

# CITY OF SAN PABLO

## FY 2026-27 Gann Appropriations Limit & FY 2025-26 Correction

**Budget, Fiscal, and Legislative Standing Committee**  
June 10, 2026



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## What is the GANN APPROPRIATIONS LIMIT?

- ▶ Proposition 4 limits growth of state and local government spending to changes in personal income and population
- ▶ Governments which bump up against this limit must return the “surplus” revenue to taxpayers
- ▶ Gann Limit must be calculated annually and presented to the governing body for review
- ▶ Annual revenue received by the City from Casino San Pablo under MSA is considered CONTRACT REVENUE and, therefore *does not apply to GANN Appropriation Limit reporting requirements*



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## FY 2025/26 Correction

- ▶ The City's auditors (Maze & Associates) identified an arithmetic error in the adopted FY 2025/26 Gann limit during the April 2026 audit — the City's population change factor had been entered as 2.00% instead of the correct 0.20%
- ▶ Correcting the factor lowers the FY 2025/26 limit from **\$68,692,874** to **\$67,480,647** — a reduction of **\$1,212,227**
- ▶ This is a **reporting-accuracy correction, not a compliance failure** — proceeds of taxes of \$18,203,122 used only 27.0% of the corrected limit, leaving the City well under
- ▶ The correction will be adopted by a new City Council resolution (a *legislative act* under Gov. Code § 7910), superseding the prior resolution 2025-074



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# FY 2026/27 San Pablo Appropriation Limit

- ▶ Population Factor: Higher of 2026/27 change in population for Contra Costa County or City of San Pablo (per the California Department of Finance)
  - ▶ City of San Pablo's population change was -0.62%
  - ▶ Contra Costa County's population change was -0.31%
  - ▶ *The County figure (the higher of the two) is used*
- ▶ Price Factor: Higher of 2026/27 State Per Capita Income change (per the California Department of Finance) or the percentage change in assessed value for the City's nonresidential new construction
  - ▶ California's per capita personal income change factor was 4.95%
  - ▶ *Per HdL, the change in assessed value for the City's nonresidential new construction was 0.55%*
- ▶ FORMULA: Multiply the corrected 2025/26 Appropriation Limit by the combined Appropriation factor;  $\$67,480,647 \times 0.9969 \times 1.0495 = \mathbf{\$70,601,394}$

**FY 2026/27 Appropriation Limit: \$70,601,394**



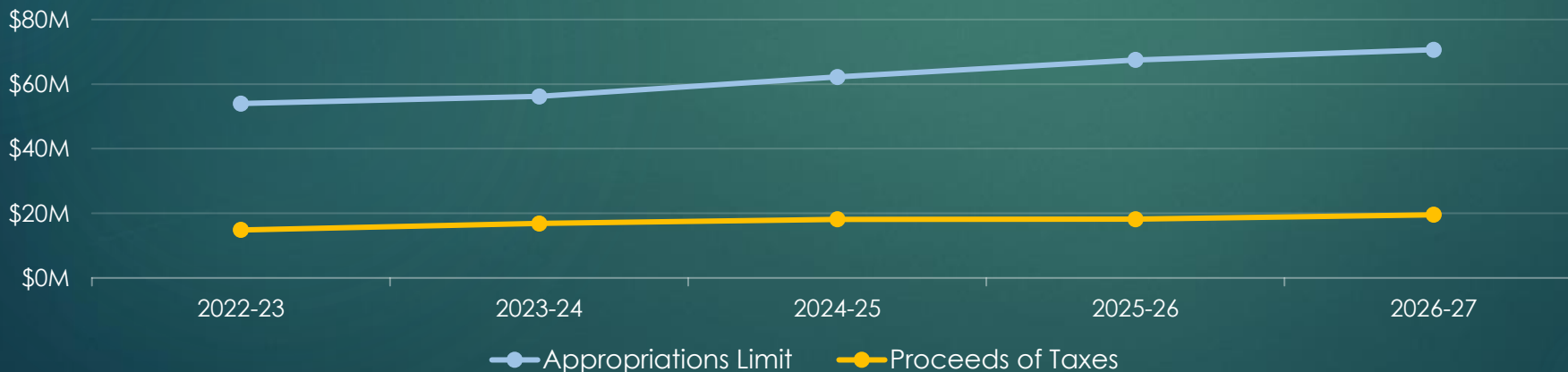
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# Five-Year Trend: Limit vs. Proceeds of Taxes

Proceeds of taxes subject to the Gann limit have consistently remained well below the limit. For FY 2026/27, proceeds of \$19,578,166 use about 27.7% of the \$70,601,394 limit, leaving the City \$51,023,228 under.

Description	2022-23	2023-24	2024-25	2025-26	2026-27
<b>Appropriations Limit</b>	\$53,959,210	\$56,152,121	\$62,173,149	\$67,480,647	\$70,601,394
<b>Proceeds of Taxes</b>	\$14,884,689	\$16,881,322	\$18,130,734	\$18,203,122	\$19,578,166
<b>Amount Under Limit</b>	\$39,074,521	\$39,270,799	\$44,042,415	\$49,277,525	\$51,023,228
<b>% of Limit Used</b>	27.6%	30.1%	29.2%	27.0%	27.7%



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## RECOMMENDATION:

1. Receive the presentation;
2. Recommend the City Council adopt the resolution approving the **corrected FY 2025-26** Gann Appropriations Limit, superseding the prior resolution; and
3. Recommend the City Council adopt the resolution approving the **FY 2026-27** Gann Appropriations Limit (Article XIII B, California Constitution)



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QUESTIONS?

NEXT STEP  
CITY COUNCIL  
MONDAY,  
JUNE 15, 2026



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