STATE OF CALIFORNIA BRICE W. HARRIS, CHANCELLOR

CALIFORNIA COMMUNITY COLLEGES
CHANCELLOR'S OFFICE
1102 Q STREET
SACRAMENTO, CA 95811-6549
(916) 445-8752
HTTP://WWW.CCCCO.EDU

Memorandum

May 9, 2014

Fiscal Services Memo 14-02
Via E-mail Only

TO: Chief Business Officers

FROM: Frederick E. Harris, Assistant Vice Chancellor
College Finance & Facilities Planning

SUBJECT: Price Change Information and Worksheet for Determination of 2014-15 Appropriation Limit per Article XIII-B, California Constitution (Gann Limit)

Synopsis: Pursuant to Article XIII-B of the State Constitution and Government Code Section 7900 et seq., all community college districts are required to compute an annual appropriation limit. That appropriation limit is adjusted annually for changes in price index, population and other applicable factors.

Government Code Section 7908(c) requires each community college district to report to the Chancellor of the California Community Colleges at least annually its appropriation limit, appropriations subject to limit, the amount of state aid apportionments and subventions included within the proceeds of taxes of the district, and amounts excluded from the appropriations subject to limit. A form for computing these four items is attached for your convenience. This information is to be reported on the Annual Financial and Budget Report, CCFS-311 Gann Appropriation Limit page.

Government Code Section 7909 requires that the Department of Finance notify the California Community Colleges Chancellor's Office by May 1 each year of the price factor to be used in establishing the appropriation limit. The price factor to be used is defined as the change in fourth quarter California per capita personal income. The price factor to be used in setting the 2013-14 appropriation limit is -0.23%. The Department of Finance price information is available at http://www.dof.ca.gov/budgeting/documents/Price-Population_2014.pdf.

Action Requested/Date Due: Please complete the enclosed Gann Limit Worksheet as part of the process for developing the tentative budget for 2014-15. The appropriation limit must be approved by your district's governing board in accordance with Government Code Section 7910. After board approval, keep the worksheet for your files for later reference in reporting the necessary Gann Limit information on the CCFS-311, which is due on or before October 10, 2014.

Contact: If you have questions about this memorandum, or if the projected appropriations exceed the 2014-2015 Gann Limit, please contact Michael Yarber at (916) 327-6818 or myarber@cccco.edu.

CALIFORNIA COMMUNITY COLLEGES
GANN LIMIT WORKSHEET
INSTRUCTIONS

I. APPROPRIATIONS LIMIT:

A. Enter prior year appropriations limit. If limit was exceeded in prior year, add any State transfers.

B. Price factor computed by the Department of Finance.

C. Population change factor computed from FTES data as reported on the latest CCFS-320.

D. Compute adjusted Appropriations Limit by multiplying line A by line B and by Line C.3. Enter the amount.

E. Enter amounts transferred to the district to increase the limit.

F. Enter amounts transferred out of the district to decrease the limit.

G. Compute the adjusted Appropriation Limit by adding lines D and E, minus F.

II. APPROPRIATIONS SUBJECT TO LIMIT:

A. Enter the sum of amounts projected for General Apportionment, Apprenticeship Allowance, Basic Skills, Partnership for Excellence and Education Protection Act.

B. Enter those State Subventions used as offset in calculating State Aid.

C. Enter Local Property taxes. Do not include student fees.

D. Enter excess taxes collected in the last year of debt service which are made available for general purposes.

E. Enter Parcel taxes, Square Foot taxes, etc. Do not include Mello-Roos taxes.

F. Enter interest on proceeds of taxes.

G. Enter local appropriations from unreimbursed mandates. These include amounts of district money spent for unreimbursed mandates such as the federally-required Medicare payments and Social Security contributions for hourly, temporary, part-time, and student employees not covered by PERS or STRS.

H. Compute the Appropriations Subject to Limit by adding lines A thru F, minus G.

Note: If you have questions about this form or if your district has exceeded the Appropriations Limit (line II.H. exceeds line I.G.), contact Michael Yarber at (916) 327-6818 or myarber@cccco.edu . Government Code 7910 requires community college districts to annually secure the approval of their local governing boards of the proposed Appropriations Limit. If a district anticipates exceeding its Appropriations Limit, the GC provides a method to increase its Appropriation Limits by notifying the Department of Finance within 45 days of local board approval. This notification allows DOF to transfer surplus State Appropriation Limit authority from the state to the community college (Government Code Section 7902.1(c)). Please send this office a copy of any DOF notification.

CALIFORNIA COMMUNITY COLLEGES
GANN LIMIT WORKSHEET
2014-15

DISTRICT NAME: **Palo Verde College**
DATE: 06/23/14

I.	**2014-15** Appropriations Limit:				
A.	**2013-14** Appropriations Limit			$	18,136,954
B.	**2014-15** Price Factor:	0.9977			
C.	Population factor:				
	1 **2012-13** Second Period Actual FTES	1,801.00			
	2 **2013-14** Second Period Actual FTES	1,402.00			
	3 **2014-15** Population change factor (line C.2. divided by line C.1.)	0.7785			
D.	**2012-13** Limit adjusted by inflation and population factors (line A multiplied by line B and line C.3.)			$	14,087,144
E.	Adjustments to increase limit:				
	1 Transfers in of financial responsibility		$ -		
	2 Temporary voter approved increases		0		
	3 Total adjustments - increase Sub-Total			$	-
F.	Adjustments to decrease limit:				
	1 Transfers out of financial responsibility		$ -		
	2 Temporary voter approved increases		0		
	3 Total adjustments - decrease			$	-
G.	**2014-15**Appropriations Limit			$	14,087,144
II.	**2014-15** Appropriations Subject to Limit:				
A.	State Aid (General Apportionment, Apprenticeship Allowance, Basic Skills, and Partnership for Excellence)			$	- 11,494,296
B.	State Subventions (Home Owners Property Tax Relief, Timber Yield tax, etc.)				
C.	Local Property taxes				1,138,097
D.	Estimated excess Debt Service taxes				-
E.	Estimated Parcel taxes, Square Foot taxes, etc.				-
F.	Interest on proceeds of taxes				
G.	Local appropriations from taxes for unreimbursed State, court, and federal mandates				
H.	**2014-15** Appropriations Subject to Limit			$	12,632,393

\# IMPORTANT - BEFORE TAKING TO THE BOARD
Truncate the number calculated in cell H16 to four decimal places to the right. The 311 Gann limit worksheet uses a truncated number and this report will not tie to that document if the original calculated number is used.
TEST in 311 final worksheet before taking to the board.