

PUBLIC LIFE

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Advocate



What Went Wrong and What Do We Do Now?

About our Editorial Board



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Rodney is president of the Public Life Foundation of Owensboro. He joined the foundation in 2000 following twelve years with RiverPark (performing arts) Center. His volunteer and civic experience includes work in education, health care, youth, social services, tourism, and community development. He is a graduate of Western Kentucky University.



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Dave is Associate Professor of Journalism and Director of Media Studies, Poynter Center for the Study of Ethics and American Institutions, Indiana University. He holds a B.A. degree from Central College and an M.T.S. and Ph.D. from Harvard University. From 1978-87, he was Editorial Page Editor for the Messenger-Inquirer. He has published articles in Journal of Religious Ethics, Journal of Mass Media Ethics, Newspaper Journal, and Journalism Quarterly.



John S. Hager

John established the Public Life Foundation of Owensboro in 1996 following the sale of the Owensboro Messenger-Inquirer to the Belo Corporation (Dallas, TX). A graduate of Princeton University and the University of Michigan College of Law, he was a practicing attorney for 19 years prior to returning to the family newspaper in 1973. He has been involved in numerous civic initiatives, including a lead role in the establishment of the Owensboro Community College. In 1996, the Kentucky Press Association honored him with its "most valuable member" award. He was named to the Kentucky Journalism Hall of Fame in 2002.



Ed Staats

Ed served The Associated Press for 41 years, as a reporter, editor and administrator in 10 AP offices, including the AP's headquarters in New York. He retired in mid-2002 ending a career that bridged the print, broadcast, cable, and online news businesses. At his retirement, he was in charge of AP's Kentucky operations, a position he had held since the mid-1980's. He is a member of the Kentucky Journalism Hall of Fame.



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Fran works as a writer, editor, and communications consultant. She is a former reporter with the Louisville Courier-Journal and was a frequent panelist on Kentucky Educational Television's "Comment on Kentucky." Her clients include the Public Life Foundation of Owensboro, University of Kentucky Center for Rural Health, and the Kentucky League of Cities.

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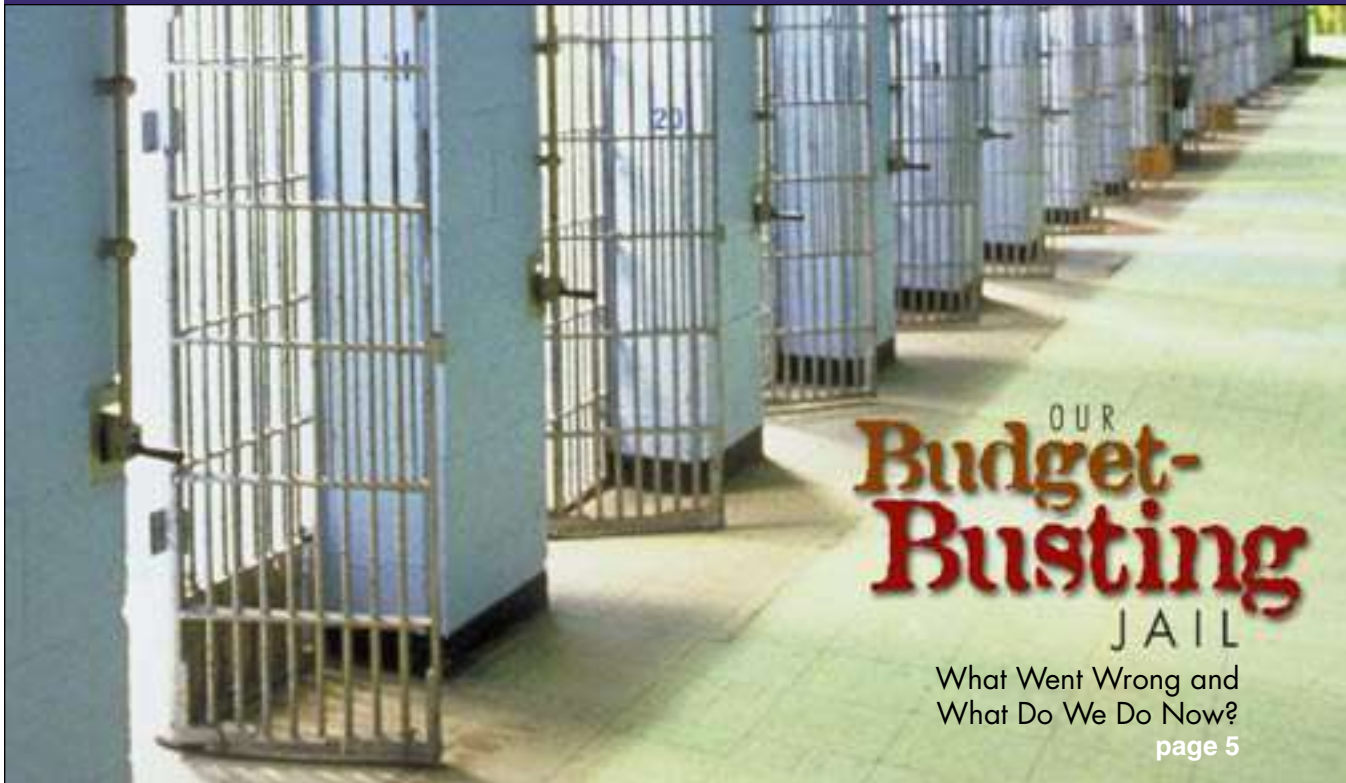
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At least \$1 million of county government's \$1.4 million deficit is due to the Daviess County Detention Center. The *Advocate* examines how we got in the mess we're in and how we might get out of it.

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Toward a Culture of Collaboration



by Rodney Berry

When Owensboro Mercy Health System (now Owensboro Medical Health System) incorporated the term *system* into its new post-merger name in 1995, citizens were left with the sense that our community hospital would become more than that. It was to be a *system*, and OMHS would be an anchor in a network of collaborating departments, agencies, enterprises, physicians and other medical professionals that would lift the level of care and health in our community and region.

Certainly OMHS is much more than a hospital. From an active health education and wellness dimension through support groups and rehabilitation, the *system* includes facilities and services that encompass the continuum of care. OMHS has made dramatic facility improvements, added most medical specialties, and become a competitive regional center.

OMHS provides key support for the school nurse program and the McAuley Clinic. It absorbs millions of dollars in charity care each year. It will soon add a research dimension at its new cancer center. And OMHS is an economic engine, our community's largest employer, and relatively affluent when compared with many hospitals.

But at least in some circles, OMHS is not a system at all, but a monopolistic institution whose heavy-handed ways stress market domination and the bottom line. We've heard that from physicians, public health workers, medical laboratories, home health agencies, pharmacies, and others. In its strategic business plan a few years ago, OMHS listed eight regional hospitals, plus 15 medical groups, allied health enterprises, and local health care agencies as "competition/threats."

