debt Service Fund Transfer at June 30, 2002	40,000,000
Other Revenue and Reserves at June 30, 2002	<u>274,957,500</u>
Sub-Total	\$346,157,500

Revenue Fluctuation Reserve at June 30, 2001	178,000,000
Reserve for Federal Contingent Liability	100,000,000
Undesignated Fund Balance at June 30, 2001	<u>125,000</u>

Total General Fund Revenues and Reserves **\$7,945,921,100**

III. AVAILABLE FUNDS AT JUNE 30, 2002

Revenue Fluctuation Reserve	\$178,000,000
Reserve for Federal Contingent Liability	100,000,000
Undesignated Fund Balance	<u>125,000</u>

Total Available Funds **\$278,125,000**

**General Fund and Education Fund
Comparison of Appropriation Requirements and State Revenues
Fiscal Year 2002-2003**

I. APPROPRIATION REQUIREMENTS

General Fund Programs:	
Base Budget Recommendations	\$7,518,439,400
Improvement Budget Recommendations	
K-12 Reading Initiative	70,000,000
K-12 BEP	45,553,000
K-12 Other Improvements	22,847,800
Higher Education - Excellence Initiatives	88,900,000
TennCare	114,479,400
Salary Increases	156,653,500
Other Improvements	193,492,800
	<hr/>
Total General Fund Requirements	\$8,210,365,900
Less: Overappropriation	(80,000,000)
1985 Sentencing Act - Adjustment	(7,500,000)
	<hr/>
Net General Fund Requirements	\$8,122,865,900
Transportation Equity Fund	21,000,000
Capital Outlay Program	51,748,000
TennCare Reserve	18,000,000
Sports Authority Reserve	3,988,000
Personal License Plates Fund Reserves	2,195,700
Tobacco MSA - Agricultural and Health Reserve Accounts	25,000,000
	<hr/>
Total Appropriation Requirements	\$8,244,797,600

II. GENERAL FUND REVENUES AND RESERVES

State Tax Revenue - Department of Revenue	\$6,206,300,000
State Tax Revenue - Other State Revenue	669,700,000
Miscellaneous Revenue	74,300,000
IGT Revenue	60,000,000
Tobacco Funds in 2002-2003	170,000,000
Highway Fund Transfer - Gas Inspection Act	1,000,000
Revenue Fluctuation Reserve at June 30, 2002	178,000,000
Reserve for Federal Contingent Liability	100,000,000
Undesignated Fund Balance at June 30, 2002	125,000
	<hr/>
Sub-Total	7,459,425,000
Additional Revenue Required	1,167,000,000
	<hr/>
Total General Fund Revenues and Reserves	\$8,626,425,000

III. AVAILABLE FUNDS AT JUNE 30, 2003

Revenue Fluctuation Reserve	\$280,900,000
Reserve for Federal Contingent Liability	100,000,000
Undesignated Fund Balance	727,400
	<hr/>
Total Available Funds	\$381,627,400

Department of Transportation
Comparison of Appropriations and Funding Requirements
Fiscal Years 2001-2002 and 2002-2003

	<u>2001-2002</u>	<u>2002-2003</u>	<u>Difference</u>
I. APPROPRIATION REQUIREMENTS			
ADMINISTRATION:			
D.O.T. Headquarters	\$12,001,000	\$13,255,000	\$1,254,000
Bureau of Engineering	29,322,000	29,592,000	270,000
Bureau of Administration	35,299,000	32,421,000	(2,878,000)
Field Engineering	25,409,000	25,640,000	231,000
Insurance Premiums	8,490,000	8,490,000	0
Total	<u>\$110,521,000</u>	<u>\$109,398,000</u>	<u>(\$1,123,000)</u>
EQUIPMENT PURCHASES & OPERATIONS:	<u>\$21,201,000</u>	<u>\$21,201,000</u>	<u>\$0</u>
HIGHWAY MAINTENANCE:	<u>\$274,446,000</u>	<u>\$276,603,000</u>	<u>\$2,157,000</u>
STATE CONSTRUCTION:			
Highway Betterments	\$7,865,000	\$7,865,000	\$0
State Aid	30,682,000	30,682,000	0
State Industrial Access	10,815,000	10,815,000	0
Local Interstate Connectors	1,475,000	1,475,000	0
Capital Improvements	11,700,000	6,660,000	(5,040,000)
Total	<u>\$62,537,000</u>	<u>\$57,497,000</u>	<u>(\$5,040,000)</u>
FEDERAL CONSTRUCTION:			
Mass Transit	\$28,789,000	\$27,489,000	(\$1,300,000)
Highway Planning & Research	9,400,000	7,700,000	(1,700,000)
Interstate Construction	17,325,000	17,025,000	(300,000)
Forest Highways	200,000	200,000	0
State Highway Construction	194,401,000	199,837,000	5,436,000
Bridge Replacement	5,400,000	5,800,000	400,000
Air, Water, & Rail	23,000,000	24,000,000	1,000,000
Total	<u>\$278,515,000</u>	<u>\$282,051,000</u>	<u>\$3,536,000</u>
TOTAL APPROPRIATION REQUIREMENTS	<u>\$747,220,000</u>	<u>\$746,750,000</u>	<u>(\$470,000)</u>
II. FUNDING REQUIREMENTS:			
Highway User Taxes	\$618,100,000	\$617,600,000	(\$500,000)
Miscellaneous Revenue	17,120,000	19,150,000	2,030,000
Bonds	80,000,000	77,000,000	(3,000,000)
Highway Fund Balance/Reserves	12,000,000	12,000,000	0
Transportation Equity Fund	20,000,000	21,000,000	1,000,000
TOTAL FUNDING REQUIREMENTS	<u>\$747,220,000</u>	<u>\$746,750,000</u>	<u>(\$470,000)</u>

Department of Transportation
Comparison of Appropriations by Funding Sources
Fiscal Years 2001-2002 and 2002-2003

	<u>2001-2002</u>	<u>2002-2003</u>	<u>Difference</u>
I. STATE FUNDS:			
Administration	\$110,521,000	\$109,398,000	(\$1,123,000)
Equipment Purchases	21,201,000	21,201,000	0
Highway Maintenance	274,446,000	276,603,000	2,157,000
State Construction	62,537,000	57,497,000	(5,040,000)
Federal Aid Construction	198,515,000	205,051,000	6,536,000
Total	\$667,220,000	\$669,750,000	\$2,530,000
II. BOND AUTHORIZATIONS:			
State Construction	\$0	\$0	\$0
Federal Aid Construction	80,000,000	77,000,000	(3,000,000)
Total	\$80,000,000	\$77,000,000	(\$3,000,000)
III. FEDERAL AID:			
Federal Aid Construction	\$664,125,000	\$772,656,000	\$108,531,000
IV. LOCAL GOVERNMENTS:			
Highway Maintenance	\$1,100,000	\$1,100,000	\$0
State Construction	12,918,000	12,918,000	0
Federal Aid Construction	21,249,000	21,626,000	377,000
Total	\$35,267,000	\$35,644,000	\$377,000
V. GRAND TOTAL:			
Administration	\$110,521,000	\$109,398,000	(\$1,123,000)
Equipment Purchases	21,201,000	21,201,000	0
Highway Maintenance	275,546,000	277,703,000	2,157,000
State Construction	75,455,000	70,415,000	(5,040,000)
Federal Aid Construction	963,889,000	1,076,333,000	112,444,000
Total	\$1,446,612,000	\$1,555,050,000	\$108,438,000

Comparison of Programs Fiscal Years 2000-2001, 2001-2002, and 2002-2003

Allot. Code	Department	Actual 2000-2001	Estimated 2001-2002	Recommended 2002-2003	Act. vs Est. Difference	Est. vs Rec. Difference
301	Legislature	\$25,031,200	\$28,792,300	\$28,749,300	\$3,761,100	(\$43,000)
	Appropriation	24,524,900	28,611,800	28,611,800	4,086,900	0
	Current Services and Other Revenue	506,300	180,500	137,500	(325,800)	(43,000)
302	Court System	\$77,876,300	\$79,887,700	\$79,113,100	\$2,011,400	(\$774,600)
	Appropriation	72,008,300	73,992,400	75,739,200	1,984,100	1,746,800
	Federal	139,700	200,000	200,000	60,300	0
	Current Services and Other Revenue	5,728,300	5,695,300	3,173,900	(33,000)	(2,521,400)
303	Attorney General and Reporter	\$20,712,300	\$24,932,300	\$24,944,500	\$4,220,000	\$12,200
	Appropriation	12,286,100	14,513,300	14,532,100	2,227,200	18,800
	Current Services and Other Revenue	8,426,200	10,419,000	10,412,400	1,992,800	(6,600)
304	District Attorneys General	\$54,759,600	\$58,276,700	\$56,666,000	\$3,517,100	(\$1,610,700)
	Appropriation	40,338,500	42,466,800	44,467,900	2,128,300	2,001,100
	Federal	100	0	0	(100)	0
	Current Services and Other Revenue	14,421,000	15,809,900	12,198,100	1,388,900	(3,611,800)
305	Secretary of State	\$27,612,800	\$31,532,100	\$32,706,700	\$3,919,300	\$1,174,600
	Appropriation	19,412,200	23,025,600	24,525,600	3,613,400	1,500,000
	Federal	2,967,400	2,946,700	2,946,700	(20,700)	0
	Current Services and Other Revenue	5,233,200	5,559,800	5,234,400	326,600	(325,400)
306	District Public Defenders	\$24,466,700	\$25,867,200	\$26,058,300	\$1,400,500	\$191,100
	Appropriation	23,839,000	25,145,600	25,823,300	1,306,600	677,700
	Federal	2,200	0	0	(2,200)	0
	Current Services and Other Revenue	625,500	721,600	235,000	96,100	(486,600)
307	Comptroller of the Treasury	\$47,838,900	\$52,506,300	\$53,116,700	\$4,667,400	\$610,400
	Appropriation	38,817,900	43,897,700	44,508,100	5,079,800	610,400
	Current Services and Other Revenue	9,021,000	8,608,600	8,608,600	(412,400)	0
308	Post-Conviction Defender	\$975,800	\$1,013,400	\$1,031,800	\$37,600	\$18,400
	Appropriation	927,300	809,300	827,700	(118,000)	18,400
	Federal	48,500	204,100	204,100	155,600	0
309	Treasury Department	\$13,090,100	\$16,801,900	\$15,803,400	\$3,711,800	(\$998,500)
	Appropriation	262,800	575,700	575,700	312,900	0
	Current Services and Other Revenue	12,827,300	16,226,200	15,227,700	3,398,900	(998,500)
313	Claims and Compensation	\$57,641,600	\$52,119,500	\$59,588,500	(\$5,522,100)	\$7,469,000
	Appropriation	3,532,700	8,438,000	8,245,300	4,905,300	(192,700)
	Federal	1,529,000	2,022,000	3,396,000	493,000	1,374,000
	Current Services and Other Revenue	52,579,900	41,659,500	47,947,200	(10,920,400)	6,287,700
315	Executive Department	\$3,613,200	\$3,971,900	\$4,221,900	\$358,700	\$250,000
	Appropriation	3,613,200	3,971,900	4,221,900	358,700	250,000
316	Commissions	\$162,767,000	\$355,752,000	\$358,294,200	\$192,985,000	\$2,542,200
	Appropriation	25,521,500	30,741,000	33,387,000	5,219,500	2,646,000
	Federal	95,764,400	278,516,000	278,829,700	182,751,600	313,700
	Current Services and Other Revenue	41,481,100	46,495,000	46,077,500	5,013,900	(417,500)
317	Finance and Administration (F&A)	\$194,382,900	\$223,661,900	\$224,575,000	\$29,279,000	\$913,100
	Appropriation	6,935,600	11,823,300	14,323,300	4,887,700	2,500,000
	Federal	27,891,300	32,762,700	32,191,800	4,871,400	(570,900)
	Current Services and Other Revenue	159,556,000	179,075,900	178,059,900	19,519,900	(1,016,000)
318	F&A - TennCare	\$5,430,806,600	\$5,715,311,500	\$5,920,642,300	\$284,504,900	\$205,330,800
	Appropriation	1,624,129,300	1,828,784,500	1,898,276,600	204,655,200	69,492,100
	Federal	3,529,575,000	3,650,813,700	3,833,235,700	121,238,700	182,422,000
	Current Services and Other Revenue	277,102,300	235,713,300	189,130,000	(41,389,000)	(46,583,300)

Comparison of Programs Fiscal Years 2000-2001, 2001-2002, and 2002-2003

Allot. Code	Department	Actual 2000-2001	Estimated 2001-2002	Recommended 2002-2003	Act. vs Est. Difference	Est. vs Rec. Difference
318.01	F&A - Office of Health Services	\$2,991,300	\$3,660,800	\$8,660,800	\$669,500	\$5,000,000
	Appropriation	1,965,600	2,112,200	7,347,800	146,600	5,235,600
	Federal	1,025,700	1,214,800	1,214,800	189,100	0
	Current Services and Other Revenue	0	333,800	98,200	333,800	(235,600)
319	Personnel	\$7,324,200	\$8,898,700	\$8,999,700	\$1,574,500	\$101,000
	Appropriation	3,555,500	4,463,900	4,534,900	908,400	71,000
	Current Services and Other Revenue	3,768,700	4,434,800	4,464,800	666,100	30,000
321	General Services	\$75,571,400	\$89,406,000	\$88,681,700	\$13,834,600	(\$724,300)
	Appropriation	5,564,700	6,948,200	6,448,200	1,383,500	(500,000)
	Current Services and Other Revenue	70,006,700	82,457,800	82,233,500	12,451,100	(224,300)
323	Veterans Affairs	\$2,704,100	\$2,905,000	\$3,007,100	\$200,900	\$102,100
	Appropriation	2,420,000	2,647,100	2,749,200	227,100	102,100
	Federal	179,200	175,200	175,200	(4,000)	0
	Current Services and Other Revenue	104,900	82,700	82,700	(22,200)	0
324	Board of Probation and Parole	\$51,990,900	\$55,553,500	\$58,025,800	\$3,562,600	\$2,472,300
	Appropriation	50,918,200	55,095,200	57,685,800	4,177,000	2,590,600
	Current Services and Other Revenue	1,072,700	458,300	340,000	(614,400)	(118,300)
325	Agriculture	\$61,876,800	\$79,079,200	\$77,779,100	\$17,202,400	(\$1,300,100)
	Appropriation	45,736,100	58,969,300	58,969,300	13,233,200	0
	Federal	9,386,500	14,132,500	12,976,900	4,746,000	(1,155,600)
	Current Services and Other Revenue	6,754,200	5,977,400	5,832,900	(776,800)	(144,500)
326	Tourist Development	\$11,929,900	\$12,627,300	\$12,577,300	\$697,400	(\$50,000)
	Appropriation	7,766,700	8,198,800	8,198,800	432,100	0
	Current Services and Other Revenue	4,163,200	4,428,500	4,378,500	265,300	(50,000)
327	Environment and Conservation	\$219,272,500	\$285,142,900	\$285,414,700	\$65,870,400	\$271,800
	Appropriation	116,434,500	135,744,700	136,377,200	19,310,200	632,500
	Federal	31,425,900	72,445,300	72,107,200	41,019,400	(338,100)
	Current Services and Other Revenue	71,412,100	76,952,900	76,930,300	5,540,800	(22,600)
328	Wildlife Resources Agency	\$62,853,600	\$69,022,500	\$59,542,200	\$6,168,900	(\$9,480,300)
	Appropriation	39,989,700	39,639,200	40,692,200	(350,500)	1,053,000
	Federal	15,155,200	13,843,900	12,750,100	(1,311,300)	(1,093,800)
	Current Services and Other Revenue	7,708,700	15,539,400	6,099,900	7,830,700	(9,439,500)
329	Correction	\$421,805,900	\$504,307,300	\$507,952,200	\$82,501,400	\$3,644,900
	Appropriation	405,898,000	474,145,300	477,812,700	68,247,300	3,667,400
	Federal	334,500	15,510,000	15,360,000	15,175,500	(150,000)
	Current Services and Other Revenue	15,573,400	14,652,000	14,779,500	(921,400)	127,500
330	Economic and Community Development	\$84,156,100	\$94,123,000	\$98,429,400	\$9,966,900	\$4,306,400
	Appropriation	41,951,900	50,336,000	53,642,400	8,384,100	3,306,400
	Federal	35,963,100	39,482,200	39,454,200	3,519,100	(28,000)
	Current Services and Other Revenue	6,241,100	4,304,800	5,332,800	(1,936,300)	1,028,000
331	Education (K-12)	\$3,054,504,600	\$3,185,602,700	\$3,423,362,700	\$131,098,100	\$237,760,000
	Appropriation	2,537,025,500	2,633,581,500	2,795,186,000	96,556,000	161,604,500
	Federal	497,635,300	532,693,400	610,313,600	35,058,100	77,620,200
	Current Services and Other Revenue	19,843,800	19,327,800	17,863,100	(516,000)	(1,464,700)
332	Higher Education	\$2,081,210,500	\$2,206,454,050	\$2,340,730,200	\$125,243,550	\$134,276,150
	Appropriation	1,044,691,700	1,083,710,450	1,218,013,300	39,018,750	134,302,850
	Federal	117,271,400	138,323,900	138,323,900	21,052,500	0
	Current Services and Other Revenue	383,361,000	375,130,500	375,103,800	(8,230,500)	(26,700)
	Tuition and Student Fees	535,886,400	609,289,200	609,289,200	73,402,800	0

Comparison of Programs Fiscal Years 2000-2001, 2001-2002, and 2002-2003

Allot. Code	Department	Actual 2000-2001	Estimated 2001-2002	Recommended 2002-2003	Act. vs Est. Difference	Est. vs Rec. Difference
335	Commerce and Insurance	\$50,467,700	\$63,750,200	\$66,316,300	\$13,282,500	\$2,566,100
	Appropriation	24,796,800	37,453,900	38,711,000	12,657,100	1,257,100
	Federal	276,400	210,000	210,000	(66,400)	0
	Current Services and Other Revenue	25,394,500	26,086,300	27,395,300	691,800	1,309,000
336	Financial Institutions	\$7,753,500	\$8,755,300	\$8,755,300	\$1,001,800	\$0
	Appropriation	4,018,600	5,308,800	5,308,800	1,290,200	0
	Current Services and Other Revenue	3,734,900	3,446,500	3,446,500	(288,400)	0
337	Labor and Workforce Development	\$163,286,200	\$194,377,600	\$194,208,300	\$31,091,400	(\$169,300)
	Appropriation	17,500,100	23,799,300	23,630,000	6,299,200	(169,300)
	Federal	106,562,800	126,502,300	125,618,400	19,939,500	(883,900)
	Current Services and Other Revenue	39,223,300	44,076,000	44,959,900	4,852,700	883,900
339	Mental Health and Developmental Disabilities	\$178,518,800	\$193,439,300	\$195,615,300	\$14,920,500	\$2,176,000
	Appropriation	76,601,400	92,978,600	99,064,100	16,377,200	6,085,500
	Federal	17,169,100	14,635,900	14,159,900	(2,533,200)	(476,000)
	Current Services and Other Revenue	84,748,300	85,824,800	82,391,300	1,076,500	(3,433,500)
339.21	F&A - Mental Retardation Division	\$454,253,500	\$542,764,000	\$566,800,100	\$88,510,500	\$24,036,100
	Appropriation	56,674,000	67,182,600	70,469,000	10,508,600	3,286,400
	Federal	1,426,500	2,092,100	2,092,100	665,600	0
	Current Services and Other Revenue	396,153,000	473,489,300	494,239,000	77,336,300	20,749,700
341	Military	\$50,097,700	\$41,503,600	\$43,450,800	(\$8,594,100)	\$1,947,200
	Appropriation	10,123,900	7,984,100	9,298,900	(2,139,800)	1,314,800
	Federal	38,614,500	32,120,500	32,765,100	(6,494,000)	644,600
	Current Services and Other Revenue	1,359,300	1,399,000	1,386,800	39,700	(12,200)
343	Health	\$353,468,300	\$388,108,800	\$392,985,300	\$34,640,500	\$4,876,500
	Appropriation	88,351,400	94,426,900	97,304,600	6,075,500	2,877,700
	Federal	164,367,500	185,322,300	188,365,500	20,954,800	3,043,200
	Current Services and Other Revenue	100,749,400	108,359,600	107,315,200	7,610,200	(1,044,400)
345	Human Services	\$1,268,117,100	\$1,363,340,800	\$1,362,640,700	\$95,223,700	(\$700,100)
	Appropriation	145,482,100	158,374,900	162,063,000	12,892,800	3,688,100
	Federal	1,038,407,600	1,127,159,300	1,126,708,700	88,751,700	(450,600)
	Current Services and Other Revenue	84,227,400	77,806,600	73,869,000	(6,420,800)	(3,937,600)
	Temporary Cash Assistance *	\$122,318,900	\$116,046,900	\$125,677,800	(\$6,272,000)	\$9,630,900
	Federal	116,328,900	109,971,400	119,602,300	(6,357,500)	9,630,900
	Current Services and Other Revenue	5,990,000	6,075,500	6,075,500	85,500	0
	Food Stamp Coupons *	\$440,154,700	\$450,000,000	\$450,000,000	\$9,845,300	\$0
	Federal	440,154,700	450,000,000	450,000,000	9,845,300	0
	Other Human Services Programs *	\$705,643,500	\$797,293,900	\$786,962,900	\$91,650,400	(\$10,331,000)
	Appropriation	145,482,100	158,374,900	162,063,000	12,892,800	3,688,100
	Federal	481,924,000	567,187,900	557,106,400	85,263,900	(10,081,500)
	Current Services and Other Revenue	78,237,400	71,731,100	67,793,500	(6,506,300)	(3,937,600)
347	Revenue	\$58,534,600	\$61,665,700	\$63,276,900	\$3,131,100	\$1,611,200
	Appropriation	40,417,700	42,734,000	45,392,500	2,316,300	2,658,500
	Federal	5,500	10,900	0	5,400	(10,900)
	Current Services and Other Revenue	18,111,400	18,920,800	17,884,400	809,400	(1,036,400)
348	Tennessee Bureau of Investigation	\$37,289,400	\$41,498,400	\$42,635,300	\$4,209,000	\$1,136,900
	Appropriation	22,710,600	25,705,600	28,025,500	2,995,000	2,319,900
	Federal	5,399,500	6,681,500	6,591,700	1,282,000	(89,800)
	Current Services and Other Revenue	9,179,300	9,111,300	8,018,100	(68,000)	(1,093,200)

Comparison of Programs Fiscal Years 2000-2001, 2001-2002, and 2002-2003

Allot. Code	Department	Actual 2000-2001	Estimated 2001-2002	Recommended 2002-2003	Act. vs Est. Difference	Est. vs Rec. Difference
349	Safety	\$131,770,700	\$155,012,950	\$157,756,300	\$23,242,250	\$2,743,350
	Appropriation	92,744,600	110,308,850	116,062,300	17,564,250	5,753,450
	Federal	2,397,600	5,035,300	5,038,300	2,637,700	3,000
	Current Services and Other Revenue	36,628,500	39,668,800	36,655,700	3,040,300	(3,013,100)
351	Miscellaneous Appropriations	\$21,533,400	\$61,535,600	\$176,438,800	\$40,002,200	\$114,903,200
	Appropriation	21,533,400	61,535,600	176,438,800	40,002,200	114,903,200
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	\$632,600	\$250,000	\$250,000	(\$382,600)	\$0
	Appropriation	359,000	250,000	250,000	(109,000)	0
	Current Services and Other Revenue	273,600	0	0	(273,600)	0
359	Children's Services	\$455,418,600	\$519,271,700	\$533,241,100	\$63,853,100	\$13,969,400
	Appropriation	213,681,500	247,439,200	251,804,800	33,757,700	4,365,600
	Federal	81,997,400	90,503,400	87,979,200	8,506,000	(2,524,200)
	Current Services and Other Revenue	159,739,700	181,329,100	193,457,100	21,589,400	12,128,000
	Grand Total - General Fund	\$15,510,908,900	\$16,903,302,900	\$17,663,864,400	\$1,392,394,000	\$760,561,500
	Appropriation	7,015,062,500	7,668,690,400	8,210,365,900	653,627,900	541,675,500
	Federal	5,822,918,800	6,385,559,900	6,643,208,800	562,641,100	257,648,900
	Current Services and Other Revenue	2,137,041,200	2,239,763,400	2,201,000,500	102,722,200	(38,762,900)
	Tuition and Student Fees	535,886,400	609,289,200	609,289,200	73,402,800	0
400	Transportation	\$1,261,887,600	\$1,446,612,000	\$1,555,050,000	\$184,724,400	\$108,438,000
	Appropriation	743,661,600	667,220,000	669,750,000	(76,441,600)	2,530,000
	Federal	484,600,900	664,125,000	772,656,000	179,524,100	108,531,000
	Current Services and Other Revenue	33,625,100	35,267,000	35,644,000	1,641,900	377,000
	Bonds	0	80,000,000	77,000,000	80,000,000	(3,000,000)
	Debt Service Requirements	\$253,321,000	\$244,698,000	\$247,102,000	(\$8,623,000)	\$2,404,000
	Appropriation	253,321,000	244,698,000	247,102,000	(8,623,000)	2,404,000
	Capital Outlay Program	\$55,679,000	\$66,716,700	\$293,456,000	\$11,037,700	\$226,739,300
	Appropriation	45,794,000	16,068,500	51,748,000	(29,725,500)	35,679,500
	Federal	1,926,000	6,896,000	54,296,000	4,970,000	47,400,000
	Current Services and Other Revenue	7,959,000	22,452,200	11,112,000	14,493,200	(11,340,200)
	Bonds	0	21,300,000	176,300,000	21,300,000	155,000,000
	Facilities Revolving Fund	\$92,512,000	\$157,074,000	\$99,816,000	\$64,562,000	(\$57,258,000)
	Appropriation	110,000	0	0	(110,000)	0
	Current Services and Other Revenue	92,402,000	95,774,000	96,716,000	3,372,000	942,000
	Bonds	0	61,300,000	3,100,000	61,300,000	(58,200,000)
	Cities & Counties - State Shared Taxes	\$675,416,600	\$665,700,000	\$682,800,000	(\$9,716,600)	\$17,100,000
	Appropriation	675,416,600	665,700,000	682,800,000	(9,716,600)	17,100,000
	Total State Budget - All Programs	\$17,849,725,100	\$19,484,103,600	\$20,542,088,400	\$1,634,378,500	\$1,057,984,800
	Appropriation	\$8,733,365,700	\$9,262,376,900	\$9,861,765,900	\$529,011,200	\$599,389,000
	Federal	6,309,445,700	7,056,580,900	7,470,160,800	747,135,200	413,579,900
	Current Services and Other Revenue	2,271,027,300	2,393,256,600	2,344,472,500	122,229,300	(48,784,100)
	Tuition and Student Fees	535,886,400	609,289,200	609,289,200	73,402,800	0
	Bonds	0	162,600,000	256,400,000	162,600,000	93,800,000

* Included in Department Totals

**General Fund and Education Fund
Supplemental Appropriations
Fiscal Year 2001-2002**

	<u>2001-2002</u>
General Services - Printing	\$200,000
General Services - Property Utilization - Surplus Property	300,000 *
Sub-Total General Services	<u>500,000</u>
Environment and Conservation - State Parks	2,500,000
Education - Improving School Programs - Comprehensive School Health	602,600 *
F&A - Mental Retardation - Middle Tennessee Region - Respite Care - Medicaid Funds Disallowed	643,500
F&A - Mental Retardation - East Tennessee Region - Respite Care - Medicaid Funds Disallowed	236,500
Sub-Total F&A - Mental Retardation	<u>880,000</u>
Miscellaneous Appropriations - Group Health Insurance Premium - 1-1-02	23,800,000
Miscellaneous Appropriations - Retired Teachers Insurance	1,800,000
Miscellaneous Appropriations - Homeland Security	5,931,300
Miscellaneous Appropriations - Rent	1,403,200
Sub-Total Miscellaneous Appropriations	<u>32,934,500</u>
Total Supplemental Appropriations	<u><u>\$37,417,100</u></u>

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

**Summary Comparison of Tennessee Personal Income
and Appropriations from State Tax Revenues
Fiscal Years 1977-1978, 2001-2002, and 2002-2003**

TABLE 1

**Tennessee Personal Income
Calendar Years 1977, 2001, and 2002
(Dollars in Millions)**

<u>Year</u>	<u>Personal Income</u>	<u>Percentage Growth</u>
1977	\$ 26,887	-
2001	154,673	-
2002	161,103	4.16

TABLE 2

**Appropriations from State Tax Revenues
Fiscal Years 1977-78, 2001-2002, and 2002-2003
(Dollars in Millions)**

<u>Year</u>	<u>Appropriations</u>	<u>Percentage Growth</u>
1977-1978	\$ 1,747.3	-
2001-2002	8,125.7	-
2002-2003	9,528.2	17.26

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 Article II, Section 24, the Tennessee Constitution - the constitutional spending limitation.

Personnel and Funding Summary All Programs

	Actual 2000-2001	Estimated 2001-2002	Recommended 2002-2003
GENERAL FUND			
Personnel			
Full-time	40,584	41,198	41,456
Part-time	1,382	1,359	1,375
Seasonal	975	878	879
TOTAL	42,941	43,435	43,710
Expenditures			
Payroll	\$1,521,974,400	\$1,708,844,450	\$1,727,747,200
Operational	12,011,516,700	13,134,897,300	13,756,954,100
TOTAL	\$13,533,491,100	\$14,843,741,750	\$15,484,701,300
Funding			
State	\$6,008,108,400	\$6,633,486,950	\$7,055,560,500
Federal	5,765,951,400	6,330,190,500	6,587,839,400
Other	1,759,431,300	1,880,064,300	1,841,301,400
HIGHER EDUCATION			
Full-time Personnel			
Administrative	5,190	5,355	5,354
Faculty	8,391	8,433	8,433
Clerical and Support	8,927	8,862	8,862
TOTAL	22,508	22,650	22,649
Funding			
State	\$1,006,954,100	\$1,035,203,450	\$1,154,805,400
Federal	56,967,400	55,369,400	55,369,400
Tuition/Fees	535,886,400	609,289,200	609,289,200
Other	377,609,900	359,699,100	359,699,100
TOTAL	\$1,977,417,800	\$2,059,561,150	\$2,179,163,100
GRAND TOTAL - GENERAL FUND			
Personnel			
Full-time *	63,092	63,848	64,105
Part-time	1,382	1,359	1,375
Seasonal	975	878	879
TOTAL	65,449	66,085	66,359
Expenditures			
Payroll	\$1,521,974,400	\$1,708,844,450	\$1,727,747,200
Operational	12,011,516,700	13,134,897,300	13,756,954,100
Higher Education	1,977,417,800	2,059,561,150	2,179,163,100
TOTAL	\$15,510,908,900	\$16,903,302,900	\$17,663,864,400

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

Personnel and Funding Summary All Programs

	Actual 2000-2001	Estimated 2001-2002	Recommended 2002-2003
Funding			
State	\$7,015,062,500	\$7,668,690,400	\$8,210,365,900
Federal	5,822,918,800	6,385,559,900	6,643,208,800
Other	2,672,927,600	2,849,052,600	2,810,289,700

DEPARTMENT OF TRANSPORTATION

Personnel			
Full-time	5,207	4,935	4,935
Part-time	0	0	0
Seasonal	31	0	0
TOTAL	5,238	4,935	4,935

Expenditures			
Payroll	\$166,522,600	\$191,434,700	\$187,949,500
Operational	1,095,365,000	1,255,177,300	1,367,100,500
TOTAL	\$1,261,887,600	\$1,446,612,000	\$1,555,050,000

Funding			
State	\$743,661,600	\$747,220,000	\$746,750,000
Federal	484,600,900	664,125,000	772,656,000
Other	33,625,100	35,267,000	35,644,000

GRAND TOTAL - ALL PROGRAMS

Personnel			
Full-time *	68,299	68,783	69,040
Part-time	1,382	1,359	1,375
Seasonal	1,006	878	879
TOTAL	70,687	71,020	71,294

Expenditures			
Payroll	\$1,688,497,000	\$1,900,279,150	\$1,915,696,700
Operational	13,106,881,700	14,390,074,600	15,124,054,600
Higher Education	1,977,417,800	2,059,561,150	2,179,163,100
TOTAL	\$16,772,796,500	\$18,349,914,900	\$19,218,914,400

Funding			
State	\$7,758,724,100	\$8,415,910,400	\$8,957,115,900
Federal	6,307,519,700	7,049,684,900	7,415,864,800
Other	2,706,552,700	2,884,319,600	2,845,933,700

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

**Comparison of Authorized Positions
State Agencies and Higher Education
Fiscal Years 2001-2002 and 2002-2003**

	<u>2001-2002</u>	<u>2002-2003</u>	<u>Difference</u>
I. STATE AGENCIES			
General Fund	<u>43,435</u>	<u>43,710</u>	<u>275</u>
Full-time	41,198	41,456	258
Part-time	1,359	1,375	16
Seasonal	878	879	1
Department of Transportation	<u>4,935</u>	<u>4,935</u>	<u>0</u>
Full-time	4,935	4,935	0
Part-time	0	0	0
Seasonal	0	0	0
Total State Agencies	<u>48,370</u>	<u>48,645</u>	<u>275</u>
Full-time	46,133	46,391	258
Part-time	1,359	1,375	16
Seasonal	878	879	1
II. HIGHER EDUCATION			
Full-time Positions	<u>22,650</u>	<u>22,649</u>	<u>(1)</u>
Administrative	5,355	5,354	(1)
Faculty	8,433	8,433	0
Clerical and Support	8,862	8,862	0
III. STATE AGENCIES & HIGHER EDUCATION			
Total Positions	<u>71,020</u>	<u>71,294</u>	<u>274</u>
Full-time *	68,783	69,040	257
Part-time	1,359	1,375	16
Seasonal	878	879	1

* Includes Higher Education's full-time personnel.

Employees Overlapped Over 90 Days

	<u>Number</u>
301.00 Legislature	12
302.00 Court System	2
303.00 Attorney General and Reporter	1
304.00 District Attorneys General Conference	4
305.00 Secretary of State	1
307.00 Comptroller of the Treasury	2
316.04 Human Rights Commission	1
316.08 TRICOR	1
317.00 Finance and Administration	2
318.00 TennCare	37
318.01 Finance and Administration - Office of Health Services	8
319.00 Personnel	1
324.00 Board of Probation and Parole	2
325.00 Agriculture	3
327.00 Environment and Conservation	37
328.00 Tennessee Wildlife Resources Agency	1
329.00 Correction	162
331.00 Education	6
335.00 Commerce and Insurance	1
337.00 Labor and Workforce Development	13
339.00 Mental Health and Developmental Disabilities	142
339.21 Finance and Administration - Mental Retardation	443
341.00 Military	1
343.00 Health	21
345.00 Human Services	26
347.00 Revenue	1
348.00 Tennessee Bureau of Investigation	1
349.00 Safety	22
359.00 Children's Services	51
400.00 Transportation	<u>13</u>
Total	<u><u>1,018</u></u>

A Vision for Tennessee

OUR VISION

To be a state with limited government, focusing on fundamental and important objectives, providing a responsible level of public service, with low and fair taxes.

OUR MISSION

To lead an effective and focused state government that provides Tennessee's citizens an opportunity for:

- **A healthy start for all children**
- **Excellence in education**
- **Good jobs today and better jobs tomorrow**
- **A safe, clean and healthy place to live, raise families, work and retire**

OUR GOALS

To focus on:

- **A safe, healthy childhood for all children**
- **Excellence in education**
- **Economic opportunity**
- **Public health**
- **Public safety**
- **Natural resources**
- **Responsible government**

“We have budget problems brought on by the use of one-time money, a broken and unfair tax structure and a slowing economy. ... I’m confident that the (General Assembly) will...work with us...to solve this problem. The challenge before us today is how much more we still need to accomplish to get our state where every Tennessean wants to be. ... We know... that our children can’t read as well as they should. We don’t want our legacy to be that we failed to solve our problems. We don’t want our legacy to be that we passed them on to the next generation because we didn’t have the courage to make the difficult choices. ... Why shouldn’t we help the children of Tennessee live up to their potential – to fulfill their dreams? We have to dream a dream for them. — Governor Don Sundquist



Tennessee Initiatives

Low and Fair Taxes

In both the First and Second Regular Sessions and in the First and Second Extraordinary Sessions of the 101st General Assembly, Governor Sundquist proposed comprehensive tax reform to help solve the state’s budget crisis.

The reform proposed in the First Regular Session in 1999 involved repealing the sales tax on grocery food and the Franchise and Excise taxes. These three taxes would have been replaced with the Fair Business Tax, which would have taxed companies at a 2½ percent tax rate. The rate would have applied to a company’s taxable base. Governor Sundquist’s business tax reforms would have applied taxes to the services sector of the Tennessee economy for the first time. In response to the Governor’s proposals, the General Assembly amended the existing Franchise and Excise taxes to require quarterly payment.

Governor Sundquist called special legislative sessions in March 1999 and in November 1999 to consider tax reform. However, both the First and Second Extraordinary Sessions adjourned without voting on tax reform legislation.

In the Second Regular Session the Governor proposed the Comprehensive Tax

Reform Law of 2000. This law, if enacted, would have repealed the sales tax on grocery food, reduced the general sales tax rate, repealed the Hall Income Tax, reformed business taxes, reformed death and gift taxes, simplified tax filing, and closed loop holes. In place of these taxes a 3.75% flat tax was proposed based on adjusted gross income. This tax reform would have made our tax system less regressive, and it would have assured the long term financial stability of our state. Even with this tax reform, Tennessee would have been one of the lowest tax states in the nation. None of these reforms was implemented by the General Assembly.

In 2001, the Governor proposed to the First Regular Session of the 102nd General Assembly that Tennessee’s tax structure be reformed by taxing those who are not taxed and by expanding the sales tax base. Included in his proposal was a reduction in the state sales tax from 6 percent to 4 percent, a lowering of the maximum rate of the local option sales tax, application of the excise tax to all businesses, and a reduction in the Hall tax on dividends and interest from 6 percent to 4 percent. The General Assembly did not enact these or any other reforms. Instead, the General Assembly used Tennessee tobacco settlement funds and

other one-time sources of revenue to balance the budget. The unwillingness of the General Assembly to reform Tennessee's tax structure or to raise additional revenues has significantly increased Tennessee's budget problems.

The state faces a revenue problem that is growing more severe every month. Tennessee's regressive tax structure does not provide adequate revenues to fund the basic needs of the people of Tennessee, nor to keep the state on a sound financial footing to provide needed services. Because of the uncertainty of our financial condition, national bond rating agencies continue to lower Tennessee's bond rating. This will make it more costly for us to borrow the money we need to improve and

maintain our state buildings, parks, and universities. We must find a fair and equitable way to fund a budget which provides a safe, healthy childhood for all children; excellence in education; good jobs today, better jobs tomorrow; a safe, clean, and healthy place to live, raise families, work, and retire.

It is more important now than ever that Tennessee's tax structure be reformed. The state's economy has changed significantly in the last 50 years, and our 1940's tax structure must change with it. We must have a system of taxes that will address a 21st Century economy and the 21st Century needs of the people of Tennessee.

A Safe, Healthy Childhood for all Children

Governor's Community Prevention Initiative for Children

In January 1996, the Governor announced a major initiative aimed at reducing four high-risk behaviors of youth – teen substance use/abuse, teen pregnancy, teen violence, and school drop-out. The high-risk behaviors are being addressed through community based comprehensive prevention programs that use risk factors to identify the target population and promote protective factors in children under the age of 13. The initiative was designed to:

- Give communities input in assessing needs of the target population, assessing available resources, and in proposing solutions to the identified needs
- Assure that community intervention facilitates the development of protective factors for at-risk youth before high-risk behaviors develop by targeting children under the age of 13
- Maximize the coordination of state and federal funding which is allocated to address any of these issues affecting youth
- Provide for comprehensive and

coordinated services within the community.

The premise of the Governor's Prevention Initiative (GPI) is simple. In order to prevent a problem from happening, we need to identify the factors which increase the risk of the problem developing and then find ways to reduce the risks that enhance protective factors in children up through the age of 12. The age of twelve is the last, best chance to intervene with prevention strategies. The GPI programs focus on strengthening protective factors within the family, school, and community, which promote resiliency in children.

Funds are provided for the GPI through the Departments of Health, Children's Services, Education, and the Commission on Children and Youth.

TennCare for Children

In 1997, Governor Sundquist extended TennCare coverage to every uninsured child in Tennessee who does not otherwise have access to health insurance protection, making Tennessee the first state in the nation to make health care coverage universally available to children.

Although "uninsured" has been defined to

mean lacking access to insurance, in 1998 the State extended TennCare coverage to poor children with access to insurance if they were part of households earning no more than twice the poverty level. TennCare copayments for those families between 101% and 200% poverty were reduced, and deductibles were eliminated altogether. (There are no cost sharing obligations for enrollees whose family income is below the poverty level.)

The open enrollment period for children below 200% of the poverty level and for children without access to health care coverage will continue into the immediate future. Governor Sundquist has proposed modifications to the TennCare waiver which, if approved by the federal government, are expected to go into effect within the current calendar year. These changes will mean that TennCare for children will only be open to low-income uninsured children, although children in families of any income level may be able to enroll if they have specific medical conditions. Enrollment will continue to be open to children who are Medicaid-eligible.

Children's Services

Governor Sundquist considers the reform and consolidation of children's services as one of the most important accomplishments of his administration. Programs that had been scattered among six departments of state government were reorganized within a single new Department of Children's Services (DCS). The department's goals are:

- Provide appropriate care for children in custody close to home and return them to their families or provide for permanency of care in a timely manner
- Provide community prevention and intervention services to keep our children and communities safe
- Increase community involvement, local decision-making and accountability for funding and services

- Create an effective management and delivery system to ensure services are provided in a timely and cost effective manner.

Improvement of Health and Behavioral Health Services — The Department of Children's Services wants all children in custody to have timely medical and dental screenings and appropriate medical treatment; this EPSDT (Early, Periodic, Screening, Diagnosis & Treatment) is part of the medical intervention given to all children entering custody. EPSDT screenings are the "gateway" to preventive care and referrals for appropriate care and treatment. In each of the 12 regions, the department added a Health Unit comprised of a Children's Services TennCare representative, a nurse practitioner or nurse, and a part-time psychologist. This year, education specialists were added to work in conjunction with each of the Health Units. A medical director will also be hired.

Review of Foster Care and Adoption Programs — The Department of Children's Services worked closely with the Child Welfare League of America (CWLA) in an extensive project to review the Tennessee Foster Care and Adoption Programs. CWLA helped the department to assess the current status of the foster care and adoption programs and to develop strategies for change based upon the review. Based on recommendations by the CWLA, the General Assembly passed, and the Governor signed, legislation to improve services to children in foster care. CWLA has developed a three-year plan to help the department implement the results of the review. The proposed budget includes additional funds to complete the third step of this plan. The funds will further reduce foster care caseloads, meet increases in demand for adoption assistance, enhance permanent custodial placement, and improve management of children in state custody. Additional resources have been provided to expand efforts to recruit new foster and adoptive homes.

Increased Focus on Adoption — Critical to the department's mission, and a major goal, is the timeliness of achieving a child's permanency through adoption. The department has a strong mandate to move children to permanency more quickly, whether that is return of the child to his or her natural home or to an adoptive placement. In order to improve the current adoption system, the department is working closely with providers, the courts, and child advocates to expand recruitment of adoptive homes and to remove legal and administrative barriers that have hampered adoptive placements. This strategy will help to increase the number of adoptive placements and to shorten the time children are in state custody. Between FY 1998-1999 and FY 2000-2001 the number of annual finalized adoptions completed increased from 394 to 646.

More Concentration on Independent Living — The department provides independent living services to all foster care youth, ages 16 and above. These services are designed to give youth the necessary skills to become productive citizens. Youth are taught skills to assist them in employment, decision-making, problem solving, housing, transportation, education, literacy, and knowledge of community resources. Budget initiatives have provided additional funds to improve independent living services.

Independent Living services in Tennessee are both skills and interpersonally based. Tennessee works with youth age 14 and up to develop needed life skills as well as to develop relationships to serve them as they enter adulthood. Independent living goals are referenced on all permanency plans for youths age 14 and over. Further, each youth receives an Independent Living assessment to assist in planning to meet individual needs. Youths may also continue to receive support, including Independent Living services on a voluntary basis, past age 18 years and up to 21 years, if they are in custody on their 18th birthday and if they are participating in an educational or job training plan. Youths who age out of care at 18 and elect no longer to receive services

voluntarily will soon be able to receive periodic assistance and support from drop-in centers in several regions of the state.

Each of the 12 regions of the state has an Independent Living consultant provided through a contract with the University of Tennessee College of Social Work, Office of Research and Public Service. These consultants work directly with youths in Independent Living Skills development groups. The consultants also work with the various universities, colleges and technical and trade schools to assist youths in meeting their own needs. These consultants also have direct contact with DCS and agency staff to assist them in developing skills and awareness to meet the many needs of youth in care. Further, the consultants are developing community based resources and networking with communities to highlight and to meet the needs of the communities' youths.

The department also provides assistance for post-secondary education in the form of financial assistance. Most all youths are eligible for federal financial assistance; however, often there are still financial demands that the youths are not able to meet. Youth who continue to receive services voluntarily are eligible for this assistance. This educational assistance is also made available to youths adopted at age 15 or older.

The implementation of the federal Chafee Foster Care Independence Act has greatly increased the funds available to assist youths leaving care and has increased the focus on meeting the needs of this significant population of children in custody in Tennessee.

Improving Child Abuse Prevention and Detection — All newly employed Child Protective Services staff and selected law enforcement child protection investigative team members have received training in advanced investigation techniques. The department has strengthened its ability to assist local efforts through the stationing of Child Protective Services staff in Child Advocacy Centers in Sullivan, Hamilton, Montgomery, Knox, Davidson, Robertson, Lawrence, Madison, Tipton, Henderson, and Shelby counties. The department has worked with the General

Assembly to pass legislation establishing seven forensic child interviewer positions located in Child Advocacy Centers in each grand division of the state. The proposed budget includes funds to complete implementation of a centralized intake system for receiving and responding to child abuse reports.

Implementing the Family Support Services Program — One goal of the Department of Children's Services is to provide community prevention and intervention services to keep our children and communities safe. To achieve this goal, DCS has piloted a non-custodial Family Support Services (FSS) program. The community-based FSS program provides the necessary services to families and children to prevent or solve problems that would ultimately result in the child being placed in the custody of the state. The FSS program allows clients access to a full continuum of services without going from agency to agency. The Family Support Services program was expanded statewide in FY 2001-2002 and is expected to serve over 2,300 children and their families.

Continuing the Successful Family Crisis Intervention Program (FCIP) — The Family Crisis Intervention Program (FCIP) serves unruly children who have committed an offense that would not be illegal for an adult; this child could be a truant, a runaway, or be beyond the control of the parent. By law, if the department is unsuccessful in helping the family resolve their issues with the child, this program may certify to the court that further intervention is warranted, including, but not limited to, commitment to state custody. The FCIP program relies on crisis intervention techniques to help families resolve their issues with the child. Services are short term, typically 30 days or less. FCIP received over 7,000 referrals last year with a success rate of 95% in preventing the breakup of families and the placement of children into state custody.

TNKIDS Information Management System — Tennessee has implemented a new child welfare information management system called

TNKIDS. This system provides front line case managers, supervisors and management with the information and tools to retrieve data and information essential to tracking, managing, and planning services for all children under our care. In order to assure the availability of information needed by staff, TNKIDS has been developed with extensive input and involvement of all levels of departmental staff. Eligibility determination, contracts, and fiscal modules are being developed and added to the system.

Outcome-Based Contracting — The Department of Children's Services has improved contracting with service providers by focusing on desired outcomes. All agencies under contract with the department now have outcome measures for tracking success, services, and the matching of contract agency activities with the goals of the Department of Children's Services. By reporting and tracking outcome expectations, providers and the department can evaluate programs, impact of services, and coordinate needs and goals.

Juvenile Facilities — Specialized treatment programs are being developed to address treatment needs of youth committed to the department's four secure youth development centers. A violent offender program was implemented at Taft Youth Development Center. Sexual offender treatment programs are being implemented in each of the four centers. Alcohol and drug treatment programs will also be enhanced.

Relative Caregiver Program — As the result of legislation passed by the Tennessee General Assembly, a two-year pilot Relative Caregiver Program was started in FY 2000-2001. This program developed out of recognition that abused or neglected children, or children whose parents are unable to provide for them, are best served if cared for by other suitable family members instead of being placed in foster care with unrelated caregivers. The pilot program was established in three sites covering 16 counties. Through the provision of a variety of support services and financial assistance, the Relative Caregiver Program has thus far served

almost 500 relatives caring for 800 children. The proposed budget includes funds to continue

these three programs beyond their pilot phase.

Excellence in Education

K-12 Education

Reading is imperative to the success and future of Tennessee's children. Our state's future depends on their success. This budget moves beyond maintenance of full funding of the Basic Education Program (BEP) formula, to recommend again funding of a Reading Initiative, which originally was proposed in the 2001-2002 budget. Better reading skills will have impact in the success of our children in every school subject. This initiative is explained below, following some initial information about the BEP.

Tennessee has come a long way toward improving its education system. In 1992, the state made a significant commitment to improve K-12 public education. In Fiscal Year 1997-98, the State of Tennessee met its commitment to reach full funding on schedule during the sixth year of the Basic Education Program, the state's funding mechanism for K-12 public education. More than a billion dollars in new state funds has been provided for the formula since 1991-92.

The BEP is part of the 1992 Education Improvement Act (EIA), which has radically changed the way elementary and secondary education is funded, has raised academic standards, reduced class sizes, and made local school systems more accountable for results. For the first time, this act provided for a separate state fund for education revenues, the Education Trust Fund. The legislature also enacted a one-half cent sales tax increase in April of 1992, the proceeds of which are earmarked solely for education.

Reading Initiative — Recognizing the need to build on the educational success of Tennessee's children and ensure that every child has an opportunity to succeed in school, the Governor has proposed the Reading Initiative. There are

five components of the Reading Initiative: Reading Coaches; Early Childhood Education; Catching Up; Teaching Resources – Quality Teaching; Teaching Resources – Classroom Materials. The Administration developed a five-year plan and proposed funding for this initiative in 2001-2002, but the first-year funding was not appropriated. In this 2002-2003 budget, the Administration is proposing first-year funding of \$90 million, including \$70 from state funds and \$20 million from federal funds.

The Reading Coaches component will provide training programs for teachers and students. The training programs will make reading by the end of the third grade a priority and build on those skills. This goal will be accomplished by extending the department's federal Reading Excellence Act (REA) grant to an additional 40 schools. The combination of federal and state funds will allow a total of 100 schools to be served. Also, every K-3 teacher will have access to 10 days of on-line reading training developed through a partnership between the department and higher education institutions. By making reading a priority, students can build on and expand those skills in other subjects during their K-12 education.

To help ensure that more Tennessee children arrive at school ready to learn at a pace with their peers, the Governor has proposed to fund an Early Childhood Education program for four-year-olds. The first phase is directed toward educationally at-risk children. Four-year-old children will attain the cognitive, social, emotional, and physical development skills needed to begin school. There are currently 36,850 four-year-olds not served by a pre-school program. Phase one of this initiative will serve 7,140. The goal of the Administration is to provide early childhood education to all four-year-olds by the 2006-2007 school year. Also

included in the initiative is funding to increase the number and funding level of family resource centers, allowing funding for a minimum of one center per county. These centers will help identify those children with the greatest risk of educational failure, increase parent and family involvement in their children's education, and transition children and families into school. Funding is also included for materials and staff to monitor the programs. The Early Childhood Education Initiative will provide youngsters the opportunity to develop the building blocks needed for successful learning.

The Catching Up component of the Reading Initiative is targeted toward helping middle school students lay the groundwork needed to pass the Gateway tests that are required for high school graduation. Student achievement on the current high school competency test and on the seventh and eighth grade Tennessee Comprehensive Assessment Program (TCAP) tests indicates that a substantial number of students are at risk of failing the much more difficult Gateway tests that will begin in the 2001-2002 school year. Students in the seventh, eighth, and ninth grades with the greatest risk of failure will receive special attention to help them develop the skills they need to pass the graduation tests.

The Teaching Resources - Quality Teaching component will address K-12 teacher recruitment and retention. This component includes enhanced scholarships for specific subject areas where a teacher shortage exists. This initiative also includes a mentoring program to help train new teachers and provide support to increase the likelihood they will remain in the profession. Also included is a program to encourage teachers to obtain national certification. This component of the Reading Initiative also includes funding for the Teaching as a Second Career program, which is designed to encourage professionals to earn teaching certificates in their fields.

The Classroom Materials component of the Reading Initiative will provide an additional \$100 per teacher – which will double the amount they now have – for classroom

materials. Current educational research indicates that providing teachers the resources they need to teach is one of the best and most cost effective ways to improve student achievement.

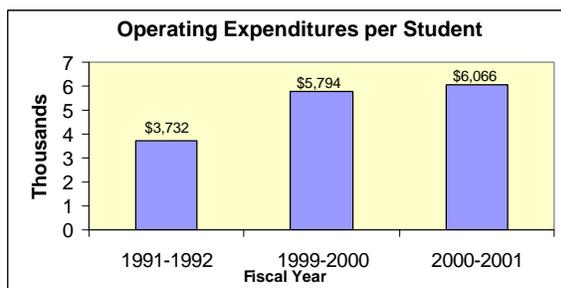
Other K-12 Improvements — In addition to the Reading Initiative, funding is included in the budget for liability insurance for teachers and for the start-up cost for an autism center in East Tennessee.

With the funding and implementation of these initiatives, as well as additional funds to continue full funding of the BEP, the Gateway tests, and other education programs, Tennessee's K-12 students will have the foundation they need to succeed academically and to join our workforce prepared for the realities of the 21st century economy.

The Basic Education Program — The funding formula established by the 1992 Education Improvement Act is called the Basic Education Program. The BEP provides funds to local school systems based on their student membership and costs of certain educational components shared with the community's relative ability to fund education. Educational components are broken down into two categories: classroom and non-classroom. Classroom components include items such as teachers, instructional equipment, supplies and materials, and textbooks. Non-classroom components include such items as transportation, superintendents, construction, and maintenance and operations. Classroom components are funded 75% by the state and non-classroom components are funded 50% by the state.

Since 1991-92, \$1.2 billion in new recurring funding will have been invested in the BEP as of 2002-2003. In addition, the state has provided \$12.3 million in recurring funding for teacher salary equalization. According to the Department of Education's 2000-2001 21st Century Schools Report Card, between 1991-92 and 2000-2001 average expenditures per student

grew from \$3,732 to \$6,066 (see chart below),



an increase of 62%. This growth is even more impressive when coupled with the fact that student enrollment in Tennessee's schools has grown by 8.3% in that same time period.

Making Diplomas Count — The Tennessee General Assembly and State Board of Education have approved an Administration proposal to raise the standards students must meet to graduate with a high school diploma. Beginning with freshmen entering high school in 2001-2002, the Tennessee Competency Test, which measures 8th grade achievement in language arts and mathematics, will be replaced by high school Gateway tests in Algebra I, English II and Biology, which every student must pass to graduate. Federal funds to develop and field-test five more end-of-course tests are included in the K-12 budget. These are Algebra II, Geometry, Physical Science, Chemistry, and American History. This will complete development and field testing of all ten required end-of-course tests.

ConnectTEN — Initiated in 1995-96, ConnectTEN made Tennessee the first state in the nation to connect all of its public schools and libraries to the museums, libraries and databases available on the World Wide Web. The state is now making internet resources available to every public school classroom. Tennessee has nearly 900,000 students on a consolidated, standardized, and reliable network with approximately 170,000 computers online. The network currently is undergoing significant improvements that include more bandwidth, better equipment, more robust e-mail and

servers, and filtering of material inappropriate for K-12 students.

Just as a commitment was made to improve our K-12 program in 1992, the needs of our higher education system must be addressed. It is essential that all the parts of our education system be maintained to make Tennessee a leader in the 21st century.

Higher Education

Tennessee must work harder to improve its higher education system. Tennessee is competing against other states in the southeast and the nation that have recognized the importance of a quality higher education system. In regional and national comparisons, Tennessee's colleges and universities do not rank among the top tier schools. The quality of the faculty and the facilities must be raised to higher levels, and a commitment must be made to increasing educational attainment of the citizens of Tennessee.

The state must work harder to encourage more people to earn a post-secondary degree. Only 17.7 percent of Tennesseans over the age of 25 have a college degree, compared with the national average of 25.2 percent. Our figure is less than all of our neighboring states with the exception of Arkansas, with 17.3 percent. A college education is important to the individual, as well as society, because of the difference in income realized through education. 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 only a high school diploma. The 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 will help in recruiting industry as companies require highly skilled workers who can be used in today's high-tech economy. In short, spending on higher education can be viewed as an investment with solid returns to the individual, the business community, and the state.

Our higher education system must be improved to allow Tennessee to hold onto its best and brightest students. According to the 1999 report of the Governor's Council on Excellence in Higher Education, Tennessee has few students with high SAT scores who apply to in-state universities. That report raised concerns that Tennessee's brightest students do not see the higher education opportunity in our state that they desire. Were it not for our private colleges and universities, Tennessee would be a net exporter of college-bound students.

We must provide more funding for our colleges and universities to attract quality faculty. The Southern Regional Education Board has reported that inflation adjusted state expenditures per full time equivalent student have decreased 26% since 1988. (More details on higher education attainment and comparisons begin on page B-96 of this Budget Document.)

The decline in per student funding for higher education has made it more difficult to maintain a high standard for both the faculty and physical facilities at our state universities. As charged in the Governor's Council report and confirmed through system-level tracking, many of our faculty are leaving Tennessee for higher paying jobs at universities in other states. Increased funding is also needed to maintain the physical facilities of our campuses. Better classrooms, libraries, equipment, laboratories, and other facilities will help us attract the best students and faculty.

In its 1999 report, the Governor's Council on Excellence in Higher Education presented a blueprint for making Tennessee's public higher education system among the nations very best. The report included five broad recommendations to improve the state's higher education system:

- Define and adopt a modern system-wide mission;
- Establish goals and performance targets in keeping with the mission;
- Authorize the Tennessee Higher

Education Commission to ensure that programs, institutions, and operating components are aligned with the goals;

- Strategically increase funding and link allocated revenues to performance goals;
- Enhance governing authority and reorganize the governing board appointment process.

In addition to these observations, the Council challenged the State of Tennessee to begin making the investment in higher education and its future. Fiscal deficiencies were shown in the areas of per student appropriations, faculty salaries, student financial aid, and research funding. This budget includes funding for improvements that begin to address the basic problems in our higher education system and to implement many of the recommendations of the Council.

Higher Education Excellence Initiatives — Along with the Tennessee Higher Education Commission, the University of Tennessee, and the State Board of Regents, this budget has been developed to continue the Council on Excellence in Higher Education's five-year plan to add \$445 million for improvements to Tennessee's system of higher education.

Funding of \$88.9 million is included in this budget for the second year of the Higher Education Excellence Initiatives. This includes funding of \$10 million from state appropriations to help make Tennessee's public colleges become more competitive in the hiring and retention of faculty in high demand disciplines. Funding for this initiative will be matched with \$5 million from student tuition and fees, in order to make a total of \$15 million available for this purpose. This will allow Tennessee's public colleges to compete for exceptional faculty now teaching in other states. The initiatives also call for providing operating increases for each of our public colleges. These funds will be used to improve library holdings, improve instructional and laboratory budgets,

support technology initiatives, improve campus equipment and building maintenance, increase graduate student stipends, and address inflation of basic fixed operating costs.

The \$88.9 million initiative also includes an additional \$40 million operating increase for higher education institutions and programs. This will raise the academic-formula units from 85.3 percent to 88.7 percent of full funding and also will improve non-academic formula programs.

The Governor's Council on Excellence in Higher Education also recommended funding for additional student financial aid. The budget includes improvement funding of \$14.4 million for the Tennessee Student Assistance Corporation to provide tuition assistance to an additional 5,894 needy students and to raise maximum student assistance award levels. Another important part of the initiatives is to

provide special instructional and research equipment. Funding is included in the budget to purchase special equipment in both the University of Tennessee and Board of Regents systems.

One of the objectives of the Excellence Initiatives is to make the University of Tennessee one of the top 25 public research universities by 2008 and to enhance research initiatives at other major institutions. The budget includes the second \$7.5 million installment of a \$30 million appropriation goal to enable UT to double federal research and development grants. Also, research funding is included for the research institutions in the Board of Regents system. With the additional funds these institutions will be able to develop major research activities and attract federal grants that will help to elevate the research function.

Economic Opportunity

Economic Development

More than ever before, 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. Year after year, our state breaks records for capital investment and job creation, which is why multi-national companies continue to choose

Tennessee communities time and time again for new and expanded operations.

- In short, Tennessee is the right match for businesses looking for a consistent, predictable and aggressively pro-business climate where they can grow and be profitable.
- In 2001, Tennessee garnered \$6 billion in announced capital investment by new and existing industries, and the potential creation of more than 28,000 new jobs.
- Record capital investments have marked the Sundquist Administration. The state is on track to achieve a record \$40 billion in private capital investment.
- Over the period from 1995-2000, per capita income in Tennessee rose 20.6%.
- Tennessee's unemployment rate has fallen

below 6% for the last eight years. Since 1995, our state has seen a net gain of 213,000 jobs.

- Tennessee is ranked among the top ten states in the nation for number of jobs linked to foreign investment and ranked eleventh in the nation in manufacturing jobs.

State Government is committed to enhancing community quality of life and increasing Tennessee family income. The Administration places great importance on workforce development initiatives, including improved training programs, coordinated job placement efforts and adult basic education. The Administration also places particular emphasis on beneficial partnerships with the private sector to stimulate continued economic opportunity in communities statewide.

The Tennessee Department of Economic & Community Development — The philosophy of the Department of Economic and Community Development is to invest in Tennessee's greatest resources: our communities and our people through assistance in community based infrastructure and training.

Tennessee Business Services — Tennessee Business Services (TBS) provides the assistance communities and employers need to attract, maintain, and increase jobs in Tennessee. TBS works with a network of organizations statewide to help assure the success of existing business and to encourage their expansion. Business development activities include:

- A statewide manufacturing resource network to help manufacturers solve problems and become more competitive through the Manufacturing Means Jobs initiative
- Offering engineering, technical and training assistance to manufacturers through the Tennessee Manufacturing Extension Partnership
- Small Business Services works to assure the success of small businesses statewide through its small business information guide and assistance programs
- The department has recently partnered with the Tennessee Small Business Development Center network to provide entrepreneurs and small business owners with easily accessible counselors in 14 center locations statewide to assist them in starting and growing their small businesses
- The Office of Minority Business Enterprise facilitates the resources needed in assisting minority businesses in growth and business development.

Marketing & Recruiting — Enhancing Tennessee's image as a premier business location is the primary focus of the marketing team. International business promotion and recruitment are emphasized, as well as strategic conferencing and testimonial advertising in national publications. Additional activities include:

- Providing prospects with a general or prospect-specific packet with information on taxes, transportation systems, labor statistics and environmental regulations
- Recommending available facilities or industrial sites to prospects
- Governor-led business recruitment missions to key international regions
- Tennessee's nationally-ranked Industrial Training Service (ITS) assists with recruitment, screening and training of new employees, and provides job-specific training and overall workforce development
- Tennessee Job Skills, a workforce incentive grant program, is designed to assist industries in elevating the skills of

their existing workers and keep them competitive

- The Tennessee Industrial Infrastructure Program (TIIP) works with communities and regions to provide industrial infrastructure support on issues like water, sewer and rail sidings. TIIP serves as an incentive in the process of encouraging private sector firms to locate or expand their financial investments in Tennessee
- In 2001, for every TIIP dollar invested by the State of Tennessee, \$107 was invested by the private sector.

Community Development — Community Development works with Tennessee communities to prepare and compete for economic development and improve community quality of life.

- The Governor's Three-Star Program was created to help communities take full advantage of economic development opportunities, preserve existing employment, create new jobs and increase family income.
- The Energy Division promotes economic growth by helping businesses and government organizations improve energy efficiency.
- The Local Planning Assistance program provides technical assistance to help local governments strengthen their planning and community development efforts.

Tourist Development — The travel and tourism industry is an important factor in Tennessee's economy. Domestic and international travelers to Tennessee annually spend nearly \$9.7 billion. As a result of spending by travelers, tourism provides jobs for over 173,000 Tennesseans, and tax revenues for state and local governments totaling over \$817 million. Almost 38 million people visited Tennessee in 2000, making Tennessee one of the nation's

most popular destinations.

Because of the jobs and tax revenues produced by tourism, national and regional competition for tourism continues to be high. In order to increase its share of tourist dollars, Tennessee must aggressively market and promote the state's assets. Some of the Department of Tourist Development's marketing programs include national broadcast and print advertising campaigns, and direct sales programs targeted at group tour companies, travel agents, and international tour operators. In addition, the department makes co-op advertising projects available to the tourism industry, develops rural and heritage tourism opportunities through promotion programs, promotes Tennessee to the media and national travel press, and develops Tennessee publications which are distributed to customers. The department also operates the state's thirteen welcome centers, which provide literature, information and reservations to the millions of travelers who visit Tennessee.

Families First

Effective September 1, 1996, Families First replaced the former Aid to Families with Dependent Children (AFDC) program in Tennessee. The new program emphasizes personal responsibility, work requirements, time limits for assistance, and education and job training. Families First also provides its participants child care, transportation, increased coordination with child support enforcement, and transitional benefits.

Personal Responsibility — The foundation of Families First rests on the individualized Personal Responsibility Plan. This plan, developed between the participant and the case worker, outlines the steps towards self-reliance:

- Failures to participate in work activities and reach the goals specified in the plan can reduce or eliminate benefits
- Teen parents must stay in school and live at home with parents or another responsible adult

- Parents must ensure all eligible children attend school, infants and youth must be immunized and children's health checks must be current.

Work Requirements — Work builds self-esteem and independence from welfare assistance. While working, participants will also gain experience for greater responsibilities and career advancement:

- Non-exempt participants will be required to work and/or engage in work-related training or education 40 hours a week
- Those who are unable to find a job must engage in employment/career counseling, community service, or job readiness classes.

Education and Job Training — While many Families First participants currently have some combination of education and work experience, many need job training classes to enhance their employability:

- Education and job-related training counts as part of a participant's 40-hour work requirement
- Participants testing below a 9th grade functional literacy level can enroll in 20 hours a week of adult basic education and be exempted from additional work and time limits until they reach the 9th grade level.

Support Services — Certain support services are provided to those individuals who work or participate in education, employment training, counseling, or treatment services. These services include:

- Transportation (including a First Wheels Vehicle interest free loan for qualified individuals)
- Child Care
- Dental and Optical Assistance
- Uniforms and other clothes needed for work

or training

- Other supportive services necessary for work or training.

Time Limited Benefits — Limits on benefits have been established as a means of encouraging participants to work efficiently towards self-sufficiency.

- Benefits for non-exempt participants are limited to 18 months at any one time, which may not be consecutive, and to five years over the course of a lifetime
- Exemptions to this requirement include disabled caregivers; caregivers ages 60 and over; caregivers assisting disabled family members; families who do not have an adult included in the grant amount; individuals functioning under 9th grade level who attend basic education classes; and parents who are not able to secure child care, transportation, and/or training that is needed to comply with Families First.

Family Services Counseling — Individuals who have significant barriers to obtaining employment may qualify for family services counseling assessments and services while on cash assistance and for 12 months after leaving the program. These services cover:

- Mental Health issues
- Drug and alcohol problems
- Learning disabilities
- Domestic violence issues
- Children's health and behavior issues.

Transitional Benefits — In order for families to sustain self-sufficiency, many benefits will be extended beyond the period of cash assistance. Availability of these benefits can be up to 18 months after full employment begins and can include:

- Child care
- Transitional Medicaid

- Food Stamps
- Family Services counseling
- First Wheels vehicle loans
- Transportation.

Child Support Enforcement — Many of the families enrolled in Families First would not need assistance if child support payments were made. Families First expects participants to:

- Identify the father of dependent children
- Help find the absent parent and establish paternity.

In addition to these efforts, Tennessee has also passed the license revocation law, implemented the Tennessee Child Support Enforcement Computer System (TCSES), and utilized the internet in location of delinquent parents.

Child Care — Based on the recommendations of the 1996 Governor’s Task Force on Child Care, the Department of Human Services’ initiatives in child care will continue to focus on three central issues: quality, affordability, and availability.

- Revisions to child care center and home-licensing standards will improve adult-to-child ratios and increase training requirements
- Child Care Resource Centers will help providers better meet the needs of children with disabilities, educate parents, and serve as a resource to providers and parents regarding appropriate developmental programs and practices
- A comprehensive statewide community and consumer education campaign will enhance community understanding of the elements of quality care (such as training,

adult/child ratios, curriculum)

- Expansion of training provided through the Tennessee Early Childhood Training Alliance (TECTA), a statewide service of Board of Regents institutions that supports and enhances the quality of early childhood education personnel, will continue with the addition of a Mid-Cumberland site
- The basis for income eligibility for child care services will be raised, and the level of reimbursement rates to providers increased.

Program Outcomes — The average monthly welfare case load for FY 1999-2000 was 57,153 families, down by 32,494 cases (from 91,499 in August, 1996, to 59,005 in November, 2000). The June 1999 caseload reflected the following activities:

• Employed	14.9%
• Adult Education	7.7%
• Work preparation/ Job skill training	29.5%
• Exempt caretaker	19.7%
• Child only care	30.0%
• Family Service Counseling	3.4%

Families First is also conducting several demonstration projects focusing on non-custodial fathers, savings accounts, and drug addicted mothers. These programs reinforce the efforts made by Families First to develop healthier family relationships and decrease dependence on government assistance.

While some families will continue to experience personal and financial setbacks which require assistance, Families First helps ensure that their need is temporary and that families quickly return to stability and self-reliance.

Public Health

TennCare

Containing Health Care Costs Through Managed Care Organizations — TennCare is a program that provides health care coverage to almost one-fourth of the citizens of the state, or 1,400,000 people. It is operated under a federal Section 1115a waiver, which permits the state to enroll uninsured and uninsurable people in the program as well as persons who are qualified to receive services through Medicaid. Program beneficiaries receive the vast majority of their health care through managed care organizations under contract with the state. There are some services—such as long-term care and Medicare cost-sharing—that are provided by the state outside the managed care structure.

About 850,000 enrollees are eligible for TennCare because they are eligible for Medicaid. Another 550,000 are eligible because they are uninsured or uninsurable. “Uninsured” means they do not have access to health insurance where they work, and “uninsurable” means they cannot buy health insurance because of a medical problem that they have. Most uninsured and uninsurable beneficiaries have incomes below the federal poverty level, but those with higher incomes contribute to the cost of their care on a sliding scale.

TennCare is a \$5.9 billion program. Nearly two-thirds of this cost, or 64.35%, is federally funded. The remaining 35.64% is the responsibility of the state. Tennessee has been resourceful in coming up with its share of total program dollars including the use of drug rebates, premium payments by enrollees, and program related taxes. Only 31% of the dollars spent in the TennCare program actually comes from general state tax sources. In other words, Tennessee is paying only about 31 cents for each \$1.00 worth of health care it is buying for its neediest and sickest citizens. These dollars go to purchase care from providers who, in the case of uninsured and uninsurable enrollees, likely would be providing this care with little or no compensation if the TennCare program did not exist.

Not all of the \$5.9 billion TennCare budget goes to the managed care plans. Only \$4.1 billion is earmarked for managed care; this amount is financed by pooling current federal, state, and local expenditures for indigent health care. The remainder of the budget is spent on long-term care, services provided by the Department of Children’s Services for children in custody or at risk of custody, Home and Community Based Waiver programs for persons who would otherwise require institutional care, Medicare cost-sharing for low-income Medicare beneficiaries, and program administration.

It is important to recognize the savings that TennCare has generated for the state. Over the eight years since the program began, TennCare has saved an average of \$312.5 million annually in state funds. This figure is calculated by comparing projected Medicaid expenditures without TennCare to actual and estimated TennCare expenditures for the period from FY 1993-1994 to FY 2000-2001, using the average annual increase for Medicaid programs administered by other states in the Southern Legislative Conference and trending forward the estimated savings of state funds that were used to maximize federal funding for TennCare.

Even more impressive than the financial savings generated by the program are the improvements in health outcomes that have occurred. As one of the highest priority initiatives of state government, TennCare has demonstrated an ability to bring about steady improvements in key health care outcomes: decrease in percentage of uninsured Tennesseans, decrease in infant mortality rates, increase in childhood immunization rates, increase in mammography rates, decrease in inappropriate use of the hospital emergency room, and decrease in hospitalizations for children with asthma. TennCare has created an environment whereby more services are being delivered in less expensive and more appropriate outpatient settings, rather than costly hospital settings.

During the 2000-2001 fiscal year, TennCare developed a new business model,

which focuses on smaller, regionalized managed care organizations (MCOs) and increased accountability. In the spring of 2000 and again in 2001, the General Assembly made sure that the program is actuarially funded. Within that funding structure TennCare has developed a new risk-sharing model to offer to MCOs. In addition, administrative improvements and new performance measures are being developed and implemented to assure that the program achieves the desired results.

Attraction of new MCOs to the TennCare program has been aggressively pursued in recent years. New MCOs must be well-capitalized and experienced insurance companies. New companies have been recruited to replace companies that are leaving the program and to offer additional choice to enrollees in remaining plans.

The budget funds capitation rate increases for Managed Care Organizations and Behavioral Health Organizations and an increase for pharmacy inflation. Funding is also included to assist in providing dental services to TennCare enrollees as recommended by the TennCare Steering Committee and the Commission on the Future of TennCare. The budget also includes funds to provide for an open enrollment period.

An important part of the TennCare programs is providing services to elderly and disabled citizens. The Budget includes increased funding for Level I and Level II nursing home facilities and increased Medicare cost sharing.

TennCare Partners — In July 1996, mental health services were merged into a managed care system called TennCare Partners. This new system utilizes two behavioral health organizations (BHOs) to manage mental health services similar to the TennCare MCOs. They serve all enrollees of the TennCare Program and the Department of Mental Health and Developmental Disabilities priority population. These services include:

- Psychiatric and substance abuse inpatient treatment

- Outpatient mental health and substance abuse treatment
- Psychiatric pharmacy services
- Transportation to covered mental health services
- Other specialized mental health treatment such as case management and crisis services.

Department of Health — As a part of its prevention mission, funding has been added to the department's budget to perform four additional screening tests on newborns. These tests, recommended by the National March of Dimes, will become a part of the standard panel of tests performed on all newborns in the state by the Department of Health. These tests screen for medium chain Acyl-CoA dehydrogenase deficiency (MCAD), Homocystinuria, Maple Syrup Urine Disease, and Biotinidase. These conditions can lead to chronic health problems, mental retardation, or death. Early detection can prevent or lessen the severity of health problems.

Funds are recommended to improve epidemiological outbreak investigations and comprehensive environmental health studies. Tennessee has no program for tracking asthma status of its people, and it has 125 Superfund sites and many undocumented sites. Currently, the department cannot sufficiently respond to potential environmental risks, identify links resulting in chronic disease, provide adequate public health education, or respond to emergencies. The recommended funding will allow the department to address complex risk assessment and environmental issues, study chemically contaminated sites, correlate disease and environmental exposure, track chronic disease, provide public health and environmental education, and respond timely to emergencies.

Also, through a combination of federal and state funding, the department will enhance its inspections of health care facilities. This will allow the department to increase enforcement

actions, comply with a 10-day response standard to complaints which allege harm to individuals in the care of a health facility, and meet enhanced and expanded federal initiatives regarding inspection of nursing homes. Each year the number of complaints involving health care facilities has increased. It is anticipated that the department will be required to conduct 1,500 more investigations than in the previous year.

Mental Health and Developmental Disabilities — The Department of Mental Health and Developmental Disabilities is currently working on a major initiative, called the Creating Homes Initiative. Through this initiative the department will work to create safe, affordable, appropriate, and quality housing for Tennesseans with mental illness. This initiative is built on partnership with key Tennessee community leaders representing consumer, family member, mental health, community social service provider, landlord, realtor, faith-based, nonprofit, bank, government, foundation, mental health, and housing agency sectors. Specifically this landmark initiative proposes to do the following in partnership with the previously mentioned key leaders:

- Create 2005 new and improved permanent housing options for Tennesseans with mental illness by 2005
- Aggressively and strategically seek out and

collaborate with potential untapped funding entities to leverage state dollars and funnel housing funds to local communities

- Achieve greater parity in the availability of safe, affordable, and appropriate housing for people with mental illness as compared to the population at large
- Reduce the recidivism rate of persons in our criminal justice system diagnosed with a mental illness who are there due to the lack of community housing and support systems
- Reduce the rate of unnecessary hospital stays in hospital beds in regional mental health institutes that are directly attributable to inadequate, available housing.

Commission on Aging and Disability — Funding is recommended in the budget for a comprehensive long-term care alternative system for elderly and disabled persons who do not qualify for services under the Medicaid program. This would increase the package of services and would delay or prevent additional persons from entering a nursing home.

Also, funding is included in the budget for a family caregiver support services program. This program will provide information and referral, respite services, personal care, and other home and community based services to families and individuals caring for aging or disabled persons.

Public Safety

Homeland Security — Funding is included in the budget to establish the Office of Homeland Security and to fund activities of other state agencies necessary to support the Homeland Security Initiative. Funds will be provided to various departments for water supply protection, bomb and arson investigations, military equipment, emergency management, biological and other local health services, food and

agricultural protection, criminal intelligence analysis and investigation, additional trooper equipment and operational costs, and additional security of state property and mail. The Homeland Security Office is responsible for developing and implementing a comprehensive strategy to secure the State of Tennessee from terrorist threats and attacks. The office interacts with the National Office of Homeland Security

and coordinates state homeland security actions through the Homeland Security Council in order to assure a safe and healthy environment for all Tennesseans.

Crime Legislation — To address the growing crime problems, the Sundquist Administration and the Legislature created a long-term legislative package to address some of the crucial concerns of Tennesseans regarding the increase of crime in our neighborhoods. The first year of the crime package saw legislation ranging from capital punishment to drug testing to “Three Strikes, You’re Out.” A total of 19 bills was enacted under the crime package umbrella with a price tag of \$16 million during the 1995 Legislative Session. Passage of the crime package resulted in the creation of the state-funded Post-Conviction Defender Commission. The Office of the Post-Conviction Defender was created to oversee the appellate trials of indigent persons convicted with a death sentence. Legislation also required death penalty appeals to receive priority before the courts to expedite and shorten the state appellate process to five years.

Three Strikes — During the first year of the crime package, the length of time felons were spending in prison was foremost in the public eye. Tennessee responded by passing the “Three Strikes, You’re Out” law. This law requires two-time felons to serve their full sentence upon conviction of a third felony charge. Other felony sentences were also lengthened and restrictions placed on minimum sentences for certain Class A felonies.

Juvenile Justice Reform — In December 1997, Governor Sundquist appointed a commission to review and recommend changes to current state laws for juvenile offenders. The Juvenile Justice Reform Commission issued its report in December 1999. The report recommended changes to the juvenile code. The Commission’s report contained three major recommendations:

- Violent juvenile offenders age 15 and over

should be treated as adults, and automatically transferred to adult criminal court and, if convicted, sentenced to the Department of Corrections.

- A blended sentencing option should be available for juvenile court judges and criminal court judges to provide for more flexible sentencing as well as opportunities for rehabilitation through educational, vocational, and other treatment programs. Violent juvenile offenders should be ineligible for blended sentencing. Juveniles sentenced under blended sentencing should be housed in an appropriate institution, separate from adult inmates.
- Local Truancy Review Boards currently are mandated in those areas of the state that do not already have an effective truancy prevention program. Truancy cases should be diverted from the local juvenile courts to the Truancy Review Boards for disposition in order to allow the juvenile court judges to concentrate on more serious crimes.

The Commission also recommended that additional secure facilities be made available for the growing female offender population, and that both a central information system for adjudicated juveniles and an observation and assessment center be created. This budget includes funds to implement juvenile justice reforms.

Probation and Parole — In 1998, the Governor signed legislation to combine the Board of Paroles and the probation function of the Department of Correction, creating a new Board of Probation and Parole. This will result in a more efficient and effective organization for the supervision of felony offenders who are not incarcerated but are under the supervision of the state.

During Fiscal Year 1996-97, increased supervision fees and mandatory drug testing were imposed on felons who are released on

parole or sentenced to probation.

The FY 2002-2003 budget includes funding for 56 additional field officer, management, and support positions. This will allow the Board to reduce probation and parole officer caseloads from an average of 1:100 to 1:90. These positions will be funded half by appropriations from general fund tax revenues and half by supervision fees. Funding from general fund taxes also is included to reduce caseloads in the community correction program and increase alcohol and drug treatment services. Funding for the diversion of more non-violent felons into the community correction program also is recommended. This will permit better management of the future growth of the prison population.

New Prisons — Longer sentences and “Three Strikes” legislation necessitated the development of a long-range plan for prison expansion. From FY 1995-1996 through FY 1999-2000, 1,108 beds were added to the state prison system by double-celling of inmates and 2,280 new beds were constructed. During this same period, 1,324 beds designated as substandard, temporary, or operationally costly were closed. The system’s capacity was further increased by the addition of 2,016 contract beds. The Department also increased capacity in FY 2001-2002 by double-celling 767 additional inmates.

Capital funding has been provided for construction of a new 1,700 bed prison facility. Capital funding was also provided for a 240 bed maximum security units at Riverbend Maximum Security Institution, a 150 bed minimum security addition at West Tennessee State Penitentiary, and a 300 bed geriatric unit at the DeBerry Special Needs Facility.

Prison population models continue to indicate a need for on-going planning and construction of additional prison capacity. Current estimates are that the prison population will increase by 29% by 2011. To meet this

growth in the inmate population, the prison system will need 1,827 additional beds by June 30, 2003; 3,260 additional beds by June 30, 2005; and 4,988 additional beds by June 30, 2011. This budget includes federal funds and Tennessee Sentencing Act matching funds, which will be combined with state funds previously appropriated, for preplanning and construction of a new prison. Completion of these planned projects along with the construction of a previously funded prison should provide a net increase of 5,334 beds in system capacity by 2005.

Substance Abuse — Although DUI laws in Tennessee are some of the toughest in the nation, resulting in 28,000 convictions annually, DUI enforcement remains a high priority. During the 1995 legislative session, vehicular homicide as a result of DUI was moved from a Class C felony carrying a sentence range of 3-15 years to a Class B felony sentence of 8-30 years, based on mitigating factors, multiple offenses, and prior record. Additionally, in the 2000 legislative session penalties were increased for persons who refuse to take a blood alcohol test when requested by a law enforcement officer.

Vehicular homicide was further defined in 1996 with a new category for aggravated vehicular homicide where repeat DUI offenders convicted of vehicular homicide receive a Class A felony. Laws were passed to confiscate DUI offenders’ vehicles at the time of a second DUI arrest. Also during 1996, sentences for habitual drug offenders were also made tougher.

In 1998, penalties were increased for persons who receive a fourth conviction of driving while impaired, for persons involved in traffic accidents who were intoxicated, and for persons convicted of driving a motor vehicle with an alcohol concentration greater than 0.20%.

Natural Resources

The Environment

Tennessee continues to be a leader in innovative approaches to protecting the environment and conserving natural resources in the Southeast.

Water Supply – The Tennessee Department of Environment and Conservation (TDEC) is now implementing the Inter-Basin Water Transfer Act of 2000. This law addresses increasing demands for water and protects supply for downstream users.

In addition, the commissioner's Water Supply Panel has completed a year-long statewide study to develop long-term solutions for Tennessee's water supply. The panel plans to present recommendations to the General Assembly in 2002.

Water Quality – Siltation is the largest cause of water quality impairment in Tennessee streams. In 2001, TDEC launched a pilot program to train developers, contractors, road builders and others involved in land disturbance on the best practices for preventing erosion and water pollution.

The department also launched a new emphasis on preserving small streams, which are vital to overall water quality, flood control and wildlife.

The U.S. Environmental Protection Agency (EPA) has approved 13 total maximum daily load (TMDL) studies by TDEC and is expected to approve six more shortly. TMDLs provide the foundation for reducing specific pollutants in individual streams. TDEC is working with EPA and a contractor to complete an additional 40 TMDLs by May 2002.

TDEC continues to help communities across the state improve their wastewater treatment services. Tennessee awarded over \$28 million in 2001 to local governments from the Clean Water State Revolving Fund.

Drinking Water – In 2001, Tennessee began training water system personnel on a number of new rules that became effective in January,

2002. These include interim enhanced surface water treatment requirements, revisions to the lead and copper rule and new disinfection byproduct standards. The state awarded almost \$21 million in funds from the Drinking Water State Revolving Fund in 2001 to improve local drinking water treatment facilities.

Special assistance has been given to water suppliers to ensure the safety of water treatment facilities and their infrastructure following the terrorist attacks of September 11.

Natural Areas and Scenic Rivers – Tennessee celebrated the 30th anniversary of the Tennessee Natural Areas Preservation Act in 2001. Tennessee now has 62 designated State Natural Areas covering about 90,000 acres. Twenty-five of those areas have been added since 1995, with more under consideration. In honor of the act and to raise awareness of Natural Areas, Governor Sundquist proclaimed the week of April 8, 2002, Tennessee State Natural Areas Week.

Two new State Natural Areas were established and four existing areas were expanded in 2001. Natural Areas protect the habitat of rare and endangered plants and animals and provide opportunities for outdoor recreation such as nature photography, study and hiking. The Scenic Rivers program also saw a rebirth in 2001 in a pilot, voluntary land preservation effort along the newly designated Duck Scenic River in Maury County. TDEC is responsible for a total of 13 designated State Scenic Rivers. This budget provides additional funds to protect the State Natural Areas and Scenic Rivers.

Air Quality – For the first time since passage of the federal Clean Air Act, Tennessee is in compliance with all current national ambient air quality standards. Stricter new standards for ground-level ozone and fine particulate matter are soon expected. Tennessee is preparing to meet those new standards.

An ozone forecasting program based on the new ozone standard has begun in Kingsport, Knoxville, Nashville and Memphis to give citizens advance warning of those days when ozone may reach unhealthy levels. Tennessee also attained approval of its Title V permitting program in November 2001.

Tennessee has worked with the Tennessee Valley Authority to get a plan in place for significant early reductions of nitrogen oxides and sulfur dioxide at several fossil-fuel plants across the state. Additionally, Tennessee is working with Georgia, North Carolina and South Carolina to develop a joint multi-pollutant air strategy to reduce power plant emissions and to develop innovative regional transportation and energy plans to improve air quality in the region. This effort is being undertaken in conjunction with the Southern Appalachian Mountains Initiative, which completes its work in 2002.

Solid and Hazardous Waste – In 2001, TDEC conducted 58 inspections of permitted hazardous waste treatment, storage and disposal facilities and over 300 inspections of hazardous waste generators. Staff reviewed approximately 2,500 annual reports from hazardous waste facilities to ensure proper management of hazardous waste from "the cradle to the grave."

TDEC directed investigations and cleanup activities at 260 brownfields, contaminated drycleaners, and inactive hazardous substance sites. Responsible parties reported spending \$16.6 million to treat and dispose of 2,304 tons of contaminated soil, 567 million gallons of contaminated water, and 30 55-gallon drums of hazardous waste at these sites.

TDEC also worked with over 300 other contaminated sites and responded to over 400 notifications of spills and releases. TDEC's emergency response contractor cleaned up abandoned hazardous materials at 16 sites.

Strong Enforcement for Polluters – TDEC continues to move swiftly against those who break environmental laws. The department has cut the time it takes to issue an enforcement order by over 70 percent since 1994. In 2000,

TDEC issued 889 enforcement orders assessing over \$7.9 million, compared with 118 orders assessing \$1.1 million in 1994. Enforcement data for 2001 will be available in February 2002.

Underground Storage Tanks – In 2001, TDEC increased the number petroleum underground storage tank compliance inspections by 50 percent from 2000 and issued three times the number of enforcement orders than any previous year.

Radiological Health – TDEC is implementing a major change in its program for x-ray inspections performed by outside consultants, known as registered inspectors. This is the first major change since the program began in 1982. The changes will improve the timeliness of correction of violations noted by the inspectors, will improve the efficiency of inspection planning overall.

Homeland Security – TDEC is coordinating internally and with other state, local and federal agencies to ensure Tennesseans are protected from any threats to our air, land and water from terrorism.

Conservation

State Parks – Tennessee state parks remain a favorite destination for families and conferences alike, drawing over 30 million people each year. Fall Creek Falls was once again named "Southern Living" readers' choice for top resort park in the Southeast in 2001.

Tennessee shared its parks with park professionals from across the continent this year when it hosted the annual meeting of state park directors from the United States and Canada in October 2001.

To enhance revenue at resort parks, TDEC is improving the state parks web site, which received over 400,000 hits per month in 2001. The improvements will help make the most of this effective and inexpensive marketing tool.

To help support park maintenance, the department is expanding its access fee program to six more parks, bringing the total to ten. The

department has collected \$335,000 in access fees since the program was launched in January 2001. The department plans to extend user fees to more parks in the future.

Recreation Education – In 2001, the Parks and Recreation Technical Advisory Services (PARTAS) established regional offices in East, Middle and West Tennessee to better serve local governments. PARTAS provides technical assistance and education to professionals across the state, while setting the benchmark for safety and trends in parks and recreation.

In cooperation with the Governor's Council on Greenways and Trails, TDEC completed the *2001 Tennessee Greenways & Trails Plan* this year. The plan identifies and addresses critical issues related to the development of a statewide greenway and trail system.

TDEC is currently collecting data for the Tennessee State Recreation Plan that is required by the National Park Service every five years. The plan is due December 2002. TDEC is seeking a grant to complete the plan.

Geology and Archaeology – TDEC sold nearly

\$64,000 in maps and publications and provided lectures and field trips to nearly 2,000 individuals in 2001. Staff investigated more than 50 geologic hazards and responded to nearly 200 other geologic information requests.

TDEC completed work on a \$42,250 cooperative project with the National Park Service for collecting, analyzing and reporting oil and gas well site characteristics and non-federal owner-operator information in the Big South Fork National River and Recreation Area.

The State Oil and Gas Board issued 200 oil and gas well permits, performed 736 site inspections, issued five citations, and plugged 181 wells.

TDEC maintains records on 20,000 known archaeological sites and all previous studies in Tennessee. Using this information, division staff works with federal, state and local governments and private developers to find innovative ways to protect and preserve archaeological Tennessee continues to be a leader in innovative approaches to protecting the environment and conserving natural resources in the southeast.

Responsible and Accountable Government

The Sundquist Administration remains committed to creating a more effective, efficient and user-friendly state government. By working with each department to set goals, establish priorities, and foster a climate of responsibility and accountability, this vision is becoming a reality in Tennessee.

During FY 2000-2001 the state made significant progress toward creating a more user-friendly government by allowing citizens to conduct certain business with the state anytime, via the internet. This action, which improved accessibility to state services and provided convenience for the customer, has also resulted in more efficient processes and long-term cost savings. Examples of services that are available through the internet are: the renewal of drivers' licenses, reservations at state parks, and verification of TennCare eligibility.

The importance of qualified and dedicated employees can never be overlooked by an organization attempting to refine itself. It is for this reason that the Administration has chosen to focus on improving employee recruitment and retention. The ability to attract and retain exceptional employees will go a long way toward meeting the demanding goals the state has set for itself.

This Administration is working to achieve these goals through the use of classification-compensation salary adjustments, employee pay raises, and the Leadership Development Initiative, a supervisory training program. In classification-compensation studies, the Department of Personnel compares state salaries for selected positions each fiscal year with salaries for similar positions in the private sector and surrounding state governments. For the last

several years, the budget has included funds to upgrade pay for positions with a significant difference between state and private sector salaries. General across-the-board increases in pay help salaries keep pace with inflation, while training programs help to ensure that we have a well-trained work force.

Ensuring that government acts responsibly and is accountable for its actions and decisions is a public demand. Because of this demand the state will continue to cut expense and waste by validating essential services, focusing on cost-avoidance initiatives, and emphasizing fraud detection. Maximizing revenue due and available to the state also remains a strong focus of the Administration.

In this Budget Document, the State is publishing detailed performance measures and program information as an integral part of the budget. This is the second year that this information has been published in the Budget

Document. Improvements have been made in this effort, resulting in significant additional information on K-12 education programs and Transportation Department programs. Although this program information has been used for decades by budget staff in analyzing requests – and has been provided annually to legislative staff – it has been integrated into the Budget Document for convenient review by all members of the General Assembly. The program information should help the General Assembly analyze the work of the agencies, and the budgetary pressures on them, as they provide services and respond to the critical needs of the people.

Tennessee's citizens expect nothing less than exceptional service, responsibility, accountability, efficiency, and effectiveness from State Government. The Administration is working hard to meet – and exceed – these expectations.

Tennessee Characteristics

Demographic Characteristics ¹

	<u>1990</u>	<u>2000</u>
Total Population	4,877,203	5,689,283
Percent of Population Under Age 5	7.0%	6.6%
Percent of Population Age 5 to 17	18.1%	18.0%
Percent of Population Age 18 to 24	10.9%	9.6%
Percent of Population Age 25 to 64	51.4%	53.4%
Percent of Population Age 65 and Older	12.6%	12.4%
Median Age	33.5	35.9
Percent of Population by Race		
White	83.0%	80.2%
Black or African American	16.0%	16.4%
American Indian and Alaska Native	0.2%	0.3%
Asian and Pacific Islander	0.7%	1.0%
Other	0.2%	2.1%
Hispanic Population (Percent)	0.7%	2.2%
Per Capita Income ²		
Tennessee's Per Capita Income	\$16,821	\$25,878
U. S. Per Capita Income	\$19,584	\$29,451
Tennessee's Per Capita Income as a Percent of the U. S.	85.9%	87.9%
Tennessee's Rank in U. S. by Per Capita Income	36	35
	<hr/>	<hr/>
	<u>1989</u>	<u>1999</u>
Percent of Population Below Poverty ³	15.7%	13.3%

Education Characteristics ⁴

	1995-1996	1999-2000
Total Number of Public Schools	1,562	1,611
Total K-12 Public School Average Daily Attendance	819,831	842,733
Public School Per Pupil Expenditures	\$4,715	\$5,794

Employment ⁵

	1995	2000
Civilian Labor Force	2,700,700	2,798,400
Employment	2,560,600	2,688,200
Unemployment	140,100	110,200
Unemployment Rate	5.2%	3.9%

Non-Agricultural Employment - Percent by Industry

Mining	0.2%	0.2%
Construction	4.4%	4.6%
Manufacturing	21.6%	18.6%
Durable Goods	11.5%	11.0%
Non-Durable Goods	10.0%	7.5%
Retail Trade	17.9%	18.0%
Wholesale Trade	5.6%	5.5%
Services	25.5%	27.2%
Finance, Insurance, & Real Estate	4.5%	4.8%
Transportation, Communication, & Public Utilities	5.5%	6.5%
Government	14.9%	14.6%
Federal	2.2%	2.0%
State & Local	12.8%	12.6%

Physical Characteristics ⁶

Land Area	41,220 Square Miles
Highest Elevation (Clingmans Dome)	6,643 Feet

¹ Source: U. S. Bureau of the Census

² Source: U. S. Bureau of Economic Analysis

³ Source: U. S. Bureau of the Census. Poverty rate for 2000 is a 2 year average

⁴ Source: Tennessee Department of Education

⁵ Source: Tennessee Department of Labor and Work Force Development

⁶ Source: Tennessee Statistical Abstract

Tennessee Economic Overview

Recommended Budget, Fiscal Year 2002 - 2003

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."

Recent Economic Conditions - In November of 2001 the National Bureau of Economic Research released a report confirming the suspicions of most Americans: the U. S. had formerly entered a recession, effective March, 2001. The national economy had shown signs of weakness dating back to late 2000 when the manufacturing sector began contracting. The weakness stemmed largely from sluggish growth in investment in producers' durable equipment and structures. Consumers were not the culprit, as they had sustained their spending, buoyed by continued job creation and the wealth effect of rising stock prices. Home and automobile sales, in particular, helped keep the economy moving through 2000 up to the close of 2001.

The economic balance was tipped further by the tragic events of September 11. With the national economy already suffering from setbacks in manufacturing, the shock of September 11 caused businesses to retrench. Some began second-guessing both hiring and investment decisions, while others directly affected by the tragedy laid off workers. Consumers, aided by lower interest rates, and the federal government, through previously passed tax cuts and more recent spending increases, have helped stave off a more serious economic downturn.

The situation in Tennessee largely mirrors the national economy. The state's manufacturing sector first showed broad-based signs of contraction in the fourth quarter of 2000 when both the durable and nondurable goods sectors shed employment. The combined effect was a 4.4

percent (seasonally adjusted annual rate, or SAAR) loss, translating into the loss of almost 6,000 jobs. The first quarter of 2001 brought with it flat (SAAR) growth in total nonagricultural jobs. The unemployment rate came in at 4.1 percent in the first quarter, offering some encouragement about the economy's direction. In the third quarter of 2001, the unemployment rate was still 4.1 percent, comparing favorably to the national rate of 4.8 percent. Recent evidence suggests that the unemployment rate for the state and the nation will rise more sharply as the economy moves through 2002.

Nominal Tennessee personal income showed nearly 6 percent growth in 2000, trailing the U. S. by a full percentage point. The most recent data on personal income are for the second quarter of 2001. The evidence indicates the weakest quarter-to-quarter growth since the first quarter of 1999. (The same is true of the national economy.) Taxable sales have experienced sluggish growth in the face of a slower national and state economy. Following unprecedented growth of 9.2 percent in 1999, sales growth was only 3.2 percent in 2000. Data for the third quarter of 2001 reveal a 9.3 percent (SAAR) decline in taxable sales, offering little encouragement for the short-term economic and fiscal outlook.

Short-term Economic Outlook - The current economic downturn is expected to be short-lived. At the same time, few expect a quick and sharp rebound in economic activity. The reason is that the economy has no strong engines of growth to lead the economy forward. The international economy remains fragile, with pervasive weaknesses in many pivotal economies including Germany, Japan and Argentina. Investment is not likely to rebound absent broader signs of recovery. And consumers cannot easily accelerate their spending beyond current levels. Inflation-adjusted gross domestic product should contract in the first quarter and show positive and increasingly strong growth as 2002 progresses, but producing calendar year growth of only 0.4 percent.

The *Quarterly Tennessee Econometric Model*

points to year-over-year losses in nonagricultural jobs in the first and second quarters of 2002. Job growth for the year is projected at only 0.2 percent. Job losses in manufacturing are expected to tally 3.2 percent in 2002, with continued weakness in both durable and nondurable goods manufacturing. Overall job growth in 2003 will rebound to 1.5 percent as the economy puts the current downturn behind it. Nominal personal income will perform better than jobs (and hence wages and salaries),

due to sustained strength in rent, interest, dividend and proprietors' income. Expect nominal personal income to advance 4.2 percent in 2002, increasing to 5.2 percent growth in 2003. Income growth for the current fiscal year is projected to be 3.9 percent, improving to 4.7 percent in 2002-03. Taxable sales are expected to rise only 0.5 percent in 2002. Sales growth for the current fiscal year should be flat, with 2.3 percent growth anticipated in fiscal year 2002-03.

