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# **109th GENERAL ASSEMBLY**

## **BUDGET SUMMARY SESSION REPORT**

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# 2016

Budget Overview  
Budget Comparison  
Noted Legislation  
Legislative Amendments  
Revenues  
Reserves  
Salaries and Benefits  
Capital Projects  
TennCare: Summary of Budget Action  
Lottery Program: Multi-Year Projection



Tennessee Legislative Plaza

## ***Tennessee General Assembly***

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## FY 16-17 BUDGET OVERVIEW

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### Total Budget

·The Total FY 16-17 Budget is \$34.9 billion a 2.5% increase over last year's budget of \$34.1 billion.

### Reductions

·Includes over \$93 million in reductions to the general fund and eliminates 175 positions, \$38 million is recurring.

### Reserves

·Adds \$100 million to the rainy day reserve bringing the balance to \$668,000,000 by June 30, 2017.

·TennCare reserves are expected to be \$187,796,900 million at June 30, 2017.

### Taxes

·Reduces the Hall Income Tax from 6% to 5% with total elimination by January 1, 2022..

·Restores \$142 million non-recurring to the Highway Fund; \$42 million earmarked for the State Aid Program.

·Property Tax Relief increases value level for low-income/elderly and removes income qualifier for 100% disabled vets.

·Improved process for estimating franchise and excise taxes, giving greater flexibility and lowering the penalty for underpayment from 5 to 2 percent.

·Provides a salary policy pool at 4% for TEAM Act Agencies; 3% for Non-TEAM Act Agencies. For K-12 a 5.6% increase to the BEP salary component and Higher Education from the pool of funds in funding formula at over \$59 million. \$36 million is available for Market Rate Adjustments.

·Funds all statutory pay raises for law enforcement, judges, district attorneys, public defenders, attorney general, and TWRA officers. Fully funds the salary survey for state troopers and TLETA officers.

·Continues to actuarially fund the State's retirement program for employees.

·Continues the \$50 match for the 401(k) program on a recurring basis.

### Health and TennCare

·Extends the Hospital Coverage Assessment at 4.52% for another year to maintain hospital payments and medical service levels.

·Adds funds to address the requirements of the Brian A Settlement.

·Delays the provider and pharmacy reductions for one year.

### Crime and Public Safety

·Establishes mandatory minimum sentences for those convicted of three or more charges of aggravated burglary, especially aggravated burglary, or drug trafficking. Allows a law enforcement officers to seek an order of protection on behalf of a domestic abuse victim and makes third and subsequent conviction a class E felony. Retools community supervision to reduce the number of people returning to prison for probation.

### Education

·Fully funds the BEP and appropriates \$6 billion in total funding for K-12 Education.

·Increases the state share of teacher's health insurance by funding the 12th month.

·Funds all ADM growth over 1.0%.

·Additional recurring funding to BEP for instructional technology and infrastructure improvements.

### Higher Education

·Increases funding for Higher Education by \$72.2 million and appropriates total funding at \$4.4 billion.

·Includes \$13.2 million additional funding for need-based student financial aid.

·Funds capital outlay projects totaling \$219.8 million and capital maintenance totaling \$74.9 million.

·Establishes a Drive to 55 Program Capacity Fund for higher education at \$24.3 million.

·Provides additional funding of \$10 million for the expansion of the Labor Education Alignment Program (LEAP).

·Implements the Focus on College and University Success (FOCUS) Act strengthening autonomy and local control of TBR Universities.

### Economic Development

·Includes \$70.9 million in new funds for ECD's FastTrack Program to recruit and retain industries plus \$30 million capital improvement.

·Includes \$10 million for ECD's Rural Development Initiative.

·Includes \$12.5 million new dollars for Film, Music and Entertainment incentives.

### Capital Outlay and Maintenance for FY 16-17

·This budget includes no new debt. All capital projects are funded with cash at \$354.9 million

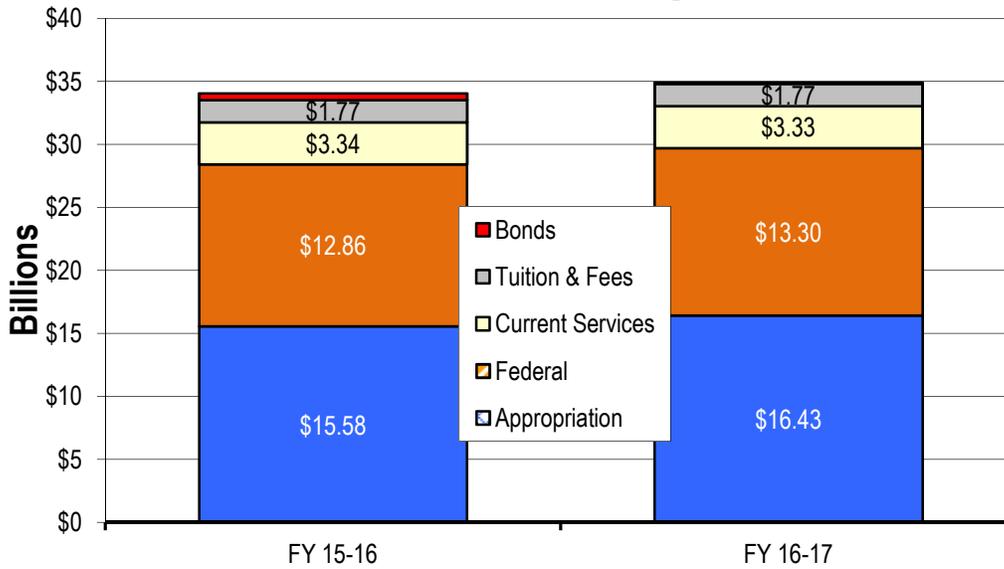
## FY 16-17 FINAL BUDGET ACTION TOTAL STATE BUDGET

