

TACIR

The Tennessee Advisory Commission
on Intergovernmental Relations



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MEMORANDUM

TO: TACIR Commission Members

FROM: Harry A. Green
Executive Director

DATE: September 16, 2008

SUBJECT: Staffing Issues—Budget, Work Program, and Sunset Hearing Updates

- ***Hiring Freeze, Four Vacancies on Research Staff***

Budgetary constraints are limiting our ability to implement the work program. As you know, the Governor's Office has imposed a hiring freeze (see memo from Commissioner Goetz dated May 5, 2008 [Attachment A]). The freeze is impeding our ability to accomplish the work laid out at our June meeting. We now have four vacancies:

- Two research positions were vacated during the last fiscal year. We solicited and received a raft of applications, requested and reviewed a dozen or more writing samples, and interviewed two candidates late last winter. We deferred the hiring decision while waiting to see what would happen to our budget.
- Two additional research positions became vacant this summer: first, one that is tied to the infrastructure program and, later, one in the area of growth planning. Each of the vacancies we were already carrying partially staff these statutorily mandated programs, both of which are funded by dedicated TVA in lieu of tax revenue.

These vacancies represent more than a fourth of our full-time research associates. We filed a request in late June to fill the infrastructure position that became vacant two weeks later. We were notified via email in mid-August that our request was denied. We were reminded of the terms of the hiring freeze, which states "exceptions will be allowed in limited areas **necessary for the public welfare and for the welfare of persons under care or custody of the state.**"

TACIR's budget was approved as proposed, including a modest increase in funding for our contracts with the state's nine development districts, which are necessary to implement the infrastructure program. In fact, we were successful in getting legislation to preserve our funding, which is part of an amount designated for cities and counties that are affected by TVA expansions. Without that legislation, the revenue on which 90% of our budget depends could have diminished as those expansions occurred. It is a credit to the reputation and value of the Commission to Tennessee's state and local governments that we were able to get the legislation passed. I am pleased to report that funding for CTAS, on whose behalf the original bill was filed, is protected as well.

Until this year, our TVA funds were carried forward if not spent during the year received. Under the terms of the revenue-sharing statute, any savings would accrue to the Commission rather than reverting to the state's general fund. Public Chapter 1191, Acts of 2008, authorizes Commissioner Goetz to use our reserves to help balance the state's budget for fiscal year 2007-08 and fiscal year 2008-09:

- TACIR's unspent carry forward funds were included in a list of 84 funds, reserve accounts, and programs that would otherwise be unavailable to balance the state's overall budget.
- For these two fiscal years, those monies can be withheld from the agencies they support in order to balance the state's general fund.
- The state's appropriation bill, Public Chapter 1203, establishes a seven-tier schedule for the taking of funds otherwise reserved and carried forward. TACIR's reserve was listed in the first tier.

It is our understanding that the reserve-taking process would be an iterative one and that the intent is to take these funds first. (See Attachment B.)

For fiscal year 2009-10, budget instructions from Commissioner Goetz' office indicate that all state agencies will be required to submit a recurring 3% base reduction contingency plan. This plan relates only to our state appropriations, not to our TVA revenue. The instructions also require agencies to fully estimate departmental revenues in order to minimize the state appropriations required. (See Attachment C.) It is possible that our TVA revenue will be sufficient to completely offset our state appropriation, but we will not have an estimate until after the budget must be submitted. Our budget request is due October 1, and the TVA revenue estimate does not come to us until later in October or November.

- ***Work Program, Alternative Means of Accomplishing***

We have reviewed the work program in light of the hiring freeze and related budget constraints to identify items that can be deferred or that could be accomplished via grants to our public higher education institutions. Certain things are mandated or required by contract, including

- four Commission meetings each year
- the public infrastructure needs inventory

- monitoring implementation of Tennessee’s Growth Policy Act
- studying the proposed “County Revenue Partnership Fund” (SB3934/HB3863)
- studying specific water and wastewater bills assigned by the General Assembly, including
 - water and wastewater utility purchasing requirements (SB1780/HB1267), and
 - water and wastewater utility public hearings (SB2006/HB1946)
- updating education fiscal capacity (contract with Department of Education)

Given where our vacancies lie—two of them assigned full time and two assigned part time to one or more of these areas—we will not be able to meet these mandates. I have given considerable thought since the infrastructure program was implemented to whether some of the work could be accomplished by contract—work other than that provided by development district staff, that is. But the work done by TACIR staff requires substantive understanding both of the information in the inventory and its intended use. The work involves ensuring comparability across the state and adherence to guidelines for data collection and reporting.

