Intergovernmental Challenges and Achievements:
Biennial Report of TACIR
FY 1999 and FY 2000

Commission Report

November 2001

Tennessee Advisory Commission on Intergovernmental Relations
Intergovernmental Challenges and Achievements:

Biennial Report of the Tennessee Advisory Commission on Intergovernmental Relations

Fiscal Years 1999 and 2000

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Message from the Chairman, TACIR

The TACIR, with its mission “to serve as a forum for the discussion and resolution of intergovernmental problems,” is well suited to address salient policy matters at the forefront of state and local policy agendas.

During the 1999 and 2000 fiscal years, the TACIR, on its own initiative and through special requests, assumed more responsibilities than ever before. In particular, the TACIR is increasingly relied upon by the General Assembly as a source of expertise.

During these years, the Commission gave considerable attention to critical public policy issues such as infrastructure needs, accountability and capacity for the funding of elementary and secondary education, and the establishment of a framework for growth planning in the state. In addition, it participated in vitally important research and analysis concerning the state’s outmoded tax system.
Message from the Executive Director, TACIR

This Biennial Report of the Tennessee Advisory Commission on Intergovernmental Relations (TACIR) presents an overview of the major activities and accomplishments of the Commission during the Fiscal Years 1999 and 2000. This report provides ample evidence that this has been a productive and complex two years.

Two major aspects of Commission activity to address and resolve major intergovernmental issues are described in this report. The first consists of the efforts of the Commission as a producer and distributor of reports addressing key policy and programmatic areas. This report offers summaries of TACIR contributions to progress in policy and program areas before the General Assembly or active in state government. The tax system summary demonstrates the Commission’s role as analyst of a complex technical subject about which the General Assembly is vitally concerned. The education finance summary highlights the Commission’s ability to make specific technical contributions to an important ongoing program. The growth planning summary illustrates the Commission’s role in direct support of the efforts of the General Assembly to address highly contentious issues of intergovernmental relations. The infrastructure discussion illuminates the role that the Commission staff can play in compiling critical information to support broad state objectives. The tort liability summary illustrates the role that TACIR can play in advancing discussion on a matter of vital importance to local governments.

The second major aspect of the Commission’s activities centers around its role as a deliberative body charged with responsibility for examining current and future developments impacting on intergovernmental relations. Much of this deliberation occurred in the context of formal commission meetings. In order to provide perspective on this activity, this report contains highlights of Commission meetings over the two-year period under consideration.
The TACIR can point to a record of substantial accomplishment over the period covered by this report. It added substantially to the intellectual capital vital in the resolution of complex policy issues and contributed to the effective implementation of important state initiatives.
Achievements in Intergovernmental Fiscal Relations

Financing Tennessee Government

In FY 2000, the TACIR made a major contribution to the ongoing dialogue in the state on the adequacy of the state’s tax system via the publication of *Financing Tennessee Government in the 21st Century*. This report was the capstone publication which summarized the findings from the Commission’s multi-year examination of this vital topic.

In this report the TACIR found that

- the state remains dependent on sales tax revenues for most of its revenue;
- the sales tax is an inelastic revenue source in that the revenue raised does not increase at the same rate as personal income;
- reliance on an inelastic tax produces a structural budget deficit in which revenues to fund services do not equal revenues using established bases or rates;
- the existence of a structural deficit impacts adversely on local governments, especially upon efforts to maintain adequate levels of expenditure for education;
- local governments have few options for measures that will enable them to increase revenues;
- the overall state tax system is regressive;
- business taxes manifest considerable inequity arising from lack of uniformity across industries;
- manufacturing industries have the lowest tax burden, albeit the burden is not consistent across all sectors;
- the state has become more dependent on federal aid and may not be well positioned to deal with the impact of devolution of responsibilities from the federal government, especially if the overall level of economic activity declines;
- the state does not tax internet and mail order sales, and loses considerable revenue that might be captured by situs sales taxes;
- the state loses considerable revenue by virtue of the fact that many state residents purchase goods in neighboring states with lower sales tax rates;
- the state does not have a lottery and does not allow gambling, and thus does not tap sources of revenue that are tapped by neighboring states; and
- the state has a wide range of potential options for raising revenue including
  - taxing currently untaxed goods and services;
  - increasing rates of taxation on currently taxed goods and services;
  - repealing measures that eliminated sources of revenue that were previously taxed, such as vending machine sales; and
  - levying an income tax.

This study proved to be a valuable resource as the General Assembly developed the FY 2001 budget and considered various revenue measures to fund it.
State-Shared Taxes

In FY 2000 the state faced a fiscal crisis and the General Assembly was required to make major decisions on taxing and spending in order to arrive at a balanced budget for FY 2001. This crisis prompted some policy makers to suggest that part of the solution may lie in reducing the level of state-shared taxes provided to local governments. The Commission recognized that local governments could be affected dramatically and adversely by significant reductions in state-shared taxes and completed a major study of the subject. This study was published in FY 2000.

The major findings of this study are as follows

- In Fiscal Year 1999
  - Tennessee shared over $711 million dollars with its local governments.
  - $264 million was restricted or earmarked (local governments had to use the money for specific purposes).
  - $447 million was unrestricted and could be used for any purpose.
- Of the state-shared taxes, franchise and excise taxes (combined), sales and use taxes, motor vehicle fuel taxes, and Hall income taxes exhibit the highest estimated average annual rates of growth (6.4 percent, 5.9 percent, 4.9 percent, and 4.7 percent respectively).
- The gasoline tax, which represents the single largest shared tax source, exhibits little growth over time.
- Hall income taxes, while representing an important source of growing shared revenue to city and county governments, is the most volatile shared tax source.
- In fiscal year 1995, state-shared taxes (excluding highway and beer wholesale taxes) amounted to only three percent of county own-source revenue but over 10 percent of city own-source revenue (including city funds returned by counties).
  - For particular localities, the ratio of state-shared taxes to local own-source revenue varied substantially:
    - Counties: 1.4 to 35.5 percent
    - Cities: 2.9 to 1,256.7 percent (the range was 2.9 to 142.1 percent for cities with property taxes).
  - Six counties received state-shared tax amounts equal to more than 10 percent of their own-source local revenue.
  - 63 cities received state-shared tax amounts equal to 50 percent or more of their own-source local revenue. Twenty-seven of those cities received amounts from state-shared taxes that exceeded their total own-source local revenue.
- A University of Tennessee County Technical Assistance Service (CTAS) analysis of state-shared taxes and county fund balances found that the loss of state-shared revenues would have serious implications to county government finances:
  - 33 counties received non-motor-fuel-related shared revenues that were greater than 50 percent of their general fund balances,
15 counties received non-motor-fuel-related shared revenues that were more than 50 percent of their general-purpose school fund balances,
10 counties would have an immediate general fund deficit without the non-motor-fuel-related shared revenues, and
six counties would have an immediate general-purpose school fund deficit without the non-motor-fuel-related shared revenues.

