

THE REAL IMPACT OF JEA SALE

There are three parties that a sale of JEA would affect; the city government, the school district and JEA customers. Of the three, the customers are the most important. They are tax payers who finance the city government and the schools and who purchase services from JEA. Moreover, they are the Jacksonville voters.

The effect on city government and the school district is of importance to the extent that it affects the taxpayers/JEA customers. Yet, no systematic effort has been made to estimate that impact. This needs to be remedied promptly if any decision on sale is to be based on facts instead of guesswork and emotion.

The basic question then is what impact would a sale have on taxpayers and residents? if the money is used to reduce debt, as it should be, the equation using 2018 as the base year is:

$$\begin{array}{r} \text{Base Year City/School Costs} \\ \text{Minus} \\ \text{JEA Net Sale Effect} \\ \text{Plus} \\ \text{Increased Electrical Rates, if any} \\ \text{Plus} \\ \text{Net Shortfall in City and School Income, if any} \\ \text{Equals} \\ \text{Adjusted Base Year City/School Costs} \\ \text{Minus} \\ \text{Base Year City/School Costs} \\ \text{Equals} \\ \text{Effect on Taxpayer/Residents} \end{array}$$

It would be best if such a study were made under the direction of unbiased supervision. This could be provided by one of the firms that specialize in mergers and acquisitions or, perhaps, by professionals from the economics/business department of Florida State or the University of Florida.

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