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# FISCAL YEAR 2023/24 ANNUAL APPROPRIATIONS LIMIT

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Finance Department

City Council  
June 6, 2023

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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 2023-24 Appropriations Limit

<b>Calculated Limit</b>	<b>\$413,103,814</b>
Estimated Proceeds from Taxes	\$375,357,036
Debt Service Exclusion	(25,768,738)
<b>Appropriations Subject to Limit</b>	<b>\$349,588,284</b>
Difference	\$ 63,515,515
	15.4%



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## STRATEGIC PLAN ALIGNMENT

### Strategic Priority 5 – High Performing Government

**Goal 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



Fiscal Responsibility



Sustainability & Resiliency



Equity



Innovation



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## RECOMMENDATION

That the City Council provides the public, in accordance with Section 7910 of the Government Code, an opportunity to review the information used to develop the Appropriations Limit of \$413,103,814 for Fiscal Year 2023/24.



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