



## SUMMARY

On Monday, Governor Bill Lee delivered his sixth State of the State address to the General Assembly. The Governor outlined his budget and legislative priorities for the upcoming year to a joint session of the General Assembly and fellow Tennesseans. In the coming weeks, the General Assembly will conduct budget hearings with departments to evaluate the Governor's budget proposal. Legislation continues to work its way through committees as calendar sizes increase.

Below are notable highlights from Gov. Lee's FY24-25 budget media release:

### Economic Opportunity & Tax Relief

- \$20 million investment in Tennessee's Rainy-Day Fund, bringing Tennessee reserves to more than \$2 billion, the largest in state history.
- \$410 million recurring funding and \$1.2 billion non-recurring funding to simplify the franchise tax in Tennessee.

### Education

- \$141.5 million to establish Education Freedom Scholarships to allow parents to choose the school for their child.
- More than \$261 million to strengthen education through the Tennessee Investment in Student Achievement (TISA) formula growth, including teacher pay raises.
- \$15 million to fund charter school facility improvements.

### Strong & Healthy Families

- \$208 million over five years from TennCare shared savings to strengthen rural health by investing in apprenticeships and skilled training, greater access to specialty care and telemedicine, improved career pathways, hospital and physician practice grants, and a new Center of Excellence to sustain and expand rural health support.
- \$100 million over five years from TennCare shared savings to strengthen mental health care by investing in community mental health centers and behavioral health hospitals, expanding substance abuse disorder treatment, intensive in-home supports, primary care training, early childhood training, and children's hospital infrastructure.
- \$26.7 million investment in services for Tennesseans with disabilities.

### Safe Neighborhoods

- \$17 million in funding for an additional 60 State Troopers and related support staff to improve public safety across the state.
- \$8 million to expand the school-based behavioral health liaison program to fund 114 liaisons, giving students across Tennessee schools important resources and mental health support.