Institutional protection is only natural and is commonly practiced. Many agencies operate on a shoestring and want to hold onto prime programs and clients. They all chase dollars, whether government grants or Medicaid reimbursements. And the competition doesn't stop with health care:

- To expand facilities, the Boys and Girls Club, H.L. Neblett Center, and Girls, Inc. are all raising funds in competing capital campaigns (meanwhile, city

government closed the Chautauqua Youth Center).

- Local colleges and universities compete for students, donors, and work within the context of their own strategic plans. Only recently, through an initiative of the Citizens Committee on Education, have we ever thought in terms of developing a community plan for higher education.
- Rather than establish a common calendar and combine the school transportation systems, city and county school officials continue to administer less efficient overlapping bus routes.
- Despite diligent planning, city and county governments continue to fall short in developing a combined 911 system or joint parks department.

Whether in health care or youth services, local government or education, it would be refreshing if more of us would come together, sit around the table, roll up our sleeves, and work together toward common goals for the common good. It would be energizing if our community were characterized by collaboration.

Collaboration is working together, but it's also more than that. Collaboration is being open and trusting, sharing information, looking at the big picture. By focusing on the public interest intently before any decision is made, leaders can consider the effect on the entire community, including the poor and agencies that serve them.

OMHS has a reputation of playing hardball in competition for health care dollars. But its recent decision to cooperate with RiverValley Behavioral Health is a sign OMHS can work with others and is an example of the direction our community needs to move. Under the plan, OMHS relinquished its outpatient substance abuse treatment program to RiverValley so that it could operate closer to capacity.

In a culture of collaboration, more institutions and agencies will give up clients, funding, or a share of the market because another entity or a new partnership offers a better way. They acknowledge that we're all in this together and they set aside private interests... for a greater public life. ■

Contributors

Tom Gaston

"I approached this assignment – as I do all controversial topics – with caution. I had heard the pejorative comments about the 'Taj Mahal,' as some called the new jail, and the people who backed it. I reconstructed the factual record from official records and published accounts. That prepared me to give the interviewees a fair hearing. As the facts unfolded, I was pleasantly surprised to find neither skullduggery nor incompetence."



"County leaders got caught by a 'perfect storm' of reversals that would have been virtually impossible to plan for or predict."

Tom came to Owensboro eight years ago to be closer to family. He is a former university educator, the author of three books and numerous published articles.

Steve Rocco

In his second *Advocate* assignment, Steve interviewed social case workers and school personnel who routinely see how tragic circumstances in homes add pressure and stress to many students lives. "As a former teacher, I was aware of the excess baggage that some students brought to school every day, but I was surprised to learn the scope of the problem. The efforts by the schools to help these students were heartwarming and impressive."



Steve recently retired from teaching at Owensboro Catholic High School. Prior to that, he worked as a reporter, editor, and photographer for the *Messenger-Inquirer*.



Making a DIFFERENCE

"Never doubt that a small group of thoughtful, committed citizens can change the world. Indeed, it is the only thing that ever has."

— Margaret Mead

Groups Push Voter Turnout

The Public Life Foundation of Owensboro is teaming up with the Greater Owensboro Chamber of Commerce, Owensboro Neighborhood Alliances, and the Owensboro Business and Professional Women's Association to increase voter turnout in the upcoming November election.

The effort will include door-to-door canvassing to register voters and inform them of their voting locations. A special effort will be made to target low-income neighborhoods that typically have low voter turnout (see sidebar – Voter Turnout for November 2003 General Election). OBPW is preparing candidate profiles and is particularly interested in increasing the number of women voters.

Conflict of Interest Survey

The Public Life Foundation recently surveyed local government, public commissions, and major private institutions to determine their policies and practices as it relates to potential conflicts of interest involving staff or directors.

Should a member of a board of directors be allowed to bid on a construction project, equipment purchase, or service contract if the director is an owner or stockholder in the company that has an interest in bidding?

Should someone be allowed to serve on a board of directors if they stand to benefit from a purchase, contract, or policy of the organization?

Are these kinds of issues taken into consideration when appointing members to the planning commission, hospital board, riverport or airport authority? Do we have safeguards in place to protect the public interest? Our hope is that the survey will give us some indication. Results will be published in a subsequent issue.

Maceo Citizens Focusing on Superfund Site

The Maceo Concerned Citizens are mobilizing again. This citizens group came together impressively a decade ago to oppose

an OMU ash disposal plan. They researched options, presented their case in a civil, professional manner, and developed an alternative plan that was subsequently adopted by OMU.

Now the Maceo group is focusing on converting a former superfund hazardous waste disposal site into a productive public use.

"Bring Back Baseball" Committee Reports to the Community

Citizens who have been working for several years to bring minor league baseball back to Owensboro recently made a proposal to a joint meeting of the city and county commission. They reviewed the steps taken, results of a market study, conceptual stadium design, and a preliminary financing plan. The committee proposed ways in which local government can assist, but the project involves essentially no-risk on the part of the City and County. All the funds spent to this point have come from private contributions. RBS Design donated planning and design services.

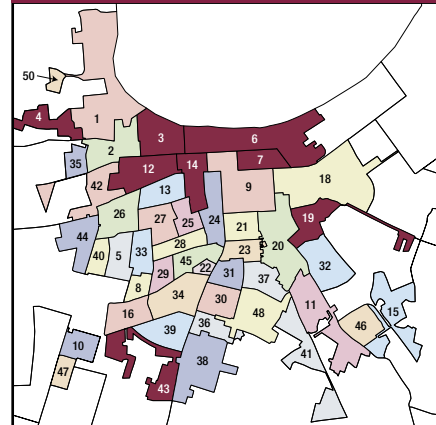
Finance techniques were proposed by Zev Buffman, RiverPark Center's President/CEO, who has developed major sports facilities in other cities. Concerts and festivals, in addition to baseball, are proposed as

key elements of the stadium program. The Frontier League is targeted as the most likely affiliation.

The committee is assessing the advantages and disadvantages of various building sites for review by City and County officials. No commitment has been made by local officials to participate in the project, although the responses to the presentation have been encouraging.

