



May 2011

Dear Fiscal Officer:

**Subject: Price and Population Information**

#### **Appropriations Limit**

The California Revenue and Taxation Code, Section 2227, mandates 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, 2011, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2011-2012. Enclosure I 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 2011-2012 appropriations limit. Enclosure II provides city and unincorporated county population percentage changes, and Enclosure IIA provides county's and incorporated area's summed population percentage changes. 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. Consult the Revenue and Taxation Code, Section 2228 for further information regarding the appropriation limit. You can access the Code from the following website: "<http://www.leginfo.ca.gov/calaw.html>" check box: "Revenue and Taxation Code" and enter 2228 for the search term to learn more about the various population change factors available to special districts to calculate their appropriations limit. Article XIII B, Section 9(C), of the State Constitution exempts certain special districts from the appropriations limit calculation mandate. Consult the following website: "[http://www.leginfo.ca.gov/const/article\\_13B](http://www.leginfo.ca.gov/const/article_13B)" for additional information. 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 issue should be referred to their respective county for clarification, or to their legal representation, or to the law itself. No State agency reviews the local appropriations limits.

#### **Population Certification**

The population certification program applies only to cities and counties. The Federal 2010 Census population counts for cities and counties have been certified to the State Controller's Office. 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, 2011.**

**Please Note:** The population estimates provided in this report incorporate 2010 Census numbers as benchmarks. Therefore, the population estimates for 2010 and 2011 published in this report for your jurisdiction may be noticeably different from the previous year estimates.

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

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Enclosure I

- 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 2011-2012 appropriation limit is:

Per Capita Personal Income

Fiscal Year (FY)	Percentage change over prior year
2011-2012	2.51

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2011-2012 appropriation limit.

**2011-2012:**

Per Capita Cost of Living Change = 2.51 percent  
 Population Change = 0.77 percent

Per Capita Cost of Living converted to a ratio:  $\frac{2.51 + 100}{100} = 1.0251$

Population converted to a ratio:  $\frac{0.77 + 100}{100} = 1.0077$

Calculation of factor for FY 2011-2012:  $1.0251 \times 1.0077 = 1.0330$

Enclosure II  
 Annual Percent Change in Population Minus Exclusions  
 January 1, 2010 to January 1, 2011 and Total Population, January 1, 2011

County City	<u>Percent Change</u>	<u>--- Population Minus Exclusions ---</u>		<u>Total</u>
	2010-2011	1-1-10	1-1-11	1-1-2011
<b>Kern</b>				
Arvin	1.30	19,345	19,596	19,596
Bakersfield	1.27	346,953	351,369	351,443
California City	0.37	11,557	11,600	12,858
Delano	0.49	42,463	42,673	53,155
Maricopa	0.35	1,157	1,161	1,161
McFarland	0.36	11,535	11,576	12,739
Ridgecrest	1.43	26,728	27,109	27,768
Shafter	2.05	16,450	16,787	17,283
Taft	0.48	6,523	6,554	9,321
Tehachapi	2.94	8,565	8,817	14,523
Wasco	1.02	19,696	19,897	25,781
Unincorporated	1.86	293,421	298,868	301,255
<b>County Total</b>	<b>1.44</b>	<b>804,393</b>	<b>816,007</b>	<b>846,883</b>

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