



COUNTY OF HUMBOLDT

For the meeting of: 11/18/2025

File #: 25-1341

To: Board of Supervisors

From: Auditor-Controller

Agenda Section: Consent

Vote Requirement: Majority

SUBJECT:

Fiscal Year 2025-26 Appropriations Limit

RECOMMENDATION(S):

That the Board of Supervisors:

1. Adopt the attached resolution establishing the fiscal year 2025-26 appropriations limit for the County of Humboldt; and
2. Adopt the attached resolution establishing the fiscal year 2025-26 appropriations limit for the special districts governed by the Humboldt County Board of Supervisors; and
3. Direct the Clerk of the Board to provide the Humboldt County Auditor-Controller's Office with one (1) fully executed, certified copy of each of the attached resolutions for further processing.

STRATEGIC PLAN:

The recommended actions support the following areas of the Board of Supervisors Strategic Plan:

Area of Focus: Core Services/Other

Strategic Plan Category: 9999 - Core Services/Other

DISCUSSION:

On Nov. 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; (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; and (4) state subventions. 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 Oct. 23, 2025, that the documentation was available for inspection in the County Auditor-Controller's Office. The summary worksheets calculating the fiscal year 2025-26 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 2025-26 appropriations limits for the County of Humboldt and various special districts governed by the Humboldt County Board of Supervisors.

SOURCE OF FUNDING:

All County of Humboldt funds

FINANCIAL IMPACT:

There are no direct costs associated with the adoption of the attached resolutions establishing the fiscal year 2025-26 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 Sixty-One Million Two Hundred Forty-Eight Thousand Nine Hundred Fifty-Eight Dollars (\$161,248,958.00) which is One Hundred Ten Million Six Hundred Eighty Thousand Six Hundred Five Dollars (\$110,680,605.00) below the proposed appropriations limit of Two Hundred Seventy-One Million Nine Hundred Twenty-Nine Thousand Five Hundred Sixty-Three Dollars (\$271,929,563).

STAFFING IMPACT:

Adoption of the attached resolutions establishing the fiscal year 2025-2026 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.

OTHER AGENCY INVOLVEMENT:

State of California, Special Districts governed by the Humboldt County Board of Supervisors

ALTERNATIVES TO STAFF RECOMMENDATIONS:

The Board of Supervisors may choose not to adopt the attached resolutions establishing the fiscal year 2025-26 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 California Government Code.

ATTACHMENTS:

1. Attachment A - Fiscal Year 2025-26 Appropriations Limit Calculations
2. Resolution Establishing the Fiscal Year 2025-26 Appropriations Limit for the County of Humboldt
3. Resolution Establishing the Fiscal Year 2025-26 Appropriations Limit for Special Districts

PREVIOUS ACTION/REFERRAL:

Meeting of: None

File No.: None