

**Budget Overview
2021-2022**

	<u>Recurring</u>	<u>Non-Recurring</u>	<u>Earmarked</u>
I. Available Revenues 2021-2022:			
1. Revenue Base Increase - FY 2020-2021 Revised Recurring Estimate at 1.75% Growth	\$ 1,068,900,000	\$ -	\$ -
2. FY 2021-2022 Department of Revenue Growth at 3.20%	423,000,000	-	-
3. Other State Revenue	47,800,000	-	-
3a. Revenue Continuation - Hospital Coverage Assessment, Nursing Home Bed Assessment, and Ambulance Service Assessment	-	-	747,932,900
4. Available Funds at June 30, 2021:			
a. Budget Surplus - From FY 2019-2020 Closing - Available at June 30, 2020	-	476,074,100	-
b. Less: FY 2020-2021 Supplemental Appropriations	-	(208,847,400)	(19,666,700)
c. FY 2020-2021 Tax Revenue Base Increase at 1.75% - Unbudgeted FY 2020-2021 Revenue Growth Available at June 30, 2021	-	1,068,900,000	-
5. FY 2020-2021 Enacted Budget Available Funds	(636,579,978)	335,147,922	-
6. Rounding Adjustment	(22)	(22)	-
7. Dedicated Revenue	-	-	75,292,400
Total Revenue	\$ 903,120,000	\$ 1,671,274,600	\$ 803,558,600
II. Cost Increases:			
1. Children's Services - Less Teacher Training and Experience and Case Manager Salary Adjustment	\$ 9,106,200	\$ 100,000	\$ -
2. Correction - Less Probation and Parole Officer Salary Increase	72,587,700	17,243,500	-
3. Economic and Community Development	-	316,100,000	-
4. Education - Less Teacher Training and Experience and Salary Pool	86,273,000	104,131,900	19,237,700
5. Environment and Conservation - Less State Parks Salary Increases	1,039,000	45,000,000	-
6. Health	4,261,800	81,900	-
7. Higher Education - Less Salary Pool	63,407,800	22,417,600	-
8. Mental Health and Substance Abuse Services	24,855,300	2,000,000	-
9. TennCare:	84,940,200	37,664,600	-
a. TennCare for Children's Services - Less Case Manager Salary Adjustment	2,148,700	-	-
b. TennCare for Intellectual and Developmental Disabilities	9,808,300	-	-
10. Transportation	-	135,000,000	-
11. Other Agencies - Less Salary and Benefits Increases, Capital Outlay, and Rainy Day Fund Deposit	98,542,000	450,035,200	35,918,900
Sub-Total Agency Cost Increases	\$ 456,970,000	\$ 1,129,774,700	\$ 55,156,600
12. FY 2021-2022 Salary and Benefits:			
a. Mandated Salary Increases - AG, DAs, Judges, PDs, Governor, Troopers, Wildlife Officers, Teacher Training and Experience	\$ 4,108,900	\$ -	\$ 486,400
b. State Employees - Salary Policy			
1. Pay for Performance - TEAM Act Agencies	61,014,900	-	-
2. Across the Board - Non-TEAM Act Agencies	14,512,000	-	-
3. Market Rate Adjustment	40,000,000	-	-
4. Commissioned Officers - Safety, Commerce and Insurance, Wildlife Resources Agency	3,115,700	-	1,718,200
c. K-12 Education - Basic Education Program - Teachers and Other Certified Staff - Salary Policy	120,117,000	-	-
d. Higher Education - Salary Policy	63,165,000	-	-
e. Attorney General - Compensation Market Adjustment	1,500,000	-	-
f. Children's Services and TennCare - Case Manager Salary Adjustment	3,444,800	-	-
g. Commerce and Insurance - Firefighter Pay Supplement	81,600	-	-
h. Correction - Probation and Parole Officer Salary Increase	9,530,400	-	-
i. Environment - State Parks	2,515,700	-	-
j. Group Health Insurance Rate Increase - State Agencies, Higher Education, K-12 BEP, Retirees	28,452,500	-	-
k. TCRS Retirement Rate Increase	4,300,000	-	-
Sub-Total Salary and Benefits	\$ 355,858,500	\$ -	\$ 2,204,600
13. Capital Outlay:			
a. Capital Outlay - Improvements	\$ -	\$ 444,235,600	\$ -
b. Capital Outlay - Maintenance	-	321,380,500	-
Sub-Total Capital Outlay	\$ -	\$ 765,616,100	\$ -
14. Rainy Day Fund	\$ -	\$ 50,000,000	\$ -
Total Cost Increases	\$ 812,828,500	\$ 1,945,390,800	\$ 57,361,200
III. Preliminary Base Budget Adjustments	\$ -	\$ -	\$ 747,932,900
IV. Total Cost Increases and Preliminary Base Budget Adjustments	\$ 812,828,500	\$ 1,945,390,800	\$ 805,294,100
V. Balance Before Reductions	\$ 90,291,500	\$ (274,116,200)	\$ (1,735,500)
VI. Base Budget Reductions and Reallocations	\$ (185,790,500)	\$ -	\$ (1,735,500)
VII. Balance	\$ 276,082,000	\$ (274,116,200)	\$ -

**Budget Overview
2021-2022**

**Statement of Adjustments to Tax Estimates,
Department of Revenue Taxes
2019-2020 Through 2021-2022
General Fund and Education Fund**

