

**BEFORE THE GOVERNING BOARD  
OF THE  
CURTIS CREEK SCHOOL DISTRICT  
COUNTY OF TUOLUMNE  
STATE OF CALIFORNIA  
RESOLUTION NO. 19-20-8 FOR ADOPTING THE "GANN" LIMIT**

In the Matter of the Governing Board Adopting  
the Gann Limit

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Resolution No. 19-20-8

WHEREAS, November of 1979, the California electorate did adopt Proposition 4, commonly called the Gann Amendment, which added Article XIII-B to the California Constitution; and,

WHEREAS, the provisions of that Article establish maximum appropriation limitations, commonly called "Gann Limits." For public agencies, including school districts; and

WHEREAS, the District must establish a revised Gann limit for the 2018-2019 fiscal year and a projected Gann Limit for the 2019-2020 fiscal year in accordance with the provisions of Article XIII-B and applicable statutory law.

NOW, THEREFORE, BE IT RESOLVED that this Board does provide public notice that the attached calculations and documentation of the Gann Limits for the 2018-2019 and 2019-2020 fiscal years are made in accord with applicable constitutional and statutory law;

AND BE IT FURTHER RESOLVED that this Board does hereby declare that the appropriations in the Budget for the 2018-2019 and 2019-2020 fiscal years do not exceed the limitations imposed by Proposition 4;

AND BE IT FURTHER RESOLVED that the Superintendent provide copies of this resolution along with the appropriate attachments to interested citizens of this district.

The foregoing Resolution was passed and adopted upon the motion of Trustee \_\_\_\_\_, seconded by Trustee \_\_\_\_\_, at a meeting of this Governing Board held on September 17, 2019, by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

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Board Clerk  
Curtis Creek School District

	2018-19 Calculations			2019-20 Calculations		
	Extracted Data	Adjustments*	Entered Data/Totals	Extracted Data	Adjustments*	Entered Data/Totals
<b>A. PRIOR YEAR DATA</b> (2017-18 Actual Appropriations Limit and Gann ADA are from district's prior year Gann data reported to the CDE)	2017-18 Actual			2018-19 Actual		
1 FINAL PRIOR YEAR APPROPRIATIONS LIMIT (Preload/Line D11, PY column)	3,022,847.84		3,022,847.84			3,294,549.60
2 PRIOR YEAR GANN ADA (Preload/Line B3, PY column)	425.50		425.50			447.33
<b>ADJUSTMENTS TO PRIOR YEAR LIMIT</b>	Adjustments to 2017-18			Adjustments to 2018-19		
3 District Lapses, Reorganizations and Other Transfers						
4 Temporary Voter Approved Increases						
5 Less: Lapses of Voter Approved Increases						
6 TOTAL ADJUSTMENTS TO PRIOR YEAR LIMIT (Lines A3 plus A4 minus A5)			0.00			0.00
7 ADJUSTMENTS TO PRIOR YEAR ADA (Only for district lapses, reorganizations and other transfers, and only if adjustments to the appropriations limit are entered in Line A3 above)						
<b>B. CURRENT YEAR GANN ADA</b> (2018-19 data should tie to Principal Apportionment Software Attendance reports and include ADA for charter schools reporting with the district)	2018-19 P2 Report			2019-20 P2 Estimate		
1 Total K-12 ADA (Form A, Line A6)	447.33		447.33	452.20		452.20
2 Total Charter Schools ADA (Form A, Line C9)	0.00		0.00	0.00		0.00
3 TOTAL CURRENT YEAR P2 ADA (Line B1 plus B2)			447.33			452.20
<b>C. CURRENT YEAR LOCAL PROCEEDS OF TAXES/STATE AID RECEIVED</b> TAXES AND SUBVENTIONS (Funds 01, 09, and 62)	2018-19 Actual			2019-20 Budget		
1 Homeowners' Exemption (Object 8021)	34,709.06		34,709.06	123,929.00		123,929.00
2 Timber Yield Tax (Object 8022)	3,159.73		3,159.73	3,763.00		3,763.00
3 Other Subventions/In-Lieu Taxes (Object 8029)	0.00		0.00	0.00		0.00
4 Secured Roll Taxes (Object 8041)	3,000,819.75		3,000,819.75	3,001,666.00		3,001,666.00
5 Unsecured Roll Taxes (Object 8042)	76,622.26		76,622.26	76,062.00		76,062.00
6 Prior Years' Taxes (Object 8043)	1,550.65		1,550.65	(520.00)		(520.00)
7 Supplemental Taxes (Object 8044)	0.00		0.00	0.00		0.00
8 Ed. Rev. Augmentation Fund (ERAF) (Object 8045)	0.00		0.00	0.00		0.00
9 Penalties and Int. from Delinquent Taxes (Object 8048)	0.00		0.00	0.00		0.00
10 Other In-Lieu Taxes (Object 8082)	0.00		0.00	0.00		0.00
11 Comm. Redevelopment Funds (objects 8047 & 8625)	0.00		0.00	0.00		0.00
12 Parcel Taxes (Object 8621)	0.00		0.00	0.00		0.00
13 Other Non-Ad Valorem Taxes (Object 8622) (Taxes only)	0.00		0.00	0.00		0.00
14 Penalties and Int. from Delinquent Non-LCFF Taxes (Object 8629) (Only those for the above taxes)	0.00		0.00	0.00		0.00
15 Transfers to Charter Schools in Lieu of Property Taxes (Object 8096)						
16 TOTAL TAXES AND SUBVENTIONS (Lines C1 through C15)	3,116,861.45	0.00	3,116,861.45	3,204,900.00	0.00	3,204,900.00
<b>OTHER LOCAL REVENUES (Funds 01, 09, and 62)</b>						
17 To General Fund from Bond Interest and Redemption Fund (Excess debt service taxes) (Object 8914)	0.00		0.00	0.00		0.00
18 TOTAL LOCAL PROCEEDS OF TAXES (Lines C16 plus C17)	3,116,861.45	0.00	3,116,861.45	3,204,900.00	0.00	3,204,900.00

