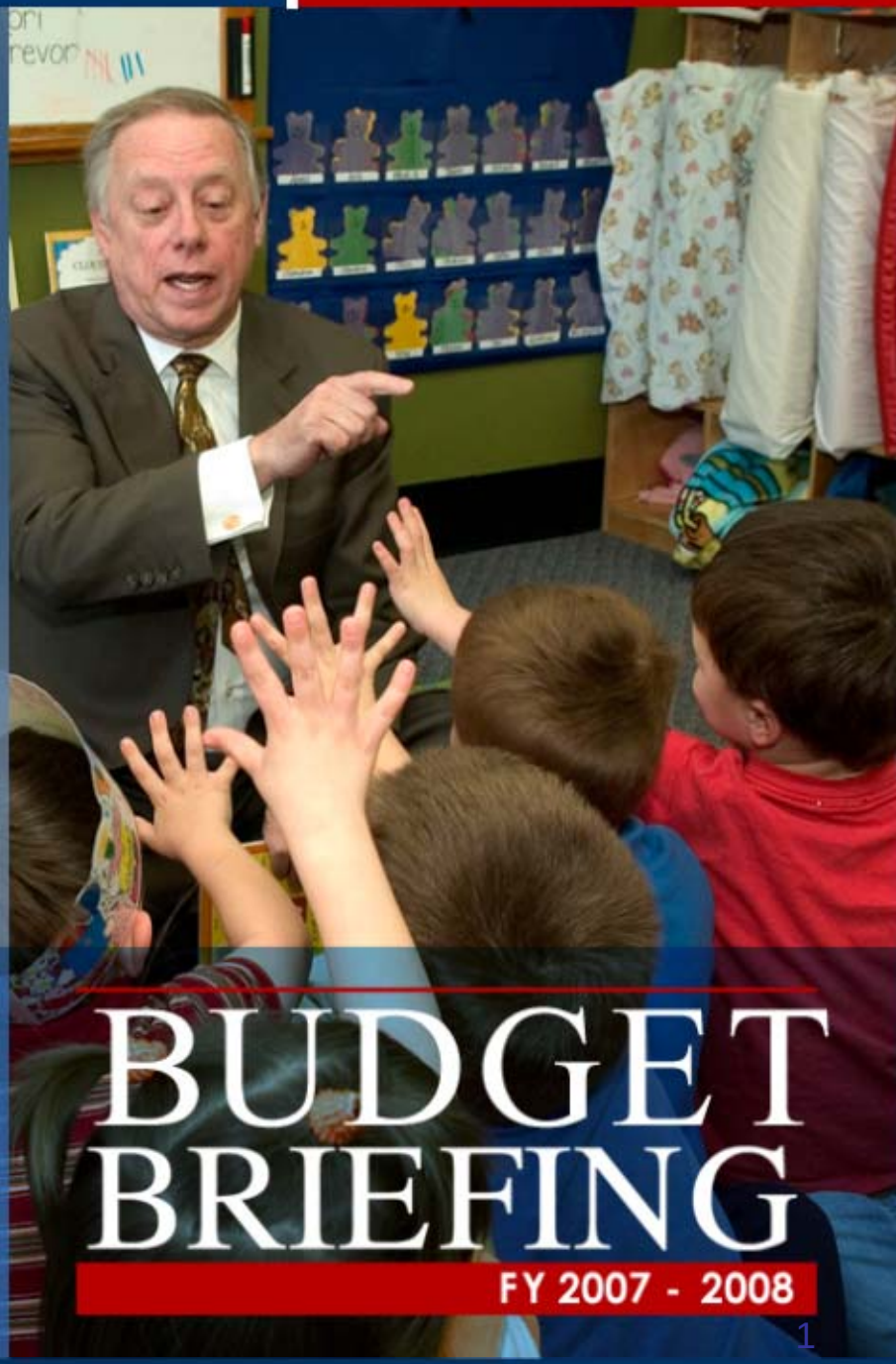
"We're ready to take the next steps to seize the future for ourselves, for our children and for our children's children. I believe that we start with education."

February 5, 2007, Governor Bredesen's 2007 State of the State Address



BUDGET BRIEFING

FY 2007 - 2008

Budget Principles

BUDGET BRIEFING
FY 2007 - 2008

- Maintain education as the state's top priority
- Continue key investments in the fundamentals: Education, Health Care, Economic Development, Conservation, and Safe Communities
- Submit a balanced, fiscally conservative budget
- New revenues for new education initiatives

Budget Fundamentals

BUDGET BRIEFING
FY 2007 - 2008

"Tennessee is ready— ready to lift its sights, ready to look farther, ready to seize the future."

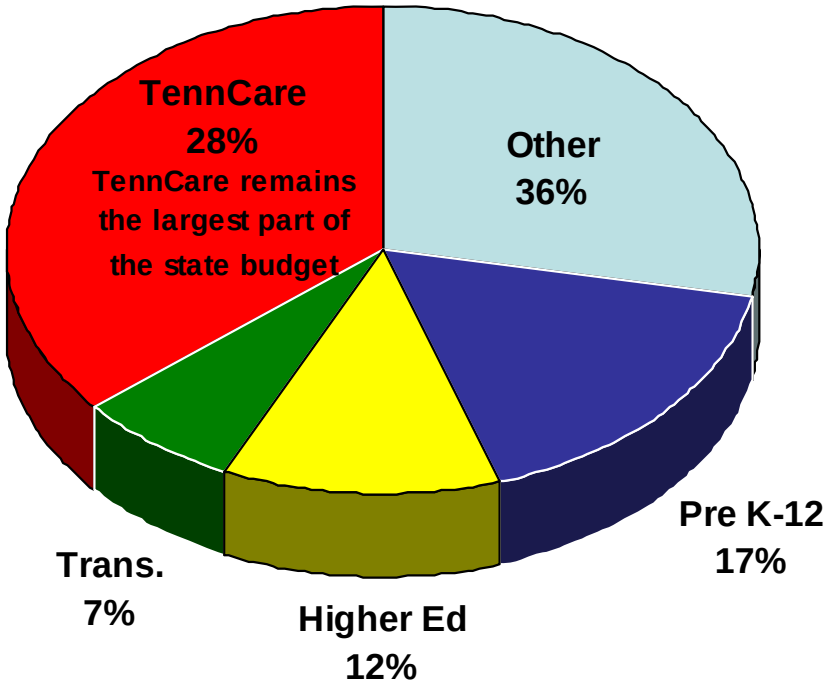
- 5 common sense balanced budgets
- Controlled TennCare costs
  (FY06 and FY07 = 24% of Department of Revenue collections)
- Conservative budget growth
  (FY08 – 6.8% growth state funds; 3.5 % total budget)
- 3 years of moderate economic growth
- Record savings in Rainy Day Fund
  ($496.9 Million in FY07; $533.5 in FY08)
- Improved bond rating (AA+)

