

File No. 151213

Committee Item No. 5  
Board Item No. 14

### COMMITTEE/BOARD OF SUPERVISORS

#### AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date January 20, 2016

Board of Supervisors Meeting

Date January 26, 2016

#### Cmte Board

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| <input type="checkbox"/>            | <input type="checkbox"/>            | Motion                                       |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Resolution                                   |
| <input type="checkbox"/>            | <input checked="" type="checkbox"/> | Ordinance                                    |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Legislative Digest                           |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Budget and Legislative Analyst Report        |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Youth Commission Report                      |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Introduction Form                            |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/>            | <input type="checkbox"/>            | MOU  |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Grant Information Form                       |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Grant Budget                                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Subcontract Budget                           |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Contract/Agreement                           |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Form 126 – Ethics Commission                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Award Letter                                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Application                                  |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Public Correspondence                        |

#### OTHER (Use back side if additional space is needed)

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| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Powerpoint presentation</u> |
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Completed by: Linda Wong Date January 15, 2016  
Completed by: Linda Wong Date January 26, 2016

1 [California Constitution Appropriations Limit - FY2015-2016 - \$2,991,417,308]

2  
3 **Resolution establishing the appropriations limit for FY2015-2016 as \$2,991,417,308,**  
4 **pursuant to California Constitution, Article XIII B.**

5  
6 WHEREAS, Article XIII B of the California Constitution provides that the annual  
7 appropriations of the City and County of San Francisco which are subject to said Article may  
8 not exceed the Appropriations Limit for the prior year, with adjustments as provided in said  
9 Article XIII B; and

10 WHEREAS, The California Government Code, Section 7901, defines the terms, and  
11 Section 7902(b) sets forth the equations to be used to determine the City and County of San  
12 Francisco's annual Appropriations Limit, according to the following formula:

13 (b)"...the appropriations limit of the state and each local jurisdiction shall equal the  
14 appropriations limit for the prior fiscal year multiplied by the product of the change in  
15 cost of living, as defined in paragraph (2) of subdivision (e) of Section 8 of Article XIII B  
16 of the California Constitution, and the change in population of the local jurisdiction for  
17 the calendar year preceding the beginning of the fiscal year for which the  
18 appropriations limit is to be determined, and adjusted for other changes required or  
19 permitted by Article XIII B of the California Constitution;" and

20 WHEREAS, Article XIII B, Section 8(e)(2) of the California Constitution authorizes  
21 the calculation of the cost of living, either the use of the percentage change in California  
22 per-capita personal income from the preceding year, or the use of the percentage change in  
23 the local assessment roll from the preceding year for the jurisdiction due to the addition of  
24 local non-residential new construction; and

1           WHEREAS, The change in California per-capita personal income in FY2014-2015 was  
2 3.82%, while the percentage change in the local assessment roll from 2014 due to the  
3 addition of local non-residential new construction was 0.33%; and

4           WHEREAS, The percentage change in population during calendar year 2014 for the  
5 City and County of San Francisco according to the California Department of Finance was  
6 1.22%; and

7           WHEREAS, In FY2001-2002 the percentage change in population used for the  
8 calculation of the appropriations limit was 1.44%, while the appropriate percentage change in  
9 population was 1.58% as provided by the California Department of Finance; and

10           WHEREAS, Given the adjusted percentage change in population for FY2001-2002, the  
11 compounded increase in the appropriations limit results in an increase to the appropriations  
12 limit for FY2014-2015 of \$3,985,370, from \$2,842,635,601 to \$2,846,620,971; and

13           WHEREAS, The resulting calculation establishing the City and County of San  
14 Francisco's FY2015-2016 Appropriations Limit is:

15           \$2,846,620,971 X 1.0382 X 1.0122 = \$2,991,417,308; and

16           WHEREAS, This matter has been considered at a regularly scheduled meeting of the  
17 Board of Supervisors for the City and County of San Francisco; and

18           WHEREAS, The documentation used to determine the Appropriations Limit for the City  
19 and County of San Francisco for FY2015-2016 was available for public inspection in the  
20 Office of the Clerk of the Board of Supervisors for at least 15 days prior to said regularly  
21 scheduled meeting; now, therefore, be it

22           RESOLVED, That the City and County of San Francisco elects to use the percentage  
23 change in California per capita personal income and elects to use the percent change in  
24  
25

1 population within its jurisdiction from the previous year for the purpose of computation of its  
2 Appropriations Limit pursuant to Article XIII B of the California Constitution for FY 2015-2016;  
3 and, be it

4  
5  
6  
7 FURTHER RESOLVED, That the net appropriations limit for FY 2015-2016 is  
8 established at \$2,991,417,308.

