

TENNESSEE GOVERNMENT *Update*

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

Friday, March 27, 2009

Monday evening, March 23, Governor Phil Bredesen presented his budget for the fiscal year beginning July 1, 2009 (FY 2010). The budget proposal is balanced at \$29.336 billion, state and federal money combined, a decrease according to the administration of 1.47% from the current fiscal year. Of the total, \$11.48 billion is state generated revenue. Schedules and graphs are in the "Budget Briefing Presentation." <http://www.tennesseeanytime.org/gov/budget/>

<http://www.knoxnews.com/news/2009/mar/24/major-cuts-may-be-avoided/>

Based on the administration's estimation, it will be FY 2012 before state taxes and fees will again provide the revenue raised in either of the last two fiscal years (FY 2007 and 2008). In fact, the proposed budget reduces state spending in FY 2010 and FY 2011 and replaces those cuts with federal stimulus money. Such funds are non-recurring from a budgetary standpoint. Should the economy not recover as estimated by FY 2012, the revenue shortfall in that year, beginning July 1, 2011, could be serious.

The governor proposes, however, to leave the state some wiggle room. The projection for the so-called rainy day fund for FY 2012 is almost \$600 million.

<http://twitter.com/TNGovNow>

If you have not bookmarked Bass, Berry & Sims' government updates Twitter* page or signed up as one of our instant update Followers**, here is a sample of the real-time information you missed this week:

- Tuesday, March 24, 2009, 11:09 a.m. **House Finance Chair announces budget hearings will begin next week; should conclude by end of April.**
- Tuesday, March 24, 2009, 5:38 p.m. **Senate State and Local defers action on bill to allow wine in grocery stores until 3-31-09.**

Notes about Twitter

* **Twitter** is a free on-line service Bass, Berry & Sims has adopted to keep clients, firm friends and co-workers abreast of the goings on of Tennessee Government. It is a real-time feed of quick, frequent messages sent by Dick Lodge, Justin Pitt, Leslie Hafner and Linda Heft.

**** Followers** are the clients, firm friends and co-workers who have signed-up for the free Twitter service and have the Twitter Tweets*** sent to their Mobile Phone, BlackBerry, or personal Twitter page.

*****Tweets** are the quick, frequent messages sent to you by our Government Advocacy Team.



J. Richard Lodge, Jr.
(615) 742-6254
(615) 742-2754 FAX
dlodge@bassberry.com



Justin D. Pitt
(615) 742-7737
(615) 742-2798 FAX
jpitt@bassberry.com



Leslie K. Hafner
(615) 259-6342
(615) 742-2801 FAX
lhafner@bassberry.com

315 Deaderick Street • Suite 2700 • Nashville, TN 37238-3001 • (615) 742-6200
The Tower at Peabody Place • 100 Peabody Place, Suite 900 • Memphis, TN 38103-3672 • (901) 543-5900
1700 Riverview Tower • 900 S. Gay Street • Knoxville, TN 37902 • (865) 521-6200