




**EAST BAY REGIONAL PARK DISTRICT
BOARD FINANCE COMMITTEE
AGENDA STAFF REPORT**

DATE	November 25, 2024
TITLE	Recommendation to the Board of Directors to Accept the 2025 Appropriation Limit Review (Gann Limit)
DIVISION	Finance and Management Services
FROM	Deborah Spaulding, Assistant General Manager of Finance and Management Services
APPROVED	Sabrina Landreth, General Manager 

RECOMMENDATION

The General Manager requests that the Board Finance Committee recommend to the Board of Directors the acceptance of the 2025 Appropriation Limit Review (Gann Limit).

BACKGROUND

Article XIII B of the California State Constitution establishes a formula to calculate a limit on public agency appropriations. The formula, which is called the Gann Limit, applies to local governments as well as to K-12 and community college districts. It is intended to keep a cap on state and local government spending. The limit is adjusted every year by the cost-of-living factor and the population change factor (the annual adjustment factor).

The appropriation limit is compared to the appropriations coming from property tax revenue. The General Fund is the only Park District fund subject to the limit.

ANALYSIS

This year's Gann appropriations limit is calculated at \$547,773,159. Park District appropriations that are subject to the limit are \$206,835,242.

The Gann calculation is based upon information provided by the California Department of Finance. The information provided for the calculation of the annual adjustment factor includes: 1) the percentage change in per capita personal income (cost-of-living factor), and 2) county population estimates. Both factors are converted into a ratio, in compliance with the instructions from the State. The product of the ratios (the annual adjustment factor) is multiplied by the prior year appropriation limit, to arrive at the current year appropriation limit.

Last year's Gann appropriations limit was \$527,755,360.

FISCAL IMPACT

There is no immediate fiscal impact of this report. The Gann Limit calculates the maximum amount that can be appropriated by the Park District. The Park District's appropriations for 2024 are well below the Gann Limit.

ATTACHMENTS

None.