The infrastructure project has always been short-staffed, and I had hoped that the strides we have made in automating the inventory would free us up for more analytical work. Unfortunately, we now have frozen vacancies even as we have completed major improvements in the information system that supports the project. Had our request to fill the one vacant full-time position that supports the inventory been approved, the project could have survived the project manager’s impending maternity leave. I see no way to complete this year’s infrastructure report under these circumstances, despite the fact that it is mandated, unless we shift remaining staff away from other projects.

Along those lines, then, the following projects from the work program you approved in June can be at least partially done by existing staff:

Mandates

- conduct four Commission meetings
- Public Chapter 1101 monitoring (to the extent that it can be done by part-time staff)
- public infrastructure needs inventory (will require shifting of non-infrastructure staff to the project)
- study of proposed “County Revenue Partnership Fund” per SB3934/HB3863
- fiscal capacity for 2009-10 (contract in place with Department of Education)

Drafts Near Release

- fiscal impact of illegal immigration on state and local government
- funding public school facilities
- county profiles (most of the data has already been updated; no enhancements will be possible)
- water supply planning (already in draft form, but may be delayed)

Other Work in Process

- Public Chapter 1101 revision working group (to be done with part-time staff)
- 2008 Forum on Tennessee's Future (in process; see Docket Book, Tab 7)

Other Work Scheduled

- comprehensive property tax study (to be done with part-time staff; some components may need to be postponed or completed through grants)
- analysis of economic impact models (to be done with part-time staff)

The following items from the approved work program cannot be completed by existing staff, but are proposed for grants to researchers with Tennessee's public higher education institutions:

Work in Process

- response of local governments to phase in of original Basic Education Program funding formula (final draft by University of Tennessee's Center for Business and Economic Research in hand)
- school siting in relation to land use planning (grant to University of Memphis School of Urban Affairs and Public Policy)

Proposed Grants

- studies of specific water and wastewater policies assigned by the General Assembly, but with no deadline:
 - water and wastewater utility purchasing requirements (SB1780/HB1267)
 - water and wastewater utility public hearings (SB2006/HB1946)
- analysis of bridge conditions and needs (begun by infrastructure staff, but impossible to complete because of vacancies)
- fiscal challenges posed by rising fuel costs and declining fuel consumption

- fiscal burden of regional hubs
- regional initiatives and government modernization
- analysis of counties with high-growth and low-fiscal-pressure
- evaluation of the potential for tax increment financing to support education capital needs
- study of transportation issues related to growth, development and infrastructure

Given the hiring freeze, it is unlikely that we will be able to accomplish the following items from our work program this fiscal year:

- study of Public Chapter 1101 quo warranto provisions
- update of education funding disparity analysis
- update of Guide to Metropolitan Governments
- expand and enhance county profiles
- development of GIS applications for understanding, analyzing and presenting data
- growth and infrastructure conference

- ***Sunset Hearing, Efforts at Staff Diversity***

An issue arose at our sunset hearing in June before the State and Local subcommittee of the Joint Government Operations Committee related to staff diversity. Ordinarily, these hearings are uneventful, but Representative G.A. Hardaway expressed concern about the diversity of our staff. We were asked by the subcommittee to return at a later date. The follow-up meeting was held in July at which time we presented the information in Attachment D. All of the members responded positively to our presentation, but Rep. Hardaway continued to express concern. The subcommittee members discussed their interest in reviewing the affirmative action reports we routinely file with the Department of Human Resources and recommended a two-year extension. Their recommendation will go to the full committee when legislation is introduced in the next session. This is the customary process.

In the meantime, we are devoting some effort to better understanding the challenge of recruiting a diverse staff for the kind of work we do. We have offered the Institute of Government at TSU a small grant to survey their public administration majors to determine what their interests are. The graduate program has predominately minority students and should be a good source of applicants for us, but we get only a few applicants from them each time we advertise our vacancies. Staff there tell us that most of their graduate students are already employed by state or local government agencies and are pursuing advanced degrees to enhance their current careers. Nevertheless, we want to know whether we are missing any recruiting opportunities. We have also spoken with professors in the business department at MTSU. They tell us that of 410 students majoring in economics, only 10 are minorities, and of 339 finance majors, only

52 are minorities. These numbers include both graduate and undergraduate students. This is not a very large pool of minority students, and we know that economics and finance majors are not necessarily interested in public policy. They typically have many more lucrative opportunities outside of state government, and we do not have many applicants from this program.