Increase / (Decrease)

	<u>Total</u>	<u>Recurring</u>	<u>Non-Recurring</u>
I. <u>FY 2019-2020</u>			
Final Revised Estimate	\$ 12,513,950,000	\$ 12,517,350,000	\$ (3,400,000)
Total FY 2019-2020 Actual Collections	<u>\$ 12,989,172,100</u>	<u>\$ 12,991,134,400</u>	<u>\$ (1,962,300)</u>
II. <u>FY 2020-2021</u>			
March 1, 2020 Budget Document Estimate	\$ 13,576,000,000	\$ 13,579,400,000	\$ (3,400,000)
Plus / (Less): Tax Acts	<u>(1,452,600,000)</u>	<u>(1,429,800,000)</u>	<u>(22,800,000)</u>
Budgeted Estimate @ July 1, 2020	<u>\$ 12,123,400,000</u>	<u>\$ 12,149,600,000</u>	<u>\$ (26,200,000)</u>
Revenue Base Increase @ 1.75% Recurring Growth over FY 2019-2020 Collections	1,068,900,000	1,068,900,000	-
Total FY 2020-2021 Revised Estimate	<u>\$ 13,192,300,000</u>	<u>\$ 13,218,500,000</u>	<u>\$ (26,200,000)</u>
III. <u>FY 2021-2022</u>			
Revenue Base (FY 2020-2021 Revised Recurring Estimate)	\$ 13,218,500,000	\$ 13,218,500,000	\$ -
Revenue Growth from Revised Recurring Estimate @ 3.20%	<u>423,000,000</u>	<u>423,000,000</u>	<u>-</u>
Total FY 2021-2022 Estimate	<u>\$ 13,641,500,000</u>	<u>\$ 13,641,500,000</u>	<u>\$ -</u>

**Selected State Revenue Adjustments
Fiscal Year 2021-2022**

**Increase / (Decrease)
from July 1, 2020, Budgeted Estimates**

	<u>Recurring</u>	<u>Non-Recurring</u>	<u>Earmarked</u>
I. Other State Revenue:			
1. Commerce and Insurance - HMO Premium Tax	\$ 47,800,000	\$ -	\$ -
2. Hospital Coverage Assessment @ \$602.6 M	-	-	602,636,800
3. Nursing Home Bed Assessment @ \$134.6 M	-	-	134,605,900
4. Ambulance Service Provider Assessment @ \$10.7 M	-	-	10,690,200
Total Other State Revenue	\$ 47,800,000	\$ -	\$ 747,932,900

Budget Overview
2021-2022
2020-2021 Available Funds
2019-2020 Closing
Unappropriated Budget Surplus
(Reserved for Future Requirements @ June 30, 2020)

I. Dept. of Revenue Taxes - Net of Estimate @ \$12,998,899,000 Reported Collection (August - July)	\$ 484,949,000
Plus / (Less): Accruals and Adjustments	<u>(9,726,900)</u>
Sub-Total Dept. of Revenue Taxes - Net of Estimate (Revised Est. \$12,513,950,000)	\$ 475,222,100
II. Other State Revenue - Over / (Under) Collection	
Dept. of Commerce and Insurance @ \$1,080.1 M (Revised Estimate \$1,023.5 M)	\$ 56,578,700
Other Agencies	<u>2,000,400</u>
Sub-Total Other State Revenue - Net Over / (Under) Collection	\$ 58,579,100
III. Miscellaneous Revenue - Over / (Under) Collection	4,220,100
IV. Debt Service Fund Transfer @ June 30, 2020 at \$31 M (\$22 M Estimated)	9,000,000
V. Tobacco Master Settlement Agreement @ \$159,938,000 Collection (Budgeted Estimate \$150 M)	9,938,000
VI. All Other Net Revenue Adjustments in Accounts	6,601,400
VII. Net Over / (Under) Collection (I + II + III + IV + V + VI = VII)	\$ 563,560,700
VIII. Reversion Excess / (Deficiency)	512,513,400
IX. Reserve Transfers - More / (Less) than Planned	(600,000,000)
X. Total Over / (Under) Collection (VII + VIII + IX = X)	\$ 476,074,100

Available Funds Fiscal Year 2020-2021

I. Unappropriated Budget Surplus / (Deficit) at June 30, 2020	\$ 476,074,100
II. Revenue Adjustments and Other Available Funds:	
1. Dept. of Revenue Tax Base Increase at 1.75% Growth over FY 2019-2020 Actual	\$ 1,068,900,000
2. 2020-2021 Enacted Budget Available Funds	335,147,922
3. Rounding Adjustment	(22)
Sub-Total Revenue Adjustments and Other Available Funds	<u>\$ 1,404,047,900</u>
III. Total Budget Surplus and Adjustments (I + II)	<u>\$ 1,880,122,000</u>
IV. Appropriation and Transfer Requirements:	
1. Less: 2020-2021 Supplemental Appropriations (General and Education Funds)	\$ (208,847,400)
Sub-Total Appropriation and Transfer Requirements	<u>\$ (208,847,400)</u>
V. Total Available Funds at June 30, 2021 (III + IV)	<u>\$ 1,671,274,600</u>

