MONDAY, FEBRUARY 2, 1981

THIRD LEGISLATIVE DAY

The House met at 5:30 p.m. and was called to order by Mr. Speaker McWherter.

The proceedings were opened with prayer by Brother Jim Brown, Charlotte Avenue Church of Christ, Nashville, Tennessee.

Representative Pickering led the House in the Pledge of Allegiance to the Flag.

The roll call was taken with the following results:

Present 95

Representatives present were: Akard, Baker, Bell (Knox), Bell (Wilson), Bewley, Bivens, Bragg, Brewer, Buck, Burnett, Byrd, Carter, Chiles, Clark (Davidson), Clark (Sumner), Cobb, Copeland, Covington, Crain, Davidson, Davis (Gibson), Davis (Hamilton), Davis (Pickett), DeBerry, DePriest, Dills, Disspayne, Duer, Duncan, Ellis, Ford, Frensley, Gill, Harrill, Henry (Blount), Henry (Roane), Hillis, Hudson, Hurley, Huskey, Jared, Johnson, Kelley, Kent, Kernell, King (Washington), Lashlee, Love, McAfee, McKinney, McNally, Martin, Miller, Montgomery, Moore, Murphy (Davidson), Murphy (Shelby), Murray, Naifeh, Owen, Percy, Phillips, Pickering, Pruitt, Rhinehart, Richardson, Robertson, Robinson (Davidson), Robinson (Hamilton), Robinson (Washington), Scruggs, Severance, Shirley, Shockley, Small, Smith, Spence, Stafford, Stallings, Starnes, Sterling, Tanner, Turner, Ussery, Wallace, Webb, Wheeler, Whitson, Withers, Wix, Wolfe, Wood, Work, Yelton and Mr. Speaker McWherter—95.

The Speaker announced that Representative Lowe was excused because of illness.

ENROLLED BILL

MR. SPEAKER:

Your Chief Engrossing Clerk begs leave to report that we have carefully compared House Joint Resolution No. 26; and find same correctly enrolled and ready for the signatures of the Speakers.

MARILYN EVELYN HAND,
Chief Engrossing Clerk.

MESSAGE FROM THE SENATE

MR. SPEAKER: I am directed to transmit to the House, Senate Joint Resolution No. 31; for the signature of the Speaker.

CLYDE W. McCULLOUGH, JR.,
Chief Clerk.

SIGNED

The Speaker announced that he had signed the following: House Joint resolution No. 26; and Senate Joint Resolution No. 31

MESSAGE FROM THE SENATE

MR. SPEAKER: I am directed to return to the House, House Joint Resolution No.

46—Relative to honoring Archie Campbell; concurred in by the Senate.

CLYDE W. McCULLOUGH, JR.,
Chief Clerk.

CALENDAR

House Bill No. 48—To terminate interstate compact on mental health.

Mr. Davis (Hamilton) moved that House Bill No. 48 be passed on third and final consideration, which motion prevailed by the following vote:

Ayes 92
Noes 0
Present and not voting 0

Representatives voting aye were: Akard, Baker, Bell (Knox), Bell (Wilson), Bewley, Bivens, Bragg, Brewer, Buck, Burnett, Byrd, Carter, Chiles, Clark (Davidson), Clark (Sumner), Cobb, Copeland, Covington, Crain, Davidson, Davis (Gibson), Davis (Hamilton), Davis (Pickett), DeBerry, DePriest, Dills, Disspayne, Duer, Duncan, Ellis, Ford, Frensley, Harrill, Henry (Blount), Henry (Roane), Hillis, Hudson, Hurley, Huskey, Jared, Johnson, Kelley, Kent, Kernell, King (Washington), Lashlee, Love, McAfee, McKinney, McNally, Martin, Miller, Montgomery, Moore, Murphy (Shelby), Murray, Naifeh, Owen, Percy, Phillips, Pickering, Pruitt, Rhinehart, Richardson, Robertson, Robinson (Davidson), Robinson (Hamilton), Robinson (Washington), Scruggs, Severance, Shirley, Shockley, Small, Smith, Spence, Stafford, Stallings, Starnes, Sterling, Tanner, Turner, Ussery, Wallace, Webb, Wheeler, Whitson, Wix, Wolfe, Wood, Work, Yelton and Mr. Speaker McWherter—92.

A motion to reconsider was tabled.

House Bill No. 80—To make provisions, Goodwyn Institute Commission.

Mr. Davis (Hamilton) moved that House Bill No. 80 be passed on third and final consideration, which motion prevailed by the following vote:

Ayes 93
Noes 0

Representatives voting aye were: Akard, Baker, Bell (Knox), Bell (Wilson), Bewley, Bivens, Bragg, Brewer, Buck, Burnett, Byrd, Carter, Chiles, Clark (Davidson), Clark (Sumner), Cobb, Copeland, Covington, Crain, Davidson, Davis (Gibson), Davis (Hamilton), Davis (Pickett), DeBerry, DePriest, Dills, Disspayne, Duer, Duncan, Ellis, Ford, Frensley, Gill, Harrill, Henry (Blount), Henry (Roane), Hillis, Hudson, Hurley, Huskey, Jared, Johnson, Kelley, Kent, Kernell, King (Washington), Lashlee, Love, McAfee, McKinney, McNally, Martin, Miller, Montgomery, Moore, Murphy (Shelby), Murray, Naifeh, Owen, Percy, Phillips, Pickering, Pruitt, Rhinehart, Richardson, Robertson, Robinson (Davidson), Robinson (Hamilton), Robinson (Washington), Scruggs, Severance, Shirley,

Shockley, Small, Smith, Spence, Stafford, Stallings, Starnes, Sterling, Tanner, Turner, Ussery, Wallace, Webb, Wheeler, Whitson, Wix, Wolfe, Wood, Work, Yelton and Mr. Speaker McWherter—93.

