

FISCAL EQUITY EVALUATION

Prepared for
City of Clovis, California

October 11, 1999

Prepared by:

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Fiscal Impact Analysis

•
Capital Facility Analysis

•
Impact Fee Systems

•
Growth Policy Planning

•
Economic and Market Analysis

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I. EXECUTIVE SUMMARY

A. Background

Fresno County is of the opinion that its policy of directing growth to adjacent cities and communities is good public policy, but has a negative financial impact on the County. This is because new tax generating development is locating within a city's jurisdiction rather than the County's, which results in the County receiving less revenue than if the development had otherwise located in the County. Fresno County commissioned a consultant study, the Net County Cost Analysis, which supports the County's position for amending the existing Memorandum of Understanding (MOU) between the City of Clovis and Fresno County. Specifically, since the County encourages growth within cities, the County would like to amend the MOU to include an increase in the percentage of sales tax revenue the City remits to the County on an annual basis. The increased sales tax would be used to offset net County costs for providing countywide services to the City of Clovis. Figure 1 shows Fresno County's sales tax and sales tax revenue that Clovis and the other municipalities share with the County.

Figure 1:

Reallocation of Fresno County Sales Tax Details

Source	Amount*	Percent
City of Clovis**	\$361,711	3%
Other Municipalities	\$2,736,131	24%
Unincorporated County	\$8,180,816	73%
Total	\$11,278,658	100%

*Information is from Table 11 of the Fresno County Net County Cost Analysis

**Updated to reflect actual FY98 amount transferred

In reaction to the release of the Fresno County Net County Cost Analysis, the City of Clovis contracted with Tischler & Associates, Inc. (TA) to objectively prepare a fiscal equity study that evaluates the numbers and methodologies used in the Fresno County study to determine whether Fresno County receives as much in discretionary revenue from the City as it provides to the City in countywide services, or if in fact, the City pays its own way, or perhaps contributes a surplus of revenue to the County. Armed with information from this fiscal equity evaluation, the City is better prepared for future negotiations with Fresno County concerning spheres of influence and tax sharing.

- Fiscal Impact Analysis
-
- Capital Facility Analysis
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- Impact Fee Systems
-
- Growth Policy Planning
-
- Economic and Market Analysis

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In order to evaluate the Fresno County study and better understand the data that exists, TA interviewed representatives from both the City of Clovis and Fresno County. The functional countywide service categories evaluated in this report include: 1) Finance & Administration, 2) Human Services, 3) Internal Services, 4) Justice, and 5) Land Use. As indicated below, TA's analysis indicates that the City of Clovis generates \$5.4 million more in discretionary revenues than it receives in countywide services.

B. Assumptions

All of the data used in TA's analysis is from the consultant study prepared for the County titled "Fresno County Net County Analysis." This includes the most recent population estimates of 67,716 City residents and 786,779 County residents, FY99 costs and revenues, property and sales tax base information, as well as various other assumptions. Given the time frame and budget for this study, TA was not able to conduct a detailed audit to verify the accuracy of the revenue and cost factors used in the Fresno County study to determine net county costs and remaining discretionary revenues available for funding these costs. Therefore, the Fresno County Net County Cost Analysis is accepted as accurate.

C. Fiscal Equity Findings

As shown in Figure 2 below, TA's findings indicate the *City of Clovis* generates \$5,507,754 more in discretionary revenues than it receives in countywide services. The *other municipalities* generate \$4,787,652 more in countywide service costs than revenues generated and the *unincorporated County* generates \$27,372,357 more in costs than the \$51,431,710 generated in discretionary revenues. Using numbers from the County's study, Fresno County cannot afford to provide countywide and urban services to the unincorporated County using discretionary revenues. This has serious fiscal implications.

Figure 2:
Cost Allocation Summary, Including Urban Service Costs

Jurisdiction	Cost of Countywide Services*	Percent of Total	Discretionary Revenue to County**	Percent of Total	Difference-Net Impact to County General Fund
Clovis	\$6,615,867	4%	\$12,123,622	8%	\$5,507,754
Other Municipalities	\$84,901,570	50%	\$80,113,918	56%	(\$4,787,652)
Unincorporated County***	\$78,804,068	46%	\$51,431,710	36%	(\$27,372,357)
Total	\$170,321,505	100%	\$143,669,250	100%	(\$26,652,255)

*Revised per TA's recommended allocation methodologies. See Figure 36

**Revised per TA's recommended allocation methodologies. See Figure 35

***This figure includes includes \$21,355,228 in countywide service costs to the unincorporated County, \$10,552,201 in costs to provide services to unknown cases/persons that was reallocated to Fresno County per TA's recommendation and \$46,896,639 in costs to provide urban services to the unincorporated County.

The major reasons for these findings are:

- The Fresno County Net County Cost Analysis failed to allocate a major source of discretionary revenue (State Aid Revenue) against countywide service costs. By not including these revenues, the County's analysis is biased from the start since less

than 100% of the revenues are applied against 100% of the costs. By simply applying 100% of the costs against 100% of the revenues contained in the Fresno County Net County Cost Analysis, it is apparent the City is generating a surplus of tax revenues to the County when compared to the cost of the countywide services provided to the City and its residents. This is illustrated in Figure 4 of this report.

• TA reallocated the countywide cost of providing services to unknown cases/individuals that was previously distributed among the municipalities in the Fresno County study as an urban service cost. This results in a countywide service cost reduction of \$539,399 to the City of Clovis.

- As a result of bullet points above, the City of Clovis now generates \$5,507,754 more in revenues than in countywide services received.
- The unincorporated County generates \$27,372,357 less in discretionary revenues than it receives in countywide services. In addition to countywide service costs of \$21,355,228, the unincorporated County also receives \$46,896,639 in urban services, such as the patrol function of the Sheriff's Office, or those services provided only in the unincorporated County, which the Fresno County study did not address. Therefore, the total cost of providing countywide and urban services to the unincorporated County is \$68,251,867. Adding back to the unincorporated County the \$10,552,201 cost of providing services to unknown cases/individuals that was previously distributed among the municipalities and unincorporated County, the total cost allocated to the unincorporated County is \$78,804,068. Discretionary revenues attributable to the unincorporated County are \$51,431,710.
- Since the City of Clovis generates more in discretionary revenues than it receives in countywide services, the City is supporting the provision of services to the rest of the County.

I. BACKGROUND

Fresno County, California retained a consulting firm to analyze the share of County discretionary revenue used to provide countywide services in each of the fifteen cities and the unincorporated areas of the County, and compare those amounts to discretionary revenues produced in those areas. This study is referred to as the Net County Cost Analysis. In this study, Fresno County is assumed to provide two general types of services. *Countywide* services are provided, or are available to every County resident *regardless* of whether they reside in a municipality or the unincorporated area of the County. Examples of countywide services are medical and social services and general government. The second type of service provided by the County, *municipal services*, hereinafter referred to as urban services, are those services the County provides *exclusively to residents of the unincorporated areas*. An example of a municipal (or urban) service is the patrol function of the Sheriff's Office.

In the Fresno County Net County Cost Analysis, any County General Fund appropriation generated by a particular service is referred to as a "net county cost". Fees, charges or other program-specific revenues are deducted from the activity before calculating the discretionary revenues to cover additional costs. Given the time frame and budget for this study, TA was not able to conduct a detailed audit to verify the accuracy of the revenue and cost factors used in the Fresno County study to determine net county costs and remaining discretionary revenues available for funding these costs. Therefore, the Fresno County Net County Cost Analysis is accepted as accurate.

The information contained in Figure 3 on the following page is taken directly from the Fresno County Net County Cost Analysis. The Fresno County study concluded that the cost of providing countywide services totals \$123,424,866 in FY99. Of that amount, \$7,155,238 is attributable to the City of Clovis, \$23,318,059 is attributable to the unincorporated County and the remaining \$92,951,569 is attributable to the other municipalities. In terms of revenues generated to cover these countywide costs, the analysis concluded that Clovis generated \$5,359,863 in property and sales tax revenues. Therefore, according to the Net County Cost Analysis the City of Clovis generated an annual deficit to the County of \$1,795,375. The unincorporated County generated \$23,885,477 in property and sales tax revenues and the remaining municipalities generated \$28,789,754 in property and sales tax revenues. The other findings of the study are shown in Figure 3 below.

**Figure 3:
Countywide Service Costs From Net County Cost (NCC) Analysis***

Jurisdiction	Cost of Countywide Services	Percent of Total	Property & Sales Tax Revenue to County**	Percent of Total	Difference-Net Impact to County General Fund
Clovis	\$7,155,238	6%	\$5,359,863	9%	(\$1,795,375)
Other Municipalities	\$92,951,569	75%	\$28,789,754	50%	(\$64,161,815)
Unincorporated County	\$23,318,059	19%	\$23,885,477	41%	\$567,418
Total	\$123,424,866	100%	\$58,035,094	100%	(\$65,389,772)

Information in this table is taken from Table ES-1, Page 3 of the Fresno County NCC Analysis

**Per NCC Analysis, revenues do not include an allocation of State Aid Revenues, which is recommended by TA

In TA's opinion, the major methodological flaw in the Net County Cost Analysis is the fact that discretionary revenues from which Fresno County can fund countywide services in the analysis total \$150,539,407, but essentially only property and sales tax, totaling \$58,035,092 is applied against the countywide costs, thus creating a deficit situation from the start. The lion's share of unapplied revenue is \$68,200,000 in state aid monies that are distributed to the County on a per capita basis. The County's rationale for excluding this revenue is that it is allocated by the state, is beyond local control, not situs-based, and therefore should not be included in the analysis. TA disagrees with this conclusion since it is obvious that the population of Clovis generates not only local costs (which the analysis included) but also the per capita state revenues distributed to the County (which the analysis excluded).