	Est. FY 15-16	Est. FY 16-17	Change
<b>TOTAL</b>	<b>\$34,064,648,354</b>	<b>\$34,916,753,632</b>	<b>2.5%</b>
Appropriation	\$15,577,352,254	\$16,427,868,132	5.5%
Federal	12,860,973,000	13,298,040,600	3.4%
Current Services	3,335,687,300	3,333,909,100	-0.1%
Tuition & Fees	1,769,235,800	1,769,235,800	0.0%
Bonds	521,400,000	87,700,000	-83.2%

Preliminary Estimate

Preliminary Estimate

### Enacted Budget



### STATE BUDGET FUNDING HISTORY - (Excludes Bonds)

	Total (Billions)	State	Federal	Other	% Change
2004-05	\$24.89	11.08	9.68	4.13	12.6%
2006-07	\$26.03	12.46	9.39	4.18	0.5%
2007-08	\$27.75	13.79	9.56	4.40	6.6%
2008-09	\$29.21	13.54	11.03	4.64	5.3%
2009-10	\$29.68	12.20	12.92	4.56	1.6%
2010-11	\$31.73	12.91	13.97	4.85	6.9%
2011-12	\$31.51	13.63	13.12	4.75	-0.7%
2012-13	\$31.95	14.22	13.07	4.66	1.4%
2013-14	\$32.96	15.09	13.23	4.64	3.2%
2014-15	\$33.54	15.58	12.86	5.10	1.8%
Est 2015-16	\$33.54	15.58	12.86	5.10	1.8%
Rec 2016-17	\$34.83	16.43	13.30	5.10	3.8%

**2016 SESSION - NOTED LEGISLATION**

				Gen Fund - Fiscal Impact		
	Description	SB	HB	(Decrease) Recurring Exp	(Decrease) Non- Recurring Exp	Gen Fund Revenue
Budget Bills	Appropriation Bill	2653	2629			
	Bond Bill - Issue bonds for state projects	2655	2631			
	Budget Implementation Act - Increases from 30 cents to 36 cents per each person in the county the amount that each county must pay to the office of the comptroller to contribute to the expenses of audits; creates historic property land acquisition fund; makes other statutory revisions required for implementation of the annual appropriations act	2654	2630			
Health	Development of a state oral health plan	1956	2025			
Correction	Extends statute of limitations for aggravated child abuse, neglect and endangerment	1447	1645			
Commerce & Insurance	Reduces burial fee for spouses of Veterans	1090	828			(\$50,000)
Commerce & Insurance	Establishes the Community Cemetery Grant Fund	2488	2268			
Transportation	Highway Sign Omnibus	1473	1523	\$3,300		
Health	Enacts a silver alert activation card to help locate missing citizens who have wandered due to dementia or physical impairment	2049	2421	\$15,000		
Education	Education - dyslexia screening and advisory council	2635	2616			
Human Services	Establishment of a Vulnerable Adult Protective Investigative Team	2588	1936			
Higher Education	Extends length of STEP UP scholarship	1584	1983			
Higher Education	Extends length of Tennessee Promise for students with a learning disability	2039	2505			
Higher Education	Expands eligibility requirements for home school students for the General Assembly Merit Scholarship	1695	1665			
Revenue	Directs TACIR study on privilege tax	556	678	\$7,700		
Comptroller	Relative to property tax relief for veterans and elderly/disabled citizens (earmark property tax relief program)	1796	2156			
Safety	Handgun carry permit for age 18 and older and in military	2238	2425			

				Gen Fund - Fiscal Impact		
	Description	SB	HB	(Decrease) Recurring Exp	(Decrease) Non- Recurring Exp	Gen Fund Revenue
Correction	Extends the statute of limitations for aggravated statutory rape from four years to 15 years after the victim becomes 18 years of age	1841	2120			
State Government	Creates a task force to study the feasibility of state government utilizing an open data policy	2427	2215			
Health	Establishes the Maternal Mortality Review and Prevention Act of 2016	2303	1757	\$38,900		
Correction	Relative to theft during a declared state of emergency	1609	1505	\$10,600		
TWRA	Establishes an Asian Carp Task Force	1753	1821	\$5,000		
Commerce & Insurance	Tennessee Prepaid Funeral Benefits Act and funeral merchandise purchases	621	199			
Health	Increases membership for Board for Licensing Health Care Facilities	1468	1470			
Human Services	Enacts oversight processes for the Department of Human Services	1472	1940	\$26,500		
Secretary of State	Filing Extension for Charitable Organizations	1566	1979			
District Attorneys General	Petition for Disinterment	1585	1560			
Secretary of State	Establishes an Online Voter Registration System	1626	1742	\$200,000	\$100,000	
Education	Changes State Board of Equalization processes for appeals and notifications	1646	1689			
Safety	Increases use of ignition interlock device and adds administrative fee of \$12.50 for Dept. of Safety	2065	1843			
Revenue	Authorizes retail food stores to begin stocking wine prior to July 1, 2016; adds license limitation on new retail package store owners	2094	2586			
Health	Increases compensation for forensic medical examination in sexual assault case from \$750 to \$1,000	2315	2514			
Secretary of State	Renames the Interlock Assistance Fund as the DUI Monitoring Fund changes processes adds transdermal monitoring device or other alternative monitoring devices	2399	2424			
Children	Complies with requirements of Federal Child Care Development Block Grant Act	2554	1550			

