

Sonoma County Taxes & Spending

How much do Sonoma County residents pay in taxes, how is that money spent, and how hard is it to answer these questions?

The public is entitled to the information it needs to make informed judgments about taxes and government spending. In the words of Thomas Jefferson:

“wherever the people are well informed they can be trusted with their own government . . . and if we think them not enlightened enough to exercise their control with a wholesome discretion, the remedy is not to take it from them, but to inform their discretion.”

Are we paying for a Cadillac and getting a Yugo, or vice versa? As it stands, this question is impossible to answer. There is plenty of data about collections and spending, but it isn't captured or presented in ways that citizens or decision-makers can use. How much is being spent on homelessness in Sonoma County—does anyone know? The 2020-2021 Civil Grand Jury asked the County that question, and it took almost three years to get an answer. (Read this report to find out what we learned!)

Government transparency doesn't inform. In fact, disclosure rules followed scrupulously—as they almost always are by State and County employees—make it difficult to know how much is collected and impossible to know where it goes. For example, how much is the County spending for mental health services? No one can tell you; the cost is spread among dozens of line items in half a dozen agency and nine city budgets. Are you paying more or less than your neighbors for public schools? Answering that one would take a lot of time. When we voted for additional fire protection spending in March of 2024, did you know—*before* you voted—that it would essentially double current spending?

An informed citizenry is at the heart of a dynamic democracy.

Thomas Jefferson

Are taxes too high? That's a policy question, and the Grand Jury doesn't review policy. It is, however, allowed to ask how policy decisions impact local government, and we tried; the published data should provide easy answers, but it doesn't.

Only the County has the resources to classify its expenditure data in ways that everyone can understand; the Grand Jury can't do that. This report will, however, give you an overview of the true scope and scale of public work. It includes recommendations to make tax-and-spend information more accessible, and some insight into issues challenging government agents who are trying to deliver great public service—at very significant cost.

The Grand Jury is uniquely chartered to see that local government is operating efficiently in the public interest. Taxes and spending are big topics, and you will learn at least one thing you didn't know—if we're wrong, PLEASE join next year's Grand Jury: we can use the help!

METHODOLOGY

This report was initiated in response to a civil complaint alleging a school bond oversight committee's failure to comply with statutory requirements for participation and reporting. Trying to answer those questions led to more questions about school debt and disclosure, which led to the taxes that pay for the debt, which led to ...

While investigating this report, the Grand Jury:

- Reviewed public financial records from more than 20 school districts.
- Met with many representatives of the Auditor-Controller-Treasurer-Tax Collector's offices; the County Office of Education; and the Assessor to review public records and reporting procedures.
- Reviewed public meeting records and financial reports for more than 12 County agencies.
- Reviewed more than 1,000 pages of reports published by County agencies.
- Queried the State Legislative Analyst's Office, Franchise Tax Board, and the California Department of Tax and Fee Administration.

Every source of data used to produce this report is available without a public records request.

TAX COLLECTIONS

California's tax structure has three major pillars: sales taxes, income taxes and property taxes. Everyone, even people of modest means, pays sales taxes on clothing, books, fuel, and almost every material thing purchased in the county except unprepared food. Many of us pay state income taxes, too, an average of 5.6% of income. Income tax collection skews significantly toward higher earners. Both sales and income taxes are collected by the State of California. Some of this money comes back to Sonoma County for schools, roads, health care, and a host of other public services.

People with property pay for the privilege of ownership, at rates set almost 50 years ago by a state constitutional amendment known as Proposition 13 (Prop 13). In hindsight, Prop 13 has had both positive and negative impacts: it has constrained property taxes for generations of Californians but has also created significant differences in tax burdens between older and younger, richer and poorer, and short-term vs. long-term property owners.

Voter approval is a requirement for most local taxes, but all levels of government can levy fees that are supposed to match the actual cost of services. The Grand Jury found no public records that document the cost <---> fee relationship. By statute, thousands of dollars of "[School](#)" and "[Traffic and Park](#)" fees are levied on new construction to offset the impact of new residents, but what specific costs and benefits are associated with the fee? What is the cost basis for the fees charged for local permit review, or traffic tickets? The answers to these questions could each be a report in itself, reports that may never be feasible since Grand Jury terms are only one year long.

The County levies more than 500 specific fees; the price of most of them is derived from [a consultant's study conducted in 2021](#) that determined how much County agencies should charge to reach "full cost recovery". How much does the County collect in "cost recovery" fees? We don't really know; the answer is buried in hundreds of pages of budget reports. It's certainly tens, and possibly hundreds, of millions of dollars per year.

TYPES OF TAXES (FISCAL 2023)

TAXES ON REAL AND TANGIBLE PROPERTY: \$1.5 BILLION TOTAL

The most common of the many types of property taxes are *Ad Valorem* and direct levy taxes. *Ad Valorem* taxes in Sonoma County constitute 94% of property tax collections while direct levy charges such as parcel taxes make up the remaining 6%. As the Tax Collector’s experts taught us, property taxes are complicated; the information that follows only covers a tiny amount of the detail that goes into assessing and collecting local property taxes.

Ad Valorem: Latin that translates as “according to the value of” something. In other words, *ad valorem* taxes will be a percentage of the assessed value of real property.

Basis: the assessed value of real property, regardless of whether the assessment reflects a current appraisal of market value.

GENERAL LEVY AD VALOREM PROPERTY TAX: \$1.21 Billion

The “General Levy”, established by [Proposition 13](#) in 1978, limits property taxes to 1% of 1975 assessed value with annual valuation increases limited to the inflation rate or 2% (whichever is smaller). Properties with significant new construction are reappraised at the time of construction. The elected Assessor is responsible for property valuation; the elected Tax Collector issues the bills and collects the money.

The 2017-2020 wildfires created an appraisal backlog in the Assessor’s office, and 2020’s Proposition 19 created additional workload. As of March 2024, the Assessor’s office is approximately four years behind on revaluation assessments. Revaluations will be retroactive to the construction date, a big liability for unwitting taxpayers, but a meaningful increment to school, County, and city property tax collections is coming when assessors eventually clear the backlog.

Money collected for Prop 13 property taxes is distributed to schools, local governments, and special districts according to a formula managed by the [State Board of Equalization](#). Here’s where it goes:

Prop 13 Taxes: Schools \$595 Million

Schools are the largest single beneficiary of Prop 13 property taxes. Appendix B lists annual property tax revenue for each of the County’s 40 school districts; this is a summary:

SCHOOL DISTRICT TYPE	2019-20	2020-21	2021-22	2022-23	2023-24*
Non-Basic Aid Schools	\$294,953,736	\$304,397,094	\$326,953,306	\$349,998,056	\$205,749,354
“Basic Aid” Schools	118,181,737	122,596,180	128,456,311	138,397,971	80,445,815
Santa Rosa Jr. College	65,737,894	68,183,366	72,535,523	77,791,919	45,404,558
So Co Office of Ed	25,054,940	25,698,880	27,229,942	29,153,791	16,821,287
Total, All Schools	\$503,584,445	\$520,743,629	\$555,031,698	\$595,022,967	\$349,574,406

*: Partial Year totals; final will end up 5-7% greater than 2022-23

Prop 13 Taxes: Local Government \$433 Million.

Sonoma County and the 9 cities rely on *ad valorem* property taxes for much of their funding. In total, the County and nine cities received more than \$433 million dollars from Prop 13 taxes in fiscal 2023. Property taxes are the largest single source of local government revenue.

Prop 13 Taxes: Special Districts \$125 Million

Special district agencies including fire, water, health districts, lighting and sanitation districts and other service entities are formed by local or county government. Special districts have defined

geographic boundaries and will receive an allocated portion of the Prop 13 tax collection for use within these areas. This chart summarizes Prop 13 special district taxes for the past 5 years:

Special District Property Taxes					
TYPE OF SPECIAL DISTRICT	2019-20	2020-21	2021-22	2022-23	2023-24*
County Library	\$21,761,724	\$23,078,504	\$24,403,975	\$26,138,584	\$14,996,572
Miscellaneous Districts	\$4,821,839	\$4,950,123	\$5,285,193	\$5,647,993	\$3,253,960
Resource Conservation	\$181,513	\$186,330	\$198,300	\$212,236	\$122,126
Cemetery Districts	\$545,093	\$552,764	\$588,035	\$615,503	\$350,787
Community Svc Districts	\$329,107	\$338,645	\$357,127	\$386,352	\$219,496
Fire Districts	\$33,014,478	\$33,793,252	\$35,172,362	\$37,651,374	\$21,500,774
Water Agencies	\$22,117,030	\$22,627,607	\$24,128,833	\$25,770,026	\$14,881,435
Lighting Districts	\$1,740,389	\$1,814,147	\$1,933,415	\$2,114,066	\$1,185,940
Perm. Road Divisions	\$28,609	\$29,053	\$30,736	\$35,218	\$19,836
Park & Rec. Districts	\$1,058,215	\$1,097,855	\$1,172,168	\$1,293,185	\$648,570
TOTAL, SPECIAL DISTRICTS	\$107,528,893	\$110,902,676	\$117,195,049	\$125,416,049	\$71,936,876

*2023-24 partial year; full year totals will be 5-7% greater than 2022-23

There are a few other special property taxes:

Warm Springs Dam ad valorem property tax \$12 Million

Sonoma County public water is managed by Sonoma Water, an agency that is just the County Board of Supervisors operating as a different legal entity. Sonoma Water secured rights to water in Lake Sonoma (created by the Warm Springs Dam project) in 1992, at a cost of ~\$102 million. The project was financed with bonds supported by *ad valorem* property taxes; in 2023, debt service on these bonds was approximately \$6 million dollars. Annual property tax collections for Warm Springs Dam debt service? ~\$12 million and growing (*ad valorem* taxes for fixed cost public projects increase with property value, while debt service is generally fixed or declines as debt is paid off.) The balance goes into a restricted-use fund which currently has about \$12 million in reserve.