If the state aid revenues are factored in the analysis and distributed on the basis of population the results are dramatically different. This is shown in Figure 4 below. With the addition of state aid monies, the City of Clovis now generates \$11,229,658 in property, sales and other tax revenues, of which \$5,869,795 is state aid monies.

As shown in Figure 4, when the original results are recalculated to reflect the unapplied state aid revenue, the City of Clovis generates \$4,074,420 more in property, sales and other tax revenues than it receives in countywide services.

**Figure 4:
Results From Net County Cost Analysis When State Aid Revenue is Included**

Jurisdiction	Cost of Countywide Services*	Percent of Total	Property, Sales Tax & State Aid Revenue to County**	Percent of Total	Difference-Net Impact to County General Fund
Clovis	\$7,155,238	6%	\$11,229,658	8%	\$4,074,420
Other Municipalities	\$92,951,569	75%	\$75,629,094	56%	(\$17,322,475)
Unincorporated County	\$23,318,059	19%	\$48,723,340	36%	\$25,405,281
Total	\$123,424,866	100%	\$135,582,092	100%	\$12,157,226

*Information is from Table ES-1, Page 3 of the Fresno County NCC Analysis

**Information is from Table ES-1 and Table 9. State Aid Revenue is applied on a per capita basis per State formula.

Another concern with study relates to how the County funds the provision of municipal (or urban) service costs, or those services it provides only in the unincorporated County. The Net County Cost Analysis concludes that Fresno County has approximately \$150 million in what is termed as discretionary revenue, from which it can fund net County service costs (See Table 9, of Net County Cost Analysis). The net county service costs includes countywide, *as well as urban service costs*. Only countywide service costs are applied against discretionary revenue in the Net County Cost Analysis.

As discussed earlier, countywide service costs from the Fresno County study total approximately \$123 million and urban service costs total approximately \$46 million, for total countywide and urban service net costs of approximately \$170 million. As shown in Figure 5 below, countywide and urban service costs for unincorporated Fresno County total \$70,214,698 and discretionary revenue from property, sales and other taxes (including state aid revenues) total \$48,723,340, or \$21,491,358 less than the County generates in costs.

**Figure 5:
Results From Net County Cost Analysis When Urban Service Costs are Included***

Jurisdiction	Cost of Countywide Services	Percent of Total	Discretionary Revenue to County#	Percent of Total	Difference-Net Impact to County General Fund
Clovis	\$7,155,238	4%	\$11,229,658	8%	\$4,074,420
Other Municipalities**	\$92,951,569	55%	\$75,629,094	56%	(\$17,322,475)
Fresno County***	\$70,214,698	41%	\$48,723,340	36%	(\$21,491,358)
Total	\$170,321,505	100%	\$135,763,275	100%	(\$34,739,413)

*Information in this table is primarily from Table ES-1, Page 3 of the Fresno County NCC Analysis. Urban service costs are from Table 1

**Since each municipality is unique, any results need to be calculated for that individual municipality

***Includes \$23,318,059 in countywide service costs and \$46,896,639 in urban (municipal) service costs.

Urban service costs are from Table 1 of the Fresno County NCC Analysis

#Includes state aid revenues not factored in Fresno County NCC Analysis

By simply using the numbers and methodologies contained in the Fresno County Net County Cost Analysis, even before TA's methodological recommendations and resulting reallocation of costs and revenues, and by applying 100% of the costs against 100% of the revenues, it is apparent the City is supporting the provision of services to the rest of the County. It is also apparent that the County cannot afford to provide countywide and urban services to the unincorporated County with discretionary revenues, which indicates a problem with the County's revenue structure.

III. APPROACH

TA's analysis of the Fresno County Net County Cost Analysis entails evaluating allocation methodologies, analyzing the appropriateness of data used, collection of additional data and reevaluation using different methodologies when appropriate. The FY99 budget was used since it is representative of the current fiscal year operations.

After review of the Fresno County Net County Cost Analysis, TA conducted onsite interviews with City staff and representatives of various Fresno County departments. The goal of this effort was 1) to enhance the City's, County's and TA's understanding of the Net County Cost Analysis, 2) discuss various demand allocation methodologies, and 3) collect the best available data regarding service demand. Based on information collected during these interviews, TA was able to objectively evaluate the Net County Cost Study and offer the analysis contained in this report.

TA's evaluation of the Net County Cost Analysis can be regarded as a snapshot of the current budget. The Fiscal Year 1999 Budget has been used to represent this "snapshot" of current expenditures and revenues and levels of services. In particular, the adopted FY1999 budgetary line items were used since these are representative of current fiscal year operations.

IV. FINANCE AND ADMINISTRATION

A. Overview

The budget units under Finance and Administration primarily support the overall operations of Fresno County. Examples are the Board of Supervisors, Librarian, County Counsel, and the Veteran's Service Officer. The two exceptions are the Auditor-Controller and Assessor's Office. The Auditor-Controller provides a variety of financial accounting services to agencies throughout the County, including special fund accounting and tax collecting for the cities.

Figure 6 shows the Fiscal Year 1999 total county cost. This figure is comprised of the net county cost (total budget less program revenues for Finance & Administration) plus retained earnings from enterprise funds. These figures are from the Fresno County Net County Cost Analysis and total \$23,809,399. The County's rationale for including enterprise fund retained earnings as costs is because the County has chosen to use these revenues to decrease the net impact on the General Fund.

Figure 6:

Finance & Administration Total County Costs*

B.U.	Department	FY99 Net County Cost	plus Retained Earnings	= Total County Cost
0110	Board of Supervisors	\$968,489	\$0	\$968,489
0120	CAO	\$1,050,588	\$0	\$1,050,588
0122	CAO Grants	\$0	\$0	\$0
0410	Auditor-Controller	\$5,162,079	\$579,477	\$5,741,556
0420	Assessor	\$4,582,764	\$813,849	\$5,396,613
0710	County Counsel	\$1,633,574	\$0	\$1,633,574
2540	Misc. Expenditures	\$6,587,322	\$1,023,580	\$7,610,902
7110	Veterans' Services Officer	\$96,933	\$0	\$96,933
7515	Librarian	\$310,744	\$0	\$310,744
8210	Contingencies	\$1,000,000	\$0	\$1,000,000
	Total	\$21,392,493	\$2,416,906	\$23,809,399

*Information is from Table 1 of the Fresno County Net County Cost Analysis

B. Allocation Methodologies

The format for discussing the cost allocation methodologies is to show the total County cost and allocate it on a urban service cost basis, in which the unincorporated areas of the County receives the services, and on a countywide basis, in which all areas of the County receive the services.

As shown in Figure 7 below, seven Finance and Administration budget units have net County costs associated with them in the Fresno County Net County Cost Analysis. Because many of these budget units support countywide facilities and service provision, the Fresno County Net County Cost Analysis allocated these costs on a countywide per

capita basis. Agencies and municipalities are charged for the cost of Auditor-Controller and Assessor activities, so there are no net County costs that are attributable to the municipalities. The remaining net County costs can be assumed to be the cost of providing services in support of activities and services directed in the unincorporated County.

Figure 7:

Cost Allocation Methodologies From Net County Cost Analysis***Finance & Administration**

B.U.	Department	Total County Cost	less Urban Service Cost	= Countywide Service Cost	Allocation Methodology
0110	Board of Supervisors	\$968,489	\$0	\$968,489	Countywide Per Capita
0120	CAO	\$1,050,588	\$0	\$1,050,588	Countywide Per Capita
0122	CAO Grants	\$0	\$0	\$0	N/A
0410	Auditor-Controller	\$5,741,556	\$5,741,556	\$0	Unincorporated
0420	Assessor	\$5,396,613	\$5,396,613	\$0	Unincorporated
0710	County Counsel	\$1,633,574	\$0	\$1,633,574	Countywide Per Capita
2540	Misc. Expenditures	\$7,610,902	\$1,240,588	\$6,370,314	Countywide Per Capita
7110	Veterans' Services Officer	\$96,933	\$0	\$96,933	Countywide Per Capita
7515	Librarian	\$310,744	\$0	\$310,744	Countywide Per Capita
8210	Contingencies	\$1,000,000	\$0	\$1,000,000	Countywide Per Capita
	Total	\$23,809,399	\$12,378,757	\$11,430,642	

*Information is from Table 1 of the Fresno County Net County Cost Analysis

C. Cost Allocations

The budget units under Finance and Administration do, for the most part, support countywide facilities and service provision, which benefit residents throughout the County. However, TA would like to point out that nonresidential development also benefits from certain countywide facilities and services, which is not accounted for in the Fresno County Net County Cost Analysis. Based on discussions held between TA and County staff and review of available data, the countywide per capita allocation methodologies used in the Net County Cost Analysis for Finance and Administration is probably an adequate proxy. Therefore, TA proposes no change to the cost allocations contained in the Fresno County Net County Cost Analysis. As in Figure 8 below, of the \$11,430,642 in costs to allocate, \$983,834 is attributable to the City of Clovis, \$2,596,342 is attributable to the unincorporated County and \$7,850,466 is attributable to the remaining municipalities.

