

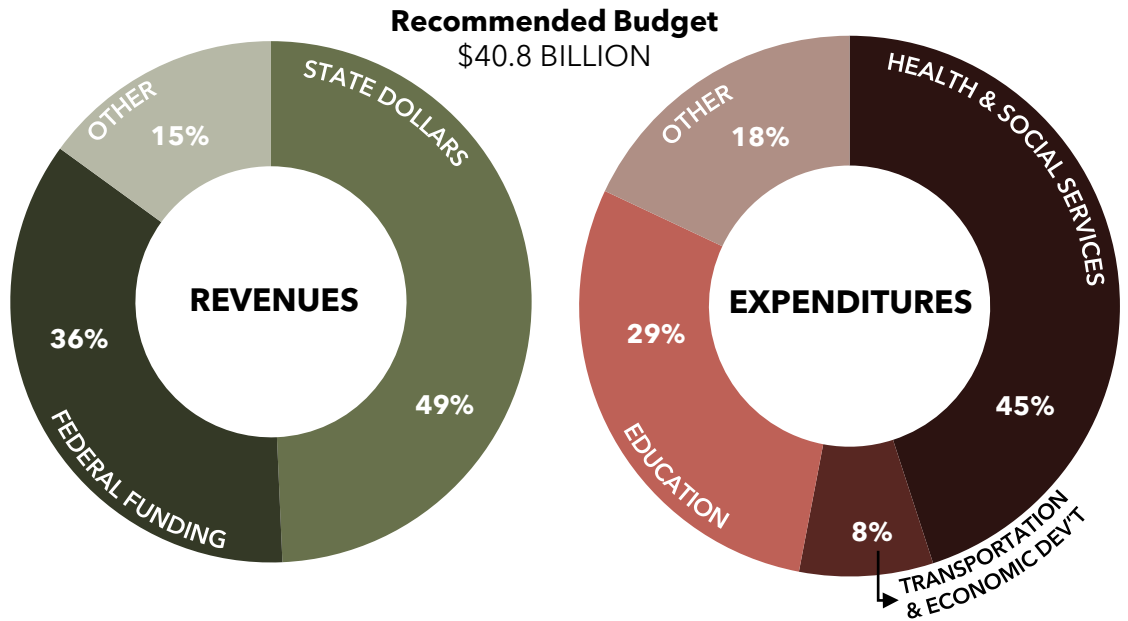
TENNESSEE STATE BUDGET

Governor's FY 2021 Recommendation

TOTAL BUDGET

Gov. Bill Lee's recommended budget for FY 2021 is **3.7% (or \$1.5B) higher** than current revised budget.

Spending from state revenues is **6.0% (or \$1.1B) higher.**



TOP INVESTMENTS & INCREASES

Recurring:

+\$264M for K-12 Education

+\$165M for TennCare

+\$135M for personnel costs like salaries & benefits

Non-Recurring:

\$399M for capital outlay & IT

\$384M for K-12 Education

\$148M for Economic & Community Development

TOP REDUCTIONS

Recurring:

-\$72M from TennCare

-\$6M from Dept. of Revenue

-\$5M from CoverKids

Non-Recurring:

-\$5M from CoverKids
offset by federal increases

SAVINGS



33 DAYS

period TN could operate with expected **Rainy Day Fund & TennCare Reserve** balances in FY 2021

-1 DAY vs. FY 2020
-9 DAYS vs. FY 2007

STATE TAX REVENUES

+\$435 MILLION

or **2.75% higher** than estimated revenues for the current year

4.4%
avg. annual growth since FY 2011

11 years
consecutive growth since Great Recession

SELECT POLICY INITIATIVES

CHILDREN'S BEHAVIORAL HEALTH

+\$261M

for a new K-12 Mental Health Trust Fund and a children's behavioral health safety net

K-12 TEACHER SUPPORT

+\$164M

for teacher pay, training, and pipeline development

STATEWIDE LITERACY INITIATIVE

+\$71M

for teacher instruction, coaching, and classroom materials