**Supplemental Appropriations
General, Education, and Dedicated Funds
Fiscal Year 2020-2021**

	2020-2021
I. General Fund and Education Fund	
Comptroller	
307.01 Association of Government Accountants Conference	\$ 100,000
Court System	
302.27 Technology Fund	1,000,000
Economic and Community Development (ECD)	
330.06 ECD Project	\$ 50,000,000
330.22 TNInvestco Tax Credit Recognition	400,000
Sub-Total Economic and Community Development	\$ 50,400,000
Education	
331.00 Special Session Admin. Legislation - Learning Loss Initiative (with \$38M from TANF)	67,331,900
Environment and Conservation	
327.12 State Parks Hospitality Modernization	\$ 1,271,800
327.33 Clean Water Drinking Water State Revolving Fund Grant Match	2,622,300
Sub-Total Environment and Conservation	\$ 3,894,100
Finance and Administration	
317.06 Criminal Justice Programs - Reappropriate Grant for Pre-Trial Symposium	769,800
Miscellaneous Appropriations	
351.00 Process Automation and Efficiencies	\$ 5,000,000
351.00 Ongoing Litigation and Settlements	2,000,000
Sub-Total Miscellaneous Appropriations	\$ 7,000,000
Salary Policy - Fund 2% Pool Effective January 1, 2021	
351.00 State Employees - TEAM Act Agencies	\$ 15,255,000
351.00 State Employees - Non-TEAM Act Agencies	3,627,000
331.00 K-12 Basic Education Program - Teachers and Other Certified Staff	42,899,300
332.00 Higher Education Salary Policy	15,791,300
349.03 Commissioned Officers Salary Survey - Safety	761,300
335.11 Commissioned Officers Salary Survey - Commerce and Insurance	17,700
Sub-Total Salary Policy	\$ 78,351,600
Sub-Total General Fund and Education Fund	\$ 208,847,400
II. Dedicated Funds:	
Education	
331.19 Special Session Admin. Legislation - Learning Loss Initiative - Lottery-Funded	19,237,700
Salary Policy - Fund 2% Pool Effective January 1, 2021	
328.00 Commissioned Officers Salary Survey - TN Wildlife Resources Agency	429,000
Sub-Total Dedicated Funds	\$ 19,666,700
Grand Total Supplemental Appropriations	\$ 228,514,100

**Budget Overview
2021-2022 Agency Cost Increases**

	General Fund		Dedicated
	Recurring	Non-Recurring	
1. Agriculture	6,175,100	5,122,100	-
1. Forestry Software	230,200	75,000	
2. One Health Initiative (2 FT)	194,900	47,100	
3. State Fair Grant	250,000	5,000,000	
4. Agricultural Enhancement Program	5,500,000		
2. Arts Commission	-	-	1,000,000
1. Arts Grants (\$800,000 NR)			1,000,000
3. Attorney General and Reporter	1,503,000	-	-
1. Attorney General Salary Increase @ 1.2% CPI Inflation Rate	3,000		
2. Compensation Market Adjustment	1,500,000		
4. Children's Services - See also TennCare for DCS	11,610,900	100,000	-
1. Teacher Training and Experience	4,700		
2. Adoption Assistance and Subsidized Permanent Guardianship Growth	6,380,500		
3. Provider Rate Adjustment	2,500,000		
4. Case Manager Salary Adjustment	2,500,000		
5. Safe Baby Court Funding	175,000		
6. Homebuilders Program	50,000		
7. Evidence-Based Behavioral Health Programming		100,000	
8. Administration Legislation - Modernizing Contact Veto Registry	700		
5. Commerce and Insurance	375,200	-	34,918,900
1. Recognize Emergency Communications Surcharge Increase - From \$1.16 to \$1.50 per month per line			34,918,900
2. Statutory Step Raises - Commissioned Officers	45,400		
3. POST Commission - Fix Death Benefit Funding Shortfall	150,000		
4. Firefighter Pay Supplement - Education Incentive Payment	81,600		
5. Captive Insurance Specialist (1 FT)	98,200		
6. Commission on Children and Youth	15,000	15,000	-
1. Grants Management System	15,000	15,000	
7. Comptroller	-	100,000	-
1. Certified Fraud Examiners Global Conference - Summer 2022		100,000	
8. Correction	82,118,100	17,243,500	-
1. State Prosecutions Account	22,228,500		
2. Behavioral Health Contract	1,583,100		
3. Evidence-Based Programming for Community Supervision	2,320,000		
4. Private Prisons Contract Inflaters	5,038,600		
5. Salary Increases for Probation/Parole Officer Series	9,530,400		
6. Electronic Health Records		13,000,000	
7. Telehealth Equipment	35,800	310,000	
8. Day Reporting and Community Resource Centers (26 FT)	2,377,500	30,000	
9. Radio Replacement at Mark Luttrell Transition Center		700,000	
10. Electronic Monitoring	334,700		
11. Sex Offender Treatment Program Funding Increase	186,700		
12. Body Scanners		703,500	
13. Correctional Education Investment (Year 3)	243,500	2,500,000	
14. Administration Legislation - Re-Entry Success Act	4,000,000		
15. Administration Legislation - Jail Reimbursement Reorganization (3 FT)	16,492,600		
16. Administration Legislation - Constitutional Carry - Incarceration	17,746,700		
9. Court System	5,834,200	-	-
1. Judges' Statutory Salary Increase @ 1.2% CPI Inflation Rate	542,200		
2. Guardian Ad Litem Program	5,000,000		
3. Board of Judicial Conduct	292,000		
10. District Attorneys General Conference	2,116,500	-	-
1. Statutory Salary Increase - Assistant District Attorneys and Criminal Investigators	1,331,800		
2. IT Operational Costs	784,700		
11. District Public Defenders Conference	1,793,000	82,400	-
1. Statutory Salary Increase - Assistant Public Defenders and Criminal Investigators	717,200		
2. Davidson County and Shelby County Adjustment @ 1.2% CPI Rate (Davidson Co. \$29,800; Shelby Co. \$68,100)	97,900		
3. Attorney Positions (3 FT)	265,300	22,800	
4. Legal Secretary Positions (6 FT)	350,900	36,700	
5. Social Worker Positions (4 FT)	265,600	22,900	
6. IT Position (1 FT)	96,100		
12. Economic and Community Development	-	316,100,000	-
1. FastTrack Job Development		95,000,000	
2. Rural Economic Opportunity Grants		21,100,000	
3. Broadband Accessibility Grants		200,000,000	

