

THE FISCAL SURVEY OF STATES

FALL 2018

AN UPDATE OF STATE FISCAL CONDITIONS

A REPORT BY 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' general fund receipts, expenditures, 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 also conducted annually.

Thirty states operate on an annual budget cycle, while 20 states operate on a biennial (two-year) budget cycle. Among the biennial budget states, three states (Kentucky, Virginia and Wyoming) enacted fiscal 2019-fiscal 2020 budgets. The other 17 biennial budget states passed a two-year budget for fiscal

2018 and fiscal 2019 during 2017 legislative sessions, though a number of these states considered and acted upon supplemental appropriations and other mid-biennium budget changes in 2018.

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 August through November 2018. The surveys were completed by executive state budget officers in all 50 states. Fiscal 2017 data represent actual figures, fiscal 2019 figures are preliminary actual, and fiscal 2019 data reflect enacted budgets.

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



EXECUTIVE SUMMARY

Fiscal 2019 is expected to mark the ninth consecutive year of moderate state spending and revenue growth, according to states' enacted budgets. Compared to this time last year, state fiscal conditions show signs of significant improvement. According to this survey, states are projected to increase general fund spending by 4.3 percent in fiscal 2019. With stronger revenue conditions, states adopted spending plans for fiscal 2019 that appropriate \$41.1 billion in new money for K-12 education, higher education, Medicaid and other core government services.

After weak revenue growth in fiscal 2016 and fiscal 2017, tax collections accelerated in fiscal 2018, with total general fund revenues growing a robust 6.4 percent, led by a large uptick in personal income tax collections. Forty states exceeded their original revenue projections for fiscal 2018, the highest number to do so in over a decade. This is in sharp contrast to fiscal 2017, when just 18 states reported revenues came in ahead of budget projections, and 27 states came in below forecast. Revenue performance in early fiscal 2019 has been strong so far as well, with collections coming in above or on target in 33 states and below budget in just five states, among those states reporting this early in the fiscal year. States enacted a mix of tax increases and decreases for fiscal 2019, many in response to the federal *Tax Cuts and Jobs Act*. States are still trying to untangle the complicated effects of the recent federal tax changes on their revenues, as well as assess how much of the recent revenue gains are attributable to recurring versus one-time factors.

Most states continue to strengthen their reserves. Improved revenue conditions in fiscal 2018 led many states to end the year with higher-than-expected balances in their general funds and rainy day funds. Total balances reached an all-time high in nominal dollars of \$90.5 billion in fiscal 2018. The portion of those funds set aside in states' rainy day funds also reached a new high at \$59.9 billion in fiscal 2018, with a median balance of 6.4 percent. According to enacted budgets, states plan to continue building up their rainy day funds, with the median balance expected to rise to 7.3 percent in fiscal 2019.

While conditions have improved overall, budget situations continue to vary significantly by state. Thirty states reported general fund spending amounts for fiscal 2018 that are lower than they were a decade ago in fiscal 2008, after adjusting for inflation — including 12 states with spending levels more than 10 percent

Key Report Findings:

- States' enacted budgets for fiscal 2019 provide for general fund spending growth of **4.3 percent**, with a median growth rate of 3.2 percent.
- States enacted program appropriation increases totaling **\$41.1 billion** in fiscal 2019, compared to increases of \$12.7 billion approved in states' budgets last year.
- Only **7 states** reported making **\$456 million** in mid-year budget cuts due to a shortfall in fiscal 2018.
- General fund revenues saw robust growth in fiscal 2018 of **6.4 percent**, led by a large uptick in personal income tax collections.
- **40 states** saw revenues come in ahead of budget projections in fiscal 2018, the highest number since fiscal 2006.
- States enacted a mix of tax increases and decreases for fiscal 2019, many in response to the new federal tax law.
- Most states continue to strengthen their rainy day funds, with the median balance as a share of general fund spending expected to reach **7.3 percent** in fiscal 2019, from a recent low of 1.6 percent in fiscal 2010.

below their pre-recession peak levels. At the same time, seven states have inflation-adjusted general fund expenditures more than 10 percent above their fiscal 2008 levels. This variation is due to a combination of factors, including demographic trends, regional disparities in economic performance, lingering impacts from the steep decline in oil and gas prices, and fiscal policy decisions. Despite these variations, all states to some extent are facing long-term spending pressures in areas ranging from health care and pensions to adequately funding K-12 education and infrastructure. Even with stronger revenue growth, state spending increases are moderate by historical standards as states focus on bolstering their reserves to prepare for the next downturn and seek long-term structural balance.

State Spending

General Fund Spending in Fiscal 2019 Enacted Budgets.

State general fund spending is forecasted to grow 4.3 percent in fiscal 2019 according to enacted budgets, totaling \$874.6 billion, with a somewhat lower median growth rate of 3.2 percent. Overall, 44 states enacted general fund spending increases in fiscal 2019, with 16 of those states enacting increases greater than five percent. This reflects a considerably improved fiscal situation for states compared to this time last year, when states enacted budgets for fiscal 2018 calling for an aggregate spending increase of just 2.3 percent and only seven states enacted increases greater than five percent. States' enacted budgets for fiscal 2019 also came in significantly above what governors proposed to spend in their recommendations, which can be attributed mainly to higher revenue estimates later in fiscal 2018 compared to when governors were putting together their budgets.

Preliminary Spending Data for Fiscal 2018. General fund spending increased by 3.7 percent in fiscal 2018 to total \$838.2 billion, above the originally enacted level reported in NASBO's *Fall 2017 Fiscal Survey of States*. Last year, states adopted cautious spending plans for fiscal 2018, after many experienced weak revenue growth in the prior two years. However, as revenue conditions continued to improve in fiscal 2018, a number of states had surplus funds available to respond to additional, often one-time, spending needs or to deposit into their reserves. Despite consistent aggregate spending growth in each year since fiscal 2011, general fund spending in fiscal 2018 falls slightly below the pre-recession peak level in fiscal 2008 in real terms, due in part to rising inflation rates.¹ Thirty states spent less from their general funds in fiscal 2018 than they did in fiscal 2008, after adjusting for inflation.

Mid-Year and Enacted Budget Actions

Examining mid-year budget actions, enacted appropriation changes and budget gaps can help illustrate current state fiscal conditions, program area spending trends, and elected officials' priorities.

Fiscal 2018 Mid-Year Budget Actions. Improved revenue conditions in states in fiscal 2018 led to significantly fewer

states making mid-year budget reductions compared to the last couple of years. Seven states reported making net mid-year budget cuts due to a shortfall, totaling \$456 million in fiscal 2018 (several additional states reported mid-year budget reductions that were not attributable to a shortfall, but rather due to caseload reductions, increased resources from another funding source, or other reasons). Overall, 21 states increased their fiscal 2018 budgets in the mid-year, resulting in a net increase of \$2.9 billion across all program areas, compared to originally enacted budgets.

Fiscal 2019 Enacted Appropriation Changes. Similar to states' mid-year budget actions, states' enacted appropriation changes for fiscal 2019 also reflect an improved fiscal environment relative to last year. For fiscal 2019, states enacted appropriation increases across all program areas totaling \$41.1 billion (compared to enacted fiscal 2018 appropriation levels). By comparison, when states enacted their fiscal 2018 budgets, they provided for appropriation increases of just \$12.7 billion. The largest recipient of new money in fiscal 2019 was the "all other" category, which received \$16.3 billion in appropriation increases, followed by elementary and second education, which received appropriation increases totaling \$10.9 billion. Due to upward revisions to revenue estimates in the second half of fiscal 2018, most states ended up enacting budgets calling for higher appropriation levels compared to governors' budget recommendations.

Budget Gaps and Management Strategies. Reported state budget gaps in this survey serve as another indication of a more stable fiscal environment this year. Ten states reported closing budget gaps totaling \$6.2 billion in fiscal 2018, far less than the 23 states that reported closing budget gaps totaling \$17.0 billion in fiscal 2017, according to NASBO's *Fall 2017 Fiscal Survey of States*. So far in fiscal 2019, 11 states reported closing budget gaps totaling \$11.6 billion. States employ a number of strategies to close budget gaps and manage their budgets. In states' enacted budgets for fiscal 2019, despite the improved revenue outlook, 20 states made targeted spending cuts, 11 states eliminated vacant positions or imposed hiring freezes, 10 states used transfers from other funds, eight states planned to draw down on their prior-year fund balance, and eight states reorganized agencies.

¹ Adjusted for inflation, the aggregate general fund spending amount in fiscal 2008 was \$843.2 billion, 0.6 percent below the \$838.2 billion preliminary actual figure for fiscal 2018 reported in this survey. 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 November 28, 2018), is used for inflation adjustments. Quarterly averages are used to calculate fiscal year inflation rates.



Employment Compensation Changes. In this improved budget environment, 29 states reported approving across-the-board salary increases — the highest number of states to report doing so in this survey since the Great Recession. Across-the-board increases averaged roughly 2.4 percent for the states that reported authorizing such an increase. Ten states provided for at least some merit increases in fiscal 2019, averaging about 3.5 percent, and 12 states provided for other compensation changes, such as step increases or targeted increases for certain in-demand employee categories.

State Revenues

Fiscal 2019 Revenue Forecasts. According to states' enacted budgets for fiscal 2019, revenues are expected to total \$868.4 billion, a 2.1 percent increase compared to fiscal 2018 preliminary actual revenues of \$850.3 billion. The modest growth rate is attributable in part to fiscal 2018 preliminary actual revenue collections coming in ahead of what was projected when states were enacting their fiscal 2019 budgets. At the time of data collection, 19 states were already reporting that general fund revenue collections (from all sources) to date were coming in ahead of enacted budget projections for fiscal 2019.

Revenue Collections for Fiscal 2018. Most states saw improved revenue conditions in fiscal 2018 following the slowdown experienced in tax collections in fiscal 2016 and fiscal 2017. Total state general fund revenues grew 6.4 percent in fiscal 2018, the fastest rate of growth observed in the *Fiscal Survey of States* since fiscal 2013. These gains were led by unusually high income tax payments from non-withholding income sources along with continued growth in the economy and jobs, a stronger performance of the stock market in calendar year 2017, and a modest recovery in most energy-producing states following steep oil and gas price declines. Fiscal 2018 revenues in a few states were also bolstered by enacted tax increases. Forty states saw general fund revenues come in ahead of fiscal 2018 budget projections, in sharp contrast to just 18 states that reported revenues came in higher than budgeted in fiscal 2017. States are still working to untangle and better understand these trends and the impacts of the federal tax law and stock market performance on taxpayer behavior, and it remains to be seen how much of the revenue gains in fiscal 2018 were one-time.


Enacted Revenue Actions

States enacted a mix of tax and fee increases and decreases, resulting in a projected net positive revenue impact in fiscal 2019 of \$3.1 billion, including \$2.7 billion in additional general fund revenues. Overall, 16 states approved net tax and fee increases totaling \$4.6 billion in fiscal 2019, while 20 states enacted smaller net decreases totaling -\$1.4 billion. Thirty-two states made conformity adjustments to their tax codes in response to federal tax changes under the *Tax Cuts and Jobs Act* (TCJA), and a third of those states modified personal income tax laws resulting in a reduction in expected revenues. New York's elimination of the Repatriation Tax Deduction, estimated to increase corporate income tax revenues by \$2 billion, represents the most impactful revenue action for fiscal 2019 on a dollar basis. Oklahoma's set of tax increases represented the largest revenue increase as a percentage of the state's general fund. Other states that enacted sizeable tax increases on net include New Jersey and Louisiana. Most tax decreases enacted by states were moderately sized and in the area of personal income taxes. Missouri and Washington State reported the largest net decreases in taxes and fees enacted for fiscal 2019 on a dollar basis, while Idaho's tax cuts represented the greatest revenue reduction as a share of the state's general fund.

State Balances

One particularly promising trend in state finances in recent years has been the strengthening of states' reserves. Improved revenue conditions in fiscal 2018 helped many states continue to bolster their ending balances and savings accounts, or rainy day funds.

Rainy Day Funds. Rainy day fund balances are a crucial tool that states rely on during fiscal downturns and to address shortfalls. States have made building up their reserves a priority in the years since the Great Recession. Since fiscal 2010, the median rainy day fund balance level as a percentage of general fund spending has grown from 1.6 percent to 6.4 percent in fiscal 2018. Looking ahead, states' enacted budgets predict that the median rainy day fund balance will continue to rise, reaching 7.3 percent of general fund spending by the end of fiscal 2019. Thirty-one states increased their rainy day fund balances in fiscal 2018, and 26 states are projecting increases in fiscal 2019.



Total Balances. Total balances include ending balances and the amounts in states' rainy day or budget stabilization funds. Total balances reflect the surplus funds and reserves that states may use for liquidity to respond to unforeseen circumstances and to help resolve revenue shortfalls, though in some states, part of the ending balance may already be

reserved for expenditure in a subsequent year. Total balances reached a new all-time high in nominal dollars in fiscal 2018, totaling \$90.5 billion — or 10.8 percent of general fund spending. The median total balance was 11.1 percent in fiscal 2018 and is expected to drop to 10.1 percent in fiscal 2019.

This edition of the Fiscal Survey of States reflects actual fiscal 2017, preliminary actual fiscal 2018, and enacted fiscal 2019 figures (except where otherwise noted). The data were collected in the fall of 2018.



STATE EXPENDITURE DEVELOPMENTS

CHAPTER ONE

Overview

State general fund spending in fiscal 2019 is budgeted to total \$874.6 billion across all 50 states, based on enacted budgets, an increase of 4.3 percent compared to preliminary actual fiscal 2018 spending levels. (See Table 1, Figure 1) Overall, 44 states enacted general fund spending increases in fiscal 2019, with 16 of those states enacting increases greater than five percent. This reflects a considerably improved fiscal situation for states compared to this time last year, when states enacted budgets for fiscal 2018 calling for an aggregate spending increase of just 2.3 percent and only seven states enacted increases greater than five percent. States' enacted budgets also came in significantly above what governors proposed to spend in their recommendations for fiscal 2019, which can be attributed to higher revenue estimates later in fiscal 2018 compared to when governors were putting together their budgets.

General fund spending increased by 3.7 percent in fiscal 2018. Despite consistent aggregate spending growth in each year since fiscal 2011, general fund spending in fiscal 2018 falls slightly below the pre-recession peak level in fiscal 2008 in real terms, due in part to rising inflation rates.² Growth since the Great Recession has been uneven across the states. In fiscal 2018, 30 states spent less from their general funds than they did in fiscal 2008, after adjusting for inflation, with 12 of those states spending 10 percent or more below their pre-recession levels. At the same time, seven states reported general fund spending last year exceeding their fiscal 2008 inflation-adjusted levels by more than 10 percent.

State General Fund Spending

Enacted Spending for Fiscal 2019. States have approved general fund spending in the amount of \$874.6 billion in fiscal 2019 according to enacted budgets, representing a 4.3 percent increase compared to preliminary actual spending levels for fiscal 2018. In the aggregate, general fund expenditures in

State Spending from All Sources

This report captures only state general fund spending. General fund spending represents the primary component of discretionary expenditures of revenue derived from general sources which have not been earmarked for specific items. According to the most recent edition of NASBO's *State Expenditure Report*, estimated fiscal 2018 spending from all sources (general funds, federal funds, other state funds and bonds) is approximately \$2.03 trillion. General funds represent the largest category of *total* state spending by fund source at 40.5 percent, followed by federal funds at 31.2 percent, other state funds at 26.5 percent, and bonds at 1.8 percent. The program area components of total state spending for estimated fiscal 2018 are: Medicaid, 29.7 percent; elementary and secondary education, 19.6 percent; higher education, 10.1 percent; transportation, 8.0 percent; corrections, 3.1 percent; public assistance, 1.3 percent; and all other expenditures, 28.3 percent.

For estimated fiscal 2018, components of general fund spending are elementary and secondary education, 35.8 percent; Medicaid, 20.2 percent; higher education, 9.7 percent; corrections, 6.8 percent; public assistance, 1.0 percent; transportation, 0.7 percent; and all other expenditures, 25.8 percent.

enacted budgets are approximately \$12.8 billion greater than what was called for in governors' recommended budgets, as reported in NASBO's *Spring 2018 Fiscal Survey of States*. This is attributable to higher revenue estimates in most states when legislatures were passing budgets, compared to the projections used when governors were putting together their budget proposals. Thirty-two states reported higher enacted spending levels for fiscal 2019 than what their governors proposed to spend, while just 12 states enacted budgets providing for low-

²Adjusted for inflation, the aggregate general fund spending amount in fiscal 2008 was \$843.2 billion, 0.6 percent below the \$838.2 billion preliminary actual figure for fiscal 2018 reported in this survey. 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 November 28, 2018), is used for inflation adjustments. Quarterly averages are used to calculate fiscal year inflation rates.

³The 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 November 28, 2018), is used for inflation adjustments. Quarterly averages are used to calculate fiscal year inflation rates.

er spending that what was proposed. Six states reported the same spending levels in NASBO's Spring and Fall 2018 Fiscal Survey editions, mainly because they budget on a biennial basis and therefore reported on their enacted budget for fiscal 2019 in the *Spring 2018 Fiscal Survey*.

Preliminary Actual Spending for Fiscal 2018. This edition of the Fiscal Survey of States shows general fund spending increased 3.7 percent in fiscal 2018 to total \$838.2 billion. In contrast to fiscal 2017, when actual spending came in below what states budgeted to spend, preliminary actual spending came in roughly \$8.0 billion above states' enacted budgets for fiscal 2018, as reported in NASBO's *Fall 2017 Fiscal Survey of States*. Last year, states adopted cautious spending plans for fiscal 2018, after many experienced weak revenue growth in the prior two years. As revenue conditions continued to improve in fiscal 2018, a number of states had surplus funds available to respond to additional, often one-time, spending needs or to deposit into their reserves (which are recorded as expenditures when they are directly appropriated to reserves). Adjusting for inflation, general fund spending in fiscal 2018 increased just 0.3 percent.³ (See [Tables 3-5](#))

Spending Growth by State. For fiscal 2019, 28 states have general fund spending growth between 0 and 5.0 percent, 13 states expect general fund spending growth between 5 and 10 percent, three states anticipate spending growth greater than 10 percent, and just six states enacted budgets with general fund expenditures below their fiscal 2018 levels. In fiscal 2018,

25 states had preliminary actual spending growth between 0 and 5 percent, 14 states had growth between 5 and 10 percent, and 1 state reported spending growth greater than 10 percent compared to fiscal 2017, while 10 states reported preliminary actual spending declines. 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. There are also state-specific anomalies that can impact annual spending growth figures. In fiscal 2019, Vermont reported a double-digit decline in general fund spending; this is due to a restructuring of a portion of the state's Education Fund revenue sources, which were previously deposited first into the general fund but will now go directly into the Education Fund. In fiscal 2018, Ohio reported a substantial spending decline due to replacing a sales tax on Medicaid managed care companies (which was deposited into the general fund) with a provider assessment (which is deposited into a non-general fund). (See [Tables 2 and 6](#))

Looking over the two-year period from fiscal 2017 to fiscal 2019, 12 states experienced double-digit percentage general fund spending increases in that time. Half of these states are in the West (California, Colorado, Idaho, Oregon, Utah and Washington), where the economy and population continue to grow faster compared to the national average. Several others (Illinois, Kansas, and Oklahoma) recently passed significant tax increases to address structural budget issues. New York reported a large spending increase enacted for fiscal 2019, but much of the increase is attributable to one-time expenditures.

TABLE 1
State Nominal and Real Annual Spending
Increases, Fiscal 1979 to Fiscal 2019

Fiscal Year	State General Fund	
	Nominal Increase	Real Increase
2019	4.3%	
2018	3.7	0.3%
2017	3.1	1.4
2016	3.5	3.7
2015	4.4	3.2
2014	4.5	1.5
2013	4.2	1.4
2012	3.4	0.7
2011	3.5	0.3
2010	-5.7	-6.7
2009	-3.8	-5.9
2008	4.9	-0.6
2007	9.4	4.4
2006	8.1	2.6
2005	5.9	0.2
2004	2.9	-0.3
2003	-0.1	-3.2
2002	0.6	-1.5
2001	8.0	3.5
2000	7.8	3.1
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	4.1
1993	3.2	0.0
1992	4.6	1.4
1991	5.2	0.4
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	-6.4
1982	6.4	-1.5
1981	16.3	4.9
1980	10.0	-0.5
1979	10.1	3.2
1979–2018 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 November 28, 2018), is used for state expenditures in determining real changes. Fiscal Year real changes are based on quarterly averages. Fiscal 2017 figures are based on the change from fiscal 2016 actuals to fiscal 2017 actuals. Fiscal 2018 figures are based on the change from fiscal 2017 actuals to fiscal 2018 preliminary actuals. Fiscal 2019 figures are based on the change from fiscal 2018 preliminary actuals to fiscal 2019 enacted figures.

FIGURE 1:
Annual Percentage Budget Changes, Fiscal 1990 to Fiscal 2019

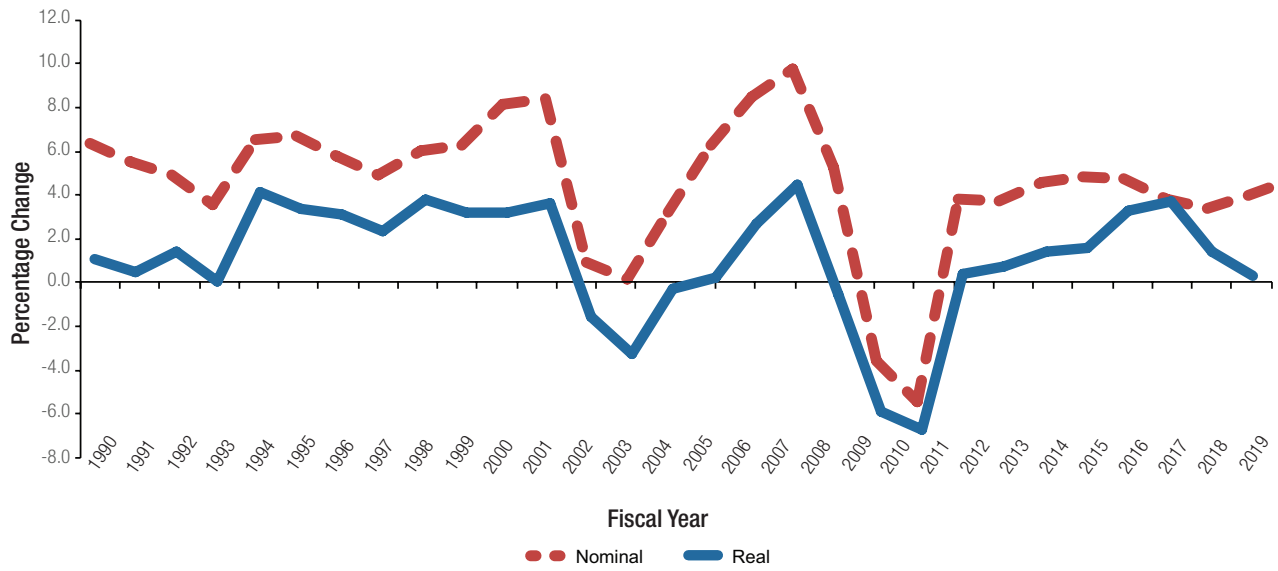


TABLE 2
State General Fund Expenditure Growth,
Fiscal 2017 to Fiscal 2019

Spending Growth	Fiscal 2017 (Actual)	Fiscal 2018 (Preliminary Actual)	Fiscal 2019 (Enacted)
Less than 0%	8	10	6
0% to 5%	28	25	28
5% to 10%	12	14	13
Greater than 10%	2	1	3

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

TABLE 3
Fiscal 2017 State General Fund, Actual (Millions)

State	Beginning Balance	Revenues	Adjustments	Total Resources	Expenditures	Adjustments	Ending Balance	Rainy Day Fund Balance
Alabama*	\$185	\$8,197	\$50	\$8,432	\$8,166	\$116	\$150	\$766
Alaska*	0	1,354	745	2,099	4,498	764	-3,162	4,641
Arizona	284	9,502	0	9,787	9,636	0	151	461
Arkansas*	0	5,349	0	5,349	5,349	0	0	123
California*	4,504	119,982	-132	124,354	119,292	-640	5,702	11,251
Colorado* **	513	10,276	45	10,833	10,425	-206	614	614
Connecticut*	0	17,703	0	17,703	17,727	-1	-23	213
Delaware* **	568	4,013	0	4,581	4,106	0	475	221
Florida	1,892	29,945	0	31,836	30,322	0	1,515	1,384
Georgia* **	2,131	23,268	260	25,660	23,188	0	2,472	2,309
Hawaii	1,028	7,352	0	8,379	7,486	0	894	311
Idaho*	51	3,448	27	3,526	3,262	163	101	413
Illinois* **	967	30,333	171	31,471	31,011	-908	1,368	10
Indiana*	776	15,497	0	16,273	15,455	516	303	1,474
Iowa*	0	7,096	162	7,258	7,258	0	0	605
Kansas	37	6,348	0	6,385	6,277	0	109	0
Kentucky*	334	10,571	581	11,486	11,169	201	116	151
Louisiana*	-314	9,456	155	9,297	9,149	26	123	287
Maine*	71	3,416	39	3,526	3,346	123	57	209
Maryland*	385	16,699	234	17,317	17,289	-230	259	833
Massachusetts* **	1,482	41,167	617	43,267	41,202	617	1,448	1,301
Michigan*	604	9,872	31	10,507	9,809	75	623	710
Minnesota* **	3,102	21,334	0	24,436	21,103	0	3,333	1,980
Mississippi*	7	5,654	0	5,661	5,656	0	4	269
Missouri*	153	9,016	155	9,324	9,156	0	168	294
Montana*	257	2,142	-2	2,396	2,365	-17	48	0
Nebraska*	532	4,266	-220	4,577	4,329	0	248	681
Nevada*	419	3,881	191	4,490	3,990	66	434	146
New Hampshire*	89	1,503	0	1,592	1,511	81	0	100
New Jersey*	473	33,856	874	35,203	34,416	0	787	0
New Mexico* **	148	6,461	78	6,687	6,130	52	505	0
New York**	8,934	66,895	0	75,829	68,080	0	7,749	1,798
North Carolina*	580	22,614	101	23,295	22,085	739	472	1,838
North Dakota*	263	1,579	828	2,669	2,503	102	65	38
Ohio*	1,193	34,178	0	35,371	34,814	0	557	2,034
Oklahoma*	0	5,706	114	5,820	5,737	0	84	93
Oregon*	284	9,826	-16	10,094	9,093	0	1,000	761
Pennsylvania*	2	31,669	-1,269	30,402	31,942	0	-1,539	0
Rhode Island*	168	3,684	-108	3,744	3,673	10	62	193
South Carolina* **	1,131	7,582	139	8,853	7,646	131	1,076	487
South Dakota*	14	1,541	15	1,570	1,548	14	8	157
Tennessee*	1,390	14,409	-217	15,582	13,238	697	1,647	668
Texas*	4,278	52,285	-528	56,035	53,683	1,469	883	10,290
Utah	165	6,321	0	6,487	6,411	0	76	508
Vermont*	0	1,574	0	1,574	1,540	34	0	107
Virginia*	1,278	19,619	0	20,898	20,115	0	783	549
Washington*	1,373	19,740	-673	20,440	19,339	0	1,101	1,638
West Virginia*	371	4,191	98	4,660	4,248	14	398	652
Wisconsin*	331	15,518	680	16,528	17,099	-1,150	579	283
Wyoming*	0	1,121	409	1,530	1,530	0	0	1,538
Total	\$42,431	\$799,009		\$845,073	\$808,396		\$33,818	\$55,389

NOTES: *See Notes to Table 3 on page 23. **In these states, the ending balance includes the balance in the rainy day fund.

TABLE 4

Fiscal 2018 State General Fund, Preliminary Actual (Millions)

State	Beginning Balance	Revenues	Adjustments	Total Resources	Expenditures	Adjustments	Ending Balance	Rainy Day Fund Balance
Alabama	\$150	\$8,646	\$0	\$8,796	\$8,393	\$0	\$403	\$783
Alaska*	0	2,337	745	3,082	4,489	820	-2,227	2,562
Arizona	151	10,111	0	10,261	9,812	0	450	458
Arkansas*	0	5,495	0	5,495	5,495	0	0	127
California*	5,702	129,825	0	135,527	127,045	0	8,482	16,728
Colorado* **	614	11,723	98	12,436	11,184	-21	1,274	1,274
Connecticut*	0	18,199	0	18,199	18,685	-3	-483	1,185
Delaware* **	475	4,393	0	4,868	4,118	0	750	232
Florida	1,515	31,919	0	33,434	31,989	0	1,445	1,417
Georgia*	2,472	24,320	144	26,935	24,207	0	2,729	N/A
Hawaii	894	7,660	0	8,554	7,804	0	750	376
Idaho*	101	3,732	12	3,845	3,466	140	239	394
Illinois* **	1,368	36,943	4,508	42,819	35,100	7,594	125	10
Indiana*	303	15,837	150	16,289	15,736	186	366	1,419
Iowa*	0	7,384	0	7,384	7,224	33	127	620
Kansas	109	7,299	0	7,407	6,645	0	763	0
Kentucky*	116	10,941	470	11,527	11,330	168	29	94
Louisiana*	123	9,588	48	9,759	9,759	0	0	321
Maine*	57	3,506	33	3,595	3,515	6	75	288
Maryland*	259	17,372	31	17,662	17,287	-211	585	857
Massachusetts* **	1,448	43,909	1,134	46,491	43,077	1,134	2,280	1,793
Michigan*	623	9,989	0	10,611	10,185	325	101	1,008
Minnesota* **	3,333	21,867	0	25,200	22,695	0	2,505	1,998
Mississippi*	4	5,634	0	5,638	5,633	0	5	288
Missouri*	168	9,469	125	9,762	9,267	0	495	305
Montana*	48	2,406	2	2,455	2,287	-18	186	0
Nebraska*	248	4,567	-12	4,803	4,350	0	454	340
Nevada*	434	4,019	64	4,517	3,981	50	486	180
New Hampshire*	0	1,599	0	1,599	1,503	17	80	110
New Jersey*	787	35,234	410	36,431	35,658	0	772	0
New Mexico* **	505	6,809	57	7,370	6,201	57	1,112	449
New York* **	7,749	71,420	0	79,169	69,724	0	9,445	1,798
North Carolina*	472	23,565	0	24,037	22,746	295	995	1,849
North Dakota*	65	1,972	377	2,414	2,160	0	253	113
Ohio*	557	32,471	0	33,028	31,807	0	1,221	2,034
Oklahoma*	84	6,606	-274	6,416	6,034	382	0	452
Oregon*	1,000	10,349	-34	11,315	9,764	0	1,552	940
Pennsylvania*	-1,539	34,567	-1,035	31,993	31,948	22	22	0
Rhode Island*	62	3,908	-109	3,861	3,806	10	46	199
South Carolina* **	1,076	8,124	21	9,221	7,895	139	1,187	509
South Dakota*	8	1,593	15	1,616	1,591	8	17	160
Tennessee*	1,647	14,321	-162	15,806	14,485	791	530	800
Texas*	883	56,990	1,049	58,922	56,050	2,741	131	10,455
Utah*	85	7,009	0	7,094	6,739	0	355	508
Vermont*	0	1,641	0	1,641	1,564	77	0	133
Virginia*	783	19,879	0	20,662	20,450	0	212	440
Washington*	1,101	21,621	-320	22,402	20,455	0	1,947	1,364
West Virginia*	398	4,245	4	4,648	4,232	38	378	710
Wisconsin*	579	16,144	608	17,332	17,139	-396	589	320
Wyoming*	0	1,121	409	1,530	1,530	0	0	1,538
Total	\$37,013	\$850,276		\$895,857	\$838,236		\$43,238	\$59,935

NOTES: N/A Indicates data are not available. *See Notes to Table 4 on page 26. **In these states, the ending balance includes the balance in the rainy day fund.