Except for those we interview, we do not know the race or ethnic background of our applicants, and we in no way discriminate on that basis. Because so few minority applicants show up in our hiring process, we believe that not many minorities apply. We hope to find out more about why that is.

Attachments.



STATE OF TENNESSEE
 DEPARTMENT OF FINANCE AND ADMINISTRATION
 STATE CAPITOL
 NASHVILLE, TENNESSEE 37243-0285

DAVE GOETZ
 COMMISSIONER

May 5, 2008

MEMORANDUM

TO: All Agency Heads, Budget Officers, and Personnel Officers

FROM: M.D. Goetz, Jr., Commissioner of Finance and Administration

SUBJECT: Financial Management Policy

Economic conditions require action by each agency to restrain discretionary spending for the balance of fiscal years 2007-2008 and 2008-2009.

Tax revenue collections for the year to date are below estimates, and this is expected to continue in the current economic environment. In the Budget transmitted in January, the overappropriation, or agency reversion level, was raised from \$76.6 million to \$201 million in 2007-2008 and to \$120 million in 2008-2009. State agencies must continue to manage spending to achieve these higher reversion levels and also further restrict spending now and in 2008-2009 to achieve additional savings in anticipation of a continued economic downturn.

Effective immediately, state agencies shall adhere to the following financial management policies for the balance of the current and next fiscal years and until further notice:

1. **Hiring Freeze** – A hiring freeze is imposed on vacant positions. Exceptions will be allowed in limited areas necessary for the public welfare and for the welfare of persons under care or custody of the state. Approval of a separate freeze exception justification letter by the Commissioner of Human Resources is required before filling any vacant position, unless blanket freeze approval is granted by the Commissioner of Human Resources for the two categories specified above.
2. **Out-of-State Travel** – Travel out of state is limited to emergency or mandatory situations only. Agencies shall comply with all requirements of the comprehensive travel regulations. Pursuant to item 5 (c) of the comprehensive travel regulations (F&A policy 8), advance approval of the Commissioner of Finance and Administration for all out-of-state travel is required. Separate justification letters are not required, as long as the travel is adequately justified in a statement on the Travel Authority form. The Commissioner of Finance and Administration may require

May 5, 2008

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additional justification as he deems necessary. Requests should be sent to the Division of Accounts, Policy Development Office, 13th floor William R. Snodgrass Tennessee Tower.

Agencies should limit out-of-state travel requests under the emergency and mandatory exceptions to the following circumstances:

- (a) Travel required to deliver program services, utilizing the minimum number of employees required.
 - (b) Travel required to comply with statutory, judicial, federal program, and contractual obligations, utilizing the minimum number of employees required.
 - (c) Travel for industrial recruitment, economic development, and tourist development activities of the Department of Economic and Community Development, Department of Agriculture, and Department of Tourist Development. These agencies should utilize the minimum number of employees required for the missions and should conduct these activities as economically as possible.
3. **In-state Travel** - Agency heads must limit in-state travel of state employees to the maximum extent possible. Circumstances stated above in item 2 (a) through (c) shall apply. The in-state travel provisions of the comprehensive travel regulations shall apply, and each agency head remains responsible for approval of in-state travel.
 4. **In-state Group Meetings** – Agency heads should review all plans for in-state group meetings and, where practical, cancel any in-state group meetings not essential to the circumstances specified above in item 2 (a) through (c.)
 5. **Equipment Purchases** – A freeze is imposed on equipment purchases. Agency heads should review equipment purchases in process and those planned for later in the current and next fiscal years to determine if they are required to address an emergency or otherwise essential circumstance. Justification of equipment purchase requests requiring approval of the Commissioner of Finance and Administration or the Budget Office should be limited to the circumstances stated in this paragraph and must be accompanied by a justification letter from the agency head. The justification letter should be addressed to the Commissioner of Finance and Administration and be submitted to the Budget Office at the time the requisition or purchase order is submitted.
 6. **Other Program Requirements** - Agencies must manage the expenditure of all other program funds as conservatively as possible. Agency heads should restrain any discretionary spending which will not disrupt mandatory program service delivery and which will not circumvent the legislative intent in the appropriation of funds.

