



Department of
**Commerce &
Insurance**

BUDGET DISCUSSION

11/30/2015

Customer-Focused Government Goals

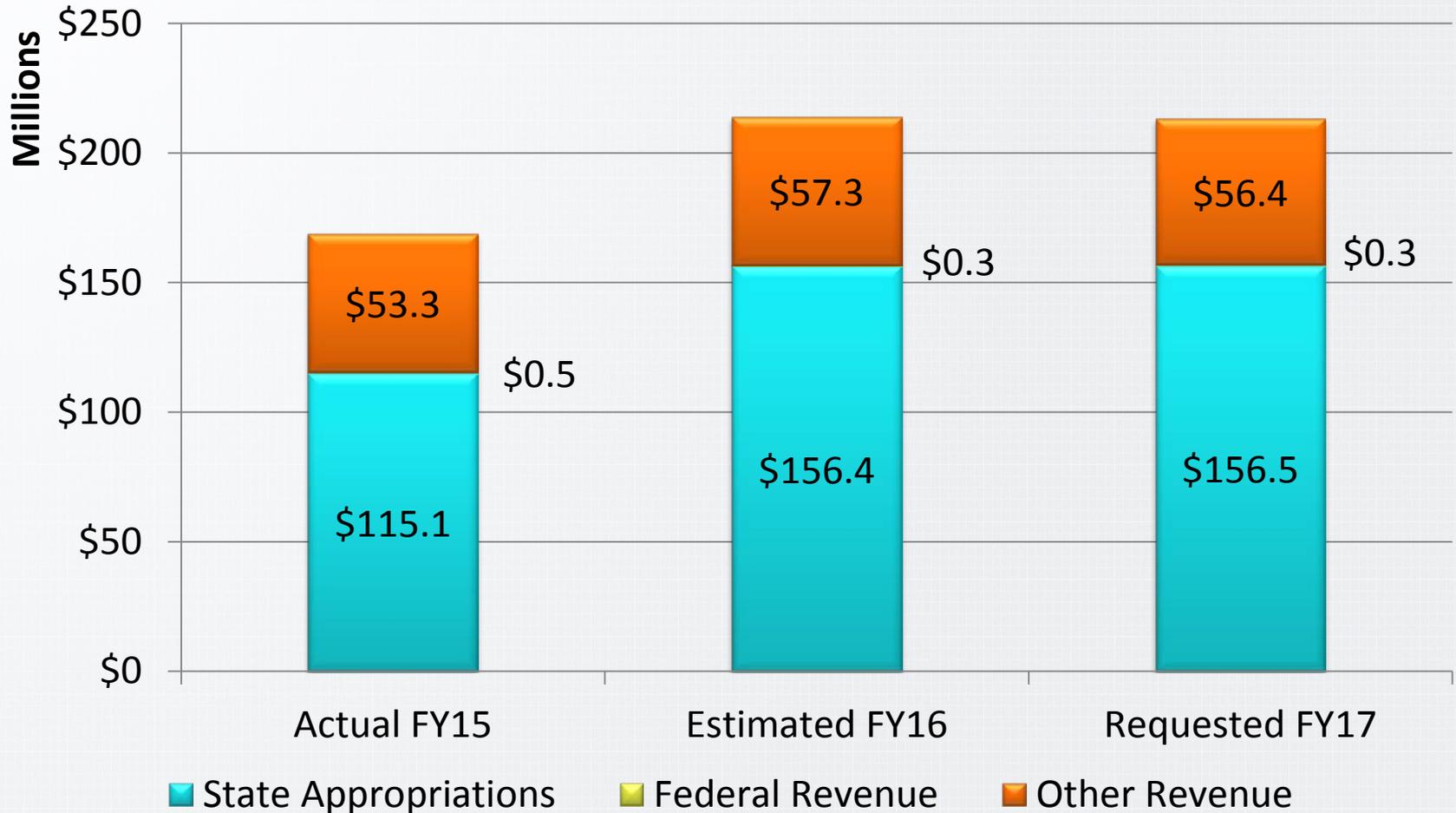
- I. Increase the number of captive insurance companies domiciled in Tennessee.
 - A. By reaching the goal of 115 captive insurance companies authorized in Tennessee.
 - B. And achieving the 310 captive insurance cell companies authorized.
 - C. And by accomplishing the 425 target of risk-bearing entities regulated through the captive section.

- II. Ensure financially viable, competitive market places by utilizing risk-focused examinations of regulated industries.
 - A. By ensuring 100 percent of health maintenance organizations are examined by TennCare Oversight at least once every two years.
 - B. And achieving a goal of 24 investment advisor examinations performed by Securities.

