

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 2019-20

Fiscal Year	CPI/Personal		Population % Change	Change Factor	Cumulative Appropriation	
	Income % Change	Change Factor			Change Factor	Limit
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
2017-18	3.69		0.11	3.80	585.62	133,197,345
2018-19	3.67		0.49	4.18	614.28	138,764,994
2019-20	3.85		0.04	3.89	3.93	144,162,953

	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Proceeds of Taxes	62,981,924	75,222,871	82,850,044	85,548,494	92,903,301
Appropriations Subject to Limit	62,981,924	75,222,871	82,850,044	85,548,494	92,903,301
Current Limit	121,263,600	128,321,142	133,197,345	138,764,994	144,162,953
Amount Under Limit	58,281,677	53,098,271	50,347,302	53,216,501	51,259,652

The City of South San Francisco is currently \$51 million under the Gann Appropriations limit.