



TACIR

The Tennessee Advisory Commission
on Intergovernmental Relations



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MEMORANDUM

TO: Commission Members

FROM: Cliff Lippard *Cliff*
Executive Director

DATE: 15 June 2022

SUBJECT: Fiscal Year 2021-22 Accomplishments

The following list of the Commission's major accomplishments for fiscal year 2021-22 will be incorporated into the Commission's biennial report for fiscal years 2020-21 and 2021-22.

Published four official commission reports further described below:

- *Exploring the Feasibility of a Gold Depository in Tennessee*, December 2021
- *Expanding Opportunities for State Contracting through Enhanced Data Collection and Reporting*, January 2022
- *Building Tennessee's Tomorrow: Anticipating the State's Infrastructure Needs*, January 2022
- *Tennessee Valley Authority's Payments in Lieu of Taxes: Annual Report to the General Assembly*, January 2022

Responded to studies referred by the General Assembly:

- Completed a report on the feasibility of a gold depository in Tennessee.
 - The report was prepared in response to Public Chapter 585, Acts of 2021, which directed the Commission to "study the feasibility of creating a state gold depository including whether other states or jurisdictions have created one."

The report noted that the first and only state bullion depository in the United States is the Texas Bullion Depository. Because of high costs, a

lack of demonstrated demand, and the fact that precious metals are not exempt from sales taxes in Tennessee, a state depository is not feasible.

Depository officials in other states said building a new depository would have substantial up-front costs—costing millions or tens of millions of dollars. Additionally, state oversight could cost the state a few hundred thousand dollars per year or more.

- A copy of the final report was sent to the Chair of the House Finance, Ways and Means Committee; the Chair of the Senate Commerce and Labor Committee; and to the other members of the General Assembly.
- Completed a report on expanding opportunities for state contracting through enhanced data collection and reporting.
 - The report was prepared in response to House Bill 1593 by Representative Miller (Senate Bill 1235 by Senator Gilmore) in the 112th General Assembly, which directed the Commission to study whether disparities exist in the issuance of state contracts to businesses owned and operated by African Americans; provide information on the effect of any such disparities on the African American business community, as well as the manner in which other states have addressed disparities, and include any recommendations for reducing disparities if they are found. Additionally, in committee discussion of House Bill 1593, House Minority Leader Camper asked whether any of the recommendations included in the state's 2009 study of disparities in state contracting for minority-owned and woman-owned businesses had been implemented.

The report found that state procurement spending with African American-owned businesses has increased overall since 2009; however, without a new disparity study, it is not possible to determine conclusively whether disparities exist in contracting with African American-owned businesses.

The report also noted that the increase in spending with African American-owned businesses is not evenly distributed across all business sectors or across state agencies. Most of the spending comes from just two agencies, the Department of Finance and Administration and TennCare. Additionally, it was noted that state agencies' aspirational spending goals for minority-owned businesses are often not being met.

The report noted that, should the state decide it wants to update the 2009 disparity study, it would benefit from exploring cost-effective ways to

enhance procurement data collection to better compare state procurement spending with the availability of different categories of businesses—including but not limited to African American-owned businesses—and calculate disparity ratios.

The report recommended that Go-DBE publish in its annual report each state department's aspirational goals and achievements for businesses owned by minorities, women, persons with disabilities, and service-disabled veterans as well as other small businesses. The information could also be published on the Go-DBE website, and Go-DBE staff could discuss sharing the information with staff of Transparent Tennessee, which serves as the executive branch's clearinghouse for making data more accessible.

- A copy of the final report was sent to both Speakers and to the other members of the General Assembly.

Published one staff report

- *The Effect of the COVID-19 Recession on Public Infrastructure Needs Interim Report: Lesson Learned from the Great Recession (December 2007-June 2009) and Early Observations from Local Government Officials, September 2021.*
 - Among the many uncertainties stemming from the pandemic is whether or to what extent the pandemic affected the public infrastructure needs of communities in Tennessee. Staff issued an interim staff report after examining the public infrastructure data collected during the Great Recession and the decade following it to establish a baseline for analyzing data collected during the COVID-19 pandemic. Staff looked for trends in the average costs of needs reported and completed projects, the types of needs reported, and the progression of reported project needs. The analysis did not uncover any major shifts in needs based on these trends stemming from the Great Recession. The report explained that the need for infrastructure is driven by population factors, rather than funding-related factors that could be affected by economic downturns and is therefore unsurprising that staff did not find a connection between the Great Recession and the average cost of infrastructure needs in the inventory. Staff also surveyed city and county mayors to determine whether local governments anticipated disruptions stemming from the pandemic affecting infrastructure needs in their communities. Many local officials noted the scope and duration of the pandemic's effects are

unprecedented when comparing the pandemic to past challenges. They also overwhelmingly identified an increased need in technology for education—for both education and broadband—with the shift to virtual classes in many school systems and an increased need for broadband generally. A follow-up report is planned to analyze public infrastructure inventory needs data collected during the pandemic compared to the historical trends established by the analysis in the interim report.