TABLE 5
Fiscal 2019 State General Fund, Enacted (Millions)

State	Beginning Balance	Revenues	Adjustments	Total Resources	Expenditures	Adjustments	Ending Balance	Rainy Day Fund Balance
Alabama*	\$403	\$8,903	\$0	\$9,306	\$8,672	\$237	\$397	\$853
Alaska*	0	2,259	2,837	5,096	4,741	1,047	-692	2,036
Arizona	204	10,421	0	10,625	10,389	0	236	463
Arkansas*	0	5,690	0	5,690	5,626	0	64	127
California*	8,482	133,332	0	141,814	138,688	0	3,127	15,930
Colorado* **	1,274	12,382	19	13,675	12,607	0	1,069	1,069
Connecticut*	0	19,009	0	19,009	18,998	0	11	1,515
Delaware* **	750	4,368	0	5,117	4,498	0	620	240
Florida	1,445	32,838	0	34,283	33,057	0	1,226	1,483
Georgia*	2,729	24,874	N/A	27,603	24,874	0	2,729	N/A
Hawaii	750	7,837	0	8,587	7,943	0	644	384
Idaho*	118	3,669	13	3,801	3,653	103	45	394
Illinois* **	125	37,420	1,100	38,645	35,323	3,183	139	10
Indiana*	366	16,223	130	16,720	16,199	15	507	1,355
Iowa*	0	7,640	93	7,733	7,362	113	258	762
Kansas*	763	7,003	0	7,766	7,071	48	647	0
Kentucky*	29	11,318	322	11,669	11,617	52	0	127
Louisiana*	0	9,560	0	9,560	9,560	0	0	323
Maine*	75	3,668	21	3,764	3,701	36	27	288
Maryland*	192	17,763	25	17,980	17,909	-35	106	880
Massachusetts* **	2,280	44,879	1,106	48,264	44,896	1,106	2,263	2,161
Michigan*	101	9,926	0	10,028	10,021	0	6	1,051
Minnesota* **	2,505	22,934	0	25,439	23,160	0	2,279	1,991
Mississippi	5	5,656	0	5,661	5,661	0	0	314
Missouri*	495	9,418	152	10,065	9,745	0	320	320
Montana	186	2,476	0	2,662	2,435	0	227	46
Nebraska*	454	4,731	-244	4,940	4,456	258	226	334
Nevada*	383	4,077	59	4,518	4,079	52	388	294
New Hampshire*	1	1,554	-23	1,531	1,521	10	0	111
New Jersey*	772	37,127	-91	37,808	37,043	0	764	0
New Mexico**	1,112	7,279	189	8,580	6,380	36	2,164	1,483
New York* **	9,445	72,660	0	82,105	76,601	0	5,504	1,798
North Carolina*	995	23,930	0	24,925	23,920	357	649	2,011
North Dakota*	253	1,664	394	2,311	2,150	96	65	209
Ohio*	1,221	33,708	0	34,930	34,070	0	859	2,692
Oklahoma*	0	7,296	0	7,296	6,997	0	298	N/A
Oregon*	1,552	10,096	-37	11,611	10,162	0	1,449	1,210
Pennsylvania*	22	33,975	-1,274	32,723	32,715	4	4	14
Rhode Island*	31	3,999	-121	3,909	3,908	0	1	201
South Carolina* **	1,187	8,239	86	9,512	8,164	145	1,203	531
South Dakota*	17	1,642	0	1,658	1,642	17	0	176
Tennessee*	530	14,744	-82	15,193	14,905	281	6	861
Texas*	131	56,989	188	57,308	51,445	3,189	2,675	11,851
Utah*	159	7,169	0	7,328	7,323	0	5	593
Vermont*	0	1,302	0	1,302	1,295	7	0	207
Virginia*	212	20,817	0	21,029	20,991	0	38	488
Washington*	1,947	21,852	-314	23,485	22,721	0	764	1,139
West Virginia*	378	4,440	0	4,818	4,439	18	361	729
Wisconsin*	589	16,632	478	17,698	17,830	-355	223	N/A
Wyoming*	0	1,014	438	1,452	1,452	0	0	1,324
Total	\$44,667	\$868,401		\$918,533	\$874,612		\$33,901	\$62,376

NOTES: N/A indicates data are not available. *See Notes to Table 5 on page 30. **In these states, the ending balance includes the balance in the rainy day fund.

TABLE 6

General Fund Nominal Percentage Expenditure Change, Fiscal 2017 to Fiscal 2019

State	Fiscal 2017	Fiscal 2018	Fiscal 2019
Alabama	4.6%	2.8%	3.3%
Alaska	-17.8	-0.2	5.6
Arizona	1.3	1.8	5.9
Arkansas	3.1	2.7	2.4
California	4.2	6.5	9.2
Colorado	1.9	7.3	12.7
Connecticut	-1.3	5.4	1.7
Delaware	4.9	0.3	9.2
Florida	3.9	5.5	3.3
Georgia	5.8	4.4	2.8
Hawaii	8.8	4.3	1.8
Idaho	7.3	6.3	5.4
Illinois	13.0	13.2	0.6
Indiana	3.1	1.8	2.9
Iowa	0.2	-0.5	1.8
Kansas	2.6	5.9	6.4
Kentucky	8.2	1.4	2.5
Louisiana	5.1	6.7	-2.0
Maine	0.4	5.0	5.3
Maryland	3.9	0.0	3.6
Massachusetts	1.8	4.6	4.2
Michigan	1.3	3.8	-1.6
Minnesota	4.7	7.5	2.0
Mississippi	-1.4	-0.4	0.5
Missouri	1.4	1.2	5.2
Montana	2.0	-3.3	6.4
Nebraska	3.2	0.5	2.5
Nevada	10.8	-0.2	2.5
New Hampshire	9.2	-0.6	1.2
New Jersey	2.1	3.6	3.9
New Mexico	-2.8	1.2	2.9
New York*	0.1	2.4	9.9
North Carolina	4.1	3.0	5.2
North Dakota	-16.8	-13.7	-0.5
Ohio*	1.1	-8.6	7.1
Oklahoma	-6.2	5.2	16.0
Oregon	1.1	7.4	4.1
Pennsylvania	6.0	0.0	2.4
Rhode Island	3.5	3.6	2.7
South Carolina	6.5	3.3	3.4
South Dakota	6.0	2.8	3.2
Tennessee	4.7	9.4	2.9
Texas	-0.5	4.4	-8.2
Utah	1.6	5.1	8.7
Vermont*	4.2	1.5	-17.2
Virginia	5.3	1.7	2.6
Washington	6.4	5.8	11.1
West Virginia	1.7	-0.4	4.9
Wisconsin	7.9	0.2	4.0
Wyoming	-7.3	0.0	-5.1
Average	3.1	3.7	4.3
Median	3.1%	2.8%	3.2%

*See Notes to Table 6 on page 34. **Fiscal 2017 reflects changes from fiscal 2016 expenditures (actual) to fiscal 2017 expenditures (actual). Fiscal 2018 reflects changes from fiscal 2017 expenditures (actual) to fiscal 2018 expenditures (preliminary actual). Fiscal 2019 reflects changes from fiscal 2018 expenditures (preliminary actual) to fiscal 2019 expenditures (enacted).

Enacted Appropriation Changes for Fiscal 2019

States' strengthened fiscal situation this year compared to a year ago is especially apparent when examining states' appropriation changes by program area for fiscal 2019. Overall, states enacted general fund appropriations for fiscal 2019 identifying \$41.1 billion in increases over fiscal 2018 enacted appropriation levels. This is more than three times the \$12.7 billion in general fund appropriation increases by program area reported in NASBO's *Fall 2017 Fiscal Survey of States* for fiscal 2018, based on enacted budget information. (See [Table 9](#))

Looking at appropriation changes by program area can also reveal information on elected officials' budget priorities. As is typically the case, elementary and secondary education, the largest category of state general fund spending, was also the largest single program area recipient of new money (excluding "all other"). States directed \$10.9 billion in additional appropriations for fiscal 2019 to K-12 education on net, with 38 states reporting increases and five states reporting decreases. Medicaid, the second largest general fund spending category, received increases in 36 states and decreases in eight states, for a net increase of \$8.4 billion (about half of this dollar amount is attributable to California).

The "all other" category of general fund spending received sizeable state general fund appropriation increases, with states directing \$16.3 billion in additional funding to this broad category comprised of a diverse range of programs. Some states provided further detail on appropriation changes in this category, which include spending increases for pension fund contributions, employee compensation, deposits to reserve funds, debt service, disaster recovery, and homelessness programs. States also enacted moderate net increases in general fund spending for higher education (\$3.0 billion), corrections (\$1.6 billion), public assistance (\$368 million), and transportation (\$562 million). Forty-six states rely on a separate transportation fund to finance transportation spending, as newly reported in NASBO's *2018 State Expenditure Report*; therefore, general fund spending adjustments are not necessarily reflective of overall enacted state spending changes for transportation.

Comparing to Governors' Budget Recommendations for Fiscal 2019.

Given that most states' revenue estimates improved between when the governor's budget was released and when the final state budget was enacted for fiscal 2019, enacted appropriation increases significantly exceeded the \$26.5 billion in spending increases proposed by governors, as reported in NASBO's *Spring 2018 Fiscal Survey of States*. Comparing enacted spending changes reported in this survey with governors' recommended changes helps illustrate how states decided to direct the additional revenue gains. Of the \$14.6 billion in net additional dollars appropriated by program area compared to what governors proposed, states directed \$6.2 billion to "all other", \$3.7 billion to K-12 education, \$3.1 billion to Medicaid, \$1.6 billion to higher education, \$190 million to corrections, and \$10 million to public assistance, with transportation receiving less general fund money than governors recommended. Excluding California, over 40 percent of legislative additions to governors' budgets were for K-12 education. Meanwhile, the amount of increased appropriations to higher education more than doubled. This is consistent with states' treatment of higher education funding; it tends to fluctuate more with state revenue changes compared to other program areas.

Mid-Year Budget Actions for Fiscal 2018

Twenty-one states reported making mid-year spending increases in fiscal 2018 totaling \$3.5 billion, for a net mid-year increase of \$2.9 billion in general fund spending after accounting for reductions. K-12 education, Medicaid, corrections, transportation and all other were recipients of net increases in spending due to mid-year budget actions in fiscal 2018, while higher education and public assistance experienced net decreases. Some program area general fund appropriation changes – particularly reductions – were partially or fully offset by other state fund changes. (See [Tables 7 and 8](#))

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. Looking at mid-year budget actions in fiscal 2018 offers another indicator of improved state fiscal conditions relative to a year ago. In fiscal

2018, seven states reported making net mid-year spending reductions due to shortfalls totaling \$456 million. In contrast, in fiscal 2017, 22 states made net mid-year spending decreases totaling \$3.5 billion (though at that time, NASBO's reported data on mid-year budget cuts were not limited to states where the cuts were due to a shortfall). (See Figure 2) In this survey, several states reported making mid-year cuts in fiscal 2018 that were not due to a revenue shortfall, but rather due to other reasons not indicative of fiscal stress, such as capturing unexpected cost savings or using offsetting resources available from another fund source. Reductions may also reflect adjustments due to downward revisions in caseloads, changing spending priorities and so on.

Budget Gaps

Improved fiscal conditions in fiscal 2018 meant that far fewer states reported having to close budget gaps compared to fiscal 2017. Ten states reported closing budget gaps totaling \$6.2 billion in fiscal 2018, far less than the 23 states that reported closing budget gaps totaling \$17.0 billion in fiscal 2017, according to NASBO's *Fall 2017 Fiscal Survey of States*.

For fiscal 2019, 11 states reported closing budget gaps amounting to \$11.6 billion (with one more state closing a gap with an unspecified amount), while just one state specified a budget gap of \$690 million still needing to be resolved for the current fiscal year. Among states reporting budget gaps for fiscal 2020, seven states are forecasting budget gaps for next fiscal year totaling \$9.7 billion. It is important to note that budget gap projections tend to be moving targets and can change dramatically over the course of the fiscal year. States also vary

greatly in the methods and assumptions used to measure projected budget gaps, and not all states have a formal process to identify budget gaps.

Budget Management Strategies. In order to manage their budgets, states employ a variety of strategies. In fiscal 2018, 13 states reported that targeted cuts were used to reduce expenditures during the fiscal year (or after budget enactment), while four states made across-the-board percentage cuts. Other common budget management strategies for fiscal 2018 included: eliminating vacant positions or hiring freezes (8 states); withdrawing, diverting or making deposits into rainy day funds (8 states); and transferring from other state funds (besides the rainy day fund) (9 states). For fiscal 2019, among the most common strategies used, 20 states made targeted spending cuts, 11 states eliminated vacant positions or imposed hiring freezes, 10 states used transfers from other funds, eight states planned to draw down on their prior-year fund balance, and eight states reorganized agencies. Many states provided more details on these strategies in footnotes, printed at the end of this chapter. (See Tables 10-11)

Biennial Budgets: Spending in Fiscal 2020

While 30 states produce budgets annually, 20 states practice biennial budgeting. Seventeen biennial budget states enacted two-year budgets covering fiscal 2018 and fiscal 2019 during the 2017 legislative sessions. However, the remaining three states — Kentucky, Virginia, and Wyoming — enacted spending plans in 2018 covering fiscal 2019 and fiscal 2020. As part of this survey, Kentucky opted to provide general fund data for fiscal 2020 based on the state's enacted biennial budget. (See Table A-5)

TABLE 7

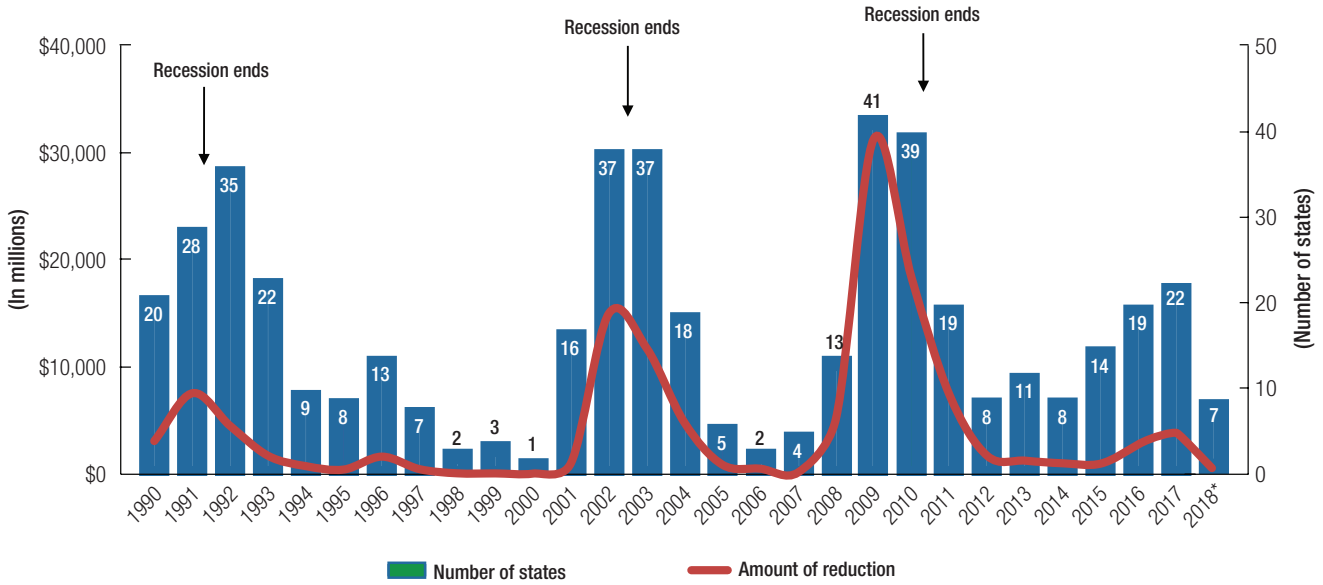
States with Net Mid-Year Budget Cuts in Fiscal 2018 Due to Shortfall

State	FY 2018 Size of Cuts (\$ in Millions)	Programs or Expenditures Exempted from Cuts
Iowa	\$25.5	K-12 Supplemental Aid, Medicaid
Kentucky*	17.6	Commonwealth/County Attorneys, Public Defenders, Elementary and secondary education (in part), Debt Service, Community Based Services, Corrections, State Police
Maryland	115.5	All programs were under consideration for reductions.
Montana	32.6	
Nebraska	7.7	K-12 School Aid; Corrections; Medicaid; Child Welfare Aid; Behavioral Health Aid; DD Aid
Vermont*	8.7	Not applicable. See footnote.
Wyoming	248.0	
Total	\$455.6	

Notes: *See Notes to Table 7 on page 34. See Table 8 for state-by-state data on program area cuts and dollar values.

FIGURE 2:

Budget Cuts Made After the Budget Passed, Fiscal 1990 to Fiscal 2018



Note: Beginning in Fiscal 2018, NASBO asked states reporting net mid-year budget reductions as to 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 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 2018 Mid-Year Program Area Budget Actions By Dollar Value (Millions)

State	K-12 Education	Higher Education	Public Assistance	Medicaid	Corrections	Transportation	All Other	Total
Alabama*	\$0.5	\$0.0	\$0.0	\$47.4	\$36.2	\$0.0	\$92.2	\$176.3
Alaska*	0.0	0.0	3.9	73.0	18.3	0.0	-23.5	71.7
Arizona	0.0	0.0	0.0	0.0	0.0	0.0	-27.6	-27.6
Arkansas	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
California*	456.3	173.2	-48.7	1,130.9	60.0	0.0	-1,129.8	641.9
Colorado*	-30.7	0.0	21.9	-11.9	0.0	0.0	13.5	-7.2
Connecticut	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Delaware	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Florida	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Georgia	116.8	35.7	11.5	39.5	6.8	26.0	179.4	415.7
Hawaii	-13.0	-8.7	-2.8	-0.5	-1.4	0.0	-55.6	-82.0
Idaho* **	0.0	0.0	0.0	17.0	5.9	0.0	4.4	27.3
Illinois	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Indiana	14.9	-250.4	-0.9	-2.0	-20.0	0.0	268.8	10.4
Iowa	-0.9	-11.5	0.0	0.0	-3.4	0.0	-9.7	-25.5
Kansas	-1.0	11.7	2.4	54.0	13.8	0.0	18.7	99.6
Kentucky*	-19.6	-11.0	0.0	-64.6	52.1	-0.3	25.8	-17.6
Louisiana* **	-0.6	7.9	0.0	58.8	12.9	0.0	113.7	192.8
Maine	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.7
Maryland*	0.0	-11.0	-3.7	-11.0	-8.4	0.0	-81.4	-115.5
Massachusetts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Michigan*	***	0.0	-1.5	-61.9	1.8	205.0	155.8	299.2
Minnesota	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mississippi	0.0	0.0	0.0	16.5	0.0	0.0	15.7	32.2
Missouri	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Montana	-2.3	-2.2	0.0	-12.0	-2.2	0.0	-13.9	-32.6
Nebraska* **	2.8	-14.4	-10.8	2.5	0.0	0.0	12.2	-7.7
Nevada	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
New Hampshire	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
New Jersey* **	35.8	-7.3	0.0	5.4	-1.3	0.1	843.9	876.6
New Mexico	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
New York	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
North Carolina	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
North Dakota	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ohio	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Oklahoma*	-16.3	-4.7	0.0	0.0	-3.2	-1.0	41.3	16.1
Oregon* **	-71.0	16.1	22.4	-5.5	25.6	0.0	82.2	69.9
Pennsylvania	0.0	0.0	0.0	0.0	0.0	0.0	-1.4	-1.4
Rhode Island*	0.0	0.0	0.0	15.2	13.0	0.0	36.1	64.3
South Carolina	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
South Dakota* **	15.3	4.9	-4.9	-9.0	0.7	0.0	4.7	11.7
Tennessee	0.0	0.0	0.0	0.0	0.0	0.0	46.0	46.0
Texas	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Utah	3.3	-0.9	-2.0	9.0	-6.4	0.0	57.9	60.9
Vermont*	0.0	0.0	1.8	-3.9	0.0	0.0	-6.5	-8.7
Virginia	-67.1	0.0	8.7	56.1	5.0	0.0	92.6	95.3
Washington*	70.0	-76.0	-33.0	-41.0	-33.0	-1.0	237.0	123.0
West Virginia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Wisconsin*	0.3	0.0	0.0	0.6	0.0	0.0	129.4	130.3
Wyoming	0.0	-61.0	0.0	0.0	-21.0	0.0	-166.0	-248.0
Total	\$493.6	-\$209.6	-\$35.7	\$1,302.5	\$151.9	\$228.8	\$956.7	\$2,888.1
Increases	10	6	7	14	13	3	22	21
Decreases	10	12	9	11	10	3	10	11

NOTE: *See Notes to Table 8 on page 34. **Certain program area general fund spending changes were partially or fully offset by other state fund changes; see notes for more details.

TABLE 9

Fiscal 2019 Enacted Program Area Appropriation Changes by Dollar Value (Millions)

State	K-12 Education	Higher Education	Public Assistance	Medicaid	Corrections	Transportation	All Other	Total
Alabama*	\$145.7	\$60.8	\$0.9	\$53.9	\$49.5	\$0.0	\$38.0	\$348.8
Alaska*	-8.9	8.0	-24.4	24.5	5.1	54.1	1,103.8	1,162.2
Arizona	477.4	20.7	64.8	-5.9	32.0	0.0	-46.0	543.0
Arkansas**	4.3	9.4	4.9	140.8	9.3	0.0	4.2	172.8
California*	2,086.1	1,163.8	91.8	4,202.3	861.8	18.7	5,166.7	13,591.2
Colorado*	108.8	108.7	93.7	92.1	33.2	416.0	370.6	1,223.1
Connecticut	34.6	-17.0	6.5	-21.9	-24.0	0.0	346.1	324.3
Delaware*	63.5	0.3	8.9	-7.0	20.3	N/A	77.9	163.9
Florida	293.2	168.4	0.0	458.0	62.2	0.0	370.4	1,352.2
Georgia	510.1	158.8	104.5	282.0	22.0	15.5	136.6	1,229.5
Hawaii	22.9	5.8	7.3	35.5	4.8	9.5	178.0	263.8
Idaho	100.0	23.2	0.0	36.4	20.3	0.0	22.3	202.2
Illinois	402.0	56.0	-14.5	811.0	-47.0	0.0	75.5	1,283.0
Indiana	157.4	26.7	0.0	130.2	2.8	1.0	114.9	433.0
Iowa	33.5	11.0	0.4	54.9	7.4	0.0	31.8	139.0
Kansas	200.6	35.3	11.1	168.0	4.8	0.0	42.6	462.4
Kentucky*	32.4	-34.8	0.0	-55.4	75.3	-9.8	351.1	358.8
Louisiana*	-17.2	10.3	0.0	42.8	-53.5	0.0	135.5	117.9
Maine	4.3	0.0	0.0	49.9	18.5	0.0	17.7	90.4
Maryland**	86.4	18.9	-29.8	169.8	-3.7	0.0	426.9	668.5
Massachusetts*	292.4	43.7	54.4	614.3	74.2	63.2	535.5	1,677.7
Michigan**	***	***	-16.0	60.1	13.4	95.0	-316.0	-163.5
Minnesota	296.4	-25.5	6.1	91.8	3.0	22.2	70.7	464.7
Mississippi**	-2.5	-6.0	0.0	-28.7	-3.3	0.0	6.5	-34.0
Missouri	99.8	-28.7	11.5	-77.9	13.3	3.5	37.2	58.7
Montana	25.9	4.4	0.0	36.0	0.0	0.0	25.2	91.5
Nebraska*	2.5	8.1	1.0	14.1	4.0	0.0	36.3	66.0
Nevada*	-10.3	13.7	0.6	55.7	7.5	0.0	45.4	112.6
New Hampshire	0.0	0.6	7.7	10.5	3.2	0.0	18.8	40.8
New Jersey**	925.2	82.1	-56.7	110.1	0.6	0.1	726.8	1,788.2
New Mexico	116.0	24.1	0.3	18.9	8.2	0.0	177.8	345.3
New York**	925.0	204.0	-37.0	-297.0	-3.0	-84.0	4,694.0	5,402.0
North Carolina	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
North Dakota	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ohio*	158.4	35.7	-3.9	848.7	28.0	-0.5	46.9	1,113.2
Oklahoma*	410.4	0.8	0.0	0.0	37.4	0.0	535.8	984.4
Oregon	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pennsylvania	473.2	40.5	-2.2	-29.2	103.1	0.0	133.5	718.9
Rhode Island*	27.6	9.2	1.2	17.1	18.8	0.0	66.6	140.5
South Carolina	115.9	30.2	23.4	48.2	17.4	-50.0	80.9	266.1
South Dakota	24.3	6.1	6.4	2.6	3.7	0.1	8.2	51.4
Tennessee	165.6	87.4	14.0	106.8	21.0	0.0	-77.3	317.5
Texas	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Utah*	209.3	346.3	2.0	19.1	60.8	3.3	-56.9	583.9
Vermont**	-284.7	0.7	1.0	16.9	-0.4	0.0	-2.6	-269.1
Virginia*	310.2	94.0	9.6	54.1	46.6	0.0	25.9	540.4
Washington	1,819.0	71.0	10.0	59.0	30.0	3.0	312.0	2,304.0
West Virginia	54.8	19.0	8.2	27.3	-10.1	0.5	18.6	118.3
Wisconsin	6.8	0.5	0.0	0.1	0.0	0.6	131.8	139.8
Wyoming	0.0	73.0	0.0	0.0	-6.0	0.0	88.0	155.0
Total	\$10,898.3	\$2,969.1	\$367.7	\$8,440.6	\$1,572.3	\$562.0	\$16,334.4	\$41,144.4
Increases	38	39	27	36	35	16	41	43
Decreases	5	5	8	8	9	4	5	3

NOTE: Value of changes are in reference to funding level of FY 2018 enacted budget. *See Notes to Table 9 on page 36. **Certain program area general fund spending changes were partially or fully offset by other state fund changes; see notes for more details.

TABLE 10

Strategies Used to Manage Budget, Fiscal 2018 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		X				X	
Arizona									
Arkansas								X	
California*									X
Colorado									
Connecticut									
Delaware									
Florida									
Georgia									
Hawaii		X							
Idaho									
Illinois		X							
Indiana	X								
Iowa*		X							
Kansas		X							X
Kentucky*		X						X	
Louisiana*								X	
Maine									
Maryland		X						X	
Massachusetts*									X
Michigan									
Minnesota									
Mississippi									
Missouri									
Montana	X	X	X						
Nebraska*	X	X						X	
Nevada									
New Hampshire									
New Jersey									
New Mexico*									
New York									
North Carolina									
North Dakota									
Ohio*									
Oklahoma*	X								
Oregon									
Pennsylvania									
Rhode Island*		X			X			X	
South Carolina									
South Dakota		X							
Tennessee*									
Texas									
Utah									
Vermont		X							
Virginia									
Washington									
West Virginia									
Wisconsin*									
Wyoming		X						X	
Total	4	13	1	1	1	0	0	8	3

NOTE: *See Notes to Table 10 on page 37.

TABLE 10 (CONTINUED)

Strategies Used to Manage Budget, Fiscal 2018 Mid-Year (Post-Enacted)

State	Reduce Local Aid	Reorganize Agencies	Privatization	Rainy Day Fund	Other Fund Transfers	Prior-year Fund Balance	Deferred Payments	Other (Specify)
Alabama*		X		X				
Alaska		X		X			X	
Arizona					X			
Arkansas								
California*								
Colorado								
Connecticut								
Delaware								
Florida								
Georgia								
Hawaii						X		
Idaho								
Illinois								
Indiana								
Iowa*								
Kansas								
Kentucky*								
Louisiana*								
Maine								
Maryland	X				X			
Massachusetts*								X
Michigan								
Minnesota								
Mississippi								
Missouri								
Montana		X			X			
Nebraska*	X			X	X	X		X
Nevada								
New Hampshire								
New Jersey								
New Mexico*		X						
New York								
North Carolina								
North Dakota								
Ohio*								
Oklahoma*				X	X	X		X
Oregon								
Pennsylvania								
Rhode Island*					X	X		
South Carolina								
South Dakota				X	X			
Tennessee*								X
Texas								
Utah								
Vermont				X	X			
Virginia								
Washington								
West Virginia					X			
Wisconsin*				X				
Wyoming				X				
Total	2	4	0	8	9	4	1	4

NOTE: *See Notes to Table 10 on page 37.

