



RAMSEY FARRAR RUSSELL & SMITH
GOVERNMENT RELATIONS

Tennessee Weekly Legislative Update, 4/15 – 4/19, 2024

Budget Highlights

During floor sessions yesterday, the House and Senate voted to approve the state budget, fulfilling their constitutional duty. The following are highlights of how the \$52.8 billion dollar budget will be used: \$261 million for the Tennessee Investment in Student Achievement funding formula - including \$125 million for teacher salary increases and retirement contributions, \$80 million for rural healthcare initiatives, \$59 million for capital projects at Tennessee State Parks, \$20 million for Blueways Trail developments to build waterway access points across the state; and \$100 million deposit to the state's Rainy Day Fund, bringing it to over \$2 billion.

Funded, but not agreed upon, proposals by the Governor

Governor Bill Lee's Education Scholarship Act bill, though funded in the adopted budget, was not taken up this week in the House Finance Committee. Should the legislation not pass, the \$144 million dollars set aside for the ESA program cannot be allocated via an executive order but could be spent during a special legislative session.

The Governor's F&E Tax Reform Bill is headed to Conference committee. The two chambers are in agreement about how to restructure the tax moving forward but are at odds on how the state should issue any refunds. The House would only like to see refunds to eligible companies one year back and full transparency on who receives refunds. The Senate version does not have a transparency provision and provides refunds for the past three years. The difference in the two proposals is close to \$800 million.

Now that the budget is done, can we all go home?

Almost! The Senate has 28-30 bills to consider that were placed behind the budget in Finance Committee then on the floor. The House, with the exception of a handful of bills, have moved all legislation out of Finance Committee and have a little over 100 bills to be considered on the floor. Talk around Cordell Hull Building seems to be a mid week adjournment this coming week.