

TENNESSEE COUNTY
COMMISSIONERS
ASSOCIATION

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TCCA News

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Governor Calls Special Session On Education Reform

In a press conference on December 15th, Gov. Bredesen announced plans to call the legislature into a special session in January to address education issues related to both k-12 education and higher education. The General Assembly was scheduled to reconvene in regular session on January 12th. Now, when they return, the plan is to go immediately into a special session. The timing of the session is dictated by a need to have certain reforms in place by January 19th in order to make application to the Federal Government for the so-called "Race To The Top" funds. According to the Governor, there are certain provisions in the law related to the use and availability of data and the overall teacher evaluation process which need legislative changes in order to best position Tennessee to receive funds from this special Federal allocation. At stake is a potential grant in the hundreds of millions of dollars to Tennessee to advance reforms around four specific areas:

1. Adopting standards and assessments that prepare students to succeed in college and the work place and to compete in the global economy
2. Building data systems that measure student growth and success, and inform teachers and principals about how they can improve instruction
3. Recruiting, developing, rewarding, and retaining effective teachers and principals, especially where they are needed most
4. Turning around our lowest-achieving schools

More information on "Race To The Top" is available by visiting this website:

<http://www.ed.gov/programs/racetothetop/index.html>

TCCA Board Meeting Schedule for 2010

- January 13: Capitol Boulevard Building, Ground Level Conference Room, Nashville
11:00 am Central Time
- March 23-24: County Government Day, Nashville
- June 8-9: TCSA Legislative Conference, Gatlinburg
- October 27-29: TCSA Annual Fall Conference, Pigeon Forge

The January meeting is a stand alone meeting. The other 3 board meetings are held in conjunction with annual TCSA conferences and events. Specific times and locations for those board meetings have not yet been set. As you are planning travel and meetings next year, you may also want to keep in mind the 2010 NACo meeting in Reno, Nevada, July 16-20. County officials are encouraged to attend. For more information on NACo and their annual conferences visit

www.naco.org

Developments in Governmental Accounting

A recent announcement by Comptroller Justin Wilson recognized the accomplishment by local governments in Tennessee of becoming 100% compliant with Governmental Accounting Standards Board (GASB) Statement No. 34. Tennessee is one of the few states where this has been achieved. The GASB is responsible for establishing accounting standards for state and local governments in the United States. GASB Statement No. 34 was issued in June 1999 and is considered one of the most far-reaching accounting standards ever issued by GASB. There is little time however, to rest on our laurels. Tennessee local governments now need to begin looking ahead to the next hurdle.

The Division of County Audit recently sent our association a memorandum detailing the impact of a new Governmental Accounting Standard that is effective for fiscal year July 1, 2010 to June 30, 2011. GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, must be taken into account as you begin preparing your next budget in the spring of 2010. This leaves a very short window of opportunity for county governments to prepare for implementation. GASB Statement No. 54 will affect all county governments in the State of Tennessee regardless of size.

GASB Statement No. 54 will have a significant effect on the operations of county governments in the following ways:

- The definitions and titles of all fund balance classifications currently in use are changed;
- The definitions of special revenue funds and debt service funds have changed. This means that in some counties, a limited number of special revenue funds may need to be closed and combined with the General Fund;
- In most cases, Rainy Day Funds will need to be closed into the General Fund;
- Encumbrances will no longer be presented as a reservation of Fund Balance;
- The county's policies for classifying revenues as restricted, committed, or assigned will need to be developed and disclosed in the notes to the financial statements;
- When auditors find it necessary to propose significant audit adjustments to correct fund balances not properly classified under Statement No. 54, auditing standards require that the auditor publish the misstatement as a material weakness in internal control.

In accounting literature, County Commissioners are described as "those charged with governance". County Commissioners who take their oversight responsibilities seriously will need to lead their governments through the implementation of GASB Statement No. 54. At a minimum, County Commissioners should require that financial managers (County Mayors, Finance Directors, Highway Superintendents, Directors of Schools, etc.) receive training related to Statement No. 54 and that these managers report to the county commission about the status of the implementation process. Both the Division of County Audit (<http://www.state.tn.us/comptroller/ca/>) and the County Technical Assistance Service (<http://www.ctas.utk.edu>) are available as resources to assist county governments in compliance with this new standard.

For more details, the full GASB Statement No. 54 memo from the Division of County Audit is available on the TCCA website at: http://www.tncountycommissioners.org/files/TCCA_GASB_54.pdf

County Commission Survey Results

Thanks again to all of you who were so responsive in returning our surveys related to county commission operations. A condensed version of the results from all 95 counties is included with this newsletter. The survey results detail the pay and benefits for county commissioners on a county by county basis, lists the commission chair for each county and tells meeting frequency. For additional detail on meeting times and schedules and pay differential for officers, see the TCCA website, here:

http://www.tncountycommissioners.org/files/County_Compensation_Survey_Dec2009_TCCA_newsletter_version.pdf