Budget Overview

BUDGET BRIEFING
FY 2007 - 2008

Total FY 07-08 Budget (including federal dollars)

SOURCE	RECOMMENDED FY07-08
TennCare	$ 7.58 B
Pre K-12	$ 4.65 B
Higher Ed	$ 3.24 B
Transportation	$ 1.82 B
Other	$ 10.19 B



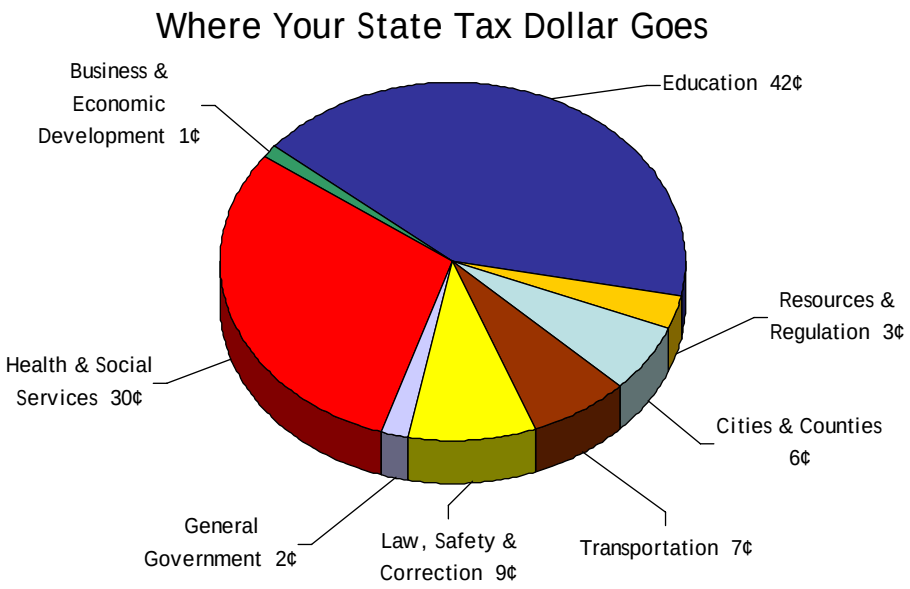
TOTAL <u>$27.48 BILLION</u>

Budget Overview

BUDGET BRIEFING
FY 2007 - 2008

FY 07-08 Taxpayers' Budget (state dollars only)

SOURCE	RECOMMENDED FY07-08
Education	$ 5.32 B
Health and Social Services	$ 3.74 B
Law, Safety Correction	$ 1.12 B
State Shared Taxes	$ 815.0 M
Transportation	$ 741.6 M
General Government	$ 514.6 M
Resources and Regulation	$ 379.1 M
Business and Economic Dev.	$ 169.4 M
Other	$ 510.3 M



TOTAL <u>$13.31 BILLION</u>

Budget Breakdown

BUDGET BRIEFING
FY 2007 - 2008

Revenue (federal and state dollars)

SOURCE (millions)	ESTIMATED FY06-07	RECOMMENDED FY07-08	CHANGE
State Appropriations	$12,459	$13,311	6.8%
Federal Revenue	$9,387	$9,483	1.0%
Other Departmental	$3,250	$3,245	—
Tuition and Fees	$934	$977	5%
Bonds	$506	$461	(9%)
TOTAL	**$26,536**	**$27,477**	**3.5%**

Budget Breakdown

BUDGET BRIEFING
FY 2007 - 2008

Breakdown by fund (federal and state dollars)

FUND (millions)	ESTIMATED FY06-07	RECOMMENDED FY07-08	CHANGE
General Fund	$22,997	$23,804	3.5%
Transportation	$1,746	$1,817	4.1%
Debt Service	$318	$344	8.2%
Capital Outlay	$497	$505	1.7%
Facilities Revolving	$192	$192	—
Cities & Counties (SST)	$786	$815	3.6%
TOTAL	**$26,536**	**$27,477**	**3.5%**