9  
10 Recommended:



11 Ben Rosenfield,  
12 Controller

<b>Item 5</b> <b>File 15-1213</b>	<b>Department:</b> Controller's Office (Controller)
<b>EXECUTIVE SUMMARY</b>	
<b>Legislative Objectives</b>	
<ul style="list-style-type: none"> <li>• The proposed resolution would establish the City's FY 2015-16 appropriations limit at \$2,991,417,308 as calculated by the Controller.</li> </ul>	
<b>Key Points</b>	
<ul style="list-style-type: none"> <li>• Article XIII B of the California State Constitution places annual limits on the appropriations of tax proceeds made by the State, school districts, and local governments in California. The annual appropriations limit is based on the appropriations limit for the preceding fiscal year and adjusted for (1) the change in population, and (2) the change in the cost of living.</li> <li>• Local governments are allowed to calculate the change in the cost of living using (1) the percentage change in California per-capita personal income or (2) the percentage change for the local jurisdiction's assessment roll for non-residential new construction. In 2014, change in per-capita personal income was 3.82 percent and change in assessment roll was 0.33 percent.</li> </ul>	
<b>Fiscal Impact</b>	
<ul style="list-style-type: none"> <li>• The Controller calculated the FY 2015-16 appropriations limit to be \$2,991,417,308, using the percentage change in California per-capita personal income.</li> </ul>	
<b>Policy Consideration</b>	
<ul style="list-style-type: none"> <li>• The Controller has discretion to calculate the change in the cost of living using (1) the percentage change in California per-capita personal income or (2) the percentage change for the local jurisdiction's assessment roll for non-residential new construction.</li> <li>• The Controller calculated the appropriations limit of \$2,991,417,308 using the change to the per-capita income. Had the Controller elected to use the percentage change in the local assessment roll, the appropriations limit would have been calculated at \$2,890,858,201, which is \$100,559,107 less than the proposed appropriations limit of \$2,991,417,308.</li> </ul>	
<b>Recommendation</b>	
<ul style="list-style-type: none"> <li>• Approve the proposed resolution.</li> </ul>	

## MANDATE STATEMENT

California Constitution Article XIII B states that each local government must set an annual appropriations limit as calculated using the preceding year's appropriations limit adjusted for (1) the change in population and (2) the change in the cost of living.

## BACKGROUND

On November 6, 1979, California voters approved Proposition 4, known as the Gann Initiative, which added Article XIII B to the California Constitution. Article XIII B (later amended by State Proposition 111, as approved by the voters in June of 1990) places annual limits on the appropriations of tax proceeds made by the State, school districts, and local governments in California. The annual appropriations limit is based on the appropriations limit for the preceding fiscal year and adjusted for (1) the change in population, and (2) the change in the cost of living.

Per Article XIII B Section 9 and California Government Code Section 7901, the appropriations limit does not apply to any tax proceeds appropriated for (a) debt service, (b) federally-mandated services, (c) qualified capital outlays, and (d) various hazardous waste programs administered by the Department of Public Health.

California Government Code Section 7901(b) defines the change in population as the population growth for the calendar year preceding the beginning of the fiscal year for which the appropriations limit is to be determined. According to the California Department of Finance, in calendar year 2014, San Francisco's population growth was 1.22 percent.

California Constitution Article XIII B Section 8(e)2 allows the local government to use one of the two following definitions to calculate the cost of living adjustment:

**Definition 1:** The percentage change in California per-capita personal income from the preceding year, estimated to be 3.82 percent in 2014, or

**Definition 2:** The percentage change for the local jurisdiction in the assessment roll from the preceding year due to non-residential new construction, estimated to be 0.33 percent in 2014.

## DETAILS OF PROPOSED LEGISLATION

The proposed resolution would establish the City's FY 2015-16 appropriations limit at \$2,991,417,308 as calculated by the Controller. The appropriations limit for FY 2015-16 is based on the amount of the FY 2014-15 appropriations limit and adjusted to reflect increases in (1) the population and (2) cost of living (calculated using the increase in per-capita personal income).