TABLE 11
Strategies Used to Manage Budget, Fiscal 2019 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		X				X	
Arizona		X							
Arkansas		X						X	
California*							X		X
Colorado*									
Connecticut		X							
Delaware									
Florida		X							
Georgia									
Hawaii		X							
Idaho									
Illinois*		X							
Indiana	X								
Iowa									
Kansas		X							X
Kentucky*		X	X	X				X	
Louisiana		X	X					X	
Maine*								X	
Maryland*		X						X	X
Massachusetts*									
Michigan									
Minnesota									
Mississippi*								X	
Missouri		X							
Montana	X	X	X					X	
Nebraska*	X	X						X	
Nevada									
New Hampshire									
New Jersey									
New Mexico*									
New York*	X	X						X	
North Carolina									
North Dakota*									
Ohio*		X							
Oklahoma*									
Oregon									
Pennsylvania*									
Rhode Island*		X							
South Carolina									
South Dakota		X							
Tennessee*									
Texas									
Utah									
Vermont*		X							
Virginia									
Washington*									
West Virginia		X						X	
Wisconsin									
Wyoming									
Total	4	20	3	2	0	0	1	11	3

NOTE: *See Notes to Table 11 on page 38.



TABLE 11 (CONTINUED)

Strategies Used to Manage Budget, Fiscal 2019 Enacted

State	Reduce Local Aid	Reorganize Agencies	Privatization	Rainy Day Fund	Other Fund Transfers	Prior-year Fund Balance	Deferred Payments	Other (Specify)
Alabama								
Alaska		X		X				
Arizona					X			
Arkansas		X						
California*								
Colorado*				X		X		
Connecticut								
Delaware								
Florida								
Georgia								
Hawaii						X		
Idaho								
Illinois*					X			
Indiana								
Iowa								
Kansas								
Kentucky*								
Louisiana	X							
Maine*								X
Maryland*	X				X			
Massachusetts*								X
Michigan								
Minnesota								
Mississippi*								X
Missouri								
Montana		X			X		X	
Nebraska*	X			X	X	X		X
Nevada								
New Hampshire								
New Jersey								
New Mexico*		X						
New York*	X				X	X	X	X
North Carolina								
North Dakota*					X			
Ohio*								X
Oklahoma*					X	X		X
Oregon								
Pennsylvania*		X			X			
Rhode Island*		X			X	X		
South Carolina								
South Dakota								
Tennessee*								X
Texas								
Utah								
Vermont*		X				X		
Virginia								
Washington*				X		X		
West Virginia		X						
Wisconsin								
Wyoming								
Total	4	8	0	4	10	8	2	8

NOTE: *See Notes to Table 11 on page 38.

State Employment Compensation Changes

Twenty-nine states reported authorizing across-the-board salary increases for at least some categories of employees in fiscal 2019, the highest number of states reported as doing so in the *Fiscal Survey of States* since the Great Recession. Additionally, 10 states provided for at least some merit increases in fiscal 2019, and 14 states made other modifications to employee compensation in fiscal 2019 including one-time bonuses, longevity payments, and targeted increases for certain employee categories. Some states indicated that compensation decisions for fiscal 2019 had not been finalized at the time of data collection, in some cases due to ongoing contract negotiations. (See [Table 12](#))

Unlike in past Fall editions of the *Fiscal Survey of States*, this year's survey did not collect state-level data on filled full-time equivalent positions. The U.S. Census Bureau collects historical data on this in a more standardized format in its *Annual Survey of Public Employment & Payroll*. Moreover, according to more timely seasonally adjusted data from the U.S. Bureau of Labor Statistics, state government payrolls had essentially no change (0.1 percent growth) from October 2017 to October 2018, totaling 5.1 million employees.⁴

⁴ See U.S. Bureau of Labor Statistics, "Table B-1. Employees on nonfarm payrolls by industry sector and selected industry detail" (November 2, 2018).

TABLE 12
State Employee Compensation Changes, Fiscal 2019

State	Across-the-Board (percent)	Merit (percent)	Other (percent)	Notes
Alabama	3.00	5.00	–	
Alaska	–	3.30	–	Merit steps are received by most state employees annually for their first 6 years and bi-annually thereafter.
Arizona	–	–	See note	Total cost of \$97,000 for the last year of a two year phase-in for a 3% increase in Judicial salaries.
Arkansas	–	2.80	–	Performance Pay was granted at the start of FY19 based on performance evaluations given during FY18. Each agency was allocated a total of 2.8% of their agency salary budget to allocate toward performance pay. Each agency was allowed the flexibility to determine the percentages of performance pay to provide for the various performance ratings (0–5) as long as it fit within the total agency allocation of 2.8% of the salary budget.
California	2.89	Depends on individual eligibility	2 – 5	<ul style="list-style-type: none"> • "Across-the-board percentage reflects the weighted average general salary increase received by a majority of state civil service employees." • "Other percentages reflects the range of general salary increases received by a minority of state civil service employees."
Colorado	3.00	–	–	
Connecticut	–	–	–	One time bonus of approximately \$2,000, for bargaining groups only.
Delaware	–	–	See note	State Merit/Merit Comparable employees received a \$1000 salary increase or negotiated contract increase. All employees on the payroll as of July 8, 2018, received compensation from the State at any time during the period of July 8, 2018 through October 27, 2018 and are on the payroll as of October 28, 2018 will also receive a \$500 one-time bonus.
Florida	–	–	See note	The following pay increases were provided: law enforcement officers were provided increases of 7% or 10%, depending on longevity; juvenile justice detention and probation officers were provided increases of 10%; state firefighters were provided increases of \$2,500; Assistant State Attorneys and Assistant Public Defenders were provided increases of \$2,000 or \$4,000, depending upon length of service within existing office (up to a maximum salary); Supreme Court Justices were provided a \$42,000 increase; and personnel of the Florida National Guard on full-time military duty were provided increases to match federal pay tables.
Georgia	–	–	–	
Hawaii	2.8	–	0.7	Only certain bargaining units receive step increases and generally only a portion of those employees will be eligible in any given year.
Idaho	–	3.00	–	
Illinois	–	–	–	
Indiana	TBD	–	–	These decisions have not yet been made.
Iowa	1.00	3.00	–	Majority of state employees received a 1% atb, SPOC members received a 2% atb, IUP members received 0% increase. Majority of state employees if eligible, could receive up to a 3% merit increase, SPOC and IUP members up to a 4.5% merit increase, Judicial employees could receive between 1.75% and 2% merit increase.
Kansas	2.5 or 5.0	–	–	For state employees not in the Judicial Branch continuously employed since 7-1-17: a 2.5% salary increase if an increase was received for FY 2018; or a 5.0% salary increase if no increase was received for FY 2018. For Judicial Branch employees: a 2.0% salary increase for all Judges; a 5.0 percent increase for all non-judges.
Kentucky	–	–	–	
Louisiana	–	3.00	–	
Maine	–	See note	See note	1-3% increases or salary step adjustments based on collective bargaining agreements.
Maryland	2.00	–	0.50	A 2% COLA is effective January 2019 for all State employees, as well as an additional 0.5% increase in April 2019 due to a strong closeout for FY 2018. Employees will also receive a one-time \$500 bonus in April 2019.
Massachusetts	2.00	–	0.64	Contracts currently reflect or are anticipated to reflect a 2% across-the-board increase for FY19. In addition, eligible employees will receive step increases equivalent to, on average, approximately 0.64% of base pay
Michigan	2.00	–	–	
Minnesota	2.25	–	3.50	*Only about 52% of the employees are eligible for an "other" or Step Increase. Employees are not eligible if they have reached the top of the range. The 3.5% represents an approximation of step size, some are lower and some higher.
Mississippi	–	–	–	
Missouri	See note	–	–	The FY 19 pay package, effective January 1, 2019, is \$700 for employees making under \$70,000 and 1% for employees making over \$70,000.
Montana	1.00	–	–	Effective February, 2019
Nebraska	See note	–	–	<p>"Employees covered by collective bargaining contracts as follows: NAPE/AFSCME contract: 1.5% on January 1, 2019 State Law Enforcement (SLEBC) contract: Step increase into next step on payline with average of 2.37% increase; One-time merit payments from \$50 – \$1,375 dependent on years of service. State Education Dept. contract employees: 1%</p> <p>Non-contract employees as follows: Classified (and non-classified) supervisory/management (non-contract) staff of most other executive branch agencies: Up to 1.5% pay per performance on January 1, 2019 Judicial Branch (non-classified): 1.5% on January 1, 2019 Legislative Branch (non-classified): 1.5% on January 1, 2019"</p>

* See Notes to Table 12 on p. 39.

Table 12 continues on next page.

TABLE 12 (CONTINUED)

State Employee Compensation Changes, Fiscal 2019

State	Across-the-Board (percent)	Merit (percent)	Other (percent)	Notes
Nevada	3.00	See note	–	Merit: Classified employees receive an annual merit salary increase on their pay progression date if the last performance evaluation was standard or better and the employee has not reached the maximum step within the grade.
New Hampshire	–	–	1.50	Effective January 4, 2019 classified employees will be granted a collectively bargained 1.5% salary increase and the creation of an additional salary increment step. The eligibility requirement to be considered to move to the new ninth step will be after completing three years at step eight. The eligibility requirement to move from step seven to step eight will be reduced from three years to two years, also effective January 4, 2019. Also on that date, Unclassified employees will be granted a 1.5% salary increase and see the creation of an additional salary increment step, step seven, from the current six steps. Unclassified employees will be eligible for consideration to move to the new step after having served one year at step six.
New Jersey	See note	–	–	Contracts for half of the state workforce unions, representing almost 20% of the unionized state workforce, remain unsettled. Due to the ongoing negotiations, state employees whose union contracts remain unsettled will not receive across-the-board (ATB) increases, while those whose union contracts have settled will receive ATB increases pursuant to their settled contracts. The average ATB increases for settled contracts is nearly 1.5%. Collective bargaining negotiations are underway for the unsettled contracts. Increments remain frozen for all state employees whose union contracts remain unsettled; for the unions' contracts that have settled, the increments they receive will average roughly 1.5% of their salaries.
New Mexico	2.00	–	2.5 – 6.5	Certain other classifications received additional targeted increases, on top of the ATB increase, ranging from 2.5% to 6.5%. Judicial employees (excl. judges), Attorney General employees, child protective services employees, and nurses and other health care providers received 2.5% addl. increase. Judges, district attorney employees, and public defender employees received 4.5% addl. increase. Correction and probation officers and state policy officers received 6.5% addl. increase. Total general fund cost of ATB and targeted increases is \$86.4 million.
New York*	1.5 / 2.0	–	–	See Chapter Notes on page X.
North Carolina	2 to 6	–	–	In general, a 2% across the board for most state workers; Educators will see an average 6% increase; Correctional personnel in adult correction facilities received a 4% across the board increase. The General Assembly brought the minimum wage for state workers up to \$31,200. Anyone below \$31,200 will receive their 2% and then the difference to bring them up to \$31,200 if the across the board is insufficient to bring them up to the new level.
North Dakota	–	–	–	
Ohio	2.80	–	–	Cost of living adjustments and other minor compensation adjustments
Oklahoma	See note	–	–	HB1024, effective 7/1/18, provides all full-time and part-time state employees of the state who were employed by the state on the last working day of June 2018 an annualized salary increase in the following amounts: \$2,000 for persons whose gross annual salary was \$40,000 or less; \$1,500 for persons whose gross annual salary was greater than \$40,000 but less than \$50,000; \$1,000 for persons whose gross annual salary was \$50,000 or greater but less than \$60,000; and \$750 for persons whose gross annual salary was \$60,000 or greater. The average increases resulting from this bill range from 1.3% for the highest paid state employees to 5% for those in the lowest pay bands. The average across all pay bands is approximately 2.9%.
Oregon	–	4.75	–	For the 2017–19 biennium (FY18 & FY19) Oregon approved (in general) a cost of living increase of 1% that was effective June 15, 2018 and annual step increases for employees that were not currently on the top step of their classification. A step increase is roughly equivalent to a 4.75% salary increase.
Pennsylvania	2.50	–	2.25	"Across-the-Board: Most state employees received a 2.5% general salary increase effective July 1, 2018. Other: 2.25% step increase first full pay period of 2019 for those employed by the commonwealth as of 1/31/2018."
Rhode Island	2.50	–	–	Cost of living adjustment for FY 2019 to be effective 12/23/18, so impact on the fiscal year is 1.25%
South Carolina	–	–	–	
South Dakota	1.20	–	–	In addition to the across-the-board increase, adopted funding included increases to some general pay structure minimums which were lower than the market.
Tennessee	2.50	–	–	
Texas	–	–	–	
Utah	2.00	–	–	State employees received a 2% across the board salary increase.
Vermont	0.68	–	1.90	The collective bargaining agreement effective 7/1/2018 includes an Across the Board (ATB) increase of 1.35% effective January 5, 2019, equating to a fiscal year effective increase of 0.675%. In addition to the ATB, there is an average step-value increase of 1.9% effective 7/1/2018.
Virginia	–	–	–	
Washington	2.00	–	2.00	"1) A 2% general wage increase on 07/01/2018 2) Another 2% general wage increase on 01/01/2019"
West Virginia	5.00	–	–	Flat rate of \$2,160 based on 5% of average state employee salary.
Wisconsin	4.00	–	–	A 2% across-the-board increase was granted to most general employees in July 2018, and a second similar adjustment will be effective in January of 2019.
Wyoming	–	–	–	

* See Notes to Table 12 on page 39.

CHAPTER 1 NOTES

Notes to Table 3: Fiscal 2017 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	Revenue adjustments include one-time BP Settlement funds of \$50M. Expenditure adjustments include transfers to the ETF Budget Stabilization Fund of \$59.6m and the ETF Advancement & Technology Fund of \$59.4m. Designated portion of ending balance: \$50,000,000 from the BP settlement was budgeted to be used for Medicaid in 2018.
Alaska	Revenues: Spring 2018 Revenue Sources Book (Total Revenue) Revenue Adjustments: SLA2017 Enacted Fiscal Summary (Lines 3-7) Expenditures: SLA2017 Enacted Fiscal Summary (Line 48) Expenditure Adjustments: SLA2017 Enacted Fiscal Summary (Line 49 and 52) Rainy Day Balance: State of Alaska Fiscal Summary FY18 and FY19 (Part 2) Number listed is EoY Balance The rainy day fund balance listed is the anticipated end of year balance for the given fiscal year inclusive of any anticipated deposits or withdrawals. The deficits listed in the "ending balance" column are already factored into the rainy day balance.
Arkansas	Total available revenue amounts are reported as net of refunds and special dedications/payments.
California	Total revenues: reflect revenues after transfers to the rainy day fund. Revenue and expenditure adjustments to the beginning fund balance consist primarily of adjustments made to major taxes and K-12 spending. The ending balance includes the SFEU but excludes the BSA (a rainy day reserve held in a separate fund). The excluded amount is \$6,713.4 million at the end of FY 2017. Adding these amounts to the FY 2017 ending balance, the projected total balance is \$12,415.5 million in FY 2017. The rainy day balance is made up of the Special Fund for Economic Uncertainties and the BSA, however, withdrawals from the BSA are subject to provisions of Proposition 2, 2014. Ending balance includes a reserve for encumbrances of \$1,165 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 total revenue excludes income tax revenue amounts diverted to the State Education Fund per Amendment 23, which was \$540 million in FY2016–17. Adjustments to revenue include money transferred from other funds to the General Fund. Adjustments to expenditures are reversions of appropriations and various accounting adjustments made by the State Controller's office each year. The FY 2016–17 adjustments to expenditures is an atypically large amount, mostly due to a large reversion of Medicaid-related dollars.
Connecticut	Expenditures Adjustments: Miscellaneous adjustments, 1,054,249.
Delaware	Ending balance includes Continuing and Encumbered Appropriations of \$178.6 million.
Georgia	FY 17 beginning balance reflects general fund balances as of June 30, 2016 for Revenue Shortfall Reserve, Guaranteed Revenue Debt Common Reserve Fund, and State Revenue Collections as reported on the FY 16 Combined Balance Sheet of the Budgetary Compliance Report. Adjustments to Revenues include FY16 agency surplus returned and early remittance of FY 17 surplus from state agencies. FY 17 Actual Expenditures include \$22,596,503,946 in State General fund expenditures.
Idaho	Revenue adjustments: reappropriation, \$7 million; prior year reversion, \$19.1 million; misc adjustments, \$1 million. Expenditure adjustments: \$400,000 to the Wolf Control Fund; \$2,000,000 to the STEM Education Fund; \$5,000,000 to the Higher Education Stabilization Fund, Community College Start-up Account; \$34,500,000 to the Fire Suppression Deficiency Fund; \$100,400 to Idaho Department of Water Resources Miscellaneous Revenue Fund, Priest Lake Outlet Subaccount; \$2,700,000 to Broadband Infrastructure Improvement Grant Fund; \$50,000,000 to the Emergency Relief Fund; \$2,000,000 to the Disaster Emergency Fund; \$31,836,900 to the Budget Stabilization Fund (statutory transfer); \$27,464,200 to the Budget Stabilization Fund (surplus eliminator); \$38,900 to the Hazardous Substance Emergency Response Fund, \$342,600 to the Agriculture Pest Control Fund, \$7,004,400 for prior year reappropriation.

Illinois	Total revenues include \$2,438M in federal revenues. Revenue adjustments includes \$171M in budgetary basis transfers adjustments (prior year transfers that cleared during the current year). Expenditures adjustments include \$4,636M in transfers out, \$9,331M in accounts payable at the end of the current FY, and \$3,789M in accounts payable at the end of the prior fiscal year.
Indiana	Expenditure adjustments include reversions from distributions, capital, and reconciliations; transfer to the Major Moves 2020 trust fund; a transfer to the Bicentennial Capital Account; state agency and university line item capital projects; and a transfer of excess reserves for state (\$235.3 million) and local (\$192.6 million) roads and bridges. This one-time excess reserve transfer of \$427.9 million was a move by the Governor and General Assembly to support infrastructure projects. Total revenues include forecasted General Fund revenues as well as unforecasted revenues such as HAF, QAF, dedicated fund SWCAP, and outside acts.
Iowa	Revenue adjustments include an estimated \$18.2 million of residual funds transferred to the General Fund after the Reserve Funds are filled to their statutorily set maximum amounts. The ending balance of the General Fund is transferred in the current fiscal year to the Reserve Funds in the subsequent fiscal year. After the Reserve Funds are at their statutorily set maximum amounts, the remainder of the funds are transferred back to the General Fund in that subsequent fiscal year. Also included in revenue adjustments is \$131.1 million transferred from the Cash Reserve Fund as authorized by the Legislature under SF 516 and \$13.0 million transferred from the Economic Emergency Fund as authorized by Governor Reynolds with the issuance of an Official Proclamation to bring the General Fund into balance.
Kentucky	Revenue includes \$93.4 million in Tobacco Settlement funds. Adjustment for Revenues includes \$240.2 million that represents appropriation balances carried over from the prior fiscal year, and \$340.6 million from fund transfers into the General Fund. The FY 2017 \$115.6 million ending balance was budgeted for use in the FY 2018 enacted budget (\$102.3 million for FY 2018 and \$13.3 million for FY 2019).
Louisiana	'Revenues adjustments — Includes \$99.0 million from Budget Stabilization funds, \$55.8 million Mid-Year Deficit action Expenditure adjustments — Includes \$6.5 million in transfers to DPS License Fees The "total revenues" amounts reported here include transfers from other state fund sources.
Maine	Revenue and Expenditure adjustments reflect Legislatively authorized transfers.
Maryland	Revenue adjustments include \$29.5 million in transfers from tax credit reserves, \$32.5 million in transfers from other funds, and \$170 million transfer from the Revenue Stabilization Account (Rainy Day). Expenditure adjustments represent \$229.9 million in reversions to the unappropriated General Fund balance.
Massachusetts	General fund is defined as all budgeted operating funds. Ending balance includes \$117.4 million in reserved balances to be spent in the next fiscal year. The Commonwealth of Massachusetts credits federal reimbursements for Medicaid, as well as certain other federal reimbursements, to the General Fund. In the NASBO State Expenditure Survey, these reimbursement funds are shown as "federal funds spending" to conform to the survey definitions. Additionally, in the NASBO State Expenditure Survey, certain interfund transfers are shown as spending in "Other State Funds", but are shown in this presentation as "General Fund" spending to be consistent with the Commonwealth's accounting practices.
Michigan	Revenue totals are net of payments to local governments and balance sheet adjustments. Adjustments (Revenues): \$30.6 million book closing correction to prior year amount. Adjustments (Expenditures): \$75 million transfer to budget stabilization fund/rainy day fund.
Minnesota	Ending balance includes cash flow account of \$350 million, budget reserve account of \$1,603.443 million, and stadium reserve of \$26.821 million.
Mississippi	Ending balance includes reappropriation from FY2017 to FY2018.
Missouri	Revenue adjustments include transfers from other funds into the general revenue fund.
Montana	Revenue adjustments reflect prior year revenue activity and expenditure adjustments reflect prior year expenditure activity and adjustments to fund balance as a result of the annual CAFR reconciliation.
Nebraska	Revenue adjustments are transfers from the General Fund to other funds. Among these transfers is a \$202 million transfer from the General Fund to the Property Tax Credit Cash Fund for property tax relief.

Nevada	Revenue adjustments are restricted revenue, reversions, Rainy Day Fund transfers in and reserve transfers in. Expenditure adjustments are restricted transfers out.
New Hampshire	Expenditure Adjustments: \$62.2 million was moved to the Education Trust Fund; \$.7 million was moved to the Fish and Game Fund; \$13.9 million was moved to the Highway Fund, 18.7 million was moved to the Public School Infrastructure Fund and \$7.0 million was moved to the Rainy Day Fund at year end. (Positive adjustments totaling \$22.0 million were made for GAAP and Other also.)
New Jersey	Revenue adjustments include: Budget vs. GAAP adjustments; lapses; transfers to other funds; reservation of fund balance.
New Mexico	FY17 reflects actual amounts received from solvency legislation per LFC/DFA sweeps tracking — includes Laws 2016, Chapter 12 (HB311, \$75 million fund sweeps); Laws 2016, Second Special Session, Chapter 4 (SB2, \$93 million general fund sweeps and transfers), Chapter 5 (SB8, \$103.2 million capital outlay sweeps), and Chapter 6 (SB9, \$27.9 million PED appropriation reductions); Laws 2017, Chapter 1 (HB4, \$89 million adjusted reversion date for fire protection fund and law enforcement protection fund), Chapter 2 (SB113, \$55.2 million general fund sweeps), and Chapter 3 (SB114, \$40.8 million school cash balances); Laws 2017, First Special Session, Chapter 1 (SB1, \$82.1 million public school capital outlay swap and general fund sweeps).
North Carolina	Transfer from Rainy Day Fund for S.L. 2016–124 Disaster Recovery Act of 2016. Adjusted expenditures include transfer to the Budget Stabilization Reserve, transfer for the Medicaid Transformation Reserve, and transfer for Repair and Renovation.
North Dakota	Revenue adjustments are transfers of \$572.5 million from the budget stabilization fund, \$155.0 million from the strategic investment and improvements fund and \$100.0 million from other special fund sources, to the general fund. Expenditure adjustments include a transfer of \$32.2 million to the budget stabilization fund, \$2 million in misc. adjustments and \$67.3 million of expenditure authority carried over to the 2015-17 biennium, obligating an equal amount of the general fund balance.
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 contained in the General Fund number to be consistent with Ohio accounting practices and with other portrayals of Ohio's general fund. This will tend to make Ohio's GRF revenue and expenditures look higher relative to most other states that don't follow this practice. FY 2017 expenditures include expenditures against prior year encumbrances as well as \$310.8 million in transfers out of the GRF. The fiscal 2017 ending balance included funds to support \$386.2 million in open encumbrances.
Oklahoma	Revenue adjustment for FY–2017 is the net cash flow reserve amount available for the fiscal year. FY-2017 ending balance expended in the FY–2018 budget. These numbers include collections and estimates for the two largest appropriated funds (the General Revenue Fund and the OK Education Reform Revolving Fund) which constitute the majority of the state appropriated budget.
Oregon	Revenue adjustments include: a revenue adjustment for a statutory transfer to local governments for local property tax relief.
Pennsylvania	Revenue adjustments include refunds, lapses and adjustments to beginning balances.
Rhode Island	Adjustments to revenues reflects \$115.6 million to the Budget Reserve (Rainy Day) Fund, offset by reappropriation of \$7.8 million from FY 2016. Expenditure adjustments reflect reappropriations to the following fiscal year (FY 2018). Reappropriations authorized by the Governor totaling \$10.3 million.
South Carolina	Revenue Adjustments: Litigation Recovery Account (\$139.2M). Expenditure Adjustments: Prior Yr 2% Capital Reserve (\$131.0M) transferred to state agencies. Designated portion of ending balance — Capital Reserve Fund — \$139.2M.
South Dakota	The beginning balance of \$14.1 million and adjustment to expenditures reflects the prior year's ending balance that is transferred to the rainy day fund. Adjustments to revenue of \$15.4 million is from one-time receipts. The ending balance of \$7.9 million is cash that is obligated to the Budget Reserve fund the following fiscal year. This \$7.9 million is not included in the total rainy day fund balance of \$157.4 million.

Tennessee	<p>Revenue adjustments: \$83.9 million transfer from debt service fund unexpended appropriations; -\$100.0 million transfer to Rainy Day Fund; -\$147.6 million transfer to Highway Fund; -\$53.7 million transfer to dedicated revenue reserves.</p> <p>Expenditure adjustments: \$445.8 million transfer to capital outlay projects fund; \$95.1 million transfer to state office buildings and support facilities fund; \$3.6 million transfer to debt service fund; \$1.0 million transfer to reserves for dedicated revenue appropriations; \$151.5 million transfer to reserves for unexpended appropriations.</p> <p>Ending balance: \$1,306.3 million reserve for appropriations 2017–2018; and \$340.3 million unappropriated budget surplus at June 30, 2017.</p>
Texas	<p>Revenue adjustment of -527.7m from general fund dedicated account balances. Expenditure adjustment of \$1,468.8m reserved for transfer (50/50) to the Rainy Day Fund and State Highway Fund.</p>
Vermont	<p>\$34.3M of expenditure adjustments reflect a combination of \$28.52M in contributions to reserve accounts, as well as \$5.76M in transfers to other funds.</p>
Virginia	<p>Total Revenues includes fund transfers.</p>
Washington	<p>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 Total Revenues reflect total general fund revenues, before transfers in and out of the general fund (which are included as adjustments).</p>
West Virginia	<p>Fiscal Year 2017 Beginning balance includes \$283.0 million of Reappropriations, Unappropriated Surplus Balance of \$28.8 million, \$0.7 million of cash balance adjustments, and FY 2016 13th month expenditures of \$58.9 million. Total Revenues show the FY 2017 actual general revenue collections of \$4,191.0 million. Adjustments (Revenue) are prior year redeposits of \$0.4 million and special revenue expirations of \$97.3 million. Total Expenditures include current year general revenue appropriated expenditures of \$3,997.1 million, surplus appropriation expenditures of \$54.8 million, reappropriation expenditures of \$112.5 million, -\$0.2 million of cash adjustments, \$24.5 million of reappropriations transferred to FY 2017 collections, and \$58.9 million of 31 day prior year expenditures. Adjustment (Expenditures) represent \$14.4 million which was the amount transferred to the Rainy Day Fund from 1/2 of the FY 2016 surplus. The Ending Balance is mostly the historically carried forward reappropriation 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 & the any unappropriated surplus balance (estimated) from the current fiscal year.</p>
Wisconsin	<p>Revenue adjustments include Tribal Gaming, \$27.4 million; Prior Year Designated Balance, \$132.0 million; and Other Revenue, \$520.1 million. Expenditure adjustments include Transfers to Transportation fund, \$39.5 million; Lapses, -\$1,190.7 million; and Compensation Reserves, \$1.2 million.</p>
Wyoming	<p>The State of Wyoming budgets on a biennial basis, to arrive at annual figures certain assumptions and estimates were required.</p>

Notes to Table 4: Fiscal 2018 State General Fund, Preliminary 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.

