

May 2025

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, 2025, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2025-26. 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 2025-26 appropriations limit. Attachment B provides the city and unincorporated county population percentage change along with 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, 2025.**

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 STEPHENSHAW
Director
By:

ERIKA LI
Chief Deputy Director

Attachment

LAKE HEMET MUNICIPAL WATER DISTRICT

The Board of Directors of Lake Hemet Municipal Water District will adopt a Resolution setting the Appropriations Limit for Fiscal Year 2025/2026 at the Regular Board meeting to be held Thursday, June 19, 2025 at 3:00 p.m. Calculations made to establish the Appropriations Limit follow:

2025 – 2026 Limit

California per capita personal income change: **6.44 percent ***
(* = Cost-of-Living price factor provided by Dept of Finance per capita personal income.)

California per capita personal income converted to a ratio:

$$\frac{6.44}{100} + \frac{100}{100} = 1.064 \text{ percent}$$

Riverside County population change (01/01/24 – 01/01/25): **0.20 percent**

Population change converted to a ratio:

$$\frac{0.20}{100} + \frac{100}{100} = 1.002$$

$$\text{Ratio of change: } 1.002 \times 1.064 = 1.066$$

Appropriations Limit for 2023 – 2024 was: **\$14,822,000.40**

$$\underline{\$14,822,000.40 \times 1.066 = \$15,800,252.40}$$

Appropriations Limit for 2024 - 2025: **\$15,800,252.40**

Section 7910 of the California Government Code implements Article XIII B of the California Constitution requires each local jurisdiction to annually establish, by resolution, its appropriations limit for each fiscal year, beginning in 1980-81, and to make the documentation used in determining the appropriations limit available to the public 15 days prior to adoption of the resolution establishing the appropriations limit.