



**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

**PROPERTY TAX APPORTIONMENT DIVISION
KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 484
LOS ANGELES, CALIFORNIA 90012-3554**

OSCAR VALDEZ
AUDITOR-CONTROLLER

CONNIE YEE
CHIEF DEPUTY AUDITOR-CONTROLLER

ASSISTANT AUDITOR-CONTROLLERS

**MAJIDA ADNAN
RACHELLE ANEMA
ROBERT G. CAMPBELL**

October 3, 2025

CITIES WITHIN COUNTY OF LOS ANGELES
ALLOCATED PROPOSITION 172 REVENUE

Attention: Finance Director/Treasurer

**FY2025-2026 PUBLIC SAFETY AUGMENTATION FUND (PSAF)
MAINTENANCE OF EFFORT (MOE) CERTIFICATION**

Attached please find the FY2025-2026 PSAF MOE Certification Form ([click here](#)), calculation worksheets Form A ([click here](#)) and Form B ([click here](#)), and Guidelines ([click here](#)).

Also attached is the PSAF MOE Base Amount for FY2025-2026 (Attachment B) ([click here](#)), which identifies your City's FY2025-2026 base amount. Please enter your City's base amount on line 2.1 on Form A. We computed the FY2025-2026 base amount in accordance with legislative provisions and guidelines, which require adjustment of your FY2024-2025 certification amount by the difference between the amounts received in FY2023-2024 and FY2024-2025.

Please complete your City's FY2025-2026 PSAF MOE Certification Form and email the signed Form to successor@auditor.lacounty.gov by **Friday, October 31, 2025**.

Should you have any questions regarding the FY2025-2026 PSAF MOE Certification, please feel free to email our office at successor@auditor.lacounty.gov.

Very truly yours,

Ryan Sullivan, Assistant Division Chief
Property Tax Apportionment Division

LS:EC:CL:KT:vv

H:\Community Redevelopment\CRA's\Monitoring Folder\PSAF\Maintenance-of-Effort (MOE)\2025-2026\4. FY2025-2026 MOE Forms (Internet)\Word Files\1. FY 2025-2026 PSAF MOE Letter (Internet).docx

Attachment

**AUDITOR-CONTROLLER
AB2788 (Chapter 886/94)
MAINTENANCE-OF-EFFORT CERTIFICATION FORM**

City of

Fiscal Year of Certification: 2025-2026

AB2788 Maintenance-of-Effort (MOE) Calculation:

Total Public Safety Adopted Budget
(Amount of Line 3.1 from FORM A):

Less: Public Safety MOE Base
(Amount of Line 2.1 from FORM A):

Difference:
Over/(Under) AB2788 MOE Requirements

Certification Statement:

I hereby certify that the City of _____ is **over** / **under**
(please check one) the AB2788 Maintenance-of-Effort requirements concerning the
use of Proposition 172 revenues in the amount of _____. Forms A
and B are submitted in support of this calculation. Detailed records concerning this
calculation are available upon request and will be retained.

Signature of City Official: _____

Name:

Title:

Date Signed:

FORM A: AB2788 MOE CALCULATION WORKSHEET

Step #1: Define Public Safety Services

A city should establish their definition of public safety services that is consistent with Government Code Section 30052. Please list all departments included in this definition below (departments should be consistent with the 2024-2025 filing):

Step #2: Base Year and Base Amount for Local Agency

The Office of the Auditor-Controller has determined to use the AB2788 base amount for the 2025-2026 Certification. Please refer to the Base Amount Schedule for the city or county's 2025-2026 base amount.

Line 2.1: Base Amount for Local Agency

Step #3: AB2788 Public Safety Budget for Certification Year (2025-2026)

The city should determine the AB2788 Public Safety Budget for the certification year. Please complete Form B to provide the following:

Line 3.1: Total AB2788 Public Safety Budget
(Total Adjusted AB2788 Budget for Certification Year detailed in Form B)

Step #4: AB2788 Maintenance-of-Effort (MOE) Calculation

Please complete the Auditor-Controller AB2788 Certification form using the above information. The calculation would be as follows:

Amount of Line 3.1 - Amount of Line 2.1 = Amount Over / (Under)
AB2788 MOE Requirement

**FORM B: AB2788 Maintenance-of-Effort (MOE) Certification
 Year Calculation Certification Yr: 2025-2026**

Please complete the following Form to calculate the AB2788 MOE certification amount. Describe all AB2788 adjustments in the space provided below.

Public Safety Department:								Total
Cert. Yr. Adopted Budget								
AB2788 Adjustments: (1)								
(2)								
(3)								
(4)								
(5)								
(6)								
(7)								
(8)								
(9)								
Subtotal (from other pgs)								
Adjusted AB2788 Amount:								

AB2788 MOE Adjustments:

- (1) _____
- (2) _____
- (3) _____
- (4) _____
- (5) _____
- (6) _____
- (7) _____
- (8) _____
- (9) _____

Completed By:

Phone:

Date:

City of

**FORM B: AB2788 Maintenance-of-Effort (MOE) Certification Year
Calculation Certification Yr: 2025-2026**

Describe all AB2788 adjustments in the space provided below. Forward the Subtotal to Form B, Page 1.