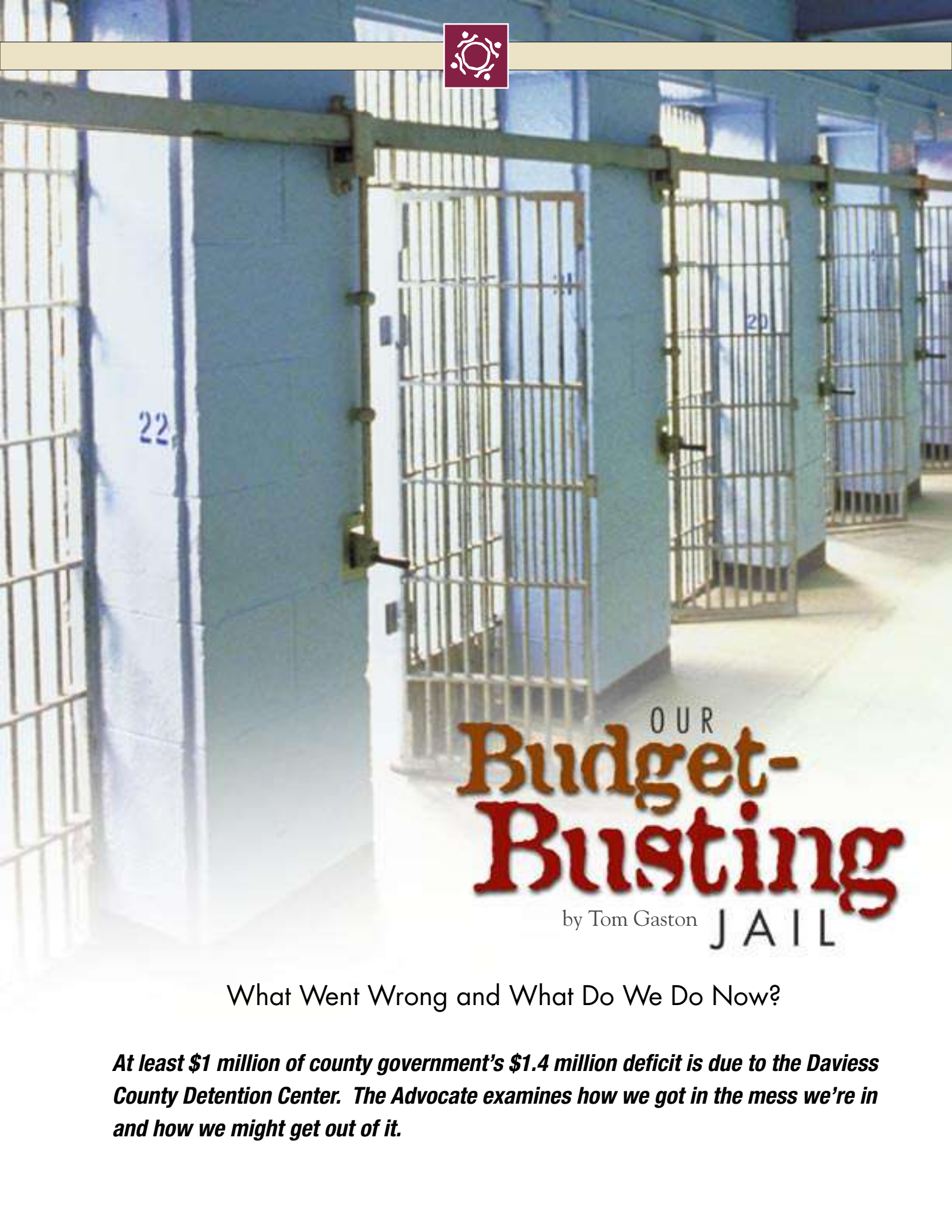
More than 100 citizens have expressed interest in assisting the committee. A contest to name the team, a public bond offering, and season ticket sales campaign are among the ways in which the public will be able to participate. Interested citizens can contact Bruce Brubaker, Chairman, at Champion Ford, 684-1441.

VOTER TURNOUT FOR NOVEMBER 2003 GENERAL ELECTION



Precinct	Registered	Voted	% Turnout
1	544	170	31.2
2	694	225	32.4
3	1003	268	26.7
4	1010	287	28.4
5	911	531	58.2
6	914	233	25.4
7	588	125	21.2
8	454	254	55.9
9	922	289	31.3
10	613	292	47.6
11	820	345	42.0
12	766	202	26.3
13	557	197	35.3
14	933	264	28.2
15	990	524	52.9
16	906	367	40.5
18	596	179	30.0
19	847	242	28.5
20	768	329	42.8
21	619	272	43.9
22	416	177	42.5
23	614	247	40.2
24	899	460	51.1
25	517	305	58.9
26	745	358	48.0
27	631	382	60.5
28	554	313	56.4
29	579	33	52.3
30	723	297	41.0
31	626	326	52.0
32	842	386	45.8
33	546	307	56.2
34	760	441	58.0
35	520	204	39.2
36	672	297	44.1
37	683	277	40.5
38	695	229	32.9
39	959	520	54.2
40	641	299	44.6
41	680	307	45.1
42	969	304	31.3
43	944	269	28.4
44	690	258	37.3
45	391	218	55.7
46	831	400	48.1
47	832	305	36.6
48	749	386	51.5

The highlighted precincts reported a turnout of less than 30 percent in the last general election.



OUR Budget- Busting JAIL

by Tom Gaston

What Went Wrong and What Do We Do Now?

At least \$1 million of county government's \$1.4 million deficit is due to the Daviess County Detention Center. The Advocate examines how we got in the mess we're in and how we might get out of it.

Our Budget-Busting Jail

What seemed five years ago to be a great opportunity and an ideal solution to one of the county's most pressing problems has turned into a budget-busting enigma that now challenges the creativity of community leaders and, some say, will be a drag on local progress for years to come.

It is now apparent that about \$1 million dollars a year that could have gone for roads, parks, fire equipment, or other purposes must now go to Daviess County's new \$7.5 million detention center.

As county commissioners scurry to find a way to cover the center's financial obligations, this much is already clear: whatever they decide is going to cost you money or drastically curtail the services you get from county government.

In June, county treasurer Tony Sook estimated that at least \$1 million of the county's approximately \$1.4 million deficit this fiscal year would arise from debt service and operational costs of the jail.

In April, Daviess County Judge-Executive Reid Haire proposed tax changes to offset this drain, combining an occupational tax for employees and businesses in Daviess County but outside Owensboro, which already has an occupational tax. He proposed decreasing the county's property tax to partially offset the new occupational tax.

At first, other community leaders gave Haire's proposal a lukewarm welcome. Though still reluctant, some commissioners now seem more open to the idea of a tax increase.

One reason, perhaps, is the judge executive's recent warning that without some increase in revenue, severe cuts in almost every government service will be unavoidable. Only law enforcement, fire protection and, ironically, the detention center can be spared, he says.

Those warnings, along with some fine-tuning of the proposed tax plan, have dampened some of the objections.

An *Advocate* review of public records and published accounts, along with interviews with county officials, revealed:

- How jail funding became a problem
- How leaders tried to solve it
- Why their plans boomeranged and
- Where we stand now

How the problem developed

As recently as December 2001, the Daviess County Detention Center seemed in excellent financial condition. For 20 years, the jail had been self-supporting.

Former jailer Harold Taylor had actually turned a profit by housing federal and state prisoners, juveniles and inmates from other counties whose own facilities were not equal to their need.

