



GROUND  BOUNDLESS

UNINCORPORATED KERN COUNTY PUBLIC SAFETY, VITAL SERVICE, LOCAL CONTROL MEASURE

June 28, 2022

Summary of June 21, 2022 Board Meeting

1. Results of community engagement efforts presented to the Board.
2. Review of County efforts and progress in achieving community priorities.
3. Fiscal challenges facing the County.
4. A recommendation based on community engagement to draft a 1-cent sales tax measure for the Board to consider sending to the voters to consider in November 2022.

Kern County Facts

- Kern County (1 of 58 California counties) is:
 - By geography: **3rd largest** in the State.
 - By unincorporated population: **5th largest** in the State.
 - By total population: **11th largest** in the State.
- Kern County includes 11 cities with a total population of 604,256 (2/3) and a large unincorporated population of 305,557 (1/3).





Kern County Facts

- Kern County is the **12th fastest** growing county in California. Amid an overall exodus from California, **Kern continues to grow.**
- Kern County is the **largest oil** (80%) and **natural gas** (78%) producer in the State, which creates an economy and tax base unique from all other California counties.



Community Engagement 2021-2022

Engagement Efforts:

1. 1st Community-wide needs survey:
July 2021
2. 2nd Community-wide needs survey:
May 2022
3. Community-wide online feedback
form:
Nov. 2021 – ongoing
4. Public budget process
ongoing

Two Countywide Needs Surveys

July 2021

- ✓ Over **800** respondents from across the County including cities and unincorporated areas.
- ✓ Conducted via phone and online.
- ✓ Bilingual (English and Spanish)

May 2022

- ✓ Over **1,000** respondents from across the County including cities and unincorporated areas.
- ✓ Conducted via phone and online.
- ✓ Bilingual (English and Spanish)

Maintaining public safety; retaining and attracting local businesses and jobs; helping address mental health and addiction challenges; and repairing roads are considered among the most important measure priorities.

(Ranked by Extremely/Very Important)

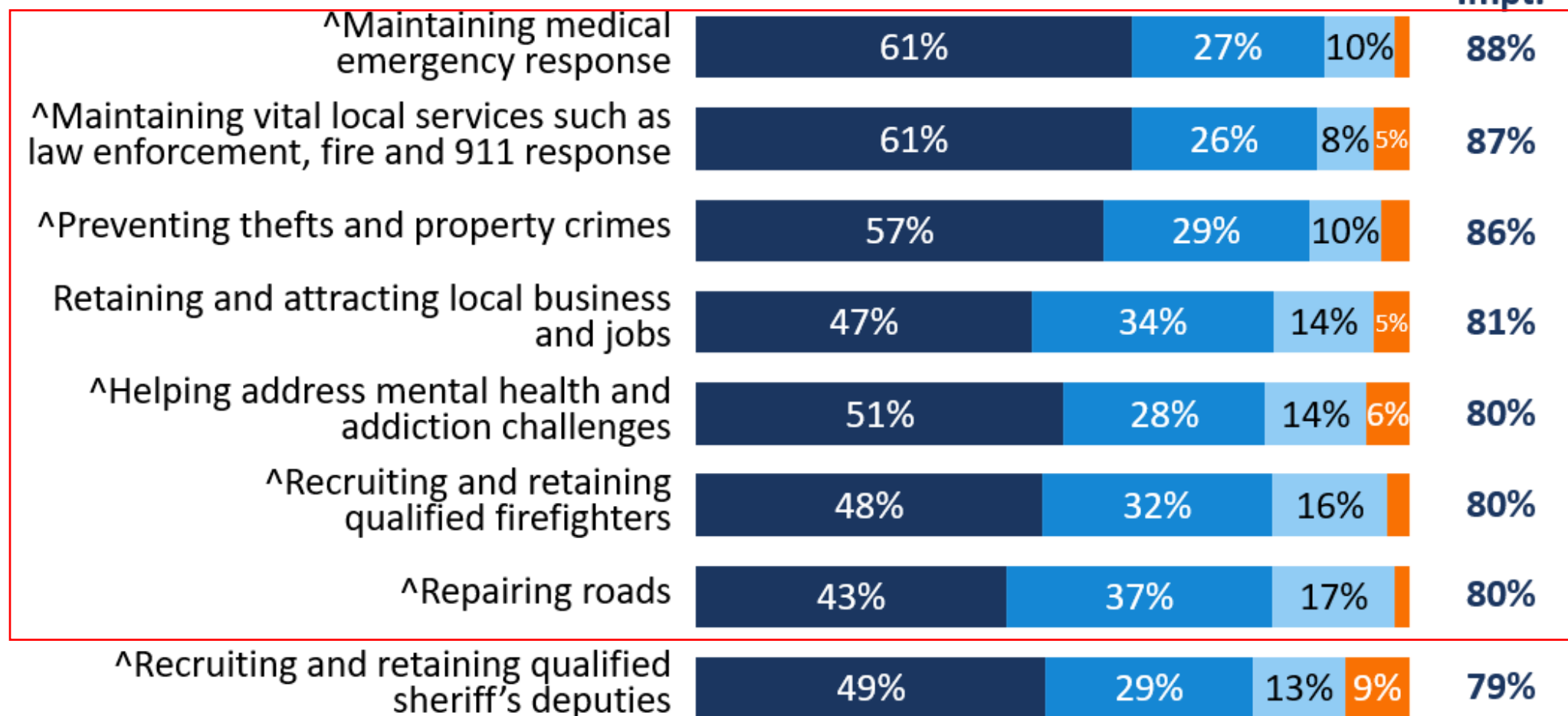
Ext. Impt.

Very Impt.

Smwt. Impt.

Not Too Impt./Don't Know

Ext./Very Impt.



80%+

Countywide Needs Survey – *What We Learned*

■ Ext. Impt.

■ Very Impt.

■ Smwt. Impt.

■ Not Too Impt./Don't Know

**Ext./Very
Impt.**

Improving Sheriff, fire,
and 911 response

53%

25%

16%

6%

78%

Supporting veteran services

48%

30%

17%

5%

78%

^Helping address homelessness

48%

29%

14%

8%

77%

Maintaining anti-gang programs

44%

33%

16%

8%

76%

Preparing for and responding to
natural disasters

41%

35%

18%

6%

76%

Attracting new industries and jobs

45%

29%

19%

7%

74%

Cleaning up litter and trash in
public areas

40%

34%

22%

5%

74%

Cleaning-up illegal dumping

41%

31%

22%

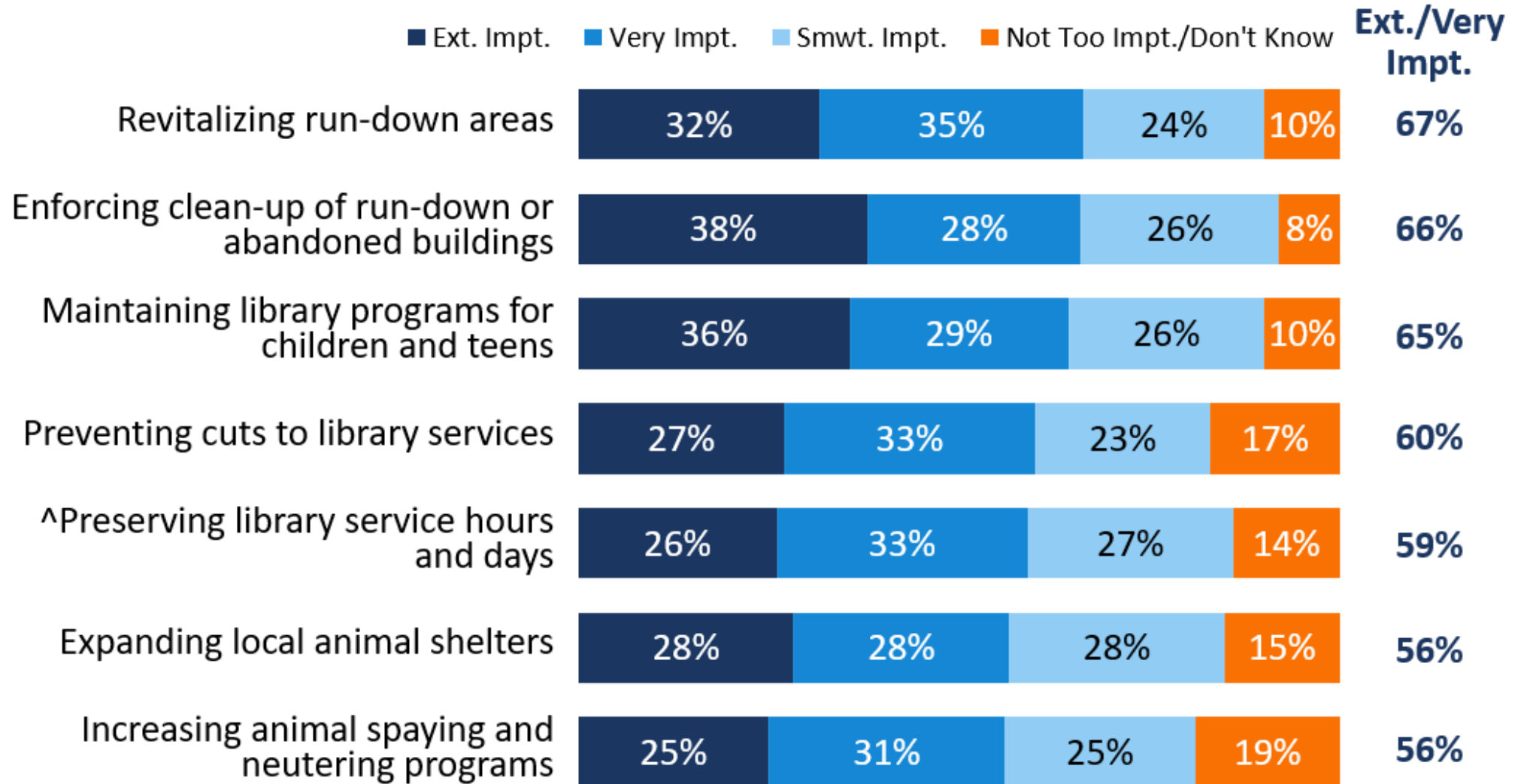
5%

72%

High levels of
interest in
veteran's
services,
homelessness,
economic
development,
and cleaning up
the community