• If state-shared taxes were withheld and municipalities were to attempt to replace all state-shared taxes through an increase in property taxes, 185 municipalities would need to double their current property tax rate (at a minimum) to maintain their current level of spending.
• If state-shared taxes were withheld and county governments were to attempt to replace all state-shared taxes through an increase in property taxes
  36 counties would need to increase their property tax rate by over 50 percent;
  16 counties would need to increase their rate by over 75 percent; and
  six counties would be required to more than double their rates.

This report received the Most Distinguished Research Award for 2000 from the Governmental Research Association.
Public Chapter 1101 of 1998 established requirements for the development of county wide growth plans, outlined conditions for annexation and incorporation and required the establishment of Joint Economic and Community Development Boards. The Act established a process through which county and municipal governments were to develop growth plans and coordinate efforts on economic and community development. These plans were designed to resolve conflicts about annexation and incorporation within a framework focused on anticipated growth and development.

In recognition of the key role that TACIR had played in the development of the proposals that were incorporated into the Act, it stipulated that

“Until December 31, 2002, the Tennessee Advisory Commission of Intergovernmental Relations (TACIR) shall monitor implementation of this act and shall periodically report its findings and recommendations to the General Assembly.”

Upon passage of PC 1101, Senator Rochelle, the TACIR Chair, appointed the TACIR Executive Director, Dr. Harry Green to an Implementation Steering Committee. Senator Rochelle charged this committee to ensure that a proactive and cooperative approach was taken to implement the Act. Dr. Green assumed a major leadership role with this Committee.

In FY 1999, most of TACIR’s work in PC 1101 centered around the activities of the Implementation Steering Committee to promote prompt and consistent implementation efforts at the local level. In September 1998, the TACIR and the University of Tennessee Institute of Public Service published Growth Policy, Annexation and Incorporation Under Public Chapter 1101 of 1998: A Guide for Community Leaders. This report provided local community leaders a set of general guidelines for the implementation of the Act in order to facilitate consistent statewide application of its provisions.

In addition to this effort, the TACIR participated in an active train-the-trainer outreach program for state technical assistance personnel operating under the auspices of the University of Tennessee Institute for Public Service. This effort was designed to ensure that the field representatives of both the County Technical Assistance Service and the Municipal Technical Assistance Service had the latest and most accurate information possible.

Throughout FY 1999, the TACIR staff provided technical assistance and advice to numerous local officials who raised questions about various provisions of the Act.

**TACIR Reporting Efforts**

In order to meet its statutory obligations, the TACIR initiated its monitoring effort. Through this effort, it collected the information for its Implementation of Tennessee’s Growth Policy Act, published in March 1999 (FY 1999). This report covered the early history of the development of the Act, summarized its major provisions and highlighted the major early implementation steps.
In April 2000 (FY 2000), TACIR published its second implementation report entitled *Tennessee’s Growth Policy Act: A Vision for the Future*, which covered implementation efforts for CY 1999 and the first two months of CY 2000. This report covered a number of key areas including the adoption of growth plans, the establishment of JECDBs and various opinions of the Attorney General concerning key provisions of the Act. A major finding of this report was that substantial progress had been made in the implementation of the growth planning requirements of the Act, in that seventy-county wide plans had been approved by the local government planning advisory committee.

In FY 2000, TACIR issued a technical document on the major requirements of the Act pertaining to the establishment of the JECDBs, entitled *Joint Economic and Community Development Boards: A Guide for Future Action*. This report provided insights into some of the practical considerations relative to the establishment of the Boards. It offered important details designed to clarify the differences between these Boards and Industrial Development Boards, which some counties were seeking to transform into JECDB equivalents. This publication stimulated many counties and municipalities to develop new Boards capable of meeting the requirements of Public Chapter 1101.
Achievements in Education Finance

Since the passage of the Education Improvement Act (EIA) in 1992, the state has implemented an education improvement program and a fiscal equalization effort designed to increase/equalize the state’s financial contributions to school systems across the state. The major funding for this effort has been provided through the framework of the Basic Education Program (BEP). Concurrently, the General Assembly has sought assurances that implementation of the BEP was supported by a consistent allocation of education funds for education purposes. The TACIR has been a key player in this overall effort. It made significant contributions in the area of education finance in FY 1999 and FY 2000.

TACIR’s Determination of Fiscal Capacity

As noted above, the attainment of education finance equity is one of the more important objectives of the BEP. In order to move toward equity, the state has taken into account both the needs of school systems and the capacity of local governments to meet those needs through their own taxable resources - a capacity known technically as local fiscal capacity. The TACIR has made direct and major contributions to the BEP via implementation of the estimation of such capacity.

During both FY 1999 and FY 2000, the TACIR calculated fiscal capacity indices for each of Tennessee’s ninety-five counties. TACIR employed multiple regression analysis to predict each system’s per pupil fiscal capacity. The independent variables used to measure local education revenue capacity included:

1. per pupil property tax base;
2. per pupil taxable sales;
3. per capita income;
4. ratio of residential property to commercial property; and
5. ratio of county student population to total county population.

The dependent variable used was per pupil local revenue.

Use of the results of the TACIR fiscal capacity methodology by the Department of Education has resulted in an overall trend toward greater education funding equity in Tennessee. These positive TACIR fiscal capacity efforts directly support the goals of the General Assembly to provide equitable education funding and to recognize the ability of local jurisdictions to raise local revenues for education.

Cost of Living Research

As an extension of its work on the overall effort to promote greater education funding equity, the TACIR supported research by the Business and Economic Research Center of Middle Tennessee
State University on the matter of geographical costs differences. This research demonstrates that there are major differences in both housing and teacher costs across the state.

**Teacher Salary Disparities**

The TACIR conducted extensive research on the degree of classroom teacher salary disparity among Tennessee’s school systems\(^1\) and issued a major report on its findings. The report contained major findings as follows:

- The degree of teacher salary disparities among systems is in part a function of the way in which salaries are compared.
- Analysis of median salaries results in lower levels of disparities than does analysis using mean salaries. The cost to equalize adjusted median salaries is less than half that required to equalize unadjusted mean salaries.
- Disparities are further reduced when salaries are adjusted to reflect differences in costs of living and quality of life among systems.
- The current degree of disparity is a function of the level of effort within each county.
- Estimated equalization costs would be greatly reduced if all counties were funding education to their full fiscal capacity.
- The current degree of disparity is affected by the teacher length of service. There is limited disparity between newly hired teachers across the state’s school systems.
- Disparity among teachers with 10 years experience and Masters degrees is similar to overall teacher salary disparity.

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\(^{1}\) *Classroom Teacher Salary Disparity Among Tennessee’s School Systems*, April 1999.
Achievements in Infrastructure

In FY 1997 and FY 1998, the TACIR made substantial progress toward the completion of the data gathering and analysis for the Infrastructure Needs Inventory, as required by Public Chapter 817 of 1996. According to the Act, the information contained in the inventory is needed by the state and its local governments to

- improve the quality of life of its citizens;
- support livable communities; and
- enhance and encourage the overall economic development of the state.