Taylor's long tenure, and his status as



Budget enigma. What started out as an ideal solution to a pressing county problem has turned into a budget dilemma that challenges the creativity of community leaders.

president of the Kentucky Jailers Association, gave him a steady supply of revenue-producing prisoners from outside the county.

Housing juveniles at \$90 per day, for instance, earned the county about \$1.3 million a year. The center also received \$28 a day per adult inmate from elsewhere in Kentucky and \$35 a day for Indiana inmates.

In just one year (June 1998 to June 1999), the jail accumulated enough fees to swell its surplus by \$1.4 million and raise its total surplus to about \$2 million -- all this from an antiquated facility with only 160 beds.

LOSS OF FEDERAL PRISONERS. To be sure, overcrowding was a problem. At times Taylor jailed 260 prisoners (100 extras, some without sleeping pads) in that 117-year-old building. Unconfirmed reports placed the number even higher, at 292 and above. He was also accused of other shortcuts.

In 1997, the federal government began an investigation of the jail that dragged on for six years. Among the allegations when the investigation began were:

- Inadequate health care, including poor access and inadequate screening for infectious and contagious diseases
- Nine civil rights violations
- Regular use of excessive force, causing serious bodily harm
- Misuse of weapons such as pepper spray and stun guns
- Inadequate sanitation, and
- Failure to provide adequate fire safety

The federal investigation effectively ended the practice of housing of federal prison-

ers. Judge-Executive Haire says the revenue loss was insignificant at the time because contracts with the state and other counties cushioned the impact.

Despite the federal allegations, the state found Taylor in compliance with Kentucky laws. However in June 1998, a local task force appointed to look into the federal charges made 58 recommendations for repairs, modifications and changes in procedures, noting that many of the deficiencies derived from overcrowded conditions and obsolete facilities.

The federal government did not officially close its investigation until November 2003; by then the new detention center was open and the county had remedied many, if not all, the deficiencies. The county's application for recertification in the federal program is still making its way through the bureaucracy. David Osborne, Taylor's successor, said he's in no hurry because Indiana now pays \$3 more per day than the federal government for housing inmates.

But the center also suffered other fiscal setbacks.

LOSS OF JUVENILES. A major blow came in November 2001 when the state moved all of the center's juveniles to a facility in Bowling Green. The move was part of a statewide effort to revamp Kentucky's juvenile justice system by making sure that juvenile offenders had proper housing apart from adults. New Jailer Osborne was able to offset part of the loss by housing women prisoners in the former juvenile building. Nevertheless, the change still cost the center more than half a million dollars in annual revenue. That was "enough to service the debt on the new de-

Our Budget-Busting Jail

tention center and pay part of its operating costs,” Haire told the Advocate.

EARLY RELEASE OF STATE PRISONERS. In December 2002, the center finally became a casualty of the state’s budget battle. Just before Christmas, Haire announced that, after being spared the first consequences of Kentucky’s delay in adopting a budget, the governor’s money-saving early release of felons would likely cost Daviess County \$1 million.

REDUCED COMPENSATION. The state also reduced its per diem rate for in-state prisoners by two dollars a day. “That doesn’t sound like much,” Haire said, “but you take, say 300 prisoners, and that’s \$600 a day. Multiply that by 365 days a year and it’s almost a quarter-million.”

(Osborne says that since he took office in January 2003, the center has never had more than about 275 out-of-county Kentucky inmates. “That’s actually good for us. Each Indiana inmate earns us a lot more.”)

COST OF MEDICINES. Daviess County also found itself stuck with a bill for psychotropic drugs prescribed for prisoners with psychiatric problems. It is now appealing to the Kentucky Supreme Court a lawsuit that it lost in Franklin Circuit Court. The lower court decided that costs of these medicines -- unlike other medication -- were not the state’s responsibility.



Loss of juveniles. A major blow came in November 2001 when the state moved all of the center’s juveniles to a facility in Bowling Green... (this) cost the center more than half a million dollars in annual revenue.

No local official could say how much money is at issue, but Osborne guessed “hundreds of thousands.” Though Daviess County is the plaintiff, the Kentucky Jailers Association is providing legal counsel, since the court’s decision will likely affect all counties.

How we got here

The federal allegations and the findings of the local task force made prompt improvement of the jail imperative.

Local leaders gave some consideration to three options:

1. **Doing away with the jail and paying other counties to house Daviess County prisoners.** Aside from the transportation costs and inconvenience to local law enforcement and court officials, the shortage of jail space throughout the state made this implausible.

2. **Building a jail with just enough capacity to meet the county’s needs.** Current trends everywhere showed increasing rates of incarceration, so prudence dictated that any new facility needed some “room to grow.” Under this scenario, as with the first option, Daviess County taxpayers would bear the entire cost.

3. **Building a much larger jail and using the extra cells to house inmates for other government agencies, thus generating income for the county.** Though unable to make commitments, state officials cited figures showing Kentucky’s inmate population trending upward about seven percent per year. Their long-term plans to build their own juvenile facility in this area and reassume physical custody themselves were nowhere near execution, they said. Taylor estimated that to be 10 to 20 years in the future. The supply of income-producing prisoners seemed stable enough to cover the cost of the new building.

Haire insists that the Fiscal Court proceeded, at every step, with due diligence, before building a larger jail.

“We hired a consulting firm to do a feasibility study. We went to New York and got exceptionally favorable financing. It’s just that we’re in the same bind as a lot of other counties. That’s why 70 other Kentucky counties have an occupational tax.”

The county would be in much worse shape if it had taken any other option, Haire said. “Then we would be talking a shortage of \$3 to 4 million a year” instead of \$1 million, he said.

Where we stand

As of mid-August, the jail housed 634 inmates in the 588-bed facility. Of these, only 242 were Daviess County (“non-paying”) prisoners. Two hundred fifty-five were from elsewhere in Kentucky and 115 were from Indiana.

Last month, Osborne reported to county commissioners 13 steps he’s taken to reduce medical costs as well as 14 other cost-cutting measures.

Many of these, such as using newspaper instead of paper towels to clean windows, result in trivial savings. Others, however, are making a big difference.

For instance, Osborne changed pharmacies and, with the help of a quality assurance committee, adopted a “formulary,” or list of approved medicines similar to those used by many HMOs and the federal Veterans Administration.

“That cut our costs from \$40,000 a month in December 2002, when we had less than 500 prisoners, to \$11,000 now with over 600 inmates,” he reported.

Despite the cost cutting, the fully occupied detention center is likely to need close to \$1 million a year of county funds for the foreseeable future.

“The big thing,” Osborne says, “was when we lost the juveniles. That really hurt us.”

What to do?

The county commission is now considering a revised version of Haire’s proposal. If adopted, officials would cover the center’s deficit for this fiscal year from the county’s emergency surplus account and delay the tax increase until July 1 of next year.