Other non-school ad valorem property taxes

There are only three other *ad valorem* property taxes in the County. Two are being used to repay debt associated with failed health districts in Sonoma Valley and West County. In addition, Cloverdale is one of 22 cities in California allowed to use a [1985 exception](#) to Prop 13’s 1% limit on property tax collections to pay for safety personnel pensions.

Prop 13 Taxes on Tangible *business* property: \$38 Million in fiscal 2023

According to the State Board of Equalization, “All property that may be seen, weighed, measured, felt, or touched, or which is in any other manner perceptible to the senses, except land and improvements, is tangible personal property.” And is taxable.

In Sonoma County, tangible business property tax collections add up to approximately \$38 million per year (not counting the annual fees paid to the State for vehicle property taxes.)

A peaceful place named Shiloh.

There are [more than 700 cemeteries named Shiloh](#) in the US; [ours](#) is in a beautiful Windsor park. Founded in 1840, Shiloh is one of only two cemeteries in the county supported by a permanent Prop 13 *ad valorem* tax; Windsor residents pay ~ \$600K yearly for cemetery upkeep and staffing. Reserves currently total ~\$1.5 million plus ~\$400K in endowments.

Voter Approved Local Taxes: School District Debt Repayment and Local Parcel Taxes

General Obligation Bonds: \$1.8 Billion of debt requires \$138 Million of annual tax collections.

Each of Sonoma County’s 41 Elementary, High School and Jr. College districts may ask voters to authorize bonded indebtedness for construction and improvement of school facilities; it may *not* be used for salaries and administrative expenses. Funds are raised with general obligation bonds; *ad valorem* property taxes repay this school bond debt.

As of June 30, 2023, outstanding school bonded indebtedness totaled about \$1.4 billion dollars; 34 of the 40 Sonoma County school districts had 76 outstanding bonds. Bonded indebtedness isn’t spread evenly around the county: as of April 2024, (4) school districts have no outstanding debt, while 9 school districts have more than \$40,000 of indebtedness per student– and two districts have more than \$60,000 per student! [Exhibit B lists all school debt]

Lowest & Highest School District Debt in Sonoma County					
DISTRICT	# of Students 2022-23	Annual Bond Payments	Annual Payments Per Student	Total Outstanding Bond \$	Outstanding Bond Debt Per Student
Dunham	147	\$0	\$0	\$0	\$0
Fort Ross	14	\$0	\$0	\$0	\$0
Montgomery El	21	\$0	\$0	\$0	\$0
Two Rock Union	133	\$0	\$0	\$0	\$0
Liberty	1,559	\$148,000	\$95	\$883,790	\$567
West County High	1,588	\$4,507,497	\$2,838	\$80,003,953	\$50,380
Monte Rio Union	59	\$198,375	\$3,362	\$2,990,000	\$50,678
Kenwood	113	\$0	\$0	\$6,000,000	\$53,097
Geyserville Unified	211	\$1,170,809	\$5,549	\$14,188,300	\$67,243
Healdsburg Unified	1,240	\$7,610,101	\$6,137	\$111,584,301	\$89,987

Sonoma County Jr. College District has issued about \$660 million of debt; as of year-end 2023, \$400 million of that debt is still outstanding.

In total, county residents paid \$138 million of *ad valorem* taxes towards repayment of general obligation school bonds in fiscal year 2023, an average of \$2,151 per student. [See Appendix B for details.]

Parcel taxes and other direct levies: \$82 Million in fiscal 2023

Direct levy property taxes are assessed equally on all property parcels in a district. Most of the 261 different parcel taxes levied in Sonoma County pay for sanitation (\$35M), fire districts (\$17M), local schools (\$8M) and defunct health care districts (\$6M). The balance is distributed among towns and cities, intergovernmental transfers and more than one hundred town and city direct charges that, in total, add up to another \$7M.

Exceptions and Exemptions

Any report on property taxes in agrarian Sonoma County should mention property that is either exempt from tax or has substantially discounted assessments. Worth noting:

- There are roughly 187,500 property parcels in Sonoma County. Approximately 2,600 benefit from agricultural tax subsidies by contracting for [California Land Conservation Act](#) (CLCA, also known as “Williamson Act”) status.
- CLCA subsidies require [a contract with Permit Sonoma](#) (NOT the Tax Assessor, please don’t call them about it!). If approved, this results in assessment reductions of up to 95% *of just the land* value (not including the homesite or any construction on the property). Property improvements such as planted vines are also subject to property tax, albeit at a discounted agricultural rate.
- The Tax Assessor’s office estimates that subsidies for Sonoma County CLCA properties saved qualifying taxpayers approximately \$30 million in 2023.
- In 2024, the assessed value of CLCA properties and crops was \$3.7 billion; CLCA discounts resulted in a taxable valuation of \$1.4 billion for these 281,000 acres.
- [Some types of property are exempt](#) from property taxes: severely disabled veterans’ homes; churches and property used by religious organizations; non-profits operated for religious, hospital, charitable or scientific purposes; cemeteries; colleges, public and some charter schools; free public libraries and museums.
- [Every homeowner living in a primary residence qualifies for, but must elect, a \\$7,000 reduction in assessed value](#)—a \$70 annual property tax saving.

Seniors over 65 and persons receiving Supplemental Security Disability Income can be exempt from the school district *parcel* tax in these school districts: Cotati-Rohnert Park Unified; Kenwood; Petaluma; Rincon Valley; Shoreline; and West Sonoma County High School. *Eligible taxpayers must call the district and apply to be exempted.*

ANALYSIS: PROPERTY TAXES

1. Annual property tax collections of approximately \$1.5 billion are the largest single source of public revenue in Sonoma County (by a small margin over personal income taxes.)
2. The longer one owns a property, the greater the Prop 13 discount; the more valuable the property is, the greater these dollar savings over time. *We don’t know how much these discounts add up to; neither the Assessor nor Tax Collector could tell us* (and they are not required to know this to do their job). Nor do we know the effect of the recently passed Proposition 19, but it will eventually increase property valuations on affected properties. We may never know how much the Sonoma County wildfires impacted tax collections.
3. Williamson Act subsidies in Sonoma County discounted annual property taxes—by approximately \$30 million this year— but we can’t show you a map of Williamson discounted properties because (in spite of [California Government Code 51237.5 requirements](#)) [Permit Sonoma hasn’t reported it to the State](#).
4. Outstanding school bonds are the single largest type of public debt obligation in the county. One concerning observation: school bonds with a 30+ year life are paying for “technology upgrades”, many of which have a projected lifespan of less than ten years. For example,

[Sonoma County JC District spent \\$31 million](#) of its most recent bond fund on PC’s, software, media equipment and other IT “investments”; these Measure H bonds mature in 2055! The JC isn’t alone; many school districts in Sonoma County have used bond proceeds to pay for “technology upgrades”. This results in long term debt paying for short-lived assets, which is generally considered poor financial practice.

5. Property taxes have increased by more than \$200 million between 2019 and 2023 and are likely to increase at a more rapid rate as the Assessor’s office catches up with its revaluation backlog. Allocation of these revenues among governments, schools and special districts will shift as school populations decline and Sonoma County’s population continues to age.
6. Sonoma County collects a lot more in property taxes, in total and per capita, than Lake, Mendocino and Solano Counties but trails Marin and Napa in per capita collections. Sonoma County schools and governments have much more money to spend than the two counties closest to us in population. Tulare County has approximately the same number of people (and 3 times the acreage) but collects almost \$700 million less in Prop 13 taxes! Here’s how Sonoma County property tax collections compare to neighboring counties.

