

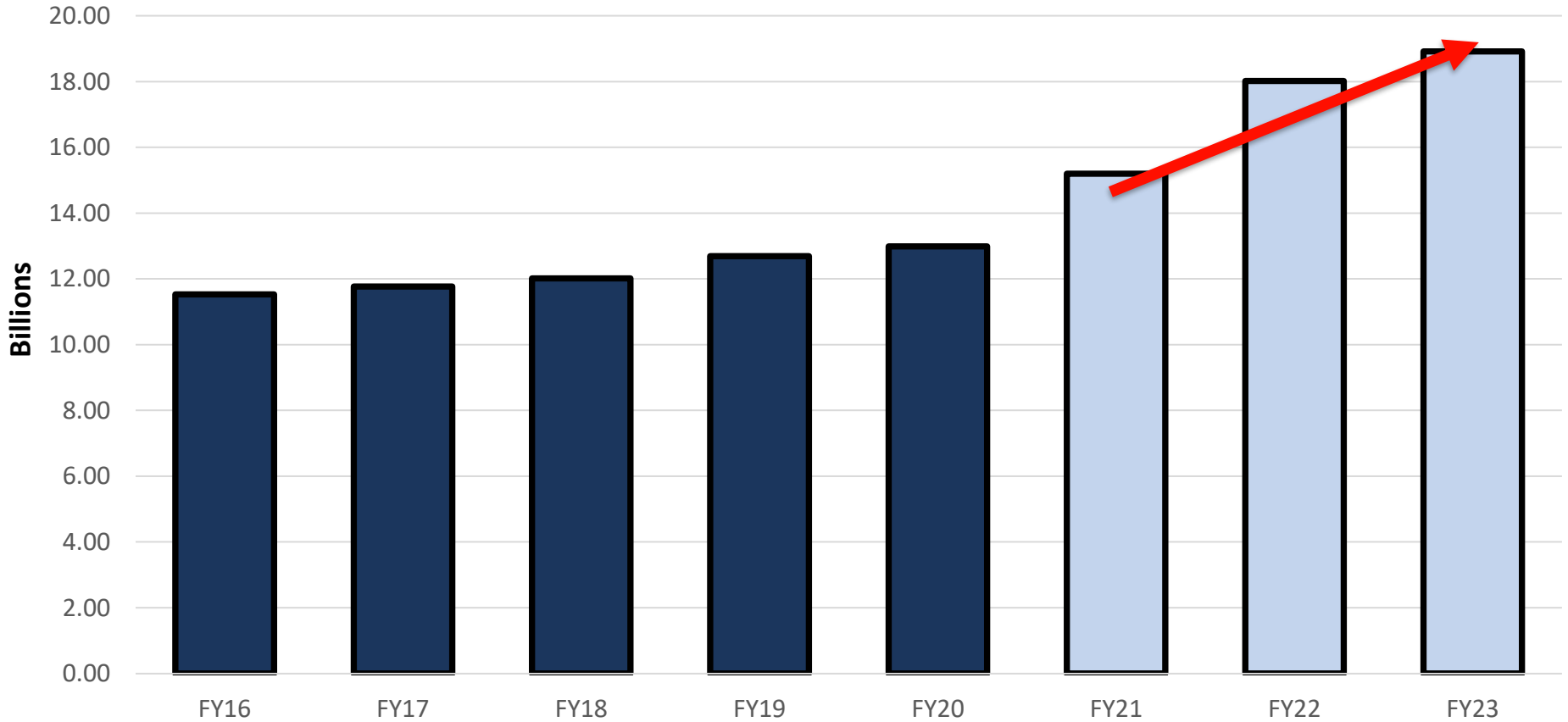


STATE OF TENNESSEE

FY25 Budget Presentation

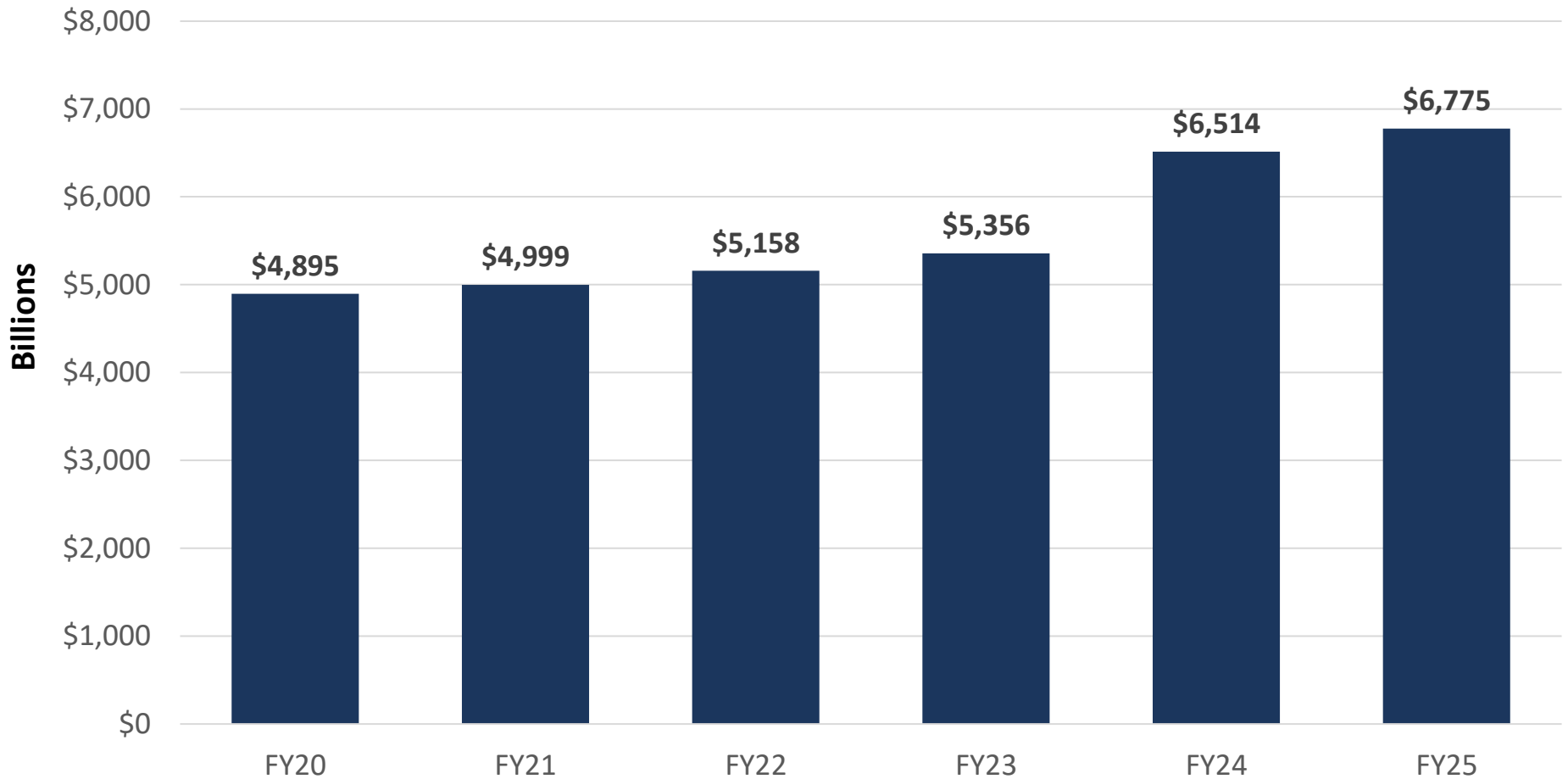
Unprecedented Growth

General Fund Tax Revenue



