



THE FISCAL SURVEY OF STATES

SPRING 2022

AN UPDATE OF STATE FISCAL CONDITIONS

A REPORT BY THE NATIONAL ASSOCIATION OF STATE BUDGET OFFICERS

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THE NATIONAL ASSOCIATION OF STATE BUDGET OFFICERS

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PREFACE

The Fiscal Survey of States is published twice annually by the National Association of State Budget Officers (NASBO). The series was started in 1979. The survey presents aggregate and individual data on the states' expenditures, general fund receipts, annual tax and revenue changes, and balances. Although not the totality of state spending, these funds are raised from states' own taxes and fees, such as state income and sales taxes. These general funds are used to finance most broad-based state services and are the most important elements in determining the fiscal health of the states. A separate survey that includes total state spending, NASBO's *State Expenditure Report*, is conducted annually.

Thirty states operate on an annual budget cycle, while 20 states operate primarily on a biennial (two-year) budget cycle. Arkansas, counted among the biennial budget states here, practices a hybrid approach, recommending and reviewing budgets on a biennial basis but enacting appropriations before each fiscal year.

Among the biennial budget states, governors in three states (Kentucky, Virginia and Wyoming) recommended two-year budgets covering fiscal 2023 and fiscal 2024.

Forty-six states begin their fiscal years in July and end them in June. The exceptions are New York, which starts its fiscal year on April 1; Texas, with a September 1 start date; and Alabama and Michigan, which start their fiscal years on October 1.

The field survey on which this report is based was conducted by NASBO from March through May 2022. Subsequent budget recommendations from governors to state legislatures may have occurred after the survey responses were submitted. The surveys were completed by executive state budget officers in 49 states. Due to a gubernatorial administration change and ongoing budget negotiations at the time this report went to print, Virginia was unable to report for this survey; fiscal 2021 and fiscal 2022 figures are reprinted from the Fall 2021 Fiscal Survey, while fiscal 2023 data are reported as not available.

Generally, fiscal 2021 data represent actual figures, fiscal 2022 figures are estimated, and fiscal 2023 data reflect governors' recommended budgets. Footnotes in this report document exceptions to this. Unless otherwise noted, all percentage calculations reported in this survey are in nominal terms and not adjusted for inflation.

NASBO staff member Kathryn Vesey White compiled the data and prepared the text for the report.



EXECUTIVE SUMMARY

Introduction

Governors' budgets for fiscal 2023 call for a 4.2 percent increase in general fund spending compared to estimated levels for fiscal 2022. This follows 13.6 percent spending growth in fiscal 2022, the highest annual increase recorded in the *Fiscal Survey of States* in more than 40 years. State revenues have continued to perform better than was expected earlier in the pandemic, with tax collections coming in ahead of budget projections in almost all states for both fiscal 2021 and fiscal 2022. As states spend down these surplus funds, mostly on one-time expenditures, this has led to larger than usual fluctuations in spending from year to year. Looking at average spending growth for states over three years — fiscal 2021, fiscal 2022 (estimated), and fiscal 2023 (recommended) — the median annual growth rate is 5.3 percent over that period.

On the other side of the equation, states experienced record annual growth of 16.5 percent in general fund revenue in fiscal 2021, which followed a 0.6 percent decline in fiscal 2020 — the first annual decrease in revenue in more than one decade. The high growth rate in fiscal 2021 is largely attributable to that lower baseline in fiscal 2020 and other one-time factors such as the tax deadline shift in calendar year 2020 and the inclusion of federal funds, borrowing, and other sources. Fiscal 2022 has been another strong year of revenue growth for states, with virtually all states reporting collections in fiscal 2022 outpacing their original forecasts at the time of budget enactment.

Revenue projections in governors' recommended budgets for fiscal 2023 show slow growth of 1.4 percent after incorporating the forecasted impacts of proposed tax policy changes for fiscal 2023 that would reduce general fund revenue by an estimated \$14 billion (or 1.3 percent of total general fund revenues). Many states have revised their projections upward since these forecasts were produced, based on more recent collections data. At the same time, state revenue forecasters are watching closely for warning signs about the economy as the Federal Reserve tries to bring inflation under control, the Russia-Ukraine conflict continues to put upward pressure on gas prices, and labor shortages and supply chain issues continue to present challenges for states and businesses.

States continue to put money away in their savings accounts to guard against this uncertainty and prepare for the next downturn. Rainy day funds in fiscal 2022 are estimated to reach new heights, with 41 states projecting increases. This follows fiscal 2021, when aggregate rainy day fund balances increased 62 percent after nearly all states experienced revenue surpluses. Total balances, meanwhile, have risen sharply over the last couple of years as well, and states are planning to spend down some of these funds according to governors' fiscal 2023 budgets.

State General Fund Spending

Fiscal 2023 Recommended Spending. Governors' budget recommendations call for general fund spending totaling \$1.10 trillion in fiscal 2023, a 4.2 percent increase over estimated spending levels for fiscal 2022. This projected spending growth is considerably more modest than the estimated increase reported by states in fiscal 2022, which was largely driven by one-time expenditures from surplus state funds, as well as federal funds in a few instances. Overall, 36 states are projecting general fund spending increases in fiscal 2023, while 13 states are forecasting declines and one state was unable to report data on fiscal 2023.¹ Fiscal 2023 recommended budgets were introduced in late calendar year 2021 and early 2022, and upward revenue forecast revisions since then may alter these spending levels.

Fiscal 2022 Estimated Spending. Based on current estimates (or governors' budget recommendations in some cases), general fund spending is on track to total \$1.05 trillion in fiscal 2022, a 13.6 percent increase over fiscal 2021 levels. This is the highest annual growth rate recorded in the *Fiscal Survey of States* since fiscal 1981, driven by a number of factors, including the rising level of inflation. Adjusted for inflation, general fund spending in fiscal 2022 is estimated to grow 7.0 percent.² Besides inflation, other variables contributing to the large spending increase in fiscal 2022 include states spending down surplus funds from fiscal 2021 (and fiscal 2022) on one-time investments; a shift from a reliance on federal funds to general funds in certain areas; a lower baseline in fiscal 2021, when some states made budget cuts in anticipation of revenue shortfalls; and the inclusion of federal COVID-19 funds in expenditure amounts for a few states.

¹ One state, Virginia, was unable to report general fund data for fiscal 2023. To allow for year-over-year comparisons, Virginia's total expenditure and revenue figures for fiscal 2022 (as reported in NASBO's *Fall 2021 Fiscal Survey of States*) are reused in calculating 50-state totals for fiscal 2023 for this survey.

² The state and local government implicit price deflator cited by the Bureau of Economic Analysis National Income and Product Account Tables, Table 3.9.4., Line 33 (last updated on May 26, 2022), is used for inflation adjustments. Quarterly averages are used to calculate fiscal year inflation rates.

Key Report Findings:

- Governors' budgets for fiscal 2023 call for general fund spending growth of **4.2 percent**.
- Estimated general fund spending in fiscal 2022 is on track to grow **13.6 percent**, the highest annual spending increase recorded since fiscal 1981. Adjusted for inflation, spending is estimated to increase 7.0 percent.
- The three-year average growth rate of spending over fiscal 2021, fiscal 2022 and fiscal 2023 for the median state is **5.3 percent**.
- No states reported making net mid-year budget cuts due to a revenue shortfall in fiscal 2022, while 22 states reported net mid-year spending increases, including one-time expenditures from surplus funds.
- **49 states** reported fiscal 2022 general fund revenue collections are exceeding original budget forecasts.
- Fiscal 2022 general fund revenue is estimated to grow **3.2 percent**, though final collections are likely to come in higher than estimated in this survey.
- Governors' budgets are based on forecasted general fund revenue growth of **1.4 percent** in fiscal 2023 compared to estimated fiscal 2022 levels.
- Governors proposed net tax cuts that would reduce revenue in fiscal 2023 by an estimated **\$15 billion** for all state funds, including a **\$14.1 billion** reduction in general fund revenue (**1.3 percent** of forecasted general fund revenue).
- Rainy day fund balances continued to grow in fiscal 2022 after increasing by 62 percent in fiscal 2021, and the median balance as a share of general fund spending is projected to be **11.4 percent** in fiscal 2023.
- Medicaid spending growth is expected to slow considerably as states plan for the end of the enhanced federal matching rate, with total Medicaid spending projected to increase **0.8 percent** on a median basis in fiscal 2023 after growth of **10.6 percent** in fiscal 2022.

Spending Actions and Other Budget Management Strategies

Fiscal 2022 Mid-Year Spending Changes. Overall, 22 states reported net mid-year increases in general fund spending proposed or approved for fiscal 2022, while seven states reported decreases compared to their originally enacted budgets, resulting in a net mid-year increase of \$26.4 billion. Among the seven states reporting net mid-year cuts, none attributed these cuts to a revenue shortfall, but rather said these reductions resulted from lower spending needs or the use of federal assistance in place of general funds. Meanwhile, one-time expenditures using surplus funds for uses such as capital construction, paying off debt, rainy day fund deposits and supplemental pension payments contributed to the mid-year increases in a number of states. Medicaid was the only program area that experienced

a substantial net decrease in general fund spending, due to the continuation of the Public Health Emergency and, by extension, the enhanced federal matching rate for Medicaid.

Fiscal 2023 Recommended Appropriation Changes. Recommended budgets for fiscal 2023 call for \$74.8 billion in increases over fiscal 2022 enacted appropriation levels. All program areas would see net increases in general fund appropriations according to governors' budget recommendations for fiscal 2023 except transportation, a program area that is primarily funded by special fund sources outside of the general fund. The "All Other" category would receive the largest net increase, closely followed by the projected increase in Medicaid, as governors' budgets planned the end of the Public Health Emergency in fiscal 2023. K-12 education, higher education, public assistance, and corrections would see increases as well.



Budget Management Strategies for Fiscal 2022 (Mid-Year) and Fiscal 2023 (Recommended). Reported use of budget management strategies such as spending reductions, revenue increases, personnel actions, efficiency savings, and one-time measures was minimal in this survey, given strong fiscal conditions currently in most states. In managing their fiscal 2022 budgets in the middle of the year, just five states reported making targeted cuts, with the same number reporting use of this strategy in governors' recommended budgets for fiscal 2023. Only three states proposed continuing hiring freezes in fiscal 2023, while three states reported agency reorganizations and six states cited changes to their Medicaid programs.

State General Fund Revenues

Fiscal 2023 Recommended Revenue Projections. Governors' budgets for fiscal 2023 are based on general fund revenues totaling \$1.07 trillion, which would represent modest growth of 1.4 percent compared to fiscal 2022 levels.³ This slow growth rate is from a high baseline, as it follows record high growth in fiscal 2021 and moderate growth estimated in fiscal 2022. Based on the strong performance of recent revenue collections, many states have revised their fiscal 2023 forecasts upward compared to the projections used in governors' recommendations. Among the states able to report more current projections for fiscal 2023, all reported upward revisions compared to the estimates used in governors' budgets. That said, there are also some downside risks to fiscal 2023 revenue forecasts that states are mindful of, including the steep rise in gas prices due to the Russia-Ukraine conflict, the impacts of high inflation, and the potential for a recession.

Fiscal 2022 Most Current Estimates. States reported in this survey fiscal 2022 general fund revenue estimates totaling \$1.05 trillion, representing a 3.2 percent increase compared to fiscal 2021 levels. Fiscal 2022 revenues are likely to come in higher than this estimate when actual collections are counted at year-end. At the time of data collection, general fund revenues for fiscal 2022 were exceeding original budget forecasts in 49 states and were exceeding most recent official revenue forecasts in 33 states. This data was mostly collected before states had data on April tax collections, which significantly outperformed forecasts in most states, meaning final fiscal 2022 collections are likely to exceed the estimates in this report.

Fiscal 2021 Actual Collections. State revenues performed considerably better in fiscal 2021 than was expected earlier in the pandemic, due in large part to federal stimulus that pumped additional money into the economy, as well as other factors. States reported fiscal 2021 general fund revenues totaling \$1.02 trillion, representing a sharp 16.5 percent increase over fiscal 2020 actual collections — the highest annual growth rate ever recorded in the *Fiscal Survey of States*. Several one-time factors helped to drive this figure, including a low baseline in fiscal 2020, the impact of the tax deadline shift on when revenues in some states were recognized and the inclusion of federal funds, borrowing and other sources in at least a few states.

Revenue Actions

Fiscal 2023 Recommended Revenue Actions. Governors in 30 states are proposing net decreases in taxes and fees in their fiscal 2023 budgets, while just three are proposing net increases, resulting in a projected net revenue decline of \$15.0 billion for all state funds. Looking only at the impact on general fund revenue, these changes would reduce revenue on net by \$14.1 billion, representing 1.3 percent of forecasted general fund revenues in fiscal 2023 governors' budgets. If enacted, a \$15.0 billion reduction in revenues from proposed tax changes would be the largest decline on record in the history of the *Fiscal Survey of States*. (See Tables 20 and Figure 3) Measured as a share of general fund revenue, the percentage decrease would be similar to the reductions recorded in the late 1990s and early 2000s. The scale and scope of tax reductions proposed by governors for fiscal 2023 reflect strong fiscal conditions. Recommended tax reductions ranged from targeted, one-time tax relief measures to permanent, broad-based rate reductions — often phased-in over a series of years.

Fiscal 2022 Mid-Year Revenue Actions. Thirteen states proposed or enacted changes in taxes and fees affecting fiscal 2022 revenues after budget enactment, with four states making increases and nine states with decreases, resulting in an estimated net revenue decrease of \$1.4 billion. Many of the tax cuts were in the personal income tax category.

³ One state, Virginia, was unable to report general fund data for fiscal 2023. To allow for year-over-year comparisons, Virginia's total expenditure and revenue figures for fiscal 2022 (as reported in NASBO's *Fall 2021 Fiscal Survey of States*) are reused in calculating 50-state totals for fiscal 2023 for this survey.

State Balances

Rainy Day Fund Balances. Recent balance trends and current fund policies demonstrate how states have taken actions to strengthen their rainy day funds, also known as budget stabilization funds. In fiscal 2021, state rainy day fund balances reached a new all-time high of \$124.5 billion, with 35 states reporting increases over fiscal 2020, when balances totaled \$77.0 billion. This steep increase in reserves was largely the result of stronger than anticipated revenue growth that led to large surpluses and additional rainy day fund deposits in many states. Rainy day fund balances are on track to continue growing in fiscal 2022 to total \$132.2 billion. According to governors' budgets, a majority of states plan to continue growing their rainy day funds in fiscal 2023. The median rainy day fund balance as a share of general fund spending was 9.9 percent in fiscal 2021, is estimated at 11.6 percent in fiscal 2022, and is projected to stay relatively flat at 11.4 percent in fiscal 2023. While reserve levels continue to vary by state, 45 states estimated rainy day fund balances representing at least 5 percent of their general fund expenditures in fiscal 2022 — including 28 states with balances exceeding 10 percent of spending.

Total Balances. Total balances include general fund ending balances and the amounts in states' budget stabilization or rainy day funds. In fiscal 2021, total balances more than doubled to reach a new high of \$234.7 billion, more than 25 percent as a share of total general fund spending that year. The median balance was even higher, at 27.1 percent, for fiscal 2021. This rapid growth in state balance levels was driven mostly by revenues beating state forecasts — by a considerable margin in many cases. According to estimates at the time of data collection, state total balance levels continued to grow in fiscal 2022, while the median balance declined to 24.4 percent. In governors' fiscal 2023 budgets, total balance levels are expected to decline, and the median balance is estimated at 18.5 percent as a percentage of general fund spending. Part of this projected decline is likely due to states' plans to spend down a portion of their larger-than-expected ending balances from fiscal 2022, including for one-time investments.

Medicaid Outlook

The *Spring Fiscal Survey* also includes a special feature on the outlook of state Medicaid programs in terms of spending and programmatic changes. Medicaid spending patterns reported by states were influenced by the COVID-19 pandemic and its economic impacts, as well as by federal assistance.

Spending Trends. Medicaid spending from all fund sources was estimated to grow 10.6 percent on a median basis in fiscal 2022 compared to fiscal 2021 levels, based on data provided by 48 states. Looking just at spending from state fund sources, general fund spending on Medicaid is on track to grow 6.6 percent and spending from other state funds is estimated to grow 10.4 percent in fiscal 2022, also on a median basis. Federal fund spending on Medicaid, bolstered by the enhanced Federal Medical Assistance Percentage (FMAP) provided in the *Families First Coronavirus Response Act* that was passed in March 2020, is on track to grow 10.8 percent for fiscal 2022. Looking ahead, Medicaid spending is forecasted to grow much more slowly in fiscal 2023, based on governors' proposed budgets. The median projected growth rate for total Medicaid spending is 0.8 percent for fiscal 2023. State general fund spending is projected to grow by 14.1 percent (due in large part to the expected expiration of the enhanced FMAP tied to the Public Health Emergency), other state funds are projected to increase 2.6 percent, and federal fund spending is expected to decline by 5.1 percent in fiscal 2023.



Medicaid Expansion. As of May 2022, 38 states and the District of Columbia have adopted the Medicaid expansion. In this survey, one additional state that has not yet adopted expansion included spending projections included in the governor's budget for fiscal 2023, while one expansion state was unable to provide data. In fiscal 2021, 35 states reported total spending for Medicaid expansion of \$119.9 billion, \$13.6 billion in state funds, and \$106.3 billion in federal funds. In fiscal 2022, 37 states are estimated to spend \$139.0 billion in all funds, \$15.9 billion in state funds, and \$123.0 billion in federal funds. In 38 recommended budgets for fiscal 2023, projected spending for Medicaid expansion totaled \$142.8 billion, with \$16.4 billion in state funds, and \$126.4 billion in federal funds. The median state share for Medicaid expansion on a fiscal year basis is 10 percent for all three fiscal years covered in this survey (fiscal 2021, fiscal 2022 and fiscal 2023).

Programmatic Changes. States reported changes to their Medicaid programs in fiscal 2022 and recommended changes for fiscal 2023 both to contain costs and enhance their programs. States' most common strategies to contain costs included enhanced program integrity efforts, policies to cut prescription drug costs, changes to managed care capitation rates reflecting decreased utilization, and delivery system changes. Some of the changes to contain costs are ongoing efforts of states, such as policies to reduce costs for prescription drugs and increased program integrity, while others, such as changes to managed care capitation rates, reflect the impact of the pandemic on decreased utilization of health care. The program enhancements states have made or are planning to make reflect the impact of the pandemic, especially increased provider payments for vulnerable providers, expansion of behavioral services, expanding or restoring benefits, and telehealth. Relative to prior years, fewer states have recently or plan to increase provider taxes to help cover the state share of Medicaid costs.

This edition of the Fiscal Survey of States reflects actual fiscal 2021, estimated fiscal 2022, and recommended fiscal 2023 figures (except where otherwise noted). The data were collected in the spring of 2022.



STATE EXPENDITURE DEVELOPMENTS

CHAPTER ONE

Overview

Governors' budgets for fiscal 2023 call for a 4.2 percent increase in general fund spending compared to estimated levels for fiscal 2022. This follows 13.6 percent spending growth in fiscal 2022, the highest annual increase recorded in the Fiscal Survey in more than 40 years. State revenues have continued to perform better than was expected earlier in the pandemic, with tax collections coming in ahead of budget projections in almost all states for both fiscal 2021 and fiscal 2022. This resulted in unanticipated surplus funds that states have been directing in large part towards one-time investments and fund transfers, and these expenditures were a significant driver behind the large annual spending increase in fiscal 2022. Looking at average spending growth for states over three years — fiscal 2021, fiscal 2022 (estimated), and fiscal 2023 (recommended) — the median annual growth rate is 5.3 percent during that period.

States reported one-time expenditures most commonly in the “All Other” program area, both as mid-year spending actions for fiscal 2022 and recommended actions for fiscal 2023. These one-time investments include deposits to rainy day funds and other state funds, supplemental pension payments, capital investments, and COVID-19-related initiatives. In addition to the impact of one-time spending, rising inflation is also affecting state spending needs and likely appropriation levels. Adjusted for inflation, state general fund spending grew an estimated 7.0 percent in fiscal 2022.⁴

Most states excluded federal COVID-19 assistance from their general fund figures in this survey. However, at least a few states included some spending from federal COVID-19 aid, including Coronavirus Relief Funds (CRF) under the *Coronavirus Aid, Relief, and Economic Security (CARES) Act* and/or Coronavirus State Fiscal Recovery Funds (CSFRF) used for revenue replacement under the *American Rescue Plan Act (ARPA)*. Therefore, some of the spending growth recorded — particularly in fiscal 2022 — is driven by expenditures from these one-time federal funds.

⁴ The state and local government implicit price deflator cited by the Bureau of Economic Analysis National Income and Product Account Tables, Table 3.9.4., Line 33 (last updated on May 26, 2022), is used for inflation adjustments. Quarterly averages are used to calculate fiscal year inflation rates.

⁵ One state, Virginia, was unable to report general fund data for fiscal 2023. To allow for year-over-year comparisons, Virginia's total expenditure and revenue figures for fiscal 2022 (as reported in NASBO's *Fall 2021 Fiscal Survey of States*) are reused in calculating 50-state totals for fiscal 2023 for this survey.

Technical Note: Biennial Budget States

Thirty states budget on an annual basis, while 20 states budget primarily on a biennial basis. Most biennial budget states enacted two-year budgets during 2021 legislative sessions covering fiscal 2022 and fiscal 2023. These include: Connecticut, Hawaii, Indiana, Maine, Minnesota, Montana, Nebraska, Nevada, New Hampshire, North Carolina, North Dakota, Ohio, Oregon, Texas, Washington, and Wisconsin. [Arkansas, counted among the biennial states, practices a hybrid approach, recommending budgets on a biennial basis but enacting appropriations before each fiscal year.] In some of these states, governors proposed and states adopted revised or supplemental budgets for fiscal 2023, the second year of the biennium.

The three remaining biennial states — Kentucky, Virginia and Wyoming — considered budgets this year covering fiscal 2023 and fiscal 2024. One state (Kentucky) opted to provide data on its fiscal 2024 recommended budget.

(See Tables A-5 and A-6)

State General Fund Spending

Recommended Spending for Fiscal 2023. Governors' budget recommendations call for general fund spending totaling \$1.10 trillion in fiscal 2023, which represents a 4.2 percent increase compared to estimated spending levels for fiscal 2022.⁵ This projected spending growth is considerably more modest than the estimated increase reported by states in fiscal 2022, which was largely driven by one-time expenditures from surplus state funds, as well as federal funds in a few instances. Overall, 36 states are projecting general fund spending increases in fiscal 2023, while 13 states are forecasting declines and one state was unable to report data on fiscal 2023. Among the states reporting projected declines in governors' budgets for fiscal 2023, more than half

experienced double-digit percentage growth in fiscal 2021 and/or fiscal 2022 — growth which was likely driven by one-time expenditures to some extent.

Because the timing of state spending has been more variable during the pandemic, especially given the sizeable amount of one-time expenditures in some states, it can be especially helpful to also look at average spending growth over several years. The three-year average annual general fund spending growth (fiscal 2021, fiscal 2022 and fiscal 2023) for most states is between 3 and 9 percent, with a median of 5.3 percent. It is also important to remember that fiscal 2023 recommended budgets were introduced in late 2021 and early 2022, and upward revenue forecast revisions since then may alter these spending levels. NASBO's *Fall 2022 Fiscal Survey* will provide preliminary actual spending data for fiscal 2022 and enacted spending plans for fiscal 2023.

Estimated Spending for Fiscal 2022. Based on current estimates (or governors' budget recommendations in some cases), general fund spending is on track to total \$1.05 trillion in fiscal 2022, a 13.6 percent increase over fiscal 2021 levels. This is the highest annual growth rate recorded in the Fiscal Survey since fiscal 1981, when spending grew 16.3 percent on a nominal basis. This high growth rate is driven by a number of factors, including the rising level of inflation. Adjusted for inflation, general fund spending in fiscal 2022 is estimated to grow 7.0 percent.⁶ Besides inflation, other variables contributing to the large spending increase in fiscal 2022 include states spending down surplus funds from fiscal 2021 (and fiscal 2022). States commonly directed these surplus dollars to one-time uses such as deposits to rainy day funds and other state funds, supplemental pension payments, capital investments,

COVID-19-related initiatives, and other purposes. Some of the growth in general fund spending for fiscal 2022 is also attributable to a shift from a reliance on federal funds to general funds in certain program areas. The higher growth rate in fiscal 2022 in part reflects lower spending levels in fiscal 2021, especially in states that made budget cuts in response to projected revenue shortfalls at the time of budget adoption. Additionally, while the general fund figures in this survey typically exclude federal COVID-19 assistance, at least a few states noted that their expenditures included some funds from the *American Rescue Plan Act* and other federal legislation. Thus, the growth rate in spending is at least partially driven by spending from federal funds for COVID-19 relief.

Spending Growth by State. According to recommended budgets for fiscal 2023, 14 states are forecasting general fund spending growth between 0 and 5 percent, 11 states expect general fund spending growth between 5 and 10 percent, 11 states are forecasting growth of 10 percent or more, and 13 states are expecting general fund spending to decline. One state was unable to report data for fiscal 2023. Meanwhile, in fiscal 2022, 13 states reported general fund spending growth estimated between 0 and 5 percent, 10 states estimate growth between 5 and 10 percent, 18 states reported spending growth greater than 10 percent, and nine states reported spending declines. This variation in spending growth by states in each year reflects the uneven impact of the pandemic and pace of economic recovery on state budgets, differences in how states used and accounted for federal funds in their budgets, timing of one-time expenditures, demographic changes, and other factors. For states that budget on a biennial basis, spending is not always evenly distributed in a two-year cycle, which can affect year-over-year changes. (See [Tables 2 and 6](#))

⁶ The state and local government implicit price deflator cited by the Bureau of Economic Analysis National Income and Product Account Tables, Table 3.9.4., Line 33 (last updated on May 26, 2022), is used for inflation adjustments. Quarterly averages are used to calculate fiscal year inflation rates.

TABLE 1
State Nominal and Real Annual Budget Increases,
Fiscal 1979 to Fiscal 2023

Fiscal Year	State General Fund	
	Nominal Increase	Real Increase
2023	4.2%	
2022	13.6	7.0%
2021	3.6	1.0
2020	4.0	2.6
2019	5.5	2.3
2018	3.2	-0.3
2017	3.1	1.7
2016	3.5	3.8
2015	4.4	3.3
2014	4.5	1.5
2013	4.2	1.4
2012	3.4	0.7
2011	3.5	0.3
2010	-5.7	-6.6
2009	-3.8	-5.8
2008	4.9	-0.6
2007	9.4	4.4
2006	8.1	2.6
2005	5.9	-0.1
2004	2.9	-0.8
2003	-0.1	-3.1
2002	0.6	-1.6
2001	8.0	3.6
2000	7.8	3.0
1999	5.9	3.1
1998	5.7	3.7
1997	4.6	2.3
1996	5.4	3.1
1995	6.3	3.3
1994	6.2	4.0
1993	3.2	-0.2
1992	4.6	1.3
1991	5.2	0.7
1990	6.0	1.1
1989	9.8	5.9
1988	8.3	4.2
1987	6.9	3.2
1986	10.7	7.2
1985	10.2	6.0
1984	8.1	4.0
1983	-0.7	-6.2
1982	6.4	-0.9
1981	16.3	5.2
1980	10.0	-0.5
1979	10.1	3.2
1979–2022 average	5.5%	1.7%

Notes: The state and local government implicit price deflator cited by the Bureau of Economic Analysis National Income and Product Account Tables, Table 3.9.4., Line 33 (last updated on May 26, 2022), is used for state revenues in determining real changes. Fiscal Year real changes are based on quarterly averages. Fiscal 2021 figures are based on the change from fiscal 2020 actuals to fiscal 2021 actuals. Fiscal 2022 figures are based on the change from fiscal 2021 actuals to fiscal 2022 estimates. Fiscal 2023 figures are based on the change from fiscal 2022 estimates to fiscal 2023 recommended figures.

FIGURE 1:

Annual General Fund Spending Changes, Fiscal 1990 to Fiscal 2023 (Recommended)

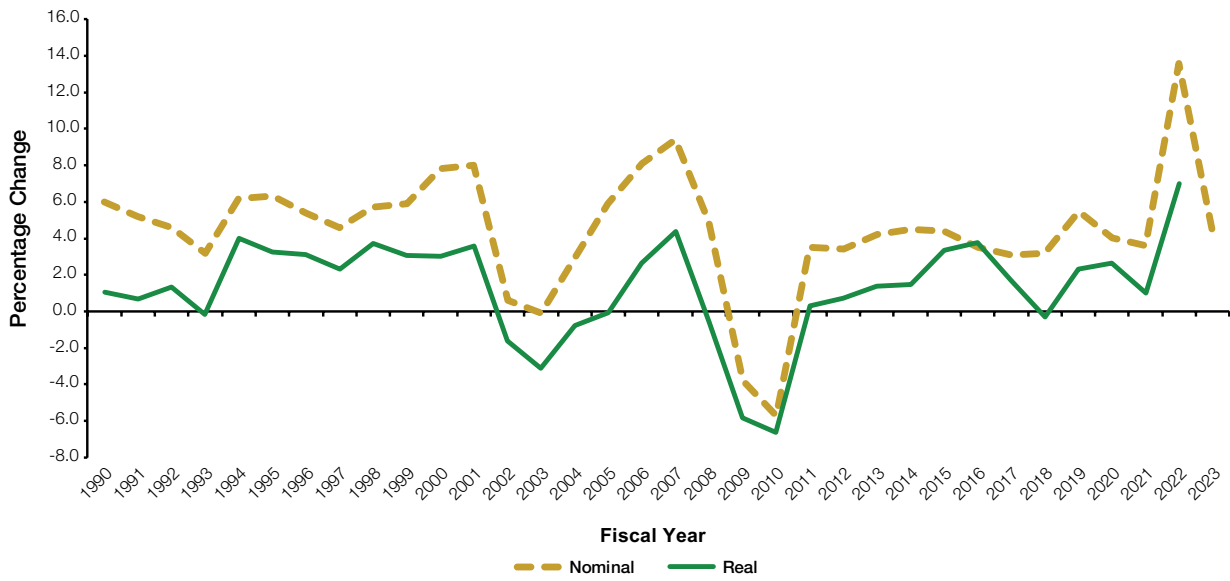


TABLE 2

State General Fund Expenditure Growth, Fiscal 2021 to Fiscal 2023

Spending Growth	Fiscal 2021 (Actual)	Fiscal 2022 (Estimated)	Fiscal 2023 (Recommended)
0% or less	17	9	13
> 0.0% but < 5.0%	17	13	14
> 5.0% but < 10.0%	7	10	11
10% or more	9	18	11
Not available	0	0	1

NOTE: See Table 6 for state-by-state data.

TABLE 3

Fiscal 2021 State General Fund, Actual (Millions)

State	Beginning Balance	Revenues	Adjustments	Total Resources	Expenditures	Adjustments	Ending Balance	Rainy Day Fund Balance
Alabama*	\$820	\$11,206	\$0	\$12,026	\$9,730	\$476	\$1,820	\$1,212
Alaska*	0	1,662	3,092	4,753	4,638	680	-565	1,420
Arizona	373	14,117	0	14,489	13,595	0	895	975
Arkansas*	0	6,845	0	6,845	5,900	0	946	210
California*	5,557	185,433	9,582	200,572	163,453	108	37,011	51,654
Colorado* **	1,826	14,240	335	16,401	13,250	-18	3,168	3,168
Connecticut*	0	20,531	0	20,531	20,056	0	476	4,730
Delaware**	959	5,390	0	6,350	4,516	0	1,833	252
Florida*	6,320	37,270	6,481	50,070	36,269	0	13,802	1,674
Georgia**	2,622	28,592	456	31,671	27,342	0	4,329	4,289
Hawaii*	1,003	8,253	750	10,006	8,506	250	1,250	319
Idaho*	186	5,010	-175	5,021	4,147	-16	890	788
Illinois*	531	44,852	2,222	47,605	43,500	3,129	975	4
Indiana*	542	19,746	450	20,738	17,732	384	2,621	1,302
Iowa*	0	8,801	247	9,048	7,809	0	1,239	801
Kansas*	495	8,866	2	9,363	7,268	0	2,095	82
Kentucky*	240	12,954	546	13,740	11,508	716	1,516	600
Louisiana*	270	10,696	264	11,231	10,355	177	699	546
Maine*	184	4,521	69	4,774	3,895	724	155	497
Maryland*	704	20,831	370	21,904	18,914	-248	3,239	631
Massachusetts* **	4,295	39,004	15,368	58,667	37,552	15,363	5,752	4,626
Michigan*	2,363	12,526	0	14,889	9,991	535	4,363	1,382
Minnesota* **	3,344	26,582	746	30,673	23,647	218	6,808	2,756
Mississippi*	9	6,741	0	6,750	5,559	1,181	10	542
Missouri*	803	11,240	101	12,144	9,789	0	2,354	604
Montana*	452	2,964	-12	3,404	2,699	4	701	114
Nebraska*	711	5,956	-291	6,375	4,526	0	1,849	412
Nevada*	575	4,474	668	5,717	4,570	106	1,041	98
New Hampshire*	-51	1,844	0	1,793	1,606	187	0	258
New Jersey* **	2,059	48,135	1,511	51,705	44,821	0	6,884	2,447
New Mexico* **	2,514	8,801	598	11,913	8,904	504	2,505	2,505
New York* **	8,944	74,312	0	83,256	74,095	0	9,161	2,476
North Carolina*	1,471	29,699	294	31,464	23,964	1,187	6,313	1,982
North Dakota*	282	1,878	1,324	3,484	2,362	0	1,122	749
Ohio*	1,270	26,819	-11	28,078	23,357	0	4,721	2,692
Oklahoma*	324	8,278	-134	8,469	6,581	282	1,606	542
Oregon*	443	15,388	-95	15,736	11,455	198	4,082	1,377
Pennsylvania*	-2,734	40,392	-1,023	36,635	34,013	2,622	0	2,866
Rhode Island*	156	4,432	-39	4,549	4,079	95	375	227
South Carolina* **	1,805	11,089	-629	12,264	8,398	251	3,615	1,707
South Dakota*	19	1,950	47	2,016	1,888	42	86	216
Tennessee*	1,991	18,386	-419	19,959	14,448	992	4,518	1,450
Texas*	4,869	60,505	-319	65,055	50,915	2,910	11,230	10,274
Utah*	304	10,067	112	10,483	8,507	247	1,728	887
Vermont	0	2,157	0	2,157	1,742	311	104	430
Virginia*	1,185	23,427	0	24,612	22,694	0	1,917	1,488
Washington*	653	26,986	619	28,258	24,584	0	3,674	19
West Virginia*	455	4,988	26	5,468	4,775	14	679	995
Wisconsin*	1,172	19,573	1,186	21,932	19,516	-166	2,581	1,730
Wyoming*	0	1,284	259	1,543	1,543	0	0	1,478
Total	\$62,314	\$1,019,689		\$1,126,582	\$924,961		\$168,174	\$124,483

NOTES: NA Indicates data are not available. *See Notes to Table 3 at the end of the chapter. **In these states, the ending balance includes the balance in the rainy day fund.

TABLE 4
Fiscal 2022 State General Fund, Estimated (Millions)

State	Beginning Balance	Revenues	Adjustments	Total Resources	Expenditures	Adjustments	Ending Balance	Rainy Day Fund Balance
Alabama*	\$1,821	\$10,563	\$0	\$12,384	\$10,468	\$48	\$1,867	\$1,404
Alaska*	0	2,663	3,742	6,405	4,756	1,535	114	1,963
Arizona	895	14,215	0	15,109	13,127	0	1,982	980
Arkansas*	0	6,114	0	6,114	5,849	0	264	1,152
California*	37,011	190,133	6,536	233,680	210,030	0	23,650	47,342
Colorado* **	3,168	15,981	43	19,192	15,682	0	3,511	3,511
Connecticut*	0	21,912	0	21,912	20,402	0	1,510	5,592
Delaware* **	1,833	5,530	0	7,364	5,093	0	2,271	280
Florida*	13,802	40,525	0	54,327	43,029	0	11,298	2,730
Georgia*	4,329	28,574	286	33,188	28,860	0	4,329	N/A
Hawaii*	1,250	8,447	-37	9,660	7,809	1,000	851	1,325
Idaho*	890	4,813	-1,011	4,691	4,224	253	214	883
Illinois*	975	46,293	1,500	48,768	44,495	3,374	900	600
Indiana*	2,621	20,241	0	22,862	18,208	1,190	3,465	1,644
Iowa*	0	9,061	234	9,294	8,120	0	1,175	817
Kansas	2,095	8,274	0	10,369	9,331	0	1,038	600
Kentucky*	1,516	13,907	793	16,216	12,974	1,623	1,619	1,507
Louisiana*	699	10,735	184	11,618	10,067	0	1,551	721
Maine*	155	4,857	105	5,118	4,074	1,037	6	508
Maryland*	3,239	21,590	21	24,850	21,194	-69	3,724	1,160
Massachusetts* **	5,752	39,278	17,020	62,051	38,619	17,020	6,411	5,903
Michigan*	4,363	11,934	0	16,297	13,519	0	2,778	1,457
Minnesota* **	7,026	27,403	248	34,677	24,859	213	9,605	3,006
Mississippi*	11	5,927	0	5,938	5,819	119	0	556
Missouri*	2,354	11,184	132	13,670	10,593	0	3,076	772
Montana	701	2,642	0	3,344	2,685	0	659	118
Nebraska*	1,849	5,355	-1,457	5,747	4,815	-8	940	998
Nevada*	1,041	4,523	59	5,623	4,649	351	623	340
New Hampshire*	0	1,819	0	1,819	1,598	50	171	258
New Jersey* **	6,884	46,437	1,161	54,482	48,240	0	6,242	4,463
New Mexico* **	2,505	9,224	2,118	13,847	9,264	1,750	2,833	2,558
New York* **	9,161	90,836	21,210	121,207	86,194	4,500	30,513	3,351
North Carolina*	6,313	28,413	0	34,727	26,028	6,336	2,363	3,116
North Dakota*	1,122	2,028	275	3,425	2,447	18	961	752
Ohio*	4,721	25,983	-49	30,656	27,904	0	2,752	2,700
Oklahoma*	1,606	8,674	0	10,280	7,445	638	2,196	1,180
Oregon*	4,082	12,455	-20	16,517	12,554	0	3,963	1,598
Pennsylvania*	0	41,118	2,814	43,932	38,588	-1,111	6,455	2,866
Rhode Island*	375	4,690	69	5,134	4,551	448	136	253
South Carolina* **	3,615	10,901	-558	13,958	10,366	176	3,416	1,210
South Dakota*	86	1,991	48	2,125	2,034	91	0	307
Tennessee*	4,518	19,594	-600	23,511	17,592	1,596	4,324	1,550
Texas*	11,230	66,282	-138	77,374	64,629	4,854	7,891	10,057
Utah*	1,729	9,700	18	11,446	10,327	0	1,120	1,033
Vermont*	104	2,107	0	2,210	2,115	18	77	415
Virginia*	1,917	23,611	0	25,529	23,414	0	2,115	2,138
Washington*	3,674	29,364	-222	32,816	26,800	0	6,016	305
West Virginia*	679	4,580	160	5,419	4,729	15	675	1,013
Wisconsin*	2,581	18,943	482	22,006	19,306	-138	2,838	1,730
Wyoming*	0	1,284	259	1,543	1,543	0	0	1,478
Total	\$166,297	\$1,052,707		\$1,274,428	\$1,051,014		\$176,489	\$132,199

NOTES: NA Indicates data are not available. *See Notes to Table 4 at the end of the chapter. **In these states, the ending balance includes the balance in the rainy day fund.

TABLE 5

Fiscal 2023 State General Fund, Recommended*** (Millions)

State	Beginning Balance	Revenues	Adjustments	Total Resources	Expenditures	Adjustments	Ending Balance	Rainy Day Fund Balance	Date
Alabama	\$1,590	\$10,906	\$0	\$12,496	\$11,018	\$0	\$1,478	\$1,441	Jan-22
Alaska*	0	2,577	3,736	6,313	4,625	1,680	8	2,988	Mar-22
Arizona*	1,983	13,710	0	15,692	14,254	425	1,013	1,410	Jan-22
Arkansas*	0	6,218	0	6,218	6,218	0	0	1,152	Dec-21
California*	23,650	191,646	4,073	219,369	213,127	0	6,242	34,560	Jan-22
Colorado* **	3,511	16,295	42	19,848	17,664	0	2,184	2,184	Jan-22
Connecticut*	0	22,369	0	22,369	22,072	0	296	4,381	Feb-22
Delaware**	2,252	5,481	0	7,733	6,090	0	1,644	280	Jan-22
Florida*	11,298	38,793	0	50,091	37,349	0	12,742	3,024	Dec-21
Georgia*	4,329	28,635	0	32,963	28,635	0	4,329	N/A	Jan-22
Hawaii*	851	8,766	-103	9,514	8,900	0	614	1,333	Dec-21
Idaho*	214	5,278	-711	4,781	4,566	0	214	1,101	May-22
Illinois*	900	45,833	0	46,733	46,220	-667	1,179	800	Feb-22
Indiana*	3,465	19,097	0	22,562	19,025	288	3,249	1,652	Apr-21
Iowa*	0	8,978	179	9,157	8,197	0	960	898	Jan-23
Kansas	1,038	8,541	0	9,579	8,908	0	671	600	Jan-22
Kentucky*	1,619	14,185	1,625	17,429	15,533	1,873	23	1,757	Jan-22
Louisiana	0	10,936	0	10,936	10,936	0	0	746	Jan-22
Maine*	6	4,795	22	4,823	4,600	203	20	508	Feb-22
Maryland*	3,724	22,564	42	26,330	25,781	-35	584	3,588	Jan-22
Massachusetts* **	6,411	38,929	13,082	58,423	38,589	13,082	6,751	6,656	Jan-22
Michigan*	2,778	11,970	0	14,749	14,359	0	389	1,490	Feb-22
Minnesota* **	6,546	28,579	819	35,945	32,612	327	3,006	3,006	Mar-22
Mississippi*	0	6,494	0	6,494	6,364	130	0	N/A	Nov-21
Missouri*	3,076	11,419	478	14,973	13,025	281	1,667	748	Jan-22
Montana*	659	2,737	0	3,396	2,679	0	717	118	Jul-21
Nebraska*	940	5,555	-1,124	5,371	4,976	47	347	943	Jan-22
Nevada*	623	4,719	59	5,401	4,687	60	655	387	
New Hampshire*	13	1,656	0	1,669	1,632	0	37	258	Jun-21
New Jersey* **	6,242	46,734	-307	52,670	48,439	0	4,231	0	Mar-22
New Mexico* **	2,558	8,517	617	11,692	8,693	652	2,347	2,482	Feb-22
New York* **	30,513	99,412	-6,700	123,225	93,201	2,350	27,674	4,271	Feb-22
North Carolina*	2,363	28,752	200	31,314	26,981	4,300	34	4,250	
North Dakota*	956	1,697	275	2,927	2,546	0	381	752	Dec-20
Ohio*	2,752	26,903	-93	29,562	26,945	0	2,617	2,709	Jul-21
Oklahoma*	2,196	8,209	0	10,405	7,842	922	1,640	2,102	Feb-22
Oregon*	3,963	12,544	-179	16,328	13,066	242	3,020	1,983	Mar-22
Pennsylvania*	6,455	41,866	-1,232	47,089	43,707	0	3,382	2,867	Feb-22
Rhode Island*	136	4,750	-147	4,739	4,731	0	8	244	Jan-22
South Carolina* **	3,416	10,722	-618	13,520	11,358	184	1,979	1,299	Jan-22
South Dakota	0	1,976	0	1,976	1,976	0	0	307	Dec-21
Tennessee*	4,324	20,127	-701	23,750	20,665	3,085	0	1,600	Feb-22
Texas*	7,891	67,090	-138	74,843	58,693	4,159	11,992	12,615	Jun-21
Utah*	1,120	9,630	-14	10,735	10,513	0	223	1,033	Dec-21
Vermont	77	1,984	0	2,061	2,026	35	0	437	Jan-22
Virginia*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Washington*	4,618	28,975	-566	33,027	32,046	0	981	1,197	Dec-21
West Virginia*	675	4,645	0	5,320	4,636	0	685	1,028	Jan-22
Wisconsin*	2,838	20,885	508	24,231	19,754	569	3,907	N/A	Jan-22
Wyoming*	0	1,199	192	1,391	1,391	0	0	1,436	Mar-22
Total****	\$164,569	\$1,067,887		\$1,222,160	\$1,095,263		\$116,119	\$120,620	

NOTES: N/A indicates data are not available. *See Notes to Table 5 at the end of the chapter. **In these states, the ending balance includes the balance in the rainy day fund. ***For some states, fiscal 2023 data in this survey reflect enacted budget information. Date listed above reflects date governor's recommended budget was released and/or the date of projections shown for fiscal 2023. See footnotes to this table for more details. ****Virginia was not able to report on a proposed general fund budget for fiscal 2023. To allow for year-over-year comparisons, the total fiscal 2023 general fund revenue and Expenditure amounts were calculated using fiscal 2023 figures for 49 states plus Virginia's fiscal 2022 figures, as reported in Table 4.

TABLE 6

General Fund Nominal Percentage Expenditure Change, Fiscal 2021 to Fiscal 2023

State	Fiscal 2021	Fiscal 2022	Fiscal 2023
Alabama	4.5%	7.6%	5.3%
Alaska	-3.5	2.5	-2.8
Arizona	20.5	-3.4	8.6
Arkansas	2.6	-0.9	6.3
California	11.7	28.5	1.5
Colorado	4.2	18.3	12.6
Connecticut	4.7	1.7	8.2
Delaware	0.1	12.8	19.6
Florida	10.3	18.6	-13.2
Georgia	4.7	5.6	-0.8
Hawaii	5.9	-8.2	14.0
Idaho	6.1	1.9	8.1
Illinois	3.8	2.3	3.9
Indiana	7.3	2.7	4.5
Iowa	-0.2	4.0	0.9
Kansas	-3.4	28.4	-4.5
Kentucky	-1.0	12.7	19.7
Louisiana	2.1	-2.8	8.6
Maine	-1.0	4.6	12.9
Maryland	-3.2	12.1	21.6
Massachusetts	9.8	2.8	-0.1
Michigan	12.4	35.3	6.2
Minnesota	-0.6	5.1	31.2
Mississippi	-3.0	4.7	9.4
Missouri	6.3	8.2	23.0
Montana	10.8	-0.5	-0.2
Nebraska	0.6	6.4	3.3
Nevada	2.3	1.7	0.8
New Hampshire	-4.9	-0.5	2.2
New Jersey	17.5	7.6	0.4
New Mexico	16.1	4.0	-6.2
New York	-4.4	16.3	8.1
North Carolina	-0.4	8.6	3.7
North Dakota	1.3	3.6	4.1
Ohio	0.7	19.5	-3.4
Oklahoma	-12.2	13.1	5.3
Oregon	4.1	9.6	4.1
Pennsylvania	-3.4	13.5	13.3
Rhode Island	3.6	11.6	4.0
South Carolina	-2.7	23.4	9.6
South Dakota	10.9	7.7	-2.9
Tennessee	-1.2	21.8	17.5
Texas	-13.8	26.9	-9.2
Utah	16.6	21.4	1.8
Vermont	8.4	21.4	-4.2
Virginia	1.8	3.2	N/A
Washington	2.6	9.0	19.6
West Virginia	4.1	-1.0	-2.0
Wisconsin	5.8	-1.1	2.3
Wyoming	-5.2	0.0	-9.9
Total	3.6%	13.6%	4.2%
Median	2.6%	7.0%	4.1%

*See Notes to Table 6 at the end of the chapter. **Fiscal 2021 reflects changes from fiscal 2020 expenditures (actual) to fiscal 2021 expenditures (actual). Fiscal 2022 reflects changes from fiscal 2021 expenditures (actual) to fiscal 2022 expenditures (estimated). Fiscal 2023 reflects changes from fiscal 2022 expenditures (estimated) to fiscal 2023 expenditures (recommended).

