



TACIR

The Tennessee Advisory Commission
on Intergovernmental Relations



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MEMORANDUM

TO: Commission Members

FROM: Cliff Lippard *Cliff*
Executive Director

DATE: 20 January 2022

SUBJECT: Commission and Staff Updates

Commission Update

At our last meeting, I gave a brief update on the status of Governor Lee's review of Tennessee's education funding formula, the Basic Education Program (BEP). Since then, Basic Education Review Committee (BEPRC) Chairman Lillian Hartgrove, acting at the request of that committee's members, wrote Governor Lee requesting an opportunity to hear from the administration about the review, any early findings or conclusions, and the priorities of the administration for a new funding formula. The letter also expressed the desire of the members of the BEPRC to share their thoughts and concerns about education funding in Tennessee. Responding on behalf of the governor, Tennessee Department of Education Commissioner Penny Schwinn, in a letter dated December 22, 2021, declined the committee's requests, noting that the administration considers the new process independent of the current BEP formula and "that 9 members of the BEP Review Committee are already participating in either a funding review subcommittee or the steering committee and all of the State Board of Education members sit on a subcommittee." The commissioner also said that she "meets regularly with the Chair and Vice Chair of the State Board of Education, who sit on both the BEP review committee as well as school funding subcommittees, and therefore have regular access to realtime information as needed."

Next, TACIR member Senator Jon Lundberg has requested that the Commission add to its work program a study of tangible property taxes in Tennessee. The study would review

- costs to businesses, large and small, to file and pay the tax, and compliance levels;
- variances among local governments, large and small, as to percent of the tax collected to overall revenue bases;
- costs to local governments, large and small, to collect delinquent payments; and
- possible revenue replacement models that would be fair and equitable to businesses, large and small, and to local governments.

The study would also determine if other groups have ideas or questions to share and would provide recommended actions on the elimination and/or reductions in the TPP burden on businesses, considering whether any reduction would be phased out or one time. Our bylaws require an affirmative vote of seventeen (17) Commission members who are present and voting to approve member-requested studies.

Staff Update

Emma Johnson, who has served TACIR as a senior research consultant since leaving full-time employment with the State, has accepted a new position with the Texas Legislative Council. We appreciate all that Emma has done for the Commission and the State of Tennessee and wish her well in her new endeavor.