



MEDIA RELEASE

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FOR IMMEDIATE RELEASE

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Mayor Burchett presents FY2012-2013 budget proposal

Knoxville, Tenn. — Knox County Mayor Tim Burchett today presented his Fiscal Year 2012-2013 Knox County Budget proposal to the Knox County Commission, before beginning a series of public meetings throughout the county to bring his plan directly to the taxpayers.

During his budget presentation, Mayor Burchett made the following remarks:

Good morning. Thank you, Chairman Hammond. Thank you also for the prayer, Philip, and to you all for leading us in the pledge of allegiance.

Commissioners, school board members, other elected officials, thank you all for joining me this morning.

Mayor Rogero, I appreciate you joining us and I want to thank you for the way you and your staff work so closely with me and my administration.

Before I begin, I want to especially thank former Finance Director John Troyer, Interim Finance Director Chris Caldwell and the rest of my finance team for their hard work in putting this proposal together.

As you know, I am here to present my 2012-2013 Knox County Budget proposal. Like last year, when we finish here I will begin having a number of public meetings across the county with the taxpayers so they know exactly how their tax dollars will be spent under this budget.

Like the current budget, this proposal represents the many challenges we face, as well as some positive opportunities.

Even as we see some signs of economic improvement – with slightly higher property tax revenues and a somewhat larger increase in sales tax revenue – we must remain cautiously optimistic, because the challenges are not yet behind us.

Our bond debt remains a significant obstacle, and is something we need to continue to address by resisting unnecessary spending.

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Thanks in part to our willingness to show restraint, the County's bond rating remains extremely strong.

Early this year, we were able to give our employees a pay increase that was not part of the current year's budget. This year, that \$3 million cost is reflected in this budget proposal.

The Uniformed Officers Pension Plan is another ballooning cost in the Knox County Budget. In FY 2013, it will cost more than \$5 million to cover our obligations to the UOPP. That's Three-quarters-of-a-million dollars more than we are spending this year. The Charter Review Committee and Knox County's voters must address this issue.

But let me be clear: We cannot and should not take the pension away from anyone who is already enrolled in the Uniformed Officers Plan. We can offer future Sheriff Deputies a quality and generous retirement plan, but it has to be one the taxpayers can afford.

I want to take just a moment to thank the employees of Knox County for the work they do to help us overcome these challenges, and I've invited a few of the employees who keep this county running to be here today. I would like to ask them to stand and be recognized. Together, these folks have almost 500 years of experience working for Knox County. These employees, and the hundreds of other county employees they work with, do a great job, and deserve our appreciation and support.

I am pleased to say this budget does not require a tax increase. This government can fulfill its role without increasing the burden on our citizens. Now is not the time to raise their taxes.

The total proposed 2012-2013 county budget is \$673,717,291. That's just under \$21 million more than last year.

Nearly 73 percent of that increase is directed for Schools. The rest comes from growth in public safety and our required debt payments. While these areas grew, it is important to note that general government funding decreased this year by \$331,000.

For the second year in a row, we will meet our obligations without raiding our General fund Balance.

We are also continuing to reduce the county's debt. Going into the upcoming fiscal year, the county's debt will be \$669 million in principle alone— That's more than \$1 billion when you add interest. We have reduced the county's bond debt by more than \$20 million this year, and we'll be on pace to reduce it by another \$110 million in the next five years.

One significant change in this budget is that we have replaced the former Community Grants program with defined services contracts. Each of the organizations and funding levels presented in this budget went through a well-defined, transparent evaluation process.

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As several Commissioners have pointed out in the past, using this model for non-profit funding has removed the politics from this process, while increasing transparency and accountability.

I have long said it isn't government's role to create jobs, but government should create an environment that encourages job growth. This budget reflects that fact.

This includes infrastructure. This budget leverages local dollars for \$932,000 in state aid for paving, so we can plan for 27 miles of paving in this budget, compared to 16 budgeted-miles in the current year. That's roughly like paving a road from Solway to Corryton.

I am also asking in this budget for the funds to aggressively promote job retention and recruitment. This year we are combining funding for the Chamber and Innovation Valley -- and we are funding the Development Corporation.

The total for these closely-related efforts is \$620,000. I have also asked our finance department to work with the Development Corporation in directing \$125,000 in additional CDBG funds to a focused job skills training program.

I am confident that with an economic development investment of nearly \$745,000, coupled with the City of Knoxville's investment, we will see strong and measurable results from these organizations.

In this budget, Public Safety funding increases nearly \$3 million dollars to just under \$74 million, with most of that increase going to the Knox County Sheriff's Department.

I am pleased to say that the Knox County Libraries will see no reduction in funding. Myretta and her team do a tremendous job serving the thousands of citizens who use our libraries every month.

Another very important resource for many Knox County residents is the Knox County Health Department. This budget provides virtually level funding of \$22.3 million for Public Health and Welfare. Dr. Buchanan and her staff will continue serving children and their families who don't have access to healthcare.

We will continue to fund other departments like Knox County Parks & Recreation, information technology and our probation office at the levels they need.

Our seniors and veterans are an especially important group of people. They have sacrificed so much for this community and for this country. Because both of these groups deserve the best service Knox County can offer, I have instructed my staff to combine our Senior Services with Veteran Services and Community Outreach. This will allow for greater coordination between three departments that are closely related. I will be asking you to approve this needed adjustment to the organizational chart.