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

Federal Aid Trends and Federal Mandate Costs

Recommended Budget, Fiscal Year 2002 - 2003

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 19 cents in 2002-2003. If the state were still receiving 27 cents of every budgeted dollar as federal aid, an additional \$1.224 billion would be available in federal funds.

In constant (2002-2003) dollars, federal aid has increased by 75.0 percent, or \$1.3 billion, from 1979-80 to 2002-2003 for state programs other than Food Stamps, Medicaid, and TANF/AFDC grants.

Figure 1 and Table 1 show the constant dollar (2002-2003) trend in federal aid in the state budget since 1979-80 for all programs, including transportation. Amounts for fiscal

years 1979-80 through 2000-2001 are based on actual federal aid collections; amounts for 2001-2002 and 2002-2003 are based on estimates included in the recommended state budget.

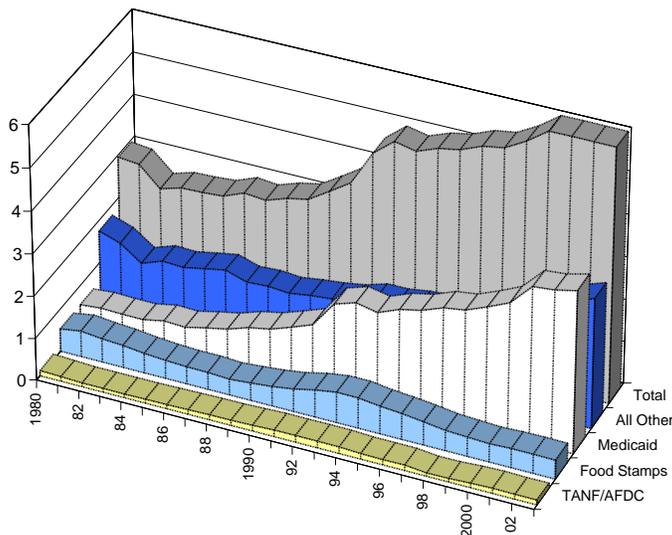
Current dollars have been converted to real (constant) dollars using the gross domestic product implicit price deflator, as reported by the University of Tennessee, Center for Business and Economic Research.

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 2002-2003, all the programs other than TANF/AFDC and Food Stamps 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 has begun to increase, in spite of federal budget-balancing efforts. In 2002-2003, "all other"

Figure 1
Federal Aid Trend in State Programs
FY 1980 through FY 2003
in Billions of Constant (2002-2003) Dollars



federal aid, excluding Food Stamps, Medicaid, and TANF/AFDC, shows a constant-dollar increase compared with the year before. This is mainly because of an increase for education and social services programs.

8.9 percent annual-average real growth in the Medicaid program. TANF/AFDC and Food Stamps have declined, and all other federal aid has had an increase of 2.5 percent on an annual-average basis.

Over the last 14 years of the period, from 1988-89 through 2002-2003, real growth in total federal aid has increased above the longer-term growth rates. Total federal aid to state programs has grown at a 14-year annual-average rate of 6.6 percent. Real growth in this period has averaged 9.2 percent per year for Medicaid and 0.5 percent per year in

Food Stamps, while TANF/AFDC has declined 0.2 percent. All other federal aid has grown at a real-dollar rate of 5.8 percent per year.

Over the 23-year period, Medicaid, the major federal entitlement program in the state budget, has had real growth well above the rate of inflation, while TANF/AFDC payments and Food Stamps have declined slightly. Although total federal aid has increased in constant dollars by 152.3 percent from 1979-80 to 2002-2003, the 609.9 percent real growth in the Medicaid program is accompanied by real growth of only 75.0 percent in federal aid for all other state programs, excluding Food Stamps and TANF/AFDC. A constant dollar decline of 16.6 percent in federal aid for the TANF/AFDC grants program since 1979-80 is related to Tennessee's continued economic growth, increased child support collections, the impact of job training programs, and implementation of federal and state welfare reform.

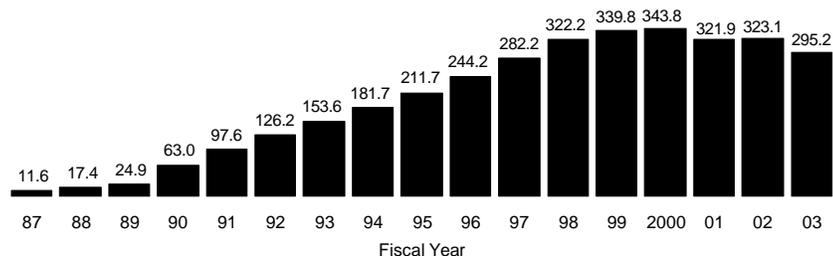
Over the 23-year period, as shown in Table 1, real growth for all federal aid to state programs has averaged 4.1 percent per year. This growth above the rate of inflation has been led by the

Table 1
Comparison of Federal Aid in State Budget,
Actual 1979-80 through Estimated 2002-2003
In Millions of Constant (2002-2003) Dollars

	1979-80	1988-89	2002-2003	% Increase		
				1980-2003	Annual Average	
					1980-2003	1989-2003
Total Aid	\$ 2,960.3	\$ 3,063.0	\$ 7,470.2	152.3%	4.1%	6.6%
Medicaid	540.1	1,124.0	3,834.5	609.9%	8.9%	9.2%
Food Stamp Coupons	539.9	419.4	450.0	-16.6%	-0.8%	0.5%
TANF/AFDC	127.9	122.6	119.6	-6.5%	-0.3%	-0.2%
All Other	1,752.4	1,397.0	3,066.1	75.0%	2.5%	5.8%

The high growth rates in the Medicaid program in the late 1980s and early 1990s had begun to moderate, possibly because of managed care and the economy. However, the growth rate for Medicaid appears to be rising again, perhaps as a result of the recent policy changes in the TennCare program. The federal Medicaid match rate will increase for the third year on October 1, 2002. The increase in the federal match rate caused a decline in the state cost for federal mandates for FY 2003. Medicaid accounts for 76 percent of the state mandate cost. The longer-term federal funding for mandated Medicaid expansions is

Figure 2
Existing Federal Mandates
State Cost Since FY 1987
Chart in Millions



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 and early 1990s has imposed increasingly costly mandates on state government.

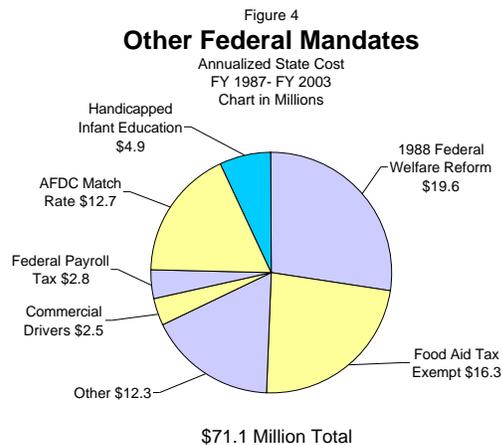
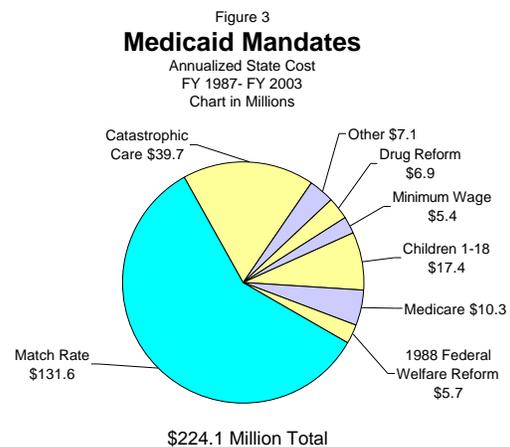
By fiscal year 2002-2003, when existing federal mandates will have been fully implemented, provisions imposed since 1986-87 will cost \$295.2 million per year in recurring state appropriations from General Fund tax sources. The cumulative state cost in 2000-2001 is \$321.9 million and in 2001-2002 is \$323.1 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 1 through 18 under 1989 and 1990 laws; payment of premiums and deductibles for poor Medicare clients under a 1990 law; 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; and drug purchasing reform under a 1990 law. 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.



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 has the title of 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 chart indicates the participants in the budgetary process and an approximate time schedule.

Function	Participants	Schedule
Planning and Estimation	Budget Division	July
	Departments and Agencies	August
		September
Preparation of the Budget	Budget Division	October
		November
		December
Legislative Deliberation	General Assembly	January-May
Budget Execution	Budget Division	June-July
	Legislative Committees	
	Departments and Agencies	

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 automated 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

continually meets 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’s overall 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.

The Budget Process

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. After recommendations 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. Both must be presented to the General Assembly prior to February 1, or by 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. But the veto may be over-ridden by a majority of both houses of the General Assembly.

Tennessee has a tradition of enacting a single General Appropriations Act each year.

Budget Execution

When passage of the Appropriations Bill is complete and it is signed or enacted into law, the execution of the act begins. Two important concepts are involved: (a) the preparation of work programs and (b) the development of allotment controls.

Invariably, there are changes from the Budget Document as presented by the Governor to the General Assembly and the Appropriations Act that is adopted. 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

The Budget Process

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 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. 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 specifically 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, an officer 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 sub-committees occasionally are appointed for in-depth study of specific areas.

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 revised, 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, 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:

Tennessee Wildlife Resources Agency
Tennessee Regulatory Authority

Basis of Budgeting and Accounting

Criminal Injuries Compensation
Agricultural Resources Conservation Fund
Grain Indemnity Fund
Certified Cotton Growers' Organization
Fund
Agricultural Regulatory Fund
Local Parks Acquisition Fund
State Lands Acquisition Fund
Used Oil Collection Program
Tennessee Dry Cleaners Environmental
Response Fund
Abandoned Lands
Hazardous Waste Remedial Action Fund
Underground Storage Tank
Solid Waste Assistance
Environmental Protection Fund
Sex Offender Treatment Program
Small and Minority-owned
Telecommunications Program
Job Skills Fund
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

Internal Service Fund programs reflected in the General Fund in the Budget Document are:

Capitol Print Shop
Claims Award Fund
TRICOR
Office of Information Resources
Division of Accounts
Postal Services
Motor Vehicle Management
Printing
Purchasing
Records Management
Central Stores
Food Services Program

Enterprise Fund programs reflected in the General Fund in the Budget Document are:

Tennessee Housing Development Agency
Property Utilization
Child Care Facilities Loan 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); (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, 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

Basis of Budgeting and Accounting

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 combined financial statements to emphasize legal separation from the primary government.

The financial activities of the state are classified into three fund categories and two account groups. The fund categories include governmental funds, proprietary funds, and fiduciary funds. Account groups are presented for general fixed assets and general long-term debt obligations.

The state's **governmental fund types** include:

General Fund – used to account for all financial transactions not required to be accounted for in other funds;

Special Revenue Fund – used to account for specific revenues earmarked to finance particular or restricted programs and activities;

Debt Service Fund – used to account for the payment of principal and interest on general long-term debt; and,

Capital Projects Fund – used to account for the acquisition or construction of all major governmental capital facilities.

All of the governmental funds are accounted for on the modified accrual basis

of accounting. Under this basis, revenues are recognized when they become susceptible to accrual; that is, when they become both measurable and available to finance expenditures of the current period. Principal revenue sources accounted for on the modified accrual basis include federal grants, departmental services, interest on investments, sales taxes, petroleum and vehicular-related taxes and fees, and gross receipts taxes. Licenses, fines, fees and permits are accounted for on the cash basis. Expenditures are recognized when the related fund liability is incurred, except: inventories generally are considered expenditures when consumed; prepayments usually are not recorded; and principal and interest on long-term debt are recorded when due.

Encumbrance accounting is utilized for budgetary control purposes in governmental fund types. Encumbrances outstanding at year-end are reported as reservations of fund balance for subsequent year expenditure.

The state's **proprietary funds** 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; and,

Internal Service Funds – used to account for the operations of self-sustaining state agencies providing goods or services to other state agencies on a cost reimbursement basis.

The proprietary funds are accounted for on the accrual basis. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The **fiduciary funds** represent **Trust and Agency Funds** that are used to account for assets held by the state in a trust or agency capacity. These funds include:

Expendable Trust Funds – used to account for the activities of trusts whose

Basis of Budgeting and Accounting

principal and income may be used for the purposes of the trust;

Nonexpendable Trust Funds – used to account for the activities of trusts whose income is used to fund the trust purpose but whose principal is to be maintained intact;

Pension Trust Fund – used to account for the activities of the state-administered retirement system;

Investment Trust Fund – used to account for the activities of the state-sponsored external investment pool; and,

Agency Funds – used to account for amounts held in custody of others.

Expendable Trust and Agency Funds are accounted for on the modified accrual basis of accounting. Nonexpendable, Pension Trust, and Investment Trust Funds are accounted for on the accrual basis.

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 Commodity Producer Indemnity Board
Tennessee State Veterans Homes Board
Child Care Facilities Loan Corporation
Tennessee State School Bond Authority

In addition to the aforementioned fund categories and account groups, the component units also include colleges and universities that are accounted for using a different accounting and reporting model.

The college and university fund types (discrete component units) include:

Current funds – used to account for resources that will be expended in the

near term for operating purposes of the institutions;

Fiduciary funds – used to account for assets held by loan, endowment, life income and agency funds in which the universities act in a fiduciary capacity; and,

Plant funds – used to account for institutional property acquisition, renewal, replacement, debt service and investment.

College and university fund types are accounted for on the accrual basis of accounting with the following exceptions: depreciation expense related to plant fund assets is not recorded; and revenues and expenditures of an academic term encompassing more than one fiscal year are solely reported in the fiscal year in which the term is predominantly conducted.

Accounting Change 7-1-2001 GASB 34

Effective for the reporting period ending June 30, 2002, Tennessee will be reporting financial information in accordance with the new reporting model, a rule of the Governmental Accounting Standards Board known as GASB 34. Some of the changes include the deletion of the Nonexpendable and Expendable Trust Funds from the Fiduciary funds and the addition of Permanent funds as governmental funds and Private-purpose trust funds as Fiduciary funds. Permanent funds will be used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs. Private-purpose trust funds will be used to report trust arrangements under which principal and income benefit individuals, private organizations, or other governments. In addition, the new reporting model will require that the college and university academic terms that encompass more than one fiscal year must be split and recorded on a full accrual accounting basis.

State Revenues

Table of Contents

State Tax Revenues	A-73
State Funding Board, Range of Tax Revenue Estimates	A-75
State Funding Board Letter	A-76
Revenue Sources and Basis of Apportionment	A-83
Comparison Statement of State Revenues	A-109
Comparison Statement of State Revenues, Actual and Estimated July 1, 2000 – June 30, 2003	A-110
Distribution of Actual Revenue by Fund, Fiscal Year 2000-2001	A-111
Distribution of Revised Estimated Revenue by Fund, Fiscal Year 2001-2002	A-112
Distribution of Estimated Revenue by Fund, Fiscal Year 2002-2003	A-113
Comparative Statement of Revenues of Regulatory Boards, Actual and Estimated July 1, 2000, through June 30, 2003, To Support Statement of State Revenues	A-114
Tax Expenditures	A-115
Major Tax Exemptions from the Sales and Use Tax, Currently Untaxed Services: Table 1-A	A-116
Major Tax Exemptions from Current Tax Base: Table 1-B	A-117

State Tax Revenues

Recommended Budget, Fiscal Year 2002-2003

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 the use of national and state economic forecasts, development of an official revenue estimate, monitoring and monthly reporting on revenue collections, and revision of estimates when appropriate.

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 and of the Treasurer's Office. Using the information provided by the economists, the executive director of the Fiscal Review Committee, and staff, a range of revenue growth estimates is prepared and recommended by the Funding Board.

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, Sinking 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 Tennessee Code Annotated (TCA) citations on the rate and source of the revenue and the basis of apportionment among funds and agencies.

The tax revenue estimates proposed in this Budget are provided in a following subsection entitled "Comparison Statement of State Revenues, Actual and Estimated July 1, 2000 - June 30, 2003."

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

State Funding Board

Range of Tax Revenue Estimates



**STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY**

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

John G Morgan
Comptroller

December 18, 2001

MEMORANDUM

TO: The Honorable Don Sundquist
 Governor

 The Honorable Douglas Henry, Chairman
 Senate Finance, Ways and Means Committee

 The Honorable Matt Kisber, Chairman
 House Finance, Ways and Means Committee

FROM: John Morgan
 Comptroller of the Treasury

 Riley Darnell
 Secretary of State

 Steve Adams
 State Treasurer

 C. Warren Neel, Ph.D
 Commissioner of Finance & Administration

SUBJECT: Revenue Estimates

The State Funding Board met on December 14, 2001 to hear presentations about the State's near-term economic outlook and estimates of State tax revenue collections for the fiscal years 2001-02 and 2002-2003. Presenters included Mr. Jim Davenport of the Fiscal Review Committee, Dr. Albert DePrince of Middle Tennessee State University, and Dr. William Fox of the University of Tennessee. Dr. John Gnuschke of the University of Memphis was unable to attend the meeting, but provided materials which were

distributed to members. A spreadsheet that summarizes the State tax revenue estimates as presented is attached to this memorandum (Attachment 1 for FY 2001-02 and Attachment 2 for FY 2002-03). The Board met again on December 18, 2000 to finalize its deliberations on ranges for tax revenue growth rates.

The Board is charged with responsibility to develop consensus ranges of 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. Since 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. Fiscal considerations properly belong with those who set the State's revenue estimates – 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. The Board wishes users of these consensus ranges to take notice that these ranges **are not** discounted in an attempt to add conservatism given the State's current fiscal condition.

Regarding the economy, it was noted that a national recession has existed since March 2001. The consensus of presenters was that Tennessee's economy has experienced this recession since at least that time. Presenters noted that the level of unemployment both nationally and in Tennessee is trending upward, leading to concerns about the willingness of Tennesseans to continue to consume and, thereby, generate sales tax revenue. Sales of technology items has weakened substantially over the last year. Purchase of such items has been the primary vehicle for business investment and weakening in this area also negatively impacts state revenues. Two key drivers of the sales tax, vehicle sales and home building, were also discussed. Auto sales, encouraged by special financing offers, have performed well, although at levels that are at unsustainable into the future. In a like manner, home building activity has been strong during 2001, fueled by lower mortgage rates; however, recent months have seen a decrease in volume to a level more consistent with the overall condition of the economy. Earnings reports have been less than encouraging in the corporate sector.

With regard to state tax revenues, presenters were in agreement that the current year revenue estimates would not be met. The range of undercollection for total taxes ran from a low of \$235 million to a high of \$372 million. The undercollection can be attributed primarily to the two engines of state revenue: the sales tax and the combined franchise and excise tax. The estimates reflect continued weakness in consumer and business purchases for the remainder of the year with a corresponding negative effect on sales tax collections. Corporate taxes were likewise impacted, with estimates reflecting weakness in corporate profits outlooks. As to FY 2002-03, all presenters project revenue growth driven by an economy pulling out of a recession; however, presenters differ on the timing and speed of the recovery. While projecting moderate levels of revenue growth, presenters were unable to identify specifically the drivers of this estimated growth. The

Board noted that other factors are at work which may impact revenue growth, including a potential decrease in capital gains taxed through the Hall income tax and the impact of federal fiscal stimulus legislation currently pending before Congress. Under the Hall income tax, dividend distributions arising from capital gains are taxable and, it is believed, account for 8% to 10% of total Hall tax revenues. Given the decreased valuations in the market over the last 18 months it seems likely that Hall income tax revenues will be negatively affected. As to the federal stimulus package, consideration is being given to providing shortened depreciation periods for certain assets. If enacted, this change will negatively impact collections of corporate taxes.

All presenters expressed a degree of caution as to their revenue estimates, noting that more downside risk was present than upside risk (i.e. it is more likely that their estimates will overstate revenue than understate revenue). Key to all the estimates are assumptions as to the timing and speed of recovery of the economy. Given this, caution is warranted. For example, one presenter noted that his revenue estimates could be overstated by 1/3rd to 1/2 if his timing of the recovery is not accurate.

Based upon the presentations made and discussions that followed, the Board has developed consensus revenue estimates for the current and next fiscal years. These estimates are expressed in ranges of growth rates in State tax revenue collections. The following table summarizes these estimates:

	<u>FY 2001-02</u>		<u>FY 2002-03</u>	
	Low	High	Low	High
Total State Taxes	(2.60)%	(1.60)%	2.25%	3.00%
General Fund Only	(2.80)%	(1.80)%	2.50%	3.25%

The Board believes these are reasonable estimates; however, as the Administration and General Assembly use these ranges to set a revenue estimate for budget purposes, the Board urges caution. In establishing a specific revenue estimate, there must be an awareness of the State's overall financial condition. Historically, fund balances in various reserves (including the revenue fluctuation reserve fund) have been available for use when the State experienced unexpected revenue shortfalls. Given the current year situation, these reserves may well be exhausted in meeting current year needs, leaving few reserve funds available to meet any revenue shortfall in FY 2002-03. Second, the estimated ranges for FY 2002-03 are based on assumptions as to when the national and state economies will begin a recovery from the current recession. Should these assumptions be overly optimistic, then the revenue growth ranges cited above will be overly optimistic. Lastly, other factors exist which may negatively impact state revenues and which cannot be quantified at this time. These include the impact of federal stimulus legislation and the impact of reduced capital gains on Hall income tax revenue.

With regard to the FY 2001-02 consensus growth rate ranges, it should be noted that the lower end of the range assumes performance during the remainder of the year exhibits patterns similar to that seen through November, while the upper end of the range assumes collections for the remainder of the year mimic collections for the same period during FY 2000-01 which would represent an improvement over current year experience. For FY 2002-03, the high end of the range assumes a recovery from the current recession during the second half of CY 2002, accompanied by a return to normal expenditure patterns by both individuals and businesses. The low end of the range assumes an economic recovery occurring during the first half of CY 2003. Using the high end of this range for budgetary purposes is accompanied by significant risk. For budgetary purposes, the Board would encourage use of conservative revenue estimates.

As in past years, the Board intends to revisit the estimates prior to the General Assembly's final budget deliberations. At that time, updated information should be available on all tax collections, particularly those of our major tax types, the sales, franchise and excise tax. Each of you will be advised of any revisions made by the Board at that time.

We will be happy to discuss these matters with you further at your convenience.

Attachments

cc. The Honorable John S. Wilder
The Honorable Jimmy Naifeh

**COMPARISON OF ESTIMATED STATE TAX REVENUE FOR
FISCAL YEAR 2001-2002**

(Accrual - Basis Estimates)

2001-2002

DEPARTMENT OF REVENUE	2000-2001		REVISED		REVISED		REVISED		REVISED		
	ACTUAL	BUDGETED	ESTIMATE	% Change	ESTIMATE	% Change	ESTIMATE	% Change	ESTIMATE	% Change	
SOURCE OF REVENUE	COLLECTIONS	ESTIMATE	% Change	DR. FOX	% Change	FISCAL REVIEW	% Change	DR. DePRINCE	% Change	DR. GNUSCHKE	% Change
Sales and use Tax	\$ 4,643,337,500	\$ 4,785,700,000	3.07%	\$ 4,619,500,000	-0.51%	\$ 4,582,646,000	-1.31%	\$ 4,647,700,000	0.09%	\$ 4,563,000,000	-1.73%
Gasoline Tax	569,421,100	578,000,000	1.51%	578,000,000	1.51%	571,214,000	0.31%	579,900,000	1.84%	597,100,000 *	4.86%
Motor Fuel Tax	173,417,700	149,700,000	-13.68%	151,000,000	-12.93%	142,276,000	-17.96%	149,300,000	-13.91%	181,900,000 *	4.89%
Gasoline Inspection Tax	61,486,900 *	63,100,000	2.62%	63,500,000	3.27%	64,319,000	4.61%	63,600,000 *	3.44%	67,300,000 *	9.45%
Motor Vehicle Registration Tax	211,427,600	218,500,000	3.35%	218,500,000	3.35%	213,961,000	1.20%	220,600,000	4.34%	231,400,000 *	9.45%
Income Tax	199,397,100	204,800,000	2.71%	204,500,000	2.56%	199,990,000	0.30%	204,200,000	2.41%	218,300,000 *	9.48%
Privilege Tax - Less Earmarked Portion (1)	160,766,200 (1)	166,700,000	3.69%	166,300,000	3.44% (1)	166,700,000	3.69%	169,000,000 (1)	5.12%	176,000,000 *	9.48%
Gross Receipts Tax - TVA	226,334,500	198,300,000	-12.39%	198,300,000	-12.39%	199,470,000	-11.87%	198,300,000 **	-12.39%	198,300,000 **	-12.39%
Gross Receipts Tax - Other	22,266,400	23,300,000	4.64%	23,300,000	4.64%	22,489,000	1.00%	21,800,000	-2.09%	23,300,000	4.64%
Beer Tax	15,476,600 *	16,200,000	4.67%	16,100,000	4.03%	16,018,000	3.50%	16,000,000 *	3.38%	16,900,000 *	9.20%
Alcoholic Beverage Tax	30,043,100 *	31,000,000	3.19%	31,000,000	3.19%	30,966,000	3.07%	31,100,000 *	3.52%	32,900,000 *	9.51%
Franchise & Excise Taxes	1,102,801,300	1,150,200,000	4.30%	1,075,000,000	-2.52%	1,000,000,000	-9.32%	1,000,700,000	-9.26%	1,158,000,000	5.01%
Inheritance and Estate Tax	89,676,300 *	91,150,000	1.64%	95,400,000	6.38%	95,931,000	6.97%	92,800,000 *	3.48%	98,200,000 *	9.50%
Tobacco Tax	82,814,000 *	82,600,000	-0.26%	82,600,000	-0.26%	82,814,000	0.00%	85,700,000 *	3.48%	90,600,000 *	9.40%
Motor Vehicle Title Fees	10,646,700 *	10,800,000	1.44%	11,100,000	4.26%	10,444,000	-1.90%	11,000,000 *	3.32%	11,700,000 *	9.89%
Mixed Drink Tax	34,334,500 *	35,800,000	4.27%	36,100,000	5.14%	35,021,000	2.00%	35,500,000 *	3.39%	37,600,000 *	9.51%
Business Tax	21,509,100 *	22,400,000	4.14%	22,300,000	3.68%	21,250,000	-1.20%	22,300,000 *	3.68%	23,500,000 *	9.26%
Severance Tax	1,140,700 *	1,000,000	-12.33%	1,100,000	-3.57%	1,000,000	-12.33%	1,200,000 *	5.20%	1,200,000 *	5.20%
Coin Operated Amusement Tax	58,500 *	-	-100.00%	-	-100.00%	50,000	-14.53%	100,000 *	-	100,000 *	70.94%
All Other Taxes	-	-	NA	-	NA	-	NA	-	NA	-	NA
TOTAL DEPARTMENT OF REVENUE	\$ 7,656,355,800	\$ 7,829,250,000	2.26%	\$ 7,593,600,000	-0.82%	\$ 7,456,559,000	-2.61%	\$ 7,550,800,000	-1.38%	\$ 7,727,300,000	0.93%
GENERAL FUND ONLY (2)	\$ 6,143,510,200	\$ 6,320,850,000	2.89%	\$ 6,089,100,000	-0.89%	\$ 5,974,159,000	-2.76%	\$ 6,043,500,000	-1.63%	\$ 6,155,700,000	0.20%
Budgeted Est. Compared to New Est. - Total				-\$235,650,000		-\$372,691,000		-\$278,450,000		-\$101,950,000	
Budgeted Est. Compared to New Est. - Gen. Fund				-\$231,750,000		-\$346,691,000		-\$277,350,000		-\$165,150,000	
SELECTED TAXES	ACTUAL	BUDGETED	%	DR. FOX	%	FISCAL REVIEW	%	DR. DePRINCE	%	DR. GNUSCHKE	%
SALES AND USE TAX	\$ 4,643,337,500	\$ 4,785,700,000	3.07%	\$ 4,619,500,000	-0.51%	\$ 4,582,646,000	-1.31%	\$ 4,647,700,000	0.09%	\$ 4,563,000,000	-1.73%
FRANCHISE AND EXCISE TAXES	1,102,801,300	1,150,200,000	4.30%	1,075,000,000	-2.52%	1,000,000,000	-9.32%	1,000,700,000	-9.26%	1,158,000,000	5.01%
ALL OTHER TAXES	1,910,217,000	1,893,350,000	-0.88%	1,899,100,000	-0.58%	1,873,913,000	-1.90%	1,902,400,000	-0.41%	2,006,300,000	5.03%

(1) Privilege Tax estimates are reduced by \$31,700,000 in 2001-2002 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 and for Dr. Gnuschke based on ratios for actual collections in 2000-2001.

** F&A distributed the Gross Receipts Taxes for Dr. DePrince and Dr. Gnuschke based on anticipated TVA collections in 2001-2002.

**COMPARISON OF ESTIMATED STATE TAX REVENUE FOR
FISCAL YEAR 2002-2003**

(Accrual - Basis Estimates)

DEPARTMENT OF REVENUE

SOURCE OF REVENUE	DR. FOX	% Change	FISCAL REVIEW	% Change	DR. DePRINCE	% Change	DR. GNUSCHKE	% Change
Sales and use Tax	\$ 4,781,200,000	3.50%	\$ 4,697,212,000	2.50%	\$ 4,787,300,000	3.00%	\$ 4,557,000,000	-0.13%
Gasoline Tax	586,600,000	1.49%	579,782,000	1.50%	588,100,000	1.41%	653,900,000 *	9.51%
Motor Fuel Tax	156,300,000	3.51%	146,544,000	3.00%	157,400,000	5.43%	199,100,000 *	9.46%
Gasoline Inspection Tax	64,800,000	2.05%	65,605,000	2.00%	66,100,000 *	3.93%	74,500,000 *	10.70%
Motor Vehicle Registration Tax	227,200,000	3.98%	219,310,000	2.50%	222,800,000	1.00%	256,200,000 *	10.72%
Income Tax	214,700,000	4.99%	205,990,000	3.00%	214,200,000	4.90%	241,600,000 *	10.67%
Privilege Tax - Less Earmarked Portion (1)	171,900,000 (1)	3.37%	171,701,000	3.00%	175,000,000 (1)	3.55%	194,800,000 *	10.68%
Gross Receipts Tax - TVA	202,300,000	2.02%	203,459,000	2.00%	202,300,000 **	2.02%	202,300,000 **	2.02%
Gross Receipts Tax - Other	24,400,000	4.72%	22,939,000	2.00%	23,800,000	9.17%	24,400,000	4.72%
Beer Tax	16,300,000	1.24%	16,178,000	1.00%	16,600,000 *	3.75%	18,800,000 *	11.24%
Alcoholic Beverage Tax	31,800,000	2.58%	31,276,000	1.00%	32,300,000 *	3.86%	36,400,000 *	10.64%
Franchise & Excise Taxes	1,075,000,000	0.00%	1,050,000,000	5.00%	1,057,700,000	5.70%	1,283,000,000	10.79%
Inheritance and Estate Tax	90,000,000	-5.66%	97,850,000	2.00%	96,400,000 *	3.88%	108,700,000 *	10.69%
Tobacco Tax	82,600,000	0.00%	82,814,000	0.00%	89,100,000 *	3.97%	100,300,000 *	10.71%
Motor Vehicle Title Fees	11,300,000	1.80%	10,653,000	2.00%	11,400,000 *	3.64%	12,900,000 *	10.26%
Mixed Drink Tax	37,100,000	2.77%	35,897,000	2.50%	36,900,000 *	3.94%	41,600,000 *	10.64%
Business Tax	23,200,000	4.04%	21,675,000	2.00%	23,100,000 *	3.59%	26,100,000 *	11.06%
Severance Tax	1,100,000	0.00%	1,000,000	0.00%	1,200,000 *	0.00%	1,400,000 *	16.67%
Coin Operated Amusement Tax	-	NA	50,000	0.00%	100,000 *	NA	100,000 *	0.00%
All Other Taxes	-	NA	-	NA	-	NA	-	NA
TOTAL DEPARTMENT OF REVENUE	\$ 7,797,800,000	2.69%	\$ 7,659,935,000	2.73%	\$ 7,801,800,000	3.32%	\$ 8,033,100,000	3.96%
GENERAL FUND ONLY (2)	\$ 6,257,200,000	2.76%	\$ 6,149,435,000	2.93%	\$ 6,261,700,000	3.61%	\$ 6,348,400,000	3.13%
Growth over FY 02 Budgeted Est. - Total	-\$31,450,000		-\$169,315,000		-\$27,450,000		\$203,850,000	
Growth over FY 02 Budgeted Est. - Gen. Fund	-\$63,650,000		-\$171,415,000		-\$59,150,000		\$27,550,000	
SELECTED TAXES	DR. FOX	%	FISCAL REVIEW	%	DR. DePRINCE	%	DR. GNUSCHKE	%
SALES AND USE TAX	\$ 4,781,200,000	3.50%	\$ 4,697,212,000	2.50%	\$ 4,787,300,000	3.00%	\$ 4,557,000,000	-0.13%
FRANCHISE AND EXCISE TAXES	1,075,000,000	0.00%	1,050,000,000	5.00%	1,057,700,000	5.70%	1,283,000,000	10.79%
ALL OTHER TAXES	1,941,600,000	2.24%	1,912,723,000	2.07%	1,956,800,000	2.86%	2,193,100,000	9.31%

(1) Privilege Tax estimates are reduced by \$32,000,000 in 2002-2003 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 and for Dr. Gnuschke based on ratios for actual collections in 2000-2001.

** F&A distributed the Gross Receipts Taxes for Dr. DePrince and Dr. Gnuschke based on anticipated TVA collections in 2001-2002.

Revenue Sources and Basis of Apportionment

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Department of Revenue

SALES AND

USE TAX.....6.0% 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 5.5% 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: 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% 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 cable and wireless TV services (if \$15 or more) and satellite TV services (TCA 67-6-226 and 67-6-227).

General Fund.....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 wireless cable television services in excess of \$15 but less than \$27.50 (TCA 67-6-103(f)), and from 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 67-6-221(b)).

Administration.....0.3674% of the remaining 5.5% after the allocation to the Transportation Equity Trust Fund (TCA 67-6-103).

Education Fund65.0970% of the remaining 5.5% after the allocation to the Transportation

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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)).

Sinking 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 4.5925% of the tax collected by dealers within their boundaries. The collective amount distributed to municipalities including premier resorts is limited to the amount distributed in the 1999-2000 fiscal year (TCA 67-6-103). Also, one-half of the amount from wireless cable television services in excess of \$27.50 is distributed in accordance with TCA 67-6-712 (Local Option) based on population (TCA 67-6-103(f)); and one-half of the amount allocated to municipalities and counties from the tax on interstate telecommunication services sold to businesses is distributed based on population (TCA 67-6-221 (b)).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Counties.....	One-half of the amount from wireless cable television services in excess of \$27.50 is distributed in accordance with TCA 67-6-712 (Local Option) based on population (TCA 67-6-103(f)). Also, one-half of the amount allocated to municipalities and counties from the tax on interstate telecommunication services sold to businesses is 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 67-3-1301 and 60-4-102).
General Fund.....	Approximately 1.4% (TCA 67-3-2001).
Highway Fund.....	Approximately 60.5%, less an amount to the Sinking Fund (TCA 67-3-2001).
Sinking Fund	Amount required from Highway Fund apportionment (TCA 9-9-103 and 67-3-2001).
Cities	Approximately 12.7% based on population (TCA 54-4-203 and 67-3-2001).
Counties.....	Approximately 25.4% based ¼ on population, ¼ on area, and ½ divided equally (TCA 54-4-103 and 67-3-2001).
MOTOR FUEL TAX	\$.17 on each gallon of diesel fuel and all fuel other than gasoline, except dyed fuel under IRS rules (TCA 67-3-1302); a prepaid annual agricultural diesel tax ranging from \$56 to \$159, based on registered gross weight (TCA 67-3-2409); \$.13 on each gallon of compressed natural gas used for motor vehicles on public highways (TCA 67-3-2213); \$.14 on each gallon of liquefied gas used for motor vehicles on public highways (TCA 67-3-2202); and an annual vehicle tax on liquefied gas users ranging from \$70 to \$114, based on registered gross vehicle weight (TCA 67-3-2206).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

General Fund.....		Approximately 2.6% (TCA 67-3-2005, 67-3-2008, and 67-3-2001(k)).
Highway Fund.....		Approximately 71.2%, less an amount to the Sinking Fund and less 2% to the General Fund (TCA 67-3-2005, 67-3-2008, and 67-3-2001 (k)).
Sinking Fund.....		Amount required from Highway Fund apportionment (TCA 9-9-105, 9-9-106, 67-3-2005, and 67-3-2008).
Cities		Approximately 8.7% based on population (TCA 54-4-203, 67-3-2005, and 67-3-2008).
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, 67-3-2005, and 67-3-2008).

**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 67-3-1303); an additional \$.004 per gallon for the environmental assurance fee (TCA 67-3-1304 and 68-215-110); and an export fee of 1/20 of one cent on fuels subject to the special petroleum products tax (TCA 67-3-1305).	
General Fund.....		2% of the balance remaining after the local government apportionment of the \$.01 per gallon tax and the export fee (TCA 67-3-2006). 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 67-3-2006).
Sinking 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 67-3-2006).

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.....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); 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 a computerized titling and registration system; this fee is effective from July 1, 1999, to June 30, 2004 (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 from the Highway Fund for motor vehicle registration plates in the annual appropriations bill (TCA 55-6-107(a)).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Highway 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)).
Sinking Fund	Amount 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), 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 per tire sold), occupational tax (\$200 on certain occupations), \$15 marriage license fee, a packaged automotive oil fee (2 cents per quart), and a 3% surcharge tax on certain rental motor vehicles, and \$12 per bail bond. The tire tax, automotive oil fee, and a portion of the litigation taxes are reported under the "Other State Revenue" section of the revenue

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

statement (TCA 16-15-5007, 36-3-610, 39-13-709, 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 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, 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. Portions of the realty transfer tax are designated for the 1986 Wetland Acquisition Fund, Local Parks Acquisition Fund, State Lands Acquisition Fund, and Agricultural Resources Conservation Fund (TCA 16-15-5007, 36-3-616, 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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

earmarked for development costs and continuing education for bail bonding agents (TCA 67-4-806).

GROSS RECEIPTS

TAX.....Taxes levied principally on the gross receipts of certain types of businesses operating in the state. The main sources are taxes on the following portions of gross receipts: 1.9% on soft-drink bottlers, 3% on gross receipts over \$5,000 of intrastate water and electric power distribution companies, 1.5% on manufactured or natural gas intrastate distributors, 15% on mixing bars and clubs, 2.5% on vending machine tobacco items and 1.5% on other vending machine items (in lieu of sales tax) if the price of the item purchased is \$5.00 or less, 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, 67-4-506, and 16 USC 831(1)); 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 67-3-2001(k), 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 67-3-2001(k) and 67-4-402).

Cities and Counties51.5% 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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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 (TCA 67-9-101 through 67-9-103).

BEER EXCISE

TAX.....Registration fees imposed on beer wholesalers (\$20) and manufacturers (\$40); a privilege tax of \$3.90 per 31-gallon barrel of beer manufactured or sold in the state (TCA 57-5-102 and 57-5-201).

General Fund.....67.1% 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 Revenue Department and 50% for Highway Patrol) (TCA 57-5-102, 57-5-202, and 57-5-205).

Highway Fund.....12.8% of privilege tax collections for litter control (TCA 57-5-205).

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

Municipalities.....10.05% of privilege tax collections based on population (TCA 57-5-205).

**ALCOHOLIC
BEVERAGE**

TAX.....\$1.10 per gallon on wine and \$4 per gallon on spirits, plus license and permit fees for manufacturers (\$1,000), wholesalers (\$1,000), retailers (\$500), and their representatives (from \$2 to \$50) (TCA 57-3-202, 57-3-203, 57-3-204, and 57-3-302).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

General Fund.....	82.5% of distilled spirit and wine gallonage taxes, calculated on the total collections less 4 cents per liter of spirit tax (TCA 57-3-306); 100% of fees from licenses and permits, earmarked up to 100% to the Alcoholic Beverage Commission for enforcement of liquor laws (TCA 57-3-111); 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 Department of General Services (TCA 57-9-205, 12-2-207, and 12-2-209). In addition, 15% 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 county in which 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).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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 Sinking Fund (TCA 67-4-2120).

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

EXCISE TAX.....6% 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 Sinking Fund distribution (TCA 67-4-2017).

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

Cities and CountiesAn 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**.....

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 \$440,000 for decedents dying after 1988. The exemption levels for beneficiaries are as follows: \$600,000 for decedents dying in 1990 through June 30, 1998, \$650,000 for those dying in 1999, \$675,000 for those dying in 2000 and 2001, and

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

\$700,000 for those dying in 2002 and 2003. 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 and \$5,000 are allowed for Class A and Class B donees, respectively (TCA 67-8-101 through 67-8-106, 67-8-204, 67-8-303, 67-8-314, and 67-8-316).

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

TOBACCO TAX.....\$0.0065 per cigarette or \$.13 per package of 20; \$.0005 per cigarette pack enforcement fee; 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 0.6% (includes 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) (TCA 67-4-1025).

Education Fund Approximately 99.4% (includes 100% of cigarette taxes, earmarked for grades 1-12; 100% of license fees and penalties; and 96% of other tobacco taxes and of proceeds of 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% (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).

Sinking Fund Approximately 24% (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

TAX.....A license tax of \$300 to \$1,500 for the privilege of selling alcoholic beverages for consumption on premises and a 15% gross receipts tax on sales (TCA 57-4-301).

General Fund..... 100% of the privilege tax (TCA 57-4-306).

Education Fund 50% of the 15% gross receipts tax (TCA 57-4-306 and 49-3-357).

Cities and Counties 50% of the 15% gross receipts tax, of which one half is earmarked for education and one half is distributed to the city or county based on situs (TCA 57-4-306).

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

COIN-OPERATED

AMUSEMENT TAX.....\$350 per year on each Class I coin-operated amusement device (a video game containing a free-play feature for additional games) operated for commercial purposes, or a \$10 special occasion tax for each device for one 30-day period per year, in lieu of the annual tax; and \$100 for each "Story Castle" device in lieu of the annual tax above (TCA 67-4-507).

General Fund.....100%.

Department of Commerce and Insurance

INSURANCE

COMPANY

PREMIUM TAX.....Life, accident, and health companies are taxed on gross premiums paid by or for policyholders located in the state at a rate of 1.75%; domestic life companies also pay 1.75%; health maintenance organizations are taxed 2% on gross dollars collected on an enrollee's behalf. Companies writing fire insurance and lines of business having fire coverages as a part of the risk rate pay a 0.75% tax. All other companies pay at 2.5% on properties located in the state, except captive insurance companies, which pay 1% gross premium tax. Other revenues

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

collected include insurance agent taxes and fees, examination fees, certificates of qualifications, broker fees, privilege taxes, certificates of authority, utilization review fees, and miscellaneous fees (TCA 56-4-101, 56-4-203, 56-4-205, 56-4-208, 56-4-218, and other provisions of Title 56, Chapter 4, Part 2; Title 56, Chapter 6, Part 1; 56-21-111; 56-24-104; and 56-32-224).

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

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

General Fund..... 100%.

911 EMERGENCY

COMMUNICATIONS

FUNDMonthly fee of \$1.00 charged to every commercial mobile radio service (cellular phone) provider's customers. Of the funds collected 97% are distributed to the State's emergency communications districts to provide wireless enhanced 911 service, with the remaining 3% allotted for the operating expenses of the Emergency Communications Board (TCA 7-86-108 and 7-86-303).

General Fund..... 100% (earmarked for the 911 Emergency Communications Fund) (TCA 7-86-108).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Department of Financial Institutions

FINANCIAL

INSTITUTIONSAnnual banking fee received from state chartered banks 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 (TCA 45-1-118).

General Fund..... 100%.

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 67-10-207 and 67-3-2001(g)).

General Fund..... 100% (earmarked for administration of the Boating Safety Program) (TCA 67-3-2001(g), 69-10-207, and 69-10-208).

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 Plant Industries
Regulatory Program) (TCA 43-1-701
through 43-1-703).

FERTILIZER

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

General Fund.....100%.

FEED

INSPECTION.....Fee based on \$.10 per ton for all
commercial feeds (TCA 44-6-109).

General Fund.....100% (earmarked for administrative
expenses) (TCA 43-1-104).

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.....Fee based on charter application (TCA
44-12-111).

General Fund.....100%.

Regulatory Board Fees

REGULATORY

BOARDS.....Fees received from the issuance of
licenses and permits to engage in
certain professions and from licensing
of health care facilities (TCA 4-3-
1011, 4-3-1304, 4-29-121, Titles 62
and 63, 68-11-216, 68-29-113, and
other provisions of Title 68).

General Fund.....100%.

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

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).

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).

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

TDAP

DISTRIBUTION

PROGRAM Fees paid by telecommunication service providers with annual Tennessee intrastate gross receipts in excess of \$5,000,000. Fees assessed will 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 (\$.65 down to \$.35 per meter). Minimum fee, \$100 (TCA 65-28-110(c)).

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

MISCELLANEOUS..... A \$25.00 fee for filing a petition with the TRA, and fees for copies of records (TCA 65-2-103 and 65-1-212).

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

Secretary of State

FEES AND TAXES All fees and taxes received from notary certifications, foreign characters, trademarks, and miscellaneous (TCA 47-25-517).

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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

Department of Safety

CLASSIFIED

DRIVER

LICENSESFees received from 5-year drivers 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).

General Fund..... 100%.

FINES AND

PENALTIESAll fines, fees, and forfeitures received from motor vehicle violations (TCA 55-7-206, 55-10-303, 55-12-129, and 55-50-604).

General Fund..... 100% (TCA 4-7-107).

MOTOR

CARRIERSAnnual 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 Department of Safety) (TCA 55-4-113 and 65-15-116).

LITIGATION

PRIVILEGE TAXA portion of the privilege taxes on litigation, derived from a 25% share of 11.12% of the balance 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).

State Treasurer

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

INTEREST

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

General Fund..... 100%.

Department of Education

LITIGATION

PRIVILEGE TAX.....A portion of the privilege taxes on litigation, based on the first \$2 derived from criminal cases and from a 75% share of 11.12% of the balance 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. The rates are based on maximum occupancy of the hotel or restaurant; a flat fee of \$70 in FY 02 and \$100 in FY 03 is assessed for each bed and breakfast establishment; \$150 in FY 02 and \$220 in FY 03 for each public swimming pool; and a flat fee of \$60 in FY 02 and \$70 in FY 03 for day and primitive camps, a maximum fee of \$110 in FY 02 and \$130 in FY 03 for resident camps based on the number of sleepers, and a maximum fee of \$230 in FY 02 and \$260 in FY 03 for travel camps based on the number of sites (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**

ARTISTSFees 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; fines up to \$20 imposed for violation of mandatory use of passenger restraint system for children ages 4 through 15. (TCA 55-9-602 and 40-35-111).

General Fund.....For violations involving children under 4 years of age and children 4 through 15 years of age, 100% of the \$50 fine for any offense and 50% of the \$20 fine for a first offense (earmarked to child safety fund for formula distribution to participating hospitals for the purchase of child safety seats to lend or give to parents of newborns) The remaining 50% of the \$20 fine from a first offense is to be deposited without specific designated use. For second and subsequent violations, 100% of the \$20 fine is earmarked to the Child Safety Fund (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).

**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

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

invalid license and driving under the influence. (TCA 68-55-301 through 68-55-304).

General Fund.....100% earmarked for the Traumatic Brain Injury Fund (TCA 68-55-301 through 68-55-304).

Department of Environment and Conservation

**TENNESSEE
ENVIRONMENTAL
PROTECTION
FUND**

Fees from environmental permits, inspections, damages, and fines (TCA 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 Fund.....100% (earmarked for the programs generating the fees) (TCA 68-203-101 and citations above).

**SOLID WASTE
MANAGEMENT
FUND**

Fees from a surcharge on each ton of municipal solid waste received at all Class 1 solid waste disposal facilities or transfer stations not operated in conjunction with a convenience center or incinerators of \$.75 per ton through FY 2003-04. Also, the \$1 pre-disposal fee collected from retailers by the Department of Revenue for each new tire sold in Tennessee (TCA 68-211-835 and 67-4-1603).

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

**DRYCLEANER
ENVIRONMENTAL
RESPONSE FUND.....**

Various fees from drycleaning facilities, including annual site registration fees ranging from \$500 to \$1,500, annual wholesale distributor

**Collecting Agency
and Classification**

Rate and Source

Basis of Apportionment

registration fees of \$5,500 per in-state facility, and drycleaning solvent surcharges of \$10 per gallon of non-hydrocarbon-based solvent and \$1 per gallon of hydrocarbon-based solvent purchased by a drycleaner (TCA 68-217-106).

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

OIL AND GAS

REGULATION Application fees from oil and gas well permits, natural gas well price determinations, and mineral test hole permits (TCA 60-1-103, 105, and 505).

General Fund..... 100% (earmarked for administrative expenses) (TCA 60-1-103, 105, and 505).

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 68-21-1004 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(d)(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)(B)).

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

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).

Comparison Statement of State Revenues

**Actual and Estimated
July 1, 2000 – June 30, 2003**

Comparison Statement of State Revenues
Actual and Estimated July 1, 2000 - June 30, 2003

SOURCE OF REVENUE

Department of Revenue	Actual 2000-2001	Estimated 2001-2002	Estimated 2002-2003	Percent Required
Sales and Use Tax	\$4,643,337,500	\$4,619,500,000	\$4,781,200,000	3.50%
Gasoline Tax	569,421,100	578,000,000	586,600,000	1.49%
Motor Fuel Tax	173,417,700	151,000,000	156,300,000	3.51%
Gasoline Inspection Tax	61,486,900	63,500,000	64,800,000	2.05%
Motor Vehicle Registration Tax	211,427,600	218,500,000	227,200,000	3.98%
Income Tax	199,397,100	204,500,000	214,700,000	4.99%
Privilege Tax	160,766,200	166,300,000	171,900,000	3.37%
Gross Receipts Tax - TVA	226,334,500	200,300,000	202,300,000	1.00%
Gross Receipts Tax - Other	22,266,400	23,300,000	24,400,000	4.72%
Beer Tax	15,476,600	16,100,000	16,300,000	1.24%
Alcoholic Beverage Tax	30,043,100	31,000,000	31,800,000	2.58%
Franchise Tax	467,899,700	347,000,000	355,700,000	2.51%
Excise Tax	634,901,600	653,000,000	669,300,000	2.50%
Inheritance and Estate Tax	89,676,300	95,400,000	90,000,000	-5.66%
Tobacco Tax	82,814,000	82,600,000	82,600,000	0.00%
Motor Vehicle Title Fees	10,646,700	11,100,000	11,300,000	1.80%
Mixed Drink Tax	34,334,500	36,100,000	37,100,000	2.77%
Business Tax	21,509,100	22,300,000	23,200,000	4.04%
Severance Tax	1,140,700	1,100,000	1,100,000	0.00%
Coin-operated Amusement Tax	58,500	0	0	-
Total Department of Revenue	\$7,656,355,800	\$7,520,600,000	\$7,747,800,000	3.02%
Other State Revenue				
Department of Commerce and Insurance	\$324,037,900	\$303,800,000	\$313,800,000	3.29%
Department of Financial Institutions	4,294,700	5,300,000	5,300,000	0.00%
Wildlife Resources Agency	36,426,200	37,600,000	38,600,000	2.66%
Department of Agriculture	14,152,200	20,700,000	20,700,000	0.00%
Regulatory Board Fees	25,984,300	26,600,000	26,700,000	0.38%
Tennessee Regulatory Authority	6,962,200	7,400,000	7,400,000	0.00%
Secretary of State	13,950,300	14,000,000	14,000,000	0.00%
Department of Safety	36,155,000	38,100,000	38,100,000	0.00%
State Treasurer	58,520,100	36,500,000	24,000,000	-34.25%
Department of Education	1,700,600	1,700,000	1,700,000	0.00%
Department of Health	4,044,800	5,200,000	5,900,000	13.46%
Dept. of Environment and Conservation	44,969,900	56,000,000	52,500,000	-6.25%
Miscellaneous Revenue	24,221,900	18,500,000	18,500,000	0.00%
Nursing Home Tax	115,909,500	102,500,000	102,500,000	0.00%
Total Other State Revenue	\$711,329,600	\$673,900,000	\$669,700,000	-0.62%
Total State Revenue	\$8,367,685,400	\$8,194,500,000	\$8,417,500,000	2.72%

**Distribution of Actual Revenue by Fund
Fiscal Year 2000-2001**

SOURCE OF REVENUE

Department of Revenue	Total Revenue	General Fund	Education Fund	Highway Fund	Sinking Fund	Cities & Counties
Sales and Use Tax	\$4,643,337,500	\$1,287,734,600	\$3,114,061,800	\$0	\$38,479,800	\$203,061,300
Gasoline Tax	569,421,100	10,407,000	0	253,976,500	87,700,000	217,337,600
Motor Fuel Tax	173,417,700	3,190,700	0	124,742,400	0	45,484,600
Gasoline Inspection Tax	61,486,900	17,819,600	0	31,650,300	0	12,017,000
Motor Vehicle Registration Tax	211,427,600	34,269,200	262,000	176,896,400	0	0
Income Tax	199,397,100	130,329,900	0	0	0	69,067,200
Privilege Tax	160,766,200	160,766,200	0	0	0	0
Gross Receipts Tax - TVA	226,334,500	138,669,600	0	0	0	87,664,900
Gross Receipts Tax - Other	22,266,400	19,834,800	0	2,431,600	0	0
Beer Tax	15,476,600	10,354,600	0	1,947,000	0	3,175,000
Alcoholic Beverage Tax	30,043,100	24,907,100	0	0	0	5,136,000
Franchise Tax	467,899,700	449,899,700	0	0	18,000,000	0
Excise Tax	634,901,600	520,827,400	0	0	99,077,600	14,996,600
Inheritance and Estate Tax	89,676,300	89,676,300	0	0	0	0
Tobacco Tax	82,814,000	587,500	82,226,500	0	0	0
Motor Vehicle Title Fees	10,646,700	8,119,300	0	0	2,527,400	0
Mixed Drink Tax	34,334,500	932,800	16,700,300	0	0	16,701,400
Business Tax	21,509,100	21,509,100	0	0	0	0
Severance Tax	1,140,700	365,700	0	0	0	775,000
Coin-operated Amusement Tax	58,500	58,500	0	0	0	0
Total Department of Revenue	\$7,656,355,800	\$2,930,259,600	\$3,213,250,600	\$591,644,200	\$245,784,800	\$675,416,600
Other State Revenue						
Department of Commerce and Insurance	\$324,037,900	\$324,037,900	\$0	\$0	\$0	\$0
Department of Financial Institutions	4,294,700	4,294,700	0	0	0	0
Wildlife Resources Agency	36,426,200	36,426,200	0	0	0	0
Department of Agriculture	14,152,200	14,152,200	0	0	0	0
Regulatory Board Fees	25,984,300	25,984,300	0	0	0	0
Tennessee Regulatory Authority	6,962,200	6,962,200	0	0	0	0
Secretary of State	13,950,300	13,950,300	0	0	0	0
Department of Safety	36,155,000	36,155,000	0	0	0	0
State Treasurer	58,520,100	58,520,100	0	0	0	0
Department of Education	1,700,600	0	1,700,600	0	0	0
Department of Health	4,044,800	4,044,800	0	0	0	0
Dept. of Environment and Conservation	44,969,900	44,969,900	0	0	0	0
Miscellaneous Revenue	24,221,900	24,221,900	0	0	0	0
Nursing Home Tax	115,909,500	115,909,500	0	0	0	0
Total Other State Revenue	\$711,329,600	\$709,629,000	\$1,700,600	\$0	\$0	\$0
Total State Revenue	\$8,367,685,400	\$3,639,888,600	\$3,214,951,200	\$591,644,200	\$245,784,800	\$675,416,600

**Distribution of Revised Estimated Revenue by Fund
Fiscal Year 2001-2002**

SOURCE OF REVENUE

Department of Revenue	Total Revenue	General Fund	Education Fund	Highway Fund	Sinking Fund	Cities & Counties
Sales and Use Tax	\$4,619,500,000	\$1,281,200,000	\$3,098,100,000	\$0	\$38,200,000	\$202,000,000
Gasoline Tax	578,000,000	8,000,000	0	269,500,000	80,000,000	220,500,000
Motor Fuel Tax	151,000,000	4,100,000	0	107,300,000	0	39,600,000
Gasoline Inspection Tax	63,500,000	19,800,000	0	31,700,000	0	12,000,000
Motor Vehicle Registration Tax	218,500,000	35,200,000	0	183,300,000	0	0
Income Tax	204,500,000	132,500,000	0	0	0	72,000,000
Privilege Tax	166,300,000	166,300,000	0	0	0	0
Gross Receipts Tax - TVA	200,300,000	121,400,000	0	0	0	78,900,000
Gross Receipts Tax - Other	23,300,000	20,600,000	0	2,700,000	0	0
Beer Tax	16,100,000	10,700,000	0	2,100,000	0	3,300,000
Alcoholic Beverage Tax	31,000,000	25,700,000	0	0	0	5,300,000
Franchise Tax	347,000,000	329,000,000	0	0	18,000,000	0
Excise Tax	653,000,000	541,900,000	0	0	97,100,000	14,000,000
Inheritance and Estate Tax	95,400,000	95,400,000	0	0	0	0
Tobacco Tax	82,600,000	500,000	82,100,000	0	0	0
Motor Vehicle Title Fees	11,100,000	8,400,000	0	0	2,700,000	0
Mixed Drink Tax	36,100,000	1,500,000	17,300,000	0	0	17,300,000
Business Tax	22,300,000	22,300,000	0	0	0	0
Severance Tax	1,100,000	300,000	0	0	0	800,000
Coin-operated Amusement Tax	0	0	0	0	0	0
Total Department of Revenue	\$7,520,600,000	\$2,824,800,000	\$3,197,500,000	\$596,600,000	\$236,000,000	\$665,700,000
Other State Revenue						
Department of Commerce and Insurance	\$303,800,000	\$303,800,000	\$0	\$0	\$0	\$0
Department of Financial Institutions	5,300,000	5,300,000	0	0	0	0
Wildlife Resources Agency	37,600,000	37,600,000	0	0	0	0
Department of Agriculture	20,700,000	20,700,000	0	0	0	0
Regulatory Board Fees	26,600,000	26,600,000	0	0	0	0
Tennessee Regulatory Authority	7,400,000	7,400,000	0	0	0	0
Secretary of State	14,000,000	14,000,000	0	0	0	0
Department of Safety	38,100,000	38,100,000	0	0	0	0
State Treasurer	36,500,000	36,500,000	0	0	0	0
Department of Education	1,700,000	0	1,700,000	0	0	0
Department of Health	5,200,000	5,200,000	0	0	0	0
Dept. of Environment and Conservation	56,000,000	56,000,000	0	0	0	0
Miscellaneous Revenue	18,500,000	18,500,000	0	0	0	0
Nursing Home Tax	102,500,000	102,500,000	0	0	0	0
Total Other State Revenue	\$673,900,000	\$672,200,000	\$1,700,000	\$0	\$0	\$0
Total State Revenue	\$8,194,500,000	\$3,497,000,000	\$3,199,200,000	\$596,600,000	\$236,000,000	\$665,700,000

**Distribution of Estimated Revenue by Fund
Fiscal Year 2002-2003**

SOURCE OF REVENUE

Department of Revenue	Total Revenue	General Fund	Education Fund	Highway Fund	Sinking Fund	Cities & Counties
Sales and Use Tax	\$4,781,200,000	\$1,326,100,000	\$3,206,500,000	\$0	\$39,500,000	\$209,100,000
Gasoline Tax	586,600,000	8,100,000	0	277,700,000	77,000,000	223,800,000
Motor Fuel Tax	156,300,000	4,100,000	0	111,200,000	0	41,000,000
Gasoline Inspection Tax	64,800,000	20,200,000	0	32,600,000	0	12,000,000
Motor Vehicle Registration Tax	227,200,000	36,100,000	0	191,100,000	0	0
Income Tax	214,700,000	139,100,000	0	0	0	75,600,000
Privilege Tax	171,900,000	171,900,000	0	0	0	0
Gross Receipts Tax - TVA	202,300,000	122,300,000	0	0	0	80,000,000
Gross Receipts Tax - Other	24,400,000	21,500,000	0	2,900,000	0	0
Beer Tax	16,300,000	10,900,000	0	2,100,000	0	3,300,000
Alcoholic Beverage Tax	31,800,000	26,400,000	0	0	0	5,400,000
Franchise Tax	355,700,000	337,700,000	0	0	18,000,000	0
Excise Tax	669,300,000	551,400,000	0	0	103,900,000	14,000,000
Inheritance and Estate Tax	90,000,000	90,000,000	0	0	0	0
Tobacco Tax	82,600,000	500,000	82,100,000	0	0	0
Motor Vehicle Title Fees	11,300,000	8,600,000	0	0	2,700,000	0
Mixed Drink Tax	37,100,000	1,500,000	17,800,000	0	0	17,800,000
Business Tax	23,200,000	23,200,000	0	0	0	0
Severance Tax	1,100,000	300,000	0	0	0	800,000
Coin-operated Amusement Tax	0	0	0	0	0	0
Total Department of Revenue	\$7,747,800,000	\$2,899,900,000	\$3,306,400,000	\$617,600,000	\$241,100,000	\$682,800,000
Other State Revenue						
Department of Commerce and Insurance	\$313,800,000	\$313,800,000	\$0	\$0	\$0	\$0
Department of Financial Institutions	5,300,000	5,300,000	0	0	0	0
Wildlife Resources Agency	38,600,000	38,600,000	0	0	0	0
Department of Agriculture	20,700,000	20,700,000	0	0	0	0
Regulatory Board Fees	26,700,000	26,700,000	0	0	0	0
Tennessee Regulatory Authority	7,400,000	7,400,000	0	0	0	0
Secretary of State	14,000,000	14,000,000	0	0	0	0
Department of Safety	38,100,000	38,100,000	0	0	0	0
State Treasurer	24,000,000	24,000,000	0	0	0	0
Department of Education	1,700,000	0	1,700,000	0	0	0
Department of Health	5,900,000	5,900,000	0	0	0	0
Dept. of Environment and Conservation	52,500,000	52,500,000	0	0	0	0
Miscellaneous Revenue	18,500,000	18,500,000	0	0	0	0
Nursing Home Tax	102,500,000	102,500,000	0	0	0	0
Total Other State Revenue	\$669,700,000	\$668,000,000	\$1,700,000	\$0	\$0	\$0
Total State Revenue	\$8,417,500,000	\$3,567,900,000	\$3,308,100,000	\$617,600,000	\$241,100,000	\$682,800,000

**Comparative Statement of Revenues of Regulatory Boards
Actual and Estimated July 1, 2000 - June 30, 2003
To Support Statement of State Revenues**

SOURCE OF REVENUE	Actual 2000-2001	Estimated 2001-2002	Estimated 2002-2003
State Board of Accountancy	\$791,400	\$740,000	\$740,000
State Board of Examiners for Architects & Engineers	1,204,400	1,170,000	1,170,000
Advisory Board on Professional Boxing and Racing	31,500	23,000	23,000
Tennessee Auctioneer Commission	238,500	250,000	250,000
Board of Barber Examiners	289,100	280,000	280,000
Tennessee Collection Service Board	222,000	200,000	200,000
Licensing Contractors, Home Improvement & Interior Designers	3,055,700	1,940,000	1,940,000
State Board of Cosmetology	1,100,600	1,100,000	1,100,000
Board of Funeral Directors and Embalmers	164,300	350,000	350,000
Board of Examiners for Land Surveyors	173,000	155,000	155,000
Board of Alarm Contractors	378,000	400,000	400,000
Private Investigators Licensing and Regulation	252,900	230,000	230,000
Private Protective Services Licensing & Regulation	803,500	700,000	700,000
Real Estate Appraiser Commission	205,900	350,000	350,000
Registration of Geologists	68,900	75,000	75,000
Tennessee Real Estate Commission	3,811,200	600,000	600,000
Board of Pharmacy	1,027,800	940,000	940,000
Tennessee Motor Vehicle Commission	1,278,300	1,100,000	1,100,000
Employee Leasing	132,700	70,000	70,000
Reserves	0	4,426,900	4,526,900
Sub-Total: Commerce and Insurance	\$15,229,700	\$15,099,900	\$15,199,900
Board of Chiropractic Examiners	\$165,300	\$78,300	\$78,300
Board of Dentistry	568,300	597,500	597,500
Board of Dietitian / Nutritionist Examiners	53,100	54,200	54,200
Board of Dispensing Opticians	94,800	115,500	115,500
State Board of Electrolysis Examiners	13,900	11,800	11,800
Council for Licensing Hearing Instrument Specialists	25,200	21,500	21,500
Board of Social Worker Certification and Licensure	105,400	123,500	123,500
Board of Medical Examiners	1,517,200	1,256,900	1,256,900
Tennessee Medical Laboratory Board	395,600	411,800	411,800
Board of Nursing	2,430,600	2,401,500	2,401,500
Board of Examiners for Nursing Home Administrators	87,000	122,500	122,500
Board of Occupational and Physical Therapy Examiners	465,400	568,800	568,800
State Board of Athletic Trainers	16,400	18,800	18,800
Board of Respiratory Care	133,100	150,000	150,000
State Board of Optometry	120,400	120,700	120,700
Board of Osteopathic Examination	68,300	67,300	67,300
Board of Registration for Podiatry	40,700	48,100	48,100
Board of Cert. for Prof. Counselors, and Marital and Family Therapists	87,900	84,500	84,500
Board of Examiners in Psychology	272,200	300,100	300,100
Board for Communication Disorders and Sciences	78,900	83,200	83,200
Massage Licensure Board	362,500	346,800	346,800
Board of Veterinary Medical Examiners	212,300	231,800	231,800
Alcohol and Drug Abuse Counslors	42,300	122,600	122,600
Board of Midwifery	0	75,000	75,000
Board of Acupuncture	0	36,500	36,500
Board of Clinical Perfusionists	0	17,500	17,500
Reserves	0	0	0
Sub-Total: Health	\$7,356,800	\$7,466,700	\$7,466,700
State Regulatory Fee	\$1,901,300	\$1,835,100	\$1,835,100
State Board of Law Examiners	590,000	621,200	621,200
Health Facilities Commission	906,500	630,400	630,400
Health Allocated Expenses	0	946,700	946,700
Total Regulatory Boards	\$25,984,300	\$26,600,000	\$26,700,000

Tax Expenditures

Recommended Budget, Fiscal Year 2002-2003

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 2002-2003. 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>FY2002-2003 Estimated Loss</u>	
	<u>State</u>	<u>Local*</u>
Administrative & Support Services	\$202,500,000	\$75,900,000
Collection Agencies & Credit Bureaus	16,500,000	6,200,000
Employment Services	110,800,000	41,600,000
Investigation & Security Services	22,700,000	8,500,000
Mail, Document Reproduction, & Call Centers	12,100,000	4,500,000
Services to Buildings & Dwellings	40,400,000	15,100,000
Construction Services	\$495,000,000	\$185,600,000
Building, Developing, & General Contracting	171,500,000	64,300,000
Heavy Construction	44,500,000	16,700,000
Special Trade Contractors	279,000,000	104,600,000
Educational Services	\$11,800,000	\$4,400,000
Educational Services (for-profit)	10,300,000	3,800,000
Educational Services (non-profit)	1,500,000	600,000
Finance, Insurance, & Real Estate	\$160,800,000	\$60,400,000
Investment Banking, Securities Brokerage, & Related Services	56,400,000	21,200,000
Insurance Agents & Related Services	41,800,000	15,700,000
Real Estate Agents & Brokers	62,600,000	23,500,000
Health Care & Social Services (For-profit)	\$499,300,000	\$187,200,000
Physicians & Dentists	263,500,000	98,800,000
Other Health Practitioners	32,400,000	12,100,000
Hospitals	68,900,000	25,800,000
Nursing & Residential Care Facilities	78,300,000	29,400,000
Outpatient Care Centers	20,300,000	7,600,000
Medical and Diagnostic Laboratories	14,600,000	5,500,000
Other Selected Health Services	6,400,000	2,400,000
Social & Community Services	14,900,000	5,600,000
Health Care & Social Services (Non-profit)	\$300,300,000	\$112,600,000
Hospitals	251,100,000	94,200,000
Nursing & Residential Care Facilities	15,500,000	5,800,000
Outpatient Care Centers	17,000,000	6,400,000
Other Selected Health Services	3,300,000	1,200,000
Social & Community Services	13,400,000	5,000,000
Information Services	\$43,900,000	\$16,500,000
Data Processing Services	10,400,000	3,900,000
Movie Production & Sound Recording Studios	6,900,000	2,600,000
Cable T.V. Subscriptions (exempt amt.)	13,100,000	4,900,000
Newspaper Subscriptions & Sales	13,500,000	5,100,000
Media Advertising Sales	\$110,200,000	\$41,300,000
Newspaper Advertising	32,800,000	12,300,000
Radio Advertising	16,900,000	6,300,000
Television Advertising (Broadcast & Cable)	60,500,000	22,700,000
Personal Services	\$57,200,000	\$21,500,000
Coin-operated Laundry	2,100,000	800,000
Death Care Services	11,900,000	4,500,000
Diet & Weight Loss	1,700,000	600,000
Hair, Nail, & Skin Care Services	23,800,000	8,900,000
Non-Profit Amusement & Membership Organizations	17,700,000	6,700,000
Professional & Technical Services	\$403,000,000	\$151,000,000
Accounting, Tax Return Prep., & Payroll	51,400,000	19,300,000
Advertising & Public Relations	25,100,000	9,400,000
Architectural Services	16,700,000	6,300,000
Engineering Services	68,500,000	25,700,000
All Other Architectural, Engineering, & Related Services	8,900,000	3,300,000
Specialized Design Services	12,000,000	4,500,000
Computer Systems Design & Related Services	36,100,000	13,500,000
Legal Services (profit & non-profit)	96,900,000	36,300,000
Management, Scientific, & Technical Consulting	70,800,000	26,500,000
Scientific Research & Development (profit & non-profit)	16,600,000	6,200,000
Transportation Services	\$124,600,000	\$46,700,000
Couriers & Messengers	62,400,000	23,400,000
Truck Transportation (Local)	46,700,000	17,500,000
Other Transportation	15,500,000	5,800,000
Total Revenue Loss	\$2,408,600,000	\$903,100,000

*Local revenue loss calculated based on an average local sales tax rate of 2.25%.

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 2002-2003 Estimated Loss	
		State	Local
	Sales and Use Tax	\$1,410,049,000	\$490,072,000
67-6-329(a)(1)	Gasoline	241,400,000	90,500,000
67-6-329(a)(2)	Motor vehicle fuel (diesel fuel)	80,400,000	30,100,000
67-6-329(a)(1)	Gasoline/diesel fuel for agriculture	6,300,000	2,300,000
67-6-334	Energy fuels sold for residential use	177,000,000	66,400,000
67-6-206(b)(1)	Energy and water sales to manufacturers (reduced rate)	113,400,000	56,700,000
67-6-206(b)(3)(4)	Energy and water sales to manufacturers for direct processing	43,600,000	560,000
67-6-217	Aviation fuel (reduced rate)	4,600,000	6,900,000
67-6-312, 320	Prescription drugs, insulin, and syringes	170,200,000	63,820,000
67-6-319	Prescription drug samples	9,140,000	3,430,000
67-6-206(a)	Industrial machinery and equipment	126,300,000	11,710,000
67-6-207	Farm machinery and equipment	14,400,000	1,300,000
67-6-102(24)(E)(ii)	Packaging sold for resale or use	74,700,000	28,000,000
67-6-216	Non-material cost of manufactured homes (reduced rate)	19,900,000	7,500,000
67-6-336	Used factory-manufactured structures	5,600,000	520,000
67-4-506	Vending machines	19,900,000	7,500,000
67-6-212(5)	Cable television (exempt portion)	13,100,000	4,900,000
67-6-316	Prescription eyewear and optical goods	13,160,000	4,900,000
67-6-329(a)(21)	Newspaper (periodical) sales	13,999,000	5,250,000
67-6-329(a)(12)	School books and lunches	13,930,000	5,220,000
67-6-330(a)(3)	First \$150 dues for club membership	8,660,000	3,250,000
67-6-313(g), 321	Railroad rolling stock	6,750,000	1,500,000
67-6-530	Motion picture production	6,900,000	2,600,000
67-6-329(a)(3-10), (17)	Fertilizers, pesticides, seeds, and related items to nurseries	4,500,000	1,690,000
67-6-329(a)(16)	Magazines and books--printers' nexus	3,538,000	1,327,000
67-6-303	Motor vehicles sold to non-resident military personnel	3,540,000	275,000
67-6-309(a)	Film and transcription rentals	2,860,000	1,070,000
67-6-330(a)(19)	Physical fitness facility fees	2,272,000	850,000
	All other remaining exemptions	210,000,000	80,000,000
	Corporate Franchise and Excise Tax	\$117,038,000	\$0
67-4-2012 & 2111	Double-weighted sales factor (Franchise & Excise)	39,257,500	NA
67-4-2009	Industrial machinery credit (Excise)	30,385,000	NA
56-4-217, 67-4-2009 & 2109	Phased-in gross premiums credit for insurance comps. (Franchise & Excise)	21,217,500	NA
67-4-2109	Jobs credit (Franchise)	9,407,000	NA
67-4-2009 & 2112	Hospital company tax credit (Franchise & Excise)	9,000,000	NA
67-4-2108	Cap on value of inventories (Franchise)	7,771,000	NA
	Motor Vehicle Registration Fees	\$3,446,100	\$0
55-4-223	Government vehicles	913,200	NA
55-4-228(c)(1)	Enlisted members of the Tennessee National Guard	208,800	NA
55-4-235, 236, 237	Former POWs, medal of honor recipients, and disabled veterans	176,500	NA
55-4-113(7)	Special Zone Tags - Class 1	794,700	NA
55-4-113(7), 124	Special Zone Tags - Class 2	1,010,400	NA
55-21-103(a)(l)	Handicapped person fee	42,500	NA
55-21-103(b)(2)(a)(c)	Handicapped person placards	300,000	NA
	Gross Receipts Taxes	\$228,039,500	\$0
67-4-402	Bottlers - Franchise and excise tax credit	1,537,500	NA
67-4-506(a), 67-4-402(d)	Vending Machines Sales - Franchise and excise tax credit	300,000	NA
67-4-405(b)	Gas, Water, and Electric Companies - Government operations exempt	222,402,000	NA
67-4-405(d)	Gas, Water, and Electric Companies - Franchise and excise tax credit	3,700,000	NA
67-4-405(f)	Gas, Water, and Electric Companies - \$5,000 exemption	100,000	NA
	Miscellaneous Taxes	\$134,240,000	\$0
67-2-104(a)	Standard Exemption on the income tax	19,458,000	NA
67-8-315(a)(6)	Standard Deduction on the inheritance and gift tax	73,954,000	NA
67-8-316(a)	Marital Deduction on the inheritance and gift tax	38,728,000	NA
67-3-401(a)	Exemption of governmental entities from the special petroleum tax	1,400,000	NA
67-4-409(b)(4)	Mortgage Tax - \$2,000 exemption	700,000	NA
	Total Revenue Loss	\$1,892,812,600	\$490,072,000

Source: Tennessee Departments of Revenue and Safety

Financial Statements

Table of Contents

General Fund, Comparative Balance Sheet	A-121
Education Fund, Comparative Balance Sheet.....	A-122
Highway Fund, Comparative Balance Sheet.....	A-123
Debt Management.....	A-125
Debt Service Fund, Statement of Revenues, Expenditures, and Requirements.....	A-126
Debt Service Fund, Comparative Balance Sheet.....	A-127
Bond Fund, Statement of Bonds Authorized and Unissued	A-128
Bond Fund, Statement of Bonds Sold	A-129
Bond Fund, Statement of Appropriations in Lieu of Issuing Bonds.....	A-130
Bond Fund, Statement of Bonded Indebtedness, Principal and Interest on Bonded Debt	A-131

General Fund
Comparative Balance Sheet
June 30, 2000, and June 30, 2001

Assets	<u>June 30, 2000</u>	<u>June 30, 2001</u>
Cash and Cash Equivalents	\$312,006,000	\$616,034,000
Receivables:		
Taxes	330,943,000	318,176,000
Due from Other Governments	611,425,000	315,580,000
Interest	16,341,000	10,895,000
Other	237,453,000	94,907,000
Advances to Component Units	180,000	170,000
Due from Other Funds	253,214,000	254,265,000
Due from Component Units	3,530,000	2,978,000
Food Stamps	498,000	0
Prepayments	15,000	70,000
	<hr/>	<hr/>
Total Assets	<u>\$1,765,605,000</u>	<u>\$1,613,075,000</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts Payable and Accruals	\$594,337,000	\$349,139,000
Accrued Payroll and Related Deductions	41,411,000	48,759,000
Due to Other Funds	8,840,000	15,289,000
Due to Component Units	4,231,000	5,726,000
Deferred Revenue	173,915,000	197,995,000
Deposits Payable	158,000	87,000
	<hr/>	<hr/>
Total Liabilities	<u>\$822,892,000</u>	<u>\$616,995,000</u>
Fund Balance:		
Reserved for Related Assets	\$3,743,000	\$30,620,000
Reserved for Encumbrances and Contracts	11,719,000	8,477,000
Reserved for Continuing Appropriations	303,753,000	333,108,000
Reserved for Tobacco Settlement	202,950,000	0
Reserved for Federal Contingent Liability	0	100,000,000
Reserved for Other Specific Purposes	49,071,000	61,911,000
Unreserved:		
Designated for Revenue Fluctuations	165,100,000	178,000,000
Designated for Future Requirements	51,300,000	31,200,000
Designated for Future Appropriations	147,526,000	243,776,000
Designated for Other Specific Purposes	7,388,000	8,863,000
Undesignated	163,000	125,000
	<hr/>	<hr/>
Total Fund Balance	<u>\$942,713,000</u>	<u>\$996,080,000</u>
Total Liabilities and Fund Balance	<u>\$1,765,605,000</u>	<u>\$1,613,075,000</u>

Education Fund
Comparative Balance Sheet
June 30, 2000, and June 30, 2001

	June 30, 2000	June 30, 2001
Assets		
Cash and Cash Equivalents	\$10,000	\$10,000
Receivables:		
Taxes	296,008,000	286,994,000
Due from Other Governments	51,793,000	60,547,000
Other	339,000	45,000
Due from Other Funds	645,000	6,496,000
Total Assets	\$348,795,000	\$354,092,000
Liabilities and Fund Balance		
Liabilities:		
Accounts Payable and Accruals	82,421,000	82,245,000
Accrued Payroll and Related Deductions	2,247,000	2,348,000
Due to Other Funds	246,132,000	244,537,000
Deferred Revenue	1,768,000	1,929,000
Total Liabilities	\$332,568,000	\$331,059,000
Fund Balance:		
Reserved for Encumbrances and Contracts	\$1,308,000	\$1,077,000
Reserved for Continuing Appropriations	14,518,000	21,465,000
Reserved for Other Specific Purposes	401,000	491,000
Total Fund Balance	\$16,227,000	\$23,033,000
Total Liabilities and Fund Balance	\$348,795,000	\$354,092,000

Highway Fund
Comparative Balance Sheet
June 30, 2000, and June 30, 2001

	June 30, 2000	June 30, 2001
Assets		
Cash and Cash Equivalents	\$259,302,000	\$239,827,000
Receivables:		
Taxes	57,788,000	62,749,000
Due from Other Governments	67,964,000	68,660,000
Other	130,000	171,000
Due from Other Funds	8,000	8,000
Inventories, at cost	6,265,000	6,468,000
Total Assets	\$391,457,000	\$377,883,000
Liabilities and Fund Balance		
Liabilities:		
Accounts Payable and Accruals:		
Accounts Payable	40,816,000	40,765,000
Contract Retainage	5,675,000	7,422,000
Accrued Payroll and Related Deductions	5,144,000	5,606,000
Due to Other Funds	1,006,000	1,138,000
Deferred Revenue	6,945,000	8,050,000
Deposits Payable	1,327,000	1,389,000
Total Liabilities	\$60,913,000	\$64,370,000
Fund Balances:		
Reserved for Related Assets	\$6,265,000	\$6,468,000
Reserved for Encumbrances and Contracts	234,073,000	175,461,000
Reserved for Other Specific Purposes:		
Interstate Highways	3,466,000	149,000
State Highways	26,744,000	63,425,000
Bridge Replacement	15,249,000	21,387,000
Rural Public Transportation	28,158,000	35,257,000
Other	16,531,000	11,263,000
Unreserved: Designated for Highway Construction	58,000	103,000
Total Fund Balance	\$330,544,000	\$313,513,000
Total Liabilities and Fund Balance	\$391,457,000	\$377,883,000

Debt Management

Recommended Budget, Fiscal Year 2002-2003

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. Adequate safeguards are therefore embodied in law against the issuance of excessive debt, and the state's current and future debt service requirements are well below the established legal limits.

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 of the state's capital program with surplus cash, cancellation of bond authorizations in lieu of issuing debt, creating and maintaining an adequate "Rainy Day Fund" to offset unanticipated revenue shortfalls, and the adoption of state statutes to control the issuance of excessive debt.

In the past, this consistent and conservative approach to the management of our debt earned the state triple A bond ratings from the nation's leading credit rating agencies. However, our inability to solve the structural deficit that exists in the state's tax system and the continuing use of non-recurring funds to fund recurring expenses caused the three rating agencies to downgrade the state's bond ratings in 2001. Fitch and Standard and Poor's Corporation (S&P) now rate the state AA. In addition S&P has placed the state on Credit Watch with negative implications; and Moody's Investors Service dropped Tennessee's rating to Aa2 with a Negative Outlook.

The state still enjoys a low debt burden, and access to the capital markets remains strong. However, the end result of these lower ratings will be higher interest rates and increased debt service expense as the state issues future debt in order to fund its capital needs.

During fiscal year 2000-2001 the state sold \$150 million in general obligation bonds. At least one additional general obligation bond sale is anticipated to occur prior to the close of this fiscal period. As of June 30, 2001, Tennessee's total general obligation bonded indebtedness was \$898,709,000 excluding the Facilities Revolving Fund. This debt was issued entirely for institutional and building construction.

The first session of the 102nd General Assembly approved new authorizations in the amount of \$162,600,000. Of this amount, institutional and building bonds accounted for \$21.3 million, the Facilities Revolving Fund \$61.3 million, and highway bonds \$80.0 million.

The practice of using the state's 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, within the last 18 months has cancelled \$167.7 million in highway bond authorizations and \$18.5 million in institutional and building construction bonds.

The increase in bond authorization coupled with the Funding Board's action on bond cancellations reduced the category of authorized but unissued bonds to \$1,261,172,700, which includes \$641.5 million in highway authorizations and \$104 million in Facility Revolving Fund bonds.

The 2002-2003 proposed budget recommends the authorization of an additional \$77 million in highway construction bonds, \$176.3 million in institutional and building bonds, and \$51,748,000 in cash to finance capital projects. The proposed budget also includes \$3.1 million in bond authorization for the Facilities Revolving Fund.

Debt Service Fund
Statement of Revenues, Expenditures, and Requirements
July 1, 2000 - June 30, 2003

	Actual 2000-2001	Estimated 2001-2002	Estimated 2002-2003
Unreserved Fund Balance, July 1	\$2,750,000	\$3,407,000	\$616,000
Tax Revenues:			
Gasoline Tax	\$87,700,000	\$80,000,000	\$77,000,000
Franchise Tax	18,000,000	18,000,000	18,000,000
Excise Tax	99,120,000	97,100,000	103,900,000
Sales Tax	38,480,000	38,200,000	39,500,000
Motor Vehicle Title Fees	2,527,000	2,700,000	2,700,000
Total Tax Revenues	\$245,827,000	\$236,000,000	\$241,100,000
Other Revenues:			
Sports Authority	\$3,997,000	\$3,993,000	\$3,988,000
State Parks	1,613,000	1,792,000	1,675,000
State Golf Courses	221,000	122,000	240,000
Community Provider Pooled Loans	1,734,000	0	0
Premium on Bond Sales	586,000	0	0
Total Other Revenues	\$8,151,000	\$5,907,000	\$5,903,000
Total Available Funds	\$256,728,000	\$245,314,000	\$247,619,000
Appropriations, Transfers, and Fund Balance			
Debt Service Appropriations for:			
Outstanding Bonds @ 6/30/2001	\$113,477,000	\$115,498,000	\$106,990,000
Community Provider Pooled Loans - Repaid	1,000,000	0	0
Capital Outlay Projects - Unissued Bonds (\$408,953,200)	0	0	44,985,000
* Capital Outlay Projects - Proposed Bonds (\$155,700,000)	0	0	17,127,000
Short Term Interest	6,037,000	4,000,000	0
Community Provider Pooled Loans - Interest	734,000	0	0
Debt Service Expense	973,000	1,500,000	1,000,000
Total Debt Service Appropriations	\$122,221,000	\$120,998,000	\$170,102,000
Transfers to Other Funds:			
Highway Fund	\$87,700,000	\$80,000,000	\$77,000,000
General Fund	39,200,000	40,000,000	0
Capital Projects Fund - Technology Centers	3,700,000	3,700,000	0
Capital Projects Fund - Other	500,000	0	0
Total Transfers to Other Funds	\$131,100,000	\$123,700,000	\$77,000,000
Total Appropriations and Transfers	\$253,321,000	\$244,698,000	\$247,102,000
Unreserved Fund Balance, June 30	\$3,407,000	\$616,000	\$517,000

* Debt service appropriations for proposed bonds (\$20,600,000) for higher education included in recommended current operations budget.

Debt Service Fund
Comparative Balance Sheet
June 30, 2000, and June 30, 2001

	June 30, 2000	June 30, 2001
Assets		
Cash and Cash Equivalents	\$814,000	\$1,217,000
Receivables:		
Taxes	3,559,000	3,429,000
Advances to Component Units	14,800,000	13,800,000
Total Assets	\$19,173,000	\$18,446,000
 Liabilities and Fund Balance 		
Liabilities:		
Accounts Payable and Accruals	1,623,000	1,228,000
Due to Other Funds	0	11,000
Deferred Revenue	14,800,000	13,800,000
Total Liabilities	\$16,423,000	\$15,039,000
 Fund Balance:		
Unreserved: Designated for Debt Service	\$2,750,000	\$3,407,000
Total Fund Balance	\$2,750,000	\$3,407,000
 Total Liabilities and Fund Balance	 \$19,173,000	 \$18,446,000

Bond Fund
Statement of Bonds Authorized and Unissued
June 30, 2000 - June 30, 2002

<u>Year</u>	<u>Authority</u>	<u>Description</u>	<u>June 30, 2000</u>	<u>June 30, 2001</u>	<u>June 30, 2002*</u>
1985	Chapter 425	Data Processing Equipment - Telephone Systems	\$8,340,400	\$8,340,400	\$0
1986	Chapter 875	Data Processing Equipment	504,700	504,700	0
1989	Chapter 525	Data Processing Equipment	356,000	356,000	0
1990	Chapter 947	Capital Outlay Projects	307,400	80,200	80,200
1990	Chapter 947	Facilities Revolving Fund	226,300	226,300	226,300
1990	Chapter 947	Equipment Revolving Fund	443,200	443,200	0
1992	Chapter 930	Capital Outlay Projects	66,300	3,900	3,900
1992	Chapter 930	Facilities Revolving Fund	37,400	37,400	37,400
1992	Chapter 930	Data Processing Equipment	8,742,000	8,742,000	8,742,000
1992	Chapter 1028	State Parks	735,300	354,100	354,100
1993	Chapter 528	Golf Courses	16,500,000	16,500,000	16,500,000
1993	Chapter 533	Capital Outlay Projects	335,200	335,200	335,200
1993	Chapter 533	Highway Construction	80,000,000	0	0
1994	Chapter 850	State Parks	3,069,100	283,700	0
1994	Chapter 850	Data Processing Equipment	13,800,000	13,800,000	13,800,000
1994	Chapter 1009	Higher Education - Technology Centers	8,721,800	6,641,700	6,641,700
1994	Chapter 1010	Capital Outlay Projects	661,400	43,600	43,600
1994	Chapter 1010	Facilities Revolving Fund	4,080,000	991,400	991,400
1994	Chapter 1010	Equipment Revolving Fund	6,000,000	2,500,000	0
1994	Chapter 1010	Highway Construction	87,700,000	80,000,000	0
1995	Chapter 457	Higher Education - Technology Centers	4,700,300	3,492,500	3,492,500
1995	Chapter 461	Capital Outlay Projects	2,782,700	2,130,900	2,130,900
1995	Chapter 461	Highway Construction	77,000,000	77,000,000	77,000,000
1996	Chapter 908	Higher Education - Technology Centers	13,678,700	13,265,800	13,265,800
1996	Chapter 945	State Parks	12,961,000	3,150,300	3,150,300
1996	Chapter 952	Capital Outlay Projects	84,522,000	39,609,700	39,609,700
1996	Chapter 952	Data Processing Equipment	20,000,000	20,000,000	20,000,000
1996	Chapter 952	Highway Construction	148,000,000	148,000,000	148,000,000
1996	Chapter 990	State Parks	16,000,000	16,000,000	16,000,000
1997	Chapter 535	Capital Outlay Projects	22,600,000	20,726,600	20,726,600
1997	Chapter 535	Facilities Revolving Fund	24,900,000	0	0
1997	Chapter 535	Highway Construction	75,000,000	75,000,000	75,000,000
1998	Chapter 831	Refund TLDA Community Provider Pooled Loans	25,800,000	24,800,000	24,800,000
1998	Chapter 1103	Capital Outlay Projects	232,127,800	169,884,700	169,884,700
1998	Chapter 1103	Facilities Revolving Fund	17,900,000	8,480,300	8,480,300
1998	Chapter 1103	Highway Construction	90,000,000	90,000,000	90,000,000
1999	Chapter 401	Capital Outlay Projects	40,226,000	37,498,100	37,498,100
1999	Chapter 401	Facilities Revolving Fund	13,700,000	13,588,000	13,588,000
1999	Chapter 401	Highway Construction	83,800,000	83,800,000	83,800,000
2000	Chapter 984	Capital Outlay Projects	97,290,000	97,290,000	97,290,000
2000	Chapter 984	Facilities Revolving Fund	19,400,000	19,400,000	19,400,000
2000	Chapter 984	Highway Construction	87,700,000	87,700,000	87,700,000
2001	Chapter 460	State Parks	0	0	2,000,000
2001	Chapter 462	Capital Outlay Projects	0	0	19,300,000
2001	Chapter 462	Facilities Revolving Fund	0	0	61,300,000
2001	Chapter 462	Highway Construction	0	0	80,000,000
Total Bonds Authorized and Unissued			\$1,450,715,000	\$1,191,000,700	\$1,261,172,700
Summary by Purpose:					
		Capital Outlay Projects	\$557,285,000	\$427,291,000	\$448,307,300
		Highway Construction	729,200,000	641,500,000	641,500,000
		Facilities Revolving Fund	80,243,700	42,723,400	104,023,400
		Data Processing Equipment	51,743,100	51,743,100	42,542,000
		Equipment Revolving Fund	6,443,200	2,943,200	0
		Refund TLDA Loans	25,800,000	24,800,000	24,800,000
Total Bonds Authorized and Unissued			\$1,450,715,000	\$1,191,000,700	\$1,261,172,700

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

Bond Fund
Statement of Bonds Sold
July 1, 1999 - June 30, 2001

<u>Year</u>	<u>Authority</u>	<u>Description</u>	<u>July 1, 1999 - June 30, 2000</u>	<u>July 1, 2000 - June 30, 2001</u>
1990	Chapter 947	Capital Outlay Projects	0	227,165.16
1992	Chapter 930	Capital Outlay Projects	0	62,382.45
1992	Chapter 1028	State Parks	0	381,199.59
1994	Chapter 850	State Parks	0	2,785,392.10
1994	Chapter 1009	Technology Centers	0	827.26
1994	Chapter 1010	Capital Outlay Projects	0	617,758.34
1994	Chapter 1010	Facilities Revolving Fund	0	3,088,564.80
1995	Chapter 461	Capital Outlay Projects	0	651,765.77
1996	Chapter 945	State Parks	0	9,810,671.68
1996	Chapter 952	Capital Outlay Projects	0	31,098,235.90
1997	Chapter 535	Capital Outlay Projects	0	1,873,382.84
1997	Chapter 535	Facilities Revolving Fund	0	24,900,000.00
1998	Chapter 1103	Capital Outlay Projects	0	62,243,083.72
1998	Chapter 1103	Facilities Revolving Fund	0	9,419,670.28
1999	Chapter 401	Capital Outlay Projects	0	2,727,900.11
1999	Chapter 401	Facilities Revolving Fund	0	112,000.00
Total Bonds Sold			<u>\$0.00</u>	<u>\$150,000,000.00</u>

Bond Fund
Statement of Appropriations in Lieu of Issuing Bonds
July 1, 1999 - June 30, 2002

Year	Authority	Description	July 1, 1999 - June 30, 2000	July 1, 2000 - June 30, 2001	July 1, 2001 - June 30, 2002*
1991	Chapter 493	Data Processing Equipment	\$7,997,600.00	\$0.00	\$0.00
1993	Chapter 533	Highway Construction	83,800,000.00	80,000,000.00	0.00
1994	Chapter 1009	Higher Education-Technology Centers	2,476,857.00	2,079,243.93	0.00
1994	Chapter 1010	Highway Construction	0.00	7,700,000.00	80,000,000.00
1994	Chapter 1010	Equipment Revolving Fund	5,000,000.00	3,500,000.00	0.00
1995	Chapter 457	Higher Education-Technology Centers	810,197.00	1,207,810.07	0.00
1996	Chapter 908	Higher Education-Technology Centers	412,946.00	412,946.00	0.00
1996	Chapter 952	Prison Construction	16,081,000.00	13,814,000.00	0.00
1998	Chapter 831	Community Provider Pooled Loans	1,200,000.00	1,000,000.00	0.00
Total Appropriations in Lieu of Issuing Bonds			\$117,778,600.00	\$109,714,000.00	\$80,000,000.00

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

Note: Chapter 462, Public Acts of 2001, which passed on July 12, 2001, cancelled the following unissued bond authorizations:

1985	Chapter 425	Data Processing Equipment	\$8,340,400.00
1986	Chapter 875	Data Processing Equipment	\$504,653.00
1989	Chapter 525	Data Processing Equipment	\$356,027.00
1990	Chapter 947	Equipment Revolving Fund	\$443,239.70
1994	Chapter 850	State Parks	\$283,719.00
1994	Chapter 1010	Equipment Revolving Fund	\$2,500,000.00

Bond Fund
Statement of Bonded Indebtedness
Principal and Interest on Bonded Debt
June 30, 2001

Outstanding Bonds			
Fiscal Year	Principal	Interest	Total
2001 - 2002	72,186,000	43,312,000	115,498,000
2002 - 2003	67,354,000	39,636,000	106,990,000
2003 - 2004	67,021,000	36,266,000	103,287,000
2004 - 2005	66,811,000	34,757,000	101,568,000
2005 - 2006	66,658,000	31,705,000	98,363,000
2006 - 2007	57,997,000	28,266,000	86,263,000
2007 - 2008	52,573,000	25,434,000	78,007,000
2008 - 2009	52,126,000	22,920,000	75,046,000
2009 - 2010	50,530,000	20,462,000	70,992,000
2010 - 2011	50,336,000	17,993,000	68,329,000
2011 - 2012	46,580,000	15,487,000	62,067,000
2012 - 2013	46,799,000	13,138,000	59,937,000
2013 - 2014	40,682,000	10,763,000	51,445,000
2014 - 2015	36,155,000	8,702,000	44,857,000
2015 - 2016	31,979,000	6,864,000	38,843,000
2016 - 2017	27,511,000	5,246,000	32,757,000
2017 - 2018	20,078,000	3,843,000	23,921,000
2018 - 2019	11,339,000	2,801,000	14,140,000
2019 - 2020	7,739,000	2,184,000	9,923,000
2020 - 2021	2,245,000	1,748,000	3,993,000
2021 - 2022	2,390,000	1,606,000	3,996,000
2022 - 2023	2,540,000	1,454,000	3,994,000
2023 - 2024	2,705,000	1,292,000	3,997,000
2024 - 2025	2,875,000	1,120,000	3,995,000
2025 - 2026	3,060,000	936,000	3,996,000
2026 - 2027	3,255,000	740,000	3,995,000
2027 - 2028	3,465,000	532,000	3,997,000
2028 - 2029	3,720,000	275,000	3,995,000
Total	\$898,709,000	\$379,482,000	\$1,278,191,000

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, 2001 outstanding principal was \$153,743,000 and interest was \$65,174,000.

Capital Outlay and Facilities Program

Table of Contents

Capital Budget.....	A-135
Proposed Capital Appropriations from Bonds, Current Funds, and Other Revenues.....	A-137
Projects Funded from Dedicated Revenues.....	A-139
Projected First Year Operating Costs for New Facilities Recommended as Projects	A-140
Proposed Capital Projects from School Bonds and Other Sources	A-141
Facilities Revolving Fund.....	A-143
Proposed Facilities Revolving Fund Capital Appropriations from Bonds and Current Funds.....	A-145

Capital Budget

Recommended Budget, Fiscal Year 2002 - 2003

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, those funds are considered 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. The State Building Commission is composed 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 that cost \$100,000 or more. Maintenance projects costing less than this amount are considered to be major maintenance items that 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 projects are defined as those providing new facilities or materially extending the

Capital Budget

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 2002-2003, the capital projects budget proposal recommends a total of \$293,456,000 divided between capital outlays and capital maintenance requests.

Capital Maintenance — Capital maintenance projects are recommended at a level of \$67,281,000. State bond authorization is recommended in the amount of \$33,065,000 along with \$27,813,000 in state appropriations. Federal and 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 — Capital outlays recommended for this fiscal year total \$226,175,000. State Appropriations in the amount of \$23,935,000 and \$143,235,000 in new bond authorizations are requested. Federal and other sources equal the remainder of the total amount.

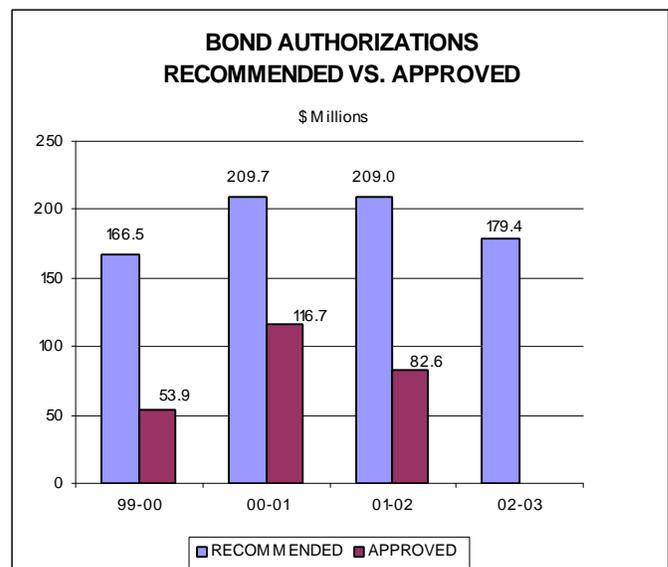
Projects from dedicated sources of revenue are also recommended for the Departments of Transportation and Tennessee Wildlife Resources Agency.

Facilities Revolving Fund — Capital projects and maintenance for the Facilities Revolving Fund is recommended at a funding level of \$6,380,000. Facilities Revolving Fund capital 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 have been determined to have increases or decreases in operating costs from the current budget, have been included in the schedule.

