



FISCAL YEAR 2022-23 ANNUAL APPROPRIATIONS LIMIT

Finance Department

City Council
June 7, 2022

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BACKGROUND

- November 1979 – Gann Initiative adopted
- Appropriation limit applies to revenues defined as proceeds from taxes
 - Some exclusions such as debt service

The total annual appropriations subject to limitation of the state and of each local government shall not exceed the appropriations limit of the entity of government for the prior year adjusted for the change in the cost of living and the change in population, except as otherwise provided in this article.

— CALIFORNIA CONSTITUTIONAL ARTICLE XIII B §1



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DISCUSSION

- Two variables provided annually by the State:
 - Change in the cost of living
 - Change in population, excluding federal and state institutionalized populations and military populations
- The State provides example calculation methodology



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FY 2022-23 APPROPRIATIONS LIMIT

Calculated Limit	\$400,803,266
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Estimated proceeds from taxes	\$346,299,344
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Debt Service Exclusion	(35,888,613)
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Amount subject to Limit	\$310,410,731
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Difference	\$90,392,535
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22.6%



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STRATEGIC PLAN ALIGNMENT

Strategic Priority No. 5 – High Performing Government

Goal No. 5.3 - Enhance communication and collaboration with community members to improve transparency, build public trust and encourage shared decision making.

Cross-Cutting Threads



Community Trust



Equity



Innovation



Fiscal
Responsibility



Sustainability and
Resiliency



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RECOMMENDATIONS

That the City Council provide the public, in accordance with Section 7910 of the Government Code, an opportunity to review the information used to develop the Appropriations Limit of \$400,803,266 for Fiscal Year 2022/23.



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