

# SPECIAL REPORT

Joint Oversight Committees

January 2011



STATE OF TENNESSEE  
COMPTROLLER OF THE TREASURY

Department of Audit  
Division of State Audit



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January 31, 2011

The Honorable Ron Ramsey  
Speaker of the Senate  
The Honorable Beth Harwell  
Speaker of the House of Representatives  
The Honorable Randy McNally, Chair  
Senate Finance, Ways and Means Committee  
The Honorable Charles Sargent, Chair  
House Finance, Ways and Means Committee  
and  
Members of the General Assembly  
State Capitol  
Nashville, Tennessee 37243

Ladies and Gentlemen:

Transmitted herewith is the report on 12 joint oversight committees of the General Assembly. This report is submitted pursuant to the requirements of Chapter 1108, Public Acts of 2010.

Sincerely,

Arthur A. Hayes, Jr., CPA  
Director

AAH/dlj  
10-078

State of Tennessee

# Report Highlights

Comptroller of the Treasury

Division of State Audit

Special Report  
**Joint Oversight Committees**  
January 2011

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## OBJECTIVES

This report on 12 of the General Assembly's joint oversight committees was conducted pursuant to Chapter 1108, Section 10, Item 55, Public Acts of 2010. The objectives of the report were to ascertain the authority and responsibilities mandated to each oversight committee by the General Assembly; to determine the extent to which the oversight committees have effectively and efficiently met their legislative mandate (including but not limited to the review of staffing, funding, frequency and content of meetings, membership, attendance, contracted services, and reports or actions related to legislation); to review the overlap of responsibilities with other committees of the General Assembly; and to comment on the continued need for the committees and identify issues that may need further review by the oversight committees and/or the General Assembly.

## CONCLUSION

Our review of 12 of the General Assembly's joint oversight committees found a wide variation in the support structure and activity levels of the committees. Four of the oversight committees we reviewed have one or two full-time staff members. The remaining oversight committees have no designated staff; instead, staff support for those committees is typically provided by the committee chairs' administrative staff, who have numerous other responsibilities. Several of the committees reviewed have been largely inactive in recent years because there is no longer a need for them or their responsibilities have been assumed by other committees. For other committees, however, the continued need for them is less clear. For some of the committees with no designated staff, there is very limited documentation available to assess activities or effectiveness. The committees with full-time staff were able to provide documentation and have, overall, fulfilled their legislative responsibilities. However, the committees' responsibilities are limited to meeting and hearing testimony, reporting, and making comments.

The opinions of members and associated entities (state agencies, advocacy groups, etc.) regarding the usefulness and effectiveness of, and continued need for, a particular oversight

committee varied. Even some committees with limited activity were considered needed by some respondents. For the committees that were active, many respondents felt that the committee provided members with a level of expertise they would not otherwise have, provided a forum for discussion and for stakeholders' concerns to be heard, and helped the General Assembly keep abreast of current issues and needed legislation.

For all of the oversight committees reviewed, there are standing committees (and in some cases other oversight committees or entities) that address similar issues and legislation. However, for some, no other entity focuses in-depth on that particular issue. For the inactive committees, the General Assembly may wish to consider terminating such committees or, if needed, combining related committees. For the active committees, the General Assembly may wish to consider whether the benefits of having the committees and receiving members' and stakeholders' input outweigh the costs in time and money, and whether the standing committees would have sufficient time and expertise to absorb the oversight committees' activities that are considered important to the legislative process.

# Special Report

## Joint Oversight Committees

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### TABLE OF CONTENTS

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	<u>Page</u>
<b>INTRODUCTION</b>	1
Authority for the Report	1
Objectives of the Report	1
Methodology for the Report	2
Revenues and Expenditures	2
<b>ANALYSIS</b>	4
Select Committee on Children and Youth	4
Select Oversight Committee on Corrections	9
Health Equity Commission	15
Select Oversight Committee on TennCare	20
Joint Select Committee on Business Taxes	25
Charitable Gaming Oversight Committee	27
Joint Committee on Children’s Services	29
Select Oversight Committee on Education	30
Select Committee on the Tennessee Education Lottery Corporation	32
Select Oversight Committee on Long-Term Care	34
Select Joint Committee on Veterans’ Affairs	36
Special Joint Committee on Workers’ Compensation Issues	38
<b>CONCLUSION</b>	41

# **Special Report Joint Oversight Committees**

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## **INTRODUCTION**

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### **AUTHORITY FOR THE REPORT**

This report on 12 of the General Assembly's joint oversight committees was conducted pursuant to Chapter 1108, Section 10, Item 55, Public Acts of 2010. The joint oversight committees included in this report are as follows:

- Select Committee on Children and Youth
- Select Oversight Committee on Corrections
- Health Equity Commission
- Select Oversight Committee on TennCare
- Joint Select Committee on Business Taxes
- Charitable Gaming Oversight Committee
- Joint Committee on Children's Services
- Select Oversight Committee on Education
- Select Committee on the Tennessee Education Lottery Corporation
- Select Oversight Committee on Long-Term Care
- Select Joint Committee on Veterans' Affairs
- Special Joint Committee on Workers' Compensation Issues

### **OBJECTIVES OF THE REPORT**

The objectives of the report on 12 of the joint oversight committees of the General Assembly were

1. to ascertain the authority and responsibilities mandated to each oversight committee by the General Assembly;
2. to determine the extent to which the oversight committees have effectively and efficiently met their legislative mandate (including but not limited to the review of staffing, funding, frequency and content of meetings, membership, attendance, contracted services, and reports or actions related to legislation);
3. to review the overlap of responsibilities with other committees of the General Assembly; and
4. to comment on the continued need for the committees and identify issues that may need further review by the oversight committees and/or the General Assembly.

## **METHODOLOGY FOR THE REPORT**

The activities of these 12 joint oversight committees were reviewed using the following methods:

1. review of applicable legislation and responsibilities assigned;
2. examination of the oversight committees' activities, reports, minutes, agendas, and comments on proposed legislation;
3. review of meeting files and bill review files;
4. review of meeting-related information obtained from the General Assembly's website, the Legislative Library, and the State Library and Archives;
5. review of available expenditure data;
6. review of input from oversight committee members obtained through interviews, e-mail responses, and responses to a Division of State Audit survey, regarding the committees' effectiveness;
7. interviews with legislative staff; and
8. interviews with representatives of advocacy groups and management of departments and agencies that work with and are affected by the committees.

The amount and types of information presented below vary widely among oversight committees because of the wide variation in the support structure and activity levels of the committees. Four of the oversight committees we reviewed (the Select Committee on Children and Youth, the Select Oversight Committee on Corrections, the Health Equity Commission, and the Select Oversight Committee on TennCare) have full-time staff who maintain and were able to provide (to varying extents) more detailed information regarding their committees' activities. The remaining committees have no designated staff; instead, staff support for those committees is typically provided by the committee chairs' administrative staff, who have numerous other responsibilities. To supplement the committee-related information maintained by administrative staff, which was minimal in many cases, we reviewed information available on the General Assembly's website, as well as information maintained by the Legislative Librarian and the State Library and Archives' Coordinator of Legislative Recording. However, less formal meetings or meetings held outside of Nashville may not have been recorded and may have had no documented agenda or minutes, providing little or no documentation of the committees' activities.

## **REVENUES AND EXPENDITURES**

The financial information available also varies widely among the oversight committees reviewed, and there are significant limitations to this information. We were only able to obtain detailed breakdowns of the budget and actual expenditures for the four oversight committees in our review with full-time staff (the Select Committee on Children and Youth, the Select

Oversight Committee on Corrections, the Health Equity Commission, and the Select Oversight Committee on TennCare). This information is detailed for fiscal year 2010 in the sections for each committee, beginning on page 4. The Select Oversight Committee on Long-Term Care had an initial budget for staff and other expenses for fiscal year 2010, but none of that money was expended. For those eight oversight committees that are staffed by the committee chairs' administrative staff, no information regarding the percentage of staff's time spent on a particular committee was available. According to the Director of the Office of Legislative Administration, staff assigned to the members of the General Assembly do not track time by project. In addition, no information is available on the cost of supplies and other miscellaneous expenses incurred in support of these eight committees. We did, however, obtain estimates of the hours Office of Legal Services' attorneys spent attending the various oversight committee meetings or performing other duties in support of a particular committee during fiscal year 2010.

We also obtained, from the Office of Legislative Administration, information on per diem payments and travel expenditures paid to legislators for attendance at specific oversight committee meetings. (As noted above, this information is presented in each of the relevant oversight committees' sections below.) However, this information only includes situations in which the legislator traveled to Nashville and/or charged per diem specifically for an oversight committee meeting. If an oversight committee meeting was held on a day when the legislator was already receiving travel and/or per diem payments for attending a full floor session of the General Assembly, standing committee or subcommittee meetings, or other legislative meetings, travel documents might not include the oversight committee in the justification. If the legislator did not include the oversight committee on the reimbursement request, the Office of Legislative Administration would likely have no record of that legislator's attendance at the oversight committee meeting.

See below for a summary schedule of known 2010 expenditures for the 12 oversight committees we reviewed.

**Summary Schedule of Expenditures for 2010  
for 12 Oversight Committees Reviewed**

<b>Type of Expenditure</b>	<b>Total</b>
Salaries and Benefits (1)	\$593,549
Other (2)	\$13,925
Per Diem for Committee Members (3)	\$6,290
Travel Expenses for Committee Members (3)	\$3,635
<b>Total (4)</b>	<b>\$617,399</b>

(1) Includes only FY 2010 salaries and benefits for full-time oversight committee staff. Does not include salaries and benefits for committee chairs' administrative staff who provide staff support to the committee as part of their duties.

(2) Includes only FY 2010 "other" expenditures (such as travel, training, and professional services) for the four oversight committees with full-time staff. "Other" expenditures for the other committees are not tracked.

(3) Only includes 2010 per diem and travel specifically charged for one of the 12 oversight committees' meetings.

(4) Schedule does not include legislative attorneys' time spent in support of these committees. Legislative attorneys spent an estimated 420 hours on these committees during FY 2010.

