



The Weekly Update

Tennessee General Assembly
House of Representatives

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On Monday night, the General Assembly heard Governor Phil Bredesen deliver his final State of the State Address and were presented with copies of the governor's proposed budget.

In his final State of the State speech, Governor Bredesen delivered a hopeful yet concerned outlook for Tennessee's financial future. Specific details addressed in the speech included:

*Even with the tough cuts and revenues shortfalls of the past year, Tennessee will have about \$850 million in Rainy Day and TennCare reserve funds at the end of the current fiscal year.

*\$202 million of those reserves are expected to be needed to fill in the gap in the Governor's proposed budget for the upcoming fiscal year.

*Governor Bredesen's proposed budget once again fully funds the BEP, Tennessee's Basic Education Program for K-12 schools.

*Having worked for three consecutive years without any pay increase, including cost-of-living increases, the Governor's proposed budget includes a 3% bonus for state employees and no cuts to the 401K match program.

*For 2011-2012, TennCare spending is expected to nearly equal K-12 education spending, a significant improvement compared to 2004 when TennCare spending was nearly 2.5 times more than K-12 education.

*Cuts of up to 9-percent to administrative departments have been proposed again this year in order to balance the budget. However, previous proposed cuts to the Department of Correction that would have potentially closed two prisons in Tennessee are no longer on the table.

*A downsize in workforce has been proposed, but the number of potential layoffs has been reduced to just over 1,000 jobs. Of those potential cuts, 314 positions are projected to be maintained for the next two years and reevaluated at the end of that two-year period.

*A number of programs with proposed cuts have been protected, including: the Coordinated School Health Program, Safety Net Grants to the Federally Qualified Health Centers, Diabetes Prevention Program, Community Mental Health Recovery Services, Alcohol and Drug Addiction Services, Juvenile Justice Prevention Grants, Family Support Services Program and the Human Resource Agencies and Community Action Agencies.

The Governor's proposed budget is a tough budget but a balanced budget that maintains the services we need. House Budget hearings are set to begin next week and last throughout the next several weeks. The legislature will no doubt alter this proposed budget in several areas, including attempting to save more jobs. A final vote on the budget could come as early as April.

On another issue, a hearing is scheduled next week on the Workers Compensation insurance requirements. This hearing will be held in the Consumer & Employee Affairs committee.

If you would like to video stream committee meetings, House sessions or Senate sessions as they happen, go to:

www.legislature.state.tn.us

On the top bar, move your cursor over "video", and then click your choice (Senate Video, House Video or Joint Video).

A list of upcoming meetings with dates/times will pop up. If a meeting is currently being video streamed, you will be able to click on "video" to see it live.

As always, please contact me if I may be of service to you.



Weekly Update is for informational purposes only