

Keep It California

Stronger Together

Protect Plumas County Residents

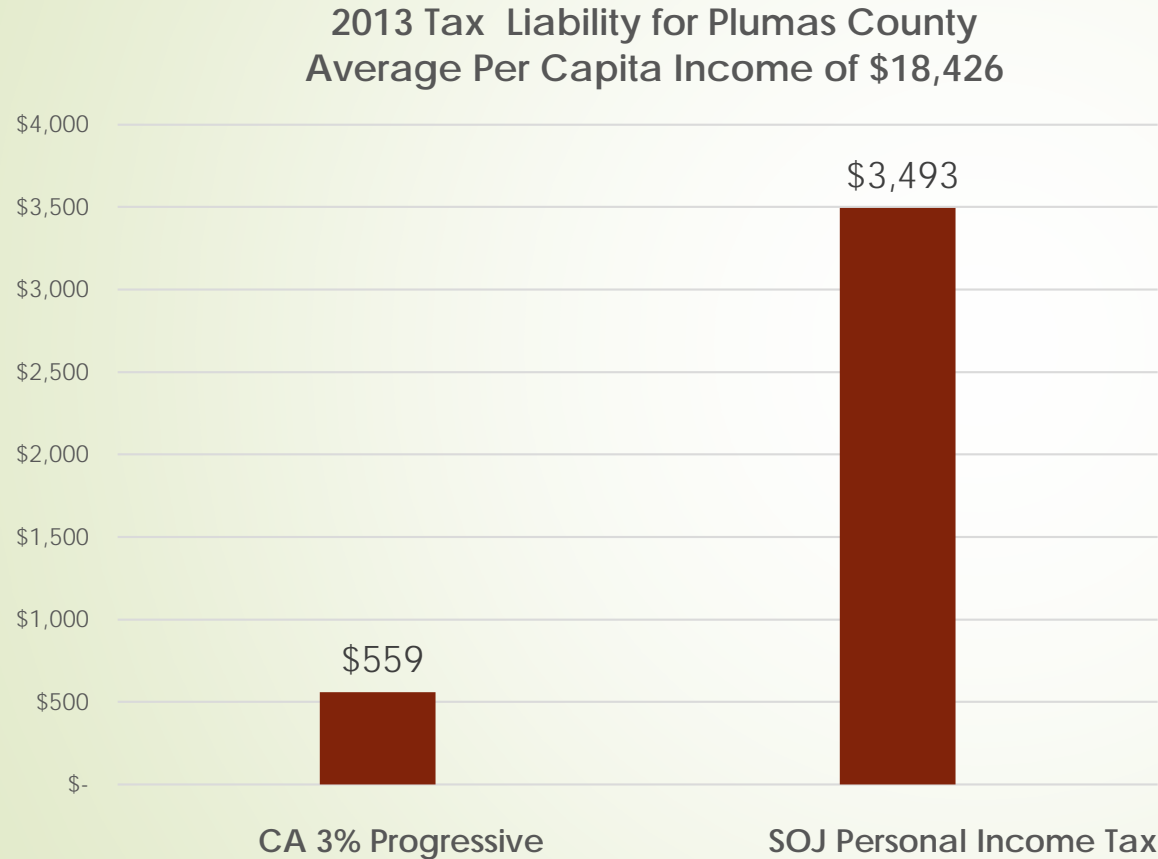
- ▶ Keep It California has conducted careful research in a good faith effort to bring some additional accurate financial information and considerations to the Board.
- ▶ We believe that only through knowing the facts can reasonable people have an intelligent discussion of the impacts of creating a new state.