				Gen Fund - Fiscal Impact		
	Description	SB	HB	(Decrease) Recurring Exp	(Decrease) Non- Recurring Exp	Gen Fund Revenue
Correction	Sentence enhancement for robbery of pharmacy in certain circumstances	593	587	\$60,900		
Higher Education	Relative to the University of Tennessee Office for Diversity and Inclusion	1912	2248			
Labor & Workforce Development	Makes various changes to workers' compensation processes	2582	2416	\$145,500		
Correction	Enhances statutory rape by an authority figure	2611	2399	\$345,300		
ECD & TWRA	Establishes Aeronautics Development Fund and changes how TWRA uses funds for land purchases	750	809			
Correction	Removes probation eligibility for vehicular homicide by intoxication	35	576	\$31,100		
Legislature	Specifies that legislative branch and judicial branch have exclusive control over state facilities they occupy	1342	1365			
Revenue	Decreases Hall Income Tax rate from 6% to 5% effective January 1, 2016; eliminates tax for tax years that begin on or after January 1,2022.	47	813			(\$27,718,500)
Local Governments	Authorizes certain counties to exempt certain vehicles from emissions testing	777	721			
Education	Broadens offense for texting while driving a school bus	1596	1484			\$900
Safety	Changes age group for underage driving while impaired	1317	622			
HSDA	Changes to certificate of need provisions	1842	1730	(\$1,138,800)		
Safety	Reduces fee for lifetime carry permit for retired POST-certified officers	1665	1749			
Local Governments	Makes various changes regarding the collection and remittance of 911 surcharges.	2051	2192			\$54,200
Health	Changes affecting Board of Medical Examiners and reciprocity of certain medical personnel	1580	1729			
Health	Relative to pain management clinics, processes, licenses, and inspections	1466	1731	\$358,800		\$358,800
Local Governments	Sunsets the Hamilton County water and wastewater treatment authority	2364	2381			
Health	Creates the Tennessee Radiologic Imaging and Radiation Therapy Board of Examiners	899	993			

## LEGISLATIVE AMENDMENTS TO APPROPRIATION BILL

Entity	Purpose	Recurring	NonRecurring	Earmark	State Revenue Impact
University of Tennessee System	UT Institute of Agriculture - to reinstate the Dairy Extension Specialist position	175,000			
Mental Health & Substance Abuse Services	Grants for hospital services		1,000,000		
Finance & Administration	Grant for Hobart Ames Heritage Center Foundation		125,000		
Historical Commission	Grant for Travelers Rest Heritage Center		125,000		
Health	Smile 180 Foundation dental programs and services		750,000		
Commission on Children & Youth	Grants of \$1,500 to each of the 47 established Court-Appointed Special Advocate programs (CASA) and grants of \$18,000 each to establish 6 additional CASA programs	178,500			
Department of Commerce and Insurance	Maintenance of the Fallen Firefighter Memorial at the Tennessee Fire and Codes Enforcement Academy		10,600		
Food Banks	Grants: 35% 2nd Harvest Middle TN 25% Memphis Food Bank 20% 2nd Harvest East TN 10% Chattanooga Area Food Bank 10% 2nd Harvest NW TN		500,000		
Tennessee Bureau of Investigation	Methamphetamine clean-up		500,000		
Finance & Administration	TN Higher Education Initiative - for programs and services that provide access to on-site degree-bearing higher education for individuals in Tennessee prisons	250,000			
Finance & Administration	TN Science, Technology, Engineering, & Mathematics (STEM) Innovation Network (TSIN) to establish a new innovation hub.	750,000			

Entity	Purpose	Recurring	NonRecurring	Earmark	State Revenue Impact
Environment & Conservation	Purchase 45.6 acres White Oak Creek and Rugby State Natural Area (earmark State Land Acq. Fund)			145,000	
Environment & Conservation	Kingston Pike - Sequoyah Hills Association restoration of Talahi Park		30,000		
Bureau of TennCare	Pharmaceuticals reimbursement restoration - \$6,079,500 Earmark TennCare Reserves			6,079,500	
Health	Additional nurse educators and associated services - \$100,000 each: Erlanger Health System/Children's Hospital; Johnson City Medical Center; UT Medical Center at Knoxville; Vanderbilt Medical Center/Monroe Carrell, Jr. Children's Hospital; Regional Medical Center at Memphis for perinatal training	500,000			
Economic & Community Development	2019 NCSL Annual Summit in Nashville - shall not revert		250,000		
Mental Health and Substance Abuse Services	An Opioid Addiction Treatment pilot program for inmates		750,000		
Finance & Administration	Grants to the four (4) accredited Tennessee zoos and the Tennessee Aquarium capital improvement projects (\$200,000 each)		1,000,000		
Education	Science alliance grants divided equally among the 6 entities	50,000	150,000		
Finance & Administration	Memphis Research Consortium \$500,000 for sickle cell data project		500,000		
Historical Commission	Museum of East TN History: \$500,000 for a new Children's Gallery.		500,000		

