

An Update on Tennessee

Jason E. Mumpower
Comptroller of the Treasury

October 2023

TENNESSEE COMPTROLLER OF THE TREASURY





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TENNESSEE STATE BUDGET

★★★

FISCAL YEAR 2023-2024



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Tennessee's Budget

Highlights

- The total state budget for fiscal year 2023-24 is approximately...

\$56.2 Billion

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Tennessee's Budget

How does the process work?



Each fall, every agency produces its budget for the coming year.

The budget is submitted to the Governor for review.



The Governor's staff uses the information from each agency to recommend a budget to the legislature.

This is usually done by the 1st of February each year.



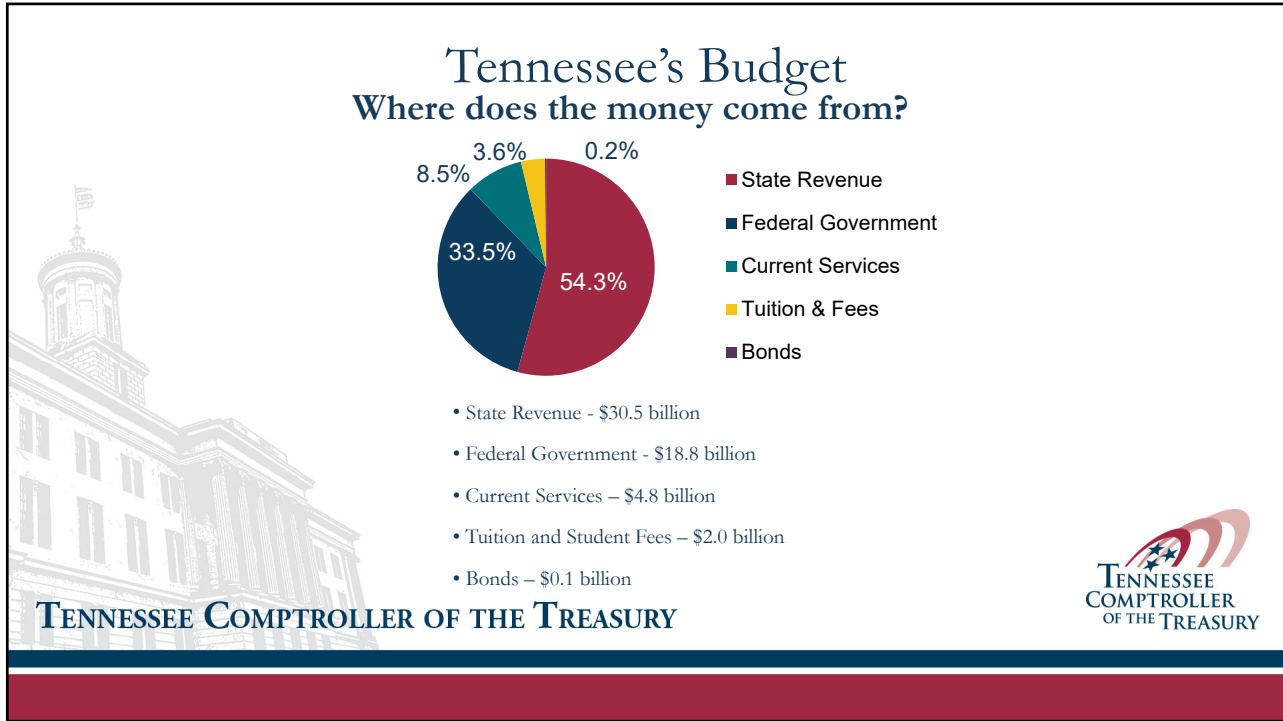
The legislature receives the Governor's proposed budget and holds budget hearings from each agency.

Ultimately, the legislature is responsible for passing a budget each year.

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Tennessee's Budget

Where does the money go?