Public Safety Department:							Total
AB2788 Adjustments:	(10)						
	(11)						
	(12)						
	(13)						
	(14)						
	(15)						
	(16)						
	(17)						
	(18)						
	(19)						
	(20)						
Subtotal							

AB2788 MOE Adjustments:

(10) _____

(11) _____

(12) _____

(13) _____

(14) _____

(15) _____

(16) _____

(17) _____

(18) _____

(19) _____

(20) _____

AUDITOR-CONTROLLER, TAX DIVISION
PUBLIC SAFETY AUGMENTATION FUND - MAINTENANCE OF EFFORT (MOE)
PSAF MOE BASE AMOUNT FOR FISCAL YEAR 2025-2026

ATTACHMENT B

ACCT.#	CITIES / COUNTY	(a)	(b)	(c)	(d)	(e)	
		2024-2025 BASE	2024-2025 ACTUAL	2023-2024 ACTUAL	2024-2025 ADJUSTMENT	2025-2026 BASE	
					(d)=(b)-(c)	(e)=(a)+(d)	
1	100.01	CITY of ALHAMBRA	19,509,802.28	990,184.27	1,002,476.55	(12,292.28)	19,497,510.00
2	104.01	CITY of ARCADIA	14,208,741.55	652,662.82	660,765.07	(8,102.25)	14,200,639.30
3	108.01	CITY of AVALON	552,098.77	46,833.84	47,415.25	(581.41)	551,517.36
4	112.01	CITY of AZUSA	7,098,396.26	408,648.66	413,721.65	(5,072.99)	7,093,323.27
5	114.01	CITY of BALDWIN PARK	6,615,153.47	411,028.76	416,131.31	(5,102.55)	6,610,050.92
6	116.01	CITY of BELL	4,263,661.33	58,932.23	59,663.85	(731.62)	4,262,929.71
7	119.01	CITY of BELL GARDENS	6,325,178.33	149,698.71	151,557.07	(1,858.36)	6,323,319.97
8	120.01	CITY of BEVERLY HILLS	27,873,069.34	498,750.37	504,941.93	(6,191.56)	27,866,877.78
9	122.01	CITY of BRADBURY	60,442.60	13,104.53	13,267.18	(162.65)	60,279.95
10	124.01	CITY of BURBANK	35,346,052.93	1,498,639.67	1,517,243.96	(18,604.29)	35,327,448.64
11	128.01	CITY of CLAREMONT	4,321,446.75	455,705.65	461,362.83	(5,657.18)	4,315,789.57
12	132.01	CITY of COMPTON	21,326,864.43	411,397.87	416,505.02	(5,107.15)	21,321,757.28
13	136.01	CITY of COVINA	11,848,549.26	562,106.27	569,084.35	(6,978.08)	11,841,571.18
14	140.01	CITY of CULVER CITY	23,060,425.83	557,728.46	564,652.18	(6,923.72)	23,053,502.11
15	143.01	CITY of DOWNEY	21,344,343.72	853,588.87	864,185.43	(10,596.56)	21,333,747.16
16	144.01	CITY of EL MONTE	16,455,856.56	577,466.64	584,635.39	(7,168.75)	16,448,687.81
17	145.01	CITY of DUARTE	2,511,592.57	153,970.37	155,881.76	(1,911.39)	2,509,681.18
18	148.01	CITY of EL SEGUNDO	13,803,159.20	39,458.26	39,948.11	(489.85)	13,802,669.35
19	152.01	CITY of GARDENA	16,351,173.24	465,257.45	471,033.24	(5,775.79)	16,345,397.45
20	156.01	CITY of GLENDALE	43,894,563.40	2,399,552.16	2,429,340.50	(29,788.34)	43,864,775.06
21	160.01	CITY of GLENDORA	7,035,944.34	587,101.69	594,390.08	(7,288.39)	7,028,655.95
22	163.01	CITY of HAWAIIAN GARDENS	1,360,819.19	22,036.24	22,309.83	(273.59)	1,360,545.60
23	164.01	CITY of HAWTHORNE	5,574,325.36	487,130.88	493,178.17	(6,047.29)	5,568,278.07
24	168.01	CITY of HERMOSA BEACH	5,870,185.82	286,804.41	290,364.81	(3,560.40)	5,866,625.42
25	170.01	CITY of HIDDEN HILLS	132,390.59	132,373.14	28,725.42	(352.28)	132,038.31
26	172.01	CITY of HUNTINGTON PARK	6,309,180.28	230,597.27	233,459.92	(2,862.65)	6,306,317.63
27	174.01	CITY of INDUSTRY	3,285,343.35	10,483.14	10,613.26	(130.12)	3,285,213.23
28	176.01	CITY of INGLEWOOD	31,892,913.35	1,225,995.32	1,241,214.99	(15,219.67)	31,877,693.68