COUNTY	Population July 2022	Pop Rank	Prop 13 Tax 2023-24*	Prop 13 Per Capita	Per Capita Rank	Acreage
Sonoma	485,110	17th	1,149,894,140	2,370	16	1,008,544
Lake	68,082	40 th	94,152,980	1,383	39	804,134
Marin	260,416	26 th	1,016,221,690	3,902	5	332,998
Mendocino	90,806	38 th	140,753,060	1,550	34	2,244,057
Napa	137,600	34 th	527,865,780	3,836	6	478,950
San Francisco	855,550	12 th	3,403,714,530	3,978	4	29,997
Solano	452,532	19 th	702,866,010	1,553	33	525,926
Tulare	474,861	18 th	463,148,420	975	54	3,087,494
California Total	39,368,613		\$81,755,686,550	2,077		104,764,800

* per State Board of Equalization; excludes voter-approved local taxes

SALES AND USE TAXES

State Sales Tax Collections

The State of California mandates a 7¼% collection on all taxable items. 6% goes into the State general fund; roughly 4% of this 6% supports education, criminal justice, infrastructure, and other programs. 1% is redistributed to local agencies for specific programs; ½% is directed specifically to public safety, and another ½ % is specifically targeted for public health. State [sales and use tax collections in fiscal 2022 totaled almost \\$95 billion](#). [Item-specific sales taxes in this state add up](#) too: in total, fiscal 2023 collections on cigarettes (\$1.6 billion) and cannabis (\$515 million) were part of state collections. There are 25 [item-specific use taxes](#). A “use tax” is collected from purchasers of items not sold through retail channels (mostly online resellers and direct distributors). Use taxes totaled about \$18.5 billion in fiscal 2023.

Local Sales Tax Collections

State law apportions 1% of the 7¼% statewide sales tax directly to counties and cities within each county. The state also sends ¼% to the County for road maintenance and transportation programs. Here’s how the *baseline* 1% state sales tax was distributed to local governments in fiscal 2023:

Local Allocation of State Sales Tax Revenue

Jurisdiction	\$ Fiscal 2023	% of Total	
CLOVERDALE	\$1,147,842	0.9%	
HEALDSBURG	\$5,913,493	4.8%	
PETALUMA	\$17,816,394	14.6%	
ROHNERT PARK	\$9,866,842	8.1%	
SANTA ROSA	\$46,736,167	38.2%	
SEBASTOPOL	\$2,289,884	1.9%	
SONOMA		\$3,817,092	3.1%
COTATI	\$2,919,213	2.4%	
WINDSOR	\$5,619,962	4.6%	
SONOMA COUNTY	\$26,143,198	21.4%	
ALLOCATED LOCAL STATE SALES TAX	\$122,270,087	100.0%	

In addition to this money, the mandated ¼% state collection generated about \$33 million for the County’s local transportation funds in 2023.

Voter-approved County Sales Taxes: \$220 Million

As of January 2025, there will be at least eight specific sales taxes that apply to every taxable transaction in Sonoma County, adding 1¾% to all taxable purchases. These taxes take the baseline 7¼% state tax up to 9% throughout the county.

Open Space, Clean Water and Farmland Protection: ¼%

First passed in 1990, and renewed by voter approval in 2010, the [Ag + Open Space District](#) collects approximately \$32 million per year to purchase property and/or pay for conservation easements on mostly rural properties. The Ag + Open Space Commission consists of the members of the Sonoma County Board of Supervisors, managing a legally separate entity for funding and liability purposes.

Since 1991, this tax has resulted in public purchase of approximately [\\$450 million worth of conservation easements](#), keeping 123,000 acres constrained from future development, along with approximately 4,200 acres of land owned outright by the County. [Financial reports for the Ag +Open Space commission](#) show that Ag +Open Space employs 34 people and currently has a very healthy fund balance of \$65 million.

This tax is scheduled to end in 2031, unless extended by voter approval.

Library Maintenance, Restoration, Enhancement: 1/8%

Passed in 2016, Measure Y sales tax generates approximately \$16 million per year to support 14 libraries in Cloverdale, Healdsburg, Petaluma, Rohnert Park, Cotati, Santa Rosa, Sebastopol, Sonoma, Windsor, and the unincorporated county. Expenditures are intended “to provide the residents of Sonoma County with libraries comparable to those operated in other Bay Area communities.” The Measure Y sales tax supplements approximately \$27 million in Prop 13 taxes allocated to libraries.

This tax is scheduled to end in 2027, unless extended by voter approval.

Local Mental Health, Addiction and Homeless Services: ¼%

Measure O, passed in 2020 with a 10-year commitment, generates approximately \$32 million per year and provides investment into the following five types of programs:

Type of Service	Allocation
Behavioral Health facilities and services for individuals with severe mental illness; transitional housing for individuals discharged from crisis services; and a local, locked facility for emergency psychiatric facilities;	22%
Emergency psychiatric crisis services including a mobile support team with crisis assessment;	44%
Mental Health and Substance Use Disorder Outpatient Services including youth services, services supporting residential care and permanent supportive housing for homeless, and services for substance abuse disorders;	18%
Homeless and high needs individuals' behavioral health and multidisciplinary care coordination;	14%
Transitional and permanent supportive housing for the homeless.	2%

Measure O funds are managed by the County Department of Health Services and are supposed to be incremental spending, over and above programs previously supported by the County general fund. Are the amounts charged to the Measure O fund incremental? There's no way to know: the County budget doesn't include comparative spending for specific Measure O programs. For example, the [Measure O Implementation report](#) for 2022-23 says \$3.7 million funded the Sonoma County Healing Center. The facilities management contract for it was signed in May of 2020—5 months *before* Measure O passed.

This tax is scheduled to end in 2031, unless extended by voter approval.

Parks for All: 1/8%

Measure M, passed by voter approval in 2018, generated \$11 million in 2022-23 to augment County funds for regional parks and local recreation programs. One-third of the money is shared with Sonoma County's cities to maintain and improve local parks. Tax proceeds are supposed to supplement existing funding; they are not to be used to supplant an agency's historical general fund support. The measure's expenditure plan designates revenue for specific needs in four categories as follows:

Support for local parks, recreation needs and fire risk reduction	33%
Protect water quality, wildlife habitat and natural resources in Sonoma County's regional parks & trails	18%
Investing in maintenance, safety and recreation services in Sonoma County's regional parks and open	25%
Improve access to Sonoma County's regional parks trails and open space preserves	24%

This tax is scheduled to end in 2027, unless extended by voter approval.

Transportation Authority Go Sonoma: ¼%

Re-authorized in 2020 for a period of 25 years, [this tax](#) is in addition to the ¼% transportation sales tax mandated and collected by the State of California. In fiscal 2023, this tax generated approximately \$32 million in addition to the \$33 million raised by the state-imposed ¼% transportation sales tax. [The investment plan](#) includes four programs:

Fix roads, fill potholes, improve safety and usability for smooth and maintained roads	38%
Move traffic and improve safety	27%
Increase bus service, affordability, and first/last mile connections	23%
Build bikeways and pathways	12%

Has this targeted “Investment Plan” been implemented? We don’t know, and the financial reports don’t help. 38% of \$32 million, approximately \$12 million, is supposed to go to fixing potholes and making smoother roads. The County budget report shows “Local Streets” projects were allocated \$13 million but it all went to “Local Government transfers”. Presumably, this went to cities and the County for pothole repairs and better streets, but how would we know?

This tax is scheduled to end in 2045, unless extended by voter approval.

Sonoma-Marin Area Rail Transit District: ¼%

The Sonoma Marin Area Rail Transit District was established in 2002; the district includes both Sonoma and Marin Counties and provides passenger and freight train service along a publicly owned railroad right-of-way. Service started in 2017, with 10 stops along 43 miles of track between San Rafael and the Sonoma County airport; service has since expanded to Larkspur, with future stops planned in Windsor, Healdsburg, and Cloverdale.

67% of SMART’ revenue ¹ comes from this ¼% sales tax; \$32 million of the \$50 million in sales taxes collected for SMART in fiscal 2023 came from Sonoma County. [Operating revenues from fares, advertising and fees](#) totaled approximately \$2.3 million. While ridership has reportedly recovered to pre-COVID levels faster than any other bay area transit system, [the total number of trips](#) taken is expected to be less than 850,000 in 2024. Annual passenger service operating expenses, excluding depreciation and construction spending, exceed \$43 million, so the average out-of-pocket cost per passenger trip exceeds \$50.

This tax is scheduled to end in 2029, unless extended by voter approval.

Wildfire Prevention, Paramedic Services, and Emergency Response: Measure H: ½%

[Measure H](#), passed in 2024, is intended to supplement existing funding for wildfire prevention and preparedness, paramedic services, and emergency and disaster response. This tax is expected to generate approximately \$62 million annually, starting in fiscal year 2025. Practically, it will be nearly impossible to tell whether spending is truly incremental: an interested citizen would have to review the budgets for each of the 19 local fire agencies to determine whether, in total, they have increased by \$62 million. Previously existing expenses, such as *the roughly \$15 million cost of Redcom dispatch fees that were paid by the county budget*, now are supposed to be paid from the Measure H fund—which is not what voters were told what Measure H funds would be used for.

This tax never ends unless revoked by voters.

¹ State & Federal subsidies also contributed \$24.7M of SMART’s \$77.6 total revenue in fiscal 2023.