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Relevant Language from the State Appropriation Bill, Public Chapter 1203

SECTION 67. This section shall take effect upon becoming a law, the public welfare requiring it. It is the legislative intent to fulfill the essential function and constitutional responsibility of state government to orderly close fiscal years 2007-2008 and 2008-2009. Under the provisions of Senate Bill No. 4186/House Bill No. 4149, if such bill becomes a law, and notwithstanding any provision of this act to the contrary, **the Commissioner of Finance and Administration is authorized to deny carry-forwards for and to transfer funds from the following enumerated funds, reserve accounts, or programs to the state general fund** for the sole purpose of meeting the requirements of funding state government for the fiscal years ending June 30, 2008, and June 30, 2009, according to the following schedule; and for that purpose such funds hereby are appropriated to the general fund; provided however, that a sum sufficient not to exceed \$100,000,000 shall not be transferred from such funds to the general fund until written notice is provided, as required elsewhere in this act, relative to the contingency appropriation not to exceed \$100,000,000 for certain FastTrack projects; provided, further, that **the sequence specified in this section may be repeated, to the extent necessary, in order to accomplish the purpose set forth herein**; and provided, further, that the Commissioner of Finance and Administration shall provide written notice of transfers pursuant to this section to the Chairmen of the Senate and House Finance, Ways and Means Committees at least three business days before any such transfer:

Item 1. From the following funds, to the extent available in the reserve for unencumbered balance and from additional unexpended balances:

(a) Department of Safety handgun permit fees, \$5,541,800; TBI handgun permit fees, \$1,223,900; and, in both cases, any additional unexpended balances; and

(b) **Tennessee Advisory Commission on Intergovernmental Relations reserve**; Probation and Parole GPS tracking system; Correction Department information systems; Miscellaneous Appropriations for LAN consolidation and for case management and tracking system (CMATS); Human Rights Commission operational reserve; Department of Finance and Administration for sexual assault program, domestic assault defendant fines, and Safe Neighborhoods Act of 1998; Department of Human Resources leadership development initiative; Board of Probation and Parole community corrections program; Department of Agriculture, Regulatory Services, for farm improvement, and Market Development, for farm improvement; Historical Commission for projects; Department of Economic and Community Development for film and television incentive fund; Department of Education for coordinated school health, Safe Schools Act of 1998, and early intervention services; Department of Mental Health and Developmental Disabilities for health care safety net; Department of Military for tuition assistance; 131 Department of Health, Health Services Administration for health care safety net; Communicable

and Environmental Disease Services for health care safety net; Miscellaneous Appropriations for performance-based budgeting; and Department of Children's Services for needs assessment.

Item 2. From general fund statutory reserves, to the extent available: Court System, divorcing parent mediation and judicial information system; Public Defenders, indigent defense fund; Health Services and Development Agency; Department of Finance and Administration for the Department of Revenue title and registration system, an amount not to exceed \$10,000,000 in addition to \$10,000,000 appropriated for REAL ID driver's license system, provided, however, that, if \$10,000,000 is not appropriated elsewhere in this act from this source for REAL ID, an amount not to exceed \$20,000,000 may be transferred to the general fund pursuant to this section; Probation and Parole Board supervision and rehabilitation fees; Labor and Workforce Development, employment security special administrative fund, TOSHA reserve, and uninsured employers fund; TBI, handgun purchase background checks, expungement fees, and intoxicant testing fund; Department of Commerce and Insurance, insurance fees and the unexpended balance of fees at June 30, 2008. From Department of Financial Institutions, bank fees, amounts to be determined at June 30, 2008, and June 30, 2009.

Item 3. From special revenue fund statutory reserves, to the extent available: Department of Environment and Conservation, used oil collection program; hazardous waste remedial action fund; underground storage tanks; environmental protection fund; and Department of Correction, sex offender treatment fund.

Item 4. Notwithstanding the provisions of other sections of this act to the contrary, from other reserves enumerated in this act, an amount or amounts to be determined, subject to approval of the controlling state officials.