Countywide Needs Survey – *What We Learned*

Interest in
code
enforcement,
libraries, and
animal services



Unincorporated Only Survey Subset

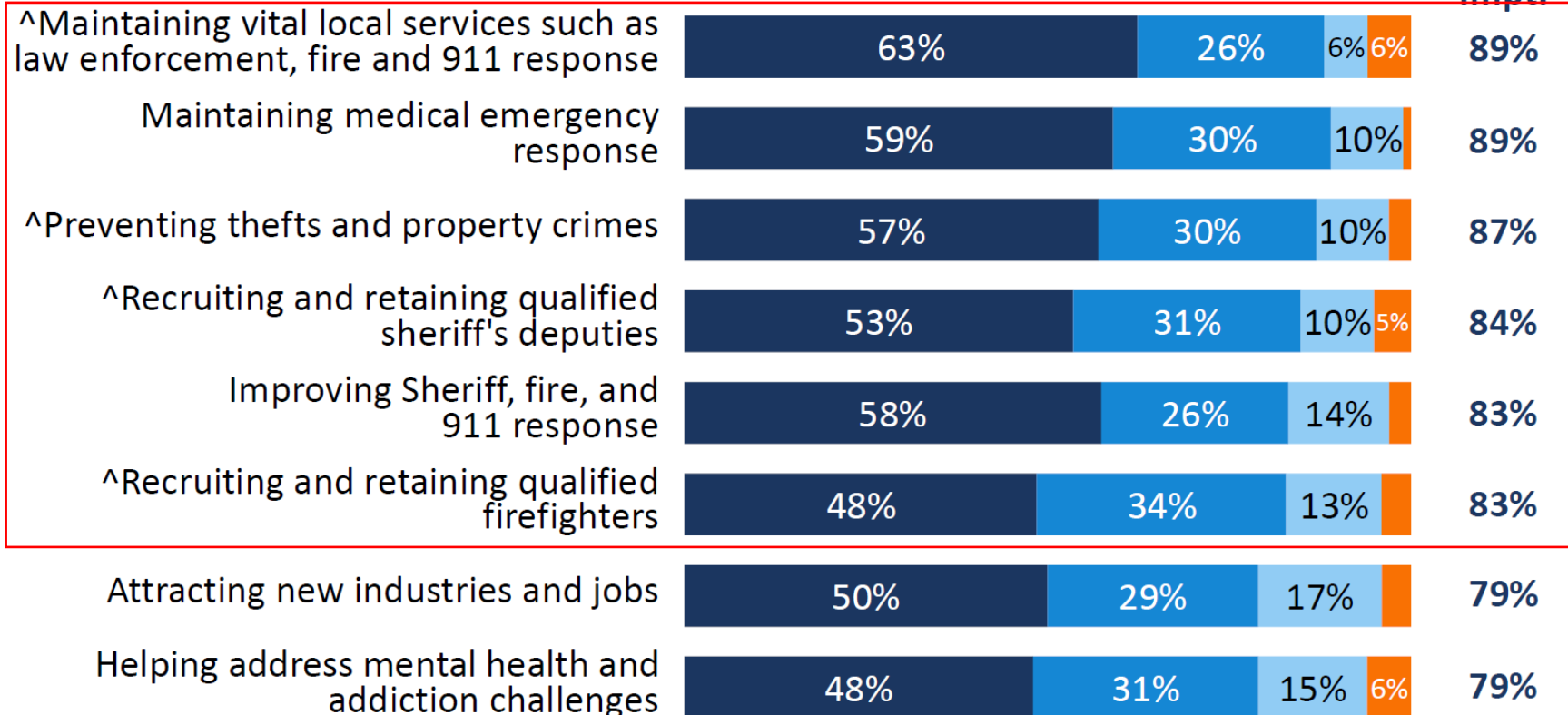
These residents rely on the County for all local vital services such as police, fire, 911 response, homelessness, roads, code compliance, land use, etc.

Unincorporated Only Needs Survey

Maintaining public safety; attracting new industries and jobs; helping address mental health and addiction challenges; and repairing roads are considered among the most important measure priorities.

(Ranked by Extremely/Very Important)

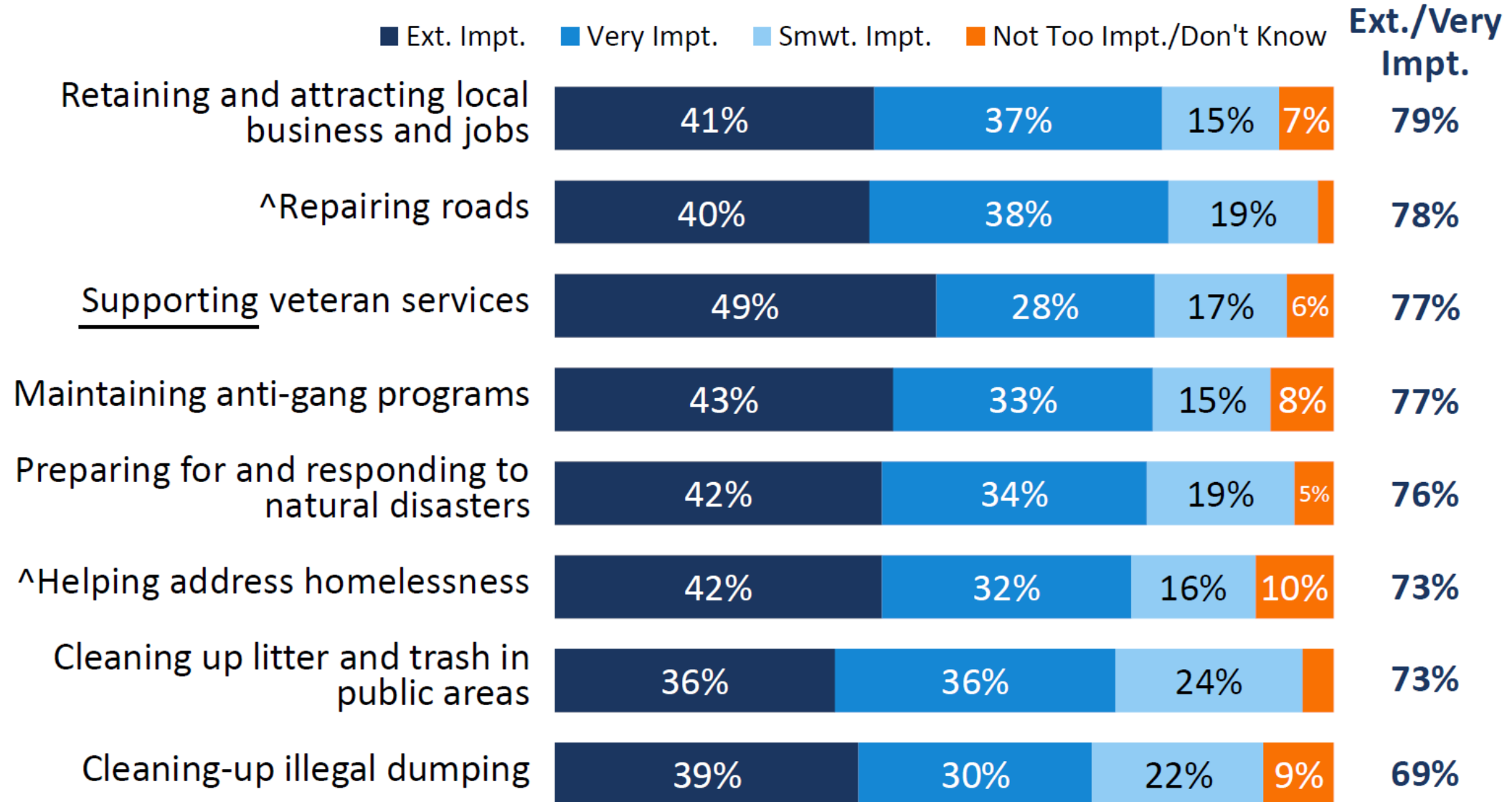
■ Ext. Impt. ■ Very Impt. ■ Smwt. Impt. ■ Not Too Impt./Don't Know **Ext./Very Impt.**