**FISCAL IMPACT**

Per California Constitution Article XIII B, the appropriations limit does not apply to tax proceeds appropriated for: (a) debt service, (b) federally-mandated services, (c) qualified capital outlays, and (d) various hazardous waste programs administered by the Department of Public Health. Consequently, the Controller excluded \$528,378,219 from the City's total FY 2015-16 tax proceeds of \$3,457,779,027 as shown in Table 1 below, resulting in net tax proceeds subject to the appropriations limit of \$2,929,400,807.

**Table 1: Estimated Tax Proceeds Subject to the Proposed Appropriations Limit**

<b>FY 2015-16 Estimated Total Tax Proceeds*</b>	<b>\$3,457,779,026</b>
<b>Exclusions</b>	
(a) Debt Service	(220,490,340)
(b) Federally-Mandated Services	(140,872,542)
(c) Qualified Capital Outlays	(167,015,337)
(d) Hazardous Waste Program	(0)
<b>Subtotal Exclusions</b>	<b>(528,378,219)</b>
<b>FY 2015-16 Net Tax Proceeds Subject to Appropriations Limit</b>	<b>\$2,929,400,807</b>

\*Includes property taxes, business taxes, other local taxes, rents & concessions, interest, and state grants.

The City's FY 2015-16 net proceeds of taxes, as determined by the Controller, are \$2,929,400,807, as shown in Table 1 above, which is \$62,016,501 less than the City's appropriations limit in FY 2015-16 of \$2,991,417,308, as calculated by the Controller, and as shown in Table 2 below.

**Table 2: Proposed FY 2015-16 Appropriations Limit**

<b>FY 2014-15 Appropriations Limit<sup>a</sup></b>	<b>\$2,846,620,971</b>
<b>Adjustment Factors</b>	
Increase in Population	1.22%
Increase in Per-Capita Personal Income	3.82%
<b>FY 2015-16 Appropriations Limit<sup>a</sup></b>	<b>\$2,991,417,308</b>
Source: Controller's Office	

<sup>a</sup> The annual appropriations limit is a formula set by the California Constitution. The Controller calculated the FY 2015-16 appropriations limit based on the increase in the City's population and the increase in per-capita personal income as follows: \$2,846,620,971 x 1.0122 x 1.0382 equals \$2,991,417,308 (actual total may vary due to rounding).

## POLICY CONSIDERATION

As noted in the background section, the Controller has discretion to calculate the cost of living adjustment factor using one of two following definitions:

**Definition 1:** The percentage change in California per-capita personal income from the preceding year, estimated to be 3.82 percent in 2014, or

**Definition 2:** The percentage change for the local jurisdiction in the assessment roll from the preceding year due to local non-residential new construction, estimated to be 0.33 percent in 2014.

Table 3 below shows the FY 2015-16 appropriations limit using both definitions.

**Table 3: The FY 2015-16 Appropriations Limit Can Vary Depending on Definition**

	<u>Definition 1</u>	<u>Definition 2</u>
	Per-Capita Personal Income	Local Assessment Roll from Non- Residential New Construction <sup>a</sup>
<b>FY 2014-15 Appropriations Limit</b>	<b>\$2,846,620,971</b>	<b>\$2,846,620,971</b>
Adjustment Factors		
Increase in Population	1.22%	1.22%
Increase in Per-Capita Personal Income	3.82%	-
Increase in Local Assessment Roll	-	0.33%
<b>FY 2015-16 Appropriations Limit</b>	<b>\$2,991,417,308</b>	<b>\$2,890,858,201</b>

<sup>a</sup> Difference due to rounding.

For the FY 2015-16 appropriations limit, the Controller elected to use the percentage change in per-capita personal income from the preceding year to calculate the cost of living adjustment, consequently calculating the appropriations limit at \$2,991,417,308, as shown in Table 3 above. Had the Controller elected to use the percentage change in the local assessment roll from the preceding year, the appropriations limit, as shown in Table 3 above, would have been calculated at \$2,890,858,201, which is (a) \$100,559,107 less than the proposed appropriations limit of \$2,991,417,308 and (b) \$38,542,606 less than the Controller's estimate of net tax proceeds subject to the appropriations limit of \$2,929,400,807, as shown in Table 1 above.

## RECOMMENDATION

Approve the proposed resolution.





RECEIVED  
BOARD OF SUPERVISORS  
CITY HALL  
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AK

**Ben Rosenfield**  
Controller  
**Todd Rydstrom**  
Deputy Controller

October 27, 2015

Angela Calvillo  
Clerk of the Board of Supervisors  
City Hall, Room 244  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102

RE: Legislation to Establish the Appropriation Limit for Fiscal Year 2015-16,  
Pursuant to California Constitution Article XIII B.

