

FY 14 and FY 15 Budget Statutory Spending Cap Calculation

Based on sections 1-10, 62, 67, and 69 of PA 13-184, the FY 14 and FY 15 Budget, and various provisions of PA 13-247, the general government implementer, the budget is under the spending cap by approximately \$9.4 million in FY 14 and \$166.2 million in FY 15. Due to the implementation of net funding of Medicaid in the Department of Social Services (DSS), the base upon which the FY 14 spending cap is calculated has been adjusted to also reflect net funding. Similarly, the base upon which the FY 15 spending cap is calculated has been adjusted to reflect the shifting of the Soldiers, Sailors, and Marines' Fund to the American Legion. Consequently, the spending cap calculation base is adjusted downward by \$2,225.3 million in FY 14 and \$3.2 million in FY 15.

FY 14 and FY 15 Budget Statutory Spending Cap Calculations (in millions)

Item	Revised FY 13 \$	FY 14 \$	FY 15 \$
All Appropriated Funds - Prior Year	20,140.8	20,685.0	18,606.5
Less Medicaid (FY 14)/SSMF (FY 15) - base adjustment	-	2,225.3	3.2
Extraordinary spending	-	-	-
Prior Year Appropriations	20,140.8	18,459.8	18,603.4
Less Prior Year "Non-Capped" Expenditures			
Debt Service	2,373.0	2,328.9	2,183.6
Statutory grants to distressed municipalities ¹	1,458.8	1,550.6	1,529.3
Prior Year "Non-Capped" Expenditures	3,831.7	3,879.6	3,712.9
Allowable Growth Calculation			
Total "capped" expenditures	16,309.1	14,580.2	14,890.4
Times the 12-month increase in the Consumer Price Index ²	3.0%	1.8%	2.5%
= Allowable "capped" growth	485.9	261.1	364.9
Allowable Capped Expenditures	16,795.0	14,841.3	15,255.3
Plus Current Year "Non-Capped" Expenditures			
Debt service	2,328.9	2,183.6	2,333.6
Federal mandates and court orders (new funding)	20.0	61.7	10.4
Statutory grants to distressed municipalities	1,541.4	1,529.3	1,562.3
Current Year "Non-Capped" Expenditures	3,890.3	3,774.7	3,906.3
Expenditures Allowed Under the Cap	20,685.3	18,615.9	19,161.6
Appropriation for this year ³	20,685.0	18,606.5	18,995.4
TOTAL OVER/(UNDER) THE SPENDING CAP	(0.2)	(9.4)	(166.2)

¹FY 14 is adjusted to reflect new distressed grant percentages.

²Except 5-year average growth in personal income in FY 14.

³FY 13 is adjusted to reflect the net deficiency appropriation of \$142 million in PA 13-184.