

TENNESSEE GOVERNMENT *Update*

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

Wednesday, December 17, 2008

This update is to introduce Justin Pitt to you and to bring further disheartening news about Tennessee's state budget.

The Government Advocacy Practice at Bass, Berry & Sims

Justin Pitt is an attorney in Bass, Berry & Sims' Litigation and Dispute Resolution Practice. He has agreed to expand his responsibilities to assist our Government Advocacy Practice. He joins Dick Lodge and Leslie Hafner in the firm's lobbying and regulatory practice. Pitt has provided counsel and support to the Government Advocacy Practice throughout his tenure at Bass, Berry & Sims and will now take a more active role in representing client interests directly with members of the Tennessee General Assembly.

Pitt is a 2001 graduate of Washington University School of Law where he was a member of the Order of Coif. In addition, he was a delegate to the Republican National Convention in 2008 for Senator John McCain, is a lawyer for the Tennessee Republican Party, and was vice chair of the Tennessee Young Republicans.

As a reminder about the other two members of the group, Lodge is former chair of the Tennessee Democratic Party and served as legislative director for United States Senator Jim Sasser. Hafner was a press aide to Republican Governor Don Sundquist and a legislative liaison for Sundquist's Department of Finance and Administration.

Tennessee's Budget Woes

The State Funding Board met last week and estimated that in the current fiscal year, as compared to the 2007-2008 budget, the growth rate for general fund revenue will be in a range from negative 6.5 percent to negative 8 percent. It estimated the growth rate for the fiscal year beginning July 1, 2009 (as compared to this fiscal year) to be in a range of from .25 percent to 2 percent. The state is confronting a deficit against the current fiscal year budget adopted May 2008 of roughly \$1 billion. When adopted, the current budget included cuts from the previous year of approximately \$500 million.

Finance and Administration Commissioner Dave Goetz indicated last Friday that he understood that the General Assembly would take a three-week recess following its organizational session beginning January 13, 2009 and running three days that week. Commissioner Goetz said that, if that schedule is correct, the governor anticipated presenting his budget to the General Assembly sometime during the second week of February.

The materials contained herein have been abridged from the statutory sources and should not be construed or relied upon for legal advice. Readers are urged to consult legal counsel concerning particular situations and specific legal questions.

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