

PLACER COUNTY BOARD OF SUPERVISORS

Revenue Sharing

Background

Revenue Sharing was originally a federal program initiated in 1972-1973 to distribute money to local governments. The original program was a Federal Block Grant with virtually no strings attached to the use of the funds, so long as they were allocated for *public projects*.

The majority of the federal funds were allocated each year for general County road resurfacing, County facility construction projects, major equipment purchases and other onetime funding needs. Placer County supervisors generally used the funds to resurface County roads through the Department of Public Works.

The County also used the Human Relations Commission (now Community Services Commission) to set aside and prioritize the use of some of the Revenue Sharing Funds for social service community organizations.

The Federal Block Grant funding program was discontinued in September 1986. The Placer County Supervisors chose to continue the practice of Revenue Sharing with General Fund dollars in the amount of \$50,000 annually. The funds were allocated as \$10,000 per district for each supervisor to distribute at his or her discretion. In 1999, the supervisors increased the Revenue Sharing amount to \$100,000 total, or \$20,000 annually per supervisorial district.

Discussion

The Grand Jury, in its capacity as ombudsman for citizens of the County, reviewed the "Revenue Sharing" program as it exists today. The Grand Jury reviewed requests for revenue sharing funds documented in the complete Placer County Board of Supervisors Agenda Packets and interviewed County employees. As a result of its investigation, the Grand Jury learned the following:

- The fund originally came from a Federal Block Grant for *public projects*;
- The original intent to disburse the Federal funds for *public projects* has evolved into County General Fund money being distributed by individual supervisors at their discretion to a variety of organizations;
- The availability of Revenue Sharing funds is not published in County documents;
- There are no written guidelines for the selection of recipients;

- The supervisors doubled the amount of money available to Revenue Sharing from the General Fund in 1999.

The supervisors review requests, generally from their district, and designate which to honor. The recipient's name, along with a brief description of the request, the amount of money to be donated, and the supervisor's name, is placed on the Board of Supervisors Consent Agenda under the title "Revenue Sharing" for approval under a blanket motion. Unless the general public has access to the complete agenda packet, the details of the request and the levels of sponsorship/name recognition available to donors are unknown.

The requests come from a broad range of groups. Many organizations offer incentives to donors for different levels of sponsorship. As the level of sponsorship/donation increases, recognition to the donor often increases. Examples of incentives offered to all potential donors, based on amount donated, included booth sponsorships, tickets to the event, name recognition in programs, thank-you advertisements in newspapers, banners, event advertising, and signs at the event.

Finding 1

The requests for revenue sharing come from a broad range of groups, many of which may be appropriate, but some requests appear to have questionable value to the majority of County taxpayers.

Recommendation 1

Supervisors should consider following the original intent of the Federal grant which was to benefit taxpayers through *public projects* since the money is from County General Funds.

Finding 2

When the supervisor's name appears as an event sponsor, the general public could be misled into believing that the donation of General Fund money to the event is a personal gift from the supervisor.

Recommendation 2

Recognition for the donation of County funds should note that the gift is from the Placer County Board of Supervisors on behalf of the taxpayers of Placer County and should not include the individual supervisor's name.

Finding 3

The availability of Revenue Sharing Funds is not published in County materials.

Recommendation 3

The County should publish the availability of the funds through written materials and the web site, describing who is eligible and how to apply for the funds.

Finding 4

There are no written guidelines for distributing the funds. Individual supervisors have developed their own criteria for approving requests, and basically have \$20,000 per year to distribute at their discretion.

Recommendation 4

Written guidelines should be established to clearly define who is eligible to receive the funds and the standards to be followed by all supervisors in distributing the funds.

Respondent

Board of Supervisors

RESPONSE REQUIRED WITHIN 90 DAYS TO:

The Honorable James D. Garbolino
Presiding Judge Superior Court
County of Placer
Historic Courthouse
101 Maple Street
Auburn, CA 95603