



Where does the \$56M Budget Increase Go?

Did you know that the County budget is growing by \$56M this year? Most of the attention has been on the ad-valorem amount (property taxes) decreasing, but the \$107M in federal stimulus money is flooding the system (in the first quarter alone: [CLICK HERE](#)), causing the county to hire new staff and grow the overall appropriations by \$56M. What happens to our budget when the stimulus ends??

First, here's the budget at a glance:

Grand Total BCC Departments/Agencies, Judicial and Constitutional Officers				
	2010	2011	Change	%
Revenues	1,061,922,162	1,170,404,859	108,482,697	10.2%
Appropriations	1,981,557,651	2,037,313,337	55,755,686	2.8%
Net Ad Valorem Requirement	919,635,489	866,908,478	(52,727,011)	(5.7%)
Positions	11,389	11,284	(105)	(0.9%)

Now look at where much of the growth is occurring: (source is 7/6/2010 workshop package)

	2011 Increase	%	Explanation
Community Services	+\$2M	+2.4%	Head Start ARRA Expansion grant - Net +11 positions
Environmental Resource Mgt	+\$8M	+16%	??
Housing and Comm. Development	+\$48M	+61%	\$58M "Neighborhood stabilization grant" - net +8 positions
Palm Tran	+\$10M	+8.5%	increase in federal grants
Economic Development	+\$9M	+42.8%	Block grants
Fire Rescue	+\$14M	+4%	increase in compensation - salary and pension from union contract
Tourist Development	+\$3M	+7.5%	how spent?
Water Utilities	+\$7M	+6.3%	"uncontrollable operating costs" and new services
	+\$101M		

It should be noted that some consider the federal stimulus funds as "free money" - that is, if we didn't get it someone else would. There is truth to that given the current management of the federal government. On a local level, a prudent use of these dollars would be to smooth over the budget shortfall until economic conditions improve. Instead, (possibly because of the rules surrounding the grants), the funds are being used to grow the county budget, even adding staff in some areas that will have to be paid out of local dollars when the stimulus ends. Is that the right thing to do?