

COUNTY OF SAN LUIS OBISPO

ARTICLE XIII-B

(PROPOSITION 4)

APPROPRIATION LIMITATION DOCUMENT

FISCAL YEAR 2012-2013

COUNTY OF SAN LUIS OBISPO
ARTICLE XIII-B
DETERMINATION OF APPROPRIATION LIMITATION

STATEMENT OF COUNTY'S LIMITATION FOR FISCAL YEAR 2012-2013

The Auditor-Controller's Office has examined the accounts and records of the County of San Luis Obispo and has determined, according to generally accepted requirements, that the County's base year "Proceeds of Taxes" for Fiscal Year 1978-79, as provided for in Article XIII-B of the State Constitution, and as implemented by Chapter 1205, Statutes of 1980, is \$27,797,911. The appropriation limit for Fiscal Year 2012-2013 is \$479,601,826. It has also been determined that of the County of San Luis Obispo's 2012-2013 proposed budgeted appropriations (\$469,410,302), \$168,673,485 is subject to the limitation, and \$310,928,341 is under the limitation. The calculation of the 2012-2013 appropriation limit is set forth below:

2011-12 Limitation (Using % Change of Non Residential New Construction)	\$460,015,652
2011-12 Population Factor	x 1.0047
2011-12 Nonresidential New Construction	<u>x 1.0377</u>
2012-13 Appropriation Limit	479,601,826
2012-13 Proceeds of Taxes	\$173,420,912
Adjustments for Federally Mandated Costs	
1. Social Security Tax Distribution	(4,747,427)
Adjusted 2012-13 Proceeds of Taxes*	<u>168,673,485</u>
Amount under Limitation	\$310,928,341

No further adjustment has been made for new or increased Federal or Court mandated costs that may exist. To the extent that any such mandate is financed by "Proceeds of Taxes", further adjustment could be made.

REVENUE CLASSIFICATION SCHEDULE

1978-79 BASE YEAR

Revenue Source	Proceeds of Taxes	Non-proceeds
Current Property Tax	\$11,374,120	\$0
Other Taxes	3,079,665	0
Licenses, Permits, and Franchises	0	693,730
Fines, Forfeits, and Penalties	0	887,431
Revenue from Use of Money and Property	1,099,476	2,096,304
Aid from Other Governmental Agencies	4,489,795	25,383,468
Charges for Current Services	0	2,314,504
Other Revenue or Funds	7,754,855	6,202,027
Total	\$27,797,911	\$37,577,464

The total of the 1978-79 "Proceeds of Taxes", when increased by the cost-of-living or the change in nonresidential new construction, and population factors, is the appropriation limitation in subsequent years. The "Proceeds of Taxes" in the 2012-2013 fiscal year are subject to this limitation.

2012-2013 PROPOSED BUDGETED REVENUES

Revenue Source	Proceeds of Taxes		Non-proceeds	
Current Property Tax	\$100,326,410		\$0	
Other Taxes	48,492,989		0	
Licenses, Permits, and Franchises	0		8,221,826	
Fines, Forfeits, and Penalties	0		4,935,249	
Revenue from Use of Money and Property	168,519		662,131	
Aid from Other Governmental Agencies	21,857,521		186,218,128	
Charges for Current Services	2,223,473		26,102,872	
Other Revenue	352,000		22,878,687	
Other Financing Sources	0		21,707,747	
Total	(1)	\$173,420,912	(1)	\$270,726,640
(1) Total County Budgeted Revenues = \$444,147,552				

APPROPRIATION LIMITATION ADJUSTMENTS
2012-2013

The provisions of Article III-B of the State Constitution specifically provide for "exclusions" to the Gann Appropriations Limit applicable to local governmental agencies. Section 9 of Article XIII-B provides as follows:

Appropriations subject to limitation for each entity of government shall not include:

- (a) Debt Service
- (b) Appropriations required for purposes of complying with mandates of the courts or the federal government which, without discretion, require an expenditure for additional services or which unavoidably make the providing of existing services more costly.
- (c) Qualified Capital Outlay.

This office has determined that the program listed below is a mandate imposed by the federal government that unavoidably makes the providing of existing services more costly.

Contributions for Social Security: In 1983, Congress amended the Social Security Act by barring public agency employers from terminating their previously voluntary participation in the social security system. In 1986 the United States Supreme Court ruled that the 1983 amendments precluded all public agency withdrawals after April 20, 1981. Therefore, social security costs since that time associated with the maintenance of existing services have been unavoidable.

2012-2013 Estimated social security contributions	
funded by proceeds of taxes	\$4,747,427