A motion to reconsider was tabled.

House Bill No. 81—To make certain provisions, T.B.I.

Mr. Davis (Hamilton) moved that House Bill No. 81 be passed on third and final consideration, which motion prevailed by the following vote:

Ayes 96
Noes 0

Representatives voting aye were: Akard, Baker, Bell (Knox), Bell (Wilson), Bewley, Bivens, Bragg, Brewer, Buck, Burnett, Byrd, Carter, Chiles, Clark (Davidson), Clark (Sumner), Cobb, Copeland, Covington, Crain, Davidson, Davis (Gibson), Davis (Hamilton), Davis (Pickett), DeBerry, DePriest, Dills, Disspayne, Duer, Duncan, Ellis, Ford, Frensley, Gaia, Gill, Harrill, Henry (Blount), Henry (Roane), Hillis, Hudson, Hurley, Huskey, Jared, Johnson, Kelley, Kent, Kernell, King (Washington), Lashlee, Love, McAfee, McKinney, McNally, Martin, Miller, Montgomery, Moore, Murphy (Davidson), Murphy (Shelby), Murray, Naifeh, Owen, Percy, Phillips, Pickering, Pruitt, Rhinehart, Richardson, Robertson, Robinson (Davidson), Robinson (Hamilton), Robinson (Washington), Scruggs, Severance, Shirley, Shockley, Small, Smith, Spence, Stafford, Stallings, Starnes, Sterling, Tanner, Turner, Ussery, Wallace, Webb, Wheeler, Whitson, Withers, Wix, Wolfe, Wood, Work, Yelton and Mr. Speaker McWherter—96.

A motion to reconsider was tabled.

MOTIONS

On motion of Mr. Stallings House Bill No. 18 was recalled from the Committee on General Welfare.

On motion of Mr. Stallings, House Bill No. 18 was withdrawn from the House.

On motion of Mr. Owen, House Bill No. 35 was recalled from the Committee on Government Operations.

On motion of Mr. Owen, House Bill No. 35 was withdrawn from the House.

On motion of Mr. Wix, House Bill No. 114 was recalled from the Committee on State and Local Government.

On motion of Mr. Wix, House Bill No. 114 was withdrawn from the House.

SECOND ROLL CALL

The roll call was taken with the following results:

Present 95

Representatives present were: Akard, Baker, Bell (Knox), Bell (Wilson), Bewley, Bivens, Bragg, Brewer, Buck, Burnett, Carter, Chiles, Clark (Davidson), Clark (Sumner), Cobb, Copeland, Covington, Crain, Davidson, Davis (Gibson), Davis (Hamilton), Davis (Pickett), DeBerry, DePriest, Dills, Disspayne, Duer, Duncan, Ellis, Ford, Frensley, Gaia, Gill, Harrill, Henry (Blount), Henry (Roane), Hillis, Hudson, Hurley, Huskey, Jared, John-

son, Kelley, Kent, Kernell, King (Washington), Lashlee, Love, McAfee, McKinney, McNally, Martin, Miller, Montgomery, Moore, Murphy (Davidson), Murphy (Shelby), Murray, Naifeh, Owen, Percy, Phillips, Pickering, Pruitt, Rhinehart, Richardson, Robertson, Robinson (Davidson), Robinson (Hamilton), Robinson (Washington), Scruggs, Severance, Shirley, Shockley, Small, Smith, Spence, Stafford, Stallings, Starnes, Sterling, Tanner, Turner, Ussery, Wallace, Webb, Wheeler, Whitson, Withers, Wix, Wolfe, Wood, Work, Yelton and Mr. Speaker McWherter—95.

INTRODUCTION OF BILLS

House Bill No. 284—To make salary adjustments, state employees—By Byrd.

Passed first consideration.

House Bill No. 285—To amend Section 8-23-202, Code—By Spence.

Passed first consideration.

House Bill No. 286—To amend Section 8-36-201 and 8-36-301, Code—By Rhinehart and Work.

Passed first consideration.

House Bill No. 287—To amend Section 8-34-106, Code—By Rhinehart and Work.

Passed first consideration.

House Bill No. 288—To amend Section 8-36-206, Code—By Rhinehart and Work.

Passed first consideration.

House Bill No. 289—To amend Section 8-7-201, Code—By Murphy (Davidson).

Passed first consideration.

House Bill No. 290—To amend Section 9-9-401, Code—By Murphy (Davidson).

Passed first consideration.

House Bill No. 291—To enact the "Monitoring of Telephone Communication Act"—By Murphy (Davidson).

Passed first consideration.

House Bill No. 292—To amend Section 14-14-104, Code—By Phillips.

Passed first consideration.

House Bill No. 293—To report treatment, juvenile drug overdose—By Wood, Davis (Gibson), Bell (Knox), Lashlee, Naifeh, Tanner, Wallace, Crain, Dills and Stallings.

Passed first consideration.

House Bill No. 294—To amend Title 6, Chapter 51, Code—By Carter.

Passed first consideration.