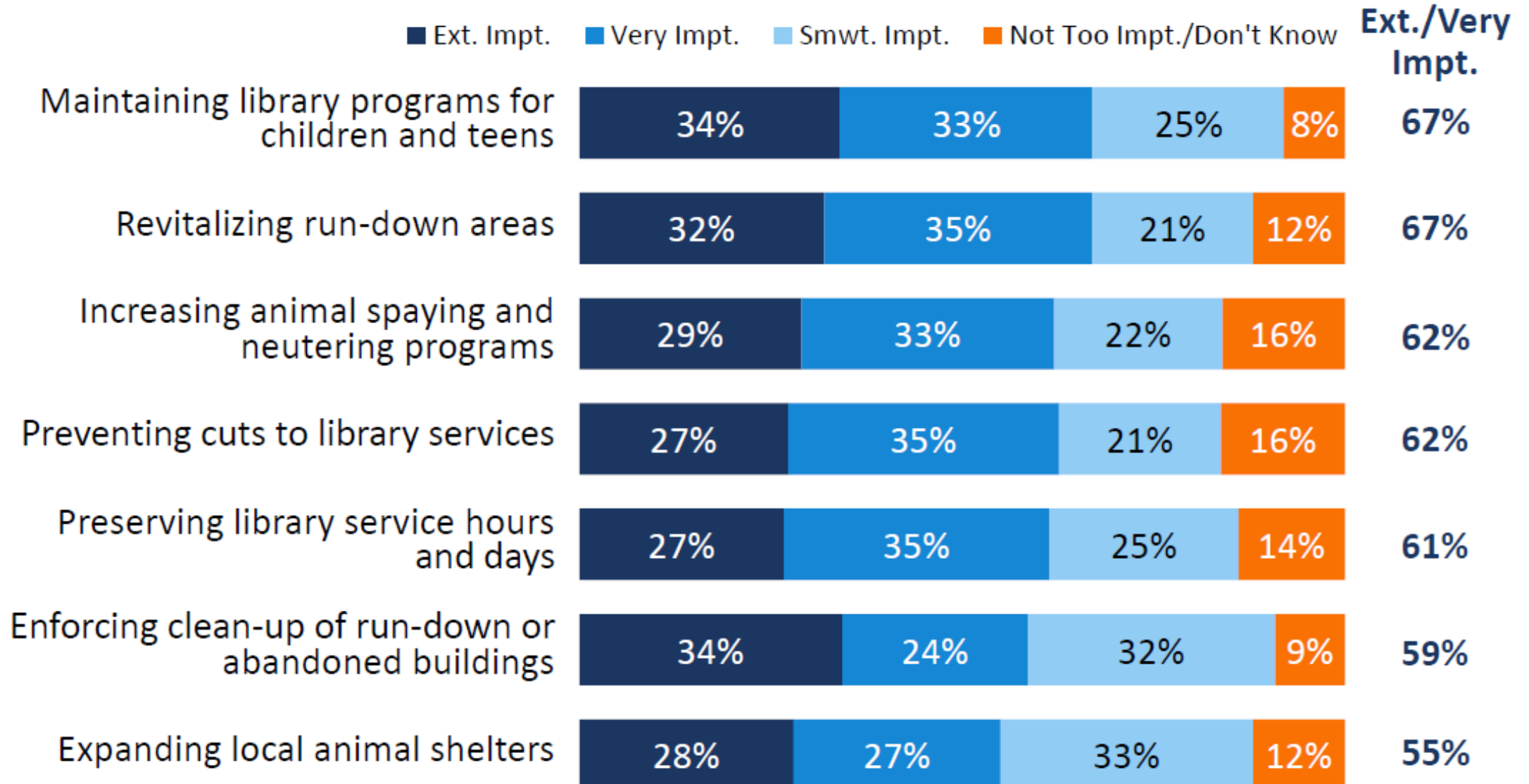
Similar priorities as Countywide results but more intense importance, particularly regarding Public Safety

80%+

Unincorporated Only Needs Survey



Unincorporated Only Needs Survey

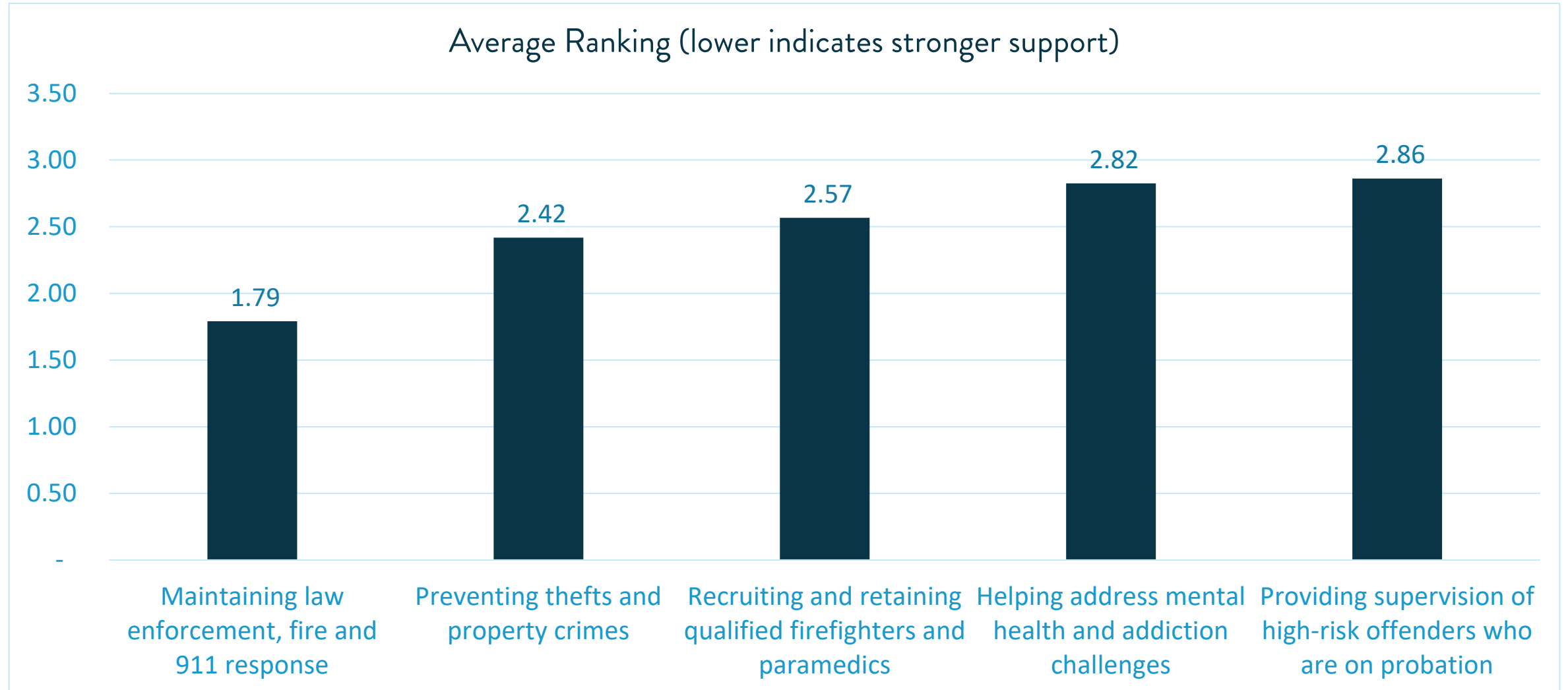


Countywide Online Feedback Form

- ✓ Launched in November 2021 and is ongoing.
 - ✓ Almost **900** respondents to date.

Online Feedback Form – What We Learned

(results very similar to the needs survey)



What We Learned

(results very similar to the needs survey)

- Other priorities communicated:
 - Homelessness enforcement
 - More law enforcement
 - Supporting outlying communities with sheriff/jail/fire/paramedics
 - Traffic & speeding
 - Affordable housing
 - Litter & illegal dumping
 - Graffiti
 - Business & jobs
 - Illegal marijuana
 - Library hours
 - Parks & Recreation
 - Election integrity
 - Street & road improvements
 - Code Enforcement
 - Animal services (shelter, spay, neuter, etc.)
 - Water





**What is the County
Doing to Meet These
Needs?**



What has been done?

Recruiting/retaining public safety professionals

- Expanding recruiting effort for Sheriff: locally focused, target markets, revamped website, and more.
- Aggressive targeting of lateral transfers into the Sheriff's Office with bonuses, moving expenses, and longevity matching.
- Reducing barriers to entry into employment with the County and streamlining the onboarding process.
- Increase to Sheriff, Fire, and Probation compensation to make us more competitive in the labor market.
- Hiring incentives for Sheriff deputies.



What has been done?

Addressing community needs and priorities

- Economic Diversification through investments in B3K, renewable energy, logistics, and the national leader in carbon capture.
- One-time federal funding to expand homeless bed capacity with outreach and mental health support, reopen libraries across the County, make major park improvements, address the digital divide, and more.
- Using State and federal funding to add emergency shelter options and mental health assistance.
- Anti-camping ordinance and enforcement.
- Ramping up litter and illegal dumping cleanup Aggressively pursuing (and receiving) grant funding for parks, libraries, and other community needs.



What has been done?