Mid-Year Budget Actions for Fiscal 2022

Mid-year budget actions include any actions, whether legislative or executive (e.g., executive order, withholding of excess funds), that change the appropriated or authorized expenditure level compared to the original enacted budget. After several years of minimal mid-year budget cuts prior to the COVID-19 crisis, fiscal 2020 saw an uptick in states making mid-year reductions due to a shortfall, as reported in the *Fall 2020 Fiscal Survey*, followed by fairly minimal budget cuts in fiscal 2021 (See [Figure 2](#)). This survey looks at mid-year actions that were proposed or taken in fiscal 2022.

Overall, 22 states reported net mid-year increases in general fund spending proposed or approved for fiscal 2022, while seven states reported decreases compared to their enacted budgets. However, among the seven states that reported net mid-year cuts, none attributed these cuts to a revenue shortfall. (See [Table 7](#)) Rather, states reporting decreases indicated that the reductions resulted from lower spending needs or in areas where federal assistance was able to be used in place of general funds.

For the states that reported net mid-year increases in general fund spending, these included supplemental appropriations for fiscal 2022 to address additional spending needs, including disaster assistance and COVID-related expenses, as well as one-time expenditures using surplus funds for capital construction, paying off debt, rainy day fund deposits, and supplemental pension payments.

The net impact of states' mid-year budget changes for fiscal 2022 was a \$26.4 billion increase. The "All Other" category saw by far the largest net increase of \$18.7 billion. K-12 education received most of the remaining funds, with a net increase of \$6.4 billion. Higher Education, Public Assistance and Transportation all saw net mid-year increases as well. Meanwhile, Medicaid saw a net reduction in general fund spending compared to enacted levels for fiscal 2022, with many states noting these reductions were once again offset by the use of additional federal funds due to the continuation of the enhanced federal matching rate with the extension of the Public Health Emergency. (For more about the impacts of the enhanced federal Medicaid match tied to the Public Health Emergency, see Chapter Five of this report.) The Corrections area saw a mix of increases and decreases across states, with a very slight net decrease reported in the aggregate; most states reporting reductions in this area also noted federal funds were used to offset general fund spending adjustments. (See [Table 8](#))

State Spending from All Sources

This report captures only state general fund spending. General fund spending represents the primary component of expenditures from revenue derived from taxes and other resources which have not been earmarked to other funds. According to the most recent edition of NASBO's *State Expenditure Report*, fiscal 2021 spending from all sources (general funds, federal funds, other state funds and bonds) is estimated to total \$2.65 trillion. While general funds have historically represented the largest category of total state spending by fund source, federal funds surpassed them in fiscal 2021 due to the large influx of COVID-19 aid to states. In fiscal 2021, federal funds comprised 40.5 percent of total state spending, with general funds at 34.8 percent, other state funds at 23.0 percent, and bonds at 1.7 percent. The program area components of total state spending for fiscal 2021 are: Medicaid, 27.2 percent; elementary and secondary education, 18.2 percent; higher education, 8.5 percent; transportation, 7.1 percent; corrections, 2.5 percent; public assistance, 1.2 percent; and all other expenditures, 35.3 percent. Pandemic-related spending is heavily concentrated in the All Other category, explaining why this program area's share of the budget grew so significantly in fiscal 2021.

For fiscal 2021, components of general fund spending are elementary and secondary education, 35.8 percent; Medicaid, 17.8 percent; higher education, 9.4 percent; corrections, 5.7 percent; public assistance, 1.0 percent; transportation, 1.2 percent; and all other expenditures, 29.2 percent.

Recommended Appropriation Changes for Fiscal 2023

Overall, recommended general fund budgets for fiscal 2023 call for \$74.8 billion in increases over fiscal 2022 enacted appropriation levels. All program areas except transportation would see net increases in general fund appropriations according to governors' budget recommendations for fiscal 2023. K-12 education, the largest area of state general fund spending, would see a \$17.4 billion increase in general fund appropriations. Medicaid, the second largest area of state general fund spending, would see a \$24.0 billion appropriation increase, in

large part driven by the expected expiration of the enhanced Federal Medical Assistance Percentage (FMAP) during fiscal 2023. Higher education would see a \$4.8 billion appropriation increase, Public Assistance a \$2.3 billion increase, and Corrections a \$1.8 billion increase. Transportation would see a \$1.5 billion general fund appropriation decrease, which is almost entirely attributable to one state that recorded large one-time expenditures in this program area in the prior year. Additionally, it should be noted that transportation is primarily funded by special fund sources outside of the general fund, and therefore changes in general fund spending are not always illustrative of overall state spending trends for this area.

The “All Other” category of general fund spending would once again receive the largest proposed general fund appropriation increase in the aggregate for fiscal 2023, with governors directing \$26.0 billion in additional funding to this broad category comprised of a diverse range of programs. Some states provided further detail on proposed appropriation changes in this category, which include: employee compensation adjustments; funding increases for human services such as child welfare and mental health; economic development; housing; environmental and conservation projects; and public safety. Some states also reported reductions in this area (in some cases offset by increases also in this category) due to one-time expenditures recorded in the prior year (fiscal 2022). (See [Table 9](#))

States were asked to indicate if any of their recommended general fund appropriation changes were offset or supplemented by changes in other state fund sources or by federal funds. The areas where other state fund changes were most commonly reported were K–12 education and Medicaid. Federal fund offsets (in this case, declines) were most often reported

for Medicaid, which can be attributed in large part to the enhanced Federal Medical Assistance Percentage (FMAP) during the COVID-19 public health emergency (PHE) that is expected to expire in fiscal 2023.

Governors’ budgets for fiscal 2023, in terms of spending changes by program area and the overall scale of net increases, resemble proposals one year ago for fiscal 2022 in many ways, when governors proposed \$70.5 billion in net appropriation increases. Enacted budgets for fiscal 2022 ended up being considerably larger than what governors proposed, thanks to upward revisions in revenue projections. This could happen again with fiscal 2023 enacted budgets, as revenue collections have been running ahead of the forecasts used in governors’ budgets for most states.

Budget Gaps

In this survey, seven states reported closing general fund budget gaps during fiscal 2022 totaling \$19.2 billion, while two states have about \$1 billion in ongoing gaps still to close. Prior to their governors’ budget recommendations, three states reported \$1.7 billion in forecasted budget gaps for fiscal 2023 and three states reported \$4.4 billion in gaps for fiscal 2024.

It is important to note that these do not represent 50-state shortfall figures. States vary greatly in how they define and measure budget gaps, and not all states have a formal process to identify and report gaps. It is also important to note that budget gap projections are moving targets and can change over the course of the fiscal year. This was especially true during much of the pandemic given the high degree of economic uncertainty and rapidly evolving fiscal conditions.

Budget Management Strategies for Fiscal 2022 (Mid-Year) and Fiscal 2023

In order to manage their budgets, particularly in an economic downturn, states employ a variety of strategies and tools, including spending reductions (across-the-board or targeted), revenue changes, personnel actions, efficiency savings, and one-time measures. Given strong fiscal conditions currently in most states, budget management strategies reported in this survey were fairly minimal and targeted.

Strategies for Fiscal 2022 Mid-Year/Post-Enacted. States reported on the strategies used to manage their budgets in the middle of fiscal 2022, post-enactment. Five states reported making targeted cuts while one state reported across-the-board cuts. This contrasts with 19 states reporting targeted spending cuts, and seven states reported making across-the-board cuts in the middle of fiscal 2021 in NASBO's *Fall 2021 Fiscal Survey of States*. Another way to reduce spending is through personnel actions — in that regard, just five states imposed hiring freezes and/or eliminated vacant positions, while no states implemented furloughs, salary reductions, or early retirement incentives. Very few states reported utilizing one-time measures to manage their budgets in the middle of the year, and in at least some cases, states indicating rainy day funds or other fund transfers as a strategy elaborated that this involved depositing money into (as opposed to withdrawing from) these funds. Many states provided more details on these strategies in footnotes, printed at the end of this chapter. (See Table 10)

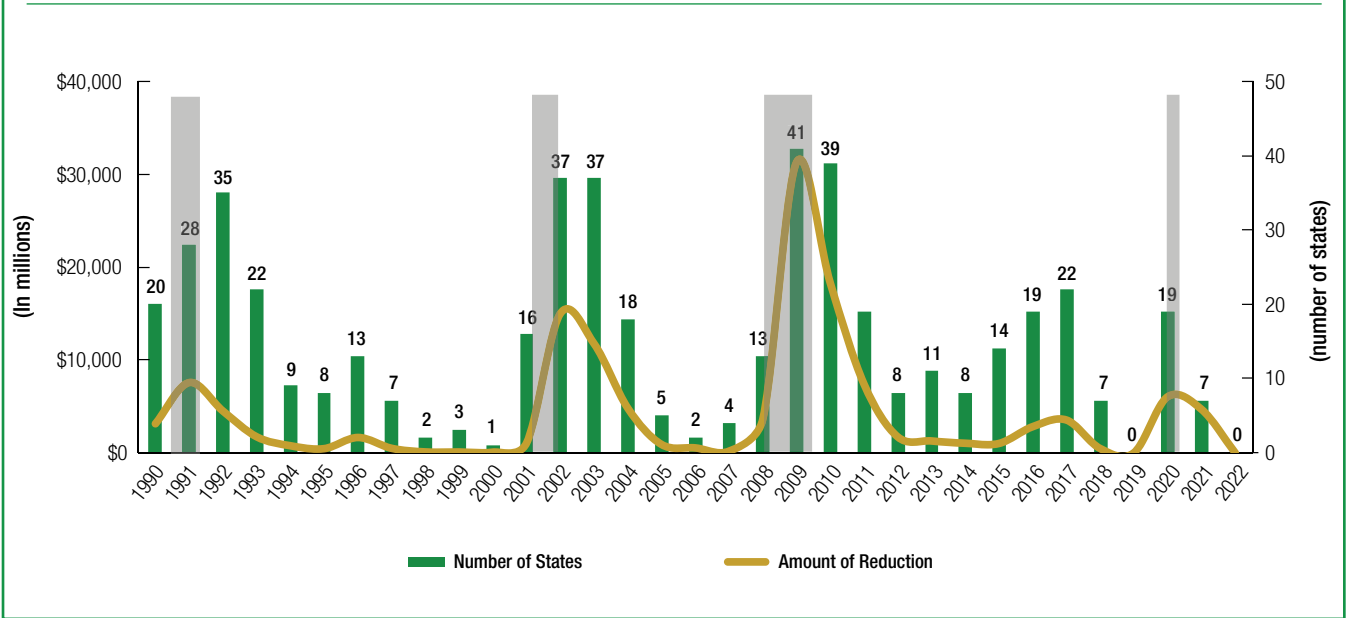
Strategies Recommended for Fiscal 2023. States were also asked to identify the strategies recommended in governors' budgets for fiscal 2023. Similar to fiscal 2022, budget management strategies were used to a lesser extent in fiscal 2023 given improved state fiscal conditions. A few states (five) reported targeted spending reductions, and only three states reported continuing hiring freezes and/or eliminating vacant positions into fiscal 2023. Three states reported agency reorganizations and six states cited Medicaid program changes. (See Table 11)

TABLE 7
States with Net Mid-Year Cuts in Fiscal 2022 Due to a Shortfall

State	FY 2022 Size of Cuts (\$ in Millions)	Programs or Expenditures Exempted from Cuts
No states reported budget reductions due to a revenue shortfall in fiscal 2022.		
Total	\$0.0	

See Table 8 for more details on mid-year spending actions by program area.

FIGURE 2:
Budget Cuts Made After the Budget Passed, Fiscal 1990 to Fiscal 2022



Gray boxes denote recessionary periods, based on a July-June fiscal year calendar that most states follow. Recession dates are as follows: Early 1990s recession (July 1990 to March 1991); Early 2000s recession (March 2001 to November 2001); Great Recession (December 2007 to June 2009); COVID-19 Recession (February 2020 – April 2020).

Note: Beginning in Fiscal 2018, NASBO asked states reporting net mid-year budget reductions whether the reductions were made due, at least in part, to a revenue shortfall. Effective in FY2018 going forward, only states reporting mid-year budget cuts due to a revenue shortfall are included in the totals reported in this figure. Prior to FY2018, particularly in non-recessionary periods, states that reported mid-year cuts that were due to other reasons, such as a reduction in caseload, would have been included in the counts above.

TABLE 8

Fiscal 2022 Mid-Year Program Area Budget Actions By Dollar Value (Millions)

State	K-12 Education	Higher Education	Public Assistance	Medicaid	Corrections	Transportation	Other	Total
Alabama*	\$573.8	\$181.2	\$5.6	\$215.8	\$200.7		\$793.0	\$1,970.1
Alaska*			1.9		7.9		11.8	21.6
Arizona*	-213.8			-84.1			598.1	300.2
Arkansas								
California*	4,593.4	464.8	-171.1	-98.1	194.9	\$1,010.0	2,556.8	8,550.7
Colorado			2.0	-115.6	8.4		23.1	-82.1
Connecticut*	18.0	0.1	234.7		42.5		230.6	525.9
Delaware								
Florida								
Georgia	1,004.5	359.2	140.8	-279.6	125.3	198.1	1,168.4	2,716.7
Hawaii*	-4.0	-2.4	-4.2	-1.1	-1.7		-34.6	-47.9
Idaho*	50.2	2.0	33.9	-125.8	18.5		216.7	195.5
Illinois								
Indiana*						-0.5	-17.7	-18.2
Iowa*								
Kansas*	375.5	4.4	-17.0	-156.2	47.0		933.8	1,187.5
Kentucky*	139.2	81.0					665.4	885.6
Louisiana	5.9	4.3	0.2	69.1	6.9	2.2	95.2	183.6
Maine*				-115.1	3.0		23.0	-89.1
Maryland*	56.5	-40.5	1.4	-38.9	-337.2		621.4	262.7
Massachusetts							76.0	76.0
Michigan*			-1.9	-49.4		88.1	1,704.2	1,741.0
Minnesota					1.0	50.0	3,188.6	3,239.6
Mississippi								
Missouri*								
Montana								
Nebraska*	1.5				-19.0		8.9	-8.6
Nevada*								
New Hampshire								
New Jersey	15.3	18.0	22.4	-264.3	-68.7	19.6	1,535.4	1,277.7
New Mexico*								
New York*								
North Carolina								
North Dakota								
Ohio								
Oklahoma								
Oregon*	-97.6	166.3	22.7	93.3	-31.7	40.7	2,221.2	2,415.0
Pennsylvania	10.6		-0.9	-1,046.2	5.0		-79.7	-1,111.2
Rhode Island*				-80.8	4.3		524.6	448.1
South Carolina*								
South Dakota	-0.5	47.4	-7.8	-23.3	4.7		194.9	215.4
Tennessee					7.4	200.0	704.6	912.0
Texas								
Utah*	3.6		-1.0	13.9	0.3	294.0	244.1	554.9
Vermont*			10.0	24.7	-0.4		214.3	248.6
Virginia	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Washington*	-105.0	6.1	-120.8	-50.4	-231.1	6.9	232.4	-261.8
West Virginia	0.2	0.4					84.2	84.8
Wisconsin								
Wyoming								
Total	\$6,427.4	\$1,292.3	\$151.0	-\$2,112.1	-\$12.0	\$1,909.1	\$18,738.6	\$26,394.4
Increases	14	13	11	5	16	10	26	22
Decreases	5	2	8	15	7	1	3	7

NOTE: *See Notes to Table 8 at the end of the chapter.

TABLE 9

Fiscal 2023 Recommended Program Area Appropriation Changes by Dollar Value (Millions)

State	K-12 Education	Higher Education	Public Assistance	Medicaid	Corrections	Transportation	All Other	Total
Alabama	\$406.2	\$175.2	\$34.9	\$19.8	\$19.6		\$9.6	\$665.3
Alaska*	-18.4	4.0	-1.3	45.0	1.1	\$3.0	51.4	84.8
Arizona	152.8			328.9			945.6	1,427.3
Arkansas	98.2	12.9		23.6	11.1		46.5	192.3
California*	5,186.3	521.5	493.0	8,391.6	77.8	-2,710.0	4,726.3	16,686.5
Colorado*	8.8	58.8	1.8	756.8	38.5	10.0	293.2	1,167.9
Connecticut	31.8	62.2	156.9	324.2	10.8		103.7	689.6
Delaware*	101.2	5.8	1.2	19.6	11.2		80.8	219.8
Florida*	106.6	-73.4		1,229.6	55.2		-333.2	984.8
Georgia	496.2	749.9	291.2	482.9	213.1	115.2	416.6	2,765.0
Hawaii	302.2	81.1	7.4	16.0	22.3		608.1	1,037.1
Idaho	227.4	24.8	60.0	6.9	19.0		5.5	343.6
Illinois	498.0	208.0			98.0		1,752.0	2,556.0
Indiana*	770.1	1.0	-2.2	313.3	68.8	-2.0	258.3	1,407.3
Iowa*	155.1	24.5			-0.6		-102.1	76.9
Kansas*	-358.1	98.0	11.0	159.0	23.0		-356.1	-423.2
Kentucky*	711.9	108.6		51.1	41.6	282.0	1,363.5	2,558.7
Louisiana	279.3	79.9	26.1	505.6	72.2	-9.0	98.3	1,052.5
Maine	77.3	48.3	0.2	317.7	3.1		78.9	525.5
Maryland*	629.2	347.6	-4.1	485.6	93.0	-8.7	3,306.6	4,849.2
Massachusetts*	622.9	66.6	43.3	-1,175.6	30.2	113.0	554.2	254.6
Michigan*			-2.2	423.9			419.2	840.9
Minnesota*	712.6	129.9		7.6	44.8	391.9	4,485.9	5,772.6
Mississippi*	72.9	17.7	2.9	-9.0	14.3		26.0	124.8
Missouri	22.0	56.3		728.5	39.4	-1.6	504.0	1,348.6
Montana*	42.0	12.7		59.4				114.1
Nebraska*	-17.8	1.0			30.6		28.3	42.1
Nevada	-167.2	2.4	3.4	119.2	7.5		53.8	19.1
New Hampshire					2.8		87.7	90.5
New Jersey	699.2	107.9	18.0	675.5	27.1	-34.2	-1,294.2	199.3
New Mexico*	420.4	116.1	8.6	131.1	5.8		316.0	998.0
New York*	922.7	215.0	-14.7	3,390.8	133.6	451.5	1,462.9	6,561.7
North Carolina*	324.2	136.4		547.6	58.8	333.4		1,400.4
North Dakota				14.7				14.7
Ohio*	144.9	3.3	-1.0	1,674.6	74.2	1.0	2.2	1,899.2
Oklahoma*							29.3	29.3
Oregon								
Pennsylvania*	2,021.2	169.5	63.6	2,826.3	108.5		1,040.4	6,229.5
Rhode Island*	0.4	5.2	1.1	30.4	-3.2		233.7	267.6
South Carolina*	129.5	42.7	42.8	177.8	19.1	100.0	277.3	789.2
South Dakota	48.3	4.9	13.2	56.6	3.3		31.3	157.6
Tennessee	834.0	569.1		271.1	4.8	293.1	808.6	2,780.7
Texas								
Utah*	479.0	396.6	0.0	143.0	41.5	-835.2	515.7	740.6
Vermont	0.8	16.0	30.7	38.3	17.7		72.7	176.2
Virginia*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Washington*	205.2	154.5	1,020.9	393.3	158.6	8.3	3,049.6	4,990.4
West Virginia	55.8	33.8	0.2	-24.2	53.0		-62.7	55.9
Wisconsin								
Wyoming								
Total	\$17,435.0	\$4,796.3	\$2,306.9	\$23,978.2	\$1,751.1	-\$1,498.4	\$25,995.5	\$74,764.4
Increases	37	39	24	37	38	12	37	44
Decreases	4	1	6	3	2	7	5	1

NOTE: *See Notes to Table 9 at the end of the chapter. Value of changes are in reference to funding level of FY 2022 enacted budget.

TABLE 10

Strategies Used to Manage Budget, Fiscal 2022 Mid-Year (Post-Enacted)

State	Across-the-Board % Cuts	Targeted Cuts	Layoffs	Furloughs	Early Retirement	Salary Reductions	Cuts to State Employee Benefits	Eliminating Vacant Positions/Hiring Freeze	Pension/OPEB Adjustments
Alabama									
Alaska								X	
Arizona									
Arkansas								X	
California*									
Colorado*									
Connecticut									
Delaware									
Florida									
Georgia									
Hawaii		X							
Idaho*									
Illinois									
Indiana*		X							
Iowa									
Kansas*									
Kentucky									
Louisiana*								X	
Maine*									
Maryland									
Massachusetts*									
Michigan									
Minnesota									
Mississippi									
Missouri									
Montana									
Nebraska*									
Nevada									
New Hampshire									
New Jersey*									
New Mexico*								X	
New York									
North Carolina									
North Dakota									
Ohio									
Oklahoma									
Oregon									
Pennsylvania*		X						X	
Rhode Island*									X
South Carolina									
South Dakota		X							
Tennessee*									
Texas*	X								
Utah									
Vermont		X							
Virginia									
Washington*									
West Virginia*									
Wisconsin									
Wyoming									
Total	1	5						5	1

NOTE: *See Notes to Table 10 at the end of the chapter.

Table 10 continues on next page.

TABLE 10 (CONTINUED)

Strategies Used to Manage Budget, Fiscal 2022 Mid-Year (Post-Enacted)

State	Reduce Local Aid	Reorganize Agencies	Privatization	Rainy Day Fund	Other Fund Transfers	Prior-year Fund Balance	Deferred Payments	Revenue Increase	Medicaid Program Changes	Other
Alabama										
Alaska		X								
Arizona										
Arkansas									X	
California*									X	
Colorado*										
Connecticut										
Delaware										
Florida										
Georgia										
Hawaii						X				
Idaho*					X	X				
Illinois										
Indiana*										
Iowa										
Kansas*				X						
Kentucky										
Louisiana*										
Maine*										
Maryland										
Massachusetts*										X
Michigan										
Minnesota										
Mississippi										
Missouri										
Montana										
Nebraska*	X			X	X	X			X	X
Nevada										
New Hampshire										
New Jersey*				X						
New Mexico*										
New York										
North Carolina										
North Dakota										
Ohio										
Oklahoma										
Oregon										
Pennsylvania*										X
Rhode Island*		X			X	X				
South Carolina										
South Dakota				X						
Tennessee*										X
Texas*										
Utah										
Vermont						X				
Virginia										
Washington*				X						
West Virginia*								X		X
Wisconsin										
Wyoming										
Total	1	2		5	3	5		1	3	5

NOTE: *See Notes to Table 10 at the end of the chapter.

TABLE 11
Strategies Used to Manage Budget, Fiscal 2023 Recommended

State	Across-the-Board % Cuts	Targeted Cuts	Layoffs	Furloughs	Early Retirement	Salary Reductions	Cuts to State Employee Benefits	Eliminating Vacant Positions/Hiring Freeze	Pension/OPEB Adjustments
Alabama									
Alaska								X	
Arizona									
Arkansas								X	
California*									
Colorado*									
Connecticut									
Delaware									
Florida*									X
Georgia									
Hawaii									
Idaho*									
Illinois									
Indiana									
Iowa									
Kansas*									
Kentucky									
Louisiana*								X	
Maine*		X							
Maryland		X							
Massachusetts*									
Michigan									
Minnesota									
Mississippi									
Missouri*									
Montana									
Nebraska*									
Nevada									
New Hampshire									
New Jersey*									
New Mexico									
New York*									
North Carolina									
North Dakota									
Ohio									
Oklahoma									
Oregon									
Pennsylvania*		X							
Rhode Island*									
South Carolina									
South Dakota		X							
Tennessee*									
Texas*	X								
Utah									
Vermont		X							
Virginia									
Washington									
West Virginia									
Wisconsin									
Wyoming									
Total	1	5						3	1

NOTE: *See Notes to Table 11 at the end of the chapter.

Table 11 continues on next page.

TABLE 11 (CONTINUED)

Strategies Used to Manage Budget, Fiscal 2023 Recommended

State	Reduce Local Aid	Reorganize Agencies	Privatization	Rainy Day Fund	Other Fund Transfers	Prior-year Fund Balance	Deferred Payments	Revenue Increase	Medicaid Program Changes	Other
Alabama										
Alaska		X								
Arizona										
Arkansas									X	
California*									X	
Colorado*				X		X				X
Connecticut										
Delaware										
Florida*				X						
Georgia										
Hawaii						X				
Idaho*					X	X				
Illinois										
Indiana										
Iowa										
Kansas*					X				X	
Kentucky										
Louisiana*										
Maine*						X				X
Maryland										
Massachusetts*										X
Michigan										
Minnesota										
Mississippi										
Missouri*										
Montana										
Nebraska*				X	X				X	
Nevada										
New Hampshire										
New Jersey*					X	X				
New Mexico										
New York*						X			X	X
North Carolina									X	
North Dakota										
Ohio										
Oklahoma										
Oregon										
Pennsylvania*					X			X		X
Rhode Island*		X				X				
South Carolina										
South Dakota										
Tennessee*										X
Texas*										
Utah										
Vermont						X				
Virginia										
Washington										
West Virginia		X		X						
Wisconsin										
Wyoming										
Total		3		4	5	8		1	6	6

NOTE: *See Notes to Table 11 at the end of the chapter.

CHAPTER 1 NOTES

Notes to Table 3: Fiscal 2021 State General Fund, Actual

For all states, unless otherwise noted, transfers into budget stabilization funds are counted as expenditures, and transfers from budget stabilization funds are counted as revenues.

Alabama Expenditure adjustments include transferring \$146.6 million to the ETF Budget Stabilization Fund, transferring \$307.1 million to the ETF Advancement and Technology Fund, and transferring \$22.3 million to the General Fund Budget Reserve Fund.

Alaska Revenue adjustment represents statutory draw from the Alaska Permanent Fund Earnings Reserve Account. Expenditure adjustment represents Permanent Fund dividend payments.

Arkansas Total available revenue amounts are reported as net of refunds and special dedications/payments. 25% of the first \$200M (\$50M) of the ending balance was transferred to the State Highway and Transportation Department Fund. The remaining amount transferred to the General Revenue Allotment Reserve Fund. After the start of the next fiscal year, any remaining balances in the General Revenue Allotment Reserve Fund that were not obligated, were transferred to the Catastrophic Reserve Fund.

California Total Revenues: reflect revenues before transfers and loans to/from the General Fund. Estimated cost recoveries for Fiscal 2021 for COVID-19, wildfires, and various disaster relief are included as “revenue adjustments”. Safety Net Reserve Fund created in the 2018 Budget Act to maintain existing benefits and services for Medi-Cal and CalWORKs during economic downturns. Public School System Stabilization Account enacted in 2014 as part of Proposition 2 to serve as a Proposition 98 Rainy Day Fund to lessen the impact of volatile state revenues on K–14 schools.

Revenue and expenditure adjustments to the beginning fund balance consist primarily of adjustments made to major taxes and other non K–12 spending. Revenue adjustments include \$8,040.3 million in transfers and loans to/from the General Fund (primarily comprised of a net revenue transfer of \$3,063 million from the rainy day fund) as well as \$659.3 million in estimated cost recoveries for COVID-19, wildfires, and various disaster relief.

The ending balance includes the Special Fund for Economic Uncertainties (SFEU), but excludes the BSA (a rainy day reserve held in a separate fund), the Safety Net Reserve Fund, and the Public School System Stabilization Account (PSSSA). The excluded amounts are \$14,287.4 million for the BSA and \$450 million for the Safety Net Reserve Fund, and \$3,080.9 million for the PSSSA at the end of FY 2021. Adding these amounts to the FY 2021 ending balance, the projected total balance is \$54,829.3 million in FY 2021.

The rainy day balance is made up of the SFEU, BSA, and the Safety Net Reserve Fund, however, withdrawals of mandatory deposits from the BSA are subject to provisions of Proposition 2, 2014.

The ending balance includes a reserve for encumbrances of \$3,175.1 million representing amounts which will be expended in the future for state obligations for which goods and services have been ordered/contracted, but have not been received by the end of the fiscal year. These amounts are shown as a reserve to the fund balance instead of a hit to the fund balance.

Colorado The \$17.8M is an adjustment for reversions and accounting adjustments.

Connecticut FY 2021 Actual Revenue: Included in the total revenue figure of \$20,531.4 million, \$1,496.3 million is included as Federal Grant Revenue. Without the \$1,496.3 million in Federal Grant Revenue, the total revenue collected would be \$19,035.1 million. Federal Grants figures do not include any Coronavirus Relief Fund dollars or Coronavirus State and Local Fiscal Recovery Fund dollars. FY 2021 Rainy Day Fund balance includes a deposit of \$1.24 billion due to the volatility cap and \$475.9 million from the FY2021 surplus. This brought the balance of the Budget Reserve Fund to 22.8 percent of net General Fund appropriations. Once the Rainy Day Fund reaches 15% of the following fiscal year’s projected expenditures, Connecticut statute requires funds in excess of the 15% to be transferred from the Rainy Day Fund to reduce the unfunded liability of the State Employees Retirement (SERS) Pension Fund or Teachers Retirement (TRS) Pension Fund, and to reduce bonded indebtedness. Due to fund being above the 15% cap, \$903.6 million will be transferred from the Rainy Day Fund to reduce the liabilities of the TRS Pension Funds and \$238.8 million, in addition to the \$480.9 million surplus, will be deposited to reduce the SERS liabilities.

Florida The revenue adjustments include Medicare Managed Care Achieved Savings Rebate, CARES ACT — Emergency Rental Assistance and \$5.5 billion in federal funds from ARP Act of 2021. The majority of these funds are the ARP State and Local Fiscal Recovery Fund. The beginning balance for the fiscal year is lower than what was reported last year, as \$32.3 million in CARES ACT interest earnings was removed from FY 2019–20. Total revenues reflect official General Revenue Fund Outlook figures, which include FEMA reimbursements, reversions, and legal settlements.

Hawaii	Adjustment in FY 2021, \$750 million working capital borrowing and \$83.2 M transfers per act 87/21 and \$250 million deposited into the Emergency and Budget Reserve Fund
Idaho	Revenue adjustments include: \$356.4M for transfers out, \$60.4M for prior year reversion, \$120.5M CRF reimbursement, \$.4M for reappropriation, and \$.3M for miscellaneous. Expenditure adjustments include: \$15.2M in reversions, \$1.1M for PY reappropriations, and \$.8M for miscellaneous.
Illinois	Total revenues include \$38,558M in state sources, \$4,744M in federal, \$1,550M in transfers in. Adjustments include \$1,998M short-term borrowing proceeds from the Municipal Liquidity Facility (MLF) and \$224M in Comptroller budgetary basis adjustments. Total expenditures include \$32,071M in appropriations, \$8,839M in pension contributions, \$2,046M in transfers out, and \$544M in interfund and investment borrowing repayment. Expenditure adjustments include -\$1,314 in unspent appropriations, -\$54M in Comptroller budgetary basis adjustments, \$2,503M in accounts payable, \$2,209M in MLF repayment and -\$215M in transfers for unclaimed property.
Indiana	Revenue adjustments include a \$10.0 million transfer from a dedicated fund named the Agency Settlement Fund per the 2019 Budget Bill and a \$440.0 million in reimbursement from the Coronavirus Relief Fund for public safety and public health payroll costs. Federal fund revenues are usually not included in revenue or adjustment figures, but since this funded customary public health/safety payroll, our intent was not to artificially lower spending lending levels. Expenditure adjustments include \$27.0 million reversion in unspent prior year appropriations, a transfer of \$214.7 million in unspent FY21 Medicaid appropriation to the Medicaid Contingency and Reserve Account, a transfer of \$196.8 million in unspent K-12 Tuition Support appropriation to the State Tuition Reserve fund.
Iowa	Total Revenues are as actual, also included in revenue adjustments is \$246.9 million of residual funds transferred to the General Fund after the Reserve Funds are filled to their statutory maximum amounts. Total Expenditures include \$44.2 million of supplemental appropriations and an adjustment of \$4.1 million to standing appropriations. At the end of the fiscal year, any ending balance is transferred in the subsequent fiscal year to the Reserve Funds. After the Reserve Funds are filled to their statutory limit and other transfers are completed as required by statute, the remaining balance is transferred back to the General Fund. There are no federal funds included in these amounts.
Kansas	\$1.7 million in prior year released encumbrances show as revenue and are reported as a revenue adjustment.
Kentucky	Revenue includes \$126.3 million in Tobacco Settlement Funds. Revenue adjustments include \$375 million that represents appropriation balances carried forward from the prior fiscal year, and \$171.1 million from fund transfers into the General Fund. Expenditure adjustments include \$715.7 million in appropriation balances forwarded into the next fiscal year.
Louisiana	Revenue adjustments — Includes \$264.5m of cash carried over from FY20 to FY21 Expenditure adjustments — Includes \$183.6m of carryforwards from FY20 to FY21; \$24.8m of FY20 adjustments completed in FY21
Maine	Total Revenues and Expenditures reported here reflect the final enacted budget. Any variance between actual revenues received and expenditures made are effectively captured in the Adjustments columns. This approach to reporting better aligns with the public reporting available on the status of the State's General Fund. For reference, actual General Fund revenues for SY21 were \$4,520.6 million and actual General Fund expenditures were \$3,755.1 million. Revenue and Expenditure adjustments reflect legislatively authorized transfers and year-end closing adjustments. Transfers in included \$50 million in available balances in liquor sales account and there was about \$15 million in lapsed balances and other adjustments adding to available resources at year-end. As May 2021 projections for FY21 revenue substantially exceeded the previous forecast, the biennial budget enacted for 2022–2023 ultimately included approximately \$351 million in transfers of FY21 GF unappropriated revenue to Other Special Revenue accounts in agencies for a variety of one-time purposes. The budget also included a transfer out of another \$8 million to the Budget Stabilization Fund. FY21 actual revenues exceeded budget as well so year-end statutorily required transfers included nearly \$106 million to Transportation's Highway and Bridge Capital account, \$2.5 million to the Reserve for Operating Capital and \$223.6 million to the Budget Stabilization Fund.
Maryland	Revenue adjustments include \$25.8 million in transfers from tax credit reserves and \$341 million in FEMA reimbursement. Expenditure adjustments include \$248.4 million in agency reversions.
Massachusetts	General Fund is defined as all budgeted operating funds, adjusted for expenditures funded by federal reimbursements. This is to better align with spending reported in the State Expenditure Report and be more comparable to most other states, which book

federally reimbursed expenditures in a separate federal fund; adjustments also account for certain transfers between budgeted funds. Ending balances include \$776.6 M in reserved balances projected to be spent in the next fiscal year.

- Michigan** Revenue totals are net of payments to local governments and balance sheet adjustments.
- Expenditure Adjustment: \$535 million transfer to Rainy Day Fund.
- Minnesota** Rainy Day Fund balance includes cash flow account of \$350 million and a budget reserve of \$2.406 billion. Expenditure Adjustments includes an Appropriation Carry-Forward of \$111 million and stadium reserve of \$106.709 million. Revenue Adjustments include Dedicated Revenue, Transfers-In and Prior Year Adjustments.
- Mississippi** FY2021 General Fund Cash ending balance disposition in accordance with Miss. Code Ann. § 27-103-213. Ending balance includes Reappropriation — FY2021 to FY2022.
- Missouri** Revenue adjustments include transfers from other funds into the General Revenue Fund.
- Montana** Adjustments to revenues and expenditures reflect prior year revenue activity, prior year expenditure activity and adjustments to general fund balance resulting from the CAFR reconciliation process.
- Nebraska** Revenue adjustments are transfers between the General Fund and other funds. These include a \$272 million transfer from the General Fund to the Property Tax Credit Cash Fund. There is an additional \$11 million transfer to the Water Sustainability Cash Fund, and \$3.3 million to the Water Resources Cash Fund. There were also usual and customary transfers into the General Fund from other cash funds, which were reduced by \$3 million during the 2021 legislative session and is included in the net receipts line. There was also a \$10.6 million transfer to the Cash Reserve Fund for revenues in excess of the Certified Forecast for FY 2020. In addition, there was a \$125 million reduction from LB 1107 — a comprehensive tax package passed in August 2020 (FY 2021).
- Nevada** Revenue adjustments are restricted revenue, reversion, Rainy Day Fund transfers in and reserve transfers in. Expenditure adjustments are restricted transfers out (Millennium Scholarship, Live Entertainment Tax, Transfer to Disaster Relief, and Transfer to Rainy Day Fund).
- New Hampshire** Expenditure Adjustments: The makeup of this adjustment total for FY2021 includes \$37.7 million negative GAAP adjustment, a movement of \$142.3 million to the Rainy Day Fund, a lapse transfer to the highway fund of \$8.1 million, and a \$1.2 million transfer from the education trust fund.
- New Jersey** Revenue adjustments: Lapses, transfers to other funds, transfer to Surplus Revenue Fund to General Fund; the opening fund balance was restated (reduced by \$103.9 million).
- New Mexico** Adjustments are net of reversions and transfers from other funds. Revenue adjustments include reversions. Additionally, revenue in FY21 includes \$750 million of New Mexico's coronavirus relief fund allocation to the state's general fund, to be used for eligible CRF expenditures. Expenditure adjustments include appropriations, expenditures and transfers out.
- New York** General Fund revenues and expenditures include operating transfers to/from other funds which constitute legally authorized transfers from a fund receiving revenues, to a fund through which disbursements will ultimately be made.
- North Carolina** Adjustments to revenue includes authorized transfer from Medicaid Transformation Reserve, Medicaid Contingency Reserve, and R&R Reserve. Adjustments to expenditures reflect the transfers above in addition to the transfer to the Savings Reserve and NC Great and a DOT Transfer.
- North Dakota** Revenue adjustments are transfers of \$871.7 million from the legacy fund, \$382.2 million from the strategic investment and improvements fund and \$70.0 million from other special fund sources to the general fund.
- Ohio** Federal reimbursements for Medicaid expenditures funded from the General Revenue Fund (GRF) are deposited into the GRF. Federal reimbursements for Medicaid expenditures from non-GRF sources are deposited into the appropriate federal fund. Expenditures of federal funds are not included in the General Fund number to be consistent with NASBO survey guidelines.
- The negative revenue adjustment reflects the difference between federal revenues and federal expenditures in the general fund for the fiscal year. This change is needed to tie to the actual ending fund balance. FY 2021 includes expenditures against prior year encumbrances as well as \$465.0 million in transfers out of the GRF.

Oklahoma	The revenue adjustment is \$133.9 million of negative cash flow. The expenditure adjustment of \$282 million are the end-of-year surpluses deposited to the Constitutional Reserve Fund. No CSFRF funds are included in the calculations.
Oregon	Revenue adjustments include: a revenue adjustment for a statutory transfer to local governments for local property tax relief as well as a statutory required distribution from Corporate Income Taxes to the Rainy Day Fund and the PERS Liability. Expenditure adjustment includes: the required deposit into the Rainy Day Fund.
Pennsylvania	Revenue adjustments include refunds, lapses and adjustments to beginning balances. Expenditure adjustments include transfers to the Budget Stabilization Reserve Fund. This transfer is reflected in the RDF balance, although the actual transfer was not done until the 1st quarter of 2021–22.
Rhode Island	Adjustments to revenues reflect a transfer of \$137.2 million to the State Budget Reserve and Cash Stabilization Account (“Rainy Day Fund”) offset by a FEMA receivable of \$93.2 million for reimbursement of FY 2020 expenditures along with a reappropriation total of \$5.3 million from FY 2020. Adjustments to expenditures reflect a transfer of \$67.0 million to the Information Technology Investment Restricted Account and a transfer of \$20.0 million to the Historic Tax Credit Special Revenue Fund and a reappropriation of \$8.4 million from FY 2021.
South Carolina	Revenue Adjustments: (\$629.4M) transfer to Tax Relief Trust Fund. Expenditure Adjustments: \$251.2M — Contingency Reserve transfer to agencies for COVID response and other purposes. Ending Balance: Rainy Day Funds (\$440.2M General Reserve, \$176.1M Capital Reserve, and \$1,090.8M Contingency Reserve); Reserved/Designated (\$679.5M Appropriations Carried Forward to FY22, and \$1,228.7M designated for FY22 non-recurring appropriations. Gross revenues are reported in the Total Revenue while the transfer to the State’s Tax Relief Trust Fund (TRTF) is now reported as a Revenue Adjustment. (Prior to the Spring 2022 Fiscal Survey, Total Revenues had been reported net of transfers to the TRTF.) Funding for the State’s General & Capital Reserve funds is based on General Fund revenues net of the TRTF.
South Dakota	The adjustment to expenditures of \$41.6 million reflects the prior year’s ending balance of \$19.1 million along with an additional \$22.5 million that was transferred to the rainy day funds. Adjustments to revenue of \$46.8 million is from one-time receipts. The ending balance of \$85.9 million is cash that is obligated to reserves the following fiscal year. This \$85.9 million is not included in the total rainy day funds balance of \$215.9 million.
Tennessee	Adjustments (Revenues): \$54M transfer from debt service fund unexpended appropriations, -\$250M transfer to Rainy Day Fund, -\$6.3M transfer to Highway Fund, -\$229.8 transfer to dedicated revenue reserves, \$13.2M balancing estimate. Adjustments (Expenditures): \$72.8M transfer to Capital Outlay Projects Fund, \$13.1M transfer to State Office Buildings and Support Facilities Fund, \$3.7M transfer to Debt Service Fund, \$1.0M transfer to reserves for dedicated revenue appropriations, \$896.9M transfer to reserves for unexpended appropriations, \$4.5M transfer to systems development fund.
Texas	Revenue adjustment of -\$319 million from GR dedicated account balances. Expenditure adjustment of \$2,910 million is reserved for transfer (50/50) to the Rainy Day Fund and State Highway Fund.
Utah	Expenditure adjustments include \$247.4 million of surplus revenue collections were automatically transferred to rainy day funds and other funds at the end of FY 2021 based on statutory formulas. FY 2020 revenue adjustments include transfers to the General Fund and Education fund, the amount set aside for economic development cash incentives, funds that lapsed to General Fund or Education Fund at the end of FY 2020, and other revenue adjustments.
Virginia	Data shown for fiscal year 2021 was reported in NASBO’s <i>Fall 2021 Fiscal Survey of States</i> .
Washington	Revenue adjustments reflect the net of transfers in and out of the General Fund, as well as prior biennium recoveries and similar resource adjustments.
West Virginia	Fiscal Year 2021 Beginning balance includes \$370.2 million of Reappropriations, Unappropriated Surplus Balance of \$28.1 million, \$0.26 million of cash balance adjustments, and FY 2020 13th month expenditures of \$56 million. Total Revenues show the FY 2021 actual general revenue collections of \$4,987.6 million. Adjustments (Revenue) are prior year redeposits of \$0.17 million and special revenue expirations of \$25.8 million. Total Expenditures include current year general revenue appropriated expenditures of \$4,581.6 million, surplus appropriation expenditures of \$22.0 million, reappropriation expenditures of \$115.3

million, \$0.041 of cash adjustments, \$56 million of reappropriations transferred to FY 2021 collections and \$14.3 million of 31 day prior year expenditures. Adjustment (Expenditures) represent \$14 million which was the amount transferred to the Rainy Day Fund from 1/2 of the FY 20 surplus. The Ending Balance is mostly the historically carried forward reappropriations from previous fiscal years (estimated amounts that will remain and be reappropriated to the next fiscal year), the estimated 13th month expenditures applicable to the current fiscal year & they any unappropriated surplus balance (estimated) from the current fiscal year.

Wisconsin Revenue adjustments include Tribal Gaming, \$0.1 million; Prior Year Designated Balance, \$600.9 million; and Other Revenue, \$585.41 million. Expenditure adjustments include Transfers, \$1,011.5 million; Lapses, -\$1,264.7 million; and Compensation Reserves, \$87.7 million.

Wyoming The State of Wyoming budgets on a biennial basis, to arrive at annual figures certain assumptions and estimates are required.

Notes to Table 4: Fiscal 2022 State General Fund, Estimated

For all states, unless otherwise noted, transfers into budget stabilization funds are counted as expenditures, and transfers from budget stabilization funds are counted as revenues.

Alabama Expenditure adjustments include transferring \$48 million to the General Fund Budget Reserve Fund.

Alaska Revenue adjustment includes statutory draw from the Alaska Permanent Fund Earnings Reserve Account (\$3,069m) and carryforward and other adjustments (\$673m). Expenditure adjustment represents Permanent Fund dividend payments. Revenue forecast as of December 2021. Expenditure amount and rainy day fund balance based on February 2022 Amended Budget.

Arkansas Total available revenue amounts are reported as net of refunds and special dedications/payments. 25% of the first \$200M (\$50M) of the ending balance will be transferred to the State Highway and Transportation Department Fund, and 75% of the first \$200M will be transferred to the General Revenue Allotment Reserve Fund. The remaining balance will be transferred to the Catastrophic Reserve Fund if the Catastrophic Reserve Fund balance does not equal or exceed 20% of the total amount of general revenue last distributed. If there is a balance after determining the Catastrophic Reserve Fund equals or exceeds 20% of the total amount of general revenue last distributed or transferring a portion of the remaining balance to ensure the Catastrophic Reserve Fund equals 20% of the total amount of general revenue last distributed, the remaining balance will be transferred to the General Revenue Allotment Reserve Fund.

California Total Revenues: reflect revenues before transfers and loans to/from the General Fund. Estimated cost recoveries for Fiscal 2022 for COVID-19 and wildfires are included as "revenue adjustments". Safety Net Reserve Fund created in the 2018 Budget Act to maintain existing benefits and services for Medi-Cal and CalWORKs during economic downturns. Public School System Stabilization Account enacted in 2014 as part of Proposition 2 to serve as a Proposition 98 Rainy Day Fund to lessen the impact of volatile state revenues on K-14 schools.

Revenue adjustments include \$2,839.8 million in transfers and loans to/from the General Fund as well as \$3,696.1 million in estimated cost recoveries for COVID-19 and wildfires.