House Bill No. 295—To adjust salaries of judges, justices and chancellors—By Rhine-

hart, McKinney, Lashlee, Moore, Murphy (Davidson), Ellis, Covington, Robinson (Davidson), Davidson, Stallings, Naifeh, Pruitt, Johnson, Davis (Hamilton), Withers, Murphy (Shelby), DePriest, Disspayne, Hillis, Yelton, Clark (Davidson), McNally, Cobb, Moore, Sterling, Jared, Starnes, Wix, Gill, Tanner, Owen, Robinson (Hamilton) and Miller.

Passed first consideration.

House Bill No. 296—To make certain provisions, rail safety—By Lashlee, Spence, Davis (Hamilton), Murphy (Davidson), Hillis, Work, Love, Whitson, Kernell, Withers, McKinney, Pickering, Davis (Gibson), Wood and Pruitt.

Passed first consideration.

House Bill No. 297—To make certain provisions, judicial commissioners—By Severance and Bell (Knox).

Passed first consideration.

House Bill No. 298—To make certain provisions, public drunkenness—By Severance, Kent and Bell (Knox).

Passed first consideration.

House Bill No. 299—To create criminal investigator position in thirty-first judicial circuit—By Dills.

Passed first consideration.

House Bill No. 300—To require certain notices to purchasers of collision insurance—By Love.

Passed first consideration.

House Bill No. 301—To provide option for state employees to enroll in health maintenance programs—By Murphy (Davidson).

Passed first consideration.

House Bill No. 302—To require written notice to certain persons concerning parole hearing of certain inmates—By Wallace, Kelley and Baker.

Passed first consideration.

House Bill No. 303—To make certain provisions, insurance coverage of chiropractic services—By Moore, Sterling, DeBerry, Gill, Ford, Carter, Hillis, Wolfe, Gaia, Kent, Ellis, McKinney and Phillips.

Passed first consideration.

House Bill No. 304—To provide hazardous duty pay and medical exams, certain state employees—By Withers.

Passed first consideration.

House Bill No. 305—To provide compensation for certain occupational diseases to state employees—By Withers, Murphy (Shelby), DeBerry and Love.

Passed first consideration.

House Bill No. 306—To make provisions, employees who work with toxic or carcinogenic compounds—By Withers, Murphy (Shelby), DeBerry and Love.

Passed first consideration.

House Bill No. 307—To make certain provisions, indigent health care—By Withers and Murphy (Shelby).

Passed first consideration.

House Bill No. 308—To provide compensation and biological testing of state employees—By Withers, Murphy (Shelby) and Love.

Passed first consideration.

House Bill No. 309—To make provisions, certificates of registration of architects and engineers—By Withers, Murphy (Shelby) and Love.

Passed first consideration.

House Bill No. 310—To make certain provisions, sample ballots—By Rhinehart.

Passed first consideration.

House Bill No. 311—To make certain provisions, list of absentee voters—By Rhinehart.

Passed first consideration.

House Bill No. 312—To increase salary of county attorney of Maury County—By Richardson and Frensley.

Passed first consideration.

House Bill No. 313—To assist in construction and renovation of county jails—By Miller and Johnson.

Passed first consideration.

House Bill No. 314—To enact Controlled Substances Therapeutic Research Act—By Davis (Hamilton) and Bell (Knox).

Passed first consideration.

House Bill No. 315—To amend Section 67-5810(5), Code—By Davis (Hamilton) and Starnes.

Passed first consideration.

House Bill No. 316—To amend Prevailing Wage Act of 1975—By Davis (Hamilton).

Passed first consideration.

House Bill No. 317—To amend Section 45-3-701(c), Code—By Davis (Hamilton), Tanner, Naifeh, Lashlee and Johnson.

Passed first consideration.

House Bill No. 318—To make certain provisions, form of negotiable instruments—By Davis (Hamilton), Tanner, Lashlee, Naifeh and Johnson.

Passed first consideration.

House Bill No. 319—To make certain provisions, powers of savings and loan associations—By Johnson, Tanner, Davis (Hamilton), Naifeh and Lashlee.

Passed first consideration.

House Bill No. 320—To amend Section 45-3-705, Code—By Tanner, Davis (Hamilton), Naifeh and Lashlee.

Passed first consideration.

House Bill No. 321—To provide for corporate central credit union—By Davis (Hamilton), Burnett, Henry (Roane) and Stafford.

Passed first consideration.

House Bill No. 322—To repeal Section 57-3-406(f), Code—By Rhinehart.

Passed first consideration.

House Bill No. 323—To amend Section 2-15-207, Code—By Rhinehart.

Passed first consideration.

House Bill No. 324—To amend Title 8, Chapter 4, Code—By Rhinehart.

Passed first consideration.

House Bill No. 325—To determine allocation of payments by T.V.A.—By Rhinehart.

Passed first consideration.

House Bill No. 326—To regulate number of persons, utility manholes—By Spence, Ellis and Owen.

Passed first consideration.

House Bill No. 327—To enforce violations of law, private property—By Kernell.

Passed first consideration.

House Bill No. 328—To make state building commission responsible, waiving of regulations—By Kernell.

Passed first consideration.

House Bill No. 329—To make certain provisions, fees of registers—By Murray.

Passed first consideration.

House Bill No. 330—To provide for budget commission, Lincoln County—By Murray.

Passed first consideration.

House Bill No. 331—To make certain provisions, nursing homes—By Bragg.

Passed first consideration.

House Bill No. 332—To make certain provisions, nursing home administrators—By Bragg.

Passed first consideration.

House Bill No. 333—To allow county executives to solemnize marriages—By Bragg.

Passed first consideration.

HOUSE BILLS ON SECOND CONSIDERATIONS

House Bill No. 241—To include Sheriff's Association, retirement system.