Item 5. From the other funds, reserve accounts, and programs enumerated in the bill cited in this section and from other reserves for unencumbered balance and capital outlay, an amount equivalent to a prorata share, unless otherwise determined by the Commissioner of Finance and Administration not to be in the best interest of the agency program, shall be transferred to the general fund for the remaining need to meet the requirements of funding the operations of state government for the fiscal years ending June 30, 2008, and June 30, 2009. Prorata shares shall be determined by the Commissioner of Finance and Administration by comparing the uncommitted balances of each such enumerated fund, reserve account, or program with the total remaining need for closing the fiscal year.

Item 6. From the TennCare reserve, to the extent that the reserves enumerated above do not satisfy the remaining need, an amount to be determined by the Commissioner of Finance and Administration.

Item 7. From the reserve for revenue fluctuations established by Tennessee Code Annotated, Section 9-4-211, and from the amount reserved for deposit to the fund at June 30, 2008, to the extent that the reserves enumerated above do not satisfy the remaining need.

SECTION 68. Other provisions of this act to the contrary notwithstanding, the General Assembly recognizes that extraordinary actions by the Commissioner of Finance and Administration may be required to achieve the over-appropriation level provided herein, to manage the base budget reductions reflected in this act, and to fulfill the constitutional duty of state government to orderly close fiscal year 2008-2009. It, therefore, is the legislative intent that the Commissioner of Finance and Administration be authorized to defer and reduce expenditures and otherwise effect savings of funds appropriated herein; provided, however, that the authority granted by this section shall be exercised only insofar as permitted by law and in accordance with applicable law and in accordance with the provisions of Section 24 and provided further that the authority granted by this section shall not extend to appropriations made under Section 1, Titles I and II herein.



STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
STATE CAPITOL
NASHVILLE, TENNESSEE 37243-0285

DAVE GOETZ
COMMISSIONER

August 18, 2008

MEMORANDUM

TO: All Agency Heads and Budget Officers
FROM: M. D. Goetz, Jr., Commissioner
SUBJECT: Fiscal Year 2009-2010 Budget Instructions

The Budget Office is sending instructions for submitting budget requests for fiscal year 2009-2010 to all state agency Budget Directors. As you prepare your budget request, consider the following:

- (1) The deadline for submitting the budget request is Wednesday, October 1, for both operating budget and capital budget requests. The budget development timetable requires that there be no exceptions to the deadline.
- (2) Because of current economic conditions, we must assume that we may undercollect state revenue estimates in the current year, lowering the base for projecting 2009-2010 revenues. Further, we assume that revenue growth in fiscal year 2009-2010 will be moderate, if the economy is recovering at that time. While the current-year budget is based on the assumption of 2.2 percent growth in sales tax revenues, sales tax collections for the last seven months have not grown but have declined 1.1 percent, compared with the same period of the previous year. If we assume that sales tax collections show no growth in the current fiscal year, compared with last year, and that all other tax collections meet budgeted estimates, the general fund undercollection would be \$175 million. Therefore, for 2009-2010 planning purposes, I am requiring that you submit a 3 percent base reduction contingency plan as part of your budget request for 2009-2010.
- (3) Slow revenue growth and budget requirements for next year will necessitate that we limit improvement requests to mandatory increases for existing programs and preserve available revenues for our most important priorities – education, economic development, and health care.

- (4) Base requests will be presented in several phases in the October 1 request, as described below. The Budget Instructions provide directions for submitting base reduction plans. These reduction plans must be recurring and should focus on reducing personnel, departmental and program administrative overhead costs, and program operating costs. Emphasis should be on reducing actual personnel expenditures, professional services contract expenditures, and fixed operating costs. These targeted reductions should reflect department-wide program priorities which will allow you to continue providing services.

Base reduction plans shall not have a negative effect on the overappropriation; that is, reduction plans shall produce recurring general fund savings that will not reduce the amount of reversion to the general fund, because this reversion already is anticipated in the budget.

Agencies funded by dedicated taxes and fees or departmental revenues also should consider budget reductions to offset any improvement requests. Any such agencies wishing to submit reduction plans should do so in the electronic format provided by the Budget Office.

