

# Fire Sustainability Funding Proposal

## Proposition 218 Matching Funds

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### Purpose:

Provide long-term funding on an annual basis to direct service fire protection districts that have approved and assessed new Proposition 218 benefit assessments for fire protection services. Eligible districts that attempt to pass a Proposition 218 assessment in good faith, including a failed Proposition 218 election, may apply for their allocation of unused funds, subject to Board approval on an annual basis.

### Proposal:

Provide an amount of \$1.5M per fiscal year on an on-going basis, with proposed eligibility as follows:

- Direct service fire protection districts in unincorporated area only (excludes contract districts)
- Exclude Districts currently in a Board approved dissolution process (ex. Elkhorn)
- Must pass and levy a new Proposition 218 benefit assessment to access matching funds
- New Proposition 218 revenues must be equal or greater to County contribution to district, otherwise may be reduced so County contribution does not exceed new revenues generated by District.
- Unused funds during a fiscal year will remain in a fire sustainability contingency fund. These funds may be made available to districts that attempt a Proposition 218 assessment election and fail, subject to Board approval. Unspent funds at the end of the fiscal year shall be returned to the general fund.

### Eligible Uses:

To meet needs of fire districts.

### Accountability Measures:

- Funding to supplement operations, rather than supplant
- County staff to develop performance measures
- Fire districts required to periodically report to County on performance
- Fire districts not meeting performance measures or failing to provide performance reports in a timely manner may have future funds withheld

### Potential Funding Sources:

- A. General Fund.

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Approved by: \_\_\_\_\_

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The general fund will be required to be reduced by a commensurate amount as on-going revenue growth in 2023-24 is insufficient to meet base expenditures of the County and fund this additional commitment. The Board may direct reductions otherwise the County Administrator will need to make budget reductions in the proposed budget by a commensurate amount. Strategies that may be taken are as follows:

- Not contributing to County reserves
- Not maintaining contingencies in accordance with policy levels
- Budgetary reductions to core County operations in various functions such as but not limited to Public Safety, Health and Human Services, Community Services or General Government.

B. Proposition 172 Funds.

Shift \$1.5 million from Proposition 172 funds to Fund this new commitment. The remaining Prop. 172 funds would then continue to be allocated 60% Sheriff, 20% District Attorney, 20% Probation. Each of these agencies would be asked to adjust to the loss of funding. County staff would return to the Board with a resolution to formalize this arrangement.

C. Cannabis Tax Revenues.

Provide Fire Districts with all of the Cannabis Tax revenues until they reach the threshold of \$1.5 million. In certain years, this amount may fall short and the board can determine whether to backfill with other sources or cap its commitment to only the level of cannabis taxes received.

Precise strategies are unidentified at this time.

**Re-evaluation:**

CAO or designee to review funding usage, allocation methodology, at least once every two-year period. Changes to approach will be made in the Board appropriation process.

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