The ending balance includes the SFEU, but excludes the BSA, the Safety Net Reserve Fund, and the Public School System Stabilization Account (PSSSA). The excluded amounts are \$19,303.4 million for the BSA, \$900 million for the Safety Net Reserve Fund, and \$6,663.4 million for the PSSSA at the end of FY 2022. Adding these amounts to the FY 2022 ending balance, the projected total balance is \$50,517.1 million in FY 2022.

The rainy day balance is made up of the SFEU, BSA, the Safety Net Reserve Fund, and the PSSSA however, withdrawals of mandatory deposits from the BSA are subject to provisions of Proposition 2, 2014.

The ending balance includes a reserve for encumbrances of \$3,175.1 million representing amounts which will be expended in the future for state obligations for which goods and services have been ordered/contracted, but have not been received by the end of the fiscal year. These amounts are shown as a reserve to the fund balance instead of a hit to the fund balance.

Colorado Revenue adjustments include transfers to the General Fund. Colorado's rainy day fund is included within the General Fund.

Connecticut	FY 2022 Estimated Revenue: Included in the total revenue figure of \$21,912.0 million, \$2,138.4 million is included as Federal Grant Revenue plus an additional \$559.9 million being included from the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF) that was part of the American Rescue Plan Act of 2021. Without the Federal Grant and CSLFRF Revenue, the total revenue collected would be \$19,213.7 million. Federal Grants figures do not include any Coronavirus Relief Fund dollars or Coronavirus State and Local Fiscal Recovery Fund dollars. Rainy Day Fund balance at the end of FY 2022 is higher than what was in the Governor's recommended budget due to improved projections for FY 2021 year-end surplus and transfer due to the volatility cap. As a result of a surplus projected for the end of FY 2022, \$1,510.4 million is projected to be deposited into the Rainy Day Fund at the end of FY 2022. The FY 2022 estimated budget proposes to use \$559.9 million of the Coronavirus State and Local Fiscal Recovery Fund that was part of the American Rescue Plan Act of 2021 to close the gap between revenue and expenditures as CT statute requires a balanced budget to be passed. The volatility cap is projected to transfer \$969.2 million to the Rainy Day Fund. The surplus and the volatility cap are projected to deposit a total of \$2,479.6 million to the Rainy Day Fund. The balance of the Rainy Day Fund at the end of FY 2022 is estimated to be \$5,591.9 million or 25.8% of the ensuing fiscal year's appropriations as of January 31, 2022
Florida	FY 2022 Expenditures include the \$5.5 billion in federal ARP Act funds included in FY 2021 Revenue Adjustment figure. Total revenues reflect official General Revenue Fund Outlook figures, which include FEMA reimbursements, reversions, and legal settlements.
Georgia	Revenue adjustments include utilizing the required 1% of the revenue shortfall reserve to fund midterm K–12 education growth. Georgia does not estimate future Revenue Shortfall Reserve (rainy day fund) balances.
Hawaii	Adjustment in FY 2022 includes a \$89 thousand transfer from non-general funds pursuant to Act 87, SLH 2021 and -\$41.2 million in renewable energy technology income tax credit adjustment not included in revenue estimates. Proposed \$1.0 billion deposited into the Emergency and Budget Reserve Fund.
Idaho	Revenue adjustments include: \$1.6M for reappropriation, \$69.2M for PY reversions, and \$1.1 Bin transfers and disbursements. Expenditure adjustments include: \$57.2M for C19 reimbursements, \$.4M for deficiency warrants, and \$195.4M for other revenue adjustments. Included in revenue is the impact of tax conformity (\$8.6M) and tax relief (\$350M).
Illinois	Total revenues include \$39,407M in state sources, \$4,786M in federal, \$2,100M in transfers in. Adjustments include \$1,500M in ARPA reimbursement for essential government services. Total expenditures include \$31,997M in appropriations, \$9,581M in pension contributions, \$1,988M in transfers out, and \$929M in interfund borrowing repayment. Expenditure adjustments include \$1,615 in supplemental appropriations, -\$873 in unspent appropriations, -\$54M in Comptroller budgetary basis adjustments, \$300M pension stabilization fund contribution, \$425M for property tax rebates, \$185M for grocery tax replacement to local units of government, \$888M in accounts payable, \$1,052M in MLF repayment and -\$218M in transfers for unclaimed property.
Indiana	Expenditure adjustments include an estimated \$22.0 million in unspent prior year reversions, an estimated transfer from the State's General Fund to the Rainy Day fund of \$121.2 million per a statutory formula, along with a \$1,090.8 million excess reserves transfer that is split evenly between Teachers Retirement Fund pensions and an Automatic Taxpayer Refund. Revenue estimates are based on December 16, 2021 Revenue Forecast and do not take into consideration changes during the 2022 legislative session.
Iowa	Total Revenues are as of the December 2021 REC estimate. Included in revenue adjustments is \$233.8 million of residual funds transferred to the General Fund after the Reserve Funds are filled to their statutory maximum amounts. Total Expenditures include a \$6.4 million change in estimates of standing appropriations. At the end of the fiscal year, any ending balance is transferred in the subsequent fiscal year to the Reserve Funds. After the Reserve Funds are filled to their statutory limit and other transfers are completed as required by statute, the remaining balance is transferred back to the General Fund. There are no federal funds included in these amounts.
Kentucky	Revenue includes \$114.9 million in Tobacco Settlement Funds. Revenue adjustments include \$715.7 million that represents appropriation balances carried forward from the prior fiscal year, and \$77.1 million from fund transfers into the General Fund. Expenditure adjustments include \$1,622.6 million in appropriation balances forwarded into the next fiscal year.
Louisiana	Revenue adjustments — Includes \$183.6m of carryforwards from FY21 to FY22.

Expenditure adjustments — Includes \$2.8m for Capital Outlay corrections made in FY22; \$28.9m for Tobacco Tax allocations corrections made in FY22.

FY22 numbers are budgeted and not actuals.

Rainy Day Fund Balance includes a 25% deposit (\$174.8m) from surplus revenues (\$699.2m) as required by the Louisiana Constitution.

Maine	Totals here reflect the enacted 2022–2023 biennial budget and the Governor’s Recommended FY22–23 Supplemental Budget currently under consideration by the Legislature. The Governor’s Recommended Supplemental includes a \$10 million transfer of General Fund unappropriated surplus to the Budget Stabilization Fund in FY22. Revenue and Expenditure adjustments reflect legislatively authorized transfers and lapses of unspent balances from prior years in the enacted biennial budget as well as recommendations in the Governor’s FY22–23 Supplemental Budget. Enacted budget items: Transfers In included \$20 million in available balances in the liquor sales account and there was \$78 million in lapsed balances from several Health and Human Services accounts. Transfers Out included \$10 million to support student aid, about \$9 million to support indigent legal services and about \$97 million for a property tax relief program that historically had been a budgeted GF expense. The Governor’s Recommended Supplemental Budget for FY22–23 includes approximately \$919 million in transfers of FY22 GF unappropriated revenue to Other Special Revenue accounts in agencies for a variety of one-time purposes. The Supplemental budget is still under consideration by the Legislature.
Maryland	Revenue adjustments include \$20.4 million in transfers from tax credit reserves. Expenditure adjustments included \$33.1 million in prior year EFMAP savings and Medicaid carryover, and \$35.5 million in reversions to the unappropriated General Fund balance.
Massachusetts	General Fund is defined as all budgeted operating funds, excluding the Federal COVID-19 Response Fund and Transitional Escrow Fund, adjusted for expenditures funded by federal reimbursements. This is to better align with spending reported in the State Expenditure Report and be more comparable to most other states, which book federally reimbursed expenditures in a separate federal fund; adjustments also account for certain transfers between budgeted funds. Ending balances include \$508.8 M in reserved balances projected to be spent in the next fiscal year. Data is as of 2/12/2022.
Michigan	Revenue totals are net of payments to local governments and balance sheet adjustments.
Minnesota	Rainy Day Fund balance includes cash flow account of \$350 million and a budget reserve of \$2.655 billion. Expenditure Adjustments include stadium reserve of \$212.6 million. Revenue Adjustments include Dedicated Revenue, Transfers-In and Prior Year Adjustments.
Mississippi	1) FY2021 General Fund Cash ending balance disposition in accordance with Miss. Code Ann. § 27-103-213.
Missouri	Revenue adjustments include transfers from other funds into the General Revenue Fund.
Nebraska	Revenue Adjustments include \$339.6 million in re-appropriations, a transfer of \$535.3 million to the Cash Reserve Fund from FY 2020–21 General Fund tax receipts exceeding the certified forecast, an additional \$50 million transfer to the Cash Reserve Fund, and \$660,000 related to legislative bills. The following General Fund transfers are also included: \$297 million to the Property Tax Credit Fund, \$100 million to the Nebraska Capital Construction Fund, \$11 million to the Water Sustainability Fund, \$15 million to the Shovel-Ready Capital Projects Fund, \$15 million to the Prison Overcrowding Contingency Fund, \$5 million to the ImagiNE Revolving Loan Fund, and \$12.8 million in transfers to other cash funds. Expenditure Adjustments reflect the net mid-biennium budget recommendations of \$8.1 million.
Nevada	Revenue adjustments are restricted revenue, reversion, Rainy Day Fund transfers in and reserve transfers in. Expenditure adjustments are restricted transfers out (Millennium Scholarship, Live Entertainment Tax, Grant Matching Program, Transfer to Disaster Relief, and Transfer to Rainy Day Fund).
New Hampshire	Expenditure Adjustments: The makeup of this adjustment total for FY2021 includes a movement of \$50 million to the Highway Fund.
New Jersey	Revenue adjustments: Transfers to other funds and estimated lapses, transfer to Surplus Revenue Fund from General Fund.

New Mexico Adjustments are net of reversions and transfers from other funds. Revenue adjustments include reversions. Additionally, FY22 includes \$1.069 billion of American Rescue Plan Act (ARPA) funds for use to replace lost public sector revenue. Expenditure adjustments include appropriations, expenditures and transfers out. There is a discrepancy in the survey's calculation of ending balances versus the entered Rainy Day Fund balance. This is due to ARPA funds not all being spent in FY22. Some ARPA funds are appropriated in FY23.

New York General Fund revenues and expenditures include operating transfers to/from other funds which constitute legally authorized transfers from a fund receiving revenues, to a fund through which disbursements will ultimately be made.

The Rainy Day Reserve is projected to increase by \$875 million after a deposit from the General Fund. Funds are expected to be transferred from the State Purposes Account to the Rainy Day Reserve Fund. Both the State Purposes Account and Rainy Day Reserve Fund are components of New York State's General Fund.

Revenue and Expenditures adjustments reflect the expected receipt & disbursement of \$4.5 billion in unrestricted Federal aid in FY 2022. While this funding is treated in the state budget as a general fund resource, it is displayed as an adjustment to be consistent with survey guidelines requesting federal funds be excluded from revenue and expenditure figures where possible.

Explanation of large increase in fund balance: Additionally, as part of the State's continuing response to Federal tax law changes, legislation was enacted in FY 2022 to allow an optional Pass-Through Entity Tax (PTET) on the New York-sourced income of partnerships and S corporations. Qualifying entities that elect to pay PTET will pay a tax of up to 10.9 percent on their taxable income at the partnership or corporation level, and their individual partners, members and shareholders will receive a refundable Personal Income Tax (PIT) credit equal to the proportionate or pro rata share of taxes paid by the electing entity. In December 2021, entities began making PTET payments that were recorded as business taxes which are expected to total \$16.7 billion in FY 2022. DOB expects the accompanying tax credits will impact PIT receipts beginning in April 2022, which would decrease PIT collections. DOB expects that the PTET will be revenue neutral for the State. However, because PTET payments will generally be received in the fiscal year prior to credit claiming, the PTET will not be revenue-neutral within each fiscal year. Therefore a reserve has been established for PTET collected in FY 2022 for purposes of offsetting the decrease in PIT receipts expected in FY 2023, as such the \$16.7 billion of expected PTET receipts is treated as a revenue adjustment.

Explanation of Revenue Increase: General Fund receipts, as adjusted, are estimated to total \$90.8 billion in FY 2022, an increase of \$16.5 billion (22.2 percent) from FY 2021. The increase reflects an improved revenue outlook and new revenue from the high-income PIT surcharge and business tax increases enacted in FY 2022.

Explanation of Expenditure Increase: General Fund disbursements, as adjusted, are expected to total \$86.2 billion in FY 2022, an increase of \$12.1 billion (16.3 percent) from FY 2021 spending. FY 2022 spending includes over \$3 billion for time limited recovery initiatives, a substantial School Aid increase, and Medicaid growth of roughly 6 percent. In addition, several transactions that were executed in FY 2021 lowered reported spending in that year. These included funding \$2.7 billion of certain eligible health and public safety payroll costs from the CRF; temporary payment withholds that were authorized for release in FY 2021 but not paid until FY 2022; higher State share Medicaid savings from retroactive eFMAP processing; and the deferral of social security taxes from FY 2021 to FY 2022 and FY 2023, as provided in the CARES Act. Projected spending also reflects DOB's cautious estimates of disbursements in each financial category, a practice that provides a cushion for potential receipts shortfalls and unanticipated costs.

North Carolina Adjustments to expenditures include transfers from unreserved balance for State Capital and Infrastructure Fund, Savings Reserve, Medicaid Transformation and Contingency Funds, and a variety of other projects.

North Dakota Revenue adjustments are transfers of \$205.0 million from the strategic investment and improvements fund and \$70.0 million from other special fund sources to the general fund. Expenditure adjustment is for a contingent appropriation that was met for a loan repayment.

Ohio Federal reimbursements for Medicaid expenditures funded from the General Revenue Fund (GRF) are deposited into the GRF. Federal reimbursements for Medicaid expenditures from non-GRF sources are deposited into the appropriate federal fund. Expenditures of federal funds are not included in the General Fund number to be consistent with NASBO survey guidelines.

The negative revenue adjustment reflects the anticipated difference between federal revenues and federal expenditures in the general fund for the fiscal year. This change is needed to tie to the projected ending fund balance. The FY 2022 estimate includes expenditures against prior year encumbrances and \$2,975.6 million in transfers out of the GRF.

Oklahoma	An end-of-year surplus is expected that would exceed the Constitutional Reserve Fund's maximum allowed balance. Deposits to the Constitutional Reserve Fund are expected to total \$638.2. Funds in excess of the maximum rainy day deposits are included in the FY-23 beginning balance. No CSFRF funds are included in the calculations.
Oregon	Revenue adjustments include: a revenue adjustment for a statutory transfer to local governments for local property tax relief.
Pennsylvania	Revenue adjustments include federal ARPA SLFRF revenue replacement funds (\$3,841 million), refunds, lapses and adjustments to beginning balances. Expenditure adjustments include proposed supplementals. Total expenditures include a reduction of \$2.43B reflecting increased FMAP.
Rhode Island	Adjustments to revenues reflect \$212.7 million for a FEMA receivable that was disallowed in FY 2021 and instead recognized as a general revenue expenditure. RI expects to recognize corresponding FEMA revenue in FY 2022 to offset the GR expense along with a reappropriation total of \$8.5 million from FY 2021. There is also a transfer of \$152.0 million to the Budget Reserve Fund. Adjustments to expenditures reflect multiple one-time expenditures: a transfer of \$338.0 million to the RI Capital Plan Fund; a transfer of \$50.0 million to the Information Technology Investment Restricted Account; a transfer of \$21.9 million to the Clean Water/Drinking Water State Revolving Loan Fund; a transfer of \$61.8 million to the State's Pension based on past pension contribution deferrals for state employees; and \$12.6 million to Developmental Disability Organizations to end a practice known as "Check Swap" offset by a general revenue savings of \$41.8 million, the majority of which is for additional FMAP Enhancement savings related to the extension of the Public Health Emergency.
South Carolina	Gross revenues are reported in the Total Revenue while the transfer to the State's Tax Relief Trust Fund (TRTF) is now reported as a Revenue Adjustment. (Prior to the Spring 2022 Fiscal Survey, Total Revenues had been reported net of transfers to the TRTF.) Funding for the State's General & Capital Reserve funds is based on General Fund revenues net of the TRTF. Revenue Adjustments: (\$643.9M) transfer to Tax Relief Trust Fund, \$20.4M transfer in from Litigation Recovery, and \$65.0M CARES Act reimbursements. Expenditure Adjustments: \$176.1M FY21 Capital Reserve transfer to agencies. Ending Balance: Rainy Day Funds (\$458.9M General Reserve, \$183.6M Capital Reserve, and \$567.1M Contingency Reserve); Reserved/ Designated (\$679.5M in projected Carryforward Appropriations to FY23, and \$1,527.3M designated for FY23 non-recurring appropriations.
South Dakota	The adjustment to expenditures of \$91.2 million reflects the prior year's ending balance of \$85.9 million along with an additional \$5.3 million that was transferred to the rainy day funds.
Tennessee	Adjustments (Revenues): -\$100M transfer to Rainy Day Fund, -\$250M transfer to K-12 Mental Health Trust Fund, -\$250M to Retirement System Trust Fund, -\$0.3M rounding adjustment. Adjustments (Expenditures): \$1,578.5M transfer to Capital Outlay Projects Fund, \$12.3M transfer to State Office Buildings and Support Facilities Fund, \$3.7M transfer to Debt Service Fund, \$1.0M transfer to reserves for dedicated revenue appropriations.
Texas	Revenue adjustment of -\$137.8 million from the GR dedicated account balances. Expenditure adjustment of \$4,853.5 million is a transfer to the ESF and State Highway to be allocated equally.
Utah	FY 2022 revenue adjustments include transfers to the General Fund and Education fund, the amount set aside for economic development cash incentives, and other revenue adjustments. Based on FY 2022 revenue projections when the FY 2023 Governor's budget proposal was released.
Virginia	Data shown for fiscal year 2022 was reported in NASBO's <i>Fall 2021 Fiscal Survey of States</i> .
Washington	Revenue adjustments reflect the net of transfers in and out of the General Fund, as well as prior biennium recoveries and similar resource adjustments.
West Virginia	Total Revenue is the official estimate for FY 2022 Total General Revenue collections. Adjustments (Revenue) are prior year redeposits of \$0.494 million and \$159.5 million of expired special revenue. Total Expenditures are FY 2022 general revenue appropriations of \$4.525 million, FY 2022 surplus appropriations of \$159.5 million, and FY 2021's 13th month expenditures of \$44.1 million. Adjustment (Expenditures) represents the \$15.4 million transferred in August 2021 to the Rainy Day Fund from 1/2 of the FY 2021 surplus. The Ending Balance is mostly the historically carried forward reappropriation amounts that will remain and be reappropriated to the next fiscal year and the 13th month expenditure allowance for the current fiscal year, expirations and any unappropriated surplus balance.

Wisconsin Revenue adjustments include Tribal Gaming, \$0; and Other Revenue, \$481.7 million. Expenditure adjustments include Transfers, \$428.6 million; Lapses, -\$233.2 million; Sum Sufficient Reestimates, -\$15.7 million; MA Biennial Adjustment, -\$360.0 million; and Compensation Reserves, \$41.9 million.

Wyoming The State of Wyoming budgets on a biennial basis, to arrive at annual figures certain assumptions and estimates are required.

Notes to Table 5: Fiscal 2023 State General Fund, Recommended

For all states, unless otherwise noted, transfers into budget stabilization funds are counted as expenditures, and transfers from budget stabilization funds are counted as revenues.

Alaska Revenue adjustment includes statutory draw from the Alaska Permanent Fund Earnings Reserve Account (\$3,361m) and carryforward and other adjustments (\$375m). Expenditure adjustment represents Permanent Fund dividend payments. Revenue forecast as of December 2021. Expenditure amount and rainy day fund balance based on February 2022 Amended Budget.

Arizona The \$425 million expenditure adjustment reflects a General Fund appropriation to the Rainy Day Fund that was proposed in the Executive Budget.

Arkansas Fiscal 2023 figures reflect enacted fiscal 2022–2023 biennial budget, with enacted revisions.

Total available revenue amounts are reported as net of refunds and special dedications/payments. 25% of the first \$200M (\$50M) of the ending balance will be transferred to the State Highway and Transportation Department Fund, and 75% of the first \$200M will be transferred to the General Revenue Allotment Reserve Fund. The remaining balance will be transferred to the Catastrophic Reserve Fund if the Catastrophic Reserve Fund balance does not equal or exceed 20% of the total amount of general revenue last distributed. If there is a balance after determining the Catastrophic Reserve Fund equals or exceeds 20% of the total amount of general revenue last distributed or transferring a portion of the remaining balance to ensure the Catastrophic Reserve Fund equals 20% of the total amount of general revenue last distributed, the remaining balance will be transferred to the General Revenue Allotment Reserve Fund.

California Total Revenues: reflect revenues before transfers and loans to/from the General Fund. Estimated cost recoveries for Fiscal 2023 for COVID-19 and wildfires are included as “revenue adjustments”. Safety Net Reserve Fund created in the 2018 Budget Act to maintain existing benefits and services for Medi-Cal and CalWORKs during economic downturns. Public School System Stabilization Account enacted in 2014 as part of Proposition 2 to serve as a Proposition 98 Rainy Day Fund to lessen the impact of volatile state revenues on K–14 schools.

Revenue adjustments include \$1,915.4 million in transfers and loans to/from the General Fund as well as \$5,988.4 million in estimated cost recoveries for COVID-19 and wildfires.

The ending balance includes the SFEU, but excludes the BSA, the Safety Net Reserve Fund, and the Public School System Stabilization Account (PSSSA). The excluded amounts are \$20,868.4 million for the BSA, \$900 million for the Safety Net Reserve Fund, and \$9,724.6 million for the PSSSA at the end of FY 2023. Adding these amounts to the FY 2023 ending balance, the projected total balance is \$37,735.1 million in FY 2023.

The rainy day balance is made up of the SFEU, BSA, the Safety Net Reserve Fund, and the PSSSA however, withdrawals of mandatory deposits from the BSA are subject to provisions of Proposition 2, 2014.

The ending balance includes a reserve for encumbrances of \$3,175.1 million representing amounts which will be expended in the future for state obligations for which goods and services have been ordered/contracted, but have not been received by the end of the fiscal year. These amounts are shown as a reserve to the fund balance instead of a hit to the fund balance.

Colorado Revenue adjustments include transfers to the General Fund. Colorado’s rainy day fund is included within the General Fund.

Connecticut Fiscal 2023 figures reflect enacted fiscal 2022–2023 biennial budget, with the Governor’s proposed revisions / supplemental items.

FY 2023 Recommended Revenue: Included in the total revenue figure of \$22,368.5 million, \$1,926.5 million is included as Federal Grant Revenue plus an additional \$944.9 million being included from the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF) that was part of the American Rescue Plan Act of 2021. Without the Federal Grant and CSLFRF Revenue, the total

revenue collected would be \$19,497.1 million. Federal Grants figures (\$1,926.5 million) do not include any Coronavirus Relief Fund dollars or Coronavirus State and Local Fiscal Recovery Fund dollars. The Governor's Recommended FY 2023 budget is balanced per CT Constitution. As a result of a surplus (\$16.7 million) projected for the end of FY 2023, \$4,380.6 million is projected to be deposited into the Rainy Day Fund at the end of FY 2023. The revenue cap limits the amount of appropriations that can be made based on a certain percentage of revenue: 99.5% in FY 2020, 99.25% in FY 2021, 99.0% in FY 2022, 98.75% in FY 2023 phasing down to 98.0% by FY 2026. The Governor's Recommended budget proposes to use \$994.9 million of the Coronavirus State and Local Fiscal Recovery Fund that was part of the American Rescue Plan Act of 2021 to close the gap between revenue and expenditures as CT statute requires a balanced budget to be passed. The volatility cap is projected to transfer \$773.4 million to the Rainy Day Fund. The balance of the Rainy Day Fund at the end of FY 2023 is estimated to be \$4,380.6 million.

- Florida** Total revenues reflect official General Revenue Fund Outlook figures, which include FEMA reimbursements, reversions, and legal settlements.
- Georgia** Georgia does not estimate future Revenue Shortfall Reserve (rainy day fund) balances.
- Hawaii** Fiscal 2023 figures reflect enacted fiscal 2022–2023 biennial budget, with the Governor's proposed revisions / supplemental items.
- Adjustment in FY 2023 includes -\$105.1 million in renewable energy technology income tax credit adjustment not included in revenue estimates.
- Idaho** Revenue adjustments include: \$24.2M for executive legislation impacts and \$687.1M for transfers out and in. Included in revenue is the impact of tax conformity (\$7.9M) and tax relief (\$251.2M)
- Illinois** Total revenues include \$39,875M in state sources, \$4,045M in federal, \$1,913M in transfers in. Total expenditures include \$34,406M in appropriations, \$9,847M in pension contributions, and \$1,967M in transfers out. Expenditure adjustments include -\$1,056 in unspent appropriations, \$200M pension stabilization fund contribution, \$50M for property tax rebates, \$175M for grocery tax replacement to local units of government -\$54M in Comptroller budgetary basis adjustments, \$179M in accounts payable, and -\$215M in transfers for unclaimed property.
- Indiana** Fiscal 2023 figures reflect enacted fiscal 2022–2023 biennial budget.
- Expenditure adjustments include an estimated \$22.0 million in unspent prior year reversions along with an estimated excess reserves transfer of \$309.6 million statutorily directed to Teachers Retirement Fund pensions. Revenue estimates are based on April 15, 2021 Revenue Forecast (forecast used to finalized FY22/23 biennial budget) and do not take into consideration changes during the 2022 legislative session.
- Iowa** Total Revenues are as of the December 2021 REC estimate. Also included in Total Revenues is a -\$232.4 million adjustment for the Governor's proposed tax law changes. Included in revenue adjustments is \$233.8 million of residual funds transferred to the General Fund after the Reserve Funds are filled to their statutory maximum amounts. At the end of the fiscal year, any ending balance is transferred in the subsequent fiscal year to the Reserve Funds. After the Reserve Funds are filled to their statutory limit and other transfers are completed as required by statute, the remaining balance is transferred back to the General Fund. There are no federal funds included in these amounts.
- Kentucky** Revenue includes \$108.4 million in Tobacco Settlement Funds. Revenue adjustments include \$1,622.6 million that represents appropriation balances carried forward from the prior fiscal year, and \$2.4 million from fund transfers into the General Fund. Expenditure adjustments include \$1,872.6 million in appropriation balances forwarded into the next fiscal year.
- Maine** Fiscal 2023 figures reflect enacted fiscal 2022–2023 biennial budget, with the Governor's proposed revisions / supplemental items.
- Totals here reflect the enacted 2022–2023 biennial budget and the Governor's Recommended FY22–23 Supplemental Budget currently under consideration by the Legislature. Revenue and Expenditure adjustments reflect legislatively authorized transfers in the enacted biennial budget as well as recommendations in the Governor's FY22–23 Supplemental Budget. Enacted budget items: Transfers In included \$20 million in available balances in the liquor sales account and \$1 million in available balances from the medical marijuana account. Transfers Out included \$9.3 million to support indigent legal services, about \$97.6 million

for a property tax relief program that historically had been a budgeted GF expense, about \$3 million to fund changes to the property tax exemption program and \$15 million to support payments to medical providers. The Governor's Recommended Supplemental Budget for FY22–23 includes approximately \$77 million in transfers of FY23 GF unappropriated revenue to Other Special Revenue accounts in agencies for a variety of one-time purposes. The Supplemental budget is still under consideration by the Legislature.

Maryland Revenue adjustments include \$41.6 million in transfers from tax credit reserves. Expenditure adjustments represent \$35 million in reversions to the unappropriated General Fund balance.

Massachusetts General Fund is defined as all budgeted operating funds, excluding the Federal COVID-19 Response Fund and Transitional Escrow Fund, adjusted for expenditures funded by federal reimbursements. This is to better align with spending reported in the State Expenditure Report and be more comparable to most other states, which book federally reimbursed expenditures in a separate federal fund; adjustments also account for certain transfers between budgeted funds. Ending balances include \$95.4 M in reserved balances projected to be spent in the next fiscal year. Data is as of 2/12/2022.

Michigan Revenue totals are net of payments to local governments and balance sheet adjustments.

Minnesota Fiscal 2023 figures reflect enacted fiscal 2022–2023 biennial budget, with the Governor's proposed revisions / supplemental items.

Rainy Day Fund balance includes cash flow account of \$350 million and a budget reserve of \$2.655 billion. Expenditure Adjustments include stadium reserve of \$326.7 million. Revenue Adjustments include Dedicated Revenue, Transfers-In and Prior Year Adjustments.

Mississippi FY2021 General Fund Cash ending balance disposition in accordance with Miss. Code Ann. § 27-103-213. RDF balance undetermined — Working Cash Stabilization balance is a result of actual expenditures based on appropriated funding pursuant to Miss. Code 27-103-213.

Missouri Revenue adjustments include transfers from other funds into the General Revenue Fund.

Total expenditures include one-time extraordinary payments of \$500 million to the state's pension fund and \$100 million to pay off outstanding bond debt.

Expenditure adjustments includes \$281 million transfer to the Governor's proposed cash operating expense fund.

Montana Fiscal 2023 figures reflect enacted fiscal 2022–2023 biennial budget, with enacted revisions.

Nebraska Fiscal 2023 figures reflect enacted fiscal 2022–2023 biennial budget, with the Governor's proposed revisions / supplemental items.

Revenue Adjustments include a transfer of \$475.4 million to the Cash Reserve Fund from FY 2021–22 General Fund tax receipts projected to exceed the certified forecast, an additional \$50 million transfer to the Cash Reserve Fund, \$65.5 million for individual income tax reduction legislative bills, and \$1M related to other legislative bills. The following General Fund transfers are also included: \$310 million to the Property Tax Credit Fund, \$40.7 million to the Nebraska Capital Construction Fund, \$11 million to the Water Sustainability Fund, \$5 million to the ImagiNE Revolving Loan Fund, \$150 million to the Statewide Tourism and Recreational Water Access and Resource Sustainability Fund, \$5 million to the Site and Building Development Fund, \$5 million to the Governor's Emergency Cash Fund, and \$5.8 million to other cash funds. Expenditure Adjustments reflect the net mid-biennium recommendations of \$42.1 million for FY 2022–23.

Nevada Fiscal 2023 figures reflect enacted fiscal 2022–2023 biennial budget, with enacted revisions.

Revenue adjustments are restricted revenue, reversion, Rainy Day Fund transfers in and reserve transfers in. Expenditure adjustments are restricted transfers out (Millennium Scholarship, Live Entertainment Tax, Grant Matching Program, Transfer to Disaster Relief, and Transfer to Rainy Day Fund).

New Hampshire Fiscal 2023 figures reflect enacted fiscal 2022–2023 biennial budget.

The ending balance of Fiscal 2022 and beginning balance of Fiscal 2023 differ because, the amounts listed for Fiscal 2023 are based on the enacted budget effective July 1, 2021, while Fiscal 2022 total revenues include amounts that are above plan as of February 28, 2022.

New Jersey

Revenue adjustments: Transfers to other funds, transfer from Surplus Revenue Fund to General Fund

New Mexico

Adjustments are net of reversions and transfers from other funds. Revenue adjustments include reversions. Additionally, there is remaining ARPA funds in FY23 causing similar discrepancy between ending balance and entered Rainy Day Fund balance. Expenditure adjustments include appropriations, expenditures and transfers out.

New York

General Fund revenues and expenditures include operating transfers to/from other funds which constitute legally authorized transfers from a fund receiving revenues, to a fund through which disbursements will ultimately be made.

The Rainy Day Reserve is projected to increase by \$920 million after a deposit from the General Fund. Funds are expected to be transferred from the State Purposes Account to the Rainy Day Reserve Fund. Both the State Purposes Account and Rainy Day Reserve Fund are components of New York State's General Fund.

Revenue and Expenditures adjustments reflect the expected receipt & disbursement of \$2.35 billion in unrestricted Federal aid in FY 2023. While this funding is treated in the state budget as a general fund resource, it is displayed as an adjustment to be consistent with survey guidelines requesting federal funds be excluded from revenue and expenditure figures where possible.

Additionally, as part of the State's continuing response to Federal tax law changes, legislation was enacted in FY 2022 to allow an optional Pass-Through Entity Tax (PTET) on the New York-sourced income of partnerships and S corporations. Qualifying entities that elect to pay PTET will pay a tax of up to 10.9 percent on their taxable income at the partnership or corporation level, and their individual partners, members and shareholders will receive a refundable Personal Income Tax (PIT) credit equal to the proportionate or pro rata share of taxes paid by the electing entity. In December 2021, entities began making PTET payments that were recorded as business taxes. DOB expects the accompanying tax credits will impact PIT receipts beginning in April 2022, which would decrease PIT collections. DOB expects that the PTET will be revenue neutral for the State. However, because PTET payments will generally be received in the fiscal year prior to credit claiming, the PTET will not be revenue-neutral within each fiscal year. PTET is expected to reduce FY 2023 PIT collections by \$24 billion and reduce all funds receipts by a net amount of \$9 billion, due to timing. The reserve established for PTET collected in FY 2022 offsets the decrease in PIT receipts expected in FY 2023, as such, the net \$9 billion tax receipts reduction is treated as a revenue adjustment.

Explanation of Revenue Increase: General Fund receipts, as adjusted, are estimated to total \$99.4 billion in FY 2023, an increase of \$8.6 billion (9.4 percent) from FY 2022. The increase reflects an improved revenue outlook and new revenue from the high-income PIT surcharge and business tax increases enacted in FY 2022.

Explanation of Expenditure Increase: General Fund disbursements, as adjusted, are expected to total \$93.2 billion in FY 2023, an increase of \$7 billion (8.1 percent) from FY 2022 spending. The annual change in spending is impacted by the expected expiration of the eFMAP that temporarily lowers State spending and increases the Federal share of Medicaid costs (\$2 billion), as well as one-time recovery initiatives and several transactions that were or are expected to be executed in FY 2022 that temporarily lower spending. These transactions include funding \$1.5 billion of certain eligible health and public safety payroll costs from the CRF and the payment of prior year salary increases.

North Carolina

Fiscal 2023 figures reflect enacted fiscal 2022–2023 biennial budget, with enacted revisions.

Adjustments to revenue includes an assumed \$200 million in agency reversions. Adjustments to expenditures include transfers from unreserved balance for State Capital and Infrastructure Fund, Savings Reserve, Medicaid Transformation and Contingency Funds, and a variety of other projects.

North Dakota

Fiscal 2023 figures reflect enacted fiscal 2022–2023 biennial budget, with enacted revisions.

Revenue adjustments are transfers of \$205.0 million from the strategic investment and improvements fund and \$70.0 million from other special fund sources to the general fund.

Ohio

Fiscal 2023 figures reflect enacted fiscal 2022–2023 biennial budget.

Federal reimbursements for Medicaid expenditures funded from the General Revenue Fund (GRF) are deposited into the GRF. Federal reimbursements for Medicaid expenditures from non-GRF sources are deposited into the appropriate federal fund. Expenditures of federal funds are not included in the General Fund number to be consistent with NASBO survey guidelines.

The negative revenue adjustment reflects the anticipated difference between federal revenues and federal expenditures in the general fund for the fiscal year. This change is needed to tie to the projected ending fund balance.

Oklahoma The Governor proposes controlling the growth of government and making expenditures within the recurring revenue base. The Governor also proposes a savings reserve target of \$2.3 billion. This could be distributed between \$2.1 billion in rainy day funds and about \$200 million in the FMAP Rate Preservation Fund. No CSFRF funds are included in the calculations.

Oregon Fiscal 2023 figures reflect enacted fiscal 2022–2023 biennial budget, with enacted revisions.

Revenue adjustments include: a revenue adjustment for a statutory transfer to local governments for local property tax relief, a statutory required distribution from Corporate Income Taxes to the Rainy Day Fund and the PERS Liability, and also a transfer of Estate Tax Revenues to the PERS Unfunded Actuarial Liability.

Expenditure adjustment includes: the cost of Tax Anticipation Notes, as well as the required deposit into the Rainy Day Fund.

Pennsylvania Adjustment to revenues include refunds and lapses.

Rhode Island Adjustments to revenues reflect a transfer of \$146.6 million to the Budget Reserve Fund.

South Carolina Gross revenues are reported in the Total Revenue while the transfer to the State's Tax Relief Trust Fund (TRTF) is now reported as a Revenue Adjustment. (Prior to the Spring 2022 Fiscal Survey, Total Revenues had been reported net of transfers to the TRTF.) Funding for the State's General & Capital Reserve funds is based on General Fund revenues net of the TRTF.

Revenue Adjustments: (\$661.9M) transfer to Tax Relief Trust Fund, \$52.6M transfer in from Litigation Recovery, and (\$8.8M) FY22 revenue impact related to Governor's FY23 proposal to reduce individual income tax rate. Expenditure Adjustments: \$183.6M FY22 Capital Reserve transfer to agencies. Ending Balance: Rainy Day Funds (\$1,022.9M General Reserve, \$209.2M Capital Reserve, and \$67.1M Contingency Reserve); Reserved/Designated (\$679.6M in projected Carryforward Appropriations to FY24).

Tennessee Adjustments (Revenues): -\$50M transfer to Rainy Day Fund, -\$300M transfer to OPEB, -\$350M transfer to Retirement System Trust Fund, -\$0.7M rounding adjustment.

Adjustments (Expenditures): \$3,067.9M transfer to Capital Outlay Projects Fund, \$12.3M transfer to State Office Buildings and Support Facilities Fund, \$3.4M to Debt Service Fund, \$1.0M transfer to reserves for dedicated revenue appropriations.

Texas Fiscal 2023 figures reflect enacted fiscal 2022–2023 biennial budget, with enacted revisions.

Revenue adjustment of -\$137.8 million from the GR dedicated account balances. \$4,158.6 million is a transfer to the ESF and State Highway to be allocated equally.

Utah FY 2023 revenue adjustments include transfers to the General Fund and Education fund, the amount set aside for economic development cash incentives, and other revenue adjustments. Based on FY 2023 revenue projections when the FY 2023 Governor's budget proposal was released.

Virginia Due to a gubernatorial administration change and ongoing budget negotiations at the time this report went to print, Virginia was unable to report fiscal 2023 data.

Washington Fiscal 2023 figures reflect enacted fiscal 2022–2023 biennial budget, with the Governor's proposed revisions / supplemental items.

Revenue adjustments reflect the net of transfers in and out of the General Fund, as well as prior biennium recoveries and similar resource adjustments. The estimated ending balance for Fiscal 2022 does not equal the beginning balance for Fiscal 2023 due to timing issues. The Fiscal 2023 proposal reflects the Governor's budget that was based on the November 2021 revenue forecast and was released in December 2021. The estimated Fiscal 2022 ending balance reflects the more recent information,

based on the February 2022 revenue forecast. It can also be noted that the Governor's budget proposal reflects an additional (not constitutionally required) \$600M transfer from the General Fund to the Budget Stabilization Account.

West Virginia Total Revenue is the official estimate for FY 2023 Total General Revenue collections. FY 2023 appropriated expenditures are \$4.635.7m.

Wisconsin Fiscal 2023 figures reflect enacted fiscal 2022–2023 biennial budget through January 25, 2022.
Revenue adjustments include Tribal Gaming, \$21.7 million; and Other Revenue, \$486.2 million. Expenditure adjustments include Transfers, \$685.1 million; Lapses, -\$552.9 million; Sum Sufficient Reestimates, -\$28.9 million; MA Biennial Adjustment, \$360.0 million; and Compensation Reserves, \$106.0 million.

Wyoming The State of Wyoming budgets on a biennial basis, to arrive at annual figures certain assumptions and estimates are required.

Notes to Table 6: General Fund Nominal Percentage Expenditure Change, Fiscal 2021 to Fiscal 2023

See Notes to Tables 3–5 for additional explanation of state general fund expenditure amounts used to calculate annual percentage change.

Notes to Table 8: Fiscal 2022 Mid-Year Program Area Adjustments by Dollar Value

Alabama Supplemental appropriations that were proposed by the Governor for FY22 have been included but are still pending legislative action.

Alaska Corrections: \$2.2m is for salary adjustments; All Other: includes \$1.4m public safety aircraft maintenance and repairs.

Arizona K–12 includes a reduction of \$(306.9) million due to lower student populations than expected and \$93.1 million for school facility building renewal grants.

California K–12 Education: Estimated General Fund revenues led to an increase of \$4.6b for K–12 schools based on the updated Proposition 98 calculation (minimum funding guarantee for K–14 education). This proposed action will be updated when the budget is enacted.

Higher Education: Includes California Community College Proposition 98 (minimum funding guarantee for K–14 education) General Fund Adjustments. This proposed action will be updated when the budget is enacted.

Transportation: Includes an additional \$1b for the Transportation Infrastructure Package.

All Other: The net increase includes \$1.2b for the Department of Public Health for COVID-19 emergency response, \$0.5b to various departments for the Wildfire and Forest Resilience package, and \$0.4b for CAL FIRE due to significant wildfire activity.

Colorado K–12 Education: The mid-year school finance bill included an adjustment of cash funds from the State Education Fund (reduction of \$48M) which receives revenue from the General Fund. The General Assembly did not have direct control over federal funds that went to school districts and thus was not used to balance the funding for school districts. Medicaid: The extension of the enhanced FMAP rate was incorporated into the balancing for FY 2021–22. Corrections: The prison population and the medical costs of the prison population saw an increase in FY 21–22.

All Other includes:

+ \$4.1M for capital construction funding for Mental Health Institute

+ \$3.5M for IT capital construction for new Department of Early Childhood

- \$3.7M for Judicial Department changes

+ \$1.0M for IT capital construction for Human Services department

+ 14.5M GF for local public health agencies

+ 3.7M for Department of Treasury property tax reimbursements for natural disasters (Marshall Fire)

Georgia	Medicaid reduction is the result of the extension of the federal public health emergency during FY 2022.
Hawaii	K–12 Education includes public libraries and charter schools.
Indiana	The spending cuts represent management reserves placed on various agency appropriations at the beginning of FY 2022. Generally, agencies were given a 1–2% target for appropriations to hold in reserve. These are dynamic and can be released at any point in the fiscal year based on need. The 1–2% management reserves applied to certain appropriations were not intended to cover an anticipated budget gap. Instead, they represent a long-standing practice of maintaining good fiscal stewardship by leaving a reserve to cover unforeseen emergencies that an agency could experience. K–12 education, universities, Medicaid, corrections, and child welfare are some examples of exemptions from management reserves.
Kansas	All Other: Ag & Natural Resources +.9 million; Public Safety (other than corrections) +23.1 million; Social Services +89.0 million; +460.0 million tax rebate; +332.2 million pay off debt; +20.0 million moderate income housing; +6.7 million Judiciary; +1.9 million misc.
Kentucky	All Other includes Economic development incentives for projects with at least \$2 billion in investment — \$380.6 million, tornado relief and recovery — \$191.7 million, agency supplemental funding — \$19 million, higher dedicated severance revenues — \$11.8 million.
Louisiana	The official revenue forecast adopted by the Revenue Estimating Conference (REC) on January 11, 2022 increased state general fund revenues by \$847.4m. The executive budget presentation on January 25, 2022 recommended utilizing these excess revenues for both FY22 expenditure increases as well as deposits into state funds. The amounts reported do not include this proposal; however, the proposal included an additional \$327m of FY22 expenditures. This proposal still requires legislative action.
Maine	The decrease in GF Medicaid appropriations is primarily reflective of the continuing enhanced 6.2% in the FMAP rate associated with the pandemic. The increase in Corrections appropriations is primarily to support county jail operations and increased information technology costs. In addition to the budgeted GF appropriations, the Governor’s recommended supplemental budget for 2022–2023 included approximately \$932 million in transfers of year end FY22 GF unappropriated revenue to Other Special Revenue accounts in agencies’ for a variety of one-time purposes. Of the \$932 million, \$682 million was for Covid-relief payments direct to Maine Citizens. The remainder of that funding would effectively be one-time supplements to agency GF appropriations. As with all states, additional federal Covid-related funds have been available and are supplementing programs across State government.
Maryland	<p>K–12 Education: The majority of the K–12 mid-year change is due to \$50 million in general funds added to help child care providers address the impacts of the COVID-19 pandemic upon their operations.</p> <p>Higher Education: Includes a fund swap of \$45.5 million replacing general funds with funds from the State’s Higher Education Investment Fund. This is a special fund supported by corporate tax revenues. A fund swap is proposed in the working budget in light of a high closing balance from FY 2021 and higher estimated revenues for FY 2022.</p> <p>Public Assistance: General fund increase for the Temporary Disability Assistance Program (TDAP) supplemented by special funds (Child Support Offset). Federal funds for SNAP and P-EBT fully offset the general fund increase for TDAP.</p> <p>Medicaid: Medicaid numbers only include Traditional Medicaid and CHIP, and exclude Behavioral Health Medicaid. The general fund change includes enhanced FMAP general fund savings (-\$113.9 million), updated spending projections based on updated enrollment (\$67.5 million), and a vaccine incentive program (\$7.5 million).</p> <p>Corrections: \$100 million in general funds is reduced in the budget bill and replaced with Coronavirus Relief Funds. Additionally, \$250 million GF will be replaced by American Rescue Plan funding once the budget is passed.</p> <p>All Other: Large drivers of the increase in proposed deficiency appropriations include State employee salary enhancements (\$184 million), cybersecurity investments (\$100 million), and health insurance (\$80 million).</p>
Massachusetts	On February 12, 2022 the Governor signed Chapter 22 of the Acts of 2022 into law. This supplemental appropriations act provided funding for COVID related needs and a public information campaign related to unemployment insurance.

The Governor filed a supplemental appropriations bill on February 18, 2022. The bill is currently pending action in the legislature. Proposed spending is incorporated within Question 1 but not included here.

Michigan

The Governor proposed \$722.4 general fund (GF) in FY22 supplemental spending with her FY23 Executive Budget recommendation. An additional \$51.8 million is recommended for transfer to the Rainy Day Fund. FY22 supplemental appropriations include:

- \$1 billion for new strategic outreach and attraction reserve (SOAR) fund for economic development
- \$570 million for infrastructure funding including grants for dam projects, residential and clean energy improvements, septic system loan program, and infrastructure grants
- \$75 million to offset loss of personal property tax revenues for local governments
- \$46 million to cover lost FY22 revenue sharing payments to municipalities with population losses under the 2020 census

Minnesota

All Other: Department of Employment and Economic Development (DEED) has a one-time change item totaling \$2.733 billion — Unemployment Insurance Trust Fund (TR OUT) State Government area has a one-time change item totaling \$358.925 million — COVID-19 Emergency Response

Nebraska

The \$19 million reduction in Corrections is due to decreasing General Fund appropriations commensurate with reimbursements to the State from the federal Coronavirus Relief Fund for Presumed Payroll expenditures. In the “Other” category, the single largest factor was \$7.9 million additional General Fund Aid for Homestead Exemptions.

Oregon

The impacts in this section are biennial changes and are not attributable to a single fiscal year.

Pennsylvania

Most of the adjustments were changes in spending models and changing federal Medicaid assistance. These are proposed at this time and are subject to change as the budget for FY 2023 is negotiated. Increase in corrections spending due to having to replace federal CRF funding in Fiscal 2021 that was not available in 2022. All spending is supported by the \$3.841 billion in SLFRF that is being deposited in the General Fund to support government operations (due to revenue loss).

