



**Contra
Costa
County**

To: Board of Supervisors
From: David Twa, County Administrator
Date: March 27, 2018

Subject: FY 2017/18 CERTIFICATION OF PROPOSITION 172 PUBLIC SAFETY SALES TAX MAINTENANCE OF EFFORT

RECOMMENDATION(S):

APPROVE and AUTHORIZE the County Administrator, or designee, to execute the Maintenance of Effort Certification Form for Fiscal Year 2017/18 as required by Chapter 886, Statutes of 1994 to receive Proposition 172 (public safety sales tax increment) funds, and to submit the Certificate to the County Auditor-Controller.

FISCAL IMPACT:

This Certificate of Maintenance of Effort is required by State statute as implemented by guidelines issued by the California State Controller. Failure to submit the required certification form would result in the loss of more than \$80.1 million in State Proposition 172 funds for the current fiscal year.

BACKGROUND:

This ½ cent sales tax was authorized in 1994 as a result of the 1993/94 state budget process. Proposition 172 (Senate Bill 509) designated that the ½ cent sales tax be deposited to newly-created state and local public safety trust funds and allocated to local agencies to fund public safety activities such as police, sheriff, fire, district attorney, county corrections, and ocean lifeguards. Court operations were explicitly excluded.

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **03/27/2018** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: Candace Andersen, District II
Supervisor
Diane Burgis, District III
Supervisor
Karen Mitchoff, District IV
Supervisor
Federal D. Glover, District V
Supervisor

ABSENT: John Gioia, District I
Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: March 27, 2018

David Twa, County Administrator and Clerk of the Board of Supervisors

By: June McHuen, Deputy

Contact: Timothy Ewell, (925)
335-1036

cc:

To prevent supplantation of local revenues that would have otherwise been allocated to public safety functions with Proposition 172 sales tax, the Legislature enacted Assembly Bill 2788 as Chapter 886, Statutes of 1994. AB 2733 requires a local agency to commit at least the same resources as were committed in FY 1992/93 (minus certain exclusions), adjusted each year by any growth in its Proposition 172 revenue, as maintenance of effort (MOE) in order to qualify to receive Proposition 172 (Public Safety Sales Tax).

BACKGROUND: (CONT'D)

> AB 2733 does not specifically define what is meant by “public safety services” and allows each county to make its own computation. In implementing the MOE section of Assembly Bill 2788 on May 16, 1995, as indicated in the Certification Form, it was most advantageous for this County to define public safety as follows: District Attorney (Department 0242), Probation (Departments (0308, 0309, 0310), Public Defender (Department 0243), Sheriff-Coroner (Departments 0255, 0277, 0300, and 0359), and Inmate Medical Care (Department 0301). It should be noted that the definition of “public safety services” for computation of the MOE obligation does not in any way detract from the Board’s authority to designate those funds to whatever public safety department or service it chooses.

The Board of Supervisors, in 1993, directed that all public safety sales tax proceeds will be allocated to the District Attorney and Sheriff departments. Due to the downturn in the California economy, public safety sales taxes received by Contra Costa County has gradually declined since FY 2005/06, by more than 10% over that five-year period. For the 2017/18 fiscal year, it is estimated that Proposition 172 funds will provide \$66.1 million to fund operations in the Sheriff’s Office and \$14.0 million to fund operations in the District Attorney’s Office.

2005/06 Actual	\$69,281,424
2006/07 Actual	\$67,318,904
2007/08 Actual	\$65,314,410
2008/09 Actual	\$57,641,994
2009/10 Actual	\$55,379,148
2010/11 Actual	\$60,388,430
2011/12 Actual	\$63,922,867
2012/13 Actual	\$67,178,163
2013/14 Actual	\$72,053,360
2014/15 Actual	\$74,736,241
2015/16 Actual	\$74,141,898
2016/17 Actual	\$77,499,977
2017/18 Budgeted	\$80,053,422

We have determined that for FY 2017/18, the adopted budget for the County-defined public safety services exceeded the County’s MOE obligation by more than \$188.2 million. In computing the MOE, we followed the Public Safety MOE Requirement Uniform Guidelines for California Counties and Cities approved by the State Association of County Auditors. By authorizing the County Administrator to execute and submit the

MOE Certification Form to the County Auditor-Controller, the Board will assure that the County will receive its full allotment of Proposition 172 funds for the current year.

CONSEQUENCE OF NEGATIVE ACTION:

Failure to file the required certification will jeopardize the County's eligibility to receive public safety sales tax revenue.

ATTACHMENTS

Attachment A: FY 2017/18 Prop. 172 Maintenance of Effort Certification Form

Attachment B: FY 2017/18 Prop. 172 Maintenance of Effort Calculation Worksheet (Form A)

Attachment C: FY 2017/18 Prop. 172 Maintenance of Effort Base Year Calculation (Form C)