Figure 8:

Finance & Administration Cost Allocations

B.U.	Department	Total Costs to Allocate*	Clovis Costs	Unincorp. County Costs	Other Municip. Costs**
0110	Board of Supervisors	\$968,489	\$83,358	\$219,981	\$665,150
0120	CAO	\$1,050,588	\$90,424	\$238,629	\$721,535
0122	CAO Grants	\$0	\$0	\$0	\$0
0410	Auditor-Controller	\$0	\$0	\$0	\$0
0420	Assessor	\$0	\$0	\$0	\$0
0710	County Counsel	\$1,633,574	\$140,602	\$371,048	\$1,121,924
2540	Misc. Expenditures	\$6,370,314	\$548,292	\$1,446,945	\$4,375,076
7110	Veterans' Services Officer	\$96,933	\$8,343	\$22,017	\$66,573
7515	Librarian	\$310,744	\$26,746	\$70,582	\$213,416
8210	Contingencies	\$1,000,000	\$86,070	\$227,139	\$686,791
	Total	\$11,430,642	\$983,834	\$2,596,342	\$7,850,466

*Information is from Table 1 of the Fresno County Net County Cost Analysis

**Since each municipality is unique, any results need to be calculated for that individual municipality

IV. HUMAN SERVICES

A. Overview

The budget units under Human Services include health and social services functions such as Children and Family Services, County Medical Services, Foster Care, Adoptions, AFDC and other related services.

Figure 9 shows the revised Fiscal Year 1999 net county cost. This figure is comprised of the net county cost (total budget less program revenues) less realignment revenues for Human Services. These figures are from the Fresno County Net County Cost Analysis and total \$29,096,769.

Figure 9:

Human Services Net County Costs*

B.U.	Department	FY99 Net County Cost	less Realignment Revenues	= Revised Net County Cost
5600	Administration	\$93,732	\$0	\$93,732
5610	Employ. & Temp. Assist.	\$1,220,445	\$0	\$1,220,445
5620	Comm. Health Services	\$428,408	\$0	\$428,408
5630	Adult Services	\$206,851	\$0	\$206,851
5640	Child. & Family Services	\$694,997	\$0	\$694,997
5240	County Med. Services	\$35,941,311	\$24,581,600	\$11,359,711
6310	AFDC-FG	\$671,429	\$0	\$671,429
6320	AFDC-UP	\$566,404	\$0	\$566,404
6410	Foster Care	\$1,750,480	\$0	\$1,750,480
6415	Adoptions	\$125,576	\$0	\$125,576
6420	IHSS	\$8,929,008	\$0	\$8,929,008
6615	Refugees	\$0	\$0	\$0
6645	General Relief	\$3,049,728	\$0	\$3,049,728
	Total	\$53,678,369	\$24,581,600	\$29,096,769

*Information is from Table 1 of the Fresno County Net County Cost Analysis

B. Allocation Methodologies

As shown in Figure 10 below, twelve Human Services budget units have net County costs associated with them. These countywide costs total \$28,668,361 in FY99. There is one budget unit (BU5820) that is considered an urban service cost. This budget reflects the County's share of providing animal control services in the unincorporated County. Budget unit 6615 has no countywide or urban service costs and therefore is not factored. The remaining budget units are considered countywide services.

In order to allocate Human Services costs to the appropriate municipality or unincorporated County, the Fresno County Net County Cost Analysis utilized caseload

data, based on existing service recipients, including the zip code within which they reside. For some budget units, there were cases and/or persons being served for which no address information was available. The costs attributable to these unknown cases were then redistributed among the fifteen municipalities and unincorporated County based on the same percentages used for known cases. The redistribution of the costs for unknown cases and/or persons to the municipalities is probably inappropriate since many of these cases and/or persons are from outside Fresno County.

Figure 10:

Cost Allocation Methodologies From Net County Cost Analysis*

Human Services

B.U.	Department	Total County Cost	less Urban Service Cost	= Countywide Service Cost	Allocation Methodology
5600	Administration	\$93,732	\$0	\$93,732	Case-Study
5610	Employ. & Temp. Assist.	\$1,220,445	\$0	\$1,220,445	Case-Study
5620	Comm. Health Services	\$428,408	\$428,408	\$0	Unincorporated
5630	Adult Services	\$206,851	\$0	\$206,851	Case-Study
5640	Child. & Family Services	\$694,997	\$0	\$694,997	Case-Study
5240	County Med. Services	\$11,359,711	\$0	\$11,359,711	Case-Study
6310	AFDC-FG	\$671,429	\$0	\$671,429	Case-Study
6320	AFDC-UP	\$566,404	\$0	\$566,404	Case-Study
6410	Foster Care	\$1,750,480	\$0	\$1,750,480	Case-Study
6415	Adoptions	\$125,576	\$0	\$125,576	Case-Study
6420	IHSS	\$8,929,008	\$0	\$8,929,008	Case-Study
6615	Refugees	\$0	\$0	\$0	N/A
6645	General Relief	\$3,049,728	\$0	\$3,049,728	Case-Study
	Total	\$29,096,769	\$428,408	\$28,668,361	

*Information is from Table 1 of the Fresno County Net County Cost Analysis

C. Cost Allocations

As shown in Figure 11 below, the allocation methodologies utilized in the Fresno County Net County Cost Analysis results in Clovis generating \$1,268,826 in countywide Human Services costs, the unincorporated County generates \$4,366,496 in costs and the other municipalities account for the remaining \$23,033,039 in costs. *Included in these costs is \$574,321 in costs attributable to cases and/or persons who reside either outside of the County or whose address is unknown.*

Figure 11:

Human Services Cost Allocations From Net County Cost Analysis

B.U.	Department	Total Costs to Allocate*	Clovis Costs**	Unincorp. County Costs**	Other Municip. Costs***
5600	Administration	\$93,732	\$3,663	\$14,890	\$75,179
5610	Employ. & Temp. Assist.	\$1,220,445	\$49,224	\$204,704	\$966,517
5620	Comm. Health Services	\$0	\$0	\$0	\$0
5630	Adult Services	\$206,851	\$10,518	\$32,481	\$163,852
5640	Child. & Family Services	\$694,997	\$45,821	\$123,003	\$526,173
5240	County Med. Services	\$11,359,711	\$502,337	\$1,287,078	\$9,570,296
6310	AFDC-FG	\$671,429	\$19,818	\$106,890	\$544,721
6320	AFDC-UP	\$566,404	\$16,718	\$90,170	\$459,516
6410	Foster Care	\$1,750,480	\$89,222	\$339,309	\$1,321,949
6415	Adoptions	\$125,576	\$7,667	\$26,858	\$91,051
6420	IHSS	\$8,929,008	\$365,605	\$1,685,514	\$6,877,889
6615	Refugees	\$0	\$0	\$0	\$0
6645	General Relief	\$3,049,728	\$158,233	\$455,599	\$2,435,896
	Total	\$28,668,361	\$1,268,826	\$4,366,496	\$23,033,039

*Information is from Table 1of the Fresno County Net County Cost Analysis

**Information is from Table 4a of the Fresno County Net County Cost Analysis

***Since each municipality is unique, any results need to be calculated for that individual municipality

As mentioned above, TA feels that allocating costs (\$574,321) attributable to cases and/or persons who reside either outside of the County or whose address is unknown, among the municipalities based on the same percentages used for known cases is inappropriate. Therefore, \$574,321 is added back to the urban service total. The table below shows the revised cost allocations once the unknown and out-of-county costs are subtracted from the countywide cost total. The revised cost allocations show that Clovis generates \$1,237,163 in countywide Human Services costs, the unincorporated County generates \$4,261,730 and the other municipalities account for the remaining \$22,595,147 in costs. This is shown in Figure 12 below.

Figure 12:

Revised Human Services Cost Allocations Per TA's Recommendation

B.U.	Department	Total Costs to Allocate*	less Unknown Costs**	= Revised Costs	Rev. Clovis Costs	Rev. Unincorp. County Costs	Rev. Other Municip. Costs***
5600	Administration	\$93,732	\$1,965	\$91,767	\$3,587	\$14,578	\$73,602
5610	Employ. & Temp. Assist.	\$1,220,445	\$0	\$1,220,445	\$49,224	\$204,704	\$966,517
5620	Comm. Health Services	\$0	\$0	\$0	\$0	\$0	\$0
5630	Adult Services	\$206,851	\$12,571	\$194,280	\$9,879	\$30,507	\$153,894
5640	Child. & Family Services	\$694,997	\$139,451	\$555,546	\$36,627	\$98,322	\$420,597
5240	County Med. Services	\$11,359,711		\$11,359,711	\$502,337	\$1,287,078	\$9,570,296
6310	AFDC-FG	\$671,429		\$671,429	\$19,818	\$106,890	\$544,721
6320	AFDC-UP	\$566,404		\$566,404	\$16,718	\$90,170	\$459,516
6410	Foster Care	\$1,750,480	\$302,418	\$1,448,062	\$73,808	\$280,689	\$1,093,565
6415	Adoptions	\$125,576	\$24,244	\$101,332	\$6,187	\$21,673	\$73,472
6420	IHSS	\$8,929,008	\$0	\$8,929,008	\$365,605	\$1,685,514	\$6,877,889
6615	Refugees	\$0	\$0	\$0	\$0	\$0	\$0
6645	General Relief	\$3,049,728	\$93,672	\$2,956,056	\$153,373	\$441,605	\$2,361,078
	Total	\$28,668,361	\$574,321	\$28,094,040	\$1,237,163	\$4,261,730	\$22,595,147

*Information is from Table 1of the Fresno County Net County Cost Analysis

**Information is from Table 4 of the Fresno County Net County Cost Analysis

***Since each municipality is unique, any results need to be calculated for that individual municipality

IV. INTERNAL SERVICES

A. Overview

The budget units under Internal Services support a variety of support services essential to the provision of County services. These budgets include General Services, Purchasing, Personnel, Parks and Recreation and Capital Improvements.

