APPENDIX E. Revised FY 26 and FY 27 Spending Cap Calculations

In Millions of Dollars

Item	Revised FY 26	Revised FY 27
Total All Appropriated Funds - Prior Year	**26,176.6**	**27,181.5**
Base Adjustments		
Town Aid Road shift to bonding	(60.0)	-
Cannabis Social Equity & Innovation Fund off-budget	(10.2)	-
Shift Excess Cost Student-Based funding (SA 25-1) on-budget	40.0	-
Shift Hospital Supplemental Payments off-budget	-	(267.4)
Extraordinary spending[1]	-	80.0
Prior Year Appropriations	**26,146.4**	**26,994.1**
Less Prior Year "Non-Capped" Expenditures		
Debt Service	3,545.5	3,424.3
Teachers' Retirement System (TRS) unfunded liability[2]	1,284.4	-
Appropriation of Federal Funds	2,043.7	1,979.9
Prior Year "Non-Capped" Expenditures	6,873.6	5,404.2
Total "capped" expenditures	19,272.8	21,589.9
Times the 5-year compound growth in personal income (calendar year basis) or 12-month increase in Core CPI-U	5.1%	5.9%
= Allowable "capped" growth	984.2	1,280.6
Allowable Capped Expenditures	**20,257.0**	**22,870.5**
Plus Current Year "Non-Capped" Expenditures		
Debt Service	3,424.3	3,571.1
TRS unfunded liability	1,511.5	-
Federal mandates and court orders (new funding)	9.1	13.5
State match to federal funds (new funding)	-	-
Appropriation of federal funds	1,979.9	1,688.1
Current Year "Non-Capped" Expenditures	**6,924.8**	**5,272.6**
Expenditures Allowed Under the Cap	27,181.7	28,143.1
Appropriation for this year[3]	28,094.5	28,142.5
TOTAL OVER/(UNDER) THE SPENDING CAP	**912.8**	**(0.6)**
Governor's Extraordinary Circumstances Declaration[1]	(913.0)	-
REVISED TOTAL OVER/(UNDER) THE SPENDING CAP	**(0.2)**	**(0.6)**

[1]Per Governor Declaration of Extraordinary Circumstances dated May 2, 2026, $80 million in allowable amounts over the cap in FY 26 are carried forward into the subsequent year's (FY 27) base; the remainder is not.

[2]FY 27 rebased to reflect TRS payments included under the cap beginning that fiscal year.

[3]Reflects appropriations (including deficiency appropriations) contained in (1) SA 25-1 NSS, *An Act Concerning Temporary Adjustments To The Budget Reserve Fund And Appropriating Funds To Address Reductions In Federal Funding* and (2) PA 26-68, *An Act Making Adjustments To The State Budget For The Biennium Ending June 30, 2027, Making Deficiency Appropriations For The Fiscal Year Ending June 30, 2026, Authorizing And Adjusting Bonds Of The State And Concerning Provisions Relating To Revenue, School Construction And Other Items To Implement The State Budget*.