New Bond Authorizations — Capital maintenance, capital outlay and Facilities Revolving Fund requests will require new bond authorizations totaling \$179,400,000. 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 2002-2003

CAPITAL OUTLAYS	COUNTY	TOTAL	STATE	BONDS	FEDERAL	OTHER
Children's Services						
Taft Youth Center New Multi-Purpose Building	Bledsoe	3,200,000	200,000	3,000,000	0	0
		\$3,200,000	\$200,000	\$3,000,000	\$0	\$0
Correction						
Maintenance	Statewide	6,175,000	0	0	0	6,175,000
New Projects Initial Planning & Site work	Statewide	23,762,000	0	0	21,385,000	2,377,000
		\$29,937,000	\$0	\$0	\$21,385,000	\$8,552,000
Education						
WTN Deaf School Physical Therapy Addition	Madison	1,960,000	260,000	1,700,000	0	0
		\$1,960,000	\$260,000	\$1,700,000	\$0	\$0
Environment and Conservation						
Cumberland Mt. State Park Sewer Plant Replacement	Cumberland	1,730,000	1,730,000	0	0	0
Tims Ford State Park Sewer Plant Replacement	Franklin	1,480,000	30,000	1,450,000	0	0
Paris Landing State Park Kitchen Expansion	Henry	1,290,000	40,000	1,250,000	0	0
Statewide Small Projects Construction	Statewide	440,000	440,000	0	0	0
Warriors Path State Park Safety Crossing	Sullivan	260,000	260,000	0	0	0
Meeman-Shelby State Park Sewer Plant Replacement	Shelby	990,000	40,000	950,000	0	0
Harrison Bay State Park Sewer Plant Replacement	Hamilton	1,020,000	1,020,000	0	0	0
		\$7,210,000	\$3,560,000	\$3,650,000	\$0	\$0
Finance and Administration						
New TN State Museum Initial Planning	Davidson	1,500,000	1,500,000	0	0	0
Fort Campbell Museum Grant	Montgomery	1,000,000	1,000,000	0	0	0
Country Music Hall of Fame Grant	Davidson	1,000,000	1,000,000	0	0	0
City of Spencer Sewer System	Van Buren	1,500,000	0	1,500,000	0	0
University of Memphis Performing Arts Center	Shelby	15,000,000	0	15,000,000	0	0
		\$20,000,000	\$3,500,000	\$16,500,000	\$0	\$0
Military Department						
New Tazewell ARNG Readiness Center Construction	Claiborne	3,800,000	90,000	700,000	2,850,000	160,000
TN ARNG Nashville Armed Forces Reserve Center	Davidson	12,817,000	0	0	12,817,000	0
TN ARNG Smyrna Dormitory (22 Bed)	Rutherford	750,000	0	0	750,000	0
TN ARNG Tullahoma Readiness Center	Coffee	5,733,000	0	0	5,733,000	0
TN ARNG Tullahoma OMS Facility	Coffee	2,308,000	0	0	2,308,000	0
TN ARNG Tullahoma Contonment Area	Coffee	2,000,000	0	0	2,000,000	0
TN ARNG Winchester OMS Facility	Franklin	2,500,000	0	0	2,500,000	0
TN ARNG Kingsport OMS Facility	Sullivan	3,725,000	0	0	3,725,000	0
		\$33,633,000	\$90,000	\$700,000	\$32,683,000	\$160,000
Safety						
Crestview Communications Tower Replacement	Lawrence	520,000	50,000	470,000	0	0
Memphis Communications Tower Replacement	Shelby	580,000	50,000	530,000	0	0
		\$1,100,000	\$100,000	\$1,000,000	\$0	\$0

Proposed Capital Appropriations from Bonds, Current Funds, and Other Revenues Fiscal Year 2002-2003

CAPITAL OUTLAYS	COUNTY	TOTAL	STATE	BONDS	FEDERAL	OTHER
Geier Desegregation Settlement						
TSU Avon Williams Campus Improvements	Davidson	4,000,000	0	3,100,000	0	900,000
Nashville School of Law at TSU	Davidson	10,000,000	0	8,500,000	0	1,500,000
		\$14,000,000	\$0	\$11,600,000	\$0	\$2,400,000
Higher Education						
Technology Initiatives	Statewide	9,000,000	0	9,000,000	0	0
		\$9,000,000	\$0	\$9,000,000	\$0	\$0
Tennessee Board of Regents						
Maintenance	Statewide	22,880,000	4,270,000	18,610,000	0	0
SWTCC Priority Master Plan Implementation	Shelby	500,000	300,000	200,000	0	0
Lease Purchase & Replacement Fund	Statewide	3,000,000	100,000	2,900,000	0	0
APSU McCord Building Renovation	Montgomery	6,840,000	2,840,000	4,000,000	0	0
ETSU Sherrod Library Renovation	Washington	10,350,000	350,000	10,000,000	0	0
WSCC College Center Renovation	Hamblen	4,380,000	710,000	3,670,000	0	0
PSTCC Academic Building & Plant Renovation	Knox	6,360,000	1,560,000	4,800,000	0	0
DSCC LRC, Eller & Glover Addition & Renovation	Dyer	9,690,000	930,000	8,760,000	0	0
NESTCC New Humanities Building	Sullivan	13,990,000	640,000	13,350,000	0	0
		\$77,990,000	\$11,700,000	\$66,290,000	\$0	\$0
University of Tennessee						
Maintenance	Statewide	14,530,000	3,900,000	10,630,000	0	0
UTK Glocker Building Renovation & Addition	Knox	24,300,000	4,000,000	20,300,000	0	0
UTMHSC College of Pharmacy Building	Shelby	32,900,000	4,795,000	28,105,000	0	0
		\$71,730,000	\$12,695,000	\$59,035,000	\$0	\$0
Statewide						
Maintenance	Statewide	23,696,000	19,643,000	3,825,000	228,000	0
		\$23,696,000	\$19,643,000	\$3,825,000	\$228,000	\$0
Grand Total		\$293,456,000	\$51,748,000	\$176,300,000	\$54,296,000	\$11,112,000

**Projects Funded from Dedicated Revenues
Fiscal Year 2002-2003**

	<u>COUNTY</u>	<u>TOTAL</u>	<u>STATE</u>	<u>BONDS</u>	<u>FEDERAL</u>	<u>OTHER</u>
Tennessee Wildlife Resources Agency						
Morristown Hatchery Pond Improvements	Hamblen	200,000	0	0	0	200,000
Gibson Lake Parking Lot Paving	Gibson	110,000	0	0	0	110,000
Reelfoot Lake Informational Kiosk	Lake	22,350	0	0	16,750	5,600
Boat Ramp Renovations in 3 TWRA Regions	Statewide	225,000	0	0	0	225,000
Total		\$557,350	\$0	\$0	\$16,750	\$540,600
Transportation						
Underground Storage Tank Remediation	Statewide	1,000,000	0	0	0	1,000,000
Renovate Weigh Scale Buildings	Statewide	500,000	0	0	0	500,000
Region 4 Reroof 5 County Shop Sites	Areawide	100,000	0	0	0	100,000
Region 1 Access Road Additional Funding	Knox	150,000	0	0	0	150,000
Asphalt Storage Tank Removal	Statewide	200,000	0	0	0	200,000
Region 2 District 22 New Maintenance Office	Sequatchie	150,000	0	0	0	150,000
Region 3 Renovate 6 Co Maintenance Sites	Areawide	1,200,000	0	0	0	1,200,000
Region 1 New County Maintenance Building	Sullivan	180,000	0	0	0	180,000
Region 3 Replace 5 District Equipment Sheds	Areawide	625,000	0	0	0	625,000
Region 2 District 21 New Maintenance Office	Putnam	200,000	0	0	0	200,000
Total		\$4,305,000	\$0	\$0	\$0	\$4,305,000
Grand Total		<u>\$4,862,350</u>	<u>\$0</u>	<u>\$0</u>	<u>\$16,750</u>	<u>\$4,845,600</u>

**Projected First Year Operating Costs for New Facilities
Recommended as Projects for Fiscal Year 2002-2003**

	<u>COUNTY</u>	<u>TOTAL</u>	<u>UTILITIES</u>	<u>MAINTENANCE</u>	<u>PROGRAM</u>
Children's Services					
Taft New Multi-Purpose Building	Bledsoe	118,500	95,000	9,500	14,000
		\$118,500	\$95,000	\$9,500	\$14,000
Education					
WTN Deaf School Therapy Addition	Madison	12,000	12,000	0	0
		\$12,000	\$12,000	\$0	\$0
Military					
New Tazewell Readiness Center	Claiborne	44,000	44,000	0	0
Nashville ARNG Reserve Center	Davidson	60,000	60,000	0	0
Smyrna ARNG Dormitory	Rutherford	30,000	30,000	0	0
Tullahoma ARNG Readiness Center	Coffee	24,000	24,000	0	0
Tullahoma Cantonment Area	Coffee	36,000	36,000	0	0
Winchester ARNG OMS Facility	Franklin	24,000	24,000	0	0
Kingsport ARNG OMS Facility	Sullivan	30,000	30,000	0	0
		\$248,000	\$248,000	\$0	\$0
TN Board of Regents					
NESTCC New Humanities Building	Sullivan	140,600	35,000	30,000	75,600
		\$140,600	\$35,000	\$30,000	\$75,600
University of Tennessee System					
UTK Glocker Building Renov & Addition	Knox	641,000	288,000	353,000	0
UTMCHS New Pharmacy Building	Shelby	1,050,000	450,000	600,000	0
		\$1,691,000	\$738,000	\$953,000	\$0
Grand Total		\$2,210,100	\$1,128,000	\$992,500	\$89,600

Proposed Capital Projects from School Bonds and Other Sources Fiscal Year 2002-2003

	<u>TOTAL</u>	<u>TSSBA</u>	<u>INSTITUTIONAL/ AUXILIARY</u>	<u>OTHER</u>
Systemwide				
CFC Chiller Replacements	1,800,000	1,800,000	0	0
Performance Contracting	10,000,000	10,000,000	0	0
	<u>\$11,800,000</u>	<u>\$11,800,000</u>	<u>\$0</u>	<u>\$0</u>
East Tennessee State University				
Med School Armory Property & Dorm Rnov	7,800,000	0	0	7,800,000
Golf Practice Area	250,000	0	0	250,000
Greek Row	9,250,000	9,250,000	0	0
Several Buildings Roof Replacements	450,000	0	450,000	0
Tennis Facility	1,000,000	0	0	1,000,000
	<u>\$18,750,000</u>	<u>\$9,250,000</u>	<u>\$450,000</u>	<u>\$9,050,000</u>
Middle Tennessee State University				
Alumni Building Repairs	890,000	0	890,000	0
Farm Consolidation Planning	150,000	0	150,000	0
Greek Row Development Phase II	17,000,000	17,000,000	0	0
Housing Renovations Phase II	15,000,000	15,000,000	0	0
N. TN Boulevard Infrastructure	500,000	0	500,000	0
Nursing Building Addition	4,650,000	0	0	4,650,000
Observatory Relocation	500,000	0	0	500,000
Parking Lot Construction	600,000	0	600,000	0
Property Demolition	350,000	0	350,000	0
Recreation Fields Replacements	4,150,000	0	0	4,150,000
Sports Museum	1,000,000	0	0	1,000,000
Student Health Services Refurbishment	400,000	0	0	400,000
Telecommunications Building Addition	210,000	0	210,000	0
Womens Softball Locker Room	500,000	0	0	500,000
	<u>\$45,900,000</u>	<u>\$32,000,000</u>	<u>\$2,700,000</u>	<u>\$11,200,000</u>
Tennessee Technological University				
Jobe,Murphy&Cooper,Pinkerton Electric Rnov	610,000	0	610,000	0
	<u>\$610,000</u>	<u>\$0</u>	<u>\$610,000</u>	<u>\$0</u>
University of Memphis				
Central Avenue Improvements	200,000	0	200,000	0
Life Sciences Lab Modifications	380,000	0	380,000	0
North Central Parking Lot Extension	1,180,000	0	1,180,000	0
North Parking Garage	14,000,000	14,000,000	0	0
Performing Arts Center	16,000,000	0	0	16,000,000
Richardson Tower Improvements	8,590,000	8,590,000	0	0
Three Buildings Computer Labs	1,000,000	0	0	1,000,000
University Center Renovations	22,000,000	22,000,000	0	0
Various Dormitory Improvements	4,430,000	4,430,000	0	0
	<u>\$67,780,000</u>	<u>\$49,020,000</u>	<u>\$1,760,000</u>	<u>\$17,000,000</u>
Chattanooga State Tech Community College				
Ballfields Lighting Additions	140,000	0	140,000	0
	<u>\$140,000</u>	<u>\$0</u>	<u>\$140,000</u>	<u>\$0</u>
Cleveland State Community College				
Tech/SBI Early Learning Center Renovation	320,000	0	0	320,000
	<u>\$320,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$320,000</u>
Columbia State Community College				
Jones Student Center Renovation	620,000	0	620,000	0
	<u>\$620,000</u>	<u>\$0</u>	<u>\$620,000</u>	<u>\$0</u>
Motlow State Community College				
Athletic Facilities Lighting Improvements	320,000	0	0	320,000
Systems & Services Upgrades	180,000	0	180,000	0
	<u>\$500,000</u>	<u>\$0</u>	<u>\$180,000</u>	<u>\$320,000</u>

**Proposed Capital Projects from School Bonds and Other Sources
Fiscal Year 2002-2003**

	<u>TOTAL</u>	<u>TSSBA</u>	<u>INSTITUTIONAL/ AUXILIARY</u>	<u>OTHER</u>
Nashville State Technical Institute				
Security Center Construction	170,000	0	170,000	0
	<u>\$170,000</u>	<u>\$0</u>	<u>\$170,000</u>	<u>\$0</u>
Volunteer State Community College				
Exterior Security & Safety Upgrade	100,000	0	100,000	0
Interior Health & Safety Renovations	50,000	0	50,000	0
	<u>\$150,000</u>	<u>\$0</u>	<u>\$150,000</u>	<u>\$0</u>
Walters State Community College				
Agricultural Expo Center 3 Barns Construction	1,000,000	0	0	1,000,000
Greene County Center Renovations	5,000,000	0	0	5,000,000
Sevier County Library Construction	3,000,000	0	0	3,000,000
Sevier County Soccer Facilities	250,000	0	0	250,000
	<u>\$9,250,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$9,250,000</u>
Total for Tennessee Board of Regents System	<u>\$155,990,000</u>	<u>\$102,070,000</u>	<u>\$6,780,000</u>	<u>\$47,140,000</u>
University of Tennessee Chattanooga				
College Street Special Housing	4,420,000	4,420,000	0	0
	<u>\$4,420,000</u>	<u>\$4,420,000</u>	<u>\$0</u>	<u>\$0</u>
University of Tennessee Knoxville				
Administrative Parking Garage Phase 2	700,000	0	700,000	0
Campus Entrance	2,000,000	2,000,000	0	0
Intercollegiate Swim Facility	19,300,000	19,300,000	0	0
Neyland Thompson Sports Center Addition	11,600,000	11,600,000	0	0
Apartment Residence Hall Renovations	1,300,000	1,300,000	0	0
Dining Hall Renovations	2,500,000	0	2,500,000	0
Stokely Athletics Center Renovation	19,400,000	19,400,000	0	0
Morrill Hall Renovation	3,650,000	3,650,000	0	0
	<u>\$60,450,000</u>	<u>\$57,250,000</u>	<u>\$3,200,000</u>	<u>\$0</u>
University of Tennessee Memphis				
Energy Savings Performance Contract	3,000,000	3,000,000	0	0
	<u>\$3,000,000</u>	<u>\$3,000,000</u>	<u>\$0</u>	<u>\$0</u>
Total for University of Tennessee System	<u>\$67,870,000</u>	<u>\$64,670,000</u>	<u>\$3,200,000</u>	<u>\$0</u>
 Grand Total	 <u><u>\$223,860,000</u></u>	 <u><u>\$166,740,000</u></u>	 <u><u>\$9,980,000</u></u>	 <u><u>\$47,140,000</u></u>

Facilities Revolving Fund

Recommended Budget, Fiscal Year 2002 - 2003

The 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, the departments of General Services and Finance and Administration manage the daily operations of the fund. General Services operates, maintains, and manages FRF facilities. Finance and Administration constructs and renovates facilities through its Division of Capital Projects and Real Property Management with approval of the State Building Commission. The division also assigns space to agencies, handles lease acquisitions, and provides relocation services and furniture to agencies.

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.

	<u>Actual</u> <u>2000-2001</u>	<u>Estimated</u> <u>2001-2002</u>	<u>Base</u> <u>2002-2003</u>
501.01 Operational Maintenance			
Payroll	0	0	0
Operational	38,977,400	37,973,000	40,565,000
Total	\$38,977,400	\$37,973,000	\$40,565,000
State	110,000	0	0
Federal	0	0	0
Other	38,867,400	37,973,000	40,565,000

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.

501.02 General Services Project Maintenance

Payroll	0	0	0
Operational	1,437,300	1,700,000	1,700,000
Total	\$1,437,300	\$1,700,000	\$1,700,000
State	0	0	0
Federal	0	0	0
Other	1,437,300	1,700,000	1,700,000

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, within the Facilities Management allotment.

	<u>Actual</u> <u>2000-2001</u>	<u>Estimated</u> <u>2001-2002</u>	<u>Base</u> <u>2002-2003</u>
501.03 Facilities Management			
Payroll	0	0	0
Operational	24,230,000	25,396,000	29,171,000
Total	\$24,230,000	\$25,396,000	\$29,171,000
State	0	0	0
Federal	0	0	0
Other	24,230,000	25,396,000	29,171,000

The Department of Finance and Administration's Capital Projects and Real Property Management 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.

501.04 Capital Projects

Payroll	0	0	0
Operational	2,347,500	7,705,000	3,280,000
Total	\$2,347,500	\$7,705,000	\$3,280,000
State	0	0	0
Federal	0	0	0
Other	2,347,500	7,705,000	3,280,000

501.05 Debt Service

Payroll	0	0	0
Operational	25,519,800	23,000,000	22,000,000
Total	\$25,519,800	\$23,000,000	\$22,000,000
State	0	0	0
Federal	0	0	0
Other	25,519,800	23,000,000	22,000,000

501.00 Facilities Revolving Fund Total

Payroll	0	0	0
Operational	92,512,000	95,774,000	96,716,000
Total	\$92,512,000	\$95,774,000	\$96,716,000
State	110,000	0	0
Federal	0	0	0
Other	92,402,000	95,774,000	96,716,000

**Proposed Facilities Revolving Fund Capital Appropriations
from Bonds and Current Funds
Fiscal Year 2002-2003**

	<u>COUNTY</u>	<u>TOTAL</u>	<u>FRF CURRENT</u>	<u>BONDS</u>
Capital Maintenance	Statewide	2,660,000	2,660,000	0
West TN. Regional Health Laboratory Renovation	Madison	3,460,000	360,000	3,100,000
South Central Regional Health Office Initial Planning	Maury	100,000	100,000	0
Lowell Thomas Building Renovation 2 Initial Planning	Madison	160,000	160,000	0
Grand Total		<u><u>\$6,380,000</u></u>	<u><u>\$3,280,000</u></u>	<u><u>\$3,100,000</u></u>

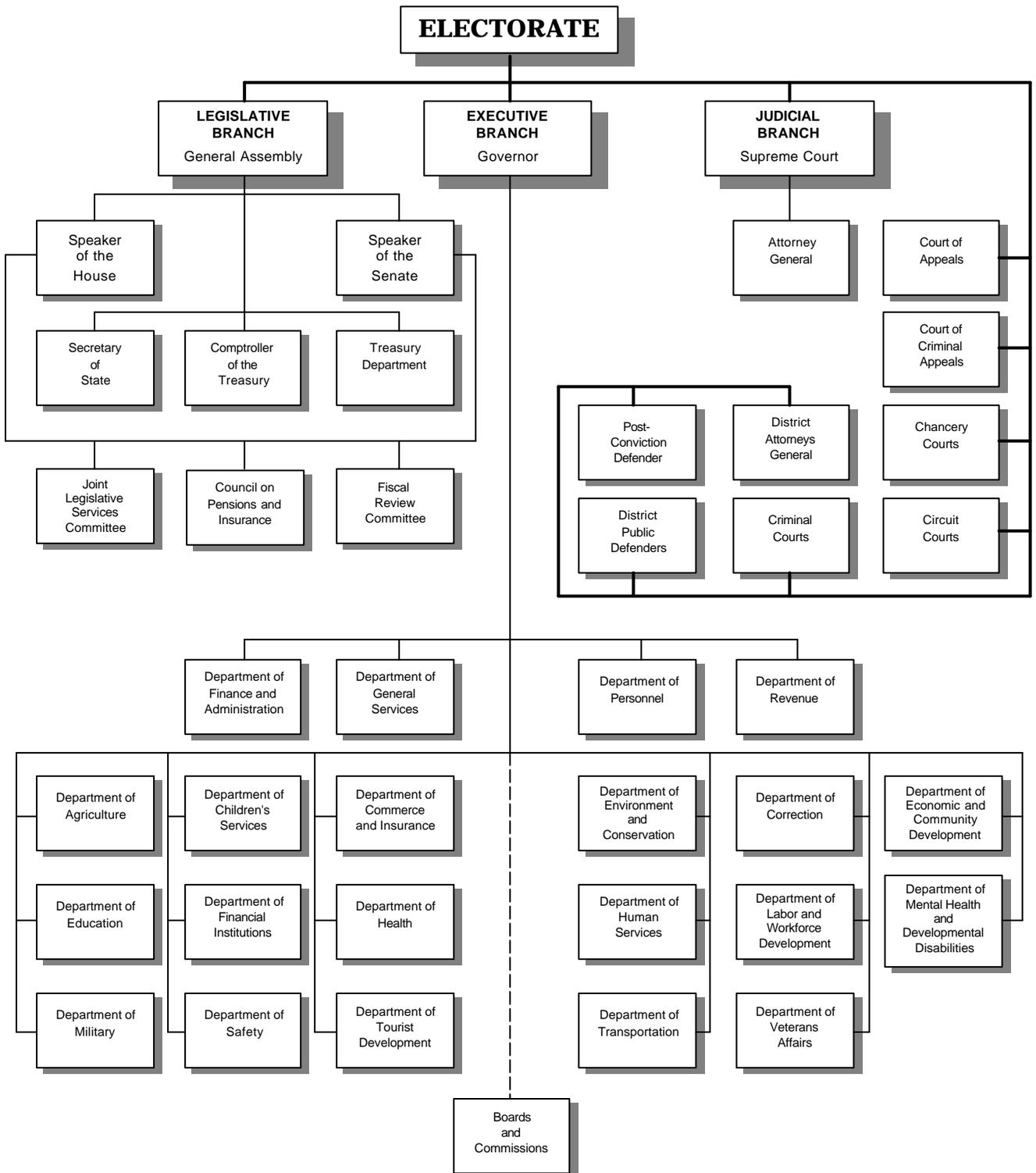
Program Statements by Functional Area

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
Program Statements	
General Government	B-13
Education	B-87
Health and Social Services.....	B-155
Law, Safety and Correction.....	B-225
Resources and Regulation.....	B-289
Transportation, Business and Economic Development.....	B-337

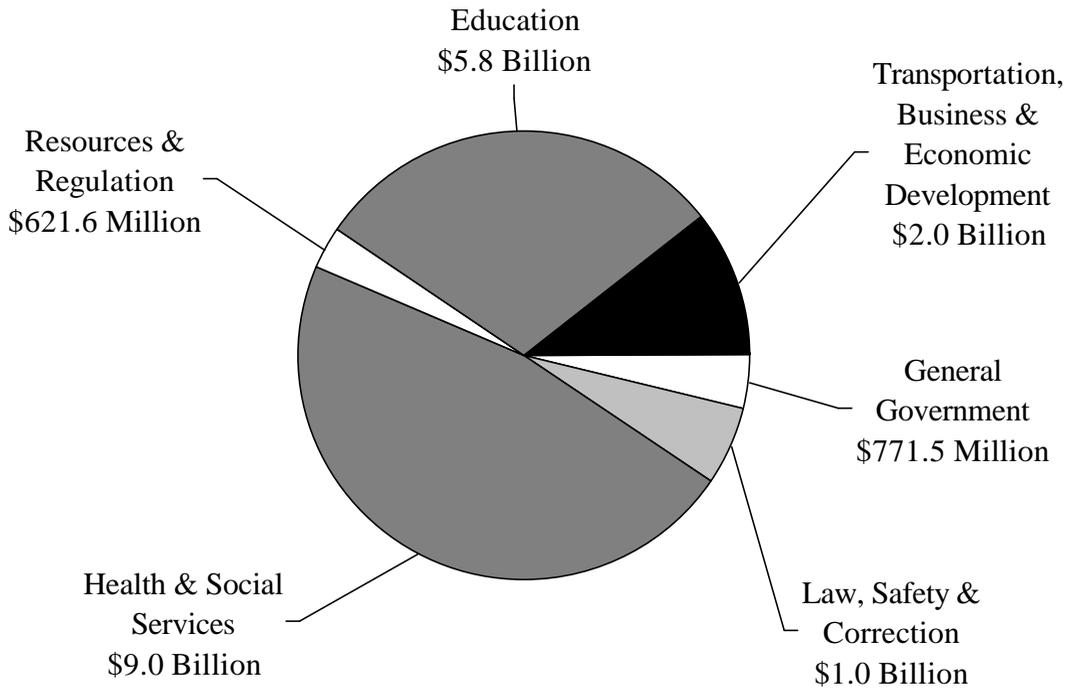
TENNESSEE STATE GOVERNMENT ORGANIZATIONAL CHART

FISCAL YEAR 2002 - 2003



Funds by Program Area

FY 2002 - 2003 Recommended



\$19,218,914,400 Total

The departments and agencies of state government are grouped into six broad “functional areas.” This chart summarizes the FY 2002 - 2003 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 2002-2003
By Funding Source

Department	State	Federal	Other	Total
301.00 Legislature	28,611,800	0	137,500	28,749,300
305.00 Secretary of State	24,525,600	2,946,700	5,234,400	32,706,700
307.00 Comptroller of the Treasury	44,508,100	0	8,608,600	53,116,700
309.00 Treasury Department	575,700	0	15,227,700	15,803,400
313.00 Claims and Compensation	8,245,300	3,396,000	47,947,200	59,588,500
315.00 Executive Department	4,221,900	0	0	4,221,900
316.04 Human Rights Commission	1,426,100	433,900	0	1,860,000
316.11 Tennessee Regulatory Authority	7,413,500	317,200	8,000	7,738,700
316.12 Advisory Commission on Intergovernmental Relations	470,900	0	1,241,800	1,712,700
317.00 Finance and Administration	14,323,300	32,191,800	178,059,900	224,575,000
319.00 Personnel	4,534,900	0	4,464,800	8,999,700
321.00 General Services	6,448,200	0	82,233,500	88,681,700
323.00 Veterans Affairs	2,749,200	175,200	82,700	3,007,100
347.00 Revenue	45,392,500	0	17,884,400	63,276,900
351.00 Miscellaneous Appropriations	176,438,800	0	0	176,438,800
353.00 Emergency and Contingency Fund	819,300	0	0	819,300
355.00 State Building Commission	250,000	0	0	250,000
Total	\$370,955,100	\$39,460,800	\$361,130,500	\$771,546,400

Education
Recommended Budget for Fiscal Year 2002-2003
By Funding Source

Department	State	Federal	Other	Total
331.00 Education	2,795,186,000	610,313,600	17,863,100	3,423,362,700
332.00 Higher Education	1,218,013,300	138,323,900	984,393,000 *	2,340,730,200
Total	\$4,013,199,300	\$748,637,500	\$1,002,256,100	\$5,764,092,900

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

Health and Social Services
Recommended Budget for Fiscal Year 2002-2003
By Funding Source

Department	State	Federal	Other	Total
316.01 Commission on Children and Youth	1,634,800	6,509,100	2,419,700	10,563,600
316.02 Commission on Aging and Disability	11,970,600	22,927,200	5,000	34,902,800
316.07 Health Facilities Commission	630,400	0	12,400	642,800
316.10 Council of Juvenile and Family Court Judges	403,500	0	105,900	509,400
318.00 Finance and Administration - TennCare Program	1,898,276,600	3,833,235,700	189,130,000	5,920,642,300
318.01 Finance and Administration - Office of Health Services	7,347,800	1,214,800	98,200	8,660,800
339.00 Mental Health and Developmental Disabilities	99,064,100	14,159,900	82,391,300	195,615,300
339.21 Finance and Administration - Mental Retardation	70,469,000	2,092,100	494,239,000	566,800,100
343.00 Health	97,304,600	188,365,500	107,315,200	392,985,300
345.00 Human Services	162,063,000	1,126,708,700	73,869,000	1,362,640,700
359.00 Children's Services	251,804,800	87,979,200	193,457,100	533,241,100
Total	\$2,600,969,200	\$5,283,192,200	\$1,143,042,800	\$9,027,204,200

Law, Safety and Correction
Recommended Budget for Fiscal Year 2002-2003
By Funding Source

Department	State	Federal	Other	Total
302.00 Court System	75,739,200	200,000	3,173,900	79,113,100
303.00 Attorney General and Reporter	14,532,100	0	10,412,400	24,944,500
304.00 District Attorneys General Conference	44,467,900	0	12,198,100	56,666,000
306.00 District Public Defenders Conference	25,823,300	0	235,000	26,058,300
308.00 Office of the Post-Conviction Defender	827,700	204,100	0	1,031,800
316.03 Alcoholic Beverage Commission	2,016,300	0	1,900,800	3,917,100
316.08 TRICOR	0	0	24,425,200	24,425,200
316.09 Corrections Institute	639,900	0	15,000	654,900
324.00 Board of Probation and Parole	57,685,800	0	340,000	58,025,800
329.00 Correction	477,812,700	15,360,000	14,779,500	507,952,200
341.00 Military	9,298,900	32,765,100	1,386,800	43,450,800
348.00 Tennessee Bureau of Investigation	28,025,500	6,591,700	8,018,100	42,635,300
349.00 Safety	116,062,300	5,038,300	36,655,700	157,756,300
Total	\$852,931,600	\$60,159,200	\$113,540,500	\$1,026,631,300

Resources and Regulation
Recommended Budget for Fiscal Year 2002-2003
By Funding Source

Department	State	Federal	Other	Total
316.25 Arts Commission	4,332,100	596,300	0	4,928,400
316.27 State Museum	2,448,900	0	0	2,448,900
327.00 Environment and Conservation	136,377,200	72,107,200	76,930,300	285,414,700
328.00 Tennessee Wildlife Resources Agency	40,692,200	12,750,100	6,099,900	59,542,200
335.00 Commerce and Insurance	38,711,000	210,000	27,395,300	66,316,300
336.00 Financial Institutions	5,308,800	0	3,446,500	8,755,300
337.00 Labor and Workforce Development	23,630,000	125,618,400	44,959,900	194,208,300
Total	\$251,500,200	\$211,282,000	\$158,831,900	\$621,614,100

**Transportation, Business and Economic Development
Recommended Budget for Fiscal Year 2002-2003
By Funding Source**

Department	State	Federal	Other	Total
316.20 Tennessee Housing Development Agency	0	248,046,000	15,943,700	263,989,700
325.00 Agriculture	58,969,300	12,976,900	5,832,900	77,779,100
326.00 Tourist Development	8,198,800	0	4,378,500	12,577,300
330.00 Economic and Community Development	53,642,400	39,454,200	5,332,800	98,429,400
400.00 Transportation	746,750,000	772,656,000	35,644,000	1,555,050,000
Total	\$867,560,500	\$1,073,133,100	\$67,131,900	\$2,007,825,500

General Government

Table of Contents

Introduction	B-15
Homeland Security Initiative (Table 1)	B-18
Total Personnel and Funding	B-21
Improvements for Fiscal Year 2002-2003	B-22
Program Statements	B-29
Legislature.....	B-29
Secretary of State	B-32
Comptroller of the Treasury.....	B-36
Treasury Department.....	B-42
Claims and Compensation.....	B-44
Executive Department.....	B-46
Human Rights Commission.....	B-48
Tennessee Regulatory Authority	B-49
Advisory Commission on Intergovernmental Relations	B-50
Department of Finance and Administration	B-51
Department of Personnel.....	B-56
Department of General Services	B-59
Department of Veterans Affairs	B-64
Department of Revenue.....	B-65
Miscellaneous Appropriations	B-68
Emergency and Contingency Fund.....	B-69
State Building Commission.....	B-70
Performance Measures and Program Information	B-71
Secretary of State	B-71
Comptroller of the Treasury.....	B-73
Treasury Department.....	B-75
Human Rights Commission.....	B-77
Tennessee Regulatory Authority	B-77
Advisory Commission on Intergovernmental Relations	B-78

General Government

Table of Contents

(Performance Measures and Program Information – Continued)

Department of Finance and Administration	B-79
Department of Personnel.....	B-81
Department of General Services	B-82
Department of Veterans Affairs	B-83
Department of Revenue.....	B-84

General Government

Recommended Budget, Fiscal Year 2002 – 2003

This functional area is composed 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.

More than any other, 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 oversees the daily operation of state government and is responsible for ensuring that state laws are enforced, taxes are collected, and public monies are spent wisely.

The Office of Homeland Security is responsible for developing and implementing a comprehensive strategy to secure the State of Tennessee from terrorist threats and attacks. The office interacts with the National Office of Homeland Security and coordinates state homeland security actions through the Homeland Security Council in order to assure a safe and healthy environment for all Tennesseans. Funding for the Office of Homeland Security is currently included in Miscellaneous Appropriations and costs are summarized in the following pages on Table 1.

Also included in this functional group are the departments that assist the Governor in a staff function:

- Finance and Administration
- Personnel
- General Services
- Revenue.

These departments facilitate the successful operation of state government by providing support for all departments.

In addition, the departments of General Services and 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 & 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 Capital Projects and Real Property Management 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 Management Division of the Department of General Services is responsible for effectively managing, operating, and maintaining FRF 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.

Improvement Highlights

Secretary of State

The Administration is recommending \$1.5 million to continue public library grants. Also recommended is \$500,000 to continue

funding the Tennessee Electronic Library, which has enhanced access to electronic databases for libraries across the state. An additional \$500,000 is recommended to provide funding for a Voting Machine Loan Fund in order to assist local governments in financing the upgrade or replacement of old voting machines.

Comptroller of the Treasury

The recommended budget contains \$446,000 to provide staffing for administrative and technical support for audits of county information systems and for information system support of the Comptroller's Office. Funding also is recommended for two positions to analyze K-12 public school performance pursuant to the 1992 Education Improvement Act, focusing on low-performing schools and systems.

Department of the Treasury

The recommended budget includes improvements totaling \$628,000 from dedicated departmental revenues to fund disability fraud investigations for the Tennessee Consolidated Retirement System; replacement of a database server that houses many of the applications related to the Treasurer's responsibilities; and continuation of the Certified Public Administrators program, which provides educational incentive payments to county administrators.

Executive Department

An improvement of \$250,000 is provided for a gubernatorial transition office for the next administration.

Finance and Administration

The Administration recommends an additional \$2.5 million to continue digitized mapping of land parcels from aerial photography for the development of a Geographic Information System.

Personnel

An improvement of \$82,400 is recommended to fund the replacement of an electronic storage device for employment data

and replacement of outdated computer equipment.

General Services

An appropriation of \$200,000 is recommended for operational and equipment replacement costs of the State Print Shop, which provides printing services to state agencies.

Veterans Affairs

The recommended budget includes \$102,100 from state appropriations for staffing at the Memphis veterans cemetery, a dump truck for the Knoxville cemetery and recurring equipment replacement funds for the cemeteries.

Revenue

An improvement of \$1.7 million is provided for personnel and technical support for the department's audit and compliance operations. The recommended budget also includes \$1 million to provide staffing crucial to the accurate and timely receipt and processing of tax returns and payments.

Miscellaneous Appropriations

The Miscellaneous Appropriations includes \$8.9 million from state appropriations for the Homeland Security Initiative. This will provide funds to various departments for homeland security coordination, water supply protection, bomb and arson investigations, military equipment, emergency management, biological and other local health services, food and agricultural protection, criminal intelligence, trooper equipment and operational costs, and additional security of state property and mail. The Homeland Security Initiative is summarized in the following pages on Table 1.

Additional improvements include \$49.2 million for a 5 percent salary increase for state employees effective July 1, 2002, and \$20 million for state employee classification-compensation salary adjustments.

An improvement of \$47.6 million is recommended to fund the increase in group health insurance premiums, and \$1.8 million is

provided for additional retired teachers insurance costs. Also, \$11.1 million is provided to fund the Tennessee Consolidated Retirement System rate increase. An improvement of \$3.5 million is

recommended to fund a Board of Claims premium increase. The Administration also recommends \$2.5 million to fund Juvenile Justice Reform legislation, and \$2.5 million for other Administration legislation.

Table 1
Homeland Security Initiative
Fiscal Years 2001-2002 and 2002-2003
Miscellaneous Appropriations
State Appropriations

		<u>Positions</u>	<u>2001-2002 *</u>	<u>2002-2003</u>
303.01	Attorney General and Reporter	-	\$ -	\$ 200,000
	To provide funds for increased security measures to include facilities, maintenance, and guards.			
323.00	Department of Veterans Affairs	2	656,900	655,500
	To provide funds for the payroll and operational costs of the Office of Homeland Security, including 3 new positions: chemical director, administrative assistant, and secretary. One existing position is reclassified as an assistant commissioner.			
	Department of Environment and Conservation			
327.30	Environment Administration	-	-	659,600
	To provide funds to hire 16 environmental specialists for the purpose of testing, monitoring, and evaluating Tennessee's water supply. Existing positions will be filled.			
	Department of Commerce and Insurance			
335.03	Fire Prevention	1	-	55,800
	To provide funds for a bomb and arson special agent for investigations of fires, explosions, and related deaths. Also, to provide bomb and polygraph training courses to bomb and arson special agents.			
	Military Department			
341.02	Tennessee Army National Guard	1	\$ 1,361,300	\$ 532,200
341.04	Tennessee Emergency Management Agency	15	645,900	596,100
	To provide funds for the purchase of military equipment and hire 10 emergency management area coordinators, 5 emergency operations officers, and an administrative assistant. Funds also are needed for additional communications equipment.			
	Sub-Total Military Department	<u>16</u>	<u>\$ 2,007,200</u>	<u>\$ 1,128,300</u>

Table 1 (continued)
Homeland Security Initiative
Fiscal Years 2001-2002 and 2002-2003
Miscellaneous Appropriations
State Appropriations

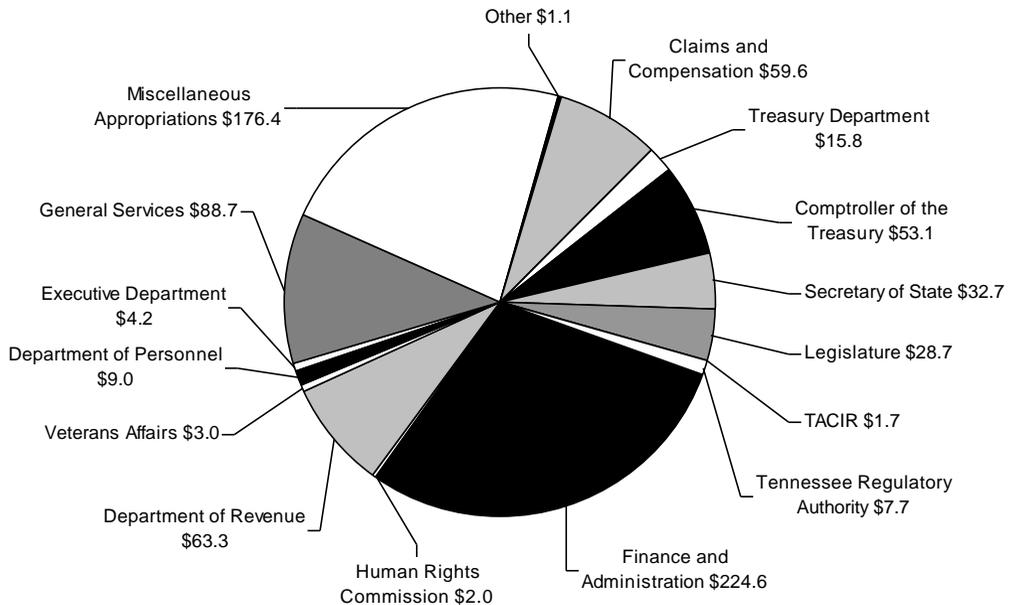
		<u>Positions</u>	<u>2001-2002 *</u>	<u>2002-2003</u>
Department of Health				
343.60	Local Health Services	-	\$ -	\$ 850,000
	To provide funds for the creation of a statewide communications network related to biological threats, outbreaks, or epidemics. Also, to provide funds to contract with metropolitan counties for epidemiology services.			
348.00	Tennessee Bureau of Investigation	14	936,900	884,900
	To provide funds for 8 criminal intelligence agents and 6 intelligence analysts, as well as necessary equipment to upgrade the statewide TBI communications system.			
Department of Safety				
349.02	Drivers License Issuance	-	\$ 300,000	\$ 300,000
349.03	Highway Patrol	-	1,605,200	3,726,300
349.07	Motor Vehicle Operations	-	128,700	128,700
	To provide funds for a new trooper class that includes 50 recruits, helicopter maintenance, and National Crime Information Center (NCIC) background checks. Funds are also needed for communications and other equipment, transportation expenses, trooper overtime, and operational costs.			
	Sub-Total Department of Safety	-	<u>\$ 2,033,900</u>	<u>\$ 4,155,000</u>
Facilities Revolving Fund				
501.01	Operational Maintenance	-	296,400	321,600
	To provide funds for additional security at buildings managed by the Facilities Revolving Fund (FRF). Also, to provide funds for the installation of magnetic doors and locks.			
Total Homeland Security		<u><u>33</u></u>	<u><u>\$ 5,931,300</u></u>	<u><u>\$ 8,910,700</u></u>

* Recommended Supplemental Appropriation

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 2002 - 2003 Recommended



In Millions
\$771,546,400 Total

General Government Total Personnel and Funding

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Recommended 2002-2003</u>
Personnel			
Full Time	4,207	4,192	4,251
Part Time	186	186	202
Seasonal	21	21	21
TOTAL	<u>4,414</u>	<u>4,399</u>	<u>4,474</u>
Expenditures			
Payroll	\$176,083,400	\$198,593,100	\$201,130,500
Operational	369,316,500	447,584,500	570,415,900
TOTAL	<u>\$545,399,900</u>	<u>\$646,177,600</u>	<u>\$771,546,400</u>
Funding			
State	\$178,186,400	\$248,898,000	\$370,955,100
Federal	33,569,000	38,634,600	39,460,800
Other	333,644,500	358,645,000	361,130,500

**General Government
Improvements for Fiscal Year 2002-2003**

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Secretary of State					
• Public Library Grants					
To provide funding to continue public library grants.					
305.05 Regional Libraries	\$1,532,000	\$0	\$0	\$1,532,000	0
Sub-total	\$1,532,000	\$0	\$0	\$1,532,000	0
• Blue Book					
To provide funding for the 2001-2002 Tennessee Blue Book.					
305.03 Public Documents	\$500,000	\$0	\$0	\$500,000	0
Sub-total	\$500,000	\$0	\$0	\$500,000	0
• Tennessee Electronic Library					
To provide funding for continuation of the Tennessee Electronic Library (TEL).					
305.04 State Library and Archives	\$500,000	\$0	\$0	\$500,000	0
Sub-total	\$500,000	\$0	\$0	\$500,000	0
• Voting Machine Loan Fund					
To provide funding for the Voting Machine Loan Fund in order to assist local governments in financing the upgrade or replacement of old voting machines.					
305.02 State Election Commission	\$500,000	\$0	\$0	\$500,000	0
Sub-total	\$500,000	\$0	\$0	\$500,000	0
Total Secretary of State	\$3,032,000	\$0	\$0	\$3,032,000	0

Comptroller of the Treasury

• Management Services					
To provide funding for four legislative analyst positions. These are required to provide adequate computer user support and maintenance for the department's information systems network and to adequately staff for the implementation of CAAS IV (Computer Assisted Appraisal System).					
307.02 Office of Management Services	\$206,000	\$0	\$0	\$206,000	4
Sub-total	\$206,000	\$0	\$0	\$206,000	4
• Education Accountability					
To provide funding for two positions to analyze K-12 public school performance pursuant to the 1992 Education Improvement Act, focusing on low-performing schools and systems.					
307.14 Offices of Research and Education Accountability	\$114,400	\$0	\$0	\$114,400	2
Sub-total	\$114,400	\$0	\$0	\$114,400	2

General Government Improvements for Fiscal Year 2002-2003

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• County Audit					
To provide funding for four additional positions in the County Audit Division to perform county information systems reviews associated with financial and compliance audits and provide technical support to the division. The positions include one audit manager, two information systems auditors, and one information systems analyst.					
307.05 Division of County Audit	\$240,000	\$0	\$0	\$240,000	4
Sub-total	\$240,000	\$0	\$0	\$240,000	4
• Reappraisal Grants					
To continue funding reappraisal grants to counties in accordance with Tennessee Code Annotated (TCA) 67-5-1601(c)(1)(A).					
307.11 State Board of Equalization	\$1,790,000	\$0	\$0	\$1,790,000	0
Sub-total	\$1,790,000	\$0	\$0	\$1,790,000	0
• Property Assessors Pay Supplement					
To continue funding training incentive pay supplements for assessors and deputy assessors in accordance with TCA 67-1-508.					
307.11 State Board of Equalization	\$60,000	\$0	\$0	\$60,000	0
Sub-total	\$60,000	\$0	\$0	\$60,000	0
Total Comptroller of the Treasury	\$2,410,400	\$0	\$0	\$2,410,400	10

Treasury Department

• Disability Retirement					
To provide funding for disability fraud investigations. These investigations would compare Tennessee Consolidated Retirement System (TCRS) records against other information databases in order to provide evidence of alleged fraud. If proven, disability benefits would cease.					
309.01 Treasury Department	\$0	\$0	\$600,000	\$600,000	0
Sub-total	\$0	\$0	\$600,000	\$600,000	0
• Computer Hardware Replacement					
To provide funding for computer hardware replacement. This new hardware would effectively double the capacity and life expectancy of the current server, which houses several databases that are crucial to state government. These include cash management, automated clearinghouse, the Tennessee Consolidated Retirement System, unclaimed property, risk management, claims administration, and other programs.					
309.01 Treasury Department	\$0	\$0	\$28,800	\$28,800	0
Sub-total	\$0	\$0	\$28,800	\$28,800	0

**General Government
Improvements for Fiscal Year 2002-2003**

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Certified Public Administrators					
To provide funding to continue educational incentive payments for county administrators in accordance with TCA 5-1-310.					
309.02 Certified Public Administrators	\$60,200	\$0	\$0	\$60,200	0
Sub-total	\$60,200	\$0	\$0	\$60,200	0
Total Treasury Department	\$60,200	\$0	\$628,800	\$689,000	0
Executive Department					
• Gubernatorial Transition Office					
To provide funding for the gubernatorial transition office for the next administration.					
315.04 Gubernatorial Transition Office	\$250,000	\$0	\$0	\$250,000	8
Sub-total	\$250,000	\$0	\$0	\$250,000	8
Total Executive Department	\$250,000	\$0	\$0	\$250,000	8
Finance and Administration					
• Geographic Information System					
To provide funding to continue digitized mapping of land parcels from aerial photography in order to develop a Geographic Information System.					
317.03 Office of Information Resources	\$2,500,000	\$0	\$0	\$2,500,000	0
Sub-total	\$2,500,000	\$0	\$0	\$2,500,000	0
Total Finance and Administration	\$2,500,000	\$0	\$0	\$2,500,000	0
Personnel					
• Optical Jukebox and Computer Equipment					
To provide funding for replacement of outdated computer equipment, including an optical jukebox for the storage of state employment applications, separated employee files, and position classification questionnaires. Payback funds also are provided for replacement of the department's personal computers and associated equipment.					
319.01 Executive Administration	\$82,400	\$0	\$30,000	\$112,400	0
Sub-total	\$82,400	\$0	\$30,000	\$112,400	0
Total Personnel	\$82,400	\$0	\$30,000	\$112,400	0

**General Government
Improvements for Fiscal Year 2002-2003**

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
General Services					
• Printing					
To provide funds for operational and equipment replacement costs of the State Print Shop, which provides printing services to state agencies.					
321.09 Printing	\$200,000	\$0	\$0	\$200,000	0
Sub-total	\$200,000	\$0	\$0	\$200,000	0
Total General Services	\$200,000	\$0	\$0	\$200,000	0
Veterans Affairs					
• Cemeteries					
To provide funding for three grounds workers at the Memphis State Veterans Cemetery, a dump truck for the Knoxville cemetery, and recurring equipment replacement funds.					
323.00 Veterans Affairs	\$102,100	\$0	\$0	\$102,100	3
Sub-total	\$102,100	\$0	\$0	\$102,100	3
Total Veterans Affairs	\$102,100	\$0	\$0	\$102,100	3
Revenue					
• Tax Processing					
To provide funding for personnel and support staff crucial to the accurate and timely receipt and processing of tax returns and payments. This includes funding for 16 part-time clerk positions for tax processing, seven full-time positions for the electronic commerce unit, and three full-time positions for the imaging project. The imaging project will enable taxpayer returns and related information to be available to the department without paper or microfilm retrieval.					
347.11 Management Information Systems Division	\$576,500	\$0	\$0	\$576,500	10
347.16 Processing Division	\$445,100	\$0	\$0	\$445,100	16
Sub-total	\$1,021,600	\$0	\$0	\$1,021,600	26
• Audit and Compliance					
To provide funding for personnel to support the department's audit and compliance efforts. This includes funding for seven full-time positions in the legal office, seven in the Tax Enforcement Division, and 17 in the Audit Division. These positions would increase delinquent tax collections by \$6.3 million and produce audit assessments of \$6.5 million.					
347.01 Administration Division	\$419,900	\$0	\$0	\$419,900	7
347.02 Tax Enforcement Division	\$245,700	\$0	\$0	\$245,700	7
347.14 Audit Division	\$1,038,800	\$0	\$0	\$1,038,800	17
Sub-total	\$1,704,400	\$0	\$0	\$1,704,400	31
Total Revenue	\$2,726,000	\$0	\$0	\$2,726,000	57

**General Government
Improvements for Fiscal Year 2002-2003**

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Miscellaneous Appropriations					
• Homeland Security					
To provide funding to establish the Office of Homeland Security and to fund activities of other state agencies necessary to support the Homeland Security Initiative. Funds will be provided to various departments for water supply protection, bomb and arson investigations, military equipment, emergency management, biological and other local health services, food and agricultural protection, criminal intelligence analysis and investigation, additional trooper equipment and operational costs, and additional security of state property and mail. The Homeland Security Office is responsible for developing and implementing a comprehensive strategy to secure the State of Tennessee from terrorist threats and attacks. The office interacts with the National Office of Homeland Security and coordinates state homeland security actions through the Homeland Security Council in order to assure a safe and healthy environment for all Tennesseans.					
351.00 Miscellaneous Appropriations	\$8,910,700	\$0	\$0	\$8,910,700	0
Sub-total	\$8,910,700	\$0	\$0	\$8,910,700	0
• State Employees Salary Increase					
To provide funding for a 5% increase in state employees' salaries on July 1, 2002.					
351.00 Miscellaneous Appropriations	\$49,150,000	\$0	\$0	\$49,150,000	0
Sub-total	\$49,150,000	\$0	\$0	\$49,150,000	0
• Classification Compensation					
To provide funding for classification-compensation salary adjustments for state employees.					
351.00 Miscellaneous Appropriations	\$20,000,000	\$0	\$0	\$20,000,000	0
Sub-total	\$20,000,000	\$0	\$0	\$20,000,000	0
• Group Health Insurance					
To provide funding for an increase in group health insurance premiums.					
351.00 Miscellaneous Appropriations	\$47,600,000	\$0	\$0	\$47,600,000	0
Sub-total	\$47,600,000	\$0	\$0	\$47,600,000	0
• Retired Teachers Insurance					
To provide additional funding for retired teachers health insurance.					
351.00 Miscellaneous Appropriations	\$1,800,000	\$0	\$0	\$1,800,000	0
Sub-total	\$1,800,000	\$0	\$0	\$1,800,000	0

General Government Improvements for Fiscal Year 2002-2003

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• TCRS Rate Increase					
To provide funding for a Tennessee Consolidated Retirement System (TCRS) rate increase.					
351.00 Miscellaneous Appropriations	\$11,100,000	\$0	\$0	\$11,100,000	0
Sub-total	\$11,100,000	\$0	\$0	\$11,100,000	0
• Board of Claims - Premiums					
To provide additional funding for Board of Claims premiums.					
351.00 Miscellaneous Appropriations	\$3,500,000	\$0	\$0	\$3,500,000	0
Sub-total	\$3,500,000	\$0	\$0	\$3,500,000	0
• Rent Adjustments					
To provide funding for rent increases for state agencies.					
351.00 Miscellaneous Appropriations	\$2,800,000	\$0	\$0	\$2,800,000	0
Sub-total	\$2,800,000	\$0	\$0	\$2,800,000	0
• Mileage Rate Increase					
To provide funding for the cost of the increase in the motor vehicle mileage reimbursement rate from 28 to 32 cents per mile.					
351.00 Miscellaneous Appropriations	\$1,178,600	\$0	\$0	\$1,178,600	0
Sub-total	\$1,178,600	\$0	\$0	\$1,178,600	0
• Postage Rate Increase					
To provide funding for the January 1, 2001 postal rate increase.					
351.00 Miscellaneous Appropriations	\$669,100	\$0	\$0	\$669,100	0
Sub-total	\$669,100	\$0	\$0	\$669,100	0
• Juvenile Justice Reform					
To provide funding for juvenile justice reform legislation.					
351.00 Miscellaneous Appropriations	\$2,500,000	\$0	\$0	\$2,500,000	0
Sub-total	\$2,500,000	\$0	\$0	\$2,500,000	0
• Administration Legislation					
To provide funding for Administration legislation.					
351.00 Miscellaneous Appropriations	\$2,500,000	\$0	\$0	\$2,500,000	0
Sub-total	\$2,500,000	\$0	\$0	\$2,500,000	0

**General Government
Improvements for Fiscal Year 2002-2003**

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Tennessee Association of Rescue Squads					
To continue funding for the grant to the Tennessee Association of Rescue Squads.					
351.00 Miscellaneous Appropriations	\$78,300	\$0	\$0	\$78,300	0
Sub-total	\$78,300	\$0	\$0	\$78,300	0
Total Miscellaneous Appropriations	\$151,786,700	\$0	\$0	\$151,786,700	0
Total General Government	\$163,149,800	\$0	\$658,800	\$163,808,600	78

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.

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
- Continually reviewing Public Chapters.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
301.01 Legislative Administration Services					
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	809,600	972,300	1,011,300	0	1,011,300
Operational	3,128,000	3,492,500	3,453,500	0	3,453,500
Total	\$3,937,600	\$4,464,800	\$4,464,800	\$0	\$4,464,800
State	3,738,900	4,447,800	4,447,800	0	4,447,800
Federal	0	0	0	0	0
Other	198,700	17,000	17,000	0	17,000
301.16 General Assembly Support Services					
Full-Time	58	63	63	0	63
Part-Time	29	29	29	0	29
Seasonal	0	0	0	0	0
Total	87	92	92	0	92
Payroll	3,589,800	4,499,300	4,499,300	0	4,499,300
Operational	604,700	1,349,500	1,349,500	0	1,349,500
Total	\$4,194,500	\$5,848,800	\$5,848,800	\$0	\$5,848,800
State	4,012,100	5,778,800	5,778,800	0	5,778,800
Federal	0	0	0	0	0
Other	182,400	70,000	70,000	0	70,000

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
301.17 Tennessee Code 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	68,800	69,600	69,600	0	69,600
Total	\$68,800	\$69,600	\$69,600	\$0	\$69,600
State	68,800	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, 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. The Fiscal Review Committee informs members of the General Assembly of the economic factors that impact the state. The staff is responsible for preparing fiscal notes on all bills and resolutions that may have a financial effect on the agencies of state government. These notes are also executed for bills that have an effect on local governments.

301.07 House of Representatives

Full-Time	206	206	206	0	206
Part-Time	40	40	40	0	40
Seasonal	0	0	0	0	0
Total	246	246	246	0	246
Payroll	7,880,400	8,456,100	8,469,000	0	8,469,000
Operational	2,318,600	2,728,700	2,715,800	0	2,715,800
Total	\$10,199,000	\$11,184,800	\$11,184,800	\$0	\$11,184,800
State	10,153,800	11,156,300	11,156,300	0	11,156,300
Federal	0	0	0	0	0
Other	45,200	28,500	28,500	0	28,500

301.08 State Senate

Full-Time	99	99	99	0	99
Part-Time	54	54	54	0	54
Seasonal	0	0	0	0	0
Total	153	153	153	0	153
Payroll	4,369,000	4,842,400	4,906,600	0	4,906,600
Operational	1,093,000	1,006,400	942,200	0	942,200
Total	\$5,462,000	\$5,848,800	\$5,848,800	\$0	\$5,848,800

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
State	5,430,400	5,826,800	5,826,800	0	5,826,800
Federal	0	0	0	0	0
Other	31,600	22,000	22,000	0	22,000

301.13 General Assembly 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	280,500	368,600	374,300	0	374,300
Operational	136,000	244,600	195,900	0	195,900
Total	\$416,500	\$613,200	\$570,200	\$0	\$570,200
State	411,100	570,200	570,200	0	570,200
Federal	0	0	0	0	0
Other	5,400	43,000	0	0	0

301.50 Fiscal Review Committee

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	735,100	743,300	743,300	0	743,300
Operational	17,700	19,000	19,000	0	19,000
Total	\$752,800	\$762,300	\$762,300	\$0	\$762,300
State	709,800	762,300	762,300	0	762,300
Federal	0	0	0	0	0
Other	43,000	0	0	0	0

301.00 Department Total

Full-Time	400	405	405	0	405
Part-Time	126	126	126	0	126
Seasonal	0	0	0	0	0
Total	526	531	531	0	531
Payroll	17,664,400	19,882,000	20,003,800	0	20,003,800
Operational	7,366,800	8,910,300	8,745,500	0	8,745,500
Total	\$25,031,200	\$28,792,300	\$28,749,300	\$0	\$28,749,300
State	24,524,900	28,611,800	28,611,800	0	28,611,800
Federal	0	0	0	0	0
Other	506,300	180,500	137,500	0	137,500

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. The 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
- Administering the statutes relative to charitable solicitations in Tennessee.

The State Election Commission, Registry of Election Finance, and the Economic Council on Women are administratively attached to the Secretary of State. The two program areas which comprise the Secretary of State's Office are Administrative and Support Services and State Library Services.

Administrative and Support Services

Administrative and Support Services provides services essential to carrying out the responsibilities of the Secretary of State. Its responsibilities and programs include:

- Processing and handling record keeping for corporate filings, the Uniform Commercial Code, notaries public, and trademarks
- Hearing contested cases and reviewing administrative records for numerous state agencies and regulatory boards
- Providing information on how donations to charitable organizations are utilized and reviewing these organizations and the for-profit organizations they employ
- Providing fiscal and managerial support to the department
- Providing operational support to the State Election Commission to ensure uniformity in the administration of election laws
- Maintaining public documents on elections and campaigns to be available to the public and media
- Publishing 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.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
305.01 Secretary of State					
Full-Time	182	192	192	0	192
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	182	192	192	0	192
Payroll	7,181,500	9,090,000	9,147,400	0	9,147,400
Operational	2,676,400	3,176,800	3,130,000	0	3,130,000
Total	\$9,857,900	\$12,266,800	\$12,277,400	\$0	\$12,277,400

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
State	5,181,600	7,698,900	7,698,900	0	7,698,900
Federal	0	0	0	0	0
Other	4,676,300	4,567,900	4,578,500	0	4,578,500

305.02 State Election Commission

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	69,300	80,100	80,100	0	80,100
Operational	1,655,800	1,738,200	1,738,200	500,000	2,238,200
Total	\$1,725,100	\$1,818,300	\$1,818,300	\$500,000	\$2,318,300
State	1,725,100	1,818,300	1,818,300	500,000	2,318,300
Federal	0	0	0	0	0
Other	0	0	0	0	0

305.03 Public Documents

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	312,700	512,300	512,300	500,000	1,012,300
Total	\$312,700	\$512,300	\$512,300	\$500,000	\$1,012,300
State	252,700	392,300	392,300	500,000	892,300
Federal	0	0	0	0	0
Other	60,000	120,000	120,000	0	120,000

The Registry of Election Finance provides the following:

- Enforcement of the reporting requirements of the Campaign Financial Disclosure Law, Lobbyist Registration and Disclosure Law, and Conflict of Interest Disclosure Law
- Disclosure information to which the public is entitled by law.

305.07 Registry of Election 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	210,200	257,900	257,900	0	257,900
Operational	88,500	83,200	83,200	0	83,200
Total	\$298,700	\$341,100	\$341,100	\$0	\$341,100

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
State	254,500	317,100	317,100	0	317,100
Federal	0	0	0	0	0
Other	44,200	24,000	24,000	0	24,000

State Library Services

Responsibilities of State Library Services include:

- Managing the State Library and Archives, including the Regional Library System
- 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
- Administering federal funds provided for library construction and renovation.

305.04 State Library and Archives

Full-Time	106	106	106	0	106
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	106	106	106	0	106
Payroll	3,992,600	4,349,100	4,349,100	0	4,349,100
Operational	4,348,800	4,330,700	3,895,700	500,000	4,395,700
Total	\$8,341,400	\$8,679,800	\$8,244,800	\$500,000	\$8,744,800
State	5,621,200	6,118,200	5,953,200	500,000	6,453,200
Federal	2,370,500	1,987,700	1,987,700	0	1,987,700
Other	349,700	573,900	303,900	0	303,900

305.05 Regional Libraries

Full-Time	93	93	93	0	93
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	93	93	93	0	93
Payroll	3,261,100	3,567,300	3,497,800	0	3,497,800
Operational	3,697,400	3,720,200	2,422,700	1,532,000	3,954,700
Total	\$6,958,500	\$7,287,500	\$5,920,500	\$1,532,000	\$7,452,500
State	6,286,900	6,588,500	5,221,500	1,532,000	6,753,500
Federal	577,100	559,000	559,000	0	559,000
Other	94,500	140,000	140,000	0	140,000

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
305.06 Library Construction					
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	19,800	400,000	400,000	0	400,000
Total	\$19,800	\$400,000	\$400,000	\$0	\$400,000
State	0	0	0	0	0
Federal	19,800	400,000	400,000	0	400,000
Other	0	0	0	0	0

Economic Council on Women

The 21 member Economic Council on Women was established to address the economic concerns and needs of women. 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.

305.08 Economic Council on Women

Full-Time	2	3	3	0	3
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	2	3	3	0	3
Payroll	73,500	126,300	123,800	0	123,800
Operational	25,200	100,000	36,500	0	36,500
Total	\$98,700	\$226,300	\$160,300	\$0	\$160,300
State	90,200	92,300	92,300	0	92,300
Federal	0	0	0	0	0
Other	8,500	134,000	68,000	0	68,000

305.00 Department Total

Full-Time	388	399	399	0	399
Part-Time	5	5	5	0	5
Seasonal	0	0	0	0	0
Total	393	404	404	0	404
Payroll	14,788,200	17,470,700	17,456,100	0	17,456,100
Operational	12,824,600	14,061,400	12,218,600	3,032,000	15,250,600
Total	\$27,612,800	\$31,532,100	\$29,674,700	\$3,032,000	\$32,706,700
State	19,412,200	23,025,600	21,493,600	3,032,000	24,525,600
Federal	2,967,400	2,946,700	2,946,700	0	2,946,700
Other	5,233,200	5,559,800	5,234,400	0	5,234,400

Comptroller of the Treasury

The Comptroller is a constitutional officer elected by the General Assembly. Statutory duties 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
- Audit services
- Bond finance services
- Services to local governments
- Offices of Research and Education Accountability
- Office of State Assessed Properties.

Administrative and Support Services

The administrative and support programs direct and coordinate administrative activities within various divisions of the Comptroller's office. They also provide printing, duplicating, and processing of out-going mail for the legislative and constitutional offices.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
307.01 Division of Administration					
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	510,200	598,300	598,300	0	598,300
Operational	109,700	123,200	123,200	0	123,200
Total	\$619,900	\$721,500	\$721,500	\$0	\$721,500
State	521,300	619,600	619,600	0	619,600
Federal	0	0	0	0	0
Other	98,600	101,900	101,900	0	101,900
307.02 Office of Management Services					
Full-Time	44	44	44	4	48
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	44	44	44	4	48
Payroll	2,266,500	2,340,800	2,340,800	194,700	2,535,500
Operational	2,079,400	3,136,600	3,136,600	11,300	3,147,900
Total	\$4,345,900	\$5,477,400	\$5,477,400	\$206,000	\$5,683,400
State	4,291,300	5,389,300	5,389,300	206,000	5,595,300
Federal	0	0	0	0	0
Other	54,600	88,100	88,100	0	88,100

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
307.03 Capitol Print Shop					
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	443,400	628,200	628,200	0	628,200
Operational	522,800	717,800	717,800	0	717,800
Total	\$966,200	\$1,346,000	\$1,346,000	\$0	\$1,346,000
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	966,200	1,346,000	1,346,000	0	1,346,000

Audit Services

The audit divisions 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 a certified public accountant or a licensed public accountant. Likewise, the divisions 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 Medicaid/TennCare program and conduct financial related reviews of Managed Care Organizations (MCOs) and Behavioral Health Organizations (BHOs).

307.04 Division of State Audit

Full-Time	200	200	200	0	200
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	200	200	200	0	200
Payroll	9,802,200	10,349,400	10,349,400	0	10,349,400
Operational	1,125,500	1,351,100	1,351,100	0	1,351,100
Total	\$10,927,700	\$11,700,500	\$11,700,500	\$0	\$11,700,500
State	6,528,200	7,870,200	7,870,200	0	7,870,200
Federal	0	0	0	0	0
Other	4,399,500	3,830,300	3,830,300	0	3,830,300

307.05 Division of County Audit

Full-Time	92	92	92	4	96
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	92	92	92	4	96
Payroll	5,130,100	5,425,800	5,425,800	190,000	5,615,800
Operational	777,500	753,800	753,800	50,000	803,800
Total	\$5,907,600	\$6,179,600	\$6,179,600	\$240,000	\$6,419,600

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
State	5,017,300	5,379,600	5,379,600	240,000	5,619,600
Federal	0	0	0	0	0
Other	890,300	800,000	800,000	0	800,000

307.06 Division of Municipal Audit

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	1,035,300	1,140,900	1,140,900	0	1,140,900
Operational	177,800	238,100	238,100	0	238,100
Total	\$1,213,100	\$1,379,000	\$1,379,000	\$0	\$1,379,000
State	1,111,400	1,216,000	1,216,000	0	1,216,000
Federal	0	0	0	0	0
Other	101,700	163,000	163,000	0	163,000

Bond Finance Services

The bond finance function is responsible for providing services related to the state's general obligation debt issued by the Funding Board; the revenue debt for the Tennessee Local Development Authority (TLDA); the revenue debt by the Tennessee Housing Development Agency (THDA), and the Tennessee State School Bond Authority (TSSBA). In addition they are responsible for administering the financing programs of these issuers.

307.07 Division of Bond Finance

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	369,800	496,200	496,200	0	496,200
Operational	93,600	215,800	215,800	0	215,800
Total	\$463,400	\$712,000	\$712,000	\$0	\$712,000
State	239,500	310,200	310,200	0	310,200
Federal	0	0	0	0	0
Other	223,900	401,800	401,800	0	401,800

Services to Local Governments

The local government functional area works toward improving the operation of the state's city and county governments by providing assistance and information that affects the state and local governments. In addition, they are required to assist local governments with debt management and ensure that local governments adopt balanced budgets. They also act as an agent and liaison between state, county, and city ad valorem tax assessments and collecting officials. They serve property assessors and tax collecting officials through property reappraisal assistance,

computerized tax billing, computer-assisted appraisal systems, maintenance of property ownership maps, and reimburse certain elderly, disabled, or disabled veteran homeowners for a part or all of property taxes paid. Further, they develop policies and hear appeals regarding property tax assessments, exemptions, and tax relief.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
307.08 Office of Local Government					
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	179,000	228,300	228,300	0	228,300
Operational	33,200	60,700	60,700	0	60,700
Total	\$212,200	\$289,000	\$289,000	\$0	\$289,000
State	212,100	289,000	289,000	0	289,000
Federal	0	0	0	0	0
Other	100	0	0	0	0
307.09 Division of Property Assessments					
Full-Time	170	170	170	0	170
Part-Time	0	0	0	0	0
Seasonal	21	21	21	0	21
Total	191	191	191	0	191
Payroll	6,093,000	6,839,000	6,839,000	0	6,839,000
Operational	1,956,400	2,231,200	2,231,200	0	2,231,200
Total	\$8,049,400	\$9,070,200	\$9,070,200	\$0	\$9,070,200
State	6,262,600	7,455,200	7,455,200	0	7,455,200
Federal	0	0	0	0	0
Other	1,786,800	1,615,000	1,615,000	0	1,615,000
307.10 Tax Relief					
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	9,782,000	10,000,000	10,000,000	0	10,000,000
Total	\$9,782,000	\$10,000,000	\$10,000,000	\$0	\$10,000,000
State	9,782,000	10,000,000	10,000,000	0	10,000,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
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307.11 State Board of Equalization

Full-Time	10	10	10	0	10
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
Total	18	18	18	0	18
Payroll	610,800	623,300	623,300	0	623,300
Operational	2,388,700	2,419,600	619,600	1,850,000	2,469,600
Total	\$2,999,500	\$3,042,900	\$1,242,900	\$1,850,000	\$3,092,900
State	2,990,100	3,030,400	1,230,400	1,850,000	3,080,400
Federal	0	0	0	0	0
Other	9,400	12,500	12,500	0	12,500

307.12 Division of Local 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	241,100	276,200	276,200	0	276,200
Operational	56,000	56,600	56,600	0	56,600
Total	\$297,100	\$332,800	\$332,800	\$0	\$332,800
State	297,100	332,800	332,800	0	332,800
Federal	0	0	0	0	0
Other	0	0	0	0	0

Offices of Research and Education Accountability

The Offices of Research and Education Accountability provide research and staff support for the General Assembly and provides oversight for the state's K-12 education system according to the Education Improvement Act.

307.14 Offices of Research and Education Accountability

Full-Time	21	20	20	2	22
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	21	20	20	2	22
Payroll	809,800	981,500	981,500	94,100	1,075,600
Operational	621,500	462,100	462,100	20,300	482,400
Total	\$1,431,300	\$1,443,600	\$1,443,600	\$114,400	\$1,558,000
State	944,500	1,193,600	1,193,600	114,400	1,308,000
Federal	0	0	0	0	0
Other	486,800	250,000	250,000	0	250,000

Office of State Assessed Properties

The Office of State Assessed Properties annually assesses all tangible and intangible properties for tax purposes at the state, county, and municipal levels. In addition, the division also assesses personal properties used and/or leased by the companies under its jurisdiction and conducts audits of public utility and transportation companies.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
307.15 Office of State Assessed Properties					
Full-Time	12	13	13	0	13
Part-Time	1	0	0	0	0
Seasonal	0	0	0	0	0
Total	13	13	13	0	13
Payroll	500,600	657,200	657,200	0	657,200
Operational	123,000	154,600	154,600	0	154,600
Total	\$623,600	\$811,800	\$811,800	\$0	\$811,800
State	620,500	811,800	811,800	0	811,800
Federal	0	0	0	0	0
Other	3,100	0	0	0	0
307.00 Department Total					
Full-Time	610	610	610	10	620
Part-Time	9	8	8	0	8
Seasonal	21	21	21	0	21
Total	640	639	639	10	649
Payroll	27,991,800	30,585,100	30,585,100	478,800	31,063,900
Operational	19,847,100	21,921,200	20,121,200	1,931,600	22,052,800
Total	\$47,838,900	\$52,506,300	\$50,706,300	\$2,410,400	\$53,116,700
State	38,817,900	43,897,700	42,097,700	2,410,400	44,508,100
Federal	0	0	0	0	0
Other	9,021,000	8,608,600	8,608,600	0	8,608,600

Treasury Department

The State Treasurer is a constitutional officer elected by the General Assembly. The Treasurer is charged with various responsibilities and duties relating to the financial operations of state government. The duties of the State Treasurer include:

- Administering the Tennessee Consolidated Retirement System which provides retirement coverage to state employees, higher education employees, teachers, and employees of political subdivisions that have elected to participate in the plan
- Managing the State Pooled Investment Fund that includes the state’s cash, the various reserves, trust funds of the state, and the Local Government Investment Pool
- Overseeing the State Employees’ Deferred Compensation Program and the State Employees’ Flexible Benefits Plan
- Directing the staff of the Claims Administration and Risk Management divisions
- Administering the Baccalaureate Education System Trust (BEST) to assist students or their families in financing a portion of the costs of attending colleges and universities
- Overseeing the three-member claims commission which is administratively attached to the Treasury. Payments are awarded from the Claims Award Fund administered by the State Treasurer in cases of employee negligence and for state employee workers’ compensation claims, contract actions, and tax recovery.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
309.01 Treasury Department					
Full-Time	204	207	204	0	204
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	204	207	204	0	204
Payroll	9,023,200	10,241,000	10,140,000	0	10,140,000
Operational	4,007,100	6,500,700	4,974,400	628,800	5,603,200
Total	\$13,030,300	\$16,741,700	\$15,114,400	\$628,800	\$15,743,200
State	203,000	515,500	515,500	0	515,500
Federal	0	0	0	0	0
Other	12,827,300	16,226,200	14,598,900	628,800	15,227,700

The State Treasurer also administers an annual educational incentive payment program for certain county officials who complete the advanced level of a three-level certificate training program. This program is offered by the University of Tennessee Institute for Public Service’s Center for Government Training. The “Certified Public Administrators” must maintain continuing education in order to qualify for these annual educational incentive payments.

309.02 Certified Public Administrators

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	59,800	60,200	0	60,200	60,200
Total	\$59,800	\$60,200	\$0	\$60,200	\$60,200

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
State	59,800	60,200	0	60,200	60,200
Federal	0	0	0	0	0
Other	0	0	0	0	0

309.00 Department Total

Full-Time	204	207	204	0	204
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	204	207	204	0	204
Payroll	9,023,200	10,241,000	10,140,000	0	10,140,000
Operational	4,066,900	6,560,900	4,974,400	689,000	5,663,400
Total	\$13,090,100	\$16,801,900	\$15,114,400	\$689,000	\$15,803,400
State	262,800	575,700	515,500	60,200	575,700
Federal	0	0	0	0	0
Other	12,827,300	16,226,200	14,598,900	628,800	15,227,700

Claims and Compensation

Claims and Compensation handles all claims filed with the state. Claims administered include the Criminal Injuries Compensation Fund (CICF), Risk Management, Claims Award Fund (CAF), and Unclaimed Property. Their responsibilities include the following:

- Making payments to defray the costs of medical services, loss of earning, burial costs, and other pecuniary losses to either the victim of a crime or to the dependents of deceased victims
- Maintaining adequate insurance against damage or loss for all state-owned property
- Servicing claims for risk of loss to which the state is exposed including general liability, automobile liability, professional malpractice, and worker's compensation
- Taking custody of abandoned property and attempting to locate the rightful owners or their heirs.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
313.03 Criminal Injuries 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	9,773,500	10,460,000	11,641,300	0	11,641,300
Total	\$9,773,500	\$10,460,000	\$11,641,300	\$0	\$11,641,300
State	3,532,700	8,438,000	8,245,300	0	8,245,300
Federal	1,529,000	2,022,000	3,396,000	0	3,396,000
Other	4,711,800	0	0	0	0
313.06 Risk Management					
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	851,800	1,233,000	1,603,200	0	1,603,200
Total	\$851,800	\$1,233,000	\$1,603,200	\$0	\$1,603,200
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	851,800	1,233,000	1,603,200	0	1,603,200
313.10 Claims Award 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 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
Payroll	0	0	0	0	0
Operational	37,075,400	32,726,500	35,369,000	0	35,369,000
Total	\$37,075,400	\$32,726,500	\$35,369,000	\$0	\$35,369,000
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	37,075,400	32,726,500	35,369,000	0	35,369,000

313.20 Unclaimed Property

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	9,940,900	7,700,000	10,975,000	0	10,975,000
Total	\$9,940,900	\$7,700,000	\$10,975,000	\$0	\$10,975,000
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	9,940,900	7,700,000	10,975,000	0	10,975,000

313.00 Department Total

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	57,641,600	52,119,500	59,588,500	0	59,588,500
Total	\$57,641,600	\$52,119,500	\$59,588,500	\$0	\$59,588,500
State	3,532,700	8,438,000	8,245,300	0	8,245,300
Federal	1,529,000	2,022,000	3,396,000	0	3,396,000
Other	52,579,900	41,659,500	47,947,200	0	47,947,200

Executive Department

The Executive Department oversees the daily operation of state government and is responsible for ensuring that state laws are enforced, taxes are collected, and public funds are spent wisely. The department is made up of the Governor's Office and Intergovernmental Conferences and Special Operations.

The responsibility of the Governor's Office is the overall operation of state government. The Governor appoints commissioners and directors of executive branch agencies. His staff works with state agencies and the Legislature to design and implement specific program priorities. In addition, the staff provides policy research and recommendations for the effective operation of government. Mail and phone correspondence with Tennessee citizens is also processed by the Governor's staff.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
315.01 Governor's Office					
Full-Time	44	43	43	0	43
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	44	43	43	0	43
Payroll	2,181,500	2,514,400	2,514,400	0	2,514,400
Operational	1,067,100	1,092,900	1,092,900	0	1,092,900
Total	\$3,248,600	\$3,607,300	\$3,607,300	\$0	\$3,607,300
State	3,248,600	3,607,300	3,607,300	0	3,607,300
Federal	0	0	0	0	0
Other	0	0	0	0	0

The Intergovernmental Conferences and Special Operations division funds Tennessee's participation in the Council of State Governments and other intergovernmental organizations and activities.

315.02 Intergovernmental Conferences and Special Operations

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	364,600	364,600	364,600	0	364,600
Total	\$364,600	\$364,600	\$364,600	\$0	\$364,600
State	364,600	364,600	364,600	0	364,600
Federal	0	0	0	0	0
Other	0	0	0	0	0

The Gubernatorial Transition Office will facilitate the transition between executive administrations, in accordance with Tennessee Code Annotated, Section 8-1-202.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
315.04 Gubernatorial Transition Office					
Full-Time	0	0	0	8	8
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	8	8
Payroll	0	0	0	200,000	200,000
Operational	0	0	0	50,000	50,000
Total	\$0	\$0	\$0	\$250,000	\$250,000
State	0	0	0	250,000	250,000
Federal	0	0	0	0	0
Other	0	0	0	0	0
315.00 Department Total					
Full-Time	44	43	43	8	51
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	44	43	43	8	51
Payroll	2,181,500	2,514,400	2,514,400	200,000	2,714,400
Operational	1,431,700	1,457,500	1,457,500	50,000	1,507,500
Total	\$3,613,200	\$3,971,900	\$3,971,900	\$250,000	\$4,221,900
State	3,613,200	3,971,900	3,971,900	250,000	4,221,900
Federal	0	0	0	0	0
Other	0	0	0	0	0

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. THRC is also charged with the responsibility to monitor other state agencies' compliance with the expenditure of federal funds in regards to civil rights.

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

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
316.04 Human Rights Commission					
Full-Time	31	30	30	0	30
Part-Time	0	1	1	0	1
Seasonal	0	0	0	0	0
Total	31	31	31	0	31
Payroll	1,209,500	1,382,000	1,382,000	0	1,382,000
Operational	612,300	478,000	478,000	0	478,000
Total	\$1,821,800	\$1,860,000	\$1,860,000	\$0	\$1,860,000
State	1,180,800	1,271,500	1,426,100	0	1,426,100
Federal	626,200	433,900	433,900	0	433,900
Other	14,800	154,600	0	0	0

Tennessee Regulatory Authority

The Tennessee Regulatory Authority (TRA) is a quasi-judicial body. Leadership for the agency is comprised of three directors, each of whom are appointed for six-year terms by the governor, house speaker, and senate speaker. The 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. The functions of the TRA 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” program which gives the residents of Tennessee the option not to receive solicitation calls from telemarketers
- Administering the Telecommunications Devices Access Program that provides telecommunications equipment to the state’s deaf, blind, and hearing impaired population.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
316.11 Tennessee Regulatory Authority					
Full-Time	90	90	90	0	90
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	90	90	90	0	90
Payroll	4,355,400	5,297,400	5,297,400	0	5,297,400
Operational	2,078,800	2,441,300	2,441,300	0	2,441,300
Total	\$6,434,200	\$7,738,700	\$7,738,700	\$0	\$7,738,700
State	6,056,000	7,413,500	7,413,500	0	7,413,500
Federal	370,400	283,200	317,200	0	317,200
Other	7,800	42,000	8,000	0	8,000

Advisory Commission on Intergovernmental Relations

The Tennessee Advisory Commission on Intergovernmental Relations (TACIR) was created to monitor federal, state, and local government relations and to make recommendations for improvement to the Legislature. The commission is comprised of representatives from the executive and legislative branches of state government, county and municipal governments, and the public. The commission serves as a forum for the discussion of issues and may initiate studies resulting in legislative proposals and constitutional amendments.

Current studies and activities directed by the General Assembly for TACIR include:

- Property Assessment System in Tennessee
- Implementation of TCA 6-58-113 relative to Tennessee’s new growth policy, annexation, and incorporation law
- Compilation and maintenance of an inventory of public infrastructure needs.

Major on-going areas of TACIR studies and activities include:

- Determining fiscal capacity measures for the Basic Education Plan
- Education finance
- Issues related to Tennessee tax structure
- Other state, local, and federal fiscal issues
- Government modernization
- Intergovernmental issues.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
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316.12 Advisory Commission on Intergovernmental Relations

Full-Time	16	16	16	0	16
Part-Time	2	2	2	0	2
Seasonal	0	0	0	0	0
Total	18	18	18	0	18
Payroll	820,700	817,100	814,300	0	814,300
Operational	812,200	895,600	898,400	0	898,400
Total	\$1,632,900	\$1,712,700	\$1,712,700	\$0	\$1,712,700
State	0	470,900	470,900	0	470,900
Federal	0	0	0	0	0
Other	1,632,900	1,241,800	1,241,800	0	1,241,800

Department of Finance and Administration

The Department of Finance and Administration assists the Governor in developing and implementing the administration's fiscal and managerial policies. The Commissioner of Finance and Administration serves as the Governor's chief cabinet officer and directs the department's specific responsibilities. These responsibilities involve the coordination of a number of state government activities that are provided through administrative services, fiscal and management services, and capital and facilities management services.

Administrative Services

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

- Managing the centralized information system
- Planning, developing, and implementing new information systems
- Managing and supporting voice and data communications
- Providing agencies with technical assistance for their systems
- Providing staff support to the Information Systems Council
- Managing the insurance benefits available to state, local education, and local government employees
- Administering federal grants associated with illegal drug control, the Victims of Crime Assistance Program, the Family Violence Program, and the improvement of criminal justice information systems
- Administering the AmeriCorps and Learn & Serve grant programs
- Coordinating the state's strategic planning and one-stop shopping initiatives through the Center for Effective Government
- Supporting department programs by providing auditing, consulting, fiscal analysis and processing, legal services, human resources management, and information systems management
- Managing the state's contracting process, including review of subrecipient contracts.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
317.01 Division of Administration					
Full-Time	90	88	88	0	88
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	91	89	89	0	89
Payroll	3,886,300	4,944,700	4,944,700	0	4,944,700
Operational	5,648,300	6,162,500	6,162,500	0	6,162,500
Total	\$9,534,600	\$11,107,200	\$11,107,200	\$0	\$11,107,200
State	1,005,400	1,807,900	1,807,900	0	1,807,900
Federal	0	0	0	0	0
Other	8,529,200	9,299,300	9,299,300	0	9,299,300

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
317.03 Office of Information Resources					
Full-Time	364	350	350	0	350
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	364	350	350	0	350
Payroll	18,148,800	20,991,000	20,991,000	0	20,991,000
Operational	111,164,700	125,479,000	125,479,000	2,500,000	127,979,000
Total	\$129,313,500	\$146,470,000	\$146,470,000	\$2,500,000	\$148,970,000
State	0	2,500,000	2,500,000	2,500,000	5,000,000
Federal	0	0	0	0	0
Other	129,313,500	143,970,000	143,970,000	0	143,970,000

317.04 Insurance Administration

Full-Time	39	39	39	0	39
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	39	39	39	0	39
Payroll	1,588,800	1,750,100	1,750,100	0	1,750,100
Operational	2,216,600	2,120,800	2,120,800	0	2,120,800
Total	\$3,805,400	\$3,870,900	\$3,870,900	\$0	\$3,870,900
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	3,805,400	3,870,900	3,870,900	0	3,870,900

317.06 Criminal Justice Programs

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	628,000	708,100	708,100	0	708,100
Operational	26,806,700	29,974,500	28,387,600	0	28,387,600
Total	\$27,434,700	\$30,682,600	\$29,095,700	\$0	\$29,095,700
State	1,575,600	1,776,500	1,776,500	0	1,776,500
Federal	24,809,600	27,866,100	27,319,200	0	27,319,200
Other	1,049,500	1,040,000	0	0	0

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
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317.07 Resource Development and Support

Full-Time	94	94	94	0	94
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	94	94	94	0	94
Payroll	3,588,300	4,625,700	4,625,700	0	4,625,700
Operational	1,216,600	2,603,800	2,603,800	0	2,603,800
Total	\$4,804,900	\$7,229,500	\$7,229,500	\$0	\$7,229,500
State	602,200	922,900	922,900	0	922,900
Federal	0	0	0	0	0
Other	4,202,700	6,306,600	6,306,600	0	6,306,600

317.11 National and Community Service

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	184,100	240,800	240,800	0	240,800
Operational	3,146,300	4,962,100	4,962,100	0	4,962,100
Total	\$3,330,400	\$5,202,900	\$5,202,900	\$0	\$5,202,900
State	152,200	206,500	206,500	0	206,500
Federal	3,081,700	4,896,600	4,872,600	0	4,872,600
Other	96,500	99,800	123,800	0	123,800

Fiscal and Management Services

The services provided to state agencies by this functional area include the development and implementation of policies pertaining to the fiscal and managerial aspects of state government. Other responsibilities include:

- Preparing, implementing, and monitoring the state budget
- Evaluating the budgetary needs and requests of all state agencies
- Incorporating the budgetary priorities into the Governor's budget
- Tracking the budget through the legislative committee process
- Revising the budget to include legislative changes
- Implementing and monitoring each agency's finalized annual budget
- Monitoring the fiscal impact of state-related federal legislation
- Conducting research for the Commissioner
- Accounting for state revenues and expenditures
- Generating the state's payroll
- Providing financial management reports to departments
- Providing reports to departmental management on revenues, costs, and expenditures
- Analyzing the operations of various program areas
- Publishing the state's Consolidated Annual Financial Report

- Establishing the state’s fiscal policies and procedures
- Analyzing the state’s cash management process related to grant funds.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
317.02 Division of Budget					
Full-Time	25	25	25	0	25
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	25	25	25	0	25
Payroll	1,408,400	1,552,800	1,552,800	0	1,552,800
Operational	393,200	518,800	518,800	0	518,800
Total	\$1,801,600	\$2,071,600	\$2,071,600	\$0	\$2,071,600
State	1,801,600	2,071,600	2,071,600	0	2,071,600
Federal	0	0	0	0	0
Other	0	0	0	0	0

317.05 Division of Accounts

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
Payroll	3,301,200	3,926,500	3,926,500	0	3,926,500
Operational	5,857,900	6,640,000	6,640,000	0	6,640,000
Total	\$9,159,100	\$10,566,500	\$10,566,500	\$0	\$10,566,500
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	9,159,100	10,566,500	10,566,500	0	10,566,500

Capital Projects and Facilities Management Services

The facilities management services coordinated by the Department of Finance and Administration include the planning, construction, and utilization of state-owned real property. Included among this property are facilities which are part of the Facilities Revolving Fund. Specific responsibilities include:

- Planning and reviewing the construction, acquisition, and alteration of state property
- Developing the state’s long-range plan regarding real property needs
- Managing the acquisition, disposal, and utilization of state-owned real property
- Coordinating the design, construction, and redevelopment of state facilities
- Providing staff support to the State Building Commission
- Coordinating and budgeting the Facilities Revolving Fund
- Managing the energy management program for state facilities.

	<u>Actual</u> <u>2000-2001</u>	<u>Estimated</u> <u>2001-2002</u>	<u>Base</u> <u>2002-2003</u>	<u>Improvement</u> <u>2002-2003</u>	<u>Recommended</u> <u>2002-2003</u>
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317.10 Capital Projects and Real Property Management

Full-Time	71	71	71	0	71
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	71	71	71	0	71
Payroll	3,188,500	3,596,400	3,596,400	0	3,596,400
Operational	2,010,200	2,864,300	2,864,300	0	2,864,300
Total	\$5,198,700	\$6,460,700	\$6,460,700	\$0	\$6,460,700
State	1,798,600	2,537,900	2,537,900	0	2,537,900
Federal	0	0	0	0	0
Other	3,400,100	3,922,800	3,922,800	0	3,922,800

317.00 Department Total

Full-Time	780	764	764	0	764
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	781	765	765	0	765
Payroll	35,922,400	42,336,100	42,336,100	0	42,336,100
Operational	158,460,500	181,325,800	179,738,900	2,500,000	182,238,900
Total	\$194,382,900	\$223,661,900	\$222,075,000	\$2,500,000	\$224,575,000
State	6,935,600	11,823,300	11,823,300	2,500,000	14,323,300
Federal	27,891,300	32,762,700	32,191,800	0	32,191,800
Other	159,556,000	179,075,900	178,059,900	0	178,059,900

Department of Personnel

The Department of Personnel designs and implements policies and practices to effectively manage the personnel 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 Personnel 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 departments of state government. The three major program areas of the Department of Personnel are:

- Administrative Services
- Human Resource Services
- Technical Services.

Administrative Services

In addition to providing general administrative support services for the Department of Personnel, Administrative Services also coordinates the services provided by the department to all agencies of state government.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
319.01 Executive Administration					
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	847,300	997,200	997,200	0	997,200
Operational	1,398,100	1,459,600	1,448,200	112,400	1,560,600
Total	\$2,245,400	\$2,456,800	\$2,445,400	\$112,400	\$2,557,800
State	1,637,700	1,860,500	1,849,100	82,400	1,931,500
Federal	0	0	0	0	0
Other	607,700	596,300	596,300	30,000	626,300

Human Resource Services

Human Resource Services manages many of the services provided to state employees. Specific responsibilities include:

- Approving, coordinating, and conducting training courses, workshops, and conferences for employees in every state agency
- Advising state employees about their benefits and rights of employment
- Maintaining compliance with state and federal Equal Employment Opportunity and Affirmative Action laws and prohibiting unlawful employee discrimination
- Monitoring and ensuring the state's compliance with the Americans with Disabilities Act (ADA) requirements
- Hearing civil service appeals through the Civil Service Commission and advising on civil service rules, policy, and law
- Reviewing and revising employee performance evaluation forms
- Coordinating the Performance Evaluation and Career Ladder programs.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
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319.02 Human Resource Development

Full-Time	18	18	18	0	18
Part-Time	9	9	9	0	9
Seasonal	0	0	0	0	0
Total	27	27	27	0	27
Payroll	815,200	945,200	945,200	0	945,200
Operational	1,116,700	1,764,700	1,764,700	0	1,764,700
Total	\$1,931,900	\$2,709,900	\$2,709,900	\$0	\$2,709,900
State	561,500	718,600	718,600	0	718,600
Federal	0	0	0	0	0
Other	1,370,400	1,991,300	1,991,300	0	1,991,300

Technical Services

Technical Services reviews and administers state employee compensation and position classifications. Other responsibilities include:

- Revising and administering the civil service examination
- Monitoring the civil service appointment process
- Auditing the state payroll
- Providing information to applicants about employment and promotional opportunities
- Processing general employee transactions including appointments, transfers, promotions, separations, attendance, and leave adjustments
- Reviewing and maintaining data on employment, salaries, and benefits in private sector organizations and southeastern state governments to assist in making recommendations on salary administration policy for the State of Tennessee.

319.03 Technical Services

Full-Time	80	78	78	0	78
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	80	78	78	0	78
Payroll	2,904,400	3,431,100	3,431,100	0	3,431,100
Operational	242,500	300,900	300,900	0	300,900
Total	\$3,146,900	\$3,732,000	\$3,732,000	\$0	\$3,732,000
State	1,356,300	1,884,800	1,884,800	0	1,884,800
Federal	0	0	0	0	0
Other	1,790,600	1,847,200	1,847,200	0	1,847,200

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
319.00 Department Total					
Full-Time	116	114	114	0	114
Part-Time	9	9	9	0	9
Seasonal	0	0	0	0	0
Total	125	123	123	0	123
Payroll	4,566,900	5,373,500	5,373,500	0	5,373,500
Operational	2,757,300	3,525,200	3,513,800	112,400	3,626,200
Total	\$7,324,200	\$8,898,700	\$8,887,300	\$112,400	\$8,999,700
State	3,555,500	4,463,900	4,452,500	82,400	4,534,900
Federal	0	0	0	0	0
Other	3,768,700	4,434,800	4,434,800	30,000	4,464,800

Department of General Services

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.

Administrative Services

Administrative services provided by the department include a variety of internal support services. Among these services are fiscal analysis and processing, legal services, auditing, human resource management, and information systems management. The department also establishes and directs the official policies related to its other services.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
321.01 Administration					
Full-Time	58	57	57	0	57
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	58	57	57	0	57
Payroll	2,280,600	2,759,800	2,744,400	0	2,744,400
Operational	1,146,000	1,377,100	1,380,000	0	1,380,000
Total	\$3,426,600	\$4,136,900	\$4,124,400	\$0	\$4,124,400
State	429,800	520,700	520,700	0	520,700
Federal	0	0	0	0	0
Other	2,996,800	3,616,200	3,603,700	0	3,603,700

321.15 Systems Management

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	1,019,900	1,134,500	1,152,900	0	1,152,900
Operational	747,000	868,200	849,800	0	849,800
Total	\$1,766,900	\$2,002,700	\$2,002,700	\$0	\$2,002,700
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,766,900	2,002,700	2,002,700	0	2,002,700

Property Management and Utilization Services

The department's property management and utilization services 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. These services include the following responsibilities:

- Selling surplus and confiscated property through public auctions, sealed bids, or distribution to eligible recipients
- Developing, implementing, and supervising a uniform program for the acquisition, operation, maintenance, and replacement of state vehicles and equipment
- Coordinating the Van Pool Program
- Administering the state's shuttle service
- Operating and maintaining state-owned buildings.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
321.04 Property Utilization					
Full-Time	34	26	26	0	26
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	34	26	26	0	26
Payroll	878,400	1,107,300	879,600	0	879,600
Operational	1,194,300	1,075,800	803,500	0	803,500
Total	\$2,072,700	\$2,183,100	\$1,683,100	\$0	\$1,683,100
State	200,000	500,000	0	0	0
Federal	0	0	0	0	0
Other	1,872,700	1,683,100	1,683,100	0	1,683,100

321.06 Motor Vehicle Management

Full-Time	44	44	44	0	44
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	44	44	44	0	44
Payroll	1,295,900	1,487,400	1,473,000	0	1,473,000
Operational	24,600,900	33,199,000	33,158,700	0	33,158,700
Total	\$25,896,800	\$34,686,400	\$34,631,700	\$0	\$34,631,700
State	3,475,900	4,250,000	4,250,000	0	4,250,000
Federal	0	0	0	0	0
Other	22,420,900	30,436,400	30,381,700	0	30,381,700

321.07 Property Management

Full-Time	209	209	209	0	209
Part-Time	6	6	6	0	6
Seasonal	0	0	0	0	0
Total	215	215	215	0	215
Payroll	6,613,500	7,341,100	7,316,900	0	7,316,900
Operational	4,307,800	4,729,900	4,734,900	0	4,734,900
Total	\$10,921,300	\$12,071,000	\$12,051,800	\$0	\$12,051,800
State	1,437,000	1,455,500	1,455,500	0	1,455,500
Federal	0	0	0	0	0
Other	9,484,300	10,615,500	10,596,300	0	10,596,300

Interdepartmental Support Services

A number of interdepartmental support services are provided to state departments and agencies. Among these are postal, printing, purchasing records management, storage and distribution of supplies, and food preparation. The following responsibilities are associated with these services:

- Processing and distributing messenger and U.S. mail for state agencies located in Nashville
- Operating a U.S. Post Office branch in one of Nashville's state buildings
- Printing, duplicating, copying, typesetting, and binding services
- Photographic and graphic arts services
- Procurement of supplies, equipment, and specialized services
- Establishment of procurement specifications
- Administering the bid process
- Operating the centralized storage of pertinent records and files
- Implementing approval guidelines for state publications and forms
- Purchasing and distributing office and building maintenance supplies
- Managing the central preparation and distribution of food for select state agencies.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
321.02 Postal Services					
Full-Time	67	67	67	0	67
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	67	67	67	0	67
Payroll	1,722,100	1,882,100	1,875,000	0	1,875,000
Operational	12,344,700	13,077,700	12,988,900	0	12,988,900
Total	\$14,066,800	\$14,959,800	\$14,863,900	\$0	\$14,863,900
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	14,066,800	14,959,800	14,863,900	0	14,863,900
321.09 Printing					
Full-Time	63	61	61	0	61
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	63	61	61	0	61
Payroll	1,812,300	2,058,800	2,031,200	0	2,031,200
Operational	2,454,900	2,874,300	2,675,300	200,000	2,875,300
Total	\$4,267,200	\$4,933,100	\$4,706,500	\$200,000	\$4,906,500
State	0	200,000	0	200,000	200,000
Federal	0	0	0	0	0
Other	4,267,200	4,733,100	4,706,500	0	4,706,500

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
321.10 Purchasing					
Full-Time	54	54	54	0	54
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	54	54	54	0	54
Payroll	1,770,400	1,948,400	1,925,700	0	1,925,700
Operational	888,000	2,135,100	2,144,200	0	2,144,200
Total	\$2,658,400	\$4,083,500	\$4,069,900	\$0	\$4,069,900
State	22,000	22,000	22,000	0	22,000
Federal	0	0	0	0	0
Other	2,636,400	4,061,500	4,047,900	0	4,047,900

321.17 Records Management

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	705,800	764,600	765,400	0	765,400
Operational	517,800	519,100	518,300	0	518,300
Total	\$1,223,600	\$1,283,700	\$1,283,700	\$0	\$1,283,700
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,223,600	1,283,700	1,283,700	0	1,283,700

321.18 Central Stores

Full-Time	29	29	29	0	29
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	29	29	29	0	29
Payroll	714,600	868,600	872,400	0	872,400
Operational	4,457,800	3,416,900	3,412,400	0	3,412,400
Total	\$5,172,400	\$4,285,500	\$4,284,800	\$0	\$4,284,800
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	5,172,400	4,285,500	4,284,800	0	4,284,800

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
321.19 Food Services Program					
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	126,700	133,500	132,500	0	132,500
Operational	3,972,000	4,646,800	4,646,700	0	4,646,700
Total	\$4,098,700	\$4,780,300	\$4,779,200	\$0	\$4,779,200
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	4,098,700	4,780,300	4,779,200	0	4,779,200

321.00 Department Total

Full-Time	605	594	594	0	594
Part-Time	6	6	6	0	6
Seasonal	0	0	0	0	0
Total	611	600	600	0	600
Payroll	18,940,200	21,486,100	21,169,000	0	21,169,000
Operational	56,631,200	67,919,900	67,312,700	200,000	67,512,700
Total	\$75,571,400	\$89,406,000	\$88,481,700	\$200,000	\$88,681,700
State	5,564,700	6,948,200	6,248,200	200,000	6,448,200
Federal	0	0	0	0	0
Other	70,006,700	82,457,800	82,233,500	0	82,233,500

Department of Veterans Affairs

The Department of Veterans Affairs serves the state's more than one-half million veterans, their survivors, and dependents through a statewide power of attorney-based claims processing system. The department's training and certification program for county service officers and department employees ensures that the veterans of the state receive maximum earned entitlements. The department operates a state veterans' cemetery in each grand division with Tennessee ranked among the highest interment workloads in the nation.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
323.00 Veterans Affairs					
Full-Time	63	63	63	3	66
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	63	63	63	3	66
Payroll	2,079,200	2,276,200	2,276,200	62,100	2,338,300
Operational	624,900	628,800	628,800	40,000	668,800
Total	\$2,704,100	\$2,905,000	\$2,905,000	\$102,100	\$3,007,100
State	2,420,000	2,647,100	2,647,100	102,100	2,749,200
Federal	179,200	175,200	175,200	0	175,200
Other	104,900	82,700	82,700	0	82,700

Department of Revenue

The Department of Revenue collects and administers Tennessee's fees and taxes, ensures compliance among all taxpayers, and apportions tax revenues to the appropriate state or local fund. These responsibilities are accomplished by the department's administrative services, support services, and revenue collection services.