Figure 13 shows the total Fiscal Year 1999 county cost. This figure is comprised of the net county cost (total budget less program revenues) plus retained earnings from enterprise funds and Teeter Funds. These figures are from the Fresno County Net County Cost Analysis and total \$11,436,074. The County's rationale for including enterprise fund retained earnings and Teeter Funds as costs is because the County has chosen to use these revenues to decrease the net impact on the General Fund.

Figure 13:

Internal Services Net County Costs*

B.U.	Department	FY99 Net County Cost	plus Ret. Earn. & Teeter Funds	= Total County Cost
0130	General Services	\$5,981,295	\$1,218,527	\$7,199,822
0440	Purchasing	\$581,195	\$0	\$581,195
1010	Personnel	\$1,024,550	\$0	\$1,024,550
1910	Capital Improvements	\$0	\$996,156	\$996,156
1912	Capital Improvement Grants	\$0	\$0	\$0
7910	Parks & Recreation	\$1,634,351	\$0	\$1,634,351
	Total	\$9,221,391	\$2,214,683	\$11,436,074

*Information is from Table 1 of the Fresno County Net County Cost Analysis

B. Allocation Methodologies

As shown in Figure 14 below, five Internal Services budget units have net County costs associated with them in the Fresno County Net County Cost Analysis. Because General Services, Purchasing and Personnel support countywide facilities and service provision, the Fresno County Net County Cost Analysis allocated these costs on a countywide per capita basis. Since Parks & Recreation services are available on an equal basis to all residents, a countywide per capita allocation methodology was used as well.

Figure 14:

Cost Allocation Methodologies From Net County Cost Analysis***Internal Services**

B.U.	Department	Total County Cost	less Urban Service Cost	= Countywide Service Cost	Allocation Methodology
0130	General Services	\$7,199,822	\$0	\$7,199,822	Countywide Per Capita
0440	Purchasing	\$581,195	\$0	\$581,195	Countywide Per Capita
1010	Personnel	\$1,024,550	\$0	\$1,024,550	Countywide Per Capita
1910	Capital Improvements	\$996,156	\$0	\$996,156	Countywide Per Capita
1912	Capital Improvement Grants	\$0	\$0	\$0	N/A
7910	Parks & Recreation	\$1,634,351	\$0	\$1,634,351	Countywide Per Capita
	Total	\$11,436,074	\$0	\$11,436,074	

*Information is from Table 1 of the Fresno County Net County Cost Analysis

C. Cost Allocations

The budget units under Internal Services do, for the most part, support countywide facilities and service provision, which do benefit residents throughout the County. However, TA would like to point out that nonresidential development also benefits from certain countywide facilities and services, which is not accounted for in the Fresno County Net County Cost Analysis. Based on discussions held between TA and County staff and review of available data, the countywide per capita allocation methodologies used in the Net County Cost Analysis for Internal Services are probably an adequate proxy. Therefore, TA proposes no change to the cost allocations contained in the Fresno County Net County Cost Analysis. As shown in Figure 15 below, of the \$11,436,074 in costs to allocate, \$984,273 is attributable to the City of Clovis, \$2,597,576 is attributable to the unincorporated County and \$7,854,225 is attributable to the remaining municipalities.

Figure 15:

Internal Services Cost Allocations*

B.U.	Department	Total Costs to Allocate*	Clovis Costs**	Unincorp. County Costs**	Other Municip. Costs***
0130	General Services	\$7,199,822	\$619,670	\$1,635,359	\$4,944,793
0440	Purchasing	\$581,195	\$50,022	\$132,012	\$399,161
1010	Personnel	\$1,024,550	\$88,180	\$232,715	\$703,655
1910	Capital Improvements	\$996,156	\$85,737	\$226,266	\$684,153
1912	Capital Improvement Grants	\$0	\$0	\$0	\$0
7910	Parks & Recreation	\$1,634,351	\$140,664	\$371,224	\$1,122,463
	Total	\$11,436,074	\$984,273	\$2,597,576	\$7,854,225

*Information is from Table 1 of the Fresno County Net County Cost Analysis

**Information is from Table 4a of the Fresno County Net County Cost Analysis

***Since each municipality is unique, any results need to be calculated for that individual municipality

V. JUSTICE

A. Overview

The budget units under Justice include more than a dozen different budget units that provide law enforcement, incarceration, rehabilitation, and related public safety functions. These budgets include General Services, Purchasing, Personnel, Parks and Recreation and Capital Improvements.

Figure 16 shows the total Fiscal Year 1999 county cost. This figure is comprised of the net county cost (total budget less program revenues) plus retained earnings from enterprise funds. These figures are from the Fresno County Net County Cost Analysis and total \$102,396,666. The County's rationale for including enterprise fund retained earnings as costs is because rather than directing these funds toward urban services, the County has chosen to use these revenues to decrease the net impact on the General Fund.

Figure 16:

Justice Net County Costs*

B.U.	Department	FY99 Net County Cost	plus Retained Earnings	= Total County Cost
2838	Court Ancillary Services	\$12,625,033	\$0	\$12,625,033
2850	County Clerk	\$1,999,429	\$2,315,794	\$4,315,223
2860	District Attorney	\$8,821,737	\$504,939	\$9,326,676
2862	D.A. Grants	\$0	\$0	\$0
2865	D.A. Family Support	\$0	\$0	\$0
2870	Grand Jury	\$30,378	\$0	\$30,378
2875	Alternative Indig. Defense	\$3,005,185	\$0	\$3,005,185
2880	Public Defender	\$5,705,643	\$0	\$5,705,643
3110	Sheriff	\$32,151,010	\$0	\$32,151,010
3112	Sheriff-Grants	\$0	\$0	\$0
3410	Sheriff-Main Jail	\$17,137,636	\$0	\$17,137,636
3430	Probation	\$9,447,901	\$1,744,663	\$11,192,564
3432	Probation-Grants	\$0	\$0	\$0
3440	Probation-Juv. Hall	\$5,201,250	\$0	\$5,201,250
3445	Probation-Juvenile Camp	\$749,684	\$0	\$749,684
4330	PA/PG-Coroner	\$956,384	\$0	\$956,384
	Total	\$97,831,270	\$4,565,396	\$102,396,666

*Information is from Table 1 of the Fresno County Net County Cost Analysis

B. Allocation Methodologies

Several allocation methodologies were used in the Fresno County Net County Cost Analysis for budget units under the category of Justice. These methodologies include caseload data, per capita, weighted average, and residence of inmates. As Figure 17

shows, countywide service costs total \$70,245,656 in the Fresno County Net County Cost Analysis. The only urban service cost is \$32,151,010 for the Sheriff.

Figure 17:

Cost Allocation Methodologies From Net County Cost Analysis*

Justice

B.U.	Department	Total County Cost	less Urban Service Cost	= Countywide Service Cost	Allocation Methodology
2838	Court Ancillary Services	\$12,625,033	\$0	\$12,625,033	Case Load Analysis
2850	County Clerk	\$4,315,223	\$0	\$4,315,223	Registered Voters
2860	District Attorney	\$9,326,676	\$0	\$9,326,676	Weighted Average
2862	D.A. Grants	\$0	\$0	\$0	N/A
2865	D.A. Family Support	\$0	\$0	\$0	N/A
2870	Grand Jury	\$30,378	\$0	\$30,378	Countywide Per Capita
2875	Alternative Indig. Defense	\$3,005,185	\$0	\$3,005,185	Weighted Average
2880	Public Defender	\$5,705,643	\$0	\$5,705,643	Case Load Analysis
3110	Sheriff	\$32,151,010	\$32,151,010	\$0	N/A
3112	Sheriff-Grants	\$0	\$0	\$0	N/A
3410	Sheriff-Main Jail	\$17,137,636	\$0	\$17,137,636	Residence of Inmate
3430	Probation	\$11,192,564	\$0	\$11,192,564	Case Load Analysis
3432	Probation-Grants	\$0	\$0	\$0	N/A
3440	Probation-Juv. Hall	\$5,201,250	\$0	\$5,201,250	Case Load Analysis
3445	Probation-Juvenile Camp	\$749,684	\$0	\$749,684	Case Load Analysis
4330	PA/PG-Coroner	\$956,384	\$0	\$956,384	Countywide Per Capita
	Total	\$102,396,666	\$32,151,010	\$70,245,656	

*Information is from Table 1 of the Fresno County Net County Cost Analysis

From TA's perspective, there are a number of issues associated with allocation methodologies used for budget units under the Justice category. These issues are discussed in turn below.

Budget unit 2838 (Court Ancillary Services) contains the County's share of "maintenance of effort" funds required to receive State funding for trial court operations. Discussions with County staff indicate that these court operations include criminal, traffic, family, juvenile, probate and small claims functions. The Fresno County Net County Cost Analysis used traffic tickets to allocate the net county costs among the cities and unincorporated area. *TA feels this methodology is inappropriate given the myriad of cases heard by these types of courts.* A more appropriate methodology would be to separate the net county costs for each type of court and use an appropriate methodology for each of the court functions. For example, the demand for criminal court resources could be a function of referral source (i.e. City of Clovis Police Department or the County Sheriff) or address where the offense occurred. The demand for family, probate and small claims courts could be a function of address or zip code. In order to use these different methodologies, a breakdown of cost per court function would be needed. Unfortunately, TA is told that budget information by court function is not available.