	2018-19 Calculations			2019-20 Calculations		
	Extracted Data	Adjustments*	Entered Data/Totals	Extracted Data	Adjustments*	Entered Data/Totals
<b>EXCLUDED APPROPRIATIONS</b>						
19 Medicare (Enter federally mandated amounts only from obj's 3301 & 3302, do not include negotiated amounts)			356.91			1,224.00
<b>OTHER EXCLUSIONS</b>						
20 Americans with Disabilities Act						
21 Unreimbursed Court Mandated Desegregation Costs						
22 Other Unfunded Court-ordered or Federal Mandates						
23 TOTAL EXCLUSIONS (Lines C19 through C22)			356.91			1,224.00
<b>STATE AID RECEIVED (Funds 01, 09, and 62)</b>						
24 LCFF - CY (objects 8011 and 8012)	1,113,264.00		1,113,264.00	1,184,793.00		1,184,793.00
25 LCFF/Revenue Limit State Aid - Prior Years (Object 8019)	0.00		0.00	0.00		0.00
26 TOTAL STATE AID RECEIVED (Lines C24 plus C25)	1,113,264.00	0.00	1,113,264.00	1,184,793.00	0.00	1,184,793.00
<b>DATA FOR INTEREST CALCULATION</b>						
27 Total Revenues (Funds 01, 09 & 62, objects 8000-8799)	5,402,332.44		5,402,332.44	5,305,144.00		5,305,144.00
28 Total Interest and Return on Investments (Funds 01, 09, and 62, objects 8660 and 8662)	41,525.33		41,525.33	15,000.00		15,000.00
<b>D. APPROPRIATIONS LIMIT CALCULATIONS</b>						
<b>PRELIMINARY APPROPRIATIONS LIMIT</b>			<b>2018-19 Actual</b>			<b>2019-20 Budget</b>
1 Revised Prior Year Program Limit (Lines A1 plus A6)			3,022,847.84			3,294,549.60
2 Inflation Adjustment			1,036.7			1,038.5
3 Program Population Adjustment (Lines B3 divided by (A2 plus A7)) (Round to four decimal places)			1,051.3			1,010.9
4 PRELIMINARY APPROPRIATIONS LIMIT (Lines D1 times D2 times D3)			3,294,549.60			3,458,682.91
<b>APPROPRIATIONS SUBJECT TO THE LIMIT</b>						
5 Local Revenues Excluding Interest (Line C18)			3,116,861.45			3,204,900.00
6 Preliminary State Aid Calculation						
a Minimum State Aid in Local Limit (Greater of \$120 times Line B3 or \$2,400, but not greater than Line C26 or less than zero)			53,679.60			54,264.00
b Maximum State Aid in Local Limit (Lesser of Line C26 or Lines D4 minus D5 plus C23, but not less than zero)			178,045.06			255,006.91
c Preliminary State Aid in Local Limit (Greater of Lines D6a or D6b)			178,045.06			255,006.91
7 Local Revenues in Proceeds of Taxes						
a Interest Counting in Local Limit (Line C28 divided by (Lines C27 minus C28) times (Lines D5 plus D6c))			25,522.66			9,810.43
b Total Local Proceeds of Taxes (Lines D5 plus D7a)			3,142,384.11			3,214,710.43
8 State Aid in Proceeds of Taxes (Greater of Line D6a or Lines D4 minus D7b plus C23, but not greater than Line C26 or less than zero)			152,522.40			245,196.48
9 Total Appropriations Subject to the Limit						
a Local Revenues (Line D7b)			3,142,384.11			
b State Subventions (Line D8)			152,522.40			
c Less: Excluded Appropriations (Line C23)			356.91			
d TOTAL APPROPRIATIONS SUBJECT TO THE LIMIT (Lines D9a plus D9b minus D9c)			3,294,549.60			