Alaska	<p>Revenues: Spring 2019 Revenue Sources Book (Total Revenue)</p> <p>Revenue Adjustments: SLA2018 Enacted Fiscal Summary (Lines 3-7)</p> <p>Expenditures: SLA2018 Enacted Fiscal Summary, (line 45)</p> <p>Expenditure Adjustments: SLA 2018 Enacted Fiscal Summary, (line 46 and 51)</p> <p>Rainy Day Balance: State of Alaska Fiscal Summary FY18 and FY19 (Part 3) Number listed is EoY Balance</p> <p>The rainy day fund balance listed is the anticipated end of year balance for the given fiscal year inclusive of any anticipated deposits or withdrawals. The deficits listed in the “ending balance” column are already factored into the rainy day balance.</p>
Arkansas	<p>Total available revenue amounts are reported as net of refunds and special dedications/payments.</p>

California	<p>Total revenues: reflect revenues after transfers to the rainy day fund.</p> <p>The ending balance includes the SFEU but excludes the BSA. The excluded amount is \$9,410.4 million at the end of FY 2018. Adding these amounts to the FY 2018 ending balance, the projected total balance is \$17,892.6 million in FY 2018.</p> <p>The rainy day balance is made up of the Special Fund for Economic Uncertainties and the BSA, however, withdrawals from the BSA are subject to provisions of Proposition 2, 2014.</p> <p>Ending balance includes a reserve for encumbrances of \$1,165 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.</p>
Colorado	<p>The total revenue excludes income tax revenue amounts diverted to the State Education Fund per Amendment 23, which was \$617 million in FY2017–18. Adjustments to revenue include money transferred from other funds to the General Fund. Adjustments to expenditures are reversions of appropriations and various accounting adjustments made by the State Controller's office each year.</p>
Connecticut	<p>BRF balance includes: \$212.9 million balance from prior year, \$1,471.3 million transfer due to volatility cap, \$-482.9 transfer out to extinguish FY 2018 deficit, and \$-16.1 million transfer out to the Retired Teachers Health Service Fund. The volatility cap which automatically transfers a portion of income tax collections above a certain threshold. Expenditures Adjustments: Miscellaneous adjustments, 3.4.</p>
Delaware	<p>Ending balance includes Continuing and Encumbered Appropriations of \$168.9 million.</p>
Georgia	<p>Georgia is required by its constitution to maintain a balanced budget. The fund balances for FY 18 and 19 reflect the Governor's balanced budget report. Georgia does not project future Rainy Day fund balances but expects the reserve to continue to grow in future years.</p>
Idaho	<p>Revenue adjustments: \$5.9 m for reappropriation; \$2.6 m for prior-year reversion; \$1.1 m misc. adjustments; and \$3.6 m from the Immunization Fund. Expenditure adjustments: \$34.5 million to the Budget Stabilization Fund (statutory transfer); \$2 million to the Opportunity Fund; \$45.3 million to the Permanent Building Fund; \$4 million to the Wolf Control Fund; \$2.5 million to the Workforce Development Training Fund; \$20 million to the Fire Suppression Fund; \$27.7 to the Idaho Transportation Department (prior year surplus eliminator); \$1 million to the Water Management Fund; \$2 million for deficiency warrants; and \$5.9 million for reappropriation.</p>
Illinois	<p>Total revenues increase is due primarily from the increase in income tax rates from 3.75% to 4.95% for individual and from 5.25% to 7% for corporate. Total revenues include \$4,032M in base federal revenues (excludes the \$1,206M referenced below). Estimated revenue adjustments include \$802M in interfund borrowing and fund reallocations from other state funds, \$2,500M in proceeds from the issuance of backlog borrowing bonds, and \$1,206M in federal match from the paydown of prior year Medicaid liabilities. Estimated expenditures adjustments include \$3,773M in transfers out, \$28M in prior year adjustments, \$3,721 million in vouchers payable adjustments, and \$128M in transfers to repay interfund borrowing.</p>
Indiana	<p>Revenue adjustments include a transfer to the General Fund to assist with the Integrated Tax System, a transfer from the State Tuition Reserve Account, and a transfer from the Rainy Day Fund. Expenditure adjustments include reversions from distributions, capital, and reconciliations; state agency and university line item capital projects; the cost of a 13th check for pension recipients; and transfers to the Rainy Day Fund. Total revenues include forecasted General Fund revenues as well as unforecasted revenues such as HAF, QAF, dedicated fund SWCAP, and outside acts.</p>
Iowa	<p>Included in expenditure adjustments are transfers from the General Fund to the State's Cash Reserve Fund (\$20.0 million) and the State's Economic Emergency Fund (\$13.0 million). The ending balance of the General Fund is transferred in the current year to the Reserve funds in the subsequent fiscal year. After the Reserve Funds are at their statutorily set maximum amounts, the remainder of the funds are transferred back to the General Fund in that subsequent fiscal year.</p>
Kentucky	<p>Revenue includes \$102.6 million in Tobacco Settlement funds. Adjustments for Revenues includes \$201.5 million that represents appropriation balances carried over from the prior fiscal year, and \$268.9 million from fund transfers into the General Fund. Adjustment to Expenditures represents appropriation balances forwarded to the next fiscal year and budget balances to be expended in the next fiscal year. The FY 2018 \$29.0 million ending balance was budgeted for use in FY 2019.</p>

Louisiana	<p>'Revenues adjustments — Includes \$19.2 million in carryforwards and \$29.0 million from prior year undesignated fund balance</p> <p>Expenditure adjustments — None</p> <p>FY18 numbers are budgeted and not actuals.</p> <p>The "total revenues" amounts reported here include transfers from other state fund sources.</p>
Maine	<p>Revenue and Expenditure adjustments reflect Legislatively authorized transfers. Dedicated portion of ending balance: Transfers funds into the Budget Stabilization Fund from unclaimed property and transfers \$2M from the Budget Stabilization Fund to the General Fund, and up to \$65M to a General Fund Reserve account for disallowed costs from the Centers for Medicare and Medicaid Services.</p>
Maryland	<p>Revenue adjustments include \$21.8 million in transfers from tax credit reserves and \$9.0 million in transfers from other funds. Expenditure adjustments represent \$144.2 million in reversions to the unappropriated General Fund balance and \$66.5 million in legislative reductions and executive branch agency mid-year reductions.</p>
Massachusetts	<p>General fund is defined as all budgeted operating funds; all figures are estimates as of 9/4/18. Ending balance includes \$475.4 million in reserved balances to be spent in the next fiscal year. The Commonwealth of Massachusetts credits federal reimbursements for Medicaid, as well as certain other federal reimbursements, to the General Fund. In the NASBO State Expenditure Survey, these reimbursement funds are shown as "federal funds spending" to conform to the survey definitions. Additionally, in the NASBO State Expenditure Survey, certain interfund transfers are shown as spending in "Other State Funds", but are shown in this presentation as "General Fund" spending to be consistent with the Commonwealth's accounting practices.</p>
Michigan	<p>Revenue totals are net of payments to local governments and balance sheet adjustments.</p> <p>Adjustments (Expenditures): \$265 million transfer to budget stabilization/rainy day fund; \$35 million transfer to infrastructure fund; and \$25 million transfer to Flint reserve fund for water emergency.</p> <p>Michigan's fiscal year is October 1 through September 30. At the time of completing this survey, Michigan was operating in FY 18.</p>
Minnesota	<p>Ending balance includes cash flow account of \$350 million, budget reserve account of \$1,608.364 million, and stadium reserve of \$39.608 million.</p>
Mississippi	<p>Ending balance includes reappropriation from FY2018 to FY2019.</p>
Missouri	<p>Revenue adjustments include transfers from other funds into the general revenue fund.</p>
Montana	<p>Revenue adjustments reflect prior year revenue activity and expenditure adjustments reflect prior year expenditure activity and adjustments to fund balance as a result of the annual CAFR reconciliation.</p>
Nebraska	<p>Revenue adjustments are transfers between the General Fund and other funds. Among others, this includes a \$221 million transfer from the General Fund to the Property Tax Credit Cash Fund. Also included are transfers totaling \$225 million from the Cash Reserve Fund to the General Fund for budget stabilization.</p>
Nevada	<p>Revenue adjustments are restricted revenue, reversions, Rainy Day Fund transfers in and reserve transfers in. Expenditure adjustments are restricted transfers out.</p>
New Hampshire	<p>Expenditure Adjustments: As the result of standalone legislation in FY 2018, \$10 million was authorized to be deposited in the revenue stabilization reserve account (Rainy Day Fund). Additionally, \$6.6 million of general funds was authorized to be deposited in the Public School Infrastructure Fund at year end. Though the General Fund Ending Balance for FY 2018 is labeled as an undesignated fund balance, the legislature passed standalone legislation obligating over \$ 12.7 million for pay raises; \$10.0 million for infrastructure projects, and another \$ 2.2 million for other initiatives in FY 2019.to be funded with these FY 2018 carry forward funds.</p>
New Jersey	<p>Revenue adjustments include: Estimated lapses; reservation of fund balance; transfer to other funds.</p>

New Mexico	FY18 reflects remaining solvency transfers per Laws 2017, Chapter 1 (HB4, \$10.7 million fire protection fund adjusted reversion) and Laws 2017, First Special Session, Chapter 1 (SB1, \$8 million from NMFA public project revolving fund). \$9 million was moved from FY18 recurring appropriations to nonrecurring appropriations to reflect DFA accounting for \$7 million LEDA special and \$2 million NMCD special.
New York	FY 2018 and FY 2019 annual revenue changes include an acceleration of PIT payments due in calendar year 2018 as taxpayers responded to Federal tax law changes that, starting in tax year 2018, limit the allowable aggregate itemized deduction of State and local income taxes, and local real property taxes, to a maximum of \$10,000 on Federal income tax returns. DOB estimates approximately \$1.9 billion was accelerated from FY 2019 to FY 2018.
North Carolina	Expenditure adjustments include funds for the R&R Reserve, \$64.8M, the Capital Project Reserve \$155.2M, and the Medicaid Transformation Reserve, \$75M.
North Dakota	Revenue adjustments are transfers of \$183.0 million from the tax relief fund, \$124.0 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 contained in the General Fund number to be consistent with Ohio accounting practices and with other portrayals of Ohio's general fund. This will tend to make Ohio's GRF revenue and expenditures look higher relative to most other states that don't follow this practice. FY 2018 expenditures include expenditures against prior year encumbrances as well as \$80.0 million in transfers out of the GRF. The fiscal 2018 ending balance included funds to support \$371.2 million in open encumbrances.
Oklahoma	The revenue adjustment for FY-2018 is the net cash flow reserve amount available for the fiscal year. The FY-2018 expenditure adjustment amount is the amount transferred to the Constitutional Reserve Fund (Rainy Day Fund) at the end of the fiscal year. The Rainy Day Fund balance was increased by a \$381.6 million deposit, but was also decreased by \$23.3 million appropriated in special session, leaving the balance of \$451.6 million at the end of FY-2018. These numbers include collections and estimates for the two largest appropriated funds (the General Revenue Fund and the OK Education Reform Revolving Fund) which constitute the majority of the state appropriated budget.
Oregon	Revenue adjustments include: a revenue adjustment for a statutory transfer to local governments for local property tax relief.
Pennsylvania	Revenue adjustments include refunds, lapses and adjustments to beginning balances. Expenditure adjustments include transfers to the Budget Stabilization Reserve Fund (rainy day).
Rhode Island	Adjustments to revenues reflects \$119.1 million to the Budget Reserve (Rainy Day) Fund, offset by reappropriation of \$10.3 million from FY 2017. Expenditure adjustments reflect reappropriations to the following fiscal year (FY 2019). Reappropriations authorized by the Governor totaling \$10.1 million.
South Carolina	Revenue Adjustments: Litigation Recovery Account (\$16.2M) & South Carolina Farm Aid Fund (\$4.5M). Expenditure Adjustments: Prior Yr 2% Capital Reserve (\$139.2M) transferred to state agencies. Designated portion of ending balance — Capital Reserve Fund — \$145.4 M.
South Dakota	The beginning balance of \$7.9 million and adjustment to expenditures reflects the prior year's ending balance that is transferred to the rainy day fund. Adjustments to revenue of \$14.6 million is from one-time receipts. The ending balance of \$16.9 million is cash that is obligated to the Budget Reserve fund the following fiscal year. This \$16.9 million is not included in the total rainy day fund balance of \$159.5 million.
Tennessee	Revenue adjustments: \$55.5 million transfer from debt service fund unexpended appropriations; -\$85.0 million transfer to Highway Fund; -\$132.0 million transfer to Rainy Day Fund. Expenditure adjustments: \$644.5 million transfer to capital outlay projects fund; \$142.3 million transfer to state office buildings and support facilities fund; \$3.5 million transfer to debt service fund; \$1.0 million transfer to reserves for dedicated revenue appropriations. Ending balance: \$529.8 million unappropriated budget surplus at June 30, 2018.

Texas	Revenue adjustment of \$1,048.8m in general fund dedicated account balances. Expenditure adjustment of \$2741.0m reserved for transfer (50/50) to the Rainy Day Fund and the State Highway Fund. Figures represent the numbers provided by the Comptroller in the revised CRE released July 2018, Table A-1.
Utah	Based on revenue and expenditure estimates authorized during the 2018 General Session. Since this is based on estimates, it does not include any additional balances or statutory rainy day fund deposits that will be calculated when FY 2018 is closed-out.
Vermont	The \$76.9M in adjusted expenditures includes a net +\$26.2M in contributions to established reserves, and +\$50.7M in fund transfers. Of the \$50.7M in fund transfers, \$26.2M was transferred as an additional contribution to the Vermont State Teacher's Retirement System accrued liability above and beyond the Fiscal 2018 ADEC.
Virginia	Total Revenues includes fund transfers.
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. A portion of the FY 2018 ending balance is programmed to be spent in FY 2019. The Total Revenues reflect total general fund revenues, before transfers in and out of the general fund (which are included as adjustments).
West Virginia	Fiscal Year 2018 Beginning balance includes \$285.1 million of Reappropriations, Unappropriated Surplus Balance of \$76.2 million, \$1.0 million of cash balance adjustments, and FY 2017 13th month expenditures of \$35.8 million. Total Revenues show the FY 2018 actual general revenue collections of \$4,254.2 million. Adjustments (Revenue) are prior year redeposits of \$2.6 million and special revenue expirations of \$1.6 million. Total Expenditures include current year general revenue appropriated expenditures of \$4,040.1 million, surplus appropriation expenditures of \$30.5 million, reappropriation expenditures of \$125.7 million, \$-0.3 million of cash adjustments, and \$35.9 million of 31 day prior year expenditures. Adjustment (Expenditures) represent \$38.0 million which was the amount transferred to the Rainy Day Fund from 1/2 of the FY 2017 surplus. The Ending Balance is mostly the historically carried forward reappropriation 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 & the any unappropriated surplus balance (estimated) from the current fiscal year.
Wisconsin	Revenue adjustments include Tribal Gaming, \$27.1 million; Prior Year Designated Balance, \$52.1 million; and Other Revenue, \$528.6 million. Expenditure adjustments include Transfers, \$73.3 million; Lapses, -\$469.3 million; and Compensation Reserves, \$0.3 million.
Wyoming	The State of Wyoming budgets on a biennial basis, to arrive at annual figures certain assumptions and estimates were required.

Notes to Table 5: Fiscal 2019 State General Fund, Enacted

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 transfers to the ETF Budget Stabilization Fund of \$64.2M and the ETF Advancement & Technology Fund of \$37.1M.
Alaska	Revenues: Spring 2019 Revenue Sources Book (Total Revenue) Revenue Adjustments: SLA2018 Enacted Fiscal Summary (Lines 3-7) Expenditures: SLA2018 Enacted Fiscal Summary, (line 45) Expenditure Adjustments: SLA 2018 Enacted Fiscal Summary, (line 46 and 51) Rainy Day Balance: State of Alaska Fiscal Summary FY18 and FY19 (Part 3) Number listed is EoY Balance The rainy day fund balance listed is the anticipated end of year balance for the given fiscal year inclusive of any anticipated deposits or withdrawals. The deficits listed in the "ending balance" column are already factored into the rainy day balance.
Arkansas	Total available revenue amounts are reported as net of refunds and special dedications/payments. 75% of the ending balance is recommended to create a restricted reserve fund for FY19, and the remaining 25% will be transferred to the Arkansas Highway Transfer Fund.

California	<p>Total revenues: reflect revenues after transfers to the rainy day fund.</p> <p>The ending balance includes the SFEU but excludes the BSA. The excluded amount is \$13,768.4 million at the end of FY 2019. Adding these amounts to the FY 2019 ending balance, the projected total balance is \$16,895.1 million in FY 2019.</p> <p>The rainy day balance is made up of the Special Fund for Economic Uncertainties and the BSA, however, withdrawals from the BSA are subject to provisions of Proposition 2, 2014.</p> <p>Ending balance includes a reserve for encumbrances of \$1,165 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.</p>
Colorado	<p>The total revenue excludes income tax revenue amounts diverted to the State Education Fund per Amendment 23, which was \$658.6 million in FY2018-19. Adjustments to revenue include money transferred from other funds to the General Fund. Adjustments to expenditures are reversions of appropriations and various accounting adjustments made by the State Controller's office each year.</p>
Connecticut	<p>Budget Reserve Fund includes a net transfer of \$363.1 million due to the state's volatility cap which automatically transfers a portion of income tax collections above a certain threshold.</p>
Delaware	<p>Beginning balance reflects FY 2018 actual ending balance. FY 2019 Revenues includes DEFAC estimates as of the June, 2018 meeting plus enacted revenue adjustments. Ending balance includes Continuing and Encumbered Appropriations of \$237.4 million.</p>
Georgia	<p>FY 19 beginning balance reflects general fund balances as of June 30, 2018 for Revenue Shortfall Reserve (Preliminary) as reported on the FY 18 State Funds and Funds Available from Beginning Fund Balance Sheet of the Report of Georgia Revenues and Reserves. Georgia is required by its constitution to maintain a balanced report. The fund balances for FY 18 and 19 reflect the Governor's balanced budget. Georgia does not project future Rainy Day fund balances, but expects the reserve to continue to grow in future years.</p>
Idaho	<p>Surplus eliminator legislation accounts for the difference between the FY 18 ending balance and the FY 19 beginning balance. The transfers were made at the beginning of FY 19. Revenue Adjustments: \$13.1 million from the Group Insurance Account. Expenditure Adjustments: \$32 million to the Public Education Stabilization Fund; \$2 million to the STEM Education Fund; \$4 million to the Wolf Control Fund; \$44.1 million to the Permanent Building Fund; \$22 million to the Technology Stabilization Fund; \$2.4 million to the Water Resources Revolving Development Fund.</p>
Illinois	<p>Total Revenues includes \$3,785 million in federal revenues. Revenue adjustments include \$800M for interfund borrowing and \$300M for the sale of the James R Thompson Center. Expenditure adjustments include \$3,183M for transfers out.</p>
Indiana	<p>Revenue adjustments include a transfer to the General Fund to assist with the Integrated Tax System, a transfer from the State Tuition Reserve Account, and one-time revenues from the transfer of three gaming licenses. Expenditure adjustments include reversions from distributions, capital, and reconciliations; state agency and university line item capital projects; and the cost of a 13th check for pension recipients. Total revenues include forecasted General Fund revenues as well as unforecasted revenues such as HAF, QAF, dedicated fund SWCAP, and outside acts.</p>
Iowa	<p>Revenue adjustments include an estimated \$92.6 million of residual funds transferred to the General Fund after the Reserve Funds are filled to their statutorily set maximum amounts. The ending balance of the General Fund is transferred in the current fiscal year to the Reserve Funds in the subsequent fiscal year. After the Reserve Funds are at their statutorily set maximum amounts, the remainder of the funds are transferred back to the General Fund in that subsequent fiscal year. Included in expenditure adjustments is a transfer from the General Fund to the State's Cash Reserve Fund of \$113.1 million.</p>
Kansas	<p>Expenditure Adjustments equal the amount of FY 2018 underspending that reappropriated for FY 2019 expenditure.</p>

Kentucky	Revenue includes \$119.5 million in Tobacco Settlement funds. Adjustments for Revenues includes \$18.9 million that represents appropriation balances carried over from the prior fiscal year, and \$303.6 million from fund transfers into the General Fund. Adjustment to Expenditures represents appropriation balances forwarded to the next fiscal year and budget balances to be expended in the next fiscal year.
Louisiana	The “total revenues” amounts reported here include transfers from other state fund sources.
Maine	Revenue and Expenditure adjustments reflect Legislatively authorized transfers.
Maryland	Revenue adjustments include \$25.2 million in transfers from tax credit reserves. Expenditure adjustments represent \$35 million in reversions to the unappropriated General Fund balance. The FY 2019 Enacted starting balance does not match the FY 2018 Actual ending balance because the FY 2019 Enacted budget did not incorporate updated revenue and expenditure figures from FY 2018.
Massachusetts	General Fund is defined as all budgeted operating funds; spending represents total projected spending in fiscal 2019. Ending balance includes \$64.6 million in reserved balances to be spent in the next fiscal year. The Commonwealth of Massachusetts credits federal reimbursements for Medicaid, as well as certain other federal reimbursements, to the General Fund. In the NASBO State Expenditure Survey, these reimbursement funds are shown as “federal funds spending” to conform to the survey definitions. Additionally, in the NASBO State Expenditure Survey, certain interfund transfers are shown as spending in “Other State Funds”, but are shown in this presentation as “General Fund” spending to be consistent with the Commonwealth’s accounting practices.
Michigan	Revenue totals are net of payments to local governments and balance sheet adjustments.
Minnesota	Ending balance includes cash flow account of \$350 million, budget reserve account of \$1,583.364 million, and stadium reserve of \$57.638 million.
Missouri	Revenue adjustments include transfers from other funds into the general revenue fund.
Nebraska	Revenue adjustments are transfers between the General Fund and other funds. Among others, this includes a \$221 million transfer from the General Fund to the Property Tax Credit Cash Fund, as well as a \$62.0 Transfer to the Cash Reserve for Revenues in excess of the Certified Forecast for FY 2018. Also included are transfers totaling \$48 million from the Cash Reserve Fund to the General Fund for budget stabilization. Expenditure adjustments include a net \$258.0 million reserved for authorized reappropriations and carryover obligations from FY 2018.
Nevada	Revenue adjustments are restricted revenue, reversions, Rainy Day Fund transfers in and reserve transfers in. Expenditure adjustments are restricted transfers out.
New Hampshire	Revenue Adjustments: An increase in Liquor Revenue is expected due to expenditure reductions of \$ 1.8 million with additional Liquor Revenue moving to the Governor’s Commission on Alcohol Abuse totaling \$3.6 million. Additional Dept. of Revenue Audit income is expected, totaling \$3.1 million, as well as a reduction in Restricted Airways Toll income of \$.2 million. Further, the Business Profit Tax (BPT) and Business Enterprise Taxes (BET) anticipate to be impacted by rate reductions in calendar year 2019 that will reduce budgeted tax income by \$11.0 million and \$9.7 million respectively. Additionally, the elimination of the Electricity Consumption tax effective January 1, 2019 will result in a \$3.0 million reduction. Expenditure Adjustments: \$10.0 million is anticipated to be moved to the Education Trust Fund at year end as well as \$.6 million to be moved to the Rainy Day Fund.
New Jersey	Revenue adjustments include: Transfers to other funds; reservation of fund balance.
New York	FY 2018 and FY 2019 annual revenue changes include an acceleration of PIT payments due in calendar year 2018 as taxpayers responded to Federal tax law changes that, starting in tax year 2018, limit the allowable aggregate itemized deduction of State and local income taxes, and local real property taxes, to a maximum of \$10,000 on Federal income tax returns. DOB estimates approximately \$1.9 billion was accelerated from FY 2019 to FY 2018. FY 2019 expenditure change includes a \$1.2 billion increase for the support of capital projects reflecting the timing of reimbursement from bond proceeds, planned disbursements from the Dedicated Highway and Bridge Trust Funds, and the use of extraordinary monetary settlements.
North Carolina	Expenditure adjustment includes funds transferred to Budget Stabilization Reserve (Savings Reserve), \$221.5 M, and Medicaid Transformation Reserve, \$135M.

North Dakota	Revenue adjustments are transfers of \$200.0 million from interest earned on the Legacy fund, \$124.0 million from the strategic investment and improvements fund and \$70.0 million from other special fund sources, to the general fund. Expenditure adjustments include a potential \$95.9 million transfer to the budget stabilization 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 contained in the General Fund number to be consistent with Ohio accounting practices and with other portrayals of Ohio's general fund. This will tend to make Ohio's GRF revenue and expenditures look higher relative to most other states that don't follow this practice. FY 2019 expenditures include anticipated expenditures against prior year encumbrances as well as \$761.2 million in expected transfers out of the GRF, including a \$657.5 million transfer of FY 2018 year-end surplus revenue into the Budget Stabilization Fund. The fiscal 2019 ending balance is based on estimates; however, cash equal to open encumbrances at the end of the year will be reserved in the ending balance.
Oklahoma	No revenue or expenditure adjustments can be calculated at this time for FY-2019. These numbers include collections and estimates for the two largest appropriated funds (the General Revenue Fund and the OK Education Reform Revolving Fund) which constitute the majority of the state appropriated budget.
Oregon	Revenue adjustments include: a revenue adjustment for a statutory transfer to local governments for local property tax relief. Because General Fund revenues for the 2017-19 biennium are anticipated to exceed projections by more than two percent, there will be a refund of personal income taxes "Kicker". This refund, which is projected at roughly \$685.9 million will be returned to taxpayers as a credit on their 2019 income tax return (which will be filed in 2020).
Pennsylvania	Revenue adjustments include refunds, lapses and adjustments to beginning balances. Expenditure adjustments include transfers to the Budget Stabilization Reserve Fund (rainy day).
Rhode Island	Adjustments to revenues reflect a transfer of \$120.9 million to the Budget Reserve (Rainy Day) Fund.
South Carolina	Revenue Adjustments: Litigation Recovery Account (\$4M); FY2017-18 Debt Service Lapse (\$16.6M); FY2017-18 Capital Reserve Fund Lapse (\$0.3M) & FY2018-19 Unobligated Debt Service (\$67.4M); Tax Changes (-\$2.4M). Expenditure Adjustments: Prior Yr 2% Capital Reserve (\$145.4M) transferred to state agencies. Designated portion of ending balance — Capital Reserve Fund — \$151.6 M.
South Dakota	The beginning balance of \$16.9 million and adjustment to expenditures reflects the prior year's ending balance which is transferred to the rainy day fund.
Tennessee	Revenue adjustments: \$61.0 million transfer to Rainy Day Fund; \$20.0 million transfer to Aeronautics Development Fund; \$0.5 million transfer to Highway Fund for ORNL Signs. Expenditure adjustments: \$260.4 million transfer to capital outlay projects fund. \$16.3 million transfer to state office buildings and support facilities fund. \$3.7 million transfer to debt service fund. \$1.0 million transfer to reserves for dedicated revenue appropriations. Ending balance: \$6.2 million unappropriated budget surplus at June 30, 2019.
Texas	Revenue adjustment of \$187.8m in general fund dedicated account balances. Expenditure adjustment of \$3,188.5m reserved for transfer to the Rainy Day Fund and the State Highway Fund. Figures represent the numbers provided by the Comptroller in the revised CRE released July 2018, Table A-1.
Utah	Includes additional revenue from tax changes enacted during the 2018 Second Special Session. See https://le.utah.gov/interim/2018/pdf/00003644.pdf for the revised revenue estimates.
Vermont	A net total of \$7.1M in expenditure adjustments reflect the following: \$76.8M in fund transfers to the General Fund, and subsequent General Fund designated reserves of \$83.9M. Please note that the amount of \$76.8M transferred to the General Fund is predominantly attributable to a transfer of funds from a pre-existing unrestricted special fund balance to the State's Human Services Caseload Reserve. These transfers, and subsequent reserves, account for the corresponding growth in "Rainy Day Fund Balance" of \$73.9M, year-over-year. Of further note, the marked year-over-year decrease in General Fund revenue is largely attributable to the Legislature's restructuring of the Education Fund revenue sources. This restructuring resulted in a decrease of -\$301.2M in the annual transfer of General Funds. In lieu of the annual transfer of General Funds to the Education Fund, 100% of Sales and Use and 25% of Meals and Rooms taxes will be deposited directly into the Education Fund. Previously, these tax revenues were deposited into the General Fund. The remaining decrease in revenue year-over-year is predominantly associated with Vermont social security tax rate changes and the restructuring of Vermont's tax laws to align with modifications to the federal tax code.

Virginia	Total Revenues includes fund transfers.
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. It is currently projected that a portion of the FY 2019 ending balance will be programmed to be spent in FY 2020. The Total Revenues reflect total general fund revenues, before transfers in and out of the general fund (which are included as adjustments).
West Virginia	Total Revenue is the official estimate for FY 2019 Total General Revenue collections. Total Expenditures are FY 2019 general revenue appropriations of \$4,381.9 million, FY 2019 surplus appropriations of \$13.8 million, and estimated 13th month expenditures of \$42.9 million. Adjustment (Expenditures) represents the \$18 million transferred in August 2018 to the Rainy Day Fund from 1/2 of the FY 2018 surplus. The Ending Balance is mostly the historically carried forward reappropriation amounts that will remain and be reappropriated to the next fiscal year, the 13th month expenditures from the previous fiscal year & any unappropriated surplus balance.
Wisconsin	Revenue adjustments include Tribal Gaming, \$26.1 million; and Other Revenue, \$451.8 million. Expenditure adjustments include Transfers to Transportation fund, \$41.6 million; Lapses, -\$448.2 million; and Compensation Reserves, \$52.1 million. The estimates are based upon the 2018 AFR closing along with revenue and expenditure estimates from the General Fund Summary in the statutes.
Wyoming	The State of Wyoming budgets on a biennial basis, to arrive at annual figures certain assumptions and estimates were required.

Notes to Table 6: General Fund Nominal Percentage Expenditure Change, Fiscal 2017 to Fiscal 2019

New York	FY 2019 expenditure change includes a \$1.2 billion increase for the support of capital projects reflecting the timing of reimbursement from bond proceeds, planned disbursements from the Dedicated Highway and Bridge Trust Funds, and the use of extraordinary monetary settlements.
Ohio	The fiscal year 2018 annual revenue and expenditure decline is the result of the elimination of the sales tax on Medicaid managed care companies and the adoption of a provider assessment on all managed care companies. The provider tax, unlike the sales tax, will be deposited in a non-GRF dedicated purpose fund.
Vermont	The marked year-over-year decrease in FY 2019 is largely attributable to the Legislature's restructuring of the Education Fund revenue sources. This restructuring resulted in a decrease of -\$301.2M in the annual transfer of General Funds. In lieu of the annual transfer of General Funds to the Education Fund, 100% of Sales and Use and 25% of Meals and Rooms taxes will be deposited directly into the Education Fund. Previously, these tax revenues were deposited into the General Fund. The remaining decrease year-over-year is predominantly associated with Vermont social security tax rate changes and the restructuring of Vermont's tax laws to align with modifications to the federal tax code.

Notes to Table 7: States with Net Mid-Year Budget Cuts in Fiscal 2018 Due to Shortfall

Kentucky	Revenue shortfall projected December 2017 resulting in General Fund Budget Reduction Order.
Vermont	A portion of the revenue downgrade for SFY18 was addressed by a reduction in expenditures and was effectuated by the annual mid-year legislative Budget Adjustment Act (BAA). Other adjustments were included in the SFY18 BAA exclusive of the revenue downgrade.

Notes to Table 8: Fiscal 2018 Mid-Year Program Area Adjustments by Dollar Value

Alabama	K-12 Education — Supplemental Appropriation to the State Department of Education for Alabama School of Cyber and Engineering; Medicaid — Medicaid State GF Carryover; Corrections — Reversion Re-appropriated and Supplemental Appropriation; All Other — Supplemental Appropriations and Others Agencies' authorized re-appropriation of prior year unspent appropriations.
Alaska	All Other — As a result of the Alaska Reinsurance Program, Premera reimbursed \$25 million to the program which was deposited with the Alaska Comprehensive Health Insurance Association, which reduced the grant billings for the year by that amount.
Arizona	Savings were ex-appropriated due to lower than expected formula and caseload growth, rather than programmatic changes.