Rhode Island

Included one-time expenditures: a transfer of \$338.0 million to the RI Capital Plan Fund; a transfer of \$50.0 million to the Information Technology Investment Restricted Account; a transfer of \$21.9 million to the Clean Water/Drinking Water State Revolving Loan Fund; a transfer of \$61.8 million to the State’s Pension based on past pension contribution deferrals for state employees; and \$12.6 million to Developmental Disability Organizations to end a practice known as “Check Swap”. Additionally, the state finalized negotiations with the largest employee unions which result in an additional \$57.0 million. Corrections includes an increase of \$4.3 million for additional costs due to Mod Closures and rising costs for correctional officers. Remaining expenditure increases reflect various base budget changes to state agencies. The increase is slightly offset by a general revenue savings of \$80.8 million, the majority of which is for additional FMAP Enhancement savings related to the extension of the Public Health Emergency. Included in the \$80.8 million save was \$39.0 million that had been included in the FY 2022 Enacted budget as a placeholder had the PHE not been extended at time of budget passage (2nd Quarter of FY 2022) while the remaining save of \$41.8 million is mostly due to the extension into the 3rd Quarter of FY 2022.

Washington

Information reflects the change in spending for Fiscal 2022 based on Washington’s enacted 2021–23 biennial budget compared to the Governor’s proposed 2022 supplemental budget. The Governor’s proposed 2022 supplemental budget is still pending approval by the Legislature at the time of reporting. Some decrease in spending was due to changes in caseload populations. All Other includes Legislative, Judicial, General Government, and Human Services other than Medicaid, Public Assistance and Corrections. This reflects the enacted 2021–23 biennial budget compared to the Governor’s proposed 2022 supplemental budget for 2022.

Notes to Table 9: Fiscal 2023 Recommended Program Area Adjustments by Dollar Value

Alaska	Corrections: primarily salary adjustments; \$45m Medicaid is a match requirement for increased Medicaid utilization; Transportation: includes -\$18.9m UGF to Fed (COVID), \$29.8m Fed (FAA CRRSAA and CARES) to UGF; All Other: \$23.6m fund change.
California	<p>K–12 Education: Estimated General Fund revenues led to an increase of \$5.2b for K–12 schools based on the updated Proposition 98 calculation (minimum funding guarantee for K–14 education).</p> <p>Higher Education: Includes new one-time and ongoing appropriations for the University of California, California State University and Student Aid Commission. The changes also reflect removal of one-time resources from the previous Budget Act, updated Cal Grant projections, and funding for California Community Colleges.</p> <p>Medicaid: The increase in Medicaid funding is primarily driven due to \$2.7b for enhanced FMAP being assumed to end June 30, 2022, \$1.3b one-time funding for Behavioral Health Continuum Infrastructure Program, \$1b for the second year investments in the Children and Youth Behavioral Health Initiative, \$1b one-time funding for Behavioral Health Bridge Housing, \$0.8b for state only claiming adjustments, \$0.7b for underlying cost growth, and \$0.5b for the implementation of CalAIM.</p> <p>Transportation: The year-over-year decrease is due to significant one-time funding provided in the previous fiscal year.</p> <p>All Other: The net increase includes \$1.7b for the Climate Resilience package, an additional \$1.6b one-time supplemental pension payment above the one-time supplemental pension payment appropriated in fiscal 2022 at the 2021 Budget Act, and \$1.3b for various employee compensation adjustments. The changes also reflect removal of various one-time resources from the previous Budget Act.</p>
Colorado	The amounts only include General Fund changes — these amounts do not reflect ARPA funds the state has received and does not reflect programs and services which are being funded with ARPA Funds. Colorado received \$3.8B in ARPA SLFRF funds; out of this total, approximately \$1.2B was appropriated in the 2021 legislative session to support a number of program areas, including those in this table. The remaining \$2.6B of SLFRF funds will be appropriated in the 2022 legislative session.
Delaware	All Other includes OMB Statewide Salary, One-times and Contingencies, OST Debt Service, DHSS Healthy Children, DSCYF Youth Treatment Services, and all other agency increases.
Florida	K–12: The Governor’s 2023 Recommended Budget utilized \$510 million in Educational Enhancement Trust Fund revenue and \$169 million in State School Trust Fund revenue to the benefit of General Revenue in the K–12 Education budget. All Other: The majority of the difference is due to non-recurring expenditures that were not recommended or needed in Fiscal Year 2023.
Indiana	FY2023 appropriation changes are based on enacted biennial budget from April 2021. Indiana’s TANF (public assistance) state appropriation was being used for part of the maintenance of effort (MOE) requirement on the federal award. Other funds were identified to provide the difference in the MOE. Largest share of the “All Other” appropriation change is in one-time capital appropriations.
Iowa	One-time appropriation for broadband expansion in of \$100 million FY22 is removed in FY2023, along with a reduction in the Commercial and Industrial Property Tax Replacement in FY2023 in the amount of \$73.1 million that was previously passed in 2021 legislation. Increases include \$71.2 million for mental health, \$8.5 million to the Judicial Branch, \$1 million to the Legislative Branch, \$2.9 million to the Department of Public Safety, \$14 million to the Department of Human Services, and various increases and decreases to other departments.
Kansas	K–12 Education reduction of \$358.1 million results from one-time expenditures in FY 2022 for debt reduction and ending delayed payments. All Other reduction of \$356.1 million results from one-time expenditures in FY 2022 for debt reduction, tax rebates & capital investment.
Kentucky	All Other includes Cash funded capital projects — \$1 billion, Additional pension payments — \$250 million, increase from FY 2022 Rainy Day Fund deposit — \$95 million (total of \$250 million).
Maine	The increase in K–12 education reflects increased costs for teacher retirement, maintaining state funding for K–12 education at 55% and cost of living increases for child development services workers. Additionally the Governor proposed providing nearly \$27 million to fully fund universal free meals in public schools. The increase in higher education reflects funding to hold down tuition increases, support infrastructure improvements on campuses and support career and technical education. The FY23

increase in Medicaid over FY22 reflects the anticipated ending of the 6.2% enhanced FMAP associated with the pandemic, increased costs associated with previously enacted rate increases and proposed additional rate increases in the Governor's recommended supplemental budget for several purposes including increasing wage rates for direct care workers and bolstering the behavioral health system. The Governor also proposed several initiatives for one-time support to hospitals and long-term care facilities. The increase in Corrections reflects costs for medical services contracts and increased personal services costs across the system.

Maryland

K–12 Education: The Blueprint for Maryland's Future was enacted during the 2021 Legislative Session, revamping state K–12 education formulas and phasing in large funding increases over 10 years. These formulas are partially supported by the Blueprint Fund — a special fund with revenues from gambling and online sales — to the tune of \$655.0 million in fiscal 2022 and \$962.8 million in fiscal 2023.

Higher Education: Of the increase reported above, \$97 million was provided to public four-year institutions of higher education to restore funding previously eliminated as part of budget-balancing actions in FY 2021 in response to the COVID-19 pandemic. \$29.8 million is for mandated funding for aid to private institutions and \$60 million is for mandated funding for aid to community colleges. Another \$21.5 million in general funds is provided for HBCUs in accord with a settlement reached last year between the State and plaintiffs representing HBCU alumni. Other increases in general funds were for other mandated appropriations, the operation of new facilities, increased statewide costs, and other initiatives. The increase in general fund expenditures is partly offset by increased allocations to the institutions from the State's Higher Education Investment Fund, which is supported by corporate tax revenues. Estimated revenues for FY 2023 are above previously anticipated amounts. Special funds from the State's Cigarette Restitution Fund also account for \$16 million in settlement funding to the State's four HBCUs.

Public Assistance: General fund appropriation is supplemented by SF (Child Support Offset). GF reduction is a result of an increase in federal funds (TANF).

Medicaid: Medicaid numbers only include Traditional Medicaid and CHIP and exclude Behavioral Health Medicaid. The general fund change includes restoring the general fund savings in FY 22 via the enhanced FMAP, updated spending projections based on updated enrollment, and other initiatives.

All Other: The large increase is driven by a \$1.9 billion increase in appropriation to the Rainy Day Fund (\$2.4 billion total), \$400 million in State employee salary and benefit increases, \$170 million in debt service, \$167.6 million for the Department of Housing and Community Development, and \$73 million in grants and administration of public safety initiatives through the Governor's Office of Crime Prevention, Youth and Victim Services.

Massachusetts

Data as of filing of FY23 budget recommendation, 1/26/22.

Medicaid: Appropriation changes reflect projected decreases in pandemic related caseload and costs assuming end of PHE April 2022. Note that an extension of the PHE past April will result in higher spending, fully offset by higher federal reimbursements.

Michigan

K–12 education is funded by constitutionally established School Aid Fund and is not included in General Fund General Purpose totals. Medicaid spending assumes enhanced FMAP ends in FY22. Recommended increases for FY23 include funding for universities, Medicaid dental program, behavioral health access and capacity, child welfare programs, state police trooper school. Unanticipated revenue growth and one-time balances support funding for additional one-time investments in workforce and economic development programs, regional empowerment programs, statewide judicial case management system, critical infrastructure, and rebates for EV purchases.

Minnesota

All Other includes Property Tax Aids and Credits — \$2.126 Billion in Change items (majority of which is a one-time "rebate"/ payment to taxpayers); Department of Employment and Economic Development (DEED), Ag and Housing — \$774.164 Million in change items.

Mississippi

All other includes Legislative; Judiciary & Justice; Executive & Administrative; Fiscal Affairs; Public Health; Hospitals; Agriculture & Commerce; Economic Development; Conservation; Insurance; Military, Police & Veteran's Affairs; Local Assistance; Debt Service; and other Miscellaneous Agencies.

Montana

Medicaid increase is partially explained by assumption federal of enhanced FMAP diminishing in FY 23.

Nebraska	The K–12 Education reduction is a result of \$18.8 million in adjustments to the State Aid to Schools “TEEOSA” formula. The Corrections increase is primarily due to negotiated pay increases for Protective Services and other staff in order to attract and retain qualified teammates. In the “Other” Category, we had an additional \$11.7 million in Aid for Homestead Exemptions; plus \$13 million in additional pay increases for Teammate salaries in the highest-demand positions (mostly for 24-7 facilities at Veterans Affairs, and Health and Human Services).
New Mexico	Included in “all other” total is \$102.5 million for compensation increases statewide.
New York	As in other surveys, the appropriations changes for Fiscal Year 2022 were provided using cash estimates per 2022 Enacted and 2023 Executive Budget, as amended Financial Plans. All Other includes Economic Development, Children and Family Services, Mental Hygiene, and Local Government Assistance and transfers in support of capital projects and debt service.
North Carolina	Transportation is funded by a gas tax and sales and use taxes on vehicles, and funding goes direct to two Highway Funds, which are separate from the State’s General Fund. However, a small percentage of the funding increase came from non-recurring transfers from the General Fund (e.g., for capital spending on buildings).
Ohio	The large growth in Medicaid is partially caused by the fiscal year 2022 base being artificially low due to the enhanced Federal Medical Assistance Percentage and the anticipated use of non-general revenue funds.
Oklahoma	\$29.3 in net adjustments to recurring expenditures. Largest increase includes the Governor recommending investing \$20 million to move all eligible individuals with intellectual and developmental disabilities in need of services off the waiting list and onto Home and Community-based Waivered Services. Governor recommends a \$17 million funding proposal to provide better desktop service and support for state employees.
Pennsylvania	Increase in K–12 education funding for the Basic Education Fair Funding Formula by \$1.25 billion. Increase in Nellie Bly Tuition Program of \$200 million. Established \$1 million grant program called Hunger-Free Campus Initiative to address college hunger. Proposed state minimum wage increase to \$12 per hour. Investment of \$7.7 million in law enforcement technology. Increase of \$91.25 million in long-term care. Increase of \$36.6 million in county mental health base funds. Increases SNAP benefits by \$14.3 million.
Rhode Island	As part of a 4-year negotiated labor contract, the FY 2023 Governor’s Recommended budget includes a general revenue personnel increase of \$61.3 million to account for the third year impact. Medicaid expenses increase based on the assumption that the Public Health Emergency (PHE) ends prior to the state’s FY 2023 and thus the loss of the 6.2% enhanced FMAP.
South Carolina	Changes reflect recurring base budget appropriation changes and does not include one-time non-recurring supplemental appropriations from surplus. “Other” increases include: \$160.2M — General Government for 2% merit pay, 1% retirement rate, and State Health plan increases, \$52.7M — Health & Environment, \$28.7M — Public Safety; and \$17.1M — Natural Resources & Economic Development.
Utah	In FY 2022, the state of Utah made \$834.6 million of one-time appropriations from the General Fund for transportations projects. Since this survey compares the FY 2023 recommended budget to the FY 2022 enacted budget, this shows up as a year-over-year transportation funding decrease in FY 2023.
Virginia	Due to a gubernatorial administration change and ongoing budget negotiations at the time this report went to print, Virginia was unable to report fiscal 2023 data.
Washington	All Other includes Legislative, Judicial, General Government, and Human Services other than Medicaid, Public Assistance and Corrections. This reflects the enacted 2021–23 biennial budget for FY 2022 compared to the Governor’s proposed 2022 supplemental budget for FY 2023.

Notes to Table 10: Strategies Used to Manage Budget (Mid-Year/Post-Enacted), Fiscal 2022

California	Medicaid Program Changes: The 2022–23 Governor’s Proposed Budget includes costs of \$149 million General Fund in fiscal year 2022 associated with the carve-out of the Medi-Cal pharmacy benefit from managed care to fee-for-service (Medi-Cal Rx), effective January 1, 2022.
Colorado	The FY 21–22 supplemental package did not have any significant budget management strategies because the FY 21–22 budget process timeline allowed for the Governor and General Assembly to account for the revenue changes in a timely manner. The General Assembly adopted the Governor’s proposal to set the FY 21–22 General Fund reserve at 13.4% and then increased the reserve (which is done via statute) to 15% for FY 22–23.
Idaho	The Governor added \$1.3B in supplementals after an upward movement in the revenue forecast.
Indiana	Indiana’s State Budget Director, Zac Jackson, issued a memo on June 1, 2021 asking all executive branch agencies to hold back a 2% management reserve on their appropriations when drafting their FY2022 spending plans. General management reserves on agency appropriation allotments in the 1–2% range are currently being held. Many of these could be released prior to the close of the fiscal year. These are targeted though and not across every agency or appropriation. Use of a dedicated contingency fund has and will be used to address unforeseen and unbudgeted expenditure increases.
Kansas	Governor’s recommendation includes depositing \$600.0 million into the Budget Stabilization Fund in FY 2022.
Louisiana	Executive Order Hiring Freeze.
Maine	Budget management strategies in the enacted biennial budget were reported in the Fall 2021 survey. There were no additional mid-year strategies recommended in the Governor’s FY22–23 Supplemental Budget which is still under consideration by the Legislature.
Massachusetts	Other: Caps on Full-Time Equivalent employees are in effect for executive department agencies.
Nebraska	Transfers from the General Fund to the Cash Reserve Fund; Utilize Cash Reserve Fund for Capital Construction projects; Usual and Customary Cash Transfers to General Fund; Eliminate remaining tax level on Military Retirement Benefits; Other includes \$20 million additional appropriation for underserved Broadband bridge program. Adjustments to pension contributions based on ARC but no plan changes.
New Jersey	Rainy Day Fund — per statute, excess revenues will be placed into the State’s Surplus Revenue Fund, or Rainy Day Fund, at the end of FY2022.
New Mexico	There is no longer a hiring freeze in FY22 but positions that have been vacant for over 2 years continue to be eliminated if they cannot be justified, and agencies are encouraged to reclass existing vacant positions in lieu of requesting new position creations when possible.
Pennsylvania	Agencies were tasked with submitting cost-to-carry budget requests which were enacted in the Fiscal 2022 budget, generally. As usual, agencies were encouraged to analyze operations, find efficiencies and eliminate waste. In addition, agencies were charged with continuing to seek new sources of federal pandemic-related funding where possible. Government operations continue to be affected by COVID-19 and agencies must be agile in service delivery while limiting costs where possible. While not in the budget appropriations, a reorganization occurred in the Department of Corrections. The Fiscal 2022 budget also included several modest revenue changes, including some increases. The Fiscal 2022 budget includes \$3,841 million of State and Local Fiscal Recovery Funding (SLFRF) being transferred into the General Fund due to revenue loss — and is to be used for continuing government operations. These items were done as part of the enacted budget (rather than new mid-year actions).
Rhode Island	Prior-year Fund Balance: As of October 2021, the Budget Office projected an operating surplus of \$618.4 million in FY 2022. This unusually large surplus is the result of several factors — strong revenue collections, lower agency spending from unfilled personnel positions, and FEMA and temporarily enhanced Medicaid reimbursements. The FY 2022 surplus largely represents one-time revenues and as such, the Governor’s budget uses these funds to go as responsible one-time investments to help address long-standing problems and to reduce future operating costs.

Pension/OPEB Adjustments: The Governor proposes allocating \$62.0 million of surplus funds to retire a pension liability dating back to 1991 and 1992 where the State deferred its pension contributions for State employees and teachers. That liability has remained on the books which would have required the State to pay \$6.0 million in FY 2023 toward that obligation. By retiring the pension liability, the State will realize annual savings for more than a decade.

Tennessee	Other: Agency reserves, base budget reductions, and carryforwards.
Texas	The Legislative Budget Board and the Governor sent a letter to agencies in May of 2020 asking agencies to make 5% strategic cuts to their budgets. These cuts were carried forward to the current budget cycle and agencies started with a 5% cut to their base.
Washington	The Governor's budget proposal reflects an additional (not constitutionally required) \$600M transfer from the General Fund to the Budget Stabilization Account for FY 2022.
West Virginia	Current Year Supplemental appropriations of \$84.8 million.

Notes to Table 11: Strategies Used to Manage Budget (Recommended), Fiscal 2023

California	Medicaid Program Changes: The 2022–23 Governor's Proposed Budget includes savings of \$178 million General Fund in fiscal year 2023 associated with the carve-out of the Medi-Cal pharmacy benefit from managed care to fee-for-service (Medi-Cal Rx), effective January 1, 2022. Full annual savings are projected to be \$307 million General Fund by 2024–25.
Colorado	The Governor's FY 22–23 budget package included a number of Prepays — i.e., the use of one-time General Fund in FY 22–23 to in essence set aside the funds to pay for the future cost of programs in order to mitigate the structural deficit. The prepays were made possible because of the large one-time fund balance that is projected at the end of FY 21–22. The General Assembly adopted the Governor's proposal to set the FY 21–22 General Fund reserve at 13.4% and then increased the reserve (which is done via statute) to 15% for FY 22–23.
Florida	Governor recommended 3% Employer Contribution increase in Defined Contribution Plan. Governor recommended transfer of \$300m to BSF.
Idaho	The Governor required all agencies to keep the General Fund portion of their budget requests to no more than 3.1% (with a few exceptions), and using that as a base, he made adjustments based on the increase in the revenue forecast and increase in federal funding available.
Kansas	Governor's recommendation includes ending extraordinary transfers from the State Highway Fund to the State General Fund; Governor's recommendation includes Medicaid expansion.
Louisiana	Executive Order Hiring Freeze.
Maine	The enacted 2022–2023 biennial budget continued some of the targeted cuts made in FY21 that agencies felt could be done on an on-going basis. Consistent with past budgets, there was also budgeted savings from an increased attrition rate of 5% compared to the 1.6% set out in statute. The enacted also included further use of available prior year unspent appropriations that had built up in various General Fund accounts that are authorized to carry balances. There were no additional mid-year budget management strategies recommended in the Governor's FY22–23 Supplemental budget which is still under consideration by the Legislature.
Massachusetts	Other: Caps on Full-Time Equivalent employees are in effect for executive department agencies.
Nebraska	TEEOSA School Aid adjustments; Utilize Cash Reserve Fund for Capital Construction projects; Usual and Customary Cash Transfers to/from General Fund; Continued increases to Property Tax Relief; Utilize Re-appropriations for the Department of Health and Human Services related to Medicaid and Child Welfare Aid programs.
New Jersey	Other Fund Transfers — per historical practice, a list of fund transfers from other funds to the General Fund print at the end of the Schedule I revenues. Prior Year Fund balance — the budget proposal assumes spending down opening fund balance by over \$2b.

New York

Medicaid Program Changes — The Executive Budget proposes basing the Global Cap index on the five-year rolling average of Centers for Medicare & Medicaid Services (CMS) annual projections of health care spending. The CMS projections account for enrollment, including specific populations, such as the aging or disabled populations. The new index would account for enrollment and population changes, which are significant drivers of costs, and supports additional Medicaid spending growth of \$366 million in FY 2023, growing to \$3.1 billion in FY 2027. The total Global Cap spending growth in FY 2023 is estimated at \$966 million using the new index (\$366 million above the existing cap).

Other — The FY 2023 Executive Budget proposes prepaying an additional \$1.5 billion in debt in FY 2022 from previously projected levels. This will reduce projected debt service expenditures by \$500 million in FY 2026 and by \$1 billion in FY 2027 from previously projected levels.

Pennsylvania

Agencies were tasked with developing and submitting a cost-to-carry budget request. The Governor's Office, Governor's Budget Office, and Governor's Policy Office would work with agencies through the budget preparation process to determine where initiatives and program revision requests would be included. As usual, agencies were encouraged to analyze operations, find efficiencies, and eliminate waste. Revenue increase proposed was to keep a gaming tax in the General Fund. Under current law, it would go to a different fund in 2023. We also proposed a corporate tax reduction.

Rhode Island

Reorganize Agencies: Creation of the State of RI Psychiatric Hospital in which the Governor recommends \$30.5 million in general revenue to create a State of RI Psychiatric Hospital separate from Eleanor Slater Hospital.

Tennessee

Other: Agency reserves, base budget reductions, and carryforwards.

Texas

The Legislative Budget Board and the Governor sent a letter to agencies in May of 2020 asking agencies to make 5% strategic cuts to their budgets. These cuts were carried forward to the current budget cycle and agencies started with a 5% cut to their base.

STATE REVENUE DEVELOPMENTS

CHAPTER TWO

Overview

As has been documented in recent prior editions of the *Fiscal Survey of States*, state revenue forecasting during the pandemic has been wrought with challenges and uncertainty. As data has revealed over time, state revenue collections performed considerably better than was expected earlier in the pandemic when states adopted their fiscal 2021 budgets, resulting in 47 states reporting revenue surpluses that year in NASBO's *Fall 2021 Fiscal Survey of States*.

States experienced record annual growth of 16.5 percent in general fund revenue in fiscal 2021, following a 0.6 percent decline in fiscal 2020 — the first annual decrease in revenue in more than one decade. The high growth rate in fiscal 2021 is largely attributable to a lower baseline in fiscal 2020 and other one-time factors such as the tax deadline shift in calendar year 2020 and the inclusion of federal funds, borrowing and other sources. Fiscal 2022 has been another strong year of revenue growth for states, with virtually all states reporting collections in fiscal 2022 outpacing their original forecasts at the time of budget enactment.

Revenue projections in governors' recommended budgets for fiscal 2023 show slow growth of 1.4 percent after incorporating the forecasted impacts of proposed tax policy changes for fiscal 2023 that would reduce general fund revenue by an estimated \$14 billion (or 1.3 percent of total general fund revenues). These forecasts were developed mostly in late calendar year 2021 and early 2022, and many states have revised their projections upward based on more recent collections data, including strong growth in April tax collections. At the same time, state revenue forecasters are watching closely for warning signs about the economy as the Federal Reserve tries to bring inflation under control, the Russia-Ukraine conflict continues to put upward pressure on gas prices, and labor shortages and supply chain issues continue to present challenges for states and businesses.

Total General Fund Revenue and Annual Growth

Fiscal 2023 Forecasts. Governors' budgets for fiscal 2023 are based on general fund revenues totaling \$1.07 trillion, which would represent modest growth of 1.4 percent compared to fiscal 2022 levels.⁷ This slower growth rate follows record high growth in fiscal 2021 and moderate growth estimated in fiscal 2022. For some states, their fiscal 2022 estimates were based on more recent revenue collections data than were their fiscal 2023 projections used in governors' budgets. Based on the strong performance of recent revenue collections, many states have revised or are likely to revise their forecasts upward compared to the projections used in governors' recommendations.

In fact, 11 states separately reported more current revenue estimates for fiscal 2023. Among those states, all reported upward revisions to their fiscal 2023 revenue projections compared to the estimates used in governors' budgets (or original enacted budgets for some biennial states), with a median increase of 4.3 percent from recommended to most current. That said, there are also some downside risks to fiscal 2023 revenue forecasts that states are paying close attention to. For example, the steep rise in gas prices due to the Russia-Ukraine conflict, while a boon for energy-producing states, is also putting pressure on consumers and contributing to overall inflation. States are also watching to see if Federal Reserve can control the high inflation rate, or if their efforts to do so will result in a recession.

Fiscal 2022 Current Estimates. States reported in this survey fiscal 2022 general fund revenue estimates totaling \$1.05 trillion, representing an increase of 3.2 percent compared to fiscal 2021 levels. However, fiscal 2022 total revenues are likely to increase when actual collections are counted at year-end. A majority of states reported fiscal 2022 collections coming in higher than their most recent forecasts at the time this survey was conducted. Moreover, since the time of data collection, many states have released revenue updates that tax collec-

⁷ One state, Virginia, was unable to report general fund data for fiscal 2023. To allow for year-over-year comparisons, Virginia's total expenditure and revenue figures for fiscal 2022 (as reported in NASBO's *Fall 2021 Fiscal Survey of States*) are reused in calculating 50-state totals for fiscal 2023 for this survey.

tions in April significantly outperformed their forecasts. This growth was led by gains in personal income taxes, including both payroll withholding and estimated and final payments. Recent employment and wage growth, coupled with the strong stock market performance in 2021, are likely helping to drive these revenue gains.

Fiscal 2021 Actual Collections. States reported in this survey fiscal 2021 general fund revenues totaling \$1.02 trillion, representing a sharp 16.5 percent increase over fiscal 2020 actual collections of \$875 billion. While there are some one-time factors driving this figure — including the impact of the tax deadline shift on when revenues in some states were recognized and the inclusion of federal funds, borrowing and other sources in at least a few states — this pace of growth is notable for its scale. In fact, this marks the highest annual growth rate ever recorded in the Fiscal Survey since its inception in fiscal 1979. There are several other reasons why revenues performed so well in fiscal 2021, despite the pandemic. See “Discussion & Analysis” section below for more on these points. (See *Tables 12 and 14*)

General Fund Revenue Trends: Discussion & Analysis

Comparing Revenue Collections to Forecasts Earlier in the Pandemic. Without question, state revenues performed better than was predicted in the early months of the pandemic. There are a few reasons behind why revenues did not fare poorly as was predicted. First, federal stimulus measures put a lot of additional money into the economy and directly boosted personal income. Second, personal income taxes were not as impacted as expected due to the recession disproportionately affecting low-income workers while high-income earners have been relatively insulated. Third, the pandemic’s effects on economic activity largely curtailed consumption of services that most states do not tax, while consumption of goods, which are taxed, was less affected. Fourth, increased online sales tax collections following the U.S. Supreme Court decision in *Wayfair v. South Dakota* has mitigated sales tax losses.

Comparing Revenue Collections to Pre-COVID Forecasts. In addition to revenues outperforming projections from earlier in the pandemic, most states have seen general fund collections come in above their pre-COVID forecasts. Based on actual data now reported for fiscal 2021 in this survey, combined with fiscal 2020 collections data reported in the *Fall 2021 Fiscal Survey*, aggregate collections over those two years came in 3.2 percent above states’ (mostly) pre-COVID forecasts reported in NASBO’s *Spring 2020 Fiscal Survey*.⁸ While this speaks to how much improvement revenue collections experienced relative to projections early in the COVID-19 crisis, it also helps put the revenue figures in this survey into some context. Baseline effects, timing issues and the tax deadline shift all contributed to the sharp year-over-year revenue increase reported for fiscal 2021 in this report. It is helpful to remember that over two years (fiscal 2020 and fiscal 2021), general fund revenue performed moderately better than what was expected before the crisis hit.

Impact of Tax Deadline Shift. After the federal government made the decision to delay its tax filing deadline from April 15 to July 15, 2020 in response to the pandemic, all states that collect an income tax also delayed their tax filing deadlines. The vast majority of these states set July 15 as the new filing deadline. Since most states start their fiscal year on July 1, most of the delayed collections were received in a different fiscal year than they would have been absent the deadline change. For states where this was the case, most recognized the collections on an accrual basis and still accounted for them as fiscal 2020 revenues. However, 19 states recognized these delayed collections on a cash basis as fiscal 2021 revenue. This tended to make these states’ fiscal 2020 revenue collections look smaller, but in turn made their fiscal 2021 revenue collections larger. Eighteen of the 19 states reported deferring an estimated \$10.4 billion in general fund revenue into fiscal 2021 due to the deadline change. Most of this revenue represented personal income tax collections (\$8.5 billion) and corporate income tax collections (\$1.4 billion).⁹ A few states also reported deferring some sales taxes and miscellaneous taxes.

For states that deferred revenue due to the tax deadline shift, this also affects the percentage change calculations for fiscal

⁸ General fund revenue information reported in the *Spring 2020 Fiscal Survey* was adjusted for this comparison to account for a change in Ohio’s reporting methodology. Beginning in the *Spring 2021 Fiscal Survey*, Ohio began excluding federal Medicaid reimbursements from its general fund reporting.

⁹ 17 out of 19 states were able to report on deferrals due to the tax deadline shift in NASBO’s *Fall 2020 Fiscal Survey of States* (Table 21). One additional state subsequently reported data to NASBO on estimated deferrals.

2022, making them appear smaller or in some cases as declines due to the inflated baseline in fiscal 2021. Comparing the median general fund growth rates for fiscal 2021 and fiscal 2022 for states that deferred revenues to those that did not defer can help illuminate the impact of the tax deadline shift. The median growth rates for all 50 states were 15.6 percent in fiscal 2021 and 0.9 percent in fiscal 2022. For the 31 states that did not defer revenues due to the deadline change, median growth was 12.2 percent in fiscal 2021 and 2.5 percent in fiscal 2022. For those states that deferred revenue, median growth was 20.6 percent in fiscal 2021 and -2.3 percent in fiscal 2022.

Variation By State. The negative impacts that COVID-19 had on state revenues were much smaller than predicted earlier in the pandemic due to a combination of factors discussed above. However, just as state-by-state revenue data revealed significant variation in the revenue impacts of COVID-19 across the states, the survey data in this edition also shows variations in the pace of economic recovery and revenue growth since the earlier phases of the pandemic. This variation is explained partially by differences across states in tax structures, most prevalent industries, demographic shifts, policy choices, and other factors.

That said, there is a degree of uniformity across most states when looking at annual revenue growth, with most states experiencing robust year-over-year growth in fiscal 2021 followed by modest growth or declines in fiscal 2022. Overall, just three states experienced declines in fiscal 2021, 38 states experienced revenue growth greater than 10 percent that year. According to estimates at the time of data collection, 21 states were on track to see revenue declines in fiscal 2022, while just 3 states were expecting growth greater than 10 percent that year. (See Table 13)

Comparing General Fund Revenue Collections to Budget Projections

Fiscal 2022 from All Sources. General fund collections for fiscal 2022 from all revenue sources including sales, personal income, corporate income, gaming and other revenues are coming in ahead of original projections used to adopt budgets in 49 states and lower in just one state. The fact that nearly all states beat their original budgeted revenues is noteworthy and evidence of the continued improvements in revenue performance throughout the pandemic. The only state to come in

lower than forecast is a biennial state that adopted its original fiscal 2022 budget before the onset of the COVID-19 crisis. Among the 44 states able to report on how general fund revenue collections are coming in relative to adopted budget projections, 33 states said collections are exceeding projections and 11 states are on target. No states reported collections coming in below projections. (See Table 15) Compared to total general fund revenues in enacted budgets for fiscal 2022, reported in Table 5 of NASBO's *Fall 2021 Fiscal Survey*, current estimates in this survey are running 7.9 percent ahead.

Fiscal 2022 Forecast Revisions by Revenue Type. General fund revenue estimates for fiscal 2022 are significantly outpacing original projections used at budget enactment. Compared to original revenue forecasts, most current estimates at the time of data collection for fiscal 2022 for sales and use taxes are 8.4 percent above, personal income tax collections 3.6 percent above, corporate income tax collections 42.9 percent above, gaming and lottery revenue 9.5 percent above, and all other general fund revenue 7.5 percent above. (See Tables 16 and 17)

General Fund Collection Growth By Revenue Type

In fiscal 2023 revenue forecasts used in governors' budgets, personal income taxes account for 45.8 percent of all forecasted general fund revenues, sales and use taxes for 30.4 percent, corporate income taxes for 8.1 percent, gaming and lottery revenues for 1.0 percent, and all other revenues at 14.7 percent. Below is discussion of trends in state general fund collections by revenue source.

Sales & Use Taxes. Forty-four states have a broad-based sales tax that goes towards the general fund; additionally, Vermont's sales taxes go towards its separate Education Fund (not reported in this survey), and Montana collects a small amount of revenue in the sales and use tax category (reported in this survey). General fund sales and use tax collections for these states in the aggregate grew a robust 9.9 percent in fiscal 2021, are on track to grow 8.5 percent in fiscal 2022 over fiscal 2021 levels, and are projected to grow 0.8 percent in fiscal 2023, based on governors' budgets. Along with pent-up consumer demand, a low baseline in fiscal 2020 helped contribute to the high growth rate in fiscal 2021 and a high inflation rate likely contributed to the growth rate in fiscal 2022.

Personal Income Taxes. Forty-one states collect a broad-based personal income tax, while New Hampshire and Tennessee collect taxes on interest and dividends only. Personal income tax collections grew 18.3 percent in fiscal 2021; at the time of data collection, they were estimated to decrease by 0.4 percent in fiscal 2022 and to grow 6.0 percent in fiscal 2023 budget recommendations. The tax deadline shift in calendar year 2020 contributed somewhat to the high growth rate in fiscal 2021 and subsequent decline estimated for fiscal 2022. Based on recent data on collections since this survey was conducted, particularly for the month of April, personal income taxes for fiscal 2022 are expected to come in higher than estimated in this report.

Corporate Income Taxes. For the 45 states that collect a corporate income tax, total corporate income tax revenues — which tend to be a more volatile revenue source — increased 49.3 percent in fiscal 2021, were estimated to increase 13.4 percent in fiscal 2022, and are forecasted to decline 10.9 percent in fiscal 2023 governors' budgets. Similar to personal income taxes, corporate income tax collections for fiscal 2022 at year-end are also expected to come in higher than estimated in this survey, based on more recent collections data.

Gaming/Lottery Revenues. Twenty-eight states reported on general fund collections from these sources (some states direct gaming revenues, particularly from lotteries, into special funds, which are not reported on in this survey). General fund revenues in this category increased 14.6 percent in fiscal 2021, were on track to increase 5.9 percent in fiscal 2022 and are forecasted to grow a modest 1.2 percent in fiscal 2023.

Other General Fund Revenues. All other general fund revenues may include collections from cigarette and other excise taxes, severance taxes, insurance taxes, fees, and other sources. Some states may also use this category to record revenue transfers in and out of the general fund from/to other state fund sources, which can contribute to large fluctuations year-over-year for some states in this category. All other general fund revenues increased 12.8 percent in fiscal 2021, are estimated to increase 1.8 percent in fiscal 2022, and are projected to decline 6.5 percent in fiscal 2023 recommended budgets. *(See Tables 18 and 19)*

TABLE 12

State Nominal and Real Annual Revenue Increases, Fiscal 1979 to Fiscal 2023

Fiscal Year	State General Fund	
	Nominal Increase	Real Increase
2023	1.4%	
2022	3.2	-3.4%
2021	16.5	13.9
2020	-0.6	-2.0
2019	5.7	2.5
2018	6.9	3.4
2017	2.4	1.1
2016	1.8	2.1
2015	5.0	3.9
2014	1.9	-1.1
2013	7.1	4.2
2012	2.9	0.2
2011	6.6	3.4
2010	-2.5	-3.4
2009	-8.0	-10.1
2008	3.9	-1.6
2007	5.4	0.4
2006	9.1	3.6
2005	7.8	1.8
2004	5.4	1.7
2003	8.0	5.0
2002	-6.8	-9.1
2001	4.5	0.1
2000	2.0	-2.7
1999	5.5	2.7
1998	6.1	4.1
1997	5.0	2.7
1996	5.9	3.6
1995	5.3	2.3
1994	5.5	3.3
1993	5.8	2.4
1992	6.6	3.3
1991	4.7	0.2
1990	3.4	-1.5
1989	10.1	6.1
1988	6.5	2.4
1987	8.2	4.5
1986	6.3	2.8
1985	8.8	4.6
1984	12.5	8.4
1983	3.7	-1.8
1982	12.6	5.3
1981	7.9	-3.2
1980	9.8	-0.7
1979	7.8	0.9
1979–2022 average	5.4%	1.5%

Notes: The state and local government implicit price deflator cited by the Bureau of Economic Analysis National Income and Product Account Tables, Table 3.9.4., Line 33 (last updated on May 26, 2022), is used for state revenues in determining real changes. Fiscal Year real changes are based on quarterly averages. Fiscal 2021 figures are based on the change from fiscal 2020 actuals to fiscal 2021 actuals. Fiscal 2022 figures are based on the change from fiscal 2021 actuals to fiscal 2022 estimates. Fiscal 2023 figures are based on the change from fiscal 2022 estimates to fiscal 2023 recommended figures.

TABLE 13
State General Fund Revenue Growth,
Fiscal 2021 to Fiscal 2023

Revenue Growth	Fiscal 2021 (Actual)	Fiscal 2022 (Estimated)	Fiscal 2023 (Recommended)
0% or less	3	21	19
> 0.0% but < 5.0%	2	17	26
> 5.0% but < 10.0%	7	9	3
10% or more	38	3	1
N/A	0	0	1

NOTE: See Table 14 for state-by-state data.

TABLE 14

General Fund Nominal Percentage Revenue Change, Fiscal 2021 to Fiscal 2023**

State	Fiscal 2021	Fiscal 2022	Fiscal 2023
Alabama	15.2%	-5.7%	3.2%
Alaska	4.6	60.2	-3.2
Arizona**	28.7	0.7	-3.6
Arkansas**	19.0	-10.7	1.7
California	28.4	2.5	0.8
Colorado	10.7	12.2	2.0
Connecticut	7.0	6.7	2.1
Delaware**	19.1	2.6	-0.9
Florida	18.4	8.7	-4.3
Georgia	12.2	-0.1	0.2
Hawaii**	8.1	2.4	3.8
Idaho	24.2	-3.9	9.7
Illinois**	17.8	3.2	-1.0
Indiana**	26.3	2.5	-5.7
Iowa	11.0	3.0	-0.9
Kansas**	28.5	-6.7	3.2
Kentucky	10.9	7.4	2.0
Louisiana	8.6	0.4	1.9
Maine	13.9	7.4	-1.3
Maryland	11.8	3.6	4.5
Massachusetts	13.0	0.7	-0.9
Michigan	20.6	-4.7	0.3
Minnesota	16.1	3.1	4.3
Mississippi**	15.9	-12.1	9.6
Missouri**	25.8	-0.5	2.1
Montana	17.0	-10.8	3.6
Nebraska**	20.6	-10.1	3.7
Nevada	9.7	1.1	4.3
New Hampshire	20.9	-1.4	-9.0
New Jersey	27.7	-3.5	0.6
New Mexico	7.6	4.8	-7.7
New York	-6.2	22.2	9.4
North Carolina**	24.1	-4.3	1.2
North Dakota**	-10.5	8.0	-16.3
Ohio**	16.5	-3.1	3.5
Oklahoma**	17.3	4.8	-5.4
Oregon**	84.5	-19.1	0.7
Pennsylvania**	25.1	1.8	1.8
Rhode Island	9.1	5.8	1.3
South Carolina	20.8	-1.7	-1.6
South Dakota	14.7	2.1	-0.8
Tennessee	13.5	6.6	2.7
Texas	6.2	9.5	1.2
Utah**	39.0	-3.6	-0.7
Vermont**	33.1	-2.3	-5.8
Virginia	0.8	0.8	N/A
Washington	13.5	8.8	-1.3
West Virginia**	11.0	-8.2	1.4
Wisconsin	11.6	-3.2	10.2
Wyoming	-0.5	0.0	-6.6
Total	16.5%	3.2%	1.4%
Median	15.6%	0.9%	1.2%

*See Notes to Table 14 at the end of the chapter. **Denotes states that recognized some revenue (primarily from income taxes) in fiscal 2022 instead of fiscal 2021 due to the shift in the Tax filing deadline from April 15, 2020 to July 15, 2020. Fiscal 2021 reflects changes from fiscal 2020 revenues (actual) to fiscal 2021 revenues (actual). Fiscal 2022 reflects changes from fiscal 2021 revenues (actual) to fiscal 2022 revenues (estimated). Fiscal 2023 reflects changes from fiscal 2022 revenues (estimated) to fiscal 2023 revenues (recommended).

TABLE 15

General Fund Revenue Collections Compared to Projections, Fiscal 2022

State	Original Fiscal 2022			Most Recent Fiscal 2022			N/A
	On Target	Lower	Higher	On Target	Lower	Higher	
Alabama			X			X	
Alaska			X			X	
Arizona			X			X	
Arkansas			X			X	
California			X			X	
Colorado			X			X	
Connecticut			X	X			
Delaware			X	X			
Florida			X			X	
Georgia			X	X			
Hawaii			X			X	
Idaho			X			X	
Illinois			X			X	
Indiana			X			X	
Iowa			X	X			
Kansas			X			X	
Kentucky			X			X	
Louisiana			X	X			
Maine			X			X	
Maryland			X	X			
Massachusetts			X				X
Michigan			X			X	
Minnesota			X			X	
Mississippi			X			X	
Missouri			X	X			
Montana			X			X	
Nebraska			X			X	
Nevada			X			X	
New Hampshire			X			X	
New Jersey			X	X			
New Mexico			X			X	
New York			X			X	
North Carolina			X			X	
North Dakota			X			X	
Ohio			X				X
Oklahoma			X			X	
Oregon			X	X			
Pennsylvania			X			X	
Rhode Island			X			X	
South Carolina			X			X	
South Dakota			X			X	
Tennessee			X				X
Texas			X				X
Utah			X			X	
Vermont			X	X			
Virginia			X				X
Washington*			X			X	
West Virginia			X			X	
Wisconsin			X				X
Wyoming		X		X			
Total		1	49	11		33	6

NOTES: Original Fiscal 2022 reflects whether general fund revenues from all sources thus far have come in higher, lower, or on target with original projections used to adopt the Fiscal 2022 budget. Most Recent Fiscal 2022 reflects whether collections thus far have been coming in higher, lower, or on target with a state's most recent revenue projection. *See Notes to Table 15 at the end of the chapter.

TABLE 16

Fiscal 2022 General Fund Revenue Collections Compared With Projections Used in Adopting Fiscal 2022 Budgets (Millions)

State	Sales Tax		Personal Income Tax		Corporate Income Tax	
	Original Estimate	Current Estimate	Original Estimate	Current Estimate	Original Estimate	Current Estimate
Alabama	\$3,035	\$3,301	\$4,235	\$4,322	\$542	\$647
Alaska					10	15
Arizona	6,380	6,681	5,890	5,811	644	889
Arkansas	2,815	2,967	3,190	3,301	479	518
California	28,986	30,866	123,298	120,873	18,106	32,863
Colorado	3,882	4,068	9,964	10,504	898	1,147
Connecticut*	4,275	4,567	10,361	10,616	1,116	1,201
Delaware			1,778	1,876	145	273
Florida	27,135	31,391			2,876	3,328
Georgia	6,649	7,306	12,739	14,112	881	1,426
Hawaii	3,748	3,708	2,498	3,031	149	91
Idaho*	1,866	2,161	2,089	2,301	261	393
Illinois	9,255	10,036	20,792	21,512	3,293	4,698
Indiana	9,074	10,014	6,711	7,138	884	1,344
Iowa	3,399	3,696	5,051	5,392	743	928
Kansas	3,132	3,410	3,689	4,355	283	600
Kentucky	4,336	4,951	5,004	5,425	469	971
Louisiana	3,828	4,368	3,793	4,364	500	750
Maine	1,857	1,952	1,845	2,075	220	315
Maryland	4,997	5,510	11,663	12,058	1,252	1,390
Massachusetts	5,552	5,740	19,941	20,562	3,437	4,443
Michigan	2,032	2,118	7,289	7,700	605	867
Minnesota	5,609	6,603	12,361	14,477	1,325	2,376
Mississippi*	2,629	2,629	1,884	1,884	490	490
Missouri	2,254	2,654	6,745	7,547	412	593
Montana	66	66	1,539	1,539	161	161
Nebraska	1,993	2,050	2,314	2,540	350	540
Nevada	1,355	1,355				
New Hampshire					604	673
New Jersey	12,222	13,000	16,881	17,370	4,093	5,285
New Mexico	2,617	2,865	1,667	1,882	42	110
New York	14,782	15,831	53,272	58,692	6,986	8,159
North Carolina	9,611	9,611	14,312	14,312	1,120	1,120
North Dakota	845	924	386	291	100	146
Ohio*	12,315	12,315	8,899	8,899	1,799	1,799
Oklahoma*	2,889	3,200	3,122	3,147	253	417
Oregon			9,742	10,274	681	1,241
Pennsylvania	12,801	13,683	15,769	16,336	3,777	4,532
Rhode Island	1,305	1,432	1,549	1,657	179	210
South Carolina	3,418	3,757	5,064	5,399	466	658
South Dakota	1,183	1,278				
Tennessee	9,667	11,364	3	7	2,571	3,627
Texas	31,310	34,660				
Utah	2,580	2,866	5,114	5,577	438	646
Vermont			962	1,104	121	179
Virginia	3,992	3,992	15,991	15,991	1,272	1,272
Washington	13,348	14,624				
West Virginia	1,474	1,474	2,041	2,041	160	160
Wisconsin	6,640	6,925	8,681	8,220	1,910	2,420
Wyoming	561	513				
Total	\$293,698	\$318,480	\$450,116	\$466,511	\$67,103	\$95,908

NOTES: N/A indicates data are not available because, in most cases, these states do not have that type of Tax. Unless otherwise noted, original estimates reflect the figures used when the fiscal 2022 budget was adopted, and current estimates reflect most current revenue forecast for fiscal 2022. *See Notes to Tables 16 and 17 at the end of the chapter.

Table 16 continues on next page.