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## ANALYSIS

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### SELECT COMMITTEE ON CHILDREN AND YOUTH

#### Background, Organization, and Responsibilities

Chapter 348, Public Acts of 1987, created the Select Committee on Children and Youth. Section 3-15-205, *Tennessee Code Annotated*, states that the duties of the committee are to

- review current state policies on children and youth;
- study the problems that jeopardize the development and well-being of Tennessee children and youth;
- define and establish the components, guidelines, and objectives of a comprehensive state policy to ensure and promote present and future health, welfare, and opportunity for all Tennessee's children and youth;
- identify any Tennessee laws, regulations, programs, services, and budgetary priorities which conflict with the components, guidelines, and objectives of such comprehensive policy;
- search for any interdepartmental gaps, inconsistencies, and inefficiencies in the implementation or attainment of such comprehensive policy;
- identify any new laws, regulations, programs, services, and budgetary priorities which are needed to ensure and promote present and future health, welfare, and opportunity for all the state's children and youth;
- serve as an in-house informational resource for all members and committees of the General Assembly on legislative policy matters concerning children and youth; and
- perform other activities that are reasonably related to the legislative intent to improve public awareness of the special needs of the state's children and youth.

The Select Committee on Children and Youth is authorized to

- create subcommittees;
- request standing committees of the General Assembly, the Fiscal Review Committee, and any agencies or entities of state government to study and report on designated policy matters relating to children and youth;
- conduct meetings and public hearings;
- employ committee staff;
- enter into contracts for technical or professional services;

- promote interagency cooperation and policy continuity with respect to state initiatives to benefit children and youth;
- provide planning and programmatic assistance to the southern legislators' conference on children and youth;
- undertake appropriate actions to inform state and local officials and the public of innovative and effective model programs for children, youth, and their families; and
- perform other duties as requested by joint resolution of the General Assembly.

The committee is also to perform legislative oversight of the Department of Children's Services and to study the effectiveness of the child protective services section.

According to Section 3-15-201, *Tennessee Code Annotated*, the committee is to be composed of 18 members. The Speaker of the Senate is to appoint nine senators with at least one member from each of the following standing committees: Education; Finance, Ways and Means; General Welfare, Health and Human Resources; and Judiciary. The Speaker of the House of Representatives is to appoint nine representatives with at least two members from each of the following standing committees: Education; Finance, Ways and Means; Health and Human Resources; and Judiciary. The Select Committee on Children and Youth is to meet at least quarterly and at the call of the chair. Members are to elect a chair, vice chair, and other officers if deemed necessary. Following the conclusion of any regular session occurring in an even-numbered year, the committee is to publish, and distribute to each member of the General Assembly, a report summarizing the committee's activities, findings, recommendations, and proposals.

The committee staff consists of a director and an administrative assistant. The committee's actual expenditures for fiscal year 2010 were \$174,119. The budgeted expenditures for fiscal year 2011 are \$172,800. See Table 3 for further details on fiscal year 2010 expenditures.

### Major Activities of the Committee

Based on our review of the committee's activities, reports, meeting agendas, and information provided by committee staff and members, it appears the committee has met its legislative requirements.

#### *Committee Meetings*

Auditors obtained records of committee meetings for calendar years 2008 – 2010. The majority of the meetings were held in Nashville, Tennessee. Table 1 illustrates the number of meetings per year and the location of the meetings:

**Table 1**  
**Meetings per Year and Location**

Calendar Year	Number of Meetings Held in Nashville	Number of Meetings Held in Memphis	Number of Meetings Held in Knoxville	Number of Meetings Held in Other Tennessee Cities	Total Number of Meetings Per Year
2008	11	0	2	0	13
2009	6	0	0	0	6
2010	4	3	1	3	11

In 2010, meetings in other cities were held in Brownsville, Chattanooga, and Maryville.

Auditors obtained all available meeting attendance records for calendar years 2008 – 2010. Table 2 illustrates the number of meetings and average number of attendees per year.

**Table 2**  
**Average Number of Attendees at Meetings**

Calendar Year	Number of Meetings	Average Number of Members at the Meetings
2008	13	11
2009	6	13
2010	11	7

For calendar year 2010, the average number of attendees was much lower than previous years. This could be because the majority of the meetings were held outside of Nashville, and this may have created difficulty with achieving a quorum.

*Committee Costs*

Table 3 details fiscal year 2010 expenditures (excluding payments to legislators).

**Table 3  
Expenditures for Fiscal Year 2010**

<b>Expenditures</b>	<b>Budgeted Amount</b>	<b>Actual Amount</b>	<b>Remaining Budget</b>
Salaries	\$104,600	\$115,136	(\$10,536)
Benefits	\$42,000	\$49,836	(\$7,836)
<b>Total Payroll</b>	<b>\$146,600</b>	<b>\$164,972</b>	<b>(\$18,372)</b>
Travel	\$15,000	\$6,269	\$8,731
Printing and Duplicating	\$3,700	\$0	\$3,700
Communications	\$2,800	\$23	\$2,777
Maintenance and Repairs	\$0	\$21	(\$21)
Professional Services and Dues	\$5,500	\$750	\$4,750
Supplies and Materials	\$300	\$21	\$279
Rentals and Insurance	\$200	\$0	\$200
Grants and Subsidies	\$1,100	\$0	\$1,100
Training	\$0	\$1,808	(\$1,808)
Data Processing	\$0	\$13	(\$13)
Professional Services/Other State Agencies	\$2,100	\$242	\$1,858
<b>Total Other Expenditures</b>	<b>\$30,700</b>	<b>\$9,147</b>	<b>\$21,553</b>
<b>Total Budget/Expenditures</b>	<b>\$177,300</b>	<b>\$174,119</b>	<b>\$3,181</b>

In addition, the Office of Legislative Administration provided us with per diem payments and travel expenditures paid to legislators for attendance at the committee meetings. Table 4 lists these calendar-year costs.

**Table 4  
Legislators' Per Diem and Travel Expenses**

Calendar Year	Per Diem Costs	Travel Costs
2008	\$10,091	\$2,346
2009	\$8,550	\$3,565
2010	\$2,035	\$302

The committee staff also travels. As Table 3 illustrates, the fiscal year 2010 expenditure for travel was \$6,269. However, this amount was much less than the budgeted amount of \$15,000.

In addition, the committee uses the legislative staff attorneys as needed. Legislative Administrative Services provided an estimate of the number of hours spent by attorneys either attending meetings or performing job-related services or staffing duties for the committee for fiscal year 2010. The estimate for this committee was 306.5 hours. (Chapter 487, Public Acts of 2009, required the committee to study the effectiveness of the child protective services system in this state and develop recommendations for its improvement. A great portion of attorney hours attributed to this committee is a result of this legislation. As of January 13, 2011, the report is still in process.)

#### *Committee Reports*

The committee created several reports at the request of the General Assembly. Auditors reviewed all available reports, including the following:

*Patterns of Commitment of Children to State Custody*, dated January 15, 2010;  
*Public Chapter 415 Advisory Council Report*, dated October 30, 2009;  
*Study of the Education of Incarcerated Youth*, dated August 31, 2009;  
*Senate Joint Resolution 799 Interim Report*, dated April 1, 2007; and  
*Senate Joint Resolution 799 Final Report*, dated April 1, 2008.

In addition, as directed by Section 3-15-204, *Tennessee Code Annotated*, the committee created reports summarizing the committee's activities, findings, recommendations, and proposals in 2006 and 2010. According to committee staff, the Senate Joint Resolution 799 reports, which focused on children's mental health issues, were also used to meet the committee's summary report requirement for 2008.

#### Perceived Effectiveness of the Committee

Auditors spoke with or received feedback from 8 of the 18 committee members; committee staff; management of the Commission on Children and Youth, Department of Children's Services, Department of Education, Governor's Office on Children's Care Coordination, and the Office of Legislative Budget Analysis; as well as advocacy groups. An overwhelming majority of those we spoke with had very positive comments about the committee and its effectiveness. Most respondents believe that the committee's termination would create a void that could negatively affect the well-being of the state's children. Some persons did express concerns, suggesting for example that the committee would be more effective if it had a more focused approach rather than studying all issues related to children.

#### Other Committees or Agencies Performing Similar Activities

Other legislative committees routinely consider issues related to and affecting the state's children. Standing committees including the House Children and Family Affairs Committee; the House Health and Human Resources Committee; and the Senate General Welfare, Health and

Human Resources Committee consider legislation affecting the state's children. As stated above, however, the standing committees study many issues and may not be able to devote as much time to these issues as the Select Committee on Children and Youth can.

The Commission on Children and Youth performs some functions similar to the Select Committee on Children and Youth. Section 37-3-102, *Tennessee Code Annotated*, created the Commission on Children and Youth to serve as "an informational resource and advocacy agency for the efficient and effective planning, enhancement and coordination of state, regional, and local policies, programs and services to promote and protect the health, well-being and development of all children and youth in Tennessee." Management of the Commission on Children and Youth stated that they work very collaboratively with committee staff and the members. They do not feel that they could fill the void that would be created by the committee's termination unless they are given more staff. Also, the commission does not have a legislative presence like the Select Committee on Children and Youth. Commission management does not believe that the Commission on Children and Youth can bring legislators together like the committee can.

In addition, the Governor's Office of Children's Care Coordination (GOCCC) serves a similar population. According to an overview provided by office staff, this office collaborates with government, business, community, and faith-based partners to ensure the state is providing high-quality, data driven, cost-saving services for children and youth. The office leads efforts to translate science into public policy and to implement evidence-based practices throughout the system in an effort to increase the quality of all services to Tennessee children. It also works to ensure state departments are meeting requirements of state and federal laws and of court orders relating to health care services for children. The office's main areas of focus include implementation of evidence-based practices; collaboration and coordination of child-serving agencies; women's health, infant mortality, and prematurity prevention initiatives; and quality mental health services for children who are victims of abuse and trauma. However, GOCCC does not have a legislative presence like the committee does.

The General Assembly may wish to consider whether (1) there is sufficient need for three bodies that serve similar populations with similar goals or (2) whether the three bodies' duties and responsibilities should be more clearly defined so there is coordination without overlap and duplication.

## **SELECT OVERSIGHT COMMITTEE ON CORRECTIONS**

### Background, Organization, and Responsibilities

The Select Oversight Committee on Corrections was created during the 1985 First Extraordinary Session by Chapter 5 of the Public Acts, codified as Section 3-15-101 et seq., *Tennessee Code Annotated*. Pursuant to Section 3-15-109(a), the committee is to continue only until the operations of the Department of Correction have improved substantially so that oversight is no longer needed. In 1990, 1994, 1997, 2002, 2006, and 2008, the legislature continued the committee. The 1994 legislation also added the requirement that the Office of the

Comptroller of the Treasury conduct a performance evaluation of the committee prior to its termination; the resulting reports were released in November 1996, January 2002, April 2006, and April 2008. In 2008, the General Assembly extended the committee until June 30, 2012.