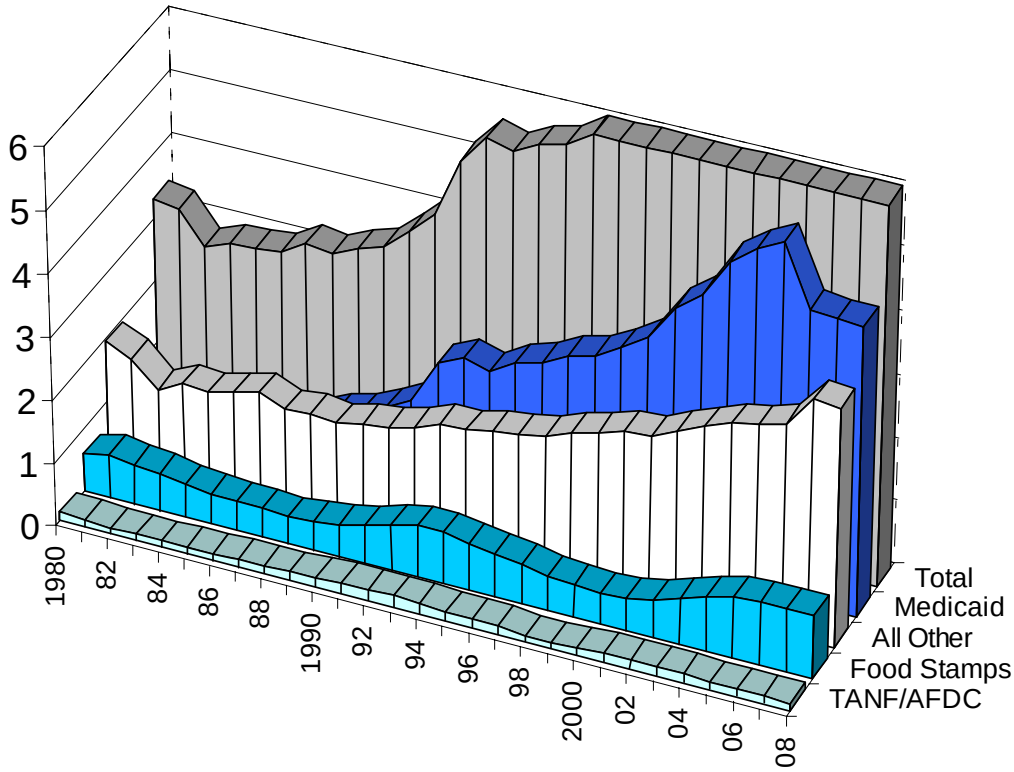
Federal Funding Challenges

BUDGET BRIEFING
FY 2007 - 2008

- Flat Federal Funding Growth
  - FY08 1%
  - FY07 -5.5%
  - FY06 2.6%
  - FY05 11.4%
  - FY04 12.5%
- FY08 Federal Funding Issues
  - CMS Rule Change
  - Transportation Budget
  - Families First Waiver
  - Other proposed federal budget reductions

Federal Aid Trend in State Programs

FY 1980 through FY 2008
in Billions of Constant (2007-2008) Dollars



Budget Breakdown

BUDGET BRIEFING
FY 2007 - 2008

Appropriations (state dollars only)

APPROPRIATIONS (millions)	ESTIMATED FY06-07	RECOMMENDED FY07-08	CHANGE
General Government	$399	$515	29.1%*
Education	$4,912	$5,319	8.3%
Health and Social Services	$3,664	$3,741	2.1%
Law, Safety & Correction	$1,068	$1,119	4.8%
Resources & Regulation	$376	$379	0.8%
Business & Economic Dev.	$157	$169	7.6%
Transportation	$695	$742	6.8%
Debt Service	$318	$345	8.5%
Capital Outlay	$74	$59	(20.2%)
K-12 Construction Reserve	$0	$100	NA
Facilities Revolving	$9	$8	(11.1%)
Cities & Counties (SST)	$787	$815	3.6%
TOTAL	**$12,459**	**$13,311**	**6.8%**