TABLE 16 (CONTINUED)

Fiscal 2022 General Fund Revenue Collections Compared With Projections Used in Adopting Fiscal 2022 Budgets (Millions)

State	Gaming/Lottery Revenue		All Other Revenue	
	Original Estimate	Current Estimate	Original Estimate	Current Estimate
Alabama			\$2,216	\$2,294
Alaska	\$3	\$3	1,662	2,645
Arizona	164	184	-491	650
Arkansas	33	47	478	510
California	0	0	6,811	5,531
Colorado			271	262
Connecticut*	633	648	4,637	4,880
Delaware	220	233	2,982	3,149
Florida	20	351	4,834	5,120
Georgia			5,515	5,731
Hawaii			1,548	1,617
Idaho*			187	336
Illinois	837	984	8,191	9,063
Indiana	422	474	1,238	1,271
Iowa	90	101	-994	-1,056
Kansas			459	-91
Kentucky	292	319	1,749	2,127
Louisiana	363	425	1,404	828
Maine	60	74	198	441
Maryland	596	647	1,774	1,986
Massachusetts	1,427	1,352	8,908	7,182
Michigan			1,247	1,249
Minnesota	139	243	3,287	3,704
Mississippi*	125	125	799	799
Missouri			374	390
Montana	77	77	800	800
Nebraska			223	225
Nevada	739	739	2,331	2,331
New Hampshire			1,057	1,146
New Jersey			8,664	10,782
New Mexico	64	65	3,158	4,303
New York	14	15	7,630	8,139
North Carolina			3,370	3,370
North Dakota	7	8	649	660
Ohio*			2,970	2,970
Oklahoma*	182	195	1,350	1,715
Oregon			682	919
Pennsylvania	284	320	9,905	10,088
Rhode Island	376	393	1,001	998
South Carolina			973	1,088
South Dakota	139	161	536	552
Tennessee	396	398	4,057	4,197
Texas	1,535	1,535	25,600	30,087
Utah			568	611
Vermont			862	824
Virginia			1,644	1,644
Washington			13,981	14,743
West Virginia			894	904
Wisconsin			1,341	1,378
Wyoming			576	604
Total	\$9,237	\$10,116	\$154,102	\$165,695

NOTES: N/A indicates data are not available because, in most cases, these states do not have that type of Tax. Unless otherwise noted, original estimates reflect the figures used when the fiscal 2022 budget was adopted, and current estimates reflect most current revenue forecast for fiscal 2022. *See Notes to Tables 16 and 17 at the end of the chapter.

TABLE 17

Fiscal 2022 General Fund Revenue Collections Compared With Projections (Percentage Above or Below)

State	Sales Tax	Personal Income Tax	Corporate Income Tax	Gaming/ Lottery Revenue	All Other Revenue
Alabama	8.8%	2.0%	19.3%	N/A	3.5%
Alaska	N/A	N/A	50.0	0.0%	59.1
Arizona	4.7	-1.3	37.9	12.3	-232.3
Arkansas	5.4	3.5	8.2	42.8	6.7
California	6.5	-2.0	81.5	0.0	-18.8
Colorado	4.8	5.4	27.7	N/A	-3.4
Connecticut*	6.8	2.5	7.6	2.3	5.2
Delaware	N/A	5.5	88.1	5.7	5.6
Florida	15.7	N/A	15.7	1,692.3	5.9
Georgia	9.9	10.8	61.9	N/A	3.9
Hawaii	-1.0	21.3	-39.0	N/A	4.4
Idaho*	15.8	10.1	50.6	N/A	79.4
Illinois	8.4	3.5	42.7	17.6	10.6
Indiana	10.4	6.4	52.0	12.3	2.7
Iowa	8.7	6.7	24.9	12.2	6.2
Kansas	8.9	18.1	112.4	N/A	-119.9
Kentucky	14.2	8.4	106.9	9.3	21.6
Louisiana	14.1	15.0	50.0	17.3	-41.0
Maine	5.1	12.5	43.0	23.7	122.9
Maryland	10.3	3.4	11.0	8.6	11.9
Massachusetts	3.4	3.1	29.3	-5.3	-19.4
Michigan	4.3	5.6	43.4	N/A	0.1
Minnesota	17.7	17.1	79.3	74.4	12.7
Mississippi	0.0	0.0	0.0	0.0	0.0
Missouri	17.7	11.9	44.0	N/A	4.4
Montana	0.0	0.0	0.0	0.0	0.0
Nebraska	2.9	9.8	54.2	N/A	1.1
Nevada	0.0	N/A	N/A	0.0	0.0
New Hampshire	N/A	N/A	11.4	N/A	8.4
New Jersey	6.4	2.9	29.1	N/A	24.4
New Mexico	9.5	12.9	159.6	0.8	36.3
New York	7.1	10.2	16.8	7.1	6.7
North Carolina	0.0	0.0	0.0	N/A	0.0
North Dakota	9.3	-24.5	46.8	2.7	1.7
Ohio*	0.0	0.0	0.0	N/A	0.0
Oklahoma*	10.8	0.8	64.5	7.5	27.1
Oregon	N/A	5.5	82.2	N/A	34.8
Pennsylvania	6.9	3.6	20.0	12.7	1.8
Rhode Island	9.7	6.9	17.3	4.6	-0.3
South Carolina	9.9	6.6	41.1	N/A	11.8
South Dakota	8.1	N/A	N/A	15.6	2.8
Tennessee	17.6	160.0	41.1	0.5	3.5
Texas	10.7	N/A	N/A	0.0	17.5
Utah	11.1	9.0	47.5	N/A	7.7
Vermont	N/A	14.7	48.3	N/A	-4.3
Virginia	0.0	0.0	0.0	N/A	0.0
Washington	9.6	N/A	N/A	N/A	5.5
West Virginia	0.0	0.0	0.0	N/A	1.1
Wisconsin	4.3	-5.3	26.7	N/A	2.8
Wyoming	-8.6	N/A	N/A	N/A	4.9
Total	8.4%	3.6%	42.9%	9.5%	7.5%
On target	7	6	6	6	8
Higher	36	32	38	21	35
Lower	2	4	1	1	7

NOTES: N/A indicates data are not available because, in most cases, these states do not have that type of Tax. Unless otherwise noted, original estimates reflect the figures used when the fiscal 2022 budget was adopted, and current estimates reflect most current revenue forecast for fiscal 2022. For some states, original budget projections are the most current estimates available. *See Notes to Tables 16 and 17 at the end of the chapter.

TABLE 18

Comparison of Tax Collections in Fiscal 2021, Fiscal 2022, and Recommended Fiscal 2023 (Millions)

State	Sales Tax			Personal Income Tax			Corporate Income Tax		
	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2021	Fiscal 2022	Fiscal 2023
Alabama	\$3,237	\$3,301	\$3,458	\$4,800	\$4,322	\$4,469	\$844	\$647	\$661
Alaska	0	0	0	0	0	0	103	15	120
Arizona**	6,245	6,681	6,905	6,533	5,811	5,590	847	889	816
Arkansas* **	2,884	2,967	2,975	3,969	3,301	3,481	652	518	485
California*	29,066	30,866	32,208	128,226	120,873	130,269	22,793	32,863	23,732
Colorado	3,634	4,068	4,098	9,482	10,504	10,360	1,184	1,147	884
Connecticut*	4,793	4,567	4,659	10,340	10,616	10,787	1,153	1,201	1,171
Delaware**	0	0	0	1,888	1,876	1,950	210	273	176
Florida*	27,158	31,391	29,065	0	0	0	3,396	3,328	3,820
Georgia	6,947	7,306	7,402	14,221	14,112	14,102	1,751	1,426	1,397
Hawaii**	3,055	3,708	3,821	3,355	3,031	3,303	186	91	-62
Idaho*	2,004	2,161	2,242	2,446	2,301	2,457	349	393	309
Illinois**	9,368	10,036	9,909	22,525	21,512	22,401	3,563	4,698	4,446
Indiana**	9,073	10,014	9,366	7,532	7,138	6,966	1,385	1,344	1,059
Iowa	3,512	3,696	3,816	5,435	5,392	5,259	984	928	916
Kansas**	3,126	3,410	3,071	4,590	4,355	4,569	652	600	535
Kentucky	4,561	4,951	5,239	5,144	5,425	5,641	883	971	912
Louisiana	4,131	4,368	4,299	3,957	4,364	4,294	805	750	578
Maine	1,856	1,952	2,115	2,070	2,075	1,999	284	315	319
Maryland*	4,988	5,510	5,743	11,705	12,058	12,727	1,462	1,390	1,527
Massachusetts	5,500	5,740	6,017	19,593	20,562	20,971	4,115	4,443	4,535
Michigan	2,239	2,118	2,102	7,714	7,700	7,791	1,211	867	750
Minnesota	6,169	6,603	7,123	14,104	14,477	15,582	2,387	2,376	2,025
Mississippi**	2,653	2,629	2,759	2,226	1,884	2,083	845	490	675
Missouri**	2,357	2,654	2,775	7,789	7,547	7,669	678	593	575
Montana	56	66	86	1,765	1,539	1,588	267	161	174
Nebraska**	2,010	2,050	2,180	3,131	2,540	2,700	571	540	450
Nevada	1,381	1,355	1,442	0	0	0	0	0	0
New Hampshire	0	0	0	0	0	0	632	673	623
New Jersey	12,182	13,000	13,261	17,470	17,370	18,155	5,003	5,285	5,110
New Mexico	2,914	2,865	3,047	1,904	1,882	2,039	150	110	68
New York	11,155	15,831	15,703	44,034	58,692	67,492	6,420	8,159	9,572
North Carolina**	9,024	9,611	9,755	15,823	14,312	14,259	1,511	1,120	1,321
North Dakota* **	853	924	920	466	291	297	147	146	108
Ohio* **	12,191	12,315	12,460	10,201	8,899	9,522	1,667	1,799	1,880
Oklahoma**	3,318	3,200	3,242	2,950	3,147	2,980	562	417	360
Oregon**	0	0	0	12,773	10,274	10,885	1,479	1,241	609
Pennsylvania**	12,835	13,683	13,643	16,283	16,336	17,585	4,424	4,532	4,195
Rhode Island	1,341	1,432	1,462	1,616	1,657	1,703	202	210	202
South Carolina*	3,826	3,757	3,709	5,421	5,399	5,333	669	658	528
South Dakota	1,223	1,278	1,256	0	0	0	0	0	0
Tennessee*	10,456	11,364	11,650	56	7	0	3,240	3,627	3,751
Texas	32,254	34,660	35,823	0	0	0	0	0	0
Utah**	2,625	2,866	2,767	6,111	5,577	5,700	743	646	533
Vermont**	0	0	0	1,070	1,104	1,103	133	179	187
Virginia*	4,166	3,992	N/A	17,304	15,991	N/A	1,516	1,272	N/A
Washington	13,290	14,624	14,673	0	0	0	0	0	0
West Virginia**	1,537	1,474	1,510	2,254	2,041	2,190	320	160	150
Wisconsin	6,374	6,925	6,845	9,283	8,220	9,116	2,560	2,420	2,160
Wyoming	493	513	531	0	0	0	0	0	0
Total***	\$289,892	\$314,488	\$317,129	\$452,250	\$450,520	\$477,366	\$83,422	\$94,636	\$84,341

NOTES: N/A indicates data are not available because, in most cases, these states do not have that type of tax. Unless otherwise noted, fiscal 2021 figures reflect actual Tax collections, fiscal 2022 figures reflect estimated tax collections, and fiscal 2023 figures reflect the estimates based on governors' recommended budgets. *See Notes to Tables 18 and 19 at the end of the chapter. **Denotes states that recognized some revenue (primarily from income Taxes) in fiscal 2021 instead of fiscal 2020 due to the shift in the tax filing deadline from April 15, 2020 to July 15, 2020. ***Totals exclude figures for Virginia, which was unable to report data for all three fiscal years.

Table 18 continues on next page.

TABLE 18 (CONTINUED)

Comparison of Tax Collections in Fiscal 2021, Fiscal 2022, and Recommended Fiscal 2023 (Millions)

State	Gaming/Lottery Revenue			All Other Revenue		
	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2021	Fiscal 2022	Fiscal 2023
Alabama	\$0	\$0	\$0	\$2,325	\$2,294	\$2,318
Alaska	3	3	3	1,557	2,645	2,455
Arizona**	105	184	141	388	650	258
Arkansas* **	40	47	52	576	510	538
California*	1	0	0	5,347	5,531	5,436
Colorado	0	0	0	-60	262	309
Connecticut*	639	648	655	3,606	4,880	5,097
Delaware**	216	233	231	3,077	3,149	3,135
Florida*	17	351	470	5,710	5,120	4,982
Georgia	0	0	0	5,673	5,731	5,734
Hawaii**	0	0	0	1,657	1,617	1,703
Idaho*	0	0	0	210	336	315
Illinois**	777	984	911	8,619	9,063	8,166
Indiana**	498	474	451	1,259	1,271	1,255
Iowa	101	101	104	-1,231	-1,056	-1,116
Kansas**	0	0	0	498	-91	366
Kentucky	289	319	225	1,951	2,127	2,059
Louisiana	431	425	422	1,140	828	1,343
Maine	71	74	69	240	441	294
Maryland*	632	647	664	2,045	1,986	1,904
Massachusetts	1,357	1,352	1,416	8,439	7,182	5,990
Michigan	0	0	0	1,362	1,249	1,328
Minnesota	205	243	245	3,717	3,704	3,605
Mississippi**	158	125	145	859	799	832
Missouri**	0	0	0	416	390	399
Montana	87	77	80	789	800	809
Nebraska**	0	0	0	244	225	225
Nevada	713	739	793	2,381	2,331	2,484
New Hampshire	0	0	0	1,212	1,146	1,033
New Jersey	0	0	0	13,481	10,782	10,208
New Mexico	25	65	67	3,808	4,303	3,297
New York	10	15	13	12,693	8,139	6,632
North Carolina**	0	0	0	3,341	3,370	3,416
North Dakota* **	25	8	17	388	660	355
Ohio* **	0	0	0	2,760	2,970	3,042
Oklahoma**	183	195	179	1,266	1,715	1,448
Oregon**	0	0	0	1,042	919	633
Pennsylvania**	242	320	317	6,608	10,088	6,126
Rhode Island	302	393	391	971	998	991
South Carolina*	0	0	0	1,173	1,088	1,152
South Dakota	156	161	164	571	552	556
Tennessee*	388	398	477	4,246	4,197	4,249
Texas	1,884	1,535	1,542	26,367	30,087	29,726
Utah**	0	0	0	589	611	630
Vermont**	0	0	0	954	824	694
Virginia*	0	0	N/A	1,893	1,644	N/A
Washington	0	0	0	13,696	14,743	14,198
West Virginia**	0	0	0	876	904	795
Wisconsin	0	0	0	1,356	1,378	1,338
Wyoming	0	0	0	914	604	610
Total***	\$9,554	\$10,116	\$10,242	\$161,102	\$164,052	\$153,352

NOTES: N/A indicates data are not available because, in most cases, these states do not have that type of tax. Unless otherwise noted, fiscal 2021 figures reflect actual Tax collections, fiscal 2022 figures reflect estimated tax collections, and fiscal 2023 figures reflect the estimates based on governors' recommended budgets. *See Notes to Tables 18 and 19 at the end of the chapter. **Denotes states that recognized some revenue (primarily from income Taxes) in fiscal 2021 instead of fiscal 2020 due to the shift in the tax filing deadline from April 15, 2021 to July 15, 2021. ***Totals exclude figures for Virginia, which was unable to report data for all three fiscal years.

TABLE 19

Percentage Change in Tax Collections in Fiscal 2021, Fiscal 2022, and Recommended Fiscal 2023

State	Sales Tax			Personal Income Tax			Corporate Income Tax		
	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2021	Fiscal 2022	Fiscal 2023
Alabama	13.9%	2.0%	4.8%	15.2%	-10.0%	3.4%	72.6%	-23.4%	2.1%
Alaska	N/A	N/A	N/A	N/A	N/A	N/A	0.4	-85.4	700.0
Arizona**	15.8	7.0	3.3	44.2	-11.0	-3.8	65.5	5.0	-8.3
Arkansas* **	13.4	2.9	0.3	16.1	-16.8	5.5	35.2	-20.5	-6.4
California*	13.9	6.2	4.3	28.7	-5.7	7.8	63.3	44.2	-27.8
Colorado	6.7	11.9	0.7	9.7	10.8	-1.4	62.5	-3.1	-23.0
Connecticut*	11.0	-4.7	2.0	10.0	2.7	1.6	23.4	4.1	-2.5
Delaware**	N/A	N/A	N/A	28.3	-0.7	4.0	80.0	30.0	-35.4
Florida*	10.4	15.6	-7.4	N/A	N/A	N/A	37.3	-2.0	14.8
Georgia	12.5	5.2	1.3	14.6	-0.8	-0.1	42.0	-18.6	-2.0
Hawaii**	-10.9	21.4	3.0	42.2	-9.7	9.0	2118.5	-51.2	-167.8
Idaho*	18.6	7.8	3.8	28.4	-5.9	6.8	43.3	12.7	-21.4
Illinois**	13.5	7.1	-1.3	21.9	-4.5	4.1	71.2	31.9	-5.4
Indiana**	12.8	10.4	-6.5	42.9	-5.2	-2.4	100.5	-3.0	-21.2
Iowa	10.6	5.2	3.3	16.8	-0.8	-2.5	51.7	-5.7	-1.4
Kansas**	10.4	9.1	-9.9	37.5	-5.1	4.9	69.7	-8.0	-10.8
Kentucky	12.0	8.5	5.8	7.9	5.5	4.0	38.1	9.9	-6.0
Louisiana	11.7	5.7	-1.6	4.7	10.3	-1.6	39.2	-6.9	-23.0
Maine	15.0	5.2	8.3	12.7	0.3	-3.7	31.6	10.7	1.4
Maryland*	7.6	10.5	4.2	9.4	3.0	5.5	39.0	-5.0	9.9
Massachusetts	14.2	4.4	4.8	12.9	4.9	2.0	63.1	8.0	2.1
Michigan	41.2	-5.4	-0.8	12.3	-0.2	1.2	199.8	-28.4	-13.5
Minnesota	7.4	7.0	7.9	16.6	2.6	7.6	51.1	-0.5	-14.8
Mississippi**	6.3	-0.9	4.9	22.3	-15.4	10.6	54.0	-42.0	37.8
Missouri**	4.9	12.6	4.5	30.2	-3.1	1.6	109.7	-12.6	-3.0
Montana	-4.0	18.1	31.2	23.0	-12.8	3.2	42.2	-39.4	7.8
Nebraska**	8.7	2.0	6.3	28.0	-18.9	6.3	46.0	-5.5	-16.7
Nevada	9.2	-1.8	6.4	N/A	N/A	N/A	N/A	N/A	N/A
New Hampshire	N/A	N/A	N/A	N/A	N/A	N/A	54.1	6.5	-7.4
New Jersey	15.0	6.7	2.0	7.5	-0.6	4.5	22.2	5.6	-3.3
New Mexico	-3.0	-1.7	6.3	12.5	-1.2	8.3	136.9	-26.7	-38.0
New York	-18.1	41.9	-0.8	-12.8	33.3	15.0	0.8	27.1	17.3
North Carolina**	15.4	6.5	1.5	27.5	-9.5	-0.4	129.8	-25.9	17.9
North Dakota* **	-12.1	8.2	-0.4	32.2	-37.4	2.1	60.3	-0.5	-26.4
Ohio* **	14.1	1.0	1.2	29.4	-12.8	7.0	-0.3	8.0	4.5
Oklahoma**	24.0	-3.6	1.3	3.0	6.7	-5.3	94.4	-25.8	-13.7
Oregon**	N/A	N/A	N/A	77.6	-19.6	5.9	202.8	-16.1	-50.9
Pennsylvania**	18.6	6.6	-0.3	26.9	0.3	7.6	56.5	2.4	-7.4
Rhode Island	14.9	6.7	2.1	14.9	2.5	2.8	35.8	4.0	-3.5
South Carolina*	16.4	-1.8	-1.3	21.7	-0.4	-1.2	78.7	-1.7	-19.7
South Dakota	14.0	4.5	-1.8	N/A	N/A	N/A	N/A	N/A	N/A
Tennessee*	16.4	8.7	2.5	-41.2	-88.4	-100.0	24.2	11.9	3.4
Texas	4.7	7.5	3.4	N/A	N/A	N/A	N/A	N/A	N/A
Utah**	15.9	9.2	-3.5	53.3	-8.7	2.2	108.7	-13.0	-17.5
Vermont**	N/A	N/A	N/A	15.6	3.2	-0.1	-9.8	34.1	4.8
Virginia*	12.4	-4.2	N/A	12.7	-7.6	N/A	49.8	-16.1	N/A
Washington	10.6	10.0	0.3	N/A	N/A	N/A	N/A	N/A	N/A
West Virginia**	10.9	-4.1	2.5	15.7	-9.4	7.3	110.9	-50.0	-6.4
Wisconsin	9.2	8.7	-1.2	6.2	-11.5	10.9	59.2	-5.5	-10.7
Wyoming	1.2	4.1	3.5	N/A	N/A	N/A	N/A	N/A	N/A
Total	9.9%	8.5%	0.8%	18.3%	-0.4%	6.0%	49.3%	13.4%	-10.9%
Median	12.0%	6.6%	2.1%	16.4%	-3.8%	3.4%	54.1%	-3.1%	-6.4%

NOTES: N/A indicates data are not available because, in most cases, these states do not have that type of Tax. Unless otherwise noted, fiscal 2021 figures reflect actual Tax collections, fiscal 2022 figures reflect estimated Tax collections, and fiscal 2023 figures reflect the estimates based on governors' recommended budgets. *See Notes to Tables 18 and 19 at the end of the chapter. **Denotes states that recognized some revenue (primarily from income Taxes) in fiscal 2021 instead of fiscal 2020 due to the shift in the Tax filing deadline from April 15, 2021 to July 15, 2021.

TABLE 19 (CONTINUED)

Percentage Change in Tax Collections in Fiscal 2021, Fiscal 2022, and Recommended Fiscal 2023

State	Gaming/Lottery Revenue			All Other Revenue		
	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2021	Fiscal 2022	Fiscal 2023
Alabama	N/A	N/A	N/A	3.8%	-1.3%	1.0%
Alaska	8.3%	0.0%	3.8%	4.9	69.9	-7.2
Arizona**	1.1	75.4	-23.3	-10.2	67.8	-60.3
Arkansas* **	18.5	15.6	10.7	17.6	-11.4	5.5
California*	-66.9	-74.7	0.0	0.7	3.4	-1.7
Colorado	N/A	N/A	N/A	-167.5	-539.8	18.0
Connecticut*	26.8	1.4	1.0	-10.7	35.3	4.5
Delaware**	21.6	7.8	-0.9	11.5	2.4	-0.4
Florida*	N/A	N/A	N/A	32.7	-10.3	-2.7
Georgia	N/A	N/A	N/A	0.2	1.0	0.1
Hawaii**	N/A	N/A	N/A	-33.4	-2.4	5.3
Idaho*	N/A	N/A	N/A	8.2	60.0	-6.3
Illinois**	-5.8	26.6	-7.4	2.3	5.2	-9.9
Indiana**	67.2	-4.8	-5.0	-5.9	1.0	-1.3
Iowa	24.8	0.0	3.0	96.3	14.2	5.7
Kansas**	N/A	N/A	N/A	-43.8	-118.3	-501.6
Kentucky	6.5	10.4	-29.5	7.2	9.0	-3.2
Louisiana	21.3	-1.3	-0.8	-19.7	-27.4	62.3
Maine	-3.7	5.1	-7.5	4.4	83.6	-33.4
Maryland*	15.2	2.5	2.6	20.3	-2.9	-4.1
Massachusetts	10.6	-0.4	4.8	-1.8	-14.9	-16.6
Michigan	N/A	N/A	N/A	-10.6	-8.3	6.3
Minnesota	37.3	18.4	0.9	11.8	-0.3	-2.7
Mississippi**	36.7	-21.1	16.0	2.6	-6.9	4.1
Missouri**	N/A	N/A	N/A	9.9	-6.1	2.3
Montana	33.1	-12.3	4.3	0.2	1.3	1.1
Nebraska**	N/A	N/A	N/A	-4.1	-7.9	0.0
Nevada	14.4	3.7	7.3	8.7	-2.1	6.5
New Hampshire	N/A	N/A	N/A	8.7	-5.5	-9.9
New Jersey	N/A	N/A	N/A	99.6	-20.0	-5.3
New Mexico	-46.3	161.1	3.1	12.8	13.0	-23.4
New York	-28.6	50.0	-13.3	46.1	-35.9	-18.5
North Carolina**	N/A	N/A	N/A	9.7	0.9	1.4
North Dakota* **	51.8	-69.9	124.0	-41.9	70.2	-46.2
Ohio* **	N/A	N/A	N/A	-0.9	7.6	2.4
Oklahoma**	26.1	6.9	-8.3	16.7	35.4	-15.6
Oregon**	N/A	N/A	N/A	63.1	-11.8	-31.1
Pennsylvania**	69.2	32.2	-0.9	16.9	52.7	-39.3
Rhode Island	6.3	30.3	-0.6	-8.2	2.8	-0.7
South Carolina*	N/A	N/A	N/A	10.2	-7.2	5.9
South Dakota	26.9	3.6	1.8	13.3	-3.5	0.8
Tennessee*	-1.1	2.7	19.7	3.2	-1.1	1.2
Texas	13.8	-18.5	0.5	7.5	14.1	-1.2
Utah**	N/A	N/A	N/A	-7.7	3.8	3.0
Vermont**	N/A	N/A	N/A	74.6	-13.6	-15.8
Virginia*	N/A	N/A	N/A	13.5	-13.2	N/A
Washington	N/A	N/A	N/A	18.0	7.6	-3.7
West Virginia**	N/A	N/A	N/A	-1.5	3.2	-12.1
Wisconsin	N/A	N/A	N/A	0.8	1.7	-2.9
Wyoming	N/A	N/A	N/A	28.9	-33.9	1.0
Total	14.6%	5.9%	1.2%	12.8%	1.8%	-6.5%
Median	15.2%	3.6%	0.9%	6.0%	0.3%	-1.3%

NOTES: N/A indicates data are not available because, in most cases, these states do not have that type of Tax. Unless otherwise noted, fiscal 2021 figures reflect actual Tax collections, fiscal 2022 figures reflect estimated Tax collections, and fiscal 2023 figures reflect the estimates based on governors' recommended budgets. *See Notes to Tables 18 and 19 at the end of the chapter. **Denotes states that recognized some revenue (primarily from income Taxes) in fiscal 2021 instead of fiscal 2020 due to the shift in the Tax filing deadline from April 15, 2021 to July 15, 2021.

Recommended Fiscal 2023 Revenue Actions

According to governors' budgets, governors in 30 states are proposing net decreases in taxes and fees while just three are proposing net increases, resulting in a projected net revenue decline in fiscal 2023 of \$15.0 billion for all state funds. Looking only at the impact on general fund revenue, these changes would reduce revenue on net by \$14.1 billion, representing 1.3 percent of forecasted general fund revenues in fiscal 2023 governors' budgets. This significant net decrease contrasts with proposed revenue actions in governors' budgets reported one year ago in the *Spring 2021 Fiscal Survey of States*, which called for a net increase in revenue of \$6.5 billion.

It is worth noting that, if enacted, a \$15.0 billion reduction in revenues from proposed tax changes would be the largest decline on record in the history of the *Fiscal Survey*. (See [Tables 20 and Figure 3](#)) Measured as a share of general fund revenue, the percentage decrease would be similar to the reductions recorded in the late 1990s and fiscal years 2000–2001. The scale and scope of tax reductions proposed by governors for fiscal 2023 reflect strong fiscal conditions. As discussed in NASBO's *Summaries of Fiscal Year 2023 Proposed Budgets*, governors proposed tax cuts aimed at returning part of their revenue surplus to taxpayers, providing relief to families, supporting businesses, and promoting prosperity and economic opportunity. Tax reductions ranged from targeted, one-time tax relief measures to permanent, broad-based rate reductions — often phased-in over a series of years. NASBO's *Fall 2022 Fiscal Survey of States* will provide an update on which of these proposed changes were enacted, in addition to other tax policy changes introduced by state lawmakers that were adopted.

Below is a summary of the revenue impacts of tax policy and fee changes by source. More detailed, state-by-state information on tax and fee changes recommended in governors' fiscal 2023 budgets is available in the Appendix of this report. (See [Tables 21 and 22, Appendix Tables A-1 and A-2](#))

Sales Taxes—One governor recommended a sales and use tax increase, while 12 recommended decreases, which together would reduce revenue by \$1,245 million (-\$1,230 million general fund impact) in fiscal 2023. Some of the more impactful changes include reducing or phasing out the food sales tax rate in Kansas and Oklahoma, eliminating certain utility taxes in Indiana, and excluding employee placement services from taxation in Ohio.

Personal Income Taxes—Two governors recommended net personal income tax increases, while 22 governors proposed decreases, which would result in a net revenue decrease of \$5,988 million (-\$5,958 million general fund impact). Numerous states proposed broad-based rate reductions in this category, including Idaho, Indiana, Iowa, Mississippi, Ohio, and South Carolina. Proposed personal income tax reductions also include the creation or expansion of various tax credits, including a homeowner tax rebate credit in New York, Earned Income Tax Credit (EITC) programs in Arizona, California (for foster youth), Maine, and Michigan, and tax credits for private education in Ohio and student loan repayment in Maine, and exemption of retirement and/or military pension income in several states.

Corporate Income Taxes—One governor recommended a corporate income tax increase while 10 proposed decreases for a net decrease of \$5,851 million (-\$5,826 million general fund impact). California's lifting of a temporary limitation on certain corporate income tax breaks one year early accounts for most of the net reduction in this category. Manufacturing tax incentives in Arizona, clean energy and green technology credits in California, and rate reductions in Pennsylvania are among some of the other changes reported for this source.

Cigarette and Tobacco Taxes—A rate reduction for a tax related to vaping in Indiana results in a decrease of \$2.7 million (all general fund).

Motor Fuel Taxes—A temporary reduction in gas taxes proposed in Florida would reduce non-general fund revenues by \$936 million.

Alcohol Taxes—No changes were reported in this category.

Gaming Taxes/Lottery Revenue—The creation of a sports gaming tax in Ohio is expected to increase gaming taxes and lottery revenue (non-general fund) by \$7 million in fiscal 2023.

Other Taxes & Revenue—Two governors recommended increases on other tax and revenue sources, while seven governors proposed decreases, resulting in a net revenue decline of \$1,155 million (-\$1,154 million general fund impact).

Fees—Three governors recommended net fee increases, while five governors recommended decreases, resulting in a net increase of \$195 million (\$85 million general fund impact).

Fiscal 2023 Revenue Measures. In addition to tax and fee changes, governors also recommended new revenue measures with a total net impact of -\$151 million, including a \$196 million reduction for states' general funds. These measures in most cases do not affect taxpayer liability and include actions to enforce existing laws, tax amnesties, additional audits and compliance efforts, as well as fund transfers and diversions. *(See Appendix Table A-2)*

Mid-Year Revenue Changes in Fiscal 2022

Thirteen states proposed or enacted changes in taxes and fees affecting fiscal 2022 revenues after budget enactment, with four states making increases and nine states with decreases, resulting in an estimated net revenue decrease of \$1.4 billion. Many of the tax cuts were in the personal income tax category, including a property tax incentive credit in Nebraska, a 2-year tax credit in North Dakota, and rate reductions in Arkansas. Small business loan exemptions in Arkansas were the largest reduction reported in the corporate income tax category, while Georgia's temporary suspension of the gas tax was one of the other more impactful changes.

States also reported on revenue measures enacted mid-year for fiscal 2022 that do not affect taxpayer liability. For example, Georgia reported income tax refunds supported with fiscal 2021 budget surplus funds and Idaho reported a one-time tax rebate in this category. *(See Table 23, Appendix Tables A-3 and A-4)*

TABLE 20

Enacted State Revenue Changes, Fiscal 1979 to Fiscal 2022 and Recommended Fiscal 2023

Fiscal Year	Revenue Change (Billions)
2023	-\$15.0
2022	-2.9
2021	5.2
2020	6.7
2019	3.1
2018	9.9
2017	1.3
2016	0.5
2015	-2.3
2014	-2.1
2013	6.9
2012	-0.7
2011	6.2
2010	23.9
2009	1.5
2008	4.5
2007	-2.1
2006	2.5
2005	3.5
2004	9.6
2003	8.3
2002	0.3
2001	-5.8
2000	-5.2
1999	-7.0
1998	-4.6
1997	-4.1
1996	-3.8
1995	-2.6
1994	3.0
1993	3.0
1992	15.0
1991	10.3
1990	4.9
1989	0.8
1988	6.0
1987	0.6
1986	-1.1
1985	0.9
1984	10.1
1983	3.5
1982	3.8
1981	0.4
1980	-2.0
1979	-2.3

SOURCES: Fiscal 1979-1987 data from Advisory Commission on Intergovernmental Relations, Significant Features of Fiscal Federalism, 1985-86 edition, page 77, based on data from the Tax Foundation and the National Conference of State Legislatures. Fiscal 1988-2023 data provided by the National Association of State Budget Officers.

FIGURE 3:

Enacted State Revenue Changes, Fiscal 1979 to Fiscal 2022 and Recommended Fiscal 2023

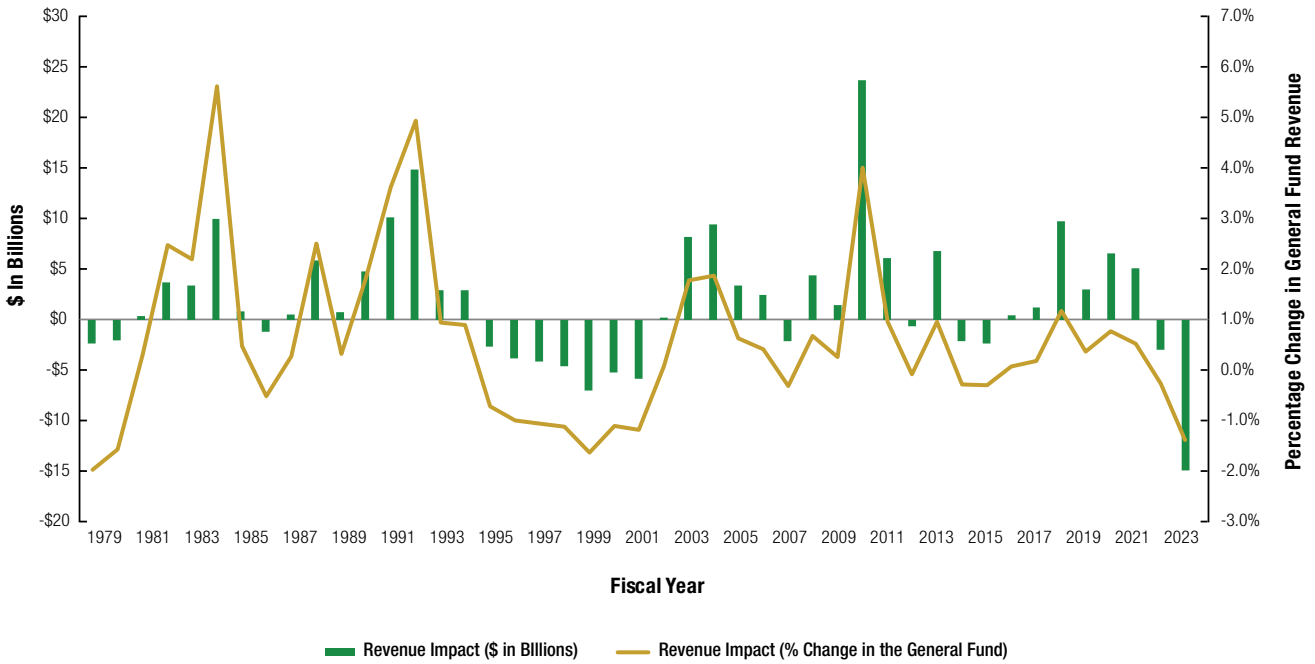


TABLE 21

Recommended Fiscal 2023 Revenue Actions by Type of Revenue and Net Increase or Decrease (Millions)

State	Sales & Use Tax	Personal Income Tax	Corporate Income Tax	Cigarette/Tobacco Tax	Motor Fuel Tax	Alcohol Tax	Gaming Tax/ Lottery Revenue	Other Taxes and Revenues	Fees	Total
Alabama										
Alaska										
Arizona		\$240.4	-\$58.3							\$182.1
Arkansas										
California		-439.0	-5,567.0					-\$285.2	\$106.6	-6,184.6
Colorado	-\$5.0									-5.0
Connecticut		-42.9	-9.4					-123.0		-175.3
Delaware		-9.5								-9.5
Florida	-108.6				-\$935.6				-14.7	-1,058.9
Georgia		-60.0								-60.0
Hawaii										
Idaho		-232.7	-26.4							-259.1
Illinois										
Indiana*	-222.4	-98.7	-15.0	-\$2.7						-338.8
Iowa		-225.9	-6.5							-232.4
Kansas	-442.9									-442.9
Kentucky		-9.3								-9.3
Louisiana										
Maine		-109.0	10.0							-99.0
Maryland		-188.0							-36.0	-224.0
Massachusetts	-60.0	-402.0						-204.0		-666.0
Michigan		-369.0								-369.0
Minnesota	-96.7	-115.3	-26.5						-1.0	-239.5
Mississippi*										
Missouri										
Montana										
Nebraska		-65.5								-65.5
Nevada										
New Hampshire	-19.0		-71.9							-90.9
New Jersey								19.1	-27.0	-7.9
New Mexico	-1.5							-531.7		-533.2
New York	22.0	-2,462.0						-1.0	5.0	-2,436.0
North Carolina										
North Dakota		-113.3								-113.3
Ohio	-149.5	-896.5					\$7.0	-3.9		-1,042.9
Oklahoma	-157.6									-157.6
Oregon		17.0								17.0
Pennsylvania			-79.4							-79.4
Rhode Island		-0.7	-0.8					1.2	167.7	167.4
South Carolina		-197.9								-197.9
South Dakota										
Tennessee										
Texas										
Utah		-160.0							-5.3	-165.3
Vermont	-1.0	-20.9						-26.3		-48.2
Virginia										
Washington	-3.1									-3.1
West Virginia										
Wisconsin		-27.4								-27.4
Wyoming										
Total	-\$1,245.3	-\$5,988.1	-\$5,851.2	-\$2.7	-\$935.6		\$7.0	-\$1,154.8	\$195.3	-\$14,975.4
Increases	1	2	1				1	2	3	3
Decreases	12	22	10	1	1			7	5	30

NOTE: See Appendix Table A-1 for details on specific revenue changes. *See Notes to Table 21 at the end of the chapter.

TABLE 22

Recommended Fiscal 2023 Revenue Actions — General Fund Impact (Millions)

State	Sales & Use Tax	Personal Income Tax	Corporate Income Tax	Cigarette/Tobacco Tax	Motor Fuel Tax	Alcohol Tax	Gaming Tax/Lottery Revenue	Other Taxes and Revenues	Fees	Total
Alabama										
Alaska										
Arizona		\$240.4	-\$58.3							\$182.1
Arkansas										
California		-439.0	-5,567.0					-\$285.2		-6,291.2
Colorado	-\$5.0									-5.0
Connecticut		-42.9	-9.4					-123.0		-175.3
Delaware		-9.5								-9.5
Florida	-108.6								-\$13.6	-122.2
Georgia		-60.0								-60.0
Hawaii										
Idaho		-232.7	-26.4							-259.1
Illinois										
Indiana	-222.4	-98.7	-15.0	-\$2.7						-338.8
Iowa		-225.9	-6.5							-232.4
Kansas	-449.0									-449.0
Kentucky		-9.3								-9.3
Louisiana										
Maine		-109.0	10.0							-99.0
Maryland		-188.0							-36.0	-224.0
Massachusetts	-60.0	-402.0						-204.0		-666.0
Michigan		-369.0								-369.0
Minnesota	-96.7	-115.3	-26.5						-1.0	-239.5
Mississippi										
Missouri										
Montana										
Nebraska		-65.5								-65.5
Nevada										
New Hampshire	-18.4		-47.1							-65.5
New Jersey								19.1	-27.0	-7.9
New Mexico	-1.5							-531.7		-533.2
New York	20.0	-2,462.0								-2,442.0
North Carolina										
North Dakota		-113.3								-113.3
Ohio	-144.5	-866.9						-3.8		-1,015.2
Oklahoma	-140.1									-140.1
Oregon		17.0								17.0
Pennsylvania			-79.4							-79.4
Rhode Island		-0.7	-0.8					1.2	167.7	167.4
South Carolina		-197.9								-197.9
South Dakota										
Tennessee										
Texas										
Utah		-160.0							-5.3	-165.3
Vermont	-1.0	-20.9						-26.3		-48.2
Virginia										
Washington	-3.1									-3.1
West Virginia										
Wisconsin		-27.4								-27.4
Wyoming										
Total	-\$1,230.3	-\$5,958.4	-\$5,826.4	-\$2.7				-\$1,153.7	\$84.8	-\$14,086.7
Increases	1	2	1					2	1	3
Decreases	12	22	10	1				6	5	30

NOTE: See Appendix Table A-1 for details on specific revenue changes.

TABLE 23

Mid-Year Fiscal 2022 Revenue Actions by Type of Revenue and Net Increase or Decrease (Millions)

State	Sales & Use Tax	Personal Income Tax	Corporate Income Tax	Cigarette/Tobacco Tax	Motor Fuel Tax	Alcohol Tax	Gaming Tax/Lottery Revenue	Other Taxes and Revenues	Fees	Total
Alabama										
Alaska										
Arizona										
Arkansas	-\$16.6	-\$138.4	-\$181.8							-\$336.8
California		-65.0	-65.0						-\$18.6	-148.6
Colorado*		11.9						\$99.4		111.3
Connecticut										
Delaware										
Florida										
Georgia					-\$400.0					-400.0
Hawaii										
Idaho		-8.9	0.2							-8.7
Illinois										
Indiana										
Iowa										
Kansas										
Kentucky										
Louisiana										
Maine		-32.9								-32.9
Maryland					-100.0					-100.0
Massachusetts										
Michigan	-4.2	61.0								56.8
Minnesota										
Mississippi										
Missouri										
Montana										
Nebraska		-446.3	-3.3							-449.6
Nevada										
New Hampshire										
New Jersey								4.0		4.0
New Mexico										
New York	5.3									5.3
North Carolina										
North Dakota		-113.3								-113.3
Ohio										
Oklahoma										
Oregon										
Pennsylvania										
Rhode Island										
South Carolina		-8.8								-8.8
South Dakota										
Tennessee										
Texas										
Utah										
Vermont										
Virginia										
Washington										
West Virginia										
Wisconsin										
Wyoming										
Total	-\$15.6	-\$740.7	-\$249.9		-\$500.0			\$103.4	-\$18.6	-\$1,421.4
Increases	1	2	1					2		4
Decreases	2	7	3		2				1	9

NOTE: See Appendix Table A-3 for details on specific revenue changes. *See Notes to Table 23 at the end of the chapter.

CHAPTER 2 NOTES

Notes to Table 14: General Fund Nominal Percentage Revenue Change, Fiscal 2021 to Fiscal 2023

See Notes to Tables 3–5 for additional explanation of state general fund revenue amounts used to calculate annual percentage change.

Notes to Table 15: General Fund Revenue Collections Compared to Projections, Fiscal 2022

Washington Recent monthly collections reports since the February 2022 forecast have shown higher than forecasted General Fund revenue collections.

Notes to Tables 16 and 17: Fiscal 2022 General Fund Revenue Collections Compared with Projections Used in Adopting Fiscal 2022 Budgets (\$ Amounts and Percentage Change)

Connecticut FY 2022 Adopted Estimates: “All Other General Fund Revenue” include Federal Grant revenue of \$1,851.9 million. Without accounting for Federal Grant Revenue, “All Other General Fund Revenue” would equate to \$2,784.8 million. Federal Grants figures do not include any Coronavirus Relief Fund dollars or Coronavirus State and Local Fiscal Recovery Fund dollars. FY 2022 Current Estimates: “All Other General Fund Revenue” include Federal Grant revenue of \$2,138.4 million. Without accounting for Federal Grant Revenue, “All Other General Fund Revenue” would equate to \$2,741.5 million. Federal Grants figures do not include any Coronavirus Relief Fund dollars or Coronavirus State and Local Fiscal Recovery Fund dollars.

Idaho Revenues for FY 2022 came in significantly higher than forecast, used weighted average for Personal, Corporate, and Sales Tax.

Ohio Corporate Income Tax: Ohio doesn’t have a corporate income tax and instead has a commercial activities tax (CAT).

Oklahoma There is a significant increase in expected FY-2022 revenues due primarily to outperformance in job growth, recovery in the oil and gas sector, and inflation.

Notes to Tables 18 and 19: Comparison of Tax Collections in Fiscal 2021, Fiscal 2022, and Recommended Fiscal 2023 (\$ Amounts and Percentage Change)

Arkansas Revenue amounts here are reported as “gross” (before refunds and special dedications/payments).

California Excludes cost recoveries from wildfires and Covid-19, as well as transfers and loans.

Fiscal 2021 does not include \$8.0b in revenue transfers and loans to the General Fund or \$0.7b in cost recoveries from COVID-19 and wildfires.

Fiscal 2022 estimate adopted in the 2021 Budget Act does not include \$6.3b in revenue transfers and loans from the General Fund or \$4.4b in cost recoveries from COVID-19 and wildfires.

Fiscal 2022 does not include \$2.8b in revenue transfers and loans to the General Fund or \$3.7b in cost recoveries from COVID-19 and wildfires.

Fiscal 2023 does not include \$1.9b in revenue transfers and loans from the General Fund or \$6b in cost recoveries from COVID-19 and wildfires.

Connecticut FY 2021 Actual: “All Other General Fund Revenue” include Federal Grant revenue of \$1,496.3 million. Without accounting for Federal Grant Revenue, “All Other General Fund Revenue” would equate to \$2,109.7 million. Federal Grants figures do not include any Coronavirus Relief Fund dollars or Coronavirus State and Local Fiscal Recovery Fund dollars.

FY 2022 Current Estimates: “All Other General Fund Revenue” include Federal Grant revenue of \$2,138.4 million. Without accounting for Federal Grant Revenue, “All Other General Fund Revenue” would equate to \$2,741.5 million. Federal Grants figures do not include any Coronavirus Relief Fund dollars or Coronavirus State and Local Fiscal Recovery Fund dollars.

FY 2023 Governor’s Recommended Budget: “All Other General Fund Revenue” include Federal Grant revenue of \$1,926.5 million. Without accounting for Federal Grant Revenue, “All Other General Fund Revenue” would equate to \$3,170.9 million. Federal Grants figures do not include any Coronavirus Relief Fund dollars or Coronavirus State and Local Fiscal Recovery Fund dollars.