Passed second consideration and referred to Committee on Finance, Ways and Means.

House Bill No. 242—To make certain provisions, development authority bonds.

Passed second consideration and referred to Committee on Finance, Ways and Means.

House Bill No. 243—To enact teacher's sick leave bank act.

Passed second consideration and referred to Committee on Education.

House Bill No. 244—To alter probate jurisdiction, Unicoi County.

Passed second consideration and held without reference.

House Bill No. 245—To alter selection of interpreters, judicial proceedings.

Passed second consideration and referred to Committee on General Welfare.

House Bill No. 246—To provide for education, hearing impaired persons.

Passed second consideration and referred to Committee on Education.

House Bill No. 247—To declare policy, collective bargaining.

Passed second consideration and referred to Committee on Labor and Consumer Affairs.

House Bill No. 248—To regulate issuance of retail liquor licenses.

Passed second consideration and referred to Committee on State and Local Government.

House Bill No. 249—To set fees for services, court clerks.

Passed second consideration and referred to Committee on Judiciary.

House Bill No. 250—To prohibit plea bargaining, criminal proceedings.

Passed second consideration and referred to Committee on Judiciary.

House Bill No. 251—To amend Section 67-5812, Code.

Passed second consideration and referred to Committee on Finance, Ways and Means.

House Bill No. 252—To provide for reclassification, certain state employees.

Passed second consideration and referred to Committee on General Welfare.

House Bill No. 253—To regulate public sewerage systems.

Passed second consideration and referred to Committee on General Welfare.

House Bill No. 254—To make provisions, Interstate Compact on Detainers.

Passed second consideration and referred to Committee on Government Operations.

House Bill No. 255—To make certain provisions, Department of Veterans' Affairs.

Passed second consideration and referred to Committee on Government Operations.

House Bill No. 256—To make certain provisions, Commission for Uniform Legislation.

Passed second consideration and referred to Committee on Government Operations.

House Bill No. 257—To make certain provisions, Department of Safety.

Passed second consideration and referred to Committee on Government Operations.

House Bill No. 258—To regulate granting of certain divorces.

Passed second consideration and referred to Committee on Judiciary.

House Bill No. 259—To provide for road superintendent, Lake County.

Passed second consideration and held without reference.

House Bill No. 260—To create additional circuit court judge, eighth judicial district.

Passed second consideration and referred to Committee on Judiciary.

House Bill No. 261—To set structure, eighth judicial circuit.

Passed second consideration and referred to Committee on Judiciary.

House Bill No. 262—To create additional position, eighth judicial circuit.

Passed second consideration and referred to Committee on Judiciary.

House Bill No. 263—To provide for criminal investigator, twelfth judicial circuit.

Passed second consideration and referred to Committee on Judiciary.

House Bill No. 264—To exempt court reporter services, Business Tax Act.

Passed second consideration and referred to Committee on Finance, Ways and Means.

House Bill No. 265—To abolish Presidential Preference Primary.

Passed second consideration and referred to Committee on State and Local Government.

House Bill No. 266—To make certain provisions, coordinator of elections.

Passed second consideration and referred to Committee on Judiciary.

House Bill No. 267—To appropriate funds, Institute of African .

Passed second consideration and referred to Committee on Finance, Ways and Means.

House Bill No. 268—To develop a controlled substances therapeutic research program.

Passed second consideration and referred to Committee on General Welfare.

House Bill No. 269—To fill vacancies, General Assembly.

Passed second consideration and referred to Committee on State and Local Government.

House Bill No. 270—To allow grace period, renewal license plates.

Passed second consideration and referred to Committee on Transportation.

House Bill No. 271—To enact Medical Radiation Safety Act, 1981.

Passed second consideration and referred to Committee on General Welfare.

House Bill No. 272—To make certain provisions Wilson County Officials.

Passed second consideration and referred to Committee on State and Local Government.

House Bill No. 273—To provide for disposal, textbooks.

Passed second consideration and referred to Committee on Education.

House Bill No. 274—To limit term, textbook contracts.

Passed second consideration and referred to Committee on Education.

House Bill No. 275—To regulate trucks hauling livestock.

Passed second consideration and referred to Committee on Transportation.

House Bill No. 276—To regulate sick leave, certain employees.

Passed second consideration and referred to Committee on State and Local Government.

House Bill No. 277—To amend Section 37-210, Code.

Passed second consideration and referred to Committee on General Welfare.

House Bill No. 278—To amend Workers' Compensation Law.

Passed second consideration and referred to Committee on Judiciary.

House Bill No. 279—To provide specific fees, Court Clerk.

Passed second consideration and referred to Committee on Judiciary.

House Bill No. 280—To authorize optometrists to prescribe drugs.

Passed second consideration and referred to Committee on General Welfare.

House Bill No. 281—To regulate Board for Licensing Hearing Aid Dispensers.

Passed second consideration and referred to Committee on General Welfare.

House Bill No. 282—To regulate Board of Nursing.

Passed second consideration and referred to Committee on General Welfare.

House Bill No. 283—To regulate contracts, prearranged funerals.

Passed second consideration and referred to Committee on Commerce.

REPORT OF COMMITTEE ON CALENDAR AND RULES

MR. SPEAKER: Your Committee on Calendar and Rules begs leave to report that we have met and set the following bills on the Calendar for Wednesday, February 4, 1981: House Bills Nos. 117 and 130.