**Budget Overview
2021-2022 Agency Cost Increases**

	General Fund		Dedicated
	Recurring	Non-Recurring	
13. Education	86,429,300	104,131,900	19,237,700
1. BEP Growth and Inflationary Cost Increase	70,593,000		
2. Special Schools Teacher Training and Experience	156,300		
3. Governor's Future Workforce Initiative (Year 3)		2,500,000	
4. Literacy Coaching (Year 3 of 3)		1,800,000	
5. Rural Principal Development (Year 3 of 3)		500,000	
6. State Board of Education - Teacher Licensure - Staff Positions (2 FT)	180,000		
7. Charter Schools Facilities Funding	12,000,000	12,000,000	
8. Special Session Admin Legislation - Literacy Initiative (6 FT)	1,000,000		
9. Special Session Admin Legislation - Learning Loss Initiative - Summer 2022 - with \$38M from TANF		67,331,900	19,237,700
10. Administration Legislation - LEA Hold-Harmless due to One-Time ADM Drop		20,000,000	
11. Administration Legislation - Accountability / Evaluation	2,500,000		
14. Environment and Conservation	3,554,700	45,000,000	-
1. State Parks Hospitality Modernization	2,045,400		
2. State Parks Federal Minimum Wage Increase	470,300		
3. IT Modernization		15,000,000	
4. State Parks Deferred Maintenance		30,000,000	
5. Cummins Falls Position (1 FT)	43,000		
6. State Parks GIS Mapping	125,000		
7. Administration Legislation - Mining Primacy Act	871,000		
15. Finance and Administration	688,500	5,000,000	-
1. Evidence-Based Programming - Seed Grants for Jails (OCJP)		5,000,000	
2. Office of Evidence and Impact (4 FT)	653,500		
3. TN Serves Volunteer Portal	35,000		
16. General Services	10,300,000	-	-
1. Governor's Early Literacy Foundation - K-3rd Grade Summer Reading Program - Pilot	300,000		
2. Statewide Capital Maintenance	10,000,000		
17. Governor's Office	83,900	-	-
1. Governor's Salary Increase @ 1.2% CPI Inflation Rate	3,000		
2. Administrative Support (1 FT)	80,900		
18. Health	4,261,800	81,900	-
1. Tobacco Prevention Grants	2,000,000		
2. Expand Healthcare Safety Net	2,000,000		
3. Retinal Scanner	11,800	81,900	
4. Office of Informatics Integrated Data System	250,000		
19. Higher Education	63,407,800	22,417,600	-
1. Academic Formula Units			
a. Outcomes-Based Funding	36,000,000		
2. Non-Formula Units			
a. Medical Education	7,322,800		
3. Competency-Based Education	400,000	350,000	
4. Correctional Education Investment (Year 3)	222,000	650,000	
5. SPARC 2.0		1,500,000	
6. GIVE 2.0 Micro Grants		1,500,000	
7. GIVE 2.0 Site Grants		10,000,000	
8. TSAA Grants	4,000,000		
9. MTSU Data Science Pipeline		2,587,600	
10. MTSU / Meharry Medical School - Early Acceptance Program		1,200,000	
11. UT Martin Methodist College	5,100,000	1,000,000	
12. TCAAT Morristown - Equipment for New Building		3,630,000	
13. Southern School of Optometry - Contract Education	363,000		
14. Higher Education Capital Maintenance	10,000,000		
20. Human Services	40,500	-	-
1. Child Support Assistant District Attorneys - Statutory Step Raises	40,500		
21. Intellectual and Developmental Disabilities Services	1,021,900	-	-
1. Program Alignment Director (1 FT) - \$97,700 Funding from TennCare	5,100		
2. Program Innovations and Emerging Technologies	500,000		
3. Telehealth Services	16,800		
4. TNBelieves - Higher Education Grants	500,000		
22. Labor and Workforce Development	4,200,000	-	-
1. Workers' Compensation Consultant	200,000		
2. Apprenticeship Program Expansion (6 FT)	2,000,000		
3. Re-Entry Employment Initiative - Partnership with TDOC	2,000,000		
23. Mental Health and Substance Abuse Services	24,855,300	2,000,000	-
1. Regional Mental Health Institutes - Revenue Replacement	10,105,100		
2. Criminal Justice Liaisons - Expand to All 95 Counties	625,000		
3. East TN Private Inpatient Costs Support	1,000,000		
4. Expand Residential Recovery Courts	2,687,500	2,000,000	
5. Expand Creating Homes Initiative to Re-Entry	3,583,400		
6. Behavioral Health Safety Net	6,500,000		
7. Mobile Crisis Services Expansion	354,300		