Florida	Includes revenue from taxes, fees, licenses and charges for services, but excludes adjustments such as FEMA reimbursements, reversions and legal settlements.
Idaho	Revenue estimates for FY 2022 and FY 2023 do not include impact of Tax Conformity and Relief.
Maryland	<p>The State of Maryland revenue forecast for FY 2022 includes -\$80 million for revenue volatility, and the FY 2023 forecast includes -\$100 million for revenue volatility. It would be more accurate to show this figure separately, but without that, it is incorporated into “All Other Revenues.”</p> <p>While revised estimates are available for FY 2022 as of March 2022, they do not match the revised estimates that were used in the Governor’s budget allowance, and thus are not reflected in Tables 3-5. As such, Maryland reports December 2021 revenue estimates as “Current” for FY 2022.</p>
North Dakota	During a Special Session in November 2021 two bills were passed that affected individual income tax. The first provided a two-year tax credit to filers and the second is a permanent change to exclude social security from income.
Ohio	Corporate Income Tax: Ohio doesn’t have a corporate income tax and instead has a commercial activities tax (CAT).
South Carolina	Gross revenues are reported in the Total Revenue while the transfer to the State’s Tax Relief Trust Fund (TRTF) is now reported as a Revenue Adjustment. (Prior to the Spring 2022 Fiscal Survey, Total Revenues had been reported net of transfers to the TRTF.) Funding for the State’s General & Capital Reserve funds is based on General Fund revenues net of the TRTF.
Tennessee	<p>Sales tax, personal income tax, and corporate income tax are shared with local governments. Corporate income tax includes franchise tax.</p> <p>Tennessee’s personal income tax is assessed on dividend and interest income. Legislation was passed in 2017 to annually reduce this tax to zero by fiscal year 2022.</p>
Virginia	Due to a gubernatorial administration change and ongoing budget negotiations at the time this report went to print, Virginia was unable to report fiscal 2023 data.

Notes to Table 21: Recommended Fiscal 2023 Revenue Actions by Type of Revenue and Net Increase or Decrease

Indiana	FY2023 revenue/tax changes are based on estimates from enacted legislation from the 2022 session.
Mississippi	Fiscal 2023 revenue impact of personal income tax change not determined/disclosed.
Virginia	Due to a gubernatorial administration change and ongoing budget negotiations at the time this report went to print, Virginia was unable to report fiscal 2023 data.

Notes to Table 23: Mid-Year Fiscal 2022 Revenue Actions by Type of Revenue and Net Increase or Decrease

Colorado	Any increase in the TABOR revenue will increase the TABOR refund since revenue exceeds the TABOR limit and therefore will not be available for the funding of government programs.
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TOTAL BALANCES

CHAPTER THREE

Overview

Rainy day funds and total balance levels in fiscal 2022 reached new heights as virtually all states expect to end another fiscal year with a revenue surplus. States estimate rainy day fund balances will end fiscal 2022 at \$132.2 billion, with 41 states projecting increases. This follows fiscal 2021, when aggregate rainy day fund balances increased 62 percent to total \$124.5 billion. Looking ahead to fiscal 2023, governors' recommended budgets are forecasting a slight dip in aggregate rainy day fund balance levels, with nine states planning for decreases after reaching record levels in fiscal 2022. For the median state, rainy day funds represented 9.9 percent as a share of general fund spending in fiscal 2021, 11.6 percent (estimated) in fiscal 2022 and 11.4 percent (recommended) in fiscal 2023.

Total balances (rainy day funds combined with general fund ending balances), meanwhile, have risen sharply over the last couple of years. After more than doubling in fiscal 2021 to total \$234.7 billion, total balances are estimated to increase further to \$262.3 billion in fiscal 2022. This contrasts with states' enacted budget projections reported in NASBO's *Fall 2021 Fiscal Survey of States*, which showed states beginning to spend down larger-than-anticipated ending balances in fiscal 2022, and speaks to how states continue to beat earlier revenue projections. The increase in total balances estimated for fiscal 2022 is also driven in part by a state tax law change in one large state. For the median state, total balances represented 27.1 percent as a share of general fund spending in fiscal 2021, are estimated at 24.4 percent in fiscal 2022, and are projected to fall to 18.5 percent in fiscal 2023 as states plan to spend down some of their fiscal 2022 surplus funds.

Rainy Day Funds

All 50 states report having at least one rainy day fund or budget stabilization fund established to supplement general fund spending during a revenue downturn or other unanticipated shortfall (if the specific restrictions on the use of the fund are met).¹⁰ Rainy day funds are a reflection of deliberate state policy choices by elected officials, and recent balance trends

and current fund policies demonstrate how states have taken actions to strengthen their reserves such as by refining methods of deposit and tying target fund size to revenue volatility.

Since the Great Recession, governors and state lawmakers focused on rebuilding their states' rainy day funds, or budget stabilization funds. At their lowest point during the Great Recession, rainy day fund balances totaled \$27.4 billion in fiscal 2010, with a median balance of just 2.0 percent. After substantial growth, those balances reached \$79.1 billion in fiscal 2019 (with a median balance of 7.9 percent as a share of general fund spending). Overall, states were in a relatively strong position in terms of their reserve levels as they entered the COVID-19 pandemic. By comparison, when states entered the Great Recession crisis in fiscal 2008, the median rainy day fund balance was 4.8 percent. (See [Table 24](#) and [Figure 4](#))

Some states turned to their rainy day funds to close shortfalls in fiscal 2020. Fourteen states recorded net declines in their rainy day fund balance levels in fiscal 2020 compared to fiscal 2019, and rainy day fund balances totaled \$77.0 billion across the states — a decline in the aggregate from fiscal 2019. Then, in fiscal 2021, total rainy day fund balances and the median balance as a share of general fund spending both rose to new all-time highs — reaching \$124.5 billion with a median balance of 9.9 percent. Overall, 35 states reported rainy day fund increases over the prior year, while just nine states reported decreases. This growth in reserves is largely the result of stronger than anticipated revenue growth that led to large surpluses in many states. Based on estimates at the time of data collection, rainy day fund balances are expected to continue growing in fiscal 2022 to total \$132.2 billion (even excluding one state unable to report its estimated balance level), with a median balance of 11.6 percent. According to governors' recommended budgets, rainy day fund balances are expected to total \$120.6 billion at the end of fiscal 2023 — however, this figure is somewhat deflated as it excludes data from 4 states that do not have balance projections available. The median balance as a share of general fund spending is expected to remain relatively unchanged year-over-year, at 11.4 percent. (See [Tables 26A](#) and [26B](#))

¹⁰ For more details on states' budget stabilization or rainy day funds, see NASBO's *Budget Processes in the States* (2021), Table 13.

Rainy Day Fund Levels Vary Across States. Rainy day fund levels as a share of expenditures vary across states, ranging in fiscal 2021 from a low of zero percent to a high of 96 percent. This variation is related to differing rainy day fund structures, policy decisions, revenue volatility levels, fiscal conditions, and other factors. That said, as more states have deliberately focused on building reserves and changed deposit rules in recent years to align with this goal, rainy day fund balance growth has been widespread. In fiscal 2021, 25 states ended the year with rainy day fund balances greater than 10 percent as a share of their general fund expenditures, 15 states had balances between 5 percent and 10 percent, eight states had balances between 1 percent and 5 percent, and two states had balances of less than 1 percent of general fund spending. According to estimates at the time of data collection for fiscal 2022, 41 states estimate increases in reserves over fiscal 2021 levels. As a share of general fund expenditures, 28 states reported rainy day fund balances greater than 10 percent in fiscal 2022, 17 states have balances between 5 percent and 10 percent, and four states have balances between 1 percent and 5 percent (data was unavailable for one state). In governors' fiscal 2023 budget projections, this breakdown is similar, with just a few states dropping to a smaller balance range (nine states reported expected declines in rainy day fund balances). (See [Table 25](#))

Rainy Day Fund Names. All states now have at least one rainy day fund established to supplement general fund spending during a revenue downturn or other unanticipated shortfall, most commonly referred to as a “budget stabilization fund” or “budget reserve fund.” Some states also have a reserve fund dedicated to supplement education funding or for other specific purposes. States reported to NASBO the name of the fund(s) included in their rainy day fund balance amounts. (See [Table 27](#)). For more details on how these funds are structured, as well as information on other more targeted state budget stabilization funds not included here, see NASBO's *Budget Processes in the States* (2021), Table 13.

Total Balances

Total balances include ending balances (both reserved and unreserved) and the amounts in states' budget stabilization or rainy day funds. Since fiscal 2009 and fiscal 2010, when states' total balance levels declined due to the severe drop in revenues resulting from the Great Recession, states made significant progress rebuilding budget reserves. In fiscal 2019 — before the COVID-19 crisis — total balances reached an all-time high in actual dollars, totaling \$121.6 billion, and as a share of general fund spending, at 14.0 percent of general fund spending. As states grappled with the early impacts of the COVID-19 pandemic, the cash flow challenges created by the tax deadline shift, and other factors, total balance levels recorded a decline in fiscal 2020 — the first substantive year-over-year reduction in total balance levels since fiscal 2009. However, due to revenues beating state forecasts — by a considerable margin in many cases — coupled with state fiscal relief provided by the federal government to help with pandemic response efforts and other one-time factors, total balances experienced a sharp increase in fiscal 2021 and reached a new high of \$234.7 billion — more than 25 percent as percentage of total general fund spending that year. The median balance was even higher, at 27.1 percent, for fiscal 2021. (See [Table 28, Figure 5](#))

According to estimates at the time of data collection, state total balance levels continued to grow, reaching \$262.3 billion in fiscal 2022, while the median balance declined to 24.4 percent. It should be noted that the significant uptick in total balance levels, measured in dollars, is largely driven by the new optional Pass-Through Entity Tax (PTET) in New York, whereby entities make payments that are deposited into a reserve held in the general fund, which will offset decreased personal income tax collections in the following fiscal year.

In governors' fiscal 2023 budgets, total balance levels are expected to decline to \$209.3 billion — though this figure excludes data from three states. The median balance is estimated at 18.5 percent as a percentage of general fund spending. Part of this projected decline is likely due to states' plans to spend down a portion of their larger-than-expected ending balances from fiscal 2022, including for one-time investments. Moreover, further revenue improvements since governors' budgets for fiscal 2023 were introduced could result in upward revisions to total balance projections.

In both fiscal 2021 and fiscal 2022, 47 states reported total balances greater than 10 percent as a share of their general fund expenditures, with two states reporting total year-end balances between 5 percent and 10 percent and one state with a total balance between 1 percent and 5 percent. According to governors' budgets for fiscal 2023, 40 states estimate total balances greater than 10 percent as a share of their general fund expenditures, six states project balances between 5 percent and 10 percent, and one state projects a balance between 1 percent and 5 percent (data were unavailable for three states). *(See Tables 29–30)*

TABLE 24
Rainy Day Fund Balances, Fiscal 1988 to Fiscal 2023

Fiscal Year	RDF Balance (Billions)	Total RDF Balance (Percentage of Expenditures)	Median RDF Balance (Percentage of Expenditures)
2023*	\$120.6	11.6%	11.4%
2022*	132.2	12.9	11.6
2021	124.5	13.5	9.9
2020	77.0	8.6	8.4
2019	79.1	9.1	7.9
2018	68.1	8.3	6.5
2017	55.7	6.9	5.6
2016	52.0	6.6	5.3
2015	48.2	6.3	4.9
2014	48.1	6.6	4.4
2013	41.8	6.0	3.6
2012	36.9	5.5	2.4
2011	29.0	4.5	1.8
2010	27.4	4.4	2.0
2009	29.4	4.4	2.6
2008	33.2	4.8	4.8
2007	31.1	4.8	4.7
2006	31.9	5.3	4.6
2005	25.0	4.5	2.5
2004	12.3	2.4	1.8
2003	8.4	1.7	0.7
2002	10.9	2.1	1.7
2001	22.0	4.4	4.6
2000	27.9	6.0	4.1
1999	21.0	4.8	3.5
1998	19.5	4.8	3.3
1997	13.7	3.5	2.6
1996	11.0	3.0	2.4
1995	9.1	2.6	1.9
1994	5.7	1.7	1.6
1993	5.3	1.7	1.0
1992	3.0	1.0	0.0
1991	3.0	1.0	0.0
1990	3.6	1.3	0.7
1989	4.2	1.6	1.5
1988	3.0	1.3	0.8

NOTE: *Figures for fiscal 2022 are estimated; figures for fiscal 2023 are projected based on governors' recommended budgets. Figures for fiscal 2022 exclude Georgia, and figures for fiscal 2023 exclude Georgia, Mississippi, Virginia and Wisconsin. Historical rainy day fund balance data shown in this table may differ from figures published in previous editions of The Fiscal Survey of States, as figures for some years were updated based on a review of original source data.

TABLE 25**Rainy Day Fund Balances as a Percentage of Expenditures,
Fiscal 2021 to Fiscal 2023**

Percentage	Number of States		
	Fiscal 2021 (Actual)	Fiscal 2022 (Estimated)	Fiscal 2023 (Recommended)
Less than 1%	2	0	1
> 1% but < 5%	8	4	5
> 5% but < 10%	15	17	12
10% or more	25	28	28
N/A	0	1	4

NOTE: See Table 26 for state-by-state data.

FIGURE 4:

Rainy Day Fund Balances as a Percentage of Expenditures Fiscal 2000 to Fiscal 2023

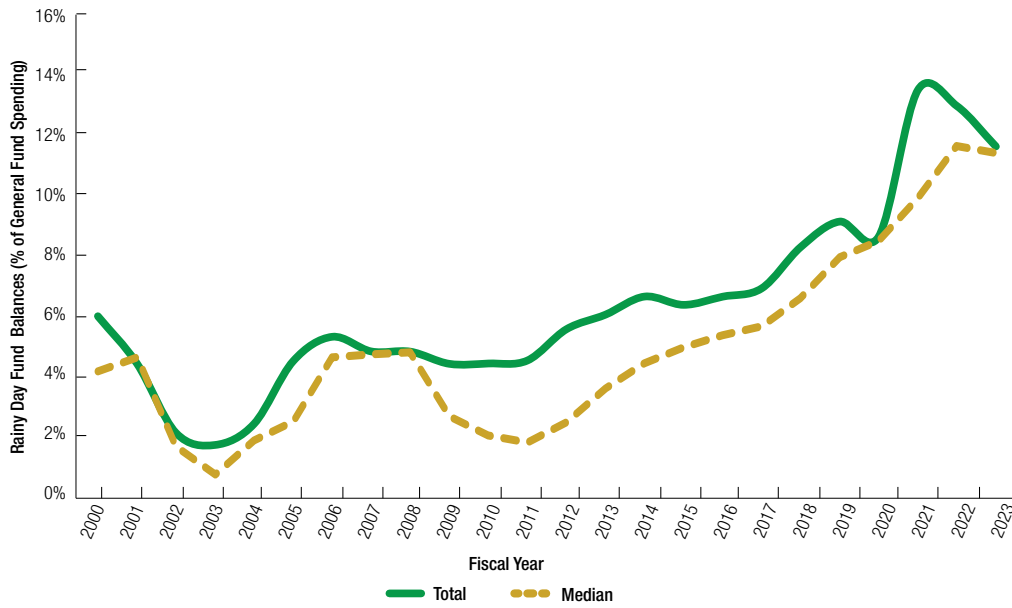


FIGURE 5:

Total Balances as a Percentage of Expenditures, Fiscal 2000 to Fiscal 2023

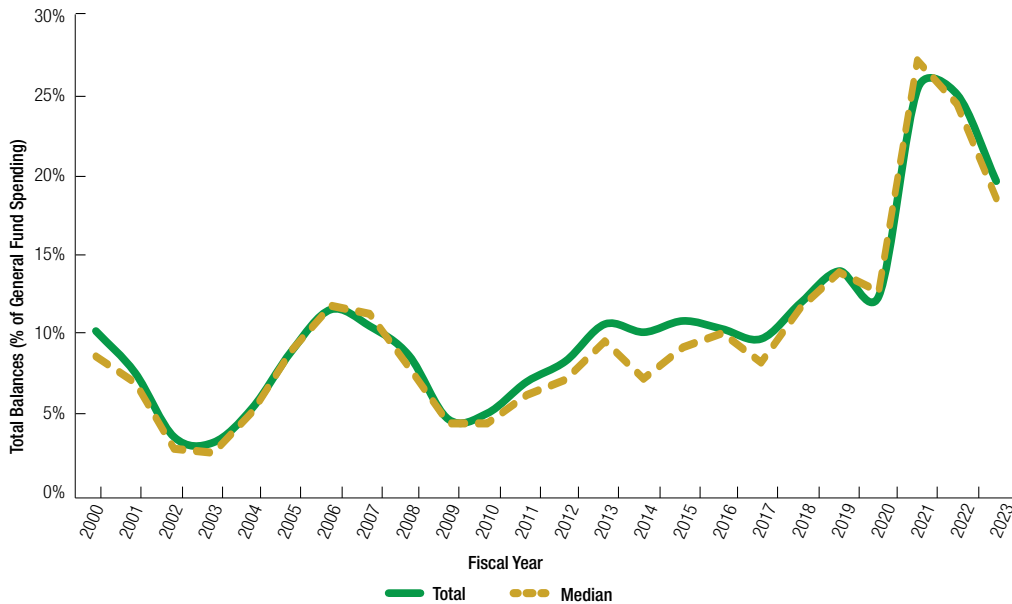


TABLE 26A

Rainy Day Fund Balances, Dollar Amount and Percentage of Expenditures, Fiscal 2011 to Fiscal 2023

State	Rainy Day Fund Balances (\$ in Millions)**					
	2011	2012	2013	2014	2015	2016
Alabama	\$0	\$14	\$14	\$11	\$412	\$530
Alaska	12,981	15,880	16,332	15,597	10,442	7,109
Arizona	0	250	454	455	458	461
Arkansas	0	0	0	0	0	0
California	0	0	1,573	4,619	4,085	7,224
Colorado	157	281	373	411	709	513
Connecticut	0	93	271	519	406	236
Delaware	186	186	199	202	213	215
Florida	279	494	709	925	1,139	1,354
Georgia	328	378	717	863	1,431	2,033
Hawaii	10	24	24	83	90	101
Idaho*	11	61	185	238	338	371
Illinois	0	0	0	276	276	277
Indiana	57	352	515	969	1,254	1,468
Iowa	440	601	611	670	698	729
Kansas	0	0	0	0	0	0
Kentucky	0	122	122	77	77	236
Louisiana	647	443	444	445	470	359
Maine	0	45	60	93	119	122
Maryland	624	672	705	764	774	832
Massachusetts	1,379	1,652	1,557	1,248	1,252	1,292
Michigan	2	365	506	386	498	612
Minnesota	9	658	656	661	994	1,969
Mississippi	191	100	32	110	395	350
Missouri	507	498	505	557	543	586
Montana	0	0	0	0	0	0
Nebraska	313	429	384	719	728	731
Nevada	0	39	85	28	0	0
New Hampshire	9	9	9	9	22	93
New Jersey	0	0	0	0	0	0
New Mexico	501	713	651	638	613	148
New York	1,206	1,306	1,306	1,481	1,798	1,798
North Carolina	296	419	651	651	852	1,575
North Dakota	386	386	584	584	573	573
Ohio	0	247	482	1,478	1,478	2,005
Oklahoma	249	578	535	535	385	241
Oregon	16	128	69	153	391	550
Pennsylvania	0	0	0	0	0	0
Rhode Island	130	153	172	177	185	192
South Carolina	712	288	388	408	447	459
South Dakota	107	135	135	139	149	143
Tennessee	284	306	356	456	492	568
Texas	5,012	6,133	6,170	6,704	8,469	9,715
Utah	233	277	403	432	491	493
Vermont	54	58	74	71	76	78
Virginia	299	303	440	688	468	236
Washington	1	130	270	415	513	550
West Virginia	659	851	915	956	869	779
Wisconsin	17	125	279	280	280	281
Wyoming	752	765	927	926	1,811	1,811
Total**	\$29,045	\$36,948	\$41,848	\$48,104	\$48,161	\$51,992

NOTES: N/A indicates data not available. Fiscal 2020 are actual figures, fiscal 2022 are estimated figures, and fiscal 2023 are recommended figures. **Total Rainy day fund balances for fiscal 2022 exclude Georgia, and for fiscal 2023 exclude Georgia, Mississippi, Virginia and Wisconsin, as data were unavailable for these years.

Table 26A continues on next page.

TABLE 26A (CONTINUED)

Rainy Day Fund Balances, Dollar Amount and Percentage of Expenditures, Fiscal 2011 to Fiscal 2023

State	Rainy Day Fund Balances (\$ in Millions)**						
	2017	2018	2019	2020	2021	2022	2023
Alabama	\$766	\$784	\$848	\$968	\$1,212	\$1,404	\$1,441
Alaska	4,641	2,533	2,288	1,379	1,420	1,963	2,988
Arizona	461	458	743	979	975	980	1,410
Arkansas	123	127	153	185	210	1,152	1,152
California	11,251	20,842	23,001	20,632	51,654	47,342	34,560
Colorado	614	1,366	1,262	1,823	3,168	3,511	2,184
Connecticut	213	1,185	2,506	3,075	4,730	5,592	4,381
Delaware	221	232	240	252	252	280	280
Florida	1,384	1,417	1,483	1,574	1,674	2,730	3,024
Georgia	2,309	2,557	2,808	2,544	4,289	N/A	N/A
Hawaii	311	376	378	59	319	1,325	1,333
Idaho*	413	422	463	477	788	883	1,101
Illinois	10	4	4	4	4	600	800
Indiana	1,474	1,419	1,436	877	1,302	1,644	1,652
Iowa	605	620	757	777	801	817	898
Kansas	0	0	0	82	82	600	600
Kentucky	151	94	129	303	600	1,507	1,757
Louisiana	287	321	405	568	546	721	746
Maine	209	288	309	273	497	508	508
Maryland	833	857	877	1,177	631	1,160	3,588
Massachusetts	1,301	2,001	3,424	3,501	4,626	5,903	6,656
Michigan	710	1,006	1,149	829	1,382	1,457	1,490
Minnesota	1,980	2,092	2,480	3,010	2,756	3,006	3,006
Mississippi	269	295	350	501	542	556	N/A
Missouri	591	616	651	652	604	772	748
Montana	0	0	60	114	114	118	118
Nebraska	681	340	334	426	412	998	943
Nevada	146	180	332	0	98	340	387
New Hampshire	100	110	115	116	258	258	258
New Jersey	0	0	421	7	2,447	4,463	0
New Mexico	0	527	1,834	2,514	2,505	2,558	2,482
New York	1,798	1,798	2,048	2,476	2,476	3,351	4,271
North Carolina	1,838	1,849	1,849	1,169	1,982	3,116	4,250
North Dakota	38	113	659	717	749	752	752
Ohio	2,034	2,034	2,692	2,692	2,692	2,700	2,709
Oklahoma	93	452	806	230	542	1,180	2,102
Oregon	761	940	1,288	1,153	1,377	1,598	1,983
Pennsylvania	0	0	22	343	2,866	2,866	2,867
Rhode Island	193	199	204	91	227	253	244
South Carolina	487	509	871	1,181	1,707	1,210	1,299
South Dakota	157	160	170	174	216	307	307
Tennessee	668	800	875	1,200	1,450	1,550	1,600
Texas	10,290	11,043	10,099	8,947	10,274	10,057	12,615
Utah	508	578	697	740	887	1,033	1,033
Vermont	107	133	224	228	430	415	437
Virginia	549	440	792	1,072	1,488	2,138	N/A
Washington	1,638	1,369	1,618	1,683	19	305	1,197
West Virginia	652	710	753	856	995	1,013	1,028
Wisconsin	283	320	649	762	1,730	1,730	N/A
Wyoming	1,538	1,538	1,577	1,577	1,478	1,478	1,436
Total**	\$55,687	\$68,051	\$79,130	\$76,970	\$124,483	\$132,199	\$120,620

NOTES: N/A indicates data not available. Fiscal 2020 are actual figures, fiscal 2022 are estimated figures, and fiscal 2023 are recommended figures. **Total Rainy day fund balances for fiscal 2022 exclude Georgia, and for fiscal 2023 exclude Georgia, Mississippi, Virginia and Wisconsin, as data were unavailable for these years.

TABLE 26B

Rainy Day Fund Balances, Dollar Amount and Percentage of Expenditures, Fiscal 2011 to Fiscal 2023

State	Rainy Day Fund Balances as a Percent of General Fund Expenditures					
	2011	2012	2013	2014	2015	2016
Alabama	0.0%	0.2%	0.2%	0.1%	5.3%	6.8%
Alaska	238.2	226.4	209.9	213.0	173.6	129.9
Arizona	0.0	3.0	5.4	5.2	4.9	4.8
Arkansas	0.0	0.0	0.0	0.0	0.0	0.0
California*	0.0	0.0	1.6	4.6	3.6	6.3
Colorado	2.3	3.9	4.7	4.7	7.4	5.0
Connecticut*	0.0	0.5	1.4	3.1	2.3	1.3
Delaware	5.7	5.2	5.4	5.3	5.5	5.5
Florida	1.2	2.1	2.9	3.4	4.1	4.6
Georgia*	1.9	2.2	3.9	4.5	7.1	9.3
Hawaii	0.2	0.4	0.4	1.3	1.4	1.5
Idaho*	0.4	2.4	6.9	8.6	11.5	12.2
Illinois	0.0	0.0	0.0	0.9	0.9	1.0
Indiana	0.4	2.6	3.6	6.7	8.4	9.8
Iowa	8.2	10.0	9.5	10.4	9.9	10.1
Kansas	0.0	0.0	0.0	0.0	0.0	0.0
Kentucky	0.0	1.3	1.3	0.8	0.8	2.3
Louisiana	8.3	5.4	5.3	5.2	5.5	4.1
Maine	0.0	1.4	1.9	3.0	3.7	3.7
Maryland	4.7	4.5	4.7	4.9	4.8	5.0
Massachusetts	4.3	5.1	4.6	3.5	3.3	3.2
Michigan	0.0	4.4	5.7	4.3	5.4	6.3
Minnesota	0.1	4.0	3.5	3.4	4.9	9.8
Mississippi	4.2	2.1	0.7	2.0	7.1	6.1
Missouri	6.6	6.3	6.3	6.6	6.2	6.5
Montana	0.0	0.0	0.0	0.0	0.0	0.0
Nebraska	9.4	12.4	10.7	19.0	18.1	17.4
Nevada	0.0	1.3	2.6	0.9	0.0	0.0
New Hampshire	0.7	0.7	0.7	0.7	1.7	6.7
New Jersey	0.0	0.0	0.0	0.0	0.0	0.0
New Mexico	9.4	12.8	11.2	10.6	9.7	2.3
New York	2.2	2.3	2.2	2.4	2.9	2.6
North Carolina*	1.6	2.1	3.2	3.1	4.1	7.4
North Dakota	23.4	17.4	24.8	18.0	17.5	19.0
Ohio	0.0	0.9	1.7	4.9	4.7	5.8
Oklahoma*	4.6	9.9	8.5	8.2	6.0	3.9
Oregon	0.3	1.9	1.0	2.0	4.8	6.1
Pennsylvania	0.0	0.0	0.0	0.0	0.0	0.0
Rhode Island	4.4	4.9	5.3	5.3	5.4	5.4
South Carolina	13.8	5.2	6.3	6.4	6.6	6.4
South Dakota	9.3	11.2	10.4	9.7	10.8	9.8
Tennessee	2.8	2.7	3.1	3.8	4.0	4.5
Texas	12.9	13.8	15.1	14.3	17.2	18.0
Utah	4.9	5.7	7.9	8.0	8.5	7.8
Vermont	4.7	4.6	5.6	5.1	5.3	5.3
Virginia	1.9	1.9	2.6	3.9	2.6	1.2
Washington	0.0	0.9	1.7	2.6	3.1	3.0
West Virginia	17.5	20.6	21.4	22.7	20.5	18.7
Wisconsin*	0.1	0.9	1.9	1.9	1.8	1.8
Wyoming	47.6	48.4	51.8	51.8	86.2	109.7
Total**	4.5%	5.5%	6.0%	6.6%	6.3%	6.6%
Median	1.8%	2.4%	3.6%	4.4%	4.9%	5.3%

NOTES: N/A indicates data not available. Fiscal 2020 are actual figures, fiscal 2022 are estimated figures, and fiscal 2023 are recommended figures. **Total Rainy day fund balances for fiscal 2022 exclude Georgia, and for fiscal 2023 exclude Georgia, Mississippi, Virginia and Wisconsin, as data were unavailable for these years.

Table 26B continues on next page.

TABLE 26B (CONTINUED)

Rainy Day Fund Balances, Dollar Amount and Percentage of Expenditures, Fiscal 2011 to Fiscal 2023

State	Rainy Day Fund Balances as a Percent of General Fund Expenditures						
	2017	2018	2019	2020	2021	2022	2023
Alabama	9.4%	9.4%	9.8%	10.4%	12.5%	13.4%	13.1%
Alaska	103.2	56.4	46.8	28.7	30.6	41.3	64.6
Arizona	4.8	4.7	6.9	8.7	7.2	7.5	9.9
Arkansas	2.3	2.3	2.7	3.2	3.6	19.7	18.5
California*	9.4	16.7	16.4	14.1	31.6	22.5	16.2
Colorado	5.9	12.2	9.8	14.3	23.9	22.4	12.4
Connecticut*	1.2	6.3	13.0	16.0	23.6	27.4	19.8
Delaware	5.4	5.6	5.5	5.6	5.6	5.5	4.6
Florida	4.6	4.5	4.5	4.8	4.6	6.3	8.1
Georgia*	10.0	10.6	11.1	9.7	15.7	N/A	N/A
Hawaii	4.2	4.8	4.8	0.7	3.8	17.0	15.0
Idaho*	12.7	12.2	12.5	12.2	19.0	20.9	24.1
Illinois	0.0	0.0	0.0	0.0	0.0	1.3	1.7
Indiana	9.5	9.0	8.8	5.3	7.3	9.0	8.7
Iowa	8.3	8.6	10.1	9.9	10.3	10.1	11.0
Kansas	0.0	0.0	0.0	1.1	1.1	6.4	6.7
Kentucky	1.3	0.8	1.1	2.6	5.2	11.6	11.3
Louisiana	3.1	3.3	4.1	5.6	5.3	7.2	6.8
Maine	6.2	8.2	8.4	6.9	12.8	12.5	11.0
Maryland	4.8	5.0	4.9	6.0	3.3	5.5	13.9
Massachusetts	3.2	6.4	10.4	10.2	12.3	15.3	17.2
Michigan	7.2	10.0	11.0	9.3	13.8	10.8	10.4
Minnesota	9.4	9.4	10.8	12.7	11.7	12.1	9.2
Mississippi	4.7	5.3	6.3	8.7	9.7	9.6	N/A
Missouri	6.5	6.6	6.8	7.1	6.2	7.3	5.7
Montana	0.0	0.0	2.5	4.7	4.2	4.4	4.4
Nebraska	15.7	7.8	7.6	9.5	9.1	20.7	18.9
Nevada	3.7	4.5	7.5	0.0	2.1	7.3	8.3
New Hampshire	6.6	7.3	7.7	6.8	16.1	16.1	15.8
New Jersey	0.0	0.0	1.1	0.0	5.5	9.3	0.0
New Mexico	0.0	8.5	24.4	32.8	28.1	27.6	28.5
New York	2.6	2.6	2.8	3.2	3.3	3.9	4.6
North Carolina*	8.3	8.1	7.8	4.9	8.3	12.0	15.8
North Dakota	1.5	5.2	29.9	30.7	31.7	30.7	29.5
Ohio	5.8	6.4	8.0	11.6	11.5	9.7	10.1
Oklahoma*	1.6	7.5	11.5	3.1	8.2	15.9	26.8
Oregon	8.4	9.6	12.7	10.5	12.0	12.7	15.2
Pennsylvania	0.0	0.0	0.1	1.0	8.4	7.4	6.6
Rhode Island	5.2	5.2	5.2	2.3	5.6	5.6	5.2
South Carolina	6.4	6.4	10.7	13.7	20.3	11.7	11.4
South Dakota	10.2	10.0	10.4	10.2	11.4	15.1	15.5
Tennessee	5.0	5.8	6.1	8.2	10.0	8.8	7.7
Texas	19.2	19.7	19.3	15.1	20.2	15.6	21.5
Utah	7.9	8.6	9.2	10.1	10.4	10.0	9.8
Vermont	6.9	8.5	14.0	14.2	24.7	19.6	21.6
Virginia	2.7	2.2	3.7	4.8	6.6	9.1	N/A
Washington	8.5	6.7	7.1	7.0	0.1	1.1	3.7
West Virginia	15.4	16.8	16.4	18.7	20.8	21.4	22.2
Wisconsin*	1.7	1.9	3.6	4.1	8.9	9.0	N/A
Wyoming	100.5	100.5	96.9	96.9	95.8	95.8	103.2
Total**	6.9%	8.3%	9.1%	8.6%	13.5%	12.9%	11.6%
Median	5.6%	6.5%	7.9%	8.4%	9.9%	11.6%	11.4%

NOTES: N/A indicates data not available. Fiscal 2020 are actual figures, fiscal 2022 are estimated figures, and fiscal 2023 are recommended figures. **Total Rainy day fund balances for fiscal 2022 exclude Georgia, and for fiscal 2023 exclude Georgia, Mississippi, Virginia and Wisconsin, as data were unavailable for these years.

TABLE 27

State Rainy Day Fund Names*

State	Fund Name(s)
Alabama	Education Trust Fund Budget Stabilization Fund, General Fund Budget Reserve Fund, Education Trust Fund Rainy Day Account, and General Fund Rainy Day Account
Alaska	Constitutional Budget Reserve Fund, Statutory Budget Reserve Fund
Arizona	Budget Stabilization Fund
Arkansas*	Catastrophic Reserve Fund
California	Special Fund for Economic Uncertainties (SFEU) Budget Stabilization Account (BSA) Safety Net Reserve Public School System Stabilization Account (PSSSA)
Colorado*	General Fund Reserve
Connecticut	Budget Reserve Fund
Delaware	Budget Reserve Account
Florida	Budget Stabilization Fund
Georgia	Revenue Shortfall Reserve
Hawaii	Emergency and Budget Reserve Fund
Idaho*	Budget Stabilization Fund, Public Education Stabilization Fund, Higher Education Stabilization Fund, 27th Payroll Fund
Illinois	Budget Stabilization Fund
Indiana	Medicaid Contingency & Reserve, State Tuition Reserve, Counter-Cyclical Revenue and Economic Stabilization Fund ("Rainy Day Fund")
Iowa	Cash Reserve Fund, Economic Emergency Fund
Kansas	Budget Stabilization Fund
Kentucky	Budget Reserve Trust Fund
Louisiana	Budget Stabilization Fund
Maine	Budget Stabilization Fund, Reserve for Operating Capital
Maryland	Revenue Stabilization Account
Massachusetts	Commonwealth Stabilization Fund
Michigan	Countercyclical Budget and Economic Stabilization Fund
Minnesota	Budget Reserve, Cash Flow Account
Mississippi	Working Cash Stabilization Fund
Missouri	Budget Reserve Fund
Montana	Budget Stabilization Reserve Fund
Nebraska	Cash Reserve Fund
Nevada	Account to Stabilize the Operation of State Government ("Rainy Day Fund")
New Hampshire	Revenue Stabilization Reserve Account
New Jersey	Surplus Revenue Fund
New Mexico	Tax Stabilization Reserve Fund, Operating Reserves, Appropriation Contingency, State Support Reserves, Tobacco Settlement Permanent Fund
New York	Tax Stabilization Reserve, Rainy Day Reserve
North Carolina	Savings Reserve
North Dakota	Budget Stabilization Fund
Ohio	Budget Stabilization Fund
Oklahoma	Constitutional Reserve Fund, Revenue Stabilization Fund
Oregon	Rainy Day Fund, Education Stability Fund
Pennsylvania	Budget Stabilization Reserve Fund
Rhode Island	Budget Reserve and Cash Stabilization Fund
South Carolina	5% General Reserve, 2% Capital Reserve, and Contingency Reserve
South Dakota	Budget Reserve Fund, General Revenue Replacement Fund
Tennessee	Revenue Fluctuation Reserve
Texas	Economic Stabilization Fund
Utah	General Fund Budget Reserve Account, Education Budget Reserve Account
Vermont	Budget Stabilization Reserve, Human Services Caseload Reserve, General Fund Balance Reserve, and the 27/53 Reserve
Virginia	Revenue Stabilization Fund, Revenue Cash Reserve
Washington	Budget Stabilization Account
West Virginia	Revenue Shortfall Reserve Fund, Revenue Shortfall Reserve Fund Part B
Wisconsin	Budget Stabilization Fund
Wyoming	Legislative Stabilization Reserve Account (LSRA)

Notes: Above are the names of those funds that are included in the rainy day fund balances reported in this survey. For more details on how these funds are structured, as well as information on other more targeted state budget stabilization funds not included here, see NASBO's *Budget Processes in the States* (2022), Table 13. *See Notes to Table 27 at the end of the chapter.

TABLE 28
Total Balances, Fiscal 1979 to Fiscal 2023

Fiscal Year	Total Balance (Billions)	Total Balance (Percentage of Expenditures)
2023*	\$209.3	19.6%
2022*	262.3	25.0
2021	234.7	25.4
2020	111.2	12.4
2019	121.6	14.0
2018	98.9	12.0
2017	79.4	9.8
2016	81.8	10.4
2015	82.5	10.9
2014	74.0	10.2
2013	74.4	10.7
2012	55.8	8.4
2011	46.0	7.1
2010	32.1	5.2
2009	31.6	4.8
2008	60.1	8.7
2007	69.2	10.6
2006	69.5	11.6
2005	50.0	9.0
2004	28.7	5.5
2003	16.9	3.3
2002	18.7	3.7
2001	38.8	7.7
2000	48.1	10.3
1999	39.3	9.0
1998	35.4	8.6
1997	30.7	7.9
1996	25.1	6.8
1995	20.6	5.8
1994	16.9	5.1
1993	13.0	4.2
1992	5.3	1.8
1991	3.1	1.1
1990	9.4	3.4
1989	12.5	4.8
1988	9.8	4.2
1987	6.7	3.1
1986	7.2	3.5
1985	9.7	5.3
1984	6.4	3.8
1983	2.3	1.5
1982	4.5	2.9
1981	6.5	4.4
1980	11.8	9.4
1979	11.2	9.8

NOTE: *Figures for fiscal 2022 are estimated; figures for fiscal 2023 are projected based on governors' recommended budgets. Figures for fiscal 2023 exclude Mississippi, Virginia and Wisconsin. Historical total balance data shown in this table may differ from figures published in previous editions of The Fiscal Survey of States, as figures for some years were updated based on a review of original source data.

TABLE 29**Total Balances as a Percentage of Expenditures,
Fiscal 2021 to Fiscal 2023**

Percentage	Number of States		
	Fiscal 2021 (Actual)	Fiscal 2022 (Estimated)	Fiscal 2023* (Recommended)
Less than 1%	0	0	0
> 1% but < 5%	1	1	1
> 5% but < 10%	2	2	6
10% or more	47	47	40
N/A	0	0	3

NOTE: See Table 30 for state-by-state data.

TABLE 30

Total Balances, Dollar Amount and Percentage of Expenditures, Fiscal 2021 to Fiscal 2023

State	Total Balances (\$ in Millions)			Total Balances as a Percent of General Fund Expenditures			
	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2021	Fiscal 2022	Fiscal 2023	
Alabama	\$3,032	\$3,272	\$2,919	31.2%	31.3%	26.5%	
Alaska	1,420	1,963	2,988	30.6	41.3	64.6	
Arizona	1,870	2,962	2,423	13.8	22.6	17.0	
Arkansas	1,156	1,416	1,152	19.6	24.2	18.5	
California	54,829	50,517	37,735	33.5	24.1	17.7	
Colorado***	3,168	3,511	2,184	23.9	22.4	12.4	
Connecticut	4,730	5,592	4,381	23.6	27.4	19.8	
Delaware***	1,833	2,271	1,644	40.6	44.6	27.0	
Florida	15,476	14,028	15,765	42.7	32.6	42.2	
Georgia***	4,329	4,329	4,329	15.8	15.0	15.1	
Hawaii	1,569	2,176	1,946	18.5	27.9	21.9	
Idaho	1,678	1,097	1,316	40.5	26.0	28.8	
Illinois	979	1,500	1,979	2.3	3.4	4.3	
Indiana	3,923	5,109	4,901	22.1	28.1	25.8	
Iowa	2,040	1,991	1,858	26.1	24.5	22.7	
Kansas	2,177	1,638	1,271	29.9	17.6	14.3	
Kentucky	2,116	3,126	1,780	18.4	24.1	11.5	
Louisiana	1,245	2,272	746	12.0	22.6	6.8	
Maine	653	514	528	16.8	12.6	11.5	
Maryland	3,870	4,884	4,172	20.5	23.0	16.2	
Massachusetts***	5,752	6,411	6,751	15.3	16.6	17.5	
Michigan	5,745	4,235	1,879	57.5	31.3	13.1	
Minnesota***	6,808	9,605	3,006	28.8	38.6	9.2	
Mississippi	552	556	N/A	9.9	9.6	N/A	
Missouri	2,958	3,849	2,414	30.2	36.3	18.5	
Montana	815	777	835	30.2	28.9	31.2	
Nebraska	2,261	1,938	1,290	50.0	40.2	25.9	
Nevada	1,138	963	1,042	24.9	20.7	22.2	
New Hampshire	258	429	295	16.1	26.8	18.0	
New Jersey***	6,884	6,242	4,231	15.4	12.9	8.7	
New Mexico***	2,505	2,833	2,347	28.1	30.6	27.0	
New York***	9,161	30,513	27,674	12.4	35.4	29.7	
North Carolina	8,295	5,479	4,284	34.6	21.0	15.9	
North Dakota	1,871	1,713	1,132	79.2	70.0	44.5	
Ohio	7,413	5,452	5,326	31.7	19.5	19.8	
Oklahoma	2,147	3,376	3,743	32.6	45.4	47.7	
Oregon	5,459	5,561	5,003	47.7	44.3	38.3	
Pennsylvania	2,866	9,321	6,249	8.4	24.2	14.3	
Rhode Island	602	389	252	14.8	8.5	5.3	
South Carolina***	3,615	3,416	1,979	43.1	33.0	17.4	
South Dakota	302	307	307	16.0	15.1	15.5	
Tennessee	5,968	5,874	1,600	41.3	33.4	7.7	
Texas	21,504	17,948	24,607	42.2	27.8	41.9	
Utah	2,615	2,153	1,256	30.7	20.8	11.9	
Vermont	534	492	437	30.6	23.3	21.6	
Virginia	3,406	4,253	N/A	15.0	18.2	N/A	
Washington	3,693	6,322	2,178	15.0	23.6	6.8	
West Virginia	1,674	1,688	1,713	35.1	35.7	36.9	
Wisconsin	4,311	4,568	N/A	22.1	23.7	N/A	
Wyoming	1,478	1,478	1,436	95.8	95.8	103.2	
Total**	\$234,684	\$262,308	\$209,282	25.4%	25.0%	19.6%	
				Median	27.1%	24.4%	18.5%

NOTES: Total balances include both the ending balance and Rainy Day Funds. Fiscal 2021 are actual figures, fiscal 2022 are estimated figures, and fiscal 2023 are recommended figures. N/A indicates data not available. *See notes to Table 30 at the end of the chapter. **Fiscal 2023 total excludes Mississippi, Virginia and Wisconsin, as complete data were not available for that year. ***Ending Balance includes Rainy Day Fund.

CHAPTER 3 NOTES

Notes to Table 26: Rainy Day Fund Balances, Dollar Amount and as a Percentage of Expenditures, Fiscal 2011 to Fiscal 2023

See Notes to Tables 3-5 in Chapter One for explanation of state rainy day fund balances reported.

Idaho Prior to the *Spring 2022 Fiscal Survey*, Idaho generally included only the Budget Stabilization Fund in its rainy day fund balance figures. However, Idaho has updated its rainy day fund reporting methodology to include all reserve fund balances that are available to supplement general fund spending in the event of a downturn, subject to specific fund restrictions, in accordance with survey guidelines. NASBO's historical dataset on rainy day fund balances have been updated to reflect this change in methodology, dating back to fiscal 2009, and the historical data printed in Table 26 reflect these changes. See Table 27 and Notes to Table 27 for rainy day funds included in most recently reported fund balances.

Notes to Table 27: State Rainy Day Fund Names

Arkansas Arkansas's rainy day fund name changed from Long Term Reserve Fund to Catastrophic Reserve Fund.

Colorado Colorado has the General Fund Reserve (which is considered to be the main/most accessible) rainy day fund. In addition, Colorado has the TABOR Emergency Reserve which is typically outside of the General Fund (historically there has been more cash funds and buildings in this reserve but that has started to change) and the TABOR Reserve has limited uses and must be replaced each year. The TABOR Reserve was not able to be used when revenues sharply declined due to the pandemic — the General Fund reserve was adjusted to try and hold essential programs harmless.

Idaho Prior to the *Spring 2022 Fiscal Survey*, Idaho generally included only the Budget Stabilization Fund in its rainy day fund balance figures. However, Idaho has updated its rainy day fund reporting methodology to include all reserve fund balances that are available to supplement general fund spending in the event of a downturn, subject to specific fund restrictions, in accordance with survey guidelines. NASBO's historical dataset on rainy day fund balances have been updated to reflect this change in methodology, dating back to fiscal 2009. Also regarding recent changes to the state's reserve funds: (1) In Fiscal year 2020 the Economic Recovery Reserve Fund was dissolved and the balance was transferred to the Budget Stabilization Fund; (2) The Higher Education Stabilization Fund was created in FY 2011 with the first cash balance recorded in FY 2012; and (3) In FY 2022 the 27th Payroll Fund was created and a statutory transfer was made into the fund.

Notes to Table 30: Total Balances, Dollar Amount and as a Percentage of Expenditures, Fiscal 2021 to Fiscal 2023

See Notes to Tables 3-5 in Chapter One for explanation of state total balances reported.

OTHER STATE BUDGETING CHANGES

CHAPTER FOUR

Recommended Changes in Aid to Local Governments, Fiscal 2023

Some states reported on changes recommended in governors' budgets for fiscal 2023 affecting state aid to local governments as well as other changes with a fiscal impact on localities. States were asked to report on these changes organized by the following categories: 1) general aid to local governments; 2) revenue-sharing payments; 3) funding for education; 4) funding for transportation; 5) funding for other specific grant programs; 6) pension/OPEB contributions; 7) local government revenue capacity; 8) local property tax relief; and 9) other. (See Table 31)

Most of the narrative descriptions of aid to localities presented in this chapter represent proposed increases for fiscal 2023. Earlier in this survey, just one state reported reducing local aid as a budget management strategy in the middle of fiscal 2022, while no states indicated reducing local aid in the recommended budget for fiscal 2023.

General Aid to Local Governments. Eight states reported on various changes to general aid for local governments in fiscal 2023 governors' budgets. The vast majority of the changes in this category would represent increases over the prior fiscal year. In addition to greater unrestricted local assistance in several states, other changes reported here would support items such as disaster assistance and child support staffing in California and pay increases for municipal police, firefighters, and sheriffs' deputies in Louisiana.

Revenue-Sharing Payments. Three states reported on recommended changes related to revenue-sharing payments. Maine reported continuing to increase the rate of revenue shared with localities, Michigan reported both an ongoing and one-time increase in its revenue-sharing program, and South Carolina reported an amount of revenue directed to its local aid fund based on statutory requirements.

