



Comptroller's Update

Tennessee Government Finance Officers Association

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Comptroller of the Treasury

October 1, 2025

TENNESSEE COMPTROLLER OF THE TREASURY





TENNESSEE COMPTROLLER OF THE TREASURY



- Fiscal
- Finance
- Funding
- Fiduciary
- Framework



TENNESSEE COMPTROLLER OF THE TREASURY



Today's Topics

- Tennessee's Budget
- New Laws to Know
- Updates and Reminders
- State Highlights
- Budget Certificate Recognition



TENNESSEE COMPTROLLER OF THE TREASURY



Tennessee Comptroller's Office

Mission: Make Government Work Better



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Tennessee's Budget

Highlights

- The total state budget for fiscal year 2025-26 is approximately...

\$59.8 Billion

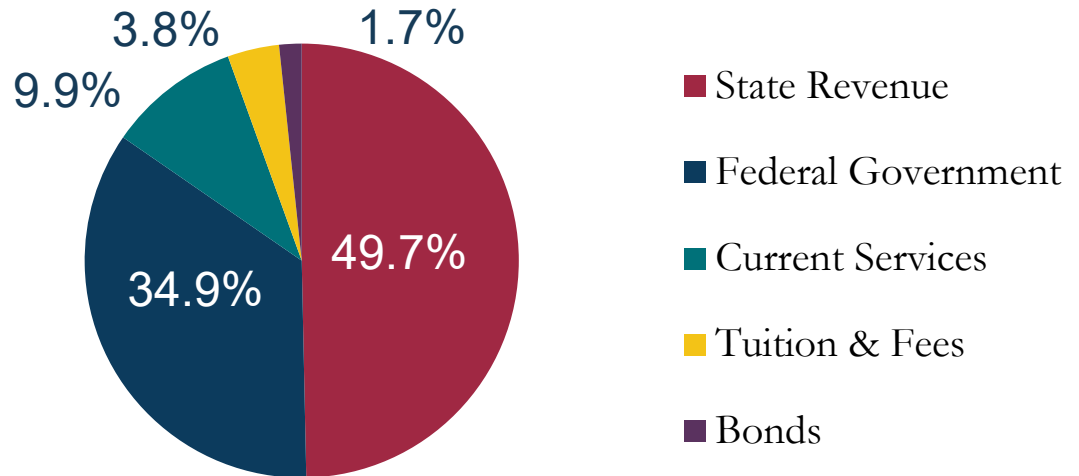
TENNESSEE COMPTROLLER OF THE TREASURY



Tennessee's Budget

Where does the money come from?

- State Revenue - \$29.7 billion
- Federal Government - \$20.9 billion
- Current Services – \$5.9 billion
- Tuition and Student Fees – \$2.3 billion
- Bonds – \$1.0 billion



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 2025-26
TennCare	\$18.7 billion
Education	15.6 Billion
Social Services	8.5 Billion
Transportation	4.0 Billion
Corrections	1.5 Billion
TOTAL – Top 5 Expenses	48.3 Billion

Budget Accomplishments

- \$1 billion to address the state's transportation infrastructure needs
- \$46 million for disaster relief for Hurricane Helene
- \$78 million for rural hospital support and healthcare investments
- Continues Building Rainy Day Fund (\$2.19 Billion)
- \$42.5 million grant pool for emergency and community services

Education Investments

- \$62.7 million in K-12 infrastructure and facilities funds
- \$244 million to strengthen education through TISA including pay raises
- \$198.4 million for teacher bonuses

Penalties for Late Audits

Public Chapter 18

- Imposes penalty on municipalities with two or more late audits
- Penalty will require a withholding of state-shared sales tax revenues until all outstanding audits are completed



Heightened Risk Debt Approval

Public Chapter 218

- Keeps local governments responsible to taxpayers when issuing heightened risk debt
- Requires Comptroller approval before issuing debt with put options, loans with variable interest rates, or interest rate reset provisions



Debt Notification

Public Chapter 17

- Requires reporting to Comptroller's Office when defaults, covenant violations, or credit rating reductions occur
- Guidelines available on Local Government Finance's webpage at tncot.cc/default