**Budget Overview
2021-2022 Agency Cost Increases**

	General Fund		Dedicated
	Recurring	Non-Recurring	
24. Military	1,486,100	1,680,000	-
1. Administrative Services Positions (2 FT)	203,500		
2. Armories Maintenance (50/50 Federal Match)	490,200		
3. TEMA Warehouse Operations		1,295,000	
4. TEMA Chattanooga Regional Office (11 FT)	792,400	385,000	
25. Post-Conviction Defender	29,000	-	-
1. Statutory Salary Increase - Assistant Post-Conviction Defenders	29,000		
26. Safety	4,742,100	8,415,900	-
1. Statutory Step Raises - Commissioned Officers	1,137,900		
2. Internal Audit Positions (4 FT)	225,000		
3. TACN System Maintenance	1,300,000		
4. Body-Worn Cameras	831,600	1,477,900	
5. Highway Patrol - Trooper Positions (10 FT)	747,600	438,000	
6. Helicopter Fleet Modernization		6,500,000	
7. Administration Legislation - Waive Driver's License Payment Plan Fees	500,000		
27. Strategic Healthcare Programs	2,010,600	-	-
1. Service Integration - HMO Tax	2,010,600		
28. TennCare (FY 21-22 Match Rate - 33.705% Recurring)	84,940,200	37,664,600	-
1. Medical Inflation and Utilization (1.42% Growth Rate)	37,962,800		
2. Project IRIS	4,867,900	9,180,600	
3. TEDS Eligibility System	7,772,400	21,220,500	
4. ECF CHOICES - Crisis Population	11,000,000		
5. Dental Pregnancy Program - Additional Coverage	1,998,800		
6. Extend Postpartum Coverage to All Women - from 60 Days to 12 Months - Pilot - Year 1 of 5		6,563,500	
7. Service Integration - HMO Tax	20,988,300		
8. Expanded TennCare Coverage for Adopted Youth	350,000		
9. Medicaid Closed Loop Referral System		700,000	
29. TennCare for Children's Services	3,093,500	-	-
1. Provider Rate Adjustment	2,148,700		
2. Case Manager Salary Adjustment	944,800		
30. TennCare for Intellectual and Developmental Disabilities	9,808,300	-	-
1. Direct Support Personnel - Increase Hourly Wage from \$10.00 to \$10.50	9,736,500		
2. Telehealth Services	23,000		
3. Program Alignment Director	48,800		
31. Tennessee Bureau of Investigation	2,783,400	3,134,800	-
1. Field Agents (20 FT)	2,685,800	1,742,200	
2. Uniformed Officer for Jackson Lab (1 FT)	97,600	92,600	
3. Digital Transformation		1,300,000	
32. Tourist Development	7,763,500	2,500,000	-
1. Marketing Efforts	5,500,000	2,500,000	
2. Office of Rural Initiatives (1 FT)	2,263,500		
33. Transportation	-	135,000,000	-
1. Transportation Equity Fund - Air		40,000,000	
2. Transportation Equity Fund - Rail		85,000,000	
3. Aeronautics Economic Development Fund		10,000,000	
34. Wildlife Resources Agency	-	-	486,400
1. Statutory Step Raises - Commissioned Officers			486,400
35. TCRS - Retirement Contribution Rate Increase	4,300,000	-	-
1. Contribution Increase - State Employees & Higher Education	4,300,000		
36. Group Health Insurance	28,452,500	-	-
1. State Agencies @ 2.8% - Annualize 1/1/2021 Increase	3,723,200		
2. Higher Education @ 2.8% - Annualize 1/1/2021 Increase	3,602,200		
3. K-12 BEP @ 2.0% - Annualize 1/1/2021 Increase	4,497,000		
4. State Agencies @ 3.5% - Effective 1/1/2022	4,842,300		
5. Higher Education @ 3.5% - Effective 1/1/2022	4,628,800		
6. K-12 BEP @ 2.5% - Effective 1/1/2022	7,159,000		
37. Salary Increases	301,924,600	-	1,718,200
1. State Employees			
a. TEAM Act agencies - Annualize 1/1/2021 Policy Plus 2% Pool Effective 7/1/2021	61,014,900		
b. Non-TEAM Act agencies - Annualize 1/1/2021 Policy Plus 2% Pool Effective 7/1/2021	14,512,000		
c. Market Rate Adjustment	40,000,000		
2. K-12 Basic Education Program - Teachers and Other Certified Staff			
a. Salary Pool - Annualize 1/1/2021 Policy Plus 2% Pool Effective 7/1/2021	120,117,000		
3. Higher Education			
a. Higher Education - Formula Units - Annualize 1/1/2021 Policy Plus 2% Pool Effective 7/1/2021	45,400,600		
b. Higher Education - Non-Formula Units - Annualize 1/1/2021 Policy Plus 2% Pool Effective 7/1/2021	17,764,400		
4. Commissioned Officers Salary Survey			
a. Safety - TN Highway Patrol - Annualize 1/1/2021 Policy Plus 2% Pool Effective 7/1/2021	3,045,000		
b. Commerce and Insurance - TLETA - Annualize 1/1/2021 Policy Plus 2% Pool Effective 7/1/2021	70,700		
c. TN Wildlife Resource Agency - Annualize 1/1/2021 Policy Plus 2% Pool Effective 7/1/2021			1,718,200