- (a) Normal No-Growth Base Request - The normal no-growth base request for 2009-2010 should not exceed the 2008-2009 recurring work program amount for both the state appropriation and total allotment. Justify your base request, program by program, and include performance measures. Fully estimate departmental revenues available in order to minimize the state appropriations required. Any state appropriation reduction resulting from departmental revenue growth should be reflected in this normal no-growth base request.
- (b) Position Reduction Shortfall in 2008-2009 - Agencies must submit base reduction plans for 2009-2010 which offset the amount by which the agency fell short of the 2008-2009 general fund reduction requirement in the statewide 5 percent personnel reduction amendment. Each state agency will be advised by the Budget Office of the agency's general fund shortfall amount. Position reductions may not include layoff of individuals who applied for the voluntary buyout program but were not accepted.

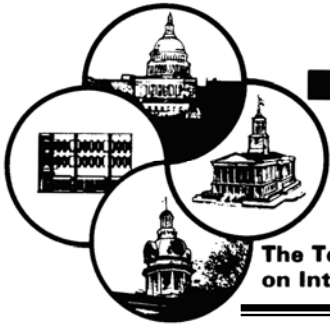
For 2008-2009, agencies also should make plans to achieve savings to offset the 2008-2009 personnel reduction shortfall.

- (c) 3 Percent Base Reduction Contingency Plan - Each agency shall submit a 3 percent base reduction contingency plan. The 3 percent reduction plan is to be calculated from a base comprised of the recurring 2008-2009 general fund state appropriation less the above position reduction shortfall base reduction. Reductions must be recurring. Held harmless are the Basic Education (BEP) formula and pre-kindergarten appropriations, the statutory requirement for the hazardous waste remedial action fund; constitutional and statutory salaries and benefits of judges, legislators, the 31 district attorney general positions, and the 31 public defender positions; the three indigence programs in the Court System; the Post-Conviction Defender program; Tax Relief program in the Comptroller's Office; and Cover Tennessee Health-Care Programs.

- (d) Base Reductions to Offset Improvement Requests – Each agency shall submit an additional general fund base reduction plan to offset the general fund cost of any requested program improvements. Improvement requests for the BEP and pre-kindergarten program are held harmless from this base reduction.
- (5) Limit improvement requests to mandatory items – those required by state or federal law, court order, and contractual obligations. Justify the improvement requests and explain how they support your agency's strategic plan. Improvement requests for state-funded general fund programs are to be identified in one of two categories: (a) improvements which you will fund by off-setting base reductions in other less-essential programs; and (b) other improvements for which you will need new funds. Provide the usual justification and performance measures for all improvement requests, as explained in the detailed Budget Instructions.
 - (a) Improvements Offset by Base Reductions – The improvements offset by base reductions should be your highest priority improvement requests.
 - (b) Improvements Requiring New Funds – These should be your lower priority improvement requests. As stated above, agencies should limit these requests to mandatory increases for existing programs. We expect that recurring revenues will be available only for mandatory increases in existing programs and for education, economic development, and health care requirements.
- (6) Contractual Services – During the budget process, we will review contract services by agency. State agencies will be asked to develop plans for a 3 percent reduction in the value of contracts for personal services and professional services. During the budget process, after you submit your budget request, the Budget Office will provide a format for submission of the 3 percent contract reduction plan.
- (7) Budget Officers of agencies that traditionally submit a capital budget request are receiving separate capital budget instructions. Agencies which do not receive capital budget instructions, but are planning to submit a capital budget request, should call John Carr, the Capital Budget Coordinator, at 532-9227.
- (8) We intend to provide you a preliminary 2008-2009 Work Program, reflecting approved adjustments, on September 5.
- (9) Your perspective is crucial to executive budget development, legislative enactment, and financial management. I thank each of you for your response to our many requests for assistance with the budget process throughout the past year.

If you have any questions about the Budget Instructions, please feel free to contact the Budget Office at 741-4806.

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TACIR

The Tennessee Advisory Commission
on Intergovernmental Relations



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MEMORANDUM

To: Senator Jack Johnson, Chairman
State and Local Subcommittee, Joint Government Operation Committee

From: Harry A. Green
Executive Director

Date: July 8, 2008

Subject: Sunset Hearing—Follow-up to Concerns Raised by Rep. G. A. Hardaway

After consulting with Mr. Phil DeBusk, sunset committee staff, TACIR offers the following in response to the concerns expressed at our hearing on June 19, 2008.