California	All Other: includes \$0.6b for CalFIRE emergency funding, -\$0.3b CHIP, -\$0.9b employee compensation.
Colorado	Higher property tax revenue reduced need for State K-12 funding.
Hawaii	Some restrictions may have been released.
Idaho	Medicaid change partially offset by spending change in another state fund.
Indiana	Higher education — \$250M of General Fund expenses were shifted to TANF. All other — The budget for the Department of Child Services was augmented by \$327.1 million.
Kentucky	K-12 education reduction: surplus/lapse due to less growth than anticipated in population. Higher education, Medicaid, Transportation, All other: Budget Reduction Order cuts. Corrections: NGEs-more inmates, medical, staffing.
Louisiana	K-12 education general fund reduction partially or fully offset by another state fund spending change. Medicaid – supplemental appropriation is bulk.
Maryland	All Other — Includes an across-the-board health insurance reduction.
Michigan	K-12 education — In FY 18, an additional \$100 million was appropriated to improve the state’s talent pipeline by training citizens for high-demand career fields, providing educational supports, expanding career exploration opportunities, and supporting innovative teachers and curriculum; an additional \$30 million was appropriated for school safety/mental health. Totals for education noted in this footnote include changes in all sources of state spending, not only GF/GP. The State School Aid Fund — not included in Fiscal Survey reporting — is the primary source of funding for education in Michigan, and restricted resources from the SAF and GF/GP resources are used interchangeably to fund education. Public assistance — Caseload reduction. Medicaid — Caseload reduction. Corrections — Supplemental vocational training funding. Transportation — Accelerated road spending & targeted road projects. All other — Supplemental appropriations, including 2nd deposit to BSF/Rainy Day Fund, lead service line replacements, pay down unfunded liabilities, etc.
Nebraska	Public assistance — Partial offset to an increase in Child Welfare Aid of \$24.7 million. All other — Primarily due to an increase in Child Welfare Aid.
New Jersey	All other — Includes \$788.5 million shift of Energy Tax Receipts on budget.
Oklahoma	No programs were exempt from cuts; however, both the Department of Health and the Oklahoma Health Care Authority were given supplemental funding to satisfy specific needs after the original budget was enacted. Cash, new revenues, agency cuts, and other fund transfers were used to overcome the budget gap created by the Supreme Court ruling. Oklahoma defines a revenue shortfall as collections falling short of certified estimates of revenues. In this case, the gap was created by a determination by the OK Supreme Court that a newly enacted cigarette fee was, in fact, a new tax and enacted outside of constitutional constraints.
Oregon	K-12 education and Medicaid general fund spending changes were partially or fully offset by spending changes in other state funds. All other — Includes Budget modifications to Legislative Branch, Judicial Branch. Also includes the May 2018 Emergency Board Actions for the Secretary of State.
Rhode Island	State aid programs were not specifically exempted but were not targeted for any cuts. Expenditure changes were primarily to address overspending by certain agencies. Significant mid-year increases were enacted for Children, Youth and Families (\$20.7 million) and Behavioral Healthcare, Developmental Disabilities and Hospitals (\$15.5 million) primarily due to a combination of increased caseloads and unachieved savings initiatives assumed in the originally enacted budget.
South Dakota	Medicaid general fund spending change partially or fully offset by change in other state fund.
Vermont	A portion of the revenue downgrade for SFY18 was addressed by a reduction in expenditures and was effectuated by the annual mid-year legislative Budget Adjustment Act (BAA). Other adjustments were included in the SFY18 BAA exclusive of the revenue downgrade.
Washington	Mid-year general fund reductions in Higher education, public assistance, Medicaid, Corrections, and Transportation were partially or fully offset by spending changes in another state fund.

Wisconsin Rainy day fund: Per current law, 50% of actual general fund taxes in excess of FY18 budgeted amount were deposited to the rainy day fund (\$33.1 million).

Notes to Table 9: Fiscal 2019 Enacted Program Area Appropriation Changes by Dollar Value

Alabama	Transportation does not get a General Fund Appropriation
Alaska	Medicaid and Public Assistance — Due to Medicaid expansion, public assistance programs were moved under Medicaid, decreasing PA and increasing Medicaid
Arkansas	K-12 Education — Additional funding was provided from the Educational Adequacy Fund; Medicaid — Approximately \$50M of this increase replaces other funds used in the previous year.
California	All Other: includes \$0.5b for CalFIRE emergency funding and wild fire clean up, \$0.5b federal offsets associated with reimbursed activities related to wild fires, \$0.6b one-time funding for emergency homeless grants, \$0.1b for urban flood reduction program, \$0.3b mandate claims, \$0.3b healthcare caseload increases, -\$0.6b CHIP, \$0.3b developmental services, \$0.3b debt service, \$0.3 deferred maintenance, \$0.3b supplemental payments, and \$1.2b employee compensation.
Colorado	Transportation: not technically an appropriation but a transfer from General Fund for transportation purposes. All Other: A large portion of this amount — \$225M — is for a direct payment to the state's pension system to address its unfunded liability.
Delaware	Transportation is funded through non-general funds.
Kentucky	Corrections: Pension increases reflect \$17.5 million. All other — Pension increases FY 19 over FY 18 was \$308,855,600 (\$225.5 for state employees' and \$83.3 teachers' pension). Also, there was a direct appropriation to the Rainy Day Fund (BRTF) of \$33.5m.
Louisiana	K-12 education and Medicaid general fund spending changes were partially or fully offset by other state fund changes.
Maryland	K-12 education — Gambling revenue is partially devoted to education, with an estimated \$502.9 million going towards K-12 funding formulas in fiscal 2019. Public Assistance — Approximately \$9 million in GF reduction is due to a fund swap with Temporary Assistance for Needy Families (TANF).
Massachusetts	Medicaid spending changes includes both changes in state and federal spending. The Commonwealth of Massachusetts credits federal reimbursements for Medicaid, as well as certain other federal reimbursements, to the General Fund. In the NASBO State Expenditure Survey, these reimbursement funds are shown as "federal funds spending" to conform to the survey definitions. Additionally, in the NASBO State Expenditure Survey, certain interfund transfers are shown as spending in "Other State Funds", but are shown in this presentation as "General Fund" spending to be consistent with the Commonwealth's accounting practices.
Michigan	K-12 education — \$383.4 million from School Aid Fund (non-general fund); Higher education — \$40.5 million from School Aid Fund. Transportation — total of \$300 million from all funds to accelerate road improvement. Totals in this footnote for K-12 and higher education include changes in all sources of state spending, not only GF/GP. The State School Aid Fund is the primary source of funding for education in Michigan, and restricted resources from the SAF and GF/GP resources are used interchangeably to fund education.
Mississippi	General fund spending changes in K-12 education, higher education, Medicaid, corrections, and all other are partially or fully offset with spending changes in other state funds.
Nebraska	All other— Includes additional \$5.4 million in Justice Reinvestment with the Courts; \$3.1 Million for Homestead Exemption Aid; \$6.3 Million for Child Welfare Aid; and other measures.
Nevada	K-12 Education negative amount is due to the increase in local property tax and the government service tax, which has a direct correlation with the state support.
New Jersey	Medicaid general fund spending change partially or fully offset by other state fund change.
New York	K-12 education, Public Assistance, Medicaid, Transportation and All Other general fund spending changes are partially or fully offset by changes in spending from other state funds. As in other surveys, the appropriations changes for Fiscal year 2019 were provided using cash estimates per 2018 Enacted and 2019 Executive Budget, as amended Financial Plans.

Ohio	Net appropriation change figures represent amounts originally authorized in the fiscal year 2018 and 2019 budget.
Oklahoma	K-12 education — Other state funds were increased by \$156.4 million from FY'18. Higher education — Other state funds were increased by \$7.1 million from FY'18. Corrections received \$5.9 million in cash from other statewide funds for FY'19 above FY'18. Transportation is funded from their own dedicated fund which increased by \$11.8 million over FY'18.
Rhode Island	\$36 million increase in other state funds for transportation primarily due to the full transfer of 100% of motor vehicle related fees to the Highway Maintenance Account. The original multi-year plan to shift these fees was revised in FY 18 revised budget from 80% to 60%, but the plan to move to 100% in FY 2019 was maintained in the final enacted budget.
Utah	Higher education — Includes one-time for construction; Corrections - \$46M one-time for prison construction. All other — \$31.5M in one-time debt service savings.
Vermont	K-12 education — Represents two sets of primary actions: first, the year-over-year increase in Teachers' Retirement and Retired Teachers' Health defined benefit contributions totaling +\$20.3M; second, the Legislature's restructuring of the Education Fund which resulted in a net decrease of -\$305M in the annual transfer of General Funds. In lieu of the annual transfer of General Funds to the Education Fund, 100% of Sales and Use and 25% of Meals and Rooms taxes will be deposited directly into the Education Fund. Previously, these tax revenues were deposited into the General Fund. Higher education — This represents a \$0 increase across all funds as the use of GF is to backfill the loss of federal funds. Public assistance — This represents a GF net-neutral funding transfer among two separate appropriations and the claiming of TANF funds to offset the GF transfer.
Virginia	Medicaid — The amount does not reflect the appropriation of hospital assessment revenue that will be used to support the increased costs associated with Medicaid expansion and supplemental provider payments.

Notes to Table 10: Strategies Used to Manage Budget, Mid-Year Fiscal 2018

Alabama	Alabama Law Institute, Legislative Fiscal Office, Legislative Council, and Legislative Reference Services were combined into the Legislative Services Agency in Act 2017-214. This agency provides legal, fiscal and code revisions services to the Alabama Legislature. A loan was made to Jacksonville State University from the Budget Stabilization Fund in the amount of \$5,946,640.
California	OPEB—The state and its employees will continue equally prefunding retiree health benefits for active employees, generally phased-in over a three-year period, as collectively bargained with the state's 21 bargaining units.
Iowa	A deappropriation bill (SF2117) included \$25.5 million of targeted reductions to appropriations.
Kentucky	FY 18 mid-yr cut \$158 million; targeted 6.25% reductions in FY 19 and FY 20. Personnel policy for the elimination of vacant positions.
Louisiana	Hiring Freeze FY18
Massachusetts	Proposed modification to statutory OPEB funding mechanism to increase OPEB pre-funding payment to \$72 million. Other — Caps on Full-Time Equivalent employees are in effect for executive branch agencies.
Nebraska	Across-the-Board reduction recommendations represent 2% in fiscal 2018 and 2% in fiscal 2019 of General Fund appropriations. Exemptions were provided for K-12 formula aid, special education aid, health and human services aid programs, 24-hour care facilities, corrections, child protective service operations, property tax relief aid programs, defined benefit retirement plan contributions and Constitutional Officers' salaries. Beginning October 2016, the reduction of employees in code agencies was nearly 500 or 3.5% of personnel. Also, 1,500 vacant positions have been eliminated. A new enacted transfer of \$100 million from the Cash Reserve Fund to the General Fund in fiscal 2018 supplements the \$125 million already provided in current law. Other Fund Transfers — Various cash fund transfers to the General Fund for budget stabilization. Prior-year fund balance — This includes lapsing of unexpended balance of prior year appropriations to the unreserved General Fund balance. Other — IT consolidation; process improvement strategies to identify cost savings.
New Mexico	Consolidation of HR positions into central agency (ongoing process)
Ohio	During the development of the fiscal year 2018-2019 biennial budget, the state of Ohio utilized targeted cuts to balance.

Oklahoma	Across the board cuts — \$44.7 million cut from FY-18 GRF appropriations in special session. Rainy Day Fund — FY18 appropriations made in special session. FY-18 appropriations made in special session from Special Cash Fund; Transferred \$172.4 million to Special Cash Fund for appropriation for FY-19. Remaining FY-17 Cash appropriated for FY-18 in special session; Used \$4.4 million of prior-year cash for FY-19. Other — FY-18 GRF increased by legislation and appropriated in special sessions for FY-18; Legislation added \$392.6 million of new revenues to the GRF available for appropriation in FY-2019.
Rhode Island	Voluntary Retirement Incentive was offered to employees already fully eligible to retire. Approvals for hiring were slowed based on the Voluntary Retirement Incentive, since the goal was to achieve personnel savings from vacated positions. Other fund transfers — Transfers of surplus balances from quasi-public agencies. Both years were balanced based on estimated balance forwards from the prior fiscal year.
Tennessee	Other — agency reserves and carryforwards
Wisconsin	Per current law, 50% of actual general fund taxes in excess of FY18 budgeted amount were deposited to the rainy day fund (\$33.1 million).

Notes to Table 11: Strategies Used to Manage Budget, Enacted Fiscal 2019

California	Added by Stats. 2018, Ch. 33, Secs. 58 and 59 [SB 843]—Certain employees of the California State University shall not receive any portion of the employer contribution payable for annuitants unless the person has 10 years of credited state service at the time of retirement. OPEB—The state and its employees will continue equally prefunding retiree health benefits for active employees, generally phased-in over a three-year period, as collectively bargained with the state's 21 bargaining units.
Colorado	The General Fund reserve was increased from 6.5% to 7.25%. A large year end FY18 General Fund balance above the required reserve was used to help fund the growth in expenditures for FY19, including the large General Fund transfer for transportation. Retirement plan reforms were enacted under SB 18-200 to reduce the plan's unfunded liability not as a budget management strategy.
Illinois	\$800M in borrowing from Other State Funds included in the FY19 enacted budget revenue estimate.
Kentucky	FY 18 mid-yr. cut \$158 million: targeted 6.25% reductions in FY 19 and FY 20. Permissive budget bill language related to layoffs, furloughs, and reduced hours. Personnel policy for the elimination of vacant positions.
Maine	Other — Increase in the attrition rate from 1.6% to 5%
Maryland	Pension/OPEB — A supplemental contribution is required, equaling one-half of any unappropriated general fund balance in excess of \$10.0 million be paid to the pension fund, up to a maximum of \$50.0 million annually. The enacted budget removed this requirement in fiscal year 2019.
Massachusetts	Other — Caps on Full-Time Equivalent employees are in effect for executive branch agencies.
Mississippi	The elimination of vacant positions is a standard practice in the Joint Legislative Budget Committee (JLBC) recommendation relative to the enacted budget. Affected agencies have an opportunity to lobby to have those positions restored during the legislative process. Other — Defunding agencies vacant positions, reduced funding for travel and vehicle purchases, funding only critical equipment/lease purchase obligations, and spending down cash balances of agencies where possible are the JLBC's recommendation relative to the enacted budget. Again, agencies have the opportunity to lobby for certain items to be restored during the legislative process.
Nebraska	Across-the-Board reduction recommendations represent 2% in fiscal 2018 and 2% in fiscal 2019 of General Fund appropriations. Exemptions were provided for K-12 formula aid, special education aid, health and human services aid programs, 24-hour care facilities, corrections, child protective service operations, property tax relief aid programs, defined benefit retirement plan contributions and Constitutional Officers' salaries. Beginning October 2016, the reduction of employees in code agencies was nearly 500 or 3.5% of personnel. Also, 1,500 vacant positions have been eliminated. In fiscal 2019, current law provides for a \$48 million transfer from the Cash Reserve Fund to the General Fund. Other Fund Transfers — Various cash fund transfers to the General Fund for budget stabilization. Prior-year fund balance — This includes lapsing of unexpended balance of prior year appropriations to the unreserved General Fund balance. Other — IT consolidation; process improvement strategies to identify cost savings.
New Mexico	Consolidation of HR positions into central agency (ongoing process)

New York	Other gap-closing measures in FY 2019 include: \$500 million general fund savings continued from FY 2018 agency financial management plans; \$500 million from conversions, acquisitions, or related transactions in which not-for-profit health insurers convert to corporations organized for pecuniary profit; \$594 million from prepayment of FY 2019 debt service in FY 2018, use of revenue generated from new financial monetary settlements; savings related to capital projects and debt management.
North Dakota	Transfers of \$124.0 million from the strategic investment and improvements fund and \$70.0 million from other special fund sources, to the general fund.
Ohio	Other — Expanded lottery gaming locations and authority was given to increase the state's utilization of surplus non-GRF cash balances.
Oklahoma	FY-18 appropriations made in special session from Special Cash Fund; Transferred \$172.4 million to Special Cash Fund for appropriation for FY-19. Remaining FY-17 Cash appropriated for FY-18 in special session; Used \$4.4 million of prior-year cash for FY-19. Other — FY-18 GRF increased by legislation and appropriated in special sessions for FY-18; Legislation added \$392.6 million of new revenues to the GRF available for appropriation in FY-2019.
Pennsylvania	Reorganize agencies — ongoing effort to promote efficiencies.
Rhode Island	Several units relating to building and fire code merged into a new division in the Department of Business Regulation. Other fund transfers — Transfers of surplus balances from quasi-public agencies. Both years were balanced based on estimated balance forwards from the prior fiscal year.
Tennessee	Other — Base budget reductions
Vermont	Prior-year fund balance — \$1.79M was transferred and reserved during fiscal year 2018 to satisfy a reserve requirement for fiscal year 2019.
Washington	\$924 million that would have gone to the RDF was retained in the General Fund. About \$1.18 billion from the FY 2018 Fund Balance is assumed will be spent down in FY 2019.

Notes to Table 12: Changes in Employee Compensation, Enacted Fiscal 2019

New York	<p>The State has multi-year labor agreements in place with the majority of the unionized workforce. The Civil Service Employees Association (CSEA) and DC-37 (Rent Regulation) employees have a five-year labor contract that provides annual salary increases of 2 percent for FYs 2017 through 2021 and additional compensation changes, offset by benefit design changes within the New York State Health Insurance Program (NYSHIP) and reductions in overtime costs.</p> <p>Employees represented by the Public Employees Federation (PEF) and the Graduate Student Employees Union (GSEU), as well as Management/Confidential (M/C) employees, have a three-year collective bargaining agreement providing 2 percent annual salary increases in FYs 2017 through 2019.</p> <p>Members of the Police Benevolent Association of the New York State Troopers (NYSTPBA) and the New York State Police Investigators Association (NYSPIA) have a multi-year collective bargaining agreement that provides a 2 percent general salary increase for each of FY 2015 and FY 2016, and a 1.5 percent general salary increase for each of FY 2017 and FY 2018. Negotiations on the next contract with NYSTPBA and NYSPIA have commenced.</p> <p>The State is in negotiations with all other employee unions whose contracts concluded in FY 2016, including United University Professions (UUP), Council 82 and the New York State Correctional Officers and Police Benevolent Association (NYSCOPBA) following the March 2017 membership rejection of a tentative agreement on a five-year labor contract through FY 2021.¹⁶ Negotiations also continue with the Police Benevolent Association of New York State (PBANYS), whose contract expired at the end of FY 2015.</p> <p>The Judiciary has reached agreement with all 12 unions represented within its workforce. The contract periods are as follows: FY 2018 to FY 2020 for CSEA, FY 2012 to FY 2019 for Court Officers Benevolent Association of Nassau County (COBANC), FY 2012 to FY 2021 for the NYS Supreme Court Officers Association, the NYS Court Officers Association and the Court Clerks Association, and FY 2017 to FY 2019 for seven other unions.</p> <p>Step or Anniversary Increases: Step Increases. Unionized civilian (non-uniformed) and M/C employees who have a year of service in the grade for their title receive step increases, generally at 1/7 the value of the range for their position.</p>
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STATE REVENUE DEVELOPMENTS

CHAPTER TWO

Overview

General fund revenue collections are expected to grow a modest 2.1 percent in fiscal 2019 according to states' enacted budgets, following robust growth in fiscal 2018 of 6.4 percent — the fastest rate of growth since fiscal 2013. Most states saw significant improvement in revenue conditions last year following the slowdown experienced in tax collections in fiscal 2016 and fiscal 2017. These gains were led by unusually high personal income tax payments from non-withholding income sources along with continued job growth, a stronger performance of the stock market in calendar year 2017, and a modest recovery in most energy-producing states following steep oil and gas price declines. Fiscal 2018 revenues in a few states were also bolstered by enacted tax increases. Forty states saw general fund revenues come in ahead of fiscal 2018 budget projections, the highest number of states to do so in over a decade, and a sharp contrast to fiscal 2017, when just 18 states came in higher than budgeted.

According to states' enacted budgets for fiscal 2019, revenues are expected to total \$868.4 billion, a fairly modest increase compared to fiscal 2018 preliminary actual revenues of \$850.3 billion. However, at least 19 states are already seeing revenues come in ahead of those projections for the current fiscal year, with 14 states reporting revenues on target and five states with revenue collections coming in below forecast. States enacted mostly modest tax and fee changes for fiscal 2019, with 32 states making conformity adjustments to their tax codes in response to federal tax changes under the Tax Cuts and Jobs Act (TCJA), and a third of those states modifying personal income tax laws resulting in a reduction in expected revenues; many of these actions are documented in this survey.

General Fund Revenue Trends

Fiscal 2019 Forecasts. According to states' enacted budgets for fiscal 2019, revenues are expected to total \$868.4 billion, a modest 2.1 percent increase compared to fiscal 2018 preliminary actual revenues of \$850.3 billion. That figure rises to 4.7 percent when compared to states' original enacted budget forecasts for fiscal 2018, which assumed general fund revenue collections of \$829.6 billion.

Total general fund revenues in enacted budgets for fiscal 2019 also significantly exceed the \$854.6 billion states expected to collect in governors' proposed budgets, as reported in NASBO's *Spring 2018 Fiscal Survey of States*. This is because state revenue estimates saw significant improvement over the course of fiscal 2018, particularly as many states saw a large uptick in their personal income tax collections in late calendar year 2017 that carried into 2018.

Fiscal 2018 Preliminary Actual Collections. According to preliminary actual data, fiscal 2018 general fund revenues totaled \$850.3 billion, representing 6.4 percent growth over fiscal 2017 actual collections of \$799.0 billion. This is the fastest annual growth rate in state general fund revenues observed in NASBO's *Fiscal Survey of States* since fiscal 2013, when revenues grew 7.1 percent due largely to a one-time acceleration of non-withholding income tax payments as taxpayers tried to take advantage of expiring federal tax rates. States have been analyzing their revenue collections in fiscal 2018 to understand the amounts that may be of a one-time nature, such as higher than normal capital gains and dividend income, or repatriated income in response to the federal tax changes. The median revenue growth rate in fiscal 2018 was somewhat lower, at 5.2 percent.

Revenue Growth Since the Great Recession. In the wake of the last recession, general fund revenues dropped to \$609.9 billion in fiscal 2010 from \$680.2 billion in fiscal 2008. General fund revenues at the end of fiscal 2018 are up \$170.0 billion, or 25 percent, over collections one decade prior in fiscal 2008 (without adjusting for inflation). Adjusting for inflation, aggregate general fund revenues in fiscal 2018 are roughly 1.9 percent above fiscal 2008 levels.⁵ Since that time, most of the revenue gains are due to improved collections resulting from the gradual strengthening of the economy. On a nominal basis, general fund revenue collections increased by 2.4 percent in fiscal 2017, 1.8 percent in fiscal 2016, 5.0 in fiscal 2015, 1.9 percent in fiscal 2014, 7.1 percent in fiscal 2013, 2.9 percent in fiscal 2012, and 6.6 percent in fiscal 2011. (See Table 13)

⁵ 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 November 28, 2018), is used for inflation adjustments. Quarterly averages are used to calculate fiscal year inflation rates.

State by State Variation. For fiscal 2019, a majority of states (33) are forecasting revenue growth between 0 and 5 percent. Three states are predicting growth between 5 and 10 percent, and just one state (Oklahoma, which recently enacted significant tax increases to deal with structural budget issues) is forecasting growth greater than 10 percent. The remaining 13 states are forecasting general fund revenue declines in their fiscal 2019 budgets compared to what they collected in fiscal 2018. Some of these year-over-year changes are lower due to actual fiscal 2018 revenues exceeding budgeted estimates as well as personal and corporate income tax cuts slated for fiscal 2019. Vermont is projecting the largest percentage decline in general fund revenues in fiscal 2019, but this is attributable to the state's restructuring of a portion of its Education Fund revenue sources, which were previously deposited first into the general fund but will now go directly into the Education Fund.

In fiscal 2018, notably over half the states (26) reported preliminary actual general fund revenue collections grew more than 5 percent compared to fiscal 2017, with eight of those states reporting growth of 10 percent or more. Twenty-one states experienced revenue growth between 0 and 5 percent, and just three states reported general fund revenue declines. Only one state, Ohio, experienced a revenue decline larger than 1.0 percent, and this was due to the state replacing a sales tax on Medicaid managed care companies (which was deposited into the general fund) with a provider assessment (which is deposited into a non-general fund). The states experiencing the fastest revenue growth in fiscal 2018 tended to be energy states that had seen sluggish or declining revenues in the prior few years, states in the West where the economy continues to outperform the rest of the country, and states such as Illinois, Kansas, and Oklahoma, which enacted significant tax increases to deal with structural budget issues. (See [Tables 14 and 15](#))

Comparing General Fund Collections to Budget Projections

Fiscal 2018 and Fiscal 2019. General fund collections from all revenue sources including sales, personal income, corporate income, gaming and other revenues came in above projections in 40 states in fiscal 2018, the highest number of states to come in ahead of their budget forecasts since fiscal 2006, a clear illustration of the strong revenue gains experienced in the states last fiscal year. Fiscal 2018 collections were on target in eight states, and below forecast in just two states. By compar-

ison, 27 states had revenue collections come in below forecast in fiscal 2017 and 25 states were below forecast in fiscal 2016. Overall, fiscal 2018 general fund revenues, at \$850.3 billion, came in 2.5 percent above the estimated \$829.6 billion according to states' enacted budgets for fiscal 2018, as reported in NASBO's *Fall 2017 Fiscal Survey of States*.

For fiscal 2019, 19 states are reporting that collections to date are coming in above projections used to enact the budget, 14 states reported that collections are on target, and five states see collections coming in below budget estimates. This data was collected early in fiscal 2019, and therefore these comparisons are subject to change as updated revenue collection figures become available. Also, not all states draw conclusions with just a few months of revenue results at the time of data collection. (See [Table 16](#))

Fiscal 2018 Collections Compared to Forecast by Revenue Type. General fund collections from personal income taxes in fiscal 2018 significantly overperformed budget forecasts by 3.6 percent, with 35 states coming in higher than budgeted, five lower, and two on target. Sales tax collections also came in well above projections in the aggregate, 2.1 percent higher than budgeted, with general fund revenues from the sales tax coming in above budget in 23 states, on target in nine states, and below budget in 14 states. Corporate income tax collections, a more volatile general fund revenue source, also came in slightly above forecast, with 29 states reporting collections above forecast and 16 states coming in below forecast. (See [Tables 17 and 18](#))

General Fund Collection Growth By Revenue Type

In fiscal 2019 enacted budgets, personal income taxes account for 45.2 percent of all forecasted general fund revenues, sales and use taxes for 30.5 percent, corporate income taxes for 5.9 percent, gaming and lottery revenues for 1.0 percent, and all other revenues at 17.4 percent. All five general fund revenue categories experienced aggregate growth in fiscal 2018 over fiscal 2017 levels, and all are forecasted to continue increasing this year, albeit more modestly, according to fiscal 2019 enacted budgets.

Sales & Use Taxes. For the 45 states with a broad-based sales tax, plus Montana, which reported a small amount of revenue in the sales and use tax category, general fund sales and

use tax collections grew an estimated 4.0 percent in fiscal 2018 over fiscal 2017 levels, and are projected to grow 2.5 percent in fiscal 2019. The median growth rate for fiscal 2019 is higher at 3.6 percent.

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. Total personal income tax collections increased by 9.8 percent in fiscal 2018, a robust rate of growth, with a median increase of 7.9 percent. A number of states saw a large uptick in personal income tax revenues in late calendar year 2017, carrying into 2018, particularly from non-withholding income sources. Based on enacted budgets, states foresee a substantially slower rate of growth in fiscal 2019 of 1.8 percent in the aggregate, or 2.9 percent on a median basis.

Corporate Income Taxes. For the 45 states that collect a corporate income tax, total corporate income tax revenues increased 3.7 percent in fiscal 2018 after two consecutive years of actual declines, or 3.3 percent on a median basis. The median growth rate for corporate income tax forecasts in fiscal 2019 is similar at 3.5 percent.

Gaming/Lottery Revenues. Twenty-six states reported on general fund collections from these sources (some states direct revenues in this category, particularly from lotteries, into special funds, which are not reported on in this survey). The median increase in gaming and lottery revenue in fiscal 2018 was 2.7 percent, with aggregate growth of 5.5 percent. In states' enacted budgets for fiscal 2019, the median growth rate forecasted is 1.3 percent, with aggregate growth of 0.9 percent projected.

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. All other general fund revenues increased 5.4 percent in fiscal 2018 and are projected to increase slightly by 0.5 percent in fiscal 2019. On a median basis, all other general fund revenues increased 1.7 percent in fiscal 2018 and are expected to decline by 1.2 percent in fiscal 2019. (See [Tables 19 and 20](#))

TABLE 13
State Nominal and Real Annual Revenue Increases,
Fiscal 1979 to Fiscal 2019

Fiscal Year	State General Fund	
	Nominal Increase	Real Increase
2019	2.1%	
2018	6.4	3.0%
2017	2.4	0.7
2016	1.8	2.0
2015	5.0	3.8
2014	1.9	-1.1
2013	7.1	4.3
2012	2.9	0.2
2011	6.6	3.4
2010	-2.5	-3.5
2009	-8.0	-10.1
2008	3.9	-1.6
2007	5.4	0.4
2006	9.1	3.6
2005	7.8	2.1
2004	5.4	2.2
2003	8.0	4.8
2002	-6.8	-9.0
2001	4.5	0.0
2000	2.0	-2.7
1999	19.2	16.4
1998	-0.6	-2.6
1997	5.0	2.7
1996	5.9	3.6
1995	5.3	2.4
1994	5.5	3.4
1993	5.8	2.6
1992	6.6	3.3
1991	4.7	-0.1
1990	3.4	-1.5
1989	10.1	6.2
1988	6.5	2.4
1987	8.2	4.6
1986	6.3	2.8
1985	8.8	4.6
1984	12.5	8.4
1983	3.7	-2.0
1982	12.6	4.7
1981	7.9	-3.5
1980	9.8	-0.7
1979	7.8	0.9
1979–2018 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 November 28, 2018), is used for state revenues in determining real changes. Fiscal Year real changes are based on quarterly averages. Fiscal 2017 figures are based on the change from fiscal 2016 actuals to fiscal 2017 actuals. Fiscal 2018 figures are based on the change from fiscal 2017 actuals to fiscal 2018 preliminary actuals. Fiscal 2019 figures are based on the change from fiscal 2018 preliminary actuals to fiscal 2019 enacted figures.

TABLE 14
State General Fund Revenue Growth,
Fiscal 2017 to Fiscal 2019

Revenue Growth	Fiscal 2017 (Actual)	Fiscal 2018 (Preliminary Actual)	Fiscal 2019 (Enacted)
Less than 0%	9	3	13
0% to 5%	32	21	33
5% to 10%	5	18	3
Greater than 10%	4	8	1

NOTE: See Table 15 for state-by-state data.