29	177.01	CITY of IRWINDALE	2,525,551.04	16,180.66	16,381.54	(200.88)	2,525,350.16
30	179.01	CITY of LAKEWOOD	3,966,765.86	159,737.87	161,720.90	(1,983.03)	3,964,782.83
31	180.01	CITY of LA VERNE	7,009,264.61	483,365.90	489,366.46	(6,000.56)	7,003,264.05
32	184.01	CITY of LONG BEACH	158,141,825.70	6,748,510.80	6,832,287.76	(83,776.96)	158,058,048.74
33	188.01	CITY of LOS ANGELES	1,375,540,760.13	55,624,529.28	56,315,059.70	(690,530.42)	1,374,850,229.71
34	200.01	CITY of LYNWOOD	7,244,303.92	208,837.26	211,429.79	(2,592.53)	7,241,711.39
35	204.01	CITY of MANHATTAN BEACH	10,632,170.70	506,496.30	512,784.02	(6,287.72)	10,625,882.98
36	208.01	CITY of MAYWOOD	1,656,746.10	98,567.88	99,791.50	(1,223.62)	1,655,522.48
37	212.01	CITY of MONROVIA	9,633,359.55	568,940.19	576,003.11	(7,062.92)	9,626,296.63
38	216.01	CITY of MONTEBELLO	17,703,134.30	381,807.50	386,547.32	(4,739.82)	17,698,394.48
39	220.01	CITY of MONTEREY PARK	11,302,366.58	905,701.67	916,945.17	(11,243.50)	11,291,123.08
40	224.01	CITY of PALOS VERDES EST	5,023,283.87	210,461.00	213,073.67	(2,612.67)	5,020,671.20
41	228.01	CITY of PASADENA	45,775,978.57	2,072,248.39	2,097,973.59	(25,725.20)	45,750,253.37
42	232.01	CITY of POMONA	35,977,566.95	2,116,918.08	2,143,197.80	(26,279.72)	35,951,287.23
43	234.01	CITY of RANCHO P. V.	2,501,603.24	103,551.24	104,836.76	(1,285.52)	2,500,317.72
44	236.01	CITY of REDONDO BEACH	18,082,253.46	962,060.79	974,003.94	(11,943.15)	18,070,310.31
45	238.01	CITY of ROLLING HILLS	142,856.80	1,206.33	1,221.34	(15.01)	142,841.79
46	240.01	CITY of SAN FERNANDO	6,202,381.55	272,128.05	275,506.26	(3,378.21)	6,199,003.34
47	241.01	CITY of SAN DIMAS	3,800,874.64	366,965.86	371,521.43	(4,555.57)	3,796,319.07
48	244.01	CITY of SAN GABRIEL	7,566,948.12	267,488.43	270,809.05	(3,320.62)	7,563,627.50
49	248.01	CITY of SAN MARINO	4,221,720.56	200,433.84	202,922.08	(2,488.24)	4,219,232.32
50	250.01	CITY of SANTA FE SPRINGS	13,416,975.73	237,356.38	240,302.96	(2,946.58)	13,414,029.15
51	252.01	CITY of SANTA MONICA	39,339,485.83	1,366,005.87	1,382,963.66	(16,957.79)	39,322,528.04
52	256.01	CITY of SIERRA MADRE	1,594,881.30	167,275.13	169,351.67	(2,076.54)	1,592,804.76
53	260.01	CITY of SIGNAL HILL	3,114,164.58	3,477.89	3,521.07	(43.18)	3,114,121.40
54	268.01	CITY of SOUTH PASADENA	6,071,066.74	374,659.91	379,311.00	(4,651.09)	6,066,415.65
55	272.01	CITY of TORRANCE	50,284,118.86	2,084,556.71	2,110,434.71	(25,878.00)	50,258,240.86
56	276.01	CITY of VERNON	13,563,766.14	2,280.00	2,308.30	(28.30)	13,563,737.84
57	278.01	CITY of WALNUT	2,075,240.16	226,787.65	229,603.00	(2,815.35)	2,072,424.81
58	280.01	CITY of WEST COVINA	19,145,680.90	957,100.29	968,981.89	(11,881.60)	19,133,799.30
59	284.01	CITY of WHITTIER	10,568,131.82	448,010.38	453,572.04	(5,561.66)	10,562,570.16
		CITIES TOTAL	2,252,056,902.41	92,226,885.48	93,371,802.60	(1,144,917.12)	2,250,911,985.29
60	001.05	COUNTY OF LOS ANGELES	1,496,754,259.03	956,669,039.28	968,545,259.03	(11,876,219.75)	1,484,878,039.28
		GRAND TOTAL	3,748,811,161.44	1,048,895,924.76	1,061,917,061.63	(13,021,136.87)	3,735,790,024.57

