

TENNESSEE GOVERNMENT Update

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

May 9, 2008

Ahead of his address to a joint convention of the Tennessee General Assembly on Monday, May 12, Governor Bredesen outlined his approach to cutting the state budget this week. Bredesen indicated that he will recommend \$468 million in cuts to the \$28 billion budget proposed in January. The budget amendment will include trimming the state's workforce by about 2,000 employees, approximately 5 percent of the total state workforce. The governor has suggested that his preference will be to use non-recurring revenue to offer buy-outs to state workers rather than reducing employment involuntarily across the board.

Governor Bredesen indicated he would eliminate his proposal to expand the pre-kindergarten program by another 250 classrooms statewide, as well as a 2 percent pay raise for state and higher education employees. In addition, he will reduce the budget for higher education, which includes the University of Tennessee and Board of Regents systems. Other administration initiatives, such as the administrative license revocation in DUI cases, will fall to the cutting room floor.

The governor's address can be seen on streaming video at www.tennesseeanytime.org/governor at 5:00 p.m. CDT on Monday, May 12.

The legislative schedule for the week of Monday, May 12, calls for the adjournment on Friday, May 16. The plan, such as it is, calls for the finance committees of both houses to take up the governor's amended budget on Tuesday morning and move it through the system in four days. Despite the published schedule, it is possible the General Assembly will meet on Saturday, May 17, to conclude its business.

All in all, the coming week, as is the case each year in the adjournment week, looks to be a contentious time. The final days of the 2008 session, however, will be a marked difference from those of the 2007 session. In 2007, the General Assembly added \$500 million to the initial budget; whereas in 2008, the General Assembly is being asked to deduct a like amount from the budget initially proposed.

The next Tennessee Government Update will come to you after the legislature adjourns *sine die*.

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