



FAIR SHARE COMMITTEE UPDATE

August 14, 2024



Background

- Based on input from the public regarding the County's share of state and federal resources, the San Bernardino County Board of Supervisors called for a Special Meeting on August 3, 2022, to consider and approve a:
Proposed ordinance relating to placing a measure on the November 8, 2022 ballot to pursue the County's fair share of state and federal resources, up to and including secession.
- On August 9, 2022, the Board adopted Ordinance No. 4442 to place the measure on the November 8, 2022 ballot: *"Do the people of San Bernardino County want San Bernardino County elected representatives to study and advocate for all options to obtain the County's fair share of state funding, up to and including secession from the State of California?"*
- The measure, identified as Measure EE, passed with 50.62% of the votes.

THE FAIR SHARE STUDY

- On August 22, 2023, the board awarded a contract to Blue Sky Consulting Group, LLC for consulting services to provide a comprehensive study on all options to obtain the County's fair share of state and federal resources.
- The initial data analysis began after the contract award on August 22, 2023, and BlueSky delivered preliminary results on December 4, 2023.
- County Finance then reviewed the preliminary results to verify all the areas of focus were addressed. A revised version of the report was presented to the County on June 14.
- Draft Results are summarized as follows and submitted to the Fair Share Committee



Methodology



- To facilitate comparisons across counties, the results in this report are presented in terms of revenue per person or otherwise adjusted (e.g., revenue per road mile or per student).
- In total, the report includes analyses across 26 measures of the amount of intergovernmental revenue received by the County.
- The complete report regarding fair share and secession will be received by the Board at the next available Board meeting.
- This presentation today provides a high-level summary of the consultant's study regarding the amount of revenue San Bernardino County (County) receives from intergovernmental transfers and findings regarding secession.

Summary of Findings

- Across all sources reviewed, over the past three fiscal years, the County has on average received \$66 more in state funding per person than the statewide average (\$829 vs. \$763).
- However, receipt of state and federal homeless and housing funding is disproportionately lower than other counties statewide.



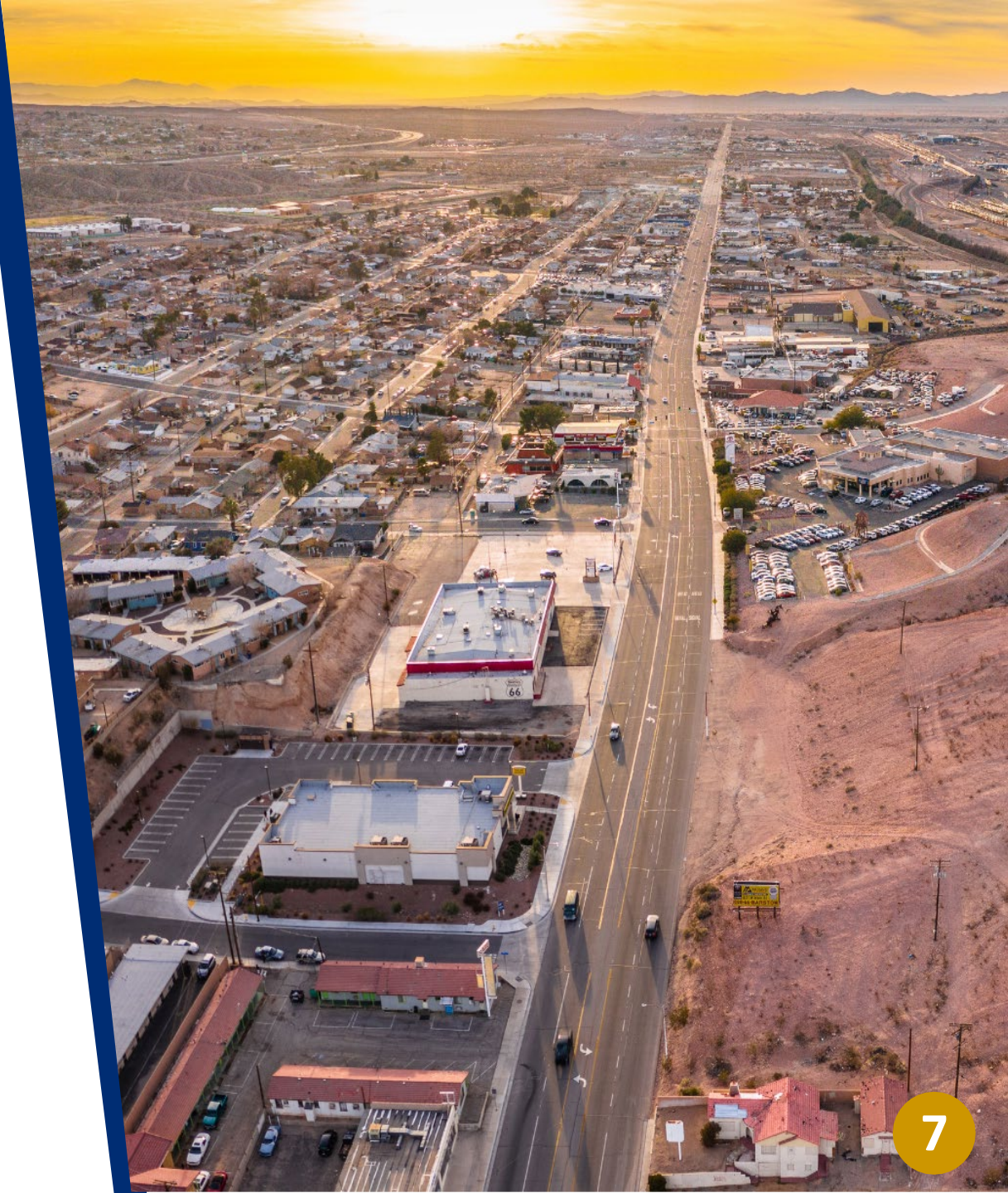
AREAS WHERE COUNTY RECEIVES ITS FAIR SHARE

