



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <i>[Signature]</i> 5/19/21		GENERAL MANAGER ACTION REQ'D:		
DATE: 5/10/2021		BOARD INITIATED ITEM: No		
Originator/Prepared by: David Covarrubias Dept: AGM - Performance & Budget	General Counsel	Controller/Treasurer	District Secretary	BARC
Signature/Date: <i>ES</i> 5/10/21	<i>[Signature]</i> 5/18/21	<i>Christina</i> 5/18/21 []	[]	<i>[Signature]</i> 5/19/21 []

FY22 Proposition 4 Appropriations Limit

PURPOSE:

To approve the District's Fiscal Year 2022 Appropriations Limit, as required by State law pursuant to the Gann Initiative (Proposition 4, passed by the voters in 1979).

DISCUSSION:

The Gann Initiative (Proposition 4) provides for limits on appropriations by State and local government entities. California Government Code Section 7910 requires local jurisdictions to annually adopt an appropriations limit by resolution and establishes a 45-day statute of limitations for commencement of any judicial action to challenge the appropriations limit.

Section 7910 requires the Board of Directors to establish by resolution BART's annual appropriations limit "at a regularly scheduled meeting or noticed special meeting." Further, it requires that fifteen days prior to such meeting, documentation used in the determination of the appropriations limit shall be made available to the public. On May 12, 2021, the documentation was made available to the public.

Attachment 1 summarizes the FY22 appropriations limit calculation in accordance with the uniform *Guidelines for Implementation of the Gann Initiative* prepared by the League of California Cities and the information furnished by the State Department of Finance.

Attachment 2 is the calculation for the margin as it relates to the Proposition 4 limit. The margin is the difference between the appropriations limit and the expenditures subject to the limit. Based on the calculations, the District will be below the limit of \$674,576,014.

FISCAL IMPACT:

No fiscal impact. The FY22 appropriations limit is \$674,576,014. Operating and Capital expenditures subject to the appropriations limit total \$435,815,380. As such, the District is \$238,760,634 below the subject FY22 appropriations limit.

ALTERNATIVES:

None.

RECOMMENDATION:

Approval of the following motion.

MOTION:

That the Board adopt the attached resolution which sets the District's FY22 appropriations limit at \$674,576,014.

Attachment 1

Fiscal Year 2022 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/Hayward 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 2022 is calculated on the basis of the urban consumer price index (CPI-U SF/Oakland/Hayward) and Alameda County's population gains as it has the highest assessed valuation of the three counties. Steps in the calculations are as follows:

Relevant data, percent change:

- CPI-U SF/Oakland/Hayward, 1.5673% (applies this year per option 1 above)
- Population Change, Alameda County, -0.8524% (applies this year per option 2 above)

District Population

	<u>As of 1/1/20</u>	<u>As of 1/1/21</u>	<u>% Change</u>
Alameda	1,670,834	1,656,591	-0.8524%
Contra Costa	1,153,561	1,153,854	0.0254%
<u>San Francisco</u>	<u>897,806</u>	<u>875,010</u>	<u>-2.5391%</u>
Total*	3,722,201	3,685,455	-0.9872%

FY22 Cumulative Adjustment Factor:

CPI-U SF/Oakland/Hayward	x	Population Factor	=	Current Adjustment Factor
(1 +1.5673%)	x	(1 + (-0.8524%))	=	1.0070
Current Adjustment Factor	x	Prior Year Adjustment	=	Cumulative Adjustment Factor
1.0070	x	3.6894	=	3.7153

FY22 Appropriations Limit:

FY87 Appropriations Base	x	FY22 Cumulative Adj Factor	=	FY22 Appropriations Limit
<u>\$181,568,000</u>	x	3.7153	=	<u>\$674,576,014</u>

Note: San Mateo County and Santa Clara County are not to be included. Although San Mateo and Santa Clara are served by BART, the District is comprised only of SF, CC, and Alameda counties.

**Note: Population growth factor to come from county with the highest assessed valuation (Alameda County) or the district-wide total - whichever is higher.*

**BEFORE THE BOARD OF DIRECTORS OF THE
SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT**

In the Matter of the Establishment
Of the Fiscal Year 2022

Appropriations Limit

Resolution No. 5484

WHEREAS, Article XIII B of the California Constitution limits the District's appropriations for Fiscal Year 1981, and subsequent years; and

WHEREAS, Government Code Section 7910 requires the District to establish, by resolution, its appropriations limit pursuant to Article XIII B; and

WHEREAS, documentation used in the determination of the Fiscal Year 2022 appropriations limit has been available to the public for at least fifteen days prior to the date of this resolution;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the San Francisco Bay Area Rapid Transit District that the District's appropriations limit for Fiscal Year 2022 shall be \$674,576,014.

Adopted: May 27, 2021

SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT
300 Lakeside Drive
Oakland, CA 94612

**Appropriations Limit for Fiscal Year 2022
Notice of Documentation for Review
and Time of Meeting**

Notice is Hereby Given That:

- A. Documentation used in determining the District's appropriations limit for the fiscal year July 1, 2021 to June 30, 2022 will be available for public review on and after May 12, 2021 at 9:00 a.m. at the Office of the District Secretary, Twenty-third Floor, 300 Lakeside Drive, Oakland, California.
- B. At its scheduled meeting on Thursday, May 27, 2021 at 9:00 a.m., the Board of Directors will address the District's appropriations limit for Fiscal Year 2022.