Budget unit 3410 (Sheriff Main Jail) supports the operation of the County jail. The Fresno County Net County Cost Analysis used zip codes within which current inmates reside to allocate the net county costs for this budget unit. Under this methodology an inmate who resides in the City of Clovis is considered a City of Clovis cost. *TA feels a more appropriate methodology would be place of incidence/arrest.* Under this methodology, the cost is attributed to the land use that generates the incident. Under this methodology, if a City of Fresno resident is arrested for purse snatching at a mall in Clovis, the person arrested is considered a City of Clovis cost because if the mall were no located in Clovis, the person would have gone elsewhere to commit the offense. *Although this methodology is likely to increase the City of Clovis' share of net county costs for this budget unit, TA feels this methodology provides a better nexus for allocating costs.*

Budget unit 3110 (Sheriff) was assumed to be a urban service cost in the Fresno County Net County Cost Analysis because this budget supports law enforcement activities in the unincorporated areas of the County. This assumption would be appropriate if the Sheriff's only function was to provide law enforcement within the unincorporated areas of the County. TA is told through discussions with the Sheriff's Office that the Sheriff also provides other services that benefit the municipalities. These services include serving papers, prisoner transport and some law enforcement. Therefore, it appears there are costs within this budget that can be attributed to the municipalities. In order to determine the cost attributable to the municipalities, a breakdown of expenditures per Sheriff function is needed. Unfortunately, TA is told that budget information by court function is not available.

For some budget units, there were cases and/or persons being served for which limited information was available. The costs attributable to these unknown cases were then redistributed among the fifteen municipalities and unincorporated County based on the same percentages used for known cases. *TA feels that the redistribution of the costs for unknown cases and/or persons to the municipalities and unincorporated County is inappropriate.* Just as is the case for Human Services, TA feels this is a cost that Fresno County should absorb as a cost of doing business, especially when it is likely that many of these cases and/or persons are from outside Fresno County

C. Cost Allocations

As shown in Figure 18, the allocation methodologies utilized in the Fresno County Net County Cost Analysis results in Clovis generating \$3,783,096 in countywide Justice costs, the unincorporated County generates \$13,400,743 in costs and the other municipalities account for the remaining \$53,061,817 in costs. *Included in these countywide costs is \$9,977,879 attributable to cases and/or persons who either reside outside of the County or whose address is unknown.*

Figure 18:

Justice Cost Allocations From Net County Cost Analysis

B.U.	Department	Total Costs to Allocate*	Clovis Costs**	Unincorp. County Costs**	Other Municip. Costs**
2838	Court Ancillary Services	\$12,625,033	\$808,261	\$2,566,743	\$9,250,029
2850	County Clerk	\$4,315,223	\$441,005	\$1,044,409	\$2,829,809
2860	District Attorney	\$9,326,676	\$436,989	\$1,720,235	\$7,169,452
2862	D.A. Grants	\$0	\$0	\$0	\$0
2865	D.A. Family Support	\$0	\$0	\$0	\$0
2870	Grand Jury	\$30,378	\$2,615	\$6,900	\$20,863
2875	Alternative Indig. Defense	\$3,005,185	\$172,988	\$538,903	\$2,293,294
2880	Public Defender	\$5,705,643	\$328,435	\$1,023,162	\$4,354,046
3110	Sheriff	\$0	\$0	\$0	\$0
3112	Sheriff-Grants	\$0	\$0	\$0	\$0
3410	Sheriff-Main Jail	\$17,137,636	\$647,902	\$3,273,317	\$13,216,417
3430	Probation	\$11,192,564	\$595,162	\$1,982,601	\$8,614,801
3432	Probation-Grants	\$0	\$0	\$0	\$0
3440	Probation-Juv. Hall	\$5,201,250	\$210,682	\$892,147	\$4,098,421
3445	Probation-Juvenile Camp	\$749,684	\$56,744	\$135,094	\$557,846
4330	PA/PG-Coroner	\$956,384	\$82,313	\$217,232	\$656,839
	Total	\$70,245,656	\$3,783,096	\$13,400,743	\$53,061,817

*Information is from Table 1 of the Fresno County Net County Cost Analysis

**Information is from Table 4a of the Fresno County Net County Cost Analysis

***Since each municipality is unique, any results need to be calculated for that individual municipality

As mentioned above, TA feels that allocating costs attributable (\$9,997,879) to cases and/or persons who reside either outside of the County or whose address is unknown, among the municipalities based on the same percentages used for known cases is inappropriate. Therefore, \$9,997,879 is added back to the urban service total. The table below shows the revised cost allocations once the unknown and out-of-county costs are subtracted from the countywide cost total. Figure 19 shows the revised cost allocations once the unknown and out-of-county costs are subtracted. The revised cost allocations show that Clovis generates \$3,275,360 in countywide Justice costs, the unincorporated County generates \$11,542,678 and the other municipalities account for the remaining \$45,449,740 in costs.

Figure 19:

Revised Justice Cost Allocations Per TA's Recommendation

B.U.	Department	Total Costs to Allocate*	less Unknown Costs**	= Revised Costs	Rev. Clovis Costs	Rev. Unincorp. County Costs	Rev. Other Municip. Costs***
2838	Court Ancillary Services	\$12,625,033	\$1,901,843	\$10,723,190	\$686,504	\$2,180,087	\$7,856,599
2850	County Clerk	\$4,315,223	\$0	\$4,315,223	\$441,006	\$1,044,409	\$2,829,808
2860	District Attorney	\$9,326,676	\$1,556,156	\$7,770,520	\$364,077	\$1,433,214	\$5,973,229
2862	D.A. Grants	\$0	\$0	\$0	\$0	\$0	\$0
2865	D.A. Family Support	\$0	\$0	\$0	\$0	\$0	\$0
2870	Grand Jury	\$30,378	\$0	\$30,378	\$2,615	\$6,900	\$20,863
2875	Alternative Indig. Defense	\$3,005,185	\$227,709	\$2,777,476	\$159,881	\$498,070	\$2,119,525
2880	Public Defender	\$5,705,643	\$432,329	\$5,273,314	\$303,549	\$945,635	\$4,024,130
3110	Sheriff	\$0	\$0	\$0	\$0	\$0	\$0
3112	Sheriff-Grants	\$0	\$0	\$0	\$0	\$0	\$0
3410	Sheriff-Main Jail	\$17,137,636	\$2,146,130	\$14,991,506	\$566,766	\$2,863,403	\$11,561,337
3430	Probation	\$11,192,564	\$3,374,128	\$7,818,436	\$415,743	\$1,384,923	\$6,017,770
3432	Probation-Grants	\$0	\$0	\$0	\$0	\$0	\$0
3440	Probation-Juv. Hall	\$5,201,250	\$317,854	\$4,883,396	\$197,807	\$837,627	\$3,847,962
3445	Probation-Juvenile Camp	\$749,684	\$21,729	\$727,955	\$55,099	\$131,178	\$541,678
4330	PA/PG-Coroner	\$956,384	\$0	\$956,384	\$82,313	\$217,232	\$656,839
	Total	\$70,245,656	\$9,977,878	\$60,267,778	\$3,275,360	\$11,542,678	\$45,449,740

*Information is from Table 1 of the Fresno County Net County Cost Analysis

**Information is from Table 6 of the Fresno County Net County Cost Analysis

***Since each municipality is unique, any results need to be calculated for that individual municipality

IV. LAND USE

A. Overview

The budget units under Land Use include Development Services, Agriculture, County Advertising Resources, Cooperative Extension, and the Local Agency Formation Commission (LAFCO).

Figure 20 shows the total Fiscal Year 1999 county cost. This figure is comprised of the net county cost (total budget less program revenues) plus retained earnings from enterprise funds. These figures are from the Fresno County Net County Cost Analysis and total \$3,582,595. The County's rationale for including enterprise fund retained earnings as costs is because the County has chosen to use these revenues to decrease the net impact on the General Fund.

Figure 20:

Land Use Total County Costs*

B.U.	Department	FY99 Net County Cost	plus Retained Earnings	= Total County Cost
1930	County Advert. Resources	\$56,315	\$0	\$56,315
4010	Department of Ag.	\$1,210,623	\$0	\$1,210,623
4360	P.W.-Development	\$1,108,261	\$830,203	\$1,938,464
4370	LAFCO	\$77,396	\$0	\$77,396
4700	P.W.-Transit Services	\$0	\$0	\$0
5512	P.W.-Grants	\$0	\$0	\$0
7205	CDBG	(\$59,895)	\$0	(\$59,895)
7610	Cooperative Extension	\$359,692	\$0	\$359,692
	Total	\$2,752,392	\$830,203	\$3,582,595

*Information is from Table 1 of the Fresno County Net County Cost Analysis

B. Allocation Methodologies

Four of the five budget units included under the functional classification of Land Use have net County costs in the Fresno County Net County Cost Analysis. Because Development Services oversees and regulates land development in the unincorporated County, it is considered an urban service cost. County Advertising Resources, Agriculture, LAFCO and the Cooperative Extension were allocated on a countywide per capita basis. Because the County charge CDBG activities a share of overhead costs, a revenue of \$59,895 is shown in the General Fund. As Figure 21 shows, countywide service costs total \$1,644,131 in the Fresno County Net County Cost Analysis and urban service costs total \$1,938,464.