- The largest portion of the state budget is spent in three areas:
- 1) Health and Social Services
- 2) Education
- 3) Transportation
- In total, the top 5 expenses comprise over 75% of the budget.

Top 5 Expenses	FY 2023-24
Education	\$14.7 billion
TennCare	14.5 Billion
Social Services	8.0 Billion
Transportation	6.1 Billion
Corrections	1.4 Billion
TOTAL – Top 5 Expenses	44.7 Billion

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Budget Accomplishments

- \$3.3 billion to bolster road construction throughout Tennessee
- \$242 million to enhance school safety
- \$125 million for K-12 teacher pay raises
- Continues Building Rainy Day Fund (\$2.05 Billion)
- Reduces future liabilities

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Tax Cuts

- \$273 million for a three-month sales tax holiday on grocery items
- \$150 million in annual small business tax relief
 - Exempted 140,000 businesses from business tax
 - Exempted first \$50,000 of net income from excise tax
 - Protected first \$500,000 in property investment from franchise tax

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Tennessee
Unemployment Hits
Record Low
3.1%



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Unemployment Remains Low



- Tennessee Unemployment Rate:
 - 3.2%
- National Unemployment Rate
 - 3.8%
- Nashville-Murfreesboro, TN MSA
 - 2.7%



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Tennessee's Business Development

Employers are expanding and relocating in Tennessee

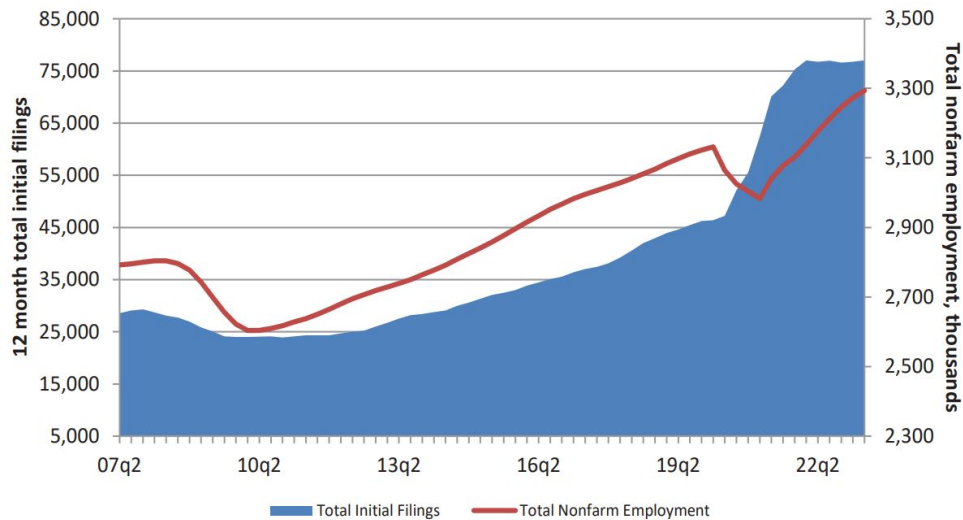
- 16,135 job commitments in 2022
- \$8.66 billion in new Capital Investment in 2022
- 107 Total Projects