Funding for Education. Public education funding is typically the largest component of state spending that interacts with local government finances. Significant variation exists in how states help fund school districts and the share of K-12 spend-

ing covered by state versus local revenues. Thirteen states reported on recommended changes affecting education funding for local school districts in fiscal 2023. Numerous states indicated plans to increase per-pupil funding, additional funds to support teacher and support worker pay raises and cost-of-living adjustments, and increased funds for special education. Some states also reported increased funds for charter schools and private school choice programs, early education programs, and other priorities such as student mental health services.

Funding for Transportation. Six states reported on proposed budget actions related to transportation funding for local governments. These include motor fuel fee relief and funds to backfill lost revenue in Colorado, recurring and non-recurring funding as a state match for the federal *Infrastructure Investment and Jobs Act* in South Carolina, and various other transportation funding increases in several states.

Other Specific Grant Program Funding. Seven states noted funding changes for other specific grant programs, including behavioral health programs in California, police aid in Maryland, efficiency grants in Massachusetts, school consolidation studies in New Jersey, violence prevention in Pennsylvania, and a host of grant programs supporting localities in Minnesota.

Pension/OPEB Contributions. Seven states reported on changes to pension and/or OPEB contributions in fiscal 2023 affecting plans that cover school districts, community colleges, and other local government employers. The items reported reflect the variances in how state funding contributes to local government and school system pensions. Changes reported include a required contribution rate increase in Arkansas and proposed adoption of actuarially recommended contribution rates and state contribution increases for local governments and school districts in Florida, along with a decline in retirement aid in Maryland and a decrease in state spending for local employee benefits in New Jersey.

Local Government Revenue Capacity. Two states reported changes in this category. Connecticut proposed an increase to its existing motor vehicle tax grant program to reimburse

localities for lost revenues resulting from a new motor vehicle property tax cap. Maryland reported on a projected decline in Disparity Grants, which address the difference in the abilities of counties to raise revenues from local income tax.

Local Property Tax Relief. Five states reported on recent or proposed property tax relief changes, including the expansion of a new property tax relief program in New Jersey, and a transfer from gaming revenues to a fund to support property tax relief in Pennsylvania

Other Changes. Four states reported on other changes affecting local government finances, including increased county jail reimbursements in Arkansas, funding support for ports, tourism recovery and cultural districts in California, appropriations of ARPA funds for programs supporting local governments in Colorado, and a new sales tax exemption for local government and nonprofit construction in Minnesota.

Changes to Budgeting and Financial Management Practices

Several states reported on proposed changes to budget and financial management practices for fiscal 2023. (See [Table 32](#)) Some examples of the changes reported include:

Major Restructuring Efforts. Alaska continues to consolidate procurement and information technology, while also dividing the Department of Health and Social Services into two separate departments. Colorado is creating a new Department of Early Childhood to house programs serving young children previously housed in the Department of Human Services and Department of Education.

Workforce Policy Changes. Notably, eight states — a higher number than usual — reported major workforce policy changes in response to staffing challenges, child care shortages, and high inflation. Several states used this section to report on significant employee compensation increases. Maryland launched a new recruitment campaign that removes postsecondary degree requirements in lieu of experience for certain job classifications. Pennsylvania created a pilot program to fund new child care options for state employees.

Budget Process Changes. Oklahoma launched a new performance-informed budgeting website, Transparent Oklahoma Performance (TOP.ok.gov).

Budget System Changes. New Mexico launched its new budget system for the fiscal 2023 budget cycle, and Rhode Island's recommended budget includes capital spending for a new statewide enterprise system to be developed starting in fiscal 2023.

TABLE 31

Recommended Changes in Aid to Local Governments, Fiscal 2023

State	Description
GENERAL AID TO LOCAL GOVERNMENTS	
California	<p>The 2022–23 Governor's Proposed Budget includes:</p> <ul style="list-style-type: none"> • \$96.2 million for insufficient Educational Revenue Augmentation Fund backfill. • Cal OES' California Disaster Assistance Act (CDAA) program is \$114 million higher (69.9%) than the previous enacted budget, for a total CDAA appropriation of \$177 million. CDAA estimates are evaluated annually at two points in time, the fall and spring. • Department of Child Support Services includes an augmentation of \$20.1 million General Fund for Local Child Support Agencies (LCSA) to increase staffing levels for underfunded LCSAs. • A net increase of \$2.1 million (1.4% increase over the 2021–22 Enacted Budget), comprised of an increase of \$10 million for county charges associated with prosecuting crimes committed in state prisons and a reduction of \$7.9 million for the Community Corrections Performance Incentive Grant. • A decrease of \$400,000 in funding for the Public Safety and Rehabilitation Act of 2016's impact on Post Release Community Supervision payments (a -0.1% decrease from the 2021-22 Enacted Budget).
Colorado	There are a number of programs running through the legislature which will provide funding using state ARPA funds to local governments.
Louisiana	\$25.7 million for a \$100 per month supplemental pay increase for sheriffs' deputies, as well as municipal police and firefighters.
Maryland	Fiscal 2023 grows by \$672.0 million (7.4%) over fiscal 2022, with further detail listed in the following categories. Note that the listed totals include all state funds (not just general).
Massachusetts	The Governor recommended a \$31.5 million increase in Unrestricted General Government Aid compared to the FY22 budget consistent with expected 2.7% growth in tax revenue.
New Jersey	A decrease of \$8.5 million (0.5%) in major municipal aid programs.

Table 31 continues on next page.

TABLE 31 (CONTINUED)

Recommended Changes in Aid to Local Governments, Fiscal 2023

State	Description
New York	<p>The overall impact of the FY 2023 Executive Budget on local governments can be measured in two ways. First, and most fundamentally, total assumed spending on behalf of local governments in FY 2023 can be compared to that of the prior fiscal year. This view reflects that State spending on behalf of local governments can go up or down because of budgetary changes, but also by increases in caseload or statutory automatic inflators.</p>
	<p>Total spending on behalf of local governments through major local aid programs and savings initiatives is expected to total \$48 billion in FY 2023 under the Executive Budget. This represents an increase of \$2.5 billion over the prior year, predominantly due to increases in School Aid.</p>
	<p>The second way of measuring the impact of the FY 2023 Executive Budget on local governments is reflected on the traditional local impact table. In this view, increases in caseload or statutory automatic inflators are excluded, and only new changes proposed in this Executive Budget are considered.</p>
	<p>Under these narrower criteria, actions taken in the Executive Budget result in a year-to-year net positive local impact of over \$2.4 billion for municipalities and school districts for their fiscal years ending in 2023.</p>
	<p>Support for New York City. Total State spending on behalf of New York City through major local aid programs is expected to total nearly \$20 billion in FY 2023 under the Executive Budget. This includes \$2.6 billion attributable to the State takeover of local Medicaid growth and nearly \$12.4 billion in School Aid. Total support for New York City is higher than FY 2022 by over \$700 million, in large measure due to a year-to-year Foundation Aid increase of \$346 million as well as an over \$185 million increase in School Aid expense based aid and categorical programs. New York City will also receive a significant increase in a variety of transportation aid, including transit operating aid and CHIPs, as well as increases for General Public Health Work.</p>
	<p>Traditional local impacts presented in the Executive Budget reflect a net positive impact of \$503 million for the 2023 City Fiscal Year, including positive impacts of \$531 million for school aid, and \$108 million in increased transportation aid, including increasing the CHIPs base, increased transit operating aid, providing Extreme Winter Recovery and State Touring Routes aid, increasing PaveNY and Operation Pave Our Potholes. These increases are partially offset by a \$200 million negative impact as a result of making permanent the sales tax intercept for distressed health provider assistance.</p>
<p>Support for County Governments. Total State spending on behalf of counties outside of New York City through major local aid programs is expected to total nearly \$5.5 billion in FY 2023 under the Executive Budget. This includes \$2.5 billion attributable to the State takeover of local Medicaid growth.</p>	
<p>Traditional local impacts result in a net positive impact of \$207 million, including \$146 million in increased transportation aid, including increasing the CHIPs base, increased transit operating aid, providing Extreme Winter Recovery and State Touring Routes aid, increasing PaveNY and Operation Pave Our Potholes. There is also a \$35.8 million net impact due to various human service proposals, including increasing adoption support and maintaining the childcare market rate. These increases are partially offset by negative impacts due to a \$50 million negative impact as a result of making permanent the sales tax intercept for distressed health provider assistance.</p>	
<p>Support for Other Cities, Towns and Villages. The Executive Budget provides nearly \$1.3 billion in support for towns, villages, and cities other than the City of New York. Traditional local impacts result in a net positive impact of over \$230 million. The most notable local impacts for such local governments in the FY 2023 Executive Budget are increases in transportation funding, including increasing the CHIPs base, increased transit operating aid, providing Extreme Winter Recovery and State Touring Routes aid, and increasing PaveNY and Operation Pave Our Potholes. In LFY 2022, the City of Albany will be provided \$15 million in Miscellaneous Financial Assistance. Beginning September 2022, the FY 2023 Executive Budget would change the AIM funding source to the General Fund for certain town and villages that currently receive AIM-Related Payments funded by local sales tax.</p>	
South Carolina	\$3.9M Aid to Subdivisions based on statutory funding requirements.

TABLE 31 (CONTINUED)

Recommended Changes in Aid to Local Governments, Fiscal 2023

State	Description
REVENUE-SHARING PAYMENTS	
Maine	State statute calls for revenue-sharing to be at 5%. In FY22, the State budgeted for revenue-sharing payments at 4.5% which was an increase from FY21 which was at 3.75%. Revenue-sharing is currently budgeted at the increased rate of 5% for FY23.
Michigan	\$24.9 million (5%) ongoing increase, and \$24.9 million (5%) one-time increase.
South Carolina	\$12.6M to Local Government Fund for aid to local governments based on statutory funding requirements.
FUNDING FOR EDUCATION	
Arkansas	The per student amount will increase from \$7,182 in FY22 to \$7,413 in FY23.
California	The 2022–23 Governor’s Proposed Budget provides a 5.33% COLA to the K–12 Local Control Funding Formula apportionment system, plus an additional declining enrollment protection for school districts, for a total of approximately \$3 billion towards K–12 education.
Indiana	Funding for K–12 education is the largest appropriation in Indiana’s state budget. The tuition support formula, which allocates dollars to local school corporations, increased per pupil funding for several categories including foundation, complexity, and special education. In addition, the General Assembly expanded income eligibility for Choice Scholarships to 300% of the amount required for the individual to qualify for a free or reduced-price lunch.
Louisiana	\$148.4 million for teacher and support worker pay raises.
Maine	In FY22, the State increased funding for K–12 education to meet the statutory requirement to fund 55% of the total cost of K–12 essential programs and services for the first time since the requirement was established. The enacted budget continues the 55% level of funding in FY23.
Maryland	Funding for K–12, libraries, and community colleges grows by \$576.3 million (7.1%).
Massachusetts	The Governor recommended an increase of \$591.4 million to fully fund the Student Opportunity Act, including \$485 million in Chapter 70 funding, with a focus on school districts serving low-income students, for a total of \$5.989 billion. The FY23 proposal also included a \$41 million increase over FY22 for special education circuit breaker reimbursement for cities and towns, and a \$64.8 million increase in charter school reimbursement funding.
Minnesota	Various amounts for E–12 education including: \$187 million for reimbursing schools for providing free breakfast and lunch for all students, \$155 million for new full-day, state-funded prekindergarten for the most underserved four-year old children, \$134 million for a general education formula increase of 2% above previously enacted amounts, \$48 million for additional special education funding representing a 3% increase over base, \$22 million for a new program to fund school counselors, psychologists, social workers, and nurses and \$170 million for other new or increased funding for various programs — including teacher development, implementation of multi-tiered systems of support, education support professionals, English learner programs, expanding rigorous coursework, mental health, and more.
Nebraska	Reduction of \$18.8 million in TEEOSA state school aid formula impact from growth in property valuations.

Table 31 continues on next page.

TABLE 31 (CONTINUED)

Recommended Changes in Aid to Local Governments, Fiscal 2023

State	Description
New Jersey	An increase in School Aid to local districts of \$545.5 million (3.1%) to \$18.3 billion. This is comprised of aid to schools, direct payments on behalf of teacher pensions and healthcare costs, and school construction debt service.
New York	In SY 2023, the Executive Budget increases Foundation Aid for school districts outside New York City by over \$1.2 billion and expense-based and categorical aid by \$278 million. Partially offsetting this impact, the Budget also makes permanent the school districts' share of the residential cost for Committees on Special Education (CSE) placements, which results in a \$28.6 million negative impact in the 2023 school year. The Executive Budget provides \$12.4 billion in school aid to NYC, an increase of \$531 million from FY 2022.
Pennsylvania	<p>Education funding recommendations include:</p> <p>K–12: \$1.25 billion increase through the Basic Education Fair Funding Formula; \$300 million increase through the Level Up initiative which provides equitable funding to the 100 most underfunded districts; \$200 million increase in special education; \$60 million increase for Pre-K Counts; \$10 million increase for Head Start Supplemental Assistance; Charter School Funding Formula reform is estimated to save school districts in the commonwealth \$373 million per year.</p> <p>Higher Education: \$200 million investment in student tuition for the PA State System of Higher Education and Community College students; \$55.4 million increase for PA State System of Higher Education; \$125 million increase in funding for higher education institutions; \$1 million to establish a grant program to support the Hunger-Free Campus Initiative.</p>
South Carolina	\$46.1M of recurring EIA sales tax, and \$14.0M non-recurring EIA funds to support charter schools.
South Dakota	6.0% increase
FUNDING FOR TRANSPORTATION	
Colorado	Governor's proposed fee relief for motor fuel fees for six months and to back fill lost revenue with General Fund (approximately \$65M).
Maryland	State aid to local governments for transportation grows by \$10.2 million (3.7%).
Michigan	\$213.9 million GF for critical road and bridge projects, rail grade separations.
Minnesota	\$40 million for local governments (\$23.8 million for counties, \$6.2 million for municipalities, \$10 million for small cities with populations of less than 5,000) for multimodal transportation programs, primarily to be used as a non-federal match for IJJA programs.
New Jersey	The FY23 budget recommendation includes a decrease of \$25.5 million for grants and capital projects for local municipalities.
South Carolina	\$100 million recurring funding, and \$497 million one-time non-recurring funding as State Match for Federal Infrastructure Investment and Jobs Act.

Table 31 continues on next page.

TABLE 31 (CONTINUED)

Recommended Changes in Aid to Local Governments, Fiscal 2023

State	Description
FUNDING FOR OTHER SPECIFIC GRANT PROGRAMS	
<p>California</p>	<p>The 2022–23 Governor’s Proposed Budget includes:</p> <ul style="list-style-type: none"> • \$176.7 million for the Department of Health Care Services’ California Advancing and Innovating Medi-Cal Initiative • \$193.1 million for the Department of Health Care Services’ and the Department of Health Care Access and Information’s Children and Youth Behavioral Health Initiative • \$720.3 million for the Department of Healthcare Services’ Behavioral Health Continuum Infrastructure Program • \$1 billion for the Department of Health Care Services’ Behavioral Health Bridge Housing Program <p>An increase of \$248.1 million (80% increase over the 2021-22 Enacted Budget) due to the following one-time investments: (1) \$95 million for Organized Retail Theft Prevention and Prosecution Grants, (2) \$25 million for a statewide Gun Buyback Grant Program, and (3) \$100 million for the County Juvenile Justice Facility Grant Program.</p> <p>The ongoing Juvenile Justice Realignment Block Grant (SB 823) adds \$76.5 million in fiscal year 2022 to support juvenile justice realignment from state to county jurisdictions.</p> <p>\$150 million for grants to small businesses negatively impacted by the COVID-19 Pandemic, \$20 million for grants to small businesses victimized by retail theft, and \$11.1 million for grants to support immigration integration and economic development.</p>
<p>Colorado</p>	<p>There are a number of programs running through the legislature which will provide funding using state ARPA funds to local governments.</p>
<p>Maryland</p>	<p>Other significant aid programs include (a) public safety funding which increases by \$58.4 million (31.9%) reflecting a proposed police aid formula legislative change included in the Governor’s Re-Fund the Police initiative, (b) Program Open Space grants which increase by \$28.6 million (48.2%), and (c) local health grants which grow by \$1.0 million (1.4%).</p>
<p>Massachusetts</p>	<p>The Governor recommended \$6 million in funding for Community Compact related programs including best practices and regionalization and efficiency grants, an increase of \$2.4 million (66%) above FY22.</p>
<p>Minnesota</p>	<p>\$1.435 million for MNIT Services to provide cybersecurity grant funding to local governments. This is a required state match for federal funding provided in the IIJA.</p> <p>\$200 thousand for the Secretary of State to provide election security funding to local governments. This is a required state match for federal funding provided by the Help America Vote Act (HAVA). There have been previous appropriations for this purpose, but there is no regular annual base.</p>
<p>Minnesota</p>	<p>\$6 million to equip local law enforcement agencies with body-worn cameras, including initial acquisition costs and ongoing operating costs. This is a new program.</p> <p>\$3 million for local emergency management grant programs. This is a new, one-time grant program.</p> <p>\$250 thousand to reimburse county sheriffs for the transport of individuals apprehended in other states. Such transportation is required under the Interstate Commission for Adult Offender Supervision, when a nationwide warrant is required for an adult sentenced in Minnesota and transferred to a noncontiguous state.</p>

Table 31 continues on next page.

TABLE 31 (CONTINUED)

Recommended Changes in Aid to Local Governments, Fiscal 2023

State	Description
Minnesota	\$26.239 million to reform the financing of county-level supervision in Minnesota by increasing baseline funding for the state to cover 50% of the cost of providing supervision as required by statute. This funding would also be used to provide county and community rehabilitation grants to assist counties and communities in providing supervision services to those on probation.
	\$2.250 million in competitive grants to expand health education and services to existing or new school-based health clinics.
	\$3.75 million in grants to community water systems to inventory the materials used for water service lines.
	\$21 million in grants to local public health and tribes to fulfill foundational public health responsibilities.
	\$2.175 million for grants to local governments to support greater Minnesota communities in their efforts to meet new pollutant limits and their community wastewater treatment.
	\$18.923 million to provide technical assistance and grants to improve infrastructure for waste prevention, recycling, and composting projects.
	\$69 million for grants to local and tribal governments to assist communities with mitigating increased stormwater flows from frequent and heavy rainfalls.
	\$3 million for grants to municipal, township and tribal governments that operate public water supplies to increase water efficiency. This includes repairing pipes, meters, hydrants, and treatment plants; installing water saving devices and water-efficient equipment; and rebates to residents who replace inefficient water-using devices with more efficient devices.
	\$4.5 million for grants to local and tribal governments to remove and plant shade trees impacted by drought and provide communities with watering equipment to maintain newly planted trees to help increase survivability.
	\$1 million to provide grants to counties to lower child welfare workers caseload.
\$600 thousand to provide grants to counties to provide cash support to individuals aging out of foster care.	
\$1.175 million to provide grants to counties to cover potential losses in federal reimbursement due to continued implementation of the Families First Prevention Services Act.	
\$100 million for aid to cities, counties and tribal government to supplement public safety spending. This is a new program.	
\$10 million in aid for operations for Soil and Water Conservation Districts.	
New Jersey	The FY23 budget proposes several changes to grant programs. In addition to a new grant for Regional School District Consolidation Feasibility Studies (P.L.2021, c.402) at \$5 million, the Local Recreational Improvement Grants increased by \$9 million or 81%. The grants that experienced a decrease included the elimination of the \$7.5 million for Community Capital Needs and reducing the Repayment of Municipal Contribution to Mass Transit Facility by \$8 million or 62%.
Pennsylvania	Preventing Violence: \$35 million proposal for grants and technical assistance to support community-led gun violence prevention efforts; \$10 million transfer to the Nonprofit Security Grant Fund to combat hate crimes; \$45 million transfer to the School Safety Fund.
	Veterans: \$284,000 investment in the Veteran Service Officer Grant Program to expand outreach by bringing mobile services to veterans in their communities.

TABLE 31 (CONTINUED)

Recommended Changes in Aid to Local Governments, Fiscal 2023

State	Description
PENSION/OPEB CONTRIBUTIONS	
Arkansas	The state is also required to increase the Arkansas Teacher Retirement System employer contribution rate from 14.5% in FY21 to 15% by FY23. The state is required by law to fund the increase employer contribution rate.
Colorado	The state contributes a portion of the School District's portion of the direct distribution payment to PERA — this amount has been and as requested, would remain funded with General Fund (approximately \$170 million).
Florida	Proposed adoption of actuarially recommended contribution rates and increase in investment plan state contribution increases FY 22/23 contribution by an estimated \$161.4 million for local governments and \$155.9 million for school districts.
Maryland	Retirement aid for K–12, library, and community college employees declines by \$55.0 million (6.5%).
New Jersey	A decrease of \$6.2 million (1.9%) for Employee Benefits on behalf of Local Governments.
Pennsylvania	\$2.9 billion in funding for state contribution to school employee pensions.
South Carolina	1% increase in employer's retirement rate.
LOCAL GOVERNMENT REVENUE CAPACITY	
Connecticut	A \$160,365,157 increase to an existing motor vehicle tax grant program is proposed to reimburse local governments for the revenue impact resulting from the proposed cap of 29 mills on motor vehicle property taxes beginning in FY 2023.
Maryland	The State of Maryland provides local governments with Disparity Grants, which address the difference in the abilities of counties to raise revenues from the local income tax, which for most counties is one of their larger revenue sources. These grants decline by \$12.4 million (7.8%) due to the growing relative wealth of lower income jurisdictions in the State.
LOCAL PROPERTY TAX RELIEF	
Colorado	The voters passed Amendment B in 2020 which repealed a portion of the Gallagher Amendment. In addition, as a companion to the Amendment — the General Assembly passed SB 20-223. This bill amends statute to conform with the passage of SCR 20-001, and places a moratorium on changing assessment rates for any class of property.
Nebraska	Property Tax Incentive Act of 2021 provides for an increase in Income tax Credits relative to Property tax Payments in FY 2022 over FY 2021. Additionally, a Property tax Credit increase in FY 2022 over FY 2021.
New Jersey	An increase in direct property tax relief programs of \$523.4m (84.7%). FY2023 continues these programs unaltered, except for the expansion of the new ANCHOR Property Tax Relief Program, which was previously referred to as the Homestead Benefit Program.
Pennsylvania	\$83.4 million transfer from Gaming revenues to the Property Tax Relief Fund for property tax relief to those who meet the criteria.
Rhode Island	The proposed FY 2023 Budget provides full funding to continue the phase-out of the local motor vehicle excise tax. The FY 2022 Recommended Budget provides \$166.6 million to municipalities as well as eligible fire districts to offset forgone revenue resulting from mandated local tax reductions.

Table 31 continues on next page.

TABLE 31 (CONTINUED)

Recommended Changes in Aid to Local Governments, Fiscal 2023

State	Description
OTHER	
Arkansas	Arkansas county jails reimbursements increased from \$32 to \$40 per day, which is a total increase of \$6.4 million.
California	The 2022–23 Governor's Proposed Budget includes \$30 million support for California ports, \$45 million to fund a contract with Visit California to support tourism recovery, and \$30 million to support cultural districts.
Colorado	There are a number of programs running through the legislature which will provide funding using state ARPA funds to local governments
Minnesota	Establishing a sales tax exemption for local government and nonprofit construction estimated to cost about \$102.279 million per year.

TABLE 32

Recommended Changes to Budget and Financial Management Practices, Fiscal 2023

State	Description
MAJOR RESTRUCTURING OF PRIMARY GOVERNMENT FUNCTIONS	
Alaska	Divide the Department of Health and Social Services into two separate departments: 1) Department of Health and 2) Department of Family and Community Services; Continue IT and procurement consolidation.
Colorado	Colorado is creating the Department of Early Childhood which will house programs which were previously in the Department of Human Services, Office of Early Childhood and starting in FY 2023–24 funding will be moved from the Department of Education to the Department of Early Childhood.
MAJOR POLICY PROPOSAL WITH RESPECT TO YOUR WORKFORCE	
Colorado	Colorado WINS which is the labor unit for the State was created by HB 20-1153 and the bill required the creation of a Partnership Agreement which outlined total compensation increases/changes for the workforce.
Georgia	\$5,000 salary increase for all full-time state employees to increase pay grades.
Kansas	Governor's recommended budget includes across-the-board 5% pay increase.
Kentucky	The Governor created the Education and Labor Cabinet, combining all workforce and labor programs, except educational institutions, under one umbrella organization.
Maryland	Maryland recently launched a recruitment campaign focused on "Skilled Through Experience" candidates, which allows job seekers to search positions that do not require a college degree. The State reviewed all job classifications and removed the degree requirement for those which experience could be a substitute.
Nebraska	Recommendation includes \$62.3 million in additional appropriations to state agencies to reflect historic bargaining unit agreements negotiated to address critical staffing challenges and labor market changes.
Pennsylvania	Child Care Reimagined — a pilot program that provides \$30 million in funding for two new child care options for state employees. Establishes child care facilities for employees as well as a subsidy for parents who work in state government that can be used for child care expenses at a trusted provider.
Rhode Island	The Governor's FY 2023 Recommended Budget includes \$2.0 million for a Statewide Workforce Efficiency, Classification, and Compensation Study to ensure that the state is able to attract and maintain a skilled workforce.
MAJOR CHANGE IN BUDGET PROCESSES OR AUTHORITY, INCLUDING PERFORMANCE BUDGETING	
Oklahoma	The State of Oklahoma launched the Transparent Oklahoma Performance (TOP) website, TOP.ok.gov, in February 2022. This website will house TOP goals and performance-informed budgeting. State agencies align their budgets and expenditures to established statewide programs. Oklahoma's statewide programs are priorities and focus areas for change. Statewide programs are then aligned to performance measures. By aligning financial information and performance to statewide programs, dollars spent and progress made can be seen in the same place at the same time. Each statewide program on TOP has a dashboard with both performance and financial information under the 5 TOP goals of Health, Education, Safety, Economy, and Government.

Table 32 continues on next page.

TABLE 32 (CONTINUED)

Recommended Changes to Budget and Financial Management Practices, Fiscal 2023

State	Description
CHANGE TO YOUR AUTOMATED BUDGET OR FINANCIAL SYSTEM	
New Mexico	New budget system was launched for FY23 budget request and continues to be implemented for FY23 operating budget cycle.
Rhode Island	The Governor's FY 2023 Recommended Budget includes a statewide Enterprise Resource Planning (ERP) IT solution to manage HR, payroll, accounting, grants, and budgeting functions in the five-year capital plan with development to commence in FY 2023.
North Carolina	NC is currently undertaking a replacement of its financial backbone system.
North Dakota	Request for funding for a new budget reporting system.
Rhode Island	The Governor's FY 2022 Recommended Budget includes a statewide Enterprise Resource Planning (ERP) IT solution to manage HR, payroll, accounting, grants, and budgeting functions in the five-year capital plan with development to commence in FY 2023.
Utah	Included funding to upgrade the financial system to a vendor-supported, cloud-based system. The project was originally funded in the 2020 General Session, but defunded in a special session. The recommendation restores funding for the project.

MEDICAID OUTLOOK:

MEDICAID SPENDING INCLUDING EXPANSION, ENROLLMENT, PROGRAMMATIC CHANGES AND TRENDS, AND THE AFFORDABLE CARE ACT

CHAPTER FIVE

Medicaid, a means-tested entitlement program financed by the states and the federal government, provides comprehensive medical care and long-term services and supports for over 80 million low-income individuals. Medicaid is estimated to account for about 27.2 percent of total state spending from all fund sources in fiscal 2021, the single largest portion of total state expenditures, and 17.8 percent of general fund expenditures, the second largest portion of general fund expenditures, according to NASBO's most recent *State Expenditure Report* released in November 2021.

The following sections look at Medicaid spending and enrollment, programmatic changes to both enhance the program and contain costs, changes attributable to the Affordable Care Act (ACA) including expenditures for Medicaid expansion, and Medicaid spending trends and budget pressures. The impacts of the pandemic and enhanced federal support on Medicaid spending and enrollment are also discussed. The survey information covers actual fiscal 2021, estimated fiscal 2022, and governors' recommended budgets for fiscal 2023.

Medicaid Spending Trends

Fiscal 2021 and Fiscal 2022 Spending. In fiscal 2021, 48 states spent \$679.4 billion in total on Medicaid, with \$148.7 billion from general funds, \$76.2 billion from other state funds, and \$454.5 billion from federal funds. Two states were unable to report on Medicaid expenditures for this section of the report. For fiscal 2022, those same 48 states are estimated to spend \$754.8 billion in total on Medicaid with \$167.8 billion from general funds, \$82.5 billion from other state funds, and \$504.6 billion from federal funds. On a median basis, Medicaid spending increased by 7.3 percent in fiscal 2021 with general funds decreasing by 0.2 percent, other state funds decreasing by 3.6 percent, and federal funds increasing by 12.4 percent. For fiscal 2022, total Medicaid spending is estimated to increase by 10.6 percent on a median basis, with general funds increasing by 6.6 percent, other state funds increasing by 10.4 percent, and federal funds increasing by 10.8 percent, also on a median basis.

Fiscal 2023 Spending. Governors' recommended budgets for fiscal 2023 in 48 states assume total Medicaid spending of \$775.8 billion with \$199.3 billion from general funds, \$90.1 billion from other state funds, and \$486.5 billion from federal funds. Medicaid spending is estimated to increase 0.8 percent with spending from general funds increasing 14.1 percent, other state funds increasing 2.6 percent, and federal funds decreasing 5.1 percent compared to the fiscal 2022 amounts on a median basis. (See *Tables 33 and 34 and Notes*)

The timing of Medicaid expenditures may vary from year to year and may not reflect underlying program activity in a given year. Large swings in some states — due in part to timing and reporting issues — can substantially influence average Medicaid spending growth rates. For this reason, median growth rates are cited in this section to better capture overall spending trends in the states. Other state funds may include provider taxes, fees and assessments, pharmaceutical rebates, intergovernmental transfers, and local funds, though this varies by state.

Impact of Pandemic and Enhanced Federal Support.

Medicaid spending in fiscal 2021 through fiscal 2023 reflects the impact of the COVID-19 pandemic and federal aid on Medicaid enrollment and spending. To address the rise in Medicaid spending and provide state fiscal relief, the *Families First Coronavirus Response Act*, enacted in March 2020, provides a 6.2 percentage point increase in the Federal Medical Assistance Percentage (FMAP) spending during the public health emergency. The increase is conditioned on states meeting certain maintenance-of-effort requirements including continuous coverage for current enrollees, which inflates Medicaid enrollment by providing coverage for those who otherwise may have transitioned off the program.

The increase in the FMAP is retroactive to January 2020 and is reflected in how much faster federal fund spending on Medicaid grew in fiscal 2021 relative to general fund spending. In contrast, governors' recommended budgets for fiscal 2023 show a faster rate of spending growth from general funds compared to federal funds since almost all states had been

expecting the enhanced FMAP to expire before the end of fiscal 2022 at the time of budget development.

States assumed different dates for the expiration of the increased FMAP in their proposed budgets, which affects overall spending and spending from fund sources. The expiration dates often depended on when governors released proposed budgets for fiscal 2023. Almost all states assumed the increased FMAP would no longer be available during fiscal 2023, with the majority of states assuming an end date of either March 31, 2022 or June 30, 2022.

The public health emergency and the resulting FMAP increase is renewed on a 90-day basis by the Secretary of Health and Human Services with the most recent extension effective April 16, 2022. The FMAP increase is in place through at least September 30, 2022, since the FMAP expires at the end of the quarter in which the public health emergency ends. The Secretary of Health and Human Services has said there will be 60-days' notice before any expiration or termination of the PHE. At the time of this publication, HHS appears to signal there will be another PHE extension when the current one ends.

The increase in federal matching funds from the temporary 6.2 percentage point increase in the FMAP included in the *Families First Coronavirus Response Act* is estimated to be approximately \$100.4 billion from January 2020 through September 30, 2022, according to estimates from the Kaiser Family Foundation.

Medicaid Expansion Expenditures

Medicaid Expansion Under the Affordable Care Act.

Beginning January 1, 2017, states that expanded Medicaid under the ACA began paying 5 percent of the costs for the newly eligible individuals, with that amount increasing to 6 percent in January 1, 2018, 7 percent in January 1, 2019, and 10 percent in January 1, 2020 and thereafter. As of May 2022, 38 states and the District of Columbia have adopted the Medicaid expansion. In Idaho, Nebraska, and Utah, voters approved expansion in 2018 ballot initiatives with expansion implemented during fiscal 2020 and fiscal 2021. Missouri and Oklahoma voters approved expansion in 2020 ballot initiatives with expansions beginning July 1, 2021.

Medicaid Expansion Spending by Fund Source. States that expanded Medicaid under the ACA provided expenditure data related to the Medicaid expansion in fiscal years 2021, 2022, and 2023. More specifically, states were asked to include all expenditures falling under the new adult eligibility group (known as Group VIII) as reported to CMS, including Group VIII expenditures for both “newly eligible” and “not newly eligible” populations. Total state funds include both state general funds and other state funds. In addition to the general fund, states use a combination of revenue sources including premium taxes, cigarette taxes, pharmaceutical rebates, intergovernmental transfers, provider assessments, and local funds to provide the state match.

In fiscal 2021, 35 states reported total spending for Medicaid expansion of \$119.9 billion, \$13.6 billion in state funds, and \$106.3 billion in federal funds. (See *Table 35*) In fiscal 2022, 37 states are estimated to spend \$139.0 billion in all funds, \$15.9 billion in state funds, and \$123.0 billion in federal funds. In 38 recommended budgets for fiscal 2023, projected spending for Medicaid expansion totaled \$142.8 billion, with \$16.4 billion in state funds, and \$126.4 billion in federal funds. At the time this report went to print, Virginia was not able to provide data.

Medicaid Enrollment

From February 2020 to January 2022, Medicaid enrollment increased by 16 million or 24.9 percent with Medicaid enrollment close to 80 million in January 2022. The Medicaid enrollment increases are likely driven by COVID-19 and the continuous enrollment requirement in the *Families First Coronavirus Response Act*, according to the Centers for Medicare and Medicaid Services (CMS), reflecting the impact of COVID-19.

Prior to the COVID-19 pandemic and ensuing economic fallout, enrollment was projected to increase by 0.8 percent for fiscal 2020, according to the Kaiser Family Foundation's annual Medicaid budget survey conducted in the fall of 2019. States at that time were largely attributing the relatively flat Medicaid enrollment declines to the improved economy though some states were also seeing process and systems changes, including changes to renewal processes, as also contributing to some enrollment declines.

Medicaid Programmatic Changes: Cost Containment and Program Enhancement

States reported the types of changes they made in the Medicaid program in fiscal 2022 and recommended changes for fiscal 2023 for both containing costs and enhancing programs. States' most common responses to contain costs in fiscal 2022 were enhanced program integrity efforts in 12 states, policies to cut costs for prescription drugs in 11 states, changes to managed care organizations reflecting decreased utilization or to contain costs in 9 states, and delivery system changes in 9 states.

For recommended fiscal 2023 budgets, 12 states proposed policies to reduce prescription drugs, 11 states proposed changes to delivery systems, 9 states planned changes to managed care capitation rates reflecting decreased utilization or to contain costs, and eight states proposed enhanced program integrity efforts. Some of the changes to contain costs are ongoing efforts of states, such as policies to reduce costs for prescription drugs and increased program integrity, while others, such as changes to managed care capitation rates, reflect the impact of the pandemic on decreased utilization of health care.

The program enhancements states have made or are planning to make reflect the impact of the pandemic, especially with increased provider payments for vulnerable providers, expansion of behavioral services, expanding or restoring benefits, and telehealth. Program enhancements far outweigh program containment for fiscal 2022 and fiscal 2023. In fiscal 2022, 40 states are increasing payments to providers, 29 states are expanding or restoring benefits, 27 states are expanding access to behavioral health services, and 21 states are expanding telehealth. In recommended fiscal 2023 budgets, 36 states propose to increase provider payments, 31 states propose expanding access to behavioral health services, 23 states plan to expand or restore benefits, 20 states plan to make delivery system changes, 16 states plan to enhance eligibility, and 14 states plan to expand or continue expansion of telehealth, as the most common responses. (See Tables 36 and 37)

Provider Tax Increases for Medicaid. Some states have increased or plan to increase resources for Medicaid through provider taxes or fees. For fiscal 2022, seven states have raised or plan to raise provider taxes or fees while seven states have plans to raise provider taxes or fees in governors' recommended budgets for fiscal 2023. Relative to prior years, fewer states have or plan to increase provider taxes. Restrictions to provider taxes and fees have surfaced in federal deficit reduction proposals, in Presidents' proposed budgets, and in congressional proposals over the years. States have also relied on provider tax increases to fund the state portion of Medicaid expansion. (See Table 38)

Medicaid Spending Trends and Budget Pressures. States were asked to identify issues and trends that are affecting their Medicaid spending. The impact of COVID-19 on Medicaid is at the forefront of state concerns, especially the end of the increased FMAP tied to the declaration of a public health emergency and when states would begin the process of redeterminations of eligibility that were suspended during the public health emergency. States also mentioned pharmacy costs, particularly for specialty drugs, overall enrollment, and utilization trends for long-term care. Other issues raised included increased demand for behavioral health, the underlying baseline for health care costs, and workforce concerns.

TABLE 33

Medicaid Expenditures By Fund Source (\$ in millions)

State	Fiscal 2021 (Actual)				Fiscal 2022 (Estimated)				Fiscal 2023 (Recommended)			
	General	Other State	Federal	Total Funds	General	Other State	Federal	Total Funds	General	Other State	Federal	Total Funds
Alabama	\$820	\$1,158	\$5,945	\$7,922	\$769	\$1,319	\$6,026	\$8,115	\$789	\$1,412	\$6,103	\$8,304
Alaska	483	1	1,559	2,043	530	5	1,688	2,223	569	5	1,688	2,262
Arizona	2,375	1,539	14,653	18,567	2,457	1,742	16,688	20,887	3,096	1,935	16,707	21,738
Arkansas	1,181	428	6,669	8,278	1,367	434	7,590	9,390	1,410	846	7,205	9,461
California	27,022	26,037	75,003	128,062	34,573	22,851	83,502	140,926	44,241	25,770	81,630	151,640
Colorado	2,419	1,384	6,621	10,423	2,686	1,445	7,943	12,074	3,622	1,449	7,435	12,506
Connecticut	3,335	0	5,608	8,943	3,560	0	5,287	8,847	4,180	0	5,833	10,012
Delaware	734	45	1,829	2,609	829	44	1,920	2,793	829	33	1,621	2,483
Florida	7,135	5,720	16,810	29,664	8,228	5,990	20,670	34,887	9,471	6,168	19,853	35,493
Georgia	2,099	563	9,748	12,410	2,139	671	9,821	12,631	2,851	671	9,030	12,552
Hawaii	807	77	1,849	2,733	827	77	1,974	2,877	894	80	2,100	3,074
Idaho	541	343	2,247	3,130	571	409	2,567	3,548	750	394	2,400	3,544
Illinois*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Indiana	2,619	575	11,645	14,839	2,585	944	12,253	15,781	2,932	1,127	11,625	15,684
Iowa	1,415	415	4,295	6,125	1,476	432	4,486	6,395	1,601	440	4,088	6,129
Kansas	1,052	372	2,624	4,048	1,104	372	2,992	4,468	1,425	372	2,576	4,373
Kentucky	2,019	663	11,703	14,385	1,934	900	12,205	15,039	1,979	1,571	11,680	15,231
Louisiana	1,763	1,359	10,487	13,610	1,731	1,864	12,247	15,842	2,159	1,730	11,013	14,902
Maine	727	321	2,472	3,520	755	344	2,894	3,994	1,073	362	2,845	4,279
Maryland	3,531	1,102	8,434	13,066	3,846	786	8,691	13,323	4,325	819	8,279	13,422
Massachusetts	8,079	0	9,348	17,426	8,327	0	10,705	19,033	8,660	0	8,495	17,155
Michigan	2,824	2,706	16,101	21,631	2,791	2,844	16,988	22,622	3,647	2,878	16,190	22,714
Minnesota	5,156	147	8,460	13,763	5,429	149	11,470	17,049	7,397	178	10,395	17,970
Mississippi	751	312	5,091	6,154	837	475	5,227	6,539	837	436	5,484	6,757
Missouri	2,466	2,873	5,858	11,197	2,622	3,263	7,538	13,422	3,350	3,264	9,790	16,404
Montana	267	103	975	1,344	264	102	973	1,339	338	119	883	1,339
Nebraska	1,066	21	1,606	2,692	1,175	61	1,402	2,637	1,134	47	1,402	2,582
Nevada	787	192	3,578	4,558	926	673	3,946	5,545	846	654	4,090	5,590
New Hampshire	300	464	935	1,699	503	492	1,169	2,164	441	476	1,026	1,943
New Jersey	4,159	1,752	9,600	15,511	4,760	2,065	10,371	17,196	5,435	2,092	10,165	17,693
New Mexico	955	342	6,018	7,315	986	360	6,493	7,839	1,255	438	6,038	7,731
New York	14,094	8,371	45,054	67,519	15,965	11,812	48,036	75,814	19,546	13,643	50,699	83,887
North Carolina	3,774	1,770	11,777	17,322	3,900	1,590	13,821	19,311	4,290	1,628	11,852	17,770
North Dakota	330	44	578	952	382	41	670	1,092	507	48	595	1,149
Ohio	4,620	3,106	22,126	29,852	4,399	5,028	24,411	33,838	5,939	4,578	24,580	35,097
Oklahoma	1,260	554	3,936	5,750	1,182	712	5,541	7,434	1,344	937	5,497	7,777
Oregon	626	2,012	8,539	11,176	1,547	2,979	10,370	14,897	1,415	2,951	10,390	14,756
Pennsylvania	9,978	3,610	22,782	36,370	11,131	3,749	29,288	44,167	13,960	3,799	26,047	43,806
Rhode Island	1,039	0	1,919	2,958	1,212	0	2,172	3,384	1,205	0	1,866	3,071
South Carolina	1,090	626	5,501	7,216	1,276	572	5,917	7,765	1,312	1,136	5,539	7,988
South Dakota	319	3	607	930	403	5	783	1,191	483	6	736	1,225
Tennessee*	2,611	1,537	8,173	12,321	3,233	1,501	7,833	12,567	3,493	1,501	8,095	13,090
Texas	10,604	229	30,801	41,634	12,807	239	29,790	42,836	13,476	259	28,073	41,808
Utah	558	352	2,063	2,973	739	524	2,384	3,648	868	550	2,520	3,938
Vermont	468	66	1,045	1,579	606	73	1,100	1,779	611	75	1,102	1,788
Virginia*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Washington	4,513	701	10,471	15,685	4,634	788	11,326	16,748	5,059	753	9,191	15,002
West Virginia	452	331	3,753	4,536	480	410	4,601	5,491	460	677	3,920	5,057
Wisconsin	3,267	1,858	7,212	12,337	3,111	1,309	8,363	12,783	3,549	1,698	7,724	12,971
Wyoming	217	35	375	627	175	49	422	646	225	49	372	646
Total**	\$148,704	\$76,217	\$454,480	\$679,400	\$167,767	\$82,495	\$504,554	\$754,817	\$199,274	\$90,054	\$486,469	\$775,796

NOTES: N/A indicates data not available. *See Notes to Table 33 at the end of the chapter. **Totals exclude Illinois and Virginia, which were unable to provide data.

