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PERSONAL RESPONSIBILITY AND LIMITED GOVERNMENT IN NEBRASKA.

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## Douglas County Tax Increase Must Be Avoided

By John McCollister

Former Executive Director of the Platte Institute

Each level of government in a federal system bears certain responsibilities and statutory obligations. The responsibilities of Douglas County include providing "general social welfare, operation of a county hospital, maintenance of streets and highways outside any incorporated city, village or sanitary and improvement district, legal court related activities, licensing assessment enforcement and sanitary landfill and solid waste disposal."

State statutes dictate that the county must establish an annual budget, and the County Board has been engaged in the budget process since the first of the year. Douglas County residents may be facing a tax hike fairly soon as it appears they are contemplating an increase in the mill levy for fiscal year 2013/14.

The housing crisis has undoubtedly affected county revenues, as property values have remained largely stagnant. But undeterred by this crisis, the Board raised the mill levy eight percent and increased the budget by \$22.1 million or over 10 percent since 2008- all the while complaining about a "structural deficit" that appeared to have no end. And while many functional departments have reduced expense since 2009, the commissioner's administration budget has increased by 43.17 percent. This spending increase is more significant when considered in the context of the County budget as a whole, which increased from \$215.6 million in 2009 to \$237.8 million in 2012.

If you want to identify who caused the county's current financial plight, the lack of budget and spending restraint by our commissioners over the last five years would be a good place to start.

Unlike most private sector employers during these hard economic times, Douglas County observed a major escalation of employee cost increases over the last five years. The number of county employees has dropped by 135 over the last five years, but employee related expenses, which constitute over 65 percent of the County's budget, have increased by about \$15 million. Surprisingly, while the five county-wide operating departments have reduced employees by two since 2009, the administrative department will have increased its manpower by four employees or 40 percent if the current budget

recommendation is adopted.

The argument could be made that the Board mismanaged administrative expenses. In one situation in the Clerk/Comptroller's budget the Board approved several wage increases but refused to fund them in order to, in its own words, "meet statutory obligations." This is a clear example of departmental mismanagement and opens up the County to legal challenges that will only hurt taxpayers more. And while the Commissioners increased spending, failed to live up to contractual obligations, and complained about deficits- they also approved non-essential items such as \$5 million over ten years for the UNMC Cancer Center. To put this in perspective, it would cost the Board \$39,315 to pay for the contractual increase in the Clerk/Comptroller's staff wage increases, while a one year payment to non-essential spending on the Med Center will be \$500,000.

The projected budget shortfall is \$2.4 million, less than one percent of expenditures anticipated for FY 2013-14. It is time for the commissioners to implement budget cutting solutions rather than increasing spending. Ideas to reduce the budget include downsizing the corrections department as demand continues to flag, instituting a short-term hiring freeze (including the two employees slated for the administrative department), reducing overtime in all departments, and reviewing employee benefits for part-time employees. Long-term solutions could include reducing department "silo" budgeting and an evaluation of department consolidation, merging multi- county functional areas, and strategic budget reform initiatives.

Douglas County residents already pay too much in property taxes, and there is no reason for the commissioners to increase that burden. It is time for commissioners to make tough decisions to reduce spending and make due with the high taxes already paid by county residents - the same budget decisions that Nebraska families and business have had to make for the last five years. Douglas County citizens deserve better from our Douglas County Commissioners.

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