

April 30, 2024

Dear Fiscal Officer:

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, 2024, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2024-25. Attachment A provides the change in California's per capita personal income and an example for utilizing the factors to calculate the 2024-25 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. 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, 2024.** 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.

/s Richard Gillihan

RICHARD GILLIHAN
Chief Operating Officer

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 2024-25 appropriation limit is:

Per Capita Personal Income	
Fiscal Year (FY)	Percentage change over prior year
2024-25	3.62

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2024-25 appropriation limit.

2024-25:

Per Capita Cost of Living Change = 3.62 percent
Population Change = 0.17 percent

Per Capita Cost of Living converted to a ratio: $\frac{3.62 + 100}{100} = 1.0362$

Population converted to a ratio: $\frac{0.17 + 100}{100} = 1.0017$

Calculation of factor for FY 2024-25: $1.0362 \times 1.0017 = 1.0379$

Fiscal Year 2024-25

Attachment B
Annual Percent Change in Population Minus Exclusions*
January 1, 2023 to January 1, 2024 and Total Population, January 1, 2024

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total Population</u>
	23-24	1-1-23	1-1-24	1-1-24
Santa Clara				
Campbell	-0.22	43,191	43,095	43,095
Cupertino	-0.31	59,656	59,471	59,471
Gilroy	0.80	60,419	60,904	61,033
Los Altos	-0.19	31,316	31,255	31,255
Los Altos Hills	-0.01	8,477	8,476	8,476
Los Gatos	-0.41	33,368	33,230	33,230
Milpitas	0.17	81,635	81,773	81,773
Monte Sereno	0.51	3,564	3,582	3,582
Morgan Hill	0.11	46,333	46,384	46,384
Mountain View	2.45	84,463	86,535	86,535
Palo Alto	-0.21	68,093	67,953	67,973
San Jose	-0.13	970,772	969,491	969,491
Santa Clara	-0.26	132,386	132,048	132,048
Saratoga	-0.08	30,845	30,819	30,819
Sunnyvale	0.24	157,187	157,566	157,566
Unincorporated	-0.53	90,063	89,584	90,467
County Total	0.02	1,901,768	1,902,166	1,903,198

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