Additional Locally Imposed Sales Taxes

Cities can (with voter approval) impose a sales tax on transactions within city boundaries. Seven of the nine cities in the County have voted for additional taxes over and above the 9% county rate. Here are the locally authorized sales tax rates effective in January 2025:

Jurisdiction	Add'l Local Sales Tax	Effective Rate
SONOMA COUNTY	Baseline	9 %
CLOVERDALE	0 %	9 %
HEALDSBURG	.5 %	9 ½ %
PETALUMA	1 %	10 %
ROHNERT PARK	.5 %	9 ½ %
SANTA ROSA	.75 %	9 ¾ %
SEBASTOPOL	.75 %	9 ¾ %
SONOMA	.5 %	9 ½ %
COTATI	1 %	10 %
WINDSOR	0 %	9 %

Analysis: Sales and Use Taxes

At 9%, Sonoma County has the fourth highest county-wide sales tax rate in California. When Measure H is implemented in 2025, combined county and city sales tax collections will exceed \$220 million per year. All the agencies that receive specific sales tax revenue publish annual reports detailing what is done with these funds; taxpayers may, with some diligent web searching, learn how much was raised or what it was spent on. Targeted sales taxes like Measure H or Measure O or the 30-year-old Ag + Open Space tax reflect public interest at a point in time—unlike taxes going to general funds that can be redirected by leadership to address more contemporary concerns.

There is no public accounting of incremental spending for the taxes that promise it. Sales tax measures supporting libraries, parks, mental health, fire, and emergency services all promise that expenditures supported by these taxes won't be an offset to general funds—that the money raised by these taxes will be truly incremental to previous funding. Is there evidence in the public record to verify that this commitment is met? Is this funding truly incremental, or does it just enable the Board of Supervisors to direct more spending elsewhere? The Grand Jury couldn't find public reports to confirm either case.

TAXES ON PERSONAL INCOME

Personal income taxes are levied by the Franchise Tax Board (FTB), and [the FTB website](#) has an enormous amount of data about tax payments statewide. We *can* tell you, that Sonoma County residents pay more than \$1.5 billion in personal state income taxes, and that the county pays more per capita personal income taxes than all but 11 of the 58 counties in California (while ranking 17th in total population). Here's how Sonoma County personal taxes compare with neighboring counties:

Population July 1, 2021

TAX YEAR 2020-2021							
COUNTY	Population	# of Returns	Gross Income*	Median Income	Rank	Per Capita Income	Total Income Tax Paid*
Sonoma	485,110	240,700	26,099,048	54,695	10	\$53,800	\$1,448,552
Lake	68,082	25,076	1,384,520	36,266	51	\$20,336	\$45,707
Marin	260,416	124,876	36,925,128	81,474	1	\$141,793	\$2,997,960
Mendocino	90,806	38,446	2,533,225	37,890	44	\$27,897	\$106,120
Napa	137,600	65,896	10,927,045	55,192	9	\$79,412	\$692,757
Solano	452,532	205,151	16,534,844	52,651	13	\$36,539	\$658,309
San Francisco	855,550	430,462	110,817,367	73,798	4	\$129,528	\$9,559,905
Total	39,368,613	17,939,133	\$2,043,908,300	\$45,726		\$51,917	\$124,272,604

*: 000's omitted

Personal income taxes paid don't necessarily come back to the County; the State uses income tax payments to underwrite school, public safety, road construction and a wide variety of health and public welfare programs throughout the state. It's notable that Sonoma County's per capita tax payments – approximately \$3,000 in fiscal 2021 – were more than 3 times the *per capita* income tax payments of 16 small counties – including nearby Lake County, whose residents only paid \$671 per person in income taxes. Income taxes correlate directly with income, of course – so Sonoma County residents are fortunate indeed to be able to help these significantly poorer locales.

TAXES ON COMMERCIAL INCOME

Grand Jury inquiries to the Franchise Tax Board (FTB) produced no information on county-specific commercial income taxes; FTB doesn't aggregate commercial income by county.

HOW MUCH IS IN THE BANK?

The Sonoma County Treasurer publishes a [monthly balance report](#) for all major agencies and reserve funds. Operating accounts can be highly variable, of course: tax collections are seasonal, while agency expenses may not be, or may be counter cyclical. Some interesting accounts reflect true reserves—for example, the \$65 million Ag + Open Space April 2024 fund balance is the equivalent of two years of tax collections. Sonoma County Library fund balance? \$14 million. 2017 Fire Debris Removal—\$95 million. Non-operating fund balances for all the school districts are also available in this report. *In total, the Treasurer manages more than \$3.5 billion in cash and short-term investments.* The Treasurer's fund balance report is highly informative. *It would be even more useful if it included an index that decodes cryptic account names so the purpose and ownership of the fund is clear.*

ADDING IT ALL UP: \$3.9 BILLION

Property, sales and use, and personal income taxes collected in Sonoma County in 2023:

Type of Tax paid in Sonoma County	TOTAL TAX YEAR 2022-23
Sonoma County Prop 13 Property Tax	\$1,219,000,000
Special District Prop 13 Property Tax	\$125,000,000
Prop 13 School Bond Debt Service	\$138,000,000
Special District & School Parcel Taxes	\$82,000,000
Business Prop 13 Property Tax	\$38,000,000
Total Property Tax Collections	\$1,601,000,000
State 6% Sales Tax Collection	\$480,000,000
Sales Tax— State Collection @ 1.25 %	\$154,000,000
County Taxes @ 1.5%	\$155,000,000
City Taxes	\$96,000,000
Total, Sales Taxes	\$885,000,000
Personal Income Taxes	\$1,449,000,000
Total, Sonoma County 22-23 Taxes	\$3,936,000,000

WHERE DOES ALL THE MONEY GO?

The first place one should look to answer this question is [The Citizens' Report](#), an annual report published by the Auditor-Controller-Treasurer-Tax Collector's office. This is the County's best effort at aggregating County revenue and expense reports in terms that people who are not finance professionals can understand; it is highly recommended. As it says in the 2022-23 report, "The Citizens' Report serves...to provide our taxpayers and stakeholders with access to County financial information."

The information in the Citizens' Report is similar to data presented here, and has valuable information, ranging from demographics and employment to balance sheet summaries, for several major agencies. *You can even learn that the County has more than half a billion dollars of unfunded pension liabilities:* "As of June 30, 2023, the pension and OPEB² Plans were 88.5% and 47.0% funded, respectively, on a market value basis...[with] combined net pension and OPEB liabilities of \$553.1 million in fiscal year 2022-23." There are even informative pie charts for County revenue and spending.

But...the Citizens' Report is limited to its focus on the County (i.e., the collection of agencies that are directly managed (and funded) by the Board of Supervisors) —and as other sections of this report show, Sonoma County is much more than the County as depicted in the Citizens' Report. The Citizens' Report says, for example, that the County has approximately \$350 million in long term debt; but that excludes more than a billion dollars of school debt, or any city debt, or unfunded pensions, or special district bonds. *Not wrong, but not complete.*

² OPEB: Other Post-Employment Benefits

There are many ways to get your own information, of course. Thanks to public disclosure requirements and the hard work of many agency and administration employees, we have VERY detailed budgets for almost every public entity in the County. The [County Budget](#) is an excellent resource: [the 2023-24 budget](#) has 438 pages (!) describing costs for every County agency and initiative. It takes months of work by many County staffers to prepare this document, and days of public hearings by the Board of Supervisors. It even wins awards from something called the Government Finance Officers Association!

Here’s how the County describes the budget document:

“The budget is an operating plan that has been developed based upon policy direction given by the Board of Supervisors to provide services to the public within available resources. It is a vehicle for presenting plans and investment opportunities that will make Sonoma County an even better place to live and work. The County of Sonoma acts as an administrative agent for three sets of services: municipal services; countywide local services; and countywide services provided on behalf of the state and federal governments.”

We tried to use it as our roadmap to County spending information, and it has plenty of useful information. For example,

- The County is responsible for procuring, managing, and coordinating delivery of *more than \$2.2 billion of goods and services* on behalf of county residents.
- The County has *more than 4,200 authorized permanent positions*; it is the single largest employer in Sonoma County.
- The “General Fund” pays for locally initiated programs and the County’s contribution to State and Federal programs requiring local participation. It has grown from \$373 million in 2019 to more than \$450 million in fiscal 2024.

Here’s what the budget shows as a categorical description of where the money goes:

Description	Actual 2021-22	Estimated 2022-23	Adopted 2023-24
Justice Services	\$281,921,401	\$294,927,476	\$330,031,399
Health & Human Services	496,665,375	499,300,861	537,048,396
Development Services	302,484,120	325,651,203	344,901,431
Natural Resources and Agriculture	267,400,812	378,097,459	354,907,592
Capital Projects	19,512,714	102,666,581	107,193,455
Increase to Fund Balance/Net Assets	348,977,385	147,566,274	38,182,043
Total Financing Uses	\$2,024,960,884	\$2,190,417,981	\$2,238,196,731

There are many more detailed itemizations of the department budgets that make up these very top-level totals, and you can learn a lot from them. What won’t you learn?

