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HASLAM: STATE OF OUR STATE IS ONE OF UNIQUE OPPORTUNITY

Budget proposal makes the largest K-12 investment without a tax increase in state history

NASHVILLE – Tennessee Gov. Bill Haslam tonight delivered his 2016 State of the State and Budget Address before a joint session of the 109th General Assembly, unveiling a balanced \$34.8 billion proposal that makes the largest investment in K-12 education without a tax increase in Tennessee’s history.

The governor’s Fiscal Year 2016-2017 budget proposes 261 million in new dollars for Tennessee public education, including \$104.6 million for teacher salaries.

In his speech Haslam highlighted the collaborative effort across state government to grow Tennessee’s economy, reduce ongoing costs, provide high quality service to taxpayers and maintain fiscal discipline that has positioned Tennessee to invest in its priorities.

“The reality is that the state of our state is one of unique opportunity, an opportunity that must not go to waste,” Haslam said. “This opportunity is a result of a strengthening economy combined with the hard work and discipline of our departments and the conservative fiscal strategy employed by the General Assembly, our constitutional officers and this administration.

“By managing wisely and investing strategically, we’re making tax dollars work harder for Tennesseans. This is what we do.”

Haslam’s budget proposal builds up state reserves, puts Tennessee on the path to catch up on long-deferred maintenance of buildings, reinvests in the state workforce and focuses one-time dollars on reducing the state’s ongoing costs.

“This is our opportunity. Let’s bear down on what we can do together, keeping Tennessee a state with a strong financial condition, helping Tennessee to be the No. 1 location in the Southeast for high quality jobs, and making certain that all Tennesseans regardless of their circumstances have an opportunity for a high quality education,” Haslam said.

Including the current fiscal year’s appropriation, state government will invest more than 414 million in new dollars in Tennessee schools, more than \$200 million of that toward increases to teacher salaries. Additionally, Haslam proposed funding the 12th month of health insurance for teachers and doubling the state’s recurring contribution for technology needs at schools.

“What’s important in all of this is that we’re not investing in the same old public education system in Tennessee. We’ve raised our standards. We’ve linked teacher evaluations to student



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performance, and we've expanded education options for children. We're showing historic progress, and we can't back up," Haslam said.

The governor's proposal puts \$100 million into the state's Rainy Day Fund, bringing it to an estimated \$668 million on June 30, 2017; \$60 million for salary increases for state employees; and another \$36 million for market rate adjustments for state employees making less than \$50,000 annually.

Haslam proposed significant investments in higher education and the Drive to 55 initiative, the state's effort to increase the number of Tennesseans with a postsecondary credential to 55 percent by 2025, including:

- \$50 million for the Complete College funding formula for higher education;
- \$20 million for the Drive to 55 Capacity Fund to help community and technical colleges meet the growing demand for degrees and certificates; and
- \$10 million for the Labor Education Alignment Program (LEAP) helping communities align degree and course offerings with the needs of the local workforce.

The proposal invests \$581.6 million in state and other funds to build new buildings and fix existing higher education and general state government facilities. This includes the top recommended capital projects for both the University of Tennessee (UT) system and the Tennessee Board of Regents (TBR):

- \$85.5 million for a new Tennessee Tech University laboratory science building;
- \$39 million for a new dentistry building at the UT Health Science Center in Memphis;
- \$38.8 million for Tennessee State University's new health science building; and
- \$36 million for renovations to UT-Chattanooga academic buildings.

Other notable budget investments are:

- \$130 million from the General Fund to repay the Highway Fund;
- \$24 million in state funds for the Employment and Community First (ECF) CHOICES program to allow the state to serve more people currently on the Department of Intellectual and Developmental Disabilities' waiting list and others eligible for services;
- \$12.8 million for facilities and homeland security upgrades for the Military Department;
- \$10 million for the Department of Economic and Community Development's Rural Development Initiative; and
- \$1.27 million to increase the number of drug recovery courts from 41 to 50 and for two additional veterans courts.

The complete text of the governor's speech, an archived video and budget documents will be available at <http://tn.gov/governor/topic/state-of-the-state>.

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