TABLE 34

Annual Percentage Change in Medicaid Spending

State	Fiscal 2021 (Actual)				Fiscal 2022 (Estimated)				Fiscal 2023 (Recommended)			
	General	Other State	Federal	Total Funds	General	Other State	Federal	Total Funds	General	Other State	Federal	Total Funds
Alabama	13.0%	-1.6%	10.0%	8.4%	-6.2%	13.9%	1.4%	2.4%	2.6%	7.1%	1.3%	2.3%
Alaska	-7.5	N/A	-1.8	-3.3	9.7	N/A	8.3	8.9	7.4	N/A	0.0	1.8
Arizona	66.5	36.0	29.5	33.9	3.4	13.2	13.9	12.5	26.0	11.1	0.1	4.1
Arkansas	-5.0	-7.2	16.9	11.8	15.7	1.4	13.8	13.4	3.2	94.9	-5.1	0.8
California	1.7	41.6	21.8	20.2	27.9	-12.2	11.3	10.0	28.0	12.8	-2.2	7.6
Colorado	-10.3	29.5	15.1	9.5	11.0	4.4	20.0	15.8	34.9	0.2	-6.4	3.6
Connecticut	-3.1	N/A	10.3	4.9	6.8	N/A	-5.7	-1.1	17.4	N/A	10.3	13.2
Delaware	4.6	-25.0	14.7	10.7	12.9	-1.8	4.9	7.1	-0.1	-24.6	-15.6	-11.1
Florida	2.6	3.7	5.3	4.3	15.3	4.7	23.0	17.6	15.1	3.0	-3.9	1.7
Georgia	-15.3	-21.2	16.8	7.6	1.9	19.3	0.7	1.8	33.3	0.0	-8.0	-0.6
Hawaii	6.0	12.5	24.8	18.2	2.4	0.7	6.7	5.3	8.2	3.9	6.4	6.8
Idaho	-6.3	42.0	25.3	19.8	5.7	19.4	14.3	13.3	31.3	-3.7	-6.5	-0.1
Illinois*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Indiana	15.5	-65.5	15.1	5.6	-1.3	64.1	5.2	6.4	13.4	19.4	-5.1	-0.6
Iowa	-0.2	-3.6	10.8	7.0	4.3	4.2	4.4	4.4	8.4	1.9	-8.9	-4.2
Kansas	-31.6	-0.1	-5.2	-13.4	4.9	0.0	14.0	10.4	29.1	0.0	-13.9	-2.1
Kentucky	2.3	76.6	27.9	25.1	-4.2	35.8	4.3	4.5	2.3	74.6	-4.3	1.3
Louisiana	-7.7	17.2	10.5	8.4	-1.8	37.1	16.8	16.4	24.7	-7.2	-10.1	-5.9
Maine	-11.2	-0.5	13.7	6.2	3.9	7.3	17.1	13.5	42.0	5.0	-1.7	7.1
Maryland	2.6	7.8	14.9	10.7	8.9	-28.6	3.0	2.0	12.4	4.1	-4.7	0.7
Massachusetts	0.1	N/A	12.2	6.3	3.1	N/A	14.5	9.2	4.0	N/A	-20.6	-9.9
Michigan	11.6	-1.2	14.4	11.8	-1.2	5.1	5.5	4.6	30.7	1.2	-4.7	0.4
Minnesota	-2.7	-12.7	7.1	3.0	5.3	1.1	35.6	23.9	36.2	19.3	-9.4	5.4
Mississippi	-13.5	-37.5	1.5	-3.6	11.4	52.3	2.7	6.3	0.0	-8.2	4.9	3.3
Missouri	25.1	0.4	-2.0	3.6	6.3	13.6	28.7	19.9	27.8	0.0	29.9	22.2
Montana	-4.2	-6.9	6.6	3.1	-1.1	-0.8	-0.1	-0.4	28.0	16.3	-9.3	0.0
Nebraska	-0.8	-37.8	29.6	14.7	10.2	192.8	-12.7	-2.1	-3.5	-22.6	0.0	-2.1
Nevada	13.6	-15.3	16.5	14.2	17.6	250.3	10.3	21.7	-8.6	-2.8	3.6	0.8
New Hampshire	-7.2	-4.9	-0.4	-2.9	67.3	6.0	25.1	27.4	-12.3	-3.2	-12.2	-10.2
New Jersey	0.8	-1.3	17.3	10.1	14.5	17.8	8.0	10.9	14.2	1.3	-2.0	2.9
New Mexico	0.7	8.3	12.3	10.4	3.3	5.3	7.9	7.2	27.3	21.7	-7.0	-1.4
New York	-13.4	-18.5	10.1	0.1	13.3	41.1	6.6	12.3	22.4	15.5	5.5	10.6
North Carolina	-0.8	-5.5	5.6	2.9	3.3	-10.2	17.4	11.5	10.0	2.4	-14.2	-8.0
North Dakota	-30.7	N/A	-27.0	-24.9	15.7	N/A	15.8	14.8	32.8	N/A	-11.1	5.2
Ohio	13.2	-11.6	18.5	13.7	-4.8	61.9	10.3	13.4	35.0	-8.9	0.7	3.7
Oklahoma	34.8	-49.0	15.9	6.2	-6.2	28.5	40.8	29.3	13.7	31.7	-0.8	4.6
Oregon	-40.0	22.7	12.9	9.1	147.3	48.1	21.4	33.3	-8.6	-0.9	0.2	-0.9
Pennsylvania	10.4	-6.6	7.3	6.6	11.6	3.9	28.6	21.4	25.4	1.3	-11.1	-0.8
Rhode Island	-5.1	N/A	18.1	8.8	16.7	N/A	13.2	14.4	-0.6	N/A	-14.1	-9.3
South Carolina	-12.4	-15.8	7.0	1.3	17.1	-8.6	7.6	7.6	2.8	98.6	-6.4	2.9
South Dakota	-4.4	-15.0	7.2	2.8	26.5	50.0	28.9	28.1	19.8	23.5	-6.0	2.8
Tennessee*	-0.2	-8.9	8.3	4.0	23.8	-2.3	-4.2	2.0	8.0	0.0	3.4	4.2
Texas	7.0	-2.2	11.9	10.5	20.8	4.4	-3.3	2.9	N/A	N/A	N/A	N/A
Utah	23.9	17.7	-7.3	0.0	32.6	48.8	15.6	22.7	17.4	4.9	5.7	8.0
Vermont	-9.6	-17.4	2.8	-2.2	29.4	10.4	5.3	12.6	0.8	2.8	0.2	0.5
Virginia*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Washington	7.7	12.1	22.4	17.3	2.7	12.4	8.2	6.8	9.2	-4.5	-18.9	-10.4
West Virginia	4.0	-13.2	12.6	9.3	6.4	23.7	22.6	21.0	-4.3	65.3	-14.8	-7.9
Wisconsin	14.8	14.5	13.2	13.8	-4.8	-29.6	16.0	3.6	14.1	29.7	-7.6	1.5
Wyoming	-15.5	-6.8	16.2	1.6	-19.3	42.3	12.5	3.1	28.3	0.0	-11.8	0.0
Total**	1.0%	6.8%	13.8%	9.9%	12.8%	8.2%	11.0%	11.1%	18.8%	9.2%	-3.6%	2.8%
Median	-0.2%	-3.6%	12.4%	7.3%	6.6%	10.4%	10.8%	10.6%	14.1%	2.6%	-5.1%	0.8%

NOTES: NA indicates data not available or applicable. *See Notes to Table 34 at the end of the chapter. **Totals exclude Illinois and Virginia, which were unable to provide data.

TABLE 35

Medicaid Expansion Expenditures By Fund Source (\$ in millions)

State	Fiscal 2021 (Actual)					Fiscal 2022 (Estimated)					Fiscal 2023 (Recommended)				
	General	Other State	Total State	Federal	Total Funds	General	Other State	Total State	Federal	Total Funds	General	Other State	Total State	Federal	Total Funds
Alaska	\$0	\$0	\$32	\$489	\$521	\$0	\$0	\$35	\$529	\$565	\$0	\$0	\$38	\$529	\$567
Arizona	0	0	90	847	937	0	0	129	1,148	1,277	0	0	113	1,055	1,168
Arkansas	204	43	246	2,216	2,462	225	42	267	2,403	2,670	214	38	252	2,264	2,516
California	2,335	0	2,335	20,898	23,233	2,720	0	2,720	24,199	26,919	2,915	0	2,915	25,292	28,207
Colorado	0	264	264	2,380	2,645	0	326	326	2,937	3,263	0	322	322	2,896	3,217
Connecticut	436	0	436	2,186	2,622	454	0	454	2,326	2,780	495	0	495	2,338	2,833
Delaware	72	0	72	648	721	77	0	77	689	766	75	0	75	672	747
Hawaii	0	0	83	743	825	0	0	92	833	925	0	0	103	925	1,028
Idaho	46	92	138	531	670	61	119	180	673	853	61	119	181	675	855
Illinois	30	590	619	5,564	6,184	31	619	650	5,843	6,493	33	650	683	6,135	6,818
Indiana	0	392	392	3,591	3,982	0	417	417	3,819	4,235	0	414	414	3,795	4,209
Iowa	185	0	185	1,143	1,327	161	0	161	1,216	1,377	147	0	147	1,073	1,220
Kansas	0	0	0	0	0	0	0	0	0	0	-69	0	-69	655	586
Kentucky	0	0	354	3,187	3,541	0	0	458	4,120	4,578	0	0	426	3,834	4,259
Louisiana	0	406	406	3,654	4,060	0	562	562	4,860	5,423	0	454	454	3,876	4,330
Maine	0	0	65	476	541	0	0	78	591	669	0	0	78	591	669
Maryland	319	0	319	2,865	3,184	346	0	346	3,112	3,458	312	0	312	2,810	3,122
Massachusetts	468	0	468	2,453	2,921	687	0	687	2,792	3,478	508	0	508	2,348	2,856
Michigan	66	601	667	5,363	6,030	67	612	679	6,115	6,794	64	586	650	5,852	6,502
Minnesota	0	0	217	2,004	2,221	0	0	320	3,000	3,321	0	0	320	2,872	3,192
Missouri	0	0	0	0	0	83	70	152	655	808	195	239	435	1,759	2,194
Montana	37	57	94	847	941	41	51	92	906	998	41	51	92	905	997
Nebraska	27	0	27	226	253	66	0	66	594	660	44	0	44	374	417
Nevada	0	0	183	1,659	1,842	0	0	207	1,876	2,083	0	0	211	1,914	2,125
New Hampshire	0	0	54	486	540	0	0	59	532	591	0	0	54	486	540
New Jersey	0	0	479	3,745	4,224	0	0	520	4,780	5,300	0	0	542	4,262	4,804
New Mexico	0	0	193	1,784	1,976	0	0	204	1,889	2,094	0	0	187	1,736	1,924
New York	2,442	0	2,442	12,987	15,429	3,007	0	3,007	14,162	17,170	3,108	0	3,108	14,676	17,784
North Dakota	35	0	35	312	346	47	0	47	363	410	50	0	50	376	426
Ohio	582	57	639	5,760	6,398	658	71	729	6,939	7,668	692	62	754	7,280	8,033
Oklahoma	0	0	0	0	0	0	0	121	1,304	1,425	0	0	181	1,544	1,725
Oregon	0	0	350	3,151	3,501	0	0	231	2,083	2,314	0	0	430	3,871	4,301
Pennsylvania	0	0	627	5,644	6,271	0	0	700	6,300	7,000	0	0	747	6,720	7,466
Rhode Island	69	0	69	575	644	83	0	83	707	790	75	0	75	631	706
Utah	69	110	179	601	780	160	15	175	1,058	1,234	163	15	178	1,081	1,259
Vermont	0	0	66	323	390	0	0	78	321	399	0	0	51	297	348
Virginia*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Washington	659	0	659	5,971	6,629	682	0	682	6,140	6,823	762	0	762	6,854	7,615
West Virginia	64	47	111	987	1,098	72	62	134	1,208	1,342	50	74	124	1,119	1,243
Total	\$8,143	\$2,659	\$13,595	\$106,293	\$119,888	\$9,730	\$2,966	\$15,929	\$123,021	\$138,950	\$9,935	\$3,024	\$16,440	\$126,370	\$142,810

NOTES: N/A indicates data not available or applicable. Some states were not able to report state-funded Medicaid expansion expenditures broken down by fund source. *See Notes to Table 35 at the end of the chapter. **Totals exclude Virginia, which was unable to provide data.

TABLE 36

Medicaid Programmatic Changes: Cost Containment, Fiscal 2022 and Recommended Fiscal 2023

State	Fiscal 2022						
	Restrict provider payments	Restrict benefits	Policies to cut costs for prescription drugs	Delivery system changes	MCO changes to contain costs/reflect decrease in utilization	Enhanced program integrity efforts	Other
Alabama							
Alaska*							X
Arizona							
Arkansas							
California			X	X		X	
Colorado	X						
Connecticut*						X	
Delaware							
Florida							
Georgia						X	
Hawaii	X						
Idaho	X				X		
Illinois							
Indiana							
Iowa							
Kansas							
Kentucky							
Louisiana				X			
Maine							
Maryland							
Massachusetts			X			X	
Michigan							
Minnesota	X			X		X	
Mississippi	X				X		
Missouri			X	X	X	X	
Montana							
Nebraska				X	X		
Nevada							
New Hampshire					X	X	
New Jersey			X				
New Mexico							
New York	X		X	X	X		
North Carolina							
North Dakota*							X
Ohio			X	X	X	X	
Oklahoma							
Oregon							
Pennsylvania*							
Rhode Island		X					
South Carolina							
South Dakota							
Tennessee*			X			X	X
Texas			X		X	X	
Utah							
Vermont			X	X			
Virginia							
Washington			X			X	
West Virginia			X	X	X	X	
Wisconsin							
Wyoming							
Total	6	1	11	9	9	12	3

NOTES: *See Notes to Table 36 at the end of the chapter.

Table 36 continues on next page.

TABLE 36 (CONTINUED)

Medicaid Programmatic Changes: Cost Containment, Fiscal 2022 and Recommended Fiscal 2023

State	Fiscal 2023 Recommended						Other
	Restrict provider payments	Restrict benefits	Policies to cut costs for prescription drugs	Delivery system changes	MCO changes to contain costs/reflect decrease in utilization	Enhanced program integrity efforts	
Alabama							
Alaska*							X
Arizona							
Arkansas			X			X	
California			X	X			
Colorado							
Connecticut*				X			X
Delaware							
Florida							
Georgia						X	
Hawaii	X		X				
Idaho	X			X	X		
Illinois							
Indiana							
Iowa							
Kansas			X				
Kentucky							
Louisiana			X	X			
Maine							
Maryland							
Massachusetts			X			X	
Michigan				X			
Minnesota							
Mississippi					X		
Missouri				X		X	
Montana							
Nebraska				X	X		
Nevada							
New Hampshire					X	X	
New Jersey			X				
New Mexico							
New York			X	X	X		
North Carolina							
North Dakota*							X
Ohio			X	X	X	X	
Oklahoma							
Oregon							
Pennsylvania*							X
Rhode Island							
South Carolina					X		
South Dakota							
Tennessee*							X
Texas							
Utah			X				
Vermont				X			
Virginia							
Washington			X		X	X	
West Virginia			X	X	X	X	
Wisconsin							
Wyoming							
Total	2		12	11	9	8	5

NOTES: *See Notes to Table 36 at the end of the chapter.

TABLE 37

Medicaid Programmatic Changes: Program Enhancements, Fiscal 2022 and Recommended Fiscal 2023

State	Fiscal 2022						
	Increase provider payments	Expand or restore benefits	Eligibility Enhancements	Expand Telehealth	Initiatives to expand access to behavioral health	Delivery system / MCO changes	Other
Alabama	X	X			X	X	
Alaska*							X
Arizona	X	X			X		
Arkansas*	X	X					
California	X	X	X	X	X	X	
Colorado	X	X					
Connecticut	X				X		
Delaware	X	X					
Florida							
Georgia	X	X		X			
Hawaii							
Idaho		X		X	X	X	
Illinois	X	X	X	X	X		
Indiana							
Iowa*	X						X
Kansas*	X			X			
Kentucky							
Louisiana	X	X	X		X		
Maine	X				X		
Maryland*	X						
Massachusetts	X	X		X	X		
Michigan	X				X		
Minnesota*	X	X	X	X	X	X	
Mississippi	X						
Missouri*	X	X	X	X	X	X	
Montana	X	X			X		
Nebraska	X	X				X	
Nevada	X				X	X	
New Hampshire		X	X	X	X		
New Jersey	X	X	X	X			
New Mexico*	X	X			X	X	
New York		X		X			
North Carolina*	X	X		X	X	X	
North Dakota	X	X					
Ohio	X		X	X	X	X	
Oklahoma	X	X	X	X	X		X
Oregon	X	X	X	X	X	X	
Pennsylvania*	X	X		X	X		X
Rhode Island	X	X	X		X	X	
South Carolina	X	X	X		X	X	
South Dakota	X			X	X		
Tennessee*		X	X				
Texas*	X		X	X		X	X
Utah	X	X		X		X	
Vermont	X					X	
Virginia							
Washington	X			X	X	X	
West Virginia	X		X	X	X	X	
Wisconsin	X	X	X		X		
Wyoming	X						
Total	40	29	16	21	27	18	5

NOTES: *See Notes to Table 37 at the end of the chapter.

Table 37 continues on next page.

TABLE 37 (CONTINUED)

Medicaid Programmatic Changes: Program Enhancements, Fiscal 2022 and Recommended Fiscal 2023

State	Fiscal 2023 Recommended						
	Increase provider payments	Expand or restore benefits	Eligibility Enhancements	Expand Telehealth	Initiatives to expand access to behavioral health	Delivery system / MCO changes	Other
Alabama	X	X			X	X	
Alaska*							X
Arizona	X	X			X		
Arkansas*	X	X			X	X	X
California	X	X	X	X	X	X	
Colorado	X	X					
Connecticut	X		X		X		
Delaware			X				
Florida	X						
Georgia	X	X		X	X	X	
Hawaii							
Idaho	X	X		X	X	X	
Illinois	X	X	X		X		
Indiana							
Iowa*							
Kansas*	X	X	X	X	X		X
Kentucky							
Louisiana	X	X			X		
Maine	X				X		
Maryland*	X				X		
Massachusetts	X	X		X	X	X	
Michigan					X	X	
Minnesota*	X	X	X		X	X	
Mississippi						X	
Missouri*	X		X	X	X		X
Montana	X	X			X		
Nebraska	X					X	
Nevada	X						
New Hampshire		X	X	X	X		
New Jersey	X	X	X				
New Mexico*	X				X	X	
New York	X	X	X	X	X	X	
North Carolina*				X		X	X
North Dakota	X	X					
Ohio	X		X	X	X	X	
Oklahoma	X	X	X	X	X		X
Oregon	X	X	X	X	X	X	
Pennsylvania*	X			X	X	X	X
Rhode Island							
South Carolina	X				X	X	
South Dakota	X			X	X		
Tennessee*	X	X	X		X		
Texas*							
Utah	X	X	X		X	X	
Vermont	X	X			X	X	
Virginia							
Washington	X	X	X		X		
West Virginia	X				X	X	
Wisconsin							
Wyoming	X						
Total	36	23	16	14	31	20	7

NOTES: *See Notes to Table 37 at the end of the chapter.

TABLE 38
Provider Tax Increases for Medicaid Program

State	Fiscal 2022	Fiscal 2023 (Recommended)
Alabama		
Alaska		
Arizona		
Arkansas		
California		
Colorado		
Connecticut		
Delaware		
Florida		
Georgia		
Hawaii		
Idaho	X	X
Illinois	X	X
Indiana		
Iowa		
Kansas		
Kentucky		
Louisiana		
Maine		
Maryland		
Massachusetts		X
Michigan		
Minnesota		
Mississippi		X
Missouri		
Montana		
Nebraska		
Nevada		
New Hampshire		
New Jersey		
New Mexico	X	
New York		
North Carolina		X
North Dakota		
Ohio	X	
Oklahoma		
Oregon		
Pennsylvania		
Rhode Island		
South Carolina		
South Dakota		
Tennessee		
Texas		
Utah	X	
Vermont		
Virginia		
Washington		
West Virginia		X
Wisconsin	X	
Wyoming	X	X
Total	7	7

NOTES: *See Notes to Table 38 at the end of the chapter.

CHAPTER 5 NOTES

Notes to Table 33: Medicaid Expenditures by Fund Source and Table 34: Annual Percentage Change in Medicaid Spending

Illinois	At the time this report went to print, Illinois was unable to report Medicaid expenditure data for this survey.
Tennessee	The Governor's Budget does not recognize the e-FMAP due to it being non-recurring.
Virginia	Due to a gubernatorial administration change and ongoing budget negotiations at the time this report went to print, Virginia was unable to report data for this survey.

Notes to Table 35: Medicaid Programmatic Changes: Cost Containment, Fiscal 2022 and Recommended Fiscal 2023

Virginia	Due to a gubernatorial administration change and ongoing budget negotiations at the time this report went to print, Virginia was unable to report data for this survey.
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Notes to Table 36: Medicaid Programmatic Changes: Cost Containment, Fiscal 2022 and Recommended Fiscal 2023

Alaska	Other: The state is implementing a Medicaid strategic plan https://dhss.alaska.gov/HealthyAlaska/Documents/PCG-AK-Medicaid-Strategy-Final-Report.pdf
Connecticut	The enacted budget for FY 22 included claiming residential care home services under Medicaid (for savings under State Supplement); the Governor's budget adjustments for FY 23 recognize the delay in implementation of this initiative.
North Dakota	Other: reformed nursing home payment, designing value based purchasing for non-expansion clients, implemented VBP in expansion.
Pennsylvania	Other: Proposing to Increase the minimum wage to \$12 an hour, which would reduce usage for some programs.
Tennessee	Other: Other includes implementing policies and pricing strategies to reduce unnecessary and excessive costs.

Notes to Table 37: Medicaid Programmatic Changes: Program Enhancements, Fiscal 2022 and Recommended Fiscal 2023

Alaska	Other: The state is implementing a Medicaid strategic plan https://dhss.alaska.gov/HealthyAlaska/Documents/PCG-AK-Medicaid-Strategy-Final-Report.pdf
Arkansas	We are adding Intensive Care Coordination through Life360 Home.
Iowa	Other: Waiver Waiting List Buy Down.
Kansas	Other: Medicaid Expansion.
Maryland	Mobile Crisis is funded through the Governor's budget.
Minnesota	Further expanded/restored benefits, eligibility enhancements and delivery system/MCO changes will start in fiscal year 2024.
Missouri	Other: Implementation of Value Based Payment methodologies.
New Mexico	NM expanded telehealth in 2019.
North Carolina	Other: Governor is proposing Medicaid Expansion.
Oklahoma	Other: Implemented adult dental limited benefit program and the alternative pain management treatment programs in SFY 2022.
Pennsylvania	Other: Strengthen, enhance and expand HCBS, Minimum Wage increase effective 7/1/22.
Tennessee	Our most significant issue is currently the inability to redetermine eligibility, which is driving up enrollment and costs. Knowing when the e-FMAP will end and how long we will be allowed to run the population through redetermination after the end of the PHE are significant issues as well.
Texas	To comply with the Families First Coronavirus Response Act (FFCRA), the state is maintaining Medicaid during the public health emergency at the same or better level of benefits.

APPENDIX

TABLE A-1

Recommended Revenue Changes by Type of Revenue, Fiscal 2023

State	Tax Change Description	Effective Date	Fiscal 2023 Revenue Impact (\$ in millions)		
			General Fund	Other State Fund	Total
SALES & USE TAXES					
Colorado	Sales Tax Compliance Assistance for Small Businesses	07-22	-\$5.0		-\$5.0
	Back to School Sales Tax Holiday	07-22	-56.0		-56.0
Florida	Disaster Preparedness Sales Tax Holiday	05-22	-8.5		-8.5
	Freedom Week Sales Tax Holiday	07-22	-44.1		-44.1
Indiana	Elimination of Utility Receipts Tax and Utility Services Use Tax	07-22	-222.4		-222.4
Kansas	Lower the food sales tax rate to 0.0 percent	07-22	-449.0	\$6.1	-442.9
Massachusetts	Senior Circuit Breaker Credit	07-22	-60.0		-60.0
Minnesota	PTAC	07-22	-96.7		-96.7
New Hampshire	Decrease Meals & Room tax rate to 8.5% from 9%	10-21	-18.4	-0.6	-19.0
New Mexico	Land Grand Mercer Assistance Fund (LGMAF)- GRT	07-22	-1.5		-1.5
New York	Modernize Tax Law to Include the Vacation Rental Industry	09-22	20.0	2.0	22.0
	Exempt investment coins and bullion	10-21	-5.9	-0.2	-6.1
Ohio	Exclude employee placement services from taxation	10-21	-138.6	-4.8	-143.4
Oklahoma	The Governor supports reducing the state sales tax on groceries	07-22	-140.1	-17.5	-157.6
Vermont	Manufactured Housing Replacement Tax Credit		-1.0		-1.0
Washington	Clean Energy Manufacturing Sales Tax Deferral	07-22	-3.1	0.0	-3.1
Total Revenue Changes—Sales & Use Tax			-\$1,230.3	-\$15.0	-\$1,245.3

* See Notes to Table A-1 at the end of the appendix.

Table A-1 continues on next page.

TABLE A-1

Recommended Revenue Changes by Type of Revenue, Fiscal 2023

State	Tax Change Description	Effective Date	Fiscal 2023 Revenue Impact (\$ in millions)		
			General Fund	Other State Fund	Total
PERSONAL INCOME TAXES					
Arizona	State EITC Implementation	07-22	-\$74.0		-\$74.0
	Prop 208 Repeal	01-22	314.4		314.4
California	Allow YCTC for Zero Income Returns	07-22	-24.0		-24.0
	Clean Energy Tax Credit	07-22	-5.0		-5.0
	Foster Youth EITC	07-22	-19.0		-19.0
	Green Tech R&D Credit	07-22	-25.0		-25.0
	Index YCTC to Inflation	07-22	-19.0		-19.0
	Lift Credit/NOL Suspension 1 YR Early	02-22	-275.0		-275.0
	Restaurant Revitalization Grant Conformity	02-22	-47.5		-47.5
	Shuttered Venue Grant Conformity	02-22	-24.5		-24.5
Connecticut	Accelerate existing pensions/annuities exemption to 100% in TY 2022	01-22	-42.9	\$0.0	-42.9
Delaware	UI tax deduction	01-22	-6.3		-6.3
	Vol Firefighter tax credit	01-22	-1.8		-1.8
	Military tax incentive	01-22	-1.4		-1.4
Georgia	Exemption for military pension income	01-23	-60.0		-60.0
Idaho	Change in Tax Brackets	07-22	-223.9		-223.9
	Conformity	07-22	-8.8		-8.8
Indiana	Reduction of individual income tax rate from 3.23% to 3.15%	01-22	-98.7		-98.7
Iowa	Exempt retirement income from state taxation, exempt farm income of retired farmers, exempt capital gains from one corporate stock or ESOP, phased in over three years, phased-in reduction of individual income tax rates over four years to a flat 4.0 percent in FY2026.	01-23	-225.9		-225.9
Kansas	TV & Film Tax Credit	07-22			0.0
Kentucky	Exempt military retirement benefits	01-22	-9.3		-9.3
Maine	Increases the earned income tax credit for tax years beginning on or after January 1, 2022		-26.2		-26.2
	Increases the maximum property tax fairness credit for tax years beginning on or after January 1, 2022		-6.7		-6.7
	Replaces the current credit for educational opportunity with a broader and simpler credit of up to \$2,000 for an individual's repayment of student loans for taxable years beginning on or after January 1, 2022		-53.2		-53.2
	Adjust revenue to conform to the United States Internal Revenue Code as of Dec 31, 2020.	06-21	-4.7		-4.7
	Adjust revenue to conform to federal Covid-related tax measures authorized in ARPA	07-21	-0.9		-0.9
	Increase maximum property tax fairness credit for tax years 2022 and later	07-21	-17.3		-17.3
Maryland	Eliminate 100% of state retirement taxes in Maryland with a phased-in approach starting in tax year 2022.		-188.0		-188.0
Massachusetts	Dependent Related Credits	07-22	-167.0		-167.0
	Short-Term Capital Gains	07-22	-117.0		-117.0
	Increased Rent Deductions	07-22	-77.0		-77.0
	No Tax Status	07-22	-41.0		-41.0

* See Notes to Table A-1 at the end of the appendix.

Table A-1 continues on next page.

TABLE A-1 (CONTINUED)

Recommended Revenue Changes by Type of Revenue, Fiscal 2023

State	Tax Change Description	Effective Date	Fiscal 2023 Revenue Impact (\$ in millions)		
			General Fund	Other State Fund	Total
PERSONAL INCOME TAXES					
Michigan	Retirement tax rollback	10-22	-\$107.0		-\$107.0
	Increase EITC	10-22	-262.0		-262.0
Minnesota	PTAC	07-22	-115.3		-115.3
Mississippi*	Eliminate 4% Bracket	07-23			0.0
Nebraska	Individual Income Tax	01-23	-24.7		-24.7
	Social Security	01-23	-40.8		-40.8
New York	Accelerate the Implementation of the Middle-Class Tax Cut	01-23	-162.0	\$0.0	-162.0
	Provide Small Business Tax Relief	01-22	-100.0	0.0	-100.0
	Provide a Homeowner Tax Rebate Credit	04-22	-2,200.0	0.0	-2,200.0
North Dakota	2 year Tax credit was passed	11-22	-106.0		-106.0
	Exemption of Social Security	11-22	-7.3		-7.3
Ohio	Creates three new tax credits pertaining to private education: expenses for home schooling; contributions to qualified non-profit scholarship-granting organization; tuition paid to non-chartered, non-public school. (Each tax credit has a maximum allowable credit amount.)	Taxable years beginning on or after 01/01/2021	-58.3	-2.0	-60.3
	Suspend inflation indexing of personal exemption during tax years 2021 and 2022	Taxable years beginning on or after 01/01/2021, through 12/31/2022	37.3	1.2	38.5
	Set the top income tax rate at 3.99% (causing elimination of previous top income bracket, and lowering the rate for what has become the highest bracket); reduce rates for all other taxable income brackets by 3.0%; increase the income level for the non-taxable (bottom) income bracket	Taxable years beginning on or after 01/01/2021	-795.8	-27.3	-823.1
	Reduce pass-through entity withholding tax rates (one-time loss in FY 2023)	Taxable years beginning on or after 01/01/2023	-45.1	-1.5	-46.6
	Enacted after the FY22-23 operating budget: Tax credit for employers of participants in career-technical education program	Credits will be first issued during calendar year 2023	-5.0	0.0	-5.0
Oregon	New Refundable Tax Credit for employers that provide overtime compensation to agricultural workers	01-22	17.0	0.0	17.0
Rhode Island	Phase-Out of Military Pensions from Adjusted Gross Income, 20% Per Year Starting in Tax Year 2023	01-23	-0.7		-0.7
South Carolina	Tax rate reduction	01-22	-197.9		-197.9
Utah	Refundable tax credit	01-22	-160.0		-160.0
Vermont	Nursing Income Tax Credit		-15.4		-15.4
	Childcare Worker Income Tax Credit		-5.5		-5.5
Wisconsin*	Exempt restaurant revitalization grants received under the American Rescue Plan Act of 2021	01-21	-23.1		-23.1
	Increase allowable capital loss deduction from \$500 to match federal cap of \$3000	01-23	-4.3		-4.3
Total Revenue Changes—Personal Income Tax			-\$5,958.4	-\$29.6	-\$5,988.1

* See Notes to Table A-1 at the end of the appendix.

Table A-1 continues on next page.

TABLE A-1 (CONTINUED)

Recommended Revenue Changes by Type of Revenue, Fiscal 2023

State	Tax Change Description	Effective Date	Fiscal 2023 Revenue Impact (\$ in millions)		
			General Fund	Other State Fund	Total
CORPORATE INCOME TAXES					
Arizona	Manufacturing Tax Incentives	07-22	-\$58.3		-\$58.3
	Clean Energy Tax Credit	07-22	-45.0		-45
	Green Tech R&D Credit	07-22	-225.0		-225
California	Lift Credit/NOL Suspension 1 YR Early	02-22	-5,225.0		-5,225
	Restaurant Revitalization Grant Conformity	02-22	-47.5		-47.5
	Shuttered Venue Grant Conformity	02-22	-24.5		-24.5
Connecticut	Expand Employer Student Loan Tax Credit Eligibility to all CHESLA Borrowers	01-22	-9.4	0	-9.4
Idaho	Change in Tax Liability	07-22	-27.3		-27.3
	Conformity	07-22	0.9		0.9
Indiana	Coal Gasification Credit	07-22	-15.0		-15
Iowa	A phased in reduction of corporate income tax rates from a top rate of 9.8% to a top rate of 5.5%, triggered when net corporate income tax receipts exceed \$700 million in a fiscal year.	01-23	-6.5		-6.5
Maine	Adjust revenue to conform to the United States Internal Revenue Code as of Dec 31, 2020.	06-21	10.1		10.1
	Adjust revenue to conform to federal Covid-related tax measures authorized in ARPA	07-21	-0.1		-0.1
Minnesota	PTAC	07-22	-26.5		-26.5
	Decrease Business Enterprise Tax rate 0.55% from 0.675%	12-22	-1.2	-12.1	-13.3
	Decrease Business Profit Tax rate to 7.6% from 7.7%	12-22	-3.6		-3.6
New Hampshire	Business Taxes Credit Carry forward Provisions	12-22	-6.7	-4.3	-11
	Paycheck Protection Program (PPP) Business Tax Exemption	12-22	-35.6	-8.4	-44
Pennsylvania	Modernizes the tax base by strengthening current addback requirements, codifying economic nexus rules, and adopting market sourcing for intangibles. Effective for tax years beginning on or after January 1, 2023, the CNIT rate is proposed to be reduced from 9.99% to 7.99%. Within the scope of this budget, the CNIT rate is proposed to be further reduced to 6.99% in 2026 and 5.99% in 2027, ultimately reaching 4.99% in the future.	01-23	-79.4		-79.4
Rhode Island	Reduce Corporate Minimum Tax from \$400 to \$375	01-23	-0.8		-0.8
Total Revenue Changes—Corporate Income Tax			-\$5,826.4	-\$24.8	-\$5,851.2

* See Notes to Table A-1 at the end of the appendix.

Table A-1 continues on next page.

TABLE A-1 (CONTINUED)

Recommended Revenue Changes by Type of Revenue, Fiscal 2023

State	Tax Change Description	Effective Date	Fiscal 2023 Revenue Impact (\$ in millions)		
			General Fund	Other State Fund	Total
CIGARETTE TAXES					
Indiana	Closed system vape cartridge tax lowered to 15%		-\$2.7		-\$2.7
Total Revenue Changes—Cigarette Tax			-\$2.7	\$0.0	-\$2.7
MOTOR FUEL TAXES					
Florida	Tax Reduction 25 cents July - Nov	07-22		-\$935.6	-\$935.6
Total Revenue Changes—Motor Fuel Tax			\$0.0	-\$935.6	-\$935.6
GAMING TAXES / LOTTERY REVENUE					
Ohio	Enacted after the FY22-23 operating budget: Imposes a sports gaming tax. Effective date to be designated by the Casino Control Commission, but no later than January 1, 2023.	01-23	\$0.0	\$7.0	\$7.0
Total Revenue Changes—Gaming Tax			\$0.0	\$7.0	\$7.0
OTHER TAXES AND REVENUE					
California	Managed Care Organization Tax	12-22	-\$285.2		-\$285.2
Connecticut	Accelerate reversion to full eligibility of Property Tax credit to TY 2022	01-22	-53.0	\$0.0	-53.0
	Expand Property Tax Credit value from \$200 to \$300	01-22	-70.0	0.0	-70.0
Massachusetts	Estate Tax	07-22	-231.0		-231.0
	Federal Conformity and Other Statutory Updates	07-22	27.0		27.0
New Jersey	Adult Use Cannabis	07-21	19.1		19.1
New Mexico	Tax Changes: GRT, GRT- Manufactures exemption, Comp., PIT, Social Security, Solar Mkt. Credit	07-22	-531.7		-531.7
New York	Exempt Certain Water Vessels from the Petroleum Business Tax	09-22	0.0	-1.0	-1.0
Ohio	Kilowatt-hour tax: Alter definition of electric distribution company and create new end-user exemption	10-21	-3.8	-0.1	-3.9
Rhode Island	Legalize and Tax Adult-Use Cannabis	04-22	1.2		1.2
Vermont	Military Pension Income Tax Exemption		-3.1		-3.1
	EITC 45%, CDCC 65%; SocSec threshold > 30k		-21.2		-21.2
	Downtown Village Center Tax Credit		-2.0		-2.0
Total Revenue Changes—Other Tax			-\$1,153.7	-\$1.1	-\$1,154.8

* See Notes to Table A-1 at the end of the appendix.

Table A-1 continues on next page.

TABLE A-1 (CONTINUED)

Recommended Revenue Changes by Type of Revenue, Fiscal 2023

State	Tax Change Description	Effective Date	Fiscal 2023 Revenue Impact (\$ in millions)		
			General Fund	Other State Fund	Total
FEES					
California*	Managed Care Fund Fee Increase	07-22		\$24.3	\$24.3
	Alcohol License Fee Increase Concurrent with the Consumer Price Index	01-23		1.9	1.9
	Licensing and Certification Program: Statewide Fee Adjustment	07-22		31.4	31.4
	Licensing and Certification Program: Los Angeles County Supplemental Fee Adjustment	07-22		8.2	8.2
	Genetic Disease and Screening Program: Newborn Screening Fee and Prenatal Screening Fee	07-22		40.8	40.8
Florida	ID Card fee elimination	07-22	-\$13.6	-1.1	-14.7
Maryland	Eliminate the filing fees for businesses that submit their annual report online with the State Department of Assessments and Taxation. This elimination includes the \$300 annual filing fee for companies, LLCs, and other legal entities, as well as the \$100 fee for family farms.		-36.0		-36.0
Minnesota	Non-Tax Revenues	07-22	-1.0		-1.0
New Jersey	Motor Vehicle License Renewal Holiday	07-22	-19.7		-19.7
	Application & Renewal Fees for Nursing & Respiratory Care Holiday	07-22	-3.4		-3.4
	Marriage License Fees Holiday	07-22	-1.2		-1.2
	Park Entrance Fees Holiday	07-22	-2.7		-2.7
New York	Extend the Waste Tire Management Fee for Five Years	01-23	0.0	5.0	5.0
Rhode Island	Reenact a 5.725% Hospital Licensing Fee on HFY 2020 Base	07-22	170.2		170.2
	Reduce Interest Rate to 12% for Delinquent Tax Payments	01-23	-2.5		-2.5
Utah	Commerce fee reduction	01-23	-5.3		-5.3
Total Revenue Changes—Fees			\$84.8	\$110.5	\$195.3

* See Notes to Table A-1 at the end of the appendix.

TABLE A-2

Recommended Revenue Measures, Fiscal 2023

State	Description	Effective Date	Fiscal 2023 Revenue Impact (\$ in millions)		
			General Fund	Other State Fund	Total
SALES TAXES					
Ohio	Increase share of GRF tax revenue to be allocated to Public Library Fund: sales tax revenue transfer increased from 0.83% of GRF to 0.85% of GRF	07-21	-\$5.6	\$5.6	\$0.0
PERSONAL INCOME TAXES					
Kansas	Job Creation Program Fund (deal closing fund funding with withholdings taxes)	07-22	-31.5	31.5	0.0
CIGARETTE/TOBACCO TAXES					
Pennsylvania	A transfer of funds from the cigarette tax to the Tobacco Settlement Fund to replace monies deducted from the Master Settlement Agreement for deposit in the Tobacco Revenue Bond Debt Service Account is proposed.		-115.3	115.3	0.0
GAMING TAX / LOTTERY REVENUE					
Pennsylvania	Eliminates the requirement that table games taxes be deposited into the Property Tax Relief Fund, keeping the tax in the General Fund. Current law requires table games taxes to be permanently diverted from the General Fund once the Budget Stabilization Reserve Fund exceeds \$750 million on the last day of a fiscal year. With the transfer made from the General Fund in September 2021, the balance of the Budget Stabilization Reserve Fund exceeds this threshold.	07-22	133.5	-133.5	0.0
Vermont	Sports Betting		2.0		2.0
OTHER TAXES AND REVENUES					
Connecticut	Captive Insurers Initiative	07-22	7.5	0.0	7.5
	Transfer HCBS/SUD Revenue from FY2022 to FY2023	Passage	83.2	0.0	83.2
	Revenue gain attributable to Expenditure changes	07-22	9.4	0.0	9.4
	Reduce revenue replacement from ARPA 2021 — Federal Stimulus	Passage	-250.0	0.0	-250.0
Ohio	Increase share of GRF tax revenue to be allocated to Public Library Fund: kilowatt-hour tax revenue transfer increased from 0.83% of GRF to 0.85% of GRF	07-21	-5.6	5.6	0.0
Pennsylvania	A transfer of funds from the personal income tax to the Environmental Stewardship Fund for Growing Greener debt service payments is proposed.		-12.3	12.3	0.0
	A transfer of funds from the personal income tax to the school Safety and Security Fund for grant payments is proposed.		-45.0	45.0	0.0
	To comply with the intent of Act 16 of 2016, this budget reflects transfer of the unexpended fund balance of the Medical Marijuana Program Fund to the General Fund to offset Department of Health operations.		36.6	-36.6	0.0
Vermont	Student Loan Interest Deduction		-3.3		-3.3
Total			-\$196.4	\$45.2	-\$151.2

* See Notes to Table A-2 at the end of the appendix.

TABLE A-3

Mid-Year Revenue Changes by Type of Revenue, Fiscal 2022

State	Tax Change Description	Effective Date	Fiscal 2022 Revenue Impact (\$ in millions)		
			General Fund	Other State Fund	Total
SALES & USE TAXES					
Arkansas	To exempt certain electronic devices during the sales tax holiday	06-21	-\$1.3		-\$1.3
	Used Motor Vehicle Sales Tax Adjustment	01-22	-6.5		-6.5
	Sales tax exemptions for items sold for use in printing	07-21	-2.6		-2.6
	Expand "instructional materials" for purposes of sales tax exemption	07-21	-4.4		-4.4
	Sales tax exemption for water used in poultry farming	07-21	-1.8		-1.8
Michigan	Feminine hygiene products	02-22	-3.8	-\$0.4	-4.2
New York	Manufacturer's coupons used by the consumer	12-21	5.0	0.3	5.3
Total Revenue Changes — Sales & Use Tax			-\$15.4	-\$0.2	-\$15.6
PERSONAL INCOME TAXES					
Arkansas	Exempt Unemployment benefits for tax years 2020 and 2021	Tax Year 2020	-\$3.1		-\$3.1
	To reduce personal and corporate income taxes	01-22	-135.3		-135.3
California	Shuttered Venue Grant Conformity	02-22	-22.5		-22.5
	Restaurant Revitalization Grant Conformity	02-22	-42.5		-42.5
Colorado	HB 21-1311	06-21	5.3	\$6.6	11.9
Idaho	Conformity	01-22	-8.9		-8.9
Maine	Increases the earned income tax credit for tax years beginning on or after January 1, 2022		-26.2		-26.2
	Increases the maximum property tax fairness credit for tax years beginning on or after January 1, 2022		-6.7		-6.7
	Replaces the current credit for educational opportunity with a broader and simpler credit of up to \$2,000 for an individual's repayment of student loans for taxable years beginning on or after January 1, 2022				0.0
Michigan	Flow through entity	12-21	-29.6	102.6	73.0
	Wagering loss deduction	12-21	-10.1	-1.9	-12.0
Nebraska	Social Security	01-21	-15.1		-15.1
	Military Retirement	01-22	-8.0		-8.0
	Property Tax Incentive Credit	01-21	-423.2		-423.2
North Dakota	2 year tax credit was passed	11-22	-106.0		-106.0
	Exemption of Social security	11-22	-7.3		-7.3
South Carolina	Rate Reduction		-8.8		-8.8
Total Revenue Changes — Personal Income Tax			-\$848.0	\$107.3	-\$740.7

Table A-3 continues on next page.

TABLE A-3 (CONTINUED)

Mid-Year Revenue Changes by Type of Revenue, Fiscal 2022

State	Tax Change Description	Effective Date	Fiscal 2022 Revenue Impact (\$ in millions)		
			General Fund	Other State Fund	Total
CORPORATE INCOME TAXES					
Arkansas	Exempt certain forgiven small business loans	01-20	-\$179.0		-\$179.0
	Impose a tax on pass-through entities	01-22	2.1		2.1
	Income tax credit for railroad track maintenance expenses	01-21	-4.9		-4.9
California	Shuttered Venue Grant Conformity	02-22	-22.5		-22.5
	Restaurant Revitalization Grant Conformity	02-22	-42.5		-42.5
Idaho	Conformity	01-22	0.2		0.2
Nebraska	Corporate Tax Rates	01-22	-1.9		-1.9
	Urban Redevelopment Credit	01-22	-1.4		-1.4
Total Revenue Changes — Corporate Income Tax			-\$249.9	\$0.0	-\$249.9
MOTOR FUEL TAX					
Georgia	Suspending gas tax	03-22	-\$400.0		-\$400.0
Maryland	30-day gas tax holiday	03-22		-\$100.0	-100.0
Total Revenue Changes — Motor Fuel Tax			-\$400.0	-\$100.0	-\$500.0
OTHER TAXES AND REVENUES					
Colorado	HB 21-1312 — Insurance Premium Property Sales Severance Tax	06-21	\$97.4	\$2.0	\$99.4
New Jersey	Adult Use Cannabis	07-21	4.0	0.0	4.0
Total Revenue Changes — Other			\$101.4	\$2.0	\$103.4
FEES					
California	Managed Care Fund Fee Decrease	07-22		-\$18.6	-\$18.6
Total Revenue Changes — Fees			\$0.0	-\$18.6	-\$18.6

TABLE A-4

Mid-Year Revenue Measures, Fiscal 2022

State	Tax Change Description	Effective Date	Fiscal 2022 Revenue Impact (\$ in millions)		
			General Fund	Other State Fund	Total
SALES & USE TAXES					
Nebraska	Sales Tax Exemptions	10/01/2021	-\$7.3		-\$7.3
	Residential Water	10/01/2022	-4.6		-4.6
PERSONAL INCOME TAXES					
Georgia	Income tax refund from FY21 budget surplus	03-22	-\$1,100.0	\$0.0	-\$1,100.0
Idaho	One-time Tax Rebate	01-22	-350.0		-350.0
	Statue of Limitations Extension	01-22	-5.0		-5.0
Kansas	Job Creation Program Fund (deal closing fund funding with withholdings taxes)	Upon Publication	-5.0	5.0	0.0
CORPORATE INCOME TAXES					
Arkansas	Arkansas Wood Energy Products and Forest Maintenance income tax credit	Tax Year 2021	-\$5.0		-\$5.0
ALCOHOLIC BEVERAGES TAXES					
Nebraska	Cocktail Tax & Promo Licenses	05-21	-\$1.7		-\$1.7
GAMING TAX / LOTTERY REVENUE					
Indiana*	Filing date change for casino riverboat wagering taxes (effects one month of distributions)	03-22	-\$39.1	\$0.0	-\$39.1
OTHER TAXES AND REVENUES					
Arkansas	Extension of 4.5 mills gas assessment to be deposited as general revenue	07-21	\$1.8		\$1.8
Rhode Island	Shift Bond Refunding Payment from FY 2021 to FY 2022 Due to Accounting Rules	07-22	5.9		5.9
Total			-\$1,510.0	\$5.0	-\$1,505.0

*See Notes to Table A-4 at the end of the appendix.

TABLE A-5

Fiscal 2024 State General Fund, Recommended (Millions)

State	Beginning Balance	Revenues	Adjustments	Total Resources	Expenditures	Adjustments	Ending Balance	Rainy Day Fund Balance
Kentucky*	23.1	\$14,777.0	\$1,875.0	\$16,675.1	\$14,802.5	\$1,872.6	\$0.0	\$1,756.9

NOTES: The states listed above opted to provide fiscal 2024 data based on their governors' biennial budget recommendations. In addition, the governors of Virginia and Wyoming recommended fiscal 2023–2024 biennial budgets. *See Notes to Table A-5 at the end of the appendix.

TABLE A-6

Fiscal 2024 Recommended Program Area Appropriation Changes by Dollar Value (Millions)

State	K-12 Education	Higher Education	Public Assistance	Medicaid	Corrections	Transportation	Other	Total
Kentucky*	\$819.2	\$195.1		\$493.5	\$61.6	\$56.6	\$202.6	\$1,828.5

NOTE: The states listed above opted to provide fiscal 2024 data based on their governors' biennial budget recommendations. *See Notes to Table A-6 at the end of the appendix. Value of changes are in reference to funding level of FY 2022 enacted budget.

NOTES TO APPENDIX

Notes to Table A-1: Recommended Revenue Changes by Type of Revenue, Fiscal 2023

California	The proposed alcohol license fee increase applies to the majority of existing alcohol license application and renewal fees in the Alcoholic Beverage Control Act. The fee increase for the various license types is concurrent with the increase in the Consumer Price Index from August 2018 to August 2021. The increase will fund program enhancements and will become effective January 1, 2023.
Mississippi	Fiscal 2023 revenue impact of personal income tax change not determined/disclosed.
Wisconsin	The amounts are not reflected in the fiscal year 2023 revenue estimates shown elsewhere in the report.

Notes to Table A-4: Mid-Year Revenue Measures, Fiscal 2022

Indiana	FY2022 revenue measures are based on estimates from enacted legislation from the 2022 session.
Wisconsin	Subsequent to the enactment of the budget, the state reduced individual income tax withholding to reflect tax rate reductions and indexing changes since 2014. This change was effective on January 1, 2022 and will result in an estimated one-time \$709.8 million revenue loss to the state in fiscal year 2022. The revenue reduction from this withholding change is reflected in current fiscal year 2022 figures reported in this survey.

Notes to Table A-5: Fiscal 2024 State General Fund, Recommended

Kentucky	Revenue includes \$102.2 million in Tobacco Settlement Funds. Revenue adjustments include \$1,872.6 million that represents appropriation balances carried forward from the prior fiscal year, and \$2.4 million from fund transfers into the General Fund. Expenditure adjustments include \$1,872.6 million in appropriation balances forwarded into the next fiscal year.
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Notes to Table A-6: Fiscal 2024 Recommended Program Area Appropriation Changes

Kentucky	Due to a significant amount of one-time spending in the comparison year, FY 2022, the arithmetic representation of FY 2024 spending over FY 2022 spending does not sufficiently express the extent of the recurring increases.
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