At that time, an occupational tax of 50 cents for every \$100 of wages and profits exceeding \$5,000 for people working in the county outside of Owensboro as of July 1, 2005 would take effect. Property taxes would not change.

This version had its first public reading before the commission on August 19. The commissioners will not vote on it until after the third reading and it is not clear what they will decide.

“We’re in the same bind as a lot of other counties. That’s why 70 other Kentucky counties have an occupational tax.”

– Reid Haire, Judge-Executive

“There has to be an additional source of revenue because we’ve lost revenue” said County Commissioner Bruce Kunze.

“We could absorb this loss for two or

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Kids With Adult Problems:

Pressures from Home Impede School Performance

by Steve Rocco

Kids With Adult Problems

The last time her mother got pregnant, Lena was angry—already this 11-year-old Foust Elementary School student was caring for three brothers and sisters. One more would mean even less time for homework, much less extracurricular activities or fun with friends.

“She doesn’t do what most kids do at home,” said Heather Thomas, a counselor at Foust (Lena’s name has been changed to protect her privacy).

Yet Lena is among many children enrolled in both public and private Owensboro-Daviess County schools whose home lives make it a struggle to achieve academically.

The cost to the community is high. Thirty percent of Daviess Countians are functionally illiterate, meaning they can’t balance a checkbook, pass a driver’s test – or help supply the skilled workforce the county needs to attract employers.

“We have students who come to school worrying about adult problems such as, ‘Where will I stay tonight?’ and ‘What will I eat?’” said Thomas’ colleague Gaila Taylor, the home-school coordinator at Foust.

Thomas and others pointed out that most parents do everything they can to help their children succeed. Yet some don’t have the money, time or emotional skills to give their children what they need.

Of course schools have developed programs and approaches for children who don’t get enough parental support. Like other Kentucky schools with high poverty rates among students, Foust has a family-resource center which reaches out through programs such as Fathers Matter.

Foust also has a mentoring program for at-risk students, and some teachers make home visits in hopes of developing working partnerships with parents.

Yet some obstacles seem almost insurmountable. About a third of Foust’s students moved into or out of the school last year, some more than once.

The reasons are often economic: “Parents lost their leases on their apartments,” Taylor explained. “Some parents have no automobile and move so they can walk to work.”

Other obstacles

At the same time, family finances are only one obstacle to student success. Illegal drugs are typically a tempting diversion for teenagers, yet some students don’t have adult supervision in the evening because of their parents’ work schedules while others are coping with the emotional effects of their parents’ divorce, said Owensboro Catholic High School crisis counselor Bev Howard.

And in a few cases, “parents have given kids drugs,” Howard said. “You report it (to social services workers), it’s checked out, then it starts all over again.”

Owensboro Catholic started a Smart Par-



More obstacles. Some students’ focus on learning is diverted by illegal drug use. While some students get the drugs on their own, in a few cases, parents have given drugs to their kids.

ents program initiated by Steve Winkler of the Boys & Girls Club. The idea is to give parents more information and support on issues such as drugs and sex. But the school also reaches out directly to students, Howard said.

“We have to deal with the emotional issues before we can deal with the academic issues.”

– Bev Howard, OCHS Crisis Counselor

“We have to deal with the emotional issues before we can deal with the academic issues. Once the problem is out in the open, typically I can give the kids coping skills. I can empower kids to deal with their problems. This is one of the advantages of having the kids at school.”

Still, some problems are beyond the schools’ capability. Students with serious drug or emotional problems may be treated at RiverValley Behavioral Health, where they also can attend high school. Those who have dropped out of school may choose to get work skills or their GED through programs such as STEP, developed at Daymar College and funded in part through the Green River Area Development District.

No program can eradicate all the barriers to learning. Even though older students can attend the STEP program free of charge, they still have to walk several blocks from where city bus service ends to get to school. And at least a third of the students are working 30 hours a week, making it difficult to find time for studies, said STEP teacher Paddy Miller.

On the other hand, Miller and others said they’re inspired by the effort struggling students make to get past the barriers in their backgrounds. “They’re good kids,” Miller said. “They’re not stupid. They have missed out somewhere. There are very few who cannot progress.” ■

SHOULD THE Library Board HAVE THE Authority TO LEVY Taxes?



Opponents of the proposal to build a new Daviess County Public Library say it's not about the value of the library or the latest tax increase proposal, but the authority of a non-elected body to levy taxes. Library supporters say it's about keeping politics out of this vital community institution. To help readers come to judgment, we set forth the case each side offers.

Former County Commissioner Gary Boswell is leading an effort to recall a 1.0 cent tax increase (\$10 annually on a \$100,000 house) proposed by the Daviess County Library Board of Trustees to fund a new \$14-15 million public library on Frederica Street near Owensboro High School. (This increase follows another 1.5 cent increase in 2003.) The increase will fund construction, not past or continuing operations.

The library trustees, along with other non-elected bodies, have the

authority to tax. In addition, some non-elected bodies establish rates and fees for water, electric, sewers, and more.

Should non-elected citizens have such authority, or should only elected officials, or citizens appointed directly by elected officials, have the power to impose taxes or fees? More specifically, should the library trustees have the authority to increase the tax they recently approved for a new public library?

BACKGROUND

In Owensboro-Daviess County, elected officials (city and county governments, city and county school boards) have the authority to levy taxes. But so do the governing boards of the following tax districts:

- Daviess County Public Library
- Daviess County Agricultural Extension
- Daviess County Board of Health
- Owensboro-Daviess County Tourist Commission

These tax districts are allowed by state law. The Daviess County Library District was established in 1995 by the Daviess County Fiscal Court. Prior to the formation of the tax district, our public library was funded jointly by city and county government. At that time, many people felt that city taxpayers paid a disproportionate share of taxes for the library, while county residents who worked in the city countered about having to pay an occupational tax.

When the library tax district was established, city and county governments no

longer had to fund the library or debate the fairness issue; the cost was picked up by the tax district and all city and county property owners paid the same rate.

When the library tax district was established, the initial property tax rate established by the Daviess County Fiscal Court was 4.0 cents per \$100,000 assessed valuation. If the County had not established the tax district, but chosen instead to establish a library funded by county government, by law the tax rate could not have been less than 5.0 cents. Consequently, the Daviess County library tax district was established with a funding rate which was 20 percent below the minimum funding for county libraries.

The board members of the Daviess County Public Library tax district are appointed by the Daviess County Judge-Executive, but only from names submitted by the existing library board (two persons for every position available) that are also approved by the Kentucky Department of Library and Archives.

The library appointment process is similar to that of the Daviess County Board of Health, another tax district. The health department's board is appointed by the state Commissioner of Health from recommendations of the local board. The Mayor of Owensboro and the Daviess County Judge-Executive (directly or through an appointed representative) serve as ex-officio voting members, but they do not appoint or approve the members.