Entity	Purpose	Recurring	NonRecurring	Earmark	State Revenue Impact
University of Tennessee	University of Tennessee at Martin - new Engineering and Science Building Changes capital match to 10%				
Health	Increasing the capacity of federally qualified health centers and community and faith-based health centers in Tennessee to provide medical and dental care to uninsured adults. The appropriation shall be divided equally between federally qualified health centers and community and faith-based health centers.		3,200,000		
Tennessee Historical Commission	Maintenance of state-owned historical properties - earmark from State Parks Maintenance			185,000	
Health Services and Development Agency	Design, development, and implementation of a web-based application process		250,000		
Transportation	Report to Speakers & Chairs FW&M on repurposing federal earmarks				
Comptroller	Rural assistance grant		850,200		
Capital Outlay	UT Joint Institute of Advanced Materials Project (redirects existing funds)				
Transportation	Road repairs in the Harpeth River State Park in Cheatham County - earmark Transportation			35,000	
Department of Safety and the Tennessee Law Enforcement Training Academy	Fully fund the survey portion of the commissioned officer pay plan	127,000			
University of Tennessee System	Establishing two (2) additional position at the UT County Technical Assistance Service for property assessment training	300,000			
Health	National Coalition of 100 Black Women (Greater Knoxville, Nashville, Memphis and Chattanooga) educational seminars		32,000		

Entity	Purpose	Recurring	NonRecurring	Earmark	State Revenue Impact
Finance & Administration	Masonic Charities identification program to expand statewide child identification program		14,500		
Finance & Administration	NHL All Star Game		120,000		
Finance & Administration	ALEC Conference 2017 (shall not revert)		100,000		
Tennessee Board of Regents	Higher Education capital planning, construction, and improvements Columbia State CC – Williamson Campus preplanning \$500,000 Chattanooga State CC - Center for Engineering Technology, Arts & Sciences \$2 M Austin Peay - Obligations university farm facility \$240,000 Walters State CC Greeneville - buildout \$1.5M		4,240,000		
Finance & Administration	Andrew Jackson Foundation restoration and maintenance at the Hermitage Mansion and grounds - sprinkler system		650,000		
Health	Grants as follows: Epilepsy Foundation of Middle & West Tennessee (62%) Epilepsy Foundation of Southeast Tennessee (11%) Epilepsy Foundation of East Tennessee (27%) for education, child safety and prevention initiatives, and services to those with epilepsy.		47,000		
Tennessee Mental Health Consumers' Association	To expand the Peer Bridger Empowerment Project to three additional regional mental health institutes		425,000		
District Attorneys	12 Support positions for District Attorneys (no more than 2 in one judicial district)	450,000			

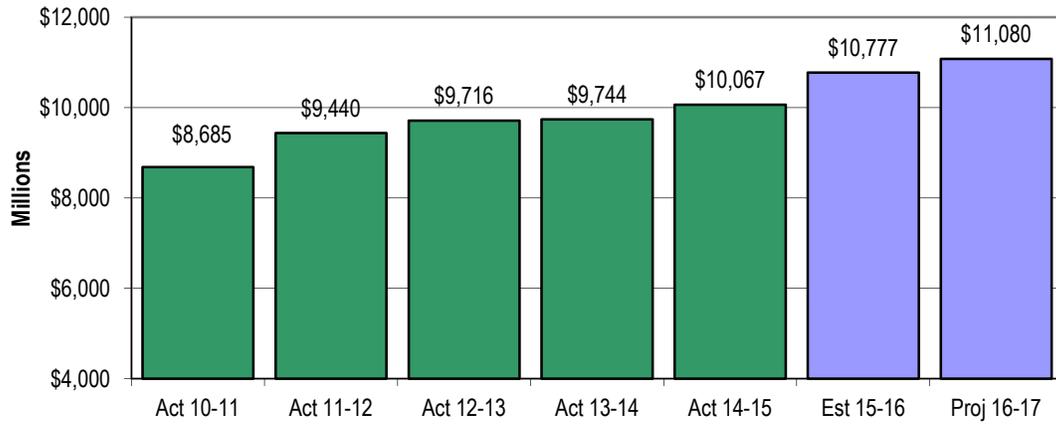
Entity	Purpose	Recurring	NonRecurring	Earmark	State Revenue Impact
District Attorneys General Conference	Elder abuse education and training		36,000		
Economic & Community Development	Reporting to Chairs of Senate & House FW&M and Office of Legislative Budget Analysis on innovation program grants.				
University of Tennessee at Martin	Grant supporting completion and operation of the UT Martin Somerville Center	250,000			
Non-Team Agencies	Make salary policy effective July 1, 2016		4,194,000		
Secretary of State	Earmarks Secretary of State funds for publishing constitutional amendments				
Historical Commission	Restoration of the historic masonic lodge in city of Franklin		50,000		
Finance & Administration	Sons of American Revolution Convention Knoxville		25,000		
Higher Education	Drive to 55 capacity fund (capital)		4,250,000		
Finance & Administration	Establishes a pilot program to make grants to improve and maintain access to Tennessee's waterways		500,000		
Treasury	TNStars 529 College Savings Program		500,000		
Finance & Administration	Continuation grant - recreation center		65,000		
THEC	Grant to TN Agricultural Agents' Association for 2018 meeting Chattanooga		250,000		
Finance & Administration	Grant to Agricenter International - Shelby County		1,000,000		
Tennessee Bureau of Investigation	4 positions - Technical Services unit forensic - cell phones	509,200	518,400		
Finance & Administration	Tennessee Historical Society	100,000			
Health	Contracting with a nonprofit organization for promotion of health awareness among Tennessee males		95,000		
TN General Assembly	Setup of a Network of Care products and subscription		800,000		