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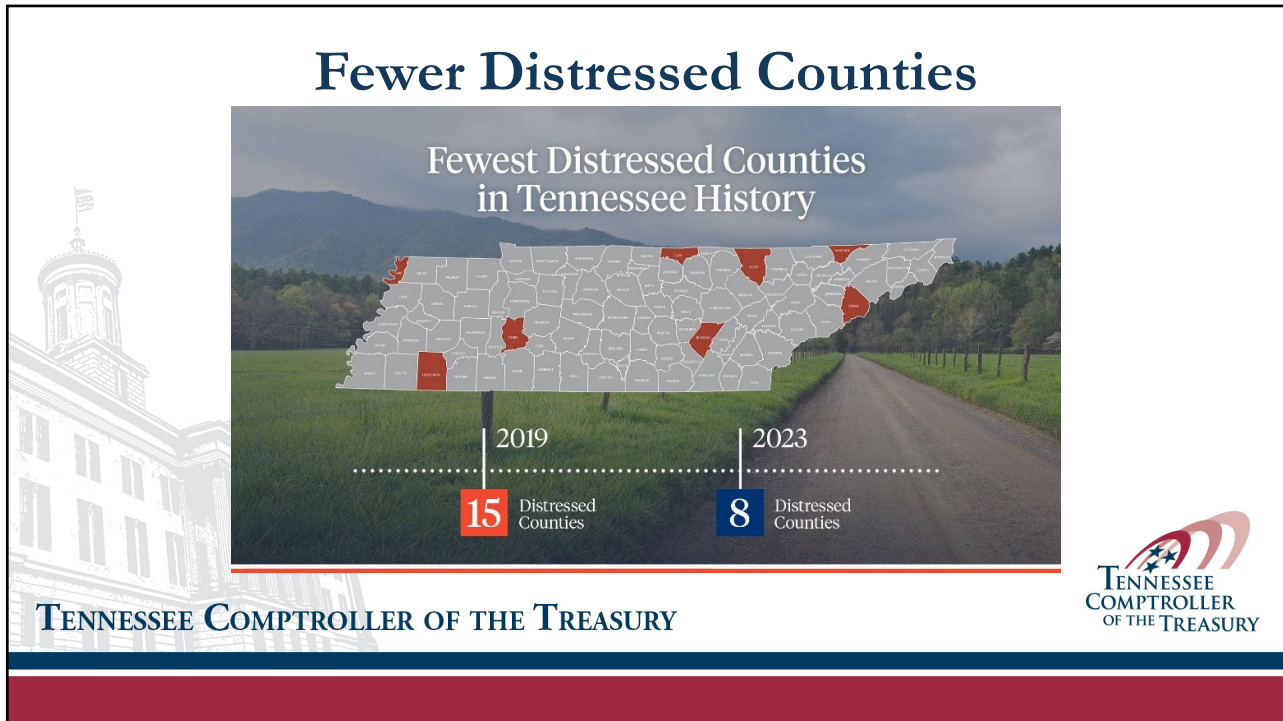
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Record Number of New Businesses

