

# ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



## STAFF REPORT

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**MEETING DATE:** 7/24/2024

**Staff Report No.** 24-357a

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**TO:** AC Transit Board of Directors  
**FROM:** Michael A. Hursh, General Manager/Chief Executive Officer  
**SUBJECT:** FY 2024-25 Appropriations Limit Adoption

### ACTION ITEM

**AGENDA PLANNING REQUEST:**

**RECOMMENDED ACTION(S):**

Consider the adoption of Resolution No. 24-026 establishing the Appropriations Limit for Fiscal Year 2024-25 at \$675,361,470.

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:**

There is no budgetary or fiscal impact from this report.

**BACKGROUND/RATIONALE:**

On June 26, 2024, the Board of Directors adopted Resolution No. 24-025 giving notice of the scheduled adoption of an Appropriations Limit for FY 2024-25. The notice and supporting documentation must be available to the public at least 15 days prior to the adoption of an Appropriations Limit and were posted on the District's website and in the General Office lobby on June 27, 2024. The documents are on file with the District Secretary's Office. There was no public comment received.

The District must make available to the public the Appropriations Limit for FY 2024-25 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. Each May, the California Department of Finance publishes 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. The 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 2024-25 Appropriations Limit allowable growth factor was positively influenced by the 3.62 percent annual growth rate in the California Per Capita Personal Income Index and combined 0.0012 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 24-026 (Attachment 1).

Staff recommends the adoption of Resolution No. 24-026 establishing the Appropriations Limit for Fiscal Year 2024-25 at \$675,361,470.

#### **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:**

Staff Report 24-357 - Appropriations Limit Notice

#### **ATTACHMENTS:**

1. Resolution No. 24-026
2. State Price Factor and Populations (with Exhibits A and B)

#### **Prepared by:**

Mary Archer, Budget Manager

#### **Approved/Reviewed by:**

Richard Oslund, Director of Management & Budget

Chris Andrichak, Chief Financial Officer

Shayna van Hoften, Interim General Counsel/Chief Legal Officer

Linda A. Nemeroff, Board Administrative Officer/District Secretary