Dismantle DEI in Employment Act

Public Chapter 494

- Prohibits governments from making hiring decisions based on metrics related to race, ethnicity, sex, or age
- Allows for exemptions submitted and approved by COT if compliance with the new Act would result in a loss of federal funding



An Important Reminder

December 31, 2024 – All ARPA funds should be obligated

December 31, 2026 – All ARPA funds should be spent



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Property Tax Relief Program

Current Annual Appropriation: **\$41,265,100**

Projected Funding Needed in FY 2027: **\$51,577,240**

Shortfall = \$10,312,140

What happens now?



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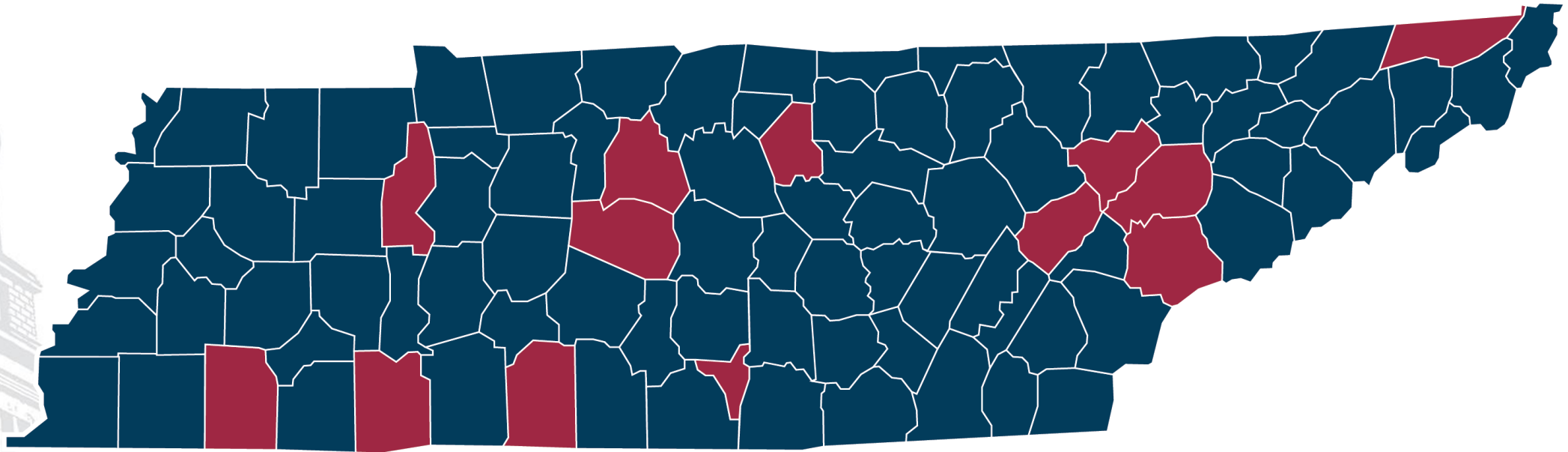


More Frequent Revaluations.

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Moving to a Shorter Cycle



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Unemployment Remains Low

Tennessee Unemployment Rate:

- 3.6%

National Unemployment Rate

- 4.3%

- 22,900 nonfarms jobs have been added in the past year



Business Development

- #3 Best States for Business
- #4 Best Business Climate
- #10 Best States to Start a Business
- 73,757 New TN Businesses in 2024

