

## OHLONE COMMUNITY COLLEGE DISTRICT

## MEMORANDUM

TO: Board of Trustees

FROM: Gari Browning

DATE: September 9, 2009

SUBJECT: Establishment of 2009-2010 Gann Appropriations Limit

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The Gann Initiative requires expenditure limitations shall be established each year by every community college district, pursuant to Article XIII B of the California Constitution. In accordance with Section 7910 of the Government Code, the governing body of each community college district shall determine its appropriations limit.

The following presents relevant information on the Gann Appropriations Limit:

- What's the limit formula? The 1978-79 expenditure level serves as the base. It is adjusted annually for population growth, inflation (using the lower of the percentage growth of the U.S. Consumer Price Index or California's per capita personal income), and transfers of financial responsibility from one governmental entity to another.
- What types of revenues are covered? Subject to the Gann limit are all tax revenues and investment earnings from these revenues.
- What spending is exempt? Certain appropriations are exempt from the Gann limit, such as debt service, appropriations for mandates ordered by the courts or the federal government, specified special districts, etc.
- What happens to non-exempt revenues above the limit? They are to be "returned by a revision of tax rates or fee schedules" or a majority of voters can increase the limit.

Attached is the appropriations limit calculated by staff pursuant to Article XXIB of the constitution and the information form provided by the State Chancellor's office. Staff has calculated the 2009-2010 Appropriations Limit to be \$72,572,887 and the 2009-2010 appropriations subject to the limit to be \$40,210,408. Therefore, the 2009-2010 Final Budget Appropriations are within the calculated limit.

**RECOMMENDATION:**

The President/Superintendent recommends that the Board of Trustees approve the appropriations limit that has been determined by staff for the 2009-2010 fiscal year pursuant to Article XIII B of the California Constitution.