GENERAL FUND

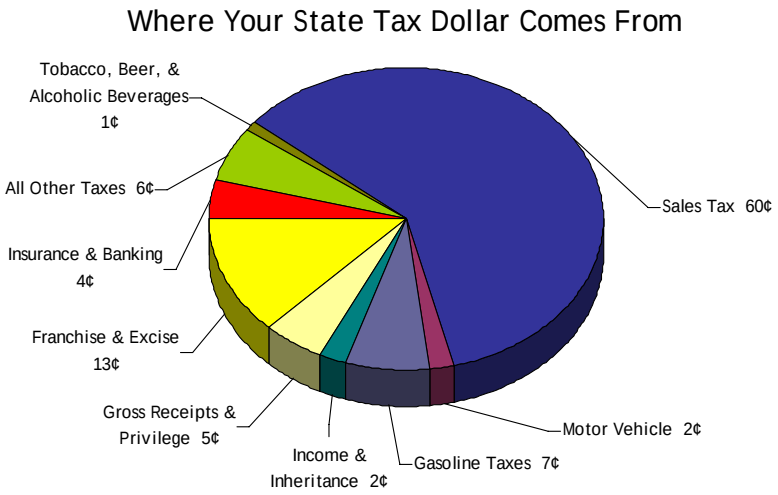
Budget Breakdown

BUDGET BRIEFING
FY 2007 - 2008

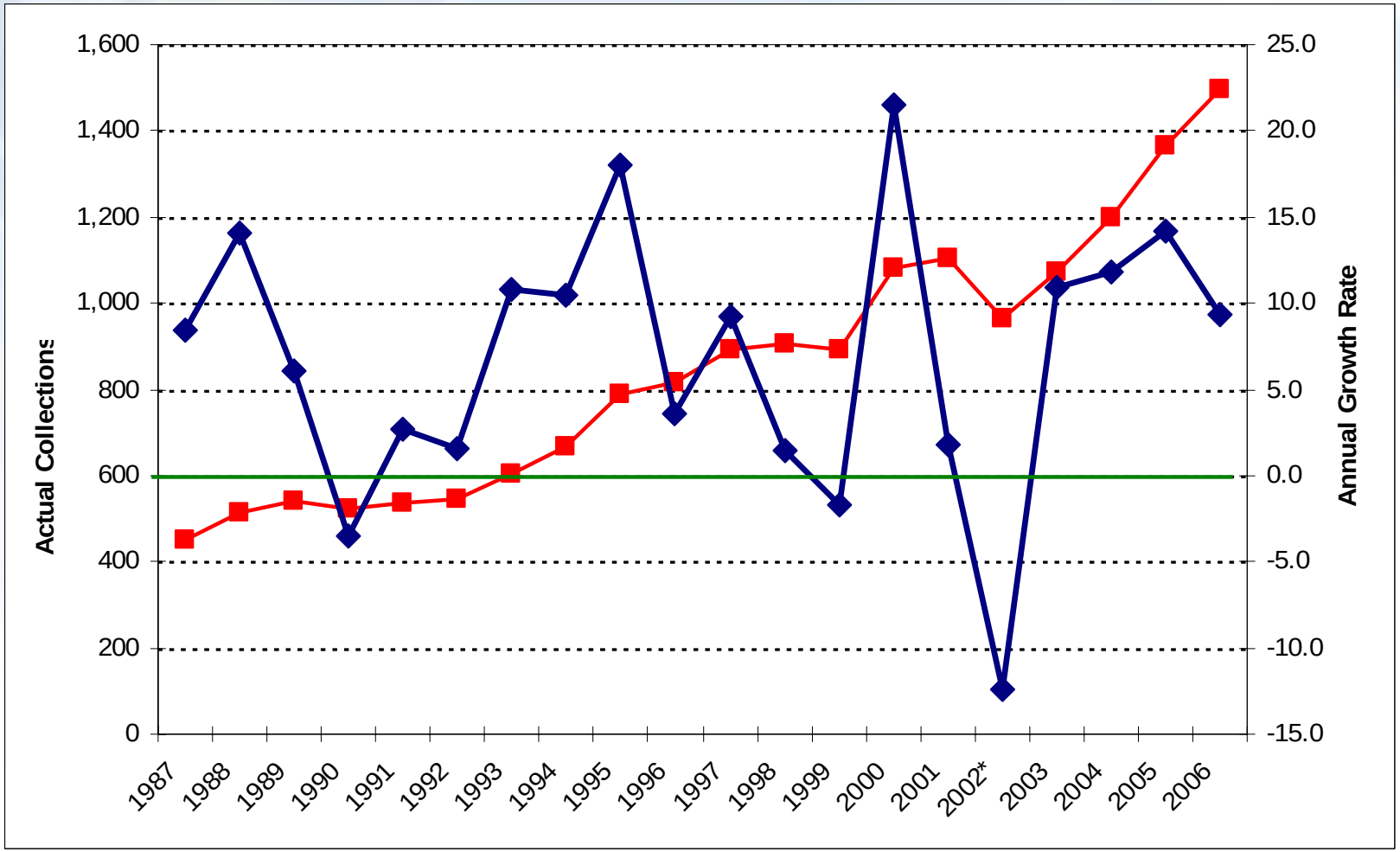
State tax collections

Dept. of Revenue collections

SOURCE (millions)	ESTIMATED FY06-07	ESTIMATED FY07-08	CHANGE
Sales	$6,797	$7,145	5.12%
Franchise & Excise	$1,531	$1,536	.33%
Gas	$ 847	$ 857	1.18%
Privilege	$ 308	$ 330	7.14%
Motor Vehicle Reg.	$ 255	$ 260	1.96%
Gross Receipts	$250	$ 261	4.4%
Other	$ 668	$ 698	4.49%
SUBTOTAL	**$10,656**	**$11,087**	**4.04%**
Other State Rev.	$ 883	$ 914	3.5%
TOTAL	**$ 11,539**	**$ 12,001**	**4.00%**



F&E Taxes


1,600
1,400
1,200
1,000
800
600
400
200
0
Actual Collections
25.0
20.0
15.0
10.0
5.0
0.0
-5.0
-10.0
-15.0
Annual Growth Rate
1987
1988
1989
1990
1991
1992
1993
1994
1995
1996
1997
1998
1999
2000
2001
2002*
2003
2004
2005
2006

FY08 Improvements

BUDGET BRIEFING
FY 2007 - 2008

HIGHLIGHTS OF MAJOR IMPROVEMENT INITIATIVES

Education Total **$548.4 M**

(School House Trust, Pre K-12, Higher Ed – Total Includes Fully Funded BEP, Teacher Salary Increase, Pre K Expansion, 100% At Risk Funding, 100 % Growth Funding, Free Community College Initiative, Increased HOPE Scholarships, ACT Testing 8th & 10th Grades)

Employee Pay Raises **$ 85.7 M**

(Includes 1% increase and 2% bonus for state employees, teachers & higher ed)

Conservation **$ 92.0 M**

($10 million Heritage Conservation Trust Fund and $82 million Capital Projects)

Alternative Fuels Initiative **$ 72.6 M**

($61 million for a comprehensive alternative fuels strategy combined with $11.6 million in existing funding for an ongoing related project at ORNL)

Next Steps Jobs Package **$ 45.1 M**

(Business Development, FastTrack Infrastructure and Community Development)

Budget Breakdown

State Dollars

BUDGET BRIEFING
FY 2007 - 2008

"State government, like a family or business, must live within its available resources."

GENERAL GOVERNMENT TOTAL	**$514.6 M**
Finance and Administration	$ 53.6 M
Dept. of Revenue (Includes Title & Registration)	$ 84.7 M
Comptroller	$ 83.1 M
Legislature	$ 37.2 M
Other	$ 256.0 M
FY 08 IMPROVEMENTS	**$ 167.9 M ***

(continued on next slide)

Budget Breakdown

State Dollars

BUDGET BRIEFING
FY 2007 - 2008

"State government, like a family or business, must live within its available resources."

GENERAL GOVERNMENT (cont.)

FY 08 IMPROVEMENTS – PAY AND BENEFITS

✓ Employee Pay Raises Equivalent to 3% pay raise for state employees Salary Increases: 1% State Employee and 1% Higher Ed * Bonus for State Employees and Higher Ed: 2%	$ 85.7 M
✓ Group Health Insurance Increase	$ 32 M
✓ Presidential Primaries (Reimbursement to Counties)	$ 4.0 M
✓ Criminal Injuries Compensation Fund	$ 3.9 M
✓ Retirees and Retired Teachers Health Insurance	$ 2.5 M

* Pre K-12 Teacher salary increase is included in Department of Education budget.

Budget Breakdown

State Dollars

BUDGET BRIEFING
FY 2007 - 2008

"I want these next four years to be the time when we set Tennessee on the path of truly putting our children and their education at the head of the list."

EDUCATION TOTAL	**$5.319 B**
Pre K-12 Education	$ 3.737 B
Higher Education	$ 1.582 B
FY 08 IMPROVEMENTS	**$448.4 M**
Pre K-12 Improvement	$351.4 M
Higher Education Improvement	$ 97.0 M

Largest Tennessee Pre K - 12 Education Investments:

1) Lamar Alexander (FY 85 Better Schools Program)

2) Phil Bredesen (FY 08 Education Initiative)

3) Ned McWherter (FY 93 Basic Education Program)

Budget Breakdown

State Dollars

BUDGET BRIEFING
FY 2007 - 2008

"I want these next four years to be the time when we set Tennessee on the path of truly putting our children and their education at the head of the list."