Administrative Services

The department's Administrative Services provide a variety of services. Among these activities are its 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.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
347.01 Administration Division					
Full-Time	108	109	109	7	116
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	108	109	109	7	116
Payroll	4,895,600	5,470,700	5,511,800	298,100	5,809,900
Operational	2,298,300	2,494,400	2,461,800	121,800	2,583,600
Total	\$7,193,900	\$7,965,100	\$7,973,600	\$419,900	\$8,393,500
State	5,184,400	5,845,300	5,920,900	419,900	6,340,800
Federal	0	0	0	0	0
Other	2,009,500	2,119,800	2,052,700	0	2,052,700

347.11 Management Information Systems Division

Full-Time	55	55	55	10	65
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	55	55	55	10	65
Payroll	2,435,800	2,626,500	2,793,300	436,500	3,229,800
Operational	11,573,500	12,286,900	10,411,600	140,000	10,551,600
Total	\$14,009,300	\$14,913,400	\$13,204,900	\$576,500	\$13,781,400
State	11,160,200	11,607,000	10,465,300	576,500	11,041,800
Federal	0	0	0	0	0
Other	2,849,100	3,306,400	2,739,600	0	2,739,600

Support Services

The support services of the department provide benefit to the operations of the revenue collection services. These services include the following responsibilities:

- Preparing and distributing taxpayer forms, instructional materials, and publications
- Providing registration, file change, and basic tax account assistance to taxpayers
- Depositing tax payments to the State Treasury and updating taxpayer accounts.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
347.13 Taxpayer Services Division					
Full-Time	106	104	104	0	104
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	106	104	104	0	104
Payroll	3,409,200	3,605,900	3,639,400	0	3,639,400
Operational	2,444,400	2,626,800	2,714,900	0	2,714,900
Total	\$5,853,600	\$6,232,700	\$6,354,300	\$0	\$6,354,300
State	3,824,000	4,078,700	4,267,400	0	4,267,400
Federal	0	0	0	0	0
Other	2,029,600	2,154,000	2,086,900	0	2,086,900

347.16 Processing Division

Full-Time	128	129	129	0	129
Part-Time	28	28	28	16	44
Seasonal	0	0	0	0	0
Total	156	157	157	16	173
Payroll	3,772,300	4,158,200	4,154,100	185,100	4,339,200
Operational	1,349,200	1,500,500	1,842,800	260,000	2,102,800
Total	\$5,121,500	\$5,658,700	\$5,996,900	\$445,100	\$6,442,000
State	3,001,500	3,842,200	4,236,300	445,100	4,681,400
Federal	0	0	0	0	0
Other	2,120,000	1,816,500	1,760,600	0	1,760,600

Revenue Collections

The department's Revenue Collections services are charged with collecting fees and taxes, and ensuring proper compliance among all taxpayers. The responsibilities associated with these services include:

- Administering all state taxes for corporations doing business in Tennessee
- Administering the state's Hall Income Tax
- Enforcing laws and regulations regarding the inspection and taxation of petroleum products
- Administering the provisions of specific laws regarding the taxation of tobacco products, gifts, inheritances, estates, firearms, gross receipts, liquor by the drink, beer, and other taxes
- Administering the provisions of the Tennessee sales and use tax laws
- Collecting delinquent taxes owed the state of Tennessee.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
347.02 Tax Enforcement Division					
Full-Time	124	123	123	7	130
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	124	123	123	7	130
Payroll	4,785,100	5,146,500	5,119,800	179,300	5,299,100
Operational	857,300	836,700	891,500	66,400	957,900
Total	\$5,642,400	\$5,983,200	\$6,011,300	\$245,700	\$6,257,000
State	3,647,500	3,863,400	3,958,600	245,700	4,204,300
Federal	0	0	0	0	0
Other	1,994,900	2,119,800	2,052,700	0	2,052,700
347.14 Audit Division					
Full-Time	339	337	337	17	354
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	339	337	337	17	354
Payroll	17,242,000	17,923,700	17,963,100	761,200	18,724,300
Operational	3,471,900	2,988,900	3,046,800	277,600	3,324,400
Total	\$20,713,900	\$20,912,600	\$21,009,900	\$1,038,800	\$22,048,700
State	13,600,100	13,497,400	13,818,000	1,038,800	14,856,800
Federal	5,500	10,900	0	0	0
Other	7,108,300	7,404,300	7,191,900	0	7,191,900
347.00 Department Total					
Full-Time	860	857	857	41	898
Part-Time	28	28	28	16	44
Seasonal	0	0	0	0	0
Total	888	885	885	57	942
Payroll	36,540,000	38,931,500	39,181,500	1,860,200	41,041,700
Operational	21,994,600	22,734,200	21,369,400	865,800	22,235,200
Total	\$58,534,600	\$61,665,700	\$60,550,900	\$2,726,000	\$63,276,900
State	40,417,700	42,734,000	42,666,500	2,726,000	45,392,500
Federal	5,500	10,900	0	0	0
Other	18,111,400	18,920,800	17,884,400	0	17,884,400

Miscellaneous Appropriations

Miscellaneous Appropriations includes amounts for retirement contributions for county officials, pensions to former governors and their widows, and other state obligations not addressed elsewhere.

	<u>Actual</u> <u>2000-2001</u>	<u>Estimated</u> <u>2001-2002</u>	<u>Base</u> <u>2002-2003</u>	<u>Improvement</u> <u>2002-2003</u>	<u>Recommended</u> <u>2002-2003</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	21,533,400	61,535,600	24,652,100	151,786,700	176,438,800
Total	\$21,533,400	\$61,535,600	\$24,652,100	\$151,786,700	\$176,438,800
State	21,533,400	61,535,600	24,652,100	151,786,700	176,438,800
Federal	0	0	0	0	0
Other	0	0	0	0	0

Emergency and Contingency Fund

The Emergency and Contingency Fund is a special fund for any purpose authorized or implied by law for which no appropriation is made, or for which insufficient appropriation has inadvertently been made. Expenditures from this fund are authorized only by Executive Order of the Governor.

	<u>Actual</u> <u>2000-2001</u>	<u>Estimated</u> <u>2001-2002</u>	<u>Base</u> <u>2002-2003</u>	<u>Improvement</u> <u>2002-2003</u>	<u>Recommended</u> <u>2002-2003</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

This fund 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 house and senate, secretary of state, comptroller of the treasury, and state treasurer.

355.02 Major Maintenance and Equipment

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</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	632,600	250,000	250,000	0	250,000
Total	\$632,600	\$250,000	\$250,000	\$0	\$250,000
State	359,000	250,000	250,000	0	250,000
Federal	0	0	0	0	0
Other	273,600	0	0	0	0

General Government

Performance Measures and Program Information

Program Objective	Measure	Actual 2000-2001	Estimated 2001-2002	Estimated 2002-2003
Secretary of State				
• Administration				
Conduct new employee orientations	Number of new employee orientations	30	30	30
Process disbursement vouchers	Number of disbursement vouchers processed	2,800	2,800	2,800
Process journal vouchers	Number of journal vouchers processed	600	600	600
Process purchase orders	Number of purchase orders generated	1,100	1,200	1,200
Process refunds	Number of refunds processed	1,371	1,371	1,371
Provide technical support for microcomputers & peripherals	Number of microcomputers & peripherals supported	503	559	584
Provide technical systems support to public libraries	Number of public libraries assisted	200	200	200
Recruit qualified workforce	Percent of vacancies successfully filled	92%	95%	95%
• Business Services				
Process applications for incorporation	Number of documents processed	206,836	210,000	210,000
Process liens	Number of liens processed	39,693	39,700	39,700
Process notary commissions	Number of notary commissions/authentications	31,514	31,500	31,500
Process summons	Number of summons processed	15,912	16,000	16,000
Process trademark registrations	Number of trademark registrations	2,349	2,350	2,350
Process UCC filings	Number of UCC filings	103,264	135,000	135,000
• Administrative Procedures				
Hear cases	Number of cases heard	3,652	4,300	5,000
• Charitable Solicitations				
Assess civil penalties	Number of assessments	80	150	150
Register charitable organizations	Number of charitable organizations registered	2,015	2,200	2,200
• State Election Coordinator				
Register voters	Number of registered voters	3,108,860	3,200,000	3,250,000
• Publications				
Process and publish rule filings	Number of rule filings processed and published	482	500	525
• State Election Commission				
Certify registrars	Number of registrars certified	91	93	93
Conduct meetings	Number of meetings conducted	12	12	12

General Government

Performance Measures and Program Information

Program Objective	Measure	Actual 2000-2001	Estimated 2001-2002	Estimated 2002-2003
• Public Documents				
Print election law manual	Number of election law manuals printed	1,200	1,200	1,200
Produce monthly booklets	Number of monthly booklets produced	12	12	12
Produce monthly reports	Number of monthly reports produced	12	12	12
Produce private and public acts	Number of volumes produced	1,250	1,250	1,250
Provide election forms	Number of forms available	61	61	61
Revise election forms	Number of election forms revised	8	10	10
• Archival and Library Technical Services				
Maintain archive & manuscript holdings	Cubic feet of holdings maintained	28,700	29,200	29,500
Maintain holdings - other	Number of holdings maintained - other	749,070	755,000	760,000
Maintain holdings - print	Number of holdings maintained - print	664,650	670,000	675,000
Process archives & manuscripts	Cubic feet of archives & manuscripts processed	7,263	7,963	8,600
Process print items	Number of items processed	10,572	11,500	11,500
• Public Services				
Assist visiting patrons	Number of visiting patrons	23,212	24,000	24,000
Process e-mail requests	Number of e-mail requests processed	14,265	15,700	17,200
Process mail requests	Mail requests processed	15,486	15,950	16,425
• State Planning Library				
Process legislative history research requests	Number of research requests	967	1,050	1,125
Provide reference information	Number of reference inquiries	4,313	4,500	4,500
• Restoration and Reproduction				
Preserve documents on microfilm	Number of pages preserved	3,653,577	3,500,000	3,500,000
Produce duplicates of photographs & microfilms	Number of photo/micro duplicates produced	15,871	12,000	12,000
Treat documents for preservation	Number of documents treated for preservation	10,687	14,000	14,000
• Planning and Development				
Ensure local public libraries receive LSTA funds	Number of local public libraries receiving funds	285	285	285
Ensure multi-type libraries receive LSTA funds	Number of multi-type libraries receiving funds	2,420	2,420	2,420
Monitor sites	Number of monitoring visits	40	40	40

General Government

Performance Measures and Program Information

Program Objective	Measure	Actual 2000-2001	Estimated 2001-2002	Estimated 2002-2003
• Library for the Blind and Physically Handicapped				
Circulate materials	Number of check-outs	110,233	130,000	130,000
Maintain materials	Number of holdings	248,024	251,024	254,024
Serve patrons	Number of active patrons	3,447	4,000	4,000
• Local Archive Development				
Assist record commissions	Number of record commissions	47	65	70
Encourage the development of local archives	Number of local archives	32	47	55
Issue archival grants	Number of grants	15	14	0
• Tennessee Regional Library System				
Assist deposit stations	Number of deposit stations	900	900	900
Assist libraries with automation	Number of automated libraries	201	210	210
Provide books & materials to libraries	Number of books & materials in local libraries	1,607,000	1,607,000	1,607,000
Provide training for local library personnel	Number of regional library sponsored training sessions	48	48	48
• Library Construction				
Assist local libraries with building projects	Number of public library building projects	1	10	4
• Registry of Election Finance				
Process disclosure filings	Percent of correct filing of required disclosures	99%	99%	99%
• Economic Council on Women				
Target 15-20 counties with low educational attainment and income for girls and women	Counties targeted	16	16	16
Comptroller of the Treasury				
• Data Processing				
Provide property tax relief payments	Number of claims processed	86,778	87,000	87,000
• Contract Review				
Provide contract review	Number of contracts reviewed	2,388	2,400	2,400
• Printing				
Provide printing support	Work orders processed	2,500	2,500	2,500

General Government

Performance Measures and Program Information

Program Objective	Measure	Actual 2000-2001	Estimated 2001-2002	Estimated 2002-2003
• Mail Service				
Provide mailing support	Parcels processed	425,000	425,000	425,000
• State Audit				
Conduct post audits	Number of audits	106	106	106
• Nursing Facilities Audits				
Provide health care review	Number of audits	5	5	5
• TennCare Managed Care Organization (MCO) Audits				
Conduct MCO audits	Number of audits	11	11	11
• Sunset Audits				
Conduct sunset audits	Number of audits	11	10	12
• Continuing Professional Education				
Conduct training	Number of hours	9,500	11,000	11,000
• County Audits				
Conduct post audits of county officials	Number of audits completed	87	87	87
• County Support				
Provide assistance to counties	Number of counties assisted	53	56	55
• Monitor and Review Audit Reports				
Review audits of cities, schools, and other entities	Percent of audits reviewed	95%	95%	95%
• Issuance of Debt				
Administration of issues of debt outstanding	Number of issues outstanding	63	68	73
• Reapportionment and Redistricting Assistance				
Assist with reapportionment and redistricting	Number of counties assisted	95	95	95
• Tax Billing Service				
Provide tax billing services	Number of cities serviced	359	359	359
• Reappraisal Efforts				
Complete reappraisals in an efficient and effective manner	Number of reappraisals completed	26	22	11

General Government

Performance Measures and Program Information

Program Objective	Measure	Actual 2000-2001	Estimated 2001-2002	Estimated 2002-2003
• Property Ownership Maps				
Maintain maps on a current basis	Number of maps updated	14,933	13,000	13,000
• Property Appraisal				
Parcels appraised or scheduled for appraisal	Number of parcels appraised	1,435,746	425,000	260,000
• Exempt Properties Applications				
Process applications within 90 days	Percent processed within 90 days	4%	20%	50%
• Hearing of Appeals				
Decide on appeals within 90 days of hearing	Percent completed within 90 days	98%	98%	98%
• Budget Reviews of Local Governments				
Conduct budget reviews	Number of budgets reviewed	320	320	360
• Local Government Surety Bonds				
Review county fiscal agency surety bonds	Number of reviews	300	300	600
• Prepare Annual Tax Roll				
Prepare annual tax rolls	Number of tax billings	20,000	20,400	20,400
• Assessment Notification				
Provide notification of assessments	Number of companies notified	2,340	2,491	2,650
Treasury Department				
• Tennessee Consolidated Retirement System				
Process requests in a timely manner	Active members served	204,789	204,000	204,000
Process requests in a timely manner	Members counseled	1,918	2,200	2,400
Process requests in a timely manner	New retirements	5,771	7,000	8,000
Process requests in a timely manner	Retired members served	75,899	79,000	82,000
• TCRS Investments				
Sufficient rate of return	Avg Funds Invested (billions)	\$23.0	\$25.0	\$27.0
Sufficient rate of return	Rate of Return (%)	-1.5%	7.5%	7.5%
• Unclaimed Property				
Return assets to legal owner	Percentage of funds returned to owners	32%	35%	35%

General Government

Performance Measures and Program Information

Program Objective	Measure	Actual 2000-2001	Estimated 2001-2002	Estimated 2002-2003
• Claims Administration				
Process all claims filed in timely manner	Workers compensation claims	99%	99%	99%
Process all claims filed in timely manner	Tort claims	99%	99%	99%
Process all claims filed in timely manner	Criminal injury claims	94%	94%	94%
• Deferred Compensation				
Provide participants with the opportunity to save for retirement	Total Participants	55,000	56,000	57,000
Provide participants with the opportunity to save for retirement	Total contributions (millions)	\$65	\$70	\$75
• Flexible Benefits Plan				
Provide participants with the option to participate in the flexible benefits savings plan	Participants	38,985	39,500	40,000
Generate savings for employee benefit programs	FICA savings (millions)	\$2.6	\$2.7	\$2.8
• Risk Management				
Provide insurance to all departments	Property values insured (billions)	\$9.16	\$9.46	\$9.98
Insure all SBC projects	Builders' risk values insured (millions)	\$239	\$313	\$375
Insure all boiler objects	Boiler objects insured	2,148	2,359	2,400
Provide fidelity bond cover for all state employees	Number of employees covered	85,406	85,500	86,000
• BEST				
Increase BEST participation	Number of prepaid contracts	6,787	7,300	7,800
Increase BEST participation	Number of savings contracts	781	1,200	1,500
• State Cash Management				
Insure collateralization	Rate of return (%)	5.95%	4.15%	4.15%
Insure collateralization of all funds.	Average funds invested (millions)	\$4,156	\$4,000	\$4,000
• Claims Commission				
Oversee claims against the state	Number of claims closed	947	950	950
Oversee claims against the state	Number of claims opened	788	750	750
• Certified Public Administrators				
Provide participants with an incentive to get necessary training	Participants	257	265	270

General Government

Performance Measures and Program Information

Program Objective	Measure	Actual 2000-2001	Estimated 2001-2002	Estimated 2002-2003
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Human Rights Commission

• Employment Discrimination

Appropriately close Equal Employment Opportunity Commission cases	Closed cases	752	800	800
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• Housing Discrimination

Appropriately close Housing and Urban Development (HUD) cases	Closed cases	108	115	115
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Tennessee Regulatory Authority

• Energy and Water

Insure all Class C utilities are in compliance	Completed audits	1	2	2
Maintain energy rates below national average	National average for gas and electrical service	\$62	\$62	\$62

• Telecommunications

Facilitate local telephone competition	Number of market entrants	98	125	85
Facilitate local telephone competition	Number of active CLEC interconnection agreements	74	65	65
Facilitate local telephone competition	Number of counties with 3 or more competitive alternatives	47	55	55

• Gas Safety

Insure gas companies comply with federal standards	Score on federal audit (scale of 1 to 100)	98	95	95
Insure gas pipeline safety program comply with the minimum federal safety standards	Number of inspections performed annually	206	200	200
Maintain number of gas incidents below national average	Number of incidents that occur annually	2	9	9
Insure natural gas company employees comply with federal operator qualification rule	Number of participants that attend and pass training course	0	0	135

• Consumer Services

Ensure an adequate level of utility service	Companies' telecommunication service standards reviews	180	180	180
Ensure an adequate level of utility services	Consumer complaint cases mediated	2,666	2,600	2,600
Ensure an adequate level of utility service	Enforcement actions initiated	10	5	10

General Government

Performance Measures and Program Information

Program Objective	Measure	Actual 2000-2001	Estimated 2001-2002	Estimated 2002-2003
Ensure an adequate level of utility service	Phone central offices tests and inspections	3	11	12
Ensure an adequate level of utility service	Public payphone inspections	27	70	30
• Telemarketing Division				
Success of Do Not Call Program	Number of citizens on the Do Not Call register	598,803	400,000	630,000
Success of Do Not Call Program	Number of solicitors registered	618	500	750
Success of Do Not Call Program	Number of consumer complaints investigated	928	700	750
• Telecommunications Device Access Program				
Assist disabled to utilize telephone network	Advisory committee meetings	4	3	4
Assist disabled to utilize telephone network	Distribute Telecommunications Device for the Deaf equipment	994	500	1,000
Assist disabled to utilize telephone network	Public information meetings	27	6	8
Assist disabled to utilize telephone network	Telecommunications Device for the Deaf training sessions	7	4	4
• Universal Service				
Implement Universal Service Fund	Percentage of Tennessee citizens with basic telephone service	95%	97%	97%
• Consumer Education				
Enhance consumer knowledge of utility issues	Distribution of Lifeline and LinkUp brochures	45,000	10,000	45,000
Enhance consumer knowledge of utility issues	Number of Lifeline and Linkup recipients	36,000	60,000	75,000
Enhance consumer knowledge of utility issues	Outreach programs and seminars conducted	12	20	30
Advisory Commission on Intergovernmental Relations				
• All Programs				
Utilization of electronic medium	Number of hits on website	3,682	3,866	4,059
• Growth Planning Research				
Utilization of printed medium	Number of publications published	2,114	1,843	1,843
• Public Infrastructure Needs Inventory				
Utilization of printed medium	Number of publications published	2,000	2,000	2,000

General Government

Performance Measures and Program Information

Program Objective	Measure	Actual 2000-2001	Estimated 2001-2002	Estimated 2002-2003
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Finance and Administration

• Division of Administration - Information Systems

Complete computer resource billings to state agencies on time	Percent on time	100%	100%	100%
Complete development of projects within budget	Percent project cost within budget	43%	60%	65%
Complete telephone billings to state agencies on time	Percent on time	100%	100%	100%

• Division of Budget

Analyze operating budget requests	Agency requests analyzed	53	53	53
Analyze capital budget requests	Agency requests analyzed	19	19	19
Minimize supplemental appropriations	Percent of total state budget	0.03%	0.10%	N/A
Monitor agency expenditures	Number of agencies monitored	53	53	53
Prepare work program by August 31	Days after August 31	41	39	0
Distribute budget instructions by August 15	Days after August 15	1	9	0

• Office of Information Resources

Base mapping for GIS implementation	Number of counties completed each year	11	5	10
Increase Data Center server time	Percent of time available	95%	98%	99%
Increase production on-line time availability	Percent of time available	99%	99%	99%
Maintain Local Area Network (LAN)	Number of workstations supported	24,600	26,000	28,000
Process agency Information Systems plans	Number of plans submitted	47	47	47
Reduce data base down time	Percent of response time within 30 minutes	97%	90%	90%
Support telecommunications	Number of telephone sets supported	50,000	50,000	50,000
Support Wide Area Network (WAN)	Number of workstations operational	28,000	32,000	37,000
Systems development productivity	Percentage of programs error-free when customer starts acceptance testing.	80%	80%	80%

• Insurance Administration

Control administrative costs	Administrative costs as percentage of total cost	1%	1%	1%
Provide benefits to eligible participants	Number of lives covered - local education	83,000	84,000	84,000
Provide benefits to eligible participants	Number of lives covered - local government	27,000	35,000	35,000

General Government

Performance Measures and Program Information

Program Objective	Measure	Actual 2000-2001	Estimated 2001-2002	Estimated 2002-2003
Provide benefits to eligible participants	Number of lives covered - state	146,000	149,000	149,000
Provide Employee Assistance Program (EAP)	Percentage of participation by eligible state employees	6%	6%	6%
Wellness Program	Employees participating	3,400	3,400	3,400
• Accounts				
Comprehensive Annual Financial Report (CAFR) completed	Days after December 31 due date	0	0	0
Process and report transactions on time	Number of days after deadline	0	0	0
• Criminal Justice Programs				
Family Violence grant - increase number of victims receiving shelter service	Percent increase	10%	10%	10%
STOP Violence Against Women Program - train law enforcement officers	Number trained	500	500	500
Victims of Crime Act Program (VOCA) - increase the number of programs available to victims	Percent increased	10%	10%	10%
National Criminal History records Improvement Program (NCHIP) - increase records integrated	Percent increased	10%	10%	10%
Residential Substance Abuse Treatment (RSAT) - increase prisoners receiving treatment	Percent increased	10%	10%	10%
Local Law Enforcement Block Grant (LLEBG) - increase drug arrests	Percent increase	10%	10%	10%
• Resource Development and Support				
Review and approve contracts	Number of contracts	3,725	3,000	3,000
Timely processing of contracts	Number of days to process	11	14	14
• National and Community Service				
Points of Light Ambassador program	Persons trained	1,887	1,000	1,000
• Capital Projects and Real Property Management				
Encourage energy savings	Dollars (millions)	\$0.8	\$2.03	\$3.26
Ensure timely completion of design construction projects	Percent of projects completed on time	84%	85%	87%
Manage cost of design construction	Percent within budget	88%	92%	94%
Provide interior design services	Number of projects	89	103	106

General Government

Performance Measures and Program Information

Program Objective	Measure	Actual 2000-2001	Estimated 2001-2002	Estimated 2002-2003
Provide lease administration	Number of lease transactions	110	105	100
Reduce vacant state housing space	Vacant square feet	100,000	130,000	110,000

Personnel

• Equal Employment Opportunity/ADA

EEO/ADA	Assist those with ADA concerns	1,100	1,500	2,000
Provide training	Employees trained	6,000	7,000	7,500

• Employee Relations

Employee suggestions	Employee suggestions processed	108	200	200
Sick leave bank applications	Initial sick leave bank applications processed	371	400	400

• Civil Service Commission

Civil Service cases filed	Number of cases filed	62	80	80
Civil Service cases completed	Number of cases completed	46	60	60

• Training and Development

Provide training	Average continuing education units completed by employees	.15	.16	.16
Management Phase 1	Percentage of program implemented	88.5%	100%	100%
Provide training	Number of employees trained	24,954	27,725	27,725
Supervisory Phase 1	Percentage of program implemented	72%	100%	100%
Provide training	Number of class hours sponsored by DOP	385,015	400,000	400,000

• Examinations

Develop, monitor, and revise assessment methods for career service jobs according to legal guidelines	Average number of days for selection procedure development/revision	60	60	60
Number of procedures (new and revised) developed	Number of procedures	78	80	80

• Applicant Services

Examinations	Number of written tests-central office	2,814	1,600	0
Examinations	Number of computer tests-central office	7,439	8,700	11,000
Examinations	Field examination events	90	45	93
Training and experience evaluations	Number of evaluations	74,453	75,000	75,000

• Technical Services

Transactions	Transactions processed	289,556	305,000	305,000
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General Government

Performance Measures and Program Information

Program Objective	Measure	Actual 2000-2001	Estimated 2001-2002	Estimated 2002-2003
• Research				
Counseling on testing issues	Percentage of time	100%	100%	100%
• Classification/Compensation				
Implement HR aspect of reorganization and consolidation plans	Number of career service reorganization/consolidation plans completed	7	8	10
Identify and monitor type of turnover	Turnover (percentage of employees leaving state government)	12.8%	13%	13%
Simplify the job class. structure	Number of job classifications added/(reduced)	19	-40	10
• Administration				
Review and process State agency/department personal services contracts	Number of contracts processed	360	375	375
State agency/department out-of-state travel requests processed	Number of requests processed	3,738	3,200	3,800
State agency/department in-state travel requests processed	Number of requests processed	0	600	600
General Services				
• Financial Management				
Billings for goods and services processed within 30 days	Percent processed within 30 days	100%	100%	100%
• Mail Services				
Delivery of incoming U.S. Postal Service mail	Number of pieces of mail	9,875,475	9,900,000	9,900,000
Delivery of messenger mail	Number of pieces of mail	2,700,000	2,700,000	2,700,000
Metering of letters	Number of pieces of mail	5,871,134	5,871,134	5,871,134
Presort standard rate mail	Number of pieces of mail	25,771,770	25,771,770	25,771,770
• Surplus Property - State Program				
Eligible recipients	Number of recipients	1,021	1,046	1,046
Property transfers processed	Number of documents	1,518	1,550	1,550
• Surplus Property - Federal Program				
Conduct screening trips	Number of trips	71	72	72
Conduct transport trips	Number of trips	80	80	80
• Motor Vehicle Management				
Proper vehicle maintenance	Number of vehicles maintained	315	331	331

General Government

Performance Measures and Program Information

Program Objective	Measure	Actual 2000-2001	Estimated 2001-2002	Estimated 2002-2003
• Facilities Operations and Management				
Provide services to properties	Square feet	9,096,000	9,096,000	9,096,000
• Printing				
Conduct printing impressions	Number of orders (millions)	10.4	9.5	10.4
Conduct printing jobs	Number of orders	7,867	7,152	7,900
Process graphic arts service requests	Number of requests	323	294	325
• Procurement				
Maximize term contracts	Percent term contracts	68%	72%	72%
Vendor complaint resolution	Percent resolved	93%	90%	90%
• Records Management				
Approve forms	Number of forms	341	350	350
Approve publications	Number of publications	989	1,000	1,000
Approve records disposition authorizations	Number of record disposition authorizations	95	100	100
Delete forms	Number of forms	403	450	450
Destroy records as required	Cubic feet	7,274	8,000	8,500
Duplicate film	Number of rolls	507	550	650
Microfilm source documents	Number of images (millions)	2.4	3.5	3.5
Revise forms	Number of forms	504	400	350
• Central Supply and Distribution				
Increase number of customers	Number of active accounts	1,800	2,000	2,000
• Food Services Program				
Increase participation of existing agencies	Pounds of goods shipped (millions)	15.7	15.7	16.2
Monitor satisfaction of services performed	Scale from 10 to 40	38	38	38
Reduce operational overhead cost	Overhead cost per meal (cents)	21	10	20
Veterans Affairs				
• Field and Claims Divisions				
Maximize entitlements and return on investment of state dollars	ROI of federal dollars awarded to TN veterans versus recurring state dollars (excluding cemeteries)	115:1	115:1	115:1
Increase awareness of services available to veterans in Tennessee	Output records of referrals and assistance	73,227	73,500	73,500

General Government

Performance Measures and Program Information

Program Objective	Measure	Actual 2000-2001	Estimated 2001-2002	Estimated 2002-2003
Conduct effective skills training for staff and county service officers	Percentage of county service officers trained	100%	100%	100%
• Cemetery Division				
Provide a setting that signifies a tribute and reverence to veterans and their families	Number of quarterly on-site evaluations	4.83	5.0	5.0
Provide cost efficient and honorable interments and perpetual care	Recurring state dollars per gravesite	\$72.09	\$72.00	\$72.00
• Administrative Division				
Conduct departmental representational activities in various public forums	Number of events and participation (total dept)	135	135	135
Continue to work through service delivery area to enhance services	Participation in UTVA, VISN-9 and other meetings	40	40	40
Evaluate technology that improves processes and increases customer focus	Milestones reached in technology	2	0	1
Revenue				
• Tax Enforcement				
Collect delinquent taxes	Collections in millions	\$131	\$134	\$134
Collect delinquent taxes	Cost per \$1 collected	\$.04	\$.05	\$.05
• Information Technology Resources				
Process requests for service	Percent completed	84%	90%	90%
Complete ISP projects	Percent completed	70%	90%	90%
• Taxpayer Services				
Answer telephone calls	Number answered	541,923	550,000	550,000
Conduct education seminars	Number conducted	61	48	48
Make on-line adjustments	Number corrected	74,699	75,000	75,000
Processed changes and closures	Number processed	211,687	215,000	215,000
Process taxpayer registration	New registrations	68,793	65,000	65,000
• Audit of Taxpayer Accounts				
Audit accounts	Number of audits	7,956	8,040	8,100
Audit accounts	Number of Discovery Project assessments	4,533	4,600	4,700
Audit accounts	Number of penalty waivers examined	5,706	5,800	5,850
Audit accounts	Number of refunds examined	12,063	12,400	12,500

General Government

Performance Measures and Program Information

Program Objective	Measure	Actual 2000-2001	Estimated 2001-2002	Estimated 2002-2003
• Processing Tax Returns and Payments				
Post returns to accounts	Number of EFT dollars in (millions)	\$5,675	\$5,958	\$5,958
Post returns to accounts	Number of EFT entities	3,515	3,690	3,690
Post returns to accounts	Number of EFT returns	174,449	183,171	183,171
Deposit lockbox receipts	Number of dollars (in thousands)	\$120,581	\$126,610	\$126,610
Deposit lockbox receipts	Number of items	467,603	490,983	490,983
Process returns/remittances	Number of dollars deposited (in millions)	\$3,462	\$3,634	\$3,634
Process returns/remittances	Number of pieces of mail	2,285,464	2,399,737	2,399,737
Process returns/remittances	Number of returns processed	2,113,794	2,219,487	2,219,487

Education

Table of Contents

Introduction	B-89
K-12 Education Improvement (Table 1)	B-93
Higher Education Improvement (Table 2)	B-94
Higher Education Excellence Initiatives (Table 3)	B-95
Higher Education Attainment and Comparisons.....	B-96
Total Personnel and Funding	B-101
Improvements (K-12 Education and Higher Education) for Fiscal Year 2002-2003	B-102
Program Statements	B-112
Department of Education	B-112
Statistical Data – State Special Schools.....	B-123
Higher Education	B-124
State Administered Programs	B-124
University of Tennessee System	B-131
State University and Community College System	B-138
System-Wide Improvements.....	B-148
Performance Measures and Program Information	B-149
K-12 Education	B-149

Education

Recommended Budget, Fiscal Year 2002 – 2003

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 University of Tennessee is a statewide system with three major campuses in Knoxville, Chattanooga, and Martin, and a number of specialized units. The Board of Regents System delivers higher education and vocational training through a network of independent state universities, community colleges, technical institutes, technical community colleges, and technology centers.

The Tennessee Higher Education Commission (THEC) provides coordination, communication, policy analysis, and financial recommendations for both systems. The Tennessee Student Assistance Corporation administers student financial aid programs.

Improvement Highlights

The improvements for Education include recommendations for a K-12 Reading

Initiative and a Higher Education Excellence Initiative intended to address the critical education attainment problem in Tennessee. Information about Tennessee's educational attainment, compared with other states, is provided following Table 3 in a section entitled "Higher Education Attainment and Comparisons."

K-12 Education

The K-12 Education budget includes improvements grouped into two categories: Reading Initiative and Other K-12 Improvements.

Reading Initiative

The K-12 Education budget includes \$90 million for the Reading Initiative that is needed to promote the educational success of Tennessee's children and ensure that every child has the opportunity to succeed in school.

The Reading Initiative has five components: Reading Coaches; Early Childhood Education; Catching Up; Teaching Resources – Quality Teaching; and Teaching Resources – Classroom Materials. These improvements are summarized in the following pages on Table 1 and in more detail in the "Improvements for 2002-2003" section.

The Reading Coaches initiative, which provides training programs for teachers and students, is recommended at \$23 million, including \$10 million from state appropriations and \$13 million federal funds. This program will make reading by the end of the third grade a priority and build upon those skills. Also recommended is \$16.6 million for Catching Up, a program to give students a fair chance of passing Gateway graduation tests. Of this amount, \$14.1 million is for catch-up activities for seventh grade and eighth grade

students who are at risk of failing the Gateway tests, and \$2.5 million is provided for on-line professional development of teachers in the Gateway subject areas.

The Early Childhood Education initiative proposed in this budget is the first phase of a five-year plan to offer early childhood education to all four year olds in Tennessee by 2006-2007. Currently 36,850 four-year old children are not served by a pre-school program. In the first phase of this program (2002-2003), an additional 7,140 children will be enrolled in the program. Phase one will serve educationally at-risk children.

The Early Childhood Education program is funded in this budget at a first-year cost of \$40.3 million from state appropriations. Fiscal year 2002-2003 funding for the first year of the academic portion of the Early Childhood Education program is \$35.3 million.

Another element of the Early Childhood Education program is to expand availability of family resource centers. The centers will help identify children at risk of educational failure, increase parent and family involvement in their children's education, and help with the transition into school. The budget includes \$5 million for a minimum of one family resource center per county.

For oversight and materials for the Early Childhood Education program, a state appropriation of \$294,000 also is recommended.

Quality Teaching is addressed with a \$4.4 million improvement, including \$3 million from state appropriations and the balance from federal funds. Included in this initiative is \$885,000 million for scholarships targeted to specific subject areas where shortages exist; \$2.5 million for a mentoring program that will help train new teachers; \$800,000 for Teaching as a Second Career, a K-12 teacher certification initiative to encourage professionals to earn K-12 teaching certificates in their fields; and \$275,000 to encourage teachers to obtain national board certification.

The budget also recommends \$5.6 million to provide an additional \$100 per

teacher for classroom materials.

Other K-12 Improvements

Aside from these Reading Initiatives, the budget includes \$45.6 million to maintain full funding of the Basic Education Program (BEP).

The budget recommends \$41.2 million in federal funds to improve elementary and secondary schools as provided under the federal Elementary and Secondary Education Act (ESEA). These funds include \$18.1 million to address low performing students in high poverty schools, professional development primarily for math and science teachers, limited English-proficient learners, migrant students, and local education reform efforts. The ESEA also will address rural schools with \$2.3 million; schools with low-performing readers with \$12.4 million; and before and after school programs for middle grade students with \$5.2 million. Other areas addressed in the ESEA are multi-measure tests for grades 3-8 and enhanced technology for schools.

The final set of the ten Gateway tests is funded with \$5 million from federal funds. The tests to be funded for fiscal year 2002-2003 are Physical Science, Chemistry, American History, Algebra 2, and Geometry.

The budget recommends \$40.7 million for a salary increase of 2.5% effective July 1, 2002, for teachers and BEP funded positions, and \$7 million for teacher liability insurance.

Also recommended is \$14.5 million to continue various grants. Included in the grants are K-12 School Safety, Public Television, summer Governor's Schools for gifted students, Science Alliance museums, K-12 performance incentives, Career Ladder extended contracts, and school board training.

Other recommended improvements include \$390,300 for operating needs at the Special Schools, \$277,800 for teacher training and experience salary adjustments at the Special Schools; \$500,000 in state appropriations for an autism center in East Tennessee; and \$126,100 for a Braille Resource Center.

Higher Education

The Higher Education budget includes improvements for the Higher Education Excellence Initiative, the Geier desegregation settlement agreement, and salary increases.

Higher Education Excellence Initiative

In May 1999, the Governor's Council on Excellence in Higher Education issued recommendations for raising the overall standards of higher education in Tennessee. This budget includes a second year of Excellence Initiatives which reflect many of the recommendations of the Council on Excellence, along with funding recommendations of the Tennessee Higher Education Commission (THEC), in consultation with the University of Tennessee and the State Board of Regents.

The improvement funding in this budget for the Excellence Initiatives of the Council, THEC, and the two university systems would be the second year of a five-year plan to add \$445 million for improvements to Higher Education programs.

In fiscal year 2002-2003, this budget provides \$88.9 million for the Higher Education Excellence Initiatives. The Excellence Initiatives and other Higher Education improvements are summarized in the following pages on Table 2 (summary) and Table 3 (by institution or program), and are described in more detail below and in the "Improvements for Fiscal Year 2002-2003" section following Table 3 and the section titled "Higher Education Attainment and Comparisons."

To help public colleges in Tennessee become more competitive, a \$10 million state appropriation is recommended for the recruitment and retention of quality faculty in high-demand disciplines. These funds will be matched with \$5 million from student tuition and fees, for a total of \$15 million to help Tennessee public colleges compete with colleges in other states for outstanding faculty.

An improvement of \$40 million is provided for operating increases. These funds will increase the number of faculty, improve

library holdings, improve instructional and laboratory budgets, support technology initiatives, upgrade campus equipment, improve building maintenance, increase graduate student stipends, and address inflation of basic fixed operating costs.

An appropriation of \$10 million is provided to replace special research and instructional equipment in both university systems. This will be focused on the most critical replacement needs. An amount of \$4 million will be used at the East Tennessee College of Medicine; and of the remaining \$6 million, the Board of Regents institutions will be allocated \$3.6 million, and the University of Tennessee, \$2.4 million. The budget also includes \$2 million for debt service on \$9 million in general obligation notes for technology upgrades in both the University of Tennessee and State Board of Regents systems.

A \$12.5 million improvement is recommended to enhance the research initiatives of the major institutions, including \$7.5 million for the University of Tennessee and \$5 million for the Board of Regents System. The \$7.5 million for UT is the second installment of a \$30 million appropriation goal to enable UT to double federal research and development grants to \$150 million per year and to put UT among the top 25 public research universities by 2008. The \$5 million for the Board of Regents System also will require campus matching funds and will allow the research institutions to develop major research activities and attract federal grants in order to elevate the research function, as recommended by the Governor's Council on Excellence.

In addition, the Governor's Council on Excellence in Higher Education recommended improvements in student financial aid. To this end, \$14.4 million is included for the Tennessee Student Assistance Corporation (TSAC) to provide funds to serve an additional 5,894 needy students, to increase the maximum award level from \$1,938 to \$2,130, to offset a 5% tuition and fee increase, and increase the maximum award for the Tennessee Teaching Scholars program from \$3,900 to \$4,200.

Other Higher Education Improvements

Apart from the Excellence Initiatives, an appropriation of \$6 million is recommended as the second installment to support the Geier desegregation agreement. These funds will provide debt service and cash expenditures for capital projects at Tennessee State University (TSU) and scholarships and other program improvements in several University of Tennessee and Board of Regents institutions. The capital budget includes a project for TSU downtown campus improvements and for the construction related to the potential merger of

Nashville School of Law with TSU. If the merger does not occur, the state is obligated to provide up to \$5 million for start-up of other programs at TSU.

Also recommended in this budget is funding for an average 3.5% salary increase for higher education employees, effective July 1, 2002. These funds are included in the Higher Education System-Wide Improvements sections of the improvement summary and program statements.

The improvements for Higher Education are outlined in tables 2 and 3 on the following pages.

Table 1
K-12 Education Improvement
FY 2002-2003

	<u>Total</u>	<u>State</u>	<u>Federal</u>
Reading Initiative			
Reading Coaches	\$ 23,040,000	\$ 10,040,000	\$ 13,000,000
Early Childhood Education	40,300,000	40,300,000	-
Catching Up	16,600,000	11,100,000	5,500,000
Teaching Resources:			
Quality Teaching	4,425,000	2,960,000	1,465,000
Classroom Materials	5,600,000	5,600,000	-
Sub-total Reading Initiative	<u>\$ 89,965,000</u>	<u>\$ 70,000,000</u>	<u>\$ 19,965,000</u>
Basic Education Program (BEP)	45,553,000	45,553,000	-
Other Program Improvements	69,425,800	22,847,800	46,578,000
Teachers Salary Increase 2.5%	40,700,000	40,700,000	-
Total K-12 Education Improvement	<u><u>\$ 245,643,800</u></u>	<u><u>\$ 179,100,800</u></u>	<u><u>\$ 66,543,000</u></u>

Table 2
Higher Education Improvement
FY 2002-2003

Excellence Initiatives

Faculty Retention and Recruiting*	\$ 10,000,000
Operating Increase	40,000,000
Other:	
Student Assistance Awards	14,400,000
Special Equipment	10,000,000
Research Initiatives - University of Tennessee	7,500,000
Research Initiatives - Board of Regents System	5,000,000
Technology Initiative (Debt Service)	2,000,000

Sub-total Excellence Initiatives	<u>\$ 88,900,000</u>
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Geier Settlement (Desegregation)	6,000,000
Joe L. Evins Appalachian Center for Crafts	250,000
Salary Increase 3.5%	<u>41,350,000</u>

Total Higher Education Improvement	<u>\$ 136,500,000</u>
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State Appropriation	136,500,000
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* Faculty Retention and Recruiting - \$10 million state appropriation, to be matched with \$5 million from student tuition and fees, for a total of \$15 million for faculty retention and recruiting in high-demand disciplines.

Table 3
Higher Education Excellence Initiatives
Fiscal Year 2002-2003

Institution/Unit	Faculty Retention and Recruiting	Operating Increase	Other	Total Improvement
Formula Units				
Austin Peay State University	\$ -	\$ 895,900	-	\$ 895,900
East Tennessee State University	-	1,730,000	-	1,730,000
University of Memphis	-	3,901,900	-	3,901,900
Middle Tennessee State University	-	5,402,100	-	5,402,100
Tennessee State University	-	-	-	-
Tennessee Technological University	-	889,900	-	889,900
Chattanooga State Tech. Comm. Col.	-	-	-	-
Cleveland State Community College	-	-	-	-
Columbia State Community College	-	312,100	-	312,100
Dyersburg State Community College	-	182,200	-	182,200
Jackson State Community College	-	412,400	-	412,400
Motlow State Community College	-	494,700	-	494,700
Nashville State Technical Institute	-	698,300	-	698,300
Northeast State Tech. Comm. College	-	970,000	-	970,000
Pellissippi State Tech. Comm. College	-	416,000	-	416,000
Roane State Community College	-	233,100	-	233,100
Southwest Tennessee Community College	-	-	-	-
Volunteer State Community College	-	158,700	-	158,700
Walters State Community College	-	500,000	-	500,000
UT Chattanooga	-	-	-	-
UT Knoxville	-	1,897,700	-	1,897,700
UT Martin	-	572,800	-	572,800
Tennessee Technology Centers	-	4,507,500	-	4,507,500
Sub-total Formula Units	\$ -	\$ 24,175,300	\$ -	\$ 24,175,300
Non-Formula Units				
ETSU College of Medicine	\$ -	\$ 1,718,900	-	\$ 1,718,900
ETSU Family Practice	-	238,200	-	238,200
UT College of Medicine	-	3,348,100	-	3,348,100
UT Family Medicine	-	419,900	-	419,900
UT Veterinary Medicine	-	827,600	-	827,600
UT Memphis	-	3,502,000	-	3,502,000
Contract Education	-	34,900	-	34,900
UT Agricultural Experiment Stations	-	1,543,400	-	1,543,400
UT Space Institute	-	507,500	-	507,500
UT Agricultural Extension Service	-	1,421,400	-	1,421,400
TSU McMinnville Center	-	125,200	-	125,200
UT County Tech Assistance Service	-	69,000	-	69,000
UT Municipal Tech Advisory Service	-	87,500	-	87,500
UT Institute for Public Service	-	374,000	-	374,000
UT University-Wide Administration	-	46,900	-	46,900
Tennessee Board of Regents	-	63,600	-	63,600
TN Student Assistance Corporation	-	-	14,400,000	14,400,000
TN Higher Education Commission	-	45,000	-	45,000
TN Foreign Language Institute	-	24,200	-	24,200
Centers of Excellence	-	1,055,600	-	1,055,600
Campus Centers of Emphasis	-	75,800	-	75,800
Academic Scholars Program	-	-	-	-
THEC Grants	-	296,000	-	296,000
Sub-total Non-Formula Units	\$ -	\$ 15,824,700	\$ 14,400,000	\$ 30,224,700
Other				
Faculty Retention and Recruiting	\$ 10,000,000	\$ -	-	\$ 10,000,000
Special Equipment	-	-	10,000,000	10,000,000
Research Initiatives - UT	-	-	7,500,000	7,500,000
Research Initiatives - TBR	-	-	5,000,000	5,000,000
Technology Initiative (Debt Service)	-	-	2,000,000	2,000,000
Subtotal Other	\$ 10,000,000	\$ -	\$ 24,500,000	\$ 34,500,000
Total Excellence Initiatives	\$ 10,000,000	\$ 40,000,000	\$ 38,900,000	\$ 88,900,000

Higher Education Attainment and Comparisons

(Provided by the Tennessee Higher Education Commission)

Educational Attainment and Participation

According to recent census data, approximately 25% of Tennesseans age 25 and older do not possess a high school diploma. Less than 18% of Tennesseans 25 and older hold a bachelor's degree, compared to the national average of 25.2% and the Southern Regional Education Board (SREB) average of 21.7%. In order to reach the educational attainment level of its border states, Tennessee would have to increase its bachelor's degree holders by 33.9% (204,000 individuals). It should be noted that progress towards this benchmark will take time as Tennessee currently awards approximately 13,700 baccalaureate degrees and enrolls 26,000 first-time freshmen each year. Progress toward increasing educational attainment will involve a long-term commitment to access, retention, and institutional quality.

Percentage of Population 25 or Older with a Bachelor's Degree			
	1990	1995	1999
United States	20.3%	23.0%	25.2%
SREB States	18.6%	19.9%	21.7%
Alabama	15.7%	17.3%	21.8%
Arkansas	13.3%	14.2%	17.3%
Delaware	21.4%	22.9%	24.0%
Florida	18.3%	22.1%	21.6%
Georgia	19.6%	22.7%	21.5%
Kentucky	13.6%	19.3%	19.8%
Louisiana	16.1%	20.1%	20.7%
Maryland	26.5%	26.4%	34.7%
Mississippi	14.7%	17.6%	19.2%
North Carolina	17.4%	20.6%	23.9%
Oklahoma	17.8%	19.1%	23.7%
South Carolina	16.6%	18.2%	20.9%
Tennessee	16.0%	17.8%	17.7%
Texas	20.3%	22.0%	24.4%
Virginia	24.5%	26.0%	31.6%
West Virginia	12.3%	12.7%	17.9%

One important means of improving the educational attainment level of Tennessee's citizens is to encourage more high school graduates to attend college. Approximately 54% of Tennessee high school graduates attended a Tennessee higher education institution in 2000. According to the most recent data available from SREB, Tennessee is ranked 11th in the SREB with respect to this statistic.

Funding Considerations

According to SREB figures, expenditures for public education in Tennessee as a percentage of state taxes dropped from 16.7% in 1990 to 12.7% in 2000. In the SREB, the percentage decreased from 15.7% to 12.9% during the same period. When adjusting for inflation, state allocated general operating funds for Tennessee higher education have actually declined nearly 2% since 1994-95. The end result in Tennessee was a shift in percentage of operating expenses accounted for by state funds. State allocated funds represented 62.6% of higher education's overall operating expenses in Tennessee in 1991 but decreased to 56.5% in 2001.

State Appropriation for Higher Education (Dollars in Millions)			
State	FY 95-96	FY 00-01	5 Year Change
Alabama	\$957	\$1,159	21.1%
Arkansas	\$460	\$618	34.3%
Delaware	\$143	\$186	30.1%
Florida	\$1,831	\$2,830	54.6%
Georgia	\$1,223	\$1,600	30.8%
Kentucky	\$677	\$1,002	48.0%
Louisiana	\$594	\$880	48.1%
Maryland	\$819	\$1,175	43.5%
Mississippi	\$627	\$882	40.7%
North Carolina	\$1,759	\$2,398	36.3%
South Carolina	\$680	\$880	29.4%
Tennessee	\$904	\$1,039	14.9%
Texas	\$3,234	\$4,030	24.6%
Virginia	\$981	\$1,630	66.2%
West Virginia	\$327	\$387	18.3%

Source: Illinois State University, Grapevine Database, 2000, 2001

Throughout this period of less than adequate funding, Tennessee's students and their families realized a much greater burden through increases in required tuition and fees. From 1994-95 to 2000-01, tuition and fee revenue has increased in Tennessee by 66%, while state appropriations increased only 17%. Although undergraduate tuition and fees have been rising nationally in the last few years, Tennessee is well outpacing the fee increases of its regional peers. For example, tuition and fees at the University of Tennessee Knoxville have risen 75% since 1995-96 compared with an increase of 42.5% for peer schools. This trend is troubling because it creates a fiscal obstacle to college participation. Tuition and fees at Tennessee's four-year schools require 7.8% of the state's median household income, a figure that is above the SREB average. This demand on family income is especially burdensome to the citizens in Tennessee's poorest counties.

Relationship of Tuition and Fees to Median Income

	<u>Median Income 1998</u>	<u>Average Fees</u>		<u>% of Income</u>	
		<u>4 year</u>	<u>2 year</u>	<u>4 year</u>	<u>2 year</u>
SREB States	\$34,734	\$2,469	\$1,140	7.1%	3.3%
Tennessee	\$32,602	\$2,509	\$1,237	7.7%	3.8%
TN's 47 Poorest Counties	\$24,807	\$2,509	\$1,237	10.1%	5.0%

*Source: Tuition Figures: SREB Factbook 1998/99

*Source: Income: U.S. Census Bureau, Current Population Survey (CPS) 1998 (States), and CPS 1995 (Counties)

As tuition and fees have increased, Tennessee has fallen farther behind its peers with respect to the level of financial aid offered to its citizens. The last several years have produced sizeable increases across the country in the availability of state level student aid. From 1992-93 to 1998-99, Tennessee experienced a 43% increase in total aid from state allocations. Nationally, states have appropriated 64% more aid dollars over that same period of time. Excluding Georgia because of the Hope scholarship, from the analysis, the SREB states have well outpaced Tennessee by increasing aid to need and merit programs by 135%. Tennessee distributes slightly under \$4 per resident in financial aid compared with the national per-resident average of \$11. Not only is Tennessee's current commitment to financial aid well off the pace of our neighboring states and the country at large, but the rate of increase in those same states will make it increasingly difficult to catch up.

1998-99 Student Financial Aid Comparison

	<u>Amount</u>	<u>Rank</u>
Tennessee - per Resident	\$4	35
National - per Resident	\$11	
Tennessee - per Resident (18-24 years old)	\$42	35
National - per Resident (18-24)	\$136	
Tennessee - per Undergraduate FTE	\$150	33
National - per Undergraduate FTE	\$464	

Source: National Association of State Student Grant and Aid Programs, 1997-98 Survey

Faculty Salaries

In recent years, faculty salaries in Tennessee have not kept pace with the SREB average. In fiscal year 1991-92, the average faculty salary at public four-year institutions in Tennessee was 3.5% higher than the SREB average. In fiscal year 2000-2001, the average faculty salary at public four-year institutions in Tennessee had dropped to 7.6% below the SREB average. The following chart details the movement of faculty salaries (all ranks) from 1991-1992 to 2000-2001.

Faculty Salary Comparison						
	1991-92	1995-96	1997-98	1998-99	1999-2000	2000-2001
SREB States	\$ 46,369	\$ 47,719	\$ 51,164	\$ 52,995	\$ 55,022	\$ 57,598
Tennessee	48,003	47,638	49,490	49,698	51,806	53,225
TN's Position	3.5% above	0.2% below	3.3% below	6.2% below	5.8% below	7.6% below

Facility Maintenance

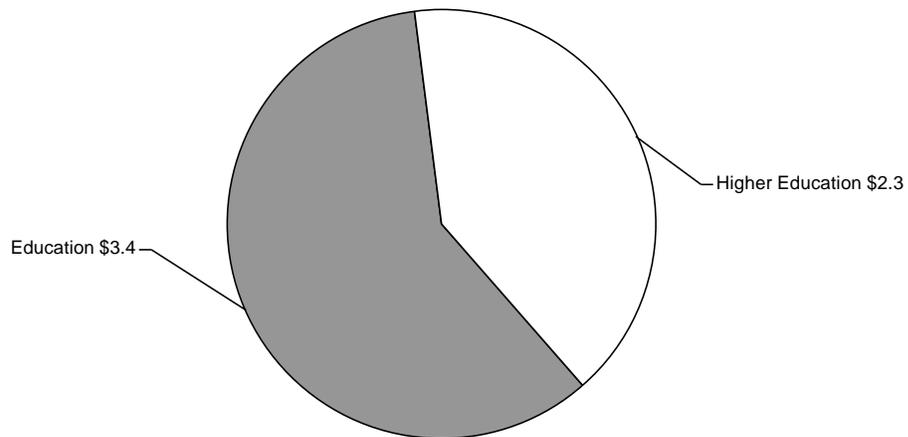
Tennessee's colleges and universities occupy approximately two-thirds of the total state government square footage, requiring substantial funding to maintain an adequate teaching and learning environment as well as the quality and safety of its infrastructure. In 2000-01, higher education institutions received an aggregate of \$2.47 per square foot for educational and general space (E&G). The appropriations act requires each campus to expend at least the amount appropriated for maintenance and operation (M&O) purposes. As the chart below indicates, THEC has recommended substantially more funding for M&O than has been available for appropriation to the four-year universities, two-year colleges, and Tennessee Technology Centers (TTCs). This has been the situation for several years.

Institution	Gross Sq Ft	Auxiliary Sq Ft	E & G Sq Ft	2000-01 THEC M&O Recom.	2000-01 M&O Funding	2000-01 M&O Exp.	Funding Per E&G SF
4 Year	35,622,054	14,098,791	21,523,263	\$ 60,947,700	\$ 52,706,000	\$ 60,380,400	\$2.45
2 Year	5,413,228	154,274	5,258,954	17,410,800	15,456,000	18,618,400	\$2.94
TTCs	1,883,470	0	1,883,470	3,195,200	2,743,000	3,552,700	\$1.46

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 2002 - 2003 Recommended



In Billions
\$5,764,092,900 Total

Education Total Personnel and Funding

	Actual 2000-2001	Estimated 2001-2002	Recommended 2002-2003
Personnel *			
Full Time	1,127	1,127	1,149
Part Time	28	15	15
Seasonal	7	0	0
TOTAL	1,162	1,142	1,164
Expenditures			
Payroll	\$43,646,800	\$50,715,600	\$51,685,800
Operational	5,092,068,300	5,341,341,150	5,712,407,100
TOTAL	\$5,135,715,100	\$5,392,056,750	\$5,764,092,900
Funding			
State	\$3,581,717,200	\$3,717,291,950	\$4,013,199,300
Tuition/Fees	535,886,400	609,289,200	609,289,200
Federal	614,906,700	671,017,300	748,637,500
Other	403,204,800	394,458,300	392,966,900

* Does not include Higher Education's unrestricted education and general personnel.

Education Improvements for Fiscal Year 2002-2003

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Education					
• Reading Initiative - Reading Coaches					
To provide funding for programs that would make reading by the end of the third grade a priority and build upon those reading skills. This goal is to be accomplished by extending the department's federal Reading Excellence Act (REA) grant to an additional 40 schools. The combination of federal and state funds will allow a total of 100 schools to be served. In addition, every K-3 teacher will have access to 10 days of on-line reading training developed through a partnership between the department and higher education institutions.					
331.25 BEP and Other LEA Support	\$10,040,000	\$13,000,000	\$0	\$23,040,000	4
Sub-total	\$10,040,000	\$13,000,000	\$0	\$23,040,000	4
• Reading Initiative - Early Childhood Education					
To provide funding for the first phase of an early childhood education program serving Tennessee's four-year-old children. The first phase is directed toward educationally at-risk children. This program is an essential component for school success. Four-year-old children will attain the cognitive, social, emotional, and physical development skills needed to begin school. The first phase will serve an additional 7,140 four-year-old children. The goal of the Administration is to offer early childhood education to all four-year-olds by the 2006-2007 school year. Currently, 36,850 four-year-olds are not served by a pre-school program. This initiative includes \$35.3 million in state appropriations to cover phase 1 of the academic initiative. Also included in the initiative is \$5 million to increase the number and funding level of family resource centers, allowing funding for a minimum of one center per county. These centers will help identify those children at greatest risk of educational failure, increase parent and family involvement in their children's education, and transition children and families into school. This initiative also includes \$294,000 for materials and staff to monitor the programs.					
331.09 Improving School Programs	\$40,300,000	\$0	\$0	\$40,300,000	5
Sub-total	\$40,300,000	\$0	\$0	\$40,300,000	5
• Reading Initiative - Catching Up					
To provide funding to give all students a fair chance to pass the Gateway graduation tests. Student achievement on the high school competency test and on the seventh and eighth grade Tennessee Comprehensive Assessment Program (TCAP) tests indicates that a substantial number of students are at risk of failing the much more difficult Gateway tests. This initiative will provide \$14.1 million for targeted catch-up activities for seventh, eighth, and ninth grade students. In addition, this improvement includes \$2.5 million for on-line professional development for teachers in the Gateway subjects.					
331.25 BEP and Other LEA Support	\$11,100,000	\$5,500,000	\$0	\$16,600,000	2
Sub-total	\$11,100,000	\$5,500,000	\$0	\$16,600,000	2

Education Improvements for Fiscal Year 2002-2003

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
<ul style="list-style-type: none"> Reading Initiative - Teaching Resources - Quality Teaching To provide funding to address K-12 teacher recruitment and retention. This includes \$885,000 for an enhanced scholarship program targeted to specific subject areas where shortages exist. It also provides \$2.5 million and three positions for a mentoring program for new teachers that would provide support and increase their likelihood of remaining in the profession. Also included is \$275,000 to encourage teachers to obtain their national board certification. The budget also includes \$800,000 for Teaching as a Second Career, a K-12 teacher certification initiative which would encourage professionals to earn teaching certificates in their fields. 					
331.05 Training and Professional Development	\$2,960,000	\$1,465,000	\$0	\$4,425,000	3
Sub-total	\$2,960,000	\$1,465,000	\$0	\$4,425,000	3
<ul style="list-style-type: none"> Reading Initiative - Teaching Resources - Classroom Materials To provide an additional \$100 per teacher for classroom materials. Current educational research indicates that providing teachers the resources they need to teach is one of the best and most cost-effective ways to improve student achievement. 					
331.25 BEP and Other LEA Support	\$5,600,000	\$0	\$0	\$5,600,000	0
Sub-total	\$5,600,000	\$0	\$0	\$5,600,000	0
<ul style="list-style-type: none"> Basic Education Program (BEP) To maintain full funding of the Basic Education Program formula. 					
331.25 BEP and Other LEA Support	\$45,553,000	\$0	\$0	\$45,553,000	0
Sub-total	\$45,553,000	\$0	\$0	\$45,553,000	0
<ul style="list-style-type: none"> Elementary and Secondary Education Act (ESEA) To provide funding to improve elementary and secondary schools. This is funded with additional federal funds provided by the U.S. Elementary and Secondary Education Act. Included is \$18,096,100 to address the following needs: low performing students in high poverty schools; professional development primarily for math and science teachers, but also for other teachers; limited English-proficient learners; and migrant students. This funding also will provide \$2,334,700 for targeted rural schools and \$12,372,500 for schools with low-performing readers. Programs for middle grade students before and after school will be funded with \$5,221,600. Also included is \$1,964,400 for multi-measure tests for grades 3-8 and \$1,246,000 for enhanced technology for schools. 					
331.03 Improving America's Schools Act (IASA)	\$0	\$20,430,800	\$0	\$20,430,800	0
331.06 Curriculum and Instruction	\$0	\$12,372,500	\$0	\$12,372,500	0
331.09 Improving School Programs	\$0	\$5,221,600	\$0	\$5,221,600	0
331.11 Accountability	\$0	\$1,964,400	\$0	\$1,964,400	0
331.12 Goals 2000 and Technology Literacy	\$0	\$1,246,000	\$0	\$1,246,000	0
Sub-total	\$0	\$41,235,300	\$0	\$41,235,300	0

Education Improvements for Fiscal Year 2002-2003

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Teachers Salary Increase					
To provide funds for the state share of a 2.5% salary increase for teachers on July 1, 2002.					
331.25 BEP and Other LEA Support	\$40,700,000	\$0	\$0	\$40,700,000	0
Sub-total	\$40,700,000	\$0	\$0	\$40,700,000	0
• Teacher Liability Insurance					
To provide funding for teacher liability insurance.					
331.25 BEP and Other LEA Support	\$7,000,000	\$0	\$0	\$7,000,000	0
Sub-total	\$7,000,000	\$0	\$0	\$7,000,000	0
• Testing					
To provide funds to develop and field-test the final set of the ten new Gateway tests. This will fund tests 6 through 10, which are Algebra 2, Geometry, Physical Science, Chemistry and American History. This is funded with additional federal funds provided by the U.S. Elementary and Secondary Education Act.					
331.11 Accountability	\$0	\$5,000,000	\$0	\$5,000,000	0
Sub-total	\$0	\$5,000,000	\$0	\$5,000,000	0
• Grants					
To continue the grants for K-12 School Safety (\$5,600,000); Public Television (\$3,223,600); Governor's Schools, a program for gifted students (\$1,500,000); Science Alliance museums (\$750,000); K-12 Performance Incentive (\$500,000); Tennessee School Boards Association (\$150,000) and Career Ladder extended contracts (\$2,800,000).					
331.02 Grants-In-Aid	\$3,973,600	\$0	\$0	\$3,973,600	0
331.05 Training and Professional Development	\$150,000	\$0	\$0	\$150,000	0
331.06 Curriculum and Instruction	\$1,500,000	\$0	\$0	\$1,500,000	0
331.10 Career Ladder	\$2,800,000	\$0	\$0	\$2,800,000	0
331.25 BEP and Other LEA Support	\$6,100,000	\$0	\$0	\$6,100,000	0
Sub-total	\$14,523,600	\$0	\$0	\$14,523,600	0
• Special Education					
To provide additional staffing to improve special education services. Currently, the department does not have sufficient staff to fulfill the reporting requirements of state and federal law. Departmental staff are required to provide increased assistance to the families of children with disabilities, including the support and implementation of the child's Individualized Education Program (IEP) and the Individualized Family Service Plan (IFSP).					
331.36 Special Education Services	\$0	\$310,500	\$0	\$310,500	5
Sub-total	\$0	\$310,500	\$0	\$310,500	5

Education Improvements for Fiscal Year 2002-2003

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Autism Center					
To provide funds to establish an autism center in East Tennessee. This would provide services to autistic children outside the vicinity of the West Tennessee center.					
331.36 Special Education Services	\$500,000	\$0	\$0	\$500,000	0
Sub-total	\$500,000	\$0	\$0	\$500,000	0
• Special Schools					
To provide additional funding for the Special Schools. Provided in this funding is \$192,100 for additional security cameras, lights, fencing, and locks to ensure the safety of the students. Also included is an additional \$111,700 to provide for increases in the cost of transporting students home on weekends. This is necessary for the students at the School for the Blind and School for the Deaf to have time at home with their families between school weeks. An additional \$86,500 is included for furniture and appliance replacement at the School for the Blind, School for the Deaf, and West Tennessee School for the Deaf.					
331.90 Alvin C. York Institute	\$25,000	\$0	\$0	\$25,000	0
331.91 Tennessee School for the Blind	\$263,800	\$0	\$0	\$263,800	0
331.92 Tennessee School for the Deaf	\$80,000	\$0	\$0	\$80,000	0
331.93 West Tennessee School for the Deaf	\$21,500	\$0	\$0	\$21,500	0
Sub-total	\$390,300	\$0	\$0	\$390,300	0
• Training and Experience at the Special Schools					
To provide funds for projected growth in teachers' training and experience at the Special Schools.					
331.90 Alvin C. York Institute	\$48,300	\$0	\$0	\$48,300	0
331.91 Tennessee School for the Blind	\$80,500	\$0	\$0	\$80,500	0
331.92 Tennessee School for the Deaf	\$61,300	\$0	\$0	\$61,300	0
331.93 West Tennessee School for the Deaf	\$11,800	\$0	\$0	\$11,800	0
331.95 Tennessee Infant-Parent Services School	\$25,900	\$0	\$0	\$25,900	0
Sub-total	\$227,800	\$0	\$0	\$227,800	0
• Braille Resource Center					
To provide funds to establish a Braille resource center at the School for the Blind. The center will make Braille and enlarged manuscripts for blind and low-vision students.					
331.91 Tennessee School for the Blind	\$126,100	\$0	\$0	\$126,100	3
Sub-total	\$126,100	\$0	\$0	\$126,100	3

Education Improvements for Fiscal Year 2002-2003

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Local Finance					
To provide funding for an additional position to enhance timely and accurate disbursement of state and federal funds to the Local Education Agencies.					
331.01 Administration	\$0	\$32,200	\$0	\$32,200	1
Sub-total	\$0	\$32,200	\$0	\$32,200	1
• Public Charter Schools					
To provide funding for public charter schools legislation.					
331.02 Grants-In-Aid	\$80,000	\$0	\$0	\$80,000	0
Sub-total	\$80,000	\$0	\$0	\$80,000	0
Total Education	\$179,100,800	\$66,543,000	\$0	\$245,643,800	23

Higher Education - State Administered Programs

• Academic Excellence - Student Assistance Awards					
To provide funds for Higher Education Excellence. This will provide funds for student assistance awards to serve an additional 5,894 needy students, increase the maximum award level from \$1,938 to \$2,130, offset a 5% tuition increase, and increase the maximum award for the Tennessee Teaching Scholars from \$3,900 to \$4,200.					
332.03 Tennessee Student Assistance Awards	\$14,346,000	\$0	\$0	\$14,346,000	0
332.07 Loan/Scholarship Programs	\$54,000	\$0	\$0	\$54,000	0
Sub-total	\$14,400,000	\$0	\$0	\$14,400,000	0
• Academic Excellence - Operating Increase					
To provide funds for Higher Education Excellence. This will provide funds to support higher education operating improvements, including funds to four-year university Centers of Excellence, two-year college Campus Centers of Emphasis, Contract Education, the Foreign Language Institute, THEC grants, and the Tennessee Higher Education Commission. The THEC grants offset part of the cost to the colleges of the one-course-per-term tuition waiver for state employees and the tuition discount programs for the employees and children of public school teachers and state employees.					
332.01 Tennessee Higher Education Commission	\$45,000	\$0	\$0	\$45,000	0
332.02 Contract Education	\$34,900	\$0	\$0	\$34,900	0
332.08 Centers of Excellence	\$1,055,600	\$0	\$0	\$1,055,600	0
332.09 THEC Grants	\$296,000	\$0	\$0	\$296,000	0
332.11 Campus Centers of Emphasis	\$75,800	\$0	\$0	\$75,800	0
332.14 Foreign Language Institute	\$24,200	\$0	\$0	\$24,200	0
Sub-total	\$1,531,500	\$0	\$0	\$1,531,500	0

Education Improvements for Fiscal Year 2002-2003

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Geier Settlement (Desegregation)					
To provide funds to continue implementation of the Geier desegregation agreement. These funds are required to provide debt service and cash expenditures for capital projects at Tennessee State University (TSU) and scholarships and other program improvements in several University of Tennessee and Board of Regents institutions. The capital budget includes projects for TSU downtown campus improvements and for the construction related to the potential merger of the Nashville School of Law with TSU, and other start-up funds for the merger also are recommended. If the merger does not occur, then the state is obligated to provide up to \$5 million for start-up costs of other programs at TSU.					
332.13 Geier Desegregation Settlement	\$6,000,000	\$0	\$0	\$6,000,000	0
Sub-total	<u>\$6,000,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$6,000,000</u>	<u>0</u>
Total Higher Education - State Administered Programs	\$21,931,500	\$0	\$0	\$21,931,500	0

University of Tennessee System

• Academic Excellence - Operating Increase					
To provide funds for Higher Education Excellence. These operating funds will improve library holdings, increase the number of faculty, improve instructional and laboratory budgets, support technology initiatives, upgrade campus equipment, improve building maintenance, increase graduate student stipends, and address inflation of basic fixed operating costs.					
332.10 UT University-Wide Administration	\$46,900	\$0	\$0	\$46,900	0
332.15 UT Institute for Public Service	\$374,000	\$0	\$0	\$374,000	0
332.16 UT Municipal Technical Advisory Service	\$87,500	\$0	\$0	\$87,500	0
332.17 UT County Technical Assistance Service	\$69,000	\$0	\$0	\$69,000	0
332.23 UT Space Institute	\$507,500	\$0	\$0	\$507,500	0
332.25 UT Agricultural Experiment Station	\$1,543,400	\$0	\$0	\$1,543,400	0
332.26 UT Agricultural Extension Service	\$1,421,400	\$0	\$0	\$1,421,400	0
332.28 UT Veterinary Medicine	\$827,600	\$0	\$0	\$827,600	0
332.30 UT Memphis	\$3,502,000	\$0	\$0	\$3,502,000	0
332.32 UT Family Medicine	\$419,900	\$0	\$0	\$419,900	0
332.34 UT College of Medicine	\$3,348,100	\$0	\$0	\$3,348,100	0
332.42 UT Knoxville	\$1,897,700	\$0	\$0	\$1,897,700	0
332.44 UT Martin	\$572,800	\$0	\$0	\$572,800	0
Sub-total	<u>\$14,617,800</u>	<u>\$0</u>	<u>\$0</u>	<u>\$14,617,800</u>	<u>0</u>

Education
Improvements for Fiscal Year 2002-2003

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Academic Excellence - Research Initiatives					
To provide funds for Higher Education Excellence. This is the second year of state funding (but the third recommended) for a multi-year plan to enable the University of Tennessee to double federal research and development grants to \$150 million per year and to put UT among the top 25 public research universities by 2008.					
332.12 Research Initiatives - UT System	\$7,500,000	\$0	\$0	\$7,500,000	0
Sub-total	\$7,500,000	\$0	\$0	\$7,500,000	0
Total University of Tennessee System	\$22,117,800	\$0	\$0	\$22,117,800	0

Education Improvements for Fiscal Year 2002-2003

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>	
State University and Community College System						
• Academic Excellence - Operating Increase						
To provide funds for Higher Education Excellence. These operating funds will improve library holdings, increase the number of faculty, improve instructional and laboratory budgets, support technology initiatives, upgrade campus equipment, improve building maintenance, increase graduate student stipends, and address inflation of basic fixed operating costs.						
332.54	Nashville State Technical Institute	\$698,300	\$0	\$0	\$698,300	0
332.55	Pellissippi State Technical Community College	\$416,000	\$0	\$0	\$416,000	0
332.56	Northeast State Technical Community College	\$970,000	\$0	\$0	\$970,000	0
332.60	Tennessee Board of Regents	\$63,600	\$0	\$0	\$63,600	0
332.62	TSU McMinnville Center	\$125,200	\$0	\$0	\$125,200	0
332.65	ETSU College of Medicine	\$1,718,900	\$0	\$0	\$1,718,900	0
332.67	ETSU Family Practice	\$238,200	\$0	\$0	\$238,200	0
332.70	Austin Peay State University	\$895,900	\$0	\$0	\$895,900	0
332.72	East Tennessee State University	\$1,730,000	\$0	\$0	\$1,730,000	0
332.74	University of Memphis	\$3,901,900	\$0	\$0	\$3,901,900	0
332.75	Middle Tennessee State University	\$5,402,100	\$0	\$0	\$5,402,100	0
332.78	Tennessee Technological University	\$889,900	\$0	\$0	\$889,900	0
332.82	Columbia State Community College	\$312,100	\$0	\$0	\$312,100	0
332.84	Dyersburg State Community College	\$182,200	\$0	\$0	\$182,200	0
332.86	Jackson State Community College	\$412,400	\$0	\$0	\$412,400	0
332.88	Motlow State Community College	\$494,700	\$0	\$0	\$494,700	0
332.90	Roane State Community College	\$233,100	\$0	\$0	\$233,100	0
332.94	Volunteer State Community College	\$158,700	\$0	\$0	\$158,700	0
332.96	Walters State Community College	\$500,000	\$0	\$0	\$500,000	0
332.98	Tennessee Technology Centers	\$4,507,500	\$0	\$0	\$4,507,500	0
Sub-total		\$23,850,700	\$0	\$0	\$23,850,700	0

Education Improvements for Fiscal Year 2002-2003

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Academic Excellence - Research Initiatives					
To provide funds for Higher Education Excellence. This will provide funds to increase research initiatives in the State Board of Regents System. This improvement will require campus matching funds and will allow research institutions to develop major research activities and attract federal research grant funds.					
332.61 Research Initiatives - Regents System	\$5,000,000	\$0	\$0	\$5,000,000	0
Sub-total	\$5,000,000	\$0	\$0	\$5,000,000	0
• Joe L. Evins Appalachian Center for Crafts					
To continue the funding for the Joe L. Evins Appalachian Center for Crafts, attached to Tennessee Technological University.					
332.78 Tennessee Technological University	\$250,000	\$0	\$0	\$250,000	0
Sub-total	\$250,000	\$0	\$0	\$250,000	0
Total State University and Community College System	\$29,100,700	\$0	\$0	\$29,100,700	0

Higher Education System-Wide Improvements

• Academic Excellence - Faculty Retention and Recruiting					
To provide funds for Higher Education Excellence. This will provide funds for faculty retention and recruiting in high-demand disciplines. This \$10 million state appropriation will be matched with \$5 million from student tuition and fees, in order to provide a total of \$15 million, to make Tennessee public colleges more competitive with those in other states in retention and recruitment of outstanding faculty.					
332.99 Higher Education System-Wide Improvements	\$10,000,000	\$0	\$0	\$10,000,000	0
Sub-total	\$10,000,000	\$0	\$0	\$10,000,000	0
• Academic Excellence - Special Equipment					
To provide funds for Higher Education Excellence. This will allow upgrading of instructional and research equipment. Included is \$4 million to meet special equipment replacement needs at East Tennessee State University College of Medicine. The remaining \$6 million will be used to address critical instructional, laboratory, and research equipment needs, particularly in technology areas, which includes \$3.6 million for Tennessee Board of Regents institutions and \$2.4 million for the University of Tennessee.					
332.99 Higher Education System-Wide Improvements	\$10,000,000	\$0	\$0	\$10,000,000	0
Sub-total	\$10,000,000	\$0	\$0	\$10,000,000	0

Education Improvements for Fiscal Year 2002-2003

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Academic Excellence - Technology Initiatives					
To provide funds for Higher Education Excellence. This will provide funds for debt service on \$9 million in general obligation notes to procure infrastructure associated with technology initiatives, including computer servers, networks, and multi-media equipment.					
332.99 Higher Education System-Wide Improvements	\$2,000,000	\$0	\$0	\$2,000,000	0
Sub-total	\$2,000,000	\$0	\$0	\$2,000,000	0
• Salary Increase					
To provide funds for an average 3.5% salary increase for higher education employees on July 1, 2002.					
332.99 Higher Education System-Wide Improvements	\$41,350,000	\$0	\$0	\$41,350,000	0
Sub-total	\$41,350,000	\$0	\$0	\$41,350,000	0
Total Higher Education System-Wide Improvements	\$63,350,000	\$0	\$0	\$63,350,000	0
Total Education	\$315,600,800	\$66,543,000	\$0	\$382,143,800	23

Department of Education

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 138 local school districts, or local education agencies (LEAs). The LEAs operate the state's kindergarten, elementary, secondary, and vocational schools. The department carries out its education responsibilities through a multitude of program areas.

Administration and the State Board of Education

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
- Data services.

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:

- Developing a five-year Master Plan for improving education in the state
- Establishing policies, standards, and guidelines for public education in grades K-12.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
331.01 Administration					
Full-Time	125	121	121	1	122
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	125	121	121	1	122
Payroll	5,552,600	6,616,800	6,640,600	32,200	6,672,800
Operational	1,869,700	1,808,100	1,809,800	0	1,809,800
Total	\$7,422,300	\$8,424,900	\$8,450,400	\$32,200	\$8,482,600
State	6,158,500	7,429,900	7,429,900	0	7,429,900
Federal	1,231,300	961,000	986,000	32,200	1,018,200
Other	32,500	34,000	34,500	0	34,500

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
331.07 State Board of Education					
Full-Time	6	6	6	0	6
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	6	6	6	0	6
Payroll	379,700	433,900	416,700	0	416,700
Operational	242,200	220,200	217,400	0	217,400
Total	\$621,900	\$654,100	\$634,100	\$0	\$634,100
State	601,000	634,100	634,100	0	634,100
Federal	0	0	0	0	0
Other	20,900	20,000	0	0	0

State Support of LEA Programs

The BEP is the formula that determines the funding level each school system needs in order to provide a basic level of service for all students. This formula is based directly on student enrollment in the different grade levels and programs, as well as specific costs for materials, supplies, equipment, and other operating costs. This flow-through funding is provided in the BEP and Other LEA Support allotment code. 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.

331.25 BEP and Other LEA Support

Full-Time	0	0	0	6	6
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	0	0	0	6	6
Payroll	0	0	0	0	0
Operational	2,357,434,900	2,437,648,300	2,429,598,300	144,593,000	2,574,191,300
Total	\$2,357,434,900	\$2,437,648,300	\$2,429,598,300	\$144,593,000	\$2,574,191,300
State	2,355,439,500	2,435,698,300	2,429,598,300	126,093,000	2,555,691,300
Federal	0	0	0	18,500,000	18,500,000
Other	1,995,400	1,950,000	0	0	0

The state also provides support for a number of initiatives designed to address specific needs and special programs, including:

- Career Ladder supplements and extended contracts
- Educational/public television
- Tennessee Holocaust Commission
- Driver Education
- Technology
- Accountability.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
331.10 Career Ladder					
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	97,935,500	97,000,000	91,200,000	2,800,000	94,000,000
Total	\$97,935,500	\$97,000,000	\$91,200,000	\$2,800,000	\$94,000,000
State	97,935,500	97,000,000	91,200,000	2,800,000	94,000,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

331.02 Grants-In-Aid

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	4,108,600	4,108,600	135,000	4,053,600	4,188,600
Total	\$4,108,600	\$4,108,600	\$135,000	\$4,053,600	\$4,188,600
State	4,108,600	4,108,600	135,000	4,053,600	4,188,600
Federal	0	0	0	0	0
Other	0	0	0	0	0

331.43 Driver Education

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	1,625,200	1,700,000	1,700,000	0	1,700,000
Total	\$1,625,200	\$1,700,000	\$1,700,000	\$0	\$1,700,000
State	1,625,200	1,700,000	1,700,000	0	1,700,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

331.04 Technology, Infrastructure, and Support Systems

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	939,500	1,426,900	1,433,400	0	1,433,400
Operational	1,756,600	1,253,400	1,246,900	0	1,246,900
Total	\$2,696,100	\$2,680,300	\$2,680,300	\$0	\$2,680,300

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
State	2,696,100	2,680,300	2,680,300	0	2,680,300
Federal	0	0	0	0	0
Other	0	0	0	0	0

331.11 Accountability

Full-Time	49	49	49	0	49
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	49	49	49	0	49
Payroll	1,962,500	2,333,700	2,400,200	0	2,400,200
Operational	11,962,800	16,393,300	16,331,400	6,964,400	23,295,800
Total	\$13,925,300	\$18,727,000	\$18,731,600	\$6,964,400	\$25,696,000
State	11,360,900	17,415,600	16,290,600	0	16,290,600
Federal	0	0	0	6,964,400	6,964,400
Other	2,564,400	1,311,400	2,441,000	0	2,441,000

Additionally, state support is provided in the form of program and technical assistance through the Division of Curriculum and Instruction. This division assists LEAs in developing and implementing all of the basic and special programs. These special programs include the Governor's Study Partner Program, music, art, computer education, and programs for gifted students such as the Governor's Schools. The Governor's Schools program provides four weeks of summer enrichment programs to gifted and talented high school juniors and seniors. The seven Governor's schools are:

- Science
- Arts
- Humanities
- International studies
- Prospective teachers
- Tennessee studies
- Manufacturing technology.

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 training for teachers and administrators in technology by offering workshops, training sessions, and the annual Tennessee Education Technology Conference.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
331.06 Curriculum and Instruction					
Full-Time	20	24	24	0	24
Part-Time	9	9	9	0	9
Seasonal	0	0	0	0	0
Total	29	33	33	0	33
Payroll	1,032,700	1,265,100	1,272,900	0	1,272,900
Operational	1,835,800	2,258,100	699,300	13,872,500	14,571,800
Total	\$2,868,500	\$3,523,200	\$1,972,200	\$13,872,500	\$15,844,700
State	2,865,500	2,947,600	1,497,600	1,500,000	2,997,600
Federal	0	525,700	424,700	12,372,500	12,797,200
Other	3,000	49,900	49,900	0	49,900

331.05 Training and Professional Development

Full-Time	22	22	22	3	25
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	22	22	22	3	25
Payroll	947,800	1,139,500	1,139,500	112,500	1,252,000
Operational	2,081,100	6,023,400	8,694,100	4,462,500	13,156,600
Total	\$3,028,900	\$7,162,900	\$9,833,600	\$4,575,000	\$14,408,600
State	2,623,300	6,549,700	9,220,400	3,110,000	12,330,400
Federal	0	0	0	1,465,000	1,465,000
Other	405,600	613,200	613,200	0	613,200

Federally-Funded and Supported LEA Programs

Various federally funded programs are designed to enhance the learning environment of disadvantaged and disabled students. These programs include the Goals 2000: Educate America Act for the attainment of national goals; Technology Literacy for enhancing technology access statewide; Advanced Placement for increasing availability of advanced placement courses; Character Education; and Class Size Reduction. Other programs support teacher training in the core academic subjects as well as drug awareness and AIDS education. Title I, Title VI of the IASA, the Educate America Act, and the Technology Literacy program 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.

331.12 Goals 2000 and Technology Literacy

Full-Time	3	0	0	0	0
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	3	0	0	0	0
Payroll	73,800	195,300	0	0	0
Operational	19,911,000	15,848,000	7,532,100	1,246,000	8,778,100
Total	\$19,984,800	\$16,043,300	\$7,532,100	\$1,246,000	\$8,778,100

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
State	0	0	0	0	0
Federal	19,984,800	16,043,300	7,532,100	1,246,000	8,778,100
Other	0	0	0	0	0

Title I of the federal Improving America's Schools Act (IASA) assists LEAs and institutions in identifying economically and educationally deprived children, as well as administering federal funds awarded to the state. Title I funding is used by LEAs to design programs intended to increase students' performance to a level commensurate with their peers. The allocation of funds is based on poverty indices and the number of neglected, delinquent, or foster children supported by public funds.

Title VI of the IASA is an assistance program designed to provide funding to local school systems for innovative education programs in eight broad areas:

- School reform activities consistent with the Goals 2000: Educate America Act
- Acquisition and use of library services and instructional materials
- Promising education reform projects
- At-risk students
- High-cost students that require specialized instruction
- Technology
- Adult and student illiteracy
- Gifted and talented students.

Title II funds from the federal Eisenhower Grant provide for professional development activities for teachers concentrated in the areas of mathematics and science.

331.03 Improving America's School Act (IASA)

Full-Time	34	35	35	0	35
Part-Time	1	0	0	0	0
Seasonal	0	0	0	0	0
Total	35	35	35	0	35
Payroll	1,719,900	1,940,100	1,949,800	0	1,949,800
Operational	174,508,800	192,328,300	192,533,600	20,430,800	212,964,400
Total	\$176,228,700	\$194,268,400	\$194,483,400	\$20,430,800	\$214,914,200
State	0	0	0	0	0
Federal	176,222,200	194,268,400	194,483,400	20,430,800	214,914,200
Other	6,500	0	0	0	0

Improving School Programs fund a variety of initiatives designed to provide support for local efforts. The School-age Child Care Program was adopted by law in 1989 to encourage the development of before and after school child care programs. The department is responsible for annually inspecting each site for compliance with state child care standards. The Early Childhood Education Initiative was implemented in 1998 to improve the effectiveness of the Title I and locally funded preschool programs in order to meet the goal of school readiness. The Safe and Drug-Free Schools and Communities Program provides financial and technical support to schools and communities in their efforts to reduce adolescent drug use and violence. Even Start grants fund a family literacy program to prepare preschool children for school and to assist

parents in working with their children. Financial support is provided through a variety of grant programs, including formula grants to LEAs as well as discretionary grants to both school and community-based programs. Other federally funded programs in the Improving School Programs allotment code include:

- Homeless grants
- Learn and Serve grants
- Byrd scholarships
- Troops to Teachers
- Head Start State Collaborative.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
331.09 Improving School Programs					
Full-Time	40	41	41	5	46
Part-Time	0	1	1	0	1
Seasonal	0	0	0	0	0
Total	40	42	42	5	47
Payroll	1,317,700	1,779,400	1,929,500	230,300	2,159,800
Operational	40,632,400	44,025,000	42,877,900	45,291,300	88,169,200
Total	\$41,950,100	\$45,804,400	\$44,807,400	\$45,521,600	\$90,329,000
State	8,689,000	9,848,100	9,195,500	40,300,000	49,495,500
Federal	21,818,700	23,593,300	24,022,800	5,221,600	29,244,400
Other	11,442,400	12,363,000	11,589,100	0	11,589,100

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
- Ensuring that the rights of disabled children and their parents are protected by:
 - (a) Mediating, upon request, disagreements between local school systems and parents regarding a child's educational program
 - (b) Providing due process hearings.

331.36 Special Education Services

Full-Time	65	65	65	5	70
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	65	65	65	5	70
Payroll	2,902,700	3,350,800	3,352,200	310,500	3,662,700
Operational	102,773,000	108,435,200	116,905,000	500,000	117,405,000
Total	\$105,675,700	\$111,786,000	\$120,257,200	\$810,500	\$121,067,700
State	490,300	505,400	505,400	500,000	1,005,400
Federal	105,177,400	111,280,600	119,751,800	310,500	120,062,300
Other	8,000	0	0	0	0

The Tennessee Infant Parent Services School program provides home-based services to parents and other primary care providers and direct services to children with disabilities.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
331.95 Tennessee Infant-Parent Services School					
Full-Time	30	35	35	0	35
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	30	35	35	0	35
Payroll	1,884,700	2,211,400	2,211,400	25,900	2,237,300
Operational	14,723,200	16,527,500	16,527,500	0	16,527,500
Total	\$16,607,900	\$18,738,900	\$18,738,900	\$25,900	\$18,764,800
State	10,650,700	13,298,100	13,298,100	25,900	13,324,000
Federal	5,957,200	5,440,800	5,440,800	0	5,440,800
Other	0	0	0	0	0

The School Nutrition programs provide nutrition education and nutritious meals during the school day. To ensure that all students have access to a nutritious meal, the division reimburses LEAs for all eligible students who participate in the School Lunch and School Breakfast programs.

331.35 School Nutrition Programs

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	940,300	1,025,800	1,075,800	0	1,075,800
Operational	147,858,300	157,183,600	167,520,700	0	167,520,700
Total	\$148,798,600	\$158,209,400	\$168,596,500	\$0	\$168,596,500
State	4,877,700	4,996,700	4,996,700	0	4,996,700
Federal	143,914,800	153,212,700	163,599,800	0	163,599,800
Other	6,100	0	0	0	0

The Vocational Education program is responsible for providing specialized education services to the state's high school students that will prepare them for employment and/or post-secondary education. The Division of Vocational Education also provides direction to the LEAs in establishing and maintaining programs in areas such as:

- Agriculture
- Family and consumer services
- Trade and industry
- Information technology
- Marketing
- Health science
- Technology education.

331.45 Vocational Education Programs

Full-Time	63	61	61	0	61
Part-Time	13	0	0	0	0
Seasonal	7	0	0	0	0
Total	83	61	61	0	61

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
Payroll	2,095,100	3,055,400	3,055,400	0	3,055,400
Operational	26,242,100	29,940,000	29,214,300	0	29,214,300
Total	\$28,337,200	\$32,995,400	\$32,269,700	\$0	\$32,269,700
State	4,131,500	4,863,500	3,797,700	0	3,797,700
Federal	23,287,900	27,254,300	27,414,400	0	27,414,400
Other	917,800	877,600	1,057,600	0	1,057,600

Special Schools

The department operates three schools across the state in order to provide academic, vocational, and special instruction education opportunities in residential settings for legally blind, deaf, and/or 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
- Diagnosis and identification of learning problems.

Additionally, the department operates the Alvin C. York Institute in Jamestown, a model rural high school that serves as a center for improving rural education.

331.91 Tennessee School for the Blind

Full-Time	184	184	184	3	187
Part-Time	3	3	3	0	3
Seasonal	0	0	0	0	0
Total	187	187	187	3	190
Payroll	6,438,400	6,891,900	6,891,900	170,500	7,062,400
Operational	1,703,500	1,597,800	1,592,500	299,900	1,892,400
Total	\$8,141,900	\$8,489,700	\$8,484,400	\$470,400	\$8,954,800
State	7,396,700	7,625,900	7,625,900	470,400	8,096,300
Federal	0	0	0	0	0
Other	745,200	863,800	858,500	0	858,500

331.92 Tennessee School for the Deaf

Full-Time	245	244	244	0	244
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	246	245	245	0	245

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
Payroll	8,168,600	8,679,300	8,567,900	61,300	8,629,200
Operational	3,099,200	2,663,200	2,743,400	80,000	2,823,400
Total	\$11,267,800	\$11,342,500	\$11,311,300	\$141,300	\$11,452,600
State	10,408,100	10,824,700	10,824,700	141,300	10,966,000
Federal	0	37,800	37,800	0	37,800
Other	859,700	480,000	448,800	0	448,800

331.93 West Tennessee School for the Deaf

Full-Time	42	42	42	0	42
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	42	42	42	0	42
Payroll	1,423,000	1,553,300	1,564,600	11,800	1,576,400
Operational	314,000	345,500	332,100	21,500	353,600
Total	\$1,737,000	\$1,898,800	\$1,896,700	\$33,300	\$1,930,000
State	1,609,800	1,698,700	1,698,700	33,300	1,732,000
Federal	0	39,500	39,500	0	39,500
Other	127,200	160,600	158,500	0	158,500

331.90 Alvin C. York Institute

Full-Time	76	76	76	0	76
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	76	76	76	0	76
Payroll	3,194,100	3,293,700	3,258,300	48,300	3,306,600
Operational	885,800	863,800	908,400	25,000	933,400
Total	\$4,079,900	\$4,157,500	\$4,166,700	\$73,300	\$4,240,000
State	3,329,800	3,517,200	3,517,200	73,300	3,590,500
Federal	41,000	36,000	37,500	0	37,500
Other	709,100	604,300	612,000	0	612,000

331.97 Major 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	27,800	239,100	239,100	0	239,100
Total	\$27,800	\$239,100	\$239,100	\$0	\$239,100
State	27,800	239,100	239,100	0	239,100
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
331.00 Department Total					
Full-Time	1,048	1,049	1,049	23	1,072
Part-Time	27	14	14	0	14
Seasonal	7	0	0	0	0
Total	1,082	1,063	1,063	23	1,086
Payroll	40,973,100	47,192,300	47,160,100	1,003,300	48,163,400
Operational	3,013,531,500	3,138,410,400	3,130,558,800	244,640,500	3,375,199,300
Total	\$3,054,504,600	\$3,185,602,700	\$3,177,718,900	\$245,643,800	\$3,423,362,700
State	2,537,025,500	2,633,581,500	2,616,085,200	179,100,800	2,795,186,000
Federal	497,635,300	532,693,400	543,770,600	66,543,000	610,313,600
Other	19,843,800	19,327,800	17,863,100	0	17,863,100

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				
1996-1997	750	12	28	45
1997-1998	750	10	27	55
1998-1999	718	13	28	59
1999-2000	800	16	29	57
2000-2001	723	12	32	51
2001-2002	725	13	32	50
2002-2003	775	14	32	52
Annual Releases				
1996-1997	250	10	22	4
1997-1998	250	8	22	5
1998-1999	250	8	30	9
1999-2000	250	8	27	6
2000-2001	210	4	30	5
2001-2002	175	4	30	3
2002-2003	195	4	30	5
Average Daily Census				
1996-1997	673	164	201	39
1997-1998	676	164	180	45
1998-1999	621	167	184	52
1999-2000	617	172	179	47
2000-2001	575	210	179	43
2001-2002	575	212	188	42
2002-2003	610	213	188	43
Cost Per Occupancy Day				
1996-1997	\$28.71	\$183.65	\$218.60	\$161.05
1997-1998	\$28.84	\$229.58	\$280.18	\$157.70
1998-1999	\$32.82	\$246.77	\$305.89	\$157.57
1999-2000	\$39.42	\$215.39	\$349.71	\$224.42
2000-2001	\$39.42	\$215.39	\$349.71	\$224.42
2001-2002	\$40.17	\$222.48	\$335.18	\$251.16
2002-2003	\$38.62	\$233.56	\$338.43	\$249.35

Higher Education

Providing affordable, high-quality, post-secondary education to Tennesseans is the mission of the state-sponsored higher education program. Higher Education also provides valuable services through its research, medical, agriculture, and public service programs. In addition, emphasis is placed on coordination, student financial aid, and special programs designed to improve the overall quality of education in Tennessee. The University of Tennessee System, the State University and Community College System, the Tennessee Higher Education Commission, and the Tennessee Student Assistance Corporation work together to accomplish these activities.

State-Administered Programs

Tennessee Higher Education Commission

The Tennessee Higher Education Commission (THEC) was created to coordinate and unify Tennessee's program of public higher education. Its primary responsibilities include:

- Developing and maintaining a master plan for public higher education in Tennessee
- Developing policies and formulas for the fair and equitable distribution of public funds among Tennessee's public institutions of higher education
- Studying the need for programs, departments, and other educational activities at Tennessee's institutions of higher learning
- Reviewing all proposals for new degrees or degree programs and academic departments or divisions within the institutions
- Studying and making determinations concerning the establishment of new institutions of higher learning
- Submitting a biennial report to the Governor and the Legislature on the status of higher education
- Administering the contract education program with in-state private institutions and with out-of-state institutions through the Southern Regional Education Board
- Coordinating desegregation planning in public institutions
- Administering the tuition waiver and discount programs
- Authorizing post-secondary educational institutions to operate in the state and reviewing programs to ensure they meet minimum standards set forth in the Post-secondary Education Authorization Act.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
332.01 Tennessee Higher Education Commission					
Full-Time	32	32	32	0	32
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	33	33	33	0	33
Payroll	1,639,300	2,141,100	2,140,200	0	2,140,200
Operational	528,000	749,300	723,500	45,000	768,500
Total	\$2,167,300	\$2,890,400	\$2,863,700	\$45,000	\$2,908,700
State	1,582,300	1,996,500	1,996,500	45,000	2,041,500
Federal	346,500	285,700	285,700	0	285,700
Other	238,500	608,200	581,500	0	581,500

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
332.02 Contract Education					
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	2,499,400	2,500,200	2,500,200	34,900	2,535,100
Total	\$2,499,400	\$2,500,200	\$2,500,200	\$34,900	\$2,535,100
State	2,499,400	2,500,200	2,500,200	34,900	2,535,100
Federal	0	0	0	0	0
Other	0	0	0	0	0

332.09 THEC 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
Payroll	0	0	0	0	0
Operational	3,839,400	4,119,600	4,044,600	296,000	4,340,600
Total	\$3,839,400	\$4,119,600	\$4,044,600	\$296,000	\$4,340,600
State	2,889,900	2,832,700	2,757,700	296,000	3,053,700
Federal	949,500	1,286,900	1,286,900	0	1,286,900
Other	0	0	0	0	0

Tennessee Student Assistance Corporation

The Tennessee Student Assistance Corporation (TSAC) is a non-profit corporation that administers state and federal student financial assistance programs. 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/scholarship programs encouraging students to enter into the teaching, nursing, and medical professions
- Executing the federal program designed to prevent potential defaults on student loans
- Arranging or serving as the lender of last resort.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
332.03 Tennessee Student Assistance Awards					
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	29,349,500	39,464,500	39,464,500	14,346,000	53,810,500
Total	\$29,349,500	\$39,464,500	\$39,464,500	\$14,346,000	\$53,810,500
State	28,664,700	38,465,400	38,465,400	14,346,000	52,811,400
Federal	684,800	999,100	999,100	0	999,100
Other	0	0	0	0	0

332.04 Federal Family Education Loan Program (FFELP)

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	51,849,300	80,000,000	80,000,000	0	80,000,000
Total	\$51,849,300	\$80,000,000	\$80,000,000	\$0	\$80,000,000
State	0	0	0	0	0
Federal	51,849,300	76,602,500	76,602,500	0	76,602,500
Other	0	3,397,500	3,397,500	0	3,397,500

332.05 Tennessee Student Assistance Corporation

Full-Time	34	33	33	0	33
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	34	33	33	0	33
Payroll	1,034,400	1,382,200	1,382,200	0	1,382,200
Operational	10,745,300	13,875,000	13,875,000	0	13,875,000
Total	\$11,779,700	\$15,257,200	\$15,257,200	\$0	\$15,257,200
State	874,600	1,323,400	1,323,400	0	1,323,400
Federal	6,473,900	3,780,300	3,780,300	0	3,780,300
Other	4,431,200	10,153,500	10,153,500	0	10,153,500

332.07 Loan/Scholarship 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

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
Payroll	0	0	0	0	0
Operational	1,737,600	2,030,500	2,030,500	54,000	2,084,500
Total	\$1,737,600	\$2,030,500	\$2,030,500	\$54,000	\$2,084,500
State	974,900	1,137,000	1,137,000	54,000	1,191,000
Federal	0	0	0	0	0
Other	762,700	893,500	893,500	0	893,500

Tennessee Foreign Language Institute

The Tennessee Foreign Language Institute mission is to promote, encourage, enhance and facilitate the learning and teaching of foreign languages. The Institute serves more than 4,000 people per year through classes in more than 115 languages and self-study programs in another 26 languages.