Provided two presentations:

- “Payments in lieu of Taxes Programs to Incentivize Economic Development,” to the Tennessee School Board Association, November 20, 2021.
- “Building Tennessee’s Tomorrow: Anticipating the State’s Infrastructure Needs—July 2020 through June 2025,” to the Senate Finance, Ways and Means Committee, January 25, 2022.

Responded to requests for information:

- Responded to requests for information and assistance from members of the General Assembly and legislative committees.
- Responded to requests for information and assistance from local government officials, state agencies, lobbyists, the public, and the media.

Administered ten contracts:

- Nine development districts—support the public infrastructure needs inventory.
- Middle Tennessee State University—economic indicators website.

Accomplishments by policy area:

Fiscal and Tax Policy Research:

- Continued to monitor and published a report on the Tennessee Valley Authority’s payments in lieu of taxes and the effect of the Electric Generation and Transmission Cooperative Act of 2009 as amended in 2010 (Public Chapter 1035, Acts of 2010).

Education Finance:

- Completed the fiscal year 2022-23 fiscal capacity model.

Land Use, Transportation, and Growth Policy:

- Continued to monitor implementation of Public Chapter 1101, Acts of 1998, Tennessee’s growth policy law.

Infrastructure:

- Continued the annual public infrastructure needs inventory. Collected information from 144 school systems, 95 counties, 345 municipalities, and 245 other entities.
- Completed Commission’s annual report to the legislature on Tennessee’s public infrastructure needs.

Other Research:

- Completed the Commission’s report to the legislature on Public Chapter 585, Acts of 2021, which directed the Commission to “study the feasibility of creating a state gold depository including whether other states or jurisdictions have created one.”
- Completed the Commission’s report to the legislature prepared in response to House Bill 1593 by Representative Miller (Senate Bill 1235 by Senator Gilmore) in the 112th General Assembly regarding whether disparities exist in the issuance of state contracts to businesses owned by African Americans, and if so, what recommendations may be made to address any such disparities. Additionally, in committee discussion of House Bill 1593, House Minority Leader Camper asked whether any of the recommendations included in the state’s 2009 study of disparities in state contracting for minority-owned and woman-owned businesses had been implemented.
- Monitored intergovernmental tax, fiscal, and education legislation.

Using Technology for Public Information:

- Disseminated all reports electronically and maintained detailed focus section about continuing research on TACIR’s web page.
- Continued to improve and refine data visualization and interactive analysis tools for infrastructure reporting. [Data Explorer \(tn.gov\)](https://dataexplorer.tn.gov)
- Continued to improve the public infrastructure needs inventory application to work with the latest versions of Microsoft supported software; streamlined the process of processing data; and automated the process of formatting and printing infrastructure one-page summaries for the annual report.

- Continued to improve and refine data visualization and interactive analysis tools for fiscal capacity data and information. [Resources \(tn.gov\)](#)
- Continued to update and enhance the profiles of Tennessee’s counties, providing easy public access to detailed demographic, financial, and other information for each. Added dashboards to the county profile page. [County Profile Indicators \(tn.gov\)](#)
- Published timely information Tracking Tennessee’s Economy in partnership with Middle Tennessee State University.
- Posted timely information to the agency’s Facebook page notifying the public of new reports, elaborating on topics of interest, and pointing out relevant research by other organizations.
- Continued a collaboration with Tennessee Customer Focused Government to share and link to TACIR data, resources, and publications on the Transparent Tennessee website (<https://www.tn.gov/content/tn/transparenttn.html>).

Update on Previous Report:

- Commission report *Broadband Internet Deployment, Availability, and Adoption in Tennessee Four Years After the Broadband Accessibility Act (Public Chapter 228, Acts of 2017)*, January 2021 recommendation implemented.
 - The Department of Economic and Community Development released a map of broadband availability in Tennessee for public comment on April 18, 2022; the map uses data requested from broadband providers and includes information on availability, speed, and technology types, searchable by address, for all 95 counties.