**Figure 21:
Cost Allocation Methodologies From Net County Cost Analysis*
Land Use**

B.U.	Department	Total County Cost	less Urban Service Cost	= Countywide Service Cost	Allocation Methodology
1930	County Advert. Resources	\$56,315	\$0	\$56,315	Countywide Per Capita
4010	Department of Ag.	\$1,210,623	\$0	\$1,210,623	Countywide Per Capita
4360	P.W.-Development	\$1,938,464	\$1,938,464	\$0	N/A
4370	LAFCO	\$77,396	\$0	\$77,396	Countywide Per Capita
4700	P.W.-Transit Services	\$0	\$0	\$0	N/A
5512	P.W.-Grants	\$0	\$0	\$0	N/A
7205	CDBG	(\$59,895)	\$0	(\$59,895)	Countywide Per Capita
7610	Cooperative Extension	\$359,692	\$0	\$359,692	Countywide Per Capita
	Total	\$3,582,595	\$1,938,464	\$1,644,131	

*Information is from Table 1 of the Fresno County Net County Cost Analysis

TA agrees with all allocation methodologies used for Land Use in the Fresno County Net County Cost Analysis. However, TA recommends further analysis of the Development budget. Based on discussions between TA and County staff, it is likely that there are costs that can be attributed to the municipalities. These costs are associated with staffing costs to process City of Clovis annexation proposals and implementation of the Fresno County General Plan. If a net county cost figure can be arrived upon for these activities, TA would recommend an allocation methodology such as population and employment to allocate these costs to the appropriate municipality.

C. Cost Allocations

As shown in Figure 22, the allocation methodologies utilized in the Fresno County Net County Cost Analysis results in Clovis generating \$135,237 in countywide Land Use costs, the unincorporated County generates \$356,902 in costs and the other municipalities account for the remaining \$1,151,992 in costs. Unless the Fresno County can provide net county cost figures for Development activities in the municipalities, TA concurs with findings for Land Use contained in the Fresno County Net County Cost Analysis.

Figure 22:

Land Use Cost Allocations

B.U.	Department	Total Costs to Allocate*	Clovis Costs**	Unincorp. County Costs**	Other Municip. Costs**
1930	County Advert. Resources	\$56,315	\$4,847	\$12,791	\$38,677
4010	Department of Ag.	\$1,210,623	\$104,195	\$274,979	\$831,449
4360	P.W.-Development	\$0	\$0	\$0	\$0
4370	LAFCO	\$77,396	\$6,661	\$17,580	\$53,155
4700	P.W.-Transit Services	\$0	\$0	\$0	\$0
5512	P.W.-Grants	\$0	\$0	\$0	\$0
7205	CDBG	(\$59,895)	(\$11,424)	(\$30,148)	(\$18,323)
7610	Cooperative Extension	\$359,692	\$30,958	\$81,700	\$247,034
	Total	\$1,644,131	\$135,237	\$356,902	\$1,151,992

*Information is from Table 1 of the Fresno County Net County Cost Analysis

**Information is from Table 7 of the Fresno County Net County Cost Analysis

***Since each municipality is unique, any results need to be calculated for that individual municipality

IV. REVENUES

The Fresno County Net County Cost Analysis indicates the County has \$150,539,407 in discretionary revenues in the FY99 budget. However, only \$68,387,092 was allocated against Fresno County net county costs. This is because, as discussed later, a major source of revenue was allocated. As shown in Figure 23, using the allocation methodologies in the Fresno County Net County Cost Analysis, the City of Clovis generates \$5,467,308 in discretionary revenue. The unincorporated generates \$33,573,153 in discretionary revenue and the remaining municipalities generate \$29,346,632 in discretionary revenues. In the sections that follow, TA evaluates the allocation methodologies used for these discretionary revenues.

Figure 23:

Revenue Allocation From Net County Cost Analysis

Source	Amount*	Allocation Methodology*	Clovis Revenues*	Unincorp. County*	Other***
Property Taxes**	\$46,785,092	Per Auditor Reports	\$5,026,810	\$15,704,660	\$26,053,622
Sales Tax#	\$11,250,000	Per Auditor Reports	\$333,053	\$8,180,816	\$2,736,131
Timber Yield	\$80,000	100% Unincorporated	\$0	\$80,000	\$0
Airplane Taxes	\$150,000	100% Unincorporated	\$0	\$150,000	\$0
Property Transfer Fees	\$1,000,000	Property Tax Split	\$107,445	\$335,677	\$556,879
Racehorse Taxes	\$10,000	N/A	\$0	\$0	\$0
Development Serv. Fees	\$200,000	100% Unincorporated	\$0	\$200,000	\$0
Franchise Fees	\$1,900,000	100% Unincorporated	\$0	\$1,900,000	\$0
Interest	\$7,053,500	N/A	\$0	\$0	\$0
Rental Income	\$102,000	100% Unincorporated	\$0	\$102,000	\$0
Motor Vehicle In-Lieu	\$34,000,000	N/A	\$0	\$0	\$0
Homeowners In-Lieu	\$1,050,000	100% Unincorporated	\$0	\$1,050,000	\$0
Prop. 172	\$34,200,000	N/A	\$0	\$0	\$0
Williamson Act	\$5,870,000	100% Unincorporated	\$0	\$5,870,000	\$0
Federal In-Lieu Housing	\$10,000	N/A	\$0	\$0	\$0
Federal In-Lieu Taxes	\$316,000	N/A	\$0	\$0	\$0
Countywide Cost Allocation	\$1,556,500	N/A	\$0	\$0	\$0
General Overhead Realignment	\$2,169,315	N/A	\$0	\$0	\$0
Motor Vehicle In-Lieu (Realgn.)	\$0	Offsets BU5240	\$0	\$0	\$0
State Other (Stabilization)	\$2,837,000	N/A	\$0	\$0	\$0
AB2476 & AB77	\$0	Offsets BU5240	\$0	\$0	\$0
Total	\$150,539,407		\$5,467,308	\$33,573,153	\$29,346,632

*Information is from Table 9 of the Fresno County Net County Cost Analysis

**Information is from Table 10 of the Fresno County Net County Cost Analysis

***Since each municipality is unique, any results need to be calculated for that individual municipality

#Information is from Table 11 of the Fresno County Net County Cost Analysis

A. Property Taxes

As shown in Figure 24, the County expects to receive about \$46.7 million in property tax revenue in FY99. Property tax revenues generated by municipalities in Fresno County are distributed among a number of agencies, including the County, school districts, as well as various other agencies. The table below contains information from the County Auditor-Controller regarding the source of Fresno County property tax revenues for FY99. According to the Auditor-Controller's information, Fresno County

received \$5,026,810, or 11%, in property tax revenue from the City of Clovis. The remaining municipalities provided \$26,053,622 (56%), with the remaining \$15,704,660 (34%) received from the unincorporated County.

Figure 24:

Fresno County Property Tax Details

Source	Amount*	Percent
City of Clovis	\$5,026,810	11%
Other Municipalities	\$26,053,622	56%
Unincorporated County	\$15,704,660	34%
Total	\$46,785,092	100%

*Information is from Table 10 of the Fresno County Net County Cost Analysis

B. Sales Tax

The County receives sales tax revenue from twelve of the fifteen cities in the County. The amount received varies depending on the negotiated agreement with each city. The County's Net County Cost Analysis used the figure of \$11,250,000 for FY99 sales tax revenue. To determine the amount generated from the municipalities, the most recent data available from the Auditor-Controller's Office was used, which at the time was for fiscal year 1996/97. To arrive at a figure for FY99, a three percent adjustment per year was assumed. The FY99 estimate of sales tax revenue from the City of Clovis was \$333,053, or 3% of the total. The remaining municipalities are estimated to have provided \$2,736,131 (24%), with the remaining \$8,180,816 (73%) received from the unincorporated County. This is shown in Figure 25 below.

Figure 25:

Fresno County Sales Tax Details

Source	Amount*	Percent
City of Clovis	\$333,053	3%
Other Municipalities	\$2,736,131	24%
Unincorporated County	\$8,180,816	73%
Total	\$11,250,000	100%

*Information is from Table 11 of the Fresno County Net County Cost Analysis

The most recent data available, which was used in the County's Net County Cost Analysis, reflected a 4% contribution of Clovis sales tax to the Fresno County. Since that time, the City's contribution has increased to 5%. Therefore, the City of Clovis' sales tax contribution was understated in the County report. The latest data for the City of Clovis is from FY98. This direct payment Fresno County was \$361,711. This is shown in Figure 26 below.

Figure 26:

Reallocation of Fresno County Sales Tax Details

Source	Amount*	Percent
City of Clovis**	\$361,711	3%
Other Municipalities	\$2,736,131	24%
Unincorporated County	\$8,180,816	73%
Total	\$11,278,658	100%

*Information is from Table 11 of the Fresno County Net County Cost Analysis

**Updated to reflect actual FY98 amount transferred

C. Other Taxes

Other taxes are comprised of timber yield revenue, airplane taxes, property transfer fees and racehorse taxes. These sources total \$1,240,000 in the Fresno County Net County Cost Analysis. As shown in Figure 27, the Fresno County study allocated timber yield and airplane tax revenues as a 100% unincorporated County generated revenue, assumed the same percentages composition of property taxes for property transfer fees, and considered racehorse revenues as not applicable. Using the allocation methodologies in the Fresno County Net County Cost Analysis, other tax revenues generated by the City of Clovis total \$107,487, which is 11% of the \$1,000,000 in property transfer fees (11% being the City's percentage of total property taxes). The unincorporated County generates \$565,677 and the other municipalities generate \$556,836.