GILL, *Chairman.*

REPORT OF COMMITTEE ON CALENDAR AND RULES

CONSENT CALENDAR

MR. SPEAKER: The officers of your Committee on Calendar and Rules beg leave to report that we have met and set the following bills on the Consent Calendar for Thursday, February 5, 1981: Senate Joint Resolutions 2, 4, 6, 7, 8, 13, 18; House Resolutions Nos. 3, 4; House Joint Resolutions Nos. 2, 4, 9, 12, 13, 14, 15, 16, 17, 19, 20, 21, 22, 23, 24, 25, 27, 28, 31, 32, 33, 34, 38, 39, 40, 45, 47, 48, 49, 50; House Bills Nos. 8 and 32.

GILL, *Chairman.*

ENGROSSED BILLS

MR. SPEAKER:

Your Chief Engrossing Clerk begs leave to report that we have carefully examined House Bills Nos. 48, 80 and 81; and find same correctly engrossed and ready for transmission to the Senate.

MARILYN EVELYN HAND,
Chief Engrossing Clerk.

MESSAGE FROM THE SENATE

MR. SPEAKER: I am directed to transmit to the House, Senate Joint Resolutions Nos.

9—Relative to congratulating James A. Haslam, II;

10—Relative to memory, Ben C. Hargis;

11—Relative to commending WTJS, Jackson;

12—Relative to congratulating Al C. Schmutzer, Jr.;

15—Relative to commending "Tennessee Tomorrow" campaign;

20—Relative to honoring Dr. Joseph C. Gillespie; adopted for concurrence.

CLYDE W. McCULLOUGH, JR.,
Chief Clerk.

LOCAL BILL REFERRED TO CALENDAR AND RULES

In accordance with Rule No. 47, the following local bill, having received authorization for passage by the local legislative delegation, was transmitted to the Committee on Calendar and Rules: House Bill No. 192.

Mr. Burnett moved that the House stand in recess until 6:00 p.m. for the purpose of meeting with the Senate in Joint Convention to hear the Governor's Budget Message, and further moved that upon dissolution of the Joint Convention, the House adjourn until 1:30 p.m. Wednesday, February 4, 1981, which motion prevailed.

IN JOINT CONVENTION

The hour having arrived, set by Senate Joint Resolution No. 17—Relative to Joint Convention, Governor's budget message, The Senate met with the House in Joint Convention.

The Joint Convention was called to order by Mr. Speaker Wilder, President of the Joint Convention.

On motion of Senator Hamilton, the roll call of the Senate was dispensed with.

On motion of Representative Burnett, the roll call of the House was dispensed with.

Thereupon, the Clerk of the Senate read Senate Joint Resolution No. 17 authorizing the Joint Convention.

Representative Naifeh moved that the President appoint a committee composed of four members from the Senate and four members from the House to notify the Governor that the Joint Convention was in session and awaiting his arrival, which motion prevailed.

Mr. President Wilder appointed the following committee to notify the Governor: Senators Elkins, Longley, Rucker and Thomas; and Representatives Moore, Clark (Sumner), Dills and Gaia.

Senator Elkins will serve as Chairman of this Committee.

Mr. President Wilder recognized the Chief Clerk of the House, David H. Welles, for introduction of guests.

Mr. Welles introduced the following guests who were escorted to the front of the House Chamber and seated:

The Honorable William M. Leech, Jr., Attorney General and Reporter;

The Honorable Cletus McWilliams, Executive Secretary of the Supreme Court;

The Honorable Gentry Crowell, Secretary of State;

The Honorable Harlan Mathews, State Treasurer;

The Honorable William R. Snodgrass, Comptroller of the Treasury;

The Honorable Jane Eskind, the Honorable Frank D. Cochran, and the Honorable Keith Bissell, members of the Public Service Commission;

The Members of the Governor's Cabinet;

Mr. President Wilder recognized Mrs. Lamar Alexander.

The Joint Convention recessed pending the arrival of the Honorable Lamar Alexander, Governor of the State of Tennessee.

The Joint Convention was called to order by Mr. President Wilder.

On motion, the roll calls of the House and Senate were dispensed with.

Senator Elkins announced that the Governor was at the entrance of the House.

The committee escorted the Honorable Lamar Alexander, Governor of the State of Tennessee, to the Clerk's rostrum where where he delivered the following budget message:

GOVERNOR'S BUDGET MESSAGE

Lt. Governor Wilder, Speaker McWherter, ladies and gentlemen of the Ninety-second General Assembly, Members of the Cabinet, and friends:

This is a message about the state budget of Tennessee.

But, it is also about the family budgets of Tennessee.

I had two goals in putting together this $4 billion budget for the fiscal year that begins July 1:

The first goal is to reduce the size of government—to take as little as possible from the family budget to do what needs doing.

The second goal is to raise family incomes—to spend as much of what we take as possible on investments that will help increase the number of good jobs in Tennessee.

This is the third budget you and I have worked on together with these goals.

On both counts—reducing the size of government and increasing family incomes—we have made real progress.

Let's look first at what we have done to reduce the size of government.

On your desk, you have a one-page report you may find more interesting than the entire budget document.

It tells how much of the taxpayers' money we will have taken in these three budgets and what we have done with it.

Here is the three year record:

—State spending (state tax dollars) has increased $288 million or 14 percent, while family incomes are up 34 percent and inflation is up 37 percent. In other words, for the average family, inflation and family incomes have gone up about 2½ times as fast as the cost of state government.

—During the same time, we have reduced the state debt $72 million, down 9 percent. At today's interest rates, that reduction saves $8 million every year in debt service.