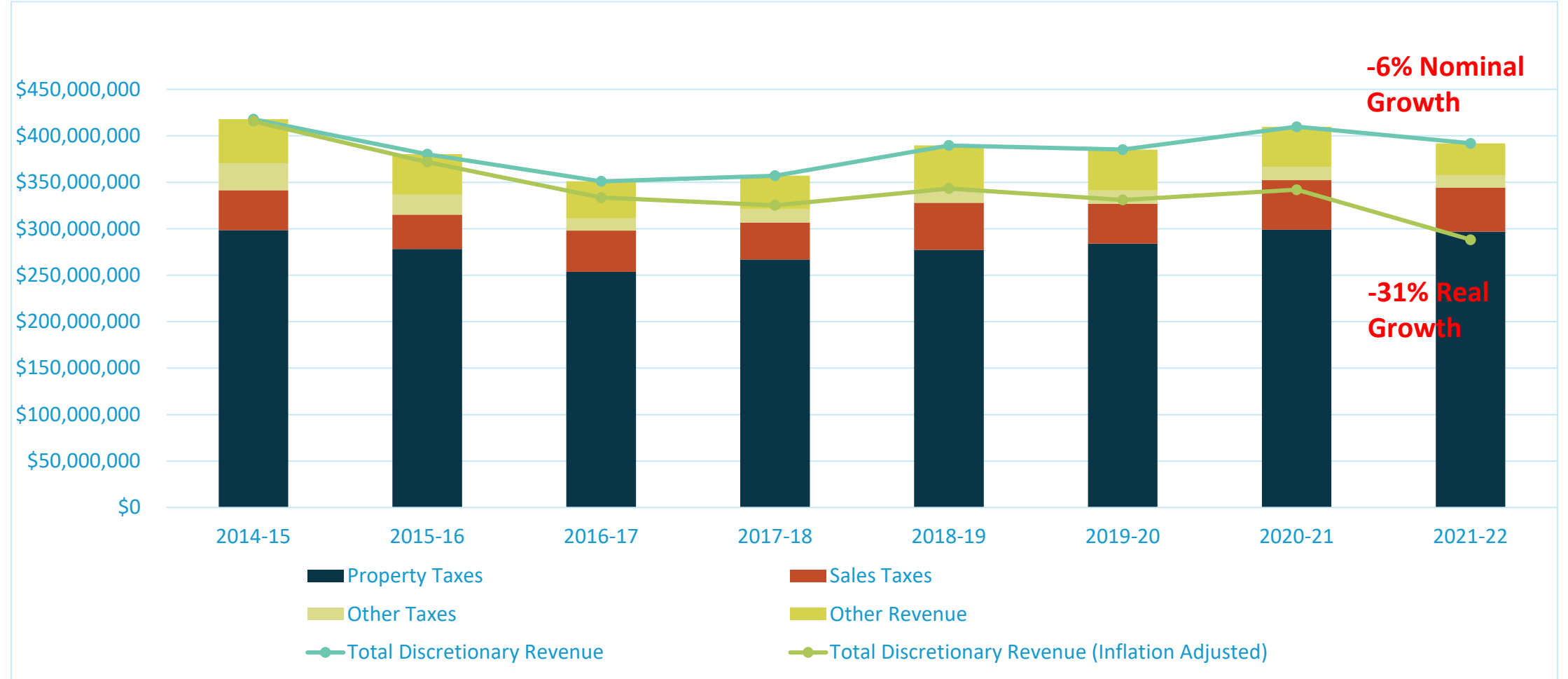
Achieving cost efficiencies

- Significant across the board budget reductions to align with existing revenues.
- Lean 6 Sigma projects continuing to be implemented across County departments to optimize the efficient use of funds with **\$20 million and 101,592 hours in savings** to date. All new County employees are trained in Lean 6 Sigma. – launchkern.com
- Reformed Countywide compensation structure for all employees.
- Reformed employee pension benefits (2007) to the lowest legally allowed, addressing unfunded pension liabilities in the next 12 years and bringing down the County's all-in labor cost.
- Securing full cost recovery contracts to provide additional funding to the Fire Department.
- Implemented Fire Department cost reductions and efficiency improvements per recommendations of the Center for Public Safety Management (CPSM).

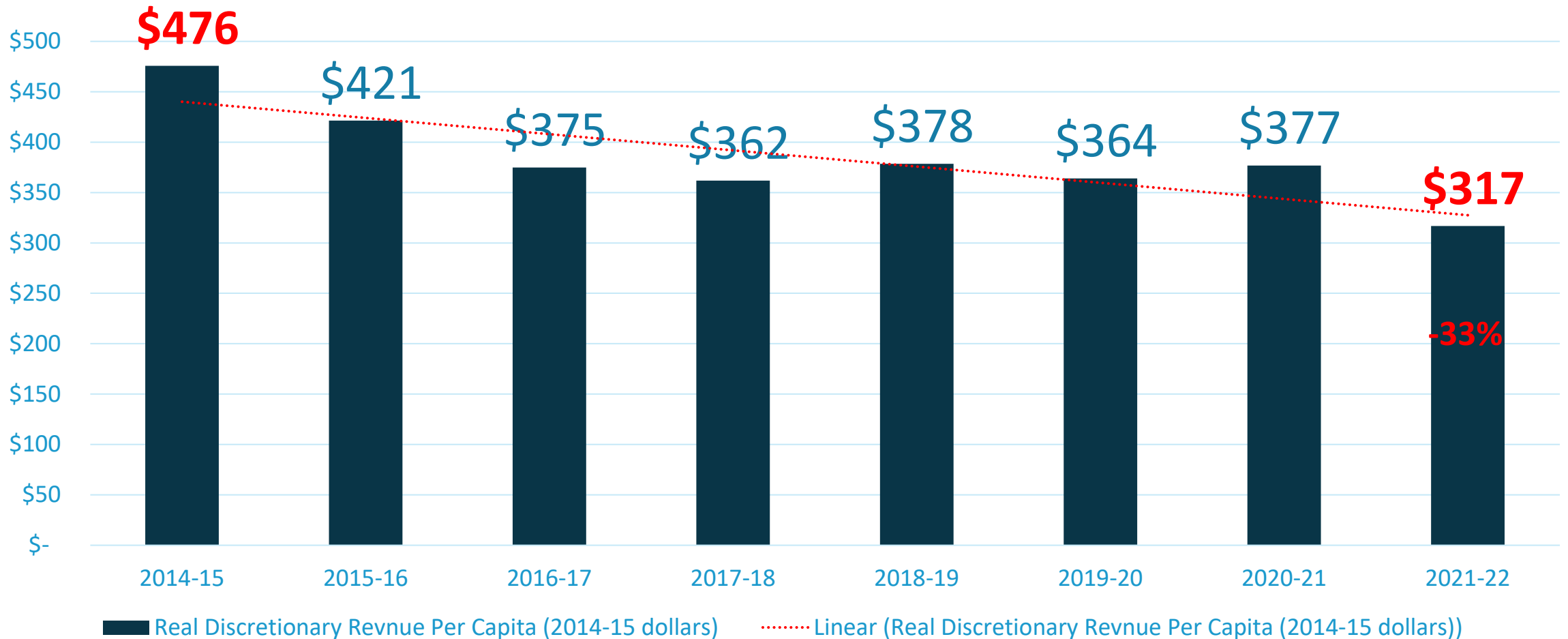
County Challenges in Meeting Vital Services Needs:

- County resources are extremely limited and hence limit our ability to make progress in meeting these needs, while we live prudently within our means.
- Sacramento regulations and unfunded mandates continue to cost the County millions of dollars, over \$500 million in the past ten years uniquely undercutting Kern County's ability to invest in vital services and control our fiscal future.
- The County \$3.3 billion budget includes only roughly \$392 million in discretionary revenue. An amount that experienced significant reductions in prior recessions and has been largely stagnant for the past seven years with buying power being eroded due to inflation.
- The County is, in part, relying on targeted one-time State and federal funding which is not reliable or sustainable, or within local control.
- Kern County's uniquely large unincorporated population distributed across a very large and diverse geography.

Change in Total General Fund Discretionary Revenue 2014-2021



Change in Real Per Capita Discretionary Revenue 2014-2021



Growth in Assessed Property Valuation 2014-2021

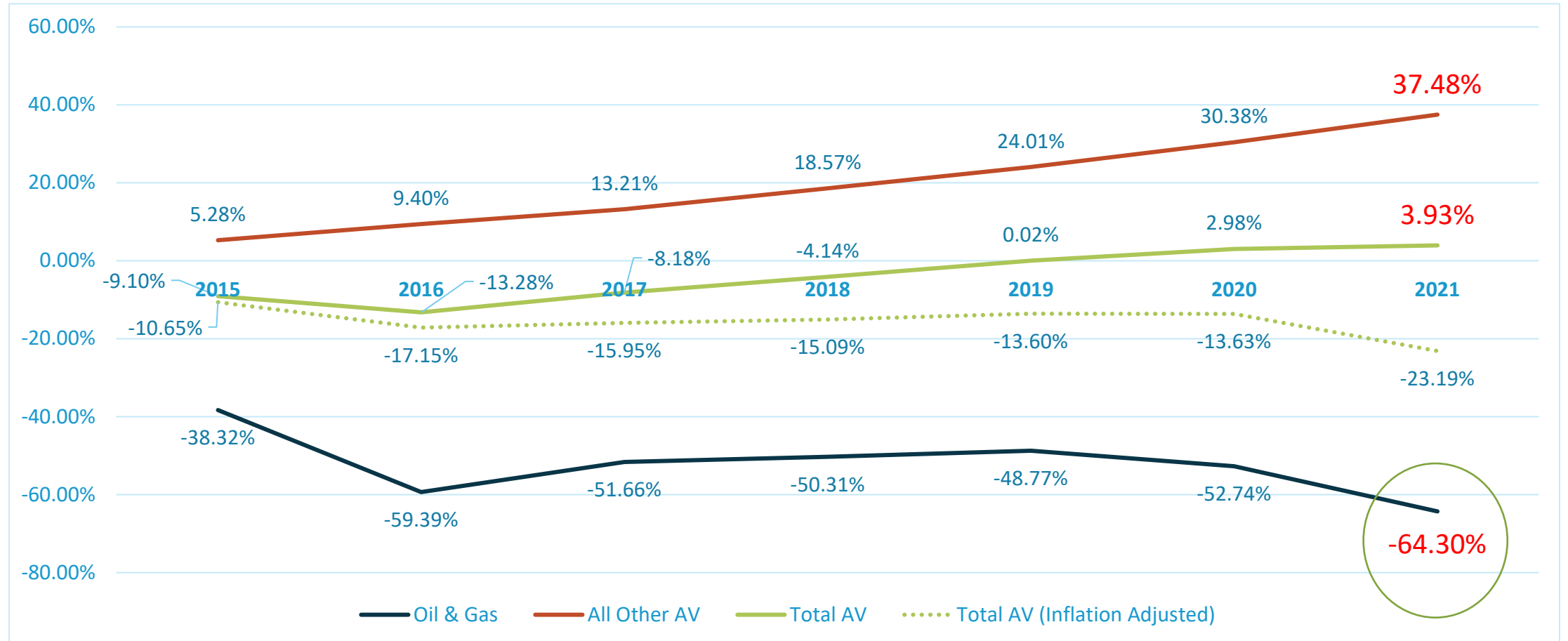
Assessed Property Valuation forms the basis for property tax revenue generation, which is the principal discretionary revenue source of California counties. In Kern County, property tax revenue accounts for **73%** of total discretionary, locally-controlled spending

Over the last 7-years, 2014-2021, California counties have seen a **38% average INCREASE** in assessed property values.