- **Realignment Funding**
- **Proposition 172 Funding**
- **Social Services Funding**
- **Capital Outlay for Schools**
- **Roads and Highways Funding**



AREAS WHERE COUNTY RECEIVES LESS THAN FAIR SHARE

- **Mental Health Services Act (MHSA) Funding:** San Bernardino receives \$64 per person in MHSA funding, below the statewide average of \$68 per person. The county ranks 39th out of California's 58 counties, highlighting a gap in mental health funding.
- **Homeless Housing and Assistance:** The county has about 2% of the state's homeless population but received only 1.1% of the funding from the state Homeless Housing, Assistance, and Prevention program, indicating a substantial disparity in support for addressing homelessness.
- **Affordable Housing Funding:** San Bernardino ranks 49th in terms of affordable housing units funded by federal tax credits over the past 20 years, which points to a critical underfunding in efforts to increase affordable housing availability.



AREAS WHERE COUNTY RECIEVES LESS THAN FAIR SHARE

- **Judgeships:** The Judicial Council of California's assessment of judicial workloads showed that, as of fiscal year 2023-24, the County required funding for more new judgeships (30) than any other County statewide. The County's unmet need accounted for over 30% of the total unmet across California's 58 counties (98 judgeships).
 - SB 75 (October 2023), which authorized 26 new judgeships statewide, allocated 6 new judgeships to San Bernardino County.





CHALLENGES AND UNLIKELIHOOD OF SECESSION

- The Blue Sky Consulting group found the following regarding secession:

Secession is Rare and Faces Several Political Hurdles

- County approval
- Approval of California Legislature or voters
- Arizona's or Nevada's approval (if applicable)
- Congressional approval
 - In practice, the Senate's approval of an attempted secession would likely require a 60-vote "filibuster-proof" supermajority

Economic and Fiscal Implications

- Tax revenues
- Varying tax structures of neighboring states



NEXT STEPS

- Scheduled for receive and file with the Board on August 20, 2024.
- Planned discussions on potential advocacy and strategy adjustments for areas where County receives less than fair share as identified in this report.



QUESTIONS