—The number of authorized state employees will be down by 2,895, including 401 in next year's budget. After a decade when we added 1,000 employees a year to the state payroll, we will have reduced the authorized number of employees to the levels of 1976-1977. Today there are nearly 1,000 fewer persons on the payroll than when I took office.

—We are putting up fewer new buildings to add later to operating costs.

—We have held taxes down. The tax burden on individual Tennesseans is the fourth lowest of all the 50 states.

What we have done is easier to appreciate when you compare it with what the federal government is doing.

For example, while state spending went up 14 percent over three years, federal government spending went up 50 percent.

While we reduced the state debt 8 percent, the federal debt went up 26 percent.

Each Tennessee family's share of the state budget is $1,900, and of the state debt—$630.

Each family's share of the federal budget is $13,000, and of the national debt—$14,000.

Some people believe that the test of leadership is how many new things you and I can do or how much of the people's money we can spend. I don't believe that. I believe the test of leadership is how little we can spend to do what needs to be done—so that we can leave the rest in the taxpayer's pocket. I believe we are meeting that test of leadership.

My second goal in these three budgets—and the single most important ambition I have as Governor—has been to do everything I can to put more money in the pockets out of which these tax dollars are paid.

Here is the record:

In 1929, the year before the Great Depression, Tennessee families were 42nd among the states in average family incomes.

Today, 51 years later, although our incomes are much higher as a percentage of the national average, we are still about 42nd.

That's a half century of standing at the back of the line.

The maddening thing about it is that some of our neighboring states have been doing a much better job helping themselves move ahead faster.

Between 1976 and 1979, new capital investment in Tennessee averaged about just over ½ billion dollars per year.

In those same four years, new investment in Georgia exceeded one billion dollars every year. In North Carolina, it was two billion.

When I first went to Japan in 1979, Georgia was the center of Japanese investment in the southeast.

In 1979, film and television production companies spent more than $100 million in

Georgia, and $4 million in Tennessee. Some of Tennessee's famous residents make their television specials and films in Hollywood and Atlanta.

Other states have been beating our socks off.

The year we just finished, 1980, was different—refreshingly, astoundingly different.

Existing and new industries announced plans to invest nearly $1.8 billion new dollars in Tennessee, more new investment in one year than Tennessee attracted in the last three years.

And, last week Consolidated Aluminum Company announced $600 million in Tennessee expansion, more new investment announced in one month than in any single year during the 1970's.

I noticed which stories—mostly political scandals and murders—the news organizations picked as the top stories of 1980. I believe *this* was the biggest Tennessee story in 1980. At least it will bring more *good* news to more Tennessee families than anything else that happened.

The best news always is expansion of existing industry. Tennessee Eastman and Conalco, citizens of our state for 60 and 30 years, respectively, are together spending more than a billion new dollars in Kingsport, New Johnsonville, and Jackson.

Second, we try to attract money from other states. The Staley Company of Illinois picked Loudon for its $200 million investment and Parade put its $60 million printing plant in Dickson.

Finally, our primary overseas target is Japan. Today Tennessee apparently has more Japanese investment underway—paying Tennessee wages and Tennessee taxes in 14 locations, from Memphis to Knoxville—than any other state.

The expanding industry is, for the most part, medium to high technology, high-paying, clean and tends to disperse among smaller communities rather than fill up areas already too crowded.

In its first year of full operation, the film commission you and I established has helped by pushing production spending to an estimated $15 million in Tennessee.

I think most people understand why these investments are important.

We will never be 1st, 2nd or 3rd in spending in support of schools, roads or anything else as long as we are 42nd, 43rd, or 44th in the amount of money we have in our pockets.

The bottom line is this:

Conalco's 340 new jobs add a $12 million payroll at New Johnsonville.

Staley's payroll at Loudon adds $5 million; families in Dickson will have $4.5 million more in their pockets because Parade is coming.

Sharp in Memphis, Toshiba in Lebanon, Texas Instruments in Johnson City and many others all have expanded dramatically and all do the same thing; they put more money in the pockets of Tennessee families and take their share—a disproportionately large share—of the local and state tax load.

That, of course, puts more money into barber shops, filling stations, restaurants, hardware stores, bank deposits. It creates more tax money without raising tax rates for better schools, roads, law enforcement, health care, jails and garbage pick-up.

These new investments require some additional public investments—in job training, roads and local services. It is certainly right to make sure these public investments are worth the cost. But you don't have to get up too early in the morning to see whether the investments in this budget are worth it.

Take for example the new Nissan Plant in Smyrna—which after 1983 will make all the Datsun pick-up trucks sold in the United States. State spending for roads and job training will come to about $20 million. Nissan will spend at least $200 million on construction, mostly in Tennessee, hire up to 2,000 construction workers, mostly Tennesseans, then put 2,200 Tennesseans on a $40 million payroll at an average of about $20,000 per job, and pay every year at least $10 million in state taxes.

It is easy to see why every state east of the Mississippi wanted the plant.

The total budget for next year is just over $4 billion, including $1.3 billion of federal tax dollars which the state government administers and spends for federal programs.

If the $4 billion figure seems a little high, it is because it includes for the first time $156 million in student tuition and other revenues available to public higher education.

The General Fund will have $80 million more state tax dollars in it next year than it does this year, an increase of about 5 percent.

Before you begin dreaming of ways to spend that $80 million, let me warn you of some of the problems we face in coming up with a responsible budget.

The major problem is that this is the third straight budget I have had to prepare in the face of a roller-coaster, sick economy. Most families know what that means. It means it is hard to predict how much money you will have, except you are likely to be right if you plan for it to be less than you expect.