- The eight counties that share a border with Kern have seen an average **36% increase in assessed values since 2014**
- The other Central Valley counties have **increased an average of 45%** since 2014
- Despite population increasing and new economic development, Kern County's Assessment Role **has had largely stagnant growth** since 2014
- **behind all other 57 counties** in the State.

A full 10% below the next lowest county in the State.

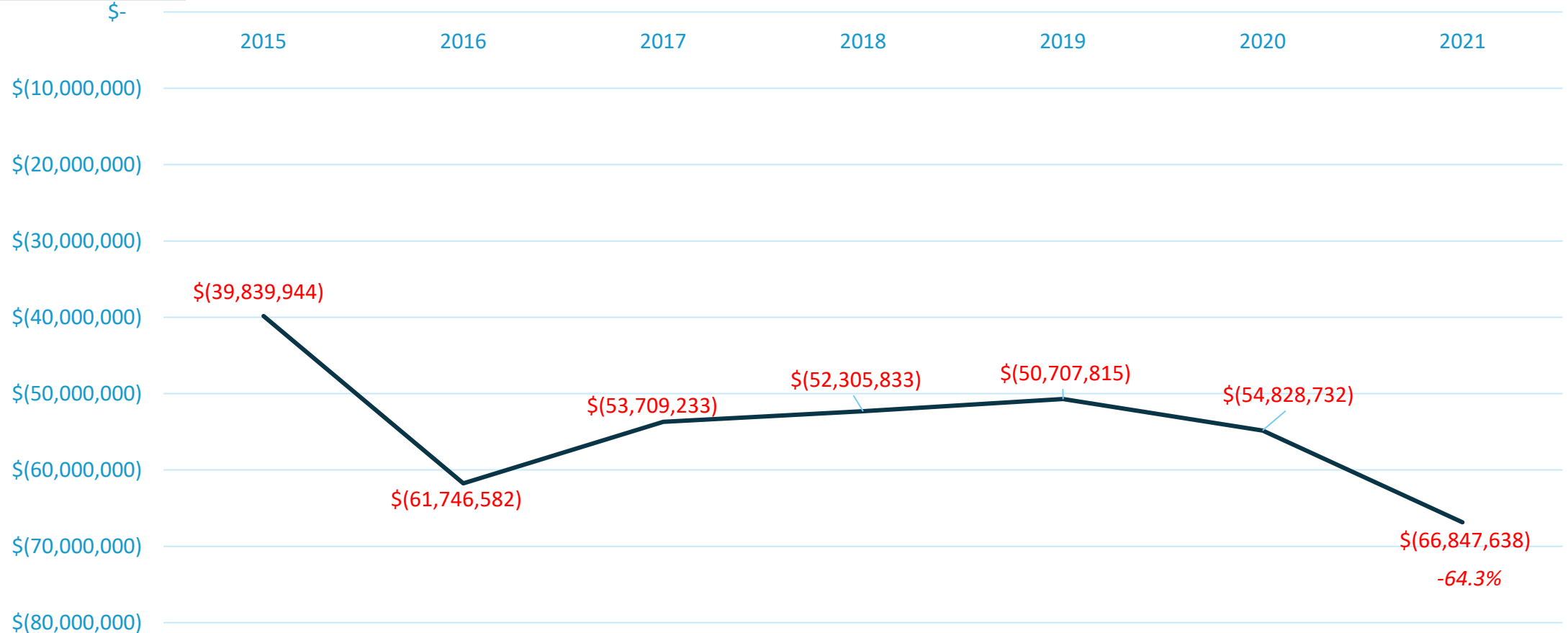
Cumulative Change in Assessed Valuation 2014-2021



Estimated Oil and Gas Property Tax Loss 2015-2021

General Fund and Fire Fund Combined

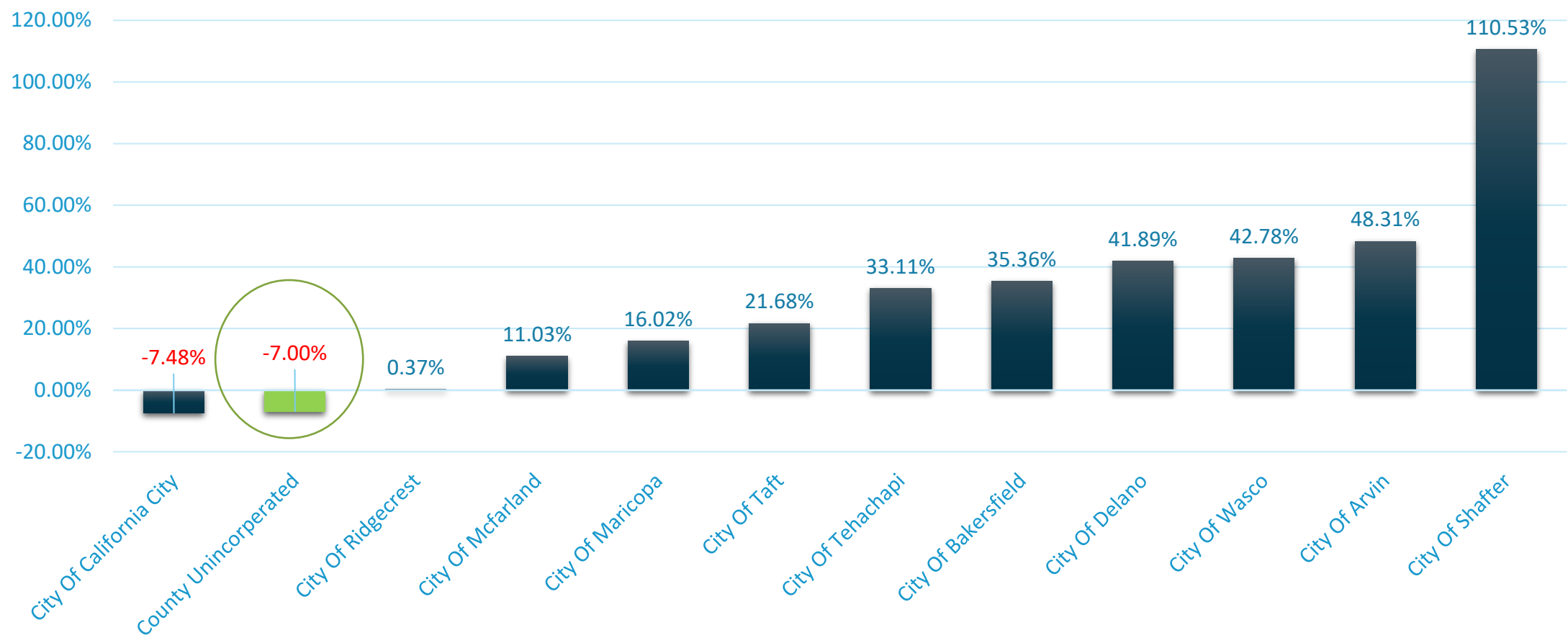
2014 baseline: \$103,967,146



Total 7-year loss of: \$379,985,777 (and growing)

