

LAKE COUNTY OFFICE OF EDUCATION
Office of the Superintendent

**Resolution Adopting the Gann Limit
Resolution No. 1819-03**

ISSUE

Current law (Education Code section 42132) requires that the governing board adopt a resolution to identify the appropriations limit for the agency for the preceding fiscal year (2017-18). The resolution must be adopted at a regular or special meeting of the governing board.

BACKGROUND/PREVIOUS BOARD ACTIVITY

The Lake County Office of Education's 2016-17 Gann Limit was increased by Resolution No. 1718-04.

DISCUSSION

School Services provides a great explanation of how the Gann Limit works: Envision the dollar amount of your agency's Gann Limit as a bucket. For example, if your current year Gann Limit is \$50 million, picture a bucket that can hold \$50 million. First, put into this bucket local property taxes that count toward your Local Control Funding Formula entitlement, as well as an appropriate portion of your district's interest income. Next, pour all of the district's other unrestricted state aid into this bucket. Under state law (Government Code [G.C.] Section 7906), the amount of state aid that fills up the bucket counts toward your district's Gann Limit, while the amount that overflows the bucket counts toward the state's Gann Limit. In addition, all state aid for categorical programs always counts toward the state's Gann Limit.

Through this process, as much state aid as possible counts toward school agency Gann Limits. By reducing the amount of state aid that counts toward the state's Gann Limit in this manner, this process helps the state avoid being over its Gann Limit.

The Lake County Office of Education's Gann limit is inflated because the formula compares appropriations on a per ADA basis, which is declining in the county operated schools, and LCFE appropriations are held harmless at the 2012-13 funding level (flat funded).

FISCAL, STAFFING, AND FACILITIES

Increasing the Gann Limit does not affect the agency's appropriations. It does however; reduce the State's Gann Limit by an equal amount.

SUPERINTENDENT'S RECOMMENDATION

The County Superintendent of Schools recommends adoption of Resolution No. 1819-03.

Report prepared by: Michelle Buell

**LAKE COUNTY BOARD OF EDUCATION
RESOLUTION NO. 1819-03
ADOPTING THE "GANN" LIMIT**

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 2017-18 fiscal year and a projected Gann Limit for the 2018-19 fiscal year in accordance with the provisions of Article XIII-B and applicable statutory law; and,

WHEREAS, Government Code Section 7902.1 provides that school districts may increase their Gann Limits under specified circumstances;

NOW, THEREFORE, BE IT RESOLVED that this Board does provide public notice that the attached calculations and documentation of the Gann limits for the 2017-18 and 2018-19 fiscal years are made in accord with applicable constitutional and statutory law;

AND BE IT FURTHER RESOLVED that this board does provide public notice that the attached calculations and documentation of the Gann Limits for the 2017-18 and 2018-19 fiscal years include an increase of \$106,800.81 to the 2017-18 Gann Limit pursuant to the provisions of Government Code Section 7902.1;

AND BE IT FURTHER RESOLVED that the Superintendent notifies the Director of the State Department of Finance of the increase to the 2017-18 Gann Limit;

AND BE IT FURTHER RESOLVED that this Board does hereby declare that the appropriations in the Budget for the 2017-18 and 2018-19 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.

PASSED AND ADOPTED this 17th day of October, 2018 at a regular meeting of the Lake County Board of Education.

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|-----------------|-----------|-----------|---------------|--------------|
| David Browning: | Aye _____ | Nay _____ | Abstain _____ | Absent _____ |
| Mark Cooper: | Aye _____ | Nay _____ | Abstain _____ | Absent _____ |
| Patricia Hicks: | Aye _____ | Nay _____ | Abstain _____ | Absent _____ |
| Melissa Kinsel: | Aye _____ | Nay _____ | Abstain _____ | Absent _____ |
| Madelene Lyon: | Aye _____ | Nay _____ | Abstain _____ | Absent _____ |

APPROVED: _____
Board President

ATTEST: _____
Lake County Superintendent of Schools