



DIANNE JACOB
SUPERVISOR, SECOND DISTRICT
SAN DIEGO COUNTY BOARD OF SUPERVISORS

AGENDA ITEM

DATE: June 14, 2005

TO: Board of Supervisors

SUBJECT: **FUNDING A REGIONAL FIRE PROTECTION AGENCY** (District: All)

SUMMARY:

Overview

The process for dissolving unincorporated fire agencies and forming a new regional fire agency officially began with action by LAFCO on February 7, 2005. In addition, on April 19, 2005 the Board of Supervisors adopted a resolution to initiate proceedings for formation of the successor agency. In order for a consolidation to work, a long-term stable funding source must be secured. LAFCO is currently conducting a macro level report that will provide reorganization scenarios and the cost associated with each scenario. This report, which is expected to be completed in December, should let us know exactly how much additional funding is needed in order for a consolidation to take place.

This action seeks approval in concept to reapportion the school districts' share of property tax dollars collected in San Diego County by no more than 3 cents, and allocate that funding to a newly formed regional fire agency. Basic aid school districts and community college districts would be exempt and revenue limit school districts would be made whole. The cost to the State could range from approximately \$32 million to \$103.9 million.

Recommendation(s)

SUPERVISOR JACOB:

1. Support in concept a reapportionment of the school districts' share of property tax dollars collected in San Diego County by no more than 3 cents, and allocate that funding to a newly formed regional fire agency; exempting basic aid school districts and community college districts, and requiring revenue neutrality for revenue limit school districts. (Attachment A)
2. Direct the Chief Administrative Officer include this funding proposal as County sponsored legislation in the County's legislative program.

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Fiscal Impact

No fiscal impact to the County as a result of this action.

BACKGROUND:

Since December of 2003, the Board of Supervisors, through several actions, have progressively supported and facilitated the consolidation of fire protection and emergency medical services in San Diego County's unincorporated area. Given the existing situation of disparities in staffing, funding, training, facilities and resources, the goal has always been to better protect lives and property by enhancing the region's fire protection system. Considering that 70-80% of the calls for service are for emergency medical incidents, the goal is not limited to just improving fire protection.

Support for consolidating fire protection agencies doesn't end with the Board of Supervisors. The Governor's Blue Ribbon Fire Commission, the S.D. County Fire Chiefs' Association, the S.D. County Grand Jury, the Task Force on Fire Protection and Emergency Medical Services, and the 2003 Fire Siege Review have advocated for reducing jurisdictional lines and enhancing the delivery of fire service. Most importantly, the voters in the unincorporated area overwhelmingly approved Proposition C last November with 81% of the vote. This advisory measure soundly confirmed that unincorporated residents support a consolidated fire protection agency.

The process for dissolving unincorporated fire agencies and forming a new regional fire agency officially began with action by LAFCO on February 7, 2005. In addition, on April 19, 2005 the Board of Supervisors adopted a resolution to initiate proceedings for formation of the successor agency.

Consolidation would include 28 fire protection agencies and 7 volunteer departments that serve 3,572 square miles. Approximately \$49.4 million of the \$57.9 million annual budget for unincorporated fire agencies is from property tax revenue, with the remaining funding coming from \$8.3 million in special assessments and \$200,000 in fundraising by volunteer departments.

In order for a consolidation to work, a long-term stable funding source must be secured. LAFCO is currently conducting a macro level report that will provide reorganization scenarios and the cost associated with each scenario. This report, which is expected to be completed in December, should let us know exactly how much additional funding is needed.

Local property tax revenue is the most appropriate source for the long-term stable funding that is needed to establish a fully functioning fire agency for the entire unincorporated area. San Diego County taxpayers currently pay more of their local property tax dollars to schools in comparison to the majority of other counties and the statewide average. This discrepancy is unfair and at the expense of fire and emergency medical services.

According to the State Board of Equalization, prior to the passage of SB 1096 in 2004, San Diego County was contributing 63 cents out of every property tax dollar to school districts, while the statewide average was 52 cents. Even after the passage of SB 1096, the discrepancy remains.