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# STATE TAX REVENUES

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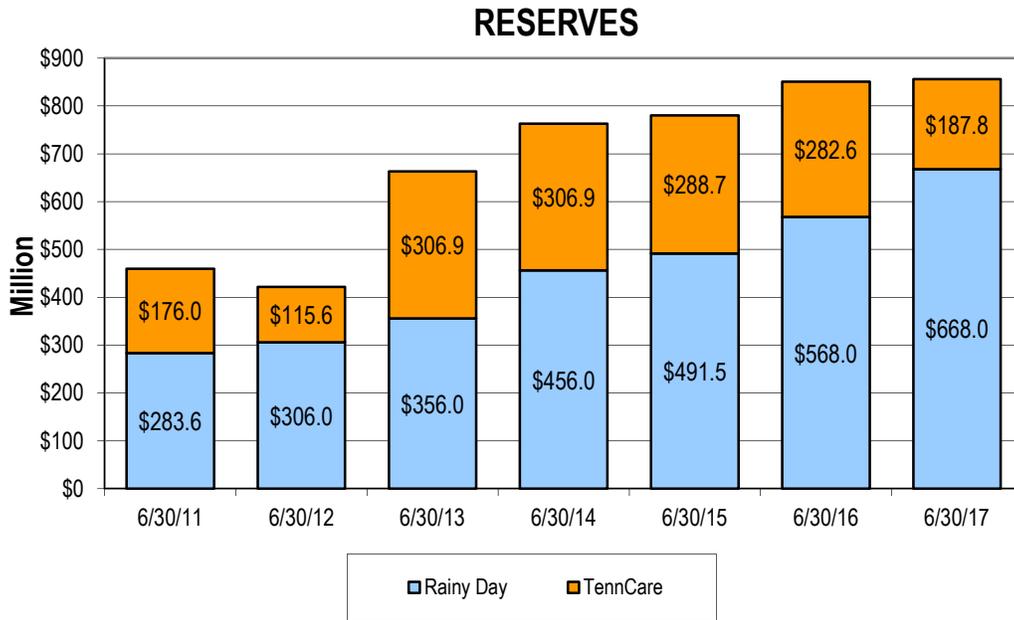
## General Fund Revenues



FY 16-17 Reflects 1% reduction in Hall Income Tax

# RESERVES

	Rainy Day	% of GF Rev	TennCare	TOTAL
6/30/11	\$283,600,000	3.0%	\$176,000,000	\$459,600,000
6/30/12	306,000,000	3.1%	115,600,000	\$421,600,000
6/30/13	356,000,000	3.7%	306,877,300	\$662,877,300
6/30/14	456,000,000	4.7%	306,877,300	\$762,877,300
6/30/15	491,500,000	4.9%	288,704,300	\$780,204,300
Est 6/30/16	568,000,000	5.3%	282,624,800	\$850,624,800
Rec 6/30/17	668,000,000	6.0%	187,796,900	\$855,796,900



## SALARIES AND BENEFITS

**TOTAL - SALARIES AND BENEFITS (funded in FY16-17) \$342,552,100**

	Recurring	Non-Recurring
<b>State Employees</b>	<b>\$108,830,100</b>	-
Salary Increase @ 4% - TEAM ACT - Effective 1/1/2017 - Annualized	\$51,664,800	
Salary Increase @ 3% - Non-TEAM ACT - Effective 7/1/2016	8,338,000	
Market Rate Adjustments - Effective 7/1/2016	36,060,100	
401(K) - \$10 match (total @ \$50)	2,500,000	
TCRS Legacy Plan Rate Adjustment	567,200	
Health Insurance 3.5% Increase 1/1/2017	9,700,000	
<b>Higher Education</b>	<b>\$66,443,900</b>	
Salary Increase - From Pool of Funds in Funding Formula effective 7/1/2016	\$59,193,400	
401(K) - \$10 match (total @ \$50)	1,613,000	
TCRS Legacy Plan Rate Adjustment	(67,200)	
Health Insurance 4.7% Increase 1/1/2017	5,704,700	
<b>K-12</b>	<b>\$149,427,000</b>	
Salary Increase - 5.6% Increase to BEP Salary Component	\$104,600,000	
Teacher Training & Experience - State Special Schools	107,600	
Teacher Training & Experience - Youth Development Centers	52,800	
Health Insurance 12th month in the BEP	29,480,000	
Health Insurance for LEA's 6.1% Increase 1/1/2017	15,186,600	
<b>Mandated Salary Increases</b>	<b>\$8,941,100</b>	
Court System	\$38,800	
Attorney General	300	
Assistant District Attorneys	1,470,400	
Assistant District Attorneys IV-D Child Support Enforcement	122,900	
Public Defenders (includes Memphis and Nashville)	659,000	
Post-Conviction Defender	34,700	
Governor	300	
Safety Step Increases	906,100	
Safety Salary Survey @ 5.5%	3,347,300	
Law Enforcement Training Academy Step Increases	13,300	
Law Enforcement Training Academy Salary Survey @ 5.5%	46,200	
TWRA Step Increases	518,900	
TWRA Salary Survey @ 5.3%	1,782,900	
<b>Retirement</b>	<b>\$8,910,000</b>	
TCRS Retirement Benefit COLA Increase Effective 7/1/2016	1.00%	
Retiree Health Insurance for Medicare Supplement	\$8,910,000	