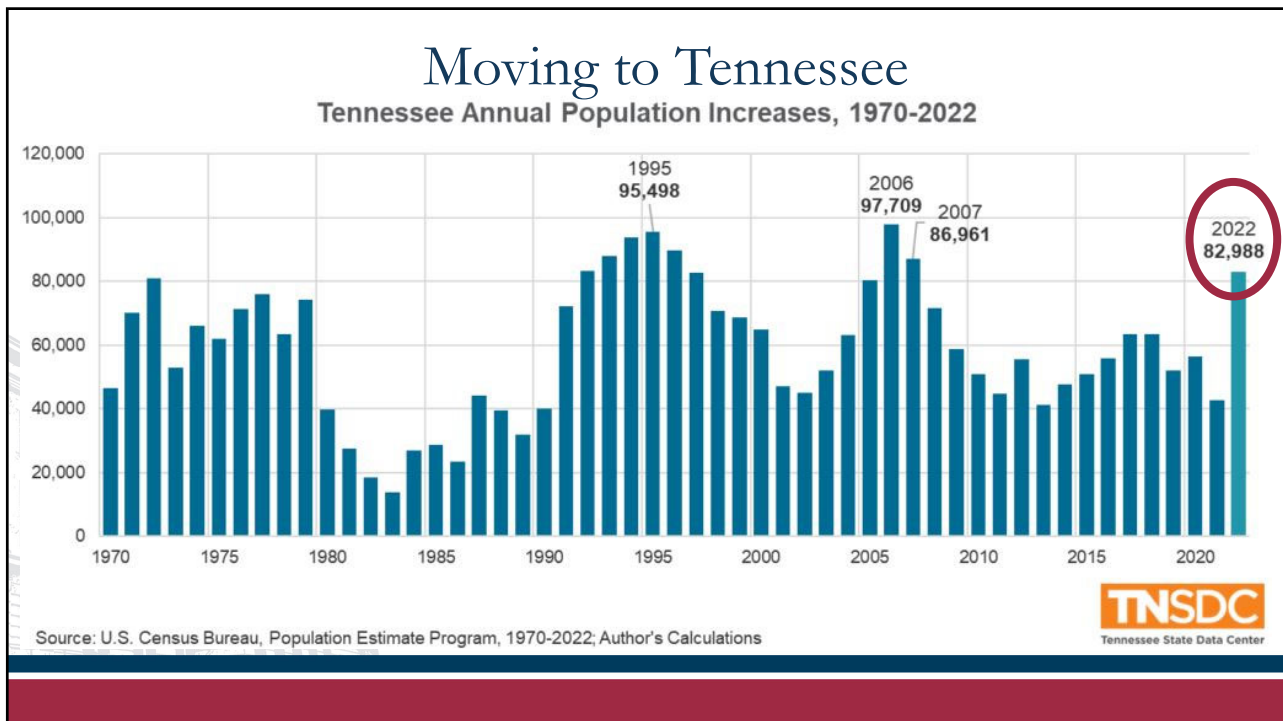


Source: TN Business Filing Data and Bureau of Labor Statistics.
 Note: Nonfarm employment is measured as the 12-month rolling average.

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Tennessee Tourism



- \$29 Billion in 2022
- 141 million visitors
- All 95 counties saw an increase
- Tennessee ranks 11th in the nation

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Looking Down the Road

- FY 2023 State Revenues = \$2.5 Billion more than the budgeted estimates
- Inflation & Interest Rates
- Banking Vulnerability
- Recession?



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Mapping Tennessee Education
tncot.cc/mappingeducation