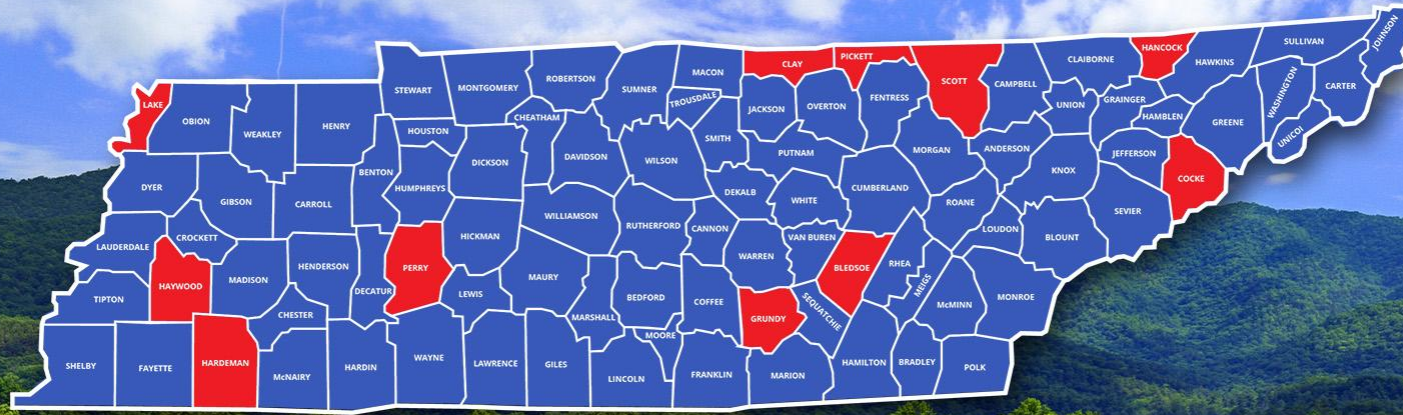


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Fewer Distressed Counties in Tennessee



2019

15 Distressed Counties

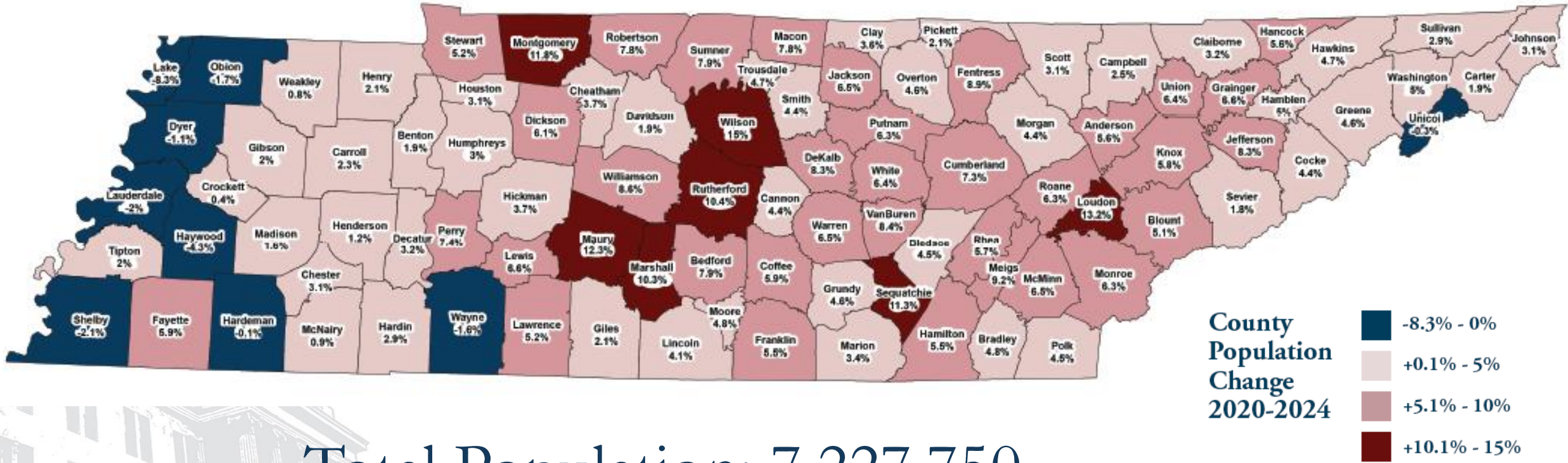
2025

11 Distressed Counties

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Population on the Rise



Total Population: 7,227,750

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Population Growth in Counties

2020-2024

Growth by Percentage	Percent
1) Wilson	15%
2) Loudon	13.2%
3) Maury	12.3%
4) Montgomery	11.8%
5) Sequatchie	11.3%