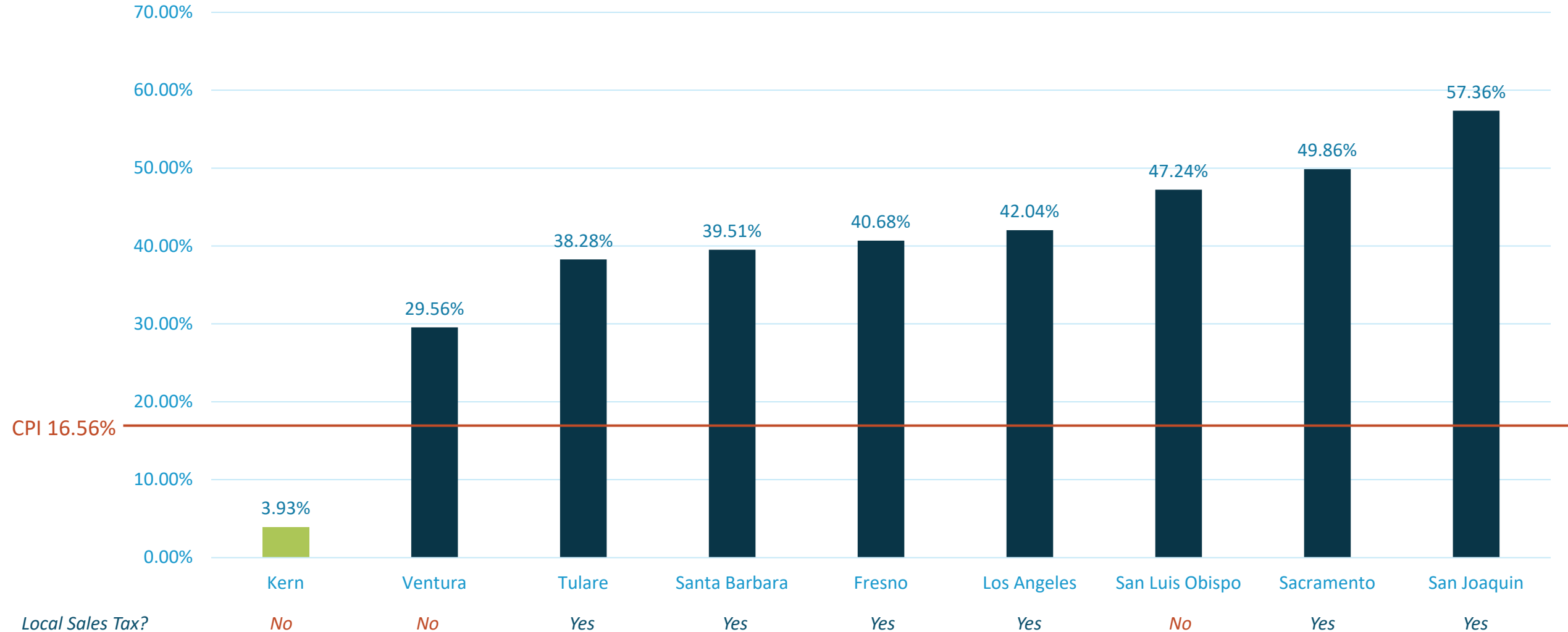
-64.3%

Kern County Growth in Property Tax Values by Jurisdiction 2014-2021



“Counties of Comparison”

Growth In Assessed Valuation 2014 to 2021



Percentage Growth in 1% Bradley-Burns Sales Tax Revenue 2014-2021

The **Bradley-Burns** tax imposes a statewide rate of **1.25 percent**, of which 1 percent is allocated to counties or incorporated cities to use at their discretion and the remainder is distributed to county local transportation funds (LTFs) to support transportation programs

Sales tax is one of the principal discretionary revenue sources of California Counties. In Kern County, Sales Tax Collections account for **13%** of total discretionary spending.

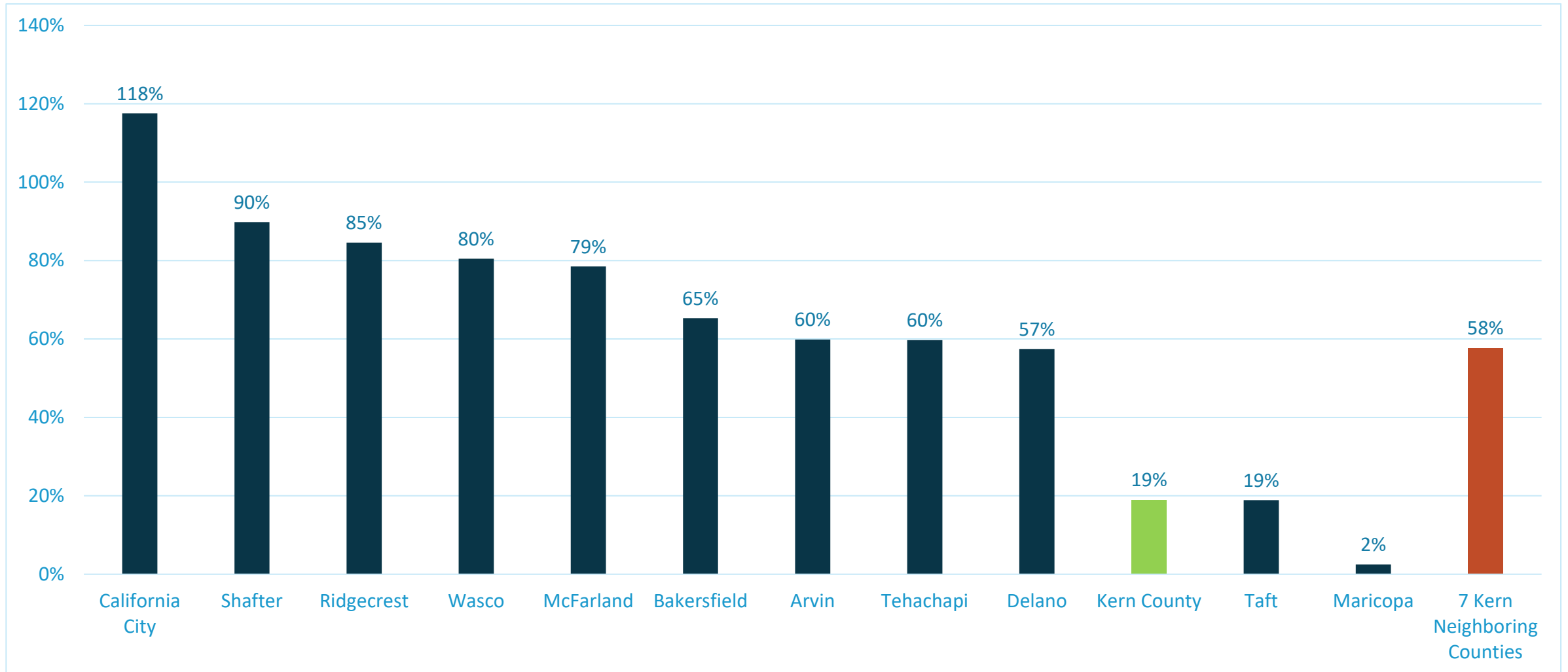
Over the last 7 fiscal years (FY 2014-15 to FY 2020-21), California counties have seen a **66.3%** average *INCREASE* in annual Sales Tax Collections.

The eight counties that share a border with Kern have seen an average increase of **57.4%** in Sales Tax Collections since 2014.

Kern County is the **6th lowest in Sales Tax Collection growth** over the last 7 years of **all 58 counties**; Kern is 3rd largest by size and 11th largest by population.

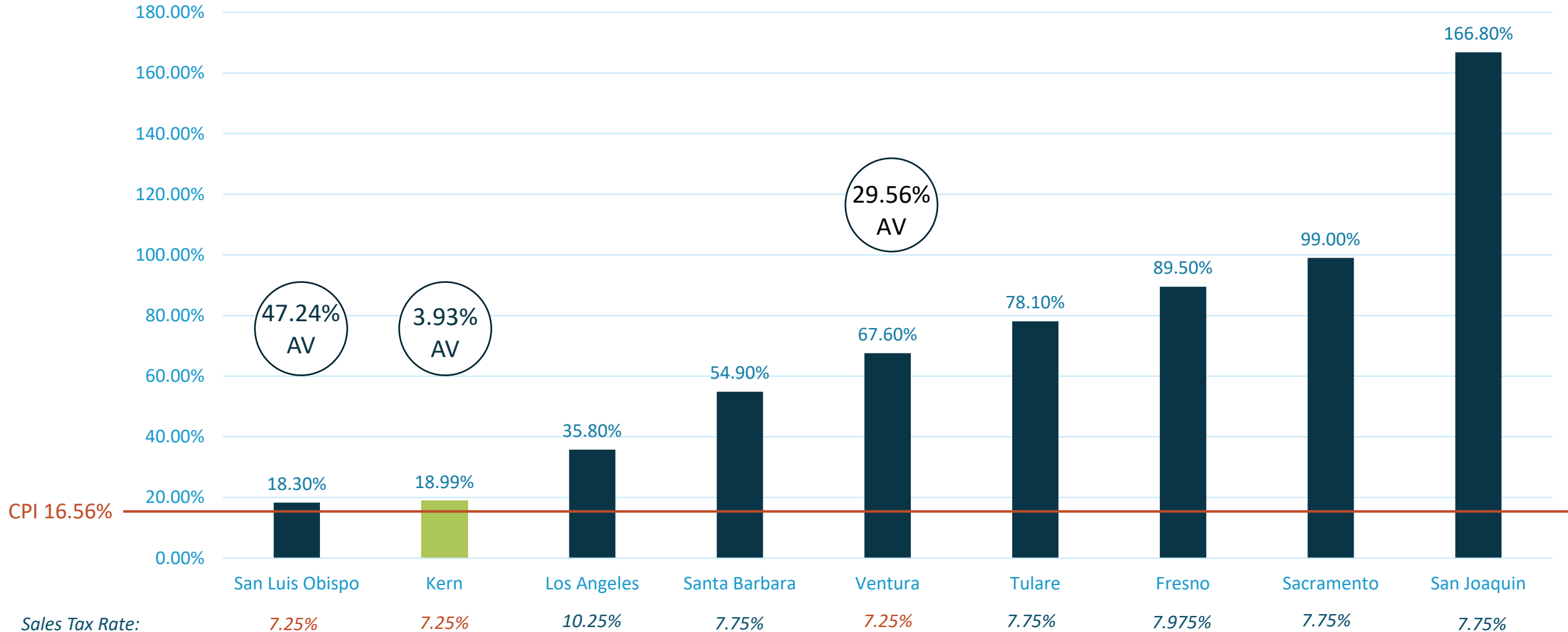
Of the 20 largest counties in CA, Kern and Ventura are the only counties without a locally controlled dedicated sales tax in place.