# FY 2016-2017 CAPITAL AND MAINTENANCE PROJECTS

## FY 2016-2017 CAPITAL APPROPRIATIONS

	County	Total	State	Bonds	Federal	Other
<b>Correction</b>						
Maintenance	Statewide	\$12,100,000	-	-	-	12,100,000
DeBerry Special Needs Facility Transport Hub	Davidson	\$2,000,000	-	-	-	2,000,000
<b>Sub-Total</b>		<b>\$14,100,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$14,100,000</b>
<b>Children's Services</b>						
Maintenance	Statewide	\$5,249,500	5,249,500	-	-	-
New John S. Wilder YDC (Planning)	Fayette	\$579,000	579,000	-	-	-
<b>Sub-Total</b>		<b>\$5,828,500</b>	<b>\$5,828,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Commerce and Insurance</b>						
Maintenance	Statewide	\$1,244,700	1,244,700	-	-	-
<b>Education</b>						
Maintenance	Statewide	\$1,621,100	1,621,100	-	-	-
TSB Campus Utilization Study	Davidson	\$366,700	366,700	-	-	-
<b>Sub-Total</b>		<b>\$1,987,800</b>	<b>\$1,987,800</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Environment and Conservation</b>						
Maintenance	Statewide	\$16,003,000	16,003,000	-	-	-
Cummins Falls SP New Visitor Center	Jackson	\$2,846,700	2,846,700	-	-	-
Fall Creek Falls SP Village Green Visitor Ctr.	Bledsoe	\$2,895,000	2,895,000	-	-	-
Statewide Infrastructure Reduction Project	Statewide	\$723,700	723,700	-	-	-
State Parks Hospitality Operations	Statewide	\$29,333,100	29,333,100	-	-	-
State Parks Small Projects	Statewide	\$500,000	500,000	-	-	-
Davy Crockett SP Exhibits & Facilities Upgrades	Greene	\$350,000	-	-	-	350,000
<b>Sub-Total</b>		<b>\$52,651,500</b>	<b>\$52,301,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$350,000</b>
<b>General Services</b>						
Statewide Maintenance	Statewide	\$4,500,000	4,500,000	-	-	-
State Museum Bridge Funding	Davidson	\$14,700,000	-	-	-	14,700,000
Emergency and Contingency	Statewide	\$2,220,000	2,220,000	-	-	-
National Museum of African American Music	Davidson	\$2,000,000	2,000,000	-	-	-
<b>Sub-Total</b>		<b>\$23,420,000</b>	<b>\$8,720,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$14,700,000</b>
<b>Historical Commission</b>						
Maintenance	Statewide	\$810,600	810,600	-	-	-
James K. Polk Home Orman Bldg. Demolition	Maury	\$144,700	144,700	-	-	-
<b>Sub-Total</b>		<b>\$955,300</b>	<b>\$955,300</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Human Services</b>						
Tennessee Rehabilitation Center Master Plan	Rutherford	\$144,700	144,700	-	-	-
<b>Intellectual and Development Disabilities</b>						
Maintenance	Statewide	\$4,507,200	4,507,200	-	-	-
<b>Mental Health &amp; Substance Abuse Services</b>						
Maintenance	Statewide	\$8,183,800	8,183,800	-	-	-
<b>Military</b>						
Maintenance	Statewide	\$4,140,000	1,885,000	-	2,255,000	-
Knoxville-Sutherland RC Renovation	Knox	\$5,510,000	2,755,000	-	2,755,000	-
Clarksville RC Parking Improvement	Montgomery	\$580,000	145,000	-	435,000	-
Murfreesboro RC Parking Improvement	Rutherford	\$950,000	237,500	-	712,500	-
Force Protection Upgrades	Statewide	\$1,582,100	1,582,100	-	-	-
<b>Sub-Total</b>		<b>\$12,762,100</b>	<b>\$6,604,600</b>	<b>\$0</b>	<b>\$6,157,500</b>	<b>\$0</b>

	County	Total	State	Bonds	Federal	Other
<b>Veterans Services</b>						
Maintenance	Statewide	\$2,680,000	446,000	-	2,234,000	-
Gulf Wars Monuments	Davidson	190,000	156,000	-	-	34,000
<b>Sub-Total</b>		<b>\$2,870,000</b>	<b>\$602,000</b>	<b>\$0</b>	<b>\$2,234,000</b>	<b>\$34,000</b>
<b>Veterans Home Board</b>						
Maintenance	Statewide	\$183,300	183,300	-	-	-
<b>Higher Education</b>						
Maintenance - TBR	Statewide	\$45,490,000	45,490,000	-	-	-
Maintenance - UT	Statewide	\$29,360,000	29,360,000	-	-	-
Drive to 55 Program Capacity Fund	Statewide	\$24,250,000	24,250,000	-	-	-
TSU Health Science Facility	Davidson	\$38,800,000	29,100,000	-	4,500,000	5,200,000
TTU Laboratory Science Bldg. & Infrastructure	Putnam	\$85,500,000	71,250,000	-	-	14,250,000
Campbell Co. Higher Ed. Ctr. Lab Expansion	Campbell	\$1,100,000	1,100,000	-	-	-
UTC Academic Classroom Bldgs. Renovation	Hamilton	\$35,910,000	28,433,000	-	-	7,477,000
UTHSC Dentistry Faculty Practice/Research Bldg.	Shelby	\$39,000,000	34,700,000	-	-	4,300,000
<b>Sub-Total</b>		<b>\$299,410,000</b>	<b>\$263,683,000</b>	<b>\$0</b>	<b>\$4,500,000</b>	<b>\$31,227,000</b>
<b>Grand Total FY 16-17 Projects</b>		<b>\$428,248,900</b>	<b>\$354,946,400</b>	<b>\$0</b>	<b>\$12,891,500</b>	<b>\$60,411,000</b>