FY17 Agency Priorities

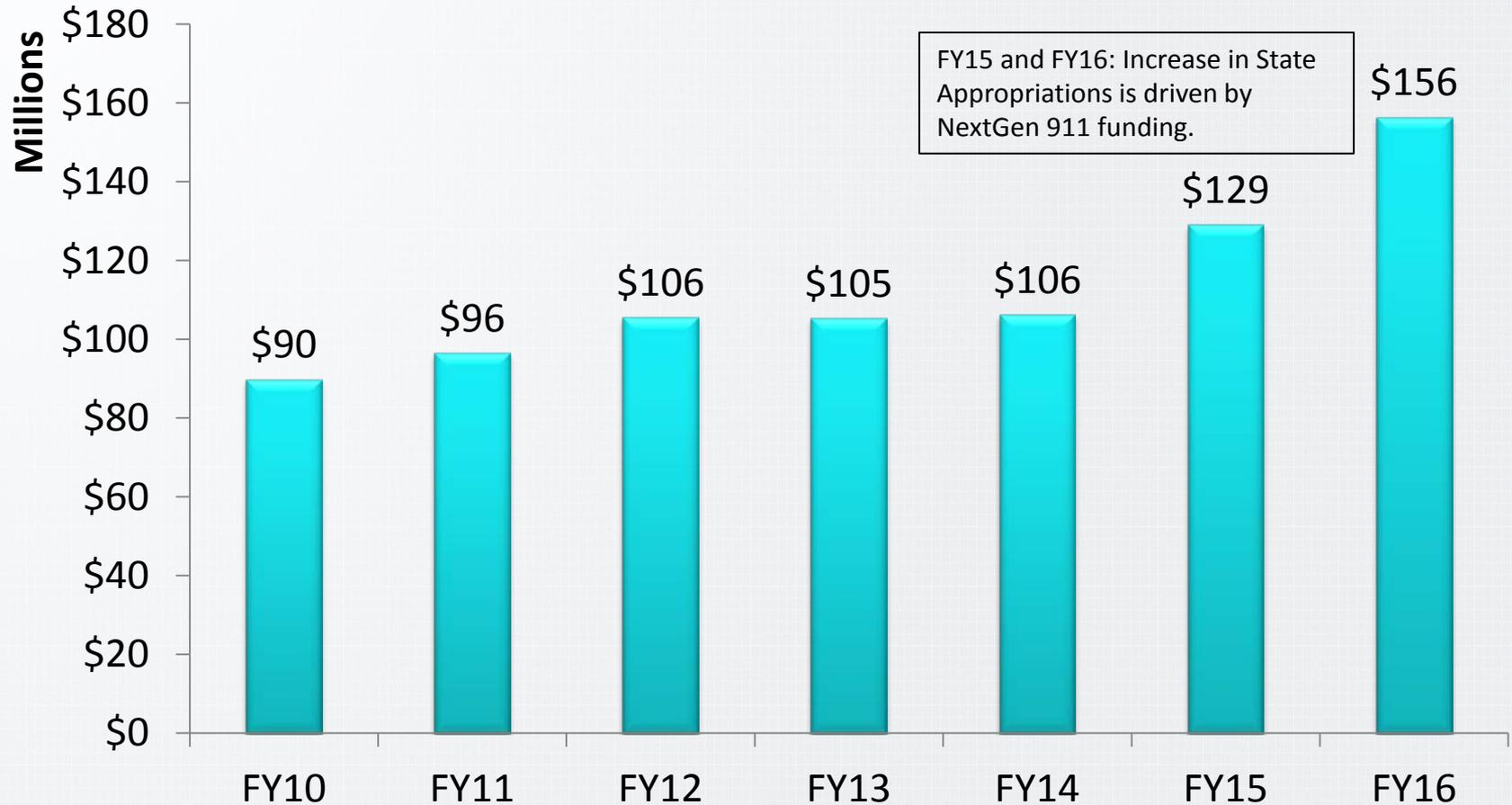
1. Reduce potential loss of life and property due to fire in the State of Tennessee
2. Increase the number of captive insurance companies domiciled in Tennessee
3. Provide efficient licensure and enforcement services for regulated industries

Appropriations and Revenues

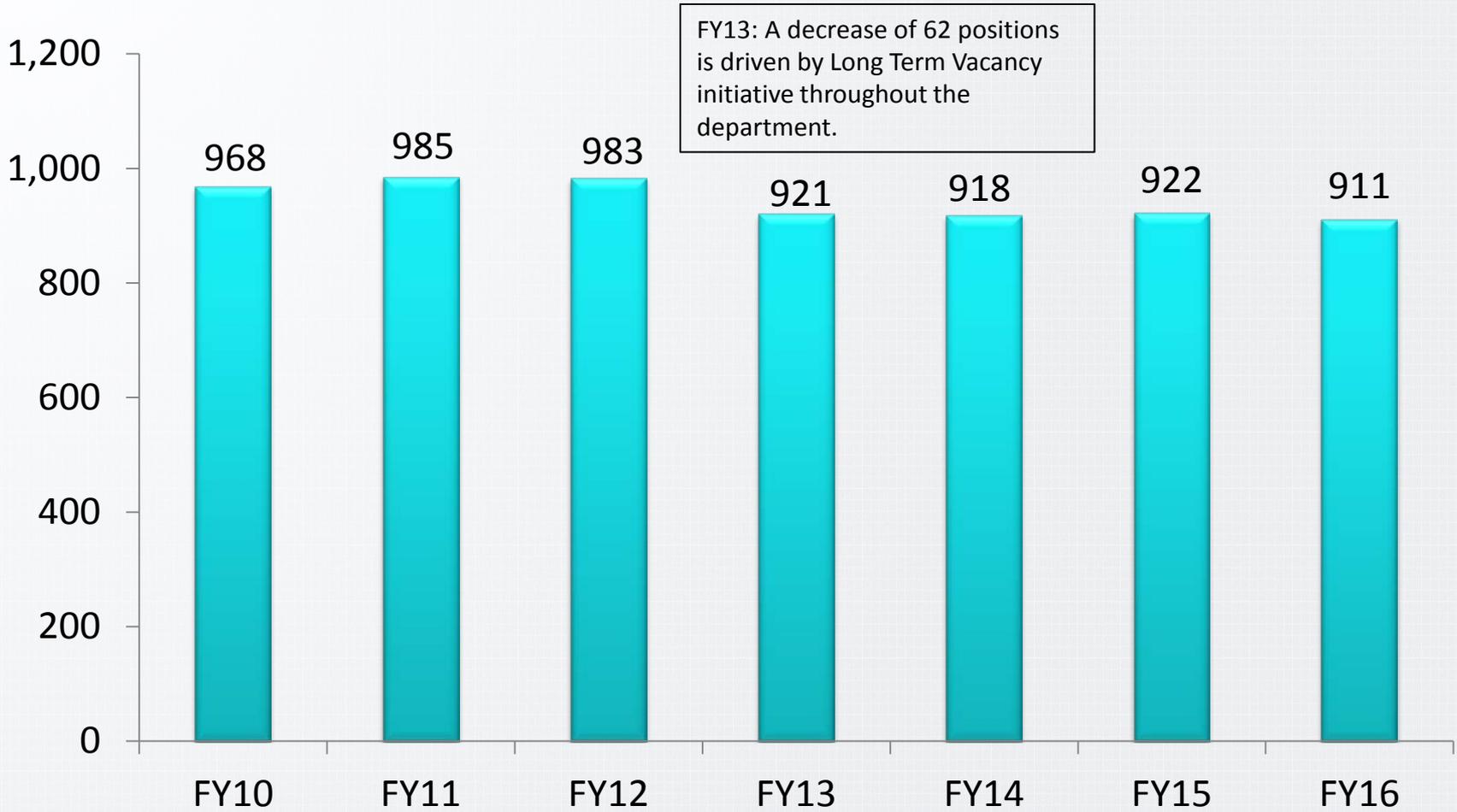


Note: Commerce and Insurance spent \$500,000 in FY15 and is budgeted for \$300,000 in FY16 and FY17 in federal revenue.

Change In State Appropriations



Change In Positions



Summary of Cost Increases

	Increase	Total	State	Federal	Other	Staff
1.	Captive Insurance – Switch revenue from Current Services to State Appropriations	\$0	\$1,000,000	\$0	\$(1,000,000)	0
2.	Salary Survey – Salary increase based off of the annual border-states commissioned officer salary survey results	8,700	8,700	0	0	0
3.	Statutory Salary Step Increase – Fund the mandated annual trooper salary step increase	13,300	13,300	0	0	0
4.	Police Pay Supplements – Cost increase to provide a \$600 supplement to additional officers	139,800	139,800	0	0	0
	Total Cost Increases	\$161,800	\$1,161,800	\$0	\$(1,000,000)	0

