

Is the State of Jefferson Financially Viable?

Simple Answer: YES



Most of the criticism and controversy surrounding the State of Jefferson movement is its fiscal viability. Many opponents fear that the new state would not be able to stand on its own without the financial support of southern California, but they are wrong! The following financial analysis incorporates the **actual revenue** from 20 northern California counties (the State of Jefferson), including income taxes, property taxes, retail sales taxes, and fuel taxes. The expenses used are the adopted 2013/14 budgets from each county, plus the total amount spent on education by the state for the 20 Jefferson counties. The revenue should actually be a bit higher in that this analysis does not include licenses, fees, and fines that generate additional income for the counties. There is no mention of cutting salaries for public safety and education, as the actual expenditures are being used.

State Revenue is calculated using the residual of state income, sales, gas, and federal returned taxes. From this amount, any county running a deficit, such as Modoc, Trinity, and Sierra, will be made whole (net to zero) by reducing state income by each county shortfall.

Also deducted from the state revenue is the portion of California debt that Jefferson will inherit based on population. Over 30 years, Jefferson will owe a payment of roughly \$517M dollars to cover 4.53% (Jefferson's percentage of California's current population) of the \$340B dollar debt California now recognizes.

The remaining balance is the net income Jefferson counties have to run the thier offices, which is a **SURPLUS of \$8,033,118,410**. This is not a poor state.

Based on this model, prepared with data obtained from government websites, The State of Jefferson is completely financially viable. The goals of the State of Jefferson could easily be implemented by lowering taxes and allowing for the reasonable and responsible use of natural resources to promote business growth. The difference is that we will not send the money to Sacramento and then wait for funding. Federally funded social services would continue to be routed to the counties via the new State. Decisions could be made locally that affect the viability of the northern counties and urban voters will no longer control our ability to provide for ourselves.

Data sources used

Population by county	http://en.wikipedia.org/wiki/California_locations_by_income
Per capita income	http://en.wikipedia.org/wiki/California_locations_by_income
Per capita income taxes	http://www.brookings.edu/Research/Interactives/2013/county-income-taxes-map
Retail Sales	http://quickfacts.census.gov/qfd/states/06/06017.html
Fuel Sales	http://energyalmanac.ca.gov/gasoline/retail_fuel_outlet_survey/retail_gasoline_sales_by_county.html
Education spending	ftp://ftp.cde.ca.gov/fiscal/sacs_data/2012-13/sacs1213.exe
Property Taxes	http://www.sco.ca.gov/Files-ARD-Tax-Info/TaxDelinq/countyname.pdf