

**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 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 2021-22**

Fiscal Year	CPI/Personal Income % Change	Population % Change	Change Factor	Cumulative Change Factor	Appropriation 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	642.07	144,162,953
2020-21	3.73	0.98	4.75	677.31	151,010,693
2021-22	5.73	(0.88)	4.80	714.63	158,259,206

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2020-22
Proceeds of Taxes	82,850,044	85,548,494	92,903,301	83,865,039	87,751,448
Appropriations Subject to Limit	82,850,044	85,548,494	92,903,301	83,865,039	87,751,448
Current Limit	133,197,345	138,764,994	144,162,953	151,010,693	158,259,206
<b>Amount Under Limit</b>	<b>50,347,302</b>	<b>53,216,501</b>	<b>51,259,652</b>	<b>67,145,654</b>	<b>70,507,758</b>