

# Statewide Issues

This section includes issue(s) that affect multiple departments in various major program areas.

## **2006-07 State Appropriations Limit Calculation**

Pursuant to Article XIII B of the California Constitution, the 2006-07 State Appropriations Limit (SAL) is estimated to be \$72.303 billion. The revised limit is the result of applying the growth factor of 4.96 percent. The revised 2006-07 limit is \$175 million above the \$72.128 billion estimated in January. This increase is due to changes in the following factors:

- Per Capita Personal Income
  - o January Percentage Growth: 3.58
  - o May Revision Percentage Growth: 3.96
- State Civilian Population
  - o January Percentage Growth: 1.37
  - o May Revision Percentage Growth: 1.21
- K-14 Average Daily Attendance
  - o January Percentage Growth: 0.66
  - o May Revision Percentage Growth: 0.60

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For SAL purposes, per capita personal income is defined as calendar fourth quarter California personal income, as estimated by the US Bureau of Economic Analysis (BEA), divided by California civilian population, estimated by the California Department of Finance. Since BEA does not release its civilian population estimate until April, the Department of Finance uses its own estimate for the Governor's January Budget. The May Revision reflects the BEA's estimate.

The SAL for 2005-06 does not change since it was statutorily established by Control Section 12.00 of the 2005 Budget Act.