



TACIR

The Tennessee Advisory Commission
on Intergovernmental Relations



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MEMORANDUM

TO: Commission Members

FROM: Cliff Lippard *Cliff*
Executive Director

DATE: 6 September 2019

SUBJECT: Staff and Commission Updates

Commission Update

First, we have an update on a recommendation from the Commission's 2018 report, *Encouraging More Cooperation and Accountability in Payment in Lieu of Tax Agreements*, which suggested that TACIR's fiscal capacity calculation should be updated to include current industrial development board assessment amounts rather than the 1993-1995 payments in lieu of taxes data currently used. Our report said that doing so would require a change in state law or a recommendation by the BEP Review Committee and approval by the General Assembly. In a May 23, 2018, memo, attached, we requested that this recommendation be discussed at a meeting of the BEP Review Committee; I presented the recommendation and supporting information to the committee during their May 29, 2018, meeting, and they chose to postpone any action until after the November 2018 gubernatorial election.

On August 16, 2019, we received the attached letters from Commissioner Penny Schwinn of the Department of Education and Chairman Lillian Hartgrove of the State Board of Education saying that they do not believe the BEP Review Committee has the authority to make changes to TACIR's fiscal capacity model. They argue that we have that authority ourselves, or if we do not, we should request changes through the General Assembly. This argument seems counter to our understanding of statute and long-standing practices of the Review Committee. Nonetheless, staff is reviewing the possibility of requesting the General Assembly enact the IDB recommendation; we are also reviewing additional improvements to the fiscal capacity model that have been

presented to the Review Committee in the past but not acted upon. We will provide you an update at our December Commission meeting.

Next, starting with this meeting, we will be taking a slightly different approach when presenting draft reports to you for your review and comment. We will be providing shorter staff presentations on the drafts, focused on one-page summaries that highlight the reports' recommendations. Our intent with this change is to allow for more time for members to ask questions and discuss the reports.

Next, please join us in welcoming our three newest members, Assistant Commissioner Sammie Arnold of the Tennessee Department of Economic & Community Development, County Clerk Mary Gaither of Tipton County and City Mayor Jill Holland of McKenzie. Assistant Commissioner Arnold and County Clerk Gaither were appointed to the Commission by Governor Lee, both effective July 1, 2019, and Mayor Holland was appointed by Lieutenant Governor McNally, effective August 1, 2019.

Also, please join us as we offer our heartfelt thanks to Morristown Vice-Mayor Kay Senter, who decided not to seek reappointment after eight years of dedicated service to the Commission. Her term of service ended in July of this year, and we have presented her with a certificate commemorating that service. A copy of the certificate is attached.

Staff Update

Policy Coordinator Matthew Owen achieved five years of state service this past July. Additionally, this past June, Dr. Owen graduated from the Tennessee Government Management Institute, the state's comprehensive two-week training program designed to develop and promote leadership ability in its middle managers by improving their "awareness of state operations, self-management techniques, the maximization of human capital, communication, ethical issues, and ensuring the success of complex projects." Please join us in congratulating Dr. Owen on these accomplishments.