- You won’t learn how much is spent to help the homeless; there is a Homelessness Department within the Department of Health Services with a \$16 million budget, but that is a small fraction of the dollars actually spent: a conservative estimate puts the annual expenditure over \$100 million per year, and County representatives informed us that 2021-22 spending was actually closer to \$129 million.³

³ See Appendix D for more information on this budget memo

We think this is understated: the \$129 million estimate includes no costs of the Corrections Department. Based on Grand Jury dialogue with the Sonoma County Sheriff's office, at least 25% of the Corrections Department's \$80 million annual budget could fairly be attributed to homelessness services. In addition, many of the dollars spent on substance abuse programs, behavioral health services, housing assistance, sheriff's department, probation office, district attorney time... all these departments spend a significant amount of money on services for the homeless that isn't budgeted as such. Adding in a very conservative estimate of 20% of the Corrections Department costs would bring total Homelessness spending to almost \$150 million.

- Most mental health and substance use disorder programs are funded by state and federal programs but in 2020, voters approved a new sales tax, Measure O, to increase local funding for these two types of need. Since the budget doesn't provide baseline information about how much was *spent* on these programs in 2020, how can we know that Measure O spending is actually incremental?
- How much do we spend on road maintenance and repair? The Road Maintenance department has a \$90+ million budget, but that doesn't include costs reported as Executive Administration and it's not clear if it fully reflects costs funded by state or federal programs. We know that Sales tax collections for road maintenance, repair and improvement add up to ~\$62 million a year and we know that a chunk of the \$111 million in city property taxes goes to road maintenance, but there is no public report that aggregates this spending... or tells you how many potholes were fixed.
- How much are we spending on schools? *It's the single most costly government service*, yet there is no report from the County Office of Education, Board of Supervisors, or State that aggregates taxation and spending for all county schools.

Some of the answers can be approximated; for example: taxes raised by 2024 Measure H should all go to increased staffing and equipment for fire and emergency services; that's what was voted for. In the ballot language, the Tax Collector estimated that this new sales tax would generate \$60 million a year in additional funding.

How does this compare to the amount that was previously being spent? Based on public documents, it probably (roughly) doubles current spending. \$37 million of special district Prop 13 taxes and \$18 million of direct charges, added to approximately \$12 million found in various County budgets *suggest* that spending (before Measure H) on fire and emergency services was approximately \$67 million. \$62 million from Measure H in 2025 should bring this to \$129 million in 2025—but since spending across agencies isn't aggregated and published, how will we know?

Similarly with schools: Prop 13 and direct charge parcel taxes generate about \$600 million, and the State reports about \$875 million went to Sonoma County school districts, so annual operational spending for public schools in the county appears to add up to approximately \$1.5 billion—but absent an actual accounting, this is just a best-guess estimate. The Grand Jury believes that something this significant deserves more than a best guess.

Changing this paradigm will be challenging, but it's certainly possible: the Board of Supervisors can mandate it, and accountants and analysts can make it happen. The public can't make good decisions without good information; at present, the data isn't available in any manner that can be fairly reviewed or reasonably understood.

WHO'S MINDING THE STORE?

First and foremost, the Board of Supervisors is in charge: it has the authority to impose fees, propose and endorse new taxes, and recommend retention or withdrawal of voter-approved sales and special district taxes.

The BoS relies on agencies, employees, and ordinances to manage taxation and spending, but only the County Executive is charged with critical review of agency performance. There is no “Inspector General” or “Public Watchdog”. The Civil Grand Jury exists to review County operations but has no real resources for serious investigation, let alone the authority to mandate improvement.

The public also has a role: virtually all publicly approved tax measures include reference to an oversight committee that will ‘make sure the money is being spent appropriately.’

Oversight Committees

State laws establish oversight requirements for every type of voter-approved tax. Public entities with bonded indebtedness are also required to establish a “Citizen Oversight” committee. Language promising oversight is front and center in every public tax measure, but what exactly do these oversight committees do?

<p>Oversight:</p> <ol style="list-style-type: none">1. “watchful and responsible care”2. “regulatory supervision” <p><i>Merriam-Webster Dictionary</i></p>
--

Most of the time, they simply review reports prepared by independent auditors stating that accounting was done according to generally accepted accounting principles. The agency or district may (but is rarely required to) invite the committee ‘inside the lines’ to see where tax dollars went and confirm that it’s been spent appropriately. But if the public expects actual citizen oversight—defined as “the state of being in charge of someone or something” by the Oxford-American dictionary—it *is precluded by the laws that authorize the taxes*. [See Appendix C for the relevant text of recent voter-approved local taxes.]

School bond oversight committees

Similarly, oversight committees are a prominent feature of all school district bonded indebtedness proposals, but in virtually every case, the oversight committee is limited to reviewing the annual audit of bond proceeds expenditures. Some school districts engage residents on committees that develop or review proposed expenditures, but that is a local decision and there is no legal requirement for school bond oversight committees to do more than confirm expenditures were for the purposes authorized by statute.

Despite extensive and detailed statutory language requiring Citizen Bond Oversight Committees, it’s doubtful that the intent of the legislation is being realized. We surveyed a number of Sonoma County school districts regarding their bond oversight committee and reviewed financial disclosures on more than 20 school district’s websites. Few district sites have status reports for their bonded indebtedness, and even fewer have a functioning committee; many existing committees don’t have as many members as they’re supposed to. Required committee notices, minutes, and reports are rarely on district web sites.

There are two reported reasons for this general failure of Citizen Bond Oversight Committees. First, school districts are unable to recruit and retain qualified and motivated members, despite significant efforts at recruitment: who wants to sit on a committee that has no functional authority? Second, there is no negative consequence to a school district without a functioning committee as long as the district makes a reasonable effort to recruit.

Oversight, part 2: The Elected County Auditor

Oversight committees don't do much, so that leaves the elected County Auditor to look out for us. The Auditor is charged with ensuring that the public interest is represented when governments spend public money; 'Audits' are investigations of and questions about these entities' performance.

The Audit division reports to the elected Auditor; it has a public charter (ordained by the BoS) to review the accounts of county agencies and special districts. This charter establishes internal audit objectives and provides for *uninhibited and complete authority to fulfill its objectives*, with procedures to address obstacles and issues.

Accounting audits look at transaction records to confirm that they're accurate and compliant with accounting principles and are a statutory requirement whenever large sums of money are collected or spent. *Sonoma County appears to be fully compliant with these legal requirements.*

Performance audits are a comprehensive review of an entity's operational behavior to confirm that work is being done according to industry best practices and is also compliant with policies and procedures. The Grand Jury feels that performance audits are needed for real oversight—and they take a lot of time and expertise.

“Don't expect what you don't inspect.”
The source of this corporate axiom isn't certain, but it's true: without feedback, systems don't work as expected.

Sonoma County's Audit team has published 28 audit reports during the past three years. 27 of them are accounting accuracy/compliance audits. *Only [one performance audit](#)* has been completed (and it took almost 2 years to be publicly released.) Looking at [the list of completed audits](#), it's clear that most County agencies, spending significant taxpayer dollars, have *never* had a performance audit.

Why haven't more performance audits been conducted? We learned there are two reasons:

- The Board of Supervisors hasn't asked for them, and
- The Auditor doesn't have the staffing or budget to conduct them.

The Board of Supervisors sets the Audit division's budget and employee headcount authorization; it's also ultimately responsible for county agency performance and oversight. *Audits take resources, and the Audit division doesn't have enough of them.* Without a significant increase in compliance and performance audits, there can be no public assurance that the oversight promised in every tax proposal is actually in place.

TAXES LOOKING FORWARD

Property Taxes

2020's Proposition 19 changed valuation rules for inherited property and also promised substantial additional funds for firefighting—*but has produced zero dollars statewide*—for the Fire Response Fund over the past three years. It *has* added a lot of work for assessors throughout the state.

How will Prop 19 affect property taxes? They will go up quite significantly in a few years. Many formerly exempt inherited properties are now subject to partial basis revaluation, and some will need to be sold due to the impact of the mandated revaluation, thereby reducing one type of Prop 13 discount. How much will it affect tax collections? Ah... that we don't know; almost three years in, the Assessor and Tax Collector haven't produced an impact report yet.

The Grand Jury also asked the Assessor's office to estimate how the 2017-2020 fires impacted tax rolls, but it couldn't answer that question because *revaluation assessments are running years behind*. The Assessor's office never caught up with the backlog from fire rebuilds and pandemic-era home improvements and is falling further behind as Prop 19 requires revaluations that historically weren't required for inherited properties.

We know, however, that property tax collections will soon accelerate in Sonoma County. New development in Rohnert Park, downtown Santa Rosa and Petaluma coupled with the accelerating construction in Fountain Grove, Windsor, and Healdsburg (much of which will eventually be assessed at or near current market value) will add tens of millions of additional dollars to property tax collections in Sonoma County.