State Personal Income Tax

- ▶ Plumas County residents pay an average of 3% progressive tax rate
 - ▶ 2013 Average per capita Adj. Gross Income (AGI) was \$18,426
 - ▶ Per capita tax was \$559
 - ▶ Total state income tax paid by Plumas residents was \$10,703,000

- ▶ Source: Franchise Tax Board Economic and Statistical Research Bureau

State Income Tax Increase



Sources: Franchise Tax Board Income Tax for 2013 Tax Year

SOJ Viability Model State Income Tax

State Income Tax, SOJ Style

- **SOJ Fact Check**

- The “viability model” shows Plumas’s state income tax at \$ 66,864,473
- To generate that amount, the per capita tax would increase from \$559 to \$3,493
- Corporate taxes would be ZERO – no help there.

- **No tax for corporations but big increases for people and small businesses**

- **Tax increase of \$ 56,161,000**

- **Source: SOJ Financial Viability Model**

Debt Assumption by Jefferson Based on Population

SOJ Fact Check

- ▶ Debt repayment expects ZERO percent interest rate on public debt.
 - ▶ No bondholder will go for that deal
 - ▶ New state with unstable revenue and no credit record will be rated as junk bonds. Even with a very low 5% interest rate for 30 years, the payment doubles.
- ▶ Debt amount does not include unfunded liabilities.
- ▶ Source: SOJ Financial Viability Model

Plumas's State Funding

- ▶ 2014-15 Plumas County budget received \$17,491,000 – 25% of budget
 - ▶ Law Enforcement, Social Services, Behavioral Health, Transportation, etc.
- ▶ 2014-15 Plumas K-12 schools received \$6,066,000 – 22% of budget
 - ▶ Includes the County Office of Education and School Districts
- ▶ Grant funding programs for fire, water and other special districts
- ▶ Grant funding for non-profit orgs that improve our quality of life
- ▶ CalFire, CHP, Courts, Colleges and other state services

Lower State Taxes? Don't Count on It.

- CA income tax paid by Plumas residents (**FTB 2013 Actual**) \$ 10,703,000
- SOJ - Plumas sales tax (from "viability model") \$ 4,627,000
- SOJ - Plumas fuel tax (from "viability model") \$ 1,855,000

Estimated Total SOJ State Revenue Sources \$ **17,185,000**

- Plumas County budget – State revenue (2014-15) \$ 17,481,000
- Plumas Schools budget - State revenue (2014-15) \$ 6,066,000

California State Support for County and Schools \$ **23,547,000**

- **How will Jefferson make up this 27% deficit?** **(\$6,362,000)**
- **Which services will be cut?**
- **Where will the funding come from for Colleges, Courts, Fire protection, etc?**

Higher Education?

Fewer and more expensive options

- No funding provision for public universities or community colleges
- Humboldt and Chico are the only universities in SOJ target area
 - Neither Humboldt nor Butte Counties are interested in joining SOJ
 - No universities or very limited options?
- Out of state tuition will price many students out of the college market
- Negotiation with CA for in-state tuition is unrealistic – Why would CA taxpayers subsidize the education of another state's residents?

