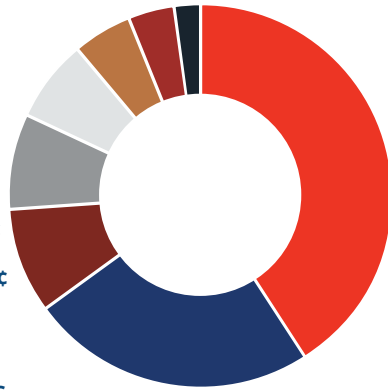


Governor Bill Lee

TENNESSEE FY23 PROPOSED BUDGET: **\$52.6B**

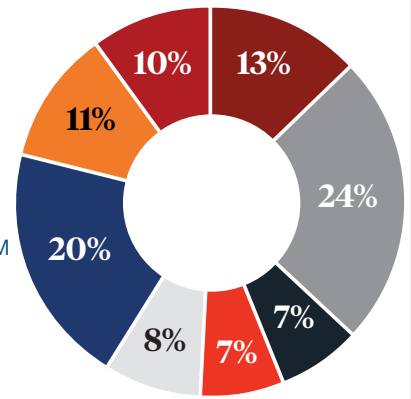
Where Each Tax Dollar Goes

- EDUCATION - 41%
- HEALTH & SOCIAL SERVICES - 24%
- LAW, SAFETY, & CORRECTION - 9%
- GENERAL GOVERNMENT - 8%
- TRANSPORTATION - 7%
- CITIES & COUNTIES - 5%
- RESOURCES & REGULATION - 4%
- BUSINESS & ECONOMIC DEVELOPMENT - 2%



New Allocations - \$8.085B

- K-12 EDUCATION & CTE - 13% - \$1B
- HIGHER EDUCATION & CTE - 24% - \$1.9B
- HEALTH & SOCIAL SERVICES - 7% - \$545M
- LAW & SAFETY - 7% - \$602M
- TRANSPORTATION & INFRASTRUCTURE - 8% - \$627M
- RAINY DAY FUND & DEBT & LIABILITY REDUCTIONS - 11% - \$922M
- CAPITAL IMPROVEMENTS - 20% - \$1.6B
- OTHER - 10% - \$795M



INVESTING TODAY & SAVING FOR TOMORROW

- TN has one of the strongest budgetary positions in history from a growing economy and prudent financial actions
- We are strengthening our fiscal position & preparing for upcoming opportunities
- We are deliberately ensuring more than \$1.3B of recurring revenue is allocated to one-time expenditures, allowing the return of these resources for review and budgeting next fiscal year

K-12 EDUCATION FUNDING

- Over \$1B in new, recurring spending
- Including \$750M recurring increase for new K-12 education funding formula
- Since new formula will not commence until FY24, these funds will be utilized in FY23 for: CTE improvements in all high schools and middle schools (\$500M), moving all 14 public schools out of flood plains (\$200M) and GIVE and SPARC grants (\$50M)

Key Highlights

\$125M - Increase State Funding of Teacher Salaries
Provides an increase to the teacher salary pool

\$200M - TCAT Infrastructure
Doubles the skilled workforce by 2026

\$90M - Higher Education Outcomes-Based Formula
Enables 0% tuition increase for public universities

\$356M - Law Enforcement Training Academy
Funds a new multi-agency law enforcement training academy

\$150M - Violent Crime Intervention Fund
Provides grant funding to local communities to improve public safety

\$623M - Road Infrastructure
Accelerates projects listed in the IMPROVE Act and invests in transportation projects to ensure economic opportunity

\$82M - Public Hospitals
Provides reimbursement for uncompensated care to public hospitals

\$250M - Tennessee State University
Improves physical infrastructure at University

\$2.75B - Capital Improvements & Maintenance
Addresses deferred maintenance within current capital assets (General Government and Higher Education)

\$922M - Fiscal Responsibility
Eliminates authorized but unissued debt, reduces state employee pension and healthcare liabilities, and invests in Rainy Day-Fund