



NEWS AFFECTING STATE EMPLOYEES

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Gov. Haslam's bad, awful summer

Richard Locker, Memphis Commercial Appeal

Gov. Bill Haslam had a bad summer from a news, public relations and political perspective, and the tough times are carrying over to fall.

He had barely left on a 15-city tour to lay the groundwork for the first gasoline tax increase since 1989 to pay for needed highway and transportation projects before GOP legislative leaders pronounced a tax hike all but dead on arrival for the 2016 legislative session.

His surprise initiative to privatize the management and operation of all state-owned property - including state parks and college campuses - is raising questions and opposition statewide.

Despite assurances from his commissioner of correction, the state prison system is in more trouble than it's been in since it was released from federal court oversight in the 1990s.

...A state comptroller's audit uncovered mismanagement in food programs for low-income children overseen by the state Department of Human Services. The director of the \$80 million program resigned in July and wrote to federal regulators that the children are at risk due to the DHS's antiquated systems in dealing with hundreds of local agencies that actually feed the kids.

Even the planning for a new \$160 million Tennessee State Museum is caught up in controversies involving the museum's acquisitions. The governor's former chief of staff won a \$10,000 per month contract to oversee the project's development.

Now Volkswagen is in trouble serious enough that legislators plan to examine whether the diesel-emissions scandal puts at risk the state's most recent \$168 million taxpayer "investment" in the expansion of its Chattanooga plant, negotiated by the governor. State taxpayers have sunk a total of nearly \$700 million into the plant.

That's not to mention the minor flare-ups this summer over the new \$46,000 state logo - basically the state flag with "TN" in place of the tri-star - the state's marketing of Tennessee abroad as a place "with a low-cost labor force," and the anti-DUI ad campaign by Governor's Highway Safety Office withdrawn this summer after public complaints that it was sexist.

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Bill Haslam keeps the title of America's richest politician

Ted Evanoff, Memphis Commercial Appeal

Just like last year, Tennessee Gov. Bill Haslam was proclaimed the wealthiest politician in the entire republic.

But here's the really nice thing about being Bill Haslam even if your \$2.1 billion is far less than No. 1 Bill Gates' \$76 billion.

Your money makes money for you.

Let's say you sell all the stocks, bonds, real estate, gold coins - whatever it is Forbes added up to \$2.1 billion in net worth - and put the cash in bank CDs paying a comfortable 2-percent return.

Good day or bad on the political front, Haslam can stash another \$115,000 in his bank account.

Yes, that's \$115,000 per day, slightly more than what two typical Memphis households earn in a year before taxes.

Indeed, the governor's unearned income in two days surpasses what the state's taxpayers pay him for the entire year -- \$181,980.

That's the magic of \$2.1 billion. You're a multimillionaire merely on 2-percent CDs earning \$42 million a year.

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A looming fiscal fat fight in Legislatorland

Tom Humphrey, Knoxville News Sentinel

In the fiscal year that ended June 30, Tennessee tax collections exceeded estimates used when the 2014-2015 budget was adopted by \$605.7 million. Back in April, Gov. Bill Haslam's administration saw some of that surplus coming and put in a budget amendment, duly adopted by the Legislature, that spent a sizeable chuck. The biggest item was \$120 million for a new state museum.

But the "over-collection" continued post-April, and now the Department of Finance and Administration says there's \$378 million in last year's leftovers waiting to be spent - separate, of course, from the \$560 million or so stashed in the state's "rainy day" account. And the surplus could grow by the time legislators return in January, given that the first months of the new fiscal year have shown the tax take running ahead of projections used in adopting the current 2015-16 budget.

So how should the money be spent? Well, there are surely more ideas than there are legislators - that's 132. Not to mention the governor, members of his cabinet and thousands of state employees (how about a pay raise?) and regular citizens.

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New state motto must be 'Show me the money'

Sam Venable, Knoxville News Sentinel

A dark underbelly of Gov. Bill Haslam has emerged.

Despite the "aw-shucks" persona Haslam effected throughout his years as Knoxville's mayor - a good ol' boy image that followed him to Nashville - recent developments have caused me to think otherwise.

In plain terms, he seems prepared, even eager, to whore us out at any price.

Want to run a state park? Want to do custodial work at a college? Want to park cars and direct traffic? Indeed, want to do any job currently performed by state employees?

Then show me the color of your money!

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Tennessee Prison System Seeks to Improve its Image by Opening Doors to More Tours

Emily Siner, WPLN/NPR

On a recent Tuesday morning, Bruce Westbrooks, the warden of Riverbend Maximum Security Prison in Nashville, led a Tennessean reporter and me on an hour-long tour of the facility, after we got finger-printed, scanned and stamped. Photos and microphones were not allowed.

