Exhibit Item #N-1

PALOMAR COMMUNITY COLLEGE DISTRICT

FISCAL SERVICES
October 2, 2007

TO: Robert Deegan
Superintendent/President

FROM: Phyllis Lademan
Director of Fiscal Services

SUBJECT: Gann Limit Approval

OVERVIEW

Pursuant to Article XIII-B of the Constitution and Chapter 1205, Statues of 1980, all community college districts are required to compute an annual appropriation limit. That limit is adjusted annually for changes in price index, population, and other factors (if applicable).

DISCUSSION

Government Code Section 7908 (c), requires each community college district to report to the Chancellor of the California Community Colleges at least annually its appropriation limit, appropriations subject to limit, the amount of State aid apportionment and subventions included within the proceeds of taxes of the district, and amounts excluded from the appropriations subject to limit.

Chapter 1638, Statues of 1982, provides that the Chancellor's Office shall inform districts of the price factor to be used in establishing the appropriation limit. The price factor to be used is defined as the change in fourth quarter California per capita personal income. The price factor to be used in setting the 2007-2008 appropriation limit is 1.0442%.

BUDGET IMPLICATIONS

There are no budget implications from this item, as Palomar Community College is well within the limits. For the Fiscal Year 2007-2008, the Appropriations Limit is $112,249,164, and the Appropriations Subject to Limit are $85,556,973.

Attached is the Gann Limit Worksheet.

RECOMMENDATION

Staff recommends approval of this report.

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CALIFORNIA COMMUNITY COLLEGES
GANN LIMIT WORKSHEET
2007-2008

DISTRICT NAME: Palomar Community College DATE: September 28, 2007

I. 2007-2008 APPROPRIATIONS LIMIT:

A.	2006-2007 Appropriations Limit		$107,713,189
B.	Price factor for 2007-08: 1.0442		
C.	Population factor:		
	1. 2005/2006 Second Period Actual FTES _____19,248_____		
	2. 2006/2007 Second Period Actual FTES _____19,215_____		
	3. 2006/2007 Population change factor ___.998_____ (line C.2. divided by line C.1.)		
D.	2006-2007 Limit adjusted by inflation and population factors (line A multiplied by line B and line C.3.)		$112,249,164 ...
E.	Adjustments to increase limit:		
	1. Transfers in of financial responsibility	$.....	
	2. Temporary voter approved increases	_____	
	3. Total adjustments - increase		_____
	Sub-Total		$ .....
F.	Adjustments to decrease limit:		
	1. Transfers out of financial responsibility	$.....	
	2. Lapses of voter approved increases	_____	
	3. Total adjustments - decrease		< >
G.	2007-2008 Appropriations Limit		$112,249,164

II. 2007-2008 APPROPRIATIONS SUBJECT TO LIMIT:

A.	State Aid (General Apportionment, Apprenticeship Allowance, Basic Skills, and Partnership for Excellence)	$ 36,256,973 __
B.	State Subventions (Home Owners Property Tax Relief, Timber Yield tax, etc.)	600,000 .....
C.	Local Property taxes	48,700,000 .....
D.	Estimated excess Debt Service taxes	.....
E.	Estimated Parcel taxes, Square Foot taxes, etc.	.....
F.	Interest on proceeds of taxes	.....
G.	Local appropriations from taxes for unreimbursed State, court, and federal mandates	< >
H.	2007-2008Appropriations Subject to Limit	$ 85,556,973