There is nothing to preclude the County Judge-Executive (or anyone else for that matter) from suggesting potential candidates to the Library Board. In the past year, that has not occurred.

There are 104 other public library tax districts in Kentucky that appoint members the same way they are appointed in Daviess County. Five of the ten most populous counties in Kentucky fund their public libraries through a tax district; the others are funded directly through city and/or county government.

OPTIONS, COSTS & CONSEQUENCES

DISBAND THE LIBRARY BOARD AND TAX DISTRICT AND LET COUNTY GOVERNMENT (OR THE CITY AND COUNTY) FUND THE LIBRARY DIRECTLY:

This option would eliminate any problem with accountability and the limited appointment power of the Daviess County Judge-Executive. But just to sustain current library funding levels, the County (or the City and County) would be forced to levy taxes to generate the \$2 million per year required now for management and maintenance of the library. Any land acquisition, renovation, expansion, new building or parking construction would require an even greater tax increase.

City leaders would likely reject a library funding partnership comparable to the previous one since many city residents believe they were double-taxed by both governmental bodies. Since elected officials change routinely, library funding would be less predictable, complicating long-term planning. Library funding could be subject to recurring political influence.

ALLOW THE LIBRARY BOARD TO CONTINUE TO ACT AS A LEGAL ENTITY WITH TAXING AUTHORITY:

By keeping the library district as it is, the public (and county government officials) place faith in citizen volunteers who have nothing to gain personally from the appointment to the library board. It delegates to the library board the responsibility of developing a funding mechanism for the library and relieves local government of the direct taxing burden and day-to-day management of the library.

State law allows citizens to petition for a recall of tax increases more than four percent, and county government can disband the library district and take over the library if it chooses.



The Daviess County Library Trustees

From left (front): Frank Brancato, Chair; Ellen Dugan-Barrette; (back) Steve Divine; Stuart Augenstein; Larry Miller.

Seeing Both Sides:

Opposition & Support of the Authority of the Library Board

THOSE WHO OPPOSE

Because the library board controls the nominees submitted to the County Judge-Executive, it essentially controls the direction and actions of the board. It can nominate people with a certain philosophy toward taxation that is inconsistent with community standards. The board can raise taxes and there is nothing the community or elected officials can do, short of a recall. It is taxation without representation.

Library leaders say that they do not project another tax increase in the foreseeable future. But if this latest increase is not recalled, library taxes will have been raised 61 percent (from 4.1 cents to 6.6 cents) since 2003. The increase may not be considered significant to many property owners, but when will it end? What if they raise taxes again in a few years?

By law, any taxing authority that increases property taxes by more than 4 percent is subject to recall. In the last increase alone, the library board increased its property tax rate by 18 percent.

Bureaucratic hurdles and unrealistic deadlines make the recall process cumbersome and impractical. These obstacles were inserted into state law through the influence of the library lobby.

With most organizations that set rates and fees, such as OMU, board members are appointed directly by elected officials and rate increases must be approved by the city commission. If the public is unhappy about the actions of these boards, elected officials are held accountable and can step in and take action to remove or replace members.

Politics can creep into the process of annual city-county agency funding allocations, but that is the price to pay for a more democratic process.

THOSE WHO SUPPORT

Tax districts make sense when key public institutions, like the library, need a predictable revenue stream for planning and long-term financing purposes. Otherwise agencies must make a case to city and county government each budget cycle. When they do not know how much they will have from year-to-year, multi-year programs and plans for facility expansions cannot proceed responsibly.

There are organizations that must make a case to the City and County each year, but these are generally private, nonprofit agencies that have other sources of funds. The library is public, like our schools.

Moreover, agency allocations are not just awarded on merit. Groups that know how to court elected officials effectively often do better than others, and board members who contributed to winning local campaigns may have an edge when making a request on behalf of an organization they represent. Our public library should not have to play those games; politics should be kept out of it.

When the library tax district was established, the funding formula was adjusted so that city residents were no longer double-taxed. Reverting to the previous system will likely lead to more city-county squabbles and claims of unfair taxation.

Library trustees are indeed accountable. They are volunteers who have been examining strategic options for the library for several years. Library board meetings have been and are open to the public. The public is allowed to speak at every meeting and library trustees can be approached individually outside of meetings.

There is little difference in the board appointment process of the public library and the health department. In 2001, to finance its new headquarters, the Daviess County Board of Health raised its property tax rate from 2.5 cents to 3.5 cents (a 40 percent increase) without controversy or threats of recall.

The library board is unable to voluntarily place the tax increase on the ballot unless there is a successful recall petition.

Framing the Issue: Library Board Authority

SHARE VIEWS

Daviess County Fiscal Court
County Judge-Executive Judge Reid Haire
 P.O. Box 1716
 Owensboro, Kentucky 42302
 270/685-8424 rhaire@daviessky.org

Commissioner Bruce Kunze
 524 Ben Ford Road
 Utica, Kentucky 42376
 270/733-4175 bkunze1@aol.com or
 bkunze@daviessky.org

Commissioner Jim Lambert
 1650 Copper Creek Drive
 Owensboro, Kentucky 42303
 270/685-2137 jlambert@daviessky.org

Commissioner Mike Riney
 9429 State Route 56
 Owensboro, Kentucky 42301
 270/229-0210 mriney@daviessky.org

Daviess County Public Library Trustees

Frank Brancato, President
 Bamberger & Abshier
 P.O. Box 1676
 Owensboro, Kentucky 42302
 270/926-4545
 fbran@mindspring.com

Stuart Augenstein, Treasurer
 4064 Foxtail
 Owensboro, Kentucky 42303
 270/686-3097
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 270/686-4502
 larry.miller@kctcs.edu

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 270/685-3131
 ellend@brescia.edu

Stephen Divine
 3913 Greenfield Lane
 Owensboro, Kentucky 42301
 270/688-3557
 stevekwc@aol.com

TO LEARN MORE

Daviess County Public Library
 450 Griffith Avenue
 Owensboro, Kentucky 42301
 270/684-0211
 www.dcipl.org
 Contact: Deborah Mesplay: dmesplay@dcpl.lib.ky.us

Kentucky Department of Libraries and Archives

300 Coffee Tree Road
 Frankfort, Kentucky 40601
 502/564-8300
 www.kdla.net
 Contacts: Jim Nelson, State Librarian

Citizens for Tax Fairness
 c/o Gary Boswell
 3993 Pleasant Valley Road
 Owensboro, Kentucky 42303
 270/281-0259

GET INVOLVED

Friends of the Library
 Marian Bennett, President
 216 West 27th Street
 Owensboro, Kentucky 42303
 270/684-3955
 donb@omuonline.net

Daviess County Public Library Foundation
 Cindra Stiff, President
 3000 Frederica Street
 Owensboro, Kentucky 42301
 270/926-3111
 cindrast@kwc.edu