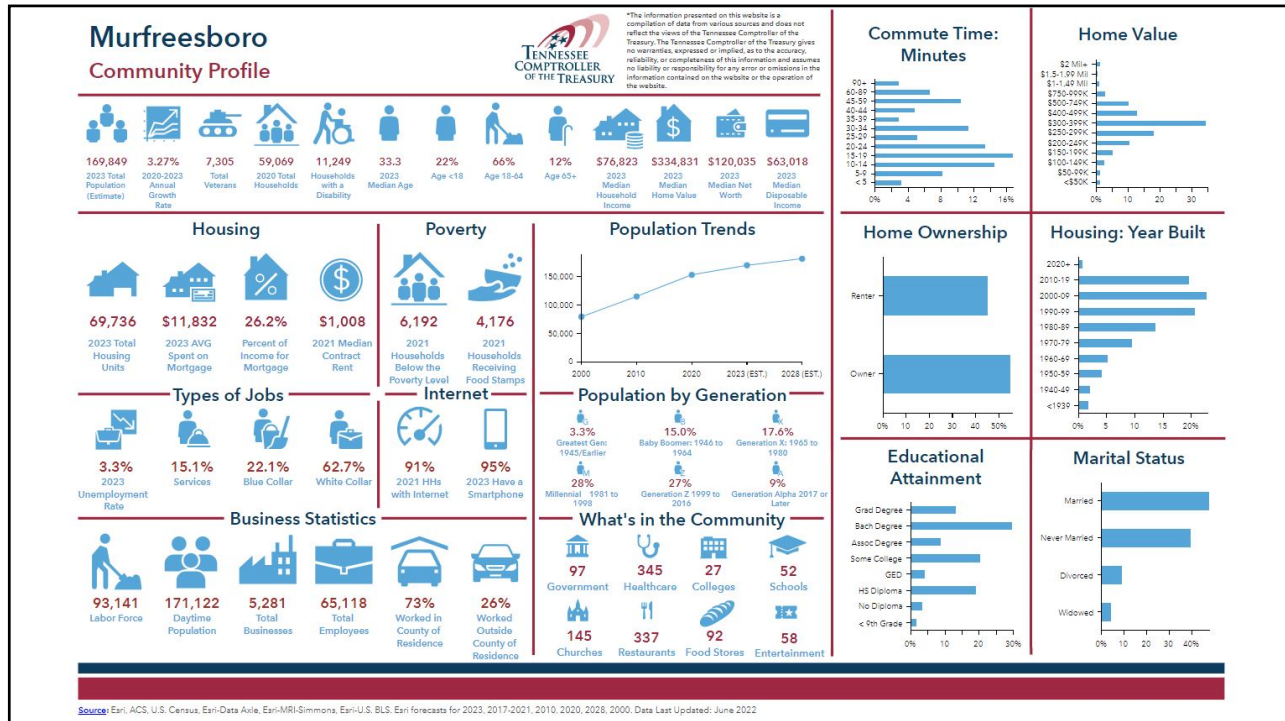
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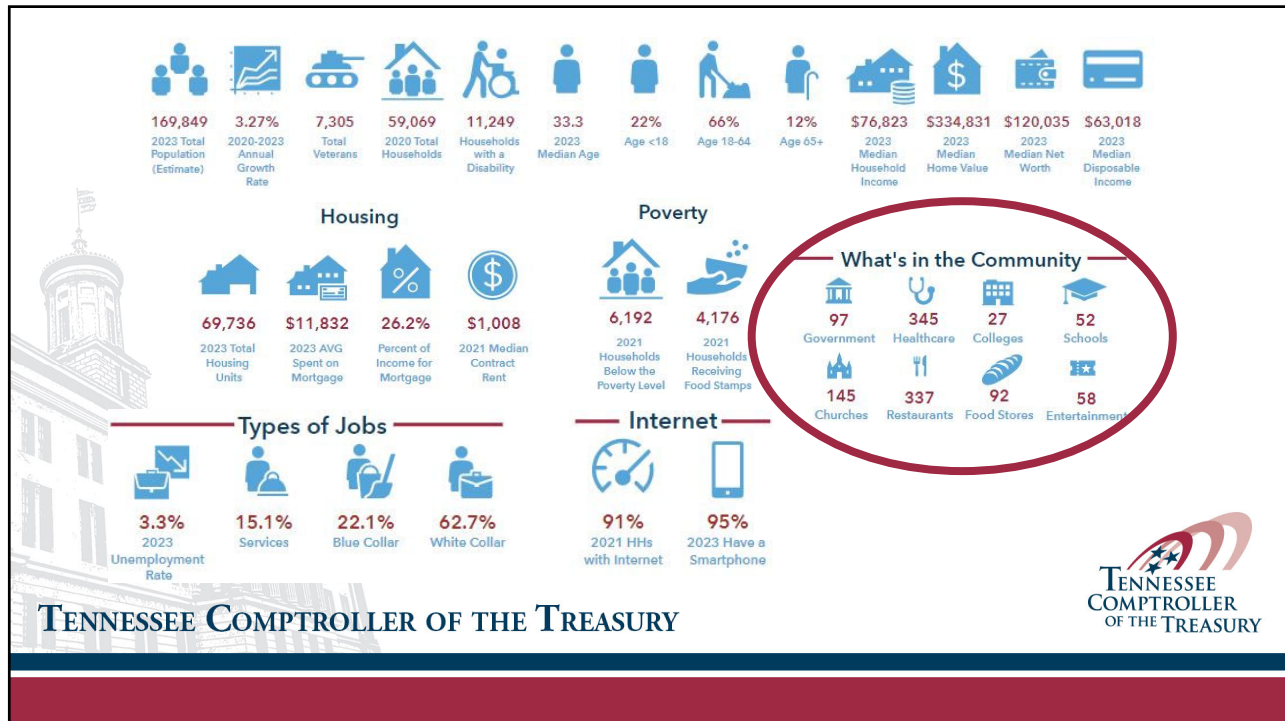
Introducing Community Profiles