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**PUBLIC SAFETY SERVICES
MAINTENANCE OF EFFORT REQUIREMENT
UNIFORM GUIDELINES
FOR
CALIFORNIA COUNTIES
AND CITIES**

**Prepared by
COUNTY ACCOUNTING STANDARDS AND PROCEDURES COMMITTEE**

Revised: October 1997

FOREWORD

These guidelines were developed, with input from the Office of Willie L. Brown, Jr., Speaker of the Assembly, California State Association of Counties, League of California Cities, California Department of Finance, and by a subcommittee of the County Accounting Standards and Procedures Committee which is chaired by the State Controller's Office. In turn, these guidelines were reviewed and approved by the County Accounting Standards and Procedures Committee. In preparation of these guidelines, every effort has been made to offer the most current, correct and clearly expressed information possible. The purpose of the guidelines is to provide guidance on matters relative to the 1994 Legislative Session Assembly Bill 2788.

You may have questions/issues/interpretations that either we have not anticipated or adequately addressed as part of these guidelines. If so, you may wish to seek the advice of your County Counsel or City Attorney.

The State Association of County Auditors and the County Accounting Standards and Procedures Committee wish to thank all those who participated in the completion of these guidelines.

The County and City participants were:

Arrow, Richard
Corcoran, Ken
Dole, Rod
Elledge, Dave (Chair)
Harrington, Ed
McCauley, Tyler
Wilkes, Annika
Wolford, Nancy
Smith, Judi
McIntyre, Carolyn
Wall, Dan

Marin County
Contra Costa County
Sonoma County
Siskiyou County
San Francisco County
Los Angeles County
Mono County
Sacramento County
League of California Cities
California State Association of Counties
California State Association of Counties

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INTRODUCTION

During the 1994 legislative session, AB 2788 was enacted into statute. It requires that a "Maintenance of Effort" threshold be met in order to utilize Proposition 172 Funds (Public Safety Sales Tax). This ½ cent sales tax was authorized in 1994 as a result of the 1993-94 state budget. Proposition 172/SB509 designated 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. Specifically, court operations were excluded.

Due to general perception in the law enforcement and legislative communities that these public safety funds were supplanting local revenues that would have otherwise accrued to the public safety functions, AB 2788 was passed. It requires that a minimum commitment of local resources be allocated to public safety services. The bill establishes the 1992-93 approved budget as the base year, with a number of exclusions, which are explained in these guidelines. To receive full allocation of Proposition 172 revenues, the minimum funding level for public safety functions in the 1994-95 and subsequent years must equal the 1992-93 base year as adjusted by annual increases (or decreases) in the Proposition 172 sales tax allocated to the entity. In no event shall an entity's minimum funding level of public safety activities fall below the 1992-93 base year.

For those local agencies that do not meet their maintenance of effort requirement, AB 2788 provides sanctions (with exceptions) that result in the loss of public safety sales tax to the extent that the maintenance of effort is not met.

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DEFINITIONS AND INTERPRETATIONS

The following definitions and interpretations have been made using information obtained directly from Assembly Bill 2788 and discussions with various persons associated with the bill as it progressed through the legislative process, including staff from the office of the bill's author.

Public Safety Services

Government Code Section 30052(b)(1) defines **public safety services** to include, but not be limited to sheriffs, police, fire protection, county district attorneys, and county corrections. Additionally, AB 1519 added ocean lifeguards to the definition. **Public safety services** do not include courts. Likewise, marshal and sheriff court services are not considered public safety services.

The county, city and county or city governing body determines which public safety services departments in their jurisdiction will be defined as public safety services for purposes of the MOE calculations. This decision once made for the MOE requirement cannot be changed except as provided for in the Errors and Omissions section below.

The definition is important as it determines the base year and subsequent years' calculation of the "amount of funding" for public safety services, and therefore whether or not a city or county has met its maintenance of effort (MOE) requirement.

Adopted Budget

For counties the **adopted budget** means the budget submitted to the State in November of each new fiscal year pursuant to Government Code Section 29093. The adopted budget is used to determine the amount of combined public safety services funding within a local jurisdiction each fiscal year.

For cities the **adopted budget** means the budget adopted by the governing body at the end of the city's normal budget cycle, but not later than November 1.

The adopted budget is not what is commonly referred to as the "adjusted budget", i.e., the budget at the end of the fiscal year that includes all approved budget adjustments.

Base Year

Base year means, for each county, city and county, or city, the Local Financial Resources less exclusions in the 1992-93 fiscal year.

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Local Financial Resources

Local financial resources means local general fund appropriations for public safety related operational expenses (using the jurisdiction's definition of public safety services) and allocations from the Public Safety Augmentation Fund (using the accrual basis of accounting), less the exclusions listed below. An exclusion category only applies if it is related to a department(s) defined as public safety services by the governing body of the county, city and county, or city.