EDUCATION (cont.)

FY 08 IMPROVEMENTS	**$448.4 M**
✓ Fully Fund BEP	$ 83.0 M
✓ Teacher Salary Increase (1% increase, 2% bonus)	$ 66.9 M
✓ Pre-K Expansion – General Fund Adds up to 250 new classrooms	$ 25.0 M
✓ BEP Increase for 100% At Risk	$119.3 M
✓ BEP Enrollment Growth (Current Year Census)	$ 27.2 M

Budget Breakdown

State Dollars

BUDGET BRIEFING
FY 2007 - 2008

"I want these next four years to be the time when we set Tennessee on the path of truly putting our children and their education at the head of the list."

EDUCATION (cont.)

FY 08 IMPROVEMENTS

✓ Higher Ed Operating Increase (Tuition 5-6%)	$ 48.3 M
✓ Community College Tuition - Free Scholarships	$ 10.0 M
✓ Higher Ed – HOPE Scholarships @ $4,000 (5% increase)	$ 9.3 M
✓ Higher Ed – Need-Based Financial Aid	$ 3.8 M
✓ ACT Testing 8th and 10th grades	$ 1.2 M

Capital Outlay Budget

BUDGET BRIEFING
FY 2007 - 2008

CAPITAL OUTLAY	**$ 505.0 M**
Bonds	$ 317.0 M
Cash	$ 59.3 M
Lottery Reserve	$ 100.0 M
Other	$ 28.7 M

PROJECTS:	**$ 505.0 M**
K-12 School Construction Reserve	$ 100.0 M
Higher Education	$ 190.2 M
North Cumberland Plateau Land Preservation	$ 82.0 M
Other Projects	$ 132.8 M

Capital Outlay – Higher Ed

BUDGET BRIEFING
FY 2007 - 2008

HIGHER EDUCATION CAPITAL OUTLAY
(Funds first four projects on THEC recommended list)

Nashville State	$ 13.4 M
MTSU Learning Resource Center	$ 31.7 M
Walter State Student Services	$ 8.2 M
UT Knoxville Cherokee Campus	$ 32.0 M
UT Biofuels Center	$ 40.7 M
UT-ORNL Biological Sciences Equipment	$ 3.0 M
U of M Nursing and Audiology Building Plan	$ 850 K
U of M Land Bank	$ 7.0 M
Higher Ed Maintenance	$ 53.4 M

Budget Breakdown

State Dollars

BUDGET BRIEFING
FY 2007 - 2008

"I will continue to fight for TennCare, and I will continue to fight for the hundreds of thousands of Tennesseans who never had health insurance in the first place."

HEALTH AND SOCIAL SERVICES TOTAL	**$3.741 B**
TennCare	$ 2.688 B
Children's Services	$ 331.1 M
Health	$ 200.8 M
Human Services	$ 182.4 M
Mental Health	$ 155.9 M
Cover Tennessee Health Care	$ 95.2 M
Mental Retardation	$ 75.0 M
Other	$ 12.6 M

(continued on next slide)

Budget Breakdown

State Dollars

BUDGET BRIEFING
FY 2007 - 2008

"I will continue to fight for TennCare, and I will continue to fight for the hundreds of thousands of Tennesseans who never had health insurance in the first place."

HEALTH AND SOCIAL SERVICES (cont.)

FY 08 IMPROVEMENTS	$135.8 M
✓ TennCare	$ 56.3 M
✓ Health	$ 29.8 M
✓ Human Services	$ 14.6 M
✓ CoverKids (S-CHIP)	$ 14.2 M

Budget Breakdown

State Dollars

BUDGET BRIEFING
FY 2007 - 2008

"I believe our quality of life absolutely depends on our ability to recruit businesses that can grow and expand, and on the ability of hard-working Tennesseans to find jobs that will help them earn a good living."

TRANSPORTATION, BUSINESS & ECD TOTAL	**$ 911 M**
Transportation	$ 741.6 M
ECD	$ 78.5 M
Agriculture	$ 77.0 M
Tourism	$ 13.6 M
Housing	$ 0.3 M
FY 08 IMPROVEMENTS	**$ 65.7 M**
✓ ECD Training and Infrastructure	$ 46.5 M
✓ Farm Improvement Program @ $11M	$ 6.00 M
✓ Tourism Advertising Campaign	$ 4.75 M
✓ Agriculture Conservation (Real Estate Transfer Tax)	$ 2.25 M

Budget Breakdown

State Dollars

BUDGET BRIEFING
FY 2007 - 2008

"As Governor, one of the most important – if not the most important – duties I have is keeping our state and her people safe from harm."

LAW, SAFETY AND CORRECTION TOTAL	**$ 1.118 B**
Correction	$ 633.3 M
Safety	$ 132.9 M
TBI	$ 35.7 M
Military	$ 13.0 M
Other	$ 303.1 M
FY 08 IMPROVEMENTS	**$ 68.9 M**
✓ REAL ID Reserve – Federal Act on Drivers Licenses	$ 26.5 M
✓ Prison Expansion – Morgan County	$ 9.8 M
✓ Jessica's Law – Child Rape 1st Offense – 25-yr. min.	$ 7.7 M

Budget Breakdown

State Dollars

BUDGET BRIEFING
FY 2007 - 2008

"I believe that the most important work of every adult is to make things a little better for the next generation."

