

2021-2022 Tennessee Budget Overview

A Year of Firsts:

- Largest budget in the state's history \$42.6 billion (an increase from \$39 billion in FY 20-21).
- Largest rainy day budget and TennCare reserves \$2 billion.

General Overview:

- \$71M to fully fund the state share of the BEP for K-12 education
- Four percent raise for teacher salaries
- \$100M to invest in the Rainy-Day Fund
- \$931M for capital maintenance and improvements
- \$5M for the Health Care Safety Net
- \$7M to extend postpartum care for the TennCare population to 12 months
- \$24M for Rural Opportunity Site Grants
- \$100M for local infrastructure grants
- \$30M to eliminate deferred maintenance and improve accessibility at state parks
- \$8M to expand marketing and tourism initiatives
- \$36 million to fully fund the THEC outcomes-based formula
- \$37.9 million to fully fund TennCare growth

Education:

- \$110.1 million in new education spending to aid in teaching in a COVID-19 environment.
- \$120.1 million in teacher pay raises (in addition to \$45 million designated during \$6.1 million for the University of Tennessee's acquisition of Martin Methodist.
- \$10 million to create ten Governor's Investment in Vocational Education (GIVE) sites, prioritized by greatest workforce revitalization need.
- \$341.6 million in total new funding for K-12 education.
- \$250M trust fund to assist K-12 families who are facing significant mental health issues in the wake of COVID-19
- \$18.5M to transportation to students for summer learning
- \$2M to provide an additional 4 high quality, grade aligned books and resources over the summer for the 88,000 rising first graders in Tennessee
- \$79M to eliminate current TCAT waitlists statewide, currently at 11,400 students
- \$25M to Tennessee Promise to permit increases in the Hope Scholarship
- \$4M to increase Agriculture Extension Agents at University of Tennessee and Tennessee State University

Infrastructure and Rural Investment:



TENNESSEE CHAMBER of Commerce & Industry

TENNESSEE MANUFACTURERS ASSOCIATION

- \$100 million one-time increase in broadband deployment to unserved areas through grants and tax credits.
- \$40 million for the transportation equity fund for airports.
- \$85 million for transportation equity fund for railways.
- Additional \$5.5 million recurring to the Tennessee Agriculture Enhancement Program.
- \$5 million to relocate Tennessee State Fair to Wilson County.
- \$472 million in total new funding for business and economic development.
- \$100 million local government infrastructure grants.
- \$21.1 million nonrecurring to a rural development fund to assist with site development, community asset improvements, marketing, strategic planning, downtown revitalization, and technical assistance.
- 4% raise for state employees.

Tax Cuts

- \$25M for a two-week sales tax holiday for groceries
- \$75M for a two-week sales tax holiday for restaurants and all prepared food
- \$16M to reduce the professional privilege tax by 25 percent

Safety

- \$500K to provide gun safety programming for children
- \$17M to replace radios for state troopers
- \$18M to improve the statewide disaster communications system
- \$680K to add 4 new Homeland Security Agents

Economic Development/Business Development

- \$400,000 to provide for a public/private partnership to create the Smart Factory Institute to train and equip manufacturers on advanced manufacturing
- \$5M to provide grants to restore and preserve historic downtowns across the state
- \$3M to increase employment in Tennessee through the Small Business Innovation program

Transportation

- \$3M recurring and an additional \$10M nonrecurring to provide additional direct funding to airports across Tennessee through the Transportation Equity Fund (total \$50M investment in air infrastructure)