

APPROPRIATIONS LIMITS

In 1979, California voters approved Proposition 4, known as the Gann Appropriations Limit (Gann Limit). The Gann Limit is part of California State Constitution Article XIII B. The Gann Limit sets an annual appropriation ceiling on the amount of tax proceeds to all California municipalities. In addition to limits of tax proceeds, the Gann Limit restricts the amount of money a city can appropriate based on the previous year appropriations plus a per capita personal income (CPI) change and a percent population change. Since its initial passage, the Gann Limit has been modified through various propositions. The voters approved the most recent modification in 1990 under Proposition 111. Proposition 111 exempted some appropriations such as Redevelopment money and changed the calculation formula, which greatly increased the appropriations limit. Currently, the City of South San Francisco uses the California Department of Finance statistics of CPI and percent population change to formulate the Gann Limit for the City for each fiscal year.

Appropriations Limit - FY 2014 - 2015						
Fiscal Year	CPI/Personal		Change Factor	Cumulative Change Factor	Appropriation Limit	
	Income % Change	Population % Change				
2010-11	(2.54)	1.34	(1.23)	414.43	99,938,622	
2011-12	2.51	0.70	3.23	431.04	103,166,639	
2012-13	3.77	0.98	4.79	456.48	108,108,321	
2013-14	5.12	1.51	6.71	493.82	115,362,390	
2014-15	(0.23)	0.79	0.56	497.14	116,008,419	
	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14		FY 2014-15
Proceeds of Taxes	42,991,856	44,269,184	48,570,889	55,987,430		59,134,424
Appropriations Subject to Limit	42,991,856	44,269,184	48,570,889	55,987,430		59,134,424
Current Limit	99,938,622	103,166,639	108,108,321	115,362,390		116,008,419
Amount Under Limit	56,946,765	58,897,455	59,537,432	59,374,960		56,873,995