**Budget Overview
2021-2022 Agency Cost Increases**

	General Fund		Dedicated
	Recurring	Non-Recurring	
38. Miscellaneous Appropriations	51,110,000	423,985,000	-
1. Administration Amendment	12,500,000	20,000,000	
2. Legislative Initiatives	3,000,000	15,000,000	
3. Local Infrastructure Grant Program		200,000,000	
4. COVID-19 Response		150,000,000	
5. Governor's Initiatives		5,000,000	
6. Risk Management Premium Increase	10,500,000		
7. Litigation and Settlements	5,000,000		
8. FRF - Rent Increase	2,022,000		
9. Agriculture - Radio Replacement / Conversion		1,225,000	
10. Courts - TNCIS System Upgrade		8,600,000	
11. TBI - AFIS System Upgrade		4,000,000	
12. STS - Process Automation and Efficiencies		7,000,000	
13. STS - Citizen Scheduling Application	1,482,000		
14. STS - Java Licensing	367,000		
15. STS - Enterprise Data Analytics	1,700,000		
16. STS - Wireless Mobility	2,550,000		
17. STS - Microsoft Unified Support	650,000		
18. STS - Multi-Factor Authentication	1,300,000		
19. Rural Education Initiative	5,000,000		
20. Tennessee Criminal Code Study		1,000,000	
21. Child & Family Advocacy Communications		1,000,000	
22. Criminal Justice Data Infrastructure Project		2,000,000	
23. Oak Ridge Institute - Year 1		8,000,000	
24. National Foundation for Women Legislators Conference		150,000	
25. Support Grants for Volunteer Fire Departments		1,000,000	
26. Legislation - Reimbursement for Volunteer Firefighter Training	4,922,000		
27. Legislation - Constitutional Amendment - Right to Work		10,000	
28. Legislation - Vehicle Title & Registration Bill	117,000		
Sub-Total Cost Increases	812,828,500	1,129,774,700	57,361,200
39. Capital Outlay	-	765,616,100	-
1. Capital Improvements:			
a. State Buildings - 34 Projects		183,428,500	
b. Higher Education - 6 Projects		260,807,100	
2. Capital Maintenance:			
a. State Buildings - 60 Projects		209,897,500	
b. Higher Education - 62 Projects		111,483,000	
40. Rainy Day Fund	-	50,000,000	-
1. Rainy Day Fund Deposit - 10% of Revenue Growth		47,100,000	
2. Additional Deposit		2,900,000	
Total Cost Increases	\$ 812,828,500	\$ 1,945,390,800	\$ 57,361,200

2021 Recommended Legislation with Fiscal Impact
General, Education, and Dedicated Funds
Fiscal Year 2021-2022

	General and Education Funds		Dedicated / Other Funds	
	Recurring	Non-Recurring	Recurring	Non-Recurring
I. Departmental Revenue Adjustments - (Decrease) / Increase:				
1. Safety - Constitutional Carry - Handgun Permit Fees - Reduction to Unbudgeted Revenue	\$ -	\$ -	\$ (2,411,100)	\$ -
2. TBI - Constitutional Carry - Handgun Permit Fees - Reduction to Unbudgeted Revenue	-	-	(496,600)	-
Total Departmental Revenue Adjustments - (Decrease) / Increase	\$ -	\$ -	\$ (2,907,700)	\$ -
II. Expenditure Adjustments - (Cost) / Savings:				
1. Children's Services - Modernizing Contact Veto	\$ (700)	\$ -	\$ 700	\$ -
2. Correction - Re-Entry Success Act	(4,000,000)	-	-	-
3. Correction - Jail Reimbursement Reorganization	(16,492,600)	-	-	-
4. Correction - Restructuring of Community Corrections Program	9,000,000	-	-	-
5. Correction - Constitutional Carry - Incarceration	(17,746,700)	-	-	-
6. Education - Accountability / Evaluation	(2,500,000)	-	-	-
7. Education - Literacy Initiative (6 FT)	(1,000,000)	-	-	-
8. Education - Learning Loss Initiative	-	(67,331,900)	-	(19,237,700)
9. Education - Hold Harmless Local Education Agencies due to One-Time Drop in Average Daily Membership	-	(20,000,000)	-	-
10. Environment & Conservation - Mining Primacy Act	(871,000)	-	-	-
11. Safety - Waive Driver's License Payment Plan Fee	(500,000)	-	500,000	-
12. TennCare - Estate Recovery Bill	1,087,900	-	-	-
13. Misc Appropriations - Reimbursement for Volunteer Firefighter Training	(4,922,000)	-	-	-
14. Misc Appropriations - Constitutional Amendment - Right to Work	-	(10,000)	-	-
15. Misc Appropriations - Vehicle Title & Registration Bill	(117,000)	-	-	-
Total Expenditure Adjustments - (Cost) / Savings	\$ (38,062,100)	\$ (87,341,900)	\$ 500,700	\$ (19,237,700)

