

March 23, 2010

An Open Letter to the General Assembly

The State of Tennessee is currently facing one of its toughest fiscal challenges. For over twenty straight months the state has experienced losses in revenue. Tennessee is now collecting more than a billion dollars less in tax revenue than it did just a few short years ago. By the time the General Assembly adopts a budget this year, some state departments and agencies will be living with the reality of cumulative cuts that equal 20% of their budget.

As hard as the economy has hit state government, it has hit its citizens harder. Unemployment for Tennessee remains in double digits with some individual communities hovering near 20%. Large and small businesses are reducing workforces or closing up shop all together. Many individuals with jobs are “underemployed” and struggling to make ends meet. The Bredesen administration and the General Assembly have been sensitive to the taxpayer’s plight and state government is trying to manage this crisis without raising taxes and becoming more of a burden on the average citizen. This is admirable. And as one county mayor has aptly put it, counties would like to be able to do the same.

There is a general misconception that has been voiced by some members of the General Assembly that the state could balance its budget more easily and could better manage state departments and services if it quit providing “free services” to local government. The point of this letter is to clarify that the state provides no “services” to local government. The state provides services to the *citizens* and *taxpayers* of Tennessee...and they are by no means free. In other words:

The State does not provide services to county government.

The State provides services through county government.

County governments are instrumentalities of the State of Tennessee that were created by the state and are governed by the state. We are a means by which the state provides services to the citizens. Over time, a cooperative partnership has been created whereby state and county governments share different burdens and responsibilities for providing for the needs of the people of Tennessee. Whether it is education, transportation, corrections, environmental services or the judicial system, state and county governments each have a distinct role and responsibility to play. But ultimately, these functions are all performed for the people, not the institutions of government.

- When a trial judge has concerns about the mental stability of a criminal defendant and sends that person to a state mental hospital for evaluation, that is not something done for the convenience of the Sheriff's department. It is a critical service provided to ensure the constitutional rights of the defendant and to protect a mentally ill person from harming himself or others.
- When a police officer collects a DNA sample and sends it to the TBI for analysis, the TBI is not performing a service simply to satisfy the curiosity of a local investigator. Its service is an essential part of developing the evidence needed for successful prosecution of the criminal code and for ensuring the administration of justice.
- When the Comptroller's office performs an audit of county government, that's not an optional financial service performed at the whim of local elected officials. It is a critical function necessary to protect the taxpayer's money from falling prey to mismanagement or fraud.
- When a child is removed by a sheriff's deputy from a home where his parents were cooking meth and is sent to the Department of Children's Services pending placement with a relative or friend, it is not a service the state is providing to local government. It is a service necessary to ensure the safety of the child.
- When the state provides grants to school systems to help provide for better internet connectivity in elementary schools, the benefit is to the children who receive better access to technology and a richer educational experience.

When the State is forced by budgetary realities to cut the services it directly provides the taxpayers, the needs of its citizens do not go away. By necessity, the people of Tennessee turn to their local governments to pick up the slack. If in addition the State chooses to bill local governments for services it provides indirectly to the taxpayers through counties and cities, these local governments do not have outside sources of revenue from which to pay these costs. **Local governments get their revenue from the same source as the state government – the taxpayer.** Billing local governments for state services might make it easier to balance the state budget, but it does not spare the taxpayer a single dime.

If there are inefficiencies that are created as a result of the way state and local governments provide services jointly, then both local and state officials have an obligation to the taxpayers to try and resolve those inefficiencies. But merely shifting costs from one level of government to another accomplishes nothing.

In closing, it must be recognized that the State has been very sensitive to the shared financial plight of local government and has, to a large degree, refrained from cutting local funding. As we move into the final consideration of the State budget for FY 2010-2011, we ask that you maintain this posture and, in seeking to create greater efficiency in state government, avoid merely shifting the cost of services to local governments and ultimately back to the taxpayers. Let's work together on behalf of the taxpayers and citizens served by all governments in Tennessee.