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In comparison to the average of the 10 largest Counties in California, San Diego County still pays over 9 cents more to schools.

The proposal before the Board of Supervisors today would ask the State to reallocate an appropriate amount, up to 3 cents, of every local property tax dollar San Diegan's are already sending to school districts and re-direct the money to a newly formed regional fire agency. If approved by the State, the reallocation would be phased over 3 years and would not begin until fiscal year 2006/2007 at the earliest. Taking into account the current property tax revenue of fire protection agencies in the unincorporated area and an annual 8% growth in property tax revenue, a reallocation of 1 to 3 cents would result in a total of approximately \$89.5 million to \$178.9 million in funding for a regional fire protection agency. The LAFCO macro report due in December may show that a consolidation would not require the entire 3 cents. That is why the final details of the funding proposal will not be able to be worked out until the LAFCO macro report is completed.

All of the funding would go to a newly formed regional fire protection agency. The County's share and the cities' share of property tax revenue would remain unchanged. This funding proposal would guarantee revenue neutrality to schools. Since basic aid school districts only receive property tax revenue, they would be exempt. In addition, community college districts would be exempt. Although the school districts' share of local property tax revenue could decrease as much as 3 cents, the funding proposal includes the requirement that the State would make up lost revenue to schools.

Today's action would register the County's support for a funding proposal that would substantially improve the delivery of fire protection and emergency medical services in the unincorporated area of San Diego County and for the entire region. I urge your support.

Respectfully submitted,

DIANNE JACOB
Supervisor, Second District

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AGENDA ITEM INFORMATION SHEET

CONCURRENCE(S)

COUNTY COUNSEL REVIEW	<input type="checkbox"/> Yes	
Written Disclosure per County Charter Section 1000.1 Required	<input type="checkbox"/> Yes	<input type="checkbox"/> No
GROUP/AGENCY FINANCE DIRECTOR	<input type="checkbox"/> Yes	<input type="checkbox"/> N/A
CHIEF FINANCIAL OFFICER	<input type="checkbox"/> Yes	<input type="checkbox"/> N/A
Requires Four Votes	<input type="checkbox"/> Yes	<input type="checkbox"/> No
GROUP/AGENCY INFORMATION TECHNOLOGY DIRECTOR	<input type="checkbox"/> Yes	<input type="checkbox"/> N/A
COUNTY TECHNOLOGY OFFICE	<input type="checkbox"/> Yes	<input type="checkbox"/> N/A
DEPARTMENT OF HUMAN RESOURCES	<input type="checkbox"/> Yes	<input type="checkbox"/> N/A

Other Concurrence(s):

ORIGINATING DEPARTMENT: Board of Supervisors, District Two

CONTACT PERSON(S):

Jeff Collins

Name

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Fax

Mail Station

E-mail

Name

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E-mail

AUTHORIZED REPRESENTATIVE: _____

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AGENDA ITEM INFORMATION SHEET
(continued)

PREVIOUS RELEVANT BOARD ACTIONS:

BOARD POLICIES APPLICABLE:

BOARD POLICY STATEMENTS:

CONTRACT NUMBER(S):

SUBJECT: FUNDING A REGIONAL FIRE PROTECTION AGENCY (District: All)

FISCAL IMPACT STATEMENT

DEPARTMENT:

PROGRAM:

PROPOSAL:

FUTURE YEARS ESTIMATED BUDGET OF PROPOSAL IF ADOPTED				
(a)	(b)	(c)	(d)	(e)
Budgeted Amount For Proposal	Proposed Change in Budgeted Amount	Proposed Revised Current Year Budget (a+b)	1st Subsequent Year	2nd Subsequent Year

Direct Cost

Revenue/Other Offset

**NET GENERAL
FUND COST**

Staff Years

Sources of Revenue/Other Offset for Proposed Change and Subsequent Years:

Space-Related Impacts: Will this proposal result in any additional space requirements? Yes N/A

Support/Other Departmental Impacts: Yes N/A

Remarks: Yes N/A