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# *The* FISCAL REPORT *an informational update*

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No. 17

## **It's Gann Limit Calculation Time**

The Gann Limit (named for Paul Gann, the author of Proposition 4 which amended the State Constitution to establish this limit) is intended to constrain the growth in state and local government spending by linking year-to-year changes in expenditures to changes in inflation (represented by per capita personal income) and population (represented by average daily attendance [ADA] for schools). Established in 1979 following the enactment of Proposition 13 and subsequently amended by Proposition 111, the Gann Limit has become a largely pro forma calculation that no longer constrains governmental expenditures. This is because the limit has grown significantly faster than appropriations subject to the limit.

Education Code Section 42132 requires that on or before September 15 of each year, the governing board of each school district adopt a resolution to identify the estimated appropriations limit for the current fiscal year and the actual appropriations limit for the preceding fiscal year. The resolution must be adopted at a regular or special meeting of the governing board.

The Gann Limit is calculated by multiplying the prior-year limit by the percentage change in ADA and per capita personal income. There is no need to pull out your calculators, though, as the state's Standardized Account Code Structure (SACS) software does all of the work for you (see SACS Form GANN). The software includes the 3.85% statewide factor for per capita personal income change. Once you have uploaded the data from your financial software and entered prior year and current year estimated ADA in SACS Form A, the SACS software will calculate the percentage change in ADA for you and use the combination of these factors to provide you with the change in your district's Gann Limit.

The next step is to determine how much of your district's local resources are subject to that limit. It is important to understand that not all revenue sources count against your district's Gann Limit. Gann Limits only constrain the appropriations from state and local tax sources—therefore federal aid is excluded as well as nontax income, such as revenues from cafeteria sales, adult education fees, and foundations. Once again, the SACS software does the hard work for you as the Form GANN within the SACS software is prepopulated based on the data imported from your financial software.

Let's step back from the calculations for a moment and paint a mental picture of how the Gann Limit works. Envision the dollar amount of your district's Gann Limit as a bucket and this bucket can hold \$50 million (the calculated Gann Limit). First, put your local property taxes that count toward your Local Control Funding Formula entitlement into this bucket, including appropriate district interest income. Next, pour all of the district's other unrestricted state aid into this bucket. Per Government Code Section (G.C.) 7906, the amount of state aid that fills up the bucket counts toward your district's Gann Limit, while the amount that overflows the bucket counts toward the state's Gann Limit. (Note that all state aid for categorical programs always counts toward the state's Gann Limit.) Through this process, as much state aid as possible counts toward school agency Gann Limits. By reducing the amount of state aid that counts toward the state's Gann Limit in this manner, this process helps the state avoid being over its Gann Limit.

Through this calculation, the revenues of nearly every local education agency are close to if not exactly at its Gann Limit. Furthermore, if any school agency should find itself over its Gann Limit, for any reason, that agency may adopt a Governing Board resolution increasing its Gann Limit by the amount needed and then