

Attachment 1

Fiscal Year 2018 Appropriations Limit: Calculation

Based on the provisions in Article XIII B of the California Constitution as approved by the voters in November 1979, the appropriations limit for each succeeding year through 1987 is determined by the District's 1979 appropriations base times a cumulative composite factor. The base year was later revised to 1987. The cumulative composite factor consists of the product of:

- 1) The lesser of the relative year change in the all urban consumer price index (SF/Oakland/SJ CPI-U) or the California per capita personal income, and
- 2) At the District's discretion, the relative year-to-year change in District wide population, or the population for the District's county that has the highest assessed valuation. Election of the higher of the two growth factors results in a higher appropriations limit.

The District's appropriations limit for Fiscal Year 2018 is calculated on the basis of the urban consumer price index (CPI-U SF/Oakland/SJ) and District-wide population gains. Steps in the calculations are as follows:

Relevant data, percent change:

- CPI-U SF/Oakland/SJ, 3.4372% (applies this year per option 1 above)
- Population Change, District-wide, 1.0537% (applies this year per option 2 above)

District Population

| | <u>As of 1/1/16</u> | <u>As of 1/1/17</u> | <u>% Change</u> |
|----------------------|---------------------|---------------------|-----------------|
| Alameda | 1,629,233 | 1,645,359 | 0.9898% |
| Contra Costa | 1,126,824 | 1,139,513 | 1.1261% |
| <u>San Francisco</u> | <u>864,889</u> | <u>874,228</u> | <u>1.0798%</u> |
| Total | 3,620,946 | 3,659,100 | 1.0537% |

FY18 Cumulative Adjustment Factor:

| | | | | |
|---------------------------|---|-----------------------|---|------------------------------|
| CPI-U SF/Oakland/SJ | x | Population Factor | = | Current Adjustment Factor |
| (1 + 3.4372%) | x | (1 + 1.0537%) | = | 1.0453 |
| Current Adjustment Factor | x | Prior Year Adjustment | = | Cumulative Adjustment Factor |
| 1.0453 | x | 3.1408 | = | 3.2830 |

FY18 Appropriations Limit:

| | | | | |
|--------------------------|---|--------------------------|---|---------------------------|
| FY87 Appropriations Base | x | FY18 Cumulative Adj Fctr | = | FY18 Appropriations Limit |
| 181,568,000 | x | 3.2830 | = | <u>\$596,087,690</u> |