TABLE 15

General Fund Nominal Percentage Revenue Change, Fiscal 2017 to Fiscal 2019

State	Fiscal 2017	Fiscal 2018	Fiscal 2019
Alabama	4.0%	5.5%	3.0%
Alaska	-11.7	72.6	-3.3
Arizona	0.2	6.4	3.1
Arkansas	-0.4	2.7	3.6
California	3.7	8.2	2.7
Colorado	3.1	14.1	5.6
Connecticut	-0.4	2.8	4.5
Delaware	1.7	9.5	-0.6
Florida	4.9	6.6	2.9
Georgia	4.6	4.5	2.3
Hawaii	3.8	4.2	2.3
Idaho	8.3	8.2	-1.7
Illinois	2.1	21.8	1.3
Indiana	3.0	2.2	2.4
Iowa	2.5	4.1	3.5
Kansas	4.4	15.0	-4.0
Kentucky	1.4	3.5	3.4
Louisiana	19.5	1.4	-0.3
Maine	1.8	2.6	4.6
Maryland	3.1	4.0	2.2
Massachusetts	2.0	6.7	2.2
Michigan	-10.1	1.2	-0.6
Minnesota	0.9	2.5	4.9
Mississippi	2.3	-0.4	0.4
Missouri	2.6	5.0	-0.5
Montana	1.0	12.3	2.9
Nebraska	-1.0	7.1	3.6
Nevada	5.1	3.6	1.4
New Hampshire	-1.7	6.4	-2.9
New Jersey	3.8	4.1	5.4
New Mexico	11.8	5.4	6.9
New York*	-4.0	6.8	1.7
North Carolina	3.0	4.2	1.5
North Dakota	-16.3	24.9	-15.6
Ohio*	0.7	-5.0	3.8
Oklahoma	-3.8	15.8	10.4
Oregon	12.5	5.3	-2.4
Pennsylvania	2.5	9.2	-1.7
Rhode Island	0.6	6.1	2.3
South Carolina	4.3	7.1	1.4
South Dakota	7.1	3.4	3.0
Tennessee	4.2	-0.6	3.0
Texas	3.0	9.0	0.0
Utah	4.8	10.9	2.3
Vermont*	6.7	4.2	-20.7
Virginia	5.0	1.3	4.7
Washington	6.3	9.5	1.1
West Virginia	2.1	1.3	4.6
Wisconsin	2.8	4.0	3.0
Wyoming	12.0	0.0	-9.5
Average	2.4%	6.4%	2.1%
Median	2.9%	5.2%	2.3%

**Fiscal 2017 reflects changes from fiscal 2016 revenues (actual) to fiscal 2017 revenues (actual). Fiscal 2018 reflects changes from fiscal 2017 revenues (actual) to fiscal 2018 revenues (preliminary actual). Fiscal 2019 reflects changes from fiscal 2018 revenues (preliminary actual) to fiscal 2019 revenues (enacted).

TABLE 16

General Fund Revenue Collections Compared to Projections, Fiscal 2018 and Fiscal 2019

State	Fiscal 2018			Fiscal 2019		
	On Target	Lower	Higher	On Target	Lower	Higher
Alabama			X			
Alaska			X	X		
Arizona			X			X
Arkansas	X			X		
California			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			
Maine			X		X	
Maryland			X			
Massachusetts			X			
Michigan			X			
Minnesota	X					X
Mississippi			X			X
Missouri			X		X	
Montana		X		X		
Nebraska			X			X
Nevada			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			
South Dakota	X					X
Tennessee			X			
Texas			X			
Utah			X	X		
Vermont			X			X
Virginia			X			
Washington			X			X
West Virginia			X			X
Wisconsin	X			X		
Wyoming			X			
Total	8	2	40	14	5	19

*See Notes to Table 16 on page 61. Some states did not have enough data available to provide information on fiscal 2019 at time of data collection.

TABLE 17

Fiscal 2018 General Fund Revenue Collections Compared With Projections Used in Adopting Fiscal 2018 Budgets (Millions)**

State	Sales Tax		Personal Income Tax		Corporate Income Tax	
	Original Estimate	Preliminary Actual	Original Estimate	Preliminary Actual	Original Estimate	Preliminary Actual
Alabama	\$2,413	\$2,448	\$3,619	\$3,755	\$357	\$366
Alaska	N/A	N/A	N/A	N/A	155	145
Arizona	4,647	4,787	4,347	4,544	401	373
Arkansas*	2,445	2,418	3,319	3,360	475	407
California	24,470	25,384	88,821	91,971	10,894	11,246
Colorado	3,312	3,404	7,207	7,577	611	782
Connecticut*	4,221	4,159	9,183	10,725	933	912
Delaware	N/A	N/A	1,373	1,428	108	90
Florida	24,153	24,139	0	0	2,266	2,413
Georgia	5,849	5,946	11,455	11,644	1,043	1,004
Hawaii	3,460	3,396	2,197	2,430	83	131
Idaho	1,447	1,490	1,667	1,828	216	239
Illinois	7,970	7,810	17,250	17,725	1,882	2,017
Indiana	7,630	7,663	5,661	5,816	949	660
Iowa	2,981	2,942	4,743	4,747	526	565
Kansas	2,727	2,748	3,145	3,374	330	392
Kentucky	3,638	3,606	4,589	4,604	553	511
Louisiana	4,259	4,335	3,017	3,079	338	350
Maine	1,434	1,483	1,703	1,595	166	186
Maryland	4,727	4,646	9,406	9,508	830	820
Massachusetts	6,472	6,454	15,316	16,240	2,107	2,382
Michigan	1,362	1,425	7,192	7,300	195	79
Minnesota	5,465	5,433	11,714	11,781	1,278	1,321
Mississippi	2,295	2,340	1,841	1,827	551	572
Missouri	2,149	2,174	6,644	6,600	275	300
Montana	62	60	1,321	1,298	169	167
Nebraska	1,570	1,603	2,290	2,361	235	314
Nevada	1,200	1,189	0	0	0	0
New Hampshire	N/A	N/A	N/A	N/A	412	479
New Jersey	9,851	10,410	14,382	15,154	2,579	2,220
New Mexico	2,061	2,442	1,346	1,492	100	110
New York*	13,642	13,553	49,382	51,501	5,718	4,916
North Carolina	7,334	7,337	12,341	12,518	732	739
North Dakota	819	829	341	364	55	92
Ohio	10,028	10,148	7,977	8,411	1,494	1,523
Oklahoma	2,549	2,665	2,150	2,424	124	234
Oregon	N/A	N/A	8,247	8,855	510	719
Pennsylvania	10,341	10,381	13,305	13,399	3,119	2,879
Rhode Island	1,059	1,057	1,302	1,345	159	128
South Carolina	3,041	3,034	3,753	3,856	288	334
South Dakota	989	989	N/A	N/A	N/A	N/A
Tennessee	8,227	8,185	143	135	2,131	2,179
Texas	28,067	30,751	N/A	N/A	N/A	N/A
Utah	1,990	2,038	3,891	3,991	348	449
Vermont	258	259	795	832	87	96
Virginia	3,635	3,462	13,836	14,106	736	862
Washington	10,501	10,924	N/A	N/A	N/A	N/A
West Virginia	1,320	1,310	1,890	1,956	109	110
Wisconsin	5,384	5,448	8,380	8,479	951	894
Wyoming	429	442	N/A	N/A	N/A	N/A
Total	\$253,881	\$259,145	\$372,480	\$385,933	\$47,578	\$47,708

NOTES: N/A indicates data are not available because, in most cases, these states do not have that type of tax, or it is not part of the general fund. *See Notes to Table 17 on page 61. **Unless otherwise noted, original estimates reflect the figures used when the fiscal 2018 budget was adopted.

TABLE 17 (CONTINUED)

Fiscal 2018 General Fund Revenue Collections Compared With Projections Used in Adopting Fiscal 2018 Budgets (Millions)**

State	Gaming/Lottery Revenue		All Other Revenue	
	Original Estimate	Preliminary Actual	Original Estimate	Preliminary Actual
Alabama	N/A	N/A	\$1,925	\$2,063
Alaska	\$11	\$11	1,666	2,181
Arizona	77	68	210	337
Arkansas*	63	67	455	476
California	N/A	N/A	1,695	1,224
Colorado	N/A	N/A	443	578
Connecticut*	607	613	3,814	1,723
Delaware	204	212	2,524	2,663
Florida	136	357	4,260	5,010
Georgia	N/A	N/A	5,367	5,726
Hawaii	N/A	N/A	1,615	1,703
Idaho	0	0	178	175
Illinois	993	991	7,804	8,400
Indiana	409	432	939	1,000
Iowa	81	85	-966	-954
Kansas	N/A	0	829	783
Kentucky	241	253	1,853	1,865
Louisiana	402	402	1,426	1,423
Maine	55	62	185	261
Maryland	505	535	1,701	1,864
Massachusetts	1,149	1,135	16,555	17,698
Michigan	N/A	N/A	1,004	1,184
Minnesota	65	69	3,454	3,429
Mississippi	144	136	771	816
Missouri	N/A	N/A	331	395
Montana	74	71	808	810
Nebraska	N/A	N/A	220	290
Nevada	775	711	1,941	2,118
New Hampshire	N/A	N/A	1,108	1,121
New Jersey	N/A	N/A	7,630	7,722
New Mexico	58	62	2,364	2,703
New York*	17	15	1,075	1,435
North Carolina	N/A	N/A	2,717	2,971
North Dakota	11	11	527	676
Ohio	N/A	N/A	12,773	12,389
Oklahoma	158	162	1,141	1,121
Oregon	N/A	N/A	597	741
Pennsylvania	123	123	7,817	7,784
Rhode Island	363	365	952	1,013
South Carolina	N/A	N/A	868	900
South Dakota	118	119	483	485
Tennessee	346	346	3,365	3,476
Texas	1,233	1,381	22,979	24,857
Utah	N/A	N/A	553	530
Vermont	N/A	N/A	444	453
Virginia	N/A	N/A	1,426	1,451
Washington	N/A	N/A	10,058	10,377
West Virginia	N/A	N/A	1,016	988
Wisconsin	N/A	N/A	1,363	1,323
Wyoming	N/A	N/A	633	637
Total	\$8,416	\$8,794	\$144,897	\$150,395

NOTES: N/A indicates data are not available because, in most cases, these states do not have that type of tax, or it is not part of the general fund. *See Notes to Table 17 on page 61. **Unless otherwise noted, original estimates reflect the figures used when the fiscal 2018 budget was adopted.

TABLE 18

Fiscal 2018 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	1.5%	3.8%	2.3%	N/A	7.2%
Alaska	N/A	N/A	-6.4	0.9	30.9
Arizona	3.0	4.5	-7.1	-11.3	61.0
Arkansas	-1.1	1.2	-14.4	6.4	4.6
California	3.7	3.5	3.2	N/A	-27.8
Colorado	2.8	5.1	28.1	N/A	30.3
Connecticut	-1.5	16.8	-2.3	1.0	-54.8
Delaware	N/A	4.0	-16.9	4.1	5.5
Florida	-0.1	N/A	6.5	162.0	17.6
Georgia	1.7	1.7	-3.7	N/A	6.7
Hawaii	-1.8	10.6	57.4	N/A	5.5
Idaho	3.0	9.7	10.6	N/A	-1.7
Illinois	-2.0	2.8	7.2	-0.2	7.6
Indiana	0.4	2.7	-30.4	5.8	6.5
Iowa	-1.3	0.1	7.5	4.4	-1.3
Kansas	0.8	7.3	18.9	N/A	-5.5
Kentucky	-0.9	0.3	-7.5	5.0	0.6
Louisiana	1.8	2.1	3.4	0.0	-0.2
Maine	3.4	-6.3	12.1	13.5	41.2
Maryland	-1.7	1.1	-1.2	5.8	9.6
Massachusetts	-0.3	6.0	13.1	-1.2	6.9
Michigan	4.6	1.5	-59.5	N/A	18.0
Minnesota	-0.6	0.6	3.4	6.4	-0.7
Mississippi	2.0	-0.8	3.9	-5.0	5.8
Missouri	1.2	-0.7	9.4	N/A	19.4
Montana	-4.5	-1.7	-1.0	-4.4	0.2
Nebraska	2.1	3.1	33.5	N/A	31.8
Nevada	-0.9	N/A	N/A	-8.2	9.1
New Hampshire	N/A	N/A	16.3	N/A	1.1
New Jersey	5.7	5.4	-13.9	N/A	1.2
New Mexico	18.5	10.8	10.0	6.0	14.4
New York	-0.7	4.3	-14.0	-11.8	33.5
North Carolina	0.0	1.4	0.9	N/A	9.3
North Dakota	1.2	6.9	69.0	-6.2	28.1
Ohio	1.2	5.4	1.9	N/A	-3.0
Oklahoma	4.5	12.8	89.1	2.5	-1.7
Oregon	N/A	7.4	40.9	N/A	24.3
Pennsylvania	0.4	0.7	-7.7	0.0	-0.4
Rhode Island	-0.2	3.3	-19.7	0.7	6.5
South Carolina	-0.2	2.7	15.9	N/A	3.6
South Dakota	0.0	N/A	N/A	1.2	0.4
Tennessee	-0.5	-5.7	2.3	0.0	3.3
Texas	9.6	N/A	N/A	12.0	8.2
Utah	2.4	2.6	29.0	N/A	-4.2
Vermont	0.3	4.6	10.7	N/A	2.3
Virginia	-4.8	2.0	17.0	N/A	1.8
Washington	4.0	N/A	N/A	N/A	3.2
West Virginia	-0.8	3.5	1.0	N/A	-2.8
Wisconsin	1.2	1.2	-6.0	N/A	-2.9
Wyoming	3.0	N/A	N/A	N/A	0.6
Total	2.1%	3.6%	0.3%	4.5%	3.8%
On target	9	2	0	4	4
Higher	23	35	29	16	35
Lower	14	5	16	7	11

NOTES: N/A indicates data are not available because, in most cases, these states do not have that type of tax, or it is not part of the general fund. *See Notes to Table 18 on page 51. **Unless otherwise noted, figures reflect preliminary actual collections for fiscal 2018 as a percentage above or below original estimates used when the fiscal 2018 budget was adopted.

TABLE 19

Comparison of General Fund Revenue Collections in Fiscal 2017, 2018, & Enacted Fiscal 2019 (Dollars in Millions)

State	Sales Tax			Personal Income Tax			Corporate Income Tax		
	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2017	Fiscal 2018	Fiscal 2019
Alabama	\$2,328	\$2,448	\$2,537	\$3,511	\$3,755	\$3,868	\$382	\$366	\$387
Alaska	N/A	N/A	N/A	N/A	N/A	N/A	87	145	145
Arizona	4,506	4,787	4,956	4,131	4,544	4,582	368	373	265
Arkansas*	2,338	2,418	2,488	3,215	3,360	3,429	434	407	482
California	24,874	25,384	26,674	83,264	91,971	95,011	11,020	11,246	12,259
Colorado*	3,086	3,404	3,676	6,761	7,577	8,015	509	782	886
Connecticut	4,192	4,159	4,154	8,989	10,725	9,108	1,038	912	1,520
Delaware	N/A	N/A	N/A	1,333	1,428	1,486	121	90	93
Florida	22,947	24,139	24,137	N/A	0	0	2,366	2,413	2,320
Georgia	5,716	5,946	6,142	10,978	11,644	12,126	972	1,004	1,103
Hawaii	3,240	3,396	3,562	2,095	2,430	2,537	174	131	105
Idaho	1,382	1,490	1,545	1,651	1,828	1,759	214	239	199
Illinois	8,043	7,810	8,181	13,661	17,725	18,095	1,332	2,017	2,068
Indiana*	7,490	7,663	7,886	5,435	5,816	5,997	979	660	975
Iowa	2,812	2,942	3,039	4,469	4,747	4,985	550	565	649
Kansas	2,671	2,748	2,766	2,304	3,374	3,334	325	392	351
Kentucky	3,485	3,606	3,908	4,394	4,604	4,531	497	511	573
Louisiana*	4,284	4,335	3,919	2,960	3,079	3,413	388	350	300
Maine	1,398	1,483	1,530	1,524	1,595	1,619	175	186	204
Maryland*	4,539	4,646	4,751	9,019	9,508	9,874	796	820	926
Massachusetts*	6,211	6,454	6,720	14,684	16,240	16,632	2,197	2,382	2,339
Michigan	1,457	1,425	1,433	6,594	7,300	7,040	420	79	273
Minnesota	5,405	5,433	5,745	10,931	11,781	12,436	1,205	1,321	1,343
Mississippi	2,289	2,340	2,375	1,782	1,827	1,853	564	572	531
Missouri	2,112	2,174	2,204	6,240	6,600	6,588	276	300	331
Montana	60	60	62	1,168	1,298	1,404	126	167	173
Nebraska	1,548	1,603	1,685	2,225	2,361	2,470	264	314	300
Nevada*	1,134	1,189	1,262	0	0	0	0	0	0
New Hampshire	N/A	N/A	N/A	N/A	N/A	N/A	401	479	418
New Jersey	9,592	10,410	11,026	13,958	15,154	15,978	2,344	2,220	3,257
New Mexico	2,062	2,442	2,652	1,381	1,492	1,557	70	110	116
New York	12,966	13,553	14,114	47,565	51,501	50,410	4,761	4,916	5,626
North Carolina	7,004	7,337	7,625	11,970	12,518	12,705	748	739	710
North Dakota	793	829	883	313	364	358	69	92	48
Ohio*	10,615	10,148	10,338	7,607	8,411	8,748	1,302	1,523	1,582
Oklahoma	2,292	2,665	2,764	2,122	2,424	2,542	158	234	166
Oregon	N/A	N/A	N/A	8,441	8,855	8,885	608	719	528
Pennsylvania	10,005	10,381	10,753	12,664	13,399	14,174	2,752	2,879	2,926
Rhode Island	998	1,057	1,101	1,244	1,345	1,386	119	128	118
South Carolina	2,896	3,034	3,148	3,581	3,856	3,863	270	334	314
South Dakota	951	989	1,029	N/A	N/A	N/A	N/A	N/A	N/A
Tennessee*	8,063	8,185	8,481	165	135	104	2,329	2,179	2,280
Texas*	28,797	30,751	29,506	N/A	N/A	N/A	N/A	N/A	N/A
Utah	1,857	2,038	2,102	3,609	3,991	4,128	328	449	365
Vermont*	245	259	N/A	756	832	847	96	96	90
Virginia	3,357	3,462	3,547	13,053	14,106	14,184	827	862	912
Washington*	10,133	10,924	11,418	N/A	N/A	N/A	N/A	N/A	N/A
West Virginia	1,280	1,310	1,368	1,844	1,956	2,034	116	110	142
Wisconsin	5,224	5,448	5,635	8,040	8,479	8,715	921	894	932
Wyoming	407	442	445	N/A	N/A	N/A	N/A	N/A	N/A
Total***	\$248,837	\$258,887	\$265,270	\$351,629	\$385,933	\$392,810	\$45,997	\$47,708	\$51,628

NOTES: N/A indicates data are not available because, in most cases, these states do not have that type of tax, or it is not part of the general fund.
 *See Notes to Table 19 on page 61. **Unless otherwise noted, fiscal 2017 figures reflect actual collections, fiscal 2018 figures reflect preliminary actual collections, and fiscal 2019 figures reflect the estimates based on states' enacted budgets. ***Totals include state collections by revenue type where amounts were provided/applicable for all three years.

Table 19 continues on next page.

TABLE 19 (CONTINUED)

Comparison of General Fund Revenue Collections in Fiscal 2017 & 2018, & Enacted Fiscal 2019 (Dollars in Millions)

State	Gaming/Lottery Revenue			All Other Revenue		
	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2017	Fiscal 2018	Fiscal 2019
Alabama	N/A	N/A	N/A	\$2,027	\$2,063	\$2,093
Alaska	\$11	\$11	\$11	1,257	2,181	2,103
Arizona	79	68	90	419	337	529
Arkansas*	63	67	68	503	476	476
California	N/A	N/A	N/A	824	1,224	-612
Colorado*	N/A	N/A	N/A	460	578	464
Connecticut	599	613	556	2,886	1,723	3,671
Delaware	205	212	210	2,354	2,663	2,579
Florida	139	357	299	4,492	5,010	6,082
Georgia	N/A	N/A	N/A	5,603	5,726	5,503
Hawaii	N/A	N/A	N/A	1,843	1,703	1,646
Idaho	N/A	0	N/A	201	175	166
Illinois	990	991	999	6,307	8,400	8,077
Indiana*	432	432	392	939	1,000	932
Iowa	78	85	86	-813	-954	-1,119
Kansas	N/A	0	N/A	1,040	783	552
Kentucky	242	253	249	1,860	1,865	1,937
Louisiana*	410	402	402	1,385	1,423	1,409
Maine	58	62	57	299	261	258
Maryland*	484	535	527	1,860	1,864	1,686
Massachusetts*	1,188	1,135	1,182	16,332	17,698	18,005
Michigan	N/A	N/A	N/A	1,401	1,184	1,181
Minnesota	64	69	67	3,728	3,429	3,439
Mississippi	133	136	140	886	816	757
Missouri	N/A	N/A	N/A	389	395	295
Montana	70	71	77	718	810	764
Nebraska	N/A	N/A	N/A	228	290	276
Nevada*	718	711	797	2,029	2,118	2,018
New Hampshire	N/A	N/A	N/A	1,102	1,121	1,136
New Jersey	996	N/A	N/A	7,229	7,722	7,150
New Mexico	60	62	62	2,889	2,703	2,893
New York	16	15	15	1,587	1,435	2,495
North Carolina	N/A	N/A	N/A	2,892	2,971	2,891
North Dakota	10	11	11	395	676	507
Ohio*	N/A	N/A	N/A	14,656	12,389	13,041
Oklahoma	152	162	158	982	1,121	1,667
Oregon	N/A	N/A	N/A	761	741	647
Pennsylvania	121	123	154	6,128	7,784	5,968
Rhode Island	363	365	392	960	1,013	1,003
South Carolina	N/A	N/A	N/A	834	900	914
South Dakota	115	119	123	475	485	489
Tennessee*	337	346	353	3,516	3,476	3,527
Texas*	1,201	1,381	1,402	22,287	24,857	26,081
Utah	N/A	N/A	N/A	527	530	575
Vermont*	N/A	N/A	N/A	477	453	365
Virginia	N/A	N/A	N/A	1,458	1,451	1,531
Washington*	N/A	N/A	N/A	8,933	10,377	10,120
West Virginia	N/A	N/A	N/A	1,036	988	998
Wisconsin	N/A	N/A	N/A	1,333	1,323	1,349
Wyoming	N/A	N/A	N/A	766	637	566
Total***	\$8,334	\$8,794	\$8,878	\$142,679	\$150,395	\$151,075

NOTES: N/A indicates data are not available because, in most cases, these states do not have that type of tax, or it is not part of the general fund. *See Notes to Table 19 on page 61. **Unless otherwise noted, fiscal 2017 figures reflect actual collections, fiscal 2018 figures reflect preliminary actual collections, and fiscal 2019 figures reflect the estimates based on states' enacted budgets. ***Totals include state collections by revenue type where amounts were provided/applicable for all three years.

TABLE 20

Percentage Change in General Fund Revenue Collections, Fiscal 2018 and Enacted Fiscal 2019

State	Sales Tax		Personal Income Tax		Corporate Income Tax		Gaming/Lottery Revenue		All Other Revenue	
	Fiscal 2018	Fiscal 2019	Fiscal 2018	Fiscal 2019	Fiscal 2018	Fiscal 2019	Fiscal 2018	Fiscal 2019	Fiscal 2018	Fiscal 2019
Alabama	5.2%	3.6%	7.0%	3.0%	-4.2%	5.8%	N/A	N/A	1.8%	1.5%
Alaska	N/A	N/A	N/A	N/A	67.6	0.0	1.9%	3.7%	73.6	-3.6
Arizona	6.2	3.5	10.0	0.8	1.3	-29.0	-13.0	32.0	-19.4	56.6
Arkansas	3.4	2.9	4.5	2.1	-6.2	18.6	6.4	1.3	-5.3	-0.1
California	2.1	5.1	10.5	3.3	2.1	9.0	N/A	N/A	48.5	-150.0
Colorado	10.3	8.0	12.1	5.8	53.5	13.2	N/A	N/A	25.6	-19.7
Connecticut	-0.8	-0.1	19.3	-15.1	-12.1	66.7	2.3	-9.2	-40.3	113.1
Delaware	N/A	N/A	7.1	4.1	-25.9	3.5	3.4	-1.0	13.1	-3.2
Florida	5.2	0.0	N/A	N/A	2.0	-3.8	157.5	-16.3	11.5	21.4
Georgia	4.0	3.3	6.1	4.1	3.3	9.8	N/A	N/A	2.2	-3.9
Hawaii	4.8	4.9	16.0	4.4	-24.5	-19.6	N/A	N/A	-7.6	-3.4
Idaho	7.8	3.7	10.7	-3.8	11.5	-16.8	N/A	N/A	-13.0	-4.7
Illinois	-2.9	4.8	29.7	2.1	51.4	2.5	0.1	0.8	33.2	-3.8
Indiana	2.3	2.9	7.0	3.1	-32.5	47.6	0.1	-9.3	6.5	-6.8
Iowa	4.6	3.3	6.2	5.0	2.8	14.9	8.0	1.4	17.3	17.3
Kansas	2.9	0.7	46.5	-1.2	20.7	-10.6	N/A	N/A	-24.7	-29.5
Kentucky	3.5	8.4	4.8	-1.6	2.8	12.0	4.7	-1.6	0.3	3.9
Louisiana	1.2	-9.6	4.0	10.9	-9.9	-14.3	-1.9	0.0	2.7	-0.9
Maine	6.1	3.1	4.7	1.5	6.0	10.0	7.0	-8.5	-12.7	-1.4
Maryland	2.3	2.3	5.4	3.9	3.1	12.8	10.4	-1.5	0.2	-9.6
Massachusetts	3.9	4.1	10.6	2.4	8.4	-1.8	-4.4	4.1	8.4	1.7
Michigan	-2.2	0.6	10.7	-3.6	-81.2	246.1	N/A	N/A	-15.5	-0.3
Minnesota	0.5	5.7	7.8	5.6	9.6	1.6	8.4	-3.1	-8.0	0.3
Mississippi	2.2	1.5	2.5	1.5	1.5	-7.2	2.6	2.6	-7.9	-7.3
Missouri	2.9	1.4	5.8	-0.2	8.7	10.3	N/A	N/A	1.6	-25.3
Montana	-0.2	4.7	11.1	8.2	32.6	3.6	2.0	8.3	12.7	-5.6
Nebraska	3.5	5.1	6.1	4.6	18.6	-4.4	N/A	N/A	27.1	-4.9
Nevada	4.9	6.1	N/A	N/A	N/A	N/A	-0.9	12.0	4.4	-4.7
New Hampshire	N/A	N/A	N/A	N/A	19.4	-12.7	N/A	N/A	1.7	1.3
New Jersey	8.5	5.9	8.6	5.4	-5.3	46.7	N/A	N/A	6.8	-7.4
New Mexico	18.4	8.6	8.1	4.4	56.8	5.0	3.3	0.4	-6.4	7.0
New York	4.5	4.1	8.3	-2.1	3.3	14.4	-6.3	0.0	-9.6	73.9
North Carolina	4.8	3.9	4.6	1.5	-1.2	-4.0	N/A	N/A	2.7	-2.7
North Dakota	4.6	6.5	16.5	-1.7	33.4	-48.5	10.5	5.7	71.0	-25.0
Ohio*	-4.4	1.9	10.6	4.0	17.0	3.9	N/A	N/A	-15.5	5.3
Oklahoma	16.2	3.7	14.3	4.8	47.7	-29.1	6.3	-2.4	14.2	48.6
Oregon	N/A	N/A	4.9	0.3	18.3	-26.6	N/A	N/A	-2.6	-12.7
Pennsylvania	3.8	3.6	5.8	5.8	4.6	1.6	2.1	25.2	27.0	-23.3
Rhode Island	5.9	4.2	8.2	3.0	7.0	-7.9	0.6	7.3	5.5	-1.1
South Carolina	4.8	3.7	7.7	0.2	23.8	-5.9	N/A	N/A	7.9	1.6
South Dakota	4.0	4.1	N/A	N/A	N/A	N/A	4.0	3.4	2.2	0.8
Tennessee	1.5	3.6	-18.0	-23.1	-6.4	4.6	2.7	1.9	-1.1	1.5
Texas	6.8	-4.0	N/A	N/A	N/A	N/A	15.0	1.5	11.5	4.9
Utah	9.8	3.1	10.6	3.4	36.8	-18.8	N/A	N/A	0.6	8.4
Vermont*	5.6	N/A	10.0	1.8	0.7	-7.1	N/A	N/A	-5.0	-19.5
Virginia	3.1	2.5	8.1	0.6	4.2	5.8	N/A	N/A	-0.5	5.5
Washington	7.8	4.5	N/A	N/A	N/A	N/A	N/A	N/A	16.2	-2.5
West Virginia	2.4	4.4	6.1	4.0	-5.4	29.1	N/A	N/A	-4.6	1.1
Wisconsin	4.3	3.4	5.5	2.8	-2.9	4.3	N/A	N/A	-0.8	2.0
Wyoming	8.6	0.7	N/A	N/A	N/A	N/A	N/A	N/A	-16.8	-11.1
Total	4.0%	2.5%	9.8%	1.8%	3.7%	8.2%	5.5%	0.9%	5.4%	0.5%
Median	4.2%	3.6%	7.9%	2.9%	3.3%	3.5%	2.7%	1.3%	1.7%	-1.2%

NOTES: N/A indicates data are not available because, in most cases, these states do not have that type of tax, or it is not part of the general fund. *See Notes to Table 20 on page 62. **Unless otherwise noted, fiscal 2017 figures reflect actual collections, fiscal 2018 figures reflect preliminary actual collections, and fiscal 2019 figures reflect revenue estimates based on states' enacted budgets.

Enacted Fiscal 2019 Revenue Changes

States enacted a mix of tax and fee increases and decreases during the 2018 legislative session, resulting in a projected net positive revenue impact in fiscal 2019 of \$3.1 billion, including \$2.7 billion in additional general fund revenues. (See [Tables 21 and Figure 3](#)) Overall, 16 states approved net tax and fee increases totaling \$4.6 billion in fiscal 2019, while 20 states enacted smaller net decreases totaling -\$1.4 billion.

