

## **Agenda Item 5E**

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## STAFF REPORT

**TO:** Board of Directors

**PREPARED BY:** Steven Palmer, PE, CSDM, General Manager *SP*

**SUBJECT:** Adopt a Resolution Establishing the Appropriations Limit for Fiscal Year 2026/2027

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### **RECOMMENDATION**

Adopt Resolution 2026-04 establishing the appropriations limit for Fiscal Year 2026/27.

### **BACKGROUND**

In November 1979, California voters approved Proposition 4, "The Gann Initiative" which is incorporated in Article XIII B of the California State Constitution. Proposition 4 limits the amount of tax revenue that government agencies can appropriate. Agencies are required to annually establish and adhere to a limit on the amount of its appropriations (eg. property tax). The annual appropriations limit is calculated based upon the level of appropriations in fiscal year 1979 and subsequent changes in the local population and cost of living. The limit is calculated using a State formula as described in the letter included as Attachment 1.

### **DISCUSSION AND ANALYSIS**

The appropriations limit for Fiscal Year 2026/27 is calculated by multiplying the Fiscal Year 2025/26 limit by the personal income factor (1.0495) and population factor  $((1.39+100)/100)$  identified in the letter in Attachment 1 ( $\$4,514,061 \times 1.0495 \times 1.0139$ ). The Fiscal Year 2026/27 appropriations limit for Donner Summit Public Utility District (DSPUD) is \$4,803,358

As shown in the draft budget, DSPUD expects to collect \$143,620 in property tax in Fiscal Year 2026/27. This is less than the appropriations limit of \$4,803,358.

### **FISCAL IMPACT**

There is no direct fiscal impact by this action.

### **CEQA ASSESSMENT**

This is not a CEQA Project

### **ATTACHMENTS**

1. Letter From State Department of Finance
2. Resolution

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## Attachment 1

May 1, 2026

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, 2026, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2026–27. Attachment A provides the change in California’s per capita personal income and an example for utilizing the factors to calculate the 2026–27 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, 2026.** 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 Erika Li  
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 2026–27 appropriation limit is:

Per Capita Personal Income

Fiscal Year (FY)	Percentage change over prior year
2026-27	4.95

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2026–27 appropriation limit.

**2026–27:**

Per Capita Cost of Living Change = 4.95 percent  
Population Change = -0.14 percent

Per Capita Cost of Living converted to a ratio:  $\frac{4.95 + 100}{100} = 1.0495$

Population converted to a ratio:  $\frac{-0.14 + 100}{100} = 0.9986$

Calculation of factor for FY 2026–27:  $1.0495 \times 0.9986 = 1.0480$

[About the Data](#)

**FISCAL YEAR 2026-27**  
**Attachment C**  
**Annual Percent Change in Population Minus Exclusions\***  
**January 1, 2025 to January 1, 2026, and Total Population January 1, 2026**

