

ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



STAFF REPORT

MEETING DATE: 6/28/2023

Staff Report No. 23-326

TO: AC Transit Board of Directors
FROM: Michael A. Hursh, General Manager/Chief Executive Officer
SUBJECT: FY 2023-24 Appropriations Limit Notice

BRIEFING ITEM

AGENDA PLANNING REQUEST:

RECOMMENDED ACTION(S):

Consider the adoption of Resolution No. 23-028 providing notice of the scheduled adoption of an Appropriations Limit for Fiscal Year 2023-24.

Staff Contact:
Chris Andrichak, Chief Financial Officer

STRATEGIC IMPORTANCE:

Goal - Financial Stability and Resiliency
Initiative - Financial Efficiency and Revenue Maximization

Establishing the District's Appropriations Limit is necessary for compliance with state law.

BUDGETARY/FISCAL IMPACT:

The District must make available to the public the Appropriations Limit for FY 2023-24 and supporting documentation. Article XIII B of the California Constitution places limitations on the annual appropriations of the State and each local government. In 1979, California voters approved Proposition 4 (Article XIII B of the California State Constitution). Informally known as the "Gann Initiative", Article XIII B provides limits to the amount of tax proceeds state and local governments can spend each year. The base year was set at FY 1978-79. In 1980, the State Legislature added Section 9710 of the Government Code stating that the governing body of each local jurisdiction must establish, by resolution, an appropriations limit for the following year.

The limit for any fiscal year is equal to the previous year's limit, adjusted for population changes and a cost of living factor. The California Department of Finance publishes each May the statistical information needed to calculate the appropriations limit (See Attachment 2). This includes (a) the California per Capita Personal Income Index which provides the cost-of-living factor and (b) the change in population from the previous year by county and cities and unincorporated areas within each county which provides the population factor. Special districts that are required by law to calculate their appropriations limit must present the calculation as part of their annual audit.

The Appropriations Limit Calculation

For the District, the FY 2023-24 Appropriations Limit allowable growth factor was positively influenced by the 4.44 percent annual growth rate in the California Per Capita Personal Income Index and combined 0.9964 percent annual growth rate in the Population Factor. The rates for both factors were the result of continued growth in the State and Bay Area economy. The calculation of the appropriations limit is included as Exhibit B to Resolution 23-028 (Attachment 1).

BACKGROUND/RATIONALE:

There is no budgetary or fiscal impact from this report.

ADVANTAGES/DISADVANTAGES:

There is no disadvantage to the establishment of an appropriations limit. State law requires it.

ALTERNATIVES ANALYSIS:

There are no alternatives to the establishment of an appropriations limit. State law requires it.

PRIOR RELEVANT BOARD ACTION/POLICIES:

None.

ATTACHMENTS:

1. Resolution No. 23-028
2. State Price Factor and Population Information (with Exhibits A and B)

Prepared by:

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Approved/Reviewed by:

Richard Oslund, Director of Management & Budget

Chris Andrichak, Chief Financial Officer

Jill A. Sprague, General Counsel/Chief Legal Officer