

# ROBINSONGREEN

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## **Special Session Concludes with Educational Reforms Approved**

Governor Phil Bredesen issued a call for special session to take up legislation pertaining to several key K-12 reforms. The first week of Extraordinary Session focused on the changes needed to make application for federal grant funds through the federal initiative Race to the Top. The legislation that was approved by the General Assembly put into place some critical elements necessary to enhance the state's application and possibly receive some \$501 million in new funds. Key elements of the reforms include more aggressive student testing and evaluation. The evaluation known as Tennessee Value Added Assessment System was created in the early 1990's but will be enhanced under the new reforms. Teachers will be evaluated using more of the student performance standards and the approved reforms came after compromise with the Tennessee Education Association. The application was due on the 19<sup>th</sup> and was made by the state in time.

Week two of the Extraordinary Session focused on higher education changes. The momentum for the changes came from discussion over the feasibility of restructuring the overall governance structure of higher education in the state. One key element of the changes included easier guidelines and standards for community colleges course credits and guaranteed transfer processes for credits to make it easier for students to begin at a community college transfer to a four-year institution and earn their degree. The other major element of the higher education initiative dealt with formalizing collaborative research efforts between the universities and private research institutions. The University of Tennessee has enjoyed a strong relationship with the Oak Ridge National Laboratory for many years. The legislation passed cements this important relationship and further recognizes the strong research partnerships formed by the University of Memphis.

Both legislative successes gave Governor Bredesen a strong victory during the start of his last legislative session as the Chief Executive of the state.

## **Regular Session Begins with Minds on the Money**

The General Assembly convened year two of the 106<sup>th</sup> Assembly with thoughts focused on the looming battle over approval of the state's budget. As Governor Bredesen submits his last budget in his State of the State on Monday night, legislative leaders balance tough decisions on deep cuts and desire by members to conclude earlier this election year. The state currently is in the middle of 19 months of revenue decline and now faces a budget that must be balanced by constitutional mandate. The expectation is that departmental budgets will be slashed. The Governor has requested cuts of 6% and 9%. It is also

assumed that employees will be laid off. The Governor has indicated that some layoffs will be made for business reasons, since the function is being merged into other departments or services being eliminated outright. Finally, many fear the battle over deep cuts in TennCare. The administration has stated that providers will experience a 7% cut in fee levels. Hospitals, like The Med in Memphis fear further cuts will force them to close.

The key question is how much of the reserves will the legislature tap into to balance this budget. The rainy day fund, which had reached \$753 million, will be down to \$533 million by June 30. The state also has \$300 million in TennCare reserves. Bredesen knows and has admitted that some use of reserves will happen. The question is how much? The State Funding Board is scheduled to make its final determination on revenue in early to mid April rather than late May, so legislators will be in a position to vote on the budget and go home by mid May.

### **Committees Getting Started**

Legislative leaders have outlined a plan to conclude their business by May 1. The two week special session may make it difficult to meet that deadline but committee chairs are beginning their work with many committees having calendars of bills ready for consideration. Many expect most committees to close by the first or second week of April. Client calendars will start going out next week.

### **More Bill Filings**

Last Thursday was the deadline in the Senate for all bill filings. The House has not as of yet adopted such a deadline, however, one is expected this week. The only remaining House bills that can be filed and possibly passed needed to have a Senate companion bill filed last week so it is easy to determine some 3,700 will once again be filed for this two-year session. That number is down from past years but is still too many. We expect by next weekend, we should have final bill tracking forms for clients to review. If you have any question, just give me a call at 615.500.3224.