



Gavin Newsom ■ Governor

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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 (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, 2023, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2023-24. 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 2023-24 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, 2023.**

Please Note: The prior year's city population estimates may be revised. The per capita personal income change is based on historical data.

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

JOE SPEPHENSHAW
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 2023-24 appropriation limit is:

Per Capita Personal Income

Fiscal Year (FY)	Percentage change over prior year
2023-24	4.44

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2023-24 appropriation limit.

2023-24:

Per Capita Cost of Living Change = 4.44 percent
Population Change = -0.35 percent

Per Capita Cost of Living converted to a ratio: $\frac{4.44 + 100}{100} = 1.0444$

Population converted to a ratio: $\frac{-0.35 + 100}{100} = 0.9965$

Calculation of factor for FY 2023-24: $1.0444 \times 0.9965 = 1.0407$

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2022 to January 1, 2023 and Total Population, January 1, 2023

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total Population</u>
	2022-2023	1-1-22	1-1-23	1-1-2023
Riverside				
Banning	1.28	30,856	31,250	31,250
Beaumont	4.12	54,349	56,590	56,590
Blythe	-0.43	12,662	12,607	17,265
Calimesa	0.11	10,950	10,962	10,962
Canyon Lake	-0.49	11,003	10,949	10,949
Cathedral City	-0.37	51,590	51,400	51,433
Coachella	1.26	41,935	42,462	42,462
Corona	-0.09	157,139	157,005	157,005
Desert Hot Springs	0.68	32,389	32,608	32,608
Eastvale	-0.66	69,978	69,514	69,514
Hemet	0.84	89,170	89,918	89,918
Indian Wells	-0.23	4,785	4,774	4,774
Indio	1.17	89,789	90,837	90,837
Jurupa Valley	-0.16	105,154	104,983	104,983
Lake Elsinore	-0.02	71,844	71,828	71,973
La Quinta	1.11	37,562	37,979	37,979
Menifee	2.44	107,411	110,034	110,034
Moreno Valley	-0.01	208,302	208,289	208,289
Murrieta	-0.54	110,592	109,998	109,998
Norco	-0.52	22,345	22,228	25,037
Palm Desert	-0.02	50,626	50,615	50,615
Palm Springs	-0.17	44,165	44,092	44,092
Perris	0.60	78,474	78,948	78,948
Rancho Mirage	0.94	16,854	17,012	17,012
Riverside	-0.36	314,759	313,617	313,676
San Jacinto	-0.37	54,303	54,103	54,103
Temecula	-0.52	109,468	108,899	108,899
Wildomar	-0.28	36,438	36,336	36,336
Unincorporated	0.83	398,128	401,433	401,693
County Total	0.34	2,423,020	2,431,270	2,439,234

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