1. What has been our experience with recruiting/hiring?

As indicated by the materials presented to the subcommittee at its June 19 meeting and the discussion at that time, our attempts to improve the diversity of our staff have met with somewhat limited success. The table included there was prepared in response to a question asking for the ethnic and gender breakdown of our staff, and it showed that our staff is not as diverse as we would like it to be. The table does not capture all of the factors listed in the state's official policy on discrimination and equal opportunity, which is

to promote equal employment opportunity and to eliminate unlawful discrimination against individuals because of race, color, sex, religion, national origin, ancestry, age, disability or other non-merit factors.
(Tennessee Department of Personnel, Rule 1120-7-.02)

TACIR has made a good faith effort to comply with the state's equal employment and affirmative action policies. Nevertheless, we must concede that the materials presented at our June hearing do not demonstrate that we have successfully promoted equal opportunity. While we have never discriminated on the basis of any non-merit factors, we can and will improve our efforts to increase the diversity of our staff.

We are authorized to hire 17 full-time staff. At present, two of those positions are vacant; a third will become vacant the middle of this month. We will have the

opportunity, as those positions are unfrozen, to improve the diversity of our current staff. Past efforts have resulted in recruitment and retention of individuals who reflect most of the factors listed in the official state policy, including nine women, a variety of religious backgrounds and national origins, some diversity of color, and a wide range of ages, including nearly every living generation. In the past, we have recruited and hired, but not retained, members of racial minority groups. Our goal for the three vacancies will be to improve our diversity in that respect.

Three of our positions are administrative; none of them is vacant. Two of our administrative staff members, including our web development and publications manager, are women, but otherwise, we have limited diversity in that area. Three of our positions are executive staff. Two are male, and one is female. All hiring in these areas in the last ten years has been from within state government. Our last vacancy in these occurred in 2005. The remaining 11 positions are research staff. We have twice as many females as males in this area, and this is where most of our staff diversity lies. We will soon have three vacancies in this area.

	Total	Current			Hiring Goal	
		Female	Racial/Ethnic Minority	Vacant	Female	Racial/Ethnic Minority
Executive	3	1	0	0	n/a	n/a
Administrative	3	2	0	0	n/a	n/a
Research	11	6	0	3	0	3

For the researchers, we generally require a master’s degree in public administration or policy, economics, political science, planning or a related field. We also look for experience and place a great deal of effort on evidence of a commitment to public service as demonstrated by a candidate’s choice of degree, undergraduate and graduate, and by internships and volunteer work. We have on occasion made exceptions to the master’s degree requirement. In one case, by doing so, we were able to improve the racial diversity of our staff by hiring a young black woman who was working toward her master’s degree. We lost her to the Comptroller’s office after a little more than a year. Another exception was made for a young man currently on staff who demonstrated exceptional research skills in two seasons working with us as an intern.

2. What do we do to recruit minorities?

Although TACIR has successfully recruited African American candidates in the past, our current lack of racial minority staff, and the small number of applicants from these groups that have been interviewed in recent years, has been an issue of continuing concern. It was in attempting to address this concern, as well as concern for a general shortfall of qualified applicants, that we widened our advertising to reach a broader pool of potential candidates as indicated below. We specifically attempted to reach more minority candidates by advertising in the Commercial Appeal in Memphis and by registering our job openings with career centers at the University of Memphis and

Tennessee State University. Toward that end, we also maintain strong connections with the faculty of the Institute of Government at Tennessee State University by actively supporting and participating with them in ASPA related events and their faculty and student awards programs. TACIR has hired two minority female research associates graduating from this program, as well as one white female and one veteran.

For all our vacancies, we recruit qualified candidates through our professional networks with other state agencies and with university faculty and by advertising in newspapers, on Internet job sites, and at university career centers. We place advertisements, usually for two consecutive Sundays, in the following three newspapers:

- The Commercial Appeal (Memphis)
- The Tennessean
- News Sentinel (Knoxville)

We also advertise on the Yahoo.com “Hot Jobs” website for 30 days and post open positions on the TACIR web site. We have not advertised on a national level because we cannot pay travel expenses for candidates to interview with us, nor can we pay moving expenses. We register job openings in our research positions with the following Tennessee university career centers (related degree programs are noted):

East TN State University

City Management, MCA
Public Financial Management, MPA
Planning and Development, MPA

MTSU

Masters in Economics

TN State University

Masters in Public Administration

University of Memphis

Masters in City & Regional Planning
Masters in Economics
Masters in Political Science
Masters in Public & Nonprofit
Administration

UT Chattanooga

Masters in Public Administration

UT Knoxville

Political Science Dept offers master's
degrees in:

Planning, MSP
Political Science, MA
Public Administration, MPA

Vanderbilt

UT at Martin

Lipscomb University

In order to reach a broader pool of applicants, we also register the research job openings with the following university career centers outside of Tennessee.