For each exclusion category, only those amounts that were appropriated for public safety services in the respective fiscal year's **adopted budget** are excludable. This is true whether the fiscal year is the base year or a subsequent year.

Appropriations funded by the following budgeted revenues must be excluded. Unless revenues or appropriations are specifically listed below, they are not excludable.

1. Budgeted grant funds from any source. Standards and Training for Corrections and POST grants have been defined as grants under this exclusion, Title IV-A and Title IV-E have not.
2. Revenues budgeted by a county or city and county for the child support-related activities of the district attorney performed pursuant to Part D Subchapter 4 of the Social Security Act (42 U.S.C.301 et seq.).
3. Revenues budgeted by a county, city and county, or city, including any charter city for asset forfeitures.
4. Revenues budgeted including revenues from capital leases by a county, city and county, or city including any charter city, for capital outlay expenditures which include any debt service payments or fixed asset purchases.
5. Revenues budgeted for providing public safety services under contract to another jurisdiction.
6. Revenues budgeted in the current fiscal year as a result of a change of organization or reorganization that became effective pursuant to the Cortese-Knox Local Government Reorganization Act of 1985 (Part I (commencing with Section 56000) of Division 3 of Title 5) subsequent to the base year.
7. Revenues budgeted by a county or city and county pursuant to Chapter 3 (commencing with Section 15200) of Part 6 of Division 3 of Title 2, or any other reimbursement by the state for homicide trial costs, including, but not limited to, Chapter 1649 of the Statutes of 1990 and its successors.

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8. Revenues budgeted from any source by a county, city and county, or city, including any charter city to respond to a state of emergency declared by the Governor pursuant to the California Emergency Services Act (Chapter 3 (commencing with Section 8550) of Division 1 of Title 2).
9. Appropriations by a county, city and county, or city including any charter city, for one-time expenditures related to public safety services. One-time expenditures means material non-recurring expenditures.

Other appropriation or appropriation-related adjustments:

10. Appropriations by an entity that's both a city and county during the base year to fund retirement costs that are not attributable to any change in benefit levels.
11. Budgeted appropriations should be adjusted upwards for cost savings (e.g., actuarial savings, reduced costs for pension obligations due to the issuance of pension bonds, etc.) in appropriations for retirement and workers' compensation costs that do not result in a change in benefit levels. This exclusion applies to decrease in these costs for 1994-95 and subsequent years' adopted budgets.

Base Amount for that Local Agency

The **Base Amount for That Local Agency** means an amount, equal to the amount of the adopted budget for all combined public safety services (as defined by the jurisdiction) within a local agency's respective jurisdiction for the **base year** that is adjusted as shown below.

For 1994-95 Fiscal Year Only

For the 1994-95 fiscal year only, that amount shall be increased or decreased in accordance with the positive or negative difference between: (i) the amount estimated to be allocated for the 1994-95 fiscal year to that local agency from the Public Safety Augmentation Fund, and (ii) the corresponding amount allocated to that local agency for the 1993-94 fiscal year.

The amount to be allocated to the local agency from the Public Safety Augmentation Fund for the 1994-95 fiscal year shall be estimated based on the allocations to that agency determined over the first six months of that fiscal year. The first six months estimate is to be calculated by taking into consideration both the accrued allocations of sales tax for the first six months and the historical pattern of sales tax receipts. The six months estimate thus determined is to be used to estimate the 1994-95 annual sales tax receipts for purposes of determining the Maintenance of Effort (MOE) requirement.

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For the 1995-96 Fiscal Year

For the 1995-96 fiscal year only, that amount shall be increased or decreased in accordance with the difference between: (i) the actual amount allocated to the local agency from the PSAF for 1994-95 and (ii) the estimated allocation for 1994-95.

For 1996-97 Fiscal Year and Thereafter

For the 1996-97 fiscal year and each fiscal year thereafter, that amount shall be increased or decreased in accordance with the positive or negative difference between: (i) the amount allocated to the local agency from the Public Safety Augmentation Fund in the immediately preceding fiscal year, and (ii) the corresponding amount allocated to the local agency in the next preceding fiscal year. In no event shall the base amount for a local agency be less than the amount of funding for all combined public safety services, as defined, within the jurisdiction of that local agency for the 1992-93 base year.

The reconciliation amount payable to cities pursuant to Government Code Section 30055 shall apply to the fiscal year in which the installment has been recorded by the local agency.

Non Compliance Penalty

AB 2788 requires that the amount of revenues allocated to a city or county from the Public Safety Augmentation Funds (PSAF) in any fiscal year be reduced within that fiscal year if the amount of funding for combined public safety services is less than the 1992-93 base amount for that local agency as adjusted. The reduction shall be the difference between the amount funded and the adjusted base requirement only, not the entire Proposition 172 allocation for that year.