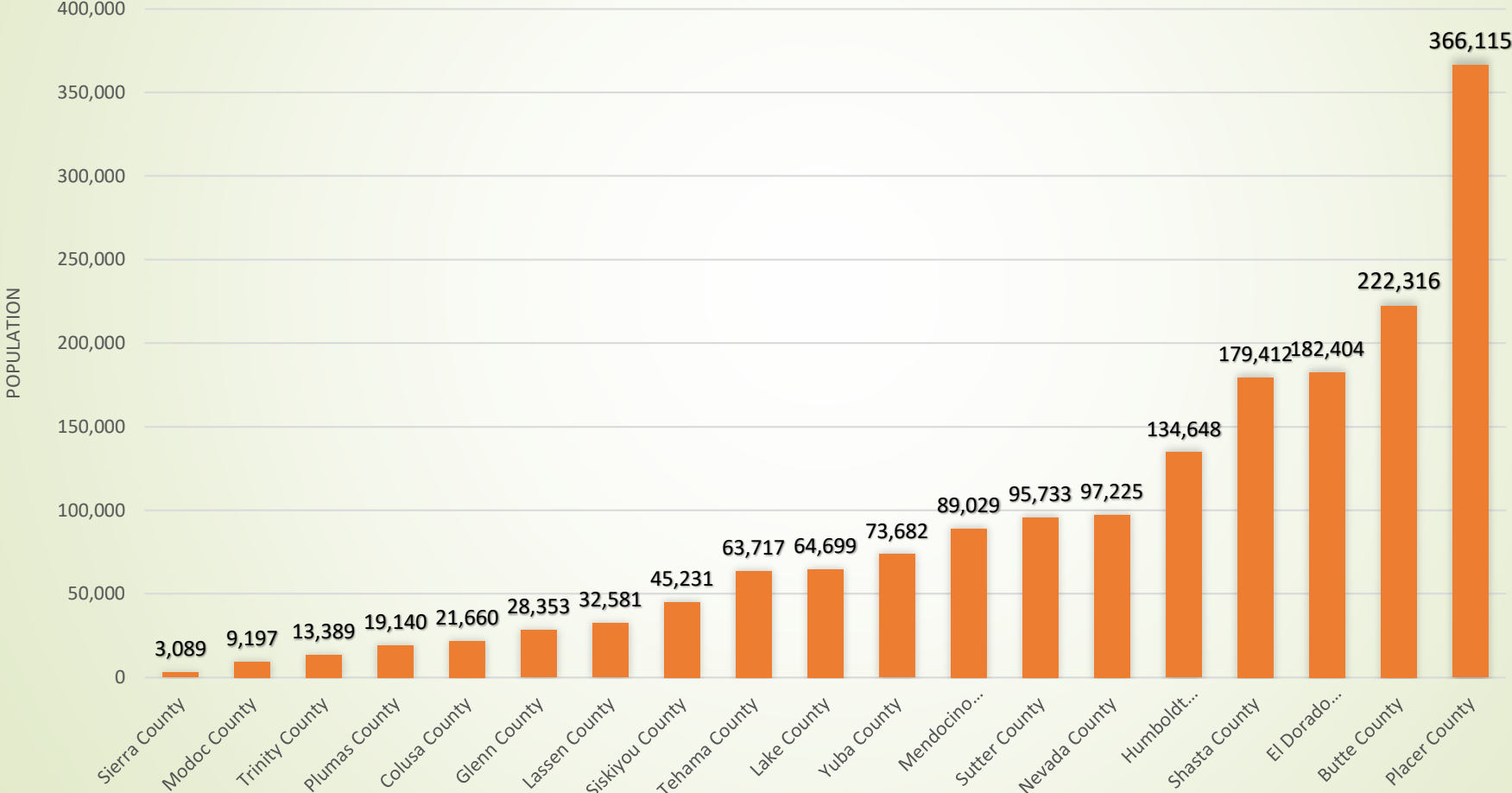
CalPERS and CalSTRS Pension Programs

► Fact Check

- CalPERS and CalSTRS retirees can live wherever they want to and receive their retirement checks – no change
- CalPERS and CalSTRS are California government agencies and they can't offer programs outside California.
- Teachers and public employees can't participate in CalPERS or CalSTRS if they are working for another state.
- Will current public employees and teachers enrolled in California pension programs be offered a retirement plan in Jefferson with commensurate benefits?
- If not, will there be an exodus of experienced people just when they are needed to help create a new state?

Representation by county? Is this fair?

**1 PERSON'S VOTE IN SIERRA = 122 PEOPLE IN PLACER?
1 SENATOR PER COUNTY, 2014 TOTAL POPULATION = 1,741,620**



We are Stronger Together

- ▶ We recommend that the Plumas County Board, departments and outside agencies conduct analyses on the financial, educational, social and business impacts of seceding from California.
- ▶ Conduct stakeholder meetings to receive input from the residents, districts, schools, state and federal agencies that will be impacted by seceding from California.
- ▶ Adopt a declaration declining to join the State of Jefferson