Growth by Number	Number
1) Rutherford	+35,510
2) Knox	+27,777
3) Montgomery	+25,956
4) Wilson	+22,211
5) Williamson	+21,410

Population Decline in Counties

2020-2024

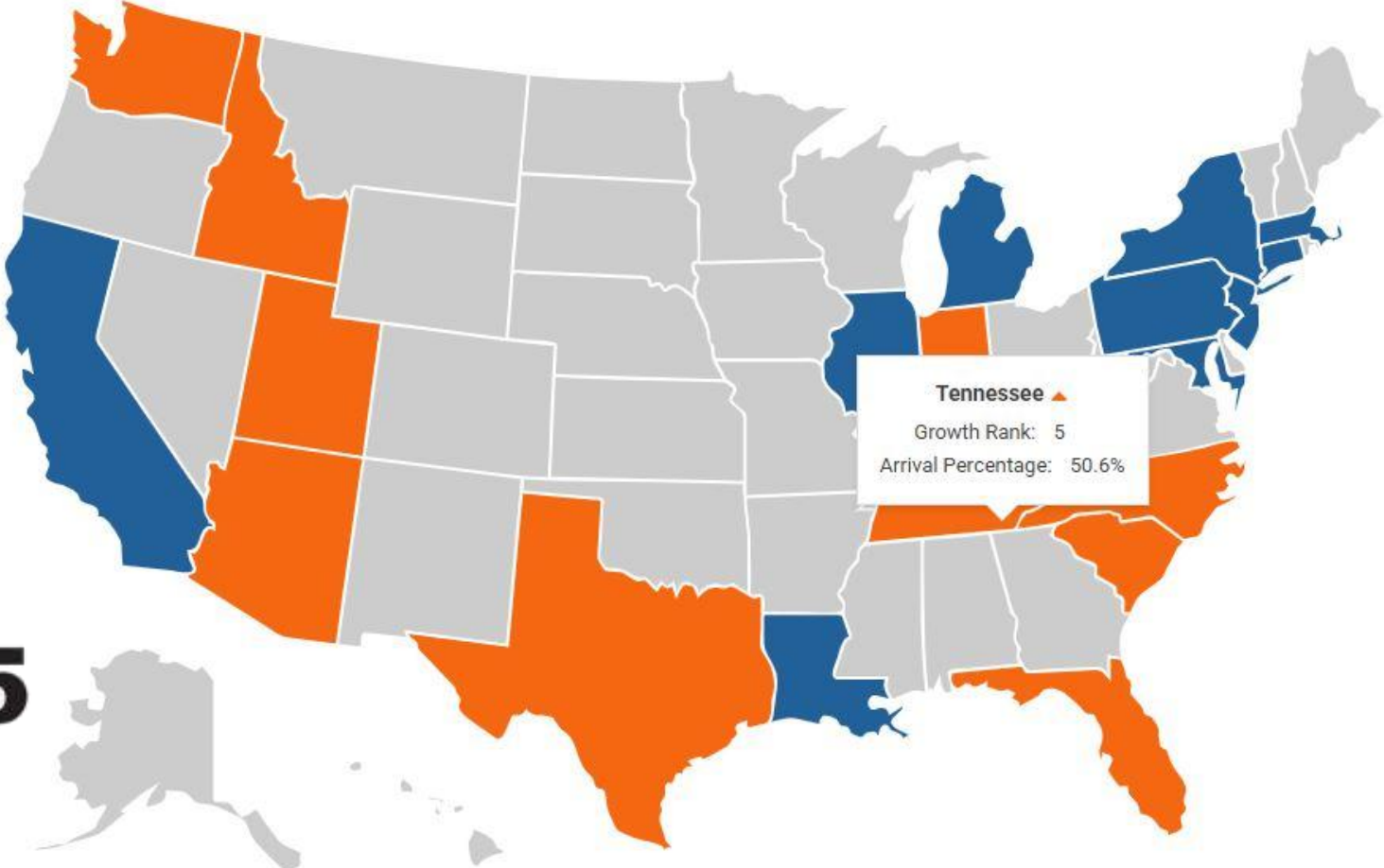
Decline by Percentage	Percent
1) Lake	-8.3%
2) Haywood	-4.3%
3) Shelby	-2.1
4) Lauderdale	-2.0%
5) Obion	-1.7