RESOURCE AND REGULATION TOTAL	**$379.1 M**
Environment and Conservation	$ 189.4 M
Commerce and Insurance	$ 80.0 M
Labor and Workforce Development	$ 41.7 M
Financial Institutions	$ 7.8 M
Other	$ 60.2 M

FY 08 IMPROVEMENTS	**$ 31.7 M**
✓ Heritage Conservation Trust Fund	$ 10.1 M
✓ Restoration of Real Estate Transfer Tax (Fully restored)	$ 9.8 M
✓ Storm Water Permitting	$ 2.3 M

Revenue Fluctuation Reserve

In Millions – Rainy Day Fund

Budget Summary

BUDGET BRIEFING
FY 2007 - 2008

- Maintain education as the state's top priority
- Continue key investments in the fundamentals: Education, Health Care, Economic Development, Conservation, and Safe Communities
- Submit a balanced, fiscally conservative budget
- New revenues for new education initiatives

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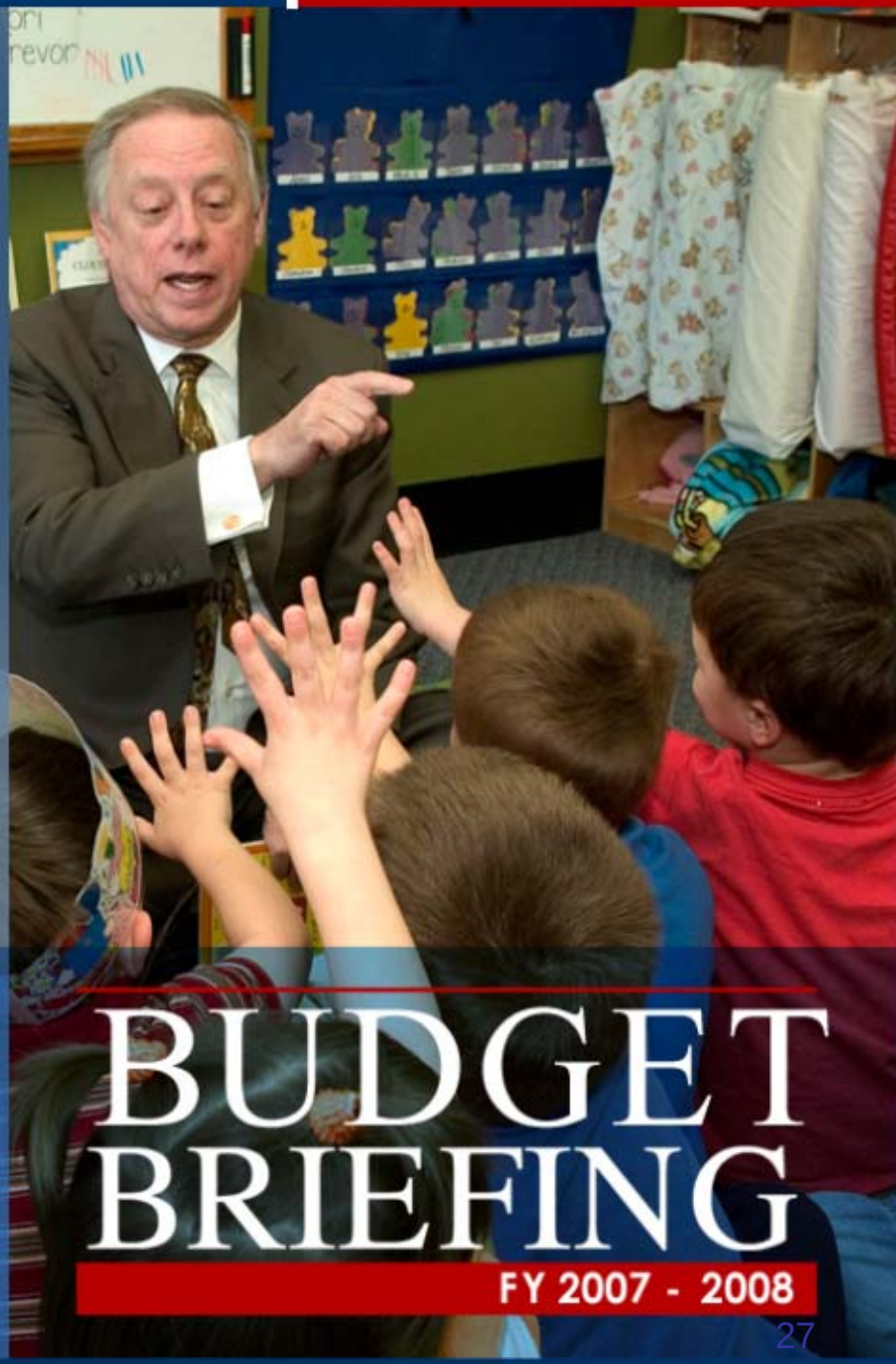

BUDGET BRIEFING

FY 2007 - 2008

A Presentation by:

Commissioner Dave Goetz

Finance and Administration

February 19, 2007

Appendix

BUDGET BRIEFING
FY 2007 - 2008

Available Revenues 2007-08		Recurring	Non Recurring	Dedicated
Dept. of Revenue Growth @ 4.47%	$	401,000,000		
Add: Other State Revenue Growth		11,400,000	12,000,000	
Add: Cigarette Tax 40 cent increase		219,600,000		
Less: Tobacco MSA @ $135.6M		(17,400,000)		
Add: Tobacco MSA Strategic Contribution Fund		6,200,000		
Add: Reserve for Future Requirements @ 6/30/07			318,400,000	
Add: Debt Service Fund Revenue and Transfer		7,700,000	100,000,000	
Add: Lottery Reserves Transfer			100,000,000	
Less: Supplemental Appropriations			(17,000,000)	
Add: Base reductions		58,500,000		
Less: Base Adjustments		(16,700,000)		
Less: Base adjustment April Sales Tax Holiday		(11,400,000)		
Add: Dedicated Revenue				20,500,000
Total Available Revenues	**$**	**658,900,000**	**513,400,000**	**20,500,000**