Facilities Revolving Fund (State Dollars)		Total	General Fund			FRF
			Current	Current	FRF Other	Maintenance Fund
<b>Capital Improvement</b>						
New Jackson Crime Lab Consolidation Facility	Madison	\$24,505,400	24,505,400	-	-	-
Cockrill Bend Firing Range (Planning)	Davidson	\$2,509,000	2,509,000	-	-	-
RS Grass Complex Abandoned Buildings Demolition	Davidson	\$1,457,100	1,457,100	-	-	-
Rachel Jackson Building Diesel Line Installation	Davidson	\$125,400	125,400	-	-	-
New Jackson THP District Headquarters	Madison	\$8,348,100	8,348,100	-	-	-
Library and Archives Bldg. Elevator Backup Power	Davidson	\$424,600	424,600	-	-	-
<b>Sub-Total</b>		<b>\$37,369,600</b>	<b>\$37,369,600</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Capital Maintenance</b>						
John Sevier State Office Bldg. Interior Renovations	Davidson	\$27,014,300	2,384,300	-	4,630,000	20,000,000
Statewide Building Security Upgrades	Statewide	\$9,369,700	8,369,700	-	1,000,000	-
Statewide Interior Renovation Upgrades	Statewide	\$2,881,400	2,881,400	-	-	-
Capital Projects Product Security Bldg. Renovations	Statewide	\$144,700	144,700	-	-	-
Tennessee Residence Security Bldg. Renovations	Davidson	\$579,000	579,000	-	-	-
<b>Sub-Total</b>		<b>\$39,989,100</b>	<b>\$14,359,100</b>	<b>\$0</b>	<b>\$5,630,000</b>	<b>\$20,000,000</b>
<b>Total FRF (State Dollars)</b>		<b>\$77,358,700</b>	<b>\$51,728,700</b>	<b>\$0</b>	<b>\$5,630,000</b>	<b>\$20,000,000</b>

Note: Does not include projects funded from FRF Reserves, Dedicated Revenues, School Bonds or other Sources

## HOSPITAL COVERAGE ASSESSMENT FEE

### Fiscal Year 2016-2017

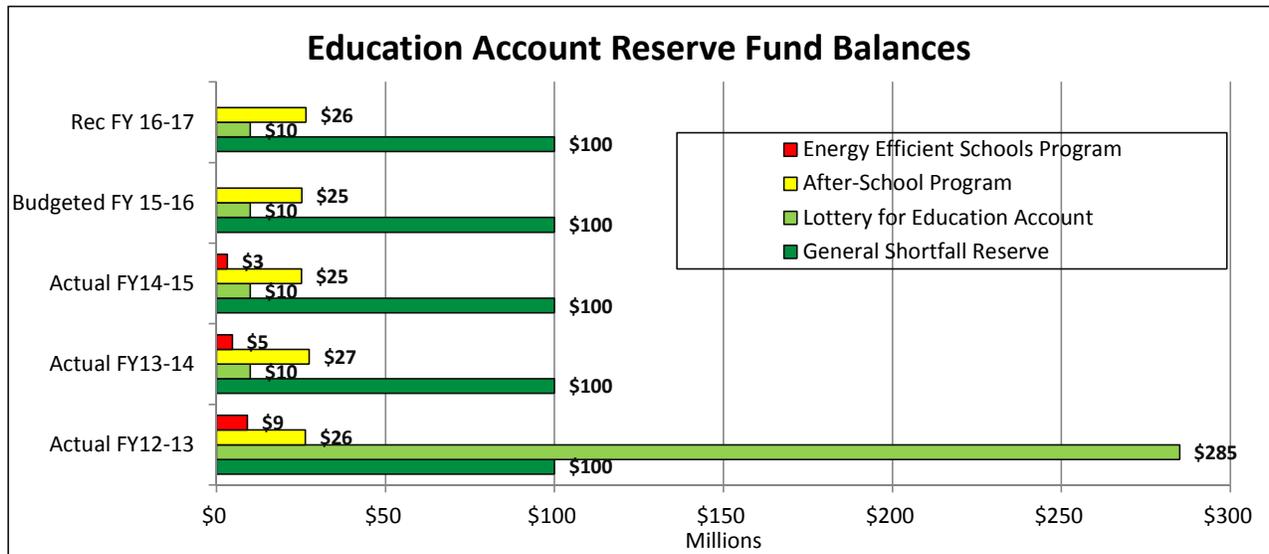
Senate Bill 2653 / House Bill 2629 continues the hospital coverage assessment for one year.

This fee raises an estimated \$449.8 million that will be used to drawdown \$823.5 million in Federal Matching Funds to temporarily restore the following reductions:

	State	Federal	Total
<b>FY 2009-2010 Base Reductions Restored:</b>			
Essential Access Hospital Payments	35,017,000	64,983,000	100,000,000
Graduate Medical Education	17,508,500	32,491,500	50,000,000
Critical Access Hospital Payments	3,501,700	6,498,300	10,000,000
Medicare Part A Reimbursement	12,448,700	23,101,700	35,550,400
Provider Reimbursement and Co-Pay	83,450,400	154,863,600	238,314,000
<b>Sub-Total</b>	<b>\$ 151,926,300</b>	<b>\$ 281,938,100</b>	<b>\$ 433,864,400</b>
<b>FY 2010-2011 Base Reductions Restored:</b>			
Lab and X-ray Procedures	15,118,700	28,056,500	43,175,200
In-Patient Services	36,573,300	67,871,100	104,444,400
Therapies	6,138,800	11,392,100	17,530,900
Out-Patient Services	25,609,800	47,525,600	73,135,400
Office Visits	19,967,700	37,055,100	57,022,800
<b>Sub-Total</b>	<b>\$ 103,408,300</b>	<b>\$ 191,900,400</b>	<b>\$ 295,308,700</b>
<b>Other Appropriations:</b>			
Disproportionate Share Hospital Payments	28,613,700	53,100,000	81,713,700
Additional Cost-Based Reimbursement-Critical Access	6,000,000	-	6,000,000
Hospital Payments - Unreimbursed Costs	159,851,700	296,645,700	456,497,400
<b>Sub-Total</b>	<b>\$ 194,465,400</b>	<b>\$ 349,745,700</b>	<b>\$ 544,211,100</b>
<b>Grand Total</b>	<b>\$ 449,800,000</b>	<b>\$ 823,584,200</b>	<b>\$ 1,273,384,200</b>

