



**DEPARTMENT OF
FINANCE**
OFFICE OF THE DIRECTOR

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Dear Fiscal Officer:

Subject: Price Factor and Population Information

Appropriations Limit

The California Revenue and Taxation Code, section 2227, requires the Department of Finance (Finance) to transmit an estimate of the percentage change in population to local governments. Each local jurisdiction must use their percentage change in population factor for January 1, 2017, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2017-18. Attachment A provides the change in California's per capita personal income and an example for utilizing the price factor and population percentage change factor to calculate the 2017-18 appropriations limit. Attachment B provides the city and unincorporated county population percentage change. Attachment C provides the population percentage change for counties and their summed incorporated areas. The population percentage change data excludes federal and state institutionalized populations and military populations.

Population Percent Change for Special Districts

Some special districts must establish an annual appropriations limit. The Revenue and Taxation Code, section 2228 provides additional information regarding the appropriations limit. Article XIII B, section 9(C) of the California Constitution exempts certain special districts from the appropriations limit calculation mandate. The Code and the California Constitution can be accessed at the following website: <http://leginfo.legislature.ca.gov/faces/codes.xhtml>.

Special districts required by law to calculate their appropriations limit must present the calculation as part of their annual audit. Any questions special districts have on this requirement should be directed to their county, district legal counsel, or the law itself. No state agency reviews the local appropriations limits.

Population Certification

The population certification program applies only to cities and counties. Revenue and Taxation Code section 11005.6 mandates Finance to automatically certify any population estimate that exceeds the current certified population with the State Controller's Office. **Finance will certify the higher estimate to the State Controller by June 1, 2017.**

Please Note: Prior year's city population estimates may be revised.

If you have any questions regarding this data, please contact the Demographic Research Unit at (916) 323-4086.

MICHAEL COHEN
Director
By:

AMY M. COSTA
Chief Deputy Director

Attachment

- A. **Price Factor:** Article XIII B specifies that local jurisdictions select their cost of living factor to compute their appropriation limit by a vote of their governing body. The cost of living factor provided here is per capita personal income. If the percentage change in per capita personal income is selected, the percentage change to be used in setting the fiscal year 2017-18 appropriation limit is:

Per Capita Personal Income	
Fiscal Year (FY)	Percentage change over prior year
2017-18	3.69

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2017-18 appropriation limit.

2017-18:

Per Capita Cost of Living Change = 3.69 percent
Population Change = 0.85 percent

Per Capita Cost of Living converted to a ratio:

$$\frac{3.69 + 100}{100} = \underline{\underline{1.0369}}$$

Population converted to a ratio:

$$\frac{0.85 + 100}{100} = 1.0085 \text{ (state rate)}$$

Calculation of factor for FY 2017-18:

$$1.0369 \times 1.0085 = 1.0457$$

Fiscal Year 2017-18

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2016 to January 1, 2017 and Total Population, January 1, 2017

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total Population</u>
	2016-2017	1-1-16	1-1-17	1-1-2017
Fresno				
Clovis	2.45	108,109	110,762	110,762
Coalinga	2.52	12,206	12,513	16,982
Firebaugh	0.53	8,159	8,202	8,202
Fowler	2.39	5,949	6,091	6,091
Fresno	0.97	520,441	525,495	525,832
Huron	3.90	6,916	7,186	7,186
Kerman	1.66	14,376	14,614	14,614
Kingsburg	1.87	12,111	12,338	12,338
Mendota	1.74	11,626	11,828	11,828
Orange Cove	0.84	9,291	9,369	9,369
Parlier	0.62	15,404	15,500	15,500
Reedley	0.52	26,016	26,152	26,152
Sanger	1.44	26,038	26,412	26,412
San Joaquin	0.49	4,050	4,070	4,070
Selma	1.19	24,860	25,156	25,156
Unincorporated	0.44	173,795	174,555	175,481
County Total	1.11	979,347	990,243	995,975

*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.