Appendix

BUDGET BRIEFING
FY 2007 - 2008

Reserve for Future Requirements as of 6/30/06		
Dept. of Revenue Collections above projections	$	66,300,000
Other State Revenue Collections above projections		22,400,000
Tobacco Settlement Overcollection		12,500,000
MR Reserve for Receivables – Reversion		30,000,000
TennCare Reversion for Medically Needy		104,000,000
Additional TennCare Reversion		75,500,000
Other Agencies Reversion above Overappropriation		26,200,000
Other and Miscellaneous Revenue Undercollection		(6,900,000)
Total Reserve for Future Requirements as of 6/30/06	$	330,000,000
Other Available Funds		
2006-07 Contingency Appropriation (Transition) -- Delete	$	300,000
2006-07 TennCare Medically Needy @ $45.3M Budget, $6.3M expenditure		39,000,000
2006-07 TVA in lieu of tax payment adjustment		10,500,000
2006-07 Unbudgeted revenue		3,200,000
Total Other Available Funds	$	53,000,000
Other Adjustments		
Less: Tobacco MSA @ $135.6M in 2006-07	$	(32,400,000)
Less: Transportation Equity Fund @ $47M in 2006-07		(15,000,000)
Less: Sales Tax Holidays @ $15M, August and April in 2006-07		(8,000,000)
Less: Other State Revenue reduction		(9,200,000)
Total Other Adjustments	$	(64,600,000)
Budget Surplus/(Deficit) Available Reserve @ June 30, 2007	**$**	**318,400,000**

Appendix

BUDGET BRIEFING
FY 2007 - 2008

Improvements by Functional Group

Funded by State Taxes, Licenses, Fees, and Lottery Proceeds

General Government	$	167,879,700
Education		448,395,100
Health and Social Services		135,793,700
Law, Safety, and Correction		68,910,200
Resources and Regulation		27,489,400
Transportations, Business, and Economic Development		65,726,600
Total Recommended Improvements	**$**	**914,194,700**

Appendix

BUDGET BRIEFING
FY 2007 - 2008

General Government Improvements

Secretary of State			
Ethics Commission	$	275,000	
Economic Council on Women		25,000	
Subtotal Secretary of State	$	300,000	
Comptroller of the Treasury			
Property Tax Appraisal and Assessment System	$	2,500,000	
Personnel and Payroll		55,000	
Subtotal Comptroller of the Treasury	$	2,555,000	
Claims and Compensation			
Administration Legislation - Criminal Injuries Compensation	$	3,900,000	*
Finance and Administration			
Health Information Systems	$	17,351,100	
Construction Management		720,400	
State Planning Office		2,600,000	
Subtotal Finance and Administration	$	20,671,500	

Appendix

BUDGET BRIEFING
FY 2007 - 2008

Personnel		
Equal Employment Opportunities and Americans with Disabilities	$	82,100
General Services		
Equipment Replacement	$	975,000
Photographic Services		57,200
Subtotal General Services	$	1,032,200
Veterans Affairs		
Veterans Nursing Homes	$	200,000
Technology Enhancements		14,300
Subtotal Veterans Affairs	$	214,300
Revenue		
Tax Fraud Enforcement	$	96,100

Appendix

BUDGET BRIEFING
FY 2007 - 2008

Miscellaneous Appropriations		
Salary Increase - State and Higher Education Employees - July, 1 2007	$	25,100,000
Salary Bonus - State and Higher Education Employees		60,600,000
Group Health Insurance - January 1, 2007		13,400,000
Group Health Insurance - January 1, 2008		18,600,000
Retired Teachers Health Insurance		2,500,000
Presidential Preference Primaries		4,000,000
Stax Museum Grant		123,000
American Battles Monument Commission Trust Fund		5,500
Administration Legislation		250,000
Risk Management		1,900,000
Mileage Rate Increase		1,700,000
Meal and Lodging Rates		1,500,000
Postal Rate Increase		1,100,000
Facilities Revolving Fund		8,250,000
Subtotal Miscellaneous Appropriations	$	139,028,500
Total General Government Improvements	**$**	**167,879,700**

* *Dedicated appropriation*

Education Improvements

Education (K-12)		
Basic Education Program (BEP)	$	83,000,000
BEP At-Risk Students		119,300,000
BEP Student Enrollment - Current Census Basis		27,200,000
Pre-K Program		25,000,000
Administration Legislation - Benchmark Testing		1,200,000
Administration Legislation - Threats of Violence		50,000
Governor's Institute for Science and Math		1,270,000
Teachers' Salary Increase		22,300,000
Salary Bonus		44,600,000
Group Health Insurance - January 1, 2007		7,200,000
Group Health Insurance - January 1, 2008		11,300,000
Testing		3,195,300
Tennessee Early Intervention Services		1,305,000
Governor's Books from Birth Foundation		750,000
Science Alliance Museums		250,000
FFA and 4-H Foundation		1,000,000
Literacy		2,000,000
Teacher Training and Experience		190,900
School for the Blind - Outreach Program		85,500
West Tennessee School for the Deaf		143,400
York Institute Operating Costs		105,000
Subtotal Education (K-12)	$	351,445,100

Appendix

BUDGET BRIEFING
FY 2007 - 2008

Higher Education - State Administered Programs		
Community College Tuition Waiver	$	10,000,000
Lottery HOPE Scholars		9,300,000
Access and Diversity Initiative		120,000
Operational Support		1,259,200
Need-based Student Financial Aid		3,800,000
Subtotal Higher Education - State Administered Programs	$	24,479,200
University of Tennessee		
Operational Support		18,354,700
UT Biofuels Center		8,250,000
Access and Diversity Initiative		2,699,400
Subtotal University of Tennessee	$	29,304,100
State University and Community College System		
Operational Support		28,686,100
Land Grant Match - Tennessee State University		2,000,000
Access and Diversity Initiative		5,480,600
Equipment Replacement - Technology Centers		7,000,000
Subtotal State University and Community College System	$	43,166,700
Subtotal Higher Education	$	96,950,000
Total Education Improvements	**$**	**448,395,100**

Appendix

BUDGET BRIEFING
FY 2007 - 2008

Health and Social Services Improvements

Commission on Children and Youth		
Assistant Director		100,000
Finance and Administration, Bureau of TennCare		
Program Growth		30,090,900
Federal Match Rate Changes		1,924,700
Weight Watchers		274,500
Mental Retardation Services		20,421,000
Children's Services		2,549,300
Human Services		1,013,000
Subtotal Finance and Administration, Bureau of TennCare	$	56,273,400
Mental Health and Developmental Disabilities		
New Facility Lease Payment		1,290,800
Staffing and Operational Support		802,400
Subtotal Mental Health and Developmental Disabilities	$	2,093,200

