



BILL HASLAM
GOVERNOR
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EDUCATION INVESTMENT, FISCAL RESTRAINT SETTING TENNESSEE APART
Haslam highlights state's successes, lays out strategies to address challenges in 2013 address

NASHVILLE – Tennessee Gov. Bill Haslam tonight delivered his 2013 State of the State address before a joint session of the General Assembly, contrasting Tennessee with Washington, D.C. and other states across the country that have struggled to keep their fiscal houses in order.

“Unlike the news coming out of our nation’s capital and so many other states around the country, good things are happening in Tennessee,” Haslam said. “We have a long history of fiscal restraint that crosses party lines. We have been deliberate about not spending money we don’t have and in making a concerted effort to save for the future... And now we are well-positioned to continue to invest in a thoughtful, strategic manner.”

The governor reiterated his priorities and progress in the areas of attracting and growing Tennessee jobs, the importance of a customer-focused, efficient and effective state government, improving public safety, and making significant progress in education.

“We had the second largest increase in state K-12 expenditures of all 50 states in fiscal year 2012,” Haslam said. “The average increase was nearly 3 percent. Ours grew almost 12 percent in state education funding. Education is another example of how in Tennessee we’re distinguishing ourselves as different from the rest of the country.”

“We are literally putting our money where our mouth is, even when other states haven’t done so through tough budget times,” Haslam continued. “Our administration’s three budgets have certainly supported our commitment to public education, but I also think it is important to note that we’re not just throwing money at it. Dollars alone don’t lead to improvement. There has to be a plan. Along with strategic investments, we’re pursuing real reform in education that is producing results.”

The governor also discussed a vision extending beyond high school in Tennessee.

“Over the past 30 years, Medicaid costs have continued to squeeze out other priorities, and higher education has been an area that has suffered as a result,” Haslam said. “With repeated tuition increases year after year, we risk pricing middle class families out of the market for a college education. We must address cost. We have to make a college education more accessible, and we have to make sure we have quality programs in Tennessee,” Haslam



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continued. “Only 32 percent of Tennesseans have earned an associates’ degree or higher. That’s not good enough. Our goal is to move the needle so that Tennessee is on track to raise that number to 55 percent by 2025. Tonight we begin our ‘drive to 55’ – a strategic initiative to have the best trained workforce in America.”

As part of the address, the governor also outlined his budget proposal for Fiscal Year 2013-2014 that reflects his priorities through strategic investments, targeted reductions and savings for the future.

Highlights of the budget include:

- Full funding of the Basic Education Program;
- \$307.3 million to fund capital outlay projects in higher education including:
 - The University of Memphis Community Health Facility;
 - University of Tennessee Health Science Center renovations;
 - Northeast State Community College technical education complex;
 - Nashville State Community College academic support building; and
 - The Nissan Education and Training Facility in Smyrna;
- A 1.5 percent pay raise for state employees;
- Upgrading nearly 200 case manager positions in the Department of Children’s Services;
- \$100 million to the Rainy Day Fund bringing it to \$456 million on June 30, 2014;
- \$4.3 million for the Montgomery County veterans home;
- \$8 million for a statewide tourism fund to support the work of the tourism commission;
- Cutting the sales tax on food from 5.25 percent to 5 percent;
- Reducing the Hall Income Tax on seniors by raising the exemption level for people over 65 from \$26,000 to \$33,000 for individuals and \$37,000 to \$59,000 for joint filers.

The governor’s legislative agenda will be unveiled this week.

The complete text of the governor’s speech and an archived video of his speech will be available at www.tn.gov/stateofthestate.

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