

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.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

- 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 2025-26 appropriation limit is:

Per Capita Personal Income	
Fiscal Year (FY)	Percentage change over prior year
2025-26	6.44

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2025-26 appropriation limit.

**2025-26:**

Per Capita Cost of Living Change = 6.44 percent  
Population Change = 0.28 percent

Per Capita Cost of Living converted to a ratio:  $\frac{6.44 + 100}{100} = 1.0644$

Population converted to a ratio:  $\frac{0.28 + 100}{100} = 1.0028$

Calculation of factor for FY 2025-26:  $1.0644 \times 1.0028 = 1.0674$



## CITY OF PICO RIVERA

### APPROPRIATIONS SUBJECT TO GANN LIMIT

#### FISCAL YEAR 2025-26

Appropriations limit for FY 2025-26	\$217,488,822
Appropriations subject to the limit for FY 2024-25	<u>(46,237,333)</u> <sup>(1)</sup>
Amount by which appropriation limit exceeds appropriations subject to the limit	<u><u>\$171,251,489</u></u>

<sup>(1)</sup> City of Pico Rivera FY 2024-25 Adopted Budget

## CITY OF PICO RIVERA

### CALCULATIONS OF APPROPRIATION LIMIT FOR FISCAL YEAR 2025-26

Total Appropriation Limit for FY 2024-25	\$203,717,518
Cumulative Growth Rate for FY 2025-26 appropriation limit	<u>1.0676</u>

GANN Appropriation Limit for FY 2025-26	<u><u>217,488,822</u></u>
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#### Calculations for Cumulative Growth Rate

<u>Factor</u>	<u>Percentage</u>	
2025-26 Net Growth in California per Capita Income <sup>(2)</sup>	6.44%	1.0644
January 1, 2025 Population growth County of Los Angeles <sup>(2)</sup>	0.30%	<u>1.0030</u>
Cumulative Growth Rate for FY 2025-26 Appropriation Limit		<u><u>1.0676</u></u>

<sup>(2)</sup> State Department of Finance