



COUNTY OF HUMBOLDT

For the meeting of: 10/3/2023

File #: 23-1272

To: Board of Supervisors

From: Auditor-Controller

Agenda Section: Consent

Vote Requirement: Majority

SUBJECT:

Fiscal Year 2023-2024 Appropriations Limit

RECOMMENDATION(S):

That the Board of Supervisors:

1. Adopt the attached resolution establishing the fiscal year 2023-2024 appropriations limit for the County of Humboldt;
2. Adopt the attached resolution establishing the fiscal year 2023-2024 appropriations limit for various special districts governed by the Humboldt County Board of Supervisors; and
3. Direct the Clerk of the Board to return fully executed certified copies of the attached resolutions to the Humboldt County Auditor-Controller's Office.

SOURCE OF FUNDING:

All county funds

DISCUSSION:

On November 6, 1979, voters approved the Gann Spending Limitation (Proposition 4), which established Article XIII-B of the State Constitution. Article XIII-B sets limits on the amount of tax revenues the state and local governments can appropriate within a given fiscal year. The Gann Limit does not apply to the entire County of Humboldt budget. The limit only applies to appropriations from proceeds of taxes from both the general fund and special funds of government entities, which includes: (1) property, sales, transient occupancy and other tax revenues; (2) interest earnings on invested tax revenues; and (3) any revenues collected by a regulatory license fee or user charges in excess of the amount needed to cover the cost of providing that regulation, product or service. Further refined by Propositions 98 and 99 in 1988, and Proposition 111 in 1990, Article XIII-B provides that appropriation limits are to be established annually by each governmental entity in accordance with the constitutional amendments and enabling state legislation. Per Proposition 111, current appropriation limits are generally based upon actual revenue appropriations during the initial base year of fiscal year 1986-1987, and adjusted annually thereafter to account for California per capita cost of living increases, and year-over-year population growth as published by the California Department of Finance.

The annual limits must be adopted for the County of Humboldt and special districts governed by the Humboldt County Board of Supervisors. Appropriations from non-tax revenues and proceeds are excluded from the limit, such as: Federal funds, charges for services, regulatory fees, grants, loans and donations. The State Budget Act of 2022 made changes to California Government Code Section 7903 that now requires counties to include specified state subventions within their local appropriations limit. These amounts are provided to counties by the California Department of Finance.

California Government Code Section 7910 requires that the documentation used in establishing the appropriation limit be available for public inspection fifteen (15) days prior to the adoption of the resolution by the Board of Supervisors. The Clerk of the Board published notice on or before September 17, 2023, that the documentation was available for inspection in the County Auditor-Controller's Office. The summary worksheets calculating the FY 2023-24 appropriations limits for the County and special districts are attached and titled "Attachment A." The documentation supporting the appropriations limits calculations has been available for the required public inspection period and adequate public notice of the location for inspection has been given. It is recommended that the Board of Supervisors adopt the attached resolutions establishing the fiscal year 2023-2024 appropriations limits for the County of Humboldt and various special districts governed by the Humboldt County Board of Supervisors.

FINANCIAL IMPACT:

There are no direct costs associated with the adoption of the attached resolutions establishing the fiscal year 2023-2024 appropriations limits for the County of Humboldt and various special districts governed by the Humboldt County Board of Supervisors. The appropriations subject to the limit for the County of Humboldt total One Hundred Forty-Nine Million Seven Hundred Forty-Nine Thousand Eighty-Two Dollars (\$149,749,082.00) which is Ninety-Five Million Five Hundred Thousand Dollars (\$95,500,000.00) below the proposed appropriations limit of Two Hundred Forty-Five Million, Two Hundred Thirty Thousand Two Hundred Thirty-Seven Dollars (\$245,230,237.00).

STAFFING IMPACT:

Adoption of the attached resolutions establishing the fiscal year 2023-2024 appropriations limits for the County of Humboldt and various special districts governed by the Humboldt County Board of Supervisors will not impact current staffing levels.

STRATEGIC FRAMEWORK:

The recommended actions support the Board of Supervisors' Strategic Framework by managing community resources to ensure sustainability of services.

OTHER AGENCY INVOLVEMENT:

State of California

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board of Supervisors may choose not to adopt the attached resolutions establishing the fiscal year 2023-2024 appropriations limits for the County of Humboldt and various special districts governed by

the Humboldt County Board of Supervisors. However, this alternative is not recommended because adoption of the appropriations limits for the County of Humboldt and various special districts governed by the Humboldt County Board of Supervisors is required by the California Government Code.

ATTACHMENTS:

1. Attachment A - FY 2023-24 Appropriations Limit Calculations
2. Resolution Establishing the FY 2023-24 Appropriations Limit for the County
3. Resolution Establishing the FY 2023-24 Appropriations Limit for Special Districts

PREVIOUS ACTION/REFERRAL:

Board Order No.: N/A

Meeting of: N/A

File No.: N/A