To meet these requirements, TACIR worked cooperatively with the state’s nine development districts to determine the infrastructure needs identified by

- county executives;
- mayors;
- local planning commissions;
- local education agencies;
- utility districts; and
- county road superintendents.

The development districts administered infrastructure inventory surveys to these officials and agencies within their district boundaries. These surveys were used to ascertain existing planned and anticipated infrastructure needs over the next five-year period.

On a county-by-county basis, each development district surveyed the infrastructure needs within each of the following broad categories of infrastructure

- education (K-12 and other facilities);
- transportation (i.e., roads, bridges, airports, etc.);
- water and wastewater;
- industrial sites;
- solid waste;
- recreation;
- low and moderate income housing;
- telecommunications;
- public health buildings; and
- public buildings.

\(^2\) Tennessee Code Annotated §4-10-109 (a).
Through this instrument, they collected information on several aspects of each infrastructure project, including stage of development, location, funding availability and ownership. The TACIR compiled the results from each development district survey effort into a master inventory which provides the base document for the annual report to the General Assembly.

The work, accomplished in FY 1998, paved the way for the first official report of this effort which was published by TACIR in FY 1999 as Tennessee Public Infrastructure Needs Inventory Assessment of FY 1998.

- This report identified $13.7 billion in needed infrastructure projects, composed of $11.2 billion of general infrastructure needs and $2.5 billion in education needs for K-12 infrastructure.
- The largest categories under general infrastructure were transportation at $4.4 billion and water and wastewater at $2.5 billion.

Among the most important findings on the conditions of the education infrastructure were the following

- most of Tennessee’s 1,580 K-12 facilities were rated as being in a “good” or “excellent” condition by the rating scale developed by the TACIR;
- over the next five years, it will cost $1 billion to bring all school facilities in the state up to at least a “good” condition rating;
- school officials reported that 78.2 percent of Tennessee’s 41,265 permanent classrooms were rated in “good” or “excellent” condition;
- barely half of Tennessee’s 2,198 portable classrooms were rated in either the “good” or “excellent” condition;
- Local education agencies must spend at least $95 million over the next five years to comply with federal and state mandates (this does not include any cost related to EIA compliance);
- by far, the most expensive mandate relates to compliance with the Americans with Disabilities Act – $55 million or 58 percent of all reported mandate costs; and
- school officials responding to the survey indicated a need for $246 million for new computer hardware and software.

As might be expected in an initial effort of this magnitude and complexity, the results were uneven and far from definitive. Thus, TACIR invested a good deal of resources to improving the quality of the reporting and its methods of data analysis. With the assistance of the participating development districts it made substantial progress in both areas by the end of FY 2000.
TACIR Achievements in Local Government Tort Liability

During its 100th Session, the General Assembly debated many bills addressing the issue of tort liability of local governments. It failed to pass legislation dealing with the contentious issue of tort liability limits. Thus, it left unresolved the issue of the adjustments to appropriate limits, if any, that needed to be made on the size of judgments that could be awarded against local governments found to be at fault in court cases. In order to move forward on this issue, the General Assembly directed the TACIR

“to conduct a study on limits of liability in effect for local governments and make recommendations to the Governor and the General Assembly on whether or not such limits should be increased. If such commission recommends an increase in such limits, such commission shall propose the amount at which such limits should be established.”

The TACIR responded to this mandate by establishing a Tort Liability Study Committee. This committee held extensive hearings which provided all the stakeholders opportunities to present their perspective on the issue.

Based upon the work of the Study Committee, the Commission adopted two recommendations for submission to the General Assembly.

- The current tort limits in effect for local governmental entities should be adjusted for inflation, using the US Consumer Price Index (CPI).
- A practical solution should be obtained in 1999 to address catastrophic events and the need for the establishment of a catastrophic events liability fund.

In May 1999, the Tort Liability Committee developed draft legislation that would have established a catastrophic claims governing board. This board would have been charged with responsibility to establish and manage a catastrophic events liability fund, whose resources would have been drawn upon as necessary to fund liability judgments against impacted local governments. No future action was taken on the bill during the session.

This issue is an excellent example of the lengths to which the Commission goes in an effort to develop a balanced perspective on a highly contentious issue, the resolution of which is vital to local governments throughout the state.

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3 A tort is a “wrongful act, damage or injury done willfully, negligently, or in circumstances involving strict liability, but not involving breach of contract…”

4 A detailed account of the deliberations and vote will be found in the “Minutes of the 74th Meeting of the TACIR,” available upon request.
Publications and Limited Distribution Reports FY 1999 & 2000

Publications


Tennessee Public Infrastructure Needs Inventory Assessment for 1998, January 1999

Local Government Tort Liability Issues in Tennessee, January 1999*


The True Cost of Education in Tennessee: Alternative Geographic Cost Adjustment Measures, March 1999

Classroom Teacher Salary Disparity Among Tennessee’s School Systems, April 1999

Forming a Metropolitan Government: The Hows and Whys of Local Government Consolidation In Tennessee, October 1999

Taxation of Services: Tennessee Compared to the Contiguous States, January 2000


State Shared Taxes in Tennessee, March 2000*


Limited Distributions

Sales Tax on Food: Targeting Relief to the Working Poor and Elderly Poor, May 1999

Income Elasticity of Tennessee’s Tax System, July 1999

Comparative Analysis of the 1990 Connecticut Income-Tax Movement and the Current Tennessee Fiscal Environment, September 1999

* TACIR received awards from the Governmental Research Association for these reports.
Is There a Fiscal Crisis in Tennessee? TACIR Responds, March 2000

**Briefs and Other Publications**

Staff Presentations FY 1999 & 2000

Issues Involving the Basic Education Program
August 1998. Presented to the Select Oversight Committee on Education

Measuring Fiscal Capacity for K-12 Education
August 1998. Presented to the Select Oversight Committee on Education

Tennessee Wireless Enhanced 9-1-1 Legislation

Selected Characteristics of Tennessee’s Fiscal Environment

Local Government Tort Liability

Financing Tennessee Government in the 21st Century

Public Chapter 1101 Implementation Developments

Tennessee Public Infrastructure Needs Inventory Assessment for FY 1998 K-12 Education Facilities

Spending Equity in Tennessee: The Fiscal Capacity Model
March 1999. Presented as part of the symposium “How Tennessee is Using a BEP to Fund Schools and Achieve Equity.”

Class Size Policies and Educational Facilities

Fiscal Year 2000 Fiscal Capacity Index

Growth Policy in Tennessee: Public Chapter 1101 of 1998
August 1999. Presented at the Governor’s Local Issues Conference.