That is what has happened to state government income. When the economy is healthy, the General Fund will grow at a rate of 10 percent, as it did in 1978-79. So with only a 5 percent growth, you can subtract about $80 million from your spending plans.

Subtract $22 million more, which is the amount of federal revenue sharing, which is cut out.

Then tighten your belt one notch because after the Legislature adjourned last year we had to find a total of $64 million dollars that I did not request and you did not appropriate. After you left, sales tax collections went to the bottom of the barrel. For the first time in 19 years the sales tax failed to gain over the same month in the previous year.

We found the $64 million primarily by cutting $31 million out of higher education and agency spending, deferring $14 million in capital outlay projects until next year and recommending a total of $19 million in supplemental appropriations from the rainy-day fund.

That means we begin the new year with spending levels pushed down about $44 million more than we pushed them before you adjourned last year, with a rainy-day fund that is reduced to $12 million dollars, and with no assurances about when the sick and unpredictable economy which caused all these troubles will get well.

Of the two supplemental appropriations, one is not a long-term problem. Because the recession affects poor families the most, we need $4.5 million more this year for Aid to Families with Dependent Children and other social services. Your three-year budget report shows AFDC spending up about 15 percent, pretty much in line with everything else.

The other supplemental appropriation is a part of the biggest problem in the budget: Medicaid. Your three-year chart tells the story. Medicaid spending is up 50 percent while education spending is up 17 percent and highway spending up 4 percent. When you began the Medicaid program in 1969 it cost $33 million a year. If you do not limit its growth, it will be $568 million next year. In two or three years, at that rate, we will be spending twice as many federal and state dollars on Medicaid as we do on higher education and as much as we do on kindergarten through the 12th grade. The choices are: limit its growth, raise taxes, or take $20 or $25 million out of education to pay for Medicaid. This budget recommends we treat Medicaid like every other state program and limit its growth to reasonable levels.

Most of the new General Fund money—$50 million—goes to set up a non-contributory retirement plan for the state and higher education employees and local teachers who are part of the minimum foundation program. From now on, the state would pay what has been the employee's share of the retirement program.

This is a good idea developed by the General Assembly's own Council on Pensions and Retirement. I am recommending that it be adopted instead of a direct increase in pay because it will give employees the most benefit for the amount of money we have. For most state employees, the adoption of this plan will mean an increase in take-home pay of 6-8 percent.

An employee or teacher can think of it this way: take your last pay check, look at the amount the state deducted for your retirement plan contribution, and put that amount of money in your pocket every two weeks beginning in July. Give yourself a little more because your social security and income taxes would have increased with a 6-8 percent pay increase.

Spending for the transportation fund is up to 221 million state tax dollars, up 11 percent. But over the three-year period, spending on building and improving roads has gone up only 3.7 percent, less than any other part of the budget.

I think most people understand that the road fund comes from the gasoline tax, that as motorists conserve gas, tax collections go down. At the same time, the cost of building and maintaining roads has gone up enormously because so much oil is used in roadwork.

I recommend that you raise $54 million in new revenues to help maintain the 85,000 miles of state, city and county roads in Tennessee. I do this for one reason: it is what we need, now, to maintain an adequate transportation system that will help bring better jobs to Tennessee.

I have recommended that Tennessee become the 41st state to adopt the federal uniform truck weight and length standards. Five states around us have them now. Two others—Arkansas and Mississippi—are considering changing.

Tennessee cannot afford to be isolated from the National Transportation System. It makes less and less sense to run partially empty trucks across our roads with gas costs so high. I recommend charging big trucks $29 million more in fees and fuel taxes to pay more of their share of fixing our roads, along with stiffer penalties for violating weight, length and speed laws.

I also recommend a one cent increase in the state's 8 cent per gallon gas tax. This will cost the average motorist a few dollars each year but bring in $24 million.

This will permit us to increase our maintenance and industrial access road budgets, continue federal matching highway programs, maintain a reasonable program for bridge repair, and send back $14 million more on a permanent basis to repair city and county roads. It will not permit a big new state construction program, only a minimum one. It may not fund our maintenance needs forever. But it is what we need, now.

The Capital Outlay Budget is a little larger this year—$71 million. But $14 million of it, including a new $7.5 million library and nursing building for the University of Tennessee and $1.8 million for the Tri-Cities Technical Institute Library and classrooms, are projects you approved for this year but which the bad economy deferred until next year. $6 million is to purchase the Interstate Life Insurance Building in Chattanooga for a badly needed state office building; $2.5 million is to begin the new Public Health State Laboratory in Nashville.

The largest capital outlay project is $20 million to help our largest city—Memphis—complete a more than $100 million economic development program which they have so far paid for themselves. Memphis needs better jobs more than any of our big cities, and deserves the money based on past allocations of state dollars. And, because one of every 5 Tennesseans lives in Shelby County, the more it prospers, the more the rest of us do.

$3 million goes to a new Community Development Bank that will help the smallest counties, who often cannot get other economic development grants, borrow money on terms they can afford in order to get ready to bring in some new jobs.

Within these tight resources, wherever possible, I have recommended still other adjustments in the budget that should help bring new jobs into the state:

—There is a $5.6 million increase in the Industrial Training Service Budget. Along with the Tax Credit Incentive Laws you passed last year, this program is our most attractive incentive for expanding industry.

—There is $500,000 for out-of-state advertising of our major tourist attractions.

—The budget for the new Film Commission which you and I created last year is pushed up to $186,500.

—There is $800,000 more for the 1982 World-Fair in Knoxville to make sure that the state's exhibit there is something that will make every Tennessean proud.