The committee evolved from the state's response to the crisis in the prison system during the 1970s and early 1980s. In a 1982 ruling on the *Grubbs* lawsuit, then U.S. District Judge L. Clure Morton declared parts of Tennessee's prison system unconstitutional and placed the system under the control of a Special Master, who was responsible for ensuring that the terms of the court order were met. In 1985, the General Assembly created a study committee to establish the agenda for a special legislative session convened to address correction problems. In 1986, as a result of the special session, the study committee became the Select Oversight Committee on Corrections.

The purpose of this committee is to improve planning for facilities and programs, to create a better environment for management, and to ensure implementation of proposed improvements in the correctional system. The committee, which is required to meet at least quarterly, has the authority to elect a chair, vice chair, and other officers; create related subcommittees; request the standing committees of the General Assembly, the Fiscal Review Committee, and other agencies to study certain aspects of the correction system and to report to the committee; conduct hearings; employ staff; and enter into contracts for technical or professional services. The committee is required to report on its activities to each member of the General Assembly.

As found in Section 3-15-105, *Tennessee Code Annotated*, the legislative intent was that plans for the Department of Correction "be made carefully and be reviewed thoroughly to help ensure that new programs will achieve their intended purposes, to help ensure that new facilities are needed and are designed properly, and to help ensure that the general assembly and the public can have confidence that the state will deliver a correctional system which is effective and efficient." To accomplish this, the committee is required by law to review (1) any proposed expenditure of funds to implement new programs or expand existing programs, (2) any administrative or management changes requiring additional expenditures, or (3) any proposed expenditures to expand or otherwise change the operation of any facility or begin the operation of any new facility. The committee may make comments to the Commissioner of the Department of Finance and Administration on any proposal. The committee is also required to review all proposed plans for capital expenditures for maintenance or renovations of existing facilities, construction of new facilities, or purchase of equipment to be used in such facilities, and make comments as needed to the State Building Commission.

In addition, the committee is required to review all bills introduced in the General Assembly that will or may affect any area within the committee's scope of review. The purpose of the Select Oversight Committee on Corrections' review is to assist the appropriate standing committee (in most cases, the Judiciary or State and Local Government Committees) in its consideration of correction-related legislation by providing appropriate background information on the bill or information concerning the impact of the bill on the correction system. The committee may attach comments to a bill prior to the bill's consideration by the appropriate standing committee. However, the committee cannot make recommendations concerning the

passage of a bill and does not have the authority to prevent a standing committee from considering a bill.

Finally, the committee is required to review regularly the following programs, functions, and activities by the Department of Correction:

- classification and reclassification of inmates;
- capacity of institutions and other programs;
- industrial, agricultural, or other programs designed to provide activities for inmates;
- inmate education and training programs;
- release programs, including eligibility conditions and effects;
- alternative sentencing programs;
- local jails;
- provision of services, facilities, or programs by private contractors;
- management-related issues; and
- other relevant matters.

The committee consists of 14 members: 7 appointed by the Speaker of the Senate and 7 appointed by the Speaker of the House of Representatives. Committee staff consists of a director and an administrative assistant. The committee's actual expenditures for fiscal year 2010 were \$161,351. The budgeted expenditures for fiscal year 2011 are \$161,500. See Table 6 for further details on fiscal year 2010 expenditures.

### Major Activities of the Committee

Based on our review of the committee's activities, reports, meeting agendas, and information provided by committee staff and members, it appears the committee has met its legislative requirements.

#### *Committee Meetings*

Auditors obtained all available meeting attendance records for calendar years 2007 – 2010. There were no attendance records available for January – April 2007; therefore, the meetings which took place during this period are not reflected in Table 5, which illustrates the number of meetings and average number of attendees per year (provided that records were available).

**Table 5**  
**Average Attendance at Committee Meetings**

Calendar Year	Number of Required Meetings With Attendance Records*	Average Number of Members at the Meetings
2007**	7	11
2008	8	8
2009	3	9
2010	5	9

\* Committee members are not required to attend prison and cook chill tours.

\*\*For 2007, only meetings from May – December are reflected above.

*Committee Costs*

Table 6 details fiscal year 2010 expenditures (excluding payments to legislators).

**Table 6**  
**Detailed Expenditures for Fiscal Year 2010**

Expenditures	Budgeted Amount	Actual Amount	Remaining Budget
Salaries	\$102,500	\$116,544	(\$14,044)
Benefits	\$40,200	\$42,549	(\$2,349)
<b>Total Payroll</b>	<b>\$142,700</b>	<b>\$159,093</b>	<b>(\$16,393)</b>
Travel	\$8,300	\$709	\$7,591
Printing and Duplicating	\$200	\$0	\$200
Communications	\$700	\$7	\$693
Professional Services and Dues	\$5,000	\$35	\$4,965
Supplies and Materials	\$1,000	\$0	\$1,000
Rentals and Insurance	\$400	\$0	\$400
Grants and Subsidies	\$600	\$0	\$600
Training	\$0	\$350	(\$350)
Professional Services/Other State Agencies	\$4,300	\$1,157	\$3,143
<b>Total Other Expenditures</b>	<b>\$20,500</b>	<b>\$2,258</b>	<b>\$18,242</b>
<b>Total Budget/Expenditures</b>	<b>\$163,200</b>	<b>\$161,351</b>	<b>\$1,849</b>

In addition, the Office of Legislative Administration provided us with per diem payments and travel expenditures paid to legislators for attendance at the committee meetings. Table 7 lists the calendar-year costs.

**Table 7**  
**Legislators' Per Diem and Travel Expenses**

Calendar Year	Per Diem Costs	Travel Costs
2008	\$5,926	\$1,673
2009	\$513	\$92
2010	\$3,145	\$2,186

The committee staff also travels. As shown in Table 6, the fiscal year 2010 expenditure for travel was \$709. However, this amount was much less than the budgeted amount of \$8,300.

In addition, the committee uses the legislative staff attorneys as needed. Legislative Administrative Services provided an estimate of the number of hours spent by attorneys either attending meetings or performing job-related services or staffing duties for the committee for fiscal year 2010. The estimate for this committee was 3.5 hours.

*Capital Projects Review*

The Select Oversight Committee on Corrections reviews and comments on proposed correction-related capital projects, as required by Section 3-15-105, *Tennessee Code Annotated*. In general, proposals include new prison construction and renovations of existing facilities. Upon review of these projects, the committee may comment to the State Building Commission, and the commission is encouraged to consider the committee's comments regarding the proposed capital expenditures.

During the scope of this evaluation, the committee reviewed the plans for several projects and made comments to the State Building Commission. Below is a highlight of a few projects reviewed:

- Statewide Security Electronic Upgrades;
- West Tennessee State Penitentiary Housing Addition, Henning;
- Plumbing Fixture and Infrastructure Repair at Riverbend Maximum Security Institute, Nashville;
- New Prison Construction at Southeastern Tennessee State Regional Correctional Facility, Pikeville;
- Grant for New Construction of \$10,275,000 for Expansion of the Nashville-Davidson County Metropolitan Detention Facility;

- Re-roofing various buildings at DeBerry Special Needs Facility, Nashville; Turney Center Industrial Prison, Only; Riverbend Maximum Security Institution, Nashville; and South Central Correctional Facility, Clifton; and
- New Minimum Security Housing Building at Turney Center Industrial Complex, Only.

*Review of Legislation*

The committee reviews bills on correctional issues introduced in the General Assembly, as required by Section 3-15-108, *Tennessee Code Annotated*. The committee’s comments appear to have appropriately focused on the proposed legislation’s impact (including the fiscal effect) on the correctional system. Table 8 lists the number of bills reviewed with the corresponding year.

**Table 8  
Bills Reviewed by Year**

Year	Number of Bills Reviewed
2007	67
2008	36
2009	57
2010	39
Total Bills Reviewed	199

Perceived Effectiveness of the Committee

Auditors spoke with or received feedback from 8 of the 14 committee members; committee staff; management from the Department of Correction, the Board of Probation and Parole, Tennessee Rehabilitative Initiative in Correction (TRICOR), and the Tennessee Corrections Institute; as well as advocacy groups. The majority of those contacted praised the committee and its staff and believed the committee should be continued in its current capacity because of its expertise on correctional issues, its ability to bring correctional issues to the forefront, and the good working relationship with the Department of Correction, Board of Probation and Parole, and TRICOR. Some respondents also mentioned the concern that if the committee is terminated, the Department of Correction could face a lawsuit again.

Although the majority of the comments were positive, there were a few concerns about the committee’s inability to hold the Department of Correction accountable, and whether there was still a need for the committee since it had served its purpose and the Department of Correction has been released from the federal court order arising from the *Grubbs* lawsuit.

Other Committees Performing Similar Activities

As noted above, standing committees, typically the Judiciary and State and Local Government Committees, are responsible for reviewing and acting on correction-related legislation. In addition, the Fiscal Review Committee reviews major correction-related contracts such as the contracts with the Corrections Corporation of America. The State Building

Commission also reviews and approves major correction-related capital projects. All of these entities do, however, receive input and comments from the Select Oversight Committee on Corrections. Auditors did not identify other legislative committees or entities that focused on as broad a range of correctional issues as the Select Oversight Committee on Corrections.

## **HEALTH EQUITY COMMISSION**

### Background, Organization, and Responsibilities

Chapter 1039, Public Acts of 1990, created the Black Health Care Commission, which was renamed the Health Equity Commission by Chapter 748, Public Acts of 2008. Section 3-15-404, *Tennessee Code Annotated*, states that the duties of the commission are to

- review current state policies, health promotions and interventions designed to address inequities in health as reflected in Tennessee statutes, regulations, programs, services, and budgetary priorities;
- study the social determinants of health or the root causes of the inequalities that jeopardize the health of Tennessee's minority and vulnerable communities;
- define and establish components, guidelines, and objectives of a comprehensive state policy to eliminate health disparities and provide advice to the commissioner of finance and administration concerning the state health plan; and
- identify any Tennessee laws, regulations, programs, services, and budgetary priorities which conflict with the components, guidelines, and objectives of such comprehensive policy.

The commission's duties also include

- searching for interdepartmental gaps, inconsistencies and inefficiencies in the implementation or attainment of such comprehensive policy;
- identifying any new laws, regulations, programs, services and budgetary priorities which are needed to ensure and promote health equity for Tennessee's minority and vulnerable populations;
- serving as an in-house informational resource for the General Assembly on policy matters regarding emerging trends and social conditions that promote or inhibit the elimination of health disparities; and
- performing other activities which are reasonably related to the legislative intent of improving public awareness of the state's health equity problems.

The Health Equity Commission is authorized to create subcommittees related to its purposes; request standing committees of the General Assembly, the Fiscal Review Committee, and any agencies or entities of state government to study and report on designated policy matters related to health equity; conduct meetings and public hearings in Nashville and across the state

as necessary to increase public awareness of the social determinants of health and the elimination of health inequalities; employ commission staff and enter into contracts for technical or professional services, subject to the availability of funding and approval of both speakers; and perform other duties as are required or requested by joint resolution of the General Assembly.

