

COALITION FOR A BETTER MEMPHIS
Shelby County Commissioner Candidate Questionnaire
Election Date: May 4, 2010

Name: Mike Carpenter _____

District for which you are running: District 1, Position 3

Section 1: Qualifications and Background (2 questions)

Section 2: Vision and Strategies (4 questions)

Section 3: Improving the Education System (4 questions)

1. QUALIFICATIONS AND BACKGROUND

- 1. Describe your qualifications for holding the office of Shelby County Commissioner. (Please answer in the space below and attach a resume.)**

Having served as commissioner since September of 2006, I believe I have distinguished myself as a public servant who is honest, prepared, and one that makes data-driven decisions in the best interest of the entire community. I have attached a list of some of the accomplishments of my first term that I believe are evidence of qualifications and abilities that support my re-election. It is also important to realize that because of substantial turnover on the Commission and the election of a new County Mayor, citizens will be best served by seasoned, thoughtful and knowledgeable leadership on the Commission. Beyond my record as a Commissioner, I have been successful as the President & CEO of ABC and bring a small business perspective to the Commission. I also bring my perspective as a father of young children and the experience of many of the challenges and decisions families face in our community

- 2. What events or experiences caused you to decide to run for this office?**

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Two things impacted my decision to run initially. The first was the birth of my first child while living in Nashville and the decision that I wanted him to grow up in Memphis. I believed it was incumbent upon me to try to make a difference for him and eventually his siblings. The second was spending 15 years behind the scenes helping elect candidates and being disappointed by the actions of some and the lack of creativity and thoughtfulness in addressing important issues.

My decision to seek re-election stems from the fact that I believe I have helped make some improvements in our community and would like one more term to continue some of that work and see it to conclusion. Specifically, we are seeing crime numbers beginning to drop. Our economic development and job creation activities are beginning to coalesce. Strides have been made in the areas of domestic violence. The county debt is under control and coming down. There is reason for optimism and there is momentum and I would like to be a part of continuing to improve our community.

2. VISION AND STRATEGIES

1. In your opinion, what are the three greatest issues (problems or opportunities) facing Shelby County in the next four years?

Job creation and economic development (includes recruitment of new business, expansion of existing business, investment in human capital and aligning workforce development with economic development activities)

Crime (numbers are down, but not far enough for people to feel safe)

Regionalism (seeking opportunities to partner with communities in the MSA on transportation, public safety and provision of government services in the most efficient way possible)

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2. Shelby County's debt is seen by many people as a threat to county government. How would you propose that the county pay down its debt? How would you prevent additional debt in the future?

Despite the myths, the County debt is now coming down. By June 30 of this year, the debt will be \$1.662 billion, down \$187 million from its peak of \$1.849 billion in 2006. This reduction is a result of an aggressive debt reduction proposal by the Wharton Administration that was supported by the County Commission. This proposal called for reorganizing the county debt in many cases through the use of swaps and adhering to a regimen of capital expenditures of less than \$70 million annually including all requests for school construction.

Another important aspect of bringing the debt down was partnering with Sheriff Luttrell, Pre-Trial Services, General Sessions Court and other community partners to hold down the jail population. The original Jail Master Plan indicated that the jail was on pace to become overcrowded exceeding 2900 inmates and requiring the construction of a new \$450 million jail. To control population, the County Commission provided additional funding of \$2.5 million for the Drug Court, Pre-Trial Services and the Jericho Project, which have helped keep non-violent offenders out of jail and in treatment and prevented the construction of a new jail.

While the debt is down, it is still unacceptably high and numerous school construction projects are on the horizon. Paying down the debt and preventing new debt in short will require discipline of the next County Commission.

Specifically, we must maintain the portion of the tax rate (.82) dedicated to debt payments. Because the debt is down, it takes less than the budgeted amount to meet the minimum debt service requirements. Some on the Commission want to reallocate a portion of the tax rate dedicated to debt to help fund other initiatives. I oppose this and believe we should at least maintain the amount we pay toward our debt. We must also continue to dedicate the surpluses we regularly realize in the county budget to a pay-as-you-go fund to limit our exposure to more debt. We should continue our efforts to control jail population and postpone what is inevitable requirement to build a new modern facility. Finally, while we are required to fund school operations, we are not required to fund capital. As a result, we must scrutinize every construction project requested by the school systems and use that leverage to require that under-utilized facilities be closed, rather than renovated and improved.

3. The Memphis City Council has taken steps over the last few years attempting to shift the burden of funding both city and county schools to

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Shelby County residents. What are your views regarding the best way to fund public education of Shelby County and Memphis children?

Fundamentally, I believe that the responsibility for funding education of all Shelby County Children should rest on the shoulders of every Shelby County taxpayer. As an elected official who represents a district nearly 85% in the City of Memphis, I am concerned that Memphis residents pay twice for local schools – once through the county tax rate and once through the city tax rate. No other municipality in Shelby County contributes any portion of their municipal tax rate to schools. Of the taxes paid to Shelby County to support both systems, approximately 65% come from residents of Memphis. Because all taxpayers are Shelby County residents, the fairest and most equitable means of funding schools would be for the county to be the single–source of funding for both schools and thereby every taxpayer would pay the same rate to fund our schools.

