

## **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 XII 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 limits 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 Business Advisory Services county offices 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. Detail 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.

**RESOLUTION FOR ADOPTING THE “GANN” LIMIT**

**San Carlos School District**

**Resolution #7:15/16**

*(Normal, no increase to Limit pursuant to G.C. 7902.1 [nothing on line 10 {COE line 15}])*

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 2014-2015 fiscal year and a projected Gann Limit for the 2015-2016 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 2014-2015 and 2015-2016 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 2014-2015 and 2015-2016 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.

REGULARLY passed and adopted this 10<sup>th</sup> day of September, 2015

AYES \_\_\_\_\_ NOES \_\_\_\_\_ ABSENT \_\_\_\_\_ ABSTAINED \_\_\_\_\_

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
President

\_\_\_\_\_  
Date Approved/File