According to Section 3-15-401, *Tennessee Code Annotated*, the commission is to be composed of 12 members. The Speaker of the Senate is to appoint three senators, at least one from each of the following standing committees of the senate: Finance, Ways and Means; General Welfare, Health and Human Resources; and Commerce, Labor and Agriculture. The Speaker of the Senate also appoints three citizen members, one from each grand division, who are knowledgeable on matters concerning health equity. The Speaker of the House of Representatives is to appoint three members, at least one from each of the following standing committees of the house: Finance, Ways and Means; Health and Human Resources; and Commerce. The Speaker of the House of Representatives also appoints three citizen members. The commission is to meet at least quarterly and at the call of the chair. Members are to elect a chair, vice-chair, and other officers as deemed necessary. The commission is to report to each member of the General Assembly at least once per legislative session on its activities, findings, recommendations, and proposals.

The commission staff consists of a director. The commission's actual expenditures for fiscal year 2010 were \$90,058. (See Table 10.) The budgeted expenditures for fiscal year 2011 are \$119,000.

#### Creation of a Chronic Kidney Disease Task Force

Section 3-15-406, *Tennessee Code Annotated*, created a state chronic kidney disease task force to improve the health of residents of this state and potentially reduce demands on the state's Medicaid program. The task force is to consist of 27 members and to be chaired by the Chief Medical Officer for the Department of Health or the Commissioner of Health's designee. Except as stated in Section 3-1-106, *Tennessee Code Annotated* (which addresses mileage reimbursement), all members of the task force are voluntary and serve without compensation or travel reimbursement, provided that the task force meets only on days in which the General Assembly has scheduled a floor session to consider legislation or on days standing committees of the General Assembly are scheduled to meet.

The task force is required to do the following:

- develop a plan to educate the public and health care professionals about the advantages and methods of early screening, diagnosis, and treatment of chronic kidney disease and its complications based on kidney disease outcomes quality initiative clinical practice guidelines for chronic kidney disease or other medically recognized clinical practice guidelines;
- make recommendations on the implementation of a plan for early screening, diagnosis, and treatment of chronic kidney disease in the state, with the goal of slowing the progression of kidney disease to kidney failure, requiring treatment with

dialysis or transplantation and prevention and treatment of cardiovascular disease; and

- identify the barriers to adoption of best practices and potential public policy options to address these barriers, including the fragmentation of care among specialists and primary care physicians and lack of access to primary care physicians.

The task force is to report all findings and recommendations to the Senate General Welfare, Health and Human Resources Committee and the House Health and Human Resources Committee. All meetings are to occur prior to June 30, 2011, at which time the task force will cease to exist.

Major Activities of the Commission

Based on our review of the commission’s activities, reports, meeting agendas, and information provided by commission staff and members, it appears the commission has met its legislative requirements overall. (It has frequently met without a quorum, however, and did not meet quarterly in 2009.)

*Commission Meetings*

Auditors obtained records of the commission’s meetings for calendar years 2008 – 2010. From the information provided, the commission (which by law has 12 members) has only had a quorum for 3 out of the 14 meetings held. Based on a review of the meeting minutes, the lack of a quorum can be largely attributed to a lack of citizen members at the meetings. According to the commission’s executive director, the Speakers of the Senate and House have been slow to appoint commission members from the community. (In 2010, for example, citizen members were introduced at the August meeting.) Table 9 details the meeting dates along with the number of members present.

**Table 9  
2008 – 2010 Health Equity Commission Meeting History**

2008 Meeting Dates	Number of Members Present	2009 Meeting Dates	Number of Members Present	2010 Meeting Dates	Number of Members Present
3/10/08	7	2/24/09	5	1/26/10	4
4/7/08	6	3/24/09	4	2/23/10	4
5/12/08	7	4/7/09	3	4/20/10	5
8/22/08	5	5/20/09	5	5/25/10	5
9/30/08	3			8/11/10	8

The Chronic Kidney Disease Task Force, created from within the Health Equity Commission, has also held meetings since its formation. Six meetings were held in calendar year 2010.

*Commission Costs*

Table 10 details fiscal year 2010 expenditures (excludes payments to commission members).

**Table 10  
Detailed Expenditures for Fiscal Year 2010**

<b>Expenditures</b>	<b>Budgeted Amount</b>	<b>Actual Amount</b>	<b>Remaining Budget</b>
Salaries	\$62,800	\$62,124	\$676
Benefits	\$20,700	\$25,815	(\$5,115)
<b>Total Payroll</b>	<b>\$83,500</b>	<b>\$87,939</b>	<b>(\$4,439)</b>
Travel	\$27,800	\$722	\$27,078
Printing and Duplicating	\$5,600	\$0	\$5,600
Communications	\$3,600	\$31	\$3,569
Professional Services and Dues	\$11,000	\$0	\$11,000
Supplies and Materials	\$5,000	\$573	\$4,427
Rentals and Insurance	\$100	\$0	\$100
Motor Vehicle Operations	\$0	\$26	(\$26)
Training	\$0	\$308	(\$308)
Professional Services/Other State Agencies	\$2,400	\$459	\$1,941
<b>Total Other Expenditures</b>	<b>\$55,500</b>	<b>\$2,119</b>	<b>\$53,381</b>
<b>Total Budget/Expenditures</b>	<b>\$139,000</b>	<b>\$90,058</b>	<b>\$48,942</b>

The Office of Legislative Administration also provided us with per diem payments and travel expenditures paid to commission members for attendance at the commission meetings. Table 11 lists the calendar-year costs.

**Table 11  
Legislators' Per Diem and Members' Travel Expenses**

Year	Per Diem	Travel
2007	\$2,826	\$1,030
2008	\$0	\$0
2009	\$0	\$0
2010	\$0	\$0

As the table above illustrates, there were no per diem or travel costs for the past three calendar years. In addition, the commission uses the legislative staff attorneys as needed. Legislative Administrative Services provided an estimate of the number of hours spent by attorneys either attending meetings or performing job-related services or staffing duties for the commission for fiscal year 2010. The estimate for the commission was eight hours.

### *Commission Reports*

As required by Section 3-15-403, *Tennessee Code Annotated*, the commission created a report on its activities, findings, recommendations, and proposals in 2008 and 2009. The 2010 report is not yet complete. The commission also creates monthly newsletters, which are sent to all legislators and some community and government entities as well.

### Perceived Effectiveness of the Commission

Auditors spoke with or received feedback from 3 of the 6 legislative commission members; commission staff; management from the Department of Health, the Bureau of TennCare, and the Department of Finance and Administration's Division of Health Planning; and several advocacy groups. Most had very positive comments regarding the commission and believe that it can help reduce the state's health care costs by identifying and eliminating health disparities and by raising the overall level of wellness of the state's population. Respondents also mentioned that the commission researches grant opportunities for community organizations; reaches out to the local health department for grass roots efforts; and helps develop policies and best practices with the Department of Health and the Department of Finance and Administration's Division of Health Planning. A few did, however, express concern that the commission's duties are unclear and its role should be more clearly defined.

### Other Committees or Agencies Performing Similar Activities

Legislative standing committees routinely consider issues related to and affecting public health and consider legislation affecting it. These include the House Health and Human Resources Committee and the Senate General Welfare, Health, and Human Resources Committee. However, because of the vast array of issues these standing committees consider, they may not study issues as thoroughly as the Health Equity Commission.

The Division of Minority Health and Disparity Elimination within the Department of Health serves a similar population and shares similar goals. It serves as a central point for the department on minority health issues. The division's mission is to promote health policies, programs, and services designed to improve health and quality of life by preventing and controlling the disproportionate burden of disease, injury, and disability among racial and ethnic minority populations. According to division staff, the division focuses on those health issues that cross cultural, racial, and ethnic boundaries, much like the Health Equity Commission does. The division also performs community outreach, education, seminars, health promotion campaigns, and research. It also partners with other agencies and faith-based groups.

The main distinction between the Health Equity Commission and the Division of Minority Health and Disparity Elimination is the legislative involvement. The Health Equity Commission includes both legislative and non-legislative members, while the division works with legislators through the Department of Health's Legislative Liaison.

The General Assembly may wish to consider whether (1) there is sufficient need for two bodies that serve similar populations with similar goals, (2) whether the two bodies' duties and

responsibilities should be more clearly defined so there is no overlap and duplication, or (3) whether the two bodies should be combined into one.

## **SELECT OVERSIGHT COMMITTEE ON TENNCARE**

### Background, Organization, and Responsibilities

Chapter 830, Public Acts of 1994, created the Select Oversight Committee on TennCare. Pursuant to Section 3-15-501 et seq., *Tennessee Code Annotated*, the committee's designated purpose is to improve and promote accessible and affordable health care for all Tennesseans, to create a better environment for management, and to ensure the successful implementation of TennCare. The committee was renewed in 1999, 2004, and 2009, and is currently scheduled to terminate on June 30, 2014.

The committee's creation followed an executive order signed by Governor Ned McWherter on January 1, 1994, whereby Tennessee withdrew from the federal Medicaid program to implement a new type of health care plan called TennCare. The U.S. Department of Health and Human Services granted Tennessee approval to implement a demonstration project under Section 1115 of the Social Security Act. The Bureau of TennCare, within the Department of Finance and Administration, is responsible for administering the program. In 2005, TennCare underwent dramatic reform to control its escalating costs. The waiver has been extended numerous times and is currently extended through June 30, 2013.

The Select Oversight Committee on TennCare is to meet at least quarterly and at the call of the chair, and report on its activities to each member of the General Assembly. The committee is to review proposed expenditures for TennCare and may make its comments on those proposed expenditures to the Commissioner of the Department of Finance and Administration. Such comments are to be made within 30 days after the committee receives the proposed expenditures. In addition, the committee is to review all bills transmitted to it and may attach committee comments to such bills prior to their consideration by the appropriate standing committee. The sole purpose of review by the committee is to assist the standing committee in its consideration of TennCare-related legislation by providing appropriate background information on the bill or information concerning the impact of the bill on the TennCare program. The committee is not to make a recommendation concerning the passage of a bill it reviews, nor does it have the authority to prevent the consideration of the bill by the standing committee to which the bill is referred. The Select Oversight Committee on TennCare's review of all bills transmitted to it must be completed and the notification returned to the chair of the appropriate standing committee no later than four weeks after a bill has first been introduced.

