



COUNTY OF HUMBOLDT

For the meeting of: 6/28/2022

File #: 22-826

To: Board of Supervisors
From: County Administrative Office
Agenda Section: Departmental

SUBJECT:
Adopt Appropriation Limit for Fiscal Year 2022-23

RECOMMENDATION(S):
That the Board of Supervisors:
1. Approve the attached resolution establishing the Fiscal Year (FY) 2022-23 Appropriation Limit in accordance with Article XIII B of the California Constitution and Division 9 of Title 1 of the California Government Code.

SOURCE OF FUNDING:
All county funds

DISCUSSION:
Each year, the governing body of the state and each local governmental must establish and is subject to an Appropriations Limit. The Appropriations Limit for any year is the Appropriations Limit from the previous fiscal year increased by inflation and population changes. Proposition 111 established FY 1986-87 as the base year for all governments, rather than the original FY 1978-79 base year established by the originating proposition. On June 7, 2022, your Board approved the FY 2019-20, FY 2020-21, and FY 2021-22 Appropriations Limits.

Humboldt County Appropriations Limit
The detailed calculations for the FY 2022-23 Appropriation Limit are attached (Attachment A). A summary of the calculated appropriation limit is set forth below:

Humboldt County Calculated Appropriations Limit					
Fiscal Year	Prior Year Limit	x	Adjustment Factor	=	New Limit
2022-23	\$ 218,342,402		1.07548		\$ 234,822,887

Not all county revenues are subject to the Appropriations Limit. Proceeds from taxes subject to the limitation include:

- all taxes levied by or for a public agency
- any revenue received from regulatory licenses, user charges, and user fees only to the extent that the proceeds exceed the cost of providing the regulation, product or service
- State subventions for general purposes
- Any interest earned from the investment of tax proceeds

The total annual appropriations subject to the limit are set forth below:

Humboldt County	
Total Annual Appropriations Subject to the Limit	
Fiscal Year	Appropriations Subject to the Limit
2022-23	\$ 86,024,795

Because funds received from the state that are restricted, such as Department of Health and Human Services and Road Taxes, are not subject to the Appropriations Limit, it primarily applies to General Fund tax revenues.

Procedural Requirements

Government Code § 7910 requires that 15 days prior to adopting its annual Appropriations Limit, a local government make available to the public the documentation used to determine the Appropriations Limit. The Clerk of the Board published the notice in the Times Standard on June 12, 2022. (Attachment 3) and the calculation documentation was made available to the public as of June 13, 2022. That same code section sets forth the requirements and time limit for contesting the adopted Appropriation Limit. A judicial action to attack, review, set aside, void or annul the action of the government must be commenced within 45 days of the resolution effective date.

FINANCIAL IMPACT:

There is no direct financial impact of establishing the Appropriations Limit or the total annual appropriations subject to the limit because the county’s budgets have been and will likely continue to be well below the Appropriations Limit using any one of the six alternative adjustment factors as presented on page 2 of the Appropriations Limit Calculation.

STRATEGIC FRAMEWORK:

This action supports your Board’s Strategic Framework by managing our resources to ensure sustainability of services.

OTHER AGENCY INVOLVEMENT:

California State Controller’s Office
State of California

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Your Board may choose not to approve staff's recommendation to approve the resolution establishing the Appropriations Limit and total annual appropriations subject to the limit for FY 2022-23; however, this is not recommended as adopting the Appropriation Limit is required by Division 9 of Title 1 of the California Government Code.

Further, the Appropriations Limit calculation builds on each prior year, so without adopting the FY 2022-23 Appropriations Limit, the County would be unable to establish future Appropriations Limits.

ATTACHMENTS:

1. Resolution establishing the Fiscal Year 2022-2023 Appropriation Limit under Article XIII B of the California Constitution, and establishing the period for contesting such limits for the county
2. Attachment A - Fiscal Year 2022-2023 Appropriations Limit
3. Notice of Publication

PREVIOUS ACTION/REFERRAL:

Board Order No.: K-1

Meeting of: 06/07/2022

File No.: 22-712