

GUEST OPINION BY COMMISSIONER RAY JUDAH
LEE COUNTY BUDGET

9-10-07

Prior to the Lee County Board of Commissioners first public hearing on the County budget for fiscal year 2007-08, the Lee County Republican Party Golden Goose watchdog group sent a mailer to a select group of active republican voters suggesting that the County had a bloated budget with \$1.3 billion in cash reserves.

In reality, Lee County has \$57 million in unrestricted cash reserves which is 17% of the operating budget. Professional finance and accounting organizations recommend unrestricted reserves of 15-25% of expenditures to cover unanticipated events such as emergencies, impacts of economic changes and avoidance of debt. Lee County spent \$40 million in response to Hurricane Charlie in 2004.

The majority of the \$1.3 billion is encumbered for capital projects such as the Sanibel causeway, expansion of the Waste-to-Energy Facility, construction of new jail facilities and courtrooms as required by Federal Court order, roads and a new regional library. Those designated funds are invested in an interest bearing account and are drawn down once the projects are production ready.

The Lee County General Fund represents approximately 28% of the total tax bill along with a variety of other taxing districts such as the Lee County School Board, Fire Districts, Lee County Mosquito Control, and the South Florida Water Management District. The School Board represents approximately 45% of the total tax bill, but the State of Florida's extremely low ranking (approximately 45th out of 50 states) in per capita spending per student, places tremendous financial pressure on our local school board struggling to keep pace with skyrocketing student enrollment.

A real travesty is the \$53 million the Lee County taxpayer contributes to the South Florida Water Management District where the funds are primarily spent to operate the water management

system in the sugar cane fields in the Everglades Agricultural Area between Lake Okeechobee and the Everglades.

Lee County's return on such a huge expenditure is polluted water that is back pumped from the sugar cane fields into Lake Okeechobee and discharged into the Caloosahatchee and our coastal bays and estuaries.

Despite accounting for less than one-third of the total tax bill, Lee County instituted deep cuts in eliminating more than \$100 million from the budget - \$25 million in county departments; \$9 million constitucionals (including \$6.7 million Sheriff); \$9 million major maintenance; and \$62 million capital projects.

Our local community needs to direct attention to the State Legislature for meaningful tax relief. The latest tax reform effort by the State Legislature is a colossal failure in providing limited relief to commercial businesses and non-homestead residents.

The State Legislature shows a penchant for balancing the state budget on the backs of local tax payers. In fact in Health and Human Services such as Medicaid and mental health, the state imposes approximately \$320 million in unfunded mandates on counties state wide.

State mandated programs in Human Services and court related programs in Lee County total \$36 million and constitutes approximately 8% of local ad valorem taxes.

Florida is a no income tax state and relies heavily on property and sales tax to provide services and infrastructure for the fourth most populous state in our nation. Unfortunately, over the years the State Legislature has granted sales tax exemptions to over 300 business and organizations totaling \$25 billion annually. In fact the state exempts far more than it collects in sales taxes.

Medicine, food and rent should remain exempt, but the State legislature should make a concerted effort to remove sales tax exemptions as a way to provide property tax relief and sufficient funding for such essential services as health care, human services, education and law enforcement.