The committee is to review regularly the following programs, functions, and activities of the TennCare program:

- eligibility and enrollment standards, including determinations of how TennCare enrollees are assigned to MCOs, or other matters related to eligibility and assignment of TennCare enrollees;

- provisions of services, facilities, or programs by TennCare providers, including TennCare's standard benefit package or other related matters;
- education programs for TennCare enrollees, MCOs, and providers, including eligibility, access to TennCare providers and MCOs, benefit package offered, deductibles and co-payments required, or other related matters;
- review and evaluation of performance of TennCare MCOs, including their compliance with contracts entered into with the state, review of MCO contracts entered into with any TennCare provider, or other related matters;
- compliance by TennCare with provisions of the TennCare federal waiver, including review of proposed amendments to the waiver for system changes, and evaluations or reports prepared for or by the federal government, or other related matters;
- staffing within TennCare, including recruitment, selection, training, compensation, discipline, or other matters;
- management, including planning, budgeting, information systems, organizational structure, rules and regulations, department policies and procedures, or other related matters; and
- any other matters considered material.

The committee is to be composed of 14 members, with 7 members to be appointed by the Speaker of the Senate and 7 members to be appointed by the Speaker of the House of Representatives. The committee elects from its membership a chair, a vice chair, and such other officers as it considers necessary. The committee is also authorized to create subcommittees; create an advisory panel composed of representatives including, but not limited to, business, insurance, hospitals, physicians, and consumers; request that standing committees of the General Assembly, the Fiscal Review Committee, or other agencies study certain aspects of the TennCare program and report to the committee; conduct hearings; employ staff, subject to the availability of funds; and enter into contracts for technical or professional services.

The committee staff includes an executive director and an administrative assistant. The committee's actual expenditures for fiscal year 2010 were \$181,944. The expected expenditures for fiscal year 2011 are \$190,600. See Table 13 for further details on fiscal year 2010 expenditures.

#### Major Activities of the Committee

Based on our review of the committee's activities, meeting agendas, and bill comments, and our review of information provided by committee staff and members, it appears the committee has met its legislative requirements overall and has regularly reviewed the programs, functions, and activities of the TennCare program as directed by statute.

*Committee Meetings*

A review of archived recordings on the General Assembly’s website, along with meeting agendas obtained from committee staff, provided auditors with a meeting history from 2005-2010. The obtained information indicates the committee failed to meet quarterly during 2007, as required in Section 3-15-503, *Tennessee Code Annotated*. (See Table 12.)

**Table 12  
Committee Meeting History**

Year	2005	2006	2007	2008	2009	2010	Total
Number of Meetings	7*	6*	3	4	4	4	28
Meeting Dates	1/5/05 2/7/05 2/28/05 3/7/05 4/25/05 8/9/05 11/29/05	1/23/06 3/13/06 4/10/06 4/20/06 8/9/06 12/19/06	2/26/07 4/16/07 4/23/07	1/28/08 4/28/08 9/30/08* 12/17/08*	4/30/09 5/4/09 8/20/09 11/19/09	2/22/10 4/19/10 8/24/10 12/7/10	

\* Based on meeting agendas, not listed on the General Assembly’s website.

*Committee Costs*

The table below details fiscal year 2010 committee expenditures (excluding payments to legislators).

**Table 13  
Fiscal Year 2010 Expenditures**

Expenditures	Budgeted Amount	Actual Amount	Remaining Budget
Salaries	\$132,300	\$129,856	\$2,444
Benefits	\$46,600	\$51,689	(\$5,089)
<b>Total Payroll</b>	<b>\$178,900</b>	<b>\$181,545</b>	<b>(\$2,645)</b>
Travel	\$7,500	\$0	\$7,500
Printing and Duplicating	\$400	\$83	\$318
Communications	\$600	\$1	\$599
Supplies and Materials	\$300	\$0	\$300
Rentals and Insurance	\$300	\$0	\$300
Professional Services/Other State Agencies	\$3,700	\$315	\$3,385
<b>Total Other Expenditures</b>	<b>\$12,800</b>	<b>\$399</b>	<b>\$12,401</b>
<b>Total Budget/Expenditures</b>	<b>\$191,700</b>	<b>\$181,944</b>	<b>\$9,756</b>

In addition, the Office of Legislative Administration provided us with per diem payments and travel expenditures paid to legislators for attendance at the committee meetings. Table 14 lists the calendar-year costs.

**Table 14**  
**Legislators' Per Diem and Travel Expenses**

Calendar Year	Per Diem Costs	Travel Expenses
2008	\$3,602	\$2,148
2009	\$6,338	\$3,912
2010	\$1,110	\$1,147

The committee also uses the legislative staff attorneys as needed. Legislative Administrative Services provided an estimate of the number of hours spent by attorneys either attending meetings or performing job-related services or staffing duties for the committee for fiscal year 2010. The estimate for this committee was 23.5 hours.

*Bill Reviews*

The committee reviews bills on TennCare issues introduced in the General Assembly, as required by Section 3-15-508, *Tennessee Code Annotated*. The committee's comments have followed legislative intent and focused on proposed legislation that will impact or potentially impact any area within the scope of review of the committee—fiscally or otherwise. (Comptroller's Office staff provides the committee with bill comments on the impact of proposed legislation; the committee then convenes to review the bill and to add comments.) Auditors' review of testimony and documentation obtained from the committee staff supported compliance with statutory requirements. As required by Section 3-15-505, the committee also monitors budgetary issues and expenditures—along with the independent efforts of the Fiscal Review Committee, the General Assembly's standing finance committees, and the Office of Legislative Budget Analysis. The committee routinely hears direct testimony from the Commissioner of the Department of Finance and Administration and Bureau of TennCare staff concerning any proposed expenditures affecting the TennCare budget. Table 15 lists the number of bills reviewed, by year.

**Table 15**  
**Bills Reviewed Per Year**

Year	Number of Bills Reviewed
2005	44
2006	21
2007	23
2008	4
2009	14
2010	9
<b>Total Bills Reviewed</b>	<b>115</b>

Perceived Effectiveness of the Committee

Auditors spoke with or received feedback from 8 of 14 committee members, committee staff, and staff of the TennCare Bureau. Responses were considerably divided over the usefulness of the committee. The most supportive comments stated that the budgetary size, scope, and complexity of the TennCare program merited continued oversight. Others praised committee staff’s effectiveness at addressing constituent problems.

Concerns and criticisms included statements that the oversight committee is less needed now because the TennCare program has stabilized and has a narrower focus; it has no authority to affect legislation; and that serving on the committee provides no special expertise since TennCare information is presented to multiple committees.

Committee Overlap

Bureau of TennCare personnel provided auditors with a list of committees before which TennCare staff routinely make presentations and address related topics. (See Table 16.) Discussions with members of the General Assembly and individuals within the Bureau of TennCare reveal an overlap of information that is presented and distributed among legislative committees. The Bureau of TennCare also produces quarterly and annual reports that are both posted to the bureau’s website and distributed to all members of the General Assembly.

**Table 16**  
**Legislative Committees Routinely Receiving Presentations**  
**From the Bureau TennCare**

<b>Legislative Committee</b>	<b>Content Area</b>	<b>Estimated Frequency</b>
Senate Finance	Budget	Throughout Session
House Finance and House Budget Subcommittee	Budget	Annually and Throughout Session
Senate Commerce and Commerce Subcommittee	Budget	Once During Session
House Health	Budget and Legislative Testimony	Once During Session
Senate General Welfare	Budget and Legislative Testimony	Once During Session
Fiscal Review	Contracts	Monthly
Long-Term Care Oversight	Long-Term Care	Quarterly
Government Operations	Rules	Monthly
TennCare Oversight	TennCare (Comprehensive)	Quarterly

Source: Bureau of TennCare.

Based on available information, it appears that there exists considerable duplication in disseminating and reviewing pertinent TennCare information. In addition, there appears to be a

duplication of efforts between the TennCare Bureau's Legislative Response Unit and the Select Oversight Committee on TennCare staff—both address constituent issues raised by legislators. The General Assembly may wish to consider measures that would eliminate any unnecessary redundancies in the process in order to more effectively utilize the time and resources of the legislative committees and the TennCare Bureau.

## **JOINT SELECT COMMITTEE ON BUSINESS TAXES**

### Background, Organization, and Responsibilities

The Business Tax Study Committee was established in May 1987 to study Tennessee's tax system to ensure that Tennessee businesses were not at a competitive disadvantage with their out-of-state counterparts. This committee was continued by resolutions and Public Act until 2000. Chapter 318, Section 2, of the Public Acts of 2001 created the Joint Select Committee on Business Taxes, which is scheduled to terminate on June 30, 2013. The committee is authorized to study

- taxation in Tennessee, including the taxation of personal property, the property tax, including appraisal and assessment, business tax classifications, the franchise and excise tax structure, beneficial use taxation, equity of taxation, and exemptions;
- economic development in Tennessee, including the role of taxes, regulations, and other factors on the retention and expansion of existing businesses, the need for, use of, and possibilities for incentives through tax policy or otherwise in recruiting new businesses and developing existing businesses, and the role of incentive programs in other states and the need for such in Tennessee; and
- other matters relating to taxation and competitiveness as may appear necessary to the committee.

The Joint Select Committee on Business Taxes is to report to each member of the General Assembly, at least once annually, on its activities, findings, recommendations, and proposals.

Pursuant to Section 3-15-603, *Tennessee Code Annotated*, the Joint Select Committee on Business Taxes is authorized to

- create subcommittees related to its purposes;
- request standing committees of the General Assembly, the Fiscal Review Committee, and any agencies or entities of state government to study and report on designated policy matters relating to taxation of business;
- conduct such meetings and public hearings in Nashville and across the state as shall be necessary;
- employ commission staff, subject to the availability of funding for such purpose and subject to approval by both speakers;

- enter into contracts for technical or professional services, subject to the availability of funding for such purpose and subject to approval by both speakers; and
- perform such other duties as are required by the provisions of this part or as may be requested by joint resolution of the General Assembly.

The Joint Select Committee on Business Taxes is to be composed of the following, appointed by the respective speaker of each house: three members of the Senate Finance, Ways and Means Committee; three members of the Senate Commerce, Labor and Agriculture Committee; one senate member-at-large; three members of the House of Representatives Finance, Ways and Means Committee; three members of the House of Representatives Commerce Committee; and one house of representatives member-at-large. The committee also includes, as ex officio members, the Commissioner of Economic and Community Development, or the commissioner’s designee, and each ex officio member of the State Board of Equalization, or such member’s designee. According to information obtained from the Director of the Office of Legislative Administration, the committee has no staff and no dedicated budget.