Our Engineering and Public Works Department also plays a fundamental role in the daily lives of our citizens.

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In addition to increasing funding for infrastructure, this budget provides funds that will allow us to continue to ensure that Dwight and his Engineering and Public Works staff have the support needed to respond during emergencies and bad weather situations.

Something that is separate but very closely connected to this budget is the 2013 Capital Improvement Plan. I'm proposing a Capital Plan that invests more than \$27 million in needed improvements and upgrades to county facilities and other capital projects in FY2013. The plan includes nearly \$5 million for overall building improvements and major maintenance, as well as over \$7 million for highway improvements. There is also funding for the relocation of the Karns Convenience Center – all in 2013.

This Capital Improvement Plan also includes \$3 million for an expansion of the Juvenile Justice Center, \$1.6 million for the Knox County Sheriff's Office for improvements to the Knox County Detention Center and radios for deputies, as well as \$9-and-a-half million for the Knox County Schools.

Finally, I want to talk very frankly about our funding for Education.

As most of you know, both my parents were career educators and my degree from U.T. is in education.

I understand the needs of the classroom, and I understand the fact that our teachers are committed everyday to giving our children the best education they possibly can.

I want to publically thank our teachers for the work they do.

I am pleased to say that this budget provides the Board of Education with approximately \$13 million in new funding. This is a greater increase than has been provided in the past three years combined.

In my proposed budget, more than 72 percent of the county's overall \$673.7 million budget is directed for schools.

That includes \$397.7 million for General Purpose Schools, and \$46.5 million for all other school funds, including debt, cafeteria and construction. By comparison, the General Fund budget is less than \$152 million.

In addition to these direct dollars, this budget provides the Great Schools Partnership with \$2.6 million, and an additional \$1.1 million that goes from the general fund directly to pay for a Kindergarten intervention program. In total, we will be providing our school system with over \$400 million, AND we will do this without raising taxes.

I realize that despite this very significant increase, the Board of Education and Dr. McIntyre have requested an additional \$35 million on top of this \$400 million. I want to very respectfully say that it is easy to claim that more money will solve our problems. We need only to look to Washington, D.C., though, to see that this is simply not true.

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We all know that we cannot afford this huge jump in School System spending, unless you as commissioners want to significantly raise taxes. In fairness I need to tell you this morning that should you choose to send a tax increase across my desk rather than to the ballot, I will veto it. We can and are funding our schools without adding to the burden facing small businesses and families in this county.

I realize that some organizations are aggressively promoting a significant property tax increase that would disproportionately hurt struggling small businesses.

As Mayor, though, I do not believe the citizens of this county can afford to have more money taken from them during an economic downturn that is only beginning to level out.

If you are to consider raising taxes either through property or sales tax, I hope you will give every voter the chance to say 'Yes' or 'No' on a ballot.

With this said, there are tremendous needs in our schools, and I believe that the Board of Education and School Superintendent have rightly recognized this.

I have met with Board Chair Thomas Deakins and Superintendent McIntyre and told them that I want to work with them to address the most critical need our school children face today.

Experts agree that the number one indicator of a student's future success in High School is whether she or he is reading at grade-level in third grade.

I met with a strong supporter of education recently and he summed it up very well: From Kindergarten to Third grade children learn to read. For the rest of their lives they read to learn. The Board of Education recognizes this as well, and requested funding for addressing literacy in its budget.

This need is made very clear by the fact that 56 percent of Knox County third graders are not reading at grade-level.

Thirty of our 49 elementary schools have more than 50 percent of their third grade kids reading below grade level.

Eleven schools have over 70 percent of third graders reading below grade level.

In fact, under the new standards, not a single elementary school in Knox County is meeting its third grade reading goal.

Commissioners, this is not because of a lack of effort on the part of teachers, or a lack of ability among our students. We can change this – and I believe we have to change this.

We have funded an intensive, early literacy pilot program in four elementary schools through The Great Schools Partnership.

I am pleased to say that 75 percent of the children who began the program behind in reading caught up and are now ready to move forward with confidence.

I am ready to see these and even better results in all 49 elementary schools, not just in four.

For this reason, I have told Chairman Deakins that I will ask to provide approximately \$3 million targeted specifically at an intensive Kindergarten through third grade reading effort. Superintendent McIntyre has said that this is enough to cover all schools, with the understanding that the needs are different in each school.

These funds will be provided through the Special Projects portion of the school's funding so that there is both a guarantee of focus and accountability.

Some will say this is not enough and we must fund the entire \$35 million now. I say before we raise taxes, let's tackle this core problem. We can do this without raising taxes, and at the end of three years the school system will hopefully be able to tell a great success story.

Most importantly, though, we will have given our children the most important education tool they will ever have: the ability to be a strong reader.

I ask you to join me in promoting and funding a focused and affordable effort supporting early literacy.

I truly believe that this budget will keep Knox County going in a direction that will help us provide efficient service to our citizens by focusing on the core principles of government. And although we have policy differences from time to time, I appreciate the fact that we, along with other elected officials, are all committed to serving the people of this county.

I appreciate your time and consideration, and I ask that you consider this budget over the coming weeks and vote to approve it on May 30th. Thank you.

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