332.14 Tennessee Foreign Language Institute

Full-Time	13	13	12	0	12
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	13	13	12	0	12
Payroll	0	0	0	0	0
Operational	1,011,800	1,027,400	1,027,400	24,200	1,051,600
Total	\$1,011,800	\$1,027,400	\$1,027,400	\$24,200	\$1,051,600
State	264,000	277,400	277,400	24,200	301,600
Federal	0	0	0	0	0
Other	747,800	750,000	750,000	0	750,000

Excellence Initiatives

Several excellence initiatives have been undertaken to improve the overall quality of higher education in Tennessee:

- The Academic Scholars Program provides scholarships to some of Tennessee's brightest graduating high school students to encourage them to attend Tennessee's higher education institutions. This program is administered by the Tennessee Student Assistance Corporation.
- The Centers of Excellence Program provides additional funding to Tennessee's public four-year universities to supplement specific disciplines that are excellent or demonstrate the potential to become excellent. The state has established 26 Centers of Excellence based on the following principles: expansion of research and economic development activities, attainment of regional and national recognition, enhancement of existing institutional strengths, and differentiation of missions among institutions. This program is administered by the Tennessee Higher Education Commission.
- The Campus Centers of Emphasis Program provides supplemental funding to demonstrably excellent programs at the state's public two-year institutions. The state has established 15 Campus Centers of Emphasis based on the same principles applying to the Centers of Excellence. This program is administered by the Tennessee Higher Education Commission.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
332.06 Academic Scholars 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	570,500	630,500	630,500	0	630,500
Total	\$570,500	\$630,500	\$630,500	\$0	\$630,500
State	251,800	251,800	251,800	0	251,800
Federal	0	0	0	0	0
Other	318,700	378,700	378,700	0	378,700

332.08 Centers of Excellence

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	18,220,800	18,580,800	18,580,800	1,055,600	19,636,400
Total	\$18,220,800	\$18,580,800	\$18,580,800	\$1,055,600	\$19,636,400
State	18,220,800	18,580,800	18,580,800	1,055,600	19,636,400
Federal	0	0	0	0	0
Other	0	0	0	0	0

332.11 Campus Centers of Emphasis

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	1,309,400	1,332,400	1,332,400	75,800	1,408,200
Total	\$1,309,400	\$1,332,400	\$1,332,400	\$75,800	\$1,408,200
State	1,309,400	1,332,400	1,332,400	75,800	1,408,200
Federal	0	0	0	0	0
Other	0	0	0	0	0

Geier Desegregation Agreement

In January 2001, a settlement agreement in the *Geier* higher education desegregation lawsuit was approved by the U.S. District Court in Nashville. Implementation of the agreement will result in final resolution of the lawsuit that was filed in 1968. The settlement agreement is 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 is intended to “to increase the presence of other-race faculty, staff, and administrators on the campuses of the state’s colleges and universities.”

Except for one 10-year funding commitment, the plan is to be implemented over five years from January 4, 2001. The agreement sets forth commitments for higher education in Middle Tennessee, statewide issues in both university systems, and implementation.

Major ingredients of the plan require annual appropriations for a TSU Endowment for Educational Excellence over 10 years; capital improvements and revitalization of the TSU Avon Williams Downtown Campus; consideration of merger of the Nashville School of Law with TSU; 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. If the law school merges with TSU, the agreement calls for certain capital and start-up appropriations. If the merger does not occur, the state is committed to establishing certain new high-demand academic programs at 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. Major program initiative spending began in fiscal year 2001-2002.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
332.13 Geier Desegregation Settlement					
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	187,800	10,577,200	10,765,000	6,000,000	16,765,000
Total	\$187,800	\$10,577,200	\$10,765,000	\$6,000,000	\$16,765,000
State	187,800	10,577,200	10,765,000	6,000,000	16,765,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
Total State-Administered Programs					
Full-Time	79	78	77	0	77
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	80	79	78	0	78
Payroll	2,673,700	3,523,300	3,522,400	0	3,522,400
Operational	121,848,800	174,887,400	174,974,400	21,931,500	196,905,900
Total	\$124,522,500	\$178,410,700	\$178,496,800	\$21,931,500	\$200,428,300
State	57,719,600	79,274,800	79,387,600	21,931,500	101,319,100
Federal	60,304,000	82,954,500	82,954,500	0	82,954,500
Other	6,498,900	16,181,400	16,154,700	0	16,154,700

University of Tennessee System

The University of Tennessee 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.

Note: Position counts shown below are for full-time, unrestricted education and general employees only. Full-time equivalent (FTE) enrollments are for Fall 2000 and 2001. Federal revenues, tuition and fees, and other revenues are unrestricted current funds derived from educational, general, and auxiliary enterprise sources.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
332.10 UT University-Wide Administration					
Full-Time					
Administrative	175	192	192	0	192
Faculty	0	0	0	0	0
Clerical/Support	220	234	234	0	234
Total	395	426	426	0	426
FTE Enrollment	0	0	0	0	0
State	2,619,200	2,842,500	2,793,900	46,900	2,840,800
Federal	0	0	0	0	0
Other	23,461,200	14,839,000	14,839,000	0	14,839,000
Tuition/Fees	0	0	0	0	0
Total	\$26,080,400	\$17,681,500	\$17,632,900	\$46,900	\$17,679,800

332.12 Research Initiatives – UT System

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	7,500,000	0	0	7,500,000	7,500,000
Total	\$7,500,000	\$0	\$0	\$7,500,000	\$7,500,000
State	7,500,000	0	0	7,500,000	7,500,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

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

- Providing continuing education on and off campuses, with special emphasis on degree-granting programs in non-traditional settings.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
332.15 UT Institute for Public Service					
Full-Time					
Administrative	56	37	37	0	37
Faculty	0	0	0	0	0
Clerical/Support	38	19	19	0	19
Total	94	56	56	0	56
FTE Enrollment	0	0	0	0	0
State	4,630,400	4,800,700	4,780,100	374,000	5,154,100
Federal	489,600	360,500	360,500	0	360,500
Other	776,300	730,600	730,600	0	730,600
Tuition/Fees	0	0	0	0	0
Total	\$5,896,300	\$5,891,800	\$5,871,200	\$374,000	\$6,245,200

332.16 UT Municipal Technical Advisory Service

Full-Time					
Administrative	29	30	30	0	30
Faculty	0	0	0	0	0
Clerical/Support	14	14	14	0	14
Total	43	44	44	0	44
FTE Enrollment	0	0	0	0	0
State	1,372,300	1,454,900	1,452,200	87,500	1,539,700
Federal	0	0	0	0	0
Other	1,987,500	1,974,600	1,974,600	0	1,974,600
Tuition/Fees	0	0	0	0	0
Total	\$3,359,800	\$3,429,500	\$3,426,800	\$87,500	\$3,514,300

332.17 UT County Technical Assistance Service

Full-Time					
Administrative	22	22	22	0	22
Faculty	0	0	0	0	0
Clerical/Support	4	4	4	0	4
Total	26	26	26	0	26
FTE Enrollment	0	0	0	0	0
State	1,040,000	1,098,200	1,095,200	69,000	1,164,200
Federal	0	0	0	0	0
Other	1,784,700	1,798,500	1,798,500	0	1,798,500
Tuition/Fees	0	0	0	0	0
Total	\$2,824,700	\$2,896,700	\$2,893,700	\$69,000	\$2,962,700

Agricultural Units

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

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
332.25 UT Agricultural Experiment Station					
Full-Time					
Administrative	127	129	129	0	129
Faculty	95	93	93	0	93
Clerical/Support	234	226	226	0	226
Total	456	448	448	0	448
FTE Enrollment	0	0	0	0	0
State	20,204,500	20,703,900	20,660,900	1,543,400	22,204,300
Federal	5,316,800	5,340,000	5,340,000	0	5,340,000
Other	3,492,500	3,072,000	3,072,000	0	3,072,000
Tuition/Fees	0	0	0	0	0
Total	\$29,013,800	\$29,115,900	\$29,072,900	\$1,543,400	\$30,616,300

332.26 UT Agricultural Extension Service

Full-Time					
Administrative	330	305	305	0	305
Faculty	72	66	66	0	66
Clerical/Support	148	146	146	0	146
Total	550	517	517	0	517
FTE Enrollment	0	0	0	0	0
State	23,270,600	24,228,700	24,143,700	1,421,400	25,565,100
Federal	8,432,600	8,374,100	8,374,100	0	8,374,100
Other	775,300	800,900	800,900	0	800,900
Tuition/Fees	0	0	0	0	0
Total	\$32,478,500	\$33,403,700	\$33,318,700	\$1,421,400	\$34,740,100

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
332.28 UT Veterinary Medicine					
Full-Time					
Administrative	22	22	22	0	22
Faculty	80	80	80	0	80
Clerical/Support	137	142	142	0	142
Total	239	244	244	0	244
FTE Enrollment	410	443	443	0	443
State	14,916,800	13,149,500	13,129,500	827,600	13,957,100
Federal	411,700	362,000	362,000	0	362,000
Other	4,633,800	5,141,000	5,141,000	0	5,141,000
Tuition/Fees	2,053,900	2,450,000	2,450,000	0	2,450,000
Total	\$22,016,200	\$21,102,500	\$21,082,500	\$827,600	\$21,910,100

Medical Education Units

The medical education program of the University of Tennessee plays an important role in helping to meet 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.

332.30 UT Memphis

Full-Time					
Administrative	249	245	245	0	245
Faculty	192	181	181	0	181
Clerical/Support	582	546	546	0	546
Total	1,023	972	972	0	972
FTE Enrollment	1,999	1,949	1,949	0	1,949
State	59,677,500	55,191,500	55,312,600	3,502,000	58,814,600
Federal	7,956,500	6,851,500	6,851,500	0	6,851,500
Other	15,621,300	12,632,300	12,632,300	0	12,632,300
Tuition/Fees	9,420,800	10,235,500	10,235,500	0	10,235,500
Total	\$92,676,100	\$84,910,800	\$85,031,900	\$3,502,000	\$88,533,900

332.32 UT Family Medicine

Full-Time					
Administrative	22	23	23	0	23
Faculty	35	37	37	0	37
Clerical/Support	156	161	161	0	161
Total	213	221	221	0	221

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
FTE Enrollment	0	0	0	0	0
State	5,571,400	5,970,300	5,960,800	419,900	6,380,700
Federal	1,816,500	2,145,000	2,145,000	0	2,145,000
Other	13,657,400	15,650,500	15,650,500	0	15,650,500
Tuition/Fees	0	0	0	0	0
Total	\$21,045,300	\$23,765,800	\$23,756,300	\$419,900	\$24,176,200

332.34 UT College of Medicine

Full-Time					
Administrative	81	87	87	0	87
Faculty	510	529	529	0	529
Clerical/Support	221	212	212	0	212
Total	812	828	828	0	828
FTE Enrollment	0	0	0	0	0
State	39,539,600	40,894,400	40,894,400	3,348,100	44,242,500
Federal	15,805,400	16,506,200	16,506,200	0	16,506,200
Other	6,264,000	6,589,300	6,589,300	0	6,589,300
Tuition/Fees	9,954,700	10,888,900	10,888,900	0	10,888,900
Total	\$71,563,700	\$74,878,800	\$74,878,800	\$3,348,100	\$78,226,900

University and Research Campuses

The University of Tennessee provides comprehensive undergraduate and graduate study at each of its three major campuses. These campuses provide services to citizens in all areas of the state through education, research, and public service activities.

The University of Tennessee Space Institute provides graduate study and research in aerospace engineering and related fields. The institute also provides assistance to private companies involved in aerospace engineering.

332.23 UT Space Institute

Full-Time					
Administrative	30	31	31	0	31
Faculty	41	41	41	0	41
Clerical/Support	44	44	44	0	44
Total	115	116	116	0	116
FTE Enrollment	85	86	86	0	86
State	7,893,400	7,385,800	7,377,200	507,500	7,884,700
Federal	633,800	650,000	650,000	0	650,000
Other	321,700	297,500	297,500	0	297,500
Tuition/Fees	1,355,700	1,458,200	1,458,200	0	1,458,200
Total	\$10,204,600	\$9,791,500	\$9,782,900	\$507,500	\$10,290,400

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
332.40 UT Chattanooga					
Full-Time					
Administrative	197	200	200	0	200
Faculty	326	323	323	0	323
Clerical/Support	319	318	318	0	318
Total	842	841	841	0	841
FTE Enrollment	6,832	6,955	6,955	0	6,955
State	37,881,400	39,002,950	38,890,800	0	38,890,800
Federal	291,300	166,800	166,800	0	166,800
Other	10,259,700	9,832,000	9,832,000	0	9,832,000
Tuition/Fees	25,405,000	28,621,600	28,621,600	0	28,621,600
Total	\$73,837,400	\$77,623,350	\$77,511,200	\$0	\$77,511,200

332.42 UT Knoxville

Full-Time					
Administrative	646	688	688	0	688
Faculty	1,191	1,195	1,195	0	1,195
Clerical/Support	1,520	1,511	1,511	0	1,511
Total	3,357	3,394	3,394	0	3,394
FTE Enrollment	22,465	22,654	22,654	0	22,654
State	155,496,600	160,665,700	160,403,500	1,897,700	162,301,200
Federal	7,728,000	7,730,000	7,730,000	0	7,730,000
Other	122,023,500	118,671,100	118,671,100	0	118,671,100
Tuition/Fees	125,859,200	137,351,800	137,351,800	0	137,351,800
Total	\$411,107,300	\$424,418,600	\$424,156,400	\$1,897,700	\$426,054,100

332.44 UT Martin

Full-Time					
Administrative	117	117	117	0	117
Faculty	266	269	269	0	269
Clerical/Support	246	245	245	0	245
Total	629	631	631	0	631
FTE Enrollment	5,324	5,379	5,379	0	5,379
State	26,295,900	27,168,900	27,079,700	572,800	27,652,500
Federal	58,500	79,500	79,500	0	79,500
Other	11,406,100	11,299,700	11,299,700	0	11,299,700
Tuition/Fees	17,998,900	20,982,700	20,982,700	0	20,982,700
Total	\$55,759,400	\$59,530,800	\$59,441,600	\$572,800	\$60,014,400

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
Total University of Tennessee System					
Full-Time					
Administrative	2,103	2,128	2,128	0	2,128
Faculty	2,808	2,814	2,814	0	2,814
Clerical/Support	3,883	3,822	3,822	0	3,822
Total	8,794	8,764	8,764	0	8,764
FTE Enrollment	37,115	37,466	37,466	0	37,466
State	407,909,600	404,557,950	403,974,500	22,117,800	426,092,300
Federal	48,940,700	48,565,600	48,565,600	0	48,565,600
Other	216,465,000	203,329,000	203,329,000	0	203,329,000
Tuition/Fees	192,048,200	211,988,700	211,988,700	0	211,988,700
Total	\$865,363,500	\$868,441,250	\$867,857,800	\$22,117,800	\$889,975,600

State University and Community College System

The State University and Community College System consists of four-year universities, two-year community colleges, technical institutes, 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. Planning, coordination, and review functions are the responsibility of the administrative staff of the Board of Regents.

Note: Position counts shown below are for full-time, unrestricted education and general employees only. Full-time equivalent (FTE) enrollments are for Fall 2000 and 2001. Federal revenues, tuition and fees, and other revenues are unrestricted current funds derived from educational, and general sources and from auxiliary enterprise sources.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
332.60 Tennessee Board of Regents					
Full-Time					
Administrative	60	61	61	0	61
Faculty	0	0	0	0	0
Clerical/Support	20	24	24	0	24
Total	80	85	85	0	85
FTE Enrollment	0	0	0	0	0
State	3,432,600	3,799,300	3,786,500	63,600	3,850,100
Federal	23,600	0	0	0	0
Other	3,620,800	3,601,500	3,601,500	0	3,601,500
Tuition/Fees	0	0	0	0	0
Total	\$7,077,000	\$7,400,800	\$7,388,000	\$63,600	\$7,451,600

332.61 Research Initiatives – Regents System

Full-Time					
Administrative	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	0	0	5,000,000	5,000,000
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$0	\$0	\$0	\$5,000,000	\$5,000,000

Agricultural Unit

The TSU McMinnville Center is dedicated solely to nursery crop research and it is the only one of its kind in the nation. The Center's mission is to provide leadership in strengthening and expanding the regional nursery industry through research in the areas of pathology, entomology,

genetics, horticulture, and related sciences. The Center is administered by Tennessee State University.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
332.62 TSU McMinnville Center					
Full-Time					
Administrative	5	5	5	0	5
Faculty	0	0	0	0	0
Clerical/Support	1	1	1	0	1
Total	6	6	6	0	6
FTE Enrollment	0	0	0	0	0
State	466,000	475,200	474,800	125,200	600,000
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$466,000	\$475,200	\$474,800	\$125,200	\$600,000

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.

332.65 ETSU College of Medicine

Full-Time					
Administrative	84	84	84	0	84
Faculty	147	159	159	0	159
Clerical/Support	97	116	116	0	116
Total	328	359	359	0	359
FTE Enrollment	241	236	236	0	236
State	22,834,200	23,356,900	23,324,100	1,718,900	25,043,000
Federal	448,700	425,000	425,000	0	425,000
Other	7,659,200	8,195,100	8,195,100	0	8,195,100
Tuition/Fees	3,331,600	3,747,300	3,747,300	0	3,747,300
Total	\$34,273,700	\$35,724,300	\$35,691,500	\$1,718,900	\$37,410,400

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
332.67 ETSU Family Practice					
Full-Time					
Administrative	21	21	21	0	21
Faculty	24	26	26	0	26
Clerical/Support	65	69	69	0	69
Total	110	116	116	0	116
FTE Enrollment	0	0	0	0	0
State	3,787,400	4,049,300	4,037,400	238,200	4,275,600
Federal	0	0	0	0	0
Other	7,618,500	7,345,700	7,345,700	0	7,345,700
Tuition/Fees	0	0	0	0	0
Total	\$11,405,900	\$11,395,000	\$11,383,100	\$238,200	\$11,621,300

Universities

The 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

Full-Time					
Administrative	148	150	150	0	150
Faculty	280	282	282	0	282
Clerical/Support	267	274	274	0	274
Total	695	706	706	0	706
FTE Enrollment	5,671	5,769	5,769	0	5,769
State	27,955,200	29,651,200	29,589,900	895,900	30,485,800
Federal	171,500	150,000	150,000	0	150,000
Other	7,489,000	6,992,500	6,992,500	0	6,992,500
Tuition/Fees	18,894,200	20,612,700	20,612,700	0	20,612,700
Total	\$54,509,900	\$57,406,400	\$57,345,100	\$895,900	\$58,241,000

332.72 East Tennessee State University

Full-Time					
Administrative	261	308	308	0	308
Faculty	519	492	492	0	492
Clerical/Support	531	530	530	0	530
Total	1,311	1,330	1,330	0	1,330

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
FTE Enrollment	9,123	9,271	9,271	0	9,271
State	49,148,400	50,860,800	50,638,600	1,730,000	52,368,600
Federal	399,400	330,000	330,000	0	330,000
Other	13,525,300	14,486,400	14,486,400	0	14,486,400
Tuition/Fees	33,745,200	38,024,100	38,024,100	0	38,024,100
Total	\$96,818,300	\$103,701,300	\$103,479,100	\$1,730,000	\$105,209,100

332.74 University of Memphis

Full-Time					
Administrative	622	623	623	0	623
Faculty	815	834	834	0	834
Clerical/Support	1,029	1,018	1,018	0	1,018
Total	2,466	2,475	2,475	0	2,475
FTE Enrollment	15,613	15,890	15,890	0	15,890
State	97,682,000	100,488,100	100,361,300	3,901,900	104,263,200
Federal	2,923,800	3,016,000	3,016,000	0	3,016,000
Other	40,773,600	38,418,300	38,418,300	0	38,418,300
Tuition/Fees	70,333,600	79,148,400	79,148,400	0	79,148,400
Total	\$211,713,000	\$221,070,800	\$220,944,000	\$3,901,900	\$224,845,900

332.75 Middle Tennessee State University

Full-Time					
Administrative	384	394	394	0	394
Faculty	809	810	810	0	810
Clerical/Support	595	566	566	0	566
Total	1,788	1,770	1,770	0	1,770
FTE Enrollment	16,339	17,125	17,125	0	17,125
State	75,770,200	78,227,000	78,021,700	5,402,100	83,423,800
Federal	242,000	210,000	210,000	0	210,000
Other	27,005,200	27,579,500	27,579,500	0	27,579,500
Tuition/Fees	59,081,100	71,127,200	71,127,200	0	71,127,200
Total	\$162,098,500	\$177,143,700	\$176,938,400	\$5,402,100	\$182,340,500

332.77 Tennessee State University

Full-Time					
Administrative	262	274	274	0	274
Faculty	399	404	404	0	404
Clerical/Support	329	327	327	0	327
Total	990	1,005	1,005	0	1,005

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
FTE Enrollment	7,431	7,425	7,425	0	7,425
State	34,279,000	37,119,900	37,060,600	0	37,060,600
Federal	1,901,000	1,300,000	1,300,000	0	1,300,000
Other	15,344,200	15,418,100	15,418,100	0	15,418,100
Tuition/Fees	37,733,700	41,802,500	41,802,500	0	41,802,500
Total	\$89,257,900	\$95,640,500	\$95,581,200	\$0	\$95,581,200

332.78 Tennessee Technological University

Full-Time					
Administrative	191	204	204	0	204
Faculty	379	380	380	0	380
Clerical/Support	382	377	377	0	377
Total	952	961	961	0	961
FTE Enrollment	7,212	7,327	7,327	0	7,327
State	39,715,900	41,007,800	40,640,200	1,139,900	41,780,100
Federal	461,700	358,100	358,100	0	358,100
Other	13,268,900	12,803,700	12,803,700	0	12,803,700
Tuition/Fees	23,334,000	28,870,600	28,870,600	0	28,870,600
Total	\$76,780,500	\$83,040,200	\$82,672,600	\$1,139,900	\$83,812,500

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. Technical institutes provide students with the necessary training to obtain jobs in various technical fields. The technical community colleges combine both of these opportunities on the same campus. The system includes one technical institute, three technical community colleges, and nine community colleges.

332.53 Southwest Tennessee Community College

Full-Time					
Administrative	169	174	174	0	174
Faculty	280	276	276	0	276
Clerical/Support	247	258	258	0	258
Total	696	708	708	0	708
FTE Enrollment	7,059	7,743	7,743	0	7,743
State	34,278,600	35,365,000	35,294,500	0	35,294,500
Federal	345,000	100,000	100,000	0	100,000
Other	2,943,200	2,483,200	2,483,200	0	2,483,200
Tuition/Fees	15,037,100	17,178,300	17,178,300	0	17,178,300
Total	\$52,603,900	\$55,126,500	\$55,056,000	\$0	\$55,056,000

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
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332.54 Nashville State Technical Institute

Full-Time					
Administrative	58	62	62	0	62
Faculty	138	142	142	0	142
Clerical/Support	110	111	111	0	111
Total	306	315	315	0	315
FTE Enrollment	3,548	3,631	3,631	0	3,631
State	12,112,500	12,507,000	12,472,000	698,300	13,170,300
Federal	24,200	24,400	24,400	0	24,400
Other	1,162,000	1,098,800	1,098,800	0	1,098,800
Tuition/Fees	7,135,500	8,663,100	8,663,100	0	8,663,100
Total	\$20,434,200	\$22,293,300	\$22,258,300	\$698,300	\$22,956,600

332.55 Pellissippi State Technical Community College

Full-Time					
Administrative	97	101	101	0	101
Faculty	187	187	187	0	187
Clerical/Support	159	159	159	0	159
Total	443	447	447	0	447
FTE Enrollment	5,079	5,151	5,151	0	5,151
State	17,477,700	18,054,000	17,999,900	416,000	18,415,900
Federal	68,400	80,000	80,000	0	80,000
Other	1,414,600	1,178,000	1,178,000	0	1,178,000
Tuition/Fees	11,209,800	12,600,000	12,600,000	0	12,600,000
Total	\$30,170,500	\$31,912,000	\$31,857,900	\$416,000	\$32,273,900

332.56 Northeast State Technical Community College

Full-Time					
Administrative	47	49	49	0	49
Faculty	94	96	96	0	96
Clerical/Support	90	101	101	0	101
Total	231	246	246	0	246
FTE Enrollment	2,607	2,879	2,879	0	2,879
State	9,486,500	9,757,100	9,726,200	970,000	10,696,200
Federal	41,100	40,000	40,000	0	40,000
Other	675,900	524,200	524,200	0	524,200
Tuition/Fees	4,816,900	5,653,800	5,653,800	0	5,653,800
Total	\$15,020,400	\$15,975,100	\$15,944,200	\$970,000	\$16,914,200

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
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332.80 Chattanooga State Technical Community College

Full-Time					
Administrative	106	122	122	0	122
Faculty	175	175	175	0	175
Clerical/Support	155	148	148	0	148
Total	436	445	445	0	445
FTE Enrollment	4,832	5,269	5,269	0	5,269
State	20,657,600	21,296,700	21,240,100	0	21,240,100
Federal	24,100	12,000	12,000	0	12,000
Other	1,633,200	1,438,000	1,438,000	0	1,438,000
Tuition/Fees	9,993,100	11,696,200	11,696,200	0	11,696,200
Total	\$32,308,000	\$34,442,900	\$34,386,300	\$0	\$34,386,300

332.81 Cleveland State Community College

Full-Time					
Administrative	43	44	44	0	44
Faculty	82	80	80	0	80
Clerical/Support	78	76	76	0	76
Total	203	200	200	0	200
FTE Enrollment	2,083	2,318	2,318	0	2,318
State	9,060,900	9,317,900	9,292,600	0	9,292,600
Federal	12,800	8,000	8,000	0	8,000
Other	448,000	322,000	322,000	0	322,000
Tuition/Fees	3,504,200	4,151,100	4,151,100	0	4,151,100
Total	\$13,025,900	\$13,799,000	\$13,773,700	\$0	\$13,773,700

332.82 Columbia State Community College

Full-Time					
Administrative	43	44	44	0	44
Faculty	105	105	105	0	105
Clerical/Support	93	99	99	0	99
Total	241	248	248	0	248
FTE Enrollment	2,788	2,984	2,984	0	2,984
State	10,990,100	11,321,900	11,293,300	312,100	11,605,400
Federal	201,600	175,000	175,000	0	175,000
Other	1,940,100	457,100	457,100	0	457,100
Tuition/Fees	5,152,300	5,821,700	5,821,700	0	5,821,700
Total	\$18,284,100	\$17,775,700	\$17,747,100	\$312,100	\$18,059,200

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
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332.84 Dyersburg State Community College

Full-Time					
Administrative	31	33	33	0	33
Faculty	53	56	56	0	56
Clerical/Support	51	49	49	0	49
Total	135	138	138	0	138
FTE Enrollment	1,563	1,577	1,577	0	1,577
State	5,797,000	5,983,500	5,961,000	182,200	6,143,200
Federal	146,400	131,000	131,000	0	131,000
Other	297,100	296,700	296,700	0	296,700
Tuition/Fees	2,683,100	3,132,700	3,132,700	0	3,132,700
Total	\$8,923,600	\$9,543,900	\$9,521,400	\$182,200	\$9,703,600

332.86 Jackson State Community College

Full-Time					
Administrative	42	48	48	0	48
Faculty	104	108	108	0	108
Clerical/Support	103	98	98	0	98
Total	249	254	254	0	254
FTE Enrollment	2,514	2,658	2,658	0	2,658
State	10,210,600	10,500,000	10,468,800	412,400	10,881,200
Federal	19,700	89,100	89,100	0	89,100
Other	778,900	700,500	700,500	0	700,500
Tuition/Fees	4,669,300	5,593,500	5,593,500	0	5,593,500
Total	\$15,678,500	\$16,883,100	\$16,851,900	\$412,400	\$17,264,300

332.88 Motlow State Community College

Full-Time					
Administrative	42	46	46	0	46
Faculty	87	86	86	0	86
Clerical/Support	70	72	72	0	72
Total	199	204	204	0	204
FTE Enrollment	2,199	2,441	2,441	0	2,441
State	8,291,100	8,551,400	8,516,600	494,700	9,011,300
Federal	78,100	12,000	12,000	0	12,000
Other	396,200	352,400	352,400	0	352,400
Tuition/Fees	3,939,100	5,002,300	5,002,300	0	5,002,300
Total	\$12,704,500	\$13,918,100	\$13,883,300	\$494,700	\$14,378,000

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
332.90 Roane State Community College					
Full-Time					
Administrative	64	65	65	0	65
Faculty	142	142	142	0	142
Clerical/Support	134	135	135	0	135
Total	340	342	342	0	342
FTE Enrollment	3,474	3,647	3,647	0	3,647
State	15,479,800	15,928,500	15,889,600	233,100	16,122,700
Federal	155,700	84,700	84,700	0	84,700
Other	965,400	871,700	871,700	0	871,700
Tuition/Fees	6,576,200	8,055,600	8,055,600	0	8,055,600
Total	\$23,177,100	\$24,940,500	\$24,901,600	\$233,100	\$25,134,700

332.94 Volunteer State Community College

Full-Time					
Administrative	76	83	83	0	83
Faculty	140	144	144	0	144
Clerical/Support	121	117	117	0	117
Total	337	344	344	0	344
FTE Enrollment	4,138	4,295	4,295	0	4,295
State	15,280,100	15,706,500	15,663,200	158,700	15,821,900
Federal	15,700	16,000	16,000	0	16,000
Other	2,868,300	3,195,900	3,195,900	0	3,195,900
Tuition/Fees	7,723,100	9,183,400	9,183,400	0	9,183,400
Total	\$25,887,200	\$28,101,800	\$28,058,500	\$158,700	\$28,217,200

332.96 Walters State Community College

Full-Time					
Administrative	73	73	73	0	73
Faculty	131	131	131	0	131
Clerical/Support	142	145	145	0	145
Total	346	349	349	0	349
FTE Enrollment	3,665	3,909	3,909	0	3,909
State	15,120,100	15,586,300	15,532,400	500,000	16,032,400
Federal	215,500	140,000	140,000	0	140,000
Other	3,599,100	3,360,600	3,360,600	0	3,360,600
Tuition/Fees	6,355,100	7,576,600	7,576,600	0	7,576,600
Total	\$25,289,800	\$26,663,500	\$26,609,600	\$500,000	\$27,109,600

Tennessee Technology Centers

The state's 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.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
332.98 Tennessee Technology Centers					
Full-Time					
Administrative	145	146	146	0	146
Faculty	493	504	504	0	504
Clerical/Support	175	170	170	0	170
Total	813	820	820	0	820
FTE Enrollment	0	0	0	0	0
State	39,749,000	40,966,400	40,865,900	4,507,500	45,373,400
Federal	106,700	102,500	102,500	0	102,500
Other	4,970,400	4,500,200	4,500,200	0	4,500,200
Tuition/Fees	8,590,000	9,659,400	9,659,400	0	9,659,400
Total	\$53,416,100	\$55,228,500	\$55,128,000	\$4,507,500	\$59,635,500

Total State University and Community College System

Full-Time					
Administrative	3,074	3,214	3,214	0	3,214
Faculty	5,583	5,619	5,619	0	5,619
Clerical/Support	5,044	5,040	5,040	0	5,040
Total	13,701	13,873	13,873	0	13,873
FTE Enrollment	107,179	111,545	111,545	0	111,545
State	579,062,500	599,877,700	598,151,200	29,100,700	627,251,900
Federal	8,026,700	6,803,800	6,803,800	0	6,803,800
Other	160,397,100	155,620,100	155,620,100	0	155,620,100
Tuition/Fees	343,838,200	397,300,500	397,300,500	0	397,300,500
Total	\$1,091,324,500	\$1,159,602,100	\$1,157,875,600	\$29,100,700	\$1,186,976,300

Higher Education System-Wide Improvements

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
332.99 Higher Education System-Wide Improvements					
Full-Time					
Administrative	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	0	0	63,350,000	63,350,000
Federal	0	0	0	0	0
Other	0	0	0	0	0
Tuition/Fees	0	0	0	0	0
Total	\$0	\$0	\$0	\$63,350,000	\$63,350,000

Grand Total Higher Education

Full-Time					
Administrative	5,256	5,420	5,419	0	5,419
Faculty	8,391	8,433	8,433	0	8,433
Clerical/Support	8,927	8,862	8,862	0	8,862
Part-Time	1	1	1	0	1
Total	22,575	22,716	22,715	0	22,715
FTE Enrollment	144,294	149,011	149,011	0	149,011
State	1,044,691,700	1,083,710,450	1,081,513,300	136,500,000	1,218,013,300
Federal	117,271,400	138,323,900	138,323,900	0	138,323,900
Other	383,361,000	375,130,500	375,103,800	0	375,103,800
Tuition/Fees	535,886,400	609,289,200	609,289,200	0	609,289,200
Total	\$2,081,210,500	\$2,206,454,050	\$2,204,230,200	\$136,500,000	\$2,340,730,200

Education

Performance Measures and Program Information

Program Objective	Measure	Actual 2000-2001	Estimated 2001-2002	Estimated 2002-2003
Education				
• Title VI Technical Assistance				
Increase the number of minority teachers	Minorities in training	212	225	250
• IASA Title VI				
Improve schools	Percent of funds designated for education reform	36%	38%	40%
• English as a Second Language				
Increase performance of ESL students	Number of ESL students	7,200	8,700	10,000
• Eisenhower Grant				
Improve teaching skills	Number of teachers trained	15,000	16,000	17,000
• Migrant Grant				
Increase performance	Percentage above rarely category	82%	85%	87%
• IASA Title I				
Increase scholastic improvement	Percent of schools meeting required gains	70%	72%	75%
• Administrators Staff Development				
Increase the number of CEO completers	Number of completers	115	120	120
Increase the number of TASL trained administrators	Number of administrators trained	1,000	1,000	1,000
• Elementary Education				
Increase the impact of teacher instruction	Number of teachers trained	3,500	4,000	4,000
• Music and Art				
Provide professional development for teachers	Number of teachers served at academy	400	400	400
• Guidance Counselors				
Provide professional development	Guidance counselors served	300	1000	1000
• AIDS Education				
Provide professional development for teachers and students	Number of teachers and students reached	27,650	30,000	30,000

Education

Performance Measures and Program Information

Program Objective	Measure	Actual 2000-2001	Estimated 2001-2002	Estimated 2002-2003
• Secondary Education				
Provide effective and efficient curriculum	Number developed and distributed	1,500	1,500	1,500
• Textbooks				
Provide instructional materials	Percent of materials with timely placement	95%	95%	95%
• Tennessee Tomorrow/GSPP				
Increase student success rate	Percent of students improving or passing	80%	82%	85%
• Alternative Programs				
Provide an effective learning environment	Percent of students returning to school	80%	90%	90%
• Governor's Schools				
Provide students with summer enrichment	Number of students overbooked for program	2,590	2,700	2,700
• Early Childhood Education				
Increase school readiness through pilot preschool program	Percent of third grade students with proficient scores	NA	NA	90%
• School Age Child Care				
Provide effective school age child care programs	Number of programs monitored	389	400	425
• Tobacco Prevention Program				
Reduce tobacco use by students	Percent of youths using tobacco (grades 6-8)	23.2%	22%	21.5%
• Safe and Drug Free Schools				
Increase school safety	Number of students expelled for zero tolerance violations	609	548	493
• Troops to Teachers				
Decrease teacher shortage	Number of teachers hired	31	30	30
• Head Start				
Improve child care programs	Number of workers providing training to other programs	0	10	21
• Homeless Grant				
Provide education services to the homeless population	Number of grantees	12	12	12

Education

Performance Measures and Program Information

Program Objective	Measure	Actual 2000-2001	Estimated 2001-2002	Estimated 2002-2003
• Learn and Serve				
Provide service learning opportunities to students	Number of students served	6,700	10,000	10,000
• Teacher Evaluation				
Provide pilot training programs for evaluation	Number of new systems initiated	16	55	40
• Teacher Education				
Evaluate teacher education programs	Number of programs evaluated	10	12	12
• School Approval				
Maintain school approval guidelines	Percent of classrooms exceeding the maximum student level	2%	2%	2%
• Basic Education Program				
Reduce student drop out rate	Drop out rate	13.9%	13.4%	12.9%
Increase student promotion rate	Promotion rate	96.6%	97%	98%
Increase students scoring proficient or above on grade 4 writing assessment	Percent of students scoring proficient or above	67%	71%	75%
Increase students scoring proficient or above on grade 7 writing assessment	Percent of students scoring proficient or above	72.6%	73.8%	75%
Increase students scoring proficient or above on grade 11 writing assessment	Percent of students scoring proficient or above	50.5%	62.7%	65%
Increase students scoring proficient or above in achievement in grade 5 reading	Percent of students scoring proficient or above	38%	43%	48%
Increase students scoring proficient or above in achievement in grade 5 math	Percent of students scoring proficient or above	26%	31%	36%
Increase students scoring proficient or above in achievement in grade 8 reading	Percent of students scoring proficient or above	38%	43%	48%
Increase students scoring proficient or above in achievement in grade 8 math	Percent of students scoring proficient or above	38%	43%	48%
Increase average ACT scores	Statewide ACT average	20	21	22
Increase the number of schools meeting the SBE K-6 attendance rate (95%)	Percent of schools meeting the goal	72%	77%	82%
Increase the number of schools meeting the SBE 7-12 attendance rate (95%)	Percent of schools meeting the goal	80%	85%	90%

Education

Performance Measures and Program Information

Program Objective	Measure	Actual 2000-2001	Estimated 2001-2002	Estimated 2002-2003
Reduce the number of schools identified as low performing	Number of identified low performing schools	NA	98	50
• School Safety				
Reduce adolescent violence in schools	Zero tolerance firearms violations	92	85	75
• Special Education Flow Through				
Serve all eligible children	Number of children served	148,000	150,000	150,000
• Speical Education Programs and Services				
Increase number of licensed speech/language instructors	Number of instructors assisted with licensure	175	200	200
Increase number of speech therapists	Number of therapists trained	700	700	700
• Compliance				
Decrease number of due process hearings	Number of hearings conducted	75	75	70
Increase number of due process mediations	Number of mediations conducted	25	25	26
• Driver Education				
Improve student driving skills	Number of students served	27,022	27,500	28,000
• Secondary Vocational Education				
Increase placement in post secondary education, military, or employment	Percent of vocational completers placed	78.7%	79.7%	80.7%
Increase high school graduation rate of vocational concentrators	High school graduation rate	84.04%	84.54%	85.04%
Meet state established academic and vocational technical skill proficiencies	Percent of vocational concentrators meeting state established industry standards	93.15%	93.15%	93.15%
• Camp Clements				
Increase camp attendance	Number of students attending	1,325	1,400	1,450
• Vocational Education Basic Grant				
Increase youth leadership opportunities	Number of students assisted	49,500	50,000	50,000
• Jobs for Tennessee Graduates				
Increase number of students served in program	Number of students served	2,800	2,800	2,800

Education

Performance Measures and Program Information

Program Objective	Measure	Actual 2000-2001	Estimated 2001-2002	Estimated 2002-2003
• Tech Prep				
Increase number of students in Tech Prep programs	Number of students in programs	30,512	31,000	32,500
• Alvin C. York Institute				
Encourage all students to attend a postsecondary institution	Percentage of graduates attending a postsecondary institution	63%	70%	70%
Exceed minimum standards for proficiency	Percent of students exceeding minimum standards	100%	100%	100%
Graduate all students	Percentage of seniors who graduate	95%	100%	100%
Maintain participation in food service program	Percent of students participating daily	78%	78%	78%
Reduce dropout rate	Dropout rate	3%	3%	3%
• Tennessee School for the Blind				
Encourage students in the pursuit of an honors diploma	Percent of students receiving honors diplomas	12.5%	15%	15%
Encourage students to attend a postsecondary institution	Percent of graduates attending postsecondary institutions	62.5%	65%	65%
Encourage students to meet their achievement goals	Percent of students completing their Individual Education Plan	75%	80%	85%
Graduate all students	Percent of students receiving academic diploma	50%	50%	50%
Increase health standards in food service division	Inspection score	88	95	95
Maintain book inventory in Large Print Media Center	Percent of books used from inventory	58.4%	59.6%	61.5%
Maintain federal funding for Large Print Media Center	Number of quota registrants	805	825	850
Perform maintenance duties in-house	Percent of work done internally	90%	93%	95%
Provide tasty meals	Percent of food consumed	90%	95%	95%
Provide textbooks through Large Print Media Center	Number of textbooks provided	472	480	475
Respond effectively to medical service requests	Number of clinic contacts	39,600	40,000	40,000
• Tennessee School for the Deaf				
Encourage all students to attend a postsecondary institution	Number of graduates attending a postsecondary institution	3	6	10
Encourage all students to complete their Individual Education Plan (IEP)	Number of students completing IEPs	180	179	180
Graduate all student	Graduation rate	87%	100%	100%
Increase graduation rate	Percent of students receiving a regular diploma	55%	50%	50%

Education

Performance Measures and Program Information

Program Objective	Measure	Actual 2000-2001	Estimated 2001-2002	Estimated 2002-2003
Increase LEA audiological programs	Number of integrated assessments	71	75	70
Increase number of audiological evaluations	Number of admissions assessments	35	55	65
Maximize student abilities	Number of audiological interventions	250	300	350
Provide a good environment through effective maintenance of facilities	Hours lost to injuries	15	10	10
Provide medical treatment	Number of prescriptions disbursed	21,700	22,000	22,000
Respond efficiently to medical requests	Number of health assessments	5,180	5,500	5,600
• West Tennessee School for the Deaf				
Increase LEA assessments	Number of assessments	393	410	425
Increase student math level	Percent of students with 1/2 year gain	100%	100%	100%
Increase student reading level	Percent of students with 1/2 year gain	60%	70%	75%
Meet food service health standards	Health grade	100	100	100
Provide appropriate instructional environment	Number of students to LEAs	1	4	5
Train staff to assist troubled students through counseling	Number of suspensions	0	0	0
• Early Childhood and Family Services				
Serve needy children	Number of children receiving services	1,008	1,400	1,400

Health and Social Services

Table of Contents

Introduction	B-157
Total Personnel and Funding	B-161
Improvements for Fiscal Year 2002-2003	B-162
Program Statements	B-171
Commission on Children and Youth	B-171
Commission on Aging and Disability	B-172
Health Facilities Commission	B-173
Council of Juvenile and Family Court Judges	B-174
Department of Finance & Administration – TennCare Program	B-175
Department of Finance & Administration – Office of Health Services	B-178
Department of Mental Health and Developmental Disabilities	B-179
Statistical Data – Mental Health Institutes	B-184
Department of Finance & Administration – Mental Retardation	B-185
Statistical Data – Mental Retardation Developmental Centers	B-189
Department of Health	B-190
Department of Human Services	B-200
Department of Children’s Services	B-206
Statistical Data – Youth Development Centers	B-213
Performance Measures and Program Information	B-214
Commission on Children and Youth	B-214
Commission on Aging and Disability	B-214
Health Facilities Commission	B-215
Council of Juvenile and Family Court Judges	B-215
Department of Finance & Administration – TennCare Program	B-215
Department of Finance & Administration – Office of Health Services	B-216
Department of Mental Health and Developmental Disabilities	B-216
Department of Finance & Administration – Mental Retardation	B-216
Department of Health	B-216
Department of Human Services	B-220
Department of Children’s Services	B-222

Health and Social Services

Recommended Budget, Fiscal Year 2002 – 2003

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 composed of the following commissions, departments, and agencies:

- Commission on Children and Youth
- Commission on Aging and Disability
- Health Facilities Commission
- Council of Juvenile and Family Court Judges
- Department of Finance and Administration – TennCare Program
- Department of Finance and Administration – Office of Health Services
- Department of Mental Health and Developmental Disabilities
- Department of Finance and Administration – Mental Retardation
- Department of Health
- Department of Human Services
- 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 our 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.

This functional group is also 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 our school children to ensuring quality care for the elderly.

Health care programs for the Medicaid eligible, uninsured, and uninsurable populations are also the responsibility of this functional group. These services are provided by TennCare, a comprehensive health care delivery system. TennCare offers a standard benefit package through a managed care approach, resulting in more cost-effective coverage for a greater number of people. The TennCare Partners program provides mental health and substance abuse services for TennCare enrollees.

The Office of Health Services is a division of the Department of Finance and Administration. The primary goal of the Office of Health Services is to coordinate the management and financial issues that affect multiple state agencies in regard to the health and well being of Tennessee citizens.

These agencies are also charged with helping disadvantaged Tennesseans achieve or maintain self-sufficiency. Other assistance programs include food coupons 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 that emphasizes job skills development, is fully funded in this budget. Support services, such as child care and transportation, are also provided to recipients. This is a temporary assistance program with lifetime eligibility limitations.

Improvement Highlights

Commission on Children and Youth

The budget includes \$950,000 to continue grants for juvenile court supplements. These grants are used to improve juvenile court services, primarily through hiring a part-time youth services officer or providing training to court staff.

Commission on Aging and Disability

The recommended budget includes \$2.5 million from state appropriations for the long-term care alternative programs. This will enhance the home and community based services system for elderly and disabled persons who do not qualify for services under Medicaid, and will provide the \$430,000 required to match \$2,083,800 in federal funds available in the base budget for a family caregiver support program. The home and community services will delay or prevent additional persons from entering nursing homes. The family caregiver program provides information and referral, respite services, personal care, and other home and community based services to families and individuals caring for aging and disabled persons.

TennCare Program

Included in the recommended budget is \$276.2 million, including state matching funds of \$88.9 million, to fund improvements in the managed care program. This funds a capitation rate increase for the Managed Care Organizations and Behavioral Health Organizations; a pharmacy inflation increase; and increased dental services utilization for TennCare enrollees, as recommended by the TennCare Steering Committee and the Commission on the Future of TennCare.

In order to provide an additional open enrollment period to the TennCare program, \$66 million is recommended in the budget, including \$10 million of general fund state appropriations and \$12.9 million from the TennCare reserve.

In addition to managed care, TennCare provides services to citizens with mental retardation. This budget recommends \$23.8 million, including \$8.5 million of state match, to maintain and expand the Mental Retardation Home and Community Based Services waiver. These improvements will be administered by the Department of Finance and Administration, Mental Retardation Division.

TennCare also provides services to elderly and disabled citizens. State appropriations of \$3.7 million are provided to increase funding to Level I and II nursing home facilities. TennCare will also assist the elderly by

providing \$5 million, including \$1.8 million in state dollars, to provide for increased Medicare cost sharing.

The TennCare budget also includes \$4.4 million, with \$1.6 million from state appropriations, to provide funding for administrative and treatment improvements for TennCare children in state custody of the Department of Children's Services.

Office of Health Services

This budget includes \$5 million of state appropriations to address Title 33 reform. This law expands services to the developmentally disabled.

Mental Health Programs

The recommended budget includes \$6 million in state appropriations to address the increased utilization of the TennCare Partners program by the mentally ill. Additionally, the budget addresses the demand for court-ordered forensic evaluations. This improvement, costing \$236,300, provides for more comprehensive outpatient forensic evaluations in order to reduce the demand for more costly inpatient evaluations.

The Department of Mental Health and Developmental Disabilities has seen an increase in workload related to regulating residential programs for the mentally ill. Due to the increased number of licenses requested by these programs and the requirement to conduct fire safety inspections, the budget recommends \$231,900 from departmental fee revenues to help in the licensing process.

To address the shortage of conservators for the mentally ill who require a guardian, \$149,200 is budgeted to coordinate and improve the quantity and quality of conservatorships in Tennessee.

Mental Retardation Programs

The budget recommends \$25 million, including \$4.2 million of state appropriations, to improve services to the mentally retarded. Those amounts include \$23.5 million, of which \$3.1 million is from state appropriations, to

provide services to 330 clients in crisis status and support services to 1,000 families.

The Mental Retardation Division is transitioning to a more simple and equitable rate structure. In order to protect providers who may be affected in the short-term by the new rate structure, a non-recurring risk pool of \$800,000 will be established. This amount is included in the \$4.2 million state appropriation above.

Department of Health

An improvement of \$759,600 from state appropriations is recommended to perform epidemiological outbreak investigations and comprehensive environmental health studies. The budget also includes \$2.3 million in revenue from fees to perform four additional tests in the newborn screening program.

An additional appropriation of \$2 million for the Alcohol and Drug Addiction Treatment program is recommended to assist approximately 850 repeat DUI offenders with court-ordered drug treatment. This funding is dedicated state revenue deposited into the Alcohol and Drug Addiction Treatment Fund from the sale of forfeited vehicles and driving while impaired (DWI) fines.

In order to comply with federal nursing home inspection standards, \$564,600, with \$141,200 from state appropriations, is recommended.

Department of Human Services

A total of \$4.5 million, including \$1.6 million of state appropriations, is recommended to maintain reimbursement levels in the child care certificate program at the 70th percentile.

The recommended budget includes \$7.6 million, including \$2.9 million in state appropriations, to maintain child support services. These funds will replace the 5% fee on child support payments that can no longer be collected; provide child support enforcement in Knox County, where the county government will no longer administer the enforcement program; cover the cost of child support checks from non-custodial parents that are returned for non-payment; and fund mandated salary increases for the assistant district attorneys in the IV-D Child Support Enforcement program.

The Administration recommends an additional \$1.7 million in state appropriations and \$6.3 million of federal funds for vocational rehabilitation services.

Department of Children's Services

Included in the recommended budget is an additional \$18.2 million, including state funds of \$10.3 million, to fund improvements for children's services. Those amounts include \$12.8 million, with \$6.5 million from state appropriations, to improve child welfare services as recommended in the 1999 Child Welfare League of America report. This includes an amount to fully fund positions authorized in 2001-2002 that will reduce foster care caseload, as well as funds to meet increases in adoption assistance demand and increase rates to residential contract providers. Also included in this improvement are funds to annualize the cost of Child Protective Services improvements started in the current fiscal year.

As part of the Brian A. lawsuit settlement, the Department of Children's Services is required to reduce the supervisor-to-case-manager ratio, provide rate increases for foster parents, and provide graduate education stipends to case managers. This budget recommends \$2.9 million, including \$1.4 million in state appropriations, and 58 positions to achieve these goals.

The recommended budget also includes \$756,300 of state appropriations to provide sex offender, alcohol & drug, and violent offender treatment services to children in the youth development centers.

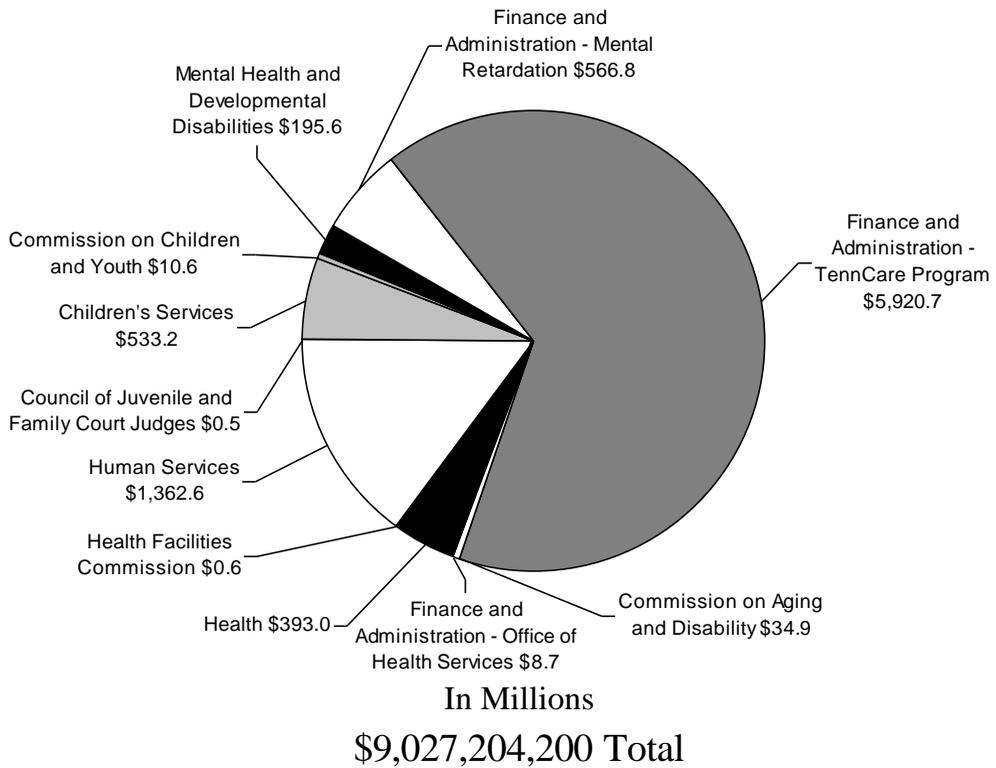
Funds to continue grants to the juvenile courts and the Child Advocacy Centers are included in the recommended budget. The juvenile court supplements, funded by \$950,000 in state dollars, are primarily used to pay the salaries for part-time youth services officers or to train juvenile court staff. Grants to the Child Advocacy Centers, funded by \$550,000 in state appropriations, are critical in the investigation and prosecution of child abuse cases.

Funds also are included for teacher training and experience salary adjustments at the youth development centers, community treatment facilities, and Tennessee Preparatory School.

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.

Health and Social Services FY 2002 - 2003 Recommended



Health and Social Services Total Personnel and Funding

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Recommended 2002-2003</u>
Personnel			
Full Time	17,516	18,032	18,122
Part Time	216	214	214
Seasonal	0	0	0
TOTAL	<u>17,732</u>	<u>18,246</u>	<u>18,336</u>
Expenditures			
Payroll	\$613,135,500	\$688,679,200	\$696,437,300
Operational	7,569,170,600	8,081,570,400	8,330,766,900
TOTAL	<u>\$8,182,306,100</u>	<u>\$8,770,249,600</u>	<u>\$9,027,204,200</u>
Funding			
State	\$2,215,407,900	\$2,503,498,200	\$2,600,969,200
Federal	4,861,720,500	5,101,177,800	5,283,192,200
Other	1,105,177,700	1,165,573,600	1,143,042,800

**Health and Social Services
Improvements for Fiscal Year 2002-2003**

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Commission on Children and Youth					
• Juvenile Court Supplement					
To provide funding to continue the grants for juvenile court supplements. Grants must be used to improve juvenile court services and are primarily utilized to pay the salary of part-time youth services officers or to train court staff. Interdepartmental funds from a recommended Department of Children's Services appropriation would be the funding source.					
316.01 Commission on Children and Youth	\$0	\$0	\$950,000	\$950,000	0
Sub-total	\$0	\$0	\$950,000	\$950,000	0
Total Commission on Children and Youth	\$0	\$0	\$950,000	\$950,000	0

Commission on Aging and Disability

• Long Term Care Alternative					
To provide additional funding for a comprehensive long-term care alternative system for elderly and disabled persons who do not qualify for services under the Medicaid program. This would increase the package of services and would delay or prevent additional persons from entering a nursing home. Included in the recommendation is \$430,600 in state appropriations to match \$2,083,800 in federal funds available in the base budget for the family caregiver support program. The latter program provides information and referral, respite services, personal care, and other home and community services to families and individuals caring for aging and disabled persons.					
316.02 Commission on Aging and Disability	\$2,500,000	\$0	\$0	\$2,500,000	0
Sub-total	\$2,500,000	\$0	\$0	\$2,500,000	0
Total Commission on Aging and Disability	\$2,500,000	\$0	\$0	\$2,500,000	0

Finance and Administration - TennCare Program

• Managed Care					
To provide capitation rate increases for Managed Care Organizations and Behavioral Health Organizations, a pharmacy inflation increase, and increased dental services utilization in the TennCare program.					
318.66 TennCare Services	\$88,864,800	\$158,256,400	\$29,096,000	\$276,217,200	0
Sub-total	\$88,864,800	\$158,256,400	\$29,096,000	\$276,217,200	0
• Open Enrollment					
To provide funding for an open enrollment period in the TennCare program.					
318.66 TennCare Services	\$10,000,000	\$41,714,200	\$14,294,000	\$66,008,200	0
Sub-total	\$10,000,000	\$41,714,200	\$14,294,000	\$66,008,200	0

Health and Social Services Improvements for Fiscal Year 2002-2003

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Mental Retardation Services					
To provide funding to maintain and expand the Mental Retardation Home and Community Based Services waiver, including services to 330 citizens in crisis, support services to 1,000 families, and increased rates to private intermediate care facilities.					
318.67 Waiver and Crossover Services	\$7,300,400	\$13,179,000	\$0	\$20,479,400	0
318.68 Long Term Care Services	\$1,197,200	\$2,161,600	\$0	\$3,358,800	0
Sub-total	<u>\$8,497,600</u>	<u>\$15,340,600</u>	<u>\$0</u>	<u>\$23,838,200</u>	<u>0</u>
• Elderly and Disabled Services					
To provide funding for Level I and Level II nursing home facilities and to provide for increased Medicare cost sharing.					
318.67 Waiver and Crossover Services	\$1,798,600	\$3,247,100	\$0	\$5,045,700	0
318.68 Long Term Care Services	\$3,740,700	\$6,752,900	\$0	\$10,493,600	0
Sub-total	<u>\$5,539,300</u>	<u>\$10,000,000</u>	<u>\$0</u>	<u>\$15,539,300</u>	<u>0</u>
• Children's Services					
To provide funding for the TennCare share of improvements in the Department of Children's Services.					
318.65 TennCare Administration	\$41,200	\$41,200	\$0	\$82,400	0
318.66 TennCare Services	\$1,536,500	\$2,773,900	\$0	\$4,310,400	0
Sub-total	<u>\$1,577,700</u>	<u>\$2,815,100</u>	<u>\$0</u>	<u>\$4,392,800</u>	<u>0</u>
Total Finance and Administration - TennCare Program	<u>\$114,479,400</u>	<u>\$228,126,300</u>	<u>\$43,390,000</u>	<u>\$385,995,700</u>	<u>0</u>

Finance and Administration - Office of Health Services

• Title 33 Reform - Developmental Disabilities					
To provide funding for Title 33 reform implementation. Title 33 of the Tennessee Code Annotated expands services to individuals with developmental disabilities.					
318.01 Office of Health Services	\$5,000,000	\$0	\$0	\$5,000,000	0
Sub-total	<u>\$5,000,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$5,000,000</u>	<u>0</u>
Total Finance and Administration - Office of Health Services	<u>\$5,000,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$5,000,000</u>	<u>0</u>

Health and Social Services Improvements for Fiscal Year 2002-2003

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Mental Health and Developmental Disabilities					
• TennCare Partners					
To provide funding for increased utilization of mental health services at the regional mental health institutes.					
339.08 Community Mental Health Services	\$6,000,000	\$0	\$0	\$6,000,000	0
Sub-total	\$6,000,000	\$0	\$0	\$6,000,000	0
• Forensic Services					
To provide funding for court-ordered forensic mental evaluations. This improvement provides more comprehensive outpatient evaluations through community mental health centers to reduce the number of costly inpatient evaluations.					
339.08 Community Mental Health Services	\$236,300	\$0	\$0	\$236,300	0
Sub-total	\$236,300	\$0	\$0	\$236,300	0
• Licensure					
To provide funding to increase the number of inspections and licenses of mental health residential programs issued by the department. This improvement provides for additional licensure surveyors to cover the additional workload. All additional cost will be funded through fees.					
339.01 Administrative Services Division	\$0	\$0	\$231,900	\$231,900	3
Sub-total	\$0	\$0	\$231,900	\$231,900	3
• Conservatorships					
To provide funding for conservatorships for persons with mental illness who require a guardian. A shortage of conservators often increases the cost of care, because the clients may not be treated in the least restrictive setting possible. This improvement will assist in recruiting and training conservators.					
339.08 Community Mental Health Services	\$149,200	\$0	\$0	\$149,200	0
Sub-total	\$149,200	\$0	\$0	\$149,200	0
Total Mental Health and Developmental Disabilities	\$6,385,500	\$0	\$231,900	\$6,617,400	3

Finance and Administration - Mental Retardation

• Community Services

To provide funds for community services to 330 clients in crisis, support services to 1,000 families, to provide incentive grants to providers, and to create a non-recurring rate restructuring risk pool.

339.23 Community Mental Retardation Services	\$3,080,000	\$0	\$20,375,100	\$23,455,100	0
Sub-total	\$3,080,000	\$0	\$20,375,100	\$23,455,100	0

Health and Social Services Improvements for Fiscal Year 2002-2003

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Respite Services					
To provide funding to replace disallowed federal Medicaid funds so that the developmental centers can continue to provide respite services to persons living in the community. This will prevent the utilization of more intensive services.					
339.26 Middle Tennessee Region	\$643,500	\$0	\$0	\$643,500	0
339.27 East Tennessee Region	\$236,500	\$0	\$0	\$236,500	0
Sub-total	<u>\$880,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$880,000</u>	<u>0</u>
• Support and Services					
To provide funding to enhance computer systems development in order to monitor community payments and contract performance of community services providers. This will ensure better program and fiscal operations.					
339.21 Mental Retardation Administration	\$206,400	\$0	\$481,600	\$688,000	0
Sub-total	<u>\$206,400</u>	<u>\$0</u>	<u>\$481,600</u>	<u>\$688,000</u>	<u>0</u>
Total Finance and Administration - Mental Retardation	<u>\$4,166,400</u>	<u>\$0</u>	<u>\$20,856,700</u>	<u>\$25,023,100</u>	<u>0</u>

Health

• Epidemiological Outbreaks

To provide funding for nine positions to perform epidemiological outbreak investigations and comprehensive environmental health studies. Tennessee has no program for tracking asthma status of its people, and it has 125 listed Superfund sites and many undocumented sites. With two positions for this purpose currently, the department cannot sufficiently respond to potential environmental risks, identify links resulting in chronic disease, provide adequate public health education, or respond to emergencies. The positions will allow the department to deal with complex risk assessment and environmental issues, study chemically contaminated sites, correlate disease and environmental exposure, track chronic diseases, and provide public health and environmental education.

343.49 Communicable and Environmental Disease Services	\$759,600	\$0	\$0	\$759,600	9
Sub-total	<u>\$759,600</u>	<u>\$0</u>	<u>\$0</u>	<u>\$759,600</u>	<u>9</u>

• Newborn Screening

To provide funding to perform four additional tests in the newborn screening program and to follow up on identified health problems. The tests are medium chain Acyl-CoA dehydrogenase (MCAD), Homocystinuria, Maple Syrup Urine Disease, and Biotinidase. The conditions these tests identify can lead to chronic physical health problems, mental retardation, and death. Early detection can prevent or lessen the severity of health problems. Fees will be charged to perform these tests.

343.08 Laboratory Services	\$0	\$0	\$2,255,600	\$2,255,600	8
Sub-total	<u>\$0</u>	<u>\$0</u>	<u>\$2,255,600</u>	<u>\$2,255,600</u>	<u>8</u>

Health and Social Services Improvements for Fiscal Year 2002-2003

	State	Federal	Other	Total	Positions
• Alcohol and Drug Addiction Treatment					
To provide additional funding for the Alcohol and Drug Addiction Treatment program that assists in funding court-ordered drug treatment for repeat DUI offenders. These funds will provide treatment to approximately 850 additional clients. Funding is dedicated state revenue deposited into the Alcohol and Drug Addiction Treatment Fund from the sale of forfeited vehicles and driving while impaired (DWI) fines.					
343.44 Alcohol and Drug Abuse Services	\$2,000,000	\$0	\$0	\$2,000,000	0
Sub-total	\$2,000,000	\$0	\$0	\$2,000,000	0
• Facility Inspections					
To provide funding for nine public health nurse consultants required to comply with federal nursing home inspection standards. The additional staff is needed for increased enforcement action, for the ten-day response standard for complaints which allege harm, and for response to increasing complaints by clients of health care facilities.					
343.05 Bureau of Health Licensure and Regulation	\$141,200	\$423,400	\$0	\$564,600	9
Sub-total	\$141,200	\$423,400	\$0	\$564,600	9
• Hotel and Restaurant Inspection					
To provide funding to comply with the new law on hotel and restaurant inspection fees. Acts of 2001, Public Chapter 311, increased the fees charged for restaurant, hotel, and motel inspections and changed the way these fees are deposited and disbursed. Previously, Davidson, Knox, Hamilton, Shelby, and Madison counties retained the majority of these inspection fees and sent 10% to the State. The new law requires the State to collect all fees and forward 90% to the five counties in fiscal year 2001-2002 and 92% in 2002-2003. This improvement is the growth in the amount that must be forwarded to the five counties in 2002-2003. These funds come from dedicated fees for inspections.					
343.39 General Environmental Health	\$646,000	\$0	\$0	\$646,000	0
Sub-total	\$646,000	\$0	\$0	\$646,000	0

Health and Social Services Improvements for Fiscal Year 2002-2003

	State	Federal	Other	Total	Positions
• Health Information Systems					
To provide funding for a replacement information system for the health regulatory boards in order to track licensure and certification of approximately 200,000 professionals and facilities. The current system is ten years old. A new system is needed to take advantage of emerging web technology, to better interface with the state's standards, to improve efficiency, and to better serve the public. Funding is an appropriation of dedicated health care professional licensure fees. This improvement also provides funding for three information systems positions in the Bureau of Health Licensure and Regulation regional offices in Knoxville, Nashville, and Jackson. The offices survey about 1,500 facilities and license and certify health care facilities for the federal Medicaid and Medicare programs. The increase in federally mandated computer applications and reporting requires more technical support from the regional offices.					
343.05 Bureau of Health Licensure and Regulation	\$40,000	\$119,800	\$0	\$159,800	3
343.10 Health Related Boards	\$200,000	\$0	\$0	\$200,000	0
Sub-total	\$240,000	\$119,800	\$0	\$359,800	3
• St. Jude Hospital Grant					
To provide funding to continue the grant to St. Jude Children's Research Hospital in Memphis. The grant provides funds for the travel expenses of St. Jude patients and families of patients who are Tennessee residents.					
343.52 Population-Based Services	\$125,000	\$0	\$0	\$125,000	0
Sub-total	\$125,000	\$0	\$0	\$125,000	0
Total Health	\$3,911,800	\$543,200	\$2,255,600	\$6,710,600	29

Human Services

• Child Care Rate Increase

To provide funding to maintain the reimbursement level for providers in the child care certificate program at the 70th percentile. Figures are based on the child care rate study completed in August 2001. Failure to maintain the 70th percentile may lead to fewer quality child care providers and a reduction in the number of families served.

345.49 Community Services	\$1,572,500	\$2,795,400	\$89,200	\$4,457,100	0
Sub-total	\$1,572,500	\$2,795,400	\$89,200	\$4,457,100	0

• Child Support 5% Fee Replacement

To provide funding to replace the 5% child support collections fee, which the federal government ordered the state to stop collecting. These funds are necessary to continue child support services at the current level.

345.13 Child Support	\$2,040,000	\$3,960,000	\$0	\$6,000,000	0
Sub-total	\$2,040,000	\$3,960,000	\$0	\$6,000,000	0

Health and Social Services Improvements for Fiscal Year 2002-2003

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Child Support - Knox County					
To provide funding for child support enforcement in Knox County. The contractual agreement between Knox County and the state has been terminated. The state now must provide the appropriation to match federal funds required to provide child support enforcement in Knox County. Previously, the county provided the match for the federal funds.					
345.13 Child Support	\$398,400	\$773,400	\$0	\$1,171,800	0
Sub-total	\$398,400	\$773,400	\$0	\$1,171,800	0
• Child Support Checks - Non-Sufficient Funds					
To provide funding for child support payments in spite of a non-custodial parent's check being returned for non-sufficient funds. Child support payments must be forwarded to a custodial parent before the state receives notification that a parent's check has been returned for non-payment. The state will take action in individual cases to ensure that the state does not continue to incur such a loss.					
345.13 Child Support	\$409,100	\$0	\$0	\$409,100	0
Sub-total	\$409,100	\$0	\$0	\$409,100	0
• Child Support - Assistant DAs Step Raises					
To provide funding for the mandated salary increase required by TCA 8-7-201 for the assistant district attorneys in the IV-D Child Support Enforcement program.					
345.13 Child Support	\$20,100	\$39,100	\$0	\$59,200	0
Sub-total	\$20,100	\$39,100	\$0	\$59,200	0
• Vocational Rehabilitation					
To provide funding for vocational rehabilitation services. Increased demand for vocational rehabilitation services has forced the department to implement an order of selection which ensures individuals with the most significant disabilities are given first priority. This funding will keep the department from further reducing services.					
345.70 Vocational Rehabilitation	\$1,704,000	\$6,296,000	\$0	\$8,000,000	0
Sub-total	\$1,704,000	\$6,296,000	\$0	\$8,000,000	0
Total Human Services	\$6,144,100	\$13,863,900	\$89,200	\$20,097,200	0

Children's Services

• Child Welfare Services

To annualize fiscal year 2001-2002 funding that is reducing foster care caseload and improving child protective services; to meet increased adoption assistance caseloads; and increase rates to residential contract providers, adoptive parents, and the Community Services Agencies, as recommended by the Child Welfare League report.

359.30 Custody Services	\$388,900	\$30,400	\$457,700	\$877,000	0
359.40 Adoption Services	\$2,712,800	\$2,222,200	\$0	\$4,935,000	0
359.50 Child and Family Management	\$3,368,700	\$812,200	\$2,834,900	\$7,015,800	0
Sub-total	\$6,470,400	\$3,064,800	\$3,292,600	\$12,827,800	0

Health and Social Services Improvements for Fiscal Year 2002-2003

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Brian A. Settlement					
To provide funding to reduce foster care and custody supervisor-to-case-manager ratios, increase rates to foster parents, and provide graduate education stipends to case managers, as required by the Brian A. lawsuit settlement agreement.					
359.30 Custody Services	\$399,200	\$139,500	\$220,700	\$759,400	0
359.50 Child and Family Management	\$983,600	\$280,500	\$879,500	\$2,143,600	58
Sub-total	\$1,382,800	\$420,000	\$1,100,200	\$2,903,000	58
• Juvenile Treatment					
To provide funding for sex offender treatment, alcohol & drug addiction treatment, and violent offender treatment in the youth development centers.					
359.60 John S. Wilder Youth Development Center	\$209,800	\$0	\$0	\$209,800	0
359.61 Taft Youth Development Center	\$106,200	\$0	\$0	\$106,200	0
359.62 Woodland Hills Youth Development Center	\$258,300	\$0	\$0	\$258,300	0
359.63 Mountain View Youth Development Center	\$182,000	\$0	\$0	\$182,000	0
Sub-total	\$756,300	\$0	\$0	\$756,300	0
• Juvenile Court Supplement					
To provide funding to continue the grants for juvenile court supplements. Grants must be used to improve juvenile court services and are primarily utilized to pay the salary of part-time youth services officers or to train court staff.					
359.50 Child and Family Management	\$950,000	\$0	\$0	\$950,000	0
Sub-total	\$950,000	\$0	\$0	\$950,000	0
• Child Advocacy Centers					
To provide funds to continue the grant to the Child Advocacy Centers. The Child Advocacy Centers are community organized and supported centers, which help to coordinate the efforts of Department of Children's Services staff, local law enforcement, and district attorneys in the investigation and prosecution of child abuse cases.					
359.20 Family Support Services	\$550,000	\$0	\$0	\$550,000	0
Sub-total	\$550,000	\$0	\$0	\$550,000	0
• Child Care Rate Increase					
To provide funding to maintain the reimbursement level for providers in the child care certificate program at the 70th percentile. Figures are based on the child care rate study completed in August 2001. Failure to maintain the 70th percentile may lead to fewer quality child care providers or a reduction in the number of enrollments in the program.					
359.30 Custody Services	\$89,200	\$0	\$0	\$89,200	0
Sub-total	\$89,200	\$0	\$0	\$89,200	0

**Health and Social Services
Improvements for Fiscal Year 2002-2003**

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Teacher Training and Experience					
To provide funds for projected growth in teacher training and experience.					
359.60 John S. Wilder Youth Development Center	\$5,800	\$0	\$0	\$5,800	0
359.61 Taft Youth Development Center	\$6,500	\$0	\$0	\$6,500	0
359.62 Woodland Hills Youth Development Center	\$7,800	\$0	\$0	\$7,800	0
359.63 Mountain View Youth Development Center	\$35,500	\$0	\$0	\$35,500	0
359.65 Community Treatment Facilities	\$5,700	\$0	\$0	\$5,700	0
359.70 Tennessee Preparatory School	\$50,500	\$0	\$0	\$50,500	0
Sub-total	\$111,800	\$0	\$0	\$111,800	0
Total Children's Services	\$10,310,500	\$3,484,800	\$4,392,800	\$18,188,100	58
Total Health and Social Services	\$152,897,700	\$246,018,200	\$72,166,200	\$471,082,100	90

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. It also administers the Juvenile Accountability Incentive Block Grant and grant funds for juvenile justice and teen pregnancy prevention programs. 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 (C-PORT).

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
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316.01 Commission on Children and Youth

Full-Time	52	52	52	0	52
Part-Time	5	5	5	0	5
Seasonal	0	0	0	0	0
Total	57	57	57	0	57
Payroll	1,957,200	2,260,000	2,234,400	0	2,234,400
Operational	7,997,800	8,363,600	7,379,200	950,000	8,329,200
Total	\$9,955,000	\$10,623,600	\$9,613,600	\$950,000	\$10,563,600
State	1,571,800	1,694,800	1,634,800	0	1,634,800
Federal	6,076,800	6,509,100	6,509,100	0	6,509,100
Other	2,306,400	2,419,700	1,469,700	950,000	2,419,700

Commission on Aging and Disability

The Commission on Aging and Disability is responsible for networking aging Tennesseans with state, federal, and local programs. The commission performs the following activities:

- Administers the Older Americans Act of Tennessee
- Administers a Long Term Care Services Plan for the elderly and disabled
- Collects facts and statistics on the elderly
- Publishes information on aging
- Makes recommendations on program improvements
- Assists in developing needed services.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
316.02 Commission on Aging and Disability					
Full-Time	25	25	25	0	25
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	25	25	25	0	25
Payroll	819,000	1,177,200	1,177,200	0	1,177,200
Operational	26,926,500	31,225,600	31,225,600	2,500,000	33,725,600
Total	\$27,745,500	\$32,402,800	\$32,402,800	\$2,500,000	\$34,902,800
State	6,070,400	9,470,600	9,470,600	2,500,000	11,970,600
Federal	21,674,900	22,927,200	22,927,200	0	22,927,200
Other	200	5,000	5,000	0	5,000

Health Facilities Commission

The Health Facilities Commission is responsible for regulating the health-care industry through the Certificate of Need program. The commission requires certification of need for the establishment or modification of health-care facilities and the reporting of financial and statistical data from these facilities.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
316.07 Health Facilities Commission					
Full-Time	9	9	9	0	9
Part-Time	10	10	10	0	10
Seasonal	0	0	0	0	0
Total	19	19	19	0	19
Payroll	358,500	436,000	436,000	0	436,000
Operational	154,400	206,800	206,800	0	206,800
Total	\$512,900	\$642,800	\$642,800	\$0	\$642,800
State	479,100	630,400	630,400	0	630,400
Federal	0	0	0	0	0
Other	33,800	12,400	12,400	0	12,400

Council of Juvenile and Family Court Judges

The Council of Juvenile and Family Court Judges provides staff services to two statewide organizations: the Tennessee Council of Juvenile and Family Court Judges and the Juvenile Court Services Association. The council's activities include:

- Providing assistance to juvenile courts concerning the impact of state and federal laws on children
- Providing information on legislation, court decisions, and statistical data to judges and staff
- Developing criteria and providing training for juvenile court judges and staff.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
316.10 Council of Juvenile and Family Court Judges					
Full-Time	8	6	6	0	6
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	8	6	6	0	6
Payroll	328,500	460,400	384,400	0	384,400
Operational	190,000	223,100	125,000	0	125,000
Total	\$518,500	\$683,500	\$509,400	\$0	\$509,400
State	401,300	403,500	403,500	0	403,500
Federal	0	0	0	0	0
Other	117,200	280,000	105,900	0	105,900

Department of Finance and Administration – TennCare Program

The Department of Finance & Administration – TennCare Program, through the Bureau of TennCare, is responsible for the administration of Tennessee’s Medicaid waiver project. TennCare provides basic health care and mental health services to certain low-income and needy people, children under age 19 with no access to health insurance, and uninsured or uninsurable persons by using a system of managed care.

Administration

TennCare Administration establishes policy, provides oversight, and directs the TennCare Program and contracts with other agencies that provide administrative service components for the TennCare Program. The bureau is divided into four areas:

- Administration
- Policy and Planning
- Quality Assurance
- Long Term Care.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
318.65 TennCare Administration					
Full-Time	396	475	475	0	475
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	396	475	475	0	475
Payroll	13,994,400	18,546,300	19,545,100	0	19,545,100
Operational	133,781,000	124,845,500	137,126,400	82,400	137,208,800
Total	\$147,775,400	\$143,391,800	\$156,671,500	\$82,400	\$156,753,900
State	64,955,600	63,222,800	70,924,200	41,200	70,965,400
Federal	82,054,300	79,080,500	85,747,300	41,200	85,788,500
Other	765,500	1,088,500	0	0	0

TennCare Services

TennCare Services provides funding for traditional basic health care and mental health services that were previously paid for by Medicaid. The program provides funding to:

- Managed care organizations that provide basic medical services
- Behavioral health organizations that provide mental health services
- Agencies that provide medical care.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
318.66 TennCare 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	3,797,766,800	3,843,792,100	3,709,270,100	346,535,800	4,055,805,900
Total	\$3,797,766,800	\$3,843,792,100	\$3,709,270,100	\$346,535,800	\$4,055,805,900
State	969,509,600	1,136,402,300	1,113,699,100	100,401,300	1,214,100,400
Federal	2,551,920,400	2,472,765,000	2,449,831,000	202,744,500	2,652,575,500
Other	276,336,800	234,624,800	145,740,000	43,390,000	189,130,000

Waiver and Crossover Services

Waiver and Crossover Services provides funding for Home and Community Based Services 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.

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.

318.67 Waiver and Crossover 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	410,954,000	569,557,600	570,619,600	25,525,100	596,144,700
Total	\$410,954,000	\$569,557,600	\$570,619,600	\$25,525,100	\$596,144,700
State	149,515,400	206,920,800	206,967,100	9,099,000	216,066,100
Federal	261,438,600	362,636,800	363,652,500	16,426,100	380,078,600
Other	0	0	0	0	0

Long Term Care

Long Term Care provides funding for individuals that are in need of long term institutional care. This program provides funding for:

- General intermediate care facilities
- Skilled nursing facilities
- State mentally retarded intermediate care facilities
- Private mentally retarded intermediate care facilities.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
318.68 Long Term Care 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	1,074,310,400	1,158,570,000	1,098,085,400	13,852,400	1,111,937,800
Total	\$1,074,310,400	\$1,158,570,000	\$1,098,085,400	\$13,852,400	\$1,111,937,800
State	440,148,700	422,238,600	392,206,800	4,937,900	397,144,700
Federal	634,161,700	736,331,400	705,878,600	8,914,500	714,793,100
Other	0	0	0	0	0

318.00 Department Total

Full-Time	396	475	475	0	475
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	396	475	475	0	475
Payroll	13,994,400	18,546,300	19,545,100	0	19,545,100
Operational	5,416,812,200	5,696,765,200	5,515,101,500	385,995,700	5,901,097,200
Total	\$5,430,806,600	\$5,715,311,500	\$5,534,646,600	\$385,995,700	\$5,920,642,300
State	1,624,129,300	1,828,784,500	1,783,797,200	114,479,400	1,898,276,600
Federal	3,529,575,000	3,650,813,700	3,605,109,400	228,126,300	3,833,235,700
Other	277,102,300	235,713,300	145,740,000	43,390,000	189,130,000

Department of Finance and Administration – Office of Health Services

The Department of Finance & Administration – Office of Health Services is responsible for improving communication, coordination, and management of Tennessee’s health related agencies. The Office of Health Services works with the Department of Mental Health and Developmental Disabilities, Finance & Administration – Mental Retardation, the Department of Health, and Finance & Administration – TennCare Program in an effort to eliminate duplications, improve efficiencies in service, and maximize available funding sources.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
318.01 Office of Health Services					
Full-Time	53	64	64	0	64
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	53	64	64	0	64
Payroll	2,448,100	3,046,600	3,195,800	0	3,195,800
Operational	543,200	614,200	465,000	5,000,000	5,465,000
Total	\$2,991,300	\$3,660,800	\$3,660,800	\$5,000,000	\$8,660,800
State	1,965,600	2,112,200	2,347,800	5,000,000	7,347,800
Federal	1,025,700	1,214,800	1,214,800	0	1,214,800
Other	0	333,800	98,200	0	98,200

Department of Mental Health and Developmental Disabilities

The Department of Mental Health and Developmental Disabilities is responsible for ensuring the provision of services to individuals with or at risk of serious and persistent mental illness in adults and serious emotional disturbance in children and youth. This is accomplished through the operation of 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 which:

- Includes adequate resources
- Safeguards the rights of consumers
- Promotes consumer integration into the community
- 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.

Administrative Services

Administrative Services provides direction, coordination, support, and review for the Department of Mental Health and Developmental Disabilities. This division oversees major maintenance and capital outlay projects for the department and regulates and licenses all mental health/mental retardation facilities in Tennessee. Administrative Services also provides administrative support in accounting, budgeting, and personnel functions to the Department of Finance and Administration – Mental Retardation.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
339.01 Administrative Services Division					
Full-Time	140	143	143	3	146
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	141	144	144	3	147
Payroll	5,693,000	7,337,200	7,368,100	143,100	7,511,200
Operational	1,933,300	2,944,500	2,743,000	88,800	2,831,800
Total	\$7,626,300	\$10,281,700	\$10,111,100	\$231,900	\$10,343,000
State	5,509,800	7,539,100	7,539,100	0	7,539,100
Federal	3,900	144,100	183,300	0	183,300
Other	2,112,600	2,598,500	2,388,700	231,900	2,620,600

Mental Health Services

Mental Health Services is responsible for the administration of 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 funded through state dollars. The division is also responsible for the operation of the state's five regional mental health institutes.

The regional mental health institutes provide inpatient services to increase the functioning, productivity, and quality of life for severely mentally ill adults and seriously emotionally disturbed children and adolescents. The Joint Commission on Accreditation of Hospitals 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
- Gero-Psychiatric, physical, and socialization services to persons primarily age 60 and older, many of whom need nursing care
- Children and Youth services for children and adolescents primarily referred by mental health centers, juvenile courts, and the Department of Children’s Services
- Forensics services for inpatient diagnostic evaluation and/or treatment to adults as designated by the courts. Forensic evaluation and/or treatment is available in a secure setting at Middle Tennessee Mental Health Institute.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
339.05 Mental Health Services Administration					
Full-Time	46	46	46	0	46
Part-Time	2	0	0	0	0
Seasonal	0	0	0	0	0
Total	48	46	46	0	46
Payroll	2,158,300	2,464,200	2,464,200	0	2,464,200
Operational	946,800	1,045,500	786,900	0	786,900
Total	\$3,105,100	\$3,509,700	\$3,251,100	\$0	\$3,251,100
State	1,955,000	2,142,600	2,142,600	0	2,142,600
Federal	437,600	596,800	543,000	0	543,000
Other	712,500	770,300	565,500	0	565,500
339.08 Community Mental Health 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	40,495,800	51,744,600	48,377,400	6,385,500	54,762,900
Total	\$40,495,800	\$51,744,600	\$48,377,400	\$6,385,500	\$54,762,900
State	30,929,400	36,773,700	36,773,700	6,385,500	43,159,200
Federal	8,146,400	10,615,700	10,104,800	0	10,104,800
Other	1,420,000	4,355,200	1,498,900	0	1,498,900

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
339.10 Lakeshore Mental Health Institute					
Full-Time	572	572	572	0	572
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	572	572	572	0	572
Payroll	18,517,300	21,581,400	21,581,400	0	21,581,400
Operational	6,994,400	6,415,300	6,415,300	0	6,415,300
Total	\$25,511,700	\$27,996,700	\$27,996,700	\$0	\$27,996,700
State	8,676,500	9,062,800	9,062,800	0	9,062,800
Federal	1,480,000	594,300	643,800	0	643,800
Other	15,355,200	18,339,600	18,290,100	0	18,290,100
339.11 Middle Tennessee Mental Health Institute					
Full-Time	728	728	728	0	728
Part-Time	15	15	15	0	15
Seasonal	0	0	0	0	0
Total	743	743	743	0	743
Payroll	28,161,000	27,299,100	27,299,100	0	27,299,100
Operational	9,539,900	8,551,700	8,551,700	0	8,551,700
Total	\$37,700,900	\$35,850,800	\$35,850,800	\$0	\$35,850,800
State	13,391,600	9,690,000	9,690,000	0	9,690,000
Federal	1,902,700	750,000	750,000	0	750,000
Other	22,406,600	25,410,800	25,410,800	0	25,410,800
339.12 Western Mental Health Institute					
Full-Time	615	615	615	0	615
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	615	615	615	0	615
Payroll	22,414,700	23,771,800	23,771,800	0	23,771,800
Operational	4,709,600	4,773,600	4,473,600	0	4,473,600
Total	\$27,124,300	\$28,545,400	\$28,245,400	\$0	\$28,245,400
State	4,081,100	11,181,900	10,881,900	0	10,881,900
Federal	1,874,900	560,000	560,000	0	560,000
Other	21,168,300	16,803,500	16,803,500	0	16,803,500

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
339.16 Moccasin Bend Mental Health Institute					
Full-Time	354	354	354	0	354
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	354	354	354	0	354
Payroll	14,860,200	14,450,100	14,450,100	0	14,450,100
Operational	4,877,900	3,116,500	3,116,500	0	3,116,500
Total	\$19,738,100	\$17,566,600	\$17,566,600	\$0	\$17,566,600
State	3,750,500	6,887,500	6,887,500	0	6,887,500
Federal	1,675,800	850,000	850,000	0	850,000
Other	14,311,800	9,829,100	9,829,100	0	9,829,100

339.17 Memphis Mental Health Institute

Full-Time	324	337	337	0	337
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	325	338	338	0	338
Payroll	11,442,200	13,705,500	13,705,500	0	13,705,500
Operational	5,256,800	3,143,300	3,143,300	0	3,143,300
Total	\$16,699,000	\$16,848,800	\$16,848,800	\$0	\$16,848,800
State	8,132,500	8,951,000	8,951,000	0	8,951,000
Federal	1,647,800	525,000	525,000	0	525,000
Other	6,918,700	7,372,800	7,372,800	0	7,372,800

339.40 Major 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	517,600	1,095,000	750,000	0	750,000
Total	\$517,600	\$1,095,000	\$750,000	\$0	\$750,000
State	175,000	750,000	750,000	0	750,000
Federal	0	0	0	0	0
Other	342,600	345,000	0	0	0

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
339.00 Department Total					
Full-Time	2,779	2,795	2,795	3	2,798
Part-Time	19	17	17	0	17
Seasonal	0	0	0	0	0
Total	2,798	2,812	2,812	3	2,815
Payroll	103,246,700	110,609,300	110,640,200	143,100	110,783,300
Operational	75,272,100	82,830,000	78,357,700	6,474,300	84,832,000
Total	\$178,518,800	\$193,439,300	\$188,997,900	\$6,617,400	\$195,615,300
State	76,601,400	92,978,600	92,678,600	6,385,500	99,064,100
Federal	17,169,100	14,635,900	14,159,900	0	14,159,900
Other	84,748,300	85,824,800	82,159,400	231,900	82,391,300

Statistical Data Mental Health Institutes

	Lakeshore 339.10	Middle Tennessee 339.11	Western 339.12	Moccasin Bend 339.16	Memphis 339.17	Total
Annual Admissions						
1995-1996	1,572	1,375	1,009	1,206	1,475	6,637
1996-1997	1,193	1,646	1,000	1,200	1,729	6,768
1997-1998	1,301	2,331	1,340	1,648	1,707	8,327
1998-1999	1,925	2,430	1,638	1,769	2,010	9,772
1999-2000	2,030	2,465	1,836	2,054	1,519	9,904
2000-2001	2,279	3,087	1,865	2,089	1,624	10,944
2001-2002	2,400	3,290	1,800	2,100	1,624	11,214
2002-2003	2,400	3,290	1,800	2,100	1,624	11,214
Annual Releases						
1995-1996	1,597	1,306	986	1,237	1,492	6,618
1996-1997	1,251	1,679	1,096	1,505	1,711	7,242
1997-1998	1,271	2,331	1,328	1,633	1,711	8,274
1998-1999	1,946	2,409	1,616	1,776	1,991	9,738
1999-2000	2,021	2,434	1,872	2,043	1,527	9,897
2000-2001	2,293	3,082	1,831	2,042	1,610	10,858
2001-2002	2,400	3,294	1,850	2,100	1,610	11,254
2002-2003	2,400	3,294	1,850	2,100	1,610	11,254
Average Daily Census						
1995-1996	244	250	240	184	98	1,016
1996-1997	193	246	247	148	90	924
1997-1998	181	236	230	141	97	885
1998-1999	200	257	228	147	102	934
1999-2000	188	273	234	155	77	927
2000-2001	180	288	254	179	82	983
2001-2002	200	293	254	172	82	1,001
2002-2003	200	293	254	172	82	1,001
Cost Per Occupancy Day*						
1995-1996	\$287.03	\$334.91	\$242.65	\$273.49	\$362.86	\$293.19
1996-1997	\$333.68	\$315.93	\$235.09	\$327.10	\$368.89	\$304.98
1997-1998	\$324.78	\$308.86	\$267.76	\$315.78	\$347.52	\$306.78
1998-1999	\$309.33	\$314.99	\$312.34	\$319.52	\$413.64	\$324.62
1999-2000	\$338.73	\$342.03	\$291.06	\$320.81	\$563.16	\$343.31
2000-2001	\$388.31	\$358.65	\$292.57	\$302.11	\$557.94	\$353.33
2001-2002	\$383.52	\$335.23	\$307.90	\$279.81	\$562.94	\$347.07
2002-2003	\$383.52	\$335.23	\$304.66	\$279.81	\$562.94	\$346.25

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

Department of Finance and Administration – Mental Retardation

The Department of Finance & Administration – Mental Retardation division is responsible for providing services to Tennesseans with mental retardation and other developmental disabilities to meet their individual and family choices and needs for services and support. Services are provided in a variety of settings, ranging from individual supported living in the community to institutional care, to ensure the most integrated environment to meet the needs of each person. This department also provides support to the Developmental Disabilities Council.

Mental Retardation Administration is responsible for the following:

- Coordination and support of three regional programs
- Development and implementation of policies
- Settlement Agreement community plan implementation
- Program development
- Budget and personnel coordination
- Coordination of community and developmental center investigations
- Training, technical assistance and consultation in various specialty areas.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
339.21 Mental Retardation Administration					
Full-Time	65	77	77	0	77
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	65	77	77	0	77
Payroll	2,974,000	4,479,100	4,479,100	0	4,479,100
Operational	3,126,500	2,836,200	2,836,200	688,000	3,524,200
Total	\$6,100,500	\$7,315,300	\$7,315,300	\$688,000	\$8,003,300
State	3,379,300	2,209,400	2,209,400	206,400	2,415,800
Federal	0	0	0	0	0
Other	2,721,200	5,105,900	5,105,900	481,600	5,587,500

Developmental Disabilities Council

The Developmental Disabilities Council consists of members appointed by the Governor and represent a broad range of disabilities as well as the cultural and geographical diversity of the state. The council works for public policies and service systems that promote the inclusion of individuals with developmental disabilities in their communities. Council members are responsible for administering federal grant funds and implementing federal law. While the council is administratively tied to the Mental Retardation division, council employees operate separately from the Mental Retardation Division staff and work at the direction of the council.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
339.22 Developmental Disabilities Council					
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	299,300	384,600	370,500	0	370,500
Operational	1,341,900	1,829,700	1,843,800	0	1,843,800
Total	\$1,641,200	\$2,214,300	\$2,214,300	\$0	\$2,214,300
State	214,700	122,200	122,200	0	122,200
Federal	1,426,500	2,092,100	2,092,100	0	2,092,100
Other	0	0	0	0	0

Mental Retardation Community Services provide 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
- Support coordination services.

339.23 Community Mental Retardation 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	250,590,500	334,938,900	334,938,900	23,455,100	358,394,000
Total	\$250,590,500	\$334,938,900	\$334,938,900	\$23,455,100	\$358,394,000
State	43,322,000	54,979,500	54,979,500	3,080,000	58,059,500
Federal	0	0	0	0	0
Other	207,268,500	279,959,400	279,959,400	20,375,100	300,334,500

The Mental Retardation division is also responsible for the three regional offices of the state which coordinate services for individuals in the community, developmental centers, and for individuals transitioning from institutional settings to the community. These offices assist consumers and their families in finding the most appropriate, least restrictive placement. They also monitor services to ensure appropriate and safe living and working environments for each person.

Each regional office coordinates the operation of one of the state's three developmental centers: Arlington, Clover Bottom and Greene Valley. Each center provides 24-hour care to improve the physical, intellectual, social, and emotional capabilities of adults and children who are severely

and profoundly retarded. The following programs are typically provided by the developmental centers:

- High personal care and training opportunities in self-help, ambulation, communication, and socialization skills
- Intensive care at Arlington Developmental Center for individualized habilitation training in self-help, language development, and motor skills for retarded residents with severe and profound mental retardation
- Medical treatment at Greene Valley Developmental Center to residents who require more than can be provided in the living unit, but do not require specialized medical services which can only be obtained through outside hospitalization
- Mentally retarded offender care at Harold W. Jordan Habilitation Center, located at Clover Bottom Developmental Center, for habilitation and competency training in a secure institution for adolescent and adult offenders exhibiting challenging behaviors with mild to moderate retardation.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
339.25 West Tennessee Region					
Full-Time	1,223	1,226	1,226	0	1,226
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1,223	1,226	1,226	0	1,226
Payroll	45,995,000	42,374,000	42,374,000	0	42,374,000
Operational	30,084,700	36,640,900	36,540,900	0	36,540,900
Total	\$76,079,700	\$79,014,900	\$78,914,900	\$0	\$78,914,900
State	4,548,800	4,280,900	4,280,900	0	4,280,900
Federal	0	0	0	0	0
Other	71,530,900	74,734,000	74,634,000	0	74,634,000
339.26 Middle Tennessee Region					
Full-Time	1,052	1,055	1,055	0	1,055
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	1,053	1,056	1,056	0	1,056
Payroll	34,443,600	36,489,800	36,489,800	0	36,489,800
Operational	20,322,500	20,107,800	19,464,300	643,500	20,107,800
Total	\$54,766,100	\$56,597,600	\$55,954,100	\$643,500	\$56,597,600
State	604,100	2,894,200	2,250,700	643,500	2,894,200
Federal	0	0	0	0	0
Other	54,162,000	53,703,400	53,703,400	0	53,703,400

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
339.27 East Tennessee Region					
Full-Time	1,369	1,372	1,372	0	1,372
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1,369	1,372	1,372	0	1,372
Payroll	48,048,200	45,329,700	45,329,700	0	45,329,700
Operational	17,027,300	17,353,300	17,109,800	236,500	17,346,300
Total	\$65,075,500	\$62,683,000	\$62,439,500	\$236,500	\$62,676,000
State	4,605,100	2,696,400	2,459,900	236,500	2,696,400
Federal	0	0	0	0	0
Other	60,470,400	59,986,600	59,979,600	0	59,979,600
339.21 Department Total					
Full-Time	3,717	3,738	3,738	0	3,738
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	3,718	3,739	3,739	0	3,739
Payroll	131,760,100	129,057,200	129,043,100	0	129,043,100
Operational	322,493,400	413,706,800	412,733,900	25,023,100	437,757,000
Total	\$454,253,500	\$542,764,000	\$541,777,000	\$25,023,100	\$566,800,100
State	56,674,000	67,182,600	66,302,600	4,166,400	70,469,000
Federal	1,426,500	2,092,100	2,092,100	0	2,092,100
Other	396,153,000	473,489,300	473,382,300	20,856,700	494,239,000

Statistical Data

Mental Retardation Developmental Centers

	Arlington <u>339.25</u>	Clover Bottom <u>339.26</u>	Greene Valley <u>339.27</u>	Nat Winston <u>339.28</u>	<u>Total</u>
Annual Admissions					
1995-1996	0	2	9	0	11
1996-1997	0	6	5	0	11
1997-1998	1	9	8	0	18
1998-1999	1	2	3	0	6
1999-2000	0	3	0	0	3
2000-2001	0	15	10	0	25
2001-2002	0	6	6	0	12
2002-2003	0	6	6	0	12
Annual Releases					
1995-1996	14	9	99	33	155
1996-1997	18	58	36	44	156
1997-1998	23	43	37	66	169
1998-1999	36	25	46	0	107
1999-2000	17	39	19	0	75
2000-2001	24	30	30	0	84
2001-2002	42	16	16	0	74
2002-2003	40	26	26	0	92
Average Daily Census					
1995-1996	368	408	534	128	1,438
1996-1997	354	386	471	87	1,298
1997-1998	333	340	446	37	1,156
1998-1999	300	311	406	0	1,017
1999-2000	285	289	374	0	948
2000-2001	261	264	353	0	878
2001-2002	249	239	343	0	831
2002-2003	214	219	328	0	761
Cost Per Occupancy Day*					
1995-1996	\$401.68	\$273.15	\$211.54	\$194.41	\$276.16
1996-1997	\$503.70	\$359.63	\$279.10	\$290.58	\$365.07
1997-1998	\$552.15	\$426.35	\$346.10	\$399.64	\$430.77
1998-1999	\$600.83	\$466.73	\$398.01	\$0.00	\$478.85
1999-2000	\$605.80	\$475.43	\$425.61	\$0.00	\$494.97
2000-2001	\$690.46	\$511.23	\$457.11	\$0.00	\$542.75
2001-2002	\$720.98	\$575.47	\$442.33	\$0.00	\$564.12
2002-2003	\$838.90	\$628.03	\$462.53	\$0.00	\$615.99

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

Department of Health

The Department of Health is responsible for protecting and improving the health of Tennesseans and Tennessee's visitors. In order to carry out this responsibility, the department is organized into five functional areas which include:

- Administrative and Support Services
- Bureau of Health Licensure and Regulation
- Bureau of Health Informatics
- Bureau of Health Services
- Bureau of Alcohol and Drug Abuse Services.

Administrative and Support Services

Administrative and Support Services provides direction, coordination, review, and basic support services to the Department of Health. This area is divided into Executive Administration, the Bureau of Administrative Services, Laboratory Services, and the Nursing Home Resident Grant Assistance Program.

Executive Administration provides for the overall policy direction and management of the department, as well as the human resources, legal, and minority health activities.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
343.01 Executive Administration					
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	2,799,200	3,068,600	3,068,600	0	3,068,600
Operational	1,038,000	942,600	942,600	0	942,600
Total	\$3,837,200	\$4,011,200	\$4,011,200	\$0	\$4,011,200
State	3,130,200	3,292,600	3,292,600	0	3,292,600
Federal	695,800	718,600	718,600	0	718,600
Other	11,200	0	0	0	0

The Bureau of Administrative Services provides administrative support to program areas of the department. This support includes accounting, budgeting, contracting, and facilities management, as well as procurement and payment activities. The bureau also administers the Nursing Home Resident Grant Assistance Program.

343.03 Bureau of Administrative Services

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

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
Payroll	2,331,100	2,787,100	2,787,100	0	2,787,100
Operational	680,100	634,300	634,300	0	634,300
Total	\$3,011,200	\$3,421,400	\$3,421,400	\$0	\$3,421,400
State	2,148,900	2,359,700	2,359,700	0	2,359,700
Federal	849,800	1,061,700	1,061,700	0	1,061,700
Other	12,500	0	0	0	0

Laboratory Services offers microbiological and environmental laboratory services for intra- and inter-departmental programs. 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.

343.08 Laboratory Services

Full-Time	180	174	174	8	182
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	180	174	174	8	182
Payroll	5,340,800	7,376,500	7,376,500	348,000	7,724,500
Operational	5,743,000	5,635,000	5,635,000	1,907,600	7,542,600
Total	\$11,083,800	\$13,011,500	\$13,011,500	\$2,255,600	\$15,267,100
State	5,966,700	7,766,900	7,766,900	0	7,766,900
Federal	734,400	466,400	466,400	0	466,400
Other	4,382,700	4,778,200	4,778,200	2,255,600	7,033,800

The primary function of the Nursing Home Resident Grant Assistance Program is to provide financial assistance to private pay nursing home residents who meet financial eligibility and receive no financial assistance from any other state and/or federal medical care program for the cost of their nursing home care.

343.70 Nursing Home Resident Grant Assistance 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	8,940,400	800,000	0	0	0
Total	\$8,940,400	\$800,000	\$0	\$0	\$0
State	8,940,400	0	0	0	0
Federal	0	0	0	0	0
Other	0	800,000	0	0	0

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.

Health Licensure and Regulation provides the overall policy, direction, and support for the Bureau of Health Licensure and Regulation and specifically monitors the quality of health care rendered to the citizens of Tennessee by regulating health care facilities. The following programs are administered:

- Civil rights compliance
- Health care facility licensure
- Health Care Facility Federal Certification Program.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
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343.05 Health Licensure and Regulation

Full-Time	163	164	164	12	176
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	163	164	164	12	176
Payroll	6,565,900	7,234,400	7,294,700	524,900	7,819,600
Operational	3,970,600	3,200,200	3,200,200	199,500	3,399,700
Total	\$10,536,500	\$10,434,600	\$10,494,900	\$724,400	\$11,219,300
State	3,922,900	3,719,700	3,780,000	181,200	3,961,200
Federal	4,955,100	5,306,300	5,306,300	543,200	5,849,500
Other	1,658,500	1,408,600	1,408,600	0	1,408,600

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. In addition, technical assistance and coordination is provided to local governments for the development of EMS communications systems.

343.07 Emergency Medical Services

Full-Time	16	17	17	0	17
Part-Time	13	13	13	0	13
Seasonal	0	0	0	0	0
Total	29	30	30	0	30
Payroll	718,900	769,500	769,500	0	769,500
Operational	555,000	747,600	747,600	0	747,600
Total	\$1,273,900	\$1,517,100	\$1,517,100	\$0	\$1,517,100
State	340,100	577,600	577,600	0	577,600
Federal	220,100	372,500	372,500	0	372,500
Other	713,700	567,000	567,000	0	567,000

The Health Related Boards regulate certain health care professions through the following activities:

- Certification and licensure of health care professionals
- Enforcement of statutes and rules pertaining to standards of practice and professional conduct
- Assistance in administration, investigation, enforcement, and peer assistance.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
343.10 Health Related Boards					
Full-Time	113	110	110	0	110
Part-Time	163	163	163	0	163
Seasonal	0	0	0	0	0
Total	276	273	273	0	273
Payroll	3,746,000	4,340,100	4,279,800	0	4,279,800
Operational	3,699,500	4,583,900	4,428,100	200,000	4,628,100
Total	\$7,445,500	\$8,924,000	\$8,707,900	\$200,000	\$8,907,900
State	7,282,700	8,924,000	8,707,900	200,000	8,907,900
Federal	0	0	0	0	0
Other	162,800	0	0	0	0

Bureau of Health Informatics

The Bureau of Health Informatics collects and analyzes a wide array of public health data. This data is utilized by various agencies of government and the private sector to assess public health trends in order to assist them in priority-setting and establishment of health policy. It is further used for specific program planning and resource allocation to address identified public health needs and concerns. The Bureau also provides information system support to the various programs within the Department of Health through its Division of Technology.

The Division of Technology provides information systems support to the various programs within the Department of Health. This support includes systems applications and operations activities for mainframe and personal computers as well as data and text management.

343.04 Division of Technology

Full-Time	56	56	56	0	56
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	56	56	56	0	56
Payroll	2,212,700	2,643,100	2,643,100	0	2,643,100
Operational	657,000	778,500	778,500	0	778,500
Total	\$2,869,700	\$3,421,600	\$3,421,600	\$0	\$3,421,600
State	2,795,200	3,366,200	3,366,200	0	3,366,200
Federal	74,400	54,600	54,600	0	54,600
Other	100	800	800	0	800

The Division of Policy, Planning, and Assessment administers all vital records; health statistics and research; the traumatic brain injury registry; the cancer registry; and the Children’s Information Tennessee (CIT) System which was created through the partnership of five state agencies which provide various services to Tennessee children.

Actual Estimated Base Improvement Recommended
2000-2001 2001-2002 2002-2003 2002-2003 2002-2003

343.20 Division of Policy, Planning, and Assessment

Full-Time	131	122	122	0	122
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	131	122	122	0	122
Payroll	3,985,600	4,805,700	4,805,700	0	4,805,700
Operational	4,412,500	4,426,200	4,426,200	0	4,426,200
Total	\$8,398,100	\$9,231,900	\$9,231,900	\$0	\$9,231,900
State	4,424,800	4,698,300	4,698,300	0	4,698,300
Federal	1,555,900	2,396,700	2,396,700	0	2,396,700
Other	2,417,400	2,136,900	2,136,900	0	2,136,900

Bureau of Health Services

The Bureau of Health Services is responsible for the delivery of public health services to the citizens and visitors of Tennessee through a system of thirteen regional health offices responsible for the oversight of services provided in 89 rural and six metropolitan county health departments. These services encompass both primary care and prevention services with an emphasis on health promotion, disease prevention, and health access activities. The programs offered by this bureau are in six functional areas:

- General Environmental Health
- Maternal and Child Health
- Communicable and Environmental Disease Services
- Population-Based Services
- Women, Infants, and Children (WIC) Supplemental Foods
- Local Health Services.

Health Services Administration directs, supervises, plans, and coordinates health care service delivery in the state as well as providing administrative support to the various programs within the Bureau of Health Services.

343.45 Health Services Administration

Full-Time	50	54	54	0	54
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	50	54	54	0	54
Payroll	2,264,000	2,951,700	2,951,700	0	2,951,700
Operational	1,828,500	1,692,700	1,692,700	0	1,692,700
Total	\$4,092,500	\$4,644,400	\$4,644,400	\$0	\$4,644,400

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
State	3,076,100	3,424,700	3,424,700	0	3,424,700
Federal	976,700	1,208,100	1,208,100	0	1,208,100
Other	39,700	11,600	11,600	0	11,600

The General Environmental Health program enforces standards pertaining to sanitation and safety in hotels, food service establishments, bed and breakfast establishments, camps, and swimming pools through field inspections. In addition, the program is responsible for rabies control activities, lead investigations, and environmental surveys which are conducted in schools, child care facilities, and state correctional institutions.

343.39 General Environmental Health

Full-Time	109	110	110	0	110
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	109	110	110	0	110
Payroll	4,436,300	5,031,900	5,031,900	0	5,031,900
Operational	892,900	2,461,200	2,461,200	646,000	3,107,200
Total	\$5,329,200	\$7,493,100	\$7,493,100	\$646,000	\$8,139,100
State	5,269,000	7,464,500	7,464,500	646,000	8,110,500
Federal	0	0	0	0	0
Other	60,200	28,600	28,600	0	28,600

The Maternal and Child Health (MCH) Program 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 for physically handicapped children up to the age of twenty-one. Programs administered by this division include:

- Regional perinatal centers
- Prenatal care
- Genetics and sickle cell screening
- Child health care services
- Black health care projects
- Family planning.

343.47 Maternal and Child Health

Full-Time	36	34	34	0	34
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	36	34	34	0	34
Payroll	1,235,800	1,654,800	1,654,800	0	1,654,800
Operational	10,524,400	10,995,600	10,664,100	0	10,664,100
Total	\$11,760,200	\$12,650,400	\$12,318,900	\$0	\$12,318,900

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
State	3,144,100	3,233,200	2,901,700	0	2,901,700
Federal	5,353,600	4,392,300	4,392,300	0	4,392,300
Other	3,262,500	5,024,900	5,024,900	0	5,024,900

The Communicable and Environmental Disease Services (CEDS) program conducts activities to protect the citizens of the state from infectious diseases. 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. This division also provides skilled professional case management intervention, financial assistance, housing, medical and social services, and referrals across Tennessee for people with HIV, their families and caregivers. Environmental epidemiology services are also provided in this section including education programs relative to chemical or physical pollution; disease cluster investigations; and toxicological at-risk assessment consultations with environmental regulatory programs within the Department of Environment and Conservation.

343.49 Communicable and Environmental Disease Services

Full-Time	72	69	69	9	78
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	73	70	70	9	79
Payroll	2,565,000	3,405,700	3,405,700	644,700	4,050,400
Operational	9,717,600	17,786,100	17,783,800	114,900	17,898,700
Total	\$12,282,600	\$21,191,800	\$21,189,500	\$759,600	\$21,949,100
State	2,670,400	4,061,200	4,058,900	759,600	4,818,500
Federal	9,506,900	17,056,500	17,056,500	0	17,056,500
Other	105,300	74,100	74,100	0	74,100

Population-Based Services include health promotion activities which seek to reduce premature death and disability, and promote healthy lifestyle practices through a combination of preventive programs and wellness initiatives. The target population served is the indigent and medically underserved. 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 programs include:

- Health access
- Rural health
- Rape prevention & education
- Community Prevention Initiative
- Community development
- State Medical Examiner's program
- Epilepsy
- Chronic renal disease
- Hemophilia
- Traumatic brain injury
- Community nutrition services
- Employee health clinic.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
343.52 Population-Based Services					
Full-Time	53	52	52	0	52
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	53	52	52	0	52
Payroll	2,261,900	2,533,600	2,533,600	0	2,533,600
Operational	9,970,200	11,390,500	11,042,500	125,000	11,167,500
Total	\$12,232,100	\$13,924,100	\$13,576,100	\$125,000	\$13,701,100
State	8,991,700	9,372,900	9,024,900	125,000	9,149,900
Federal	3,103,500	3,952,300	3,952,300	0	3,952,300
Other	136,900	598,900	598,900	0	598,900

The Women, Infants, and Children (WIC) Supplemental Foods Program provides screening, counseling, and food supplements to needy women, infants, and children. 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.

343.53 Women, Infants, and Children (WIC)

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	669,900	856,800	856,800	0	856,800
Operational	101,495,000	106,127,600	106,127,600	0	106,127,600
Total	\$102,164,900	\$106,984,400	\$106,984,400	\$0	\$106,984,400
State	0	0	0	0	0
Federal	69,388,900	72,978,400	72,978,400	0	72,978,400
Other	32,776,000	34,006,000	34,006,000	0	34,006,000

Local Health Services offers health services to citizens of the State through a network of regional health offices, metropolitan area offices, and county health departments. Grant-in-aid is 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. The health services provided through this network include the following:

- Child health and development services
- Family planning services
- Community health clinics/primary care services
- Dental services
- Women, Infants, and Children (WIC)
- Children's special services
- Immunizations services
- Health promotion services
- Sexually transmitted diseases services
- Tuberculosis control services
- AIDS services
- A & D intake, assessment & referral

- Community development
- Families First home visits
- TennCare outreach & eligibility activities.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
343.60 Local Health Services					
Full-Time	1,525	1,561	1,561	0	1,561
Part-Time	4	4	4	0	4
Seasonal	0	0	0	0	0
Total	1,529	1,565	1,565	0	1,565
Payroll	53,078,300	62,642,600	62,642,600	0	62,642,600
Operational	58,074,200	62,590,700	62,587,900	0	62,587,900
Total	\$111,152,500	\$125,233,300	\$125,230,500	\$0	\$125,230,500
State	16,189,700	22,081,900	22,079,100	0	22,079,100
Federal	41,670,800	46,727,400	46,727,400	0	46,727,400
Other	53,292,000	56,424,000	56,424,000	0	56,424,000

Bureau of Alcohol and Drug Abuse Services

Alcohol and Drug Abuse Services is responsible for developing 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 developed through this program are funded through grants to non-profit or local government agencies. The activities of Alcohol and Drug Abuse Services include:

- Directing media campaigns to prevent and reduce substance abuse and addiction
- Coordinating, assisting, and developing alcohol and drug abuse prevention services and programs with local communities including, but not limited to, intensive focus, community prevention networks, and regional training
- Coordinating, assisting, and developing alcohol and drug abuse treatment services and programs with local communities including, but not limited to, detoxification, family intervention, residential rehabilitation, halfway houses, day treatment, and outpatient services
- Coordinating alcohol and drug policy and programming with regional, national, and federal networks
- Collaboration and coordinating with local governments, community groups, and other state agencies to target at-risk youth with prevention programs through the Community Prevention Initiative.

343.44 Alcohol and Drug Abuse Services

Full-Time	31	30	30	0	30
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	31	30	30	0	30

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
Payroll	1,344,100	1,441,600	1,441,600	0	1,441,600
Operational	35,713,900	39,772,400	39,578,700	2,000,000	41,578,700
Total	\$37,058,000	\$41,214,000	\$41,020,300	\$2,000,000	\$43,020,300
State	10,058,500	10,083,500	9,889,800	2,000,000	11,889,800
Federal	25,281,600	28,630,500	31,130,500	0	31,130,500
Other	1,717,900	2,500,000	0	0	0

343.00 Department Total

Full-Time	2,674	2,692	2,692	29	2,721
Part-Time	181	181	181	0	181
Seasonal	0	0	0	0	0
Total	2,855	2,873	2,873	29	2,902
Payroll	95,555,500	113,543,700	113,543,700	1,517,600	115,061,300
Operational	257,912,800	274,565,100	272,731,000	5,193,000	277,924,000
Total	\$353,468,300	\$388,108,800	\$386,274,700	\$6,710,600	\$392,985,300
State	88,351,400	94,426,900	93,392,800	3,911,800	97,304,600
Federal	164,367,500	185,322,300	187,822,300	543,200	188,365,500
Other	100,749,400	108,359,600	105,059,600	2,255,600	107,315,200

Department of Human Services

The Department of Human Services offers disadvantaged Tennesseans assistance in achieving increased self-sufficiency. The department's primary goals include serving in an advocacy role and responding to the health and human service needs of the citizens in a prompt, efficient, and compassionate manner. The department is structured into five functional areas:

- Administration
- Family Assistance Services
- Child Support
- Social Services
- Rehabilitation Services.

Administration

Administration provides departmental support services, operates county field offices, supervises a quality control system, and conducts administrative hearings and investigations.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
345.01 Division of Administration					
Full-Time	475	469	469	0	469
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	475	469	469	0	469
Payroll	18,710,000	21,127,500	20,938,800	0	20,938,800
Operational	31,623,200	35,330,700	31,627,200	0	31,627,200
Total	\$50,333,200	\$56,458,200	\$52,566,000	\$0	\$52,566,000
State	18,348,300	18,877,700	18,748,500	0	18,748,500
Federal	24,914,400	29,107,000	25,342,600	0	25,342,600
Other	7,070,500	8,473,500	8,474,900	0	8,474,900
345.16 Field Operations					
Full-Time	536	518	518	0	518
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	536	518	518	0	518
Payroll	16,410,400	17,694,600	17,618,600	0	17,618,600
Operational	967,500	829,400	856,000	0	856,000
Total	\$17,377,900	\$18,524,000	\$18,474,600	\$0	\$18,474,600
State	6,292,100	7,058,500	7,050,400	0	7,050,400
Federal	6,619,600	6,889,200	6,877,700	0	6,877,700
Other	4,466,200	4,576,300	4,546,500	0	4,546,500

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
345.17 County Rentals					
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	15,873,700	19,194,500	19,194,500	0	19,194,500
Total	\$15,873,700	\$19,194,500	\$19,194,500	\$0	\$19,194,500
State	4,234,900	5,099,100	5,099,100	0	5,099,100
Federal	5,737,100	9,559,400	8,187,500	0	8,187,500
Other	5,901,700	4,536,000	5,907,900	0	5,907,900

Family Assistance Services

Welfare reform at the state and federal levels has modified the services provided by this division. Most notably is the replacement of Aid to Families With Dependent Children (AFDC) with Temporary Assistance to Needy Families (TANF). Assistance under TANF is now provided through block grants instead of AFDC's entitlement distribution. Family Assistance Services provides temporary cash assistance and support services for low-income families to enable them to become self-sufficient. Current services provided include:

- Distribution of temporary cash assistance, day care benefits, transportation services, and food stamps
- Provision of education and training assistance for program recipients
- Administration of relief funds in the event of a presidentially-declared disaster.

Family Assistance Services also determines eligibility for:

- Food Stamp coupons available to low-income households for the purchase of food items
- The TANF program which distributes cash grants for families with financial need and dependent children deprived of support and/or care because:
 - (a) One or both parents are dead, disabled, or absent, or
 - (b) The principal wage earning parent is unemployed and has recent work history
- Medicaid for TennCare recipients.

345.23 Temporary Cash Assistance

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 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
Payroll	0	0	0	0	0
Operational	122,318,900	116,046,900	125,677,800	0	125,677,800
Total	\$122,318,900	\$116,046,900	\$125,677,800	\$0	\$125,677,800
State	0	0	0	0	0
Federal	116,328,900	109,971,400	119,602,300	0	119,602,300
Other	5,990,000	6,075,500	6,075,500	0	6,075,500

345.25 Food Stamp Coupons

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	440,154,700	450,000,000	450,000,000	0	450,000,000
Total	\$440,154,700	\$450,000,000	\$450,000,000	\$0	\$450,000,000
State	0	0	0	0	0
Federal	440,154,700	450,000,000	450,000,000	0	450,000,000
Other	0	0	0	0	0

345.30 Family Assistance Services

Full-Time	1,750	1,623	1,623	0	1,623
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1,750	1,623	1,623	0	1,623
Payroll	57,757,000	65,231,500	64,714,800	0	64,714,800
Operational	87,049,200	108,925,800	94,251,100	0	94,251,100
Total	\$144,806,200	\$174,157,300	\$158,965,900	\$0	\$158,965,900
State	68,916,700	71,264,900	71,264,500	0	71,264,500
Federal	55,811,900	83,776,000	68,977,500	0	68,977,500
Other	20,077,600	19,116,400	18,723,900	0	18,723,900

345.35 Disaster Relief

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	1,500,000	1,500,000	0	1,500,000
Total	\$0	\$1,500,000	\$1,500,000	\$0	\$1,500,000
State	0	0	0	0	0
Federal	0	1,500,000	1,500,000	0	1,500,000
Other	0	0	0	0	0

Child Support

The Child Support Program, established in 1975 under Title IV-D of the Social Security Act, has received major changes by passage of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA). Tennessee's Child Support Program is administered by the Department of Human Services through contracts with district attorneys, private vendors, local governments and program staff. Services provided include:

- Locating non-custodial parents
- Establishing paternity
- Establishing and enforcing financial and medical support orders
- Reviewing and adjusting support orders
- Collecting and distributing child support payments.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
345.13 Child Support					
Full-Time	144	146	146	0	146
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	144	146	146	0	146
Payroll	4,254,600	5,096,500	5,177,000	0	5,177,000
Operational	56,973,800	74,380,500	59,640,500	7,640,100	67,280,600
Total	\$61,228,400	\$79,477,000	\$64,817,500	\$7,640,100	\$72,457,600
State	10,360,800	12,352,500	11,794,500	2,867,600	14,662,100
Federal	28,103,000	52,111,100	44,338,000	4,772,500	49,110,500
Other	22,764,600	15,013,400	8,685,000	0	8,685,000

Social Services

This functional area directly and indirectly provides appropriate social services to children and adults with major social and economic problems. Program services provided directly by employees of this functional area include:

- Protective services for abused and neglected elderly and handicapped adults
- Day care services including information and referral, resource development, and the licensing of facilities for children and adults
- Child care assistance for low income, working families.

Indirect services supplement the direct social services and are provided through private and non-profit agencies under contract with the department. These services include:

- Day care for children and adults
- Homemaker services
- Emergency shelter and transportation services
- Child and adult care and summer food program services
- Refugee services
- Domestic violence and child abuse prevention

- Low-income energy assistance and weatherization assistance
- Community services such as emergency assistance, job and nutritional counseling
- Child Care Facilities Loan Program.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
345.49 Community Services					
Full-Time	314	322	322	0	322
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	314	322	322	0	322
Payroll	11,506,600	12,732,300	12,732,300	0	12,732,300
Operational	288,740,000	316,482,600	319,839,500	4,457,100	324,296,600
Total	\$300,246,600	\$329,214,900	\$332,571,800	\$4,457,100	\$337,028,900
State	28,330,500	34,582,600	32,822,300	1,572,500	34,394,800
Federal	265,185,800	288,700,200	292,470,300	2,795,400	295,265,700
Other	6,730,300	5,932,100	7,279,200	89,200	7,368,400

345.50 Child Care Facilities Loan Program

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	64,800	74,400	81,800	0	81,800
Operational	72,200	143,700	143,700	0	143,700
Total	\$137,000	\$218,100	\$225,500	\$0	\$225,500
State	0	0	0	0	0
Federal	46,500	113,200	117,100	0	117,100
Other	90,500	104,900	108,400	0	108,400

Rehabilitation Services

Rehabilitation Services 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. The following services are provided:

- Vocational rehabilitation services including training, physical restoration, psychological services, counseling and guidance, job development, job placement, and follow-up
- Disability determination to ascertain whether an individual is qualified for disability insurance benefits or supplemental security income benefits from the Social Security Administration
- Rehabilitation for the blind including:
 - (a) Training to promote independent living and adjustment to blindness
 - (b) Management of the Tennessee Blind Business Enterprises program allowing the visually handicapped an opportunity to have useful employment as vending stand operators

(c) Vocational rehabilitation services for the blind and severely visually impaired.

In addition to the services listed above, Vocational Rehabilitation serves the severely handicapped by operating a network of facilities including the Tennessee Rehabilitation Center in Smyrna (a comprehensive rehabilitation facility) and eighteen vocational training centers located throughout the state.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
345.70 Vocational Rehabilitation					
Full-Time	614	606	606	0	606
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	614	606	606	0	606
Payroll	20,589,000	22,694,900	22,536,500	0	22,536,500
Operational	62,737,400	59,529,900	59,688,300	8,000,000	67,688,300
Total	\$83,326,400	\$82,224,800	\$82,224,800	\$8,000,000	\$90,224,800
State	8,998,800	9,139,600	9,139,600	1,704,000	10,843,600
Federal	64,030,200	60,671,000	60,671,000	6,296,000	66,967,000
Other	10,297,400	12,414,200	12,414,200	0	12,414,200
345.71 Disability Determination					
Full-Time	435	423	423	0	423
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	435	423	423	0	423
Payroll	12,663,700	15,018,300	15,018,300	0	15,018,300
Operational	19,650,400	21,306,800	21,306,800	0	21,306,800
Total	\$32,314,100	\$36,325,100	\$36,325,100	\$0	\$36,325,100
State	0	0	0	0	0
Federal	31,475,500	34,760,800	34,760,800	0	34,760,800
Other	838,600	1,564,300	1,564,300	0	1,564,300
345.00 Department Total					
Full-Time	4,270	4,109	4,109	0	4,109
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	4,270	4,109	4,109	0	4,109
Payroll	141,956,100	159,670,000	158,818,100	0	158,818,100
Operational	1,126,161,000	1,203,670,800	1,183,725,400	20,097,200	1,203,822,600
Total	\$1,268,117,100	\$1,363,340,800	\$1,342,543,500	\$20,097,200	\$1,362,640,700
State	145,482,100	158,374,900	155,918,900	6,144,100	162,063,000
Federal	1,038,407,600	1,127,159,300	1,112,844,800	13,863,900	1,126,708,700
Other	84,227,400	77,806,600	73,779,800	89,200	73,869,000

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, to enable these children to reach their full potential as productive, competent, and healthy adults.

Administration

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. In addition to providing the usual administrative functions, this program also assists in compliance with departmental policies, the Tennessee Code Annotated, and the American Correctional Association standards.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
359.10 Administration					
Full-Time	359	407	407	0	407
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	359	407	407	0	407
Payroll	14,764,200	18,497,100	18,497,100	0	18,497,100
Operational	21,458,500	26,579,100	26,458,300	0	26,458,300
Total	\$36,222,700	\$45,076,200	\$44,955,400	\$0	\$44,955,400
State	25,318,200	24,443,100	22,814,500	0	22,814,500
Federal	7,597,800	7,934,900	7,700,500	0	7,700,500
Other	3,306,700	12,698,200	14,440,400	0	14,440,400

Family Support Services

Family Support Services provides services to children who are at risk of coming into state custody. These services are provided to children and families in order for children to successfully remain in their homes. Community involvement is increased through community-based programming such as Family Preservation. The department also works with juvenile courts to divert youth from incarceration by providing a variety of community-based prevention and intervention services. Some of the services provided include:

- Family preservation services
- Family resource centers
- Healthy Start services
- Child abuse prevention services
- Custody prevention grants to juvenile courts
- Intensive probation services
- Counseling and support
- Child abuse and neglect services.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
359.20 Family Support 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	40,362,300	45,234,300	44,276,900	550,000	44,826,900
Total	\$40,362,300	\$45,234,300	\$44,276,900	\$550,000	\$44,826,900
State	26,354,400	26,623,400	26,761,000	550,000	27,311,000
Federal	13,963,600	11,910,900	13,701,800	0	13,701,800
Other	44,300	6,700,000	3,814,100	0	3,814,100

Custody Services

Custody Services ensures children in state custody receive appropriate levels of treatment and care through services provided to children and their families. The goal of this program is to provide needed residential care to children in state custody within a reasonable distance from a child's home and return them home as soon as is appropriate. If a child does not have a home or family to which they can return, then permanent care is provided. The types of services provided include:

- Foster care homes
- Residential treatment programs
- Mental retardation developmental center services
- Psychiatric hospital services
- Counseling and support services.

359.30 Custody 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	185,434,400	210,721,000	210,923,000	1,725,600	212,648,600
Total	\$185,434,400	\$210,721,000	\$210,923,000	\$1,725,600	\$212,648,600
State	81,595,700	81,068,800	82,906,300	877,300	83,783,600
Federal	21,868,500	30,797,100	27,562,600	169,900	27,732,500
Other	81,970,200	98,855,100	100,454,100	678,400	101,132,500

Adoption Services

Adoption Services provides services to adopted special needs children and their families. Monthly support payments are provided to assist families in adopting and caring for children with special needs. Treatment and support services are also made available as determined by the special needs of each adopted child.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
359.40 Adoption 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	19,434,200	23,569,400	22,681,000	4,935,000	27,616,000
Total	\$19,434,200	\$23,569,400	\$22,681,000	\$4,935,000	\$27,616,000
State	7,868,700	12,616,500	11,832,100	2,712,800	14,544,900
Federal	10,320,300	10,376,400	10,772,400	2,222,200	12,994,600
Other	1,245,200	576,500	76,500	0	76,500

Child and Family Management

Child and Family Management provides case management services to children and their families in the most appropriate and timely manner to meet identified intervention, treatment, and placement needs. Case management services consist of assessment of needs, individual case planning and managing, and evaluation services. Case management services are provided primarily through DCS staff and through contracts with community services agencies. Case management support is provided through Regional Services Administration, Child and Family Teams, Resource Management, and Court Liaisons. Services provided include:

- Residential case management
- Probation case management
- Child protective case management
- Adoption case management
- Crisis intervention services.

359.50 Child and Family Management

Full-Time	1,884	2,444	2,444	58	2,502
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1,884	2,444	2,444	58	2,502
Payroll	64,484,700	84,946,200	84,946,200	6,820,200	91,766,400
Operational	54,975,900	49,263,000	48,465,600	3,289,200	51,754,800
Total	\$119,460,600	\$134,209,200	\$133,411,800	\$10,109,400	\$143,521,200
State	25,789,100	49,252,900	45,008,100	5,302,300	50,310,400
Federal	28,147,400	29,473,900	24,747,100	1,092,700	25,839,800
Other	65,524,100	55,482,400	63,656,600	3,714,400	67,371,000

Youth Development Centers

Youth Development Centers provide individualized treatment programs and services to juvenile offenders contributing to their successful reintegration into society. The Wilder, Woodland Hills, and Mountain View facilities are the three regional youth development centers. Juveniles who are convicted of adult crimes, serious delinquent offenses, or have demonstrated major

behavior problems at other institutions are placed at Taft Youth Development Center. These institutions assess and properly care for the needs of juveniles while offering counseling and educational services. Services provided include:

- Drug and alcohol abuse treatment
- Sex abuse/sex offender treatment
- Parental responsibility counseling
- Academic education
- General Educational Development
- Work / study programs
- Special education
- Abuse victimization counseling
- Family counseling
- Medical care
- Remedial reading/math
- Adult basic education
- Vocational training.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
359.60 John S. Wilder Youth Development Center					
Full-Time	177	177	177	0	177
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	177	177	177	0	177
Payroll	5,923,900	6,673,900	6,673,900	5,800	6,679,700
Operational	1,344,500	1,589,400	1,604,600	209,800	1,814,400
Total	\$7,268,400	\$8,263,300	\$8,278,500	\$215,600	\$8,494,100
State	7,004,800	8,012,600	8,012,600	215,600	8,228,200
Federal	0	0	0	0	0
Other	263,600	250,700	265,900	0	265,900
359.61 Taft Youth Development Center					
Full-Time	235	234	234	0	234
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	235	234	234	0	234
Payroll	8,169,800	8,743,600	8,743,600	6,500	8,750,100
Operational	2,109,400	2,090,200	2,096,500	106,200	2,202,700
Total	\$10,279,200	\$10,833,800	\$10,840,100	\$112,700	\$10,952,800
State	9,811,700	10,366,300	10,366,300	112,700	10,479,000
Federal	0	0	0	0	0
Other	467,500	467,500	473,800	0	473,800

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
359.62 Woodland Hills Youth Development Center					
Full-Time	255	183	183	0	183
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	255	183	183	0	183
Payroll	6,616,300	8,120,400	7,074,500	7,800	7,082,300
Operational	1,926,700	2,477,100	1,867,200	258,300	2,125,500
Total	\$8,543,000	\$10,597,500	\$8,941,700	\$266,100	\$9,207,800
State	8,104,500	10,158,500	8,648,100	266,100	8,914,200
Federal	0	0	0	0	0
Other	438,500	439,000	293,600	0	293,600

359.63 Mountain View Youth Development Center

Full-Time	198	196	196	0	196
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	198	196	196	0	196
Payroll	6,205,200	6,815,500	6,815,500	35,500	6,851,000
Operational	1,983,700	2,340,400	2,358,000	182,000	2,540,000
Total	\$8,188,900	\$9,155,900	\$9,173,500	\$217,500	\$9,391,000
State	7,933,900	8,904,800	8,904,800	217,500	9,122,300
Federal	0	0	0	0	0
Other	255,000	251,100	268,700	0	268,700

Community Treatment Facilities

DCS operates thirteen group home facilities located across the state which provide minimum security residential programs for youth who have been evaluated and determined appropriate for community placement. The primary focus is to reintegrate the youth into their home community by providing a structured program of academics, community involvement, counseling services, education, and often work experience. Two specialty programs are also provided by DCS. The Observation and Assessment Center in Johnson City provides area juvenile courts with detailed assessments prior to disposition. Lift Academy, a joint effort between DCS and the Carter and Johnson County School Systems, provides a day treatment/alternative school program to divert youth from state custody.

	<u>Actual</u> <u>2000-2001</u>	<u>Estimated</u> <u>2001-2002</u>	<u>Base</u> <u>2002-2003</u>	<u>Improvement</u> <u>2002-2003</u>	<u>Recommended</u> <u>2002-2003</u>
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359.65 Community Treatment Facilities

Full-Time	193	194	194	0	194
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	193	194	194	0	194
Payroll	6,344,100	6,821,700	6,821,700	5,700	6,827,400
Operational	2,374,300	2,685,700	2,712,400	0	2,712,400
Total	\$8,718,400	\$9,507,400	\$9,534,100	\$5,700	\$9,539,800
State	4,970,800	6,225,100	6,490,500	5,700	6,496,200
Federal	87,500	200	0	0	0
Other	3,660,100	3,282,100	3,043,600	0	3,043,600

Tennessee Preparatory School

Tennessee Preparatory School is a residential school that houses and educates children who are dependent, neglected, or in danger of becoming delinquent. Students are referred by the Juvenile Court Judge in their home counties. Programs provided include:

- Academic and vocational instruction
- Basic independent living skills instruction
- Counseling
- Social skills instruction
- Health and physical fitness training
- Recreation.

359.70 Tennessee Preparatory School

Full-Time	232	232	232	0	232
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	232	232	232	0	232
Payroll	8,203,200	9,254,100	9,254,100	50,500	9,304,600
Operational	2,710,100	2,389,500	2,362,800	0	2,362,800
Total	\$10,913,300	\$11,643,600	\$11,616,900	\$50,500	\$11,667,400
State	8,375,200	9,347,100	9,329,900	50,500	9,380,400
Federal	12,300	10,000	10,000	0	10,000
Other	2,525,800	2,286,500	2,277,000	0	2,277,000

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
359.80 Major 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	593,200	460,100	420,100	0	420,100
Total	\$593,200	\$460,100	\$420,100	\$0	\$420,100
State	554,500	420,100	420,100	0	420,100
Federal	0	0	0	0	0
Other	38,700	40,000	0	0	0

359.00 Department Total

Full-Time	3,533	4,067	4,067	58	4,125
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	3,533	4,067	4,067	58	4,125
Payroll	120,711,400	149,872,500	148,826,600	6,932,000	155,758,600
Operational	334,707,200	369,399,200	366,226,400	11,256,100	377,482,500
Total	\$455,418,600	\$519,271,700	\$515,053,000	\$18,188,100	\$533,241,100
State	213,681,500	247,439,200	241,494,300	10,310,500	251,804,800
Federal	81,997,400	90,503,400	84,494,400	3,484,800	87,979,200
Other	159,739,700	181,329,100	189,064,300	4,392,800	193,457,100

Statistical Data Youth Development Centers

	Wilder 359.60	Taft 359.61	Woodland Hills 359.62	Mountain View 359.63	Total
Annual Admissions					
1995-1996	368	288	311	391	1,358
1996-1997	305	256	342	319	1,222
1997-1998	274	265	241	308	1,088
1998-1999	257	230	227	257	971
1999-2000	254	225	215	309	1,003
2000-2001	237	267	210	288	1,002
2001-2002	265	300	200	300	1,065
2002-2003	265	250	226	300	1,041
Annual Releases					
1995-1996	381	281	156	391	1,209
1996-1997	292	268	155	318	1,033
1997-1998	280	266	219	333	1,098
1998-1999	259	250	207	337	1,053
1999-2000	267	224	194	299	984
2000-2001	231	233	162	278	904
2001-2002	266	256	180	290	992
2002-2003	266	250	197	290	1,003
Average Daily Census					
1995-1996	142	153	143	143	581
1996-1997	142	150	142	143	577
1997-1998	139	146	140	143	568
1998-1999	129	126	143	143	541
1999-2000	135	138	142	138	553
2000-2001	128	133	144	138	543
2001-2002	144	177	144	144	609
2002-2003	144	177	144	144	609
Cost Per Occupancy Day *					
1995-1996	\$118.37	\$149.59	\$139.36	\$146.19	\$138.61
1996-1997	\$128.46	\$157.21	\$150.04	\$141.45	\$144.46
1997-1998	\$127.66	\$158.23	\$145.21	\$139.29	\$142.77
1998-1999	\$148.84	\$191.65	\$142.48	\$136.08	\$153.76
1999-2000	\$145.78	\$186.34	\$148.93	\$148.44	\$157.38
2000-2001	\$155.57	\$159.11	\$162.54	\$155.80	\$158.38
2001-2002	\$157.22	\$167.69	\$201.63	\$174.20	\$174.78
2002-2003	\$161.61	\$169.53	\$175.19	\$178.67	\$171.16

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

Health and Social Services

Performance Measures and Program Information

Program Objective	Measure	Actual 2000-2001	Estimated 2001-2002	Estimated 2002-2003
Commission on Children and Youth				
• Juvenile Justice Programs				
Administer Court Appointed Special Advocate contracts	Number of contracts	14	14	14
Administer Juvenile Accountability Incentive Block Grant	Number of grants	0	30	30
Administer juvenile justice and delinquency prevention grants	Number of grants	30	42	52
Provide ombudsman mediation services	Number of referrals	179	200	220
• Children's Services Evaluation				
Conduct case reviews of children in custody	Number of reviews	581	580	580
Conduct exit conferences in each region	Number of conferences	12	12	12
• Teen Pregnancy Prevention and Parenting				
Administer teen pregnancy prevention grants	Number of grants	0	12	12
Commission on Aging and Disability				
• Guardianship Program				
Administer guardianship program	Number of clients	426	500	500
• Home & Community Based Services				
Serve a minimum of one unit of service	Number of clients served	1,000	1,100	1,100
• Information and Referral				
Offer information and assistance	Number of contacts	0	6,000	6,000
• Nutrition Meals for Needy Elderly				
Provide nutrition meals	Number of meals	3,343,753	3,500,000	3,500,000
• Retired Senior Volunteer Program				
Provide volunteer services	Number of hours	11,000	11,000	11,000
• Senior Community Service Employment				
Facilitate part-time employment	Number of positions	250	250	250

Health and Social Services

Performance Measures and Program Information

Program Objective	Measure	Actual 2000-2001	Estimated 2001-2002	Estimated 2002-2003
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Health Facilities Commission

- Certificate of Need Applications**

Review Certificate of Need applications	Applications reviewed	115	120	120
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- Progress Reviews**

Process progress reviews	Progress reviews submitted	47	60	60
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Council of Juvenile and Family Court Judges

- Judicial and Professional Training**

Host judicial education conferences	Conference participants	200	200	200
Educate juvenile court staff	Conference participants	500	400	500
Provide training to juvenile justice professionals	Seminar participants	191	190	190
Train new juvenile court employees	Employees trained	29	25	25

- Juvenile Court Information System**

Produce and distribute annual reports	Reports produced and mailed	500	500	500
Provide technical assistance to courts	Number of times provided	75	75	75

- Public Information and Assistance**

Provide information to juvenile courts and citizens	Number of requests for information	250	250	250
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Finance and Administration - TennCare Program

- TennCare - General Administration**

Determine Medicaid eligibility	Number of eligible citizens	1,587,210	1,600,000	1,600,000
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- TennCare Managed Care Organizations (MCOs)**

Reduce number of uninsured citizens	Percentage of uninsured citizens	6.2%	6.0%	6.3%
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- TennCare Partners**

Provide mental health services	TennCare enrollees	1,414,723	1,430,000	1,430,000
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- Dental Services**

Provide dental screenings to children	Number of children served	0	114,300	228,600
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Health and Social Services

Performance Measures and Program Information

Program Objective	Measure	Actual 2000-2001	Estimated 2001-2002	Estimated 2002-2003
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Finance and Administration - Office of Health Services

- Health Services Management and Support**

Perform program integrity reviews	Number of reviews completed	6,360	15,000	15,000
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Mental Health and Developmental Disabilities

- Community Mental Health Services**

Provide high quality community mental health services	Number of clients served in community settings	28,153	38,987	38,987
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- Psychiatric Treatment and Support**

Provide high quality inpatient mental health care	Admissions to inpatient mental health care	10,944	11,300	11,300
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Provide high quality inpatient mental health care	Days of care provided	359,624	368,700	368,700
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- Major Maintenance and Equipment**

Keep facilities maintained and in compliance with health/safety standards.	Number of projects completed	22	19	18
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Finance and Administration - Mental Retardation

- Community Individual Support**

Provide community settings for clients	Number of clients served in community settings	7,030	7,100	7,100
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Provide community settings for clients	Number of contracted community providers	217	237	257
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- Family Support**

Provide support services to families	Number of families served	3,618	4,100	4,100
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- Early Intervention**

Provide early intervention services	Number of clients served	1,100	1,100	1,100
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- Developmental Center Services**

Provide residential services and supports	Developmental Center average daily census	878	831	761
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Health

- Vital Records**

Respond to routine requests for records in a timely manner	Number of days to respond	4	4	4
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Health and Social Services

Performance Measures and Program Information

Program Objective	Measure	Actual 2000-2001	Estimated 2001-2002	Estimated 2002-2003
• Health Care Facilities-Licensure and Certification				
Conduct licensure and certification activity	Surveys, complaints, plan reviews	5,750	5,900	6,000
Monitor civil rights compliance	Number of facilities monitored	494	510	520
• Emergency Medical Services				
Inspect trauma sites	Number of sites inspected	9	4	10
License of ambulances and services	Number of ambulances and services licensed	1,293	1,400	1,500
License of emergency medical services personnel	Number of emergency medical services personnel licensed	14,833	15,700	16,600
• Health Care Profs. - Licensure and Certification				
Investigate complaints	Number of complaints investigated	2,601	2,378	2,875
License health professionals	Number of licensed health professionals	159,177	164,000	169,000
• Microbiological Lab Services				
Perform micro lab chemistry	Number of tests	846,965	876,660	899,660
Perform micro lab tests	Number of tests	483,652	483,652	483,652
• Environmental Lab Services				
Perform organic analysis	Number of analyses	103,953	159,000	114,608
Perform inorganic analysis	Number of analyses	140,826	117,650	155,260
Perform lab certifications	Number of lab certifications	52	26	51
Perform air audits	Number of air audits	650	655	659
• Chronic Renal Services				
Provide prevention services for chronic renal disease	Health consultations and investigations	195	210	210
Provide treatment services for chronic renal disease	Renal patients served	1,350	1,250	1,250
• Hemophilia Services				
Provide prevention services for hemophilia	Clinics funded	5	5	5
Provide treatment services for hemophilia	Patients served	375	375	375
• General Environmental Health Services				
Increase sanitation level	Sanitation level scores	86	86	86
Provide rabies vaccinations	Number of vaccinations	911,529	920,000	920,000

Health and Social Services

Performance Measures and Program Information

Program Objective	Measure	Actual 2000-2001	Estimated 2001-2002	Estimated 2002-2003
• Health Services Management and Support				
Provide health department support	Number of health departments supported	95	95	95
• General Maternal and Child Health Services				
Provide child health services	Children served	298,452	300,000	300,000
Provide women's health services	Women served	23,365	24,000	24,000
• Family Planning Services				
Provide professional training	Individuals served	2,571	2,600	2,600
Provide clinical services	Individuals served	101,000	101,000	101,000
Provide community education outreach	Individuals served	83,689	84,000	84,000
• Genetic Screening Services				
Provide genetic screening	Individuals served	6,407	6,500	6,500
Provide newborn screening	Individuals served	77,761	78,000	78,500
Provide sickle cell screening	Individuals served	3,520	3,600	3,800
• Black Health Initiatives				
Provide prevention services	Individuals case managed	965	1,045	1,045
• Healthy Start Projects				
Provide home visiting for families	Families served	1,735	1,700	1,700
• Children's Special Services				
Provide care coordination services	Children served	8,519	8,500	8,500
Provide comprehensive medical care	Children served	5,545	5,600	5,600
Provide Parents Encouraging Parents (PEP) family support	New referrals	1,430	1,450	1,450
• Immunization Services				
Prevent diseases	Number of doses provided	903,872	1,300,000	1,200,000
• Sexually Transmitted Disease Services				
Provide prevention services for sexually transmitted diseases	Number diagnosed, tested, and treated	270,000	279,000	279,000
• Tuberculosis Control				
Provide prevention and treatment services for tuberculosis	Number diagnosed, tested, and treated	114,300	138,300	138,300

Health and Social Services

Performance Measures and Program Information

Program Objective	Measure	Actual 2000-2001	Estimated 2001-2002	Estimated 2002-2003
• AIDS Services				
Provide prevention and treatment services for AIDS	Number diagnosed, tested, and treated	843,000	868,300	868,300
• TennCare Community Support				
Provide outreach, eligibility, & income reverification activities & Families First home visits	Number of TennCare enrollees assisted	600,000	600,000	600,000
• Traumatic Brain Injury Services				
Disseminate information	Clients served	550	550	550
Establish community programs	Programs established	10	10	10
• Employee Health Services				
Provide medical care	Patient encounters	9,805	15,000	15,000
• Dental Health Services				
Provide dental care	Patients treated	21,991	32,000	32,000
Facilitate fluoridation	New or upgraded systems	15	20	20
Provide prevention information and education	Children served	92,600	180,000	180,000
• Nutrition Services				
Provide nutrition services	Patient visits	17,300	20,000	20,000
• Community Services				
Provide community diagnosis	Number of counties diagnosed	95	95	95
Reduce incidence of disease	Clients served (education)	159,480	160,000	160,000
Reduce incidence of injury	Clients served (education)	92,121	93,000	93,000
• Health Access Services				
Expand primary care	Providers recruited	27	33	38
Provide community initiatives	Number of projects	27	35	35
• Policy Planning and Assessment				
Provide timely response to requests for hospital discharge information	Number of days to respond	23	15	10
Provide timely response to requests for vital statistics	Number of days to respond	5	4	4
Provide timely response to manpower requests	Number of days to respond	4	4	4

Health and Social Services

Performance Measures and Program Information

Program Objective	Measure	Actual 2000-2001	Estimated 2001-2002	Estimated 2002-2003
• Epidemiology Services				
Develop surveillance systems	Number of systems	1	2	2
Provide disease prevention services	Health consultations and investigations	28,300	30,000	30,000
Provide support for emerging infections	Number of health departments supported	10	10	10
Support state lab response	Number of labs supported	3	3	3
• WIC Services				
Provide supplemental food	Participant caseload level	148,367	151,000	151,000
• Commodity Supplemental Food Services				
Provide supplemental food	Number of participants	16,333	17,869	17,869
• General Local Health Services				
Deliver public health services- metro areas	Unduplicated patients - metro areas	307,910	320,000	320,000
Deliver public health services rural areas	Unduplicated patients - rural areas	494,394	500,000	500,000
• Alcohol & Drug Prevention Services				
Promote drug free lifestyles	Number of programs	238	248	248
• Alcohol & Drug Treatment Services				
Provide treatment services	Bed days or sessions	287,039	300,000	300,000
• Autopsy Services				
Reimburse pathologists for autopsies	Number of autopsies paid	2,308	2,500	2,500
• Information Systems Support				
Provide computer systems support	Percentage support	100%	100%	100%
• Nursing Home Residents Grant Assistance				
Provide financial assistance to all eligibles	Residents receiving assistance	3,694	0	0
Human Services				
• Child Support Enforcement				
Increase cases with court orders	Percent of cases with court orders	44%	47%	49%
• Families First				
Monitor job entry	Percentage of clients in entry jobs	55.9%	55.9%	57%

Health and Social Services

Performance Measures and Program Information

Program Objective	Measure	Actual 2000-2001	Estimated 2001-2002	Estimated 2002-2003
Monitor job retention	Percentage of clients retaining jobs	65.8%	65.8%	67%
Monitor wage progression	Percentage of clients receiving progressing wages	20.9%	20.9%	22%
• Food Stamp Program				
Provide food stamps to all eligible households	Number of households participating	220,994	235,000	235,000
• Emergency Shelter Program				
Rehabilitate and renovate facilities	Number of facilities	31	0	20
Serve the homeless	Number served	31,745	32,000	32,000
• Refugee Resettlement				
Provide resettlement services	Number of refugees serviced	6,987	5,940	6,000
• Community Services Block Grant (CSBG)				
Provide CSBG services	Number of low-income individuals served	126,512	131,000	135,000
• State Funded Homemaker Services				
Provide homemaker services	Number of individuals served	1,050	440	0
• Homemaker Services				
Provide homemaker services	Number of individuals served	4,388	4,134	4,000
• Low Income Home Energy Assistance				
Provide energy assistance services	Number of households assisted for cooling	21,362	16,690	15,000
Provide energy assistance services	Number of households assisted for heating	94,119	71,000	59,000
• Weatherization Program				
Provide weatherization assistance	Number of dwelling units served	2,300	2,899	3,000
• Child and Adult Nutrition Program				
Provide Child & Adult Care Food Program	Number of meals served	30,458,473	32,285,980	34,222,158
Provide Summer Food Service Program	Number of meals served	3,201,276	3,265,276	3,330,580
• Child Care Services				
Increase number of providers receiving training	Number of people completing TN Early Childhood Training Association orientation & advanced courses	2,379	3,568	3,568
License child care facilities	Average number of licensed facilities	4,042	3,700	3,700

Health and Social Services

Performance Measures and Program Information

Program Objective	Measure	Actual 2000-2001	Estimated 2001-2002	Estimated 2002-2003
• Vocational Rehabilitation				
Place individuals with disabilities in jobs	Number of placements	6,154	6,175	6,176
• Tennessee Rehabilitation Center				
Meet casework standards	Individuals receiving services	1,229	1,200	1,200
• Vocational Training Centers				
Ensure quality and quantity of services	Individuals receiving services	4,673	4,000	4,000
• Vocational Rehabilitation Teaching				
Meet casework standards	Number of individuals receiving services	850	900	900
• Vocational Rehabilitation - Independent Living				
Meet casework standards	Number of individuals receiving services	425	450	450
• Adult Protective Services				
Provide adult protective services	Number of new investigations	5,712	5,712	6,000
• Adult Day Care Licensing				
Provide adult day care services	Number of site visits made	30	75	75
• Disability Determination				
Determine disabilities	Number of disability cases processed	111,015	117,522	117,522
• Child Care Facilities Loan Program				
Increase number of providers receiving small business training	Number of people completing training	1,285	1,400	1,800
Children's Services				
• Administration				
Provide a professional staff	Staff training hours	212,273	235,000	246,000
Reduce percentage of turnover for DCS staff	Percent of turnover	13%	14%	13%
• Custody Services				
Increase the percentage of children receiving Early and Periodic Screening, Diagnosis, and Treatment	Percent of children receiving medical screen	92%	93%	94%
• Adoption Services				
Increase number of finalized adoptions	Number of adoptions finalized	700	770	770

Health and Social Services

Performance Measures and Program Information

Program Objective	Measure	Actual 2000-2001	Estimated 2001-2002	Estimated 2002-2003
• Custody Prevention				
Prevent children from entering state custody	Percentage of youth served by Community Intervention grants who are diverted from state custody.	84%	85%	85%
• Delinquency Rehabilitation				
Increase the number of delinquent youths who are rehabilitated through community based services	Number of youths diverted from developmental centers due to placement in group homes.	156	179	179

Law, Safety, and Correction

Table of Contents

Introduction	B-227
Total Personnel and Funding	B-231
Improvements for Fiscal Year 2002-2003	B-232
Program Statements	B-241
Court System.....	B-241
Attorney General and Reporter	B-247
District Attorneys General Conference	B-249
District Public Defenders Conference.....	B-251
Office of the Post-Conviction Defender.....	B-253
Alcoholic Beverage Commission.....	B-254
Tennessee Rehabilitative Initiative in Correction (TRICOR)	B-255
Tennessee Corrections Institute	B-256
Board of Probation and Parole.....	B-257
Department of Correction.....	B-259
Statistical Data – Correctional Institutions	B-268
Military Department.....	B-271
Tennessee Bureau of Investigation	B-274
Department of Safety	B-275
Performance Measures and Program Information	B-281
Alcoholic Beverage Commission.....	B-281
Tennessee Rehabilitative Initiative in Correction (TRICOR)	B-282
Tennessee Corrections Institute	B-282
Board of Probation and Parole.....	B-282
Department of Correction	B-283
Military Department.....	B-284
Tennessee Bureau of Investigation	B-284
Department of Safety	B-286

Law, Safety, and Correction

Recommended Budget, Fiscal Year 2002 – 2003

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 strives to ensure 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:

- Department of Correction
- Board of Probation and Parole
- Tennessee Corrections Institute
- Tennessee Rehabilitative Initiative in Correction (TRICOR).

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:

- Department of Military
- Department of Safety
- Tennessee Bureau of Investigation
- Alcoholic Beverage Commission.

Improvement Highlights

Court System

Funding of the state judges' statutory pay raise is included in the recommended budget. These salary increases are linked to the Consumer Price Index and are required by TCA 8-23-103. An improvement of \$656,400 is recommended to fund these raises.

Also included in the recommended budget is \$871,000 to provide the staff necessary to collect and report caseload statistics from general sessions courts, \$300,000 for increased costs of court reporter services and \$37,400 of funding from dedicated litigation tax revenues for educational programs in the State Court Clerks' Conference and General Sessions Judges' Conference.

Attorney General and Reporter

TCA 8-6-104 mandates the annual salary of the Attorney General be commensurate with that of an associate justice of the Supreme Court. An improvement of \$3,900 is included for the increase resulting from the judges' mandated increase.

District Attorneys General Conference

TCA 8-7-201, 8-7-226, and 8-7-230 mandate annual salary increases for assistant district attorneys and criminal investigators based on years of service and experience. An improvement of \$538,600, including \$471,800 from state appropriations, is recommended to fund these raises.

Other improvement funds recommended include \$1,542,300 to maintain 29 existing positions currently funded through federal grants, \$230,400 for computer equipment replacement and \$100,000 for expert witness fees.

District Public Defenders Conference

The District Public Defenders, like the District Attorneys General, are required to provide raises for assistant public defenders and criminal investigators. Pursuant to TCA 8-14-207, \$343,900 is included in the budget to fund these required step raises.

Funding of \$121,400 is recommended to maintain two special drug defenders formerly funded by federal grants.

An improvement of \$359,300 is recommended to provide funding for access to various state information systems and the Conference's case management system operational costs.

Office of the Post-Conviction Defender

Assistant post-conviction defenders receive raises pursuant to TCA 40-30-309(b). The sum of \$18,400 is included in the budget to fund these required step raises.

Alcoholic Beverage Commission

The recommended budget includes \$56,000 for computer server connections and other operational costs.

Board of Probation and Parole

The recommended budget includes an improvement of \$2,160,600 to provide funding for 56 field officer and supervisor positions to reduce probation and parole officer caseloads from an average of 1:100 to 1:90, funded half by appropriations from general fund taxes and half by supervision fees. Additionally, a \$500,000 improvement is recommended to provide funding to reduce caseloads in the community correction program and increase alcohol and drug treatment services.

Further, \$500,000 is recommended for the diversion of more non-violent felons into the community correction program in order to manage the future growth of the prison population.

An improvement of \$350,000 is recommended to continue grants to Project Return and DISMAS, Inc.; these agencies

assist parolees to successfully reintegrate into society.

Department of Correction

An improvement of \$2.1 million is recommended to house an additional 500 felons in local jails. Funding of \$410,800 is recommended for 12 positions to provide a pre-release program for inmates in order to reduce recidivism.

For improved security at Southeastern Tennessee State Regional Correctional Facility, an improvement of \$83,400 is recommended for three positions to stop gang activities.

Other recommended improvements include \$155,500 to replace failing food service equipment at the Brushy Mountain Correctional Complex and provide two maintenance positions at West Tennessee State Penitentiary. The Hardeman County Incarceration Agreement and South Central Correctional Center contracts provide for annual increases; increased funding of \$1.2 million is recommended for the annual increase of these prison service agreements.

Military Department

Funding of \$250,000 to supplement federal tuition assistance for National Guard recruits is recommended. By funding a share of the higher education tuition requirement of Army and Air National Guard recruits, it will allow Tennessee to compete with neighboring states to gain recruits and build the strength of the Guard. This program will be phased in over three years.

The budget includes an improvement of \$1.5 million, including \$1.1 million from state funds, for increased maintenance of facilities of the National Guard and Tennessee Emergency Management Agency, for increased armory utilities costs, for upgrading information systems hardware and software, and for the communications costs of the Army National Guard resulting from a loss of federal funds.

Two improvements totaling \$270,800 of federal revenue are recommended. The first will provide funding for five distance learning

centers to increase educational opportunities, recruiting, and retention of guardsmen. The second improvement will provide two positions to monitor energy usage at National Guard facilities across the state.

Tennessee Bureau of Investigation

This budget recommends \$1.3 million for 22 forensic scientists and operational costs in order to provide analysis of biological and physical evidence for law enforcement agencies and medical examiners statewide.

Improvement funding of \$1.1 million is recommended for finding, investigating and closing clandestine methamphetamine labs. Included is funding for five drug investigation agents for this purpose. This program is required to increase public protection and provide support to local law enforcement agents on this problem.

Department of Safety

Pursuant to TCA Title 4, Chapter 7, Part 2, the recommended budget includes \$538,700 for the Trooper's mandated step raises and \$1.6 million to fund the annual salary survey raises for commissioned officers. Pursuant to TCA 38-8-111, \$7 million is included to continue full funding of police pay supplements, which is a training incentive program.

The budget recommends \$2.1 million to replace eight microwave links for improving statewide radio communications and for the replacement of one irreparable helicopter.

An improvement of \$837,500 is recommended for additional data processing requirements for both the driver license issuance and title and registration systems; also, this will provide local and wide area network access to improve communications between Driver License Issuance stations and the central office and between county clerks and the Titling and Registration Division.

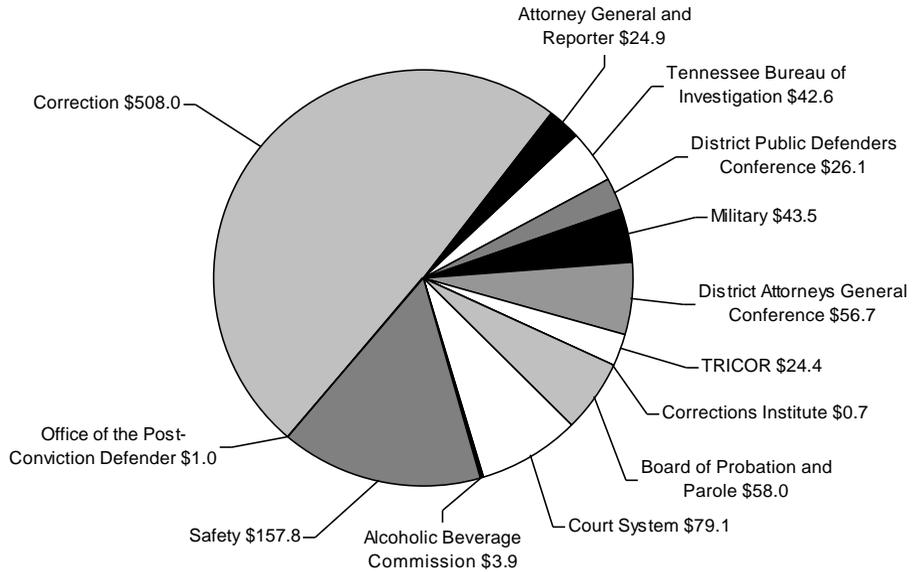
Three improvements totaling \$334,300 are recommended for compliance with recent changes in state laws and federal regulations. The first improvement includes funding and five positions for the administration of the graduated drivers license law pursuant to Acts of 2000, Public Chapter 700. The second improvement provides funding for computer system changes to enable verification of driver insurance records, required by Acts of 2001, Public Chapter 292. The third recommends funding for two school-bus inspectors and related equipment to comply with federal regulations and the 1999 state law requiring inspection of school vans.

An improvement of \$200,000 is recommended to provide additional funding for an increased number of motor vehicle title and registration forms issued by county clerks.

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.

**Law, Safety and Correction
FY 2002 - 2003 Recommended**



In Millions
\$1,026,631,300 Total

Law, Safety, and Correction Total Personnel and Funding

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Recommended 2002-2003</u>
Personnel			
Full Time	11,197	11,344	11,393
Part Time	47	45	45
Seasonal	12	12	12
TOTAL	11,256	11,401	11,450
Expenditures			
Payroll	\$446,811,200	\$488,977,550	\$494,672,500
Operational	451,107,600	527,876,100	531,958,800
TOTAL	\$897,918,800	\$1,016,853,650	\$1,026,631,300
Funding			
State	\$734,487,200	\$832,771,250	\$852,931,600
Federal	46,936,600	59,751,400	60,159,200
Other	116,495,000	124,331,000	113,540,500

**Law, Safety and Correction
Improvements for Fiscal Year 2002-2003**

	<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' mandated salary increase required by TCA 8-23-103.					
302.01 Appellate and Trial Courts	\$656,400	\$0	\$0	\$656,400	0
Sub-total	\$656,400	\$0	\$0	\$656,400	0
• General Sessions Statistics					
To provide funding for eight data entry and three information systems positions to collect and report caseload statistics from general sessions courts, as required by Acts of 2001, Public Chapter 408.					
302.27 Administrative Office of the Courts	\$871,000	\$0	\$0	\$871,000	11
Sub-total	\$871,000	\$0	\$0	\$871,000	11
• Court Reporters					
To provide additional funding to increase transcript and per diem rates to court reporters in order to make the courts more competitive with market rates.					
302.12 Verbatim Transcripts	\$300,000	\$0	\$0	\$300,000	0
Sub-total	\$300,000	\$0	\$0	\$300,000	0
• State Clerks and General Sessions Judges Education					
To provide additional funding from dedicated litigation tax revenues for educational programs in the State Court Clerks' Conference and the General Sessions Judges' Conference, as provided by TCA 67-4-606(6) and TCA 16-15-5007, respectively.					
302.22 State Court Clerks' Conference	\$15,000	\$0	\$0	\$15,000	0
302.27 Administrative Office of the Courts	\$22,400	\$0	\$0	\$22,400	0
Sub-total	\$37,400	\$0	\$0	\$37,400	0
Total Court System	\$1,864,800	\$0	\$0	\$1,864,800	11
Attorney General and Reporter					
• Mandated Salary Increase					
To provide funding for the Attorney General's mandated salary increase required by TCA 8-6-104.					
303.01 Attorney General and Reporter	\$3,900	\$0	\$0	\$3,900	0
Sub-total	\$3,900	\$0	\$0	\$3,900	0
Total Attorney General and Reporter	\$3,900	\$0	\$0	\$3,900	0

**Law, Safety and Correction
Improvements for Fiscal Year 2002-2003**

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
District Attorneys General Conference					
• Statutory Step Raises					
To provide funding for the assistant district attorneys' and criminal investigators' mandated salary increase required by TCA Title 8-7-201.					
304.01 District Attorneys General	\$471,800	\$0	\$7,600	\$479,400	0
304.15 IV-D Child Support Enforcement	\$0	\$0	\$59,200	\$59,200	0
Sub-total	\$471,800	\$0	\$66,800	\$538,600	0
• Existing Staff					
To maintain funding for 11 assistant district attorneys, four investigators, eight program coordinators, and six support staff due to the expiration of federal grants. This will allow continuation of the existing service level.					
304.01 District Attorneys General	\$1,465,900	\$0	\$0	\$1,465,900	28
304.10 Executive Director	\$76,400	\$0	\$0	\$76,400	1
Sub-total	\$1,542,300	\$0	\$0	\$1,542,300	29
• Computer Replacement					
To provide funding for replacement of outdated computer equipment. The computers due for replacement are five to six years old.					
304.01 District Attorneys General	\$230,400	\$0	\$0	\$230,400	0
Sub-total	\$230,400	\$0	\$0	\$230,400	0
• Expert Witnesses					
To provide additional funding for the use of expert witnesses in criminal court cases and post-conviction relief hearings. The District Attorneys General requirement for the use of expert witnesses is seriously underfunded.					
304.01 District Attorneys General	\$100,000	\$0	\$0	\$100,000	0
Sub-total	\$100,000	\$0	\$0	\$100,000	0
Total District Attorneys General Conference	\$2,344,500	\$0	\$66,800	\$2,411,300	29

District Public Defenders Conference

• Statutory Step Raises

To provide funding for mandated step raises for assistant public defenders and criminal investigators required by TCA 8-14-207.

306.01 District Public Defenders	\$343,900	\$0	\$0	\$343,900	0
Sub-total	\$343,900	\$0	\$0	\$343,900	0

Law, Safety and Correction Improvements for Fiscal Year 2002-2003

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Existing Staff					
To provide funding for the retention of special drug defenders formerly funded by federal grants. This will allow continuation of the existing level of service.					
306.01 District Public Defenders	\$121,400	\$0	\$0	\$121,400	2
Sub-total	\$121,400	\$0	\$0	\$121,400	2
• Information Systems					
To provide funding for access to the wide area network (WAN), the Tennessee Bureau of Investigation's criminal history system, and the Department of Correction's Tennessee Offender Management Information System; and for the Public Defenders' case management system operating costs.					
306.01 District Public Defenders	\$359,300	\$0	\$0	\$359,300	0
Sub-total	\$359,300	\$0	\$0	\$359,300	0
Total District Public Defenders Conference	\$824,600	\$0	\$0	\$824,600	2
Office of the Post-Conviction Defender					
• Statutory Step Raises					
To provide funding for mandated salary step raises pursuant to TCA 40-30-309(b) and 8-14-207.					
308.00 Office of the Post-Conviction Defender	\$18,400	\$0	\$0	\$18,400	0
Sub-total	\$18,400	\$0	\$0	\$18,400	0
Total Office of the Post-Conviction Defender	\$18,400	\$0	\$0	\$18,400	0
Alcoholic Beverage Commission					
• Operations and Support					
To provide funding for computer server connections and other operational costs.					
316.03 Alcoholic Beverage Commission	\$56,000	\$0	\$0	\$56,000	0
Sub-total	\$56,000	\$0	\$0	\$56,000	0
Total Alcoholic Beverage Commission	\$56,000	\$0	\$0	\$56,000	0

Law, Safety and Correction Improvements for Fiscal Year 2002-2003

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Board of Probation and Parole					
• Caseload Management					
To provide funding for 56 field officer and supervisor positions, funded half by general fund taxes and half by supervision fee revenue, in order to reduce caseloads in the probation and parole program from an average 1:100 to a 1:90 offender supervision level. The national organization standard is 1:70, and the Tennessee program is seriously understaffed. This improvement also provides funds to reduce caseloads in the community corrections program and increase alcohol and drug treatment services.					
324.02 Probation and Parole Services	\$2,160,600	\$0	\$0	\$2,160,600	56
324.04 Community Correction	\$500,000	\$0	\$0	\$500,000	0
Sub-total	\$2,660,600	\$0	\$0	\$2,660,600	56
• Offender Diversion					
To provide funding for the diversion of non-violent felons into community corrections programs in order to manage the future growth of the prison population.					
324.04 Community Correction	\$500,000	\$0	\$0	\$500,000	0
Sub-total	\$500,000	\$0	\$0	\$500,000	0
• Project Return and DISMAS Grants					
To provide funding to continue the grants to Project Return and DISMAS, Inc. These agencies assist parolees to successfully reintegrate into society.					
324.04 Community Correction	\$350,000	\$0	\$0	\$350,000	0
Sub-total	\$350,000	\$0	\$0	\$350,000	0
Total Board of Probation and Parole	\$3,510,600	\$0	\$0	\$3,510,600	56

Correction

• Local Jails					
To provide funding to house an additional 500 felons in local jails.					
329.04 State Prosecutions	\$2,055,600	\$0	\$0	\$2,055,600	0
Sub-total	\$2,055,600	\$0	\$0	\$2,055,600	0
• Pre-Release Program					
To provide funding for 12 correctional counselor positions in order to provide a statewide pre-release program. The goal of the program is to better prepare felons for the transition from prison to society, thus resulting in lower recidivism levels.					
329.01 Administration	\$410,800	\$0	\$0	\$410,800	12
Sub-total	\$410,800	\$0	\$0	\$410,800	12

Law, Safety and Correction Improvements for Fiscal Year 2002-2003

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Security					
To provide funding for a second security threat group unit at the Southeastern Tennessee State Regional Correctional Facility. The primary responsibility of these units is to stop gang activities.					
329.18 Southeastern Tenn. State Regional Corr. Facility	\$83,400	\$0	\$0	\$83,400	3
Sub-total	\$83,400	\$0	\$0	\$83,400	3
• Operating Increase					
To provide funding for operational costs of prison service agreements. The Hardeman County Incarceration Agreement provides for a fixed 2.5% increase; and the South Central Correctional Center agreement requires a 3.25% increase, based on a three year average of the Consumer Price Index increase. This improvement also provides funding for replacement of failing food service equipment at Brushy Mountain Correctional Complex in order to comply with health and sanitation codes. Two additional facility maintenance positions are required at West Tennessee State Penitentiary because of the extensive farm and prison industry buildings outside the secure perimeter of this 6,000-acre prison property.					
329.11 Brushy Mountain Correctional Complex	\$100,000	\$0	\$0	\$100,000	0
329.21 Hardeman County Incarceration Agreement	\$622,300	\$0	\$0	\$622,300	0
329.41 West Tennessee State Penitentiary	\$55,500	\$0	\$0	\$55,500	2
329.44 South Central Correctional Center	\$538,100	\$0	\$0	\$538,100	0
Sub-total	\$1,315,900	\$0	\$0	\$1,315,900	2
Total Correction	\$3,865,700	\$0	\$0	\$3,865,700	17

Military

• Recruiting - Scholarships

To provide funding to supplement federal tuition assistance by funding a share of the higher education tuition requirement of Army and Air National Guard recruits in Tennessee. This program will be phased in over three years, and it will allow Tennessee to compete with neighboring states to gain recruits and build the strength of the Guard.

341.01 Administration	\$250,000	\$0	\$0	\$250,000	0
Sub-total	\$250,000	\$0	\$0	\$250,000	0

Law, Safety and Correction Improvements for Fiscal Year 2002-2003

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Facilities					
To provide funds for increased maintenance of facilities of the National Guard and Tennessee Emergency Management Agency, for increased armory utilities costs, for upgrade of information system hardware and software, and for the communications costs of the Army National Guard resulting from a loss of federal funds.					
341.01 Administration	\$187,100	\$0	\$0	\$187,100	0
341.02 Army National Guard	\$150,000	\$0	\$0	\$150,000	0
341.03 Air National Guard	\$103,400	\$398,800	\$0	\$502,200	8
341.04 Tennessee Emergency Management Agency	\$100,000	\$0	\$0	\$100,000	0
341.07 Armories Maintenance	\$500,000	\$0	\$0	\$500,000	0
341.10 Armories Utilities	\$50,000	\$50,000	\$0	\$100,000	0
Sub-total	<u>\$1,090,500</u>	<u>\$448,800</u>	<u>\$0</u>	<u>\$1,539,300</u>	<u>8</u>
• Airport Joint Use Agreements					
To provide additional funding for increases in costs of the Knoxville and Nashville airport joint use agreements with the Air National Guard.					
341.03 Air National Guard	\$28,000	\$0	\$0	\$28,000	0
Sub-total	<u>\$28,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$28,000</u>	<u>0</u>
• Distance Learning Centers					
To provide funds for distance learning centers in Chattanooga, Knoxville, Jackson, Johnson City, and Smyrna. These five centers will provide National Guard personnel and civilians with new educational opportunities, as well as enhanced recruiting and retention programs.					
341.02 Army National Guard	\$0	\$182,400	\$0	\$182,400	0
Sub-total	<u>\$0</u>	<u>\$182,400</u>	<u>\$0</u>	<u>\$182,400</u>	<u>0</u>
• Energy Management					
To provide funds for one mechanical engineer and one planner position to monitor proper energy usage at National Guard facilities across the state.					
341.02 Army National Guard	\$0	\$88,400	\$0	\$88,400	2
Sub-total	<u>\$0</u>	<u>\$88,400</u>	<u>\$0</u>	<u>\$88,400</u>	<u>2</u>
Total Military	<u>\$1,368,500</u>	<u>\$719,600</u>	<u>\$0</u>	<u>\$2,088,100</u>	<u>10</u>

Tennessee Bureau of Investigation

• Forensic Services

To provide funding for 22 positions for the forensic laboratories across the state. These forensic scientists will provide analysis of biological and physical evidence for law enforcement agencies and medical examiners statewide.

348.00 Tennessee Bureau of Investigation	\$1,288,200	\$0	\$0	\$1,288,200	22
Sub-total	<u>\$1,288,200</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,288,200</u>	<u>22</u>

Law, Safety and Correction Improvements for Fiscal Year 2002-2003

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Methamphetamine Labs					
To provide funding to find, investigate, and close clandestine methamphetamine laboratories. Included is funding for five drug investigation agents for this purpose. This program is required to increase public protection and provide support to local law enforcement agents on this problem.					
348.00 Tennessee Bureau of Investigation	\$1,070,700	\$0	\$0	\$1,070,700	5
Sub-total	\$1,070,700	\$0	\$0	\$1,070,700	5
Total Tennessee Bureau of Investigation	\$2,358,900	\$0	\$0	\$2,358,900	27
Safety					
• Commissioned Officer Salary Survey Raises					
To fund salary increases resulting from the annual commissioned officer salary survey pursuant to TCA Title 4, Chapter 7, Part 2, effective July 1, 2002.					
349.01 Administration	\$4,900	\$0	\$0	\$4,900	0
349.02 Driver License Issuance	\$1,300	\$0	\$0	\$1,300	0
349.03 Highway Patrol	\$1,523,600	\$0	\$0	\$1,523,600	0
349.08 Driver Education	\$1,400	\$0	\$0	\$1,400	0
349.09 Tenn. Law Enforcement Training Academy	\$27,000	\$0	\$0	\$27,000	0
349.13 Technical Services	\$2,100	\$0	\$0	\$2,100	0
349.14 C.I.D. Anti-Theft Unit	\$20,600	\$0	\$0	\$20,600	0
Sub-total	\$1,580,900	\$0	\$0	\$1,580,900	0
• Statutory Salary Step Increase					
To fund the mandated annual trooper salary step increase pursuant to TCA Title 4, Chapter 7, Part 2.					
349.01 Administration	\$4,900	\$0	\$0	\$4,900	0
349.03 Highway Patrol	\$523,600	\$0	\$0	\$523,600	0
349.09 Tenn. Law Enforcement Training Academy	\$8,200	\$0	\$0	\$8,200	0
349.14 C.I.D. Anti-Theft Unit	\$2,000	\$0	\$0	\$2,000	0
Sub-total	\$538,700	\$0	\$0	\$538,700	0
• Police Pay Supplement					
To continue full funding for the police pay supplement under the Police Officer Standards and Training (POST) program, pursuant to TCA 38-8-111.					
349.10 P.O.S.T. Commission	\$7,012,200	\$0	\$0	\$7,012,200	0
Sub-total	\$7,012,200	\$0	\$0	\$7,012,200	0

Law, Safety and Correction Improvements for Fiscal Year 2002-2003

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Highway Patrol Equipment					
To provide funding to the Highway Patrol for the replacement of eight microwave links which will improve statewide radio communications between troopers and dispatch personnel, and funding for the replacement of one irreparable helicopter.					
349.03 Highway Patrol	\$2,100,000	\$0	\$0	\$2,100,000	0
Sub-total	\$2,100,000	\$0	\$0	\$2,100,000	0
• Data Processing					
To provide funding for additional data processing requirements for both the driver license issuance and title and registration systems. This improvement will provide local area network (LAN) and wide area network (WAN) access to upgrade the data communication between the Driver License Issuance field offices and the central office. These funds also will provide LAN/WAN access to the county clerks to improve communications between the clerks and the Titling and Registration Division.					
349.02 Driver License Issuance	\$137,200	\$0	\$0	\$137,200	0
349.11 Titling and Registration	\$333,700	\$0	\$0	\$333,700	0
349.13 Technical Services	\$366,600	\$0	\$0	\$366,600	0
Sub-total	\$837,500	\$0	\$0	\$837,500	0
• Graduated Driver License					
To provide funding and five positions for the administration of the graduated drivers license law pursuant to Acts of 2000, Public Chapter 700. This law requires annual license renewals until age 18 based on a staggered licensing process that limits the times that a minor is allowed to operate a motor vehicle without the presence of an adult or guardian.					
349.13 Technical Services	\$130,300	\$0	\$0	\$130,300	5
Sub-total	\$130,300	\$0	\$0	\$130,300	5
• Financial Responsibility					
To provide funding for additional computer system changes required by Acts of 2001, Public Chapter 292, which mandates law enforcement personnel to verify driver insurance records.					
349.13 Technical Services	\$80,000	\$0	\$0	\$80,000	0
Sub-total	\$80,000	\$0	\$0	\$80,000	0
• Pupil Transportation Safety					
To provide funding for two school bus inspector positions and related equipment to comply with new federal Head Start vehicle inspection regulations and with the 1999 state law requiring inspection of school vans. The current staff of 10 inspectors cannot adequately conduct all the inspections resulting from the new state law and federal rule.					
349.03 Highway Patrol	\$111,400	\$0	\$0	\$111,400	2
349.07 Motor Vehicle Operations	\$12,600	\$0	\$0	\$12,600	0
Sub-total	\$124,000	\$0	\$0	\$124,000	2

**Law, Safety and Correction
Improvements for Fiscal Year 2002-2003**

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Title and Registration					
To provide additional funding for an increased number of motor vehicle title and registration forms issued by county clerks.					
349.11 Titling and Registration	\$200,000	\$0	\$0	\$200,000	0
Sub-total	\$200,000	\$0	\$0	\$200,000	0
Total Safety	\$12,603,600	\$0	\$0	\$12,603,600	7
Total Law, Safety and Correction	\$28,819,500	\$719,600	\$66,800	\$29,605,900	159

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 the various levels of courts that compose the state's court system. The court system can be grouped into the following functional areas:

- The Supreme Court
- Intermediate Appellate Courts
- Trial Courts
- Courts of limited jurisdiction
- Court services and support.

The Supreme Court is composed of five justices; each is elected to an eight-year term. The workload of the court consists of cases appealed from lower courts. Cases may be further appealed to the U.S. Supreme Court only on grounds of federal constitutionality. 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 composed of 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 and/or statutory law proves inadequate for cases. Circuit Courts, which sometimes overlap with the 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.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
302.01 Appellate and Trial Courts					
Full-Time	431	431	431	0	431
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	431	431	431	0	431
Payroll	37,445,700	38,268,500	38,268,500	656,400	38,924,900
Operational	2,370,500	2,406,300	2,406,300	0	2,406,300
Total	\$39,816,200	\$40,674,800	\$40,674,800	\$656,400	\$41,331,200
State	39,764,100	40,647,500	40,647,500	656,400	41,303,900
Federal	0	0	0	0	0
Other	52,100	27,300	27,300	0	27,300

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 where the legislature has established separate Juvenile Courts. Municipal Courts have jurisdiction in cases involving violations of city ordinances.

Court Services and Support

The Administrative Office of the Courts, under leadership of its Director, provides services and support to the entire state court system. It is responsible for preparation and oversight of the Court System's budget, administration of the Court Automation Fund and Tennessee Court Information System (TnCIS), and providing services and support to justices, judges, programs and committees.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
302.27 Administrative Office of the Courts					
Full-Time	76	80	76	11	87
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	76	80	76	11	87
Payroll	3,473,900	3,945,900	3,899,500	435,100	4,334,600
Operational	8,625,200	9,016,900	6,876,900	458,300	7,335,200
Total	\$12,099,100	\$12,962,800	\$10,776,400	\$893,400	\$11,669,800
State	9,580,600	10,397,700	10,397,700	893,400	11,291,100
Federal	139,700	200,000	200,000	0	200,000
Other	2,378,800	2,365,100	178,700	0	178,700

Other programs in this functional area include:

- Operation of three Supreme Court buildings and law libraries across the state
- Child Support Referees who ensure the timely fulfillment of financial support by parents to their children
- Guardian Ad Litem which provides legal representation for children involved in custodial disputes
- Indigent Defendants' Counsel and the Civil Legal Representation Funds which provide legal representation for those who cannot afford counsel
- Court reporting and verbatim transcripts
- Board of Law Examiners which determines the fitness of applicants for licensing to practice in Tennessee.

302.05 Supreme Court Buildings

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	489,200	466,100	466,100	0	466,100
Operational	1,916,600	1,968,100	1,968,100	0	1,968,100
Total	\$2,405,800	\$2,434,200	\$2,434,200	\$0	\$2,434,200
State	1,765,900	1,829,200	1,829,200	0	1,829,200
Federal	0	0	0	0	0
Other	639,900	605,000	605,000	0	605,000

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
302.08 Child Support Referees					
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	843,700	948,300	948,300	0	948,300
Operational	105,600	137,600	137,600	0	137,600
Total	\$949,300	\$1,085,900	\$1,085,900	\$0	\$1,085,900
State	325,100	356,300	356,300	0	356,300
Federal	0	0	0	0	0
Other	624,200	729,600	729,600	0	729,600
302.09 Guardian ad Litem					
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	824,200	827,700	827,700	0	827,700
Total	\$824,200	\$827,700	\$827,700	\$0	\$827,700
State	824,200	827,700	827,700	0	827,700
Federal	0	0	0	0	0
Other	0	0	0	0	0
302.10 Indigent Defendants' Counsel					
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	12,877,900	12,898,400	12,898,400	0	12,898,400
Total	\$12,877,900	\$12,898,400	\$12,898,400	\$0	\$12,898,400
State	12,835,200	12,893,400	12,893,400	0	12,893,400
Federal	0	0	0	0	0
Other	42,700	5,000	5,000	0	5,000
302.11 Civil Legal Representation 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	1,934,000	1,677,500	1,677,500	0	1,677,500
Total	\$1,934,000	\$1,677,500	\$1,677,500	\$0	\$1,677,500

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
State	1,934,000	1,677,500	1,677,500	0	1,677,500
Federal	0	0	0	0	0
Other	0	0	0	0	0

302.12 Verbatim Transcripts

Full-Time	60	56	56	0	56
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	60	56	56	0	56
Payroll	1,906,200	2,235,400	2,235,400	0	2,235,400
Operational	1,197,400	1,068,600	1,068,600	300,000	1,368,600
Total	\$3,103,600	\$3,304,000	\$3,304,000	\$300,000	\$3,604,000
State	3,103,600	3,304,000	3,304,000	300,000	3,604,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

302.15 Tennessee State Law Libraries

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	180,100	234,600	234,600	0	234,600
Operational	446,100	301,800	301,800	0	301,800
Total	\$626,200	\$536,400	\$536,400	\$0	\$536,400
State	615,200	516,400	516,400	0	516,400
Federal	0	0	0	0	0
Other	11,000	20,000	20,000	0	20,000

302.18 Judicial Conference

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	126,400	204,100	42,400	0	42,400
Total	\$126,400	\$204,100	\$42,400	\$0	\$42,400
State	0	36,700	0	0	0
Federal	0	0	0	0	0
Other	126,400	167,400	42,400	0	42,400

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
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302.20 Judicial Programs and Commissions

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	891,500	717,100	475,800	0	475,800
Total	\$891,500	\$717,100	\$475,800	\$0	\$475,800
State	355,700	467,100	435,800	0	435,800
Federal	0	0	0	0	0
Other	535,800	250,000	40,000	0	40,000

302.22 State Court Clerks' Conference

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	173,200	156,400	156,400	15,000	171,400
Total	\$173,200	\$156,400	\$156,400	\$15,000	\$171,400
State	173,200	156,400	156,400	15,000	171,400
Federal	0	0	0	0	0
Other	0	0	0	0	0

302.30 Appellate Court Clerks

Full-Time	32	32	32	0	32
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	32	32	32	0	32
Payroll	1,211,900	1,365,000	1,365,000	0	1,365,000
Operational	347,300	422,200	422,200	0	422,200
Total	\$1,559,200	\$1,787,200	\$1,787,200	\$0	\$1,787,200
State	241,800	261,300	261,300	0	261,300
Federal	0	0	0	0	0
Other	1,317,400	1,525,900	1,525,900	0	1,525,900

302.35 Board of Law Examiners

Full-Time	17	17	13	0	13
Part-Time	7	7	7	0	7
Seasonal	0	0	0	0	0
Total	24	24	20	0	20

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
Payroll	251,400	352,700	304,700	0	304,700
Operational	238,300	268,500	266,500	0	266,500
Total	\$489,700	\$621,200	\$571,200	\$0	\$571,200
State	489,700	621,200	571,200	0	571,200
Federal	0	0	0	0	0
Other	0	0	0	0	0

302.00 Department Total

Full-Time	654	654	646	11	657
Part-Time	9	9	9	0	9
Seasonal	0	0	0	0	0
Total	663	663	655	11	666
Payroll	45,802,100	47,816,500	47,722,100	1,091,500	48,813,600
Operational	32,074,200	32,071,200	29,526,200	773,300	30,299,500
Total	\$77,876,300	\$79,887,700	\$77,248,300	\$1,864,800	\$79,113,100
State	72,008,300	73,992,400	73,874,400	1,864,800	75,739,200
Federal	139,700	200,000	200,000	0	200,000
Other	5,728,300	5,695,300	3,173,900	0	3,173,900

Attorney General and Reporter

The Attorney General and Reporter is the state's chief legal officer. The Attorney General is appointed by the Justices of the Tennessee Supreme Court for a term of eight years.

The Attorney General and his staff have the following responsibilities:

- Representing state officers and agencies in all litigation in state and federal courts
- Prosecuting criminal cases in the appellate courts
- Prosecuting in the areas of securities and state contract fraud
- Representing the interests of Tennessee consumers
- Instituting proceedings relating to antitrust violations, consumer fraud, and environmental enforcement
- Providing departments, agencies, and the General Assembly with legal advice
- Approving all administrative regulations and leases as to form and legality
- Issuing opinions on legal issues to state officials.

Functioning as the State Reporter, the Attorney General publishes the Attorney General opinions and reports the opinions of the Tennessee Supreme Court and Court of Appeals.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
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303.01 Attorney General and Reporter

Full-Time	305	307	307	0	307
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	305	307	307	0	307
Payroll	14,351,300	17,684,900	17,708,200	3,900	17,712,100
Operational	5,124,700	6,074,600	6,074,600	0	6,074,600
Total	\$19,476,000	\$23,759,500	\$23,782,800	\$3,900	\$23,786,700
State	12,013,100	14,138,900	14,153,800	3,900	14,157,700
Federal	0	0	0	0	0
Other	7,462,900	9,620,600	9,629,000	0	9,629,000

303.05 Publication of Tennessee Reports

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	70,800	74,600	74,600	0	74,600
Operational	100,600	126,700	111,700	0	111,700
Total	\$171,400	\$201,300	\$186,300	\$0	\$186,300
State	171,400	186,300	186,300	0	186,300
Federal	0	0	0	0	0
Other	0	15,000	0	0	0

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
303.08 Special Litigation					
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	1,064,900	971,500	971,500	0	971,500
Total	\$1,064,900	\$971,500	\$971,500	\$0	\$971,500
State	101,600	188,100	188,100	0	188,100
Federal	0	0	0	0	0
Other	963,300	783,400	783,400	0	783,400

303.00 Department Total

Full-Time	307	309	309	0	309
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	307	309	309	0	309
Payroll	14,422,100	17,759,500	17,782,800	3,900	17,786,700
Operational	6,290,200	7,172,800	7,157,800	0	7,157,800
Total	\$20,712,300	\$24,932,300	\$24,940,600	\$3,900	\$24,944,500
State	12,286,100	14,513,300	14,528,200	3,900	14,532,100
Federal	0	0	0	0	0
Other	8,426,200	10,419,000	10,412,400	0	10,412,400

District Attorneys General Conference

District Attorneys General are elected for each of the state's thirty-one 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. The IV-D Child Support Enforcement Program enforces court-ordered child support obligations in twenty judicial districts.

The Executive Director is elected by the District Attorneys General Conference every four years. The director is a member of the Judicial Council and the Law Enforcement Planning Commission. The duties of the Executive Director's staff are as follows:

- Act as liaison with other agencies, the Legislature, and Office of the Attorney General
- Coordinate multi-district prosecution
- Assist in prosecution efforts
- Provide continuing education for the conference
- Provide automation support to the conference
- Provide administrative, budgeting, accounting/fiscal, payroll, personnel and property management functions for the conference
- Coordinate and manage grants received from the federal government and other state agencies.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
304.01 District Attorneys General					
Full-Time	599	605	520	28	548
Part-Time	2	1	1	0	1
Seasonal	0	0	0	0	0
Total	601	606	521	28	549
Payroll	39,678,000	42,179,700	39,437,500	1,656,400	41,093,900
Operational	3,467,200	3,653,800	2,731,800	619,300	3,351,100
Total	\$43,145,200	\$45,833,500	\$42,169,300	\$2,275,700	\$44,445,000
State	39,148,400	41,228,700	40,941,400	2,268,100	43,209,500
Federal	0	0	0	0	0
Other	3,996,800	4,604,800	1,227,900	7,600	1,235,500

304.05 District Attorneys General Conference

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	358,500	496,000	298,600	0	298,600
Total	\$358,500	\$496,000	\$298,600	\$0	\$298,600
State	205,400	243,500	208,600	0	208,600
Federal	0	0	0	0	0
Other	153,100	252,500	90,000	0	90,000

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
304.10 Executive Director					
Full-Time	18	18	16	1	17
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	18	18	16	1	17
Payroll	981,300	1,033,200	915,500	52,400	967,900
Operational	215,000	197,200	154,500	24,000	178,500
Total	\$1,196,300	\$1,230,400	\$1,070,000	\$76,400	\$1,146,400
State	984,700	994,600	973,400	76,400	1,049,800
Federal	0	0	0	0	0
Other	211,600	235,800	96,600	0	96,600
304.15 IV-D Child Support Enforcement					
Full-Time	237	237	237	0	237
Part-Time	2	2	2	0	2
Seasonal	0	0	0	0	0
Total	239	239	239	0	239
Payroll	8,167,800	8,619,100	8,586,100	59,200	8,645,300
Operational	1,891,800	2,097,700	2,130,700	0	2,130,700
Total	\$10,059,600	\$10,716,800	\$10,716,800	\$59,200	\$10,776,000
State	0	0	0	0	0
Federal	100	0	0	0	0
Other	10,059,500	10,716,800	10,716,800	59,200	10,776,000
304.00 Department Total					
Full-Time	854	860	773	29	802
Part-Time	4	3	3	0	3
Seasonal	0	0	0	0	0
Total	858	863	776	29	805
Payroll	48,827,100	51,832,000	48,939,100	1,768,000	50,707,100
Operational	5,932,500	6,444,700	5,315,600	643,300	5,958,900
Total	\$54,759,600	\$58,276,700	\$54,254,700	\$2,411,300	\$56,666,000
State	40,338,500	42,466,800	42,123,400	2,344,500	44,467,900
Federal	100	0	0	0	0
Other	14,421,000	15,809,900	12,131,300	66,800	12,198,100

District Public Defenders Conference

As required by the United States Constitution, District Public Defenders and their staff provide legal representation at trial and through the state appellate process for indigent persons charged with the commission of a crime. In Tennessee, 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; the public defenders for Shelby and Davidson Counties receive direct appropriations with no administrative support or control from the conference.

The Executive Director of the Public Defenders Conference serves as the central administrative support to the conference. The director provides personnel, payroll, fiscal services, training, and acts as a liaison with other branches of state government. This office also coordinates multi-district cases and provides technical support for caseload counting.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
306.01 District Public Defenders					
Full-Time	279	280	277	2	279
Part-Time	9	9	9	0	9
Seasonal	0	0	0	0	0
Total	288	289	286	2	288
Payroll	16,830,100	18,184,000	18,038,300	452,300	18,490,600
Operational	2,846,100	2,735,800	2,456,800	372,300	2,829,100
Total	\$19,676,200	\$20,919,800	\$20,495,100	\$824,600	\$21,319,700
State	19,182,500	20,354,800	20,260,100	824,600	21,084,700
Federal	0	0	0	0	0
Other	493,700	565,000	235,000	0	235,000
306.03 Executive Director of the Public Defenders Conference					
Full-Time	11	11	7	0	7
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	11	11	7	0	7
Payroll	584,500	617,900	449,000	0	449,000
Operational	202,700	254,900	215,000	0	215,000
Total	\$787,200	\$872,800	\$664,000	\$0	\$664,000
State	653,200	716,200	664,000	0	664,000
Federal	2,200	0	0	0	0
Other	131,800	156,600	0	0	0
306.10 Shelby County Public Defender					
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 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
Payroll	0	0	0	0	0
Operational	2,682,600	2,730,400	2,730,400	0	2,730,400
Total	\$2,682,600	\$2,730,400	\$2,730,400	\$0	\$2,730,400
State	2,682,600	2,730,400	2,730,400	0	2,730,400
Federal	0	0	0	0	0
Other	0	0	0	0	0

306.12 Davidson County Public Defender

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	1,320,700	1,344,200	1,344,200	0	1,344,200
Total	\$1,320,700	\$1,344,200	\$1,344,200	\$0	\$1,344,200
State	1,320,700	1,344,200	1,344,200	0	1,344,200
Federal	0	0	0	0	0
Other	0	0	0	0	0

306.00 Department Total

Full-Time	290	291	284	2	286
Part-Time	9	9	9	0	9
Seasonal	0	0	0	0	0
Total	299	300	293	2	295
Payroll	17,414,600	18,801,900	18,487,300	452,300	18,939,600
Operational	7,052,100	7,065,300	6,746,400	372,300	7,118,700
Total	\$24,466,700	\$25,867,200	\$25,233,700	\$824,600	\$26,058,300
State	23,839,000	25,145,600	24,998,700	824,600	25,823,300
Federal	2,200	0	0	0	0
Other	625,500	721,600	235,000	0	235,000

Office of the Post-Conviction Defender

The Office of the Post-Conviction Defender was created during the 1995 legislative session to provide for the representation of any person convicted and sentenced to death who is unable to secure counsel due to indigence.

This office is responsible for providing continuing legal education and consulting services to attorneys representing indigents in capital cases and recruiting qualified members of the private bar association who are willing to provide representation in state death penalty proceedings.

The Post-Conviction Defender Commission is a separate entity also created during the 1995 legislative session. The commission is responsible for appointment of the Post-Conviction Defender and oversight of the office. The commission is composed of the following members:

- Two members appointed by the Governor
- Two members appointed by the Lieutenant Governor
- Two members appointed by the Speaker of the House of Representatives
- Three members appointed by the Supreme Court of Tennessee.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
308.00 Office of the Post-Conviction Defender					
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	741,200	801,600	801,600	18,400	820,000
Operational	234,600	211,800	211,800	0	211,800
Total	\$975,800	\$1,013,400	\$1,013,400	\$18,400	\$1,031,800
State	927,300	809,300	809,300	18,400	827,700
Federal	48,500	204,100	204,100	0	204,100
Other	0	0	0	0	0

Alcoholic Beverage Commission

The Alcoholic Beverage Commission (ABC) has the legal responsibility to regulate the liquor industry and enforce liquor laws and certain drug laws. It is the only regulatory/law enforcement agency in the state with a specific emphasis on enforcement of laws related to underage drinking.

The Commission's regulatory functions include licensing, and inspecting:

- Wineries and distilleries
- Liquor wholesalers and retailers
- Temporary liquor sales venues
- Establishments offering on-premise liquor consumption.

The ABC also enforces laws pertaining to the illegal manufacture, transportation, and sale of alcoholic beverages and marijuana. Along with the Department of Safety and the Tennessee Bureau of Investigation, the commission participates in the Governor's Task Force on Marijuana Eradication.

In addition, the ABC is legally authorized to issue server permits to employees of establishments offering on-premise liquor consumption and require 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>2000-2001</u>	<u>Estimated</u> <u>2001-2002</u>	<u>Base</u> <u>2002-2003</u>	<u>Improvement</u> <u>2002-2003</u>	<u>Recommended</u> <u>2002-2003</u>
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316.03 Alcoholic Beverage Commission

Full-Time	66	66	66	0	66
Part-Time	3	3	3	0	3
Seasonal	0	0	0	0	0
Total	69	69	69	0	69
Payroll	2,592,500	2,767,900	2,767,900	0	2,767,900
Operational	1,091,700	1,134,300	1,093,200	56,000	1,149,200
Total	\$3,684,200	\$3,902,200	\$3,861,100	\$56,000	\$3,917,100
State	2,072,000	1,960,300	1,960,300	56,000	2,016,300
Federal	0	0	0	0	0
Other	1,612,200	1,941,900	1,900,800	0	1,900,800

Tennessee Rehabilitative Initiative in Correction

TRICOR (Tennessee Rehabilitative Initiative in Correction) manages correctional industry, agriculture, and service operations for the purpose of employing and training inmates and providing quality products and services to the Department of Correction, other state agencies, local governments, and not-for-profit organizations.

TRICOR's industrial program is comprised of twenty-six operations located at ten different correctional facilities across the state. The products manufactured include:

- Office furniture
- Institutional furniture and bedding
- Uniforms and institutional clothing
- Custom wood and metal fabrication
- Textiles
- License plates
- Interior and exterior building signs
- Highway regulatory signs
- Highway marking paint
- Trash liners
- Open office landscaping
- Refurbished furniture.

The agricultural program consists of four farms located at West Tennessee State Penitentiary, Turney Center Industrial Prison and Farm, Southeastern Regional Correctional Facility, and the Brushy Mountain Correctional Complex. Agricultural operations include:

- Field crops
- Beef cattle
- Milk production
- Egg production
- Pallet refurbishing
- Timber harvesting and production.

In addition to the manufacturing and agricultural programs, TRICOR offers services in data processing, printing, office relocation, and provides janitorial supplies.