Dear Ms. Calvillo:

Enclosed is the above referenced resolution to set the City and County's appropriation limit for Fiscal Year 2015-16, as required by Government Code Section 7910. The necessary supporting documentation prepared by the Controller's Office is also enclosed.

This information must be posted and available for public inspection for fifteen days prior to a public hearing. Our working papers are available upon request at Controller's Office, Room 316.

Please contact Michelle Allersma at (415) 554-4792 if you have any further questions regarding this matter.

Sincerely,

Ben Rosenfield  
Controller

- Enclosures
- 1) California Spending Limit Resolution
  - 2) Transmittal to Mayor and Board of Supervisors
  - 3) Supporting Documents - Exhibits.





Ben Rosenfield  
Controller

Todd Rydstrom  
Deputy Controller

October 27, 2015

Mayor Edwin M. Lee  
City and County of San Francisco  
City Hall, Room 200  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102

Board of Supervisors  
City and County of San Francisco  
City Hall, Room 244  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102

RE: Appropriations Limit for Fiscal Year 2015-16

Dear Mayor Lee and Board Members:

In accordance with Article XIII B of the State Constitution, attached is the resolution establishing the City and County's annual appropriation limit for fiscal year 2015-16. We estimate City and County appropriations are approximately \$62 million below the state-mandated appropriation limit.

#### Background

Article XIII B of the State Constitution provides that annual appropriations of the City and County of San Francisco, which are funded from "Proceeds of Taxes," may not exceed the City and County's appropriation limit. This limit is equal to the prior year's limit adjusted for changes in population and inflation.

Our computation of proceeds of taxes is in accordance with California Government Code Section 7900, and conforms to the "Proposition 4, Article XIII B, California Constitution, Procedural Guidelines" prepared by the County Accounting Standards and Procedures Committee of the State Controller's Office (See Exhibit A).

#### Annual Appropriations Limit Adjustments

Each year the City and County of San Francisco adjusts its appropriation limit based upon two factors: population growth and inflation as determined by the California Government Code. Population growth is determined by using the change in San Francisco City and County population. According to the California Department of Finance, between January 1, 2014 and January 1, 2015, San Francisco City and County population growth was 1.22%. This growth factor is being used in the calculation. Inflation is determined by using either the change in California per capita personal income or the increase in the local assessment roll due to the addition of non-residential new construction. The fiscal year 2014-15 change in per capita

income was 3.82%, while the local assessment growth due to non-residential new construction was 0.33%. The fiscal year 2014-15 increase in California per capita personal income is used in the calculation (See Exhibit B).

Adjustments to Proceeds of Taxes

There are a series of downward adjustments to proceeds of taxes allowed by Article XIII B. The following exclusions are factored into our calculation of Net Proceeds of Taxes:

- (1) \$220.5 million is excluded as bonded indebtedness (Article XIII B, Section 9(a));
- (2) \$140.9 million is excluded as the federal mandate for Social Security and Medicare payroll taxes (Article XIII B, Section 9(b)); and,
- (3) \$167.0 million is excluded under the determination of "qualified capital outlay" (Article XIII B Section 9(e))

City and County Appropriations are well under the Limit

Our appropriation limit for FY 2015-16 is \$2,991,417,308. We estimate that our appropriations subject to limitation will be \$2,929,400,807. Thus, the Controller projects that the City and County will be \$62,016,501 below its limit in the current fiscal year.

It is the Controller's responsibility to monitor this appropriation limit each year for compliance. If the total adjusted appropriations funded from proceeds of taxes exceed the statutory limit, such excess must be returned to the taxpayers within two years.

