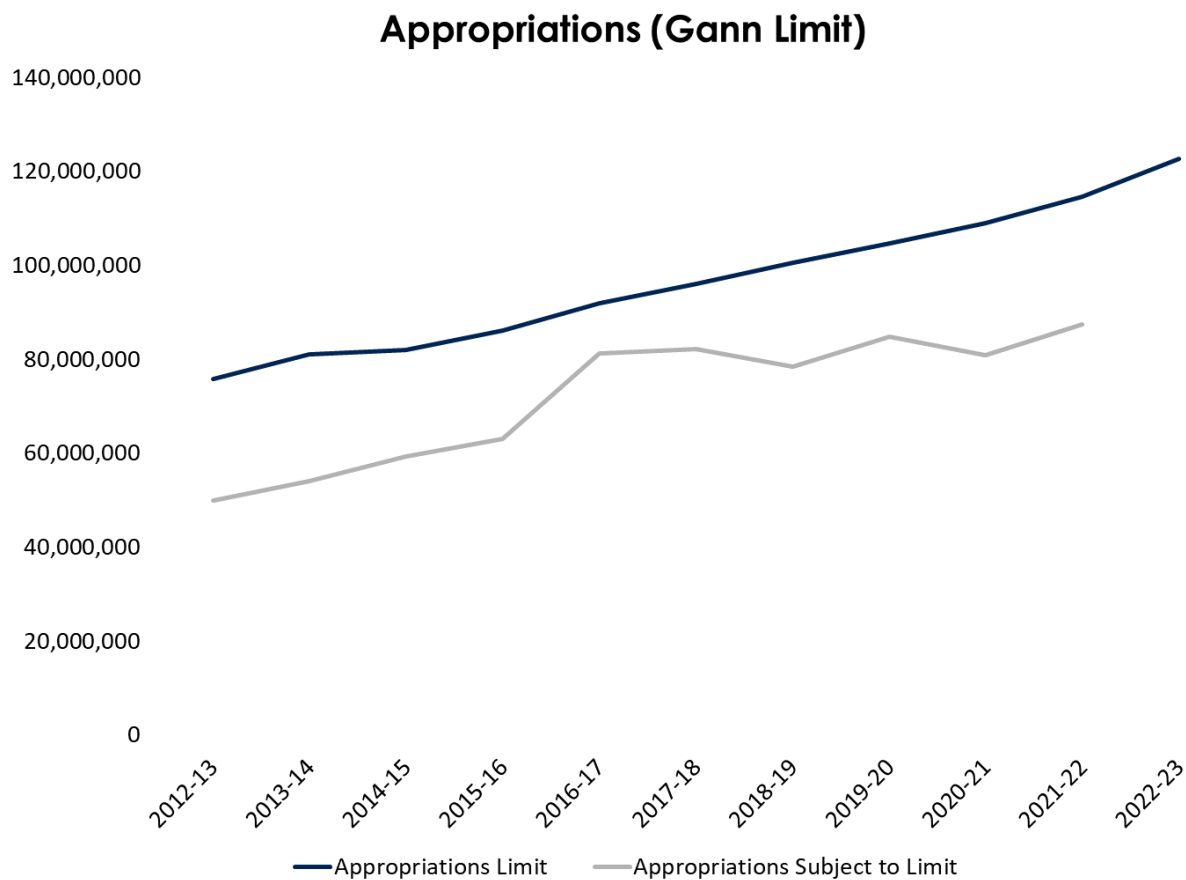


Appropriation Limit for Fiscal Year 2022-23

In 1979, California voters approved Proposition 4, the Gann Initiative, and added Article XIII B to the California State Constitution. Article XIII B mandates a limit on the amount of proceeds of taxes that state and local governments can receive and appropriate (authorize to spend) each year. The purpose of this law is to limit government spending by putting a cap on the total proceeds of taxes that may be appropriated each year. Proposition 111 and SB 88, approved by California voters in June of 1990, offered cities more flexibility in choosing inflation and population factors to calculate the limit.



Fiscal Year	Appropriations Limit (\$)	Change in Appropriations Limit (\$)	Change in Appropriations Limit (%)	Appropriations Subject to Limit (\$)
2012-13	75,844,982	3,650,684	5.1%	49,965,332
2013-14	80,979,979	5,134,997	6.8%	54,016,316
2014-15	82,005,630	1,025,652	1.3%	59,297,603
2015-16	86,100,308	4,094,677	5.0%	63,005,392
2016-17	91,867,014	5,766,706	6.7%	81,138,846
2017-18	96,028,488	4,161,474	4.5%	82,077,590
2018-19	100,538,305	4,509,818	4.7%	78,411,811
2019-20	104,753,580	4,215,275	4.2%	84,757,139
2020-21	109,062,934	4,309,354	4.1%	80,875,397
2021-22	114,666,491	5,603,558	5.1%	87,322,024
2022-23	122,756,522	8,090,031	7.1%	

The limit is different for each agency and changes annually. It is calculated by taking the amount of tax proceeds that were authorized to be spent in FY 1978-79 and adjusting for changes in inflation and population each subsequent year.

Proposition 111 changed the way the limit is calculated and allowed a City to increase its limit annually in two ways:

- By the percent change in per capita personal income in California or the percent change in the assessment roll the preceding year due to the addition of local non-residential new construction; or
- By the percent change in county or city population.

The City used the following factors from the California Department of Finance.

Price Factor

- (A) Percent Change in California Per Capita Personal Income: 7.55%
 - (Source: Dept of Finance, California)

Population Factor

- (B) Percent Change in County Population: -0.69%
 - (Source: Dept of Finance, California)
- (C) Percent Change in City Population: -0.46%
 - (Source: Dept of Finance, California)

The City multiplied the FY 2021-22 appropriations limit by Price Factor (A) and Population Factor (C) to calculate the FY 2022-23 appropriations limit, as shown below:

FY 2021-22 Appropriations Limit	\$114,666,491
Price Factor (A)	1.0755
Population Factor (C)	0.9954
FY 2022-23 Appropriations Limit	\$122,756,522

The City's FY 2022-23 appropriations limit is \$122,756,522, an increase of \$8.1 million, or 7.1%, from the FY 2021-22 limit of \$114,666,491.