Capital Request

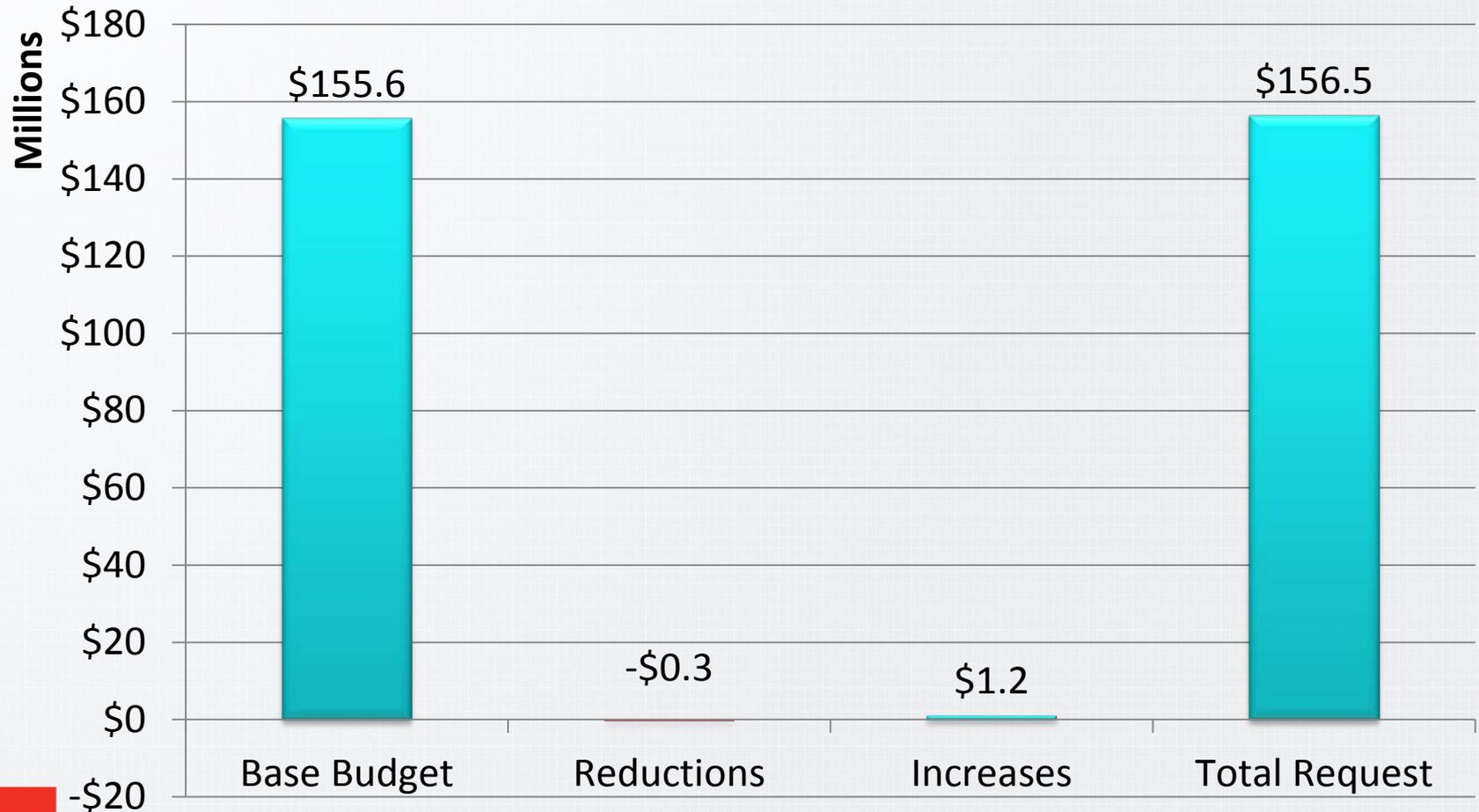
	Increase	Total	State	Federal	Other
1.	Fire and Codes Enforcement Academy – Capital Maintenance	\$1,290,000	\$1,290,000	\$0	\$0
2.	Fire and Codes Enforcement Academy – New Conference Facility	4,900,000	4,900,000	0	0
	Total Capital	\$6,190,000	\$6,190,000	\$0	\$0

3.5% Savings Plan

	Description	State Dollars	Staff
1.	Reduce the equity balance in Consumer Affairs	\$39,200	0
2.	Increase rental and class fees at the Fire and Codes Enforcement Academy to replace State Appropriation funding. Also, reduce operational expenditures .	92,600	0
3.	Increase tuition rates by approximately 7.6% for Tennessee Law Enforcement Training Academy (TLETA)	104,700	0
4.	Reduce the equity balance and travel expenditures for Tennessee Corrections Institute	35,500	0
	Total Savings	\$272,000	0
	Savings Target	\$272,000	

Request Summary

State Appropriations





THANK YOU