

## **REQUEST FOR BOARD ACTION**

### **HENDERSON COUNTY BOARD OF COMMISSIONERS**

**MEETING DATE:** March 7, 2011

**SUBJECT:** Governor's Proposed Budget

**PRESENTER:** Steve Wyatt

**ATTACHMENTS:** Yes  
1.) Resolution

#### **SUMMARY OF REQUEST:**

Governor Perdue recently released the proposed state budget for the 2011-13 biennium, which contains several impacts to counties, with significant state funding cuts for the public school system. Specifically, the recommended budget adjustments shift the following costs, making them a local responsibility: Workers' Compensation Claims, Tort Claims and School Bus Replacement. The proposal also reduces the county share of lottery funds from 40 percent, as required by statute, to around 10 percent.

Staff has drafted a resolution opposing the loss of county school construction dollars and the shift of state school funding responsibilities to counties for the Board's consideration.

#### **BOARD ACTION REQUESTED:**

The Board is requested to review the attached Resolution, and if desired, adopt it and direct Staff to transmit it to the members of the General Assembly representing Henderson County.

#### **SUGGESTED MOTION:**

*I move that the Board adopt the attached Resolution opposing the loss of county school construction dollars and the shift of state school funding responsibilities to counties, and direct Staff to transmit it to the members of the General Assembly representing Henderson County.*

# HENDERSON COUNTY BOARD OF COMMISSIONERS

1 Historic Courthouse Square, Suite #1  
Hendersonville, NC 28792  
Phone (828) 697-4808 • Fax (828) 698-4443  
TDD: (828) 697-4580  
[www.hendersoncountync.org](http://www.hendersoncountync.org)

J. MICHAEL EDNEY  
Chairman  
THOMAS THOMPSON  
Vice-Chairman

CHARLIE MESSER  
LARRY YOUNG  
BILL O'CONNOR

## RESOLUTION

### OPPOSING THE LOSS OF COUNTY SCHOOL CONSTRUCTION DOLLARS AND THE SHIFT OF STATE SCHOOL FUNDING RESPONSIBILITIES TO COUNTIES

- WHEREAS,** counties in North Carolina are statutorily responsible for providing public school facilities in North Carolina and contribute significant county funds for classroom expenses; and
- WHEREAS,** in FY 2011 Henderson County spent an estimated \$449,889 for public school capital needs, \$20,698,218 for public school operating expenses, and \$9,801,596 for debt service for construction projects; and
- WHEREAS,** Henderson County relies on local sales taxes, property taxes, the county share of lottery funds and county share of the corporate income tax to help fund public school capital needs and have issued public debt based on these revenue streams; and
- WHEREAS,** Henderson County has lost an estimated \$1.5 million in lottery and corporate income tax school construction funds over the current biennium; and
- WHEREAS,** the Governor's budget proposal permanently eliminates the county share of the corporate income tax and reduces Henderson County's lottery share by 75 percent, costing an estimated \$675,000 in FY 2012 in revenues dedicated to public school construction needs; and
- WHEREAS,** the budget proposal shifts responsibility to pay for replacement school buses (an estimated \$385,236 in FY 2010) to Henderson County; and
- WHEREAS,** the budget proposal also takes the unprecedented step of forcing Henderson County to assume the workers' compensation costs for state-paid public school employees (an estimated \$323,016 in FY 2012) and to fund school tort claims (an estimated \$42,877 in FY 2012); and
- WHEREAS,** the budget proposal reflects an overall estimated cost shift to Henderson County of \$1.35 million in FY 2012 alone, requiring counties to raise property taxes to manage a loss of this magnitude;

**NOW, THEREFORE, BE IT RESOLVED** that the Henderson County Board of Commissioners adamantly opposed the unfunded mandates and the loss of county revenues included in the Governor's budget proposal; and

**FURTHER BE IT RESOLVED** that copies of this resolution be transmitted to the members of the General Assembly to let them know of our opposition to these unprecedented changes in county responsibility and the use of county revenues to balance the state budget.

Adopted this the 7th day of March, 2011.

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J. MICHAEL EDNEY, CHAIRMAN  
HENDERSON COUNTY BOARD OF COMMISSIONERS

ATTEST:

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TERESA L. WILSON, CLERK TO THE BOARD