New York's elimination of the Repatriation Tax deduction, estimated to increase corporate income tax revenues by \$2 billion, represents the most impactful revenue action for fiscal 2019 on a dollar basis. Other states that enacted sizeable net tax increases include New Jersey's package of tax increases, mostly from a new corporate income tax surcharge on higher-income taxpayers, Oklahoma's series of tax increases, and Louisiana's partial extension of a temporary sales tax rate hike. Connecticut created a new pass-through entity tax and accordingly shifted \$600 million from the personal income tax revenue estimate to the corporation income tax estimate. Most tax decreases enacted by states were moderately sized and in the area of personal income taxes. In many cases, the reductions were an attempt to offset or in direct response to the Tax Cuts and Jobs Act, passed by Congress in December 2017. Missouri and Washington State reported the largest net decrease in taxes and fees enacted for fiscal 2019 on a dollar basis, while Idaho's tax cuts had the greatest estimated impact as a share of the state's general fund. (See [Tables 22-23 and Table A-1](#))

Overall for fiscal 2019, states enacted net increases in sales and use taxes, corporate income taxes, cigarette and tobacco taxes, motor fuel taxes, gaming and lottery revenue, and fees, while enacting net decreases in personal income taxes and other taxes and revenue.

Sales Taxes. Nine states enacted sales tax increases and nine enacted decreases, resulting in a net increase of \$676 million (\$658 million general fund impact). A renewal of 0.45 percent of the sales tax rate hike in Louisiana and base broadening provisions in Kentucky accounted for most of the net increase. Scholarship tax credits and other various tax exemptions in Florida represented the largest decrease in this tax category. Illinois incorporated \$150 million and Michigan \$203 million in additional sales tax revenues into their budget from increased collection of sales taxes from remote sellers in response to the

U.S. Supreme Court's decision in the *Wayfair v. South Dakota* case. Both are reported as revenue measures, explained further below. (See [Appendix Table A-2](#))

Personal Income Taxes. There was a lot of activity in the personal and corporate income tax areas, much of it in reaction to the federal *Tax Cuts and Jobs Act* and incorporated responses to the federal changes as part of a larger set of tax policy changes. Nine states enacted personal income tax increases, while 16 states enacted decreases, making this the most active area of state tax changes for fiscal 2019 and resulting in a net decrease of \$1,035 million (-\$1,164 million general fund impact). In some cases, states paired the revenue-raising impacts of federal tax law changes as an opportunity to lower marginal personal income and corporation tax rates. Some states acted specifically to eliminate or reduce the state income tax increases that would be caused by their linkage to the federal tax code. Nebraska, for example, reported their personal income tax actions to clearly show this relationship. Other states made revenue neutral changes in reaction to the federal law changes, but did not report them in this survey.

Corporate Income Taxes. Ten states enacted corporate income tax increases while nine enacted decreases for a net increase of \$2,806 million. Georgia, Iowa, Kentucky and Utah lowered their top marginal corporate income tax rates as part of a broad package of tax law changes. In some states, the interactive effects of rate reductions and conformity actions still resulted in a net positive revenue impact. New York's elimination of the Repatriation Tax deduction accounts for the majority of the net increase. Connecticut's new pass through entity tax (offset by a new personal income tax credit) represents the second largest increase in this category, followed by New Jersey's new surcharge on corporate income greater than \$1 million.

Cigarette and Tobacco Taxes. Three states enacted tax increases on cigarettes and tobacco products, and one state enacted a very small decrease, resulting in a net increase of \$298 million. Tax increases on cigarettes in Kentucky and Oklahoma account for most of the revenue impact.

Motor Fuel Taxes. Compared to the 2017 legislative session, this year was a quieter one for motor fuel taxes. Oklahoma enacted gas and diesel tax increases totaling \$105 million in general fund revenue, and Florida enacted a small exemption in this category, for a net increase of \$103 million.

Gaming Taxes/Lottery Revenue. Rhode Island legalized sports betting (in response to the Supreme Court's ruling this year to eliminate a previously existing federal ban) and passed other gaming initiatives, with an estimated general fund revenue impact of \$28 million in fiscal 2019. Other states that have approved sports betting have yet to explicitly incorporate specific amounts into their revenue estimates.

Other Taxes & Revenue. Five states enacted increases on other revenue sources, while six states enacted decreases, resulting in a net decrease in general fund revenue of \$104 million. Washington State's property tax reduction was the largest tax reduction in this category, while Oklahoma's changes to the Gross Production Incentive rate was the most significant increase. New Jersey approved a tax amnesty program, reported in this survey as a revenue measure, slated to bring in an additional \$200 million.

Fees. Nine states enacted fee increases, while two states enacted decreases, resulting in a net increase of \$376 million (\$102 million general fund impact). Most of the net impact is on other state funds (\$274 million), with California's new cannabis licensing fees accounting for most of this change. Arizona's highway safety fee offset accounted for most of the general fund revenue impact from fee changes.

Fiscal 2019 Revenue Measures. In addition to tax and fee changes, states also enacted new revenue measures with a total net impact of \$2,077 million, including a \$2,569 million increase for states' general funds, partially offset by a \$492 million reduction in other state fund revenues. These measures often enhance general fund revenue but, in most cases, do not affect taxpayer liability and include actions to enforce existing laws, tax amnesties, additional audits and compliance efforts. Alaska's changes to the drawdown from the Alaska Permanent Fund account for most of the net revenue impact in this category. *(See Appendix Table A-2)*

Mid-Year Revenue Changes in Fiscal 2018

Thirteen states enacted changes in taxes and fees in the middle of fiscal 2018, with four states enacting increases and nine states enacting decreases, for a total net revenue decrease of \$491 million. New Jersey's sales tax rate decrease, phase-in of the increased pension exclusion and personal exemption for veterans, and increased estate tax exemption accounted for most of the revenue impact. Several states also enacted revenue measures that generally do not affect taxpayer liability, with a total fiscal 2018 revenue impact of \$42 million. *(See Table 24, Appendix Tables A-3 and A-4)*

TABLE 21

Enacted State Revenue Changes, Fiscal 1979 to Fiscal 2019

Fiscal Year	Revenue Change (Billions)
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 1988–2019 data provided by the National Association of State Budget Officers.

FIGURE 3:
Enacted State Revenue Changes, Fiscal 1979 to Fiscal 2019

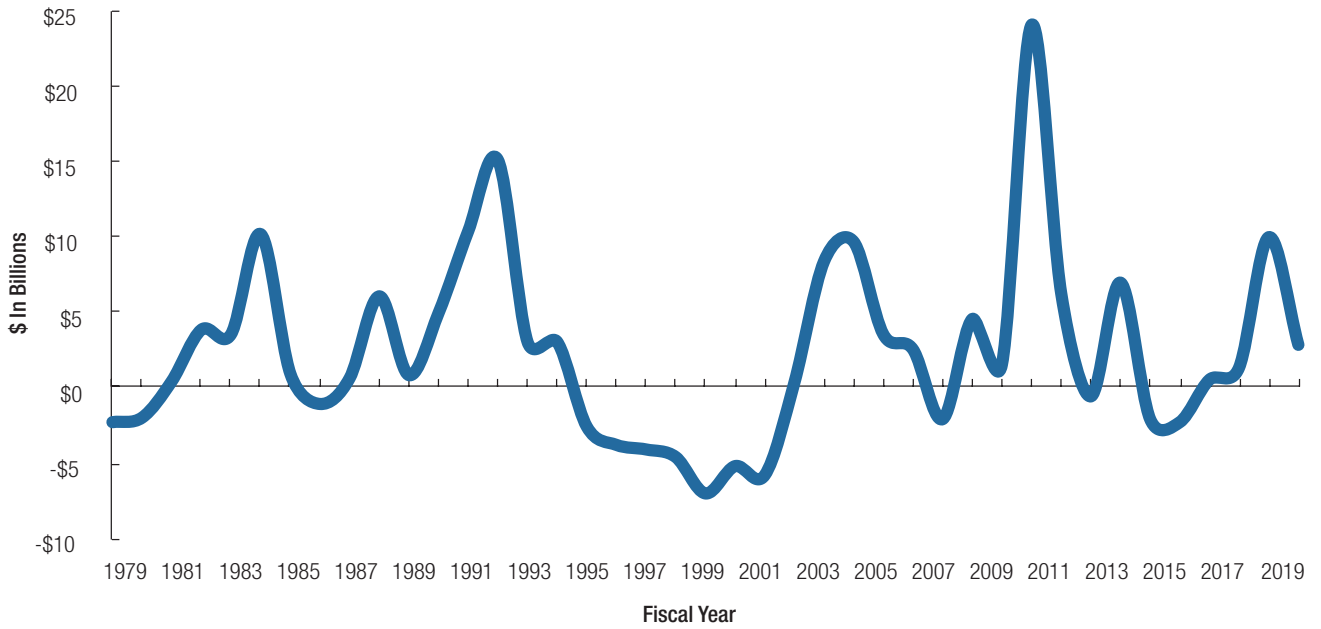


TABLE 22

Enacted Fiscal 2019 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	\$11.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$11.5
Alaska	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Arizona	65.0	-5.0	0.0	0.0	0.0	0.0	0.0	0.0	72.4	132.4
Arkansas	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
California	0.0	-63.8	-5.5	0.0	0.0	0.0	0.0	0.0	216.7	147.4
Colorado	0.0	-3.0	2.9	0.0	0.0	0.0	0.0	0.0	3.4	3.3
Connecticut	-2.5	-600.0	600.0	0.0	0.0	0.0	0.0	0.0	0.0	-2.5
Delaware	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-5.0	0.0	-5.0
Florida	-129.9	0.0	-18.5	0.0	-2.5	0.0	0.0	0.0	-5.6	-156.5
Georgia	-12.0	250.6	13.0	0.0	0.0	0.0	0.0	-37.3	0.0	214.3
Hawaii	-16.2	8.1	9.2	0.0	0.0	0.0	0.0	14.7	33.5	49.3
Idaho	-1.1	-93.8	-36.5	0.0	0.0	0.0	0.0	0.0	0.0	-131.4
Illinois	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Indiana	0.0	0.0	-58.6	0.0	0.0	0.0	0.0	-1.2	0.0	-59.8
Iowa	55.8	-186.0	25.6	0.0	0.0	0.0	0.0	4.5	0.0	-100.1
Kansas	-3.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-3.9
Kentucky	208.2	-118.3	-27.6	130.0	0.0	0.0	0.0	0.0	0.0	192.3
Louisiana	463.0	33.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	496.6
Maine	1.4	-22.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-20.7
Maryland*	0.0	-83.0	-5.1	0.0	0.0	0.0	0.0	0.0	-1.0	-89.1
Massachusetts*	0.0	-84.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-84.0
Michigan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minnesota	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mississippi	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-45.0	0.0	-45.0
Missouri	0.0	-238.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-238.3
Montana	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	14.6	14.6
Nebraska	0.0	1.0	8.0	0.0	0.0	0.0	0.0	0.0	0.0	9.0
Nevada	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
New Hampshire	0.0	0.0	-20.7	0.0	0.0	0.0	0.0	-3.0	0.0	-23.7
New Jersey	35.0	156.8	425.0	17.0	0.0	0.0	0.0	0.0	12.0	645.8
New Mexico	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
New York	0.0	5.0	2,000.0	0.0	0.0	0.0	0.0	0.0	18.0	2,023.0
North Carolina	0.0	38.9	18.9	0.0	0.0	0.0	0.0	0.0	0.0	57.8
North Dakota	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ohio*	-16.7	-9.7	0.0	-1.6	0.0	0.0	0.0	0.0	0.0	-28.0
Oklahoma	19.6	88.3	0.0	153.0	105.0	0.0	0.0	166.8	0.0	532.7
Oregon	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pennsylvania	0.0	0.0	-123.5	0.0	0.0	0.0	0.0	0.0	0.0	-123.5
Rhode Island*	14.5	0.0	0.0	0.0	0.0	0.0	27.6	4.0	9.9	56.0
South Carolina	-1.4	-1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-2.4
South Dakota	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tennessee	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Texas	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Utah*	0.0	-48.4	-4.2	0.0	0.0	0.0	0.0	0.0	1.9	-50.6
Vermont	0.0	-29.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-29.2
Virginia	0.0	3.3	0.0	0.0	0.0	0.0	0.0	3.4	0.0	6.7
Washington	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-206.0	0.0	-206.0
West Virginia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Wisconsin	-14.0	-35.0	3.0	0.0	0.0	0.0	0.0	0.0	0.0	-46.0
Wyoming	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	\$676.2	-\$1,035.0	\$2,805.5	\$298.4	\$102.5	\$0.0	\$27.6	-\$104.1	\$375.8	\$3,146.9
Increases	9	9	10	3	1	0	1	5	9	16
Decreases	9	16	9	1	1	0	0	6	2	20

NOTE: See Notes to Table 22 on page 63. See Appendix Table A-1 for details on specific revenue changes.

TABLE 23

Enacted Fiscal 2019 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	\$11.5	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$11.5
Alaska	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Arizona	65.0	-5.0	0.0	0.0	0.0	0.0	0.0	0.0	72.4	132.4
Arkansas	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
California	0.0	-63.8	-5.5	0.0	0.0	0.0	0.0	0.0	2.9	-66.4
Colorado	0.0	-3.0	2.9	0.0	0.0	0.0	0.0	0.0	3.4	3.3
Connecticut	-2.3	-600.0	600.0	0.0	0.0	0.0	0.0	0.0	0.0	-2.3
Delaware	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-5.0	0.0	-5.0
Florida	-129.6	0.0	-18.5	0.0	0.0	0.0	0.0	0.0	-0.9	-149.0
Georgia	-12.0	250.6	13.0	0.0	0.0	0.0	0.0	-37.3	0.0	214.3
Hawaii	-16.2	8.1	9.2	0.0	0.0	0.0	0.0	14.7	0.0	15.8
Idaho	-1.1	-93.8	-36.5	0.0	0.0	0.0	0.0	0.0	0.0	-131.4
Illinois	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Indiana	0.0	0.0	-58.6	0.0	0.0	0.0	0.0	-1.2	0.0	-59.8
Iowa	55.8	-186.0	25.6	0.0	0.0	0.0	0.0	4.5	0.0	-100.1
Kansas	-3.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-3.3
Kentucky	208.2	-118.3	-27.6	130.0	0.0	0.0	0.0	0.0	0.0	192.3
Louisiana	463.0	33.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	496.6
Maine	1.4	-22.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-20.7
Maryland	0.0	-83.0	-4.2	0.0	0.0	0.0	0.0	0.0	-1.0	-88.2
Massachusetts	0.0	-84.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-84.0
Michigan	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Minnesota	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mississippi	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-45.0	0.0	-45.0
Missouri	0.0	-238.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-238.3
Montana	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nebraska	0.0	1.0	8.0	0.0	0.0	0.0	0.0	0.0	0.0	9.0
Nevada	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
New Hampshire	0.0	0.0	-20.7	0.0	0.0	0.0	0.0	-3.0	0.0	-23.7
New Jersey	35.0	0.0	425.0	17.0	0.0	0.0	0.0	0.0	12.0	489.0
New Mexico	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
New York	0.0	40.0	2,000.0	0.0	0.0	0.0	0.0	0.0	3.0	2,043.0
North Carolina	0.0	38.9	18.9	0.0	0.0	0.0	0.0	0.0	0.0	57.8
North Dakota	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ohio	-16.2	-9.4	0.0	-1.5	0.0	0.0	0.0	0.0	0.0	-27.1
Oklahoma	0.0	80.5	0.0	153.0	105.0	0.0	0.0	166.8	0.0	505.3
Oregon	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pennsylvania	0.0	0.0	-123.5	0.0	0.0	0.0	0.0	0.0	0.0	-123.5
Rhode Island	14.5	0.0	0.0	0.0	0.0	0.0	27.6	4.0	9.9	56.0
South Carolina	-1.4	-1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-2.4
South Dakota	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tennessee	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Texas	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Utah	0.0	-48.4	-4.2	0.0	0.0	0.0	0.0	0.0	0.0	-52.5
Vermont	0.0	-29.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-29.2
Virginia	0.0	3.3	0.0	0.0	0.0	0.0	0.0	3.4	0.0	6.7
Washington	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-206.0	0.0	-206.0
West Virginia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Wisconsin	-14.0	-35.0	3.0	0.0	0.0	0.0	0.0	0.0	0.0	-46.0
Wyoming	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	\$658.3	-\$1,164.3	\$2,806.4	\$298.5	\$105.0	\$0.0	\$27.6	-\$104.1	\$101.7	\$2,729.0
Increases	8	8	10	3	1	0	1	5	6	14
Decreases	9	16	9	1	0	0	0	6	2	21

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

TABLE 24

Enacted Mid-Year Fiscal 2018 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	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Alaska	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Arizona	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Arkansas	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
California	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-79.6	-79.6
Colorado	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Connecticut	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Delaware	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Florida	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Georgia	-1.8	28.0	45.0	0.0	0.0	0.0	0.0	-27.1	0.0	44.1
Hawaii	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Idaho	0.0	-10.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-10.6
Illinois	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Indiana	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Iowa	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Kansas	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Kentucky	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Louisiana	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Maine	0.0	-9.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-9.2
Maryland	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Massachusetts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Michigan	-0.2	-8.0	0.0	0.0	0.0	0.0	0.0	0.0	-28.3	-36.5
Minnesota	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mississippi	0.0	-2.7	0.0	0.0	0.0	0.0	0.0	-1.2	0.0	-3.9
Missouri	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Montana	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	14.6	14.6
Nebraska	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nevada	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
New Hampshire	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
New Jersey	-202.9	-105.0	0.0	0.0	0.0	0.0	0.0	-139.0	0.0	-446.9
New Mexico	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
New York	-4.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-4.0
North Carolina	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
North Dakota	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ohio	0.0	-7.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-7.5
Oklahoma	0.0	0.0	0.0	0.0	0.0	0.0	0.0	48.5	0.0	48.5
Oregon	0.0	-3.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-3.8
Pennsylvania	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rhode Island	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
South Carolina	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
South Dakota	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tennessee	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Texas	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Utah	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Vermont	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Virginia	0.0	3.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.6
Washington	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
West Virginia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Wisconsin	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Wyoming	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	-\$208.9	-\$115.2	\$45.0	\$0.0	\$0.0	\$0.0	\$0.0	-\$118.8	-\$93.3	-\$491.2
Increases	0	2	1	0	0	0	0	1	1	4
Decreases	4	7	0	0	0	0	0	3	2	9

NOTE: See Appendix Table A-3 for details on specific revenue changes.

CHAPTER 2 NOTES

Notes to Table 15: General Fund Nominal Percentage Revenue Change, Fiscal 2017 to Fiscal 2019

New York	FY 2018 and FY 2019 annual revenue changes include an acceleration of PIT payments due in calendar year 2018 as taxpayers responded to Federal tax law changes that, starting in tax year 2018, limit the allowable aggregate itemized deduction of State and local income taxes, and local real property taxes, to a maximum of \$10,000 on Federal income tax returns. DOB estimates approximately \$1.9 billion was accelerated from FY 2019 to FY 2018.
Ohio	The fiscal year 2018 annual revenue and expenditure decline is the result of the elimination of the sales tax on Medicaid managed care companies and the adoption of a provider assessment on all managed care companies. The provider tax, unlike the sales tax, will be deposited in a non-GRF dedicated purpose fund.
Vermont	The marked year-over-year decrease in General Fund revenue in FY 2019 is largely attributable to the Legislature's restructuring of the Education Fund revenue sources. This restructuring resulted in a decrease of -\$301.2M in the annual transfer of General Funds. In lieu of the annual transfer of General Funds to the Education Fund, 100% of Sales and Use and 25% of Meals and Rooms taxes will be deposited directly into the Education Fund. Previously, these tax revenues were deposited into the General Fund. The remaining decrease in revenue year-over-year is predominantly associated with Vermont social security tax rate changes and the restructuring of Vermont's tax laws to align with modifications to the federal tax code.

Notes to Table 16: General Fund Revenue Collections Compared to Projections, Fiscal 2018 and Fiscal 2019

Connecticut	FY18 preliminary actual General Fund revenues for Connecticut came in lower than budgeted largely due to a transfer of \$1,471.3m to the Budget Reserve Fund as required under the state's new volatility cap, and a timing delay in receipt of \$400m of federal funds from FY18 to FY19.
Ohio	Revenue collections compared to projections include state-source general revenue. If we included federal general fund revenue, fiscal 2019 would currently be lower than projected.

Notes to Table 17: Fiscal 2018 General Fund Revenue Collections Compared With Projections Used in Adopting Fiscal 2018 Budgets

Arkansas	Revenue amounts here are reported as "gross" (before refunds and special dedications/payments).
Connecticut	FY18 preliminary actual General Fund revenues for Connecticut came in lower than budgeted largely due to a transfer of \$1,471.3m to the Budget Reserve Fund as required under the state's new volatility cap, and a timing delay in receipt of \$400m of federal funds from FY18 to FY19.
New York	Amounts reported under "Estimates Used When Fiscal 2018 Budget was Adopted Fiscal 2018" have been corrected since last reported in the Spring 2018 Fiscal Survey.

Notes to Table 19: Comparison of General Fund Collections in Fiscal 2017, Fiscal 2018, and Enacted Fiscal 2019

Arkansas	Revenue amounts here are reported as "gross" (before refunds and special dedications/payments).
Colorado	Totals include the income tax revenue amounts diverted to the State Education Fund per Amendment 23. These amounts are \$540 million in FY2016-17, \$617 million in FY2017-18, and \$658.6 million in FY2018-19.
Indiana	Amounts reflected in Table 19 only include forecasted General Fund revenues.
Louisiana	The revenue figures in Table 19 do not include fund transfers.

Maryland	Maryland is coupled to Federal Adjusted Gross Income. Prior to the 2018 Legislative Session, Maryland's Bureau of Revenue Estimates estimated an increase in General Fund collections of \$35.5 million in FY 18 and \$511.6 million in FY 19 due to the Federal Tax Cuts and Jobs Act (TCJA). Maryland set aside \$200 million from the Personal Income Tax collections for education and increased the standard deduction as a result of the federal changes. The State also decoupled from the Estate credit cap that will increase revenues in FY 20.
Massachusetts	The Commonwealth of Massachusetts credits federal reimbursements for Medicaid, as well as certain other federal reimbursements, to the General Fund. In the NASBO State Expenditure Survey, these reimbursement funds are shown as "federal funds spending" to conform to the survey definitions and excluded from the revenue figures. The figures in this survey are consistent with the Commonwealth's accounting practices.
Michigan	Volatility in business tax revenue is largely due to timing of tax credits.
Nevada	Gaming Revenue forecasts are amounts estimated before tax credits are applied. There are no estimates for tax credits as they are transferrable. Actual amounts are net of tax credits.
Ohio	Sales and Use Tax: The fiscal year 2018 sales and use tax decline is the result of the elimination of the sales tax on Medicaid managed care companies and the adoption of a provider assessment on all managed care companies. The provider tax, unlike the sales tax, is deposited in a non-GRF dedicated purpose fund. Corporate Income Tax: Ohio doesn't have a corporate income tax and instead has a commercial activities tax (CAT). The large increase in fiscal year 2018 is the result of allocating a higher percentage of the CAT revenue to the general fund and a lower percentage to property tax replacement funds. As a biennial budget state, Ohio routinely revises revenue projections in the second year, as is the case here.
Tennessee	Corporate income tax includes excise and franchise taxes.
Texas	Figures taken from Table A-12 in revised CRE July 2018.
Vermont	Please note the following: All lottery proceeds benefits Vermont's Education Fund, not the General Fund; the figure of \$396.6M in Sales Tax collections originally reported in the fall survey for 2018 (Enacted) is restated in this response to reflect the official portion of the revenue forecast comprised of this source; the fiscal year 2019 forecasted revenue is reflective of the structural funding changes made in the Education Fund, specifically, in lieu of the annual transfer of General Funds to the Education Fund, 100% of Sales and Use and 25% of Meals and Rooms taxes will be deposited directly into the Education Fund (previously, these tax revenues were deposited into the General Fund).
Washington	Total revenues reflect total available general fund revenues, after transfers.

Notes to Table 20: Percentage Changes in General Fund Revenue Collections in Fiscal 2018 and Enacted Fiscal 2019

Michigan	Volatility in business tax revenue is largely due to timing of tax credits.
Ohio	Sales and Use Tax: The fiscal year 2018 sales and use tax decline is the result of the elimination of the sales tax on Medicaid managed care companies and the adoption of a provider assessment on all managed care companies. The provider tax, unlike the sales tax, is deposited in a non-GRF dedicated purpose fund. Corporate Income Tax: Ohio doesn't have a corporate income tax and instead has a commercial activities tax (CAT). The large increase in fiscal year 2018 is the result of allocating a higher percentage of the CAT revenue to the general fund and a lower percentage to property tax replacement funds. As a biennial budget state, Ohio routinely revises revenue projections in the second year, as is the case here.
Vermont	The fiscal year 2019 forecasted revenue is reflective of the structural funding changes made in the Education Fund, specifically, in lieu of the annual transfer of General Funds to the Education Fund, 100% of Sales and Use and 25% of Meals and Rooms taxes will be deposited directly into the Education Fund (previously, these tax revenues were deposited into the General Fund).

Notes to Table 22: Enacted Fiscal 2019 Revenue Actions by Type of Revenue and Net Increase or Decrease

Maryland	Maryland is coupled to Federal Adjusted Gross Income. Prior to the 2018 Legislative Session, Maryland's Bureau of Revenue Estimates estimated an increase in General Fund collections of \$35.5 million in FY 18 and \$511.6 million in FY 19 due to the Federal Tax Cuts and Jobs Act (TCJA). Maryland set aside \$200 million from the Personal Income Tax collections for education and increased the standard deduction as a result of the federal changes. The State also decoupled from the Estate credit cap that will increase revenues in FY 20.
Massachusetts	The income tax rate reduction was accounted for in the Governor's Budget Recommendation but was enacted in separate legislation.
Ohio	Tax increase and decrease figures provided are relative to fiscal year 2017 law baseline and are not incremental to the tax changes scored for fiscal year 2018.
Rhode Island	Sports betting legislation went into effect as of 7/1/2018, but implementation will take several months and is not expected to be operational until November 2018.
Utah	Corporate and personal income tax go into the Education Fund. In Utah, the General and Education Fund together are analogous to most states' general funds.

TOTAL BALANCES

CHAPTER THREE

Overview

Total balances include both general fund ending balances and the amounts in states' budget stabilization funds (rainy day funds), and reflect the funds that states may use for liquidity to respond to unforeseen circumstances and to help resolve revenue shortfalls. Maintaining adequate reserve levels helps states to mitigate disruptions to state services during an economic downturn and other unanticipated events. One particularly promising trend in state finances in recent years has been the strengthening of states' reserves. Improved revenue conditions in fiscal 2018 helped many states continue to bolster their ending balances and savings accounts, with a number of states directing at least part of their unanticipated budget surpluses into their rainy day funds. Thirty-five states reported increasing their total balance levels in fiscal 2018, with 31 states adding to their rainy day funds.

Since fiscal 2009, when states were in the depths of the Great Recession, total balances have nearly tripled on a dollar basis, from \$31.3 billion (4.7 percent of general fund expenditures at that time) to \$90.5 billion (10.8 percent of spending) in fiscal 2018, an all-time high in nominal dollars. Much of that growth has been in states' rainy day funds, set aside to support general fund spending during a revenue shortfall or other unanticipated budget shortfall if the specific restrictions on the use of the fund are met. Since fiscal 2010, the median rainy day fund balance level as a percentage of general fund spending has grown from 1.6 percent to 6.4 percent in fiscal 2018. Looking ahead, states' enacted budgets predict that the median rainy day fund balance will continue to rise, reaching 7.3 percent of general fund spending by the end of fiscal 2019.

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 and rise in expenditure demands resulting from the Great Recession, states have made significant progress rebuilding budget reserves. In fiscal 2018, total balances reached a new all-time high in actual dollars, totaling \$90.5 billion, or 10.8 percent of general fund spending. (See [Table 25](#), [Figure 4](#)) According to NASBO's *Fall 2017 Fiscal Survey of States*, enacted budgets for fiscal 2018 predicted that total balances at year-end would amount to \$67.6 billion, a far lower amount than the preliminary actual amount reported in this survey. The much larger total balance figure for fiscal 2018 reflects how revenues outpaced projections in most states, leading to unanticipated budget surpluses that helped to bolster states' ending balances and rainy day funds. Overall, 35 states reported increases in their total balance levels in fiscal 2018 relative to fiscal 2017.

In fiscal 2019, states are forecasting a net decline in total balance levels (despite rainy day fund balances being on track to increase, as discussed below). Excluding Oklahoma and Wisconsin, which were not able to provide comparable data on total balance levels for all three years in this survey, total balances ended fiscal 2018 at approximately \$89.1 billion, and are predicted to total \$85.0 billion (10.0 percent of general fund spending) at the end of fiscal 2019 (the current fiscal year).

Balance levels vary considerably across states. In fiscal 2017, 37 states had total balance levels above 5 percent as a share of general fund spending. By fiscal 2018, the number of states with balances greater than 5 percent grew to 43— with 30 states having total balances above 10 percent. In fiscal 2019, 41 states estimate that they will end the year with total balances exceeding 5 percent, with 24 of these states projecting balance levels above 10 percent of general fund expenditures. Meanwhile, five states are forecasting balance levels between 1 and 5 percent and two states are projecting balances of less than 1 percent.⁶ The median total balance as a percent of general fund spending was 8.3 percent in fiscal 2017 and 11.1 percent in fiscal 2018, and is expected to be 10.1 percent in fiscal 2019. (See [Table 27](#), [Table 29](#), and [Figures 6-8](#))

⁶ Oklahoma and Wisconsin are excluded for fiscal 2019 as the states were unable to provide complete data for this year.

Rainy Day Funds

When NASBO last conducted its *Budget Processes in the States* survey in fall 2014, 47 states reported having at least one budget stabilization fund or reserve account 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).⁷ However, in the last couple of years, the three remaining states — Arkansas, Kansas and Montana — have each taken steps to create a rainy day fund. Other states have also taken deliberate policy actions recently to strengthen their reserves such as by refining methods of deposit and tying target fund size to revenue volatility.

