FISCAL YEAR 2024-25
Calculation of Appropriations Limit

In 1979, the voters of the State of California passed Proposition 4, the Gann spending limit initiative. The initiative establishes and defines annual appropriation limits for state and local government entities and requires the City to adopt an appropriations limit annually. This calculation is intended to limit the annual growth in tax revenues used to fund governmental expenditures in California. Article XIIIB was changed with the passage of Proposition 111 on the June 1990 ballot. These changes permit greater flexibility with regard to annually calculating increases in the appropriations limit (Gann Limit) by allowing additional growth factors to be used. The factors permitting the maximum allowable increase in the appropriations limit are chosen for the calculation each fiscal year.

The appropriations limit for FY 2024-25 is $378,697,009 while the limit for FY 2023-24 was $356,727,282. The increase from FY 2023-24 is primarily due to a percentage change of 3.62% in state-wide per capita personal income over the prior year. As can be seen below, the City is substantially under its appropriations limit. The difference between the appropriations limit and the appropriations subject to limitation has grown over time as the limit has been substantially increased by the annual adjustment factors. This, combined with the comparatively slower pace of growth in proceeds of taxes over the same time period, has contributed to the amount under the appropriations limit. The City is not expected to reach its Gann Limit in the foreseeable future.

Fiscal Year 2023-24 Limit	$ 356,727,282	(a)
2024 Change in City of Mountain View Population	1.0245	(b)
2024-25 Change in California Per Capita Personal Income	1.0362	(c)
Factor Amount – (b) x (c)	1.0615869	(d)
Fiscal Year 2024-25 Limit – (a) x (d)	378,697,009	
Fiscal Year 2024-25 Budget Amount Subject to Limitation	138,771,739	
Amount Under Appropriation Limit	$ 239,925,270	

City's Appropriations Limit History: