

APPROPRIATIONS LIMIT

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In 1979, California voters approved Proposition 4, known as the Gann Appropriations Limit (Gann Limit). The Gann Limit is part of California State Constitution Article XIII B. The Gann Limit sets an annual appropriation ceiling on the amount of tax proceeds to all California municipalities. In addition to limits of tax proceeds, the Gann Limit restricts the amount of money a city can appropriate based on the previous year appropriations plus a per capita personal income (CPI) change and a percent population change. Since its initial passage, the Gann Limit has been modified through various propositions. The voters approved the most recent modification in 1990 under Proposition 111. Proposition 111 exempted some appropriations such as Redevelopment money and changed the calculation formula, which greatly increased the appropriations limit. Currently, the City of South San Francisco uses the California Department of Finance percentage change of Per Capita Cost of Living and percent population change to formulate the Gann Limit for the City for each fiscal year.

Appropriations Limit - FY 2026-27

Fiscal Year	CPI/Personal Income % Change	City's Population % Change	Change Factor	Cumulative Change Factor	Appropriation Limit	Proceeds of Taxes / Appropriations Subject to Limit	Amount Under the Limit
2016-17	5.37%	0.43%	5.82%	560.52%	128,321,142	75,222,871	53,098,271
2017-18	3.69%	0.11%	3.80%	585.62%	133,197,345	82,850,044	50,347,301
2018-19	3.67%	0.49%	4.18%	614.28%	138,764,994	85,548,494	53,216,500
2019-20	3.85%	0.04%	3.89%	642.07%	144,162,953	92,903,301	51,259,652
2020-21	3.73%	0.98%	4.75%	677.31%	151,010,693	83,865,039	67,145,654
2021-22	5.73%	-0.88%	4.80%	714.63%	158,259,206	87,751,448	70,507,758
2022-23	7.55%	-0.92%	6.56%	768.07%	168,641,010	99,465,705	69,175,306
2023-24	4.44%	0.00%	4.44%	806.61%	176,128,671	114,872,716	61,255,955
2024-25	3.62%	-0.25%	3.36%	837.08%	182,048,268	115,997,004	66,051,264
2025-26	6.44%	0.40%	6.87%	901.42%	194,547,265	122,419,426	72,127,839
2026-27	4.95%	-0.29%	4.65%	947.94%	203,585,240	130,931,706	72,653,534