A PSAF reduction from a county shall be allocated to the cities in the county in accordance with each city's proportionate share of the total fiscal year PSAF allocations received by the cities. Amounts reduced from a city shall be allocated to the county.

A PSAF reduction of one entity and increases to others due to the penalty clause does not affect the maintenance of effort calculations for subsequent fiscal years.

Local agencies should be aware that the growth/reduction in revenue from the PSAF will increase/decrease the base amount in the next fiscal year.

In the event that a local agency receives more PSAF monies than estimated in any fiscal year, the local agency may want to give consideration to designating the amount in excess of the MOE requirement to provide funds to finance the MOE requirement during the next fiscal year when estimated PSAF revenues may not be realized.

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Errors and Omissions

The public safety services included by a city or county or a city and county in the base year shall be the same in subsequent years unless there was a material error or omission in the base year.

Any adjustments to the scope or amount of public safety services due to material errors or omissions in the base year shall be made in a consistent manner to both the base year and the year being calculated. However, such adjustments shall not affect any prior year distributions.

The retroactive prohibition in this section will discourage adjustments. If an agency met its MOE in prior years, it would not be affected by this provision. If it did not, it would not be appropriate to allow the agency to adjust its base year and thereby require an adjustment for all agencies which shared in the distribution of the agency's MOE deficiency. These agencies will have spent the deficiency money.

Also, it would not be reasonable to require county auditors to recalculate all prior years' distributions and make adjustments in the current period.

The provision that says once a change is made it is permanent will preclude agencies from manipulating the MOE calculation by continually changing the mix of public safety services.

This section will allow for a correction for a material error, but not retroactive correction.

Maintenance of Effort (MOE) Calculations

For the methodologies used to determine the MOE requirement, please refer to the Certification Form and Calculation Worksheet in the [Appendix](#).

Consistent provisions should be applied to both the Base Year and the Certification Year calculations. For example, if an agency includes OMB Circular A-87 expenditures in the Certification Year, then a similar inclusion applicable to the 1992-93 Base Year should be applied.

Detailed MOE calculations for defined public safety services should be provided to those departments or the public upon request. Assistance from the Auditor-Controller/City Director of Finance (as appropriate) should be provided to all requesting public safety departments to assure complete understanding of the MOE calculations and the accounting of Proposition 172 revenues as related to the department's appropriations and expenditures. Recording Proposition 172 revenues at the departmental level while optional is encouraged.

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OTHER PROVISIONS

Jurisdictional Exemption

The MOE requirement does not apply to the following jurisdictions:

1. With respect to a specific fiscal year, any county, city and county, or city whose legislative body has entered into a binding agreement or Memorandum of Understanding with its local public safety entities, that relates to their specific share of the PSAF, prior to adoption of the budget for that fiscal year. The parties to the MOU will be those departments that the governing body defines as public safety.

Cities, a city and county, and counties should calculate the MOE requirement in accordance with the guidelines every year, even in years when they adopt an MOU. An MOU will take precedence in years when adopted by the governing body. The calculated MOE would be used in years when there was no MOU.

2. Any city that did not lose property tax revenue under Section 97.035 of the Revenue & Taxation Code.

Audit Authority

Officials of a county, city and county, or city including any charter city, shall when asked, provide the County Auditor the information needed to carry out the requirements of this legislation. The auditor may, but is not required to, audit the information provided.

Charter Cities

This legislation is applicable to all cities, including charter cities.

Legislative Intent

It is the intent that all funds deposited in the PSAF be used for local public safety services. It is not the intent that local governmental entities use the base year level of funding established as a basis to reduce local public safety budgets.

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SCHEDULE OF MOE CALCULATIONS

			<u>ESTIMATED</u>	<u>ACTUAL</u>					
	<u>92-93</u>	<u>93-94</u>	<u>94-95</u>	<u>94-95</u>	<u>95-96</u>	<u>96-97</u>	<u>97-98</u>	<u>98-99</u>	<u>99-00 and forward</u>
GENERAL FUND APPROPRIATIONS FOR PUBLIC SAFETY SERVICES	800	750	750	750	750	750	750	750	750
PROPOSITION 172-PSAF ALLOCATIONS FUNDING AVAILABLE	N/A	50	75	80	100	125	125	25(F)	25
MINIMUM PUBLIC SAFETY SERVICES BUDGET REQUIRED BY MOE	800	800	825	830	850	875	875	775	775
			825		830	850	875	875	800
AMOUNT IN EXCESS (DEFICIT) OF MOE REQUIREMENT (G)			0		20	25	0	-100	-25