Major Activities of the Committee

*Committee Meetings*

A review of archived recordings, maintained on the General Assembly’s website and by the State Library and Archives’ Coordinator of Legislative Recording, provided auditors with the committee’s meeting history from 2007-2010. (See Table 17.) The archives contained no records of committee meetings from 2001 to 2006.

**Table 17  
Committee Meeting History**

Year	2007	2008	2009	2010
Number of Meetings	5	3	6	4
Meeting Dates	3/14/07 11/6/07 11/7/07 12/4/07 12/5/07	2/20/08 11/18/08 11/19/08	2/3/09 2/4/09 11/18/09 11/19/09 12/16/09 12/17/09	11/8/10 11/9/10 12/13/10 12/14/10

*Committee Costs*

The Office of Legislative Administration provided us with per diem payments and travel expenditures paid to legislators for attendance at the committee meetings. Table 18 lists the calendar-year costs.

**Table 18**  
**Legislators' Per Diem and Travel Expenses**

Calendar Year	Per Diem Costs	Travel Expenses
2008	\$3,078	\$1,366
2009	\$7,291	\$1,956
2010	\$0	\$0

In addition, Office of Legal Services' attorneys spent an estimated 21.5 hours in support of this committee during fiscal year 2010.

*Bill Reviews/Reports*

Staff of the committee's chair provided auditors with the committee's annual reports for years 2008-2010. Review of the reports confirmed compliance with reporting directives outlined in Section 3-15-604, *Tennessee Code Annotated*.

Perceived Effectiveness of the Committee

Auditors spoke with or received feedback from 8 of 14 committee members on their perspectives concerning the usefulness and legislative importance of the committee. The majority of the comments mentioned the positive impact and contributions that the committee makes toward complex business tax issues. However, several members felt that the work of the committee could be taken up by the standing committees without adverse consequences.

Auditors found no other committees focused solely on business tax issues, although the House and Senate Finance, Ways and Means Committees and the Senate Commerce, Labor and Agriculture Committee and House Commerce Committee routinely consider related legislation. Based on conflicting perspectives reported from committee members on the usefulness and importance of the committee, and the committee's activity in recent years contrasted with a five-year period where there was no documentation that any meetings occurred, the General Assembly may wish to further evaluate the continued need for the Joint Select Committee on Business Taxes.

**CHARITABLE GAMING OVERSIGHT COMMITTEE**

Background, Organization, and Responsibilities

In November 2002, the citizens of Tennessee approved, by referendum, Article XI, Section 5 of the Constitution of Tennessee, which authorizes the General Assembly to enact a state lottery if the net proceeds of the lottery's revenues are allocated to provide financial assistance to citizens of Tennessee, to enable such citizens to attend post-secondary educational institutions located within Tennessee. In addition, the General Assembly may, by a two-thirds vote of all members elected to each house, authorize annual events operated for the benefit of a Section 501(c)(3) organization located in Tennessee (as defined by the United States Tax Code).

In May 2003, the General Assembly enacted the Tennessee Education Lottery Implementation Law (which included the creation of the Select Committee on the Tennessee Education Lottery Corporation—see page 32). In April 2004, the General Assembly enacted the Tennessee Charitable Gaming Implementation Law (Chapter 476, Public Acts of 2004), which included the creation of the Charitable Gaming Oversight Committee.

The portion of Chapter 476 concerning the Charitable Gaming Oversight Committee is codified as Section 3-15-1001, *Tennessee Code Annotated*. The committee is to be composed of six members: three senators, one from each grand division of the state, to be appointed by the Speaker of the Senate; and three representatives, one from each grand division, to be appointed by the Speaker of the House of Representatives. The speakers are to appoint, or reappoint, members to serve on the committee during the organizational session of each General Assembly. The committee is to elect from its membership a chair, a vice chair, and other officers as necessary. The committee, at the call of the chair, is to periodically review and evaluate the operation of the Tennessee Charitable Gaming Implementation Law.

#### Activities of the Committee

Auditors examined documents from the Office of Legislative Administration and determined the committee does not have any salaried staff or a dedicated budget. Based on the limited information we were able to obtain regarding the Charitable Gaming Oversight Committee, it apparently has never met. According to information on the General Assembly's website in 2010, six members were appointed to the committee, but no officers have been elected. A review of meeting-related information on the General Assembly's website and a review of archived recordings by the State Library and Archives' Coordinator of Legislative Recording found no evidence of meetings after the committee's creation. There was evidence that a Joint 501(c)(3) Entities Committee met in December 2002 and in January, March, and April 2003, before the committee's creation. No per diem payments or travel expenses were paid to legislators for attendance at committee meetings in 2008 through 2010. Office of Legal Services' attorneys did spend an estimated .5 hours on charitable gaming issues during fiscal year 2010. (This was likely in support of the Judiciary Committee review described below.)

#### Comments by Committee Members

We received comments regarding the committee from 3 of its 6 members. All three members confirmed that the committee had never met, although one commented that issues with the charitable gaming laws needed to be addressed and charitable games authorized under the law needed to be reviewed. According to this member, the Senate Judiciary Committee had met in 2010 to examine the charitable gaming statutes and related constitutional language.

#### The Need for Review and Other Committees Performing Similar Activities

Based on the available information, the Charitable Gaming Oversight Committee has never met. Member comments regarding work for the committee to do appear appropriate, given that a review of the Secretary of State's website listed 100 charitable gaming events that had been approved and held in Tennessee during fiscal year 2010. (Pursuant to the Tennessee

Charitable Gaming Implementation Law, codified as Title 3, Chapter 17, *Tennessee Code Annotated*, a 501(c)(3) organization seeking to operate an annual charitable gaming event for the benefit of that organization must submit an application to the Secretary of State. The Secretary of State reviews all annual event applications submitted timely and transmits an omnibus list of qualifying applicants to the General Assembly for approval. Statute does not assign the Charitable Gaming Oversight Committee any role in this process.)

It does appear that standing committees such as the Senate Judiciary Committee have taken action to address issues that were originally intended to be the focus of the Charitable Gaming Oversight Committee. The General Assembly may wish to consider whether (1) given its inactivity, the committee should be terminated; (2) there is sufficient need for a separate committee for addressing charitable gaming issues, in which case the speakers should appoint members for the 107<sup>th</sup> General Assembly and ensure that chairs are elected and meetings held; or (3) review of the charitable gaming legislation and program could be more efficiently and effectively handled by a subcommittee of standing committees such as Judiciary, by an ad hoc committee or task force formed when specific issues need to be addressed, or by a combined lottery/charitable gaming committee.

## **JOINT COMMITTEE ON CHILDREN’S SERVICES**

### Background, Organization, and Responsibilities

Chapter 1079, Public Acts of 1996, created the Department of Children’s Services. That legislation also created the Joint Committee on Children’s Services, to “meet monthly to monitor the implementation of this act, with special emphasis on state employees who may have been transferred or otherwise affected by the consolidation of the various departments, board appointments, and whether the department is accurately and adequately accomplishing its goals in meeting the needs of the children and their families in this state.” The portion of Chapter 1079 concerning the Joint Committee on Children’s Services is codified as Sections 3-15-701 et seq., *Tennessee Code Annotated*.

The committee was to be composed of five members of the Senate General Welfare, Health and Human Resources Committee, to be appointed by the Speaker of the Senate; and five members of House Health and Human Resources Committee, to be appointed by the Speaker of the House of Representatives. The committee was authorized to conduct public hearings and invite testimony regarding the impact that implementation of Chapter 1079 was having on the delivery of services to Tennessee children and their families. The committee was required to report to the Governor and General Assembly annually, or more often if necessary. According to the legislation, the committee was to “regularly perform legislative oversight of the new children[’s] services department . . . until services for children and their families have improved substantially so that such oversight is no longer needed.”

## Activities of the Committee

Based on the limited (and conflicting) information we were able to obtain regarding the committee, it appears to have met in its intended form only briefly, if at all. According to information obtained from the General Assembly's Legislative Librarian, the *1996 House Journal* contained an entry detailing the five house members who were appointed to the committee. There were, however, no entries regarding the appointment of committee members in the *1996 Senate Journal*, which would seem to indicate that no senate appointments were made. A review of archived recordings by the State Library and Archives' Coordinator of Legislative Recording found four recorded meetings of the Joint Implementation of Children's Services Committee, all in 1996—September 23, October 21 and 22, and December 10. The Legislative Librarian, the Coordinator of Legislative Recording, and the Director of the Office of Legislative Administration were unable to find any other information regarding the committee.

## Other Committees Performing Similar Activities

Other legislative committees routinely consider issues related to and affecting the state's children. The Select Oversight Committee on Children and Youth considers a wide range of issues affecting children in Tennessee and has a specific statutory mandate in Section 3-15-208, *Tennessee Code Annotated*, to perform legislative oversight of the Department of Children's Services' programs and services. (See pages 4 through 9 of this report for information on the activities of the Select Oversight Committee on Children and Youth.) In addition, standing committees including the House Children and Family Affairs Committee, the House Health and Human Resources Committee, and the Senate General Welfare, Health and Human Resources Committee consider legislation affecting the state's children.

Based on the available information, the committee has been inactive for 14 years. In addition, other legislative committees oversee and/or review legislation affecting the operations of the Department of Children's Services. Therefore, the General Assembly may wish to consider deleting Sections 3-15-701 et seq. from *Tennessee Code Annotated*.

## **SELECT OVERSIGHT COMMITTEE ON EDUCATION**

### Background, Organization, and Responsibilities

Chapter 7, Public Acts of 1984 (1<sup>st</sup> E.S.), created the Select Oversight Committee on Education. The committee's original purpose was to monitor the implementation of legislation passed by the General Assembly at that time, but the scope has since been expanded to allow the committee to study any program, initiative, or topic deemed appropriate to further the cause of public education.

The committee was primarily created to oversee the Tennessee Career Ladder Program for teachers and principals. However, that program has been closed to new teachers since June 13, 1997, as amended in Chapter 424, Section 2, Public Acts of 1997, and will eventually be phased out. Pursuant to Section 3-15-301, *Tennessee Code Annotated*, the committee is to meet

monthly to monitor the implementation of the career ladder program and the expenditures necessitated by title 49, chapter 5, parts 50-57; the fiscal condition of the teacher compensation program; and such other programs, initiatives, or topics for study as the members deem appropriate to further the cause of public education. The committee is to report to the Governor and General Assembly annually, or more often if necessary. The Departments of Education and Finance and Administration and the Fiscal Review Committee are directed to provide the committee with such financial information as it may require, and the Commissioner of Education and the Department of Education are directed to provide the committee with whatever information relating to the implementation of title 49, chapter 5, parts 50-57, the committee requires.