State balances exclusively in rainy day funds tend to be more stable than total balance levels, which fluctuate with ending balances from year to year. Rainy day funds are also a reflection of deliberate state policy choices by elected officials. In recent years, governors and state lawmakers have focused on rebuilding their states' rainy day funds. Like total balance levels, rainy day fund balances, in the aggregate, have grown substantially since the Great Recession, reaching \$59.9 billion in fiscal 2018, excluding Georgia which was unable to provide its rainy day balance for that year. From fiscal 2010 to fiscal 2018, the median rainy day fund balance grew from 1.6 percent as a share of general fund expenditures to 6.4 percent. The median rainy day fund balance in fiscal 2008, prior to the Great Recession, was 4.8 percent. States enacted budgets for fiscal 2019 that continue to prioritize strengthening states' rainy day funds, with the median rainy day fund balance forecasted to rise to 7.3 percent by the end of the fiscal year. (See [Table 26 and Figure 5](#))

Thirty-one states increased their rainy day fund balances in fiscal 2018, and 26 states are projecting increases in fiscal 2019. On the other hand, eight states saw declines in fiscal 2018 and six states expect decreases in their fiscal 2019 enacted budgets. (See [Table 30](#))

Balances Vary Across States. Rainy day fund levels, as a share of expenditures, vary across states. This variation is related to differing fiscal conditions, rainy day fund structures, policy decisions, revenue volatility levels and other factors. For example, in fiscal 2017, seven states had rainy day fund balances of 10 percent or more, while six states had balances below 1 percent. Seventeen states had balances between 1 and 5 percent, and 20 states had balances between 5 and 10 percent. For the 47 states that were able to provide rainy day fund balance projections for fiscal 2019, 12 states expect to end the year with a balance greater than 10 percent, 19 states between 5 and 10 percent, 12 states between 1 and 5 percent, and four states less than 1 percent. (See [Table 28](#))

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.” (See [Table 31](#)). Some states also have a reserve fund dedicated to supplement education funding or for other specific purposes. 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* (2015), Table 14.

⁷ For more details on states' budget stabilization or rainy day funds, see NASBO's *Budget Processes in the States* report (2015), Table 14.

TABLE 25
Total Balances, Fiscal 1979 to Fiscal 2019

Fiscal Year	Total Balance (Billions)	Total Balance (Percentage of Expenditures)
2019*	\$85.0	10.0%
2018*	90.5	10.8
2017	79.1	9.8
2016	81.5	10.4
2015	82.2	10.9
2014	73.7	10.2
2013	74.2	10.7
2012	55.6	8.3
2011	45.7	7.1
2010	31.8	5.1
2009	31.3	4.7
2008	59.8	8.7
2007	69.0	10.5
2006	69.3	11.6
2005	49.7	9.0
2004	28.5	5.4
2003	16.7	3.3
2002	18.4	3.6
2001	38.5	7.6
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 2018 are preliminary actual; figures for fiscal 2019 are projected based on states' enacted budgets. Figures for fiscal 2019 exclude Oklahoma 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 26

Rainy Day Fund Balances, Fiscal 1988 to Fiscal 2019

Fiscal Year	RDF Balance (Billions)	Total RDF Balance (Percentage of Expenditures)	Median RDF Balance (Percentage of Expenditures)
2019*	\$62.4	7.6%	7.3%
2018*	59.9	7.4	6.4
2017	55.4	6.9	5.3
2016	51.6	6.6	5.1
2015	47.8	6.3	4.9
2014	47.7	6.6	4.1
2013	41.6	6.0	3.5
2012	36.7	5.5	2.4
2011	28.8	4.5	1.8
2010	27.0	4.3	1.6
2009	29.0	4.4	2.6
2008	32.9	4.8	4.8
2007	30.9	4.7	4.6
2006	31.7	5.3	4.3
2005	24.8	4.5	2.5
2004	12.1	2.3	1.8
2003	8.2	1.6	0.7
2002	10.7	2.1	1.7
2001	21.7	4.3	4.4
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 2018 are preliminary actual; figures for fiscal 2019 are projected based on states' enacted budgets. Figures for fiscal 2018 exclude Georgia, and figures for fiscal 2019 exclude Georgia, Oklahoma 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.

FIGURE 4:

Total Balances as a Percentage of Expenditures, Fiscal 2000 to Fiscal 2019

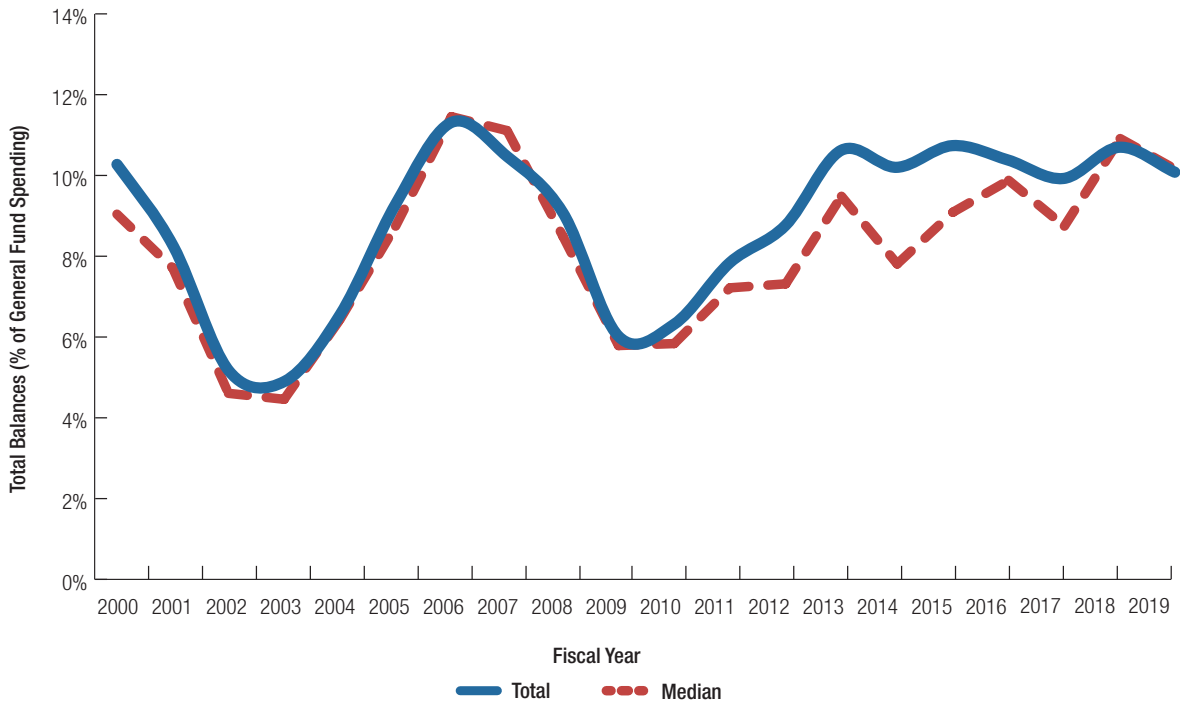


FIGURE 5:

Rainy Day Fund Balances as a Percentage of Expenditures Fiscal 2000 to Fiscal 2019

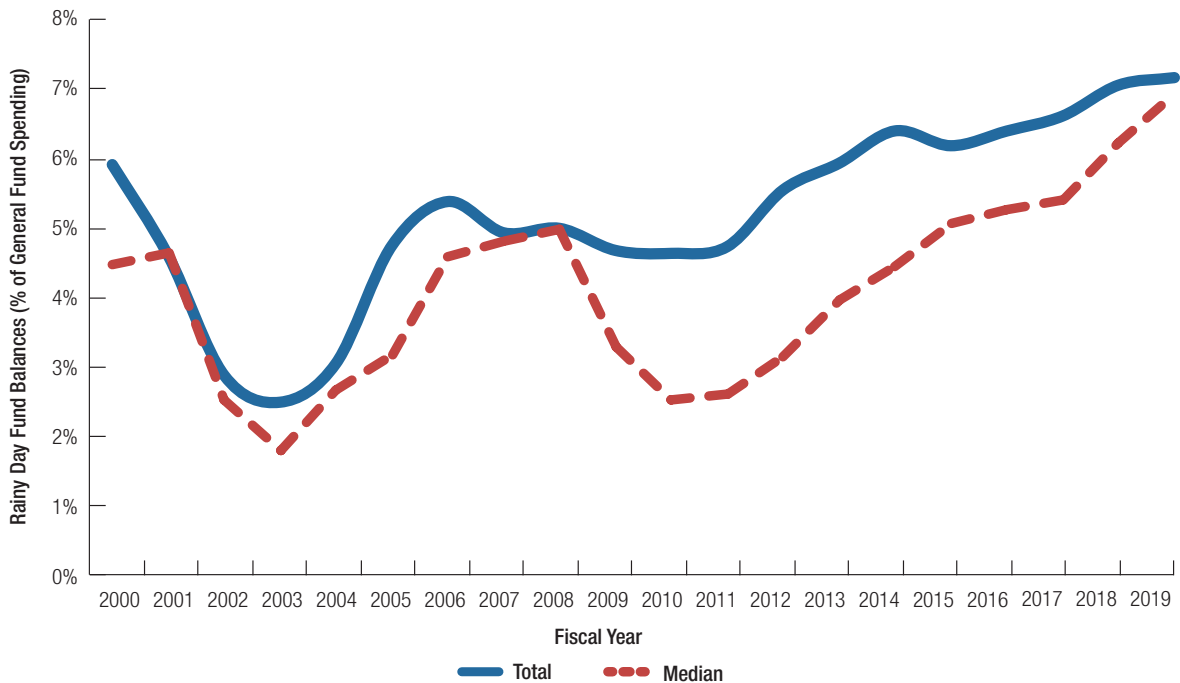


TABLE 27

**Total Balances as a Percentage of Expenditures,
Fiscal 2017 to Fiscal 2019**

Percentage	Number of States		
	Fiscal 2017 (Actual)	Fiscal 2018 (Preliminary Actual)	Fiscal 2019 (Enacted)
Less than 1%	1	2	2
> 1% but < 5%	12	5	5
> 5% but < 10%	15	13	17
10% or more	22	30	24
N/A	0	0	2

NOTE: See Table 29 for state-by-state data. Oklahoma and Wisconsin were unable to provide complete total balance data for fiscal 2019.

TABLE 28

**Rainy Day Fund Balances as a Percentage of Expenditures,
Fiscal 2017 to Fiscal 2019**

Percentage	Number of States		
	Fiscal 2017 (Actual)	Fiscal 2018 (Preliminary Actual)	Fiscal 2019 (Enacted)
Less than 1%	6	6	4
> 1% but < 5%	17	12	12
> 5% but < 10%	20	23	19
10% or more	7	8	12
N/A	0	1	3

NOTE: See Table 30 for state-by-state data. Georgia was unable to provide rainy day fund balance data for fiscal 2018. Georgia, Oklahoma and Wisconsin were unable to provide data for fiscal 2019.

Changing Balance Levels Fiscal 2017, Fiscal 2018, Fiscal 2019

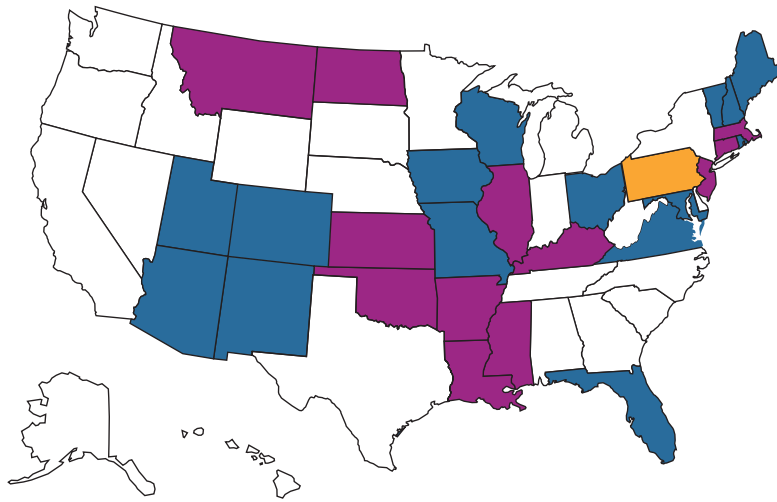


FIGURE 6:
State Total Balance Levels Fiscal 2017

- Less than 1 percent (1)
- Between 1 percent and 5 percent (12)
- Between 5 percent and 10 percent (15)
- Greater than 10 percent (22)

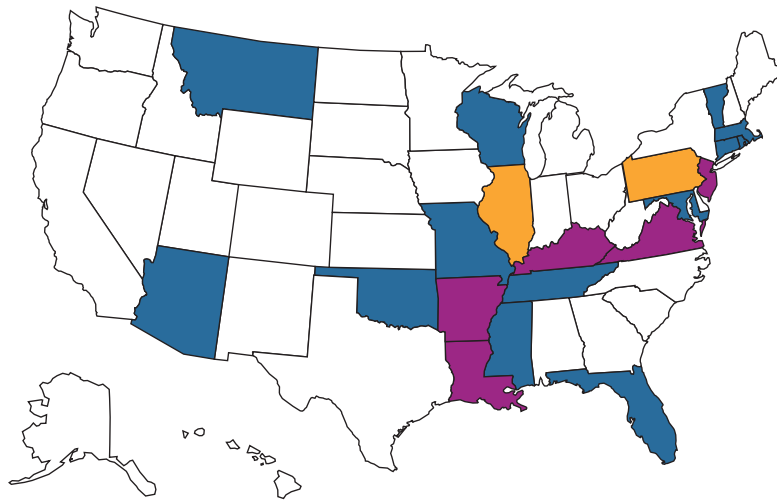


FIGURE 7:
State Total Balance Levels Fiscal 2018

- Less than 1 percent (2)
- Between 1 percent and 5 percent (5)
- Between 5 percent and 10 percent (13)
- Greater than 10 percent (30)

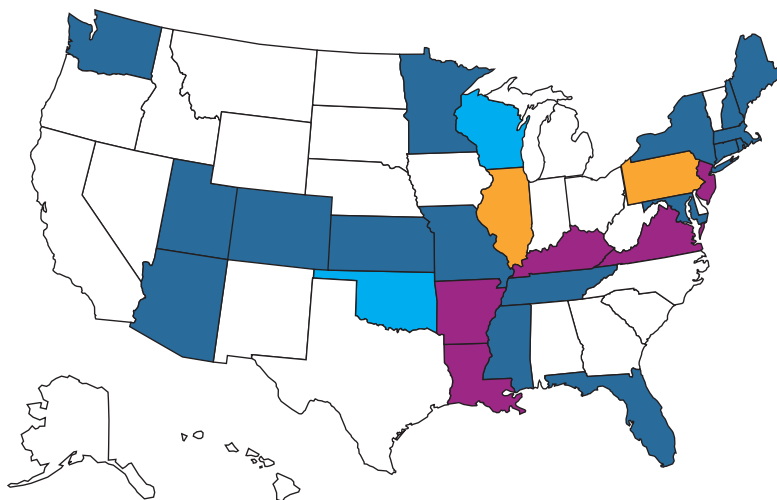


FIGURE 8:
State Total Balance Levels Fiscal 2019

- Less than 1 percent (2)
- Between 1 percent and 5 percent (5)
- Between 5 percent and 10 percent (17)
- Greater than 10 percent (24)
- Data are not available (2)

TABLE 29

Total Balances, Dollar Amount and Percentage of Expenditures, Fiscal 2017 to Fiscal 2019

State	Total Balances (\$ in Millions)			Total Balances as a Percent of General Fund Expenditures		
	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2017	Fiscal 2018	Fiscal 2019
Alabama	\$916	\$1,186	\$1,250	11.2%	14.1%	14.4%
Alaska	4,641	2,562	2,036	103.2	57.1	42.9
Arizona	612	908	699	6.4	9.3	6.7
Arkansas	123	127	191	2.3	2.3	3.4
California*	12,416	17,893	16,895	10.4	14.1	12.2
Colorado	614	1,274	1,069	5.9	11.4	8.5
Connecticut	213	1,185	1,515	1.2	6.3	8.0
Delaware	475	750	620	11.6	18.2	13.8
Florida	2,899	2,861	2,709	9.6	8.9	8.2
Georgia	2,472	2,729	2,729	10.7	11.3	11.0
Hawaii	1,205	1,126	1,028	16.1	14.4	12.9
Idaho	514	633	439	15.8	18.3	12.0
Illinois	1,368	125	139	4.4	0.4	0.4
Indiana	1,777	1,786	1,861	11.5	11.3	11.5
Iowa	605	748	1,020	8.3	10.3	13.9
Kansas	109	763	647	1.7	11.5	9.2
Kentucky	266	123	127	2.4	1.1	1.1
Louisiana	409	321	323	4.5	3.3	3.4
Maine	266	362	315	7.9	10.3	8.5
Maryland	1,091	1,442	986	6.3	8.3	5.5
Massachusetts	1,448	2,280	2,263	3.5	5.3	5.0
Michigan	1,333	1,109	1,057	13.6	10.9	10.6
Minnesota	3,333	2,505	2,279	15.8	11.0	9.8
Mississippi	273	293	314	4.8	5.2	5.6
Missouri	462	800	640	5.0	8.6	6.6
Montana	48	186	273	2.0	8.1	11.2
Nebraska	929	794	559	21.4	18.2	12.5
Nevada	580	666	682	14.5	16.7	16.7
New Hampshire	100	190	111	6.6	12.7	7.3
New Jersey	787	772	764	2.3	2.2	2.1
New Mexico	505	1,112	2,164	8.2	17.9	33.9
New York	7,749	9,445	5,504	11.4	13.5	7.2
North Carolina	2,310	2,844	2,660	10.5	12.5	11.1
North Dakota	103	367	274	4.1	17.0	12.8
Ohio	2,591	3,255	3,551	7.4	10.2	10.4
Oklahoma	177	452	N/A	3.1	7.5	N/A
Oregon	1,761	2,492	2,659	19.4	25.5	26.2
Pennsylvania	-1,539	23	19	-4.8	0.1	0.1
Rhode Island	254	244	202	6.9	6.4	5.2
South Carolina*	1,076	1,187	1,203	14.1	15.0	14.7
South Dakota	165	176	176	10.7	11.1	10.7
Tennessee	2,315	1,330	867	17.5	9.2	5.8
Texas	11,173	10,586	14,526	20.8	18.9	28.2
Utah	583	862	598	9.1	12.8	8.2
Vermont	107	133	207	6.9	8.5	16.0
Virginia	1,332	652	526	6.6	3.2	2.5
Washington	2,739	3,311	1,903	14.2	16.2	8.4
West Virginia	1,051	1,087	1,090	24.7	25.7	24.6
Wisconsin	862	909	N/A	5.0	5.3	N/A
Wyoming	1,538	1,538	1,324	100.5	100.5	91.2
Total**	\$79,135	\$90,502	\$84,993	9.8%	10.8%	10.0%
			Median	8.3%	11.1%	10.1%

NOTES: Total balances include both the ending balance and Rainy Day Funds. Fiscal 2017 are actual figures, fiscal 2018 are preliminary actual figures, and fiscal 2019 are enacted figures. N/A indicates data not available. *See notes to Table 29 on page 75. **Fiscal 2019 figures exclude Oklahoma and Wisconsin, as complete data for these states were not available for these years.

TABLE 30

Rainy Day Fund Balances, Dollar Amount and Percentage of Expenditures, Fiscal 2017 to Fiscal 2019

State	Rainy Day Fund Balances (\$ in Millions)**			Rainy Day Fund Balances as a Percent of General Fund Expenditures			
	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2017	Fiscal 2018	Fiscal 2019	
Alabama	\$766	\$783	\$853	9.4%	9.3%	9.8%	
Alaska	4,641	2,562	2,036	103.2	57.1	42.9	
Arizona	461	458	463	4.8	4.7	4.5	
Arkansas	123	127	127	2.3	2.3	2.3	
California*	11,251	16,728	15,930	9.4	13.2	11.5	
Colorado	614	1,274	1,069	5.9	11.4	8.5	
Connecticut	213	1,185	1,515	1.2	6.3	8.0	
Delaware	221	232	240	5.4	5.6	5.3	
Florida	1,384	1,417	1,483	4.6	4.4	4.5	
Georgia	2,309	N/A	N/A	10.0	N/A	N/A	
Hawaii	311	376	384	4.2	4.8	4.8	
Idaho	413	394	394	12.7	11.4	10.8	
Illinois	10	10	10	0.0	0.0	0.0	
Indiana	1,474	1,419	1,355	9.5	9.0	8.4	
Iowa	605	620	762	8.3	8.6	10.4	
Kansas	0	0	0	0.0	0.0	0.0	
Kentucky	151	94	127	1.3	0.8	1.1	
Louisiana	287	321	323	3.1	3.3	3.4	
Maine	209	288	288	6.2	8.2	7.8	
Maryland	833	857	880	4.8	5.0	4.9	
Massachusetts	1,301	1,793	2,161	3.2	4.2	4.8	
Michigan	710	1,008	1,051	7.2	9.9	10.5	
Minnesota	1,980	1,998	1,991	9.4	8.8	8.6	
Mississippi	269	288	314	4.7	5.1	5.6	
Missouri	294	305	320	3.2	3.3	3.3	
Montana	0	0	46	0.0	0.0	1.9	
Nebraska	681	340	334	15.7	7.8	7.5	
Nevada	146	180	294	3.7	4.5	7.2	
New Hampshire	100	110	111	6.6	7.3	7.3	
New Jersey	0	0	0	0.0	0.0	0.0	
New Mexico	0	449	1,483	0.0	7.2	23.2	
New York	1,798	1,798	1,798	2.6	2.6	2.3	
North Carolina	1,838	1,849	2,011	8.3	8.1	8.4	
North Dakota	38	113	209	1.5	5.2	9.7	
Ohio	2,034	2,034	2,692	5.8	6.4	7.9	
Oklahoma	93	452	N/A	1.6	7.5	N/A	
Oregon	761	940	1,210	8.4	9.6	11.9	
Pennsylvania	0	0	14	0.0	0.0	0.0	
Rhode Island	193	199	201	5.2	5.2	5.2	
South Carolina	487	509	531	6.4	6.4	6.5	
South Dakota	157	160	176	10.2	10.0	10.7	
Tennessee	668	800	861	5.0	5.5	5.8	
Texas	10,290	10,455	11,851	19.2	18.7	23.0	
Utah	508	508	593	7.9	7.5	8.1	
Vermont	107	133	207	6.9	8.5	16.0	
Virginia	549	440	488	2.7	2.2	2.3	
Washington	1,638	1,364	1,139	8.5	6.7	5.0	
West Virginia	652	710	729	15.4	16.8	16.4	
Wisconsin	283	320	N/A	1.7	1.9	N/A	
Wyoming	1,538	1,538	1,324	100.5	100.5	91.2	
Total**	\$55,389	\$59,935	\$62,376	6.9%	7.4%	7.6%	
				Median	5.3%	6.4%	7.3%

NOTES: N/A indicates data not available. Fiscal 2017 are actual figures, fiscal 2018 are preliminary actual figures, and fiscal 2019 are enacted figures. *See Notes to Table 30 on page 75. **Total Rainy day fund balances for fiscal 2018 exclude Georgia, and fiscal 2019 excludes Georgia, Oklahoma and Wisconsin, as data were unavailable for these years.

TABLE 31

State Rainy Day Fund Names*

State	Fund Name(s)
Alabama	Education Trust Fund Budget Stabilization Fund, Education Trust Fund Rainy Day Account, and General Fund Rainy Day Account
Alaska	Constitutional Budget Reserve Fund and Statutory Budget Reserve Fund
Arizona	Budget Stabilization Fund
Arkansas	Long Term Reserve Fund
California*	"Special Fund for Economic Uncertainties (SFEU) Budget Stabilization Account (BSA) Safety Net Reserve"
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, Economic Recovery Reserve Fund, Public Education Stabilization Fund, and Higher Education Stabilization Fund
Illinois	Budget Stabilization Fund
Indiana	Medicaid Reserve, State Tuition Reserve, and 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 and the Reserve for Operating Capital
Maryland	Revenue Stabilization Account
Massachusetts	Commonwealth Stabilization Fund
Michigan	Countercyclical Budget and Economic Stabilization Fund
Minnesota	Rainy Day Fund = Budget Reserve + Cash Flow Account
Mississippi	Working Cash Stabilization Fund
Missouri	Budget Reserve Fund
Montana	Budget Stabilization Reserve Fund
Nebraska	Cash Reserve Fund
Nevada	Rainy Day Fund or Account to Stabilize the Operation of State Government
New Hampshire	Revenue Stabilization Reserve Account
New Jersey	Surplus Revenue Fund
New Mexico	Rainy Day Fund
New York	Tax Stabilization Reserve and Rainy Day Reserve
North Carolina	Budget Stabilization Reserve
North Dakota	Budget Stabilization Fund
Ohio	Budget Stabilization Fund
Oklahoma	Oklahoma Constitutional Reserve 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 Fund, 2% Capital Reserve Fund, Contingency Reserve Fund (excess prior year surplus)
South Dakota	Budget Reserve Fund and the General Revenue Replacement Fund
Tennessee	Reserve for Revenue Fluctuation
Texas	Economic Stabilization Fund
Utah	General Fund Budget Reserve Account and Education Budget Reserve Account
Vermont	Budget stabilization reserve, Human Services Caseload Reserve, 27/53 Reserve, General Fund Balance Reserve
Virginia	Revenue Stabilization Fund
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 (2015), Table 14.*

CHAPTER 3 NOTES

Notes to Table 29: Total Balances, Dollar Amount and Percentage of Expenditures, Fiscal 2017 to Fiscal 2019

Note: See Notes to Tables 3-5 in Chapter 1 for more details related to states' general fund ending balances and rainy day fund balances.

California Safety Net Reserve created in the 2018 Budget Act to maintain existing benefits and services for Medi-Cal and CalWORKs during economic downturns.

North Carolina There are several restricted reserves that are not included in either the ending balance or the rainy day fund. They include A Medicaid Transformation Reserve (\$435M), Medicaid Contingency Reserve (\$186.4M), and the state's emergency disaster fund (\$115.2M).

Notes to Table 30: Rainy Day Fund Balances, Dollar Amount and as a Percentage of Expenditures, Fiscal 2017 to Fiscal 2019

Note: See Notes to Tables 3-5 in Chapter 1 for more details related to states' general fund ending balances and rainy day fund balances.

California Safety Net Reserve created in the 2018 Budget Act to maintain existing benefits and services for Medi-Cal and CalWORKs during economic downturns.

Notes to Table 31: State Rainy Day Fund Names

California Safety Net Reserve created in the 2018 Budget Act to maintain existing benefits and services for Medi-Cal and CalWORKs during economic downturns.

OTHER STATE BUDGETING CHANGES

CHAPTER FOUR

Enacted Changes in Aid to Local Governments, Fiscal 2019

A number of states reported enacted changes in their states' budgets for fiscal 2019 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 32)

General Aid to Local Governments. Eleven states reported enacted changes to general local aid programs for fiscal 2019, which consisted mostly of increases to unrestricted funding for local governments to use at their discretion. In some cases, general aid is intended to make up for revenue losses caused by state and/or federal laws, such as Ohio's local funding to mitigate the effects of repeal of the sales tax collected on Medicaid health insurance corporations and Rhode Island's Payment-in-Lieu-of-Taxes program to reimburse localities for foregone revenues from tax-exempt property located in their jurisdictions.

Revenue-Sharing Payments. Several states reported details on revenue-sharing payments in fiscal 2019. Illinois reported on an increased proration of state income and sales tax revenue to be shared with localities, and Michigan estimates higher constitutional and statutory payments to local governments based on state revenue projections.

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 spending covered by state versus local revenues. Twenty states reported on changes affecting education funding in fiscal 2019, nearly all of which reflected increases in funding. Changes include both broad-based per-pupil increases under the state's school funding formula as well as targeted investments in priorities such as teacher pay, vocational education, mental health and school

safety. States such as Kansas and Washington reported on the sizeable K-12 education funding increases provided to comply with court orders. Several other states reported large increases as well; for example, Michigan's budget included the largest per pupil funding increase in more than 15 years.

Funding for Transportation. Nine states reported on changes to transportation funds for local government, including the impacts from policy changes as well as projected growth in revenue-sharing payments.

Other Specific Grant Program Funding. Five states reported on mostly modest funding changes to specific grant programs in other policy areas, such as law enforcement, fire prevention, and locally administered health and human services programs.

Pension/OPEB Contributions. Eight states reported on enacted changes to pension contributions in fiscal 2019 to plans that cover school districts, community colleges, and other local government employers. The items reported reflect the different nature of how and whether state funding contributes to local government and school system pensions. While some states budgeted increased contributions, a couple reported reductions in state funding for this purpose.

Local Government Revenue Capacity. Two states reported on changes affecting local government revenue capacity, including an action in Oklahoma to allow municipalities to charge use tax for third party marketplace sales.

Local Property Tax Relief. Six states reported on property tax relief efforts, including funding for a new program in Rhode Island to phase out local property taxes on motor vehicles and continued funding in Wisconsin to reduce property taxes and offset the tax exemption of certain personal property.

Other Changes. Additional changes enacted for fiscal 2019 affecting local governments include Alabama's change to how Simplified Sellers Use Tax revenue is divided between municipalities and counties, and New York's authorization of school districts to establish reserve funds for charitable gifts and to provide a property tax credit for up to 95 percent of such gifts.

Local Government Fiscal Conditions

Like state governments, local government fiscal conditions have improved modestly in recent years, but cities and counties continue to face budgetary challenges and slow revenue growth. According to the 2018 edition of *City Fiscal Conditions* by the National League of Cities, general fund revenues grew just 1.25 percent in fiscal 2017, and are projected to flatten in fiscal 2018 (in constant, inflation-adjusted dollars). This growth in revenues is outpaced by expenditures, which grew 2.16 percent in fiscal

2017 and are budgeted to grow 1.97 percent in fiscal 2018. All major local tax sources — property tax, sales tax and income tax — grew slower in fiscal 2017 compared to the prior year, and were all expected to increase less than one percent in fiscal 2018. It is still too soon to determine how the provisions of the federal *Tax Cuts and Jobs Act of 2017* will affect city finances, except for advance refunding bonds, with 61 percent of respondents reporting the loss of this tool will have future negative impacts on their cities' health.

TABLE 32

Enacted Changes in Aid to Local Governments, Fiscal 2019

State	Description
GENERAL AID TO LOCAL GOVERNMENTS	
Alaska	This is the first budget that new statutes are in effect for the community assistance program, funding will result in a \$30m distribution to communities, an \$8m reduction from the prior year.
Arizona	\$21.1M in County aid (+\$4.5M / FY 2018)
California	<ul style="list-style-type: none"> • “A three-year grant program, funded at \$5 million per year, was initiated to provide competitively selected county assessors with funds to improve their assessment activities, increase assessed values, and generate more property tax revenue. • Effective July 1, 2017, the counties' maintenance-of-effort level expenditure requirement for the In-Home Supportive Services (IHSS) program was re-based, effectively