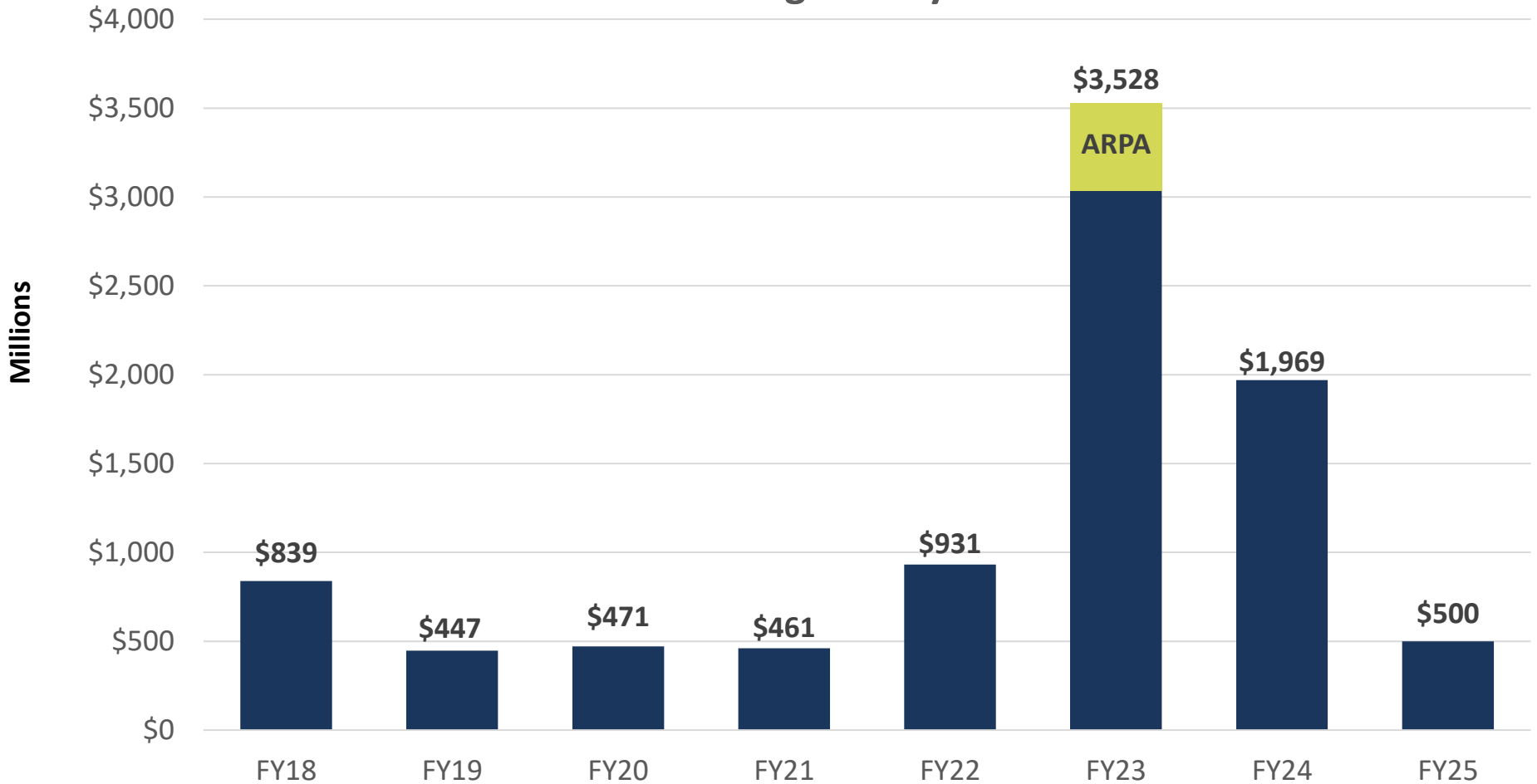
BEP / TISA Funding

Funding History



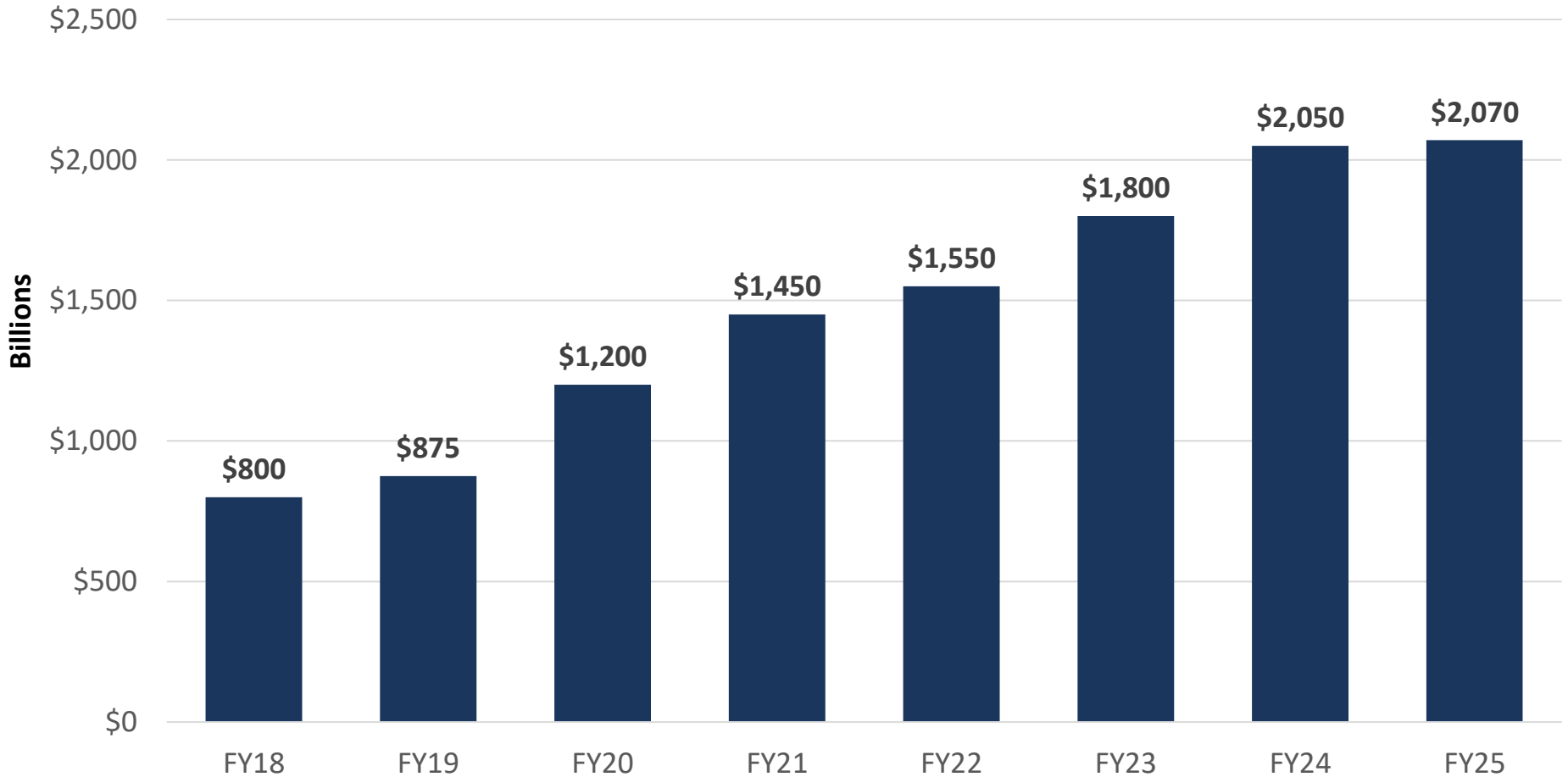
Capital Projects

Funding History



Rainy Day Fund