Pursuant to Governor Newsom's Executive Order N-29-20 and the California Shelter-in-Place mandate, public participation for this public hearing will be via teleconference only. Log-in instructions for a teleconferenced public hearing will be available on the BART website (www.bart.gov).

We strongly encourage public comments to be submitted via email. You may submit comments via email to board.meeting@bart.gov, using "public hearing" as the subject line. Your comment will be read into the record and will become a permanent part of the file. Please submit your comments as far in advance as possible. Emailed comments must be received before 9:00 a.m. in order to be included in the record.

Comments may be made at the hearing or should be sent to:
Jacqueline Edwards, District Secretary
San Francisco Bay Area Rapid Transit District
300 Lakeside Drive, 23rd Floor
Oakland, California 94612
board.meeting@bart.gov

Jacqueline Edwards
District Secretary
San Francisco Bay Area Rapid Transit District

ATTACHMENT 2
FY22 PROPOSITION 4 APPROPRIATIONS LIMIT

Whole Dollars, as of 05/07/21

LIMIT		NOTES & COMMENTS
CPI-U	1.5673%	CPI-U for SF/OAK/Hayward 2/21 vs 2/20
Per Capita Personal Income delta FY21>FY22	5.7300%	State DOF Price & Population Information, 1/1/21 (report released 5/7/21)
District Population Growth	-0.8524%	Districtwide growth is based on Alameda Population Growth (highest valuation)
Annual Adjustment Factor	1.0070	[1+(CA Per Capita CPI)]*[1+(District population growth)]
Cumulative Adjustment Factor	3.7153	(Current year factor)*(prior year cumulative factor)
Appropriations Limit	\$674,576,014	(FY87 base appropriations) x (cumulative factor)
APPROPRIATIONS		
Operating Budget		
Operating Expenses	859,566,959	FY22 Prelim Operating Budget
Operating Subtotal	859,566,959	
Operating Allocations		
Misc. Capital Allocations	10,000,000	FY22 Prelim Operating Budget
Other Capital Allocations	91,926,844	FY22 Prelim Operating Budget
Operating Allocations Subtotal	101,926,844	
Capital Budget		
Funded	1,419,276,622	FY22 Prelim Operating Budget
Less Funded Pass Through	(474,135,900)	FY22 Prelim Operating Budget
Net Capital Expense	945,140,722	
Debt Service:		
Debt Service	57,167,323	FY22 Prelim Operating Budget
GO Seismic & RR Bonds	109,282,094	Per GO & RR Bond Series Debt schedule
Debt Service Subtotal	166,449,416	
Total Operating & Capital Appropriations	\$ 2,073,083,941	
EXCLUSIONS		
Allocation from Reserves	327,812,230	FY22 Prelim Operating Budget
ADA Mandated Service Expense	13,979,000	FY22 Prelim Operating Budget
Net Operating Revenue:		
Net Passenger Revenue	165,832,528	FY22 Prelim Operating Budget
Other Operating Revenue	30,088,325	FY22 Prelim Operating Budget
Subtotal	195,920,853	FY22 Prelim Operating Budget
Federal Operating Funds (ARP)	57,090,231	FY22 Prelim Operating Budget
Federal Capital Funds:		
Funded	321,025,401	FY22 Prelim Operating Budget
Debt Service (GO Seismic & RR Bonds)	109,282,094	Per above, GO Bond Series Debt schedule
Capital Budget Funded from Measure AA GO Bond Proceeds	27,014,037	FY22 Prelim Operating Budget
Capital Budget Funded from Measure RR GO Bond Proceeds	511,917,343	FY22 Prelim Operating Budget
Capital Budget Funded from Sales Tax Revenue Bond Proceeds	9,665,992	FY22 Prelim Operating Budget
BART Capital Funds	63,561,380	FY22 Prelim Operating Budget
Total Exclusions	\$ 1,637,268,561	
MARGIN		
Appropriations Limit	\$674,576,014	Per above
Appropriations Subject to Limit	435,815,380	Appropriations less exclusions, per above
Margin	\$ 238,760,634	Appropriations less expenditures subject to limit
RESIDENT POPULATION**		
Alameda (<i>highest assessed valuation in 2021</i>)		
Population	1,656,591	State DOF Price & Population Information, 1/1/21 (report released 5/7/21)
Percent Change	-0.8524%	
Contra Costa		
Population	1,153,854	State DOF Price & Population Information, 1/1/21 (report released 5/7/21)
Percent Change	0.0254%	
San Francisco		
Population	875,010	State DOF Price & Population Information, 1/1/21 (report released 5/7/21)
Percent Change	-2.5391%	
District Total		
Population	3,685,455	Sum of population for BART counties
Percent Change	-0.9872%	Percent increase

**Population Estimate as of 1/1/21. Population estimate is "total population" and includes military and other temporary residents. Per State Department of Finance, prior year City and County population estimates may be revised.