MAINTENANCE OF EFFORT (MOE) CALCULATION - ADJUSTING BASE AMOUNT

	BASE YEAR		ESTIMATED					
	<u>92-93</u>	<u>93-94</u>	<u>94-95</u>	<u>95-96</u>	<u>96-97</u>	<u>97-98</u>	<u>98-99</u>	<u>99-00</u>
BASE AMOUNT (A)	800		800	825	830	850	875	875
CALCULATION OF BASE AMOUNT ADJUSTMENT	N/A		(75-50)(B)	(80-75)(C)	(100-80)(D)	(125-100)(D)	(125-125)(D)	(25-125)(D)
ADJUSTMENT TO BASE AMOUNT	N/A		25	5	20	25	0	-100
ADJUSTED BASE AMOUNT (MOE REQUIREMENT)	800		825	830	850	875	875	800(E)
LOCAL FINANCIAL RESOURCES (ADOPTED BUDGET)	800		825	830	850	875	775	775
REDUCTION IN PSAF ALLOCATION	N/A		0	0	0	0	-100(F)	-25

NOTE:

- A - Base is equal to the adopted budget for public safety services in 1992-93 (after exclusions) adjusted as provided in AB2788.
- B - Adjustment to Base amount for 94/95 fiscal year only - difference between 94/95 estimated PSAF allocations and actual 93/94 PSAF allocations.
- C - Adjustment to Base amount for 95/96 fiscal year only - difference between PSAF actual and estimated allocation for 94/95.
- D - Adjustment to Base amount for 96/97 and subsequent fiscal years - difference between actual PSAF allocation for the two preceding years.
- E - Even though the calculation for the adjusted base amount would indicate \$775, there can be no adjustment below the 92/93 base year which in this example is \$800.
- F - To prevent reduction of PSAF allocation to local agency as indicated, additional General Fund Appropriations in the amount of \$100 would be necessary. However, since the PSAF allocation of \$25 is less than the \$100 reduction, the PSAF funding reduction is limited to the amount of the allocation. The amount of the funding reduction would be redistributed as follows: If the deficiency is in a County, the redistribution is to cities. If the deficiency is in a city, the redistribution is to the County.
- G - The local agency may want to consider designating the Amount in Excess of MOE Requirement to provide funds to finance the MOE requirement during years when there is a decrease in PSAF revenues.

**AUDITOR-CONTROLLER
AB2788 (Chapter 886/94)
MAINTENANCE-OF-EFFORT CERTIFICATION FORM**

-- SAMPLE --

City of A B C

Fiscal Year of Certification: 2025-2026

AB2788 Maintenance-of-Effort (MOE) Calculation:

Total Public Safety Adopted Budget (Amount of Line 3.1 from FORM A):	<u>\$19,347,900</u>
Less: Public Safety MOE Base (Amount of Line 2.1 from FORM A):	<u>\$18,514,672</u>
Difference: Over/(Under) AB2788 MOE Requirements	<u>\$ 833,228</u>

Certification Statement:

I hereby certify that the City of A B C is **over** / **under** (please check one) the AB2788 Maintenance-of-Effort requirements concerning the use of Proposition 172 revenues in the amount of \$ 833,228 . Forms A and B are submitted in support of this calculation. Detailed records concerning this calculation are available upon request and will be retained.

Signature of City Official: _____

Name: _____

Title: _____

Date Signed: _____

FORM A: AB2788 MOE CALCULATION WORKSHEET

-- SAMPLE --

Step #1: Define Public Safety Services

A city or county should establish their definition of public safety services that is consistent with Government Code Section 30052. Please list all departments included in this definition below (departments should be consistent with the 2024-2025 filing):

Police	_____
Fire	_____
_____	_____

Step #2: Base Year and Base Amount for Local Agency

The Office of the Auditor-Controller has determined to use the AB2788 base amount for the 2025-2026 Certification. Please refer to the Base Amount Schedule for the city or county's 2025-2026 base amount.

Line 2.1: Base Amount for Local Agency \$ 18,514,672

Step #3: AB2788 Public Safety Budget for Certification Year (2025-2026)

The city or county should determine the AB2788 Public Safety Budget for the certification year. Please complete Form B to provide the following:

Line 3.1: Total AB2788 Public Safety Budget \$ 19,347,900
(Total Adjusted AB2788 Budget for Certification Year detailed in Form B)

Step #4: AB2788 Maintenance-of-Effort (MOE) Calculation

Please complete the Auditor-Controller AB2788 Certification form using the above information. The calculation would be as follows:

Amount of Line 3.1 - Amount of Line 2.1 = Amount Over / (Under)
AB2788 MOE Requirement

FORM B: AB2788 Maintenance-of-Effort (MOE) Certification
Year Calculation Certification Yr: 2025-2026

-- SAMPLE --

Please complete the following Form to calculate the AB2788 MOE certification amount. Describe all AB2788 adjustments in the space provided below.