**Preliminary Base Budget Adjustments
Fiscal Year 2021-2022
(Savings) / Cost**

	General Fund		Dedicated / Other	Total
	Recurring	Non-Recurring	Funds	
TennCare				
318.00 Hospital Coverage Assessment	\$ -	\$ -	\$ 602,636,800	\$ 602,636,800
318.00 Nursing Home Bed Assessment	-	-	134,605,900	134,605,900
318.00 Ambulance Service Assessment	-	-	10,690,200	10,690,200
Sub-Total TennCare	\$ -	\$ -	\$ 747,932,900	\$ 747,932,900
 Total - Preliminary Base Budget Adjustments	 \$ -	 \$ -	 \$ 747,932,900	 \$ 747,932,900

**Base Budget Reduction Plans
State Appropriations
Fiscal Year 2021-2022**

Program	General Fund						Dedicated Funds	f.	
	a.		b.		c.			f.	
	Discretionary Base	Recurring Reduction	Pct.	Non-Recurring	Total (b + c)	Reduction		Pct.	
301.00	Legislature	\$ 44,912,750	\$ -	0.0%	\$ -	\$ -	\$ -	\$ -	0.0%
301.50	Fiscal Review Committee	1,748,800	-	0.0%	-	-	-	-	0.0%
302.00	Court System	39,933,600	-	0.0%	-	-	-	-	0.0%
303.00	Attorney General and Reporter	28,379,700	-	0.0%	-	-	-	-	0.0%
304.00	District Attorneys General	98,397,700	-	0.0%	-	-	-	-	0.0%
305.00	Secretary of State	36,329,000	-	0.0%	-	-	-	-	0.0%
306.00	District Public Defenders	56,990,600	-	0.0%	-	-	-	-	0.0%
307.00	Comptroller of the Treasury	57,805,100	-	0.0%	-	-	-	-	0.0%
309.00	Treasury Department	3,107,700	-	0.0%	-	-	(303,500)	(303,500)	-9.8%
Sub-Total Non-Executive		\$ 367,604,950	\$ -	0.0%	\$ -	\$ -	\$ (303,500)	\$ (303,500)	-0.1%
315.00	Executive Department	\$ 5,627,100	\$ -	0.0%	\$ -	\$ -	\$ -	\$ -	0.0%
316.01	Commission on Children and Youth	3,176,800	(88,000)	-2.8%	-	(88,000)	-	(88,000)	-2.8%
316.02	Commission on Aging and Disability	14,009,100	(36,000)	-0.3%	-	(36,000)	-	(36,000)	-0.3%
316.03	Alcoholic Beverage Commission	-	-	0.0%	-	-	-	-	0.0%
316.04	Human Rights Commission	1,717,100	-	0.0%	-	-	-	-	0.0%
316.07	Health Services and Development Agency	-	-	0.0%	-	-	-	-	0.0%
316.08	TN Rehabilitative Initiative in Correction	-	-	0.0%	-	-	-	-	0.0%
316.09	Corrections Institute	990,400	(13,500)	-1.4%	-	(13,500)	-	(13,500)	-1.4%
316.11	Tennessee Public Utility Commission	-	-	0.0%	-	-	-	-	0.0%
316.12	Advisory Commission on Intergovernmental Relations	168,000	(26,200)	-15.6%	-	(26,200)	-	(26,200)	-15.6%
316.14	Council on Developmental Disabilities	193,100	-	0.0%	-	-	-	-	0.0%
316.20	TN Housing Development Agency	-	-	0.0%	-	-	-	-	0.0%
316.25	Arts Commission	1,795,000	(100,000)	-5.6%	-	(100,000)	-	(100,000)	-5.6%
316.27	State Museum	8,072,600	-	0.0%	-	-	-	-	0.0%
317.00	Finance and Administration	12,330,900	(272,700)	-2.2%	-	(272,700)	-	(272,700)	-2.2%
318.00	TennCare Programs	\$ 3,037,951,818	\$ (66,576,100)	-2.2%	\$ -	\$ (66,576,100)	\$ -	\$ (66,576,100)	-2.2%
	TennCare FMAP Change	-	(37,229,800)	0.0%	-	(37,229,800)	-	(37,229,800)	0.0%
	TennCare for DIDD	-	(675,400)	0.0%	-	(675,400)	-	(675,400)	0.0%
	TennCare for Commerce and Insurance	-	(27,300)	0.0%	-	(27,300)	-	(27,300)	0.0%
	TennCare for F&A Office of Inspector General	-	(350,700)	0.0%	-	(350,700)	-	(350,700)	0.0%
	TennCare Administration Legislation	-	(1,087,900)	0.0%	-	(1,087,900)	-	(1,087,900)	0.0%
	Sub-Total TennCare Programs	\$ 3,037,951,818	\$ (105,947,200)	-3.5%	\$ -	\$ (105,947,200)	\$ -	\$ (105,947,200)	-3.5%
319.00	Human Resources	-	-	0.0%	-	-	-	-	0.0%
321.00	General Services	7,524,100	(341,000)	-4.5%	-	(341,000)	-	(341,000)	-4.5%
323.00	Veterans Services	6,608,500	(279,600)	-4.2%	-	(279,600)	-	(279,600)	-4.2%
324.00	Board of Parole	7,864,100	(435,900)	-5.5%	-	(435,900)	-	(435,900)	-5.5%
325.00	Agriculture	36,962,000	(3,195,300)	-8.6%	-	(3,195,300)	39,300	(3,156,000)	-8.5%
