

COUNTY OF NEVADA
STATE OF CALIFORNIA
BOARD OF SUPERVISORS



Nathan H. Beason, 1st District
Chair Edward C. Scofield, 2nd District
Vice-Chair Dan Miller, 3rd District
Wm. "Hank" Weston, 4th District
Richard Anderson, 5th District

Julie Patterson Hunter
Interim Clerk of the Board

May 26, 2015

Chief Ken Pimlott, Director
CAL FIRE
P.O. Box 944246
Sacramento, CA 94244-2460

Dear Chief Pimlott:

The Nevada County Board of Supervisors has deep concerns about the disproportionate allocation of funding to counties for fire prevention activities from the SRA (State Responsibility Area) Fire Prevention Fee (FPF), lack of oversight as to their use and a lack of local control and transparency to ensure property owners are receiving a direct benefit from the fee. As we enter the 4th year since the State of California began collecting the SRA Fire Fee, Nevada County residents have yet to see anything close to an equitable benefit from their payments into this program.

Although we understand that our calculations may not be precise; based on the limited, publicly-available fiscal information online, our CAL FIRE unit receives a disproportionate annual allocation of SRAFPF-funded fire prevention activities and projects that are valued at less than one-sixth of the revenues the unit generates. We also found inconsistencies in the way the SRA grant funds were awarded that raise questions about the process. Nowhere could we find information that demonstrates a clear nexus between the annual fee and specific benefits to the fee payers.

While the Board of Supervisors believes the SRA fee is really an illegal tax and continues to advocate for repeal of the fee entirely; until that happens we need to ensure the funds collected are administered appropriately, fairly, and in compliance with state law. The Board of Supervisors has the following requests:

1. Allocate FPF out to counties in greater proportion to what those counties are paying into the fund.

According to CAL FIRE, statewide revenues from the SRA FPF were about \$76 million in 2013-14. Of this, the counties in the Nevada-Yuba-Placer Ranger Unit contributed \$7,702,847. Yet in 2014-15, the unit received \$3,216,599 in fire prevention services, or about 42% of what it paid in. This includes a one-time grant of \$1.8 million. Even accounting for administration costs, this is a poor return which does not demonstrate a direct benefit to the fee payers.

The State claims that SRA revenues are used for statewide prevention work, but most of the new funds backfill pre-existing activities and programs, such as personnel, mapping, education, signage and other operations. While some existing programs, such as vegetation management

950 Maidu Avenue, Suite 200, Nevada City CA 95959-8617
phone: 530.265.1480 | fax: 530.265.9836 | toll free: 888.785.1480 | email: bdofsupervisors@co.nevada.ca.us
website: <http://www.mynevadacounty.com/nc/bos>

and defensible space inspections, have increased, the only new expenditures from the FPF were for hiring additional fire inspectors, more funding for California Conservation Corps for fire prevention projects and a new \$10 million set-aside in 2014-15 for *competitive* grants in SRA counties. Nevada County, which generates about \$3 million annually, will receive slightly over \$512,000 in grant funding from the \$9 million it has generated over three years. Although that represents 5% of the statewide grant funds, it still represents less than 1% proportionately compared to Nevada County's contribution to the statewide program. Furthermore, according to State budget documents there appears to be \$46 million in reserves in the FPF. We believe there is enough funding to meet the original intent of the law.

2. Allocate more funds to counties for specific projects and programs in Community Wildfire Protection Plans (CWPP).

SRA FPF should be redirected to local jurisdictions proportionate to what they are paying, and to meet the needs of the local fire prevention plan. Nevada County's CWPP, developed in collaboration with a core team of homeowners, fire agencies, the County of Nevada and other stakeholders; includes at least 15 projects and programs which, if implemented, the Fire Safe Council of Nevada County (FSC) estimates would benefit an estimated 30,000 homes if implemented. These include: (1) direct landowner assistance **programs** (including chipping, advisory visits, green waste drops, education and establishment of Firewise Communities) which would protect an estimated 18,000 homes annually if all were fully funded, and (2) specific **projects** in the CWPP that would protect an estimated 12,000 homes. Funding these projects and programs would clearly provide a direct tangible benefit to the 29,000 homeowners in Nevada County who pay the SRA fee, and a much more measureable return on investment than the way SRA FPF funds are currently allocated.

3. Ensure that only projects and programs within approved Community Wildfire Protection Plans are prioritized for approval.

Last year, CAL FIRE allocated nearly \$10 million from the SRA FPF fund for a new grant program to benefit communities in the SRA. Total awards for Nevada County projects will be \$512,000, including \$27,000 for the Truckee Fire Protection District CWPP and \$159,000 for the FSC chipping program, a priority program in the Nevada County CWPP.

Under the leadership of the FSC, Nevada County has the most FireWise communities in the State. The Healthy Forest Restoration Act (HFRA) sets out the minimum requirements for CWPPs. Communities with CWPPs in place are given priority for funding of hazardous fuels reduction projects carried out under the auspices of the HFRA. In order to be eligible for most State or Federal grant funds, an FSC project or program must be identified within an approved CWPP. However, the SRAFPF grant did not have this specific requirement for a project to be eligible for funding. Thus, two of the approved SRA grant projects in Nevada County are **not** within the Nevada County CWPP. We estimate that together both projects, for a combined

award of \$326,000, will benefit only about 215 homes. Stronger grant guidelines would help ensure that our SRA fees pay for projects and programs that community stakeholders have established as critical for fire prevention.

4. SRA FPF funding decisions should be subject to a vetting/oversight process by a committee representing local fire prevention interests.

To ensure the grant process meets legal requirements and that approved projects will provide the maximum benefit to habitable structures in the SRA, a committee consisting of qualified stakeholders and members of the public should be tasked with final review and approval of SRA FPF-funded programs and projects.

5. Provide the public with clear information, by County, that demonstrates the nexus between the fee and specific benefits to the fee payers.

Information should either be posted online, or in an insert accompanying the SRA fee invoice, that shows each taxpayer a breakdown of how their County's fees are spent.

In summary, we believe Nevada County is just one example of the disproportionate benefit counties receive from the SRA FPF revenues that they generate. We believe we are subsidizing other counties that do not collect enough SRA fees to cover their fire prevention expenses and grant requests, as well as the exceedingly high costs to administer the program. Additional funding opportunities are sitting in a reserve. We believe there is not adequate oversight or vetting of the grant approval process to ensure that applications are fact-checked and that awards only go to projects that are deemed a priority by the local stakeholders engaged in fire prevention.

On Monday, May 11, the Board of Forestry's Resource Protection Committee notified stakeholders in the fire prevention community that it would hold a meeting three days later, on May 14, to obtain input in developing a comprehensive guidance document for the SRA Grant Program. Due to the very short notice, **please accept this letter as our request for changes to the grant criteria.** Nevada County would like to see these items accomplished prior to any new grant programs, and we would be pleased to work with you to help accomplish these objectives.

Please feel free to contact me if you have any questions. Thank you for your attention to this troubling issue.

Sincerely,



Edward C. Scofield
Chairman, Board of Supervisors

Copied to:

Governor Jerry Brown

Senator Ted Gaines

Assembly Member Brian Dahle

John Laird, California Secretary for Natural Resources

George Gentry, Executive Officer, State Board of Forestry and Fire Protection

George Runner, State Board of Equalization

Placer County Board of Supervisors

Yuba County Board of Supervisors

Sierra County Board of Supervisors

Matt Cate, Executive Director, California State Association of Counties

Greg Norton, President/CEO, Rural County Representatives of California

Joanne Drummond, Fire Safe Council of Nevada County