



LAGUNA BEACH
UNIFIED SCHOOL DISTRICT

Resolution No. 25-21

Gann Limit

Presented to the Board of Education
October 9, 2025

WHAT IS THE GANN LIMIT?

- Created by **Proposition 4 (1979)** to keep government spending in line with population and inflation.
- Applies only to tax-based revenues, not all district funds.
- Each year, districts calculate and certify this constitutional spending threshold.
- If revenues exceed the cap, the law automatically raises the limit—no refunds or cuts.

WHY IT MATTERS FOR LBUSD?

- Laguna Beach USD is a Basic Aid district funded mainly by local property taxes.
- **Property -tax revenues** have grown faster than enrollment (ADA) and inflation.
- Our Gann Limit adjusts upward each year to stay in compliance with state law.
- 2024–25 Limit: \$68.7 million → \$72.1 million (+ \$3.4 million automatic adjustment).

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- Certifies our Gann calculation is accurate and compliant.
- Adopts the state-required resolution to adjust the limit.
- Keeps the district in compliance with state law.
- Routine annual action: · No fiscal impact · Maintains transparency