



TENNESSEE STATE BUDGET



FISCAL YEAR 2026-2027

Tennessee's Budget

Highlights

- The total state budget for fiscal year 2026-27 is approximately...

\$58.3 Billion

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.

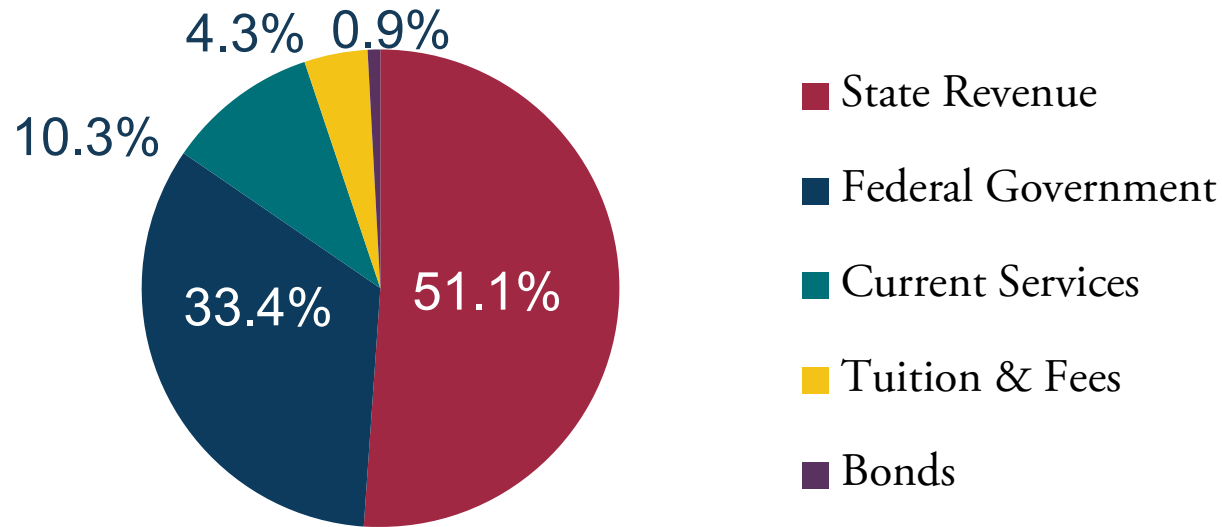
This is usually done by the 1st of February each year.

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

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

Tennessee's Budget

Where does the money come from?



- State Revenue - \$29.8 billion
- Federal Government - \$19.5 billion
- Current Services – \$6.0 billion
- Tuition and Student Fees – \$2.5 billion
- Bonds – \$0.4 billion

Does not total due to rounding.

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 80% of the budget.

Top 5 Expenses	FY 2026-27
TennCare	\$19.2 billion
Education	16.1 Billion
Social Services	7.4 Billion
Transportation	3.5 Billion
Corrections	1.5 Billion
TOTAL – Top 5 Expenses	47.7 Billion

Budget Accomplishments

- \$400 million for new and existing transportation projects
- \$230 million to cover increasing medical inflation
- \$37.5 million for creation of an additional 50 State Troopers to improve public safety
- Continues Building Rainy Day Fund (\$2.21 Billion)
- \$42 million grant pool for emergency and community services

Education Investments

- \$339 million for public education
- \$350 million to build a new College of Medicine Interdisciplinary Building
- \$39.4 million to fully fund the outcomes-based funding formula for higher education
- \$112 million to expand education options for children

Tennessee Strong

- Fiscal Stability
- Low Debt Burden
- Low Taxes
- Keeping our Schools Safe
- Among Best States for Business



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