Throughout the tour, he pointed out how clean everything was, even in the kitchen on death row. I was corrected multiple times when asking about guards (their official title is "corrections officers"). Administrations also presented us with slideshows on the prison's rehabilitation services, security measures and parole policies.

This tour and others like it are part of the department's attempt to clear what it perceives as misconceptions about the state's correctional system. About 60 people have completed "citizens academies" in the past year, which includes tours of several Tennessee prisons. Communications director Neysa Taylor says those participants become ambassadors throughout the state.

"If I can educate one person about what we do and how we do things well, that's going to translate when you educate your friends," she says.

The prison plans to lead more tours for reporters as well, Taylor says, although they moved up the pilot because of the recent increased media scrutiny. That scrutiny will likely continue, now that lawmakers are calling for hearings and investigations into prisons, but Taylor says she wants these tours to give reporters a "comprehensive" picture of the department.

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Haslam Says Tennesseans Shouldn't Assume the Fix is in With Review of Prison Safety

Chas Sisk, WPLN/NPR

The Republican governor defended an audit under way from the American Correctional Association, which is inspecting three Tennessee prisons following reports of violence, staffing shortages and low morale across the system.

Critics say that's not nearly enough. They note the ACA has close ties to prison officials, including Correction Commissioner Derrick Schofield, and say the hurried review is all but guaranteed to give the state a clean bill of health.

But Haslam says they shouldn't be too sure.

"Nobody's seen the audit yet, so I don't know how you criticize something you haven't seen," Haslam told reporters Thursday. "These are people who have run prison systems in other states. If somebody thinks you're going to trick them, I think that they're probably kidding themselves."

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Jim Tracy road show: A 3-year window for legislators to 'step-up'

Mike Christen, Columbia Daily Herald

According to projections based on current incoming funds, legislators will have about a three-year window to act before the Department of Transportation will be unable to fund new roads, Tracy said.

"I think we are in a crucial stage," Tracy said. "We are going to get to the point where we are not even going to get enough revenue just to do the maintenance."

Principal Legislative Research Analyst Susan Mattson of the Tennessee Comptroller Office and Tennessee Infrastructure Alliance Chairman Bill Moore gave presentations... (Mattson) presented a number of options that legislators could use to increase funds to TDOT, including raising tax rates of fuels, indexing the tax rates of fuels to the rate of inflation or the price of fuel and applying a sales tax to fuel purchases.

Other routes of creating revenue include installing tolls, developing a mileage-based tax system and the use of debt financing through general obligation bonds and public-private partnerships.

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Haslam: No Hall repeal with 'one-time money'

Tom Humphrey, Knoxville News Sentinel

Kelsey and others have filed bills for several years to repeal the "Hall income tax," without success. He cited the \$606 million in revenue above budgeted estimates that the state its ended fiscal year with on June 30 as a reason to abolish the tax now.

The income tax generated \$303 million during the same fiscal year but only \$189 million is retained by the state; the rest goes to local governments where the taxpayer resides. Kelsey's bill doesn't explicitly require it but he said the state should make up the revenue loss to local governments - effectively costing state government the full \$303 million.

Haslam distinguished between "one-time money" like the budget surplus and recurring revenue from the Hall tax. "Those are two very different things. I certainly wouldn't want to appropriate one-time money assuming it's always going to be there," he said.

The governor also said that the state has needs for the revenue, including education, TennCare, higher pay for teachers and correctional officers and more front-line children's services workers.

"I've always said I don't like the Hall tax either but if we're going to do away with it, we have to figure out what we're going to do with that revenue. ... That's part of the budget balancing thing that we have to do."

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Gov. Haslam worried about VW scandal's effect on sales, jobs at Chattanooga plant

Mike Pare and Andy Sher, Chattanooga Times-Free Press

House Majority Leader Gerald McCormick, R-Chattanooga, said VW needs to get to the bottom of the scandal.

McCormick said plant workers have asked him, "Do you think this is going to affect us? Or are they going to close the plant, that kind of thing. I can't imagine they would close the plant after making that big investment. It wouldn't shock me if they didn't slow down their expansion plans though."

"No. 1, we have an investment in the original plant and then the expansion. Second, we obviously have a vested interest in their success; I mean, in them selling cars. And so we're urging them to get everything out in front of everybody as quickly as possible so existing customers can understand what the solution is going to be and [so] that Volkswagen can have a clear path forward."

Tennessee government provided an estimated \$358.2 million of the original \$577.4 million in incentives that drew Volkswagen to build its Passat in Chattanooga. Local governments provided the remaining \$219.2 million.

And this year Tennessee, Chattanooga and Hamilton County governments committed to more than \$260 million in incentives for a new line of SUV production.

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