Teacher Salary Disparity: Overview of Teacher Salary Disparity Analysis by TACIR Staff

Implementation of Tennessee’s Growth Policy Act
Public Infrastructure Needs Inventory Assessment: Public Chapter 817

K-12 Facilities Infrastructure Needs: Public Chapter 817

What is TACIR? Major Responsibilities

Growth Policy in Tennessee: Public Chapter 1101

Tennessee’s Growth Planning Law and State Shared Taxes in Tennessee: Critical Issues

State Shared Taxes in Tennessee: Critical Issues
April 2000. Presented to the American Society for Public Administration East Tennessee Chapter.
Conferences/Meetings Attended by TACIR Staff

• National Conference of State Legislatures
• Business of Running a Utility Conference
• Tennessee County Services Association Annual Conference
• Tennessee Development District Association Spring Conference
• American Education Finance Association
• The League of Women Voters of Tennessee Convention
• Governor’s Local Issues Conference
• Federation of Tax Administrators Conference
• State Management Conference
• County Officials Association of Tennessee Fall Conference
• Middle Tennessee State University Economic Outlook Conference
• American Society for Public Administration Conference
• Tennessee Association of Realtors Conference
• Tennessee Conference on Social Welfare
• Association of Government Accountants
• Tennessee Municipal League Annual Conference
• Southern Growth Policy Board: Future of the South Conference
• Federation of Tax Administrators Conference
• Tennessee Association of Utility Districts Annual Meeting
• Intergovernmental Technology Forum
Stakeholder Perspectives on Tax Reform

Dr. Charles SMITH, Chancellor of The Tennessee Board of Regents, reviews the relationship between the state tax system and higher education funding. He indicates that higher education has seen a six percentage-point drop in its share of state funding. He describes a linkage between educational attainment and the tax system. He stresses that if Tennessee were to set as a state goal the achievement of the national average in the percentage of college graduates, we would: increase per capita income; educate more citizens, generate greater revenue and reduce the costs of prisons and welfare.

Dr. Joe JOHNSON, President of the University of Tennessee, describes the current tax burden on citizens of the state and indicates that the total burden has been declining when compared with neighboring states. He indicates that one of the consequences of this has been a substantial decline in funding for higher education. In response to a question he describes the positive impact of the HOPE scholarship program in increasing access to higher education in Georgia.

Ms. Linda MCCARTY of the Tennessee State Employees Association reports on the impact of the state’s tax system on state employees. She stresses the fact that the low tax burden in the state means that state employees are poorly paid for their services. One of the results of this is a high turnover rate. She reports that that the TSEA supports a progressive tax reform package, which includes a fair and equitable plan to fund adequately all the operations and services of state government and applauds efforts of the Commission to study the ramifications of different policy options to help educate the public on the issue.

Mr. Charles GARRISON speaks on behalf of the Tennessee Association of Business (TAB). He cites recently released Census Bureau data showing that there are only three states with lower per-capita state tax burdens than Tennessee for 1997. He indicates that the lack of broad-based personal income tax means that Tennessee must rely more heavily on sales and property taxes, which means a substantial portion of total revenues come from business.

Mr. Julius JOHNSON speaks on behalf of the Tennessee Farm Bureau. He emphasizes the importance of agriculture and its role in the future business climate of the state. He notes that farmers see inequities in our present tax structure, both at the state and local level, but that they would rather live with present inequities than face tax reform if such reform were to result in a major tax increase.

Rebecca BUNDIN with the American Association of Retired People shares with the Commission AARP’s taxation position. She stresses that the AARP believes the sales tax is a regressive tax and that it makes up too large a portion of state revenue. She reports the AARP favors personal income tax as a revenue source, viewing that revenue source as progressive and fair across the board.
Ms. JoAnn BENNETT, a past president of Tennesseans for Fair Taxation and a past president of
the Tennessee League of Women Voters adds her support to the positions taken by the prior
speakers and emphasizes concerns over the state’s reliance on sales tax.

Former Revenue Commissioner Joe HUDDLESTON reviews some of the history of the state’s
tax system. He stresses the sales tax system’s effectiveness is limited by exemptions of
electronic commerce and the ability of many residents to avoid sales taxes by shopping in
neighboring states.

Mr. David MANNING, former commissioner of the state Department of Finance and
Administration, advises the Commission to use the revenue prediction model developed by Dr.
Bill Fox at the University of Tennessee. He reminds the Commission that the reform effort,
which featured a four percent state income tax, with a $7,000 per person cap combined with
reductions in other taxes, failed. He recommends that serious consideration be given to an
expenditure tax.

Mr. Don JACKSON, former commissioner of the Tennessee Department of Revenue and the
Tennessee Department of Finance and Administration, tells the Commission that he sees
absolutely no chance of passage of an income tax in Tennessee in the foreseeable future. He
indicates that he does not believe Tennessee should even consider exempting food from the sales
tax. He says subsidies would be better if the purpose were to assist those of low income.

Mr. George YOWELL, President of Tennessee Tomorrow, Inc., reviews recent findings relative
to Tennessee’s competitive position. He indicates that Tennessee compares favorably with other
states in work ethic, low personal taxes, and geographic location. He stresses that the state
compares unfavorably in terms of its work force and the education system.

Mr. Graham GREESON, Director of Research for the Tennessee Education Association, says it’s
ironic that we should be discussing the eccentricities of the Tennessee tax structure during this
financial upswing in the state. He notes that neighboring states and states across the country
have dramatically improved programs and augmented their rainy day funds during this economic
boom. Tennessee hasn’t been able to dramatically increase its rainy day fund, and the good times
have masked problems. He stresses that there is little basis for optimism regarding the
Tennessee situation.

Mr. John NEW of the Tennessee Municipal League provides perspectives on the impact of the
state’s tax system on local governments. He reports that current rules mean that local
governments are not able to collect sufficient revenues from the sales taxes collected in the state.

Mr. Bob WORMSLEY, Executive Director of the Tennessee County Services Association,
expresses concerns that many counties still rely heavily on property taxes and that many are not
taking advantage of local option sales tax increases. He reminds the Commission that the public
dislikes the property tax and that only the federal income tax is disliked more. He contends that,
as the state transfers the responsibility for additional services to counties, it should also transfer
the authority to the county commissions to impose a diversified and less-regressive tax structure.
December 1-2, 1998

Re-election of officers

Both Chairman Rochelle and Vice-Chairman Clark were re-elected to their Commission posts for an additional two-year term.

Tax Reform
Lynne HOLLIDAY, TACIR Senior Research Associate, introduces the draft staff report on the state tax system. She points out that the clear consensus is that the current tax structure in Tennessee is not only deficient, but endangers the future economic vitality and jobs in the state by providing insufficient funds for education which are now provided through a 57 percent share of sales tax collections. Commissioners discuss several aspects of the report including meaning of key terms, such as structural deficit and tax exemptions, and loss of revenue to other states. Commission approves the Financing Tennessee Government in the 21st Century as a Commission Report.

Tort Liability
Ms. Frith SELLERS, TACIR Senior Research Associate, reviews the draft report on Tort Liability. She reports on significant technical difficulties that make it difficult to reach definitive conclusions about the relationship between the raising of tort liabilities and the size of claims. She stresses that the report recommends adjustments in current limitations on liability. The Commission adopts the Tort Liability Report as a Commission Report.

