



May 2018

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, 2018, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2018-19. 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 2018-19 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, 2018.**

Please Note: The 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.

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Director
By:

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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 2018-19 appropriation limit is:

Per Capita Personal Income

Fiscal Year (FY)	Percentage change over prior year
2018-19	3.67

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2018-19 appropriation limit.

2018-19:

Per Capita Cost of Living Change = 3.67 percent
Population Change = 0.78 percent

Per Capita Cost of Living converted to a ratio: $\frac{3.67 + 100}{100} = 1.0367$

Population converted to a ratio: $\frac{0.78 + 100}{100} = 1.0078$ (state ratio)

Calculation of factor for FY 2018-19: $1.0367 \times 1.0078 = 1.0448$

Fiscal Year 2018-19

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2017 to January 1, 2018 and Total Population, January 1, 2018

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total</u>
	2017-2018	1-1-17	1-1-18	1-1-2018
Fresno				
Clovis	3.03	110,532	113,883	113,883
Coalinga	-1.53	12,816	12,620	16,791
Firebaugh	0.81	8,047	8,112	8,112
Fowler	2.45	6,092	6,241	6,241
Fresno	0.82	533,593	537,972	538,330
Huron	0.38	7,274	7,302	7,302
Kerman	2.31	14,743	15,083	15,083
Kingsburg	1.45	12,215	12,392	12,392
Mendota	2.96	11,704	12,051	12,051
Orange Cove	2.05	9,279	9,469	9,469
Parlier	1.37	15,283	15,493	15,493
Reedley	1.41	26,023	26,390	26,390
Sanger	1.52	26,249	26,648	26,648
San Joaquin	0.59	4,095	4,119	4,119
Selma	0.64	24,585	24,742	24,742
Unincorporated	1.03	167,553	169,281	170,183
County Total	1.18	990,083	1,001,798	1,007,229

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