Rainy Day Fund Balance



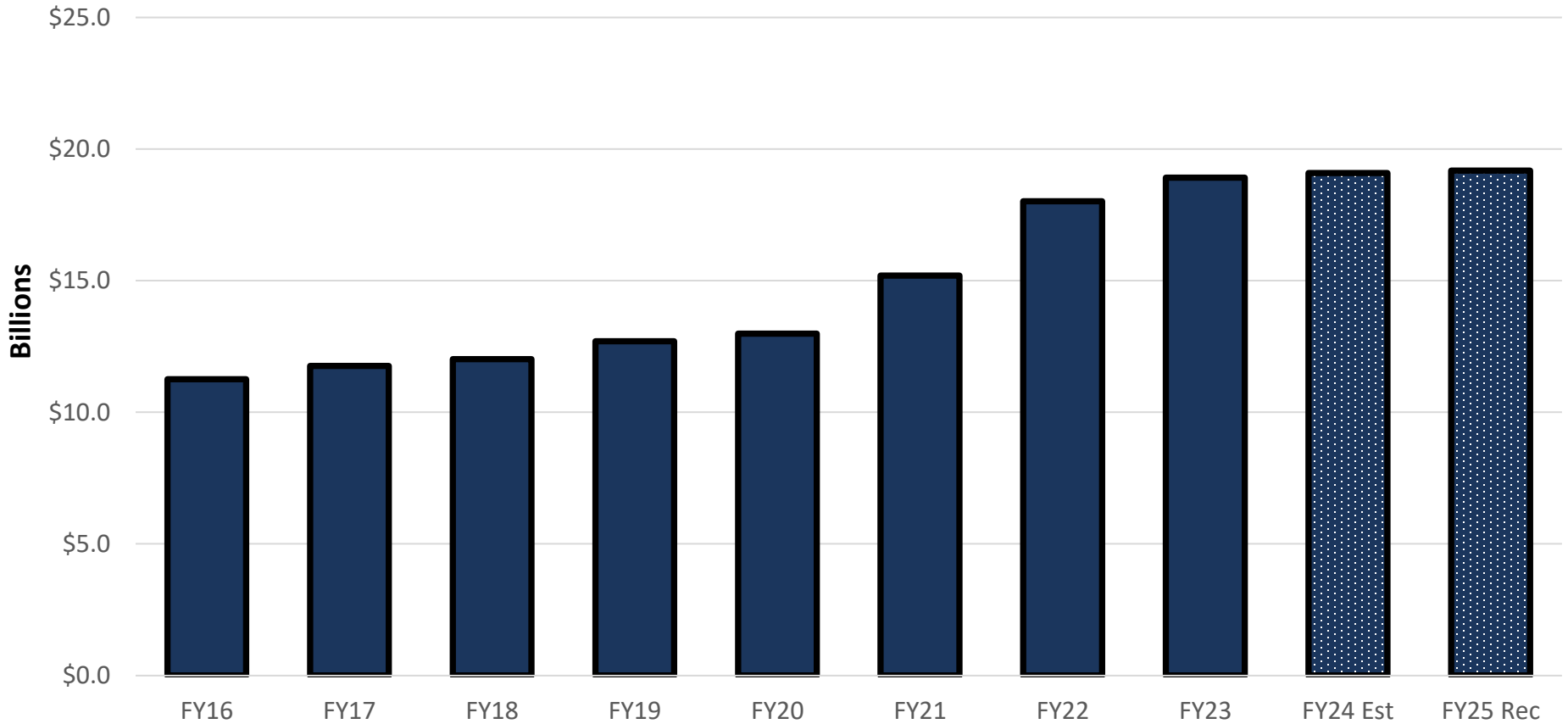
Preparing for Lean Years

Recurring Revenue/ Non-Recurring Expenses

FY22	\$234,744,340
FY23	\$1,325,255,200
FY24	\$2,600,274,360

Slowing Tax Growth

General Fund Tax Revenue



FY24 and FY25 Tax Revenue Forecast

	<u>Projected Growth Rate</u>	<u>General Fund</u>	<u>Impact</u>
July 1, 2023 Tax Estimate for FY24		\$19,806,200,000	
Revised FY24 Tax Estimate (Nov. Funding Board)	0.00%	\$19,087,400,000	(\$718,800,000)
FY25 Tax Estimate (Nov. Funding Board)	0.50%	\$19,182,800,000	\$95,400,000