Figure 27:

Fresno County Other Tax Details*

Source	Amount	Allocation Methodology	Clovis Revenues	Unincorp. County	Other
Timber Yield	\$80,000	100% Unincorporated	\$0	\$80,000	\$0
Airplane Taxes	\$150,000	100% Unincorporated	\$0	\$150,000	\$0
Property Transfer Fees	\$1,000,000	Property Tax Split	\$107,487	\$335,677	\$556,836
Racehorse Taxes	\$10,000	N/A	\$0	\$0	\$0
Total	\$1,240,000		\$107,487	\$565,677	\$556,836

*Information is from Table 9 of the Fresno County Net County Cost Analysis

Given that this is a relatively minor revenue category, TA does not take issue with the allocation methodologies used. However, depending on time constraints and available data, it is preferable that airplane taxes be allocated based on residency of owner and property tax transfers be allocated based on a situs basis (place of transfer).

D. Licenses and Permits

Licenses and permit revenues in the Fresno County Net County Cost Analysis are comprised of development service fees and franchise fees (business licenses). These revenues total \$2,100,000. As shown in Figure 28, these revenues were allocated as being generated from the unincorporated County. Provided that franchise fees are

generated from businesses located strictly within the unincorporated County, TA feels the allocation methodology used is appropriate.

Figure 28:

Fresno County Licenses and Permit Revenue Details*

Source	Amount	Allocation Methodology	Clovis Revenues	Unincorp. County	Other
Development Serv. Fees	\$200,000	100% Unincorporated	\$0	\$200,000	\$0
Franchise Fees	\$1,900,000	100% Unincorporated	\$0	\$1,900,000	\$0
Total	\$2,100,000		\$0	\$2,100,000	\$0

*Information is from Table 9 of the Fresno County Net County Cost Analysis

E. Other Revenues

Other revenues in the Fresno County Net County Cost Analysis are comprised of interest and rental income. These revenues total \$7,155,500. As shown in Figure 29, interest was not factored and rental income was allocated as being generated from the unincorporated County. Using the methodologies, the unincorporated County generates \$102,000 in revenues, while the City of Clovis and the other municipalities generate no revenues.

Figure 29:

Fresno County Other Revenue Details

Source	Amount	Allocation Methodology	Clovis Revenues	Unincorp. County	Other
Interest	\$7,053,500	N/A	\$0	\$0	\$0
Rental Income	\$102,000	100% Unincorporated	\$0	\$102,000	\$0
Total	\$7,155,500		\$0	\$102,000	\$0

*Information is from Table 9 of the Fresno County Net County Cost Analysis

TA believes that interest is generated primarily from the use of property taxes and therefore should be allocated on the basis of the percentage composition of property taxes. Therefore, since the property taxes generated by Clovis is 11% of the County total, it is assumed that Clovis accounts for 11% of interest revenue. As shown in Figure 30, this reallocation of interest revenues results in \$758,163 in revenue from the City of Clovis, \$2,469,695 from the unincorporated County and \$3,927,643 from the other municipalities.

Figure 30:

Reallocation of Other Revenues Per TA's Recommendation

Source	Amount*	Allocation Methodology	Clovis Revenues	Unincorp. County	Other**
Interest	\$7,053,500	Property Tax Split	\$758,163	\$2,367,695	\$3,927,643
Rental Income	\$102,000	100% Unincorporated	\$0	\$102,000	\$0
Total	\$7,155,500		\$758,163	\$2,469,695	\$3,927,643

*Information is from Table 9 of the Fresno County Net County Cost Analysis

**Since each municipality is unique, any results need to be calculated for that individual municipality

F. State Aid

The Fresno County Net County Cost Analysis shows that the majority of County discretionary revenues are from state aid. These revenues are motor vehicle in-lieu fees, homeowner in-lieu fees, Proposition 172 funds and Williamson Act reimbursements. These sources total \$75,120,000 in the Net County Cost Analysis. As shown in Figure 31, motor vehicle in-lieu fees and Proposition 172 funds were not factored in the County's analysis. Homeowner in-lieu fees and Williamson Act reimbursements were allocated as being generated from the unincorporated County. Using these methodologies, the unincorporated County generates \$6,920,000 in revenues, while the City of Clovis and the other municipalities generate no revenues.

Figure 31:

Fresno County State Aid Revenue Details*

Source	Amount	Allocation Methodology	Clovis Revenues	Unincorp. County	Other
Motor Vehicle In-Lieu	\$34,000,000	N/A	\$0	\$0	\$0
Homeowners In-Lieu	\$1,050,000	100% Unincorporated	\$0	\$1,050,000	\$0
Prop. 172	\$34,200,000	N/A	\$0	\$0	\$0
Williamson Act	\$5,870,000	100% Unincorporated	\$0	\$5,870,000	\$0
Total	\$75,120,000		\$0	\$6,920,000	\$0

*Information is from Table 9 of the Fresno County Net County Cost Analysis

Motor vehicle in-lieu fees are allocated from the State to Fresno County on the basis of countywide population. Proposition 172 funds are allocated on the basis of countywide retail sales (which uses a population-based formula). The County's view of these revenues in the Net County Cost Analysis is that since they are allocated by the State, and as such are beyond local control, they are not situs-based, and therefore were not included in the analysis. TA is of the opinion that the County's view on these two revenues is the major flaw in the Net County Cost Analysis. By not including these revenues, the County's analysis is biased from the start since *less than* 100% of the revenues are applied against 100% of the costs. Regardless of whether these two revenues are allocated by the State and are beyond local control, the reality is that a certain portion of each revenue source is attributable to each municipality. As shown in Figure 32, this reallocation of state aid revenues results in \$5,869,795 in revenue from the City of Clovis, \$22,410,863 from the unincorporated County and \$46,839,342 from the other municipalities.

Figure 32:

Reallocation of State Aid Revenue Per TA's Recommendation

Source	Amount*	Allocation Methodology	Clovis Revenues	Unincorp. County	Other**
Motor Vehicle In-Lieu	\$34,000,000	Per Capita	\$2,926,291	\$7,722,718	\$23,350,992
Homeowners In-Lieu	\$1,050,000	100% Unincorporated	\$0	\$1,050,000	\$0
Prop. 172	\$34,200,000	Per Capita	\$2,943,504	\$7,768,145	\$23,488,351
Williamson Act	\$5,870,000	100% Unincorporated	\$0	\$5,870,000	\$0
Total	\$75,120,000		\$5,869,795	\$22,410,863	\$46,839,342

*Information is from Table 9 of the Fresno County Net County Cost Analysis

**Since each municipality is unique, any results need to be calculated for that individual municipality

G. Federal Aid

Discretionary federal aid in the Fresno County Net County Cost Analysis totals \$326,000 in FY99. This revenue source consists of federal in-lieu housing payments and federal in-lieu tax payments. As shown in Figure 33, these revenues were not factored in the analysis.

Figure 33:

Fresno County Federal Aid Revenue Details*

Source	Amount	Allocation Methodology	Clovis Revenues	Unincorp. County	Other
Federal In-Lieu Housing	\$10,000	N/A	\$0	\$0	\$0
Federal In-Lieu Taxes	\$316,000	N/A	\$0	\$0	\$0
Total	\$326,000		\$0	\$0	\$0

*Information is from Table 9 of the Fresno County Net County Cost Analysis

H. Realignments and Charges

Realignments and charges in the Fresno County Net County Cost Analysis total \$326,000 in FY99. This revenue source consists of countywide cost and overhead allocation revenues, motor vehicle in-lieu realignment revenues, stabilization revenues from the state and AB2476 and AB77 mental health realignment revenues from the state. As shown in Figure 34, the motor vehicle in-lieu realignment revenues and AB2476 and AB77 mental health realignment revenues were used to offset County medical services costs in budget unit 5240. Cost allocation revenue and overhead realignment revenues were not factored because they are intended to reimburse County departments for the provision of internal support services. Any costs and revenues in this category indirectly related to services provided to cities are already accounted for at the time these costs and revenues were included in the departmental budgets.

Figure 34:

Fresno County Realignments and Charges Details*

Source	Amount	Allocation Methodology	Clovis Revenues	Unincorp. County	Other
Countywide Cost Allocation	\$1,556,500	N/A	\$0	\$0	\$0
General Overhead Realignment	\$2,169,315	N/A	\$0	\$0	\$0
Motor Vehicle In-Lieu (Realgn.)	\$0	Offsets BU5240	\$0	\$0	\$0
State Other (Stabilization)	\$2,837,000	N/A	\$0	\$0	\$0
AB2476 & AB77	\$0	Offsets BU5240	\$0	\$0	\$0
Total	\$6,562,815		\$0	\$0	\$0

*Information is from Table 9 of the Fresno County Net County Cost Analysis

I. Reallocation Summary

Figure 35 summarizes TA recommendations for reallocating General Fund discretionary revenues based on the discussion points in the sections above. As Figure 35 indicates, when the allocation methodologies for state aid monies and interest revenue are revised according to TA's recommendations and the latest City of Clovis sales tax data is included, the City of Clovis generates \$12,123,622 in discretionary revenues, an increase of approximately \$6.6 million over the Fresno County Net County Cost

Analysis allocation methodology. The revised discretionary revenue attributable to the unincorporated County totals \$51,431,710, approximately \$17.8 million more than under the original methodology, and discretionary revenue attributable to the remaining municipalities totals \$80,113,918, approximately \$50.7 million more than under the original methodology.