Appendix

BUDGET BRIEFING
FY 2007 - 2008

Health			
Tobacco-Use Prevention		15,000,000	
Pandemic Influenza Preparedness		8,175,800	
HIV/AIDS		4,332,700	
Meharry Wellness Program		2,000,000	
Poison Control Center		275,000	
Occupational and Physical Therapy		40,700	*
Subtotal Health	$	29,824,200	
Finance and Administration, Division of Mental Retardation Services			
Community Services		2,272,100	
Pharmaceutical Expenditures		2,506,500	
Operational Support		594,300	
Subtotal Finance and Administration, Division of Mental Retardation Services	$	5,372,900	
Human Services			
Child Support - State Match Requirement		4,170,000	
Child Support - Assistant District Attorney's Step Raises		29,600	
Standard of Need		3,606,000	
Family Assistance Service Center		2,419,700	
Families First - Wage Disregard		4,359,000	
Individual Development Accounts		100,000	
Subtotal Human Services	$	14,684,300	

** Dedicated Appropriation*

Appendix

BUDGET BRIEFING
FY 2007 - 2008

Cover Tennessee Health Care Programs		
CoverKids		14,200,000
Children's Services		
Juvenile Justice		4,563,300
Residential Provider Rate Increase		4,049,700
Foster Care and Adoption Assistance Rates		851,700
Adoption Assistance Caseload Growth		2,622,500
Social Worker Training		500,000
Community Resource Assessments		333,700
Foster Care Mentoring		250,000
Teacher Training and Experience		74,800
Subtotal Children's Services	$	13,245,700
Total Health and Social Services Improvements	**$**	**135,793,700**

Appendix

BUDGET BRIEFING
FY 2007 - 2008

Law, Safety, and Correction Improvements

Court System		
Mandated Salary Increase	$	1,052,800
Courtroom Equipment and Security		2,600,000
Subtotal Court System	$	3,652,800
Attorney General and Reporter		
Statutory Salary Increase	$	6,100
Technology Initiative		1,879,900
Litigation Resources		560,000
Open-Records Ombudsman		100,000
Subtotal Attorney General and Reporter	$	2,546,000
District Attorneys General Conference		
Statutory Step Raises	$	902,000
Assistant Victim-Witness Coordinators - Expiring Federal Grant		950,800
Statutory Step Raises		514,700
Subtotal District Attorneys General Conference	$	2,367,500

Appendix

BUDGET BRIEFING
FY 2007 - 2008

Office of the Post-Conviction Defender		
Statutory Step Raises	$	13,900
Caseload Management		317,600
Subtotal Office of the Post-Conviction Defender	$	331,500
Corrections Institute		
Jail Inspection and Training	$	310,000
Board of Probation and Parole		
Records Management - Imaging System	$	25,100
Correction		
Administration Legislation - Jessica's Law	$	7,690,700
Administration Legislation - Incarceration		758,100
Local Jails		6,891,900
Prison Expansion - Brushy Mountain (Morgan County)		9,760,500
Operational Increase		3,913,300
Subtotal Correction	$	29,014,500
Military		
Earthquake Preparedness	$	602,900
Armories Utilities		300,000
National Guard Tuition Assistance		100,000
Subtotal Military	$	1,002,900

Appendix

BUDGET BRIEFING
FY 2007 - 2008

Safety		
Administration Legislation - REAL ID Act Reserve	$	26,500,000
Administration Legislation - Repeal Certificate for Driving		99,800
Statutory Salary Step Increase		750,600
Information Systems		2,309,500
Subtotal Safety	$	29,659,900
Total Law, Safety, and Correction Improvements	**$**	**68,910,200**

Appendix

BUDGET BRIEFING
FY 2007 - 2008

Resources and Regulation Improvements

State Museum			
Museum Development	$	168,300	
Environment and Conservation			
Heritage Conservation Trust - Land Acquisition	$	10,100,000	
Land Acquisition Funds		4,874,400	*
Storm Water Permitting		2,322,400	**
State Parks		1,801,500	
West Tennessee Rivers Maintenance		365,000	
Administration Legislation - Oil and Gas Program		500,000	**
Subtotal Environment and Conservation	$	19,963,300	
Tennessee Wildlife Resources Agency			
Wetlands Acquisition Fund	$	4,875,600	*

Appendix

BUDGET BRIEFING
FY 2007 - 2008

Commerce and Insurance			
Statutory Salary Step Increase	$	7,100	
Administration Legislation - Pre-Need Funeral Contracts		360,000	**
Blasting Program		41,900	
Locksmith Licensing Board		64,200	**
Human Resources		59,900	**
Regulatory Boards - Administrative Support		237,500	**
Legal Services		20,000	**
Driver Skid Track Replacement		40,000	
Subtotal Commerce and Insurance	$	830,600	
Labor and Workforce Development			
Workers' Compensation	$	1,580,600	
Information Technology Upgrades		71,000	
Subtotal Labor and Workforce Development	$	1,651,600	
Total Resources and Regulation Improvements	**$**	**27,489,400**	

Appendix

BUDGET BRIEFING
FY 2007 - 2008

Transportation, Business, and Economic Development Improvements

Agriculture			
Farm Program	$	6,000,000	
Organic Farming		500,000	
Soil Conservation - Agricultural Resources Conservation Fund		2,250,000	*
Fire-Fighter Communications		4,092,100	
Subtotal Agriculture	$	12,842,100	
Tourist Development			
Advertising	$	4,750,000	
Welcome Center Security		1,500,000	
Subtotal Tourist Development	$	6,250,000	
Economic and Community Development			
Next Step Jobs - Jobs Package	$	42,130,000	
Next Step Jobs - Research Network		3,000,000	
Rural Opportunity Fund		1,250,000	
Next Step Jobs - Infrastructure Needs Inventory		100,000	
Local Planning Services		154,500	
Subtotal Economic and Community Development	$	46,634,500	
Total Transportation, Business, and Economic Development Improvements	**$**	**65,726,600**	