



Weekly Legislative Recap

This week, the Tennessee General Assembly reviewed Governor Bill Lee's amendment to the state's proposed \$59.5 billion budget for fiscal year 2025-2026, which made key adjustments to funding allocations.

State reserve balances are projected to grow significantly, with the Rainy-Day Fund increasing to \$2.185 billion, up \$250 million from the previous year, ensuring financial stability for future economic downturns. Additionally, the TennCare Reserve will remain at \$1.398 billion, securing funds for healthcare services.

Capital maintenance projects saw key adjustments, with \$42.3 million in total project reductions, including a \$5.92 million cut for Tennessee Highway Patrol's Harrison Hall renovations and other facility updates. The amendment also includes an additional \$17 million for indigent representation, bringing total funding for public legal defense services to \$64 million to improve access to legal representation for low-income individuals.

Education remains a central issue with the budget including a \$164 million increase in annual K-12 education funding. There is also \$1 billion allocated for infrastructure improvements, aimed at addressing Tennessee's \$30 billion backlog in road projects.

Following the presentation of the Governor's budget amendment, the legislative budget review process is now officially underway with public hearings and deliberations expected in the coming weeks. As the session continues, lawmakers aim to finalize budget allocations and pass a balanced budget before adjourning for the year.