326.00	Tourist Development	14,485,900	-	0.0%	-	-	-	-	0.0%
327.00	Environment and Conservation	97,919,200	(3,491,500)	-3.6%	-	(3,491,500)	-	(3,491,500)	-3.6%
328.00	Tennessee Wildlife Resources Agency	383,400	(52,000)	-13.6%	-	(52,000)	-	(52,000)	-13.6%
329.00	Correction	313,519,100	(11,122,900)	-3.5%	-	(11,122,900)	-	(11,122,900)	-3.5%
330.00	Economic and Community Development	30,364,000	(4,684,400)	-15.4%	-	(4,684,400)	-	(4,684,400)	-15.4%
331.00	Education (K-12)	173,854,500	(8,005,600)	-4.6%	-	(8,005,600)	-	(8,005,600)	-4.6%
332.00	Higher Ed. State-Administered Programs	\$ 39,565,400	\$ (1,275,400)	-3.2%	\$ -	\$ (1,275,400)	\$ -	\$ (1,275,400)	-3.2%
332.10	University of Tennessee System	637,174,700	-	0.0%	-	-	-	-	0.0%
332.60	State Univ. and Comm. College System	904,171,700	-	0.0%	-	-	-	-	0.0%
	Sub-Total Higher Education	\$ 1,580,911,800	\$ (1,275,400)	-0.1%	\$ -	\$ (1,275,400)	\$ -	\$ (1,275,400)	-0.1%
335.00	Commerce and Insurance	9,692,800	(51,500)	-0.5%	-	(51,500)	(122,800)	(174,300)	-1.8%
336.00	Financial Institutions	-	-	0.0%	-	-	-	-	0.0%
337.00	Labor and Workforce Development	21,743,300	(1,200,800)	-5.5%	-	(1,200,800)	(1,632,200)	(2,833,000)	-13.0%
339.00	Mental Health and Substance Abuse Services	78,909,700	-	0.0%	-	-	-	-	0.0%
341.00	Military	14,370,300	(1,155,900)	-8.0%	-	(1,155,900)	-	(1,155,900)	-8.0%
343.00	Health	167,162,200	(8,080,200)	-4.8%	-	(8,080,200)	283,700	(7,796,500)	-4.7%
344.00	Intellectual and Developmental Disabilities	64,216,500	(1,097,700)	-1.7%	-	(1,097,700)	-	(1,097,700)	-1.7%
345.00	Human Services	106,293,300	(12,973,400)	-12.2%	-	(12,973,400)	-	(12,973,400)	-12.2%
347.00	Revenue	74,991,200	(7,576,400)	-10.1%	-	(7,576,400)	-	(7,576,400)	-10.1%
348.00	Tennessee Bureau of Investigation	54,022,100	(1,500,000)	-2.8%	-	(1,500,000)	-	(1,500,000)	-2.8%
349.00	Safety	160,146,500	(1,183,600)	-0.7%	-	(1,183,600)	-	(1,183,600)	-0.7%
350.00	Strategic Health-Care Programs	52,688,300	(3,231,500)	-6.1%	-	(3,231,500)	-	(3,231,500)	-6.1%
351.00	Miscellaneous Appropriations	-	-	0.0%	-	-	-	-	0.0%
352.00	Other Post-Employment Benefits Liability	-	-	0.0%	-	-	-	-	0.0%
353.00	Emergency and Contingency Fund	-	-	0.0%	-	-	-	-	0.0%
355.00	State Building Commission	-	(250,000)	0.0%	-	(250,000)	-	(250,000)	0.0%
359.00	Children's Services	117,813,800	(7,358,700)	-6.2%	-	(7,358,700)	-	(7,358,700)	-6.2%
Sub-Total Executive		\$ 6,278,478,518	\$ (185,026,900)	-2.9%	\$ -	\$ (185,026,900)	\$ (1,432,000)	\$ (186,458,900)	-3.0%
501.00	Facilities Revolving Fund	4,881,600	(763,600)	-15.6%	-	(763,600)	-	(763,600)	-15.6%
Total Reductions		\$ 6,650,965,068	\$ (185,790,500)	-2.8%	\$ -	\$ (185,790,500)	\$ (1,735,500)	\$ (187,526,000)	-2.8%

**Rainy Day Fund and Unobligated TennCare Reserve
Fiscal Years 2018-2019 Through 2021-2022**

	<u>Rainy Day Fund</u>	<u>TennCare Reserve</u>	<u>Total</u>
1. 2018-2019:			
Total Reserve at June 30, 2019	\$ 875,000,000	\$ 390,418,300	\$ 1,265,418,300
2. 2019-2020:			
Plus: Deposit at June 30, 2020	\$ 43,400,000	\$ 109,581,700	\$ 152,981,700
Plus: Additional Deposit at June 30, 2020	281,600,000	-	281,600,000
Total Reserve at June 30, 2020	\$ 1,200,000,000	\$ 500,000,000	\$ 1,700,000,000
3. 2020-2021:			
Plus: Deposit at June 30, 2021	\$ 250,000,000	\$ -	\$ 250,000,000
Total Reserve at June 30, 2021	\$ 1,450,000,000	\$ 500,000,000	\$ 1,950,000,000
4. 2021-2022:			
Plus: Deposit at June 30, 2022	\$ 50,000,000	\$ -	\$ 50,000,000
Total Reserve at June 30, 2022	\$ 1,500,000,000	\$ 500,000,000	\$ 2,000,000,000