



August 12, 2013

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TO: Directors/Managers of Business
FROM: Laurie Weiss, Business Services Specialist
Business Services

Subject: School District Appropriations (GANN) Limits

According to Government Code Section 7906(f): Each school district shall report to the Superintendent of Public Instruction and to the Director of Finance at least annually its appropriations limit, its appropriations subject to limitation, the amount of its state aid apportionments and subventions included within the proceeds of taxes of the school district, and amounts excluded from its appropriations limit, at a time and in a manner prescribed by the Superintendent of Public Instruction and approved by the Director of Finance.

Additionally, Education Code Section 42132 specifies that **on or before September 15** the governing board of each school district shall adopt a resolution identifying their estimated appropriations limit for the current fiscal year and their actual appropriations limit for the preceding fiscal year. Notwithstanding Section 7910 of the Government Code, the documentation supporting the adoption resolution shall be made available to the public on the date of the meeting. Enclosed are sample resolutions to assist districts with compliance of the Education Code.

Government Code Section 7910(a) requires that fifteen days prior to the regular scheduled meeting or noticed special meeting documentation used in the determination of the appropriations limit and other necessary determinations shall be available to the public. The determinations made pursuant to this section are legislative acts.

Form GANN is included to the SACS software to assist LEAs in meeting their constitutional and statutory obligations under the Gann Initiative to calculate appropriations limits and appropriations subject to limitation. Districts must include their completed Form GANN with their officially exported Unaudited Actuals submission.

Although Form GANN contains preloaded or extracted data, some data must be manually entered on the form. Specifically, Line 19, Medicare, is not extracted and must be manually entered on the form.

The adjustment columns are available to make any necessary corrections to prior year Gann data or to extracted data. All adjustments must be explained in the bottom section of Form GANN, and documentation supporting the adjustments kept in your files along with a copy of this year's Form GANN. A fatal internal form check added to the software will prompt users to enter an explanation if data exists in the Adjustments column. Users will be able to close the form without fixing the condition, but the explanation must be provided to complete an official export.

The flexibility provisions enacted by SBX3 4 (Chapter 12, Statutes of 2009), as amended by SB 70 (Chapter 7, Statutes of 2011) affected the calculation as it relates to the data imported as part of state aid programs (indicated with ** on Form GANN). Funding for these programs must be accounted for as Unrestricted, Resource 0000, All Other State Revenue, Object 8590 beginning in 2009-10 and are no longer distinguishable in the SACS software general ledger data. Local educational agencies (LEAs) must manually enter the data into the adjustments columns in Section C, lines 26-31, 33, and 35. It should be noted that Community Day School Additional Funding amounts on lines 28 and 29 (Resource 2430, Object 8311, and Resource 2430, Object 8319) will not be extracted and will require a combined key entry into the Adjustments column along with unrestricted Community Day School funding (Resource 0000, Object 8590).

Additionally, Section C, Line 24, Revenue Limit State Aid – Current Year (Object 8011) has been modified to include the Education Protection Account (Object 8012) effective in 2012-13.

It is important to note that an amount on Section D, Line 10 on the Form GANN indicates an increase to the appropriations limit per Government Code Section 7902.1. The District must report the increase of its appropriations limit to the Director of Finance within 45 days.

Please send a copy of the board adopted resolution to: **Laurie Weiss, Business Services, A-1155A, Orange County Department of Education**. If you have any questions or concerns regarding this request, please call me at (714) 966-4489.

cc: Chris Lombardo, Director
Assistant Superintendents, Business