

07232013 RoaneBudget14

There were few winners in the adoption of the 2014 budget and what becomes important to understand going forward is that the financial problems have not been solved. What took place with the adoption of the 2014 is hopefully we have recognized we have a serious financial problem. The schools are running out of savings to balance their budget.

Hopefully the adopted 2014 budget helped all parties understand that a problem exists. One can only live out of their savings for a limited time and then the problem becomes even bigger. Here are a few facts and information which were available during the decision-making process for the 2014 budget adoption.

Documents provided by the State Department of Education on state funding for the last four years showed that the state funding for Roane County would be declining. Two main reasons for the decline were a change in the funding formula and a reduction in student population of approximately 450 students. Students generate revenue through the BEP funding formula. Loss of students equals loss of revenue.

The Roane County Commission voted unanimously for the 2014 County Budget with two Budget Committee members being absent but voting in committee to support the 2014 budget. For all practical purposes the budget was supported 15-0. Much discussion and a lot of rhetoric were expressed in public meetings, on the social websites, and in the media regarding what should have been done and why the budget was adopted without increasing funding for education to replace reduced state fund. Local funding has remained intact over the years.

In my almost 30 years in county government, I don't think I have ever seen a commission united in regards to such a controversial issue. The public and teachers should not think that because an increase was not granted to education that the Commission or County Executive does not support our local education system. If one looks at the composition of the Commission with one commissioner being a principal of a school, one commissioner being the father of a school employee, one commissioner being the father of current students, and another a son of a school employee, one should see immediately that some if not most of the Commission supports education; so we must ask a question of why was a tax increase not supported?

During these difficult economic times I feel the Commission perceived that the Board of Education was not recognizing the financial problems in the national, state and local economies. As Commission struggled with financial issues, such as minimum pay adjustments for Sheriff, Highway and Courthouse employees (2% raises over 5 years) along with reducing positions in various departments over the last five years, it appeared to the Commission that a tax increase would be forced on the taxpayers in the name of "we must do it for the children" while operational expenditures were not being addressed.

As the struggle for adoption of the 2014 budget was in process the phrase kept coming up "we must do it for the children" and then other phrases started creeping into the process. "One must recognize the retirees." "One must understand the laid off/unemployed workers."

We are in trying times but we hope the public will not think that this is just political posturing. Both boards will have tough decisions to make in the next two years and beyond. Until one sits in these individuals seats and has more information and facts, one will see that these decisions are not made in haste or without thought.

Here is what is on the horizon: For the year ending 2013 in a few weeks, we anticipate a school funding loss of between \$1.2 and \$1.5 million. For the 2014 budget, as bad as it is, the Commission recommended a budget that had an anticipated school loss of \$2 million. It appears that the School Board will ask to increase the use of their reserve, thereby, increasing the 2014 loss to near \$2.5 million.

The Roane County Board of Education is an independent board making decisions regarding the operations of the schools. The Roane County Commission is the funding body and as the two boards work together, conflict sometimes exists, but by and large, the boards work together for the good of the county and the communities that make up the county. We must collectively solve our financial problem. Our options are increase taxes for the loss, reduce expenses or a combination of both.

Looking to the future I believe that all parties should consider the following as we prepare our personal, business, and government budgets. Families and businesses should prepare for a 10%-20% tax increase over the next three years. School Board and the local government should be prepared for an amount less than amount requested. There are three options, so each of the parties should plan and prepare for what could be. Revenue income of the maximum amount requested, no revenue increase, or an amount in between. All parties should be prepared for any of the options.

Roane County's financial problems are long from being over and more discussion will take place at public meetings over the coming months. Much information is available on the county website at www.roanegov.org under County Executive.