

# B- Tennessee

For more than half a century, Tennessee’s legislative and executive branches have given the state’s Comptroller of the Treasury a growing range of tasks that they didn’t have faith in each other to handle. These duties extended well beyond the normal reach of that office. In particular, they empowered a man named William Snodgrass, who held the position for 44 years before retiring in 1999. “They trusted him to help bring order out of the chaos,” Comptroller John Morgan says of his predecessor.

As it turns out, this was quite a smart move. Despite a heavy workload that includes property assessment, debt management and policy analysis, the Tennessee

## Tennessee’s antiquated hiring process can be painful for managers.

comptroller’s office manages to do a better job of both performance auditing and financial reporting than can be found in almost any other state. The office generates consistently clean and timely reports, and monitors federal grants with meticulous care. And at least once every eight years, it performs a “sunset review” of every agency, board and commission to help determine whether the body should be abolished, restructured or continued.

The one function William Snodgrass always wanted to take on, but was unable to, is centralized statewide planning. Program operations are highly fragmented. When the state wants to deal with issues of the elderly, for example, the lack of a central planning office prevents a clear look across agency lines to leverage the various efforts on which money is being spent.

There used to be a planning office—created decades ago in order to draw down federal funds—but it went out of favor, and then out of existence. Now, the state is trying to establish some planning capacity with an entity called the Office of Consulting Services. But skeptics doubt that this will be enough to transform a deeply segmented culture.

Agencies do submit five-year strategic plans with their annual budget requests, and these are sent on to the legislature. This is a good idea, but the legislators rarely pay much attention to the plans or the performance metrics they include. Part of the problem is that the measures themselves aren’t always useful. Many of the numbers don’t relate to actual results. “The challenge here is finding performance measures that are truly summarizing and meaningful,” says Finance & Administration Commissioner Dave Goetz.

Tennessee’s consumption-based revenue structure grows at a slower rate than the rest of the economy, forcing painful tax increases more frequently than would be necessary with a more balanced system. Still, the state does try to take a long view when it comes to managing finances. An independent fiscal-review committee projects the budgetary impact of new legislation. Newly enacted bills are required to contain at least a year’s funding in order to become law. And the state’s pension system is among the best funded in the country.

When it comes to managing human capital, the picture isn’t so pretty. Tennessee’s personnel process still operates on an antiquated register system that agency managers find painful to use. They’re required by statute to hire from among the top five people who say they’re interested in a position, leaving little incentive to invest in recruiting strategies. “You spend a lot of time trying to recruit people and then you can’t hire them anyway,” complains William Haynes, human resources director in the Department of Children’s Services.

Tennessee’s personnel system also has been plagued by hiring delays, created mainly by the large number of applicants flowing through the central HR office. It takes 15 to 21 days just to certify the applicants and get them on the registers. But an online application process is beginning to speed up hiring. Instead of accepting applications for all jobs at all times, the state now restricts continuous recruitment to a limited number of key classifications.

**For additional data and analysis, go to [pewcenteronthestates.org/gpp](http://pewcenteronthestates.org/gpp)**

Money	B-
Long-Term Outlook	●
Budget Process	●
Structural Balance	●
Contracting/Purchasing	●
Financial Controls/Reporting	●

People	C
Strategic Workforce Planning	●
Hiring	●
Retaining Employees	●
Training and Development	●
Managing Employee Performance	●

Infrastructure	B
Capital Planning	●
Project Monitoring	●
Maintenance	●
Internal Coordination	●
Intergovernmental Coordination	●

Information	B
Strategic Direction	●
Budgeting for Performance	●
Managing for Performance	●
Performance Auditing & Evaluation	●
Online Services & Information	●

**Population (rank):** 6,038,803 (17)  
**Average per capita income (rank):** \$22,074 (37)  
**Total state spending (rank):** \$23,967,779,000 (22)  
**Spending per capita (rank):** \$3,969 (48)  
**Governor:** Phil Bredesen (D)  
**First elected:** 11/2002  
**Senate:** 33 members: 16 D, 16 R, 1 I  
**Term Limits:** None  
**House:** 99 members: 53 D, 46 R  
**Term Limits:** None