Increase in Sales Tax 2014 to 2021

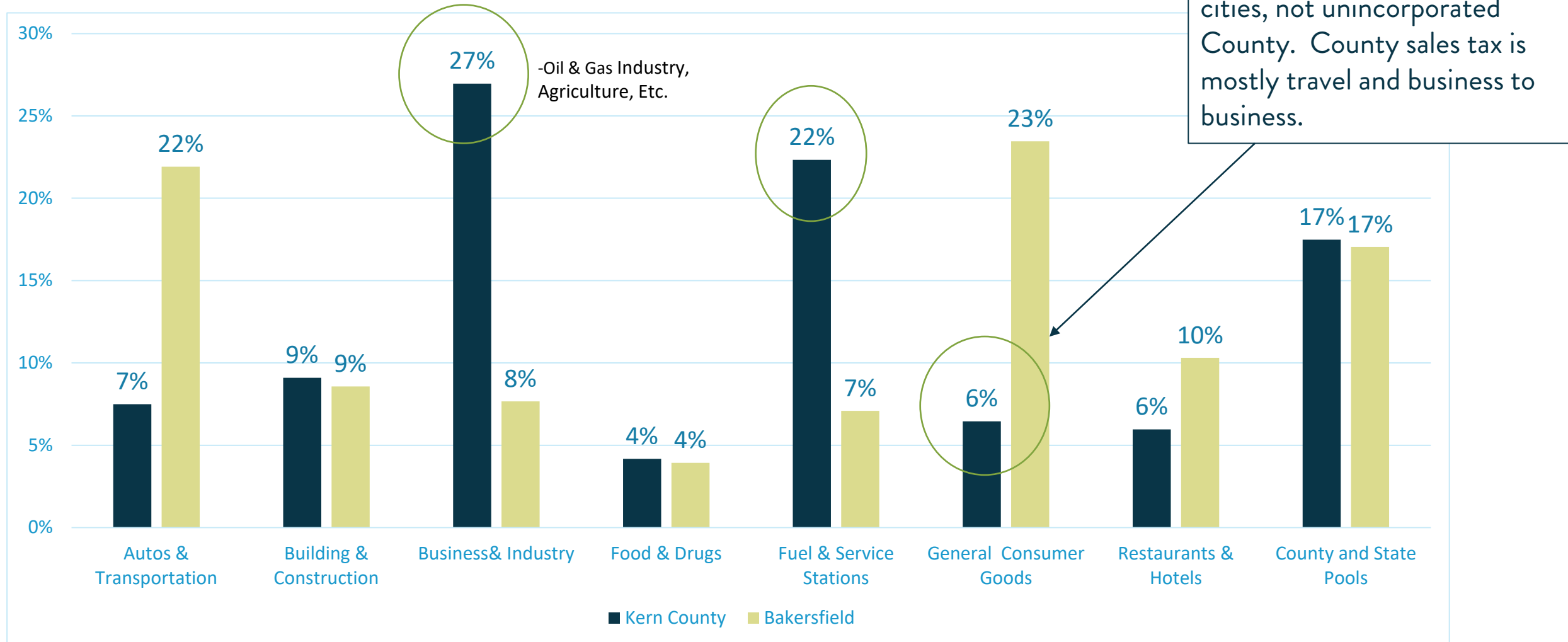


“Counties of Comparison”

Growth In Sales Tax 2014 to 2021



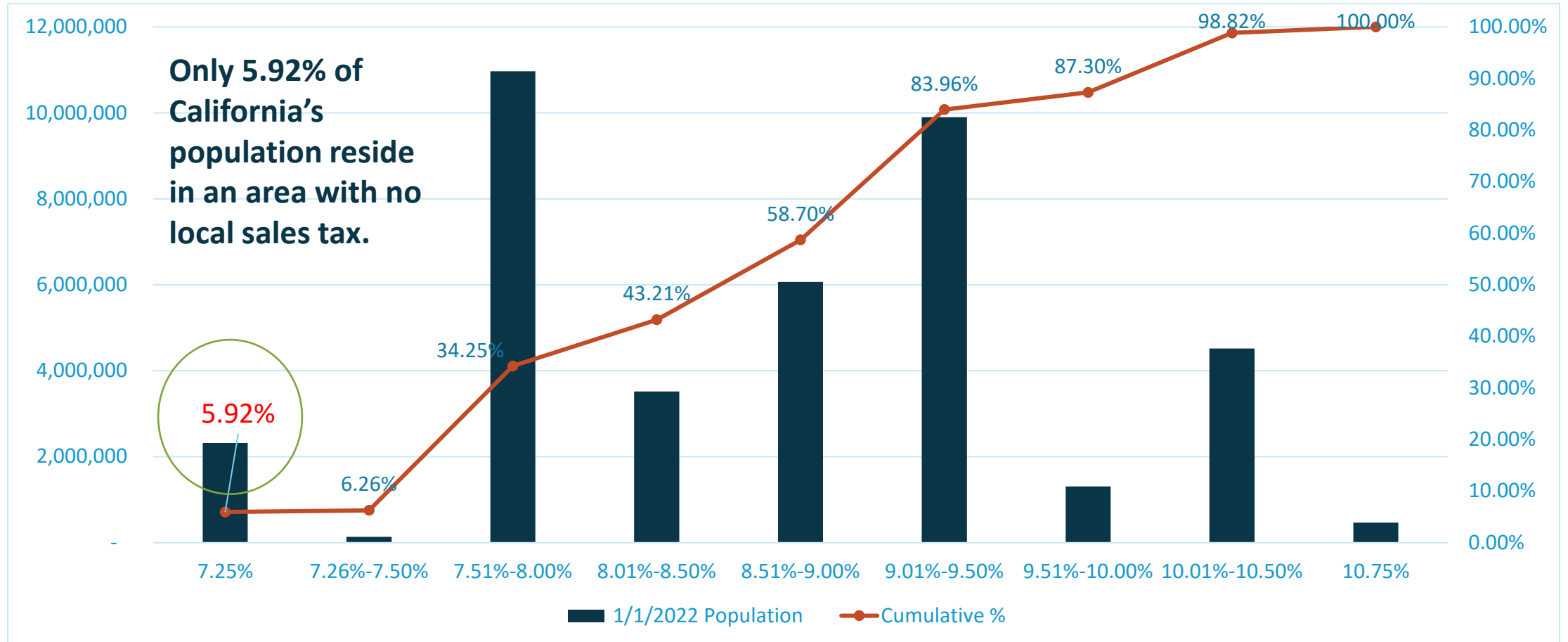
City vs. County Sales Tax Sources



Sales Tax Rates Throughout California

- Counties – 58 total
 - 34 or 58.62% have adopted a local sales tax.
 - 31 of the 34 apply their local sales tax countywide, including in incorporated cities.
 - The Counties of Del Norte, Santa Cruz, and Yuba are the only counties with an unincorporated only local sales tax.
- Cities – 482 total
 - 444 or 92.12% have adopted a local sales tax.
- Kern County Cities – 11 total
 - 6 or 54.55% have adopted a local sales tax including Arvin, Bakersfield, Delano, Ridgecrest, Taft, and Wasco, accounting for 59.52% of Kern County's Population.
 - Unincorporated residents shop in these cities or Lancaster/Palmdale but do not benefit from the cities local tax.

1/1/2022 - Population Residing in Cities/Counties by Tax Rate





Public's Understanding of These Fiscal Challenges

Outside Organizations Understand These Fiscal Challenges



LOCAL NEWS

Grand Jury: Raise sales tax to update KCSO software, fill vacant positions

by: Jason Kotowski
Posted: May 26, 2022 / 12:23 PM PDT
Updated: May 26, 2022 / 07:54 PM PDT

By Nov. 1, the report says sheriff's officials should recommend the Board of Supervisors increase the county sales tax from 7.25 to 8.25 percent, and should commission an independent study on the sheriff's hiring program.



NEWS > COVERING KERN COUNTY



Lack of funding, hiring shortages restricts Kern County library system from increasing hours of operation

"It's such a great place to come."



Bakersfield.com

ROBERT PRICE: Increase the Kern County sales tax by a penny

By ROBERT PRICE For The Californian Apr 9, 2022

The county, meanwhile, is struggling in many of those areas, most notably the Sheriff's Office, which remains alarmingly short-staffed largely because it can't pay competitive salaries.

