

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 limit on the amount of tax proceeds to all California municipalities. In addition to limits of tax proceeds, the Gann Limit limits 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 most recent modification was approved by the voters 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.

Schedule 1: Appropriations Limit – FY 2016-17

Fiscal Year	CPI/Personal		Population % Change	Change Factor	Cumulative Change Factor	Appropriation Limit
	Income % Change	Change				
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	
2015-16	3.82	0.68	4.53	524.19	121,263,600	
2016-17	5.37	0.43	5.82	560.52	128,321,142	

	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
Proceeds of Taxes	48,570,889	55,987,430	59,134,424	62,981,924	75,222,871
Appropriations Subject to Limit	48,570,889	55,987,430	59,134,424	62,981,924	75,222,871
Current Limit	108,108,321	115,362,390	116,008,419	121,263,600	128,321,142
Amount Under Limit	59,537,432	59,374,960	56,873,995	58,281,677	53,098,271

The City of South San Francisco is currently \$53 million under the Gann Appropriations limit.