Infrastructure Needs
Mr. John NORMAN, TACIR Associate Executive Director, presents the initial TACIR inventory of public infrastructure needs. He summarizes information on the 4,787 general projects identified and reports a total state-wide cost of $13.5 billion. The Commission approved the Infrastructure Needs Report as a Commission Report.

Public Chapter 1101
Dr. GREEN updates the Commission on the implementation of PC1101, including formation of implementation steering committees in two-third of the counties, and asks that the Commission adopt the report as a “staff report” to be presented to the legislature. He indicates that substantial progress has been made across the state in the development of growth plans. Commission members report their positive experiences with the formation, composition and working of the coordination committees locally and their pleasure with the role TACIR staff played in the implementation effort.

June 28-29, 1999

Recognition of William Snodgrass, Comptroller Emeritus

Dr. Harry GREEN introduces a resolution honoring WILLIAM R. SNODGRASS, Comptroller Emeritus.
Mr. SNODGRASS addresses the Commission and expresses his appreciation for the kind words and resolution of the Commission. Mr. SNODGRASS notes that he has long-standing involvement with matters of intergovernmental relations, both before and after the formalization of the TACIR in 1978. He stresses his belief in the need for state, city and county governments to work together. The Commission honors him for his efforts through a certificate of appreciation.

Budget Agreement for FY2000
Comptroller and TACIR Commissioner John MORGAN discusses the final action taken on the budget during the convening of the 101st General Assembly by presenting interstate comparisons on a variety of fiscal and demographic issues. He demonstrates that the state ranked 47th and 46th on per capita taxes and taxes as a percent of personal income respectively. He indicates that Tennessee’s low level of taxation affects the mix of education finance and also leads to a low ranking in education spending, despite significant improvements in state funding.

He reports that the major recurring revenue enhancing action for the budget was the so-called “Kroger plug” which is designed to capture franchise and excise tax revenues that are being lost due to tax-avoiding strategies by businesses such as re-organization or re-structuring. Some other minor enhancements were undertaken, such as repealing half of vendors’ compensation for sales tax report preparation and increasing cable TV taxation. Major portions of the revenue enhancing measures are non-recurring, ultimately leaving the State with a $130 million shortfall at the beginning of FY 2001. The Comptroller also discussed the budget reductions that were part of the effort to balance the FY 2000 budget and provided a detailed list of the programs that were being cut.

Commission members discuss a variety of topics, including the status of the tobacco lawsuit settlement funds, future Encore reforms and the potential for savings on health care, Tennessee colleges' tuition increases (and possible declines in enrollment in higher education institutions), and the lottery as a partial solution to budget problems.

Tort Liability Issues
Commissioner Tom VARLAN discusses tort liability issues. He indicates that tort reform was not achieved this session due to the focus on budget issues, but that it would once again return as a front burner issue. He stressed that resolving these issues requires a balancing of the interests of victims and local government. He indicates that the TACIR effort to reach an acceptable compromise would continue.

County Fiscal Impacts of Tax Reform
Mr. WORMSLEY of the Tennessee County Services Association addresses fiscal concerns of counties. He stresses that many counties have a narrow tax base and that the burden on homeowners is being increased via increases in the property tax. He indicates that any effort at tax reform in the state needs to take the needs and capabilities of counties into account.

Discussions following this presentation center around property tax increases in Hamilton County and Shelby County, especially the allocation of the additional funds to meet various needs such as debt reduction and education needs.

Chairman ROCHELLE states that there is a distinct possibility that the legislature will not be able to reach consensus on how to address the revenue situation. He states that city and county
governments should start to prepare a “list” of ideas to reorganize the structure of government in such a way that we will see cost savings. He points out that if some of the pass through sales tax money or road money is diverted to address state needs, that county governments are going to need to move quickly to avoid a financial crisis at the local level.

Ms. Suzette DENSLOW, Executive Director of the Tennessee Municipal League, describes municipal concerns relative to state taxes. She explains that they are concerned about state taxes because as the state goes, so do the localities. She stresses that a good tax system should be a “three-legged stool” based on property, income, and consumption. She notes that local revenues have been impacted adversely by increases in Internet, mail order, and all other “E-Commerce” activities.

Commission members Mayor Sharon GOLDSWORTHY and Mayor Tom ROWLAND both express hopes that the legislature will take local government concerns into account in any efforts to reform the state’s tax system.

**TACIR Work Program**

Dr. Harry GREEN discusses the TACIR work program for FY 2000. He reviews accomplishments in FY 1999 in regard to a range of projects and issues, including education finance, tax and fiscal issues and growth policy. He indicates that both the growth policy work under PC 1101 and the work on tax and fiscal issues consumed a great deal of staff resources. He stresses that priority projects for FY 2000 included holding four Commission meetings, work on tax and fiscal issues with the general assembly as requested, education issues, infrastructure and growth policy. In response to a question he describes the TACIR effort on the PC 1101 workshop.

Chairman ROCHELLE stresses the contribution that TACIR made to the resolution of issues surrounding the E 911 systems in the state.

**Teacher Salary Disparity and Teacher Cost Differences**

Dr. Harry GREEN and Mr. Cliff LIPPARD discuss recent TACIR staff work on teacher salary disparity and education cost differences. Dr. GREEN indicates that any effort at equalization of salaries will cost a good deal of money and that the actual cost will depend on how the problem is defined and measured. Mr. LIPPARD presents the findings of a recent research effort, which demonstrates this point. He stresses the progress made in the development of a Tennessee specific Teacher Cost Index.

Chairman ROCHELLE observes that Tennessee might have a judicially enforceable requirement that teachers across the state receive equal pay. He states that the concept behind the presentation was that when you look at equal compensation, it is valid to also look at the cost of living in the particular area where they are teaching.

In the following discussion Commission members expand on the difficulty of developing acceptable measures of all the factors bearing on this issue. Several commenters stress the difficulty when variables from other states are taken into account.

Mr. LIPPARD discusses the second study, *Classroom Teacher Salary Disparity among Tennessee’s School Systems.* He explains that TACIR staff applied the TTCI to Tennessee’s
teacher salary database. He indicates that use of the median to measure averages, rather than the mean, reduces the number of systems reporting lower than average salaries. He stresses that adjusting the teacher salaries by the TTCI greatly reduces the number of systems with salaries below the state average.

FY 2000 Scheduled Commission Meetings

August 5-6, 1999

Education
Dr. GREEN explains House Joint Resolution 191, which several years ago charged the TACIR, in conjunction with the Comptroller’s Offices of Research and Education Accountability, with a study on accountability and use of a half-cent sales tax increase to fund the Basic Education Program (BEP).

Mr. Bill WHITE of the Comptroller’s Office of Research and Education Accountability discusses his office’s “desk reviews,” an annual analysis of the data submitted to the Department of Education by the state’s school systems. These reviews provide legislators and other decision-makers with information about schools in their districts, particularly growth trends, class size ratios and whether local revenues meet the requirements of the BEP. Mr. WHITE says the advent of these reviews has focused attention on a number of issues affecting the accountability of Tennessee’s K-12 education system.