# LOTTERY FOR EDUCATION ACCOUNT & TENNESSEE PROMISE PROGRAM

LOTTERY FOR EDUCATION ACCOUNT:	Actual	Estimated	Rec.	Projected		
	FY14-15	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20
<b>Appropriation Requirements:</b>						
Lottery Scholarships	(\$301.7M)	(\$320.6M)	(\$322.5M)	(\$325.8M)	(\$329.0M)	(\$332.3M)
Reconnect Program at Community Colleges for adults	(\$0.0M)	(\$1.5M)	(\$0.0M)	(\$0.0M)	(\$0.0M)	(\$0.0M)
TSAC Operations	(\$2.5M)	(\$2.4M)	(\$2.4M)	(\$2.4M)	(\$2.4M)	(\$2.4M)
THEC Operations	(\$1.8M)	(\$1.4M)	(\$1.4M)	(\$1.4M)	(\$1.4M)	(\$1.4M)
Transfer to TSAC Student Assistance Awards	(\$6.8M)	(\$6.8M)	(\$6.8M)	(\$6.8M)	(\$6.8M)	(\$6.8M)
<b>Total Requirements</b>	<b>(\$312.8M)</b>	<b>(\$332.7M)</b>	<b>(\$333.1M)</b>	<b>(\$336.4M)</b>	<b>(\$339.6M)</b>	<b>(\$342.9M)</b>
<b>Revenue:</b>						
Net Education Lottery Proceeds	\$335.9M	\$347.0M	\$357.6M	\$365.8M	\$373.1M	\$380.6M
Interest on Lottery for Education Account	\$2.0M	\$0.1M	\$0.1M	\$0.1M	\$0.1M	\$0.1M
Unrealized Net Gain or Loss	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M
General Shortfall Reserve @ prior year June 30	\$100.0M	\$100.0M	\$100.0M	\$100.0M	\$100.0M	\$100.0M
Lottery for Education Account @ prior year June 30	\$10.0M	\$10.0M	\$10.0M	\$10.0M	\$10.0M	\$10.0M
<b>Total Revenue</b>	<b>\$447.9M</b>	<b>\$457.1M</b>	<b>\$467.7M</b>	<b>\$475.9M</b>	<b>\$483.2M</b>	<b>\$490.7M</b>
<b>Lottery for Education Account Reserve at June 30:</b>						
General Shortfall Reserve	\$100.0M	\$100.0M	\$100.0M	\$100.0M	\$100.0M	\$100.0M
Lottery for Education Account Reserve	\$10.0M	\$10.0M	\$10.0M	\$10.0M	\$10.0M	\$10.0M
Available to transfer for Tennessee Promise Scholarships	\$25.1M	\$14.4M	\$24.6M	\$29.5M	\$33.6M	\$37.8M
<b>Total Reserve</b>	<b>\$135.1M</b>	<b>\$124.4M</b>	<b>\$134.6M</b>	<b>\$139.5M</b>	<b>\$143.6M</b>	<b>\$147.8M</b>



*Notes : Reduction in Lottery for Education Account Reserve of (\$312,542,000) made in FY13-14 to endow the Tennessee Promise Program.  
FY16 and FY17 Balances of the Energy Efficient Schools Program are unknown at this time.*

<b>TENNESSEE PROMISE PROGRAM:</b>						
Original Endowment	\$48.8M	\$48.8M	\$48.8M	\$48.8M	\$48.8M	\$48.8M
Additional Endowments	\$312.5M	\$312.5M	\$312.5M	\$312.5M	\$312.5M	\$312.5M
<b>Total Endowment</b>	<b>\$361.4M</b>	<b>\$361.4M</b>	<b>\$361.4M</b>	<b>\$361.4M</b>	<b>\$361.4M</b>	<b>\$361.4M</b>
Transfer from TSAC	\$0.0M	\$10.0M	\$0.0M	\$0.0M	\$0.0M	\$0.0M
Transfer of Net Lottery Proceeds	\$0.0M	\$25.1M	\$14.4M	\$24.6M	\$29.5M	\$33.6M
Interest on Endowment @ 3%	\$0.0M	\$6.2M	\$10.8M	\$10.8M	\$10.8M	\$10.8M
Interest on Balance Forward @ 3%	\$0.0M	\$0.0M	\$0.8M	\$0.9M	\$0.9M	\$0.9M
<b>Total Revenue</b>	<b>\$0.0M</b>	<b>\$41.3M</b>	<b>\$26.1M</b>	<b>\$36.3M</b>	<b>\$41.2M</b>	<b>\$45.3M</b>
Cost of Tennessee Promise Scholarships (estimated # students is 15,700 in FY16; 26,500 in FY17; 32,300 in FY18; and 32,800 in FY19)	(\$0.0M)	(\$13.7M)	(\$23.8M)	(\$29.9M)	(\$29.9M)	(\$29.9M)
Surplus or Deficit	\$0.0M	\$27.6M	\$2.3M	\$6.4M	\$11.3M	\$15.4M
<b>Balance Forward</b>	<b>\$0.0M</b>	<b>\$27.6M</b>	<b>\$29.9M</b>	<b>\$36.3M</b>	<b>\$47.6M</b>	<b>\$63.1M</b>