Sales Taxes

The State of California currently has a statutory sales tax limit of 10 ¼%; anything over that requires state legislated authorization. Voter approval of the BoS-endorsed Child Care initiative in November would mean that most Sonoma County residents will be paying 10% in sales taxes in January, 2025 and, if this initiative passes, Rohnert Park and Petaluma would hit the statutory limit in 2025.

A bit further downstream, Senate Bill 1031 authorizes a 2026 Bay Area regional transport sales tax initiative that could add between ¼% and ¾% to the sales tax rate. Sebastopol or any entity looking to increase revenue via additional sales taxes would require statutory authorization to go over the 10 ¼% limit if this regional measure is approved.

It is worth noting that *local voters have the ultimate authority* to determine whether sales taxes above 7¼% are collected. Voters can also decide that local sales taxes collected for a particular purpose can be redirected, although the process for revoking or redirecting a sales tax would probably require initiative by the Board of Supervisors.

CONCLUSION

The Grand Jury set out to investigate a simple citizen complaint about a school district's failure to follow oversight rules and ended up looking at the entire universe of taxation and spending in Sonoma County. It's a topic made for analysts: county residents pay almost four billion dollars in taxes and the Sonoma County government spends more than \$2.2 billion to provide public services, so there is *a lot* of data.

It isn't particularly hard to figure out how much is paid in taxes, but it's almost impossible to figure out where the money goes in terms that most people will understand: it's buried in thousands of pages of County, city, special district, and school documents. There is little effort to aggregate the information across government boundaries and none of these agencies have any *legal* requirement to aggregate information. But if agencies could agree on common ways to classify and share their operational data, all their jobs would be easier—and a significant public benefit would be an important byproduct.

We also learned that the Assessor's office has a backlog that is impacting current property tax collections and that is putting taxpayers in jeopardy. As assessors catch up, three or four years of delayed revaluation can add thousands and thousands of dollars to an unsuspecting taxpayer's bill. This is a solvable problem: the Board of Supervisors can give the Assessor's office the authority and budget to temporarily engage the necessary resources.

Finally, the Grand Jury learned that the two major public oversight mechanisms—citizens' committees and the County's internal audit program—are doing what they're legally required to do,

but not enough to provide actual, robust oversight. Citizen's Oversight Committees are largely restricted to reviewing post-fact accounting and have a hard time getting public participation and the County audit team doesn't have the staff or budget to expose County operational weakness before they become headlines in the Press Democrat. At least one of these problems can be solved.

An informed electorate is government's most valuable asset. The Grand Jury commends the Auditor-Controller-Treasurer-Tax Collector staff for the Citizens' Report; it's an excellent start. The Controller can help by updating EFS, the general accounting system, to facilitate functional tracking as spending occurs. Most importantly, the Board of Supervisors can lead the way by mandating improved data definition, cross-agency reporting and aggregation, and facilitating reporting integration with independent authorities like schools and special districts.

FINDINGS

- F1. The total amount and source of tax collections is not published in a useful, publicly accessible format by any government entity.
- F2. The actual amount of money being spent to address public need is not published in a useful, publicly accessible format by any government entity
- F3. The Sonoma County Office of Education publishes no report summarizing how much, in total, is being collected, spent, or borrowed to pay for public education in Sonoma County.
- F4. The County Auditor/Controller/Treasurer/Tax Collector Citizen's Report, a helpful document, doesn't answer major questions about tax revenue or spending.
- F5. The County Auditor doesn't have the resources needed to conduct performance audits throughout County government.
- F6. The County Assessor doesn't have the resources needed to eliminate a significant assessment backlog. As a consequence, many taxpayers will get hit with significant back-dated property tax bills when this assessment backlog is cleared.
- F7. Sonoma County sales tax rates are among the highest in California.
- F8. Citizen Oversight Committees are frequently inoperative, largely ineffective and have no authority.

RECOMMENDATIONS:

- R1. By December 27, 2024, the Board of Supervisors shall direct and fund the Controller to modify County financial systems such that spending classification data capture enables cross-agency categoric reporting for fiscal 2026 onward.
- R2. By February 28, 2025, the Board of Supervisors, ACTTC and County Office of Education shall jointly determine personnel and professional services needed to make the Citizens Report a comprehensive presentation of all Sonoma County property and sales tax collections and expenditures.
- R3. By June 30, 2025, the Board of Supervisors shall fund the ACTTC so the Citizens Report includes this categorized information for fiscal years 2026 and onward.
- R4. By June 30, 2025 the Board of Supervisors shall fund and authorize staffing sufficient for the Auditor to conduct appropriate performance audits each fiscal year from 2026 onward.
- R5. By December 28, 2024 the Board of Supervisors shall fund and authorize temporary staffing to enable the Assessor's Office to eliminate the assessment backlog within 12 months.

REQUIRED RESPONSES

Pursuant to Penal Code §§ 933 and 933.05, the Grand Jury requires responses as follows:

- Sonoma County Board of Supervisors (R1, R2, R3, R4, R5)
- Sonoma County Auditor/Controller/Treasurer/Tax Collector (R2)
- Sonoma County Office of Education (R2)

The governing bodies indicated above should be aware that their comments and responses must be conducted subject to the notice, agenda, and open meeting requirements of the Brown Act.

APPENDIX A: MISCELLANEOUS DETAIL ABOUT TAX COLLECTION

Property Taxes

The [California State Board of Equalization](#) (BoE) establishes and interprets [property tax rules](#).

Prop 13 (as amended by Proposition 19 in 2020) allow basis retention when property is inherited, but the difference between market and basis value is capped at basis plus \$1,000,000; anything over that is additive to the basis. It also includes provision for 55+ year old homeowners to keep their basis when purchasing a new home of greater value; up to three such transactions are allowed now.

School bonds

Such bonds are authorized pursuant to the California Constitution and must be approved by at least 55% of the property-owning taxpayers living in the school district authorizing the bonds. General obligation school bond proceeds may not be used for school district operating expenses or teacher salaries. The amount each property owner pays is an ad valorem tax, so it is based on the assessed value of the individual property.

APPENDIX B: SCHOOL DISTRICT BONDED INDEBTEDNESS & REVENUE

SCHOOL DISTRICT BONDS OUTSTANDING AS OF 6/30/2023

SCHOOL DISTRICT	DATE OF ELECTION	AMOUNT AUTHORIZED	AMOUNT ISSUED	REMAINING AUTHORIZED	PRINCIPAL REMAINING	BOND MATURITY
Alexander Valley	6/5/201	6,000,000	\$6,000,000	\$	5,440,000	8/1/2049
Bellevue Elementary	11/5/19	11,000,000	\$10,999,998	2	920,746	8/1/2024
Bellevue Elementary	11/4/20	19,000,000	\$18,999,483	517	17,381,523	8/1/2042
Bellevue Elementary	6/3/201	12,000,000	\$12,000,000	-	11,020,000	8/1/2045
Bellevue Elementary	3/3/202	28,000,000	\$17,475,000	10,525,000	14,830,000	8/1/2051
Bennett Valley Elementary	11/2/20	10,600,000	\$10,596,491	3,509	12,034,811	8/1/2041
Cinnabar Elementary	11/4/20	2,500,000	\$2,500,000	-	2,516,000	8/1/2042
Cloverdale Unified	6/8/199	4,000,000	\$4,000,000	\$	544,869	8/1/2025
Cloverdale Unified	11/2/20	17,000,000	\$16,997,406	2,594	11,713,327	8/1/2038
Cloverdale Unified	11/6/20	46,000,000	\$46,000,000	-	48,855,000	8/1/2050
Cotati-Rohnert Park Unified	6/5/199	85,000,000	\$84,996,865	3,135	11,640,000	8/1/2026
Cotati-Rohnert Park	6/3/201	80,000,000	\$80,000,000	-	74,869,505	8/1/2050
Cotati-Rohnert Park Unified	11/8/20	80,000,000	\$80,000,000	-	73,590,000	8/1/2046
Forestville Elementary	11/7/20	5,100,000	\$5,099,947	53	498,379	8/1/2030
Forestville Elementary	11/2/20	5,100,000	\$5,099,309	691	5,607,440	8/1/2042
Forestville Elementary	11/8/20	6,500,000	\$4,000,000	2,500,000	3,885,000	8/1/2046
Geyserville Unified	2/5/200	3,250,000	\$3,250,000	-	1,728,300	8/1/2032
Geyserville Unified	3/3/202	22,000,000	\$15,000,000	7,000,000	12,460,000	8/1/2051
Gravenstein Elementary	11/4/19	1,800,000	\$1,800,000	-	113,000	8/1/2023
Gravenstein Elementary	11/6/20	6,000,000	\$6,000,000	-	5,490,000	8/1/2043
Guerneville Elementary	6/5/201	6,000,000	\$6,000,000	-	5,943,000	8/1/2045
Guerneville Elementary	11/8/20	7,000,000	\$5,000,000	2,000,000	4,060,000	8/1/2048
Harmony Elementary	6/5/201	9,600,000	\$9,600,000	-	8,820,000	8/1/2050
Healdsburg SFID	11/5/20	18,820,000	\$18,819,951	49	6,879,000	7/1/2027
Healdsburg Unified	6/5/201	35,000,000	\$34,999,954	46	42,820,301	8/1/2040
Healdsburg Unified	11/8/20	67,000,000	\$67,000,000	-	61,885,000	8/1/2047
Horicon Elementary	11/8/20	10,400,000	\$6,000,000	4,400,000	6,000,000	8/1/2048
Kenwood Elementary	11/8/20	17,000,000	\$6,000,000	11,000,000	6,000,000	8/1/2052
Liberty Elementary	11/2/20	1,920,000	\$1,499,299	420,701	883,790	8/1/2030
Mark West Elementary	11/5/20	11,000,000	\$10,999,999	1	3,200,634	8/1/2030
Mark West Elementary	6/8/201	14,000,000	\$7,203,714	6,796,286	6,683,780	8/1/2035
Monte Rio Elementary	11/6/20	3,300,000	\$3,300,000	-	2,990,000	8/1/2048