Ms. Lynnisse ROEHRICH-PATRICK, Assistant Commissioner for the Department of Education (DOE), reviews recent effort by the Department to implement Education Improvement Act (EIA) suggestions regarding reporting. She indicates that it has changed the financial Report Card to make the data more comparable regarding transportation costs and cafeteria expenditures. She summarizes the Department’s approach to accountability at the teacher and school levels through which the state holds the school boards accountable.

Mr. Chris STEPPE, DOE Director of Internal Audit, discusses State Policy 22 on the monitoring of sub-recipients of state and federal funds. This policy establishes a coordinated monitoring system that defines the type of monitoring and the core monitoring areas. He says the monitoring must include a risk analysis to identify those entities with a high risk for poor performance and accountability.

Ms. Judith MORGAN with the Department of Education’s Office of EIA Compliance summarizes the statutory requirements that support education accountability. She indicates that the DOE is developing a manual on accountability policies. She says: that this effort will make it possible to put the approved performance model into effect with the 1999-2000 school year.

Mr. Jim JONES, DOE Executive Director of Local Finance, presents copies of the new accountability test, which combines a former revenue test and an expenditure test. It looks at expenditures for both classroom and non-classroom areas. He says a three-year comparison of the financial data is conducted and that the test requirements must be met before the release of state BEP funding.
Dr. SAILORS, Executive Director of the State Board of Education, explains some changes proposed by the value-added component of the accountability model, which extends into the high school, and “Gateway” tests. He states that this new Gateway testing format will inject more “rigor” into the high school curriculum; a side effect will be harder work in the lower grades to ensure students are ready.

**Teacher Migration**

Dr. Gary PEEVELY with the Tennessee State University Center of Excellence for Research on Policy and Basic Skills presents the results of his TACIR-funded research on why teachers change jobs. He reports that migration is impacted most substantially by salary, commuting time and distance, spouse relocation and administrative support and leadership.

**Public Chapter 1101**

Shelby County Mayor Jim ROUT reports on the high level of cooperation achieved among local governments in Shelby County. He says the resulting growth plan will be important, but the most important achievement will be bringing all the local decision-makers together at one table. He describes efforts to move toward regional cooperation and planning between jurisdictions in Tennessee, Mississippi and Arkansas. Highlighted in the success of the Growth Plan effort is the facilitation provided for the process by a representative from Federal Express, who kept the meetings focused and on-track.

Mayor Victor ASHE describes the conflicts in Knox County which have impeded the development of a growth plan that all jurisdictions can support. He stresses the conflict between the urban and rural parts of the county, and noted with interest Shelby County’s use of a facilitator.

Dr. GREEN describes the work of the ad hoc implementation steering committee for the growth policy law and provisions for technical assistance through the state’s nine development districts. He said the steering committee is beginning to learn about problem areas and best practices.

Don WALLER, Director of the Local Planning Assistance Office, Department of Economic and Community Development, outlines the steps that his office is taking to assist local governments in the development of their growth plans. He notes that his staff and the clients for whom they work lack experience in mandatory planning. He indicates that most of this effort is focused on cities who have contracted for planning services. He points out that the UT population projections are very controversial across the state.

Mr. Maynard PATE Executive Director of the Greater Nashville Regional Council and Secretary/Treasurer of the Tennessee Development District Association reviews the work of the state’s development districts and places it in the context of the efforts of other agencies, including CTAS and Office of Local Planning. He indicates that the development districts are providing assistance to the coordinating committees, which are responsible for developing the growth plans. He expresses concerns about meeting deadlines and stresses the need for negotiations among all local jurisdictions.

Mr. Michael APPLE, President of the Home Builders Association of Tennessee, reports that his organization understands the logic behind urban growth boundaries but remains concerned that the current Act does not include provisions for monitoring of land supply. He expresses
concerns that situations could develop in which counties and cities might interact in a way that encourages sprawl and leapfrog development.

Rhedona ROSE with the Tennessee Farm Bureau Federation discusses growth planning in the context of economic forces operating within the agricultural community. She indicates that the farm economy is struggling and that farmers realize that their land is a valuable resource for development. She stresses the point that growth plans will have an impact on property values and that will impact the interests of the farming community.

**December 6-7, 1999**

**Public Chapter 1101**

Tom BALLARD of the University of Tennessee Institute for Public Service reports on the activities of the Growth Policy Law Implementation Steering Committee regarding Public Chapter 1101. He describes the effort to produce and distribute a single reference document, which provides community leaders with a basic overview of the Act. He indicates that successful training sessions and a workshop have been completed. Discussion following this presentation focuses on the use of facilitators to help contending parties resolve their differences.

Dr. GREEN discusses the report the Commission is required to submit to the General Assembly on the progress of P.C. 1101. Since Jan. 1, 2000 is a milestone when the plans should have been received and heard by the coordinating committee and sent back to the cities and counties for additional hearings, the TACIR staff would like to be able to report on how many counties have achieved that milestone.

**Infrastructure Needs**

Dr. GREEN discusses the infrastructure needs report. He points out that the inventory reveals that most of the projects in the state are for water, wastewater and transportation. Transportation is by far the most expensive of the infrastructure needs. He indicates that staff is still not satisfied with the level and accuracy of reporting on infrastructure relating to schools and that improvement in this area is a major priority.

**Regionalism And Public Policy:**

Earl SWENSSON, holder of the Jennings and Rebecca Jones Chair of Excellence in Urban and Regional Planning at Middle Tennessee State University, describes the nature and purpose of Leadership Middle Tennessee. This effort will bring together leaders of ten middle Tennessee counties to address common concerns relative to education, transportation, health delivery systems, infrastructure, land use and community development. He points to a growing realization within the state that it might have growth problems and indicates that P.C. 1101 is a revolutionary step for the state.

Mr. Sam EDWARDS of the Greater Nashville Regional Council (GNRC) reviews regional perspectives developing at the GNRC and other development districts across the state. He says one of the most powerful outcomes of P.C. 1101 is communication and cooperation. In its simplest terms, regionalism is about getting to know people and talking to them about their perspectives.
Preston ELLIOTT, Transportation Coordinator for the Metropolitan Planning Organization, explains that a Metropolitan Planning Organization (MPO) is composed of local elected officials who collectively address transportation-related issues. The primary function of the MPO is to prepare plans and programs for the expenditure of federal funds, under guidelines from the US Department of Transportation. He stresses that transportation planning involves planning for land use and transit as well as highways.

The Commission discusses the issues of “ring roads” and mass transit/commuter rail as major concerns that needed to be addressed in transportation planning.

**Potential TACIR Tax Study**

Chairman ROCHELLE reviews some topics on the TACIR’s work schedule, noting that some very “sensitive” and important subjects have been brought before the Commission over the years such as infrastructure, P.C. 1101, E-911 and tax reform. He notes that tax reform efforts by the General Assembly failed twice in 1999, and that opponents of reform are calling for “bureaucratic-cleansing, cut-the-fat” efforts. He asks Commissioners to consider whether TACIR should study the issue of state-shared taxes and their potential relation to local property taxes and tax reform, particularly since the TACIR is one of the few organizations that includes representatives at all government levels as well as private citizens.