The committee is composed of four members of the Senate Education Committee and four members of the Senate Finance, Ways and Means Committee, appointed by the Speaker of the Senate; and four members of the House Education Committee and four members of the House Finance, Ways and Means Committee, appointed by the Speaker of the House of Representatives. The committee also has two at-large members, one from the house and one from the senate, to be appointed by the speakers. According to information obtained from the Director of the Office of Legislative Administration, the committee has no staff and no dedicated budget.

Activities of the Committee

A review of archived recordings on the General Assembly’s website found four recorded meetings in 2009—September 1 and 2, and December 8 and 9. There were no recorded meetings found for 2008 or 2010. Auditors were able to locate one report issued by the committee after consulting with the General Assembly’s Legislative Librarian. The obtained report was pursuant to HJR 200 and the health care crisis in Tennessee public schools and was issued on February 5, 2008, to the House and Senate Education Committees. The report included findings and recommendations and stated that the committee had met in December 2007 to hold a hearing regarding HJR 200.

In addition, the Office of Legislative Administration provided us with per diem payments and travel expenditures paid to legislators for attendance at the committee meetings. Table 19 lists the calendar-year costs.

**Table 19  
Legislators’ Per Diem and Travel Expenses**

Calendar Year	Per Diem Payments	Travel Expenses
2008	\$0	\$0
2009	\$3,515	\$1,430
2010	\$0	\$0

Office of Legal Services’ attorneys did spend an estimated 40 hours in support of education committees during fiscal year 2010. (Some of these hours may have been in support of the standing committees rather than the joint committee.)

### Perceived Effectiveness of the Committee

Auditors spoke with or received feedback from 4 of 18 committee members, management from the Tennessee Board of Education and the Department of Education, and management from the Comptroller's Offices of Research and Education Accountability. The comments and survey results were generally supportive of the committee and its potential role in addressing issues and advancing educational goals. However, concerns were expressed regarding the committee's recent lack of activity and that it is not fulfilling its original purpose.

### Other Committees Performing Similar Activities

Auditors identified other legislative committees that work on educational issues: the Senate Standing Committee on Education, the House Standing Committee on Education, and the House General Subcommittee on Education.

Reviews of *Tennessee Code Annotated* and survey responses from committee members revealed that the committee is no longer monitoring the career ladder program as directed in Sections 3-15-301 and 302. The committee also does not appear to be reporting to the Governor and General Assembly on an annual basis as required by Section 3-15-301.

Given the committee's recent non-activity, and the phasing out of the career ladder program (which the committee was primarily created to oversee), the General Assembly may wish to reconsider the committee's role and legislative function.

## **SELECT COMMITTEE ON THE TENNESSEE EDUCATION LOTTERY CORPORATION**

### Background, Organization, and Responsibilities

In November 2002, the citizens of Tennessee approved, by referendum, Article XI, Section 5, of the Constitution of Tennessee, which authorizes the General Assembly to enact a state lottery if the net proceeds of the lottery's revenues are allocated to provide financial assistance to citizens of Tennessee, to enable such citizens to attend post-secondary educational institutions located within Tennessee. In May 2003, the General Assembly enacted the Tennessee Education Lottery Implementation Law (which included the creation of the Select Committee on the Tennessee Education Lottery Corporation). The portion of Chapter 297, Public Acts of 2003, concerning the Select Committee on the Tennessee Education Lottery Corporation is codified as Section 4-51-133, *Tennessee Code Annotated*.

The committee is to be composed of 18 members: 9 senators to be appointed by the Speaker of the Senate and 9 representatives to be appointed by the Speaker of the House of Representatives. For each chamber, the nine members are to include at least three members of the respective State and Local Government Committees, including the chairs of those committees; at least two members of the respective Education Committees, including the chairs of those committees; and at least one member of the respective Finance, Ways and Means

Committees. The speakers are to appoint, or reappoint, members to serve on the committee during the organizational session of each General Assembly. The chairs of the Senate and House State and Local Government Committees are to serve as co-chairs of the Select Committee on the Tennessee Education Lottery Corporation. At the call of the co-chairs, the select committee is to “periodically inquire into and review the operations of the Tennessee Education Lottery Corporation as well as periodically review and evaluate the success with which the corporation is accomplishing its statutory duties and functions . . . and shall inquire into and review the educational programs and purposes otherwise provided by law and established in accordance with the provisions of the Tennessee Constitution, Article XI, Section 5.”

#### Activities of the Committee

Auditors examined documents from the Office of Legislative Administration and determined the committee does not have any salaried staff or a dedicated budget. Based on the limited information we were able to obtain regarding the Select Committee on the Tennessee Education Lottery Corporation, it has not met since December 2007. Per diem payments of \$2,254 and travel expenditures of \$2,088 were paid to legislators for attendance at committee meetings in 2007; no payments were made for 2008 through 2010. Office of Legal Services’ attorneys did spend an estimated .5 hours in support of this committee during fiscal year 2010. (This may have been in support of the related task force described below.) A review of meeting-related information on the General Assembly’s website and a review of archived recordings by the State Library and Archives’ Coordinator of Legislative Recording found evidence that the committee met three times in 2004, three times in 2005, and once in 2007.

Although this committee has not met in several years, another closely related committee has met recently. In April 2010, the Chairmen of the House Education and House Finance, Ways and Means Committees sent a letter to the Speaker of the House requesting that, because of concerns about the long-term viability of the Lottery Scholarship Program, the Speaker of the House and the Speaker of Senate appoint a task force (composed of legislators, higher education representatives, and the state’s Constitutional Officers) to develop recommendations for “a sustainable course of action to render the scholarship program perpetually viable.” Based on additional information obtained by auditors, the Ad Hoc Task Force on Lottery Scholarship Stabilization was formed and met on August 16 and October 27, 2010.

#### Comments Regarding the Committee

We obtained comments from 9 of 18 committee members. The majority commented on the committee’s recent inactivity. A few members believed there was a role for such a committee if it was active, but most commented that the termination of this committee would have no negative impact.

#### Lottery-Related Information Provided to the General Assembly

We also met with management of the Tennessee Education Lottery Corporation, who confirmed testifying before the task force and provided us with information regarding the reports provided to members of the Select Committee on the Tennessee Education Lottery Corporation:

quarterly and annual financial reports (also provided to the Chairs of the House and Senate Education and Finance, Ways and Means Committees) and an annual report detailing the level of minority business participation in all retail and major procurement contracts.

#### Other Committees Performing Similar Activities

Based on the available information, the Select Committee on the Tennessee Education Lottery Corporation has been inactive since 2007. Although it seems clear that members of the General Assembly have concerns regarding the Lottery Scholarship Program, the Ad Hoc Task Force on Lottery Scholarship Stabilization was formed in 2010, rather than using the already existing Select Committee on the Tennessee Education Lottery Corporation. Therefore, the General Assembly may wish to consider whether (1) there is sufficient need for a committee to continually oversee the lottery and the scholarship program, in which case the speakers should appoint members for the 107<sup>th</sup> General Assembly and ensure that meetings are held; or (2) given its inactivity, the committee should be terminated and ad hoc task forces, similar to the Ad Hoc Task Force on Lottery Scholarship Stabilization, should be formed when a specific issue arises that needs more in-depth study. Several standing committees (such as the Education; State and Local Government; and Finance, Ways and Means Committees) already deal with lottery-related legislation and receive (or could be routinely provided) pertinent financial information to assist them in their review.

If the General Assembly does determine that the Select Committee on the Tennessee Education Lottery Corporation should continue and be revitalized, the General Assembly may also wish to consider whether the responsibilities currently assigned to the Charitable Gaming Oversight Committee should be included, so that one oversight committee addresses all issues related to the lottery and charitable gaming.

### **SELECT OVERSIGHT COMMITTEE ON LONG-TERM CARE**

#### Background, Organization, and Responsibilities

Because of concerns that Tennessee's current long-term care system was fragmented and heavily dependent on costly institutional care, and that persons needing long-term care had few choices concerning the types and provisions of such care, the General Assembly passed the Long-Term Care Community Choices Act of 2008. The act restructures the long-term care system and expands access to more cost-effective home and community-based services for persons who are elderly and/or have physical disabilities. The act also created the Select Oversight Committee on Long-Term Care (codified at Section 71-5-1601 et seq., *Tennessee Code Annotated*) in order to "improve planning for facilities and programs, to create a better environment for management, and to ensure implementation of proposed improvements in the long-term care services system." The committee is to terminate at the adjournment of the regular session of the General Assembly to be convened in 2013; during that regular session, the legislature may take action to continue the committee for five years.

The Select Oversight Committee on Long-Term Care is composed of ten members, five members appointed by the Speaker of the Senate and five members appointed by the Speaker of the House of Representatives. The committee is to meet at least quarterly and at the call of the chair, and is to report on its activities to each member of the General Assembly. The committee may also create subcommittees; conduct hearings; request studies and reports from other legislative committees or other agencies; and employ staff and enter into contracts for technical or professional services, subject to the availability of funds.

According to Section 71-5-1605, *Tennessee Code Annotated*, it is the legislative intent that “plans be made carefully and be reviewed thoroughly to help ensure that new programs will achieve their intended purposes, and to help ensure that the general assembly and the public can have confidence that the state will deliver a long-term care services system with a home and community-based services component that is effective and efficient.” To that end, the law states that the committee is to review proposed expenditures and program proposals (including rules) for long-term care and make any comments it has in a timely manner. In addition, Section 71-5-1607 states that committee staff will identify any introduced bill that potentially impacts long-term care; the committee will then review the bill in a timely manner, and may provide to the appropriate standing committee, comments focused on appropriate background information or information on the bill’s impact on the long-term care system. The committee is to make no recommendation regarding passage of the bill and has no authority to prevent consideration of the bill by a relevant standing committee.

Activities of the Committee

*Committee Costs*

According to information obtained from the Director of the Office of Legislative Administration, the committee had a budget of \$193,000 for fiscal year 2010; however, the committee expended none of the budgeted dollars. Table 20 details per diem payments and travel expenditures paid to legislators for attendance at the committee meetings for calendar years 2008 through 2010.

**Table 20  
Legislators’ Per Diem and Travel Expenses**

<b>Year</b>	<b>Per Diem Payment</b>	<b>Travel Expenses</b>
2008	\$644	\$731
2009	\$3,944	\$2,355
2010	\$0	\$0

Office of Legal Services’ attorneys did spend an estimated 12.5 hours in support of this committee or long-term care issues during fiscal year 2010.

