

MODERNIZING THE EXPENDITURE LIMIT & BASE ADJUSTMENT

A PATH FORWARD: LOCAL PROPOSITION (NOVEMBER 2026)

An outdated state expenditure limitation penalizes GCC for responsibly budgeting and spending its revenue. A voter-approved base limit expense adjustment would allow GCC to use existing funds to continue to support programs and avoid penalties without impacting your taxes. GCC is considering an adjustment to the 1979/80 base limit expenses for the November 2026 ballot.

ANNUAL EXPENDITURE LIMIT FORMULA

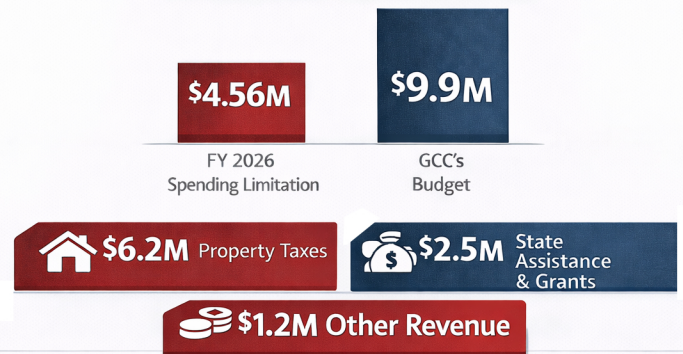
$$\text{Annual Expenditure Limit} = \text{FY 1979/80 Base Limit Expenses} \times \text{FTSE}^* \times \text{Inflation}^{**} \text{ Factor}$$



KEY FACTS:

- NO NEW TAXES for Gila County residents.
- Arizona's 1980 Expenditure Limitation law penalizes GCC for spending local revenue and taxpayer funds that our own community already provides, even when those dollars support students, workforce training, and essential services—making modernization of the base limit long overdue.
- Penalties up to 5X the excess expenditures or 1/3 of state aid may be withheld.
- The formula only adjusts for inflation and enrollment but not for rising demand, rapid technological innovation, or the true cost of providing the programs and services that students, employers, and communities rely on.
- Simply modernizes a 45-year-old formula through a base limit expense adjustment.

GCC Financial Snapshot



GCC's ability to serve Gila County residents through education and workforce development is constrained by an outdated expenditure limitation formula.

BASE LIMIT EXPENSE ADJUSTMENTS RECENTLY APPROVED IN:

- Maricopa County (59%)
- Graham County (79%)

A base limit expense adjustment for Gila Community College allows the college to keep its existing programs and continue to grow and serve our communities without affecting your taxes!



* A total of 30 credits/year completed by one student or a combined number of students = 1 Full-Time Student Equivalent (FTSE)

** Inflation is identified as the Gross Domestic Product (GDP) Implicit Price Deflator while the student population is defined as FTSE.