Public Safety Department:	Police	Fire	Community	Emerg. Svcs.		Total
Cert. Yr. Adopted Budget	\$12,173,690	\$7,354,710	\$0	\$0		\$19,528,400
AB2788 Adjustments:						
(1)	(193,930)	0				(193,930)
(2)	125,320	60,000				185,320
(3)	0	(161,890)				(161,890)
(4)	0	(10,000)				(10,000)
(5)	0	0				0
(6)	0	0				0
(7)	0	0				0
(8)	0	0				0
(9)	0	0				0
Subtotal (from other pgs)	0	0				0
Adjusted AB2788 Amount:	\$12,105,080	\$7,242,820	\$0	\$0		\$19,347,900

AB2788 MOE Adjustments:

- (1) All of 2110-7XXX
- (2) Retirement Savings
- (3) Rentals
- (4) Equipment 2181 - 7170: All items
- (5)
- (6)
- (7)
- (8)
- (9)

Completed By: _____

Phone: () - _____

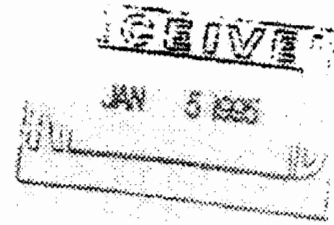
Date: _____

City of ABC

- SACRAMENTO OFFICE
STATE CAPITOL
SACRAMENTO, CALIFORNIA 95814
(916) 443-8077
- DISTRICT OFFICE
433 GOLDEN GATE AVENUE
ROOM 3220
SAN FRANCISCO, CALIFORNIA 94102
(415) 397-0784
- DISTRICT OFFICE
300 SOUTH SPRING STREET
SUITE 18304
LOS ANGELES, CALIFORNIA 90013
(213) 620-4334

Assembly California Legislature

WILLIE LEWIS BROWN, JR.
ASSEMBLYMAN, THIRTYEIGHTH DISTRICT
SPEAKER OF THE ASSEMBLY



December 23, 1994

Mr. David Elledge
County Auditor/County of Siskiyou
311 4th Street
Yreka, CA 96097

Dear Mr. Elledge:

The California Constitution imposes a tax at a rate of 1/2 of 1% on the gross receipts from the sale in this state of, or the storage, use or other consumption in this state of, tangible personal property. The revenue from the tax is allocated to counties, as specified, for allocation to the county and the cities therein to use exclusively for public safety services. Assembly Bill 2788 (Chapter 886, Statutes of 1994) requires, commencing with the 1994-95 fiscal year, that the amount of these revenues allocated be reduced if the amount of funding for combined public safety services is less than the amount of funding in the 1992-93 fiscal year, as adjusted.

In order to properly implement the intent of this legislation, it appears necessary to further define some of the bill's language, accounting terms, the amounts used to adjust "local financial resources", and base year amount of funding for all combined public safety services. The purpose of this letter is to provide such additional definition.

Budget Adopted By That Jurisdiction

The bill requires that "... the amount of funding within a local jurisdiction for combined public safety services for each fiscal year shall be determined in accordance with the budget adopted by that jurisdiction for that fiscal year." The bill did not define "budget adopted." However, it was our intent that the "budget adopted" would not be what is commonly referred to as the "adjusted budget", i.e., the budget at the end of the fiscal year that includes all mid-year budget adjustments.



It is understood that there are various practices among counties in adopting a budget for a fiscal year that need to be considered in determining "the budget adopted" to ensure compliance with the bill's intent. Also, cities are not required by law to adopt a budget in the manner counties do even though most adopt a budget or spending plan. The legislation does not cover the circumstances where a city does not adopt a budget.

It was our intent that for counties the "budget adopted" be the budget submitted to the State Controller by law in November of the fiscal year. For cities, the intent was to use the city's adopted budget or spending plan, as of November 1st of the new fiscal year, as the "budget adopted" for purpose of calculating the MOE requirement.

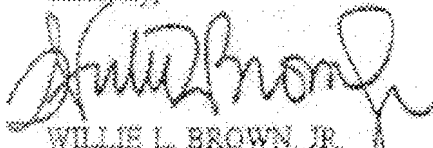
Adjustments from "local financing resources"

AB 2788 provides for various adjustments from "local financial resources" which is defined as local general fund appropriations for operational expenses and allocations from the Public Safety Augmentation Fund. It was intended that the term "local financial resources" be synonymous with "budget adopted" discussed previously, as the budget adopted relates to public safety services.

AB 2788 lists several categories of adjustments to "local financial resources" in the base year and subsequent years. However, it uses accounting terms (i.e. expended, received, derived) that if applied literally could result in MOE calculations that do not meet the intent of this legislation. For example, revenues received during the fiscal year but not included in the adopted budget, could be subtracted from the base year adopted budget to reduce the MOE requirement below the legislative intent.

It was the intent of this legislation to achieve consistency in year-to-year measurement of amounts spent on public safety services. In turn, the intent was to reduce the amount of the base and subsequent years' "adopted budgets" for public safety services by only the amount appropriated and included in the adopted budget in each fiscal year, relative to the several adjustments specified in this legislation.

By this letter, it is my sincere hope to assist the various city and county Auditor/Controllers in their efforts to implement this legislation.

Sincerely,

WILLIE L. BROWN, JR.
Speaker of the Assembly