SCHOOL DISTRICT	DATE OF ELECTION	AMOUNT AUTHORIZED	AMOUNT ISSUED	REMAINING AUTHORIZED	PRINCIPAL REMAINING	BOND MATURITY
Oak Grove Elementary	11/4/20	6,000,000	\$6,000,000	-	5,570,000	8/1/2046
Oak Grove Elementary	11/6/20	9,500,000	\$9,500,000	-	8,950,000	8/1/2051
Old Adobe Elementary	6/6/199	10,250,000	\$10,247,017	2,983	183,222	6/1/2024
Old Adobe Elementary	6/5/201	26,000,000	\$25,996,222	3,778	23,086,384	8/1/2044
Old Adobe Elementary	11/6/20	38,500,000	\$25,000,000	13,500,000	20,470,000	8/1/2048
Petaluma Elementary	11/5/19	30,000,000	\$30,000,000	-	1,925,000	8/1/2028
Petaluma Elementary	6/3/201	21,000,000	\$21,000,000	-	16,760,000	8/1/2042
Petaluma High	4/14/19	45,000,000	\$44,999,999	1	2,810,000	8/1/2024
Petaluma High	6/3/201	68,000,000	\$68,000,000	-	57,380,000	8/1/2041
Piner-Olivet Elementary	11/2/20	20,000,000	\$14,032,213	5,967,787	12,054,157	8/1/2045
Rincon Valley Elementary	3/2/200	23,900,000	\$23,899,008	992	13,926,389	8/1/2036
Roseland Elementary	11/6/20	7,000,000	\$6,999,673	328	6,799,673	8/1/2046
Roseland Elementary	3/3/202	9,400,000	\$3,500,000	5,900,000	2,870,000	8/1/2049
Santa Rosa Elementary	3/5/200	19,125,000	\$19,125,000	-	6,675,000	8/1/2030
Santa Rosa Elementary	11/4/20	54,000,000	\$54,000,000	-	40,647,000	8/1/2043
Santa Rosa Elementary	11/8/20	125,000,00	\$32,000,000	93,000,000	32,000,000	8/1/2053
Santa Rosa High	3/5/200	72,230,000	\$72,230,000	-	22,690,000	8/1/2030
Santa Rosa High	11/4/20	175,000,00	\$175,000,000	-	130,596,00	8/1/2043
Santa Rosa High	11/8/20	398,000,00	\$104,000,000	294,000,000	99,490,000	8/1/2053
Sebastopol Elementary	6/5/200	3,200,000	\$3,199,828	172	775,572	8/1/2026
Sebastopol Elementary	6/5/201	9,000,000	\$8,996,756	3,244	9,248,792	8/1/2043
Sebastopol Elementary	3/3/202	17,500,000	\$6,000,000	11,500,000	4,885,000	8/1/2049
Sonoma Valley Unified	6/7/199	27,500,000	\$27,500,000	-	5,700,000	8/1/2025
Sonoma Valley Unified	11/2/20	40,000,000	\$39,998,881	1,119	37,176,881	8/1/2033
Sonoma Valley Unified	11/8/20	120,000,00	\$120,000,000	-	97,865,000	8/1/2047
Twin Hills Elementary	11/3/19	4,000,000	\$4,000,000	-	335,000	8/1/2025
Twin Hills Elementary	11/2/20	11,000,000	\$2,664,964	8,335,036	2,375,978	8/1/2036
Waugh Elementary	11/8/20	4,000,000	\$3,999,601	399	3,934,601	8/1/2048
West Side Elementary	3/3/202	7,500,000	\$5,000,000	2,500,000	4,435,000	8/1/2053
West Sonoma County High	6/4/199	13,300,000	\$13,299,372	628	210,000	9/1/2023
West Sonoma County High	11/2/20	23,800,000	\$23,796,794	3,206	23,833,953	8/1/2046
West Sonoma County High	6/5/201	91,000,000	\$68,000,000	23,000,000	55,960,000	8/1/2052
Wilmar Elementary	11/6/20	4,000,000	\$3,997,436	2,564	4,347,464	8/1/2042
Windsor Unified	2/5/200	50,000,000	\$49,999,987	13	33,533,064	8/1/2041
Windsor Unified	11/8/20	62,000,000	\$62,000,000	-	55,960,000	8/1/2046
Wright Elementary	11/3/19	6,600,000	\$6,599,971	29	1,714,198	8/1/2028
Windsor Unified	6/5/201	14,000,000	\$13,997,616	2,384	12,802,397	8/1/2042
Sonoma County Jr. College	3/5/2002	251,700,000	\$251,700,000	-	108,515,000	8/1/2029
Sonoma County Jr.	11/4/20	410,000,00	\$410,000,000	-	289,305,00	8/1/2041
TOTAL, ALL SCHOOL BONDS (\$ in 000's)		\$3,014,895	\$2,512,518	\$502,377	\$1,756,299	

2022-23 School Prop 13 and State Funding By District

District Name	# Students 2018	# Students 2022	Prop 13 Tax 2022	State Expenditures 2022	PROP 13 AND STATE REV. 2022-2023
Alexander Valley Union	110	112	\$1,856,664	\$2,898,673	\$4,755,337
Bellevue Union	1,621	1,586	\$10,206,222	\$30,829,858	\$41,036,079
Bennett Valley Union	995	951	\$6,129,260	\$12,968,017	\$19,097,276
Cinnabar	267	207	\$1,166,447	\$3,813,170	\$4,979,617
Cloverdale Unified	1,375	1,318	\$10,759,285	\$20,276,099	\$31,035,384
Cotati-Rohnert Park Unified	6,166	6,449	\$37,872,717	\$99,271,069	\$137,143,786
Dunham	168	147	\$248,343	\$2,207,179	\$2,455,522

DISTRICT NAME	# STUDENTS 2018-2019	# STUDENTS 2022-2023	PROP 13 TAX \$ 22-23	STATE EXPENDITURES 2022-2023	PROP 13 & STATE REVENUE
Forestville Union	237	224	\$3,814,093	\$5,251,449	\$9,065,542
Fort Ross Elementary	21	14	\$423,530	\$961,527	\$1,385,057
Geyserville Unified	232	211	\$3,125,733	\$5,251,332	\$8,377,065
Gravenstein Union	761	768	\$3,686,973	\$11,510,815	\$15,197,788
Guerneville	1,341	360	\$2,626,603	\$10,420,765	\$13,047,368
Harmony Union	652	504	\$2,987,550	\$15,938,556	\$18,926,107
Healdsburg Unified	1,440	1,240	\$24,884,483	\$30,203,226	\$55,087,709
Horicon	69	56	\$1,873,061	\$2,447,780	\$4,320,841
Kashia	15	8	\$129,627	\$401,972	\$531,599
Kenwood	138	113	\$2,540,954	\$3,361,260	\$5,902,214
Liberty	834	1,559	\$7,978,260	\$24,662,866	\$32,641,125
Mark West Union	1,444	1,305	\$9,056,420	\$21,878,547	\$30,934,967
Monte Rio Union	84	59	\$1,474,447	\$1,629,524	\$3,103,971
Montgomery Elementary	33	21	\$599,609	\$998,545	\$1,598,153
Oak Grove Union	1,241	1,217	\$3,338,860	\$20,163,280	\$23,502,140
Old Adobe Union	2,091	1,973	\$13,407,489	\$32,468,359	\$45,875,848
Petaluma City Elementary	2,463	2,410	\$16,926,204	\$38,093,713	\$55,019,917
Petaluma Joint Union High	5,358	4,926	\$33,498,261	\$0	\$33,498,261
Piner-Olivet Union	1,261	1,235	\$6,936,519	\$21,568,670	\$28,505,189
Rincon Valley Union	3,307	3,072	\$22,343,216	\$45,985,597	\$68,328,814
Roseland	2,912	2,766	\$9,970,349	\$82,510,554	\$92,480,903
Santa Rosa City Elementary	4,992	4,861	\$33,094,511	\$86,229,862	\$119,324,373
Santa Rosa City High	11,104	10,179	\$83,495,319	\$0	\$83,495,319
Sebastopol Union	900	764	\$6,765,546	\$14,781,467	\$21,547,013
Sonoma Co Office of Ed	547	317	\$24,639,127	\$0	\$24,639,127
Sonoma Valley Unified	4,329	3,626	\$54,502,755	\$84,091,436	\$138,594,192
Twin Hills Union	1,207	959	\$4,536,992	\$17,087,596	\$21,624,589
Two Rock Union	166	133	\$471,660	\$2,176,752	\$2,648,412
Waugh	854	775	\$2,905,495	\$9,754,259	\$12,659,753
West Side Union	178	137	\$1,539,551	\$2,193,475	\$3,733,027
West Sonoma County Union	1,933	1,588	\$14,566,675	\$28,635,515	\$43,202,189
Wilmar Union	243	219	\$1,805,125	\$3,015,378	\$4,820,503
Windsor Unified	5,165	4,727	\$29,372,124	\$71,312,846	\$100,684,969
Wright	1,480	1,279	\$6,404,265	\$23,976,901	\$30,381,167
Total	69,734	64,375	\$502,103,660	\$888,329,216	\$1,390,432,876