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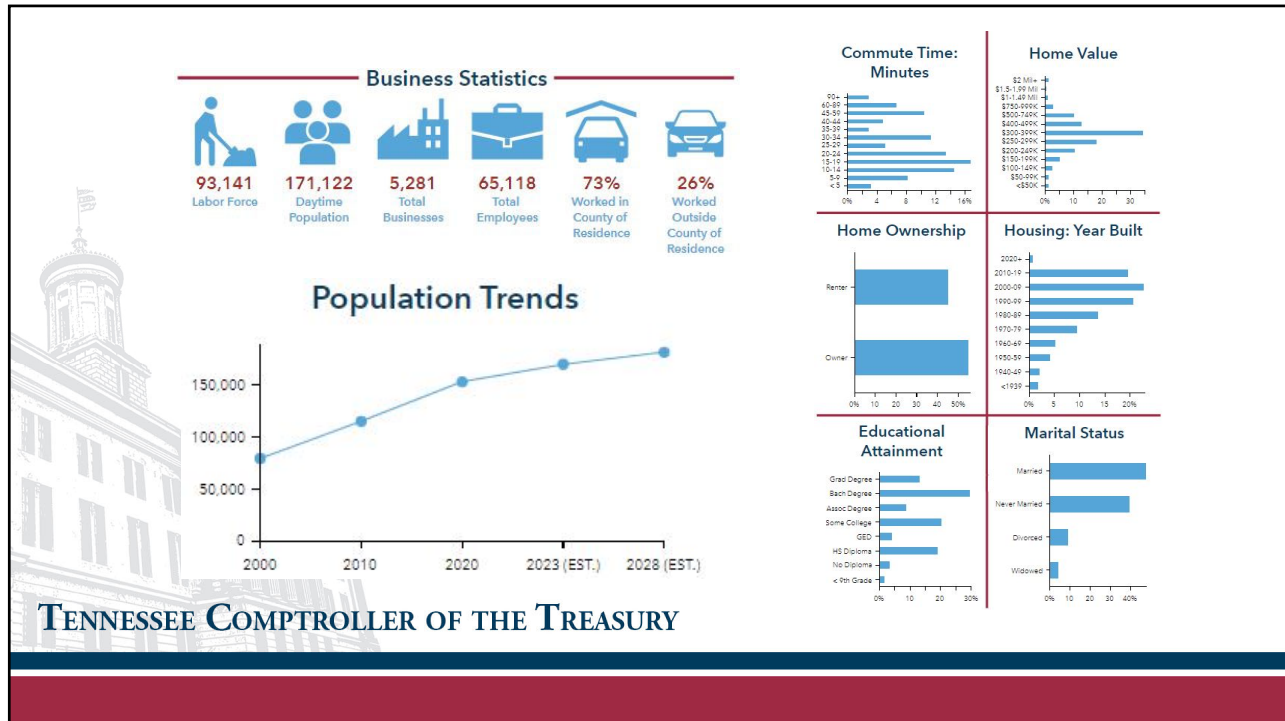
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Where Can I Find My Profile?