Citizens for Tax Fairness
 c/o Gary Boswell
 3993 Pleasant Valley Road
 Owensboro, Kentucky 42303
 270/281-0259

COMPARATIVE STATISTICS

LIBRARY REAL ESTATE TAX COMPARISONS

(10 most populous Kentucky counties)

Per \$100 Assessed Value

Boone County	7.2 cents
Kenton County	6.9
Campbell County	6.3
Daviess County	5.6
Madison County	3.4
Christian County	not a tax district
Fayette County	not a tax district
Hardin County	not a tax district
Jefferson County	not a tax district
Warren County	not a tax district

LIBRARY TOTAL INCOME COMPARISONS

(10 most populous Kentucky counties)

Income Per Capita

Boone County	\$81.48
Kenton County	41.86
Fayette County	38.80
Campbell County	25.78
Warren County	24.60
Jefferson County	23.99
Daviess County	20.85
Madison County	14.27
Hardin County	7.47
Christian County	7.08

Note: The national average is \$33.64 per capita.

LIBRARY COLLECTIONS COMPARISONS

(10 most populous Kentucky counties)

Books Per Capita

Boone County	2.68
Kenton County	2.67
Fayette County	2.18
Daviess County	1.97
Jefferson County	1.82
Campbell County	1.78
Warren County	1.44
Christian County	1.23
Madison County	1.22
Hardin County	.86

Note: The national average is 3.2 books per capita.

REAL ESTATE TAX COMPARISON

Daviess County Taxing Entities

(on a \$100,000 house)

Owensboro Public Schools	\$701
Daviess County Public Schools	525
City of Owensboro	261
Daviess County	130
Daviess County Public Library	56
Daviess County Health Department	35
Agricultural Extension	9

2002-2003 CITY-COUNTY FUNDING

Public Protection	\$17,107,398
Parks and Recreation	5,133,635
Public Library	2,110,701



Citizens Speak: LEADERS RESPOND

Citizen input leads to revisions in county tax proposal

Following a series of public hearings throughout Daviess County and extensive discussions during recent meetings of the Daviess County Fiscal Court, Judge-Executive Reid Haire proposed revisions in his initial proposal to establish county wide occupational and net profits taxes. A second reading occurred on September 2 and was adopted; the taxes will take effect on July 1, 2005.

According to Judge Haire, the taxes are necessary to avert a financial crisis for county government that would otherwise occur within

three years. Financial problems for the County have been caused by increased demand for services, detention center costs, an aging population that receives tax breaks, declining coal severance taxes, reduction in transportation reimbursements, unfunded mandates, and the negative outflow of state tax dollars to other areas of the state.

As an alternative, fiscal court considered (and some citizens urged) a dramatic cut in county government services.

A COMPARISON OF THE CHANGES

	Previous Proposal	Revised Proposal
Occupational Tax	.5 percent*	.5 percent*
Net Profits Tax	.5 percent**	.5 percent**
Property Tax	11.5 cents***	13 cents (current rate)****
Fire Dues	Eliminated for commercial and unimproved land without structures	Residential: \$30 Commercial: \$65 to \$300 Farmland: \$20 to \$65
Exemptions	None	First \$5,000 of income (up to \$10,000 to be considered at a later time)
Incentives	3-year waiver of net profits tax for businesses started after 1/1/05 2 or 3 year refund of occupational tax for those who earn AA or BA degrees	3-year waiver of net profits tax for businesses started after 1/1/05 2 or 3 year refund of occupational tax for those who earn AA or BA degrees

* \$150 per year on a \$30,000 annual income (\$2.88 would be deducted from a weekly paycheck; \$6.25 if paid twice per month), ** A business with a net profit of \$100,000 per year would pay \$500 annually, *** 11.5 cents per \$100 of valuation (\$115 annually on a \$100,000 house), **** 13 cents per \$100 of valuation (\$130 annually on a \$100,000 house)

BUDGET-BUSTING JAIL

continued from page 7

three years out of the county's surplus fund before we did something, but that wouldn't be responsible."

Of the approximately 50 citizens who showed up at the commission meeting for the first reading, about half favored a tax increase. Most seemed eager to retain funding for other programs like the RiverPark Center and Boulware Mission that would be hit hard by Haire's proposed cuts.

Of those opposed, several suggested other taxing plans they considered fairer. Some opposed any increase and insisted that commissioners find ways to cut spending.

County officials have decided to deal with the center's deficit for this fiscal year

by covering it from the county's emergency surplus account and delaying a tax increase until next year.

According to Haire, among the cuts that would be required if no additional source of revenue is found are:

1. \$43,990 from county government including \$25,000 from Fiscal Court budget, \$3,000 from the parks department and \$4,000 from the emergency management agency.
2. \$25,000 from the Owensboro Planning Commission budget
3. Elimination of funding for:
Rape Victim Services
Free Clinic of Owensboro

OASIS

Boulware Mission
Tradewater/Lower Green River Watershed Watch
Both Owensboro museums and all arts funding
Soil Conservation Service
Skills, Inc.
Senior services such as the Elizabeth Munday Center and RSVP

Although no cuts would be made in the sheriff's department, no new deputies could be hired, Haire said. ■

Note: This story was filed prior to the proposed changes in the occupational tax. See summary above.



SEPTEMBER/OCTOBER Public AGENDA

Meetings, hearings, and forums open to the public. Please contact us if your organization would like its events listed by calling 685-2652 or sending an email to info@plfo.org. (Meetings are subject to change.)

SEPTEMBER

- 1 Rotary Club**
12:00 p.m.
Owensboro County Club
Program: Chalmers Haas, Owensboro Symphony Orchestra
- 2 Chamber of Commerce "Rooster Booster Breakfast"**
7:30 a.m.
Executive Inn, International Room A
Speaker: Anne Cairns Federlein, Ph.D., KWC President
- Daviess County Fiscal Court**
4:00 p.m.
Court House
- Citizens Health Care Advocates (CHCA) Board**
4:30 p.m.
Location: Public Life Foundation Conference Room
- Owensboro Metropolitan Board of Adjustment**
6:00 p.m.
City Hall
- 7 Owensboro Board of Education Luncheon**
12:00 p.m. (contact: Maxine Walker 686-1000)
Estes Elementary
1675 Leitchfield Road
- Owensboro City Commission**
5:00 p.m.
City Hall
Special guests: Southern Little League Team Players
- 8 Rotary Club**
12:00 p.m.
Owensboro Country Club
Program: Nancy Fuqua, American Red Cross
- 9 Citizens Health Care Advocates (CHCA)**
5:30 p.m.
GRDHD - Bedford Walker Community Room
1501 Breckenridge Street
Program: Panel Guests Discuss Substance Abuse Issues/Recovery
- Owensboro Metropolitan Planning Commission**
6:00 p.m.
City Hall
- 14 Clean Indoor Air Taskforce**
11:30 a.m.
Green River District Health Department