Note: the state report on ADA \$ aggregates high school and elementary districts while population data is split and the State report doesn't include the SCOE schools

APPENDIX C: OVERSIGHT

School Bond Oversight

School districts are required by law to conduct both an annual independent performance audit and an annual professional financial audit to ensure that school bond proceeds are used for their declared and intended purpose. However, to ensure that bond proceeds were spent for their intended purpose, the school district board is required by law to appoint an independent Citizen Bond Oversight Committee. These committees are supposed to review the expenditure of bond funds and to verify that the bond funds are being spent only for the authorized purpose.

Citizen Bond Oversight Committee meetings must be open to the public following notice in the same manner as the proceedings of the governing board. The committee is required to issue reports at least once a year on the results of its activities. Minutes of the committee proceedings and all documents

received, and reports issued are a matter of public record and must be made available on an internet web site maintained by the governing board of the district.

In furtherance of its mission to ensure that bond revenues are expended only for the construction and rehabilitation of school facilities, including furnishing and equipping the facilities, the committee is authorized to do the following:

- Receive and review the annual independent performance audit.
- Receive and review the annual independent financial audit.
- Inspect school facilities and grounds.
- Receive and review any deferred maintenance plans or proposals.
- Review efforts by the school district to implement cost-savings measures.
- Alert the public to any waste or improper expenditure of school bond funds.
- Ensure that unauthorized expenditures of school construction bond revenues are vigorously investigated, prosecuted and court restrained.

School Oversight

For more information, the State of California Legislative Analyst's Office recommends elements that should be an integral part of school oversight: <https://www.lao.ca.gov/Publications/Report/4883>

SALES TAX OVERSIGHT

Here are the actual oversight requirements for the last four county-wide sales tax measures:

Measure H, 2024 (fire & ambulance agency funding): *“shall Sonoma County establish a ½ cent sales tax until ended by voters, providing approximately \$60,000,000 annually, with annual audits and citizen oversight, and increase its annual appropriations limit to allow expenditure of the proceeds?”*

Oversight fine print: *“the Committee’s responsibilities shall not include decision making on spending priorities, financing plans or tax rate projections or assumptions, and the Committee shall have no authority to direct, nor shall it direct, County staff or officials or fire agency staff or officials.”*

Measure O, 2020 (mental health programs): *“shall the County of Sonoma establish a countywide ¼ cent sales tax for ten years, providing approximately \$25 million annually, with annual audits and citizen oversight to ensure funds are properly spent?”*

Oversight fine print: *“the committee’s responsibilities shall not include decision-making on spending priorities, financing plans or tax rate projections or assumptions and the committee shall have no authority to direct, nor shall it direct, County or City staff or officials.”*

Measure M, 2018 (park and rec programs): *“shall Sonoma County establish a one-eighth cent special transaction and use tax (sales tax) countywide for a ten-year period, providing approximately \$11.5 million annually, with citizens' oversight and annual audits?”*

Oversight fine print: *“the committee shall produce an annual oral or written report on its review which shall be considered by the Board at a public meeting. The committee may provide budget recommendations to the Board and City Councils regarding expenditures from the transactions and use tax...The amount generated by this revenue source and how it was used shall be included in the annual audit of the County’s financial operations by an independent certified public accountant, which the committee shall review. To preserve the integrity and independence of the oversight process, the committee’s responsibilities shall not include decision-making on spending priorities, financing plans or tax rate projections or assumptions and the committee shall have no authority to direct, nor shall it direct, County or City staff or officials.”*

Measure Y, 2016 (library funding):

Oversight fine print: *“Each appointee shall attend all meetings and fully participate in the review and annual report of the Measure Y revenue expenditures. The role of the committee is not to approve Measure Y expenditures in advance, but to carefully review expenditures on a regular basis, ask clarifying questions as needed, and make recommendations to*

library staff as to the appropriateness of expenditures and how they conform to the intent of the ordinance. The committee also works with library staff to prepare an annual report on the previous fiscal year expenditures, which is then presented to the library commission and made available to the public. The staff will make every effort to provide timely reports and answer committee questions about expenditures. Meetings of this committee are to be public and governed by the Brown Act.”

OVERSIGHT AUDITS AND THE ELECTED AUDITOR CHARTER

There are four basic types of audits:

- **Accounting:** Were accounting entries made properly and in accordance with generally accepted accounting principles?
- **Controls:** Did the audited entity have accounting and documentation analysis processes in place to ensure that the accounting records would likely be accurate and compliant with statutory and accounting requirements?
- **Compliance:** Did the entity being audited ensure that the accounting records would be accurate and compliant with statutory and accounting requirements?
- **Performance Audits:** A comprehensive review of the entity’s operational and financial procedures to confirm that work is being done according to industry best practices, and that the entity’s financial behaviors are fully compliant with stated policies and procedures.

Here are *excerpts* from the County Code regarding the Auditor’s authority and responsibility:

The Institute of Internal Auditors (IIA) defines internal auditing as "an independent objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes."

The Audit division of our elected “Auditor/Controller/Treasurer/Tax Collector (ACTTC) has a public charter formalizing its responsibilities, reporting lines, and internal audit protocols. By ordinance, the Audit Division is authorized by the Board of Supervisors to review the accounts of all of County agencies and special districts; its charter establishes internal audit objectives and provides for *uninhibited and complete authority to fulfill its objectives*, with procedures to address obstacles and issues.

APPENDIX D. HOMELESSNESS COSTS

The \$129 million dollar reported spend on Homelessness comes from [the 2023-24 “Budget Memo”](#), a communication about topics that don’t necessarily fit into the budget process. Note that NO costs for the Corrections Dept./MADF are included in the County’s estimate below:

Homeless Costs

Beginning with FY 2022-23 Budget Hearing materials, we began providing information on costs associated with homeless response and prevention for the prior complete fiscal year. The information provided below reflects homelessness costs incurred in FY 2021-22.

...the County does not have a financial account coding structure exclusively designed to track homelessness related expenses, as delivery of service interactions are not all identified as providing services to housed versus unhoused clients.... their housing status may or may not be the leading cause for that interaction. Therefore, determining costs associated with addressing homelessness relies on considering expenditures as well as available case data.

Ultimately, the reported costs *are an approximation of* actual expenses incurred due to these realities.

In total, in FY 2021-22 Countywide spending on homelessness prevention and response totaled almost \$129 million, with the largest share being in the Community Development Commission (CDC)... approved by the County's Board of Supervisors/Board of Commissioners.

The enclosed table includes costs associated both with prevention, such as rental assistance programs & housing vouchers, as well as response, such as cleaning up homeless encampments in parks. Even the delineation between prevention and response can be nuanced...

Homelessness Prevention & Response Costs 2021-22

Community Dev. Commission Programs

	2021	2022
Affordable Housing	33,876,217	43,811,447
Ending Homelessness	7,528,044	13,891,245
Housing Authority	37,712,059	45,922,030
Project Homekey	18,056,000	0
CDC Total	\$97,172,320	\$103,624,722
Health Services Programs		
Acc..Coord. Care (ACCESS)	6,464,568	6,738,393
Behavioral Health Acute Forensic	4,176,650	6,512,901
Behavioral Health Youth & Family	804,371	1,262,483
DHS Total	\$11,445,589	\$14,513,778
Human Services Programs		
Adult & Aging	601,980	652,478
Employment & Training	965,623	3,134,517
Family Youth & Children	2,662,918	1,925,869
Human Services Total	\$4,230,521	\$5,712,864
Misc Depts		
District Attorney Total	248,691	236,683
Regional Parks Total \$	379,889	
Probation Total	1,219,949	1,500,878
Public Infrastructure Total	1,247,143	684,790
Sheriff- Law Enforcement Total	411,157	
Sonoma Water Total	500,000	800,000
Misc Total	4,006,829	3,222,351
Total Homelessness Costs:	\$116,784,284	\$127,073,715