Forty-nine cents of each state tax dollar goes to support education.

The allocation of higher education funds begins to move away from rewarding campuses based upon how many students they attract and emphasizes more how well they are teaching and students are learning.

New funds for elementary and secondary education are shifted slightly toward traditional education instead of vocational and special education.

We need to move ahead this year in the 10th and 11th grades and next year in the 12th grade with competency tests for high school students. We do no one a favor, especially the student, when we award a degree to someone who has not learned the basic skills.

Our valuable vocational education programs—of which the General Assembly is the proud parent—duplicate too often and are not well enough organized to train Tennesseans

for the jobs of the 1980's. I have made some changes in the last two months and more will come.

If we require proficiency tests at the senior level, we must be ready to expand our emphasis of basic skills in the early grades and invest more in remedial teaching in the later grades.

We need to insist that our teaching colleges graduate teachers capable of helping students meet these standards.

We should establish a policy concerning how much students should pay of the cost of operating our institutions of higher education. Today, it is about 27 percent.

I will address these education issues more fully in my State of the State Address, later this year.

I will address then also the possibility that, under new federal law, we may be able to shift some funding from federal categorical grants-in-aid to other more critical areas. If we can, my first priority will be education, especially traditional and elementary and secondary education programs, basic skill programs in the early grades, remedial reading for those who fail the proficiency tests in later grades, and quality incentives for higher education.

The amount of money that may be available and where it will come from cannot be determined until after we see President Reagan's budget address and the initial congressional reaction to it.

I hope you will carefully consider two other proposals I have made which do not have a major impact on the budget but which have a major impact on the kind of Tennessee we want in the 1980's.

The first is a set of local control recommendations which would give local officials more authority and flexibility to decide what services their taxpayers want and how to pay for them. Not a one of the proposals raises taxes a penny.

But they do give counties and cities a chance to make the tax burden fairer, especially to avoid increases in the property tax. The big cities need the authority now. The smaller towns will before they know it, because population and jobs are spreading across our state. We must get ready.

The second is a "Safe Growth Plan," which I hope every Tennessee community will consider seriously as it looks forward to the growth during the 1980's. It is designed to take a comprehensive look at how we keep Tennessee beautiful, safe and pleasant while we raise family incomes.

It has 40 recommendations for action this year—some require legislation—which would investigate hazardous dump sites, pick up litter, prepare for safe disposal of radioactive waste and convene a Governor's conference on the quantity and quality of Tennessee's water during the 1980's.

Finally, just a word about two small budget items that affect a lot of people.

In the gallery are the Tennessee Tomorrow Clubs of McGavock and Dickson High Schools. As you may know, Tennessee Tomorrow is a totally non-partisan program to get young people acquainted with and interested in state government. They are our future. I confidently predict that one of their members one day shall be standing where I am, speaking to many others sitting where you are. There are now 70 such clubs with a goal of one club in every Tennessee high school.

The McGavock and Dickson clubs are here representing all the Tennessee Tomorrow Clubs who used their Christmas vacations to enroll Tennessee's senior citizens in the Tenne-Senior discount program. Tenne-Senior is also in the budget for a small amount. Any Tennessean over 65 with a Tenne-Senior card is qualified for discounts provided by Tennessee merchants displaying a Tenne-Senior decal.

As of today, with the help of Tennessee Tomorrow, 90,000 senior citizens and 4,500 merchants are enrolled.

Let me say to these young men and women: When tomorrow's leaders reach out to help yesterday's pioneers, it gives an awful lot of hope that human caring is alive and well after all. We are proud of you.

With this reference to our children and their grandparents, perhaps one concluding word about this "family incomes budget" is in order.

I grew up in Maryville. It is a prospering and fortunate community. Unemployment is low. The schools are excellent. Most high school graduates go on to college. Decent jobs at decent pay are available. The welfare rolls are low. Community pride and spirit are high. I have been lucky. Maryville has been lucky.

Many, many cities and towns in Tennessee are not so lucky. There's barely enough money to keep the schools open. Most students leave home early. If they stay to graduate, they go on the welfare rolls. Jobs are hard to come by. *Good-paying* jobs don't exist. And because the need is so great, taxes seem very high.

The Governor of Tennessee has an extraordinary opportunity for the kind of leadership that can turn things around in Tennessee.

But the members of the Ninety-second General Assembly have as much of an opportunity and capacity for leadership as I do.

We sometimes have differences.

A majority of you are Democrats and I am a Republican. You head the legislative branch and I head the executive. The people understand that. They know the competition of ideas is supposed to bring out the best in us.

The people also understand that when we work together, they prosper. And, when we don't, they lose. I think that also they are tired of standing at the back of the line. Eight generations of it is long enough. I think they expect us to do everything we can, while we can, to do something about it.

I have tried my best, with this budget and my other proposals, to show how we can move Tennessee and Tennessee families ahead. I know you can improve on my proposals. I want you to try.

Maybe, just maybe, Tennessee is at a moment of opportunity better than anything in its history.

It needs the best each of us has to give.

Mr. President Wilder relinquished the Chair to Mr. Speaker McWherter, President of the Joint Convention.

Mr. President McWherter expressed thanks to Governor Alexander.

The purpose for which the Joint Convention was called having been accomplished, Mr. President McWherter declared the Joint Convention dissolved.

The Senate repaired to the Senate Chamber.

Thereupon, pursuant to Mr. Burnett's earlier motion, Mr. Speaker McWherter declared the House adjourned until 1:30 p.m. Wednesday, February 4, 1981.