

THE FY18 BUDGET

Total	\$37,149,567,500
State	17,979,905,700
Federal	13,548,243,800
Other Revenue	3,736,014,100
Tuition	1,805,403,900
GO Bonds	-
Highway Fund Bonds	80,000,000

KEY POINTS

- Revenue Growth (Gen Fund) Assumption for FY18 is 3.17% - (Economy is Forecasted to Grow by 4.51%)
- Reduces Taxes by \$257M (Sales Tax, F&E, and Hall Income Tax)
- Property Tax Relief for Disabled and Veterans
- Increases funding for roads and airports (\$150M Rec Yr 1, plus one-time transfers of \$120M and \$55M)
- Large Capital Maintenance Budget (\$225M) - incurs No New Debt
- Increases Rainy Day Fund to \$800 Million - The Highest Level Ever
- Implements \$127.8 Million in reductions
- Fully Funds our Contribution Requirements for Pensions AND Retiree Insurance - very few states can say that
- Improves Education Funding, including teacher compensation
- ReConnect - First State in the Union to offer adults access to community college free of tuition and fees
- Tennessee has a Triple AAA Bond Rating - One of Only Eleven States
- Invests in Rural Development Initiatives
- Adds Troopers and District Attorney positions

K-12 EDUCATION

- ✓ Fully Funds the BEP
- ✓ Teacher Salaries - \$100M
- ✓ Priority School Improvement Grants

HIGHER EDUCATION

- ✓ Continues Drive to 55 Initiatives
- ReConnect Grants for Adults
- Tuition Funding for Guardsmen (STRONG Act)
- \$10M for Need-Based Aid

ECONOMIC DEVELOPMENT

- ✓ Rural Development - \$21.7M
- ✓ Broadband - \$10M Grants / \$5M Tax Credits
- ✓ Film Grants - \$11M
- ✓ FastTrack - \$60M
- ✓ LG Infrastructure Grant - \$22.3M

LAW / SAFETY

- ✓ Adds 25 Road Troopers
- ✓ TBI - additional funding
- ✓ Increase Local Jail Reimbursement to \$39/day

HEALTH & SOCIAL SERVICES

- ✓ Substance Abuse & Crisis Services - \$11.5M
- ✓ Expands Court Appointed Special Advocate Prgm
- ✓ Infrastructure Bank for Behavioral Health - \$15M
- ✓ Expands Programs for Seniors - \$1M
- ✓ Increases Provider Rates for DIDD and DCS

TENNCARE

- ✓ Fully funds Inflation and Utilization Growth - \$54M
- ✓ Adds 715 Slots to new ECF Choices Prgm
- ✓ Restores Prior Year Cuts - \$42.4M

JUDICIARY

- ✓ District Attorneys - 30 positions
- ✓ Public Defenders - 18 positions

TRANSPORTATION

- ✓ Increases Funding for Roads - \$150M Rec Yr 1
- ✓ Airport Development Grants - \$30M
- ✓ Completes Foothills Parkway - \$15M

CAPITAL BUDGET

- ✓ \$892.4M Capital Budget - No Bonds
- ✓ Capital Maintenance - \$225M (State & Higher Ed)
- ✓ Capital Improvements - \$666.5M
 - New Multi-Agency Training Center - \$29.5M
 - State Parks - \$52.4M
 - School for the Deaf - \$23.2M
 - UTK Engineering Bldg - \$126M
 - UTM New Classroom Bldg - \$65M
 - Motlow State Rutherford Campus - \$25.8M
 - ETSU - Lamb Hall Renovation - \$23M
 - Walters State Sevier Co Campus - \$12M
 - UoM - Music Center - \$44M
 - TCATs - Statewide - \$79M

RAINY DAY FUND

- ✓ Sets Rainy Day Fund @ \$800M - Largest Level Ever

LONG-TERM LIABILITIES

- ✓ TCRS - Fully funds required contribution (has since 1972)
- ✓ OPEB - Fully funds required contribution (for the first time)
- ✓ Proposes No Long-Term Debt
 - Hwy Bonds are used as 'Bridge' funding - never issued

REDUCTIONS

- ✓ \$127.8M in Reductions to Base Budget
 - TennCare Fed Match Change -\$49.3M
 - TennCare - \$19.6M
 - Cover TN - \$10.4M
 - TNInvestco Prgm End - \$30M

THE BUDGET BILLS

- Appropriation Bill - SB 483 / HB 511
- Bond Bill - SB 485 / HB 513
- Implementation Bill - SB 484 / HB 512
- Indexing Bill - SB 486 / HB 514
- Bills Funded in the Budget - multiple