Sincerely,

Ben Rosenfield  
Controller

Attachments

cc: Kate Howard, Mayor's Budget Office  
Dennis Herrerra, City Attorney  
Buck Delventhal, Deputy City Attorney  
Angela Calvillo, Clerk of the Board  
Harvey Rose, Budget Analyst

California Constitution Article XIII B Appropriation Limit  
 Fiscal Year 2015-16 Final Budget  
 Exhibit A - Appropriations Funded by Proceeds of Taxes Subject to Limit

	GENERAL FUND	OTHER GOVERNMENTAL FUNDS	MUNICIPAL TRANSPORTATION FUND	TOTAL
Property Taxes	1,291,000,000	338,818,469	-	1,629,818,469
Business Taxes	634,460,000	1,900,000	-	636,360,000
Other Local Taxes	1,062,535,000	-	-	1,062,535,000
Interest (1)	7,881,768	635,735	-	8,517,503
Rents & Concessions (1)	219,805	612	17,240,637	17,461,054
Grants - State (2) (3) (4)	101,747,000	1,340,000	-	103,087,000
<b>TOTAL PROCEEDS OF TAXES</b>	<b>3,097,843,573</b>	<b>\$342,694,816</b>	<b>\$17,240,637</b>	<b>3,457,779,026</b>
<b>LESS:</b>				
Indebtedness funded from proceeds of tax (Article XIII B Section 9(a) exclusion)				(220,490,340)
Federal Mandate for Social Security/Medicare (Article XIII B Section 9(b) exclusion)				(140,872,542)
Qualified Capital Outlay (Article XIII B Section 9(d) exclusion)				(167,015,337)
Hazardous Waste (Government Code Section 7901(i)(2) exclusion)				0
<b>NET PROCEEDS OF TAXES</b>				<b>2,929,400,807</b>
Adjusted Appropriations Limit 2015-16 - Exhibit B				2,991,417,308
Less: Estimated Appropriations from Proceeds of Taxes				(2,929,400,807)
<b>FY 2015-16 Appropriations Under (Over) Statutory Limit</b>				<b>\$62,016,501</b>

- (1) Prorated allocation based upon breakdown of proceeds of tax to non-proceeds of tax.
- (2) Excludes motor vehicle fuel and weight fees (Article XIII B Section 9(e)).
- (3) Excludes funds from California Children and Families First Act of 1998 (Article XIII B Sections 13).
- (4) Excludes federal and state tobacco taxes (Article XIII B Sections 12).

**California Constitution Article XIII B Appropriation Limit  
 Fiscal Year 2015-16 Final Budget  
 Exhibit B - Calculation**

Fiscal Year 2015-16:

CA Per-Capita Personal Income change (1) 3.82%

Percentage change in the local assessment roll from the preceding year  
 for the jurisdiction due to the addition of local nonresidential new construction. (2) 0.33%

Cost of Living Change 3.82%

Population percentage change -  
 County of San Francisco (1) 1.22%

Cost of Living Change converted to ratio  $\frac{3.82 + 100}{100} = 1.0382$

Population Change converted to ratio  $\frac{1.22 + 100}{100} = 1.0122$

Calculation of Appropriations Limit:

Ratio Change  $1.0382 \times 1.0122 = 1.0509$

Appropriations Limit FY 2014-15 2,846,620,971

X Ratio Change 1.0509

Appropriations Limit FY 2015-16 \$2,991,417,308

(1) Per Capita Personal Income and Population Percentage Changes provided by the California Department of Finance.

(2) Assessment data provided by SF Assessor's Office

California Constitution Article XIII B Appropriation Limit  
 Fiscal Year 2015-16 Final Budget  
 Exhibit C - Annual Changes FY 1980-81 to FY 2015-16

Base Year Limit	421,812,990
Less: Base Year Voter-Approved Indebtedness funded from Proceeds of Taxes	(11,347,967)
Franchise Fees in Base Year	<u>(1,405,000)</u>
Revised Base Year Limit	409,060,023

Schedule of Annual Changes:

1980-81:	Base Year	x	1.261700	=	\$516,111,031
1981-82	516,111,031	x	1.103200	=	569,373,689
1982-83	569,373,689	x	1.080800	=	615,379,083
1983-84	615,379,083	x	1.040300	=	640,178,860
1984-85	640,178,860	x	1.061900	=	679,805,931
1985-86	679,805,931	x	1.055300	=	717,399,199
1986-87	717,399,199	x	1.058500	=	759,367,052
1987-88	759,367,052	x	1.047430	=	795,383,831
1988-89	795,383,831	x	1.062090	=	844,769,213
1989-90	844,769,213	x	1.068520	=	902,652,799
1990-91	902,652,799	x	1.060650	=	957,398,691
1991-92	957,398,691	x	1.060350	=	1,015,177,702
1992-93	1,015,177,702	x	1.010590	=	1,025,928,434
1993-94	1,025,928,434	x	1.044560	=	1,071,643,477
1994-95	1,071,643,477	x	1.018782	=	1,091,771,470
1995-96	1,091,771,470	x	1.061651	=	1,159,080,666
1996-97	1,159,080,666	x	1.051410	=	1,218,669,177
1997-98	1,218,669,177	x	1.076426	=	1,311,807,188
1998-99	1,311,807,188	x	1.062538	=	1,393,845,379
1999-2000	1,393,845,379	x	1.060248	=	1,477,821,483
2000-01	1,477,821,483	x	1.062319	=	1,569,917,337
2001-02	1,569,917,337	x	1.095236	=	1,719,429,294
2002-03	1,719,429,294	x	1.020090	=	1,753,972,216
2003-04	1,753,972,216	x	1.031899	=	1,809,921,579
2004-05	1,809,921,579	x	1.041062	=	1,884,241,303
2005-06	1,884,241,303	x	1.061968	=	2,001,004,232
2006-07	2,001,004,232	x	1.048541	=	2,098,134,098
2007-08	2,098,134,098	x	1.056313	=	2,216,285,736
2008-09	2,216,285,736	x	1.058648	=	2,346,265,997
2009-10	2,346,265,997	x	1.022929	=	2,400,062,943
2010-11	2,400,062,943	x	1.018682	=	2,444,901,111
2011-12	2,444,901,111	x	1.035043	=	2,530,578,930
2012-13	2,530,578,930	x	1.042577	=	2,638,323,870
2013-14	2,638,323,870	x	1.062553	=	2,803,358,837
2014-15	2,803,358,837	x	1.015432	=	2,846,620,971
2015-16	2,846,620,971	x	1.050866	=	2,991,417,308

## Wong, Linda (BOS)

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**From:** Allersma, Michelle (CON)  
**Sent:** Wednesday, December 16, 2015 3:09 PM  
**To:** Wong, Linda (BOS)  
**Cc:** Koskinen, Alex (CON)  
**Subject:** RE: BOS File No. 151213 - Appropriations Limit

Hi Linda,

Yes, we provided copies of documents labeled Exhibits A, B and C with the legislation. These are the documents we have provided in past years to meet the inspection requirement. Government Code Sec. 7910 requires that documentation used in the determination of the limit be available 15 days prior to the hearing at which the governing body adopts the resolution establishing the limit.

Based on this, the City is in compliance with Government Code noticing requirements.

Michelle

Michelle Allersma  
Controller's Office  
Budget & Analysis Division  
415.554.4792

---

**From:** Wong, Linda (BOS)  
**Sent:** Wednesday, December 16, 2015 10:52 AM  
**To:** Allersma, Michelle (CON)  
**Subject:** BOS File No. 151213 - Appropriations Limit

Hi Michelle,

This is regarding the attached proposed resolution on establishing the appropriations limit for FY 2015-2016.

The legislation states that documentation used to determine the appropriation limit for FY2015-2016 was available for public inspection in the Clerk's Office for at least 15 days prior to regularly scheduled meeting. Could you please confirm that our office has the documentation mentioned in the legislation and are there any special noticing requirements we have to do to comply with the Government Code?

Please advise.

Linda Wong  
Board of Supervisors  
1 Dr. Carlton B. Goodlett Place, City Hall, Room 244  
San Francisco, CA 94102-4689  
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Controller's Office

# FY 2015-16 City and County of San Francisco Appropriations Limit

Budget and Finance Committee  
January 20, 2016

1983



# Background

- California Proposition 4, the "Gann Limit" Initiative, passed by voters in November 6, 1979 amended the California Constitution to:
  - Limit growth in government appropriations to the percentage increase in the cost of living and the percentage increase in population.
  - Require state and local governments to return funds to taxpayers in excess of the limit for a given fiscal year.



# Fiscal Year 2015-16 Appropriations Limit

Controller's Office

- FY 2014-15 Limit: \$2,846,620,971
- 2014 San Francisco Population Increase: 1.22%
- 2014 Change in Cost of Living: 3.82%
- FY 2015-16 Appropriation Limit: \$2,991,417,308
- Amount Below Limit: \$62,016,501



# History of Amounts Below the Limit

Controller's Office

Fiscal Year	Budgeted Appropriations Under Limit
2009-10	\$ 289,486,528
2010-11	\$ 369,571,867
2011-12	\$ 291,012,967
2012-13	\$ 172,255,383
2013-14	\$ 106,970,307
2014-15*	\$ 84,955,651
2015-16	\$ 62,016,501