*Committee Meetings*

A review of archived recordings on the General Assembly’s website found two recorded committee meetings in 2008 and five meetings in 2009. The committee chair’s executive

assistant, who acted as staff to the committee, provided auditors with an attendance sheet for a February 2010 committee tour of Amerigroup facilities and agendas and attendance sheets for the 2009 meetings; the 2009 meetings were well-attended and had quorums. In addition, staff provided copies of 2008 letters from the committee chair to members providing updates on the status of the long-term care system, and advising committee members of an upcoming meeting to discuss proposed amendments to the Medicaid waiver. Other information provided included proposed legislation regarding the abuse registry, adult care homes, and the creation of a department of aging.

### Perceived Effectiveness of the Committee

Auditors spoke with or received comments from 5 of 10 committee members, TennCare management, and staff of the Commission on Aging and Disability. Responses were divided evenly regarding the continued need for the committee.

### Other Committees Performing Similar Activities

TennCare management stated that they have routinely testified before the Select Oversight Committee on Long-Term Care, as well as the Select Oversight Committee on TennCare, and that they typically are asked to present the same material to both bodies. Now that the CHOICES program (TennCare's program for long-term care services) has been implemented state-wide and CHOICES services are delivered through managed care organizations (which have already contracted with TennCare and provided Medicaid medical services), the General Assembly may wish to consider whether the Select Oversight Committee on Long-Term Care and the Select Oversight Committee on TennCare are both needed, or whether long-term care issues could be addressed through a subcommittee of the Select Oversight Committee on TennCare or through standing committees.

## **SELECT JOINT COMMITTEE ON VETERANS' AFFAIRS**

### Background, Organization, and Responsibilities

The General Assembly created a series of committees over the years to examine and study the unique needs and problems confronting Tennessee veterans. The Select Joint Committee on Veterans' Affairs was created by House Joint Resolution No. 105 of the Ninety-Fourth General Assembly in 1985 and continued for two years from 1987 through 2009. The committee must be renewed every legislative session; it is currently continued through the duration of the 106<sup>th</sup> General Assembly.

The Select Joint Committee on Veterans' Affairs consists of eight members of the house of representatives and eight members of the senate, to be appointed by the respective speakers. Appropriate actions should be undertaken to timely advise the General Assembly concerning any findings or recommendations of the committee. The committee is to meet only on days when the senate or the house of representatives is otherwise meeting in session or committee.

## Activities of the Committee

A review of archived recordings by the State Library and Archives' Coordinator of Legislative Recording found three recorded committee meetings in 2006 and two recorded committee meetings (one a joint meeting with Fiscal Review) during 2008. Auditors found no recorded or documented meetings for 2009 or 2010. Auditors were able to locate one report referencing the joint committee. With assistance from the General Assembly's Legislative Librarian, auditors obtained the *Department of Veterans Affairs 2009 Annual Report*, which stated that the committee "has been most helpful in obtaining support for veterans' legislation in the General Assembly, enabling this department to better serve Tennessee veterans."

Testimonial evidence obtained by auditors indicates that the committee meets annually with advocacy groups and receives input from both retired military personnel and members of the general public—who often bring issues to the attention of the committee. Members are also reportedly involved actively in attending various veterans' ceremonies, conventions, meetings, and other related events across the state.

Auditors examined documents from the Office of Legislative Administration and found no per diem payments or travel expenditures paid to legislators for attendance at committee meetings from 2008-2010. Additionally, auditors determined the committee does not have any salaried staff or a dedicated budget.

## Perceived Effectiveness of the Committee

Auditors spoke with or received feedback from 4 of 16 committee members as well as Department of Veterans Affairs management. We also attempted to contact veterans' advocacy groups and the Governor's Council on Service Members, Veterans, and Their Families for additional input. A majority of respondents commented on the committee's positive impact and the continued need for such a committee. One member did, however, comment on the lack of committee meetings. Auditors repeatedly contacted veterans' advocacy groups and were successful in obtaining only one response which indicated that the organization had no involvement with the committee.

We were only able to obtain limited documentation regarding this committee's activities. The importance of veterans' issues is clear—as of fiscal year 2009, over 532,000 veterans lived in Tennessee, with an estimated 1.5 million dependents. Based on the available information, no other legislative committee is designated to focus on veterans' issues or to interact with the extensive network of veterans' advocacy groups operating in Tennessee. If the General Assembly determines that there is a continued need for a legislative body focused on veterans' issues, members may wish to work with veterans' organizations to determine how best to ensure that the committee provides a forum for discussion of veterans' concerns and that those concerns are shared with all members of the legislature.

## **SPECIAL JOINT COMMITTEE ON WORKERS' COMPENSATION ISSUES**

### Background, Organization, and Responsibilities

The Special Joint Committee on Workers' Compensation Issues was created by the Public Acts of 1996, Section 944, Chapter 2, and is set to terminate on June 30, 2012. This committee's function is to monitor the implementation of the Workers' Compensation Reform Act of 1992 and subsequent reforms, and to study other programs, initiatives, or topics related to the workers' compensation system that the members deem appropriate.

Pursuant to Section 50-6-130, *Tennessee Code Annotated*, the committee is to report to the Governor and General Assembly at least annually. Members of the committee are entitled to reimbursement for their expenses in attending meetings of the committee or any of its subcommittees, at the same rates and in the same manner as when attending other meetings of the General Assembly. The committee is to promptly review and comment on any bill referred to it by a standing committee of the General Assembly, focusing on the bill's impact on the following: accidents and workplace safety; adequacy of benefits; stability and adequacy of relevant insurance markets; the system of claim and dispute resolution; and other matters the committee deems relevant. The Departments of Labor and Workforce Development and Commerce and Insurance are to provide the committee with any information it may require, and the Comptroller of the Treasury and the State Treasurer are to provide staff support to the committee.

The Special Joint Committee on Workers' Compensation Issues is composed of eight members of the senate appointed by the Speaker of the Senate and eight members of the house of representatives appointed by the Speaker of the House of Representatives. The committee is to elect from its membership a chair, a vice chair, and other officers it deems necessary. According to information obtained from the Director of the Office of Legislative Administration, the committee has no staff and no dedicated budget.

### Major Activities of the Committee

#### *Committee Meetings*

A review of archived recordings on the General Assembly's website found two recorded meetings in 2008, March 17 and 24, and two recorded meetings in 2009, March 19 and April 9. (The April 9 meeting only lasted two minutes, for the election of committee officers). There were no recorded meetings found for 2010.

#### *Committee Costs*

The Office of Legislative Administration provided auditors with per diem payments and travel expenditures paid to legislators for attendance at the committee meetings. Table 21 lists the calendar-year costs.

**Table 21**  
**Legislators' Per Diem and Travel Expenses**

Calendar Year	Per Diem Costs	Travel Expenses
2008	\$0	\$0
2009	\$4,070	\$933
2010	\$0	\$0

Office of Legal Services' attorneys did spend an estimated four hours in support of this committee or on workers' compensation issues during fiscal year 2010.

*Bill Reviews/Reports*

Auditors interviewed and surveyed committee members and received assistance from the General Assembly's Legislative Librarian, but were unable to obtain any documentation of bill reviews or reports issued by the committee. Auditors also spoke with management from the Comptroller's Offices of Research and Education Accountability, who stated that in the last several years the office has not provided any support staff to this committee nor has any support staff been requested.

Perceived Effectiveness of the Committee

Auditors interviewed or obtained feedback from 5 of 16 committee members and members of the Workers' Compensation Advisory Council. We also discussed the relationship between the advisory council and the committee with management from the Department of Labor and Workforce Development and the Department of the Treasury. The majority of comments referred to the usefulness and importance of the committee because of the complexity of workers' compensation and insurance issues and the need for a forum to bring together the various stakeholders. A few respondents did, however, comment that the committee was not needed.

Other Committees Performing Similar Activities

Auditors found no other legislative committee that focuses on workers' compensation issues or that serves as an information forum by bringing together various industries from the private sector. Auditors identified one government entity that does have a similar focus. The Workers' Compensation Advisory Council exists to provide information, research, and recommendations concerning workers' compensation issues to the Tennessee General Assembly, the Department of Commerce and Insurance, and the Department of Labor and Workforce Development. Legislation recently passed that relocated the Workers' Compensation Advisory Council from the Department of Labor and Workforce Development to the Department of the Treasury. The chair and vice chair of the Special Joint Committee on Workers' Compensation Issues serve as ex officio members of the advisory council.

The Advisory Council is authorized to monitor the performance of the workers' compensation system in the implementation of legislative directives, to make recommendations relating to the adoption of rules and legislation; and to make recommendations regarding the method and form of statistical collections. The advisory council also reviews the annual advisory prospective loss cost filing by the National Council on Compensation Insurance and provides comment and recommendation concerning the filing to the Commissioner of Commerce and Insurance. In addition, at the request of the General Assembly, the advisory council annually reviews and provides comments and recommendations on proposed workers' compensation legislation.

Based on information obtained by auditors, the General Assembly may wish to further evaluate the continued role for the committee, given the responses pertaining to the importance and usefulness of the committee, as well as the activities and focus of the Advisory Council on Workers' Compensation.

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## CONCLUSION

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Our review of 12 of the General Assembly's joint oversight committees found a wide variation in the support structure and activity levels of the committees. Four of the oversight committees we reviewed have one or two full-time staff members. The remaining oversight committees have no designated staff; instead, staff support for those committees is typically provided by the committee chairs' administrative staff, who have numerous other responsibilities. Several of the committees reviewed have been largely inactive in recent years because there is no longer a need for them or their responsibilities have been assumed by other committees. For other committees, however, the continued need for them is less clear. For some of the committees with no designated staff, there is very limited documentation available to assess activities or effectiveness. The committees with full-time staff were able to provide documentation and have, overall, fulfilled their legislative responsibilities. However, the committees' responsibilities are limited to meeting and hearing testimony, reporting, and making comments.

The opinions of members and associated entities (state agencies, advocacy groups, etc.) regarding the usefulness and effectiveness of, and continued need for, a particular oversight committee varied. Even some committees with limited activity were considered needed by some respondents. For the committees that were active, many respondents felt that the committee provided members with a level of expertise they would not otherwise have, provided a forum for discussion and for stakeholders' concerns to be heard, and helped the General Assembly keep abreast of current issues and needed legislation.

For all of the oversight committees reviewed, there are standing committees (and in some cases other oversight committees or entities) that address similar issues and legislation. However, for some, no other entity focuses in-depth on that particular issue. For the inactive committees, the General Assembly may wish to consider terminating such committees or, if needed, combining related committees. For the active committees, the General Assembly may wish to consider whether the benefits of having the committees and receiving members' and stakeholders' input outweigh the costs in time and money, and whether the standing committees would have sufficient time and expertise to absorb the oversight committees' activities that are considered important to the legislative process.