**Figure 35:
Reallocation of Revenues Per TA's Recommendation**

Source	Amount*	Allocation Methodology	Clovis Revenues	Unincorp. County	Other**
Property Taxes**	\$46,785,092	Per Auditor Reports	\$5,026,810	\$15,704,660	\$26,053,622
Sales Tax#	\$11,250,000	Per Auditor Reports	\$361,711	\$8,180,816	\$2,736,131
Timber Yield	\$80,000	100% Unincorporated	\$0	\$80,000	\$0
Airplane Taxes	\$150,000	100% Unincorporated	\$0	\$150,000	\$0
Property Transfer Fees	\$1,000,000	Property Tax Split	\$107,445	\$335,677	\$556,879
Racehorse Taxes	\$10,000	N/A	\$0	\$0	\$0
Development Serv. Fees	\$200,000	100% Unincorporated	\$0	\$200,000	\$0
Franchise Fees	\$1,900,000	100% Unincorporated	\$0	\$1,900,000	\$0
Interest	\$7,053,500	Property Tax Split	\$757,861	\$2,367,695	\$3,927,944
Rental Income	\$102,000	100% Unincorporated	\$0	\$102,000	\$0
Motor Vehicle In-Lieu	\$34,000,000	Per Capita	\$2,926,291	\$7,722,718	\$23,350,992
Homeowners In-Lieu	\$1,050,000	100% Unincorporated	\$0	\$1,050,000	\$0
Prop. 172	\$34,200,000	Per Capita	\$2,943,504	\$7,768,145	\$23,488,351
Williamson Act	\$5,870,000	100% Unincorporated	\$0	\$5,870,000	\$0
Federal In-Lieu Housing	\$10,000	N/A	\$0	\$0	\$0
Federal In-Lieu Taxes	\$316,000	N/A	\$0	\$0	\$0
Countywide Cost Allocation	\$1,556,500	N/A	\$0	\$0	\$0
General Overhead Realignment	\$2,169,315	N/A	\$0	\$0	\$0
Motor Vehicle In-Lieu (Realgn.)	\$0	Offsets BU5240	\$0	\$0	\$0
State Other (Stabilization)	\$2,837,000	N/A	\$0	\$0	\$0
AB2476 & AB77	\$0	Offsets BU5240	\$0	\$0	\$0
Total	\$150,539,407		\$12,123,622	\$51,431,710	\$80,113,918

*Information is from Table 9 of the Fresno County Net County Cost Analysis

**Since each municipality is unique, any results need to be calculated for that individual municipality

#Clovis amount has is updated to reflect its FY98 payment

IV. CONCLUSIONS

A. Revised Findings

The Fresno County Net County Cost Analysis concludes that the City of Clovis receives more in countywide services from Fresno County than the County receives from the City of Clovis in discretionary revenues. (See Figure 3 in this report or Table ES-1 of the Fresno County Net County Cost Analysis.) TA's findings conclude just the opposite. The major reason for the differing results is the fact that the Fresno County Net County Cost Analysis failed to allocate a major source of discretionary revenue against countywide service costs. Figure 36 shows the revised countywide service costs based on TA's recommended allocation methodologies. As indicated in Figure 36, the revised cost of countywide service using TA's recommended allocations is \$112,872,665, or \$10,552,201 less than the countywide costs calculated in the Fresno County Net County Cost Analysis. This reduction in costs is a result of subtracting the costs to provide service to unknown cases/individuals who may or may not reside outside of the County. These costs are added back to the Fresno County urban service costs.

As Figure 36 indicates, when the allocation methodologies for countywide service costs are revised according to TA's recommendations, the City of Clovis generates \$6,615,867 in countywide service costs, a decrease of \$539,371 from the Fresno County Net County Cost Analysis allocation methodology. The revised countywide service costs attributable to the unincorporated County totals \$21,355,228, or \$1,962,831 less than under the original methodology, and countywide service costs attributable to the remaining municipalities totals \$84,901,570, or \$8,049,999 less than under the original methodology.

Figure 36:

Cost Comparison From TA's Analysis and Fresno County Analysis

Jurisdiction	Cost of Countywide Services From Fresno Co. Study#	Percent of Total	Revised Cost of Countywide Services*	Percent of Total	Net Difference
Clovis	\$7,155,238	4%	\$6,615,867	6%	\$539,371
Other Municipalities	\$92,951,569	50%	\$84,901,570	75%	\$8,049,999
Unincorporated County***	\$23,318,059	46%	\$21,355,228	19%	\$1,962,831
Total	\$123,424,866	100%	\$112,872,665	100%	\$10,552,201

*Revised per TA's recommended allocation methodologies.

#From Table ES-1 of Fresno County NCC Analysis and Figure 3 of this report

Figure 37 shows the revised discretionary revenue allocation (see Figure 35), based on TA's recommended allocation methodologies and updated City of Clovis sales tax information. As indicated in Figure 37, the revised discretionary revenue to apply against the countywide service costs is \$143,669,250, or \$85,634,156 more than discretionary revenues allocated in the Fresno County Net County Cost Analysis. This is because State Aid Revenue was not allocated as a discretionary revenue from which to fund countywide services in the Fresno County study. The County's view of these revenues in the Net County Cost Analysis is that since they are allocated by the State, and as such are beyond local control, they are not situs-based, and therefore should

not be included in the analysis. TA is of the opinion that the County's view on these two revenues is the major flaw in the Net County Cost Analysis.

Figure 37:

Revenue Comparison From TA's Analysis and Fresno County Analysis

Jurisdiction	Revised Discretionary Revenues*	Percent of Total	Discretionary Revenue From Fresno Co. Study#	Percent of Total	Net Difference
Clovis	\$12,123,622	9%	\$5,359,863	8%	\$6,763,759
Other Municipalities	\$80,113,918	50%	\$28,789,754	56%	\$51,324,164
Unincorporated County***	\$51,431,710	41%	\$23,885,477	36%	\$27,546,233
Total	\$143,669,250	100%	\$58,035,094	100%	\$85,634,156

*Revised per TA's recommended allocation methodologies. Includes allocation of State Aid Revenue. See Figure 35.

**From Table ES-1 of Fresno County NCC Analysis and Figure 3 of this report. Does not include allocation of State Aid Revenues

When the revised discretionary revenues are allocated toward the revised countywide service costs, the City of Clovis now generates \$5,507,754 more in revenues than it receives in countywide services. The unincorporated County generates \$30,076,483 more in revenues than it receives in countywide services and the remaining municipalities generate \$4,787,652 more in countywide service costs than revenues generated. This is shown in Figure 38 below.

Figure 38:

Cost Allocation Summary Per TA's Recommendation

Jurisdiction	Cost of Countywide Services*	Percent of Total	Discretionary Revenue to County**	Percent of Total	Difference-Net Impact to County General Fund
Clovis	\$6,615,867	6%	\$12,123,622	8%	\$5,507,754
Other Municipalities	\$84,901,570	75%	\$80,113,918	56%	(\$4,787,652)
Unincorporated County	\$21,355,228	19%	\$51,431,710	36%	\$30,076,483
Total	\$112,872,665	100%	\$143,669,250	100%	\$30,796,585

*Revised per TA's recommended allocation methodologies

**From Figure 35 of this report

The primary reason the City of Clovis now generates more in discretionary revenues than in countywide services received is because the Fresno County Net County Cost Analysis failed to allocate a major source of discretionary revenue (State Aid Revenue) against countywide service costs. By not including these revenues, the County's analysis is biased from the start since *less than* 100% of the revenues are applied against 100% of the costs. Regardless of whether these revenues are allocated by the State and are beyond local control, the reality is that a certain portion of each revenue source is attributable to each municipality. In addition, TA reallocated the countywide cost of providing services to unknown cases/individuals that was previously distributed among the municipalities in the Fresno County study, as a urban service cost. This

results in a reduction of \$539,399 in countywide service costs attributable to the City of Clovis.

B. Revised Findings Including Urban Service Costs

In addition to countywide service costs (\$21,355,228), the unincorporated County also receives urban services, or those services provided only in the unincorporated County. These urban service costs total \$46,896,639 in the Fresno County Net County Cost Analysis. As discussed earlier in this report, TA recommends that the \$10,552,201 in unknown costs be allocated back to the County as an urban service cost. Therefore, the total urban and countywide service cost attributable to the unincorporated County is \$78,804,068, or \$27,372,357 more than the \$51,431,710 in discretionary revenues attributable to the unincorporated County. This is illustrated in Figure 39 below.

Figure 39:

Cost Allocation Summary, Including Urban Service Costs

Jurisdiction	Cost of Countywide Services*	Percent of Total	Discretionary Revenue to County**	Percent of Total	Difference-Net Impact to County General Fund
Clovis	\$6,615,867	4%	\$12,123,622	8%	\$5,507,754
Other Municipalities	\$84,901,570	50%	\$80,113,918	56%	(\$4,787,652)
Unincorporated County***	\$78,804,068	46%	\$51,431,710	36%	(\$27,372,357)
Total	\$170,321,505	100%	\$143,669,250	100%	(\$26,652,255)

*Revised per TA's recommended allocation methodologies. See Figure 36

**Revised per TA's recommended allocation methodologies. See Figure 35

***This figure includes includes \$21,355,228 in countywide service costs to the unincorporated County, \$10,552,201 in costs to provide services to unknown cases/persons that was reallocated to Fresno County per TA's recommendation and \$46,896,639 in costs to provide urban services to the unincorporated County.

Since the City of Clovis generates more in discretionary revenues than it receives in countywide services, the City is supporting the provision of services to the unincorporated County. The results also show that the County cannot afford to provide countywide and urban services to the unincorporated County with discretionary revenues, which indicates a problem with the County's revenue structure.