Decline by Number	Number
1) Shelby	-19,214
2) Haywood	-767
3) Lake	-583
4) Obion	-526
5) Lauderdale	-513

Moving to Tennessee



**GROWTH INDEX
TENNESSEE #5**



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Tennessee Tourism



- \$31.7 Billion in 2024
- 147 million visitors
- Visitors spent \$87 million per day
- \$3.3 billion in state and local taxes

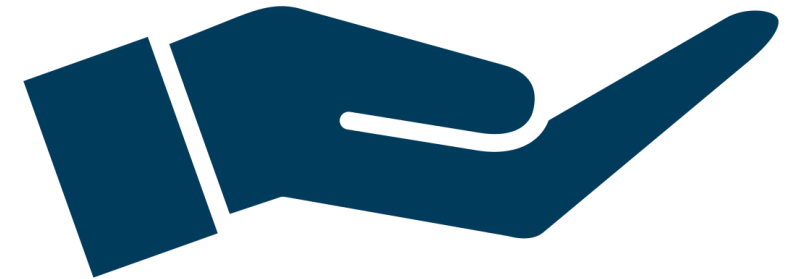
Let's Talk Budgets!

Budgets Adopted by August 31

- Counties: 95 of 95
- Municipalities: 329 of 342

Utilities Adopted with a June 30 FYE

- 90 of 100



Budget Certificates

- The budget was adopted on or before the fiscal year end;
- The budget was filed with our Office within 15 days of adoption;
- No issues of concern were raised during our review; and
- The local gov't is not currently under TBOUR's oversight



