

ARTICLE XIII(B) GANN APPROPRIATION LIMIT

Article XIII(B) of the State Constitution limits all state and local government budgets to a formula based upon the 1978-79 budget plus adjustments for cost of living and population changes. In 1990, voters approved modifications to permit use of the percentage change in commercial assessed valuation to increase the limit under certain conditions. In addition, major capital improvements were excluded from the appropriation subject to the limit. Other exceptions are allowed for service charges, federal grants, and mandated programs.

In accordance with State implementation legislation (SB1352, Chapter 1205, 1980 Statutes) and the League of California Cities Uniform Guidelines, the following is the City's appropriation limit calculation:

CALCULATION OF GANN APPROPRIATION LIMIT

2020-21 Appropriation Limit	87,245,884
State of California Inflation Factor	1.0573000
Percentage Change - City Population	-1.0700000
Percentage Change - County Population	-0.7500000
State of California Population Factor	0.9925000
Combined Adjustment Factor	1.0493703
2021-22 Appropriation Limit from Growth Factors	<u>91,553,235</u>
Proceeds of Taxes	56,910,613
Exclusions:	
Qualified Capital Projects and Debt	<u>(16,175,197)</u>
Appropriation Subject to Limit	<u>40,735,416</u>
2021-22 Appropriation Limit	91,553,235
Appropriation Subject to Limit	40,735,416
Over / (Under) Limit	(50,817,819)