

GANN Appropriations Limit – FY 2018-2019

Recommendation:

Adopt Resolution, to increase the GANN Limit for Fiscal Year (FY) 2018-2019 to \$2,016,066 pursuant to Proposition 111.

Executive Summary:

This item is to be on the agenda, so the Board may adopt a GANN Limit for FY 2018-2019 consistent with the requirements of Proposition 111. The GANN Limit represents the maximum amount of taxes that a governmental agency may collect and spend during the following fiscal year. The GANN Limit was approved on November 6, 1979, by California voters. Under the GANN Limit, a maximum amount is established for tax-funded government services. That amount is to be adjusted each year depending on changes in state population, inflation and the transfer of financial responsibility for various government activities from one level of government to another. Any significant amount of state tax revenue received above that GANN Limit is to lead to future tax rebates or tax cuts.

Discussion:

The District is required to adopt the GANN Limit, each fiscal year under Proposition 111. Historically, the District expenditures are substantially below the allowable increase. As indicated in the GANN Limit calculation below, the District will be under the limit for FY 2018-2019 by \$992,942.

FY 2017-2018 GANN Appropriations Limit (a)	\$ 1,928,114
Adjustment Factors	
Allowable FY 2013-2014 Adjustment:	
Per Capita cost of Living Change (b)	1.0367
County Population Change (b)	x <u>1.0086</u> = X <u>1.0456</u>
FY 2018-2019 GANN Appropriations Limit	<u>\$ 2,016,066</u>
FY 2017-2018 Revenue subject to Proposition 111	\$ 1,023,124
Variance Over(Under) Appropriations Limit	<u>\$ 992,942</u>

Fiscal Impact:

There is no fiscal impact since the District's spending is under the spending limit.