FY23 Budget – Guiding Principles

• Prudent long-term strategic investments
• Return to pre-pandemic priorities
• Invest in what works; and
• Focus on services and outcomes
Cost increases in the FY23 proposed budget are allocated 71 percent to one-time spending.

The FY23 proposed budget ensures that at least $1.3 billion is available for allocation in FY24.

11 percent of this proposed budget: paying off debt, reducing liabilities, and investing in the Rainy-Day Fund.
# Available Funding – Budget Amendment

<table>
<thead>
<tr>
<th>Available Funding</th>
<th>Recurring</th>
<th>Non-Recurring</th>
</tr>
</thead>
<tbody>
<tr>
<td>Updated revenue sources</td>
<td>$(20,000,000)</td>
<td>$254,146,800</td>
</tr>
<tr>
<td>Adjustments to FY23 proposed budget</td>
<td>$22,400,800</td>
<td>$64,715,100</td>
</tr>
<tr>
<td>Balance</td>
<td>$2,400,800</td>
<td>$318,861,900</td>
</tr>
</tbody>
</table>
# Proposed Investments – Economic Development

<table>
<thead>
<tr>
<th>Highlights</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airport Investments</td>
<td>$78,100,000</td>
</tr>
<tr>
<td>Memphis Waterfront Docks</td>
<td>$20,000,000</td>
</tr>
<tr>
<td>Raceway Investments</td>
<td>$17,000,000</td>
</tr>
</tbody>
</table>

**TDOT**

**TOTAL ECONOMIC IMPACT $40 BILLION AVIATION CONTRIBUTES 11% OF TENNESSEE’S GROSS DOMESTIC PRODUCT (GDP)**
## Proposed Investments – Tax Relief

<table>
<thead>
<tr>
<th>Proposals</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grocery One-Month Tax Holiday</td>
<td>$80,000,000</td>
</tr>
</tbody>
</table>
Proposed Investments – Voting Machines

<table>
<thead>
<tr>
<th>Proposals</th>
<th>$15,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Voter-Verified Paper Audit Trail Voting Machines</td>
<td></td>
</tr>
</tbody>
</table>

- Used in conjunction with existing funds provided under the Help America Vote Act; 61 counties will benefit to purchase new equipment with a voter verifiable paper audit trail.

- Voters will have increased confidence with the ability to view their votes on paper before they are cast; paper trail will enhance each county’s ability to audit their elections.

- County election commissions will continue to be able to select the voting system to be used in their county.
Proposed Investments – External Partnerships

What these are:

• Investments identified to further our annual or four-year goals
• Investments that permit us to achieve desired goals while not growing government
• Investments that are measured for success

What these are not:

• Grants without performance goals or metrics
Proposed Authorized Bonds

We are proposing:

• Authorizing $500 million in bonds toward completion of a new covered stadium;

• Investment in not just the Titans, but national, international, and year-round revenue opportunities for Tennessee;

• Fully funding the debt service to show the commitment to our creditors;

• Municipal and private sources will make up a majority of the funding.
## FY23 Proposed Budget + Amendment

### Available Additional Revenues
- **Recurring**: $3,555,486,000
- **Non-Recurring**: $4,647,578,400

### Reductions & Reallocations
- **Recurring**: $117,076,200
- **Non-Recurring**: $0

### Cost Increases & Base Adjustments
- **Recurring**: $(2,364,566,300)
- **Non-Recurring**: $(5,955,473,000)

### Balance
- **Recurring**: $1,307,995,900
- **Non-Recurring**: $(1,307,894,600)
FY23 Proposed Budget - Categories

- K-12 Education & CTE, 12%
- Higher Education & CTE, 24%
- Health & Social Services, 7%
- Law & Safety, 7%
- Transportation & Infrastructure, 8%
- Economic Development & Tourism, 3%
- Rainy Day Fund & Debt & Liability Reductions, 11%
- Capital Improvements, 20%
- Other, 8%
- Economic Development & Tourism, 3%
- Economic Development & Tourism, 3%
Comparison of total budget (billions)

<table>
<thead>
<tr>
<th>Billions</th>
<th>FY22 Budgeted</th>
<th>FY23 Recommended</th>
</tr>
</thead>
<tbody>
<tr>
<td>$51.2</td>
<td>$52.8</td>
<td></td>
</tr>
<tr>
<td>$6.5</td>
<td>$6.4</td>
<td></td>
</tr>
<tr>
<td>$22.7</td>
<td>$19.8</td>
<td></td>
</tr>
<tr>
<td>$22.0</td>
<td>$26.6</td>
<td></td>
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</tbody>
</table>

- Federal
- State
- Other
Conclusion

- Prudent long-term strategic investments
- Return to pre-pandemic priorities
- Invest in what works; and
- Focus on services and outcomes