Find out more at
tncot.cc/budgetcertificates

Budget Certificate Winners

Counties

Bedford County

Benton County

Cannon County

Carroll County

Cheatham County

Claiborne County

Coffee County

Dickson County

Fentress County

Franklin County

Hamilton County

Knox County

Lauderdale County

Lincoln County

Marshall County

Maury County

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Budget Certificate Winners

Counties

McMinn County

Monroe County

Overton County

Pickett County

Roane County

Scott County

Stewart County

Union County

Weakley County

Williamson County

Wilson County

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Budget Certificate Winners

Cities and Towns

Adams

Algood

Altamont

Athens

Atwood

Auburntown

Baileyton

Brentwood

Bruceton

Bulls Gap

Carthage

Centertown

Chapel Hill

Chattanooga

Clarksville

Collegedale

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Budget Certificate Winners

Cities and Towns

Columbia

Cookeville

Cornersville

Crab Orchard

Crossville

Cumberland Gap

Dandridge

Dowelltown

Eagleville

Elkton

Englewood

Estill Springs

Farragut

Germantown

Goodlettsville

Greenback

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Budget Certificate Winners

Cities and Towns

Gruetli-Laager

Harrogate

Hendersonville

Huntingdon

Kimball

Kingston

Kingston Springs

Knoxville

La Vergne

Liberty

Loudon

Louisville

Maryville

Maynardville

McLemoresville

Milledgeville

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Budget Certificate Winners

Cities and Towns

Monteagle

Morrison

Mountain City

Mt. Juliet

Munford

Murfreesboro

Nolensville

Oak Hill

Orme

Palmer

Pegram

Pleasant Hill

Pleasant View

Powells Crossroads

Pulaski

Ridgeside

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Budget Certificate Winners

Cities and Towns

Rockwood

Shelbyville

Silerton

Smithville

Smyrna

Soddy-Daisy

South Pittsburg

Sparta

Spencer

Spring Hill

Stantonville

Thompson's Station

Three Way

Tiptonville

Tracy City

Unicoi

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Budget Certificate Winners

Cities and Towns

Vanleer

Walden

Watauga

White House

Winchester

Woodland Mills



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Budget Certificate Winners

Utility Districts

Alpha-Talbott Utility District

Arthur-Shawanee Utility District

Bean Station Utility District

Bedford County Utility District

Belvidere Rural Utility District

Blountville Utility District

Bon De Croft Utility District

Cagle-Fredonia Utility District

Calhoun-Charleston Utility District

Castalian Springs-Bethpage Utility District

Cedar Grove Utility District

Center Grove-Winchester Utility District

Cherokee Hills Utility District

Chuckey Utility District

Citizens Gas Utility District

Claiborne Utilities District



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Budget Certificate Winners

Utility Districts

Consolidated Utility District of Rutherford County

Cookeville Boat Dock Road Utility District

Cordell Hull Utility District

County Wide Utility District

Cross Anchor Utility District

Cumberland Utility District of Roane and Morgan Counties

Cunningham Utility District

DeKalb Utility District

DeWhite Utility District

Double Springs Utility District

East Montgomery Utility District

Eastside Utility District

Elk River Public Utility District

First Utility District of Carter County

First Utility District of Tipton County

Gibson County Municipal Water District

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Budget Certificate Winners

Utility Districts

Gibson County Utility District

Gladeville Utility District

Glen Hills Utility District

H.B. and T.S. Utility District

Hallsdale-Powell Utility District

Hampton Utility District

Hardeman-Fayette Utility District

Harpeth Valley Utilities District

Haywood County Utility District

Hendersonville Utility District

Hillsville Utility District

Horton Highway Utility District

Humphreys County Utility District

Huntsville Utility District

Knox-Chapman Utility District

Laguardo Utility District



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Budget Certificate Winners

Utility Districts

Lake County Utility District

Lakeview Utility District

Lone Oak Utility District

Luttrell-Blaine-Corryton Utility District

Madison Suburban Utility District of Davidson County

Mallory Valley Utility District

Middle Tennessee Natural Gas Utility District

Milcrofton Utility District

Natural Gas Utility District of Hawkins County

New Market Utility District

Nolensville-College Grove Utility District

North Overton Utility District

North Stewart Utility District