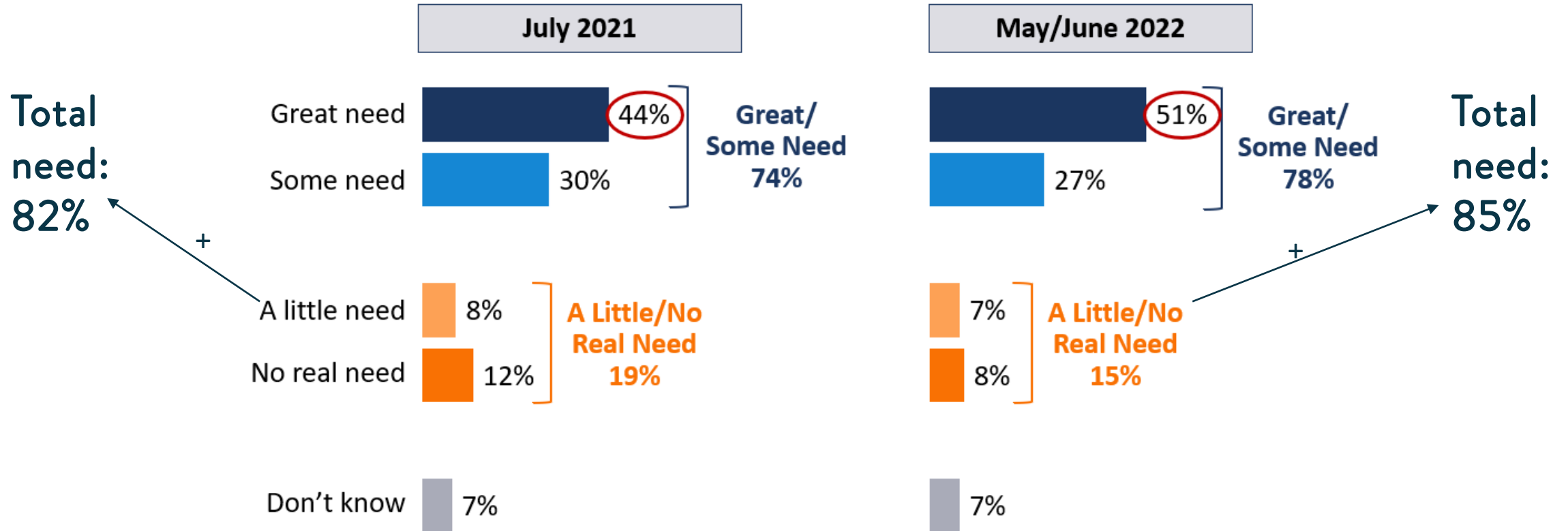
It's time for the county to ask voters for help once again. Raise the sales tax in unincorporated areas by one lousy copper. Put Son of Measure I on the November ballot.

RECOMMENDATIONS:

- R1. No later than December 30, 2022, funding levels should be increased for the KCSO to allow for investment in technology and data upgrades. (Findings F1, F2, F3, F5)
- R2. No later than November 1, 2022, KCSO should recommend to the Board of Supervisors a ballot measure to increase the County sales tax by one percent from 7.25% to 8.25% to fund the modernization and maintenance of KCSO technology and computer software systems, to adequately staff vacant positions and to increase the scale and scope of recruitment for KCSO. (Findings F1, F2, F3, F4, F5, F6)

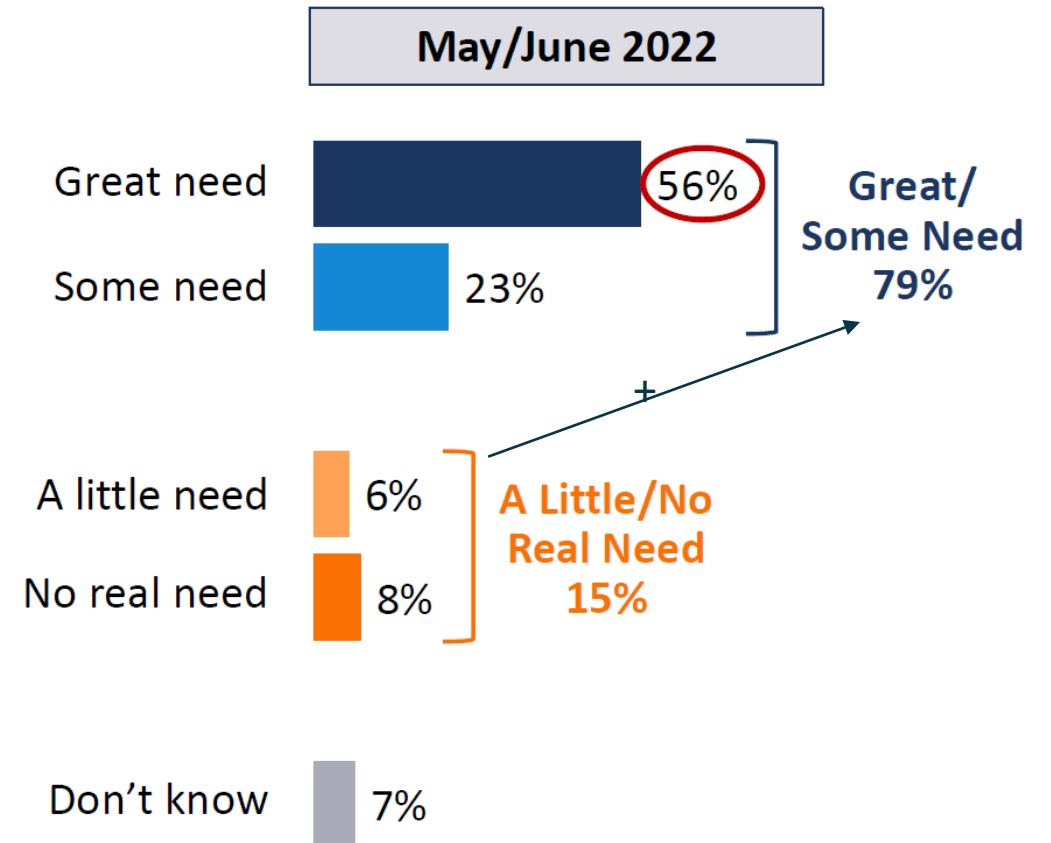


Countywide Residents Understand These Fiscal Challenges



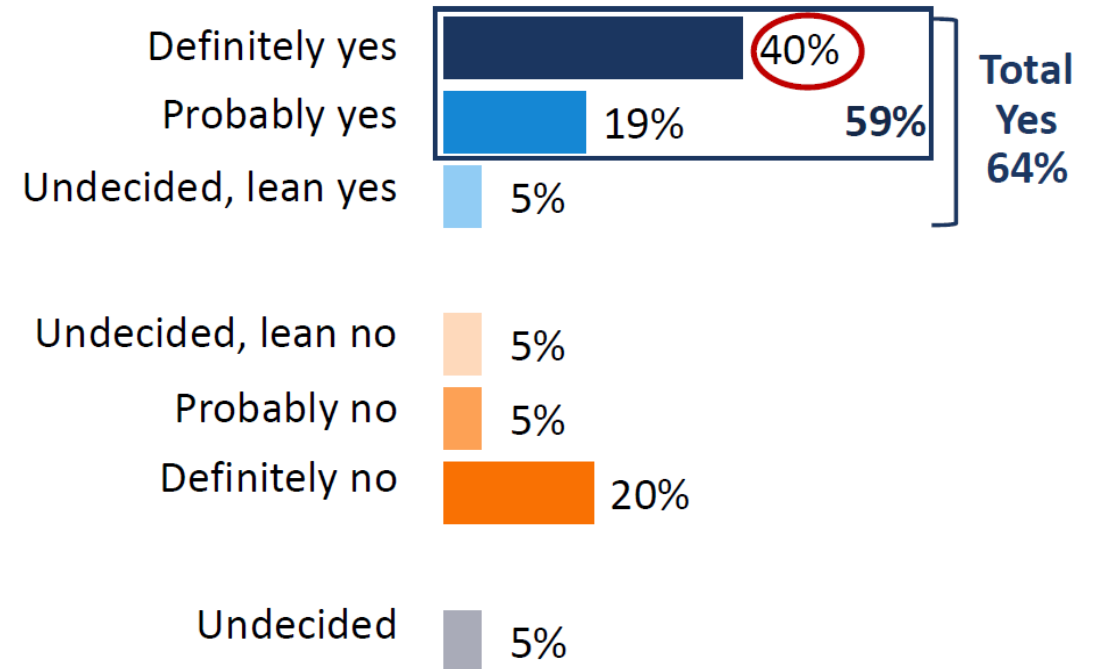
Unincorporated Residents Understand These Fiscal Challenges

85% of survey respondents believe the County has a need for additional funding.



Unincorporated Residents are Interested in Addressing These Fiscal Challenges

64% of survey respondents are interested in a potential unincorporated only local funding measure, with a simple majority threshold.



What the Draft Measure Includes

- ✓ A measure to meet the residents' priorities with funding that cannot be taken by the State (law enforcement, 911 response, fire, property crime prevention, industry & jobs, mental health & addiction, homelessness, roads, etc.)
- ✓ **100% of funds stay local.**
- ✓ 1-cent collected in unincorporated areas only.
(primarily business to business transactions and travel plazas)
- ✓ Voted on by only unincorporated voters.
- ✓ Used to fund vital services for unincorporated areas.
(Oildale, Kern River Valley, East Bakersfield, Rosedale, Boron, Rosamond, Lost Hills, etc.)

What the Draft Measure Includes

- ✓ Accountability:
 - ✓ Citizens Oversight Committee.
 - ✓ Expenditure audits by the independently elected Kern County Auditor Controller.
 - ✓ External audits by the County's independent Certified Public Accountant (CPA).
- ✓ Transparency:
 - ✓ Separately budgeted and documented within the County budget by the CAO.
 - ✓ Standalone annual financial reports by the independently elected Kern County Auditor Controller.
 - ✓ Online public disclosure of all budgeting, revenues, and spending.

Proposed Ballot Title & Summary

UNINCORPORATED KERN COUNTY PUBLIC SAFETY/VITAL SERVICES/LOCAL CONTROL MEASURE

To maintain vital local services such as law enforcement, fire, medical emergency 911 response; crime prevention; recruiting/retaining firefighters/sheriff deputies; attracting industries/jobs; addressing mental health/addiction challenges; for general government use; shall the measure be adopted establishing a 1¢ sales tax in unincorporated Kern County, providing approximately \$54,000,000 annually until ended by voters; requiring audits, oversight/public spending disclosures, and no money for the State?