SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
BOARD OF EDUCATION

Agenda Item# 8.1f

Meeting Date: September 19, 2013

Subject: Approve Resolution No. 2760: Estimate Gann Appropriation Limitation for 2013-14 and Gann Amendment Calculation for 2012-13

- ☐ Information Item Only
- ☒ Approval on Consent Agenda
- ☐ Conference (for discussion only)
- ☐ Conference/First Reading (Action Anticipated: _____)
- ☐ Conference/Action
- ☐ Action
- ☐ Public Hearing

Division: Business Services

Recommendation: Approve Resolution No. 2760: Estimate Gann Appropriation Limitation for 2013-14 and the Gann Amendment Calculation for 2012-13.

Background/Rationale: The Gann Limit (named for Paul Gann, the author of Proposition No. 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 and population. Inflation for these purposes is currently the annual percentage change in California per capita personal income. For school agencies, change in Average Daily Attendance is used as a measurement of the change in population. Established in 1979 following the enactment of Proposition 13 and subsequently amended by Proposition 111, the Gann Limit applies to the state of California, cities, counties and special districts as well as to school districts and county offices of education.

One of the provisions included in the Gann Limit (Proposition No. 4), is notification to the public prior to the adoption of the Gann Limitation for this district. This agenda item is official notice of the Board of Education's intent to adopt a resolution on September 19, 2013. Also, included with this agenda is Resolution No. 2760 relative to the 2013-14 Gann Appropriation Limitation and the worksheets for identifying the appropriation limitation.

Financial Considerations: Provide detailed calculations for Gann Appropriation Limitation.

Documents Attached:

1. Resolution No. 2760: Estimate Gann Appropriation Limitation for 2013-14
2. 2012-13 Appropriations Limit Calculations

Estimated Time of Presentation: N/A
Submitted by: Ken A. Forrest, Chief Business Officer
Gerardo Castillo, Director III, Fiscal Services
Approved by: Jonathan P. Raymond, Superintendent

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
BOARD OF EDUCATION

RESOLUTION NO. 2760

RESOLUTION TO ESTIMATE GANN APPROPRIATION LIMITATION FOR 2013-14

WHEREAS, the California electorate did adopt at the November election of 1979, Proposition No. 4, commonly called the "Gann Amendment"; and

WHEREAS, the provisions of that amendment establish maximum appropriation limitations, commonly called the "Gann Appropriation Limitations," for public agencies, including school districts; and

WHEREAS, the Sacramento City Unified School District must establish a revised Gann Appropriation Limitation for 2012-13 and a projected Gann Appropriation Limitation for 2013-14, in accordance with the provisions of the amendment and applicable statutory law; and

WHEREAS, the Board of Education finds that the proposed appropriations of the 2013-14 budget do not exceed the Gann Limitation;

NOW, THEREFORE, BE IT RESOLVED that the Sacramento City Unified School District Board of Education resolves the following:

1. Provide public notice that the attached Gann Appropriation Limitation calculations are made in accordance with the law and that this board does hereby declare that the proposed appropriation of the 2012-13 and 2013-14 actuals and budget does not exceed the limitations imposed by Proposition No. 4 of 1979.

2. That the Superintendent provides copies of the resolution, along with appropriate attachments, to interested citizens of this District.

PASSED AND ADOPTED by the Sacramento City Unified School District Board of Education on this 19th day of September, 2013 by the following vote:

AYES: _____
NOES: _____
ABSENT: _____
ABSTAIN: _____

ATTESTED TO:

_____
Jonathan P. Raymond
Secretary of the Board of Education

_____
Jeff Cuneo
President of the Board of Education

	2012-13 Calculations			2013-14 Calculations		
	Extracted Data	Adjustments*	Entered Data/ Totals	Extracted Data	Adjustments*	Entered Data/ Totals
A. PRIOR YEAR DATA		2011-12 Actual			2012-13 Actual	
(2011-12 Actual Appropriations Limit and Gann ADA are from district's prior year Gann data reported to the CDE)						
1. FINAL PRIOR YEAR APPROPRIATIONS LIMIT (Preload/Line D11, PY column)	244,199,690.15		244,199,690.15			224,796,478.98
2. PRIOR YEAR GANN ADA (Preload/Line B9, PY column)	45,633.69		45,633.69			40,480.20
ADJUSTMENTS TO PRIOR YEAR LIMIT		Adjustments to 2011-12			Adjustments to 2012-13	
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. CURRENT YEAR GANN ADA		2012-13 P2 Report			2013-14 P2 Estimate	
(2012-13 data should tie to Principal Apportionment Attendance Software reports)						
1. Total K-12 ADA (Form A, Lines 10, 28, & 29)	40,480.20		40,480.20	39,539.46		39,539.46
2. ROC/P ADA**						
3. Total Charter Schools ADA (Form A, Line 26)	0.00		0.00	0.00		0.00
4. Total Supplemental Instructional Hours**						
5. Divide Line B4 by 700 (Round to 2 decimal places)						
6. TOTAL P2 ADA (Lines B1 through B3 plus B5)			40,480.20			39,539.46
OTHER ADA (From Principal Apportionment Attendance Software)						
7. Apprentice Hours - High School						
8. Divide Line B7 by 525 (Round to 2 decimal places)			0.00			0.00
9. TOTAL CURRENT YEAR GANN ADA (Sum Lines B6 plus B8)			40,480.20			39,539.46
C. LOCAL PROCEEDS OF TAXES/STATE AID RECEIVED		2012-13 Actual			2013-14 Budget	
TAXES AND SUBVENTIONS (Funds 01, 09, and 62)						
1. Homeowners' Exemption (Object 8021)	779,129.34		779,129.34	774,974.00		774,974.00
2. Timber Yield Tax (Object 8022)	48.93		48.93	0.00		0.00
3. Other Subventions/In-Lieu Taxes (Object 8029)	0.00		0.00	0.00		0.00
4. Secured Roll Taxes (Object 8041)	50,996,635.41		50,996,635.41	49,553,103.00		49,553,103.00
5. Unsecured Roll Taxes (Object 8042)	2,373,201.06		2,373,201.06	1,800,152.00		1,800,152.00
6. Prior Years' Taxes (Object 8043)	146,659.64		146,659.64	622,486.00		622,486.00
7. Supplemental Taxes (Object 8044)	111,116.70		111,116.70	148,629.00		148,629.00
8. Ed. Rev. Augmentation Fund (ERAF) (Object 8045)	3,677,811.63		3,677,811.63	2,880,807.00		2,880,807.00
9. Penalties and Int. from Delinquent Taxes (Object 8048)	0.00		0.00	0.00		0.00
10. Other In-Lieu Taxes (Object 8082)	13,990.80		13,990.80	0.00		0.00
11. Comm. Redevelopment Funds (Obj. 8047 & 8625)	355,559.54		355,559.54	132,386.00		132,386.00
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-Revenue Limit 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)	(3,452,835.41)		(3,452,835.41)	(5,753,730.76)		(5,753,730.76)
16. TOTAL TAXES AND SUBVENTIONS (Lines C1 through C15)	55,001,317.64	0.00	55,001,317.64	50,158,806.24	0.00	50,158,806.24
OTHER LOCAL REVENUES (Funds 01, 09, and 62)						
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)	55,001,317.64	0.00	55,001,317.64	50,158,806.24	0.00	50,158,806.24

	2012-13 Calculations			2013-14 Calculations		
	Extracted Data	Adjustments*	Entered Data/ Totals	Extracted Data	Adjustments*	Entered Data/ Totals
EXCLUDED APPROPRIATIONS						
19. Medicare (Enter federally mandated amounts only from objs. 3301 & 3302; do not include negotiated amounts)			3,125,954.41			2,928,520.10
OTHER EXCLUSIONS						
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)			3,125,954.41			2,928,520.10
STATE AID RECEIVED (Funds 01, 09, and 62)						
24. Revenue Limit State Aid - CY (objects 8011 and 8012)	168,262,118.78		168,262,118.78	173,635,256.26		173,635,256.26
25. Revenue Limit State Aid - Prior Years (Object 8019)	280,560.00		280,560.00	0.00		0.00
26. Supplemental Instruction - CY (Res. 0000, Object 8590)**		3,830,730.00	3,830,730.00		3,830,730.00	3,830,730.00
27. Supplemental Instruction - PY (Res. 0000, Object 8590)**		0.00	0.00		0.00	0.00
28. Comm Day Sch Addl Funding - CY (Res. 2430, Obj. 8311 and Res. 0000, Obj. 8590)**		102,129.00	102,129.00		102,129.00	102,129.00
29. Comm Day Sch Addl Funding - PY (Res. 2430, Obj. 8319 and Res. 0000, Obj. 8590)**		0.00	0.00		0.00	0.00
30. ROC/P Apportionment - CY (Res. 0000, Object 8590)**		1,885,702.00	1,885,702.00		1,885,702.00	1,885,702.00
31. ROC/P Apportionment - PY (Res. 0000, Object 8590)**		0.00	0.00		0.00	0.00
32. Charter Schs. Gen. Purpose Entitlement (Object 8015)	5,093,327.00		5,093,327.00	8,037,699.00		8,037,699.00
33. Charter Schs. Categorical Block Grant (Object 8590)**		1,392,928.00	1,392,928.00		1,254,332.00	1,254,332.00
34. Class Size Reduction, Grades K-3 (Object 8434)	7,347,180.00		7,347,180.00	7,347,180.00		7,347,180.00
35. Class Size Reduction, Grade 9 (Object 8590)**		551,337.00	551,337.00		551,337.00	551,337.00
36. SUBTOTAL STATE AID RECEIVED (Lines C24 through C35)	180,983,185.78	7,762,826.00	188,746,011.78	189,020,135.26	7,624,230.00	196,644,365.26
ADD BACK TRANSFERS TO COUNTY						
37. County Office Funds Transfer (Form RL, Line 32)	153,610.00		153,610.00	151,910.00		151,910.00
38. TOTAL STATE AID (Lines C36 plus C37)	181,136,795.78	7,762,826.00	188,899,621.78	189,172,045.26	7,624,230.00	196,796,275.26
DATA FOR INTEREST CALCULATION						
39. Total Revenues (Funds 01, 09 & 62; objects 8000-8799)	391,582,973.75		391,582,973.75	392,190,279.39		392,190,279.39
40. Total Interest and Return on Investments (Funds 01, 09, and 62; objects 8660 and 8662)	71,282.64		71,282.64	175,613.00		175,613.00
APPROPRIATIONS LIMIT CALCULATIONS	2012-13 Actual			2013-14 Budget		
D. PRELIMINARY APPROPRIATIONS LIMIT						
1. Revised Prior Year Program Limit (Lines A1 plus A6)			244,199,690.15			224,796,478.98
2. Inflation Adjustment			1.0377			1.0512
3. Program Population Adjustment (Lines B9 divided by [A2 plus A7]) (Round to four decimal places)			0.8871			0.9768
4. PRELIMINARY APPROPRIATIONS LIMIT (Lines D1 times D2 times D3)			224,796,478.98			230,823,758.14
APPROPRIATIONS SUBJECT TO THE LIMIT						
5. Local Revenues Excluding Interest (Line C18)			55,001,317.64			50,158,806.24
6. Preliminary State Aid Calculation						
a. Minimum State Aid in Local Limit (Greater of $120 times Line B9 or $2,400; but not greater than Line C38 or less than zero)			4,857,624.00			4,744,735.20
b. Maximum State Aid in Local Limit (Lesser of Line C38 or Lines D4 minus D5 plus C23; but not less than zero)			172,921,115.75			183,593,472.00
c. Preliminary State Aid in Local Limit (Greater of Lines D6a or D6b)			172,921,115.75			183,593,472.00
7. Local Revenues in Proceeds of Taxes						
a. Interest Counting in Local Limit (Line C40 divided by [Lines C39 minus C40] times [Lines D5 plus D6c])			41,497.90			104,715.31
b. Total Local Proceeds of Taxes (Lines D5 plus D7a)			55,042,815.54			50,263,521.55
8. State Aid in Proceeds of Taxes (Greater of Line D6a, or Lines D4 minus D7b plus C23; but not greater than Line C38 or less than zero)			172,879,617.85			183,488,756.69
9. Total Appropriations Subject to the Limit						
a. Local Revenues (Line D7b)			55,042,815.54			
b. State Subventions (Line D8)			172,879,617.85			
c. Less: Excluded Appropriations (Line C23)			3,125,954.41			
d. TOTAL APPROPRIATIONS SUBJECT TO THE LIMIT (Lines D9a plus D9b minus D9c)			224,796,478.98			

	2012-13 Calculations			2013-14 Calculations		
	Extracted Data	Adjustments*	Entered Data/ Totals	Extracted Data	Adjustments*	Entered Data/ Totals
10. Adjustments to the Limit Per Government Code Section 7902.1 (Line D9d minus D4; if negative, then zero) If not zero report amount to: Ana J. Matosantos, Director State Department of Finance Attention: School Gann Limits State Capitol, Room 1145 Sacramento, CA 95814			0.00			
Summary	**2012-13 Actual**			**2013-14 Budget**		
11. Adjusted Appropriations Limit (Lines D4 plus D10)			224,796,478.98			230,823,758.14
12. Appropriations Subject to the Limit (Line D9d)			224,796,478.98			

* Please provide below an explanation for each entry in the adjustments column.
** Impacted by the flexibility provisions of SBX3 4 (Chapter 12, Statutes of 2009), as amended by SB 70 (Chapter 7, Statutes of 2011). Amounts in Section C, State Aid Received, can no longer be extracted and must be manually input into the Adjustments column.

The amounts for suplemental instruction and Tier III resources: Community Day, ROCP, Class Size Reduction Grade 9 and Charter Schools Block Grant for FY 2012-13 and FY 2013-14 were added in the adjustments columns as required.

Gerardo Castillo, CPA Director of Fiscal Services
Gann Contact Person

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Contact Phone Number