Discussion centers on the issue of the role that the Commission could play and the nature of the data that it needs to collect and analyze. The discussion indicates that there is substantial agreement on the need for solid data and analysis by the Commission, but that the Commission does not need to make recommendations of tax reform options.

**June 27-28, 2000**

**Bonded Indebtedness**

Mr. David BOWLING, Director of Local Finance in the Office of the Comptroller, responds to questions from Commission members. He reports that the most recent data on local indebtedness is 1997 and that new data is not being collected. He indicates that the state’s general obligation bond rating will indirectly affect local borrowing costs. Local governments obtain some benefit from a state’s strong bond rating.

Ms. Mary-Margaret COLLIER, the Director of Bond Finance in the Office of the Comptroller, outlines the guidelines that bond rating agencies use in determining the bond rating of state and local governments. She explains that the bond rating of the state can impact on local governments. The general rule is that the lowest level of debt cannot be any higher than the level of debt of the jurisdiction’s above it.

**Ring Roads**

Dr. GREEN revisits the previous meeting’s questions about ring roads and beltways. He reports that recent staff research did not produce conclusive evidence supporting or disputing the effectiveness of ring roads. Discussion indicates a range of opinion on the potential impact and points to the need for securing an expert to make a presentation to the Commission.
**State Shared Taxes**
Dr. GREEN discusses state shared taxes. He indicates that the staff report requested by the Commission has been published and distributed. He notes that TACIR staff continue to explore “residual issues” related to state shared taxes as “we look at the larger issue of local government finance.”

**Electronic Commerce**
Dr. GREEN discusses issues relating to electronic commerce and suggests a presentation to update all the members on the questions raised by e-commerce. He stresses the importance of a recent study on the subject of tax losses to the state by Dr. Bill Fox of the University of Tennessee.

Commission Member and Representative Matt KISBER acknowledges that, for the first time in his career, the Department of Revenue seeks to be “part of the solution” and wants to work toward reform of the sales tax laws. It seeks to provide “consistent and simple policy for the interpretation and administration of the sales tax in order to make it a viable tax source in the twenty-first century.” Rep. KISBER says a thorough review of sales tax policy could benefit consumers, government, e-commerce businesses and brick-and-mortar businesses.

**TACIR Study of the Uniform Community Development District Act of 2000**
Dr. GREEN leads a discussion of the TACIR assignment to conduct a review of the Uniform Community Development District Act of 2000. Senator HENRY comments that because opinions on the issue are polarized, the TACIR seemed to be well suited to researching the issue. Rep. KISBER concurs with the Senator. Chairman ROCHELLE suggests that a sub-committee be appointed to further delve into the topic.

**TACIR FY 2001 Work Program**
Mr. Cliff LIPPARD presents the TACIR work program and strategic plan to the Commission. He outlines the process for developing TACIR’s strategic plan, which focuses on “management by project.” Mr. LIPPARD presents a new version of the TACIR mission statement for TACIR:

“To serve as a forum for the discussion and resolution of intergovernmental problems: provide high quality research support to state and local government officials in order to improve the overall quality of government in Tennessee; and to improve the effectiveness of the intergovernmental system to better serve the citizens of Tennessee.”

**Fiscal Aspects of Growth**
Dr. John ELEY of TACIR staff summarizes recent work by TACIR staff on authorizations by the General Assembly to local governments for development taxes and impact fees. He indicates that paying for growth via these taxes and fees is an important public policy issue involving basic matters of equity and effectiveness. He points out that most of the authorizations are have been provided by private acts and that the legislature may need to develop a more comprehensive policy through public act as growth issues become more important. Discussion centered on the interactions of tax incentives to attract new development and taxes and fees to make sure that the jurisdictions can pay for the costs of growth.
TACIR Infrastructure Needs Survey
Dr. GREEN introduces the infrastructure needs project. He states that the project is a great deal larger than anticipated and gathering data is a more difficult than anticipated.

Ms. Lynnisse ROEHRIC-PATRICK presents an overview of the public infrastructure needs inventory. She notes that TACIR’s attempt to inventory infrastructure needs has a broader scope than any comparable effort by other states. She stresses the importance of better reporting of infrastructure needs by local officials, upon whom TACIR relies for information.

PC 1101: Discussion of Growth Planning
Dr. GREEN reviews progress across the state in the development of growth plans. He reports that the Local Government Planning Advisory committee has approved the plans of forty-seven counties. He indicates that TACIR staff will be reviewing the growth plans of the counties, which have approved growth plans as TACIR continues to fulfill the legislative requirement of monitoring the implementation of PC 1101.

Dr. GREEN reviews the status of the Joint Economic and Community Development Boards. Unfortunately. These Boards are not being organized as quickly as the Coordinating Committees. Dr. GREEN feels that these Boards will provide long-term assistance for growth planning.

Tort Liability
Mr. Tom VARLAN reports on recent developments in tort liability. He indicates that only one act on this subject was passed in the last session. This legislation requires local governments to report their tort liability activities to the State Treasurer’s Office. He also mentions a new initiative called the Public Risk Database Project (PRDP), which may fulfill some of the Commission’s hopes for a collection of risk management information.

Discussion leads to a decision that TACIR staff continues to study this subject.

Education Funding: Fiscal Capacity for Education and FY 2001 Formulas
Dr. GREEN discusses the background and history of the fiscal capacity for education model. Discussion centers around a number of technical matters, including the use of “weighted numbers”, the meaning of the term “percent of total fiscal capacity”, the need for uniform reporting and the development of measures of sub-county fiscal capacity.
III. Appendices

Appendix A  TACIR Organization, Mission and Goals
Appendix B  What Does TACIR Do?
Appendix C  FY 1999 and FY 2000 Legislation Affecting TACIR
Appendix D  TACIR Membership FY 1999
Appendix E  TACIR Membership FY 2000
Appendix A

Organization, Mission and Goals

Organization

Consisting of public officials from state and local government and private citizen members, the Tennessee Advisory Commission on Intergovernmental Relations (TACIR) "serves as a forum for the discussion and resolution of intergovernmental problems."

The 25 members of the TACIR capture the richness and diversity of perspectives of private citizens and officials representing different branches and levels of government. Of the 25 member Commission, 22 members are appointed to four-year terms, while three are statutory members, holding membership by virtue of their position.

Responsibility for appointment of four state senators and four state representatives rests with the Speaker of each respective chamber of the Tennessee General Assembly. Other appointments to the Commission include four elected county officials, one official nominated by the County Officials Association of Tennessee, four elected city officials, one development district nominee, two private citizens, and two executive branch officials.

Statutory members include the chairs of the House and Senate Finance, Ways and Means Committees; and the Comptroller of the Treasury. In total, 10 members have local government as their primary affiliation; 11 represent the legislature; two are drawn from the executive branch; and two are private citizens.