Franchise Tax Simplification

	FY24 Non-Recurring Supplemental	FY25 Recurring
Budget Impact	(\$1,200,000,000)	(\$410,000,000)

Budget Summary – Recurring Expenses

FY24 Recurring Revenue for FY25

\$ 2,600,274,300

Adjustment to Tax Base (718,800,000)

Franchise Tax Legislation (410,000,000)

Cost Increases (799,896,900)

State Employees - Salary & Benefits (157,869,300)

Other Revenue and Reductions 282,923,200

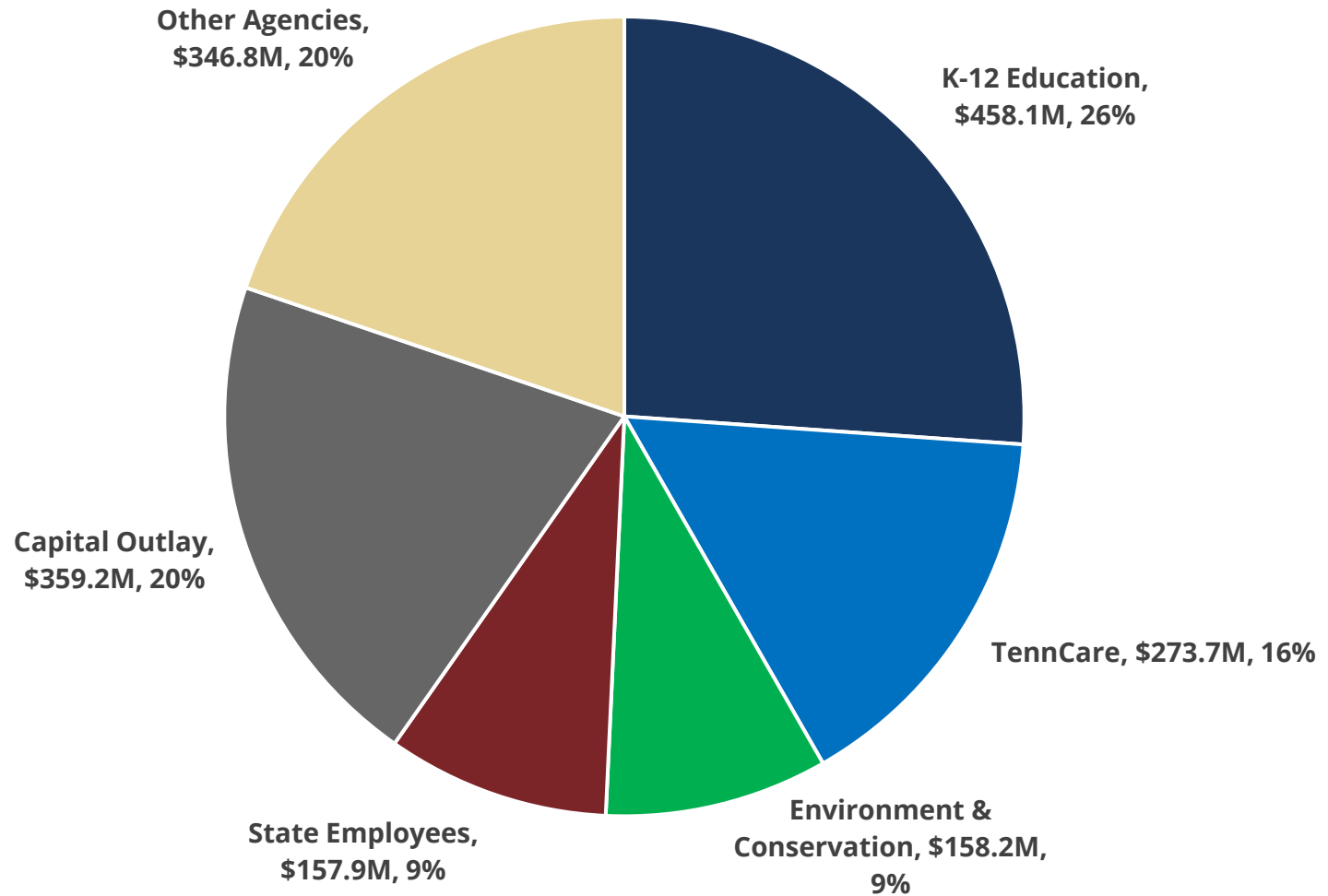
Total Recurring (Uses) \$ (1,803,643,000)