Mississippi State University

University of Kentucky

University of Arkansas

As resumes arrive, the director of administration forwards them to the two associate executive directors. For research positions, only those with advanced degrees are forwarded. All resumes are retained. The associate executive directors review the resumes to screen for those that have the appropriate degrees, coursework, skills, or experience. For research positions, TACIR requests writing samples from those candidates who pass this first screening. The main criteria for writing samples are grammar, punctuation, style, organization, logic, and originality of analysis. In screening the writing samples, the associate executive directors look for subject matter related to TACIR's areas of research. They place a great deal of weight on the writing sample because effective written communication is essential to TACIR's success.

The associate executive directors identify candidates for interviews. Research candidates with effective writing samples interview first with the associate executive directors. At this initial interview, the candidates are screened in order to identify those who

- are articulate,
- can explain their writing samples and answer questions about them, and
- evidence an interest in and curiosity about what TACIR does.

We do not require writing samples of our applicants for support positions. Those positions are filled based on experience and skills. The strongest candidates are recommended to the executive director for interviews, and he makes the final decision. Diversity is always a positive consideration. Because minorities are underrepresented on our staff, we always give minority candidates special consideration.

3. What changes are we making to improve our success in recruiting minorities?

Our challenge is in the initial recruiting process. We have not been getting minority candidates into the pipeline in any significant number. Either they are not applying, or we are not effectively identifying them as we review resumes and, in the case of research positions, writing samples. Unless we know the candidate or know someone who knows the candidate, it is unlikely that we will know whether they have characteristics that will enhance our staff's diversity. We cannot simply deduce from resumes and writing samples the diverse factors listed in the state's official equal employment opportunity rules.

Therefore, we will expand our efforts to increase the number of minority candidates who enter the hiring pipeline, whether for administrative, technical or research positions, in a number of ways:

- First, we will consult with staff of offices that have achieved greater diversity to determine what they are doing differently and adopt or adapt their methods.

- Second, we will consult with faculty at universities with programs that are aligned with our needs to
 - ensure that they are aware that we are looking for strong minority candidates to increase staff diversity and
 - determine what their students' interests are, why they may not be considering TACIR, and how we can more effectively bring our needs to their attention.
- Third, we will promote internships as “no obligation” opportunities to learn more about TACIR's work.
- Fourth, we will strengthen ties with the state's universities and their potential minority candidates by building on our use of grants to supplement our staff resources with their assistance as appropriate issues arise. Our largest grant at this time is with the University of Memphis.
- Finally, we will expand our professional networking
 - to strengthen ties with those who may be able to advise and assist us in our efforts to increase the diversity of our staff,
 - to ensure that minority colleagues who may be considering a job change consider TACIR.

While we are not able to fully engage national candidates because we cannot pay travel or moving expenses, we nevertheless will begin to access recruiting tools through the National Association of Schools of Public Affairs and Administration (NASPAA), the American Society for Public Administration (ASPA), and other national resources. Examples include

- NASPAA's on-line career service (<http://www.naspaa.org/students/careers/careers.asp>),
- the job posting/matching service at www.publicservicecareers.org,
- ASPA's career services (www.aspanet.org), and
- accreditation reviews, such as NASPAA's, that we can participate in as practitioner reviewers, which may expand our opportunities to network with faculty and others in programs related to our hiring needs.

We will also explore participation in job fairs and advertising on minority oriented online job search sites, such as Workplacediversity.com.

These efforts, along with a trend toward increasing representation of minorities in MPA and related graduate programs, especially in Tennessee, should help ensure our

success in meeting our diversity goals once the state hiring freeze is lifted or we receive an exception letter to fill our vacant positions. However, it is important to note that the total pool of applicants is still small and most MPA graduates are pursuing careers in administration rather than research.