With that said, there are some inherent problems. **Any plan for the county to become the single source of funding MUST contractually require a proportional reduction in the City tax rate, so that the combined rate for City taxpayers does not increase.** Secondly, a windfall would accrue to Shelby County Schools if the county became the single-source of funding because of the Average Daily Attendance (ADA) formula. The ADA requires that for any money given by the county to either system, the other must receive their proportional share based on enrollment. Therefore, a 32% premium of the amount provided to Memphis City Schools would have to be paid to Shelby County Schools, which would total approximately \$35 million additional dollars. If this happened, Shelby County Schools should agree to use a substantial portion, if not all, of those funds for capital needs and not request capital dollars from the County Commission for a specified period of time. Finally, the current system of funding required by state law requires the county to fund schools, but does not allow the county to have any say over how those funds are spent, nor can the county hold either school system accountable for how they spend it. If the county, and thereby county taxpayers, were to take on a greater burden, then the two systems should submit to a higher level of accountability and oversight, which would likely require a change in state law. When a disagreement occurs between the Commission and either school system over budget matters, mediation should be required, rather than the current practice of “playing chicken” to see who will move first.

Clearly, education funding is the most complex issue the county must address and the scenario outlined is far from perfect. State mandates have tied the hands of local officials to craft the most equitable system. Complicating the situation is the state’s Basic Education Program formula, which does not adequately address the higher cost of educating children in poverty, English-language learners and special needs children. Moreover, the local government provides more than 50% of the funding for schools, while the state provides less than half. In other jurisdictions, the state share is much greater than the 46% provided to our local schools. Consequently, as with The MED, the State is failing to provide adequate funds to Memphis and Shelby County Schools. Local leaders should continue to advocate on behalf of local schools to receive adequate funding, but we should also push for greater flexibility in how schools can be funded at the local level.

4. Some people believe that urban communities should adopt policies that encourage what is called “smart growth.” Do you believe Shelby County

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should have a general policy about new residential and commercial developments? If so, what should that policy be?

I agree that smart growth policies can be beneficial to the sustainability of communities. As Commissioner, I supported the construction of the Houston-Levee Road project, which is a smart growth road designed with two-lanes and traffic calming features, lined with trees and including a marked bike path. I also opposed the construction of the new Wal-mart at Macon and Houston Levee because I believed it to be incompatible with the growth in the area and our ability to support it from an infrastructure standpoint. I also believed it to be inconsistent with the Grey's Creek plan that has only been selectively adhered to by the Commission in the past.

I support the Unified Development Code that combines the zoning and subdivision policies of the City and County in a single code. It is essential for long-term sustainability that the City and County agree on and adopt a set of standards for development throughout Shelby County.

In relation to smart growth, I support efforts to encourage neighborhoods and developments with curved linear streets, sidewalks to improve walkability, green space and designs that promote mixed-income residents and mixed-uses. I support efforts to provide incentives for infill development. As the sponsor of an ordinance to update bicycle regulations, I support building roads and improving streets to accommodate cyclists, not only for recreation, but as a mode of transportation in day to day activities for those who choose it.

Finally, a key component of smart growth is preservation and conservation of natural areas. As Chair of the Conservation Committee, I sponsored and fought for the Shelby Farms Conservation Easement, Shelby Farms Governance Structure and Shelby Farms Master Plan. I supported the CSX, now Shelby Farms Park Greenline. I also sponsored and supported the county's involvement in the Wolf River Restoration and the donation of the land to the City for Fletcher Creek Park in the Countrywood subdivision.

3. IMPROVING THE SYSTEM OF GOVERNMENT

1. What do you regard as the greatest obstacle or barrier to economic growth in Shelby County today? What can the County Commission do to reduce that impediment?

The greatest barrier to economic growth is the lack of a skilled workforce coupled with a need to attract talent and encourage entrepreneurialism. In brief, we must invest in human capital.

The County Commission must continue its support of the MemphisED plan and the People First plan from the Memphis Fast Forward strategy. Memphis' ranking in the top 10 by Site Selection Magazine, the creation of a net 3,867 new jobs and \$552 million in economic investment are indicators that the plan is working. I was proud as Commissioner to support the \$1 million in

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annual funding to the Greater Memphis Chamber to support this plan. As mentioned, though, investment in human capital is the greatest barrier to sustained economic growth.

The County Commission and county government should partner with the City of Memphis to stabilize the Workforce Investment Network. While WIN is a city agency funded by federal funds passed through the state Department of Labor and Workforce Development, the agency serves all of Shelby and Fayette counties. Stabilizing WIN means that training and career preparatory services must be aligned to match our economic development targets, which include bio-medical and bio-ag, logistics, tourism, music, film and manufacturing. Workforce development, of course, goes beyond WIN. Other entities outside of government need to be reached for collaboration and to maximize scarce resources.