City	County	Percent Change 25-26	Population Minus Exclusions 1-1-25	Population Minus Exclusions 1-1-26	Total Population 1-1-26
County Total	Alameda	-0.10	1,666,296	1,664,649	1,666,136
County Total	Alpine	0.08	1,181	1,182	1,183
County Total	Amador	-0.32	36,124	36,009	39,618
County Total	Butte	0.16	208,597	208,941	208,941
County Total	Calaveras	-0.18	44,677	44,597	44,678
County Total	Colusa	-0.29	22,067	22,003	22,003
County Total	Contra Costa	-0.31	1,167,422	1,163,807	1,163,891
County Total	Del Norte	-1.17	24,457	24,170	26,339
County Total	El Dorado	-0.29	190,290	189,741	189,852
County Total	Fresno	-0.03	1,036,409	1,036,135	1,041,676
County Total	Glenn	-0.58	29,200	29,031	29,031
County Total	Humboldt	-0.27	133,125	132,771	133,026
County Total	Imperial	-0.50	180,872	179,969	185,961
County Total	Inyo	-0.12	18,739	18,717	18,780
County Total	Kern	0.10	911,416	912,368	927,328
County Total	Kings	-1.19	137,446	135,814	153,754
County Total	Lake	-0.34	66,914	66,687	66,793
County Total	Lassen	-1.13	23,626	23,359	27,318
County Total	Los Angeles	-0.64	9,889,470	9,825,852	9,837,286
County Total	Madera	0.62	160,039	161,039	166,407
County Total	Marin	-0.74	249,700	247,861	250,823
County Total	Mariposa	-0.18	16,864	16,833	16,846
County Total	Mendocino	-0.77	89,275	88,584	88,591
County Total	Merced	-0.06	293,094	292,922	294,154
County Total	Modoc	-0.27	8,490	8,467	8,467
County Total	Mono	-0.47	12,455	12,396	12,482
County Total	Monterey	-0.17	422,021	421,294	436,755
County Total	Napa	-0.14	134,957	134,769	136,374
County Total	Nevada	-0.47	100,386	99,915	99,983
County Total	Orange	-0.37	3,175,332	3,163,509	3,163,696
<b>County Total</b>	<b>Placer</b>	<b>1.39</b>	<b>428,880</b>	<b>434,823</b>	<b>434,823</b>
County Total	Plumas	-1.24	18,703	18,471	18,471
County Total	Riverside	0.42	2,491,753	2,502,284	2,506,824
County Total	Sacramento	0.59	1,613,978	1,623,494	1,628,349
County Total	San Benito	0.69	67,641	68,111	68,111
County Total	San Bernardino	-0.06	2,190,011	2,188,660	2,216,685
County Total	San Diego	0.04	3,277,428	3,278,871	3,344,322
County Total	San Francisco	0.15	843,973	845,226	845,658
County Total	San Joaquin	0.61	812,786	817,705	820,125
County Total	San Luis Obispo	-0.15	276,398	275,984	279,242
County Total	San Mateo	-0.03	748,271	748,049	748,182
County Total	Santa Barbara	-0.14	439,499	438,902	444,974
County Total	Santa Clara	0.23	1,927,151	1,931,578	1,932,468
County Total	Santa Cruz	-0.62	262,636	261,008	261,069
County Total	Shasta	-0.18	182,089	181,764	181,934
County Total	Sierra	-0.44	3,167	3,153	3,153
County Total	Siskiyou	-0.33	43,248	43,104	43,153
County Total	Solano	-0.37	442,422	440,799	452,050
County Total	Sonoma	-0.16	483,948	483,197	484,022
County Total	Stanislaus	-0.19	558,243	557,159	557,159
County Total	Sutter	0.40	101,270	101,679	101,679
County Total	Tehama	-0.30	64,812	64,620	64,764
County Total	Trinity	-0.29	15,831	15,785	15,844
County Total	Tulare	0.17	488,328	489,154	489,610
County Total	Tuolumne	-0.19	51,965	51,867	54,233
County Total	Ventura	-0.68	824,973	819,386	824,306
County Total	Yolo	0.16	225,554	225,904	225,904
County Total	Yuba	1.86	84,121	85,689	87,692

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

## Attachment 2

**RESOLUTION 2026-04**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
DONNER SUMMIT PUBLIC UTILITY DISTRICT  
ESTABLISHING APPROPRIATION LIMIT FOR THE 2026/2027 FISCAL YEAR**

**WHEREAS**, the California constitution Article XIII B establishes and imposes spending limitations upon various governmental entities, including Special Districts or other political subdivisions within the definition of local governments; and

**WHEREAS**, the California government code Section 7900 and following, in implementation of Article XIII B, include within the definition of local agency such as a special district or other political subdivision of the state; and

**WHEREAS**, the government Code Section 7910 requires each local jurisdiction to establish by resolution its appropriations limit for the fiscal year pursuant to said Article XIII B; and

**WHEREAS**, the Board of Directors of the Donner Summit Public Utility District, as an entity of local government, Special district, and body politic, wishes to and intends hereby to establish its appropriations limit for the Fiscal Year 2026/2027.

**NOW THEREFORE BE IT RESOLVED**, by the Board of Directors of the Donner Summit Public Utility District as follows:

That for the Fiscal Year 2026/2027 the appropriations limit for this District is hereby established to be and in the amount of \$ 4,803,358.

**PASSED AND ADOPTED**, this 16th day of June 2026 at a Regular Meeting of the Board of Directors of the Donner Summit Public Utility District by the following vote:

AYES:  
NOES:  
ABSENT:  
ABSTAIN:

DONNER SUMMIT PUBLIC UTILITY DISTRICT

By: \_\_\_\_\_  
Cathy Preis  
President, Board of Directors

ATTEST:

By: \_\_\_\_\_  
Dawn Parkhurst  
Secretary of the Board