North Utility District of Decatur & Benton Counties, TN

North Utility District of Rhea County

North West Utility District

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Budget Certificate Winners

Utility Districts

Northeast Henry County Utility District

Northeast Knox Utility District

Northwest Dyersburg Utility District

Oak Ridge Utility District

O'Connor Utility District

Old Gainesboro Road Utility District

Old Knoxville Highway Utility District

Paris-Henry County Public Utility District

Persia Utility District

Pleasant View Utility District

Poplar Grove Utility District

Powell-Clinch Utility District

Public Utility District of Jefferson & Cocke Counties

Quebeck-Walling Utility District

Reelfoot Lake Regional Utility and Planning District

Riceville Utility District

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Budget Certificate Winners

Utility Districts

River Road Utility District

Russellville-Whitesburg Utility District

Saltillo Utility District

Samburg Utility District

Savannah Valley Utility District

Second South Cheatham Utility District

Sevier County Utility District

Sewanee Utility District

Smith Utility District

South Blount Utility District

South Carroll Utility District

South Cumberland Utility District

South Elizabethton Utility District

South Giles Utility District

Spring Creek Utility District of Hardeman County

Springville Utility District

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Budget Certificate Winners

Utility Districts

Surgoinsville Utility District

Sylvia-Tennessee City-Pond Utility District

Tuckaleechee Utility District

Unicoi County Gas Utility District

Walden's Ridge Utility District

Warren County Utility District

Watts Bar Utility District

Webb Creek Utility District

West Cumberland Utility District

West Knox Utility District

West Overton Utility District

West Stewart Utility District of Stewart County

West Tennessee Public Utility District

West Warren-Viola Utility District

West Wilson Utility District

White House Utility District

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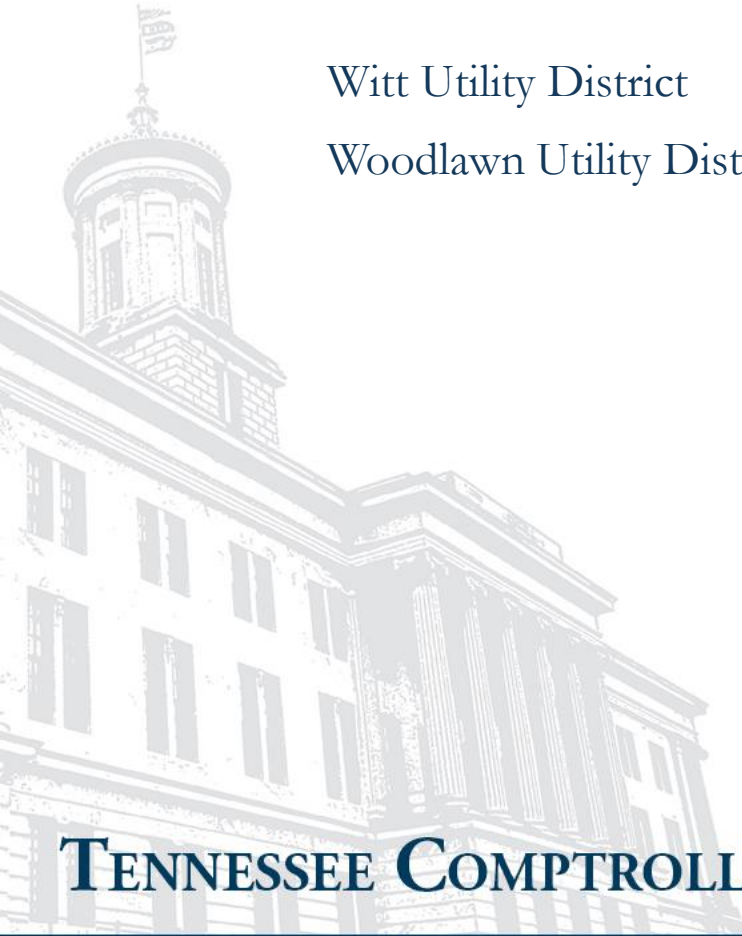


Budget Certificate Winners

Utility Districts

Witt Utility District

Woodlawn Utility District



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Budget Certificate Winners

Authorities

Anderson County Water Authority

Bolivar Energy Authority

Brightridge

Brownsville Energy Authority

Cleveland Utilities Authority

Erwin Utilities Authority

Greeneville Energy Authority

Hamilton Co. Water & Wastewater Treatment Authority

Humboldt Utilities Authority

Jackson Energy Authority

Jellico Utilities Authority

Milan Public Utilities Authority

Tullahoma Utilities Authority

Union City Energy Authority

Watauga River Regional Water Authority

Water & Wastewater Authority of Wilson County

West Robertson Water Authority

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I'm Happy to
Announce...



TENNESSEE COMPTROLLER OF THE TREASURY

Financial Excellence Award



Budgeting



Debt Management



Financial Management



Financial Oversight & Accountability



Financial Reporting & Transparency

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Find out more at
tncot.cc/financialexcellence

Tennessee Strong

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



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Tennessee on Top!



Business Climate

- #1** Proprietors' Income Per Capita
US Bureau of Economic Analysis
- #3** Strongest State Economy
CNBC
- #3** State for Business
Chief Executive Magazine
Area Development Magazine
- #3** Overall Cost of Doing Business
- #4** Regulatory Environment
Area Development

Chief Executive



Economic Development

- #1** Metro for Logistics - Memphis
- #2** State for Food Processing
- #4** State for EV Investment
Business Facilities Magazine
- #2** Responsive State Government
Area Development
- #3** Lowest Industrial Power Cost
Site Selection Magazine



Travel and Tourism

- #1** Most Visited National Park
Great Smoky Mountains NP
- #3** Top U.S. Metro Meeting & Event Destination - Nashville
Cvent
- \$30.6B** Record Tourist Spending
TN Dept of Tourist Development
- 47%** Growth in Overseas Visitors
U.S. Travel & Tourism Office



Financial Stability

- #2** Long-Term Fiscal Stability
- #2** Lowest Pension Fund Liability
U.S. News & World Report
- #5** Budget Surplus per Taxpayer
Truth in Accounting



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thenoog.com



An Update on Tennessee

Jason E. Mumpower

Comptroller of the Treasury

September 2025

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