In an effort to fulfill its mission as a rehabilitative department, TRICOR also administers a post-release placement program that provides job placement assistance to eligible inmates who have completed their sentences.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
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316.08 Tennessee Rehabilitative Initiative in Correction

Full-Time	191	185	185	0	185
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	191	185	185	0	185
Payroll	6,047,100	6,979,900	6,979,900	0	6,979,900
Operational	15,794,300	17,445,300	17,445,300	0	17,445,300
Total	\$21,841,400	\$24,425,200	\$24,425,200	\$0	\$24,425,200
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	21,841,400	24,425,200	24,425,200	0	24,425,200

Tennessee 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. The Institute provides training to local correctional personnel in the following areas:

- Legal issues
- Report writing
- Suicide prevention
- Hostage survival
- Substance abuse
- Security measures
- Communications
- Stress management.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
316.09 Tennessee Corrections Institute					
Full-Time	11	11	11	0	11
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	11	11	11	0	11
Payroll	440,200	484,900	484,900	0	484,900
Operational	207,700	188,300	170,000	0	170,000
Total	\$647,900	\$673,200	\$654,900	\$0	\$654,900
State	620,700	644,500	639,900	0	639,900
Federal	0	0	0	0	0
Other	27,200	28,700	15,000	0	15,000

Board of Probation and Parole

The Board of Probation and Parole protects society by managing the orderly release and supervision of adult felons. This process is carried out 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 is also responsible, through the Probation and Parole Services Division, for the supervision of parolees as well as offenders placed on probation and in community corrections by the Criminal and Circuit Courts of the State of Tennessee. Probation and Parole Services is responsible for the collection of supervision and criminal injuries fees, and writing pre-sentence investigation reports for use by the court system, the Department of Correction, and the Board of Probation and Parole. The board also administers the Community Correction Grant Program. This program diverts non-violent felony offenders from incarceration by placing them in locally operated grant programs with intensive supervision, community service work, and victim restitution.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
324.02 Probation and Parole Services					
Full-Time	940	940	940	56	996
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	940	940	940	56	996
Payroll	32,727,700	35,867,800	35,867,800	1,670,300	37,538,100
Operational	9,529,300	10,438,400	9,838,400	490,300	10,328,700
Total	\$42,257,000	\$46,306,200	\$45,706,200	\$2,160,600	\$47,866,800
State	41,940,300	45,966,200	45,366,200	2,160,600	47,526,800
Federal	0	0	0	0	0
Other	316,700	340,000	340,000	0	340,000
324.04 Community Correction					
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	9,733,900	9,247,300	8,809,000	1,350,000	10,159,000
Total	\$9,733,900	\$9,247,300	\$8,809,000	\$1,350,000	\$10,159,000
State	8,977,900	9,129,000	8,809,000	1,350,000	10,159,000
Federal	0	0	0	0	0
Other	756,000	118,300	0	0	0

	<u>Actual</u> <u>2000-2001</u>	<u>Estimated</u> <u>2001-2002</u>	<u>Base</u> <u>2002-2003</u>	<u>Improvement</u> <u>2002-2003</u>	<u>Recommended</u> <u>2002-2003</u>
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324.00 Department Total

Full-Time	940	940	940	56	996
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	940	940	940	56	996
Payroll	32,727,700	35,867,800	35,867,800	1,670,300	37,538,100
Operational	19,263,200	19,685,700	18,647,400	1,840,300	20,487,700
Total	\$51,990,900	\$55,553,500	\$54,515,200	\$3,510,600	\$58,025,800
State	50,918,200	55,095,200	54,175,200	3,510,600	57,685,800
Federal	0	0	0	0	0
Other	1,072,700	458,300	340,000	0	340,000

Department of Correction

The Tennessee Department of Correction exists for the purpose of providing supervision of convicted felons during their period of confinement in the department's institutions. 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 Department of Correction policy and procedure.

The Department of Correction carries out its responsibilities through three major functional areas:

- Administrative Services
- Tennessee Correction Academy
- Institutional Operations.

Administrative Services

The Administrative Services functional area includes Administration, State Prosecutions, Major Maintenance, the Sex Offender Treatment Program, Federal Construction Grants and the Sentencing Act of 1985. The department's central administrative office provides management oversight and support services related to all aspects of correctional management. Fiscal operations, contract management, personnel, information systems management, health and mental health services, food services, planning and research, and substance abuse treatment coordination are some of the areas supported by the central office.

State Prosecutions, administered through the central office, provides reimbursement to the county jails in Tennessee housing convicted felons. In addition, this program provides payments to counties for other correctional expenditures, such as witness fees, criminal court costs and transportation, jury boarding, and medical costs for convicted felons. Funding for upkeep, maintenance and electronic security of the state's fourteen prison facilities and the Tennessee Correction Academy is located in Major Maintenance. The Tennessee Standardized Treatment Program for Sex Offenders Act of 1995 was passed to provide funding for evaluating, identifying, treating, tracking and monitoring sex offenders. Federal Construction Grants is an account used by the department to draw-down federal grants for construction projects. The Sentencing Act of 1985 was passed to provide funding for new legislation that increases periods of incarceration in correctional facilities.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
329.01 Administration					
Full-Time	193	196	193	12	205
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	193	196	193	12	205
Payroll	7,468,300	9,004,200	9,072,900	410,800	9,483,700
Operational	4,719,800	5,923,900	5,374,200	0	5,374,200
Total	\$12,188,100	\$14,928,100	\$14,447,100	\$410,800	\$14,857,900

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
State	7,287,100	10,618,000	10,210,500	410,800	10,621,300
Federal	146,900	200,000	50,000	0	50,000
Other	4,754,100	4,110,100	4,186,600	0	4,186,600

329.04 State Prosecutions

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	100,545,700	111,343,400	111,343,400	2,055,600	113,399,000
Total	\$100,545,700	\$111,343,400	\$111,343,400	\$2,055,600	\$113,399,000
State	100,545,700	111,343,400	111,343,400	2,055,600	113,399,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

329.32 Major Maintenance

Full-Time	22	23	23	0	23
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	22	23	23	0	23
Payroll	691,000	994,800	994,800	0	994,800
Operational	1,901,700	2,422,600	2,422,600	0	2,422,600
Total	\$2,592,700	\$3,417,400	\$3,417,400	\$0	\$3,417,400
State	2,592,700	3,417,400	3,417,400	0	3,417,400
Federal	0	0	0	0	0
Other	0	0	0	0	0

329.50 Sex Offender Treatment 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	69,500	75,000	75,000	0	75,000
Total	\$69,500	\$75,000	\$75,000	\$0	\$75,000
State	56,900	75,000	75,000	0	75,000
Federal	0	0	0	0	0
Other	12,600	0	0	0	0

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
329.98 Federal Construction 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
Payroll	0	0	0	0	0
Operational	187,600	15,310,000	15,310,000	0	15,310,000
Total	\$187,600	\$15,310,000	\$15,310,000	\$0	\$15,310,000
State	0	0	0	0	0
Federal	187,600	15,310,000	15,310,000	0	15,310,000
Other	0	0	0	0	0

329.99 Sentencing Act of 1985

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	22,487,500	22,487,500	0	22,487,500
Total	\$0	\$22,487,500	\$22,487,500	\$0	\$22,487,500
State	0	22,487,500	22,487,500	0	22,487,500
Federal	0	0	0	0	0
Other	0	0	0	0	0

Tennessee Correction Academy

The Tennessee Correction Academy, located in Tullahoma, provides training to all departmental employees, as well as employees of the Department of Children's Services, the Board of Probation and Parole, and other law enforcement agencies. While some of the department's employee training is provided in a regional setting, most training is conducted on-site at the academy. New correctional officers complete 120 hours of pre-service training prior to working in an institution, and other institutional employees must complete up to 80 hours of pre-service training before beginning their assigned jobs. Upon completion of a year's employment, security and other professional level institutional staff are required to complete 40 hours of in-service training each year. In addition, specialized training programs are conducted at the academy as necessary to enhance correctional services and professional staff development.

329.06 Tennessee Correction Academy

Full-Time	76	76	76	0	76
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	76	76	76	0	76

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
Payroll	2,618,300	2,654,000	2,660,000	0	2,660,000
Operational	1,001,400	1,287,700	1,380,600	0	1,380,600
Total	\$3,619,700	\$3,941,700	\$4,040,600	\$0	\$4,040,600
State	3,400,200	3,854,700	3,881,800	0	3,881,800
Federal	0	0	0	0	0
Other	219,500	87,000	158,800	0	158,800

Institutional Operations

The Institutional Operations functional area is responsible for managing the inmate population committed to the department for incarceration. This functional area consists of classification centers and time-building institutions, special-purpose facilities, and contract-management institutions.

Classification centers evaluate inmates entering the correctional system. During the classification process, each inmate completes various evaluations which provide information concerning the inmate's physical and mental health, work and training experience, educational background, religious affiliation, and family background. Based on these evaluations, decisions are made concerning the most appropriate institutional placement or special program requirements of each inmate. The department's classification centers are located at the Brushy Mountain Correctional Complex, Tennessee Prison for Women, Middle Tennessee Correctional Complex and the West Tennessee State Penitentiary.

Time-building institutions, where inmates serve out their sentences, 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

Full-Time	560	560	560	0	560
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	560	560	560	0	560
Payroll	19,746,300	20,667,200	20,575,000	0	20,575,000
Operational	10,364,400	10,300,200	10,435,900	100,000	10,535,900
Total	\$30,110,700	\$30,967,400	\$31,010,900	\$100,000	\$31,110,900
State	28,921,800	29,873,500	29,866,000	100,000	29,966,000
Federal	0	0	0	0	0
Other	1,188,900	1,093,900	1,144,900	0	1,144,900

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
329.13 Tennessee Prison for Women					
Full-Time	246	247	247	0	247
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	246	247	247	0	247
Payroll	6,542,200	8,419,400	8,253,500	0	8,253,500
Operational	5,404,400	8,040,800	8,040,800	0	8,040,800
Total	\$11,946,600	\$16,460,200	\$16,294,300	\$0	\$16,294,300
State	10,829,500	15,484,800	15,318,900	0	15,318,900
Federal	0	0	0	0	0
Other	1,117,100	975,400	975,400	0	975,400

329.14 Turney Center Industrial Prison and Farm

Full-Time	327	328	328	0	328
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	327	328	328	0	328
Payroll	10,471,100	11,647,800	11,572,800	0	11,572,800
Operational	8,146,700	7,961,500	8,166,500	0	8,166,500
Total	\$18,617,800	\$19,609,300	\$19,739,300	\$0	\$19,739,300
State	17,666,400	18,739,700	18,869,700	0	18,869,700
Federal	0	0	0	0	0
Other	951,400	869,600	869,600	0	869,600

329.16 Mark Luttrell Correctional Facility

Full-Time	208	202	202	0	202
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	208	202	202	0	202
Payroll	7,018,300	7,418,800	7,398,800	0	7,398,800
Operational	3,480,200	3,742,900	3,790,900	0	3,790,900
Total	\$10,498,500	\$11,161,700	\$11,189,700	\$0	\$11,189,700
State	9,999,200	10,619,700	10,647,700	0	10,647,700
Federal	0	0	0	0	0
Other	499,300	542,000	542,000	0	542,000

329.17 Middle Tennessee Correctional Complex

Full-Time	407	408	408	0	408
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	407	408	408	0	408

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
Payroll	13,452,400	14,433,900	14,402,900	0	14,402,900
Operational	8,196,400	8,230,100	8,294,600	0	8,294,600
Total	\$21,648,800	\$22,664,000	\$22,697,500	\$0	\$22,697,500
State	20,777,800	21,732,200	21,765,700	0	21,765,700
Federal	0	0	0	0	0
Other	871,000	931,800	931,800	0	931,800

329.18 Southeastern Tennessee State Regional Correctional Facility

Full-Time	322	324	324	3	327
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	322	324	324	3	327
Payroll	10,986,800	11,449,700	11,449,700	83,400	11,533,100
Operational	5,644,700	5,923,100	5,923,100	0	5,923,100
Total	\$16,631,500	\$17,372,800	\$17,372,800	\$83,400	\$17,456,200
State	15,872,500	16,654,700	16,654,700	83,400	16,738,100
Federal	0	0	0	0	0
Other	759,000	718,100	718,100	0	718,100

329.41 West Tennessee State Penitentiary

Full-Time	714	734	734	2	736
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	714	734	734	2	736
Payroll	21,602,800	23,800,500	23,923,400	53,500	23,976,900
Operational	15,189,000	16,858,300	16,558,300	2,000	16,560,300
Total	\$36,791,800	\$40,658,800	\$40,481,700	\$55,500	\$40,537,200
State	35,530,100	39,367,700	39,190,600	55,500	39,246,100
Federal	0	0	0	0	0
Other	1,261,700	1,291,100	1,291,100	0	1,291,100

329.42 Riverbend Maximum Security Institution

Full-Time	357	359	359	0	359
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	357	359	359	0	359
Payroll	10,874,200	11,654,400	11,899,400	0	11,899,400
Operational	5,802,700	6,866,300	6,866,300	0	6,866,300
Total	\$16,676,900	\$18,520,700	\$18,765,700	\$0	\$18,765,700
State	16,271,700	18,123,800	18,368,800	0	18,368,800
Federal	0	0	0	0	0
Other	405,200	396,900	396,900	0	396,900

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
329.43 Northeast Correctional Complex					
Full-Time	468	520	520	0	520
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	468	520	520	0	520
Payroll	13,890,300	15,908,000	15,908,000	0	15,908,000
Operational	10,335,100	12,057,400	12,153,200	0	12,153,200
Total	\$24,225,400	\$27,965,400	\$28,061,200	\$0	\$28,061,200
State	23,000,900	26,678,900	26,774,700	0	26,774,700
Federal	0	0	0	0	0
Other	1,224,500	1,286,500	1,286,500	0	1,286,500

329.45 Northwest Correctional Complex

Full-Time	614	660	660	0	660
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	614	660	660	0	660
Payroll	18,867,000	21,741,100	21,651,100	0	21,651,100
Operational	12,124,000	13,269,500	13,399,800	0	13,399,800
Total	\$30,991,000	\$35,010,600	\$35,050,900	\$0	\$35,050,900
State	29,510,000	33,475,200	33,515,500	0	33,515,500
Federal	0	0	0	0	0
Other	1,481,000	1,535,400	1,535,400	0	1,535,400

Wayne County Boot Camp and the Lois M. DeBerry Special Needs Facility are the department's two special-purpose facilities. These facilities provide inmates with alternative rehabilitation methods and programs for mental health services, medical services and sex offender treatment.

Wayne County Boot Camp is an alternative incarceration unit. Offenders convicted of specified felonies who are serving their first term of incarceration in a state or federal prison can participate in a 120 day program that is based on a strict, highly structured military style regimen designed to foster self-discipline and positive self-esteem. Offenders at the boot camp also participate in educational programming when they lack a high school diploma/GED, and perform community service work for state and local government agencies, as well as private not-for-profit agencies in the area. Other special-purpose programs at the boot camp include a geriatrics program and a program which is designed to provide intensive work and educational programming for offenders who have violated their probation or parole without committing a new felony offense.

The Lois M. DeBerry Special Needs Facility is the department's primary medical and mental health treatment facility. As needed, inmates are transferred to this facility for medical services and both emergent and programmed mental health treatment. In addition, this facility provides geriatrics and sex offender treatment programs.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
329.08 Wayne County Boot Camp					
Full-Time	156	156	156	0	156
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	156	156	156	0	156
Payroll	4,720,800	5,084,200	5,044,200	0	5,044,200
Operational	2,613,500	3,233,900	3,233,900	0	3,233,900
Total	\$7,334,300	\$8,318,100	\$8,278,100	\$0	\$8,278,100
State	6,999,600	7,975,600	7,935,600	0	7,935,600
Federal	0	0	0	0	0
Other	334,700	342,500	342,500	0	342,500

329.46 Lois M. DeBerry Special Needs Facility

Full-Time	470	470	470	0	470
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	470	470	470	0	470
Payroll	19,158,700	18,626,400	18,626,400	0	18,626,400
Operational	7,642,300	11,963,700	11,891,900	0	11,891,900
Total	\$26,801,000	\$30,590,100	\$30,518,300	\$0	\$30,518,300
State	26,341,000	30,150,900	30,150,900	0	30,150,900
Federal	0	0	0	0	0
Other	460,000	439,200	367,400	0	367,400

The Institutional Operations functional area includes two contract-management facilities: Hardeman County Correctional Facility and South Central Correctional Center. The Hardeman County Correctional Facility, owned by Hardeman County, has been contracted by the department to house and manage adult male felons. The South Central Correctional Center is a state-owned facility that utilizes a private contractor to manage the inmate population.

329.21 Hardeman County Incarceration Agreement

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	93,600	107,300	107,300	0	107,300
Operational	29,778,500	30,655,600	30,655,600	622,300	31,277,900
Total	\$29,872,100	\$30,762,900	\$30,762,900	\$622,300	\$31,385,200
State	29,853,600	30,745,600	30,745,600	622,300	31,367,900
Federal	0	0	0	0	0
Other	18,500	17,300	17,300	0	17,300

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
329.44 South Central Correctional Center					
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	92,900	116,700	116,700	0	116,700
Operational	20,363,300	22,625,500	22,625,500	538,100	23,163,600
Total	\$20,456,200	\$22,742,200	\$22,742,200	\$538,100	\$23,280,300
State	20,441,300	22,727,000	22,727,000	538,100	23,265,100
Federal	0	0	0	0	0
Other	14,900	15,200	15,200	0	15,200
329.00 Department Total					
Full-Time	5,144	5,267	5,264	17	5,281
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	5,144	5,267	5,264	17	5,281
Payroll	168,295,000	183,728,400	183,656,900	547,700	184,204,600
Operational	253,510,900	320,578,900	320,429,600	3,318,000	323,747,600
Total	\$421,805,900	\$504,307,300	\$504,086,500	\$3,865,700	\$507,952,200
State	405,898,000	474,145,300	473,947,000	3,865,700	477,812,700
Federal	334,500	15,510,000	15,360,000	0	15,360,000
Other	15,573,400	14,652,000	14,779,500	0	14,779,500

Statistical Data Correctional Institutions

	BMCC 329.11	TPW 329.13	TCIP 329.14	MLCF 329.16	MTCC 329.17
Annual Admissions					
1995-1996	1,725	218	418	1,618	4,211
1996-1997	1,918	295	643	1,926	4,906
1997-1998	3,431	537	684	2,211	5,240
1998-1999	1,917	328	524	1,220	2,601
1999-2000	1,915	547	481	414	2,586
2000-2001	1,048	455	521	212	3,613
2001-2002	1,900	706	500	220	3,700
2002-2003	1,900	450	500	220	3,700
Annual Releases					
1995-1996	1,700	220	335	1,655	4,059
1996-1997	1,593	252	494	1,730	4,609
1997-1998	2,947	317	491	1,970	5,323
1998-1999	1,912	257	523	1,729	2,109
1999-2000	1,907	123	480	203	2,557
2000-2001	525	261	523	197	3,756
2001-2002	1,900	338	500	220	3,700
2002-2003	1,900	450	500	220	3,700
Average Daily Census					
1995-1996	1,495	369	967	451	1,052
1996-1997	1,523	343	982	461	1,253
1997-1998	1,499	436	1,057	432	1,106
1998-1999	1,525	494	1,106	402	1,018
1999-2000	1,517	471	1,100	335	1,009
2000-2001	1,539	466	1,100	404	994
2001-2002	1,603	775	1,136	440	1,082
2002-2003	1,603	775	1,136	440	1,082
Cost Per Occupancy Day (Total Expenditures)*					
1995-1996	\$45.82	\$68.87	\$45.30	\$53.59	\$49.18
1996-1997	\$46.49	\$73.74	\$45.93	\$54.90	\$49.71
1997-1998	\$45.84	\$60.95	\$41.55	\$57.78	\$48.64
1998-1999	\$46.98	\$57.57	\$41.58	\$66.84	\$49.09
1999-2000	\$48.18	\$61.20	\$42.63	\$73.29	\$48.80
2000-2001	\$53.60	\$70.24	\$46.37	\$71.20	\$59.67
2001-2002	\$52.93	\$58.19	\$47.29	\$69.50	\$57.39
2002-2003	\$53.17	\$57.60	\$47.61	\$69.67	\$57.47

BMCC: Brushy Mountain Correctional Complex
 TPW: Tennessee Prison for Women
 TCIP: Turney Center Industrial Prison and Farm

MLCF: Mark Luttrell Correctional Facility
 MTCC: Middle TN. Correctional Complex

*FY 1995-96 to 2000-2001 are actual expenditures from all sources; 2001-02 to 2002-03 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
Annual Admissions					
1995-1996	537	851	391	705	1,288
1996-1997	455	886	359	751	1,692
1997-1998	608	980	370	2,211	3,615
1998-1999	314	2,096	300	750	830
1999-2000	376	2,112	300	741	935
2000-2001	353	2,587	418	741	1,090
2001-2002	300	2,600	300	740	1,000
2002-2003	300	2,600	300	740	1,000
Annual Releases					
1995-1996	414	584	547	571	1,033
1996-1997	496	803	497	584	1,201
1997-1998	408	736	451	2,076	3,277
1998-1999	322	565	300	750	867
1999-2000	376	1,866	300	750	970
2000-2001	376	2,416	381	750	914
2001-2002	300	2,600	300	740	1,000
2002-2003	300	2,600	300	740	1,000
Average Daily Census					
1995-1996	932	1,368	654	1,496	2,014
1996-1997	945	1,436	675	1,497	2,080
1997-1998	937	1,394	669	1,494	2,132
1998-1999	956	1,589	664	1,527	2,180
1999-2000	954	2,304	664	1,518	2,117
2000-2001	929	2,415	676	1,609	2,152
2001-2002	981	2,582	736	1,886	2,425
2002-2003	981	2,582	736	1,886	2,425
Cost Per Occupancy Day (Total Expenditures)*					
1995-1996	\$41.20	\$50.72	\$66.17	\$39.18	\$39.22
1996-1997	\$41.96	\$48.93	\$62.27	\$39.77	\$39.24
1997-1998	\$40.69	\$54.16	\$60.03	\$38.86	\$34.78
1998-1999	\$42.33	\$49.86	\$63.55	\$37.29	\$34.60
1999-2000	\$42.79	\$39.25	\$65.28	\$39.31	\$36.50
2000-2001	\$49.05	\$41.74	\$67.59	\$41.25	\$39.45
2001-2002	\$48.52	\$43.14	\$68.94	\$40.62	\$39.55
2002-2003	\$48.75	\$43.01	\$69.85	\$40.76	\$39.60

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

*FY 1995-96 to 2000-2001 are actual expenditures from all sources; 2001-02 to 2002-03 are estimates.

Statistical Data Correctional Institutions

	WCBC 329.08	DSNF 329.46	HCCF 329.21	SCCC 329.44	Total*
Annual Admissions					
1995-1996	360	326	N/A	877	6,728
1996-1997	281	308	570	942	7,453
1997-1998	909	424	1,738	688	8,105
1998-1999	656	376	2,496	1,468	8,021
1999-2000	536	420	943	656	8,484
2000-2001	576	420	867	624	8,808
2001-2002	600	350	800	600	9,046
2002-2003	600	350	800	600	9,199
Annual Releases					
1995-1996	367	296	N/A	582	3,562
1996-1997	268	295	9	832	4,424
1997-1998	575	439	577	596	4,243
1998-1999	466	349	2,001	1,456	4,275
1999-2000	336	413	963	680	4,711
2000-2001	570	372	800	600	5,145
2001-2002	600	350	800	600	4,479
2002-2003	600	350	800	600	4,531
Average Daily Census					
1995-1996	139	554	N/A	1,417	12,908
1996-1997	116	554	25	1,481	13,371
1997-1998	279	632	1,392	1,482	14,941
1998-1999	391	701	1,679	1,480	15,712
1999-2000	393	715	1,965	1,485	16,547
2000-2001	409	696	1,990	1,541	16,920
2001-2002	450	800	2,016	1,676	18,588
2002-2003	450	800	2,016	1,676	18,588
Cost Per Occupancy Day (Total Expenditures)**					
1995-1996	\$59.83	\$140.47	N/A	\$34.42	\$49.36
1996-1997	\$78.85	\$160.17	\$42.79	\$34.02	\$50.20
1997-1998	\$51.17	\$136.85	\$41.02	\$33.46	\$47.62
1998-1999	\$44.39	\$130.85	\$40.59	\$34.23	\$47.42
1999-2000	\$45.82	\$133.09	\$40.87	\$35.49	\$47.16
2000-2001	\$49.13	\$105.50	\$41.13	\$36.37	\$49.00
2001-2002	\$50.64	\$104.76	\$41.81	\$37.18	\$49.05
2002-2003	\$50.40	\$104.51	\$42.65	\$38.06	\$49.28

WCBC: Wayne County Boot Camp

HCCF: Hardeman Co. Correctional Facility

DSNF: Lois DeBerry Special Needs Facility

SCCC: South Central Correctional Center

N/A = Indicates facilities were not in existence during the reporting period.

*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 1995-96 to 2000-2001 are actual expenditures from all sources; 2001-02 to 2002-03 are estimates.

Military Department

The Military Department provides leadership, direction, and organization for the state's Army and Air National Guard and the Tennessee Emergency Management Agency. The department is organized into three functional areas:

- Administration
- National Guard
- Emergency Management.

Administration

Administration performs all fiscal and administrative duties for the 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 Defense Force also operate within this division.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
341.01 Administration					
Full-Time	36	36	36	0	36
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	36	36	36	0	36
Payroll	1,752,000	1,885,700	1,850,800	0	1,850,800
Operational	391,400	396,400	365,400	437,100	802,500
Total	\$2,143,400	\$2,282,100	\$2,216,200	\$437,100	\$2,653,300
State	1,647,800	1,726,000	1,672,300	437,100	2,109,400
Federal	475,300	521,800	521,800	0	521,800
Other	20,300	34,300	22,100	0	22,100
341.10 Armories Utilities					
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	3,296,400	3,060,700	3,060,700	100,000	3,160,700
Total	\$3,296,400	\$3,060,700	\$3,060,700	\$100,000	\$3,160,700
State	2,046,300	1,824,800	1,824,800	50,000	1,874,800
Federal	1,128,300	1,154,400	1,154,400	50,000	1,204,400
Other	121,800	81,500	81,500	0	81,500

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 composed of full-time and part-time personnel. At the request of the Governor, the National Guard can also be called upon to assist in emergency situations such as riots, rescues, and disasters.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
341.02 Tennessee Army National Guard					
Full-Time	85	85	85	2	87
Part-Time	0	0	0	0	0
Seasonal	12	12	12	0	12
Total	97	97	97	2	99
Payroll	2,918,000	4,510,300	4,510,300	88,400	4,598,700
Operational	1,695,700	3,229,300	3,154,300	332,400	3,486,700
Total	\$4,613,700	\$7,739,600	\$7,664,600	\$420,800	\$8,085,400
State	796,900	825,400	825,400	150,000	975,400
Federal	3,518,600	6,435,600	6,360,600	270,800	6,631,400
Other	298,200	478,600	478,600	0	478,600
341.03 Tennessee Air National Guard					
Full-Time	193	193	193	8	201
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	193	193	193	8	201
Payroll	5,606,200	6,783,100	6,783,100	195,100	6,978,200
Operational	3,584,900	4,101,600	4,101,600	335,100	4,436,700
Total	\$9,191,100	\$10,884,700	\$10,884,700	\$530,200	\$11,414,900
State	1,364,500	1,383,500	1,383,500	131,400	1,514,900
Federal	7,816,300	9,496,600	9,496,600	398,800	9,895,400
Other	10,300	4,600	4,600	0	4,600
341.07 Armories 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	1,844,500	3,697,300	3,697,300	500,000	4,197,300
Total	\$1,844,500	\$3,697,300	\$3,697,300	\$500,000	\$4,197,300
State	740,600	736,700	736,700	500,000	1,236,700
Federal	900,600	2,853,100	2,853,100	0	2,853,100
Other	203,300	107,500	107,500	0	107,500

Emergency Management

The Tennessee Emergency Management Agency (TEMA) is responsible for directing and assisting state and local governments in times of man-made or natural disasters. Its purpose is to warn of possible disasters and to protect the lives and property of Tennessee citizens and visitors should such an event occur.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
341.04 Tennessee Emergency Management Agency					
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	3,256,200	3,734,100	3,734,100	0	3,734,100
Operational	3,520,200	5,105,100	5,105,100	100,000	5,205,100
Total	\$6,776,400	\$8,839,200	\$8,839,200	\$100,000	\$8,939,200
State	1,394,000	1,487,700	1,487,700	100,000	1,587,700
Federal	4,901,800	6,659,000	6,659,000	0	6,659,000
Other	480,600	692,500	692,500	0	692,500
341.09 TEMA Disaster Relief 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
Payroll	12,200	0	0	0	0
Operational	22,220,000	5,000,000	5,000,000	0	5,000,000
Total	\$22,232,200	\$5,000,000	\$5,000,000	\$0	\$5,000,000
State	2,133,800	0	0	0	0
Federal	19,873,600	5,000,000	5,000,000	0	5,000,000
Other	224,800	0	0	0	0
341.00 Department Total					
Full-Time	395	395	395	10	405
Part-Time	0	0	0	0	0
Seasonal	12	12	12	0	12
Total	407	407	407	10	417
Payroll	13,544,600	16,913,200	16,878,300	283,500	17,161,800
Operational	36,553,100	24,590,400	24,484,400	1,804,600	26,289,000
Total	\$50,097,700	\$41,503,600	\$41,362,700	\$2,088,100	\$43,450,800
State	10,123,900	7,984,100	7,930,400	1,368,500	9,298,900
Federal	38,614,500	32,120,500	32,045,500	719,600	32,765,100
Other	1,359,300	1,399,000	1,386,800	0	1,386,800

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:

- Administration
- Criminal Investigations
- Drug Investigations
- Forensic Services
- Information Services.

The Administration division provides overall direction and support for the bureau. This division performs legal, personnel, payroll, fiscal, and administrative support services for the agency.

The division of Criminal Investigations is organized into four units. The Field Operations unit investigates requests from the District Attorneys General or the TBI concerning criminal activity. The Criminal Intelligence unit compiles and analyzes information concerning criminal activity. Two investigative units, Drug Enforcement and Medicaid Fraud Control, focus on specific areas of criminal activity.

The Drug Investigations division operates pursuant to the bureau's original mission to investigate state drug and narcotics laws. Headquartered in Nashville, this division maintains four main offices statewide. In addition to conducting its own investigations, the division provides investigative, legal, and technical assistance to other state law enforcement agencies, district attorneys, police departments, and sheriff's offices. The division also participates in joint investigations with the various federal law enforcement agencies.

The division of Forensic Services provides forensic examinations for the law enforcement community and medical examiners statewide. These examinations are performed at laboratories located in Nashville, Knoxville, Jackson, and Chattanooga. The main laboratory in Nashville specializes in serology, toxicology, latent fingerprint examination, ballistics analysis, and DNA testing. Drug chemistry and blood alcohol analysis are performed at all of the TBI labs.

The division of Information Services provides support to investigative activities through records management, application development, systems operations, fingerprint identification, and uniform crime reporting. The operation of these services is housed in the Tennessee Crime Information Center (TCIC), along with various computer systems for criminal, investigative, and forensic information.

	<u>Actual</u> <u>2000-2001</u>	<u>Estimated</u> <u>2001-2002</u>	<u>Base</u> <u>2002-2003</u>	<u>Improvement</u> <u>2002-2003</u>	<u>Recommended</u> <u>2002-2003</u>
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348.00 Tennessee Bureau of Investigation

Full-Time	436	447	443	27	470
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	436	447	443	27	470
Payroll	18,788,000	21,145,800	20,963,500	1,201,500	22,165,000
Operational	18,501,400	20,352,600	19,312,900	1,157,400	20,470,300
Total	\$37,289,400	\$41,498,400	\$40,276,400	\$2,358,900	\$42,635,300
State	22,710,600	25,705,600	25,666,600	2,358,900	28,025,500
Federal	5,399,500	6,681,500	6,591,700	0	6,591,700
Other	9,179,300	9,111,300	8,018,100	0	8,018,100

Department of Safety

The Department of Safety works to provide safe highways for Tennessee's citizens and visitors by strictly enforcing the laws governing the use of state and federal roads. The department also educates the public through driver safety programs and assists local law enforcement officers in special operations and training. Responsibilities of the department focus on the following areas:

- Administrative and support services
- Driver license issuance
- Enforcement
- Education
- Titling and registration
- Technical services.

Administrative and Support Services

The administrative and support services area is responsible for the overall administration of the department and for providing basic support services for departmental operations. The legal division provides general legal counsel, administers the Drug Control Act, and enforces the Vehicle Identification Number (VIN) laws. This division also provides fiscal, personnel, supply, and internal audit functions.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
349.01 Administration					
Full-Time	105	105	105	0	105
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	105	105	105	0	105
Payroll	3,904,100	4,333,000	4,333,000	9,800	4,342,800
Operational	1,577,000	1,812,500	1,812,500	0	1,812,500
Total	\$5,481,100	\$6,145,500	\$6,145,500	\$9,800	\$6,155,300
State	5,103,600	5,801,500	5,799,500	9,800	5,809,300
Federal	0	0	0	0	0
Other	377,500	344,000	346,000	0	346,000
349.07 Motor Vehicle Operations					
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	6,121,200	7,205,800	7,205,800	12,600	7,218,400
Total	\$6,121,200	\$7,205,800	\$7,205,800	\$12,600	\$7,218,400
State	6,062,500	7,155,800	7,145,800	12,600	7,158,400
Federal	0	0	0	0	0
Other	58,700	50,000	60,000	0	60,000

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
349.12 Major 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	153,800	249,000	249,000	0	249,000
Total	\$153,800	\$249,000	\$249,000	\$0	\$249,000
State	153,800	249,000	249,000	0	249,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

Driver License Issuance

Driver License Issuance has the responsibility of issuing driving privileges to all persons who qualify under the Classified and Commercial Driver's License Act. The handgun permit program is also administered through this division.

349.02 Driver License Issuance

Full-Time	290	287	287	0	287
Part-Time	13	13	13	0	13
Seasonal	0	0	0	0	0
Total	303	300	300	0	300
Payroll	8,008,500	8,776,000	8,776,000	1,300	8,777,300
Operational	7,643,100	9,967,300	9,967,300	137,200	10,104,500
Total	\$15,651,600	\$18,743,300	\$18,743,300	\$138,500	\$18,881,800
State	0	3,791,300	3,041,300	138,500	3,179,800
Federal	0	0	0	0	0
Other	15,651,600	14,952,000	15,702,000	0	15,702,000

Enforcement

The department's enforcement efforts focus on roadway safety, criminal investigation, and other safety-related functions.

The Tennessee Highway Patrol (THP) enforces motor vehicle laws, investigates accidents, provides assistance to motorists, and assists other police organizations in unusual assignments. The Commercial Vehicle Enforcement Division governs the operation of commercial vehicles with priority being placed on dimension and weight limits, inspection, licenses, permits, and motor vehicle tax requirements. The THP also maintains radio contact between all field officers and dispatch centers in the state, thereby providing emergency service to motorists and enabling officers to request support when needed.

The Capitol Police and Pupil Transportation sections are involved with non-highway safety concerns. Focusing on the safety of state property and employees, the Capitol Police section

provides special security for state office buildings in Davidson County. The Pupil Transportation section is responsible for the inspection of all school buses and the training of school bus drivers.

The Criminal Investigations Division provides investigative support on felony cases. This is accomplished through auto theft investigations, odometer fraud investigations, and the inspection of rebuilt motor vehicles. It also trains local law enforcement agencies in identifying and investigating such crimes.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
349.03 Highway Patrol					
Full-Time	1,099	1,112	1,112	2	1,114
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1,099	1,112	1,112	2	1,114
Payroll	53,504,900	57,131,800	57,131,800	2,097,600	59,229,400
Operational	12,045,300	18,111,300	18,023,100	2,161,000	20,184,100
Total	\$65,550,200	\$75,243,100	\$75,154,900	\$4,258,600	\$79,413,500
State	60,858,100	66,307,400	66,249,900	4,258,600	70,508,500
Federal	2,397,600	5,035,300	5,038,300	0	5,038,300
Other	2,294,500	3,900,400	3,866,700	0	3,866,700

349.06 Auto Theft Investigations

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	17,500	350,000	350,000	0	350,000
Total	\$17,500	\$350,000	\$350,000	\$0	\$350,000
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	17,500	350,000	350,000	0	350,000

349.14 C.I.D. Anti-Theft Unit

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	599,700	638,300	638,300	22,600	660,900
Operational	14,600	54,300	54,300	0	54,300
Total	\$614,300	\$692,600	\$692,600	\$22,600	\$715,200
State	610,900	692,600	692,600	22,600	715,200
Federal	0	0	0	0	0
Other	3,400	0	0	0	0

Education

The Driver and Motorcycle Rider Education programs use the news media, pamphlets, films, videotapes, and other instructional materials to educate the motoring public regarding the safe operation of their vehicles.

The Tennessee Law Enforcement Training Academy provides training for all state and local enforcement recruits, excluding those in the four major metropolitan areas. Specialized training for graduated officers is offered in all areas of law enforcement, including topics such as criminal investigations, drug trafficking, traffic control, officer management training, survival techniques, gang enforcement, domestic violence, school violence management and school officer training.

The 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 police officer salary supplement program to all eligible police officers.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
349.04 Motorcycle Rider Education					
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	57,900	95,100	95,100	0	95,100
Operational	69,400	102,800	83,000	0	83,000
Total	\$127,300	\$197,900	\$178,100	\$0	\$178,100
State	127,300	197,900	178,100	0	178,100
Federal	0	0	0	0	0
Other	0	0	0	0	0
349.08 Driver Education					
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	91,900	123,550	123,500	1,400	124,900
Operational	301,200	138,000	100,000	0	100,000
Total	\$393,100	\$261,550	\$223,500	\$1,400	\$224,900
State	393,100	261,550	223,500	1,400	224,900
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
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349.09 Tennessee Law Enforcement Training Academy

Full-Time	25	27	26	0	26
Part-Time	2	1	1	0	1
Seasonal	0	0	0	0	0
Total	27	28	27	0	27
Payroll	1,216,900	1,342,800	1,293,300	35,200	1,328,500
Operational	1,669,000	1,814,100	1,792,800	0	1,792,800
Total	\$2,885,900	\$3,156,900	\$3,086,100	\$35,200	\$3,121,300
State	1,875,800	1,883,800	2,121,100	35,200	2,156,300
Federal	0	0	0	0	0
Other	1,010,100	1,273,100	965,000	0	965,000

349.10 P.O.S.T. Commission

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	76,100	87,600	87,600	0	87,600
Operational	6,651,800	6,727,500	85,500	7,012,200	7,097,700
Total	\$6,727,900	\$6,815,100	\$173,100	\$7,012,200	\$7,185,300
State	6,727,900	6,815,100	173,100	7,012,200	7,185,300
Federal	0	0	0	0	0
Other	0	0	0	0	0

Titling and Registration

Titling and Registration is responsible for issuing, recording, and enforcing ownership titles; regulating the sale and distribution of vehicle license plates; and regulating vehicle registration renewals through the county clerks.

349.11 Titling and Registration

Full-Time	187	182	182	0	182
Part-Time	7	7	7	0	7
Seasonal	0	0	0	0	0
Total	194	189	189	0	189
Payroll	4,941,500	5,707,700	5,707,700	0	5,707,700
Operational	15,286,600	21,121,400	18,181,700	533,700	18,715,400
Total	\$20,228,100	\$26,829,100	\$23,889,400	\$533,700	\$24,423,100
State	8,927,800	16,009,400	16,134,400	533,700	16,668,100
Federal	0	0	0	0	0
Other	11,300,300	10,819,700	7,755,000	0	7,755,000

Technical Services

Technical Services is responsible for a variety of services intended to assist other divisions within the department. This division is divided into two program areas: Financial Responsibility and Information Systems. Through the Financial Responsibility program, the driving privileges of drivers convicted of statutory offenses are revoked or suspended. Statutory offenses include failure to appear in court, failure to pay fines, and court costs after conviction. This division also certifies the financial responsibility of drivers convicted of certain offenses or involved in accidents.

Management of the department's databases by Information Systems includes maintaining the driver histories for 5.3 million drivers. Information Systems also monitors and evaluates drivers convicted of traffic offenses for the Driver Improvement Program. This division also gathers, analyzes, interprets, and distributes enforcement and accident data for departmental analysis and public information.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
349.13 Technical Services					
Full-Time	173	176	176	5	181
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	173	176	176	5	181
Payroll	4,767,500	5,842,300	5,842,300	106,800	5,949,100
Operational	3,051,200	3,280,800	3,219,100	472,200	3,691,300
Total	\$7,818,700	\$9,123,100	\$9,061,400	\$579,000	\$9,640,400
State	1,903,800	1,143,500	1,450,400	579,000	2,029,400
Federal	0	0	0	0	0
Other	5,914,900	7,979,600	7,611,000	0	7,611,000
349.00 Department Total					
Full-Time	1,895	1,905	1,904	7	1,911
Part-Time	22	21	21	0	21
Seasonal	0	0	0	0	0
Total	1,917	1,926	1,925	7	1,932
Payroll	77,169,000	84,078,150	84,028,600	2,274,700	86,303,300
Operational	54,601,700	70,934,800	61,124,100	10,328,900	71,453,000
Total	\$131,770,700	\$155,012,950	\$145,152,700	\$12,603,600	\$157,756,300
State	92,744,600	110,308,850	103,458,700	12,603,600	116,062,300
Federal	2,397,600	5,035,300	5,038,300	0	5,038,300
Other	36,628,500	39,668,800	36,655,700	0	36,655,700

Law, Safety and Correction

Performance Measures and Program Information

Program Objective	Measure	Actual 2000-2001	Estimated 2001-2002	Estimated 2002-2003
Alcoholic Beverage Commission				
• Regulatory				
Inspect regulated alcoholic beverage businesses	Inspections	2,411	2,488	2,488
License non-resident distributors	Licenses issued	548	548	548
License wholesalers	Licenses issued	20	20	20
License retail package stores	Licenses issued	485	485	485
License restaurants	Licenses issued	1,594	1,664	1,664
License private clubs	Licenses issued	240	245	245
License caterers	Licenses issued	43	45	45
License wineries	Licenses issued	26	26	26
License distilleries	Licenses issued	3	3	3
Encourage compliance to alcoholic beverage laws	Regulatory citations issued	1,566	1,600	1,600
Ensure voluntary compliance with citations	Consent orders signed by cited businesses	954	1,000	1,000
• Enforcement				
Investigate alcoholic beverage criminal activity	Cases investigated	176	199	199
Enforce alcoholic beverage laws	Arrests	117	120	120
Investigate coincidental drug activity	Drug cases investigated	159	160	160
Enforce drug laws	Arrests	111	115	115
Investigate coincidental gambling activity	Gambling cases investigated	7	10	10
Enforce gambling laws	Arrests	7	10	10
Investigate impersonations of agents	Impersonation cases investigated	0	1	1
Enforce laws related to impersonating agents	Arrests	0	1	1
Participate in Governor's Task Force on Marijuana Eradication	Plants eradicated	443,242	450,000	450,000
• Server Training Program				
Ensure adequate server awareness training	Server trainers licensed	279	300	300
Require alcohol server awareness training	Servers trained	24,000	24,000	24,000

Law, Safety and Correction

Performance Measures and Program Information

Program Objective	Measure	Actual 2000-2001	Estimated 2001-2002	Estimated 2002-2003
TRICOR				
• Administration				
Increase inmate employment	Inmates employed	950	990	1089
Increase inmate outplacement program	Inmates placed in jobs	89	98	107
• Industry Operations				
Improve delivery times	Number of days to deliver product	7	7	7
Improve product quality	Number of customer complaints	221	200	180
• Agricultural Operations				
Increase dairy production	Milk cows on-line	300	324	330
Corrections Institute				
• Inspecting Jails				
Inspect all local facilities	Facility inspections	127	127	127
• Train Local Correctional Personnel				
Provide adequate training	Hours of training	42,900	64,800	64,800
Board of Probation and Parole				
• Community Corrections				
Supervise felons sentenced to community corrections	Supervised population	4,800	5,207	5,415
• Probation and Parole				
Manage caseloads	Average caseload per officer	100	100	105
Supervise costs effectively	Cost per day	\$2.37	\$2.95	\$3.07
Supervise probationers and parolees	Probation and parole population	40,200	41,500	43,200
• Hearing Officer Division				
Provide paperless parole hearing	Paperless parole hearings	16,256	16,500	16,500
• Training Division				
Provide adequate training	Average training hours per employee	42.55	42.55	42.55
Provide adequate training	Employees trained	940	940	940
Provide adequate training	Total training hours	40,000	40,000	40,000

Law, Safety and Correction

Performance Measures and Program Information

Program Objective	Measure	Actual 2000-2001	Estimated 2001-2002	Estimated 2002-2003
Correction				
• State Prosecutions				
House felons in local jails	Cost per day	\$43.86	\$43.92	\$45.19
House felons in local jails	Local jail population	6,280	6,945	6,751
• Tennessee Correction Academy				
Provide employee training	Employees trained	7,849	8,450	8,450
Provide employee training	Training hours	417,452	462,885	462,885
• Warehouse				
Provide inventory controls	Internal audit compliance	85%	100%	100%
• Commissary				
Provide secure commissary	Internal audit compliance	95%	100%	100%
• Dietary				
Provide cost efficient meals	Cost per day	\$2.77	\$2.77	\$2.77
Provide nutritional meals	Number of meals	5,391,199	5,803,500	5,803,500
• Inmate Records				
Maintain inmate files	Inmate population	16,920	18,588	18,588
• Security				
Maintain institutional security	Assaults on inmates	277	0	0
Maintain institutional security	Escapes	24	0	0
Maintain institutional security	Homicides	1	0	0
Maintain institutional security	Suicides	0	0	0
Maintian institutional security	Assaults on staff	480	0	0
• Classification Management				
Facilitate admissions	Annual admissions	8,484	8,808	9,046
• Health Services				
Provide health services	Internal audit compliance	95%	100%	100%
• Mental Health				
Provide mental health services	Internal audit compliance	91%	100%	100%
• Case Management				
Provide counseling services	Internal audit compliance	95%	100%	100%

Law, Safety and Correction

Performance Measures and Program Information

Program Objective	Measure	Actual 2000-2001	Estimated 2001-2002	Estimated 2002-2003
• Education				
Provide educational programs	Inmates receiving General Education Development diploma	766	850	850
Provide vocational programs	Vocational graduates	692	700	700
• Community Service Work Crews				
Provide community work crews	Total work crew hours	1,310,066	1,350,000	1,350,000
Military				
• Recruiting and Training				
Recruit new personnel into the National Guard	New personnel processed into National Guard	1,736	1,774	1,810
Provide training to National Guard personnel	Personnel trained	1,894	1,920	1,950
• Military Readiness				
Protect facilities from terrorist activities, vandalism and other malicious acts	Value of assets protected (millions)	\$307	\$313	\$330
Maintain all military facilities across the state	Work orders issued	9,050	9,688	10,303
Install and maintain security measures at all armories	Work orders completed	938	950	1,000
• Emergency Management Activities				
Disaster assistance activities	Disaster assistance open contracts	66	49	46
Provide emergency assistance to local communities	Local emergency management contracts	78	110	113
Provide emergency management training opportunities	Emergency management training exercises	47	118	118
Provide terrorism management training opportunities	Terrorism management training activities	40	40	150
Provide terrorism assistance for local governments	Terrorism assistance open contracts	10	95	95
Tennessee Bureau of Investigation				
• Criminal Investigations				
Respond to criminal activity	Cases opened	665	685	725
Respond to criminal activity	Cases closed	646	660	680
Respond to criminal activity	Cases active	1,049	1,075	1,210
Respond to criminal activity	Convictions	230	240	255

Law, Safety and Correction
Performance Measures and Program Information

Program Objective	Measure	Actual 2000-2001	Estimated 2001-2002	Estimated 2002-2003
Assist in Medicaid fraud investigations	Cases opened	57	60	65
Assist in Medicaid fraud investigations	Cases closed	86	90	95
Assist in Medicaid fraud investigations	Cases active	56	60	65
Assist in Medicaid fraud investigations	Convictions	10	12	15
Investigate and reduce narcotics activities	Cases opened	450	465	500
Investigate and reduce narcotics activities	Cases closed	307	310	350
Investigate and reduce narcotics activities	Cases active	915	920	950
Investigate and reduce narcotic activities	Convictions	319	325	350
• Forensic Services - Nashville TBI Crime Laboratory				
Perform forensic activities	Drug identification tests conducted	35,778	35,800	36,000
Perform forensic activities	Toxicology tests conducted	13,359	13,400	13,500
Perform forensic activities	Serology/DNA tests conducted	12,811	12,850	12,900
Perform forensic activities	Firearms identificaion tests conducted	6,660	6,670	6,700
Perform forensic activities	Microanalysis tests conducted	12,983	13,000	13,200
Perform forensic activities	Latent prints tests conducted	15,148	15,200	15,300
Perform forensic activities	Alcohol tests conducted	6,743	6,750	6,800
• Forensic Services - Jackson TBI Crime Laboratory				
Perform forensic activities	Drug identification tests conducted	17,336	17,350	17,400
Perform forensic activities	Serology/DNA tests conducted	5,827	5,850	5,900
Perform forensic activities	Alcohol tests conductd	1,439	1,450	1,500
• Forenesic Services - Knoxville Crime Laboratory				
Perform forensic activities	Drug identification tests conducted	26,817	26,850	26,950
Perform forensic activities	Toxicology tests conducted	6,041	6,050	6,700
Perform forensic activities	Serology/DNA tests conducted	2,343	2,350	2,400
Perform forensic activities	Alcohol tests conducted	2,594	2,600	2,650
• Forensic Services - Chattanooga Crime Laboratory				
Perform forensic activities	Drug identification tests conducted	13,964	14,000	14,050
Peform forensic activities	Alcohol tests conducted	1,142	1,150	1,200

Law, Safety and Correction

Performance Measures and Program Information

Program Objective	Measure	Actual 2000-2001	Estimated 2001-2002	Estimated 2002-2003
• Information Systems and Records				
Maintain the sex offender registry database	Subjects registered	4,785	5,200	5,700
Maintain adequate fingerprint records	Fingerprint cards processed	329,573	330,000	340,000
Decrease the number of illegal weapons sales	Tennessee Instant Check System (TICS) transaction denied	10,276	10,300	10,400
Decrease the number of illegal weapons sales	Tennessee Instant Check Systems (TICS) transaction approved	198,003	198,100	198,200
Decrease the number of illegal weapons sales	Stolen firearms identified	187	200	205
Safety				
• Licensing and Registration				
Reduce customer wait time	Average wait time (minutes)	135	90	60
Process driver license renewals	Driver license renewals updated	651,867	675,000	700,000
Issue on-line registrations	Percentage of on-line registrations	38%	50%	60%
Issue handgun carry permit renewals	Average turnaround (days)	30	30	20
Process titles for vehicles	Titles issued	2,132,079	2,238,700	2,305,800
Process vehicle registrations	Vehicle registrations	5,582,729	5,750,200	5,922,700
• Law Enforcement				
Maintain public safety and enforce the law	DUI citations issued	4,215	4,250	4,300
Maintain public safety and enforce the law	Other citations issued	451,465	494,400	537,300
Maintain public safety and enforce the law	Child restraint citations issued	6,670	6,400	6,100
Maintain public safety and enforce the law	Property damage accidents investigated	16,132	16,300	16,500
Maintain public safety and enforce the law	Injury accidents investigated	11,570	11,700	11,800
Maintain public safety and enforce the law	Fatal accidents investigated	649	655	660
Improve commercial vehicle safety	Safety inspections performed	56,753	57,000	57,000
Reduce commercial motor vehicles fatalities	Number of CMV fatalities	162	150	140
Reduce vehicle thefts	Vehicle theft related cases investigated	213	240	260
Recover stolen vehicles	Stolen or altered vehicles recovered	256	280	300
Regulate the salvage industry	Salvage yard audits/inspections	94	110	120
Inspect salvaged/rebuilt vehicles	Vehicles inspected	4,505	4,520	4,530

Law, Safety and Correction

Performance Measures and Program Information

Program Objective	Measure	Actual 2000-2001	Estimated 2001-2002	Estimated 2002-2003
Enforce Tennessee title laws	Title fraud cases investigated	131	155	180
Provide consumer protection against odometer fraud	Odometer tampering investigations	124	135	150
• Pupil Transportation				
Promote pupil safety through school bus driver training	School bus drivers certified	12,274	13,000	15,000
Promote pupil safety through school bus inspections	School buses inspected	11,605	12,000	14,700
• Training				
Train law enforcement personnel	Police officers trained	1,430	1,700	1,700
Train law enforcement personnel	Specialized training schools offered	45	48	45
Train law enforcement personnel	Traffic investigation schools offered	3	4	4

Resources and Regulation

Table of Contents

Introduction	B-291
Total Personnel and Funding	B-293
Improvements for Fiscal Year 2002-2003	B-294
Program Statements	B-298
Tennessee Arts Commission	B-298
Tennessee State Museum	B-299
Department of Environment and Conservation	B-300
Tennessee Wildlife Resource Agency.....	B-312
Department of Commerce and Insurance	B-315
Department of Financial Institutions	B-321
Department of Labor and Workforce Development.....	B-322
Performance Measures and Program Information	B-329
Tennessee Arts Commission	B-329
Tennessee State Museum	B-329
Department of Environment and Conservation	B-329
Tennessee Wildlife Resources Agency	B-331
Department of Commerce and Insurance	B-332
Department of Financial Institutions	B-334
Department of Labor and Workforce Development.....	B-335

Resources and Regulation

Recommended Budget, Fiscal Year 2002 – 2003

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.

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 natural resources through recreation on public and private lands, including the state's archaeological, geological, and park resources; protect and conserve all species of wildlife native to the state; administer the hunter and boating safety laws; enforce the litter control laws; stabilize river banks; and maintain drainage patterns to conserve agricultural land in West Tennessee.

Improvement Highlights

Tennessee Arts Commission

The budget recommends \$1 million to continue funding grants on a recurring basis to local artists and arts organizations.

Department of Environment and Conservation

The budget provides an additional \$2.5 million to operate State Parks, as well as \$3 million for state parks maintenance, which will reduce the backlog of deferred maintenance and maintain the current level of activity. Also recommended for state parks is \$400,000, including \$150,000 in non-recurring funds, for vehicle replacement.

The budget recommends funding of \$500,000 to continue major maintenance projects of the West Tennessee River Basin Authority. Also recommended is \$100,000 to adequately protect State Natural Areas and Scenic Rivers; \$132,500 for management of land and facilities transferred to Tims Ford State Park under the Tennessee Elk River Resource Management program; and \$111,800

in federal funds to help protect Tennessee's water supply.

Tennessee Wildlife Resources Agency

The recommended budget provides \$1.5 million from TWRA funds for statutory salary increases. Also recommended is funding for management of the Tapoco properties in Blount County and for law enforcement on three reservoirs in the area.

Department of Commerce and Insurance

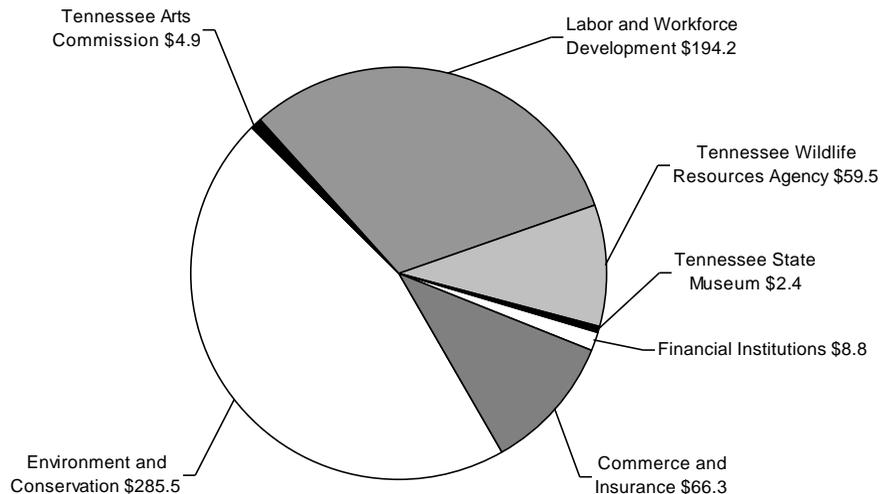
The Administration recommends \$1.4 million, which includes \$1.2 million in state appropriations, to fully fund the annual operation of the Fire Service and Codes

Enforcement Academy. Continuation of the fire fighters' pay supplement is recommended with \$2.3 million.

Improvements in building codes enforcement and fire safety inspections are funded with \$785,400 in departmental revenues. Funding from state appropriations and departmental revenues also is included for insurance regulation, auditing, and information systems.

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.

Resources and Regulation FY 2002 - 2003 Recommended



In Millions
\$621,614,100 Total

Resources and Regulation Total Personnel and Funding

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Recommended 2002-2003</u>
Personnel			
Full Time	5,339	5,307	5,338
Part Time	899	893	893
Seasonal	627	611	612
TOTAL	6,865	6,811	6,843
Expenditures			
Payroll	\$197,472,900	\$231,340,200	\$233,197,200
Operational	313,977,700	397,085,600	388,416,900
TOTAL	\$511,450,600	\$628,425,800	\$621,614,100
Funding			
State	\$209,809,100	\$248,726,900	\$251,500,200
Federal	153,981,800	213,597,800	211,282,000
Other	147,659,700	166,101,100	158,831,900

Resources and Regulation Improvements for Fiscal Year 2002-2003

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Arts Commission					
• Grants					
To provide funding to continue grants to Tennessee artists and local arts organizations.					
316.25 Arts Commission	\$1,000,000	\$0	\$0	\$1,000,000	0
Sub-total	\$1,000,000	\$0	\$0	\$1,000,000	0
Total Arts Commission	\$1,000,000	\$0	\$0	\$1,000,000	0
Environment and Conservation					
• State Parks Operations					
To provide sufficient additional funds to operate state parks.					
327.12 Tennessee State Parks	\$2,500,000	\$0	\$0	\$2,500,000	0
Sub-total	\$2,500,000	\$0	\$0	\$2,500,000	0
• State Parks Maintenance					
To provide increased funding for state parks maintenance in order to reduce the backlog of deferred maintenance and maintain the current level of activity, as the previous special non-recurring appropriation is exhausted.					
327.15 State Parks Maintenance	\$3,000,000	\$0	\$0	\$3,000,000	0
Sub-total	\$3,000,000	\$0	\$0	\$3,000,000	0
• Natural Areas and Scenic Rivers					
To provide funds to adequately manage and protect Tennessee's 62 State Natural Areas and 13 State Scenic Rivers. Funds are required for management of approximately 90,000 acres of ecologically significant lands throughout Tennessee. The Natural Areas program has a base budget of \$62,000 for ground management, and the Scenic Rivers program has no operating funds.					
327.14 Natural Heritage	\$100,000	\$0	\$0	\$100,000	0
Sub-total	\$100,000	\$0	\$0	\$100,000	0
• Vehicle Replacements					
To provide \$150,000 recurring and \$250,000 non-recurring funds for replacement of old, high mileage vehicles necessary to manage state parks.					
327.12 Tennessee State Parks	\$400,000	\$0	\$0	\$400,000	0
Sub-total	\$400,000	\$0	\$0	\$400,000	0
• Elk River Lands					
To provide funding for four positions and operational costs in order to manage land and facilities transferred to Tims Ford State Park under the Tennessee Elk River resource management program.					
327.12 Tennessee State Parks	\$132,500	\$0	\$0	\$132,500	4
Sub-total	\$132,500	\$0	\$0	\$132,500	4

Resources and Regulation Improvements for Fiscal Year 2002-2003

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Maintenance of West Tennessee Rivers					
To provide funding to continue major maintenance projects of the West Tennessee River Basin Authority.					
327.24 West Tennessee River Basin Authority Maintenance	\$500,000	\$0	\$0	\$500,000	0
Sub-total	\$500,000	\$0	\$0	\$500,000	0
• Water Supply					
To provide funds for two positions for the water supply program in order to increase prevention and abatement of pollution in groundwater (wells or springs) and source water (rivers, lakes, and streams) utilized by public water systems.					
327.39 Water Supply	\$0	\$111,800	\$0	\$111,800	2
Sub-total	\$0	\$111,800	\$0	\$111,800	2
Total Environment and Conservation	\$6,632,500	\$111,800	\$0	\$6,744,300	6

Tennessee Wildlife Resources Agency

• Mandated Salary Increase					
To provide funding for salary increases for the agency's officers, biologists, and other unique positions as mandated by TCA 70-1-309.					
328.01 Wildlife Resources Agency	\$1,319,900	\$0	\$0	\$1,319,900	0
328.02 Boating Safety	\$180,000	\$0	\$0	\$180,000	0
Sub-total	\$1,499,900	\$0	\$0	\$1,499,900	0
• Tapoco					
To provide funding and one wildlife manager position for wildlife management activities on the Tapoco properties in Blount County. Alcoa will reimburse the Wildlife Resources Agency for 50 percent of the cost to manage the properties and provide law enforcement on three publicly used reservoirs in the Chilhowee, Calderwood, and upper Tellico lake area. This area is highly used by the public for hunting and boating, as well as neotropical bird observation.					
328.01 Wildlife Resources Agency	\$50,700	\$0	\$50,600	\$101,300	1
Sub-total	\$50,700	\$0	\$50,600	\$101,300	1
Total Tennessee Wildlife Resources Agency	\$1,550,600	\$0	\$50,600	\$1,601,200	1

Resources and Regulation Improvements for Fiscal Year 2002-2003

	State	Federal	Other	Total	Positions
Commerce and Insurance					
• Fire and Codes Academy					
To provide funding and 10 positions for full-year operational costs of the Fire and Codes Academy on a continuing basis. About 75 percent of Tennessee's fire fighters are volunteers. Their training is essential to public safety.					
335.07 Fire and Codes Enforcement Academy	\$1,213,000	\$0	\$198,200	\$1,411,200	10
Sub-total	\$1,213,000	\$0	\$198,200	\$1,411,200	10
• Fire Fighter Pay Supplement					
To continue funding for the fire fighter pay supplement. This is provided as a training incentive.					
335.28 Fire Fighting Personnel Standards and Education	\$2,324,300	\$0	\$0	\$2,324,300	0
Sub-total	\$2,324,300	\$0	\$0	\$2,324,300	0
• Building Codes Enforcement					
To provide funding for additional facilities construction specialists and fire safety inspectors. This will reduce project backlog and enable the department to continue inspections for other state agencies.					
335.03 Fire Prevention	\$0	\$0	\$785,400	\$785,400	10
Sub-total	\$0	\$0	\$785,400	\$785,400	10
• Internal Audit and Information Systems					
To provide funding for one auditor and one program analyst to assist in strengthening internal audit and information systems.					
335.01 Administration	\$0	\$0	\$154,900	\$154,900	2
335.02 Insurance	\$0	\$0	\$35,800	\$35,800	0
335.03 Fire Prevention	\$0	\$0	\$33,400	\$33,400	0
335.04 TennCare Oversight	\$0	\$0	\$5,800	\$5,800	0
335.05 Securities	\$0	\$0	\$5,800	\$5,800	0
335.06 Consumer Affairs	\$2,900	\$0	\$0	\$2,900	0
335.07 Fire and Codes Enforcement Academy	\$2,400	\$0	\$0	\$2,400	0
335.08 911 Emergency Communications Fund	\$1,600	\$0	\$0	\$1,600	0
335.10 Regulatory Boards	\$65,200	\$0	\$0	\$65,200	0
335.28 Fire Fighting Personnel Standards and Education	\$2,000	\$0	\$0	\$2,000	0
Sub-total	\$74,100	\$0	\$235,700	\$309,800	2

Resources and Regulation Improvements for Fiscal Year 2002-2003

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Insurance Regulation					
To provide funding for two administrative assistants in the insurance division in order to reduce backlogs in processing tax affidavits, enhance tax collection efforts, and improve response time to consumers. This will be funded by increased fees provided under Acts of 2001, Public Chapter 333.					
335.02 Insurance	\$0	\$0	\$106,900	\$106,900	2
Sub-total	\$0	\$0	\$106,900	\$106,900	2
• Real Estate Commission					
To provide funding for an additional auditor of real estate escrow accounts, vacation lodging organizations, and time-share registrants.					
335.10 Regulatory Boards	\$82,700	\$0	\$0	\$82,700	1
Sub-total	\$82,700	\$0	\$0	\$82,700	1
Total Commerce and Insurance	\$3,694,100	\$0	\$1,326,200	\$5,020,300	25
Total Resources and Regulation	\$12,877,200	\$111,800	\$1,376,800	\$14,365,800	32

Tennessee Arts Commission

The Tennessee Arts Commission promotes interest and participation in the performing, visual, and literary arts by providing financial support to artists, arts organizations, and arts supporters. This financial support includes:

- Supporting not-for-profit organizations and events through various grant programs
- Matching private contributions with federal funds to provide technical assistance and other services.

The commission increases public awareness of arts opportunities by producing newsletters and special publications. It also provides program and operational support to the Tennessee State Museum.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
316.25 Tennessee Arts Commission					
Full-Time	17	18	18	0	18
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	17	18	18	0	18
Payroll	718,600	783,100	783,100	0	783,100
Operational	4,510,800	4,145,300	3,145,300	1,000,000	4,145,300
Total	\$5,229,400	\$4,928,400	\$3,928,400	\$1,000,000	\$4,928,400
State	4,667,900	4,332,100	3,332,100	1,000,000	4,332,100
Federal	561,500	596,300	596,300	0	596,300
Other	0	0	0	0	0

Tennessee State Museum

The Tennessee State Museum collects, preserves, interprets, and exhibits artifacts that are significant to the natural and cultural history of Tennessee. The museum's primary duties include:

- Conserving, storing, and securing the museum's collections
- Sponsoring national and regional exhibits of significance
- Providing technical assistance in the conservation and restoration of artifacts for the development of new museums
- Providing Tennessee citizens with educational programs and services
- Maintaining administrative oversight of the National Civil Rights Museum.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
316.27 Tennessee State Museum					
Full-Time	35	35	35	0	35
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	35	35	35	0	35
Payroll	1,330,500	1,395,900	1,406,200	0	1,406,200
Operational	1,257,200	1,053,000	1,042,700	0	1,042,700
Total	\$2,587,700	\$2,448,900	\$2,448,900	\$0	\$2,448,900
State	2,401,500	2,448,900	2,448,900	0	2,448,900
Federal	0	0	0	0	0
Other	186,200	0	0	0	0

Department of Environment and Conservation

The Department of Environment and Conservation enhances the quality of life for all Tennesseans by protecting, preserving, and improving the quality of Tennessee's air, land, and water; providing an understandable and responsive regulatory system; conserving and promoting Tennessee's natural and cultural resources; and providing a variety of quality recreational experiences. The department operates under the following four bureaus:

- Administration
- Conservation Services
- Environment
- Tennessee State Parks.

Administration

Administration provides overall policy management and support services, including environmental policy, fiscal services, human resources, information systems, internal audit, legal services, marketing development, and public information to all areas of the department. Administration also provides direction and supervision to the Elk River Resources Management division.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
327.01 Administrative Services					
Full-Time	179	175	175	0	175
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	179	175	175	0	175
Payroll	6,851,500	7,882,100	7,907,700	0	7,907,700
Operational	3,774,400	3,578,400	3,552,800	0	3,552,800
Total	\$10,625,900	\$11,460,500	\$11,460,500	\$0	\$11,460,500
State	5,949,100	5,554,200	5,554,200	0	5,554,200
Federal	2,583,000	1,801,800	1,801,800	0	1,801,800
Other	2,093,800	4,104,500	4,104,500	0	4,104,500

The Elk River Resource Management division was established to administer programs of the former Tennessee Elk River Development Agency. These include the completion of Tennessee Valley Authority contractual obligations and agreements, disposition of real property, and distribution of funds to ten counties in the Elk River watershed.

327.17 Elk River Resource Management

Full-Time	5	5	5	0	5
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	6	6	6	0	6

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
Payroll	175,800	201,600	177,000	0	177,000
Operational	155,000	882,200	906,800	0	906,800
Total	\$330,800	\$1,083,800	\$1,083,800	\$0	\$1,083,800
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	330,800	1,083,800	1,083,800	0	1,083,800

Conservation Services

Conservation Services works to identify and preserve significant historical, geological, and archaeological sites, as well as Tennessee's rich diversity of natural resources.

Recreation Resources facilitates the development of local parks and recreation activities by providing technical, financial, and planning resources.

Conservation Administration also publishes the *Tennessee Conservationist* magazine to educate the public about the preservation, protection, and wise use of the state's natural and cultural resources. Administrative assistance to the Tennessee Historical Commission is also provided through Conservation Administration.

327.03 Conservation Administration

Full-Time	17	15	15	0	15
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	17	15	15	0	15
Payroll	497,200	640,200	640,200	0	640,200
Operational	1,302,000	4,488,100	4,488,100	0	4,488,100
Total	\$1,799,200	\$5,128,300	\$5,128,300	\$0	\$5,128,300
State	1,235,000	573,900	573,900	0	573,900
Federal	255,900	4,304,400	4,304,400	0	4,304,400
Other	308,300	250,000	250,000	0	250,000

327.04 Historical Commission

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	600,600	628,000	628,000	0	628,000
Operational	1,165,400	1,234,000	1,212,500	0	1,212,500
Total	\$1,766,000	\$1,862,000	\$1,840,500	\$0	\$1,840,500
State	1,170,700	1,335,400	1,335,400	0	1,335,400
Federal	557,400	500,100	500,100	0	500,100
Other	37,900	26,500	5,000	0	5,000

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
327.06 Land and Water Conservation 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	750,000	750,000	0	750,000
Total	\$0	\$750,000	\$750,000	\$0	\$750,000
State	0	0	0	0	0
Federal	0	750,000	750,000	0	750,000
Other	0	0	0	0	0
327.08 Archaeology					
Full-Time	12	12	12	0	12
Part-Time	0	0	0	0	0
Seasonal	10	6	6	0	6
Total	22	18	18	0	18
Payroll	564,700	547,200	576,300	0	576,300
Operational	126,300	137,800	108,700	0	108,700
Total	\$691,000	\$685,000	\$685,000	\$0	\$685,000
State	621,500	479,800	479,800	0	479,800
Federal	0	0	0	0	0
Other	69,500	205,200	205,200	0	205,200
327.11 Geology					
Full-Time	25	23	23	0	23
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	25	23	23	0	23
Payroll	930,900	1,058,300	1,057,600	0	1,057,600
Operational	361,000	376,800	377,500	0	377,500
Total	\$1,291,900	\$1,435,100	\$1,435,100	\$0	\$1,435,100
State	1,165,500	1,279,500	1,279,500	0	1,279,500
Federal	64,800	83,300	81,100	0	81,100
Other	61,600	72,300	74,500	0	74,500
327.18 Maintenance of Historic 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	71,200	200,000	200,000	0	200,000
Total	\$71,200	\$200,000	\$200,000	\$0	\$200,000
State	71,200	200,000	200,000	0	200,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

The Local Parks Acquisition Fund and the State Lands Acquisition Fund are used to purchase land for parks, natural areas, and state forests, and are used for trail development and other eligible projects.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
327.19 Local Parks 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
Payroll	0	0	0	0	0
Operational	2,519,000	3,000,000	3,000,000	0	3,000,000
Total	\$2,519,000	\$3,000,000	\$3,000,000	\$0	\$3,000,000
State	1,853,500	3,000,000	3,000,000	0	3,000,000
Federal	0	0	0	0	0
Other	665,500	0	0	0	0

327.20 State Lands 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
Payroll	0	0	0	0	0
Operational	4,293,300	7,500,000	4,000,000	0	4,000,000
Total	\$4,293,300	\$7,500,000	\$4,000,000	\$0	\$4,000,000
State	3,760,700	7,500,000	4,000,000	0	4,000,000
Federal	17,600	0	0	0	0
Other	515,000	0	0	0	0

The West Tennessee River Basin Authority preserves the natural flow and function of the Hatchie, Obion, and Forked Deer river basins through environmentally sensitive stream maintenance and appropriate conservation practices in upland settings.

327.26 West Tennessee River Basin Authority

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	542,100	612,500	612,500	0	612,500
Operational	334,400	325,700	325,700	0	325,700
Total	\$876,500	\$938,200	\$938,200	\$0	\$938,200
State	683,700	735,300	735,300	0	735,300
Federal	0	0	0	0	0
Other	192,800	202,900	202,900	0	202,900

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
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327.24 West Tennessee River Basin Authority 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	70,800	182,300	0	500,000	500,000
Total	\$70,800	\$182,300	\$0	\$500,000	\$500,000
State	70,800	0	0	500,000	500,000
Federal	0	0	0	0	0
Other	0	182,300	0	0	0

Environment

The environmental programs in the department are responsible for the preservation and enhancement of the state's environmental resources and for ensuring compliance with state and federal regulations. Environment Administration provides coordination of environmental activities in state policy development and technical assistance as well as management and support services for eight Environmental Assistance Centers.

327.30 Environment Administration

Full-Time	84	83	83	0	83
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	84	83	83	0	83
Payroll	3,001,000	3,265,900	3,287,100	0	3,287,100
Operational	966,000	1,298,200	1,277,000	0	1,277,000
Total	\$3,967,000	\$4,564,100	\$4,564,100	\$0	\$4,564,100
State	1,914,500	1,543,900	1,543,900	0	1,543,900
Federal	21,200	21,200	21,200	0	21,200
Other	2,031,300	2,999,000	2,999,000	0	2,999,000

The Natural Heritage Division identifies and protects the state's natural areas to promote the conservation of rare or endangered species of plants and animals.

327.14 Natural Heritage

Full-Time	12	12	12	0	12
Part-Time	0	0	0	0	0
Seasonal	3	3	3	0	3
Total	15	15	15	0	15

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
Payroll	562,200	580,900	580,900	0	580,900
Operational	232,400	509,600	509,600	100,000	609,600
Total	\$794,600	\$1,090,500	\$1,090,500	\$100,000	\$1,190,500
State	725,100	706,700	706,700	100,000	806,700
Federal	65,100	248,800	261,300	0	261,300
Other	4,400	135,000	122,500	0	122,500

The Used Oil Collection Program promotes education and public awareness and provides financial assistance for used oil disposal.

327.23 Used Oil Collection Program

Full-Time	4	3	3	0	3
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	4	3	3	0	3
Payroll	122,300	199,100	195,100	0	195,100
Operational	952,500	1,294,500	1,298,500	0	1,298,500
Total	\$1,074,800	\$1,493,600	\$1,493,600	\$0	\$1,493,600
State	811,300	1,259,600	1,259,600	0	1,259,600
Federal	0	0	0	0	0
Other	263,500	234,000	234,000	0	234,000

The Tennessee Dry Cleaners Environmental Response Fund is used to:

- Reimburse dry cleaner owners or operators, property owners, and impacted third parties for the investigation and remediation of sites contaminated by dry cleaning solvents
- Provide oversight of use and disposal of dry cleaning solvents used in dry cleaning operations.

327.28 Tennessee Dry Cleaners Environmental Response Fund

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	176,200	317,700	330,700	0	330,700
Operational	683,700	2,066,500	2,053,500	0	2,053,500
Total	\$859,900	\$2,384,200	\$2,384,200	\$0	\$2,384,200
State	516,600	2,384,200	2,384,200	0	2,384,200
Federal	0	0	0	0	0
Other	343,300	0	0	0	0

Air Pollution Control ensures compliance with applicable state and federal air standards. The Small Business Clean Air Assistance program assists small businesses in voluntarily complying with air pollution regulations.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
327.31 Air Pollution Control					
Full-Time	147	145	145	0	145
Part-Time	12	12	12	0	12
Seasonal	0	0	0	0	0
Total	159	157	157	0	157
Payroll	5,938,800	7,009,800	7,009,800	0	7,009,800
Operational	3,015,300	2,830,500	2,830,500	0	2,830,500
Total	\$8,954,100	\$9,840,300	\$9,840,300	\$0	\$9,840,300
State	657,200	1,516,200	1,516,200	0	1,516,200
Federal	1,253,800	1,538,700	1,538,700	0	1,538,700
Other	7,043,100	6,785,400	6,785,400	0	6,785,400

Radiological Health regulates the possession, use, transportation, and disposition of radiation-producing machines and radioactive materials.

327.32 Radiological Health

Full-Time	71	69	69	0	69
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	71	69	69	0	69
Payroll	2,349,200	3,019,600	3,060,700	0	3,060,700
Operational	1,103,500	1,580,000	1,538,900	0	1,538,900
Total	\$3,452,700	\$4,599,600	\$4,599,600	\$0	\$4,599,600
State	271,300	373,600	373,600	0	373,600
Federal	95,500	72,900	72,900	0	72,900
Other	3,085,900	4,153,100	4,153,100	0	4,153,100

Community Assistance provides environmental multi-media training, financial, and technical assistance, which promote pollution prevention, re-use, and recycling. This division is also charged with the oversight of the following programs:

- Clean Water State Revolving Fund
- Drinking Water State Revolving Fund
- Pollution Prevention
- Lead Hazard Awareness
- Wastewater Treatment Operators Certification Program.

327.33 Community Assistance

Full-Time	47	46	46	0	46
Part-Time	4	4	4	0	4
Seasonal	0	0	0	0	0
Total	51	50	50	0	50

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
Payroll	1,597,800	2,403,500	2,133,900	0	2,133,900
Operational	19,413,500	50,004,600	50,274,200	0	50,274,200
Total	\$21,011,300	\$52,408,100	\$52,408,100	\$0	\$52,408,100
State	6,462,600	7,355,200	7,355,200	0	7,355,200
Federal	13,669,900	44,873,700	44,873,700	0	44,873,700
Other	878,800	179,200	179,200	0	179,200

Water Pollution Control protects water quality by abating existing pollution, reclaiming polluted waters, and working to prevent future pollution.

327.34 Water Pollution Control

Full-Time	155	157	157	0	157
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
Total	163	165	165	0	165
Payroll	6,533,900	7,428,400	7,478,800	0	7,478,800
Operational	3,941,500	5,893,000	5,842,600	0	5,842,600
Total	\$10,475,400	\$13,321,400	\$13,321,400	\$0	\$13,321,400
State	4,890,800	4,991,300	4,991,300	0	4,991,300
Federal	2,326,000	3,485,900	3,463,900	0	3,463,900
Other	3,258,600	4,844,200	4,866,200	0	4,866,200

Solid Waste Management assists in the identification, prevention, and correction of solid and hazardous waste problems by enforcement of the Solid Waste Disposal Act and the Hazardous Waste Management Act.

327.35 Solid Waste Management

Full-Time	143	142	142	0	142
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
Total	151	150	150	0	150
Payroll	5,865,800	6,767,000	6,910,100	0	6,910,100
Operational	1,945,500	2,132,600	1,989,500	0	1,989,500
Total	\$7,811,300	\$8,899,600	\$8,899,600	\$0	\$8,899,600
State	1,888,100	1,943,900	1,943,900	0	1,943,900
Federal	2,141,900	2,592,400	2,592,400	0	2,592,400
Other	3,781,300	4,363,300	4,363,300	0	4,363,300

Department of Energy Oversight ensures the environmental impacts associated with past and present activities of the DOE Oak Ridge Reservation are investigated and appropriately cleaned up.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
327.36 DOE Oversight					
Full-Time	59	54	54	0	54
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	59	54	54	0	54
Payroll	2,063,100	2,680,600	2,680,600	0	2,680,600
Operational	955,300	3,243,300	3,243,300	0	3,243,300
Total	\$3,018,400	\$5,923,900	\$5,923,900	\$0	\$5,923,900
State	0	0	0	0	0
Federal	2,953,300	5,923,900	5,923,900	0	5,923,900
Other	65,100	0	0	0	0

The Abandoned Lands program provides for the reclamation of coal mining sites for which bonds have been forfeited. In addition, the program inventories and reclaims land abandoned by phosphate, clay, dirt, sand, and gravel operations.

327.37 Abandoned Lands

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	155,000	500,000	500,000	0	500,000
Total	\$155,000	\$500,000	\$500,000	\$0	\$500,000
State	0	500,000	500,000	0	500,000
Federal	0	0	0	0	0
Other	155,000	0	0	0	0

The Hazardous Waste Remedial Action Fund supports activities for the identification, investigation, and remediation of inactive hazardous substance sites.

327.38 Hazardous Waste Remedial Action Fund

Full-Time	65	64	64	0	64
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	65	64	64	0	64
Payroll	2,557,400	3,207,800	3,207,800	0	3,207,800
Operational	3,869,900	7,630,300	7,630,300	0	7,630,300
Total	\$6,427,300	\$10,838,100	\$10,838,100	\$0	\$10,838,100

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
State	634,900	1,052,000	1,052,000	0	1,052,000
Federal	1,128,900	2,563,700	2,125,500	0	2,125,500
Other	4,663,500	7,222,400	7,660,600	0	7,660,600

Water Supply ensures compliance with state and federal public drinking water supply standards.

327.39 Water Supply

Full-Time	75	74	74	2	76
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	75	74	74	2	76
Payroll	3,055,100	3,464,000	3,455,100	77,500	3,532,600
Operational	1,705,700	1,093,200	1,102,100	34,300	1,136,400
Total	\$4,760,800	\$4,557,200	\$4,557,200	\$111,800	\$4,669,000
State	249,400	604,200	604,200	0	604,200
Federal	2,812,400	1,383,700	1,383,700	111,800	1,495,500
Other	1,699,000	2,569,300	2,569,300	0	2,569,300

Groundwater Protection protects, preserves and improves the quality of Tennessee's groundwater by assuring the proper disposal of domestic wastewaters.

327.40 Groundwater Protection

Full-Time	153	153	153	0	153
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	153	153	153	0	153
Payroll	5,872,300	6,602,800	6,614,900	0	6,614,900
Operational	1,824,100	1,843,500	1,831,400	0	1,831,400
Total	\$7,696,400	\$8,446,300	\$8,446,300	\$0	\$8,446,300
State	3,418,400	3,198,700	3,198,700	0	3,198,700
Federal	0	0	0	0	0
Other	4,278,000	5,247,600	5,247,600	0	5,247,600

The Underground Storage Tank program regulates the installation, inspection, and possible leakage of underground storage tanks. In addition, the program issues certificates, collects fees, and reimburses allowable environmental investigation costs to eligible underground storage tank owners and operators.

327.41 Underground Storage Tanks

Full-Time	85	84	84	0	84
Part-Time	8	8	8	0	8
Seasonal	0	0	0	0	0
Total	93	92	92	0	92

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
Payroll	3,025,100	3,665,000	3,665,000	0	3,665,000
Operational	18,013,600	15,852,000	15,852,000	0	15,852,000
Total	\$21,038,700	\$19,517,000	\$19,517,000	\$0	\$19,517,000
State	18,545,700	17,216,200	17,216,200	0	17,216,200
Federal	1,400,200	2,300,800	2,300,800	0	2,300,800
Other	1,092,800	0	0	0	0

The Solid Waste Assistance Fund assists in the implementation of the Solid Waste Management Act of 1991, to help plan for future waste disposal needs. The division provides financial assistance and special statewide services to local governments to ensure their compliance with the law.

327.42 Solid Waste Assistance Fund

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	778,400	910,800	910,800	0	910,800
Operational	7,861,000	8,237,100	8,237,100	0	8,237,100
Total	\$8,639,400	\$9,147,900	\$9,147,900	\$0	\$9,147,900
State	7,887,000	9,147,900	9,147,900	0	9,147,900
Federal	11,400	0	0	0	0
Other	741,000	0	0	0	0

The Environmental Protection Fund's purpose is to improve performance in permitting, monitoring, investigation, enforcement, and administration of the department's function under each regulatory program.

327.43 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	24,671,000	32,144,100	32,144,100	0	32,144,100
Total	\$24,671,000	\$32,144,100	\$32,144,100	\$0	\$32,144,100
State	24,114,000	32,144,100	32,144,100	0	32,144,100
Federal	0	0	0	0	0
Other	557,000	0	0	0	0

Tennessee State Parks

Tennessee State Parks preserve unique examples of natural, cultural and scenic areas and provide a variety of quality outdoor experiences for Tennessee's citizens and visitors.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
327.12 Tennessee State Parks					
Full-Time	981	989	989	3	992
Part-Time	172	171	171	0	171
Seasonal	613	601	601	1	602
Total	1,766	1,761	1,761	4	1,765
Payroll	31,503,200	33,590,700	33,590,700	96,900	33,687,600
Operational	22,295,100	22,550,000	21,166,000	2,935,600	24,101,600
Total	\$53,798,300	\$56,140,700	\$54,756,700	\$3,032,500	\$57,789,200
State	23,228,700	25,567,100	23,067,100	3,032,500	26,099,600
Federal	67,600	0	0	0	0
Other	30,502,000	30,573,600	31,689,600	0	31,689,600
327.15 Tennessee State Parks Maintenance					
Full-Time	31	31	31	0	31
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	31	31	31	0	31
Payroll	1,215,500	1,377,700	1,349,900	0	1,349,900
Operational	5,115,000	3,723,400	2,366,500	3,000,000	5,366,500
Total	\$6,330,500	\$5,101,100	\$3,716,400	\$3,000,000	\$6,716,400
State	3,637,200	3,581,800	3,581,800	3,000,000	6,581,800
Federal	0	0	0	0	0
Other	2,693,300	1,519,300	134,600	0	134,600
327.00 Department Total					
Full-Time	2,409	2,395	2,395	5	2,400
Part-Time	213	212	212	0	212
Seasonal	626	610	610	1	611
Total	3,248	3,217	3,217	6	3,223
Payroll	86,380,100	98,061,200	98,061,200	174,400	98,235,600
Operational	132,892,400	187,081,700	180,609,200	6,569,900	187,179,100
Total	\$219,272,500	\$285,142,900	\$278,670,400	\$6,744,300	\$285,414,700
State	116,434,500	135,744,700	129,744,700	6,632,500	136,377,200
Federal	31,425,900	72,445,300	71,995,400	111,800	72,107,200
Other	71,412,100	76,952,900	76,930,300	0	76,930,300

Tennessee Wildlife Resources Agency

The Tennessee Wildlife Resources Agency (TWRA) is charged with preserving and managing all species of wildlife in Tennessee. This agency is also responsible for administering hunting and boating safety laws and enforcing state litter control laws.

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. The 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
- Fines for violations of wildlife, hunting, and boating regulations.

Program responsibilities are divided between the central office and regional offices. Administrative and support services are provided by the central office and 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 hunting and boating education programs
- Administering license sales and boat registration
- Conducting wildlife and fisheries research and coordinating wildlife, fisheries, non-game and endangered species management
- Coordinating law enforcement activities and training
- Coordinating equipment crews and engineering activities, building and maintaining boat access areas and levees, and building forestry logging roads on agency property
- Investigating, reporting, and testifying on environmental issues.

Regional office responsibilities include:

- Law enforcement
- Non-game and endangered species management
- Information and news releases
- Sponsoring hunting and boating safety workshops and classes
- Providing technical assistance to farm pond and small lake owners
- Developing, maintaining, and operating the wildlife management areas, state lakes, and fish hatcheries
- Wildlife and fish data collection.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
328.01 Wildlife Resources Agency					
Full-Time	585	589	589	1	590
Part-Time	23	19	19	0	19
Seasonal	0	0	0	0	0
Total	608	608	608	1	609

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
Payroll	23,601,000	25,417,000	25,466,000	1,352,100	26,818,100
Operational	17,722,200	28,321,200	18,920,600	69,100	18,989,700
Total	\$41,323,200	\$53,738,200	\$44,386,600	\$1,421,200	\$45,807,800
State	22,107,500	28,015,400	27,893,300	1,370,600	29,263,900
Federal	12,756,100	10,713,500	10,711,000	0	10,711,000
Other	6,459,600	15,009,300	5,782,300	50,600	5,832,900

328.02 Boating Safety

Full-Time	25	25	25	0	25
Part-Time	63	63	63	0	63
Seasonal	0	0	0	0	0
Total	88	88	88	0	88
Payroll	2,726,600	3,440,300	3,391,300	180,000	3,571,300
Operational	4,045,500	5,644,000	3,963,100	0	3,963,100
Total	\$6,772,100	\$9,084,300	\$7,354,400	\$180,000	\$7,534,400
State	3,944,200	5,423,800	5,048,300	180,000	5,228,300
Federal	2,399,100	3,130,400	2,039,100	0	2,039,100
Other	428,800	530,100	267,000	0	267,000

328.03 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
Payroll	0	0	0	0	0
Operational	14,386,000	6,000,000	6,000,000	0	6,000,000
Total	\$14,386,000	\$6,000,000	\$6,000,000	\$0	\$6,000,000
State	13,565,700	6,000,000	6,000,000	0	6,000,000
Federal	0	0	0	0	0
Other	820,300	0	0	0	0

328.04 Wetlands Compensation 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	372,300	200,000	200,000	0	200,000
Total	\$372,300	\$200,000	\$200,000	\$0	\$200,000
State	372,300	200,000	200,000	0	200,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
328.00 Department Total					
Full-Time	610	614	614	1	615
Part-Time	86	82	82	0	82
Seasonal	0	0	0	0	0
Total	696	696	696	1	697
Payroll	26,327,600	28,857,300	28,857,300	1,532,100	30,389,400
Operational	36,526,000	40,165,200	29,083,700	69,100	29,152,800
Total	\$62,853,600	\$69,022,500	\$57,941,000	\$1,601,200	\$59,542,200
State	39,989,700	39,639,200	39,141,600	1,550,600	40,692,200
Federal	15,155,200	13,843,900	12,750,100	0	12,750,100
Other	7,708,700	15,539,400	6,049,300	50,600	6,099,900

Department of Commerce and Insurance

The Department of Commerce and Insurance serves as a regulatory agency in state government through four functional areas: administrative services, consumer protection, 911 wireless communications, and fire prevention.

Administration

The Administration Division's services include the office of the commissioner, fiscal services, management information services, personnel, legal services, and audit consulting and oversight.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
335.01 Administration					
Full-Time	73	73	73	2	75
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	73	73	73	2	75
Payroll	2,801,800	3,316,200	3,316,200	124,200	3,440,400
Operational	910,700	970,800	970,800	30,700	1,001,500
Total	\$3,712,500	\$4,287,000	\$4,287,000	\$154,900	\$4,441,900
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	3,712,500	4,287,000	4,287,000	154,900	4,441,900

Consumer Protection

The Department of Commerce and Insurance strives to ensure Tennesseans' safety in the marketplace and supports education and awareness programs. Services provided include:

- Regulating insurance companies, insurance agents, and approving individual and group self-insurance proposals
- Protecting Tennessee's investors by maintaining the integrity of the securities market
- Enforcing the Tennessee Consumer Protection Act, promoting fair consumer practices and consumer education, and regulating health clubs
- Payments to consumers who are awarded judgments against real estate and auctioneer licensees.

335.02 Insurance

Full-Time	116	135	135	2	137
Part-Time	0	0	0	0	0
Seasonal	1	1	1	0	1
Total	117	136	136	2	138
Payroll	4,077,000	6,275,300	6,275,300	69,900	6,345,200
Operational	2,802,000	3,288,900	3,281,900	72,800	3,354,700
Total	\$6,879,000	\$9,564,200	\$9,557,200	\$142,700	\$9,699,900

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
State	676,400	3,846,400	3,839,400	0	3,839,400
Federal	0	0	0	0	0
Other	6,202,600	5,717,800	5,717,800	142,700	5,860,500

335.05 Securities

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	808,500	955,300	955,300	0	955,300
Operational	479,800	570,600	570,600	5,800	576,400
Total	\$1,288,300	\$1,525,900	\$1,525,900	\$5,800	\$1,531,700
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,288,300	1,525,900	1,525,900	5,800	1,531,700

335.06 Consumer Affairs

Full-Time	14	11	11	0	11
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	14	11	11	0	11
Payroll	456,000	533,400	459,500	0	459,500
Operational	292,600	306,800	280,700	2,900	283,600
Total	\$748,600	\$840,200	\$740,200	\$2,900	\$743,100
State	745,400	815,200	715,200	2,900	718,100
Federal	0	0	0	0	0
Other	3,200	25,000	25,000	0	25,000

335.15 Real Estate Education and Recovery 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	39,100	275,500	275,500	0	275,500
Total	\$39,100	\$275,500	\$275,500	\$0	\$275,500
State	0	275,500	275,500	0	275,500
Federal	0	0	0	0	0
Other	39,100	0	0	0	0

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
335.16 Auctioneer Education and Recovery Fund					
Full-Time	1	1	1	0	1
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1	1	1	0	1
Payroll	33,100	34,000	34,000	0	34,000
Operational	7,900	54,300	54,300	0	54,300
Total	\$41,000	\$88,300	\$88,300	\$0	\$88,300
State	28,200	88,300	88,300	0	88,300
Federal	0	0	0	0	0
Other	12,800	0	0	0	0

The TennCare Oversight Division has the authority to promulgate new or additional rules and regulations and to perform the oversight, examination, and compliance monitoring functions regarding Managed Care Organizations which provide TennCare services.

335.04 TennCare Oversight

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	1,281,800	1,574,300	1,574,300	0	1,574,300
Operational	1,216,900	1,246,500	1,246,500	5,800	1,252,300
Total	\$2,498,700	\$2,820,800	\$2,820,800	\$5,800	\$2,826,600
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	2,498,700	2,820,800	2,820,800	5,800	2,826,600

The Division of Regulatory Boards provides licensing, regulation, and disciplinary action of professions and businesses. The following professions and businesses are overseen by the Division of Regulatory Boards:

- Cosmetologists
- Funeral directors and embalmers
- Land surveyors
- Engineers
- Private investigators
- Polygraph examiners
- Real estate agents and brokers
- Accountants
- Auctioneers
- Alarm contractors
- Interior designers
- Pharmacists and pharmacies
- Barbers
- Contractors
- Automotive manufacturers, dealers, and salesmen
- Collection services
- Burial services
- Home improvement
- Real estate appraisers
- Boxing and auto racing
- Private protective services
- Geologists
- Architects and landscape architects
- Employee leasing.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
335.10 Regulatory Boards					
Full-Time	181	183	183	1	184
Part-Time	122	122	122	0	122
Seasonal	0	0	0	0	0
Total	303	305	305	1	306
Payroll	5,996,900	6,882,300	6,882,300	47,200	6,929,500
Operational	6,129,400	7,047,000	7,047,000	100,700	7,147,700
Total	\$12,126,300	\$13,929,300	\$13,929,300	\$147,900	\$14,077,200
State	12,000,900	13,592,600	13,592,600	147,900	13,740,500
Federal	0	0	0	0	0
Other	125,400	336,700	336,700	0	336,700

911 Wireless Communications

The 911 Emergency Communications Fund promotes statewide wireless enhanced 911 service through the activities of the Emergency Communications Board. The Board is empowered to:

- Provide advisory technical assistance to emergency communications districts
- Establish technical operating standards for emergency communications districts
- Review and revise wireless enhanced 911 standards
- Review and approve reimbursements for expenditures related to implementation, operations, maintenance, or improvements to statewide wireless enhanced 911 service.

335.08 911 Emergency Communications Fund

Full-Time	6	6	6	0	6
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	6	6	6	0	6
Payroll	238,300	279,600	279,600	0	279,600
Operational	8,297,400	12,507,700	12,507,700	1,600	12,509,300
Total	\$8,535,700	\$12,787,300	\$12,787,300	\$1,600	\$12,788,900
State	7,751,100	12,787,300	12,787,300	1,600	12,788,900
Federal	0	0	0	0	0
Other	784,600	0	0	0	0

Fire Prevention

The Division of Fire Prevention provides services to promote fire safety education and fire prevention. These efforts include:

- Inspection of institutional facilities and electrical installations
- Arson investigation
- Construction plans review
- The Tennessee Fire Incident Reporting System

- Registration of electricians
- Fireworks and explosive user permitting
- Licensing and regulating sprinkler contractors, liquid petroleum gas distributors, and fire extinguisher dealers
- Regulation of the mobile home industry.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
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335.03 Fire Prevention

Full-Time	126	126	126	10	136
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	126	126	126	10	136
Payroll	4,369,000	4,649,400	4,649,400	402,200	5,051,600
Operational	6,629,800	6,872,400	6,849,500	416,600	7,266,100
Total	\$10,998,800	\$11,521,800	\$11,498,900	\$818,800	\$12,317,700
State	0	5,700	0	0	0
Federal	276,400	210,000	210,000	0	210,000
Other	10,722,400	11,306,100	11,288,900	818,800	12,107,700

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 in the state of Tennessee. 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.

335.07 Fire and Codes Enforcement Academy

Full-Time	47	37	37	10	47
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	47	37	37	10	47
Payroll	542,200	1,665,600	1,665,600	298,200	1,963,800
Operational	577,600	1,935,600	1,935,600	1,115,400	3,051,000
Total	\$1,119,800	\$3,601,200	\$3,601,200	\$1,413,600	\$5,014,800
State	1,114,900	3,534,200	3,534,200	1,215,400	4,749,600
Federal	0	0	0	0	0
Other	4,900	67,000	67,000	198,200	265,200

The Commission on Fire Fighting Personnel Standards and Education administers the salary supplement to eligible firefighters, sets criteria for performance standards, and trains firefighters.

335.28 Fire Fighting Personnel Standards and Education

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

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
Payroll	103,800	113,900	113,900	0	113,900
Operational	2,376,100	2,394,800	70,500	2,326,300	2,396,800
Total	\$2,479,900	\$2,508,700	\$184,400	\$2,326,300	\$2,510,700
State	2,479,900	2,508,700	184,400	2,326,300	2,510,700
Federal	0	0	0	0	0
Other	0	0	0	0	0

335.00 Department Total

Full-Time	611	619	619	25	644
Part-Time	131	131	131	0	131
Seasonal	1	1	1	0	1
Total	743	751	751	25	776
Payroll	20,708,400	26,279,300	26,205,400	941,700	27,147,100
Operational	29,759,300	37,470,900	35,090,600	4,078,600	39,169,200
Total	\$50,467,700	\$63,750,200	\$61,296,000	\$5,020,300	\$66,316,300
State	24,796,800	37,453,900	35,016,900	3,694,100	38,711,000
Federal	276,400	210,000	210,000	0	210,000
Other	25,394,500	26,086,300	26,069,100	1,326,200	27,395,300

Department of Financial Institutions

The Department of Financial Institutions provides the citizens of Tennessee a 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 and servicers
- Insurance premium finance companies
- 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 are funded with general state tax dollars. Revenue is derived solely from supervision, examination, and license fees assessed to those financial institutions regulated by the department.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
336.00 Financial Institutions					
Full-Time	109	112	112	0	112
Part-Time	1	0	0	0	0
Seasonal	0	0	0	0	0
Total	110	112	112	0	112
Payroll	5,810,800	6,854,900	6,854,900	0	6,854,900
Operational	1,942,700	1,900,400	1,900,400	0	1,900,400
Total	\$7,753,500	\$8,755,300	\$8,755,300	\$0	\$8,755,300
State	4,018,600	5,308,800	5,308,800	0	5,308,800
Federal	0	0	0	0	0
Other	3,734,900	3,446,500	3,446,500	0	3,446,500

Department of Labor and Workforce Development

The Department of Labor and Workforce Development's vision includes protecting the rights of workers and assisting employers in maintaining those rights throughout Tennessee. The Department of Labor and Workforce Development has six functional areas:

- Administration
- Safety and Health
- Workers' Compensation
- Labor Standards
- Employment and Workforce Development
- Employment Security.

