

Article XIII B of the California State Constitution, which became effective in the 1979/80 fiscal year, and which was modified (by Proposition 111) in November, 1989, sets an appropriation limit for governmental agencies. Using the appropriations of fiscal year 1978/79 as the base year, the limit is modified by the change in the composite consumer price index, population, and the value of commercial property development within the City limits during each fiscal year. Article XIII B also sets the guidelines as to what can be included in the appropriation limits.

The estimated appropriation limit for Redwood City is \$92,979,808 for fiscal year 2002/03 and \$96,699,000 for 2003/04, while the actual appropriations subject to the limit amount to \$52,318,883 in 2002/03 and \$55,099,308 in 2003/04. The following indicates the trend in appropriations subject to limitation:

