Economic and Community Development

Bill Hagerty, Commissioner
Paul VanderMeer, Senior Advisor on Fiscal Policy
Jessica Johnson, Director of Budget and Fiscal Services

F&A Staff:

Mark Emkes, Commissioner of Finance and Administration
David Thurman, Director, Division of Budget
Mike Dedmon, Assistant Director, Division of Budget

330.00 - Department of Economic and Community Development

1. Funding Sources	Recurring 2011-2012	Preliminary Base 2012-2013	Change
State Appropriation (General Fund Taxes)	$ 25,163,500	$ 25,163,500	$ -
State Appropriation (Dedicated Revenues)	-	-	-
Federal	92,335,100	84,036,800	(8,298,300)
Counties	-	-	-
Cities	-	-	-
Non-Governmental	-	-	-
Current Services	1,122,200	1,122,200	-
Interdepartmental	517,000	517,000	-
Reserves	5,000,000	8,626,800	3,626,800
Total	**$ 124,137,800**	**$ 119,466,300**	**$ (4,671,500)**

2. Full-Time Positions	2010-2011 Mid-Year	2012-2013 Preliminary Base	Change
	210	126	(84)
Position Change:			
Local Planning Position Abolishments			(69)
Local Planning NR Positions			(7)
Core Services NR			(4)
Abolish Positions for Equity			(4)
			(84)

3. Base Reductions - State Appropriation	5% Reduction Plan	Overappropriation	Total
Plan Submitted	$ 1,258,000	$ 157,900	$ 1,415,900
Guideline/Estimate	1,258,000	527,100	1,785,100
Difference (Plan minus Guideline/Estimate)	$ -	$ (369,200)	$ (369,200)
		(Under Estimate)	
Full-Time Positions	-	3	3

4. Cost Increases	Cost Increases Requested	Additional Base Reductions to Offset Cost Increases	Cost Increases Not Offset
State Appropriation	$ 20,000,000	$ -	$ 20,000,000
- General Fund	20,000,000	-	20,000,000
- Dedicated	-	-	-
Federal Revenue	10,133,500	-	10,133,500
Other Revenue	-	-	-
Total	**$ 30,133,500**	**$ -**	**$ 30,133,500**
Full-Time Positions	-	-	-

330.00 - Department of Economic and Community Development

5. Questions

A. What is ECD doing to stimulate and support economic development in rural areas?

B. Small Business Credit Initiative - The department was recently awarded a federal grant in the amount of $29 million which will be used to increase "knowledge based jobs" in Tennessee. Discuss how these funds will be spent and how this grant will complement existing programs in the state.

C. Energy Efficiency - In the current year the department's Energy Division has nearly $23 million available for grants. Discuss how these funds will be utilized and what it means for energy efficiency in Tennessee.

D. Regional Accelerators - The department was recently awarded a federal grant for approximately $1.5 million to fund 6 regional entrepreneurial business accelerators around the state. Specifically, how will these funds be utilized?

E. The department has been benchmarking the state's economic development incentives against the incentives offered in other states. Can you briefly describe what you are finding and any suggestions you have for how we could improve Tennessee's incentives?

F. The department has restructured as a result of your top-to-bottom review. Would you talk more about your regional directors, what they are doing in the regions and how this regional approach is working and being received by businesses and community partners?

1. I know ECD has a lot of projects in its pipeline recruiting new companies to the state and helping existing companies expand. Does the Department have enough resources to support its current project pipeline?

To be added to Governor's Packet

PRIOR YEAR BUDGET & ACTUAL EXPENDITURES & REVENUE, CI

330.08 - ENER(

Sheet: 330.08

OBJ CODE		DESCRIPTION			FY 2012 Budget
		Obj 13 Grants & Sub			
PVE		*Univ of TN (TEEN)*			250,000
SEP		*Other SEP Energy Initiatives*			146,000
PVE		*Other PVE Energy Initiatives*			2,586,700
		ARRA Energy Efficiency Grants			
EEB		*ARRA EECBG Grants*			11,107,800
EEB		*ARRA Energy Assurance*			769,400
ASEP		*ARRA SEP Grants*			5,452,900
AER		*ARRA Energy Rebate*			2,459,000
		In-Service Training			500
		Out-Service Training			
713		GRANTS & SUBSIDIES			22,772,300

FY 2011-2012 Work Program
Discretionary Appropriations Schedule

10/26/2011
2:47 PM

330.00 Economic and Community Development

1.	2011-2012 Total Work Program - State Appropriation	$	57,412,400
	Less: Non-Recurring		(32,248,900)
			-
2.	2011-2012 Work Program - Recurring	$	25,163,500
3.	Less: Dedicated Funds:		
		$	-
			-
			-
	Subtotal Dedicated Funds	$	-
4.	Less: Hold Harmless:		
		$	-
	Subtotal Hold Harmless	$	-
5.	2011-2012 Discretionary Appropriation	$	25,163,500
6.	1% of Discretionary Appropriation	$	251,600
7.	Reduction Guideline - 5.0% of Discretionary Appropriation	$	1,258,000

State Appropriations
Comparison of Adjusted 2011-2012 Recurring and 2012-2013 Preliminary Base

Program	FY 2011-2012 Recurring	FY 2011-2012 FT Positions	FY 2012-2013 Preliminary Base Agency Request	Preliminary Recommended	Increase/ (Decrease) from 2011-2012	% Change	FT Positions
330.00 Economic and Community Development							
330.01 Administrative Services	5,200,800	66	5,089,000	5,089,000	(111,800)	-2.1%	55
330.02 Business Development	6,375,100	53	5,724,500	5,724,500	(650,600)	-10.2%	49
330.04 Policy and Federal Programs	682,000	9	682,000	682,000	0	0.0%	9
330.05 Innovation Programs	257,900	0	257,900	257,900	0	0.0%	0
330.06 FastTrack Infrastructure Development Program	10,157,400	0	10,157,400	10,157,400	0	0.0%	0
330.07 Community and Rural Development	1,184,600	5	1,947,000	1,947,000	762,400	64.4%	5
330.08 Energy Division	34,800	8	34,800	34,800	0	0.0%	8
330.10 Small Business Energy Loan Program	0	0	0	0	0	0.0%	0
330.11 Local Government Energy Loan Program	0	0	0	0	0	0.0%	0
330.12 Tennessee Energy Loan Program	0	0	0	0	0	0.0%	0
330.13 Tennessee Job Skills Program	0	0	0	0	0	0.0%	0
330.15 Economic Development District Grants	1,270,900	0	1,270,900	1,270,900	0	0.0%	0
330.17 Film and Television Incentive Fund	0	0	0	0	0	0.0%	0
330.20 Headquarters Relocation Reimbursement	0	0	0	0	0	0.0%	0
Total for Economic and Community Development	25,163,500	141	25,163,500	25,163,500	0	0.0%	126