Administration

These services include the overall administration of the department and its programs. Included in this area is the office of the commissioner, which is responsible for formulating policies, procedures, and long-range plans to carry out the mission of the department.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
337.01 Administration					
Full-Time	118	116	116	0	116
Part-Time	5	5	5	0	5
Seasonal	0	0	0	0	0
Total	123	121	121	0	121
Payroll	4,363,300	5,833,200	5,833,200	0	5,833,200
Operational	1,485,900	3,173,200	3,123,200	0	3,123,200
Total	\$5,849,200	\$9,006,400	\$8,956,400	\$0	\$8,956,400
State	700,900	3,322,900	3,272,900	0	3,272,900
Federal	4,810,400	5,486,700	5,486,700	0	5,486,700
Other	337,900	196,800	196,800	0	196,800

Safety and Health

This functional area administers and enforces safety and health programs in Tennessee workplaces. The divisions provide training and technical assistance to employers and employees by conducting compliance inspections and by providing consulting services to employers. Some responsibilities include:

- Ensuring the safety and health of Tennessee workers, administering training programs, and providing consultant services to employers
- Promoting effective safety and health management through the Voluntary Protection Program
- Promoting the safety and welfare of miners through training and licensing of mine operators
- Employing mine rescue workers
- Performing safety inspections of boilers and elevators across the state.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
337.02 Tennessee Occupational Safety and Health Administration (TOSHA)					
Full-Time	105	105	105	0	105
Part-Time	3	3	3	0	3
Seasonal	0	0	0	0	0
Total	108	108	108	0	108
Payroll	4,179,800	4,731,400	5,087,400	0	5,087,400
Operational	1,584,000	2,385,800	2,029,800	0	2,029,800
Total	\$5,763,800	\$7,117,200	\$7,117,200	\$0	\$7,117,200
State	2,568,800	3,804,100	3,804,100	0	3,804,100
Federal	3,141,100	3,273,100	3,273,100	0	3,273,100
Other	53,900	40,000	40,000	0	40,000

337.04 Mines

Full-Time	10	8	8	0	8
Part-Time	24	24	24	0	24
Seasonal	0	0	0	0	0
Total	34	32	32	0	32
Payroll	268,300	427,800	427,800	0	427,800
Operational	183,200	254,900	254,900	0	254,900
Total	\$451,500	\$682,700	\$682,700	\$0	\$682,700
State	240,100	349,100	349,100	0	349,100
Federal	124,800	108,500	108,500	0	108,500
Other	86,600	225,100	225,100	0	225,100

337.05 Boilers and Elevators

Full-Time	45	47	47	0	47
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	45	47	47	0	47
Payroll	1,482,500	1,719,700	1,719,700	0	1,719,700
Operational	511,300	534,100	534,100	0	534,100
Total	\$1,993,800	\$2,253,800	\$2,253,800	\$0	\$2,253,800
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	1,993,800	2,253,800	2,253,800	0	2,253,800

Workers' Compensation

The Division of Workers' Compensation administers the workers' compensation program in Tennessee, promotes the benefits and responsibilities of the Workers' Compensation Act, and makes available the services provided in the Act. To achieve these objectives the Division:

- Administers the 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 Tennessee Second Injury Fund
- Administers the Safety Program, including the Occupational Safety and Health Grant program, 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
- Maintains a statistical and historical data base for the workers' compensation program
- Provides administrative support for the Advisory Council on Workers' Compensation
- Provides assistance to the TBI in the investigation of workers' compensation fraud and conducts public awareness programs on issues of fraud
- Collects and analyzes relevant statistical data and other information necessary to evaluate the workers' compensation system and to assess the impact of the reform acts of 1992 and 1996 on the system.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
337.03 Workers' Compensation					
Full-Time	117	112	112	0	112
Part-Time	1	1	1	0	1
Seasonal	0	0	0	0	0
Total	118	113	113	0	113
Payroll	3,471,700	4,248,400	4,248,400	0	4,248,400
Operational	2,515,600	2,111,300	2,111,300	0	2,111,300
Total	\$5,987,300	\$6,359,700	\$6,359,700	\$0	\$6,359,700
State	5,942,500	6,327,700	6,327,700	0	6,327,700
Federal	0	0	0	0	0
Other	44,800	32,000	32,000	0	32,000

The Second Injury Fund provides funding for judgments against the State of Tennessee and for legal costs awarded by the state. The Second Injury Fund encourages employers to hire workers with prior injuries or disabilities.

337.08 Second Injury 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	4,266,200	5,370,900	5,370,900	0	5,370,900
Total	\$4,266,200	\$5,370,900	\$5,370,900	\$0	\$5,370,900
State	4,163,200	5,195,900	5,195,900	0	5,195,900
Federal	0	0	0	0	0
Other	103,000	175,000	175,000	0	175,000

The Uninsured Employers Fund was established to help protect workers from employers who fail to comply with the coverage requirements of the state's workers' compensation insurance laws. This division has the authority to assess civil penalties to employers and provide injunctive relief to affected employees.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
337.14 Uninsured Employers Fund					
Full-Time	10	5	5	0	5
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	10	5	5	0	5
Payroll	107,100	354,300	235,000	0	235,000
Operational	48,100	9,000	9,000	0	9,000
Total	\$155,200	\$363,300	\$244,000	\$0	\$244,000
State	154,800	363,300	244,000	0	244,000
Federal	0	0	0	0	0
Other	400	0	0	0	0

Labor Standards

This division is responsible for the enforcement of several labor laws throughout the state. Included in the jurisdiction of the division are:

- The Wage Regulation Act which protects wage earners from unfair practices
- The Child Labor Act which regulates the number of hours a school-aged child can work
- The Prevailing Wage Act which protects workers regarding pay on construction projects involving state funds
- Administration of statistical research programs regarding work-related injuries, illnesses, and fatalities
- Administration of the Employee Assistance Professional Program
- Labor standards customer service.

337.06 Labor Standards

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	715,500	841,600	841,600	0	841,600
Operational	243,800	281,100	281,100	0	281,100
Total	\$959,300	\$1,122,700	\$1,122,700	\$0	\$1,122,700
State	805,900	965,200	965,200	0	965,200
Federal	152,200	146,500	146,500	0	146,500
Other	1,200	11,000	11,000	0	11,000

Employment and Workforce Development

The Employment and Training Division administers the Workforce Investment Act, Tennessee Career Centers, Families First services, veterans services, and the Job Service programs. The Workforce Investment Act attempts to return many of the responsibilities formerly held by the federal government for workforce development to state and local authorities. The Tennessee Career Centers, in the process of being implemented across the state, can be used by employers seeking workers and anyone seeking job training, job placement, Families First services, unemployment insurance, and any other activity related to employment and training needs. The primary goal of this program is to be more responsive to the needs of geographical areas, labor markets, and individual industries. The Employment and Training Division is a key partner in working with other state agencies such as Economic and Community Development, Education, Human Services, and the Board of Regents, to implement the new workforce development system in the state. The Adult Basic Education Division administers funds to assist the adult population in obtaining GED diplomas and education necessary to return to the workforce.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
337.07 Employment and Training					
Full-Time	38	35	35	0	35
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	38	35	35	0	35
Payroll	1,370,800	1,874,200	1,874,200	0	1,874,200
Operational	62,626,700	78,590,200	78,590,200	0	78,590,200
Total	\$63,997,500	\$80,464,400	\$80,464,400	\$0	\$80,464,400
State	0	0	0	0	0
Federal	38,653,600	52,053,400	52,053,400	0	52,053,400
Other	25,343,900	28,411,000	28,411,000	0	28,411,000

337.09 Adult Basic 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	552,600	678,700	678,700	0	678,700
Operational	17,578,500	18,555,100	18,555,100	0	18,555,100
Total	\$18,131,100	\$19,233,800	\$19,233,800	\$0	\$19,233,800
State	2,923,900	3,171,100	3,171,100	0	3,171,100
Federal	10,947,600	10,061,200	10,061,200	0	10,061,200
Other	4,259,600	6,001,500	6,001,500	0	6,001,500

Employment Security

The Employment Security division administers the unemployment insurance program and 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 is administered in accordance with the provisions of the Tennessee Employment Security Act. This 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
- Families First recipients
- Job Training Partnership Act applicants
- Senior citizens
- Food stamp recipients
- Temporary Assistance for Needy Families recipients.

The Employment Development division collects, analyzes, and maintains data on the economic and demographic characteristics of the labor force in Tennessee. This labor market information assists in promoting better decisions by federal, state, and local government policy makers, employers, and individual citizens.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
337.10 Employment Security					
Full-Time	849	832	832	0	832
Part-Time	360	360	360	0	360
Seasonal	0	0	0	0	0
Total	1,209	1,192	1,192	0	1,192
Payroll	30,969,100	40,585,600	38,435,800	0	38,435,800
Operational	13,992,100	10,454,000	12,603,800	0	12,603,800
Total	\$44,961,200	\$51,039,600	\$51,039,600	\$0	\$51,039,600
State	0	0	0	0	0
Federal	39,360,300	47,365,700	46,481,800	0	46,481,800
Other	5,600,900	3,673,900	4,557,800	0	4,557,800
337.11 Employment Development					
Full-Time	221	219	219	0	219
Part-Time	70	70	70	0	70
Seasonal	0	0	0	0	0
Total	291	289	289	0	289
Payroll	8,716,200	7,813,600	8,999,100	0	8,999,100
Operational	2,053,900	3,549,500	2,364,000	0	2,364,000
Total	\$10,770,100	\$11,363,100	\$11,363,100	\$0	\$11,363,100
State	0	300,000	300,000	0	300,000
Federal	9,372,800	8,007,200	8,007,200	0	8,007,200
Other	1,397,300	3,055,900	3,055,900	0	3,055,900

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
337.00 Department Total					
Full-Time	1,548	1,514	1,514	0	1,514
Part-Time	468	468	468	0	468
Seasonal	0	0	0	0	0
Total	2,016	1,982	1,982	0	1,982
Payroll	56,196,900	69,108,500	68,380,900	0	68,380,900
Operational	107,089,300	125,269,100	125,827,400	0	125,827,400
Total	\$163,286,200	\$194,377,600	\$194,208,300	\$0	\$194,208,300
State	17,500,100	23,799,300	23,630,000	0	23,630,000
Federal	106,562,800	126,502,300	125,618,400	0	125,618,400
Other	39,223,300	44,076,000	44,959,900	0	44,959,900

Resources and Regulation

Performance Measures and Program Information

Program Objective	Measure	Actual 2000-2001	Estimated 2001-2002	Estimated 2002-2003
Arts Commission				
• Grantsmaking				
Promote cultural activities	Increase grant awards	450	500	500
• Public Programs and Services to Citizens				
Provide information and technical service	Number of people served through information provided	65,000	65,000	67,000
State Museum				
• Collection Management				
Acquire artifacts	Number of cataloged artifacts	839	1,000	1,000
• Public Programs				
Establish and maintain good public image	Average daily visitors	76,858	76,900	76,900
Schedule and guide tour groups	Number of scheduled tour groups	989	1,000	1,000
• External Affairs				
Attract members through membership drive and attractive member benefits	Increase in membership	500	500	500
Environment and Conservation				
• Recreation Educational Services				
Assist local governments in enhancing recreation opportunities	Number of local trail and greenway miles added	39	50	60
• Historical Commission				
Add eligible properties to National Register of Historic Places	Number of properties added	195	150	100
Assist certified local governments in complying with National Historic Preservation Act	Number of certified local governments assisted	23	24	26
Assist historical societies in publication of historical journals	Number of historical societies assisted	3	3	3
Assist in operation of historical sites	Number of historical sites assisted	18	18	18
Place historical markers	Number of historical markers placed	22	15	15
Provide training for certified local governments and historic zoning commissions	Number of training sessions provided	8	11	12
Review of historic properties impacted	Number of properties reviewed	4,047	4,249	4,461

Resources and Regulation

Performance Measures and Program Information

Program Objective	Measure	Actual 2000-2001	Estimated 2001-2002	Estimated 2002-2003
Review Tax Act certification projects	Number of projects reviewed	61	64	63
Survey properties over 50 years old	Number of properties surveyed	2,150	2,200	2,000
• Archaeology				
Protect archaeological integrity of state parks	Number of state parks inspected	18	20	25
• Tennessee State Parks				
Achieve self-sufficiency in retail operations at state parks	Percent increase in revenues	3.8%	5.0%	5.0%
Enhance recreation opportunities at state parks	Number of trail miles added	45	45	45
• Natural Heritage				
Increase acreage in State Natural Areas	Number of acres in State Natural Areas	86,760	99,545	104,545
• Elk River Resources Management				
Generate revenues for improvement projects for state and county governments	Number of acres sold	N/A	205	205
• West TN River Basin Authority				
Procure additional acres to perform environmentally sensitive maintenance	Number of acres submitted for task force approval	4,500	2,500	2,500
• Environment Administration				
Protect the public health and environment	Number of enforcement orders issued	776	800	825
• Air Pollution Control				
Improve air quality	Percent of Tennesseans breathing clean air	100%	100%	100%
• Water Pollution Control				
Protect and enhance water resources	Number of stream miles suitable for all uses	16,700	16,900	17,200
• Solid Waste Program				
Reduce the disposal of municipal solid waste in landfills	Percent reduction from 1999 base year	18.4%	21.0%	24.0%
• Hazardous Waste Program				
Clean hazardous waste sites	Number of Resource Conservation and Recovery Act sites cleaned	66	50	50

Resources and Regulation

Performance Measures and Program Information

Program Objective	Measure	Actual 2000-2001	Estimated 2001-2002	Estimated 2002-2003
• DOE Oak Ridge Oversight				
Complete monitoring and oversight activities on schedule	Percentage of activities completed on schedule	97%	100%	100%
• Superfund				
Clean hazardous waste sites	Number of inactive hazardous waste sites cleaned	8	5	8
• Water Supply				
Improve the quality of public water systems	Percent of customers with water meeting federal standards	96.8%	98.0%	98.0%
• Underground Storage Tanks				
Remediate underground storage tank sites	Number of underground storage tank sites remediated	262	100	100
• Community Assistance				
Protect and enhance water resources	Percent of population served by upgraded treatment facilities	2.46%	2.5%	2.5%
• Groundwater Protection				
Protect groundwater resources through effective permitting	Number of sub-surface sewage disposal permits issued	28,353	27,000	27,000
Tennessee Wildlife Resources Agency				
• Game Management				
Administer Hunter Education Program	Students trained per year	18,673	19,700	20,700
Base migrant goose harvest on a quota	Birds harvested annually	18,000	25,000	25,000
Enhance the endangered species program	Species downlisted	13	0	0
Hold steady the number of farm game hunters	Hunter trips	1,024,482	1,058,632	1,092,782
Improve deer hunting experience	Deer hunter success rate	39%	41%	43%
Increase black bear opportunities	Hunter trips provided	9,600	11,500	13,400
Increase black bear population levels	Bears harvested	172	120	120
Increase non game awareness	Days of wildlife viewing	4,680,000	4,740,000	4,780,000
Maintain a healthy wild turkey population	Hunter trips provided	348,228	377,148	406,068
Maintain farmgame harvest rate	Rabbits per hunt trip	1.3	1.4	1.5
Maintain farmgame harvest rates	Quail harvested per trip	1.6	1.7	1.8

Resources and Regulation

Performance Measures and Program Information

Program Objective	Measure	Actual 2000-2001	Estimated 2001-2002	Estimated 2002-2003
Maintain healthy deer population	Deer harvested	143,497	155,000	160,000
Maintain healthy dove population	Hunter trips provided	407,616	439,680	471,744
Maintain or improve ruffed grouse populations	Annual hunter trips	64,028	90,000	105,000
Maintain or increase dove hunter participation	Dove hunters	92,640	102,200	111,760
Maintain squirrel populations	Hunter trips	1,022,143	1,250,000	1,400,000
Provide firing ranges	Ranges developed per year	5	2	2
Provide improved turkey hunting	Hunter success rate	32%	30%	30%
Provide maximum furbearer opportunities	Pelts sold	5,000	5,000	5,000
Provide proper duck habitat	Ducks wintered	368,481	500,000	500,000
Provide proper goose habitat	Average daily population	40,000	40,000	40,000
Stabilize or increase squirrel harvest	Squirrels per hunter trip	2	2.4	2.4

• Fish Management

Enhance reservoir fishing	Hours of reservoir fishing (millions)	10	10.1	10.2
Increase warmwater stream fish trips	Fishing trips (millions)	1.4	1.41	1.42
Maintain a commercial fishery program	Pounds of fish (millions)	4.2	5	5.3
Maintain harvestable surplus of mussels	Tons of mussels	350	600	600
Maintain reservoir fish populations	Pounds of harvest (millions)	4	4	4
Optimize production in agency lakes	Fish trips annually	199,000	224,000	263,000
Provide quality coldwater fishing in streams/lakes	Trout fish trips (millions)	1.24	1.3	1.3
Provide quality fishing in ponds/small lakes	Fishing trips (millions)	4.3	4.3	4.5

• Boating Safety

Maintain or increase registrations	Boats registered	137,236	142,164	148,187
Provide training for boaters	Students trained	698	753	2,800
Provide water access	Build or repair launch ramps	6	6	6
Reduce annual accidents	Number of accidents	197	207	212
Reduce annual fatalities	Number of deaths	18	18	19

Commerce and Insurance

• Division of Insurance

Administer and enforce insurance statute	Financial statement analyses	311	320	330
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Resources and Regulation

Performance Measures and Program Information

Program Objective	Measure	Actual 2000-2001	Estimated 2001-2002	Estimated 2002-2003
Collect taxes and fees	Process returns and audits	31,694	32,645	33,624
Provide services to the public	Consumer complaints	4,259	4,131	4,007
Provide services to the public	Consumer investigations	311	320	330
• Fire Prevention				
Combat arson and misuse of explosives	Annual change in dollar loss per scene examined	\$73,468	\$90,000	\$100,000
Enforce codes	Building plans reviewed	2,974	4,223	5,600
Inspect manufactured houses	Units inspected	29,315	29,400	29,400
• TennCare Oversight				
Administer claims processing examinations	Claims processing exams completed	6	9	9
Administer financial examinations	Number of exams completed	6	9	9
Review complaints	Provider complaints processed	131	160	160
Review financial statements	National Association of Insurance Commissioners (NAIC) financial statements reviewed	40	50	52
Review premium tax return	Premium tax returns reviewed	40	50	52
Review services independently	Disputed claims submitted for review	87	130	160
• Securities				
Investigate securities	Securities investigations	39	40	40
Register and examine broker dealers	Applications processed	82,902	82,800	82,800
Review agents and investment advisers	Exams and registrations	751	750	760
Review and process securities registrations	Securities registrations	18,295	15,000	15,000
• Consumer Affairs				
Increase education of consumer protection	Telephone inquiries	70,000	70,000	70,000
Protect consumer	Consumer refunds	\$538,752	\$800,000	\$800,000
Protect consumer	Formal actions	24	30	30
Protect the consumer	Written complaints	5,500	6,000	6,000
Register health clubs	Number of registrations	198	215	220
• Fire and Codes Enforcement Academy				
Provide training to all fire service and codes enforcement personnel	Onsite and field student contact hours	0	800	800

Resources and Regulation

Performance Measures and Program Information

Program Objective	Measure	Actual 2000-2001	Estimated 2001-2002	Estimated 2002-2003
• E-911 Emergency Communications Board				
Develop and implement a plan for landline enhanced 911 service	Percent of Tennesseans having access to landline 911 service	98.5138%	99.588%	100%
Implement wireless E-911 service statewide	Districts that are phase 2 ready	20	50	100
Implement wireless E-911 service statewide	Percent of wireless subscribers with phase 1 service	65%	95%	100%
Implement wireless E-911 service statewide	Wireless providers deploying phase 2	0	2	5
Implement wireless E-911 service statewide	Wireless providers that have deployed phase 1	7	15	16
• Regulatory Boards				
Administer examinations	Number of examinations	20,686	20,750	20,900
License professionals	Number of licensees	212,465	212,700	212,900
Process applications	Number of applications	33,062	33,250	33,300
Regulate cases	Number of cases closed	2,201	2,700	3,150
Regulate cases	Number of cases opened	2,709	2,650	2,500
• Real Estate Education and Recovery				
Provide educational materials	Number of licensees	34,194	34,250	34,300
• Auctioneer Education and Recovery				
Provide educational materials	Number of licensees	2,174	2,225	2,275
• Fire Fighting Personnel Standards & Education				
Administer firefighter salary supplement	Supplements issued	5,200	5,670	0
Certify firefighters	Certification exams administered	1,722	2,200	2,200
Financial Institutions				
• Bank Division				
Administer bank examinations	Banks examined in statutory cycle	81	75	72
• Credit Union Division				
Administer credit union examinations	Credit unions examined in statutory cycle	160	140	140
• Compliance Division				
Examine required financial institutions	Number of institutions examined	1,727	1,767	1,767

Resources and Regulation

Performance Measures and Program Information

Program Objective	Measure	Actual 2000-2001	Estimated 2001-2002	Estimated 2002-2003
Labor and Workforce Development				
• Safety and Health Enforcement Program				
Administer health and safety programs	Number of inspections (public sector)	1,645	1,700	1,800
Increase the elimination of serious hazards	Number of serious hazards eliminated	2,482	2,500	2,500
• Claims and Settlements				
Audit benefits	Claims reviewed	44,245	53,925	63,605
Receive and process claims	Claims processed	269,454	150,000	164,300
• Mine Safety				
License mines	Number of mines licensed	45	45	45
Train Miners	Number of miners trained	3,093	3,450	3,650
• Boiler Inspections				
Insure safety of public	Number of inspections	28,033	25,882	30,328
• Elevator Inspections				
Insure safety of the general public	Number of elevators inspected	16,913	17,413	17,413
• Labor Standards				
Provide effective and efficient customer service	Number of customers served	76,483	79,000	79,000
• Workforce Investment Act				
Assist youths in entry into unsubsidized employment	Youths (age 18-21) entering employment	364	369	375
Assist adults in entry into unsubsidized employment	Adults entering employment	1,618	1,642	1,666
Prepare dislocated workers for reemployment	Dislocated workers served	5,802	5,889	5,977
• Second Injury Fund				
Close cases by processing payments to claimants	Cases closed	345	400	465
• Adult Basic Education				
Prepare clients for workforce	Clients employed	4,114	3,500	4,000
• GED and Adult High School				
Issue GED diplomas	Number issued	13,168	14,000	5,750

Transportation, Business, and Economic Development

Table of Contents

Introduction	B-339
Total Personnel and Funding	B-341
Improvements for Fiscal Year 2002-2003	B-342
Program Statements	B-344
Tennessee Housing Development Agency	B-344
Department of Agriculture	B-345
Department of Tourist Development.....	B-350
Department of Economic and Community Development.....	B-352
Department of Transportation	B-358
Performance Measures and Program Information	B-366
Tennessee Housing Development Agency	B-366
Department of Agriculture	B-366
Department of Tourist Development.....	B-367
Department of Economic and Community Development.....	B-368
Department of Transportation	B-370

Transportation, Business, and Economic Development

Recommended Budget, Fiscal Year 2002 – 2003

The Transportation, Business, and Economic Development functional group consists of the following five agencies and departments:

- Tennessee Housing Development Agency
- Department of Agriculture
- Department of Tourist Development
- Department of Economic and Community Development
- Department of Transportation.

These agencies are responsible for encouraging economic activity, thereby improving the livelihood of all Tennesseans through better job opportunities. The departments and agencies strive to accomplish this goal by bettering the state's infrastructure, creating a conducive environment for business, encouraging growth in the tourism industry, and building on the state's strong agricultural traditions. In addition to these general activities, this functional group also concentrates on consumer protection, marketing the state as a vacation destination, forest management, and assisting Tennesseans in securing affordable housing.

Improvement Highlights

Tennessee Housing Development Agency

The recommended budget includes \$279,700 in federal funds, along with six positions, for increased workloads in the

Section 8 tenant-based and project-based housing programs.

Department of Agriculture

The recommended budget includes \$2.5 million for boll weevil eradication, and another \$285,500 to continue funding for soil conservation district grants.

Department of Tourist Development

The Administration recommends an improvement of \$315,000 to continue the funding for regional tourism grants.

Department of Economic and Community Development

The recommended budget includes an additional \$13.6 million for the Tennessee Industrial Infrastructure Program (TIIP). This program helps the state and its communities recruit private sector firms to locate in Tennessee or expand existing sites in exchange for grants for infrastructure, site preparation, and job training services. Also recommended is \$1,050,000 to continue development district grants.

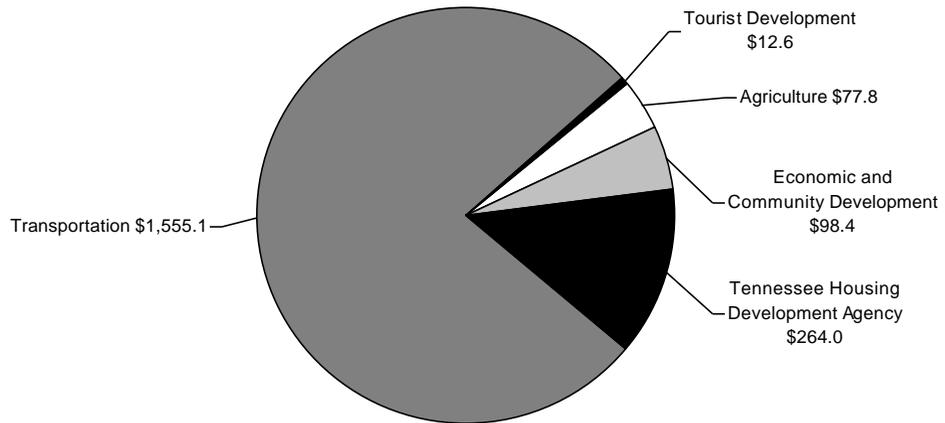
The Budget includes \$400,000 for an investment in the Tennessee Technological Development Corporation. This corporation provides in-state development and recruitment of advanced technology industries.

Funding of \$400,000 is recommended for the third of three years of the Black Enterprise magazine conference. Funds also are recommended to pay for increased dues of the Appalachian Regional Commission.

The following graph depicts the manner in which funds are divided among the departments within this functional group. Funding mixes within each department vary,

as some are exclusively state funded and others represent state, federal, and other sources of funding.

Transportation, Business and Economic Development FY 2002 - 2003 Recommended



In Millions
\$2,007,825,500 Total

Transportation, Business, and Economic Development Total Personnel and Funding

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Recommended 2002-2003</u>
Personnel			
Full Time	6,418	6,144	6,150
Part Time	6	6	6
Seasonal	339	234	234
TOTAL	6,763	6,384	6,390
Expenditures			
Payroll	\$211,347,200	\$241,973,500	\$238,573,400
Operational	1,288,658,800	1,654,178,000	1,769,252,100
TOTAL	\$1,500,006,000	\$1,896,151,500	\$2,007,825,500
Funding			
State	\$839,116,300	\$864,724,100	\$867,560,500
Federal	596,405,100	965,506,000	1,073,133,100
Other	64,484,600	65,921,400	67,131,900

Transportation, Business and Economic Development Improvements for Fiscal Year 2002-2003

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
Tennessee Housing Development Agency					
• Section 8 Housing					
To provide funding for additional Section 8 contract administration and rental assistance staff to handle additional vouchers in the tenant-based program and properties in the project-based program.					
316.20 Tennessee Housing Development Agency	\$0	\$279,700	\$0	\$279,700	6
Sub-total	\$0	\$279,700	\$0	\$279,700	6
Total Tennessee Housing Development Agency	\$0	\$279,700	\$0	\$279,700	6
Agriculture					
• Boll Weevil Eradication Grant					
To provide funding for Boll Weevil eradication.					
325.01 Administration and Grants	\$2,500,000	\$0	\$0	\$2,500,000	0
Sub-total	\$2,500,000	\$0	\$0	\$2,500,000	0
• Soil Conservation District Grants					
To continue funding for grants to soil conservation districts.					
325.01 Administration and Grants	\$285,500	\$0	\$0	\$285,500	0
Sub-total	\$285,500	\$0	\$0	\$285,500	0
Total Agriculture	\$2,785,500	\$0	\$0	\$2,785,500	0
Tourist Development					
• Regional Tourism Grants					
To continue funding for grants for regional tourism promotion.					
326.01 Administration and Marketing	\$315,000	\$0	\$0	\$315,000	0
Sub-total	\$315,000	\$0	\$0	\$315,000	0
Total Tourist Development	\$315,000	\$0	\$0	\$315,000	0
Economic and Community Development					
• Tennessee Industrial Infrastructure Program					
To provide funding to assist local communities with economic growth by providing grants for infrastructure improvements, industrial site preparation, and industrial training.					
330.06 Tennessee Industrial Infrastructure Program (TIIP)	\$13,574,300	\$0	\$0	\$13,574,300	0
Sub-total	\$13,574,300	\$0	\$0	\$13,574,300	0

Transportation, Business and Economic Development Improvements for Fiscal Year 2002-2003

	<u>State</u>	<u>Federal</u>	<u>Other</u>	<u>Total</u>	<u>Positions</u>
• Development District Grants					
To provide funding to continue the grants for development districts.					
330.04 Regional Grants Management	\$1,050,000	\$0	\$0	\$1,050,000	0
Sub-total	\$1,050,000	\$0	\$0	\$1,050,000	0
• High Technology Industry					
To provide funding for in-state development and recruitment of advanced technology industries, through the Tennessee Technology Development Corporation.					
330.01 Administrative Services	\$400,000	\$0	\$0	\$400,000	0
Sub-total	\$400,000	\$0	\$0	\$400,000	0
• Black Enterprise Conference					
To provide funding for the third of three years of the Black Enterprise magazine conference.					
330.05 Business Services	\$400,000	\$0	\$0	\$400,000	0
Sub-total	\$400,000	\$0	\$0	\$400,000	0
• Appalachian Regional Commission					
To provide funding for increased membership dues of the Appalachian Regional Commission, which supports economic development of the region.					
330.04 Regional Grants Management	\$56,700	\$0	\$0	\$56,700	0
Sub-total	\$56,700	\$0	\$0	\$56,700	0
Total Economic and Community Development	\$15,481,000	\$0	\$0	\$15,481,000	0
Total Transportation, Business and Economic Development	\$18,581,500	\$279,700	\$0	\$18,861,200	6

Tennessee Housing Development Agency

The Tennessee Housing Development Agency (THDA) provides opportunities for decent, affordable housing for 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 include the rehabilitation and construction of rental and homeowner housing. The Low Income Housing Tax Credit program, administered by THDA, supports acquisition, rehabilitation and new construction of rental units for low income tenants. THDA has a governing board composed of state officials and gubernatorial and legislative appointees that are active and knowledgeable in their respective industries.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
316.20 Tennessee Housing Development Agency					
Full-Time	171	174	174	6	180
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	171	174	174	6	180
Payroll	6,340,700	7,675,700	7,675,700	243,200	7,918,900
Operational	73,814,900	256,034,300	256,034,300	36,500	256,070,800
Total	\$80,155,600	\$263,710,000	\$263,710,000	\$279,700	\$263,989,700
State	0	0	0	0	0
Federal	66,454,600	247,766,300	247,766,300	279,700	248,046,000
Other	13,701,000	15,943,700	15,943,700	0	15,943,700

Department of Agriculture

The Tennessee Department of Agriculture (TDA) was the very first state agency, established in 1854 to promote 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. TDA provides an array of valuable 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 four major areas:

- Administration and Grants
- Market Development
- Regulatory Services
- Forestry.

Administration and Grants

Administration coordinates various duties including policy and strategic planning, budgeting, personnel administration, legal, and information services. The division also 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. Overseeing the distribution of donated surplus USDA food is also an important function of this area. The department cooperates with the National Agricultural Statistics Service to collect, analyze, and publish reliable data for producers and decision makers in agriculture.

TDA administers programs to help reduce soil erosion on Tennessee farms and forestlands and to improve water quality. Through the Agricultural Resources Conservation Fund, cost-share grants are provided to farmers and other landowners who install best management practices to achieve these goals.

The Tennessee Grain Indemnity Fund protects grain producers against the financial failure of a commodity dealer or warehouseman. The program is funded from interest income and grain producers' self-imposed assessments.

Funds deposited in the Certified Cotton Growers Organizational Fund are used for the Boll Weevil Eradication Program. The purpose of this program is to destroy, suppress, and eradicate boll weevils.

Administration 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.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
325.01 Administration and Grants					
Full-Time	68	68	68	0	68
Part-Time	1	0	0	0	0
Seasonal	1	1	1	0	1
Total	70	69	69	0	69
Payroll	2,984,500	3,248,500	3,248,500	0	3,248,500
Operational	10,908,000	12,049,100	9,008,500	2,785,500	11,794,000
Total	\$13,892,500	\$15,297,600	\$12,257,000	\$2,785,500	\$15,042,500
State	8,315,700	8,645,600	5,860,100	2,785,500	8,645,600
Federal	5,401,200	6,566,400	6,360,800	0	6,360,800
Other	175,600	85,600	36,100	0	36,100

325.08 Agricultural Resources Conservation 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	2,284,700	3,005,000	3,005,000	0	3,005,000
Total	\$2,284,700	\$3,005,000	\$3,005,000	\$0	\$3,005,000
State	2,181,800	2,905,000	2,905,000	0	2,905,000
Federal	0	0	0	0	0
Other	102,900	100,000	100,000	0	100,000

325.12 Tennessee Grain Indemnity 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	105,500	141,700	141,700	0	141,700
Total	\$105,500	\$141,700	\$141,700	\$0	\$141,700
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	105,500	141,700	141,700	0	141,700

325.14 Certified Cotton Growers' Organization 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 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
Payroll	0	0	0	0	0
Operational	8,591,400	15,435,000	15,435,000	0	15,435,000
Total	\$8,591,400	\$15,435,000	\$15,435,000	\$0	\$15,435,000
State	8,552,700	15,435,000	15,435,000	0	15,435,000
Federal	0	0	0	0	0
Other	38,700	0	0	0	0

Market Development

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. Market Development also encourages local non-profit agricultural fairs and livestock shows throughout the state by providing financial assistance.

325.06 Market Development

Full-Time	25	26	26	0	26
Part-Time	2	3	3	0	3
Seasonal	0	0	0	0	0
Total	27	29	29	0	29
Payroll	1,023,800	1,219,200	1,219,200	0	1,219,200
Operational	1,296,400	2,363,600	1,463,600	0	1,463,600
Total	\$2,320,200	\$3,582,800	\$2,682,800	\$0	\$2,682,800
State	2,102,800	2,420,700	2,420,700	0	2,420,700
Federal	38,000	972,100	72,100	0	72,100
Other	179,400	190,000	190,000	0	190,000

Regulatory Services

Regulatory Services is dedicated to the two main categories of production quality and consumer protection. Responsibilities of the division encompass various activities such as 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 other regulatory efforts by providing quality analytical data.

325.05 Regulatory Services

Full-Time	223	222	222	0	222
Part-Time	0	0	0	0	0
Seasonal	3	3	3	0	3
Total	226	225	225	0	225

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
Payroll	7,919,400	9,141,400	9,107,900	0	9,107,900
Operational	4,120,300	5,165,700	5,149,200	0	5,149,200
Total	\$12,039,700	\$14,307,100	\$14,257,100	\$0	\$14,257,100
State	8,274,700	10,501,800	10,501,800	0	10,501,800
Federal	840,000	909,500	859,500	0	859,500
Other	2,925,000	2,895,800	2,895,800	0	2,895,800

325.16 Agricultural Regulatory 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	1,856,500	1,859,000	1,859,000	0	1,859,000
Total	\$1,856,500	\$1,859,000	\$1,859,000	\$0	\$1,859,000
State	1,634,400	1,739,000	1,739,000	0	1,739,000
Federal	0	0	0	0	0
Other	222,100	120,000	120,000	0	120,000

Forestry

The Forestry Division provides operational support and maintenance to Tennessee's abundant public and private forest resources. TDA's forestry programs and services include fire suppression, water quality protection, insect and disease control, land owner assistance, tree improvement and seedling production, product utilization and promotion, urban forestry and state forest management. The Forestry Maintenance Division provides maintenance and support of forestry facilities and equipment.

325.10 Forestry

Full-Time	369	369	369	0	369
Part-Time	3	3	3	0	3
Seasonal	304	230	230	0	230
Total	676	602	602	0	602
Payroll	13,263,300	14,693,700	14,693,700	0	14,693,700
Operational	7,376,400	10,598,800	10,503,800	0	10,503,800
Total	\$20,639,700	\$25,292,500	\$25,197,500	\$0	\$25,197,500
State	14,527,400	17,163,700	17,163,700	0	17,163,700
Federal	3,107,300	5,684,500	5,684,500	0	5,684,500
Other	3,005,000	2,444,300	2,349,300	0	2,349,300

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
325.11 Forestry 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	146,600	158,500	158,500	0	158,500
Total	\$146,600	\$158,500	\$158,500	\$0	\$158,500
State	146,600	158,500	158,500	0	158,500
Federal	0	0	0	0	0
Other	0	0	0	0	0

325.00 Department Total

Full-Time	685	685	685	0	685
Part-Time	6	6	6	0	6
Seasonal	308	234	234	0	234
Total	999	925	925	0	925
Payroll	25,191,000	28,302,800	28,269,300	0	28,269,300
Operational	36,685,800	50,776,400	46,724,300	2,785,500	49,509,800
Total	\$61,876,800	\$79,079,200	\$74,993,600	\$2,785,500	\$77,779,100
State	45,736,100	58,969,300	56,183,800	2,785,500	58,969,300
Federal	9,386,500	14,132,500	12,976,900	0	12,976,900
Other	6,754,200	5,977,400	5,832,900	0	5,832,900

Department of Tourist Development

The Department of Tourist Development is responsible for planning and implementing marketing and service programs that increase the economic impact of tourism. These programs are designed to enhance Tennessee's image as a primary tourist destination, thus increasing the number of travelers and tourists coming to Tennessee. The department also helps in developing new tourism programs in smaller communities to positively impact local economic development. In addition, the department provides visitors to Tennessee's thirteen welcome centers with a safe, positive impression of Tennessee. To achieve these and other program activities, the department is organized into two functional areas:

- Administration and Marketing
- Welcome Centers.

Administration and Marketing

This division is responsible for the overall administration of the department including financial services, information system services, and support services. In addition, the management and implementation of the department's marketing programs and services are accomplished in this division. Some of the specific marketing programs include:

- Creating, producing, and placing broadcast and print media campaigns
- Developing direct sales programs which 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 brochures and travel literature promoting Tennessee 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
- Providing co-op advertising, marketing, and promotional opportunities to businesses in the travel industry.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
326.01 Administration and Marketing					
Full-Time	28	27	27	0	27
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	28	27	27	0	27
Payroll	1,275,300	1,331,000	1,331,000	0	1,331,000
Operational	6,499,500	6,927,800	6,562,800	315,000	6,877,800
Total	\$7,774,800	\$8,258,800	\$7,893,800	\$315,000	\$8,208,800
State	7,766,700	8,198,800	7,883,800	315,000	8,198,800
Federal	0	0	0	0	0
Other	8,100	60,000	10,000	0	10,000

Welcome Centers

This division is responsible for the operation of the thirteen welcome centers located on Tennessee's interstate highways. These centers are the initial contact point for travelers entering Tennessee. The staff at the welcome centers provide free travel information, brochures, literature, and reservations to the millions of visitors who stop at the centers each year.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
326.03 Welcome Centers					
Full-Time	123	123	123	0	123
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	123	123	123	0	123
Payroll	3,130,100	3,375,200	3,375,200	0	3,375,200
Operational	1,025,000	993,300	993,300	0	993,300
Total	\$4,155,100	\$4,368,500	\$4,368,500	\$0	\$4,368,500
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	4,155,100	4,368,500	4,368,500	0	4,368,500
326.00 Department Total					
Full-Time	151	150	150	0	150
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	151	150	150	0	150
Payroll	4,405,400	4,706,200	4,706,200	0	4,706,200
Operational	7,524,500	7,921,100	7,556,100	315,000	7,871,100
Total	\$11,929,900	\$12,627,300	\$12,262,300	\$315,000	\$12,577,300
State	7,766,700	8,198,800	7,883,800	315,000	8,198,800
Federal	0	0	0	0	0
Other	4,163,200	4,428,500	4,378,500	0	4,378,500

Department of Economic and Community Development

The Department of Economic and Community Development (ECD) encourages new job creation throughout the state in an effort to increase the incomes of Tennesseans. The philosophy of the Department of Economic & 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. ECD's top priorities are preparing local communities for economic development opportunities, training Tennessee's workers, recruiting new industries and assisting existing firms.

The Department of Economic and Community Development has six functional areas:

- Administrative and Support Services
- Recruiting and Marketing Services
- Tennessee Business Services
- Industrial and Job Skills Training Services
- Community Development Services
- Energy Services.

Administrative and Support Services

Administrative and Support Services performs and coordinates research, advertising, communications and various administrative services. The Industrial Research Section provides statistical data in support of other divisions and services to existing industries. Specific services include maintaining a database on 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 the advertising needs and produces informational publications. The Tennessee Technology Development Corporation promotes in-state technology development and the recruitment of high technology industries.

The Tennessee Film, Entertainment and Music Commission is administratively attached to ECD. The commission attracts television, commercial, movie, and videotape projects to Tennessee and promotes the use of Tennessee locations and artists in those productions. Some activities include:

- Reading scripts and storyboards
- Acting as liaison with local communities
- Assisting with advance scouting and accommodations
- Matching scenes to Tennessee locations.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
330.01 Administrative Services					
Full-Time	39	39	39	0	39
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	39	39	39	0	39

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
Payroll	1,720,900	1,961,400	1,961,400	0	1,961,400
Operational	3,244,300	2,434,300	2,434,300	400,000	2,834,300
Total	\$4,965,200	\$4,395,700	\$4,395,700	\$400,000	\$4,795,700
State	3,824,300	4,148,300	4,148,300	400,000	4,548,300
Federal	98,500	84,700	84,700	0	84,700
Other	1,042,400	162,700	162,700	0	162,700

Recruiting and Marketing Services

Marketing Services personnel, through the Division of Industrial Development, act as the state's sales force to recruit new industry from national and international markets. The Office of International Affairs, also within this Division, works to boost Tennessee's global business connections and elevate the state's image as a premier international business location and a source of quality products and services.

330.02 Industrial Development

Full-Time	26	23	23	0	23
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	26	23	23	0	23
Payroll	1,243,400	1,328,600	1,233,600	0	1,233,600
Operational	5,044,800	5,103,800	5,103,800	0	5,103,800
Total	\$6,288,200	\$6,432,400	\$6,337,400	\$0	\$6,337,400
State	5,085,300	5,092,400	4,997,400	0	4,997,400
Federal	14,700	0	0	0	0
Other	1,188,200	1,340,000	1,340,000	0	1,340,000

Tennessee Business Services

Business Services addresses the needs of existing businesses. Specific programs include:

- Existing Industry Services
- Office of Small Business Services
- Office of Minority Business Enterprise.

330.05 Business Services

Full-Time	15	14	14	0	14
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	15	14	14	0	14
Payroll	717,400	893,300	863,700	0	863,700
Operational	941,700	911,200	911,200	400,000	1,311,200
Total	\$1,659,100	\$1,804,500	\$1,774,900	\$400,000	\$2,174,900

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
State	1,137,800	1,346,200	1,316,600	400,000	1,716,600
Federal	7,500	35,700	7,700	0	7,700
Other	513,800	422,600	450,600	0	450,600

The Small and Minority Owned Telecommunications Program provides loan guarantees, education, training, consulting, and technical assistance to help small, minority and/or women-owned telecommunications businesses grow in Tennessee.

330.03 Small and Minority Owned Telecommunications 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	80,100	80,100	80,100	0	80,100
Total	\$80,100	\$80,100	\$80,100	\$0	\$80,100
State	0	80,100	80,100	0	80,100
Federal	0	0	0	0	0
Other	80,100	0	0	0	0

Industrial and Job Skills Training Services

Industrial Training Services provides customized training assistance to new and expanding business and industry in Tennessee. The training assistance acts as an incentive for these employers to locate or expand in Tennessee.

330.09 Industrial Training Service

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	273,500	303,900	303,900	0	303,900
Operational	2,228,300	2,037,300	2,037,300	0	2,037,300
Total	\$2,501,800	\$2,341,200	\$2,341,200	\$0	\$2,341,200
State	2,470,800	2,341,200	2,341,200	0	2,341,200
Federal	31,000	0	0	0	0
Other	0	0	0	0	0

The Job Skills Fund is a workforce development incentive program designed to enhance employment opportunities and to meet the needs of existing and new industries in Tennessee by providing training grants to eligible employers. Priority is given to employers who promote high-skill, high-wage jobs in advanced technology, emerging occupations, or skilled manufacturing.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
330.13 Job Skills Fund					
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	243,300	257,100	257,100	0	257,100
Operational	14,918,700	18,865,100	18,865,100	0	18,865,100
Total	\$15,162,000	\$19,122,200	\$19,122,200	\$0	\$19,122,200
State	13,343,800	18,222,200	17,222,200	0	17,222,200
Federal	0	0	0	0	0
Other	1,818,200	900,000	1,900,000	0	1,900,000

Community Development Services

Community Development Services works with communities to ensure they develop and maintain the leadership, organizations, and community facilities essential for economic growth. The Tennessee Industrial Infrastructure Program (TIIP) assists local communities with economic growth by providing grants for infrastructure improvements, industrial site preparation, and industrial training. Infrastructure improvements involve activities such as water, wastewater, and rail services. Industrial site preparation includes grading, leveling, and drainage projects. Other primary activities of Community Development Services include:

- Administering Community Development Block grants, Appalachian Regional Commission grants and the Tennessee Industrial Infrastructure Program
- Administering the Three-Star Community Economic Preparedness Program and providing local planning services.

330.04 Regional Grants Management

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	793,600	880,700	880,700	0	880,700
Operational	32,016,300	32,858,800	31,808,800	1,106,700	32,915,500
Total	\$32,809,900	\$33,739,500	\$32,689,500	\$1,106,700	\$33,796,200
State	1,650,200	1,765,200	715,200	1,106,700	1,821,900
Federal	31,076,400	31,904,300	31,904,300	0	31,904,300
Other	83,300	70,000	70,000	0	70,000

330.06 Tennessee Industrial Infrastructure Program (TIIP)

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 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
Payroll	0	0	0	0	0
Operational	11,884,500	14,532,000	4,532,000	13,574,300	18,106,300
Total	\$11,884,500	\$14,532,000	\$4,532,000	\$13,574,300	\$18,106,300
State	11,856,900	14,500,000	4,500,000	13,574,300	18,074,300
Federal	0	0	0	0	0
Other	27,600	32,000	32,000	0	32,000

330.07 Community Development

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
Payroll	3,229,100	3,452,600	3,452,600	0	3,452,600
Operational	884,100	869,700	869,700	0	869,700
Total	\$4,113,200	\$4,322,300	\$4,322,300	\$0	\$4,322,300
State	2,492,100	2,800,400	2,800,400	0	2,800,400
Federal	139,000	144,400	144,400	0	144,400
Other	1,482,100	1,377,500	1,377,500	0	1,377,500

Energy Services

Energy Services promotes efficient and economic use of energy by public and private sectors of the Tennessee economy. The Energy Division, through grants from the U. S. Department of Energy, renders technical and financial assistance to Tennessee's existing businesses, local governments, schools, and hospitals in order to reduce energy costs. The Small Business Energy Loan Program and Local Government Energy Loan Program assist small business and local governments respectively in identifying, purchasing, and installing energy efficiency measures through low interest loans. Both programs are administered by the Energy Division.

330.08 Energy Division

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	666,300	776,500	776,500	0	776,500
Operational	825,500	1,826,600	1,826,600	0	1,826,600
Total	\$1,491,800	\$2,603,100	\$2,603,100	\$0	\$2,603,100
State	90,700	40,000	40,000	0	40,000
Federal	1,395,700	2,563,100	2,563,100	0	2,563,100
Other	5,400	0	0	0	0

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
330.10 Small Business Energy 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	252,500	1,250,000	1,250,000	0	1,250,000
Total	\$252,500	\$1,250,000	\$1,250,000	\$0	\$1,250,000
State	0	0	0	0	0
Federal	252,500	1,250,000	1,250,000	0	1,250,000
Other	0	0	0	0	0

330.11 Local Government Energy 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	2,947,800	3,500,000	3,500,000	0	3,500,000
Total	\$2,947,800	\$3,500,000	\$3,500,000	\$0	\$3,500,000
State	0	0	0	0	0
Federal	2,947,800	3,500,000	3,500,000	0	3,500,000
Other	0	0	0	0	0

330.00 Department Total

Full-Time	204	200	200	0	200
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	204	200	200	0	200
Payroll	8,887,500	9,854,100	9,729,500	0	9,729,500
Operational	75,268,600	84,268,900	73,218,900	15,481,000	88,699,900
Total	\$84,156,100	\$94,123,000	\$82,948,400	\$15,481,000	\$98,429,400
State	41,951,900	50,336,000	38,161,400	15,481,000	53,642,400
Federal	35,963,100	39,482,200	39,454,200	0	39,454,200
Other	6,241,100	4,304,800	5,332,800	0	5,332,800

Department of Transportation

The Department of Transportation plans, designs, constructs, and maintains the state's highway network. The department is also responsible for other modes of transportation such as aeronautics, public transit, railroads, and waterways. The Department of Transportation consists of three major program areas:

- Headquarters
- Bureau of Administration
- Bureau of Engineering.

Headquarters

Transportation Headquarters consists of the commissioner's office, staff, and the Aeronautics Division. This office also provides support functions as well as necessary liaison activities with other branches of state government to ensure compliance with all legal and policy requirements.

The Division of Insurance Premiums provides funding for claims payment when litigation requires payment to third parties.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
401 Headquarters					
Full-Time	93	99	99	0	99
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	93	99	99	0	99
Payroll	4,064,000	4,882,000	4,865,000	0	4,865,000
Operational	6,000,000	7,284,400	8,176,100	0	8,176,100
Reallocated	170,100	(165,400)	213,900	0	213,900
Total	\$10,234,100	\$12,001,000	\$13,255,000	\$0	\$13,255,000
State	10,234,100	12,001,000	13,255,000	0	13,255,000
Federal	0	0	0	0	0
Other	0	0	0	0	0
414 Insurance Premiums					
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	7,150,800	8,490,000	8,490,000	0	8,490,000
Reallocated	0	0	0	0	0
Total	\$7,150,800	\$8,490,000	\$8,490,000	\$0	\$8,490,000
State	7,150,800	8,490,000	8,490,000	0	8,490,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

Bureau of Administration

This bureau provides funding for the administrative activities of the department. Functions include central services, finance, human resources, information technology, strategic planning and departmental safety. These areas provide general management support to the department.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
402 Bureau of Administration					
Full-Time	239	238	238	0	238
Part-Time	0	0	0	0	0
Seasonal	31	0	0	0	0
Total	270	238	238	0	238
Payroll	9,515,200	11,542,500	11,059,500	0	11,059,500
Operational	15,994,900	24,768,100	21,730,100	0	21,730,100
Reallocated	4,400	(1,011,600)	(368,600)	0	(368,600)
Total	\$25,514,500	\$35,299,000	\$32,421,000	\$0	\$32,421,000
State	25,514,500	35,299,000	32,421,000	0	32,421,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

Bureau of Engineering

The Bureau of Engineering is responsible for the department's long-range planning and coordinates the construction, maintenance, and inspection of highways, bridges, airports, and navigational equipment. Such activities include:

- Constructing, resurfacing, restoring, and rehabilitating Tennessee's interstate system
- Conducting studies and surveys required by various federal agencies
- Constructing industrial highways, national forest roads, connector routes, bridges, water port facilities, and rail short lines
- Constructing or replacing plant facilities for the Bureau of Engineering
- Providing engineering and administrative support to other state agencies' construction not involving roads in the state highway system
- Eliminating junkyards and control of outdoor advertising and easements
- Providing for high-hazard and roadside obstacle warnings, rail-highway crossings, pavement marking, and railroad safety
- Providing funds for mass transit projects including rideshare programs
- Operating a fleet management program to replace and purchase new mobile equipment
- Conducting a congestion mitigation and air quality program in Tennessee's non-attainment areas
- Maintaining the state's existing motorized equipment (with the exception of the executive line and motor pool vehicles)
- Building and maintaining bicycle trails
- Collecting travel data
- Monitoring affected environment
- Bridge design.

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
403 Bureau of Engineering					
Full-Time	1,134	1,106	1,106	0	1,106
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1,134	1,106	1,106	0	1,106
Payroll	45,845,800	52,921,900	53,524,300	0	53,524,300
Operational	1,756,500	4,010,600	4,308,800	0	4,308,800
Reallocated	(25,727,600)	(27,610,500)	(28,241,100)	0	(28,241,100)
Total	\$21,874,700	\$29,322,000	\$29,592,000	\$0	\$29,592,000
State	21,874,700	29,322,000	29,592,000	0	29,592,000
Federal	0	0	0	0	0
Other	0	0	0	0	0
412 Field Engineering					
Full-Time	596	591	591	0	591
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	596	591	591	0	591
Payroll	21,085,800	24,226,400	24,263,600	0	24,263,600
Operational	3,331,000	5,363,100	5,283,200	0	5,283,200
Reallocated	(1,823,700)	(4,180,500)	(3,906,800)	0	(3,906,800)
Total	\$22,593,100	\$25,409,000	\$25,640,000	\$0	\$25,640,000
State	22,593,100	25,409,000	25,640,000	0	25,640,000
Federal	0	0	0	0	0
Other	0	0	0	0	0
416 Mass Transit					
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	36,709,800	46,614,800	57,548,500	0	57,548,500
Reallocated	15,100	1,200	13,500	0	13,500
Total	\$36,724,900	\$46,616,000	\$57,562,000	\$0	\$57,562,000
State	25,340,200	28,789,000	27,489,000	0	27,489,000
Federal	10,650,200	17,625,000	29,856,000	0	29,856,000
Other	734,500	202,000	217,000	0	217,000
418 Field Construction					
Full-Time	1,135	980	980	0	980
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1,135	980	980	0	980

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
Payroll	35,583,500	40,410,400	37,295,000	0	37,295,000
Operational	0	0	0	0	0
Reallocated	(35,583,500)	(40,410,400)	(37,295,000)	0	(37,295,000)
Total	\$0	\$0	\$0	\$0	\$0
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	0	0	0	0	0

419 Field Maintenance Operations

Full-Time	1,733	1,649	1,649	0	1,649
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	1,733	1,649	1,649	0	1,649
Payroll	42,377,500	48,684,100	48,256,800	0	48,256,800
Operational	300	0	0	0	0
Reallocated	(42,377,800)	(48,684,100)	(48,256,800)	0	(48,256,800)
Total	\$0	\$0	\$0	\$0	\$0
State	0	0	0	0	0
Federal	0	0	0	0	0
Other	0	0	0	0	0

430 Equipment Purchases and Operations

Full-Time	277	272	272	0	272
Part-Time	0	0	0	0	0
Seasonal	0	0	0	0	0
Total	277	272	272	0	272
Payroll	8,050,800	8,767,400	8,685,300	0	8,685,300
Operational	33,059,100	36,836,400	36,887,500	0	36,887,500
Reallocated	(23,898,300)	(24,402,800)	(24,371,800)	0	(24,371,800)
Total	\$17,211,600	\$21,201,000	\$21,201,000	\$0	\$21,201,000
State	17,211,600	21,201,000	21,201,000	0	21,201,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

440 Planning and Research

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	9,332,700	15,870,400	14,201,100	0	14,201,100
Reallocated	5,109,400	4,229,600	4,498,900	0	4,498,900
Total	\$14,442,100	\$20,100,000	\$18,700,000	\$0	\$18,700,000

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
State	2,888,400	9,400,000	7,700,000	0	7,700,000
Federal	11,553,700	10,700,000	11,000,000	0	11,000,000
Other	0	0	0	0	0

451 Highway 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	188,033,100	206,734,900	210,974,800	0	210,974,800
Reallocated	62,640,400	68,811,100	66,728,200	0	66,728,200
Total	\$250,673,500	\$275,546,000	\$277,703,000	\$0	\$277,703,000
State	250,673,500	274,446,000	276,603,000	0	276,603,000
Federal	0	0	0	0	0
Other	0	1,100,000	1,100,000	0	1,100,000

453 Highway Betterments

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	3,994,900	6,925,800	7,381,200	0	7,381,200
Reallocated	647,100	1,039,200	583,800	0	583,800
Total	\$4,642,000	\$7,965,000	\$7,965,000	\$0	\$7,965,000
State	4,642,000	7,865,000	7,865,000	0	7,865,000
Federal	0	0	0	0	0
Other	0	100,000	100,000	0	100,000

455 State Aid

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	26,247,100	41,591,600	41,607,000	0	41,607,000
Reallocated	225,800	233,400	218,000	0	218,000
Total	\$26,472,900	\$41,825,000	\$41,825,000	\$0	\$41,825,000
State	19,325,200	30,682,000	30,682,000	0	30,682,000
Federal	0	0	0	0	0
Other	7,147,700	11,143,000	11,143,000	0	11,143,000

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
470 State Industrial Access					
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	13,465,200	10,018,900	9,737,500	0	9,737,500
Reallocated	1,415,800	996,100	1,277,500	0	1,277,500
Total	\$14,881,000	\$11,015,000	\$11,015,000	\$0	\$11,015,000
State	14,881,000	10,815,000	10,815,000	0	10,815,000
Federal	0	0	0	0	0
Other	0	200,000	200,000	0	200,000
472 Interstate Construction					
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	97,373,300	129,186,800	145,514,400	0	145,514,400
Reallocated	4,892,100	4,038,200	4,410,600	0	4,410,600
Total	\$102,265,400	\$133,225,000	\$149,925,000	\$0	\$149,925,000
State	9,203,900	17,325,000	17,025,000	0	17,025,000
Federal	91,016,200	114,400,000	131,400,000	0	131,400,000
Other	2,045,300	1,500,000	1,500,000	0	1,500,000
475 Forest Highways					
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	18,700	855,000	896,300	0	896,300
Reallocated	3,600	45,000	3,700	0	3,700
Total	\$22,300	\$900,000	\$900,000	\$0	\$900,000
State	4,500	200,000	200,000	0	200,000
Federal	17,800	700,000	700,000	0	700,000
Other	0	0	0	0	0
478 Local Interstate Connectors					
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 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
Payroll	0	0	0	0	0
Operational	2,175,500	2,826,100	2,763,800	0	2,763,800
Reallocated	203,900	123,900	186,200	0	186,200
Total	\$2,379,400	\$2,950,000	\$2,950,000	\$0	\$2,950,000
State	1,189,700	1,475,000	1,475,000	0	1,475,000
Federal	0	0	0	0	0
Other	1,189,700	1,475,000	1,475,000	0	1,475,000

480 State Highway Construction

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	589,666,000	585,528,100	654,749,800	0	654,749,800
Reallocated	44,735,900	57,722,900	55,987,200	0	55,987,200
Total	\$634,401,900	\$643,251,000	\$710,737,000	\$0	\$710,737,000
State	285,480,900	194,401,000	199,837,000	0	199,837,000
Federal	329,889,000	435,900,000	498,300,000	0	498,300,000
Other	19,032,000	12,950,000	12,600,000	0	12,600,000

481 Capital Improvements

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	3,182,300	11,210,100	6,597,200	0	6,597,200
Reallocated	69,600	489,900	62,800	0	62,800
Total	\$3,251,900	\$11,700,000	\$6,660,000	\$0	\$6,660,000
State	3,251,900	11,700,000	6,660,000	0	6,660,000
Federal	0	0	0	0	0
Other	0	0	0	0	0

488 Bridge Replacement

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	37,467,300	72,390,000	89,949,200	0	89,949,200
Reallocated	9,272,200	8,710,000	8,250,800	0	8,250,800
Total	\$46,739,500	\$81,100,000	\$98,200,000	\$0	\$98,200,000

	<u>Actual 2000-2001</u>	<u>Estimated 2001-2002</u>	<u>Base 2002-2003</u>	<u>Improvement 2002-2003</u>	<u>Recommended 2002-2003</u>
State	6,076,100	5,400,000	5,800,000	0	5,800,000
Federal	37,391,600	72,100,000	88,700,000	0	88,700,000
Other	3,271,800	3,600,000	3,700,000	0	3,700,000

494 Air, Water, and Rail Transportation

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	20,406,500	38,672,200	40,304,000	0	40,304,000
Reallocated	5,500	24,800	5,000	0	5,000
Total	\$20,412,000	\$38,697,000	\$40,309,000	\$0	\$40,309,000
State	16,125,500	23,000,000	24,000,000	0	24,000,000
Federal	4,082,400	12,700,000	12,700,000	0	12,700,000
Other	204,100	2,997,000	3,609,000	0	3,609,000

400 Department Total

Full-Time	5,207	4,935	4,935	0	4,935
Part-Time	0	0	0	0	0
Seasonal	31	0	0	0	0
Total	5,238	4,935	4,935	0	4,935
Payroll	166,522,600	191,434,700	187,949,500	0	187,949,500
Operational	1,095,365,000	1,255,177,300	1,367,100,500	0	1,367,100,500
Reallocated	0	0	0	0	0
Total	\$1,261,887,600	\$1,446,612,000	\$1,555,050,000	\$0	\$1,555,050,000
State	743,661,600	747,220,000	746,750,000	0	746,750,000
Federal	484,600,900	664,125,000	772,656,000	0	772,656,000
Other	33,625,100	35,267,000	35,644,000	0	35,644,000

Transportation, Business and Economic Development

Performance Measures and Program Information

Program Objective	Measure	Actual 2000-2001	Estimated 2001-2002	Estimated 2002-2003
Tennessee Housing Development Agency				
• Mortgage Administration				
Serve as the master servicer for all active mortgages funded by THDA	Number of loans serviced	29,927	30,000	30,000
• Homeownership				
Provide funding for below market rate mortgage loans to first time homebuyers	Number of loans funded	1,728	2,000	2,000
• Housing Management				
Provide rental assistance	Existing units under lease	4,524	6,312	6,500
• Community Programs				
Administer the federal HOME grant program	Number of grants administered	191	185	185
Administer the HOUSE grant program	Number of grants administered	117	60	30
• Multi-Family Housing and Special Projects				
Administer the Low Income Housing Tax Credit program	Number of units created via tax credit awards	1,371	1,450	1,500
Provide multi-family bonding authority to local governments for affordable housing	Number of units created via tax exempt bond allocation	625	650	700
• Section 8 Rental Assistance				
Administer the federal Section 8 voucher program	Number of vouchers issued/units under lease	4,982	5,250	5,250
• Section 8 Contract Administration				
Administer the federal Section 8 Project Based Rental Assistance program	Number of units under lease	27,491	28,000	28,000
Agriculture				
• Administration and Grants				
Increase food value ordered for TN agencies serving needy populations	Value of Emergency Food Assistance Program orders	\$6,200,000	\$8,100,000	\$9,000,000
Increase food value ordered to TN schools and residential institutions	Value of National School Lunch Program orders	\$17,900,000	\$19,300,000	\$20,300,000
• Regulatory Services				
Insure food safety	Number of inspections	27,147	24,000	23,000

Transportation, Business and Economic Development

Performance Measures and Program Information

Program Objective	Measure	Actual 2000-2001	Estimated 2001-2002	Estimated 2002-2003
Insure food safety	Number of samples	6,162	6,000	5,500
Promote environmental protection	Number of inspections	3,385	3,500	3,500
Promote environmental protection	Number of samples analyzed	612	550	550
Monitor agricultural inputs	Number of inspections	5,251	5,500	5,500
Monitor agricultural inputs	Number of samples taken	6,908	6,000	6,000
Perform weights and measures analysis	Number of inspections	208,449	200,000	200,000
Monitor plant certification	Number of inspections	5,111	5,000	5,000
Conduct tests in metrology lab	Number of tests	6,300	6,200	6,200
Perform animal pathology analysis	Number of tests	37,839	40,000	40,000
• Market Development				
Develop markets to Tennessee agricultural products	Domestic sales	\$3,400,000	\$3,500,000	\$3,500,000
Increase economic opportunities	Investments	\$2,000,000	\$2,000,000	\$3,000,000
Increase international sales	Companies participating	55	40	40
• Agricultural Resources Conservation Fund				
Insure effective and efficient management of Agriculture Resources Conservatoin Fund	Best management practices installed	1,236	1,350	1,400
Promote water quality initiatives	Demonstration events funded	12	14	15
Insure effective and efficient management of 319 grant pool	Best management practices installed	104	114	115
Increase participation in Nonpoint Source Partnership conference	Conference attendance	85	110	120
• Forestry				
Effectively manage private lands	Landowner assistance plans prepared	992	900	900
Protect forest lands from fire	Average fire size (acres)	29.4	15	14
Reforest private lands	Acres reforested	5,929	10,000	11,000
Protect forests from development	Acres protected from development via easement	0	2,680	3,000
Protect forests from destructive insects and diseases	Acres surveyed for destructive insects and diseases (federal fiscal year)	9,205,991	8,000,000	7,000,000
Maintain an inventory of Tennessee forests	Inventory plots measured (federal fiscal year)	700	925	925
Tourist Development				
• Travel Promotion				
Increase number of visitors to Tennessee	Number of visitors	38,700,000	39,000,000	39,000,000

Transportation, Business and Economic Development

Performance Measures and Program Information

Program Objective	Measure	Actual 2000-2001	Estimated 2001-2002	Estimated 2002-2003
Increase tax revenues for state and local governments	State and local tax revenue (in millions)	\$788.7	\$790	\$790
Monitor economic impact of tourism on Tennessee	Travel generated revenue (in billions)	\$9.7	\$9.7	\$9.7
Provide tourism industry jobs	Tourism employment	173,600	174,000	174,000
Encourage travelers to stay in Tennessee	Reservations made for travelers by welcome center staff	13,300	14,000	14,000
Assist members of travel industry in promoting Tennessee	Brochures displayed in welcome centers	3,230	3,500	3,500

• Welcome Center Operations

Manage thirteen full service welcome centers	Travelers using facilities	13,032,000	13,000,000	13,000,000
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Economic and Community Development

• Regional Offices

Assist counties in economic growth	Number of the 95 counties assisted	95	95	95
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• Industrial Development

Reach \$6.5 billion in new private investment	Capital investment (in billions)	\$7.6	\$6.6	\$6.6
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• National Marketing

Make business contacts with companies	Number of contacts	1,500	1,000	2,000
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• International Marketing

Recruit foreign investment	Number of new companies	9	12	13
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• International Development Group

Conduct trade missions to recruit international business prospects	Number of contacts made	400	200	200
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• Conferences

Heighten awareness of economic development in Tennessee	Number of people attending conferences	800	900	925
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• Advertising

Promote Tennessee nationally	Number of leads	234	275	300
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• Small and Minority-Owned Telecommunications Prog.

Increase number of loan guarantees	Number of new loan guarantees	5	10	10
Increase number of participants	Number of new participants	25	35	35

Transportation, Business and Economic Development

Performance Measures and Program Information

Program Objective	Measure	Actual 2000-2001	Estimated 2001-2002	Estimated 2002-2003
• Business Services Administration				
Provide and coordinate assistance to Tennessee companies	Increase in number of companies assisted	1,800	2100	2,300
• Small Business				
Expand minority automotive supplier development program	Number of businesses recruited into program	10	15	18
Identify additional resources	Number of new small business partners	3	5	5
Provide seminars and training programs to assist small and minority businesses	Number of seminars	12	14	14
• Manufacturing Services				
Increase capital investment to 70% of total yearly investment in Tennessee	Percent of total investment that equals capital investment	70%	74%	75%
Increase penetration in industrial sector	Company visits	750	850	950
• Local Planning Assistance				
Provide technical planning assistance to local governments	Number of local government contracts	208	210	210
• Federal Energy Grant Programs				
Administer energy loan programs	Number of loan programs	2	2	2
Implement federal programs	Number of grant programs	10	12	12
• Industrial Training Service				
Provide training to Tennessee companies	Number of companies receiving training services	95	100	100
• Small Business Energy Loan Fund				
Make financially sound energy efficiency loans to small businesses in Tennessee	Number of loans	8	12	12
• Local Government Energy Loan Program				
Make financially sound energy efficiency loans to local governments in Tennessee	Number of loans	15	12	12
• Tennessee Job Skills Program				
Provide training to Tennessee companies	Number of companies receiving Job Skills training	68	72	72

Transportation, Business and Economic Development

Performance Measures and Program Information

Program Objective	Measure	Actual 2000-2001	Estimated 2001-2002	Estimated 2002-2003
Transportation				
• Administrative Services				
Clear incidents and assist motorists on the interstate highway system	Number of motorists assisted by the HELP program in the major urban areas	61,597	70,000	80,000
Clear incidents and assist motorists on the interstate highway system	Number of times the HELP program provides traffic control assistance in the major urban areas	19,060	30,000	35,000
Complete the 1986 Road Program	Percent of construction completed, underway, or funded	84%	85%	87%
Complete transportation construction projects on schedule	Percent of construction projects open to traffic on schedule	91.6%	93%	93%
Improve infrastructure quality	Percent of interstate highway mileage in good or very good condition	97%	98.4%	95%
Improve the capacity and efficiency of the transportation system	Cumulative number of "choke point" projects let to contract	N/A	18	20
Improve the capacity and efficiency of the transportation system	Cumulative number of "choke point" projects under development	N/A	52	55
Improve the capacity and efficiency of the transportation system	Percent of county seat connector highways addressed	56%	61%	63%
Improve the structural condition and serviceability of state maintained highway bridges	Percent of bridge deck area that is not structurally deficient or functionally obsolete	78.6%	79.1%	79.6%
Improve transportation safety	Number of fatalities on Tennessee highways	1169	1150	1100
Improve transportation safety	Number of railroad inspections	650	675	710
Improve transportation safety	Percent of seat belts used in Tennessee	68%	70%	71%
Improve transportation safety	Percent of the 79 public use airports that are licensed by TDOT	75%	82%	90%
Inspect bridges	Percentage of bridges inspected (all bridges inspected once every two years)	52.6%	47.4%	50%
Maintain and enhance highways	Tons of litter removed	13,738	14,000	14,250
Maximize the use of federal highway funds	Percent of available federal highway funds obligated	100%	100%	100%
Plan, program and construct needed roadway infrastructure improvements in Tennessee	Number of projects let to contract	463	460	455
Resurface interstate and state highways	Number of lane miles resurfaced (contract lettings)	2,308	2,402	2,497

Glossary and Index

Table of Contents

Glossary of Budget Terms	B-373
Index	B-379
Credits	B-389

Glossary of Budget Terms

A

ACCENT - A computer system, also known as Automated Client Certification Eligibility Network for Tennessee, which determines eligibility for Food Stamps, Families First, and Medicaid programs.

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 Appropriations Bill 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

Base Budget - The estimated expenditures and associated revenues or appropriation necessary to maintain the current level of service or activity.

Biotinidase Deficiency – Inherited disease in which the body does not produce enough of the biotinidase enzyme necessary to break down the vitamin, biotin. Without sufficient supplies of biotin in the first few weeks of life, infants will develop nerve and brain damage and mental retardation.

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).

Glossary of Budget Terms

Capital Projects Fund - The fund used to account for financial resources related to the acquisition, construction, or maintenance of major capital facilities.

ConnecTen - A Department of Education initiative to provide internet access to all public schools in Tennessee.

Cramming - Charging telephone customers for services they have never ordered or received.

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 Service - Expenses for principal, interest, and discounts on bonds and other types of borrowed money. See Sinking Fund.

E

Earmarked Revenue - Funds that are legislatively limited in how they can be expended.

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 - Also known as equal employment opportunity. Policies and procedures enacted by Department of Personnel to comply with federal laws governing fair

employment practices as provided in the Equal Employment Opportunity Act.

EMS - Also known as emergency medical services. Provides pre-hospital emergency medical care and medical transportation system, primarily ambulatory services.

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 Dependant 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.

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

Glossary of Budget Terms

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.

G

Gateway Tests – Tests for Algebra I, Biology, and English II required for high school graduation beginning in the 2001-2002 school year.

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.

H

Healthy Start – Administered by the Department of Health, this program targets first time parents and places emphasis on health promotion and child abuse prevention.

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.

Homocystinuria – Rare metabolic condition characterized by an excess of the compound homocystine in the urine. Infants with this condition may fail to grow and gain weight at the expected rate and have developmental delays.

I

IGT – Intergovernmental Transfer. In this document, the abbreviation “IGT” means revenue collected as state tax 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.

M

Maple Syrup Urine Disease – Extremely rare metabolic disorder characterized by a distinctive sweet odor of the urine and sweat. Symptoms develop because the body is unable to break down certain organic substances found in proteins (leucine, isoleucine and valine). In newborns, this disorder can lead to several life-threatening complications including abnormal accumulation of acid in the blood and seizures.

Medium Chain Acyl-CoA Dehydrogenase (MCAD) Deficiency– Rare inherited metabolic disorder characterized by a deficiency of the MCAD enzyme, which is

Glossary of Budget Terms

essential for the breakdown of fatty acids in the liver and brain. In infants, symptoms of this disorder are low blood sugar levels, lack of energy, vomiting and liver malfunction.

N

NAIC – Also known as the National Association of Insurance Commissioners. This organization provides policy development and technical support to state insurance regulators.

Ned McWherter Scholars Program – Encourages outstanding Tennessee high school graduates to attend college in Tennessee by offering scholarships.

Non-Recurring Funds - Funds that are appropriated to be used for a one-time expense.

O

Operating Budget - That money which is necessary to maintain a program, excluding the cost of capital construction.

Other Revenue - A collection of funding sources, excluding state appropriations and federal funds. These funding sources are generally from local governments, current services, and interdepartmental activities.

Over-appropriation - The anticipated savings resulting from position vacancies and other unexpended funds.

P

Performance Measure – A quantitative or qualitative tool that is used to gauge progress toward attaining a program goal or objective.

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).

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.

S

SBE – Also known as the State Board of Education. This board serves as the governing and policy making body for the

Glossary of Budget Terms

Tennessee system of public elementary and secondary education.

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 - 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.

Slamming – Changing a customer’s telephone service provider – whether for long distance, local toll calls, or local calls – without customer permission.

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.

Supplemental Appropriation - Additional appropriations to the original allotment authorized by the General Assembly after the beginning of the fiscal year.

dependent children deprived of support or care.

THEC – Also known as Tennessee Higher Education Commission. This commission provides coordination, communication, policy analysis, and financial recommendations for the University of Tennessee System and the Tennessee Board of Regents System.

TLDA – Also known as Tennessee Local Development Authority. This 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.

TRICOR – Also known as Tennessee Rehabilitative Initiative in Correction. This agency administers the prison industry and farm program.

TSAC – Also known as Tennessee Student Assistance Corporation. This non-profit agency administers state and federal student assistance programs.

T

TANF - Also known as Temporary Assistance for Needy Families. Administered by the Department of Human Services, this program provides cash grants for families with financial need and

Index

A

A Vision for Tennessee A-32
Abandoned Lands B-308
Academic Scholars Program B-128
Accountability (Education) B-115
Accounts, Division of (Finance and Administration) B-54
Administration
 see also Administrative Services
 Children's Services B-206
 Commerce and Insurance B-315
 Comptroller of the Treasury, Division of B-36
 Correction B-259
 Education B-112
 Finance and Administration B-51
 General Services B-59
 Human Services, Division of B-200
 Labor and Workforce Development B-322
 Legislature B-29
 Military B-271
 Mental Retardation B-185
 Revenue B-65
 Safety B-275
 TennCare B-175
 Transportation, Bureau of B-359
Administration and Marketing (Tourist Development) B-350
Administration and Grants (Agriculture) B-346
Administrative Office of the Courts B-242
Administrative Services
 Economic and Community Development B-352
 Environment and Conservation B-300
 Health, Bureau of B-190
 Mental Health and Developmental Disabilities B-179
Adoption Services B-208
Adult Basic Education B-326
Advisory Commission on Intergovernmental Relations B-50
Aging and Disability, Commission on B-172
Agricultural Regulatory Fund B-348
Agricultural Resources Conservation Fund B-346
Agriculture, Department of B-345
Air Pollution Control B-306
Air, Water, and Rail Transportation B-365
Alcohol and Drug Abuse Services B-198
Alcoholic Beverage Commission B-254
Alvin C. York Institute B-121

Appellate and Trial Courts B-241
Appellate Court Clerks B-245
Archaeology B-302
Armories
 Maintenance B-272
 Utilities B-271
Arts Commission, Tennessee B-298
Attorney General and Reporter B-247
 Homeland Security B-18
Auctioneer Education and Recovery Fund B-317
Audit
 Division (Revenue) B-67
 Division of County (Comptroller) B-37
 Division of Municipal (Comptroller) B-38
Austin Peay State University B-140
Authorized Positions, Comparison of A-30
Auto Theft Investigations B-277

B

Balance Sheet
 Debt Service Fund A-127
 Education Fund A-122
 General Fund A-121
 Highway Fund A-123
Basis of Budgeting and Accounting A-66
BEP and Other LEA Support B-113
Board of
 Education, State B-113
 Equalization, State B-40
 Law Examiners B-245
Probation and Parole B-257
 Regents, Tennessee B-138
Boards
 Health Related B-193
 Regulatory B-318
Boating Safety (Tennessee Wildlife Resources Agency) B-313
Boilers and Elevators B-323
Bond Finance, Division of B-38
Bond Fund
 Statement of Authorized and Unissued A-128
 Statement of Appropriations in Lieu of Issuing Bonds A-130
 Statement of Bonded Indebtedness A-131
 Statement of Bonds Sold A-129
Bridge Replacement B-364
Brushy Mountain Correctional Complex B-262
Budget
 Document A-5

Index

Division of (Finance and Administration)
B-54
Process A-63
General Fund (Pie Chart) A-11
Total State (Pie Chart) A-10
Bureau of
Administration (Transportation) B-359
Administrative Services (Health) B-190
Engineering (Transportation) B-360
Business Services B-353

C

Campus Centers of Emphasis B-128
Capital Appropriations From Bonds, Current
Funds, and Other Revenues A-137
Capital Budget A-135
Capital Improvements (Transportation) B-364
Capitol Print Shop B-37
Capital Projects
Facilities Revolving Fund A-144
From School Bonds and Other Sources
A-141
and Real Property Management B-55
Career Ladder B-114
Centers of Excellence B-128
Central Stores (General Services) B-62
Certified Cotton Growers' Organization Fund
B-346
Certified Public Administrators B-42
Characteristics, Tennessee A-56
Chattanooga State Technical Community College
B-144
Child
and Family Management B-208
Care Facilities Loan Program B-204
Support (Human Services) B-203
Support Enforcement, IV-D (District
Attorneys General Conference) B-250
Support Referees (Court System) B-243
Children and Youth, Commission on B-171
Children's Services, Department of B-206
CID Anti-Theft Unit B-277
Civil Legal Representation Fund B-243
Claims Award Fund B-44
Claims and Compensation B-44
Cleveland State Community College B-144
Columbia State Community College B-144
**Commerce and Insurance, Department of
B-315**
Homeland Security B-18
Communicable and Environmental Disease
Services B-196

Community
Assistance (Environment and Conservation)
B-306
Correction B-257
Development B-356
Mental Health Services B-180
Mental Retardation Services B-186
Services (Human Services) B-204
Treatment Facilities B-211
Comparison of
Appropriation Requirements and State
Revenues, General Fund and Education Fund
2001-2002 A-18
2002-2003 A-19
Authorized Positions A-30
Appropriations and Funding Requirements,
Department of Transportation A-20
Appropriations by Funding Sources,
Department of Transportation, A-21
Personal Income and Appropriation
(Summary) A-27
Programs A-22
and Revenue Sources A-12
by Revenue Sources A-13
Comparative Balance Sheet
see Balance Sheet
Comparative Statement of Revenues of Regulatory
Boards A-114
Comparison Statement of State Revenues A-110
Comptroller of the Treasury B-36
Conservation Administration B-301
Consumer Affairs B-316
Continuation and Improvement Recommendations,
Departmental Summary A-16
Contract Education (Higher Education) B-125
Correction, Department of B-259
Corrections Institute, Tennessee B-256
Correctional Institutions Statistical Data B-268
**Council of Juvenile and Family Court Judges
B-174**
County
Audit, Division of B-37
Rentals (Human Services) B-201
Court System B-241
Criminal
Injuries Compensation B-44
Justice Programs B-52
Curriculum and Instruction (Education) B-116
Custody Services B-207

Index

D

Davidson County Public Defender B-252
DeBerry (Lois M.) Special Needs Facility B-266
Debt Management A-125
Debt Service (Facilities Revolving Fund) A-144
Debt Service Fund
 Comparative Balance Sheet A-127
 Statement of Revenues, Expenditures and,
 Requirements A-126
Departmental Summary
 Appropriation from Dedicated Taxes and
 Fees A-15
 Continuation and Improvements A-16
 Improvements A-17
Desegregation Settlement, Geier B-129
Developmental Disabilities Council B-186
Disability Determination B-205
Disaster Relief (Human Services) B-202
Distribution of
 Actual Revenue by Fund A-111
 Estimated Revenue by Fund A-113
 Revised Estimated Revenue by Fund A-112
District Attorneys General Conference B-249
District Public Defenders Conference B-251
DOE Oversight (Environment and Conservation)
 B-308
Driver Education
 Department of Education B-114
 Department of Safety B-278
Driver License Issuance B-276
 Homeland Security B-19
Dry Cleaners Environmental Response Fund,
 Tennessee B-305
Dyersburg State Community College B-145

E

East Tennessee Region (Finance and
 Administration - Mental Retardation) B-188
East Tennessee State University (ETSU) B-140
 College of Medicine B-139
 Family Practice B-140
Economic
 Overview, Tennessee A-58
 Council on Women B-35
**Economic and Community Development,
 Department of B-352**
Education, Department of B-112
Education Functional Area B-87
 Education (K-12) Improvements (Detail)
 B-102

Education (K-12) Improvements (Summary)
 B-93
Higher Education
 Attainment and Comparisons B-96
 Excellence Initiatives B-95
 Improvements (Summary) B-94
 State Administered Programs
 Improvements (Detail) B-106
 State Board of Regents System
 Improvements (Detail) B-109
 System-Wide Improvements B-110,
 B-148
 University of Tennessee System
 Improvements (Detail) B-107
Introduction B-89
Performance Measures and Program
 Information B-149
 Recommended by Funding Source B-7
 Total Personnel and Funding B-101
Education Fund Comparative Balance Sheet
 A-122
Elk River Resource Management B-300
Emergency and Contingency Fund B-69
Emergency Medical Services B-192
Employees Overlapped Over 90 Days A-31
Employment and Training B-326
Employment Development B-327
Employment Security B-327
Energy (Economic and Community Development)
 B-356
Environment Administration B-304
 Homeland Security B-18
**Environment and Conservation, Department of
 B-300**
 Homeland Security B-18
Environmental Protection Fund B-310
Equipment Purchases and Operations
 (Transportation) B-361
Executive
 Administration (Health) B-190
 Administration (Personnel) B-56
Department B-46
Director
 District Attorneys General Conference
 B-250
 Public Defenders Conference, of the
 B-251

F

Facilities Management (Facilities Revolving Fund)
 A-144
Facilities Revolving Fund A-143

Index

Homeland Security B-19
Facilities Revolving Fund (Debt Service) A-144
Facilities Revolving Fund Capital Appropriations,
Proposed A-145
Family Assistance Services B-202
Family Support Services B-207
Federal Aid Trends and Mandate Costs A-60
Federal Construction Grants B-261
Federal Family Education Loan Program (FFELP)
B-126
Field
Construction (Transportation) B-360
Engineering (Transportation) B-360
Maintenance Operations
(Transportation) B-361
Operations (Human Services) B-200
**Finance and Administration, Department of
B-51**
**Finance and Administration – Mental
Retardation, Department of B-185**
**Finance and Administration – TennCare
Program, Department of B-175**
Financial Institutions, Department of B-321
Fire and Codes Academy B-319
Fire Prevention B-319
Homeland Security B-18
Fire Fighting Personnel Standards and Education,
Commission on B-319
Fiscal Review Committee (Legislature) B-31
Food
Services Program B-63
Stamp Coupons B-202
Foreign Language Institute, Tennessee B-127
Forest Highways (Transportation) B-363
Forestry (Agriculture) B-348
Maintenance B-349
Funds By Program Area B-5

G

Geier Desegregation Settlement B-129
General Assembly
Committees B-31
Support Services B-29
General Environmental Health B-195
General Fund
Budget Pie Chart A-11
Comparative Balance Sheet A-121
Comparison of Appropriation
Requirements and State Revenues
2001-2002 A-18
2002-2003 A-19
and Education Fund Supplemental

Appropriations A-26
General Government Functional Area B-13
Improvements B-22
Introduction B-15
Performance Measures and Program
Information B-71
Recommended by Funding Source B-6
Total Personnel and Funding B-21
General Services, Department of B-59
General Services Project Maintenance (Facilities
Revolving Fund) A-143
Geology B-302
Glossary of Budget Terms B-373
Goals (State Government) A-32
Goals 2000 and Technology Literacy B-116
Governor's Office B-46
Grain Indemnity Fund, Tennessee B-346
Grants-In-Aid (Education) B-114
Groundwater Protection B-309
Guardian ad Litem B-243
Gubernatorial Transition Office B-47

H

Hardeman County Incarceration Agreement
B-266
Hazardous Waste Remedial Action Fund B-308
Headquarters (Transportation) B-358
Health
Department of B-190
Facilities Commission B-173
Homeland Security B-19
Licensure and Regulation B-192
Related Boards B-193
Services Administration B-194
Health Services (Office of) B-178
Health and Social Services Functional
Area B-155
Improvements B-162
Introduction B-157
Performance Measures and Program
Information B-214
Recommended by Funding Source B-8
Total Personnel and Funding B-161
Higher Education B-124
State Administered Programs B-124
System-Wide Improvements B-110, B-148
Highway
Betterments B-362
Fund, Comparative Balance Sheet A-123
Maintenance B-362
Patrol B-277
Homeland Security B-19

Index

Historical Commission B-301
Historic Sites, Maintenance of B-302
Homeland Security, Office of B-15, B-18
House of Representatives B-30
Human Resource Development (Personnel) B-57
Human Rights Commission B-48
Human Services, Department of B-200

I

Improving
 America's School Act (IASA) B-117
 School Programs B-118
Improvements (by functional area)
 Education B-102
 Higher Education
 (Detail) B-106
 Excellence Initiatives B-95
 State Administered Programs B-106
 State Board of Regents System
 B-109
 (Summary) B-94
 System-Wide B-110, B-148
 University of Tennessee System
 B-107
 K-12 (Detail) B-102
 K-12 (Summary) B-93
 General Government B-22
 Health and Social Services B-162
 Law, Safety, and Correction B-232
 Resources and Regulation B-294
 Transportation, Business, and Economic
 Development B-342
Improvements, Departmental Summary of A-17
Indigent Defendants' Counsel B-243
Industrial
 Development B-353
 Training Service B-354
Information Resources
 Office of (Finance and Administration) B-52
Initiatives, Tennessee A-33
Insurance
 Administration (Finance and Administration)
 B-52
 Commerce and Insurance B-315
 Premiums (Transportation) B-358
Intergovernmental Conferences and Special
 Operations B-46
Interstate Construction B-363
IV-D Child Support Enforcement (District
 Attorneys General Conference) B-250

J

Jackson State Community College B-145
Job Skills Fund B-355
Judicial
 Conference B-244
 Programs and Commissions B-245

L

Labor
 **And Workforce Development, Department
 of B-322**
 Standards B-325
Laboratory Services (Health) B-191
Lakeshore Mental Health Institute B-181
Land and Water Conservation Fund B-302
Law Enforcement Training Academy, Tennessee
 B-279
Law, Safety, and Correction Functional
 Area B-225
 Improvements B-232
 Introduction B-227
 Performance Measures and Program
 Information B-281
 Recommended by Funding Source B-9
 Total Personnel and Funding B-231
Legislative Administration Services B-29
Legislature B-29
Libraries, Regional B-34
Library and Archives, State B-34
Library Construction B-35
Loan/Scholarship Programs B-126
Local
 Finance, Division of B-40
 Government, Office of B-39
 Government Energy Loan Program B-357
 Health Services B-198
 Homeland Security B-19
 Interstate Connectors B-363
 Parks Acquisition Fund B-303
Lois M. DeBerry Special Needs Facility B-266
Long Term Care Services B-177

M

Maintenance
 Armories (Military) B-272
 General Services Project A-143
 of Historic Sites B-302
 Operational A-143

Index

Tennessee State Parks B-311
Major Maintenance
and Equipment B-70
Children's Services B-212
Correction B-260
Education B-121
Mental Health and Developmental Disabilities
B-182
Safety B-276
Major Tax Exemptions
From Current Tax Base A-117
Sales and Use Tax Currently Untaxed
Services A-116
Management
Information Systems Division (Revenue)
B-65
Services, Office of (Comptroller) B-36
Mark Luttrell Correctional Facility B-263
Market Development (Agriculture) B-347
Mass Transit B-360
Maternal and Child Health B-195
Memphis
Mental Health Institute B-182
University of B-141
Mental Health
**and Developmental Disabilities,
Department of B-179**
Institutes (Statistical Data) B-184
Services Administration B-180
Mental Retardation
Administration B-185
**Finance and Administration, Department
of B-185**
Developmental Centers (Statistical Data)
B-189
Middle Tennessee
Correctional Complex B-263
Mental Health Institute B-181
Region (Finance and Administration – Mental
Retardation) B-187
State University B-141
Military Department B-271
Homeland Security B-18
Mines B-323
Miscellaneous Appropriations B-68
Mission (State Government) A-32
Moccasin Bend Mental Health Institute B-182
Motlow State Community College B-145
Motor Vehicle Management (General Services)
B-60
Motor Vehicle Operations (Safety) B-275
Homeland Security B-19
Motorcycle Rider Education B-278
Mountain View Youth Development Center

B-210
Municipal Audit, Division of B-38
Museum, Tennessee State B-299

N

911 Emergency Communications Fund B-318
Nashville State Technical Institute B-143
National and Community Service B-53
Natural Heritage B-304
Northeast
Correctional Complex B-265
State Technical Community College B-143
Northwest Correctional Complex B-265
Nursing Home Resident Grant Assistance Program
B-191

O

Office
of Health Services (TennCare) B-178
of Information Resources (Finance and
Administration) B-52
of Local Government B-39
of Management Services (Comptroller) B-36
of State Assessed Properties B-41
of the Post-Conviction Defender B-253
Offices of Research and Education Accountability
(Comptroller) B-40
Organizational Chart, Tennessee State Government
B-3
Operational Maintenance (Facilities Revolving
Fund) A-143
Homeland Security B-19
Overlapped, Employees Over 90 Days A-31

P

Parks, Tennessee State B-311
Pellissippi State Technical Community
College B-143
Performance Measures and Program Information
(by functional area)
General Government B-71
Education B-149
Health and Social Services B-214
Law, Safety, and Correction B-281
Resources and Regulation B-329
Transportation, Business, and Economic
Development B-366

Index

- Personal Income and Appropriations Summary,
Comparison of A-27
- Personnel
Department of B-56
and Funding (Summary, All Programs) A-28
and Funding (by functional area) *see* Total
Personnel and Funding
- Planning and Research (Transportation) B-361
- POST Commission B-279
- Policy, Planning, and Assessment, Division of
(Health) B-194
- Policy Statement (Tennessee Initiatives) A-33
- Population-Based Services B-197
- Positions, Comparison of Authorized A-30
- Post Conviction Defender, Office of the B-253**
- Postal Services (General Services) B-61
- Printing (General Services) B-61
- Probation and Parole, Board of B-257**
- Processing Division (Revenue) B-66
- Programs
see Comparison of Programs
- Projected First Year Operating Costs for New
Facilities Recommended as Projects A-122
- Projects Funded from Dedicated Revenues A-121
- Property
Assessments, Division of B-39
Management B-60
Utilization B-60
- Public
Defenders Conference, District B-251
Executive Director of the B-251
Documents (Secretary of State) B-33
- Publication of Tennessee Reports (Attorney
General and Reporter) B-247
- Purchasing B-62
- Regional
Grants Management B-355
Libraries B-34
- Registry of Election Finance B-33
- Regulatory Services (Agriculture) B-347
- Regulatory Boards B-318
Comparative Statement of Revenues A-114
- Representatives, House of B-30
- Research and Education Accountability, Offices of
(Comptroller) B-40
- Research Initiatives
UT System B-131
Regents System B-138
- Resource Development and Support B-53
- Resources and Regulation Functional Area B-289
Improvements B-294
Introduction B-291
Performance Measures and Program
Information B-329
Recommended by Funding Source B-10
Total Personnel and Funding B-293
- Revenues
Comparative Statement, Regulatory Boards
A-114
Comparison Statement of State A-110
- Revenue
Department of B-65
Distribution of Actual, by Fund A-111
Distribution of Estimated, by Fund A-113
Distribution of Revised Estimated, by Fund
A-112
Sources and Basis of Apportionment A-83
- Risk Management (Claims and Compensation)
B-44
- Riverbend Maximum Security Institution B-264
- Roane State Community College B-146

R

- Radiological Health B-306
- Range of Tax Revenue Estimates, State Funding
Board A-76
- Real Estate Education and Recovery Fund B-316
- Recommended by Funding Source
by Functional Area
General Government B-6
Education B-7
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-62

S

- Safety, Department of B-275**
Homeland Security B-19
- School Nutrition Programs B-119
- Second Injury Fund B-324
- Secretary of State B-32**
Securities (Commerce and Insurance) B-316
- Senate, State B-30
- Sentencing Act of 1985 B-261
- Sex Offender Treatment Program B-260
- Shelby County Public Defender B-251
- Small and Minority Owned Telecommunications
Program B-354
- Small Business Energy Loan Program B-357

Index

- Solid Waste
 - Assistance Fund B-310
 - Management B-307
 - South Central Correctional Center B-267
 - Southeastern Tennessee State Regional Correctional Facility B-264
 - Southwest Tennessee Community College B-142
 - Special
 - Education Services B-118
 - Litigation B-248
 - State
 - Aid (Transportation) B-362
 - Assessed Properties, Office of B-41
 - Audit, Division of B-37
 - Board of Education B-113
 - Board of Equalization B-40
 - Building Commission B-70**
 - Court Clerks' Conference B-245
 - Election Commission B-33
 - Funding Board
 - Letter A-76
 - Range of Tax Revenue Estimates A-75
 - Highway Construction B-364
 - Industrial Access B-363
 - Lands Acquisition Fund B-303
 - Library and Archives B-34
 - Prosecutions B-260
 - Senate B-30
 - Special Schools (Statistical Data) B-123
 - Tax Revenues A-73
 - University and Community College System B-138**
 - Statistical Data
 - Correctional Institutions B 268
 - Mental Health Institutes B-184
 - Mental Retardation Developmental Centers B-189
 - State Special Schools B-123
 - Youth Development Centers B-213
 - Supplemental Appropriations, General Fund and Education Fund A-26
 - Supreme Court Buildings B-242
 - Systems Management (General Services) B-59
- T**
- Taft Youth Development Center B-209
 - Tax
 - Enforcement Division (Revenue) B-67
 - Exemptions
 - Major, Currently Untaxed Services A-116
 - Major, From Current Tax Base A-117
 - Expenditures A-115
 - Relief (Comptroller) B-39
 - Revenues, State A-73
 - Taxpayer Services Division (Revenue) B-66
 - Technical Services
 - Personnel B-57
 - Safety B-280
 - Technology, Division of (Health) B-193
 - Technology, Infrastructure, and Support Systems B-114
 - TEMA Disaster Relief Grants B-273
 - Temporary Cash Assistance B-201
 - TennCare
 - Administration B-175
 - Program, Finance and Administration, Department of B-175**
 - Services B-176
 - Office of Health Services B-178**
 - Oversight (Commerce and Insurance) B-317
 - Tennessee
 - Air National Guard B-272
 - Army National Guard B-272
 - Homeland Security B-18
 - Arts Commission B-298**
 - Board of Regents B-138
 - Bureau of Investigation B-274**
 - Homeland Security B-19
 - Characteristics A-56
 - Code Commission B-30
 - Correction Academy B-261
 - Corrections Institute B-256**
 - Dry Cleaners Environmental Response Fund B-305
 - Economic Overview A-58**
 - Emergency Management Agency B-273
 - Homeland Security B-18
 - Foreign Language Institute B-127
 - Grain Indemnity Fund B-346
 - Higher Education Commission B-124
 - Housing Development Agency B-344**
 - Industrial Infrastructure Program (TIIP) B-355
 - Infant Parent Services School B-119
 - Initiatives A-33
 - Law Enforcement Training Academy B-279
 - Occupational Safety and Health
 - Administration (TOSHA) B-323
 - Preparatory School B-211
 - Prison for Women B-263
 - Regulatory Authority B-49**
 - Rehabilitative Initiative in Correction (TRICOR) B-255**
 - School for the Blind B-120
 - School for the Deaf B-120

Index

- State
Government Organizational Chart B-3
Law Libraries B-244
Museum B-299
Parks B-311
Maintenance B-311
University B-141
McMinnville Center B-139
Student Assistance Awards B-126
Student Assistance Corporation B-126
Taxpayer Budget and Budget Document Appropriations A-14
Technology Centers B-147
Technological University B-142
Wildlife Resources Agency B-312
THEC Grants B-125
Titling and Registration B-279
Total Personnel and Funding (by functional area)
General Government B-21
Education B-101
Health and Social Services B-161
Law, Safety, and Correction B-231
Resources and Regulation B-293
Transportation, Business, and Economic Development B-341
Total State Budget
Comparison of Programs and Revenue Sources A-12
by Revenue Sources A-13
Pie Chart A-10
Tourist Development, Department of B-350
Training and Professional Development (Education) B-116
Transportation, Department of B-358
Comparison of Appropriation And Funding Requirements A-20
By Funding Sources A-21
Transportation, Business, and Economic Development Functional Area B-337
Improvements B-342
Introduction B-339
Performance Measures and Program Information B-366
Recommended by Funding Source B-11
Total Personnel and Funding B-341
Treasury Department B-42
TRICOR (Tennessee Rehabilitative Initiative in Correction) B-255
Turney Center Industrial Prison and Farm B-263
- ## U
- Unclaimed Property B-45
Underground Storage Tanks B-309
Uninsured Employers Fund B-325
University of Memphis B-141
University of Tennessee System B-131
Agricultural Experiment Station B-133
Agricultural Extension Service B-133
Chattanooga B-136
College of Medicine B-135
County Technical Assistance Service B-132
Family Medicine B-134
Institute for Public Service B-132
Knoxville B-136
Martin B-136
Memphis B-134
Municipal Technical Advisory Service B-132
Research Initiatives – UT System B-131
Space Institute B-135
University-Wide Administration B-131
Veterinary Medicine B-134
Used Oil Collection Program B-305
- ## V
- Verbatim Transcripts B-244
Veterans Affairs, Department of B-64
Homeland Security B-18
Vision (State Government) A-32
Vocational
Education Programs B-119
Rehabilitation (Human Services) B-205
Volunteer State Community College B-146
- ## W
- Waiver and Crossover Services B-176
Walters State Community College B-146
Water
Pollution Control B-307
Supply B-309
Wayne County Boot Camp B-266
Welcome Centers B-351
West Tennessee
Rivers Basin Authority B-303
Maintenance B-304
School for the Deaf B-121
State Penitentiary B-264
Region (Finance and Administration – Mental Retardation) B-187

Index

Western Mental Health Institute B-181
Wetlands
 Acquisition Fund B-313
 Compensation Fund B-313
Wilder Youth Development Center B-209
Wildlife (Tennessee Wildlife Resources Agency)
 B-312
Women, Infants, and Children (WIC) B-197
Woodland Hills Youth Development
 Center B-210
Workers' Compensation B-324

Y

Youth Development Centers (Statistical Data)
 B-213

*Note: Bolded text indicates a department, agency,
 or commission.*

State of Tennessee

The Budget 2002 - 2003

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For his 40-year contribution to Tennessee budget development and guidance to the Budget Office, the Budget Staff thanks:

Gerald Adams

We gratefully acknowledge the effort and cooperation of the agencies of Tennessee State Government, and especially the agency budget staffs, who contributed to the preparation of this Budget Document.

Authorization No. 317114, 800 copies



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