Non-Rec Expenditures (785,473,600)



BUDGET HIGHLIGHTS

Budget Summary – Expense Groups



On-Going Initiatives and Commitments

Health - Smile TN Pilot (Yr 3 of 5)	\$18,057,800
Health - Dental Safety Net Care Fund (Yr 3 of 3)	\$3,375,000
TennCare - Nursing Homes Stability Funds (Yr 2 of 2)	\$17,000,000
Mental Health - Crisis Stabilization Units (Yr 2 of 2)	\$5,000,000
Aging - Alzheimer's and Dementia Care Pilot (Yr 3 of 3)	\$1,000,000
DHS - Child Care Improvement Fund (2 of 3)	\$15,000,000
K-12 - Junior Achievement Grant (Yr 2 of 3)	\$1,200,000
K-12 Teacher Salaries	Included in TISA
Transportation - Aviation Support	\$24,000,000
Blue Oval TCAT / Planning Support	\$8,242,100
F&A - TN Sheriffs Association Systems Pilot	\$811,500
Capital Outlay - DCS Woodland Hills and Wilder	\$233,140,000

K-12 Education – \$458.6M

K-12 Education

TN Investment in Student Achievement (TISA) Growth	\$261,254,000
Summer Learning Program	\$30,707,200
Charter Schools Facilities Funding	\$15,000,000
Education Freedom Scholarship	\$141,500,000

Rural Health Initiative – \$81.1M

Rural Health Resiliency Program	\$50,000,000
Rural Health Pathways	\$15,763,100
Rural Health Apprenticeships	\$6,384,700
Rural Health Training Programs	\$5,398,300
Rural Specialty Care	\$1,050,000
Rural Telemedicine Program	\$66,900
Center of Excellence	\$1,006,000
Center of Excellence Grants	\$1,400,000

Other Health Highlights

TennCare	\$273,685,800
Nursing Home Stabilization	\$17,000,000
Dental Services Pilot (Year 3)	\$18,057,800
Provider Rate Increases	\$32,806,400
Direct Support Professional Increases	\$32,561,900

Behavioral Health Supports

School-Based Behavioral Health Liaisons	\$8,000,000
Behavioral Health Hospitals	\$15,000,000
Children's Hospital Infrastructure Grants	\$10,000,000
Community Mental Health Quality Payments and Workforce Development	\$8,000,000
Care for Individuals with Disabilities	\$1,500,000
Substance Use Disorder Treatment	\$2,000,000
In Home child & Adolescent Behavioral Support	\$1,000,000
Training & support for Pediatric Primary Care	\$400,000
Infant and Early Childhood Mental Health Training	\$167,000

Safety

	FY25 Recurring	FY25 Non-Recurring
60 THP Positions	\$11,419,500	\$5,972,100

Conservation Initiative

Heritage Conservation Trust (Land)	\$71,500,000
Farmland Conservation Fund	\$25,000,000
Blueways Trail Development	\$20,000,000
Bill Dance Signature Lakes Fishing Trail	\$10,000,000
Highway Beautification	\$5,000,000
Access 2030	\$3,000,000
Capital Projects	\$59,000,000

Preparing for the Future

Recurring Revenue/ Non-Recurring Expenses

FY22	\$234,744,340
FY23	\$1,325,255,200
FY24	\$2,600,274,360
FY25	\$785,000,000

This Budget...

- Funds ongoing commitments
- Remains faithful to key priorities
- Is balanced
- Addresses funding challenges now
- Is forward-looking