



DEPARTMENT OF
FINANCE
OFFICE OF THE DIRECTOR

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Dear Fiscal Officer:

Subject: Price Factor and Population Information

Appropriations Limit

California Revenue and Taxation Code section 2227 requires the Department of 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, 2020, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2020-21. 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 2020-21 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. California 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 section 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. California 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, 2020.**

Please Note: The prior year's city population estimates may be revised. The per capita personal income change is based on historical data. Given the stay-at-home orders due to COVID-19, growth in the coming years may be substantially lower than recent trends.

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

/s/ Keely Martin Bosler

KEELY MARTIN BOSLER
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 2020-21 appropriation limit is:

Per Capita Personal Income	
Fiscal Year (FY)	Percentage change over prior year
2020-21	3.73

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2020-21 appropriation limit.

2020-21:

Per Capita Cost of Living Change = 3.73 percent
 Population Change = 0.22 percent

Per Capita Cost of Living converted to a ratio: $\frac{3.73 + 100}{100} = 1.0373$

Population converted to a ratio: $\frac{0.22 + 100}{100} = 1.0022$ (state rate)

Calculation of factor for FY 2020-21: $1.0373 \times 1.0022 = 1.0396$

Fiscal Year 2020-21

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2019 to January 1, 2020 and Total Population, January 1, 2019

County City	Percent Change 2019-2020	--- Population Minus Exclusions ---		Total Population
		1-1-19	1-1-20	1-1-2020
Fresno				
Clovis	2.20	116,609	119,175	119,175
Coalinga	1.53	12,459	12,649	17,199
Firebaugh	0.01	7,980	7,981	7,981
Fowler	3.76	6,220	6,454	6,454
Fresno	0.69	541,645	545,397	545,769
Huron	-0.04	7,302	7,299	7,299
Kerman	1.16	15,767	15,950	15,950
Kingsburg	2.65	12,551	12,883	12,883
Mendota	1.92	12,278	12,514	12,514
Orange Cove	-0.04	9,460	9,456	9,456
Parlier	1.48	15,658	15,890	15,890
Reedley	0.17	25,873	25,917	25,917
Sanger	0.67	27,005	27,185	27,185
San Joaquin	-0.05	4,144	4,142	4,142
Selma	0.14	24,402	24,436	24,436
Unincorporated	0.10	170,025	170,188	171,108
County Total	0.81	1,009,378	1,017,516	1,023,358

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