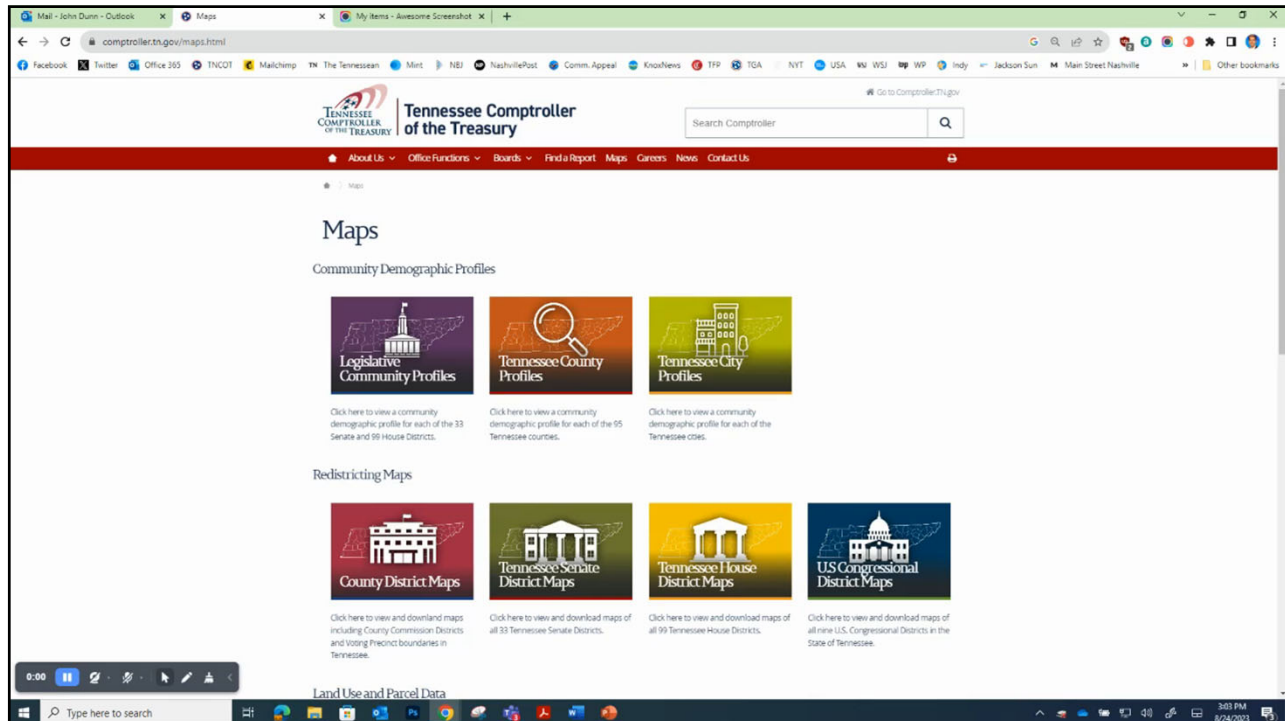
comptroller.tn.gov/maps



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Using the Data

- ❖ Determine where to allocate funding and other resources based on population needs.
- ❖ Plan for the future by understanding trends using past data and future projections.
- ❖ Great information for grant writing.

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City and County Community Profiles

Visit

comptroller.tn.gov/maps



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Tennessee Tennessee

- #2 for Long-Term Fiscal Stability
- Low Debt Burden
- Low Taxes
- Building Reserves and Strong Pension Program
- Among Best States for Business



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Celebrating 50 Years Tennessee Property Tax Relief



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tncot.cc/taxrelief

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An Update on Tennessee

Jason E. Mumpower
Comptroller of the Treasury

October 2023

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 The image shows the cover of a report titled "An Update on Tennessee" by Jason E. Mumpower, Comptroller of the Treasury, dated October 2023. The cover features a white background with a dark blue border at the top and bottom. On the left side, there is a faint, grayscale image of the Tennessee State Capitol building. On the right side, there is the official logo of the Tennessee Comptroller of the Treasury, which consists of a stylized red and white design with three stars above the text "TENNESSEE COMPTROLLER OF THE TREASURY". The title "An Update on Tennessee" is prominently displayed in a large, dark blue serif font. Below the title, the author's name "Jason E. Mumpower" is written in a bold serif font, followed by his title "Comptroller of the Treasury" in an italicized serif font. The date "October 2023" is centered below the author's name. At the bottom of the cover, the text "TENNESSEE COMPTROLLER OF THE TREASURY" is written in a bold, dark blue serif font.

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