Recent legislation clarified certain aspects of the appointment process that had been a matter of some ambiguity (see Acts 1996, Chapter 840). The 1996 amendments also eliminated references to outdated functions, and clarified procedures for the issuance of reports of findings and recommendations. Though the legislation was important as a matter of housekeeping, it did not alter the basic organization or mission of the Commission.

Mission

In the late 1970’s, legislative findings indicated the need for a permanent intergovernmental body to study and take action on questions of organizational patterns, powers, functions, and relationships among federal, state, and local governments (T.C.A. §4-10-101). In pursuit of this goal, the TACIR was created in 1978. The TACIR’s enabling act established what has remained the Commission’s enduring mission (T.C.A. §4-10-104) to:

Serve as a forum for the discussion and resolution of intergovernmental problems; provide high quality research support to state and local government officials to improve the overall quality of government in Tennessee; and to improve the effectiveness of the intergovernmental system to better serve the citizens of Tennessee.
Appendix B

What Does the TACIR Do?

Objectives

The TACIR provides a future-oriented perspective to public policy and intergovernmental relations, constantly attempting early identification and diagnosis of policy problems that loom on the horizon. To facilitate the achievement of its mission and goals, the TACIR is directed by statute to:

- engage in activities, studies, and investigations necessary for the accomplishment of the Commission’s mission and goals;
- consider, on its own initiative, ways of fostering better relations among local governments and state government;
- draft and disseminate legislative bills, constitutional amendments, and model ordinances necessary to implement the Commission’s recommendations;
- encourage, and, where appropriate, coordinate studies relating to intergovernmental relations conducted by universities, state, local, and federal agencies, and research and consulting organizations;
- review the recommendations of national Commissions studying federal, state, and local government relations and problems and assess their possible application to Tennessee; and
- study the fiscal relationships between the federal government and Tennessee’s state and local governments.

Additionally, the Commission is directed by statute to hold four meetings per year, and issue reports of its research and findings. Commission meetings, with invited guests and experts, and lively and thoughtful debate, form the core around which virtually all Commission activities are centered.

Given such a broad task environment, the Commission adopts an annual work plan to guide meetings and research. The work plan is designed to ensure the completion of objectives set forth in the Commission’s enabling act, as well as the achievement of the mission and goals.

From time to time throughout the year, the Commissioners address problems that were not anticipated in the work plan. Most such matters are addressed at the direction of the General Assembly.
Appendix C

FY 1999 and FY 2000 Legislation Affecting TACIR

In the two-year period covered by this report, the General Assembly passed the following acts affecting TACIR.

- P.C. 326 of 1999 increases percentage distribution to state agencies from payment in lieu of taxes by TVA.

- P.C. 672 of 2000 authorizes TACIR to contract for services of nine development districts or an agency or entity of state or local government or higher education in order to accomplish state-wide public needs assessment.

- HJR 0575 of 2000 requests TACIR to study staffing in offices of property assessors.
Appendix D

TACIR Membership: Fiscal Year 1999

Legislative
Senator Ward Crutchfield
Senator Tommy Haun
Senator Jeff Miller
Senator Robert Rochelle

Representative Jere Hargrove
Representative Steve McDaniel
Representative Randy Rinks
Representative Larry Turner

County
Nancy Allen, Rutherford County Executive
Truman Clark, Carter County Executive
Jeff Huffman, Tipton County Executive
Jim Rout, Mayor, Shelby County

Municipal
Victor Ashe, Mayor, City of Knoxville
Mary Jo Dozier, Councilwoman, City of Clarksville
Sharon Goldsworthy, Mayor, City of Germantown
Tom Rowland, Mayor, City of Cleveland

Other Local Government Officials
Judy Medearis, County Officials Association of Tennessee
Maynard Pate, Tennessee Development District Association

Statutory (ex-officio) Members
Senator Douglas Henry, Chairman, Senate Finance, Ways and Means Committee
Representative Matt Kisber, Chairman, House Finance, Ways and Means Committee
William R. Snodgrass, Comptroller of the Treasury

Executive Branch
Ruth Johnson, Commissioner, Department of Revenue
Lana Bowman Ball, Office of the Governor

Private Citizens
Chaddy Baker**
David Coffey
Dale Overton**
Thomas Varlan

* indicates service for a portion of the Fiscal Year by an incoming TACIR member.
** indicates services for a portion of the Fiscal Year by an outgoing TACIR member.
Appendix E

TACIR Membership: Fiscal Year 2000

Legislative
Senator Ward Crutchfield
Senator Tommy Haun
Senator Jeff Miller
Senator Robert Rochelle

Representative Jere Hargrove
Representative Steve McDaniel
Representative Randy Rinks
Representative Larry Turner

County
Nancy Allen, Rutherford County Executive
Truman Clark, Carter County Executive
Jeff Huffman, Tipton County Executive
Jim Rout, Mayor, Shelby County

Municipal
Victor Ashe, Mayor, City of Knoxville
Mary Jo Dozier, Councilwoman, City of Clarksville
Sharon Goldsworthy, Mayor, City of Germantown
Tom Rowland, Mayor, City of Cleveland

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Judy Medearis, County Officials Association of Tennessee
Maynard Pate, Tennessee Development District Association

Statutory (ex-officio) Members
Senator Douglas Henry, Chairman, Senate Finance, Ways and Means Committee
Representative Matt Kisber, Chairman, House Finance, Ways and Means Committee
John Morgan, Comptroller of the Treasury*
William R. Snodgrass, Comptroller of the Treasury**

Executive Branch
Ruth Johnson, Commissioner, Department of Revenue
Lana Bowman Ball, Office of the Governor

Private Citizens
David Coffey
Thomas Varlan

* indicates service for a portion of the Fiscal Year by an incoming TACIR member.
** indicates services for a portion of the Fiscal Year by an outgoing TACIR member.
TACIR Members:

Senator Robert Rochelle, Chairman
Truman Clark, Vice Chairman
Harry A. Green, Executive Director

Legislative
Senator Ward Crutchfield
Senator Tommy Haun
Senator Mark Norris
Senator Robert Rochelle
Rep. Jere Hargrove
Rep. Steve McDaniel
Rep. Randy Rinks
Rep. Larry Turner

Statutory
Rep. Matthew Kisber, FW&M
Senator Douglas Henry, FW&M
Comptroller John Morgan

Executive Branch
Lana Ball, Office of the Governor
Commissioner Ruth Johnson, Revenue

Municipal
Victor Ashe, Mayor of Knoxville
Mary Jo Dorzic, Councilwoman of Clarksville
Sharon Goldsworthy, Mayor of Germantown
Tom Rowland, Mayor of Cleveland

County
Nancy Allen, Rutherford County Executive
Truman Clark, Carter County Executive
Jeff Huffman, Tipton County Executive
Jim Rout, Shelby County Mayor

Private Citizens
David Coffey, Oak Ridge
Thomas Varlan, Knoxville

Other Local Officials
Judy Medearis, County Officials Assn. of TN
Maynard Pate, TN Development Dist. Assn.

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