Historical Preservation Board
5:00 p.m.
City Hall
Guest: Marty Perry, Kentucky Heritage Council

Green River Health Council
9:00 a.m.
GRADD

Daviess County Board of Education Luncheon
11:45 a.m.
Meadow Lands Elementary School
3500 Hayden Road

Owensboro Board of Education Luncheon
12:00 p.m.
Foust Elementary School (contact: Maxine Walker 686-1000)
601 Foust Avenue

15 Rotary Club
12:00 noon
Owensboro County Club
Program: Cheryl King, Council on Postsecondary Education

Daviess County Public Library Board
5:00 p.m.
Library

16 Daviess County Fiscal Court
4:00 p.m.
Court House

Daviess County Board of Education
6:00 p.m.
1622 Southeastern Parkway

PRIDE General Meeting
5:00 p.m.
Campbell Club
Program: Pam Miller, former Mayor of Lexington

Owensboro Utility Commission Board
4:00 p.m.
OMU, 2070 Tamarack Road

20 Owensboro Daviess County Regional Airport
4:30 p.m.
Airport Boardroom

21 Owensboro Board of Education Luncheon
12:00 p.m.
Central Office (Contact: Maxine Walker 686-1000)
1335 W. 11th Street

Owensboro City Commission
5:00 p.m.
City Hall

Owensboro Daviess County Tourist Commission
7:45 a.m.
215 East Second Street

22 Rotary Club
12:00 p.m.
Owensboro Country Club
Program: Dr. Jeff Barber, OMHS

23 Owensboro Board of Education
4:30 p.m.
1335 W. 11th Street

Owensboro Housing Authority
11:30 a.m.
2161 E. 19th Street

24 Owensboro Riverport Authority
12:00 p.m.
1771 River Road

28 Clean Indoor Air Taskforce
11:30 a.m.
Green River District Health Department

Owensboro Board of Education Luncheon
12:00 p.m.
Newton Parrish (Contact: Maxine Walker 686-1000)
510 Byers Avenue

PRIDE Workshop
5:00 p.m.
Speaker: Morgan C. McIlwain
Location: Texas Gas Transmission, 3800 Frederica Street., Conference Room 370.

Girls Incorporated Board of Trustees
5:30 p.m.
2130-G East 19th Street

29 Rotary Club
12:00 p.m.
Owensboro Country Club
Program: Dr. Steve Henry

Tobacco Control Coalition, Green River District
11:30 a.m.
Green River District Health Department

OCTOBER

5 Green River Area Council on Aging
10:00 a.m.
GRADD

6 Rotary Club
12:00 p.m.
Owensboro Country Club
Program: Bob Boudreau, District Governor



Citizen Action UPDATE

The Public Life Foundation promotes broad and meaningful citizen participation in community decision making and public policy. Grass roots action is a reflection of an informed, engaged, empowered citizenry. We welcome updates from all citizen initiatives, whether an established organization or an ad hoc group. Contact us at 685-2652 or info@plfo.org.

Maceo Concerned Citizens

Patsy Hawes Gordon

10038 Kelly Cemetery Road, Maceo, KY
42355

- working on the cleanup and beneficial redevelopment of a former hazardous waste disposal site in east Daviess County

Owensboro Area World Affairs Council

Rodney Berry

rodney.berry@plfo.org

- sponsored presentation by Witness for Peace activist Lorena Parker at Kentucky Wesleyan College: "Plan Columbia: Throwing Gasoline on the Fire"
- developing by-laws and will soon name its first group of officers and board of directors
- developing the 2004-05 series of programs

PRIDE

Susie Tyler, President

grand.view@adelphia.net

- completed successful membership drive (550 members)
- PRIDE delegation attended a seminar on design and community appearance
- met with architects of proposed public library, Wal-Mart, Fifth-Third Bank, and OMHS Cancer Center
- held a work session to review riverfront plans and establish goals for Veteran's Boulevard development
- held a work session to solicit ideas for enhancing the new community entrance from the Natcher Bridge and west Parrish Avenue from the airport
- conducting historic home tours as a fundraiser

Unity Coalition

- sponsored presentation by activist Carlos Earhart: "Challenges Facing the Latino Community"
- developing by-laws and will soon name its first group of officers and board of directors
- developing the 2004-05 series of programs

The Citizens Committee on Education

Marianne Smith Edge, Co-Chair

msedge@smithedge.com

- produced a 30-day campaign to inform citizens of the impact of proposed state education budget cuts on local schools
- released a study that examined financial and student population trends resulting from a landlocked city school district; facilitating city-county dialogue
- launching "The Learning Community," a program to instill a higher value of education and lifelong learning into the fabric of community life
- developing a community higher education plan that will integrate and transcend the individual strategic plans of our local colleges and universities – interview and survey phase underway

Citizens Health Care Advocates

Dale Taylor, Chair

dalet@wwwv.com

- sponsored forums diet plans, tobacco excise tax, and cuts in the midwife program
- recognized Dr. Andrew Ward for the R.C. Neblett Service Award
- supporting efforts to expand health care services for the uninsured and underinsured residents of our area
- will soon launch a CHCA newsletter

Goodfellows Club

Barry Carden, President

bcarden@messenger-inquirer.com

- contributing approximately \$100,000 annually for clothing, coats, shoes, and emergency assistance for disadvantaged youth
- planning the annual Goodfellows Club Christmas Eve party
- supporting dental sealant program for disadvantaged youth
- held a successful benefit tennis tournament
- conducting back-to-school fundraising campaign

ABOUT THE PUBLICATION

The *Public Life Advocate*, published monthly, is committed to be a trusted resource of information and analysis of public concerns and community issues. The *Advocate* is a community-driven publication, grounded in a commitment to be "of the people, by the people, and for the people."

ABOUT THE FOUNDATION

The Public Life Foundation of Owensboro, Inc. is a private, nonpartisan, nonprofit 501(c) operating foundation (not a grant-making entity) founded in 1996 by John and Marjorie Hager. Mr. Hager is the former owner, editor, and publisher of the Owensboro Messenger-Inquirer.

The foundation fosters broad, meaningful citizen participation in community decisions and public policy. We believe that open, accessible, and trustful institutions are essential to an enlightened and engaged citizenry and the democratic process.

Foundation activities are driven by the importance that people attach to issues. We are committed to the people's agenda. To assist citizens in solving problems and seizing opportunities, we facilitate a process of information > deliberation > action.



*"I know of no safe
depository of the ultimate
powers of society but the
people themselves; and if
we think them not
enlightened enough to
exercise their control with
a wholesome discretion,
the remedy is not to take
it from them, but to inform
their discretion by education."*

Thomas Jefferson