The County Commission should also continue to back efforts to increase college attainment, like Shelby County STEP. Increasing college attainment in Shelby County by only 1%, not only improves the quality of the workforce, but can put \$1 billion into the Memphis economy. Studies also show that the growth in individual income is with those who advance from a high school diploma to a community college degree, so a four-year degree is not the only option to impact the quality of the workforce and the overall economy.

The County Commission can be a part of recruiting and retaining talent and creating a class of knowledge workers that experts say are key to attracting industry. In addition to our continued support of Memphis Fast Forward, the County Commission should focus on those quality of life areas that are important to recruiting and retaining talent. Amenities like Shelby Farms and the Wolf River, a vibrant downtown and high-quality cultural experiences are some of the “draws” for these knowledge workers. As needed and directed, the County Commission should be ready to support the activities of organizations like MPACT, The Leadership Academy and Leadership Memphis as they continue implementation of strategies targeted at keeping and attracting young talent.

Part of retaining talent and creating a better quality workforce is providing meaningful employment and leadership development opportunities to high school students and to college students who leave for school but come to Memphis in the summer. The County Commission, working with the City of Memphis should provide meaningful opportunities for young people in the community to develop skills essential to holding and growing in a career.

Finally, the County Commission working with the City Mayor, City Council and County Mayor should explore the concept of bringing all of our economic and workforce development activities under a single umbrella. In looking at potential models, we should explore, not only domestically, but internationally. The City Barcelona, Spain combines their workforce, economic development and emerging business incubator into a high-tech, one-stop shop.

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2. What is your philosophy about offering incentives to companies that are considering major new investments or job expansions in Shelby County?

Tax incentives for companies investing in Memphis and Shelby County are not optimal, but a necessary tool for growing our economy. Our focus should be to eventually eliminate or substantially reduce tax incentives as a result of other “incentives” that attract new investment. For example, a higher skilled workforce, a higher level of college attainment, amenities for relocating workers and a modest crime rate are some of the things that will make Memphis and Shelby County a community of choice for businesses looking to start-up, expand or relocate.

Today, however, we have the highest poverty rate in the nation and double-digit unemployment. People are facing foreclosure and children go hungry. We need jobs and investment in the community now. The reality of our struggling citizenry combined with a neighbor to the South that readily doles out tax incentives to inquiring companies, make tax incentives necessary for now.

Tax incentives, though, must come with strings attached. That is why as Commissioner I supported tightening the requirements for receiving a PILOT and have been impressed with the higher level of accountability provided by our Office of Economic Development. Businesses that receive tax incentives should meet their hiring commitments, demonstrate a commitment to diversity and provide a decent wage and benefits to our citizens. Those that do not should lose their tax incentive.

3. What is your view regarding the best way to address financing of The Med and the need for public health options?

The MED in its current form, as a business model, is broken. Currently, the MED needs \$32 million in recurring revenue to remain open. With proposed TennCare cuts of \$200 million, that amount could increase by an additional \$52 million. The MED is still critical to the community as a Level 1 trauma center and a provider of care to the poor. For the MED to remain viable long-term, it must continue to provide that much needed trauma function, but also find a niche as a hospital of choice for paying residents in downtown and midtown Memphis. Achieving that hospital of choice status will require strategic alliances with our private hospitals and respected physicians groups as well as its on-going relationship with UT Medical Center. It may also require the elimination of certain services that are inefficient and costly to provide and that could be provided elsewhere, so the MED is focused on its core business, whatever that is determined to be. Because of the high level of charity care, which is more than \$160 million annually, and the uncompensated care from Arkansas and Mississippi, which totals more than \$34 million a year, the MED will likely never be profitable and will always require some local government subsidy. However, that can be mitigated if the MED remakes itself. Ultimately, this is a long-term strategy.

In the near term, Shelby County government will have to increase the level of subsidy from \$27 million to a substantially higher figure. While a short-sighted decision was made by the Commission to give the MED \$10 million from reserves, the county will have to find recurring funds, not simply raid reserves. The additional amount from the county in the short term will be

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dependent on what level of state and federal support the MED receives. We must continue to work with the legislature and the Governor to limit the cuts to TennCare and leverage where possible federal dollars to match the additional local funding provided by county government. We must also continue to work with our Congressmen and Senators to **require** reimbursement through Medicaid on uncompensated care provided to Arkansas and Mississippi residents. Senators Corker and Alexander were instrumental in changing the law to allow Medicaid dollars to be used for reimbursement across state lines now we need to take this one step further.

Admittedly, there is no easy or concrete solution anyone to date has developed to address the problems at the MED. They are complex and yet again, state and federal policy has tied the hands of local government. However, the impact on our community of allowing the MED to fold would cost more than making the tough decisions to keep it open.

4. When you complete your service as commissioner, what do you want your legacy to be?

Honestly, I never considered my legacy until I read this questionnaire, because it's really not about me. In an effort to be responsive, I would hope that I am remembered for serving with integrity, for being thoughtful and deliberative in decision-making, and for making a real difference for children and families.

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