

**Gann Adoption
Sample Board Resolutions
Appropriations Limit Calculations – Form GANN**

In November of 1979, California voters approved Proposition 4, an initiative that added Article XIII-B to the California Constitution. This constitutional amendment, known as the Gann Initiative, placed limits on the growth of expenditures for publicly funded programs. Division 9 of Title 1, beginning with Section 7900 of the Government Code, was then added to law to specify the process for calculating state and local government appropriation limits and appropriations subject to limitation under Article XIII-B of the Constitution. These constitutional and statutory sections explain and define the appropriations limit and appropriations subject to limitation as they apply to state and local government, and require that each entity of government formally “adopt” its appropriations limit for a given fiscal year.

By September 30 of each year, Education Code sections 1629 and 42132 specify that each year county office and district governing boards shall adopt a resolution identifying their estimated appropriations limit for the current year and their actual appropriations limit for the preceding year. The documentation supporting the adoption resolution shall be made available to the public. It is not necessary to submit a copy of the board resolution adopting your appropriations limit to the CDE. However, if you find your district is in need of increasing its limitation, Section 7902.1 states that the school district shall notify the Director of Finance.

Form GANN (formerly a separate Excel spreadsheet application) has been added to the SACS software to assist LEAs in meeting their constitutional and statutory Gann obligations to calculate appropriation limits and appropriations subject to limitation. Districts should submit their completed forms to the county office Business Advisory Services with their officially exported unaudited actual submission.

Form GANN should be opened after the district has imported its final financial system data and the Supplemental Forms A (Attendance) and RL (Revenue Limit) have been completed. The technical review checklist should be free of any errors associated with these forms. Upon opening Form GANN, applicable general ledger, attendance, and revenue limit data will be extracted into the form. The specific forms and general ledger account codes being extracted are noted on the form. In addition, applicable prior year Gann data will be preloaded into the form. Once the extractions have been completed, only a few items remain to be keyed into the form.

Adjustment columns are available to make any necessary corrections to prior year Gann data or to extracted data for compliance with Gann reporting requirements. All adjustments must be explained in the bottom section of Form GANN and documentation supporting the adjustments kept in your files along with a copy of this year’s Form GANN. Detailed instructions are included in the State instruction manuals.

To aid the district in its disclosure to the governing board, sample resolutions and a sample Department of Finance limitation increase letter follow this brief introduction to the Gann.

If you have any questions, please do not hesitate to contact Business Advisory Services.

RESOLUTION FOR ADOPTING THE “GANN” LIMIT

_____ **School District**

(Normal, no increase to Limit pursuant to G.C. Section 7902.1 [nothing on line K {COE, line P}])

WHEREAS, in 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 _____ fiscal year and a projected Gann Limit for the _____ 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 _____ and _____ 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 _____ and _____ fiscal years do not exceed the limitations imposed by Proposition 4;

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

AYES:

NOES:

ABSENT:

ABSTAINED:

DATED:

ATTEST:

Secretary

President

RESOLUTION FOR ADOPTING THE “GANN” LIMIT

_____ **School District**

(With Increase to Limit pursuant to G.C. Section 7902.1 [ONLY if line K {COE, line P} not zero])

WHEREAS, in 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 district; and,

WHEREAS, the District must establish a revised Gann Limit for the _____ fiscal year and a projected Gann Limit for the _____ fiscal year in accordance with the provisions of Article XIII-B and applicable statutory law; and,

WHEREAS, Government Code Section 7902.1 provides that school districts may increase their Gann Limits under specified circumstances;

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

AND BE IT FURTHER RSOLVED that this Board does provide public notice that the attached calculations and documentation of the Gann Limits for the _____ and _____ fiscal years include an increase of \$_____ to the _____ Gann Limit pursuant to the provisions of Government Code Section 7902.1;

AND BE IT FURTHER RESOLVED that the Superintendent notifies the Director of the State Department of Finance of the increase to the _____ Gann Limit;

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

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

AYES:

NOES:

ABSENT:

ABSTAINED:

DATED:

ATTEST:

Secretary

President

**SAMPLE LETTER TO INCREASE LIMIT
(PER GOVERNMENT CODE SECTION 7902.1)**

(letterhead)

(date)

_____, Director
State Department of Finance
915 L Street
Sacramento, CA 95814

**RE: Increase of <fiscal year> Appropriations Limit
Pursuant to Government Code Section 7902.1**

This is to inform you that, pursuant to Government Code Section 7902.1, the Governing Board of the _____ (school district/county office of education), in _____ County, adopted a resolution on _____ (date) increasing its _____ fiscal year appropriations limit by \$_____. This increase to the appropriations limit is permanent and will be reflected in future fiscal year calculations.

If you have any questions, please contact _____ at (____) _____ - _____.

(Superintendent)

cc: California Department of Education