

TENNESSEE GOVERNMENT *Update*

NEWS FOR THE CLIENTS AND FRIENDS OF BASS, BERRY & SIMS PLC

*"There is a tide in the affairs of men
Which, taken at the flood, leads on to fortune;
Omitted, all the voyage of their life
Is bound in shallows and in miseries."*

William Shakespeare
Julius Caesar, Act IV, Scene iii

The convergence of great literature and Tennessee politics is rare and should not pass unnoticed.

Governor Phil Bredesen concluded his address to the Joint Convention of the Tennessee General Assembly on Thursday, May 3, with these lines from *Julius Caesar* and urged the legislature to "seize the moment, seize the tide." In his address, Governor Bredesen proposed reforming the financing structure of the state's public K-12 education system, the Basic Education Plan (BEP). The Governor proposed BEP 2.0, the \$475 million plan, of which roughly half would be implemented in the fiscal year 2008 budget, would:

- fully fund the state's portion of the cost associated with at-risk students;
- fully fund the state's portion of student growth costs in the year those costs occur;
- expand funding for English language learners, with a goal of one teacher per 30 students (rather than the current ratio of one to 45);
- increase the state's portion of instructional salaries from the current 65 percent to 75 percent; and
- increase the average teacher's salary from \$36,700 to \$40,000.

Governor Bredesen also proposed increased accountability of school systems and individual schools and the enhancement of teachers.

He also called on Tennessee's "'colleges of education" to "send us teachers who know their subject matter, who know how to use tools of their trade...and who have had practical experience... ."

The Governor gave special credit to the chairs of the Finance Committees (Craig Fitzhugh, D-Ripley and Randy McNally, R-Oak Ridge) and of the Education Committees

(Les Winningham, D-Huntsville and Jamie Woodson, R-Knoxville). Details of BEP 2.0 and the Governor's speech can be found at <http://www.tennesseeanytime.org/governor/viewArticleContent.do?id=1017&page=0>

Governor Bredesen also noted that the revenue growth for the state may be close to \$300 million. He asked the General Assembly to “make smart and sustainable investments” in its budget decisions. BEP 2.0 will also utilize approximately one-half of the estimated revenue growth--\$140 million. The Governor suggested the possibility of pre-funding “some future year additions to the BEP” and “the possibility of phasing in the cigarette tax.”

As a practical matter, an agreement on education funding reform that is supported by the Democratic leadership in the House and the Republican chairs of the Senate Finance and Education Committees has a substantial likelihood of being successful.

A resolution of the education funding issue will help pave the way for adjournment by the end of May.

Minimum Wage Bill Progresses

Legislation was adopted in the House that would tie the Tennessee minimum wage to the federal minimum and would also provide for an automatic cost-of-living increase after five years of no increase in the federal level, which currently stands at \$5.15 per hour. The bill, sponsored by Representative Mike Turner (D-Old Hickory), generated heated debate, mostly along party lines. Several amendments by Republicans to soften or gut the bill were tabled, although an amendment suggested by Representative Brian Kelsey (R-Germantown), which dropped the exception for companies engaged in interstate commerce, was embraced by Turner and ultimately approved. While Turner maintained throughout the discussion that he was “for the working man,” Minority Leader Jason Mumpower (R-Bristol) called the bill a “job-killer,” remarking, “Ultimately it will have a negative effect on consumers and the working man.” The measure has yet to clear the Senate Commerce Committee, and its fate in the full Senate is by no means assured.

Illegal Immigration

A somewhat less contentious issue, also presented by Representative Turner, was an attempt to repeal the certificate of driving program that had been in effect in Tennessee for the past seven or eight years, and offer instead a temporary driver’s license for foreigners who can prove their legal presence in the state. Sponsorship of the measure was bipartisan, but still drew flak from several representatives who felt that Tennessee residents would be safer on the roads if illegal immigrants were required to submit to driving tests. The measure passed 86-8 and awaits a Senate vote.

In other immigrant legislation, Senator Bill Ketron (R-Murfreesboro) presented his bill in the Senate to make it a criminal offense to knowingly or recklessly hire an illegal immigrant. A business would not be liable if it verified employee information via the Homeland Security Department’s database. Senator Haynes objected that this legislation

would be pre-empted by federal law, a point that concerned both party leaders to such an extent that the decision was made to delay a vote until questions could be addressed.

Cigarette Tax Temporarily Stalled

The day before Governor Bredesen's BEP 2.0 speech, the administration's proposal to triple the cigarette tax was on the docket in the House Budget Subcommittee. Majority Leader Gary Odom (D-Nashville) reported discussions with Senate leadership, but he indicated that they were not yet ready to move on the bill. He requested the bill be rolled to next week's calendar.

"Tennessee Waltz" Corruption Case

Former State Senator John Ford was convicted by a Memphis federal court jury of bribery on April 29. He is scheduled to be tried on September 18, in a Nashville federal court on charges relating to "consulting fees" received from state government contractors in 2005.

Tennessee Ethics Commission Deadline

Please remember that Lobbying Expenditure Reports required of each employer of a lobbyist are due by May 14.

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J. Richard Lodge, Jr.

PHONE: (615) 742-6254

FAX: (615) 742-2754

E-MAIL: dlodge@bassberry.com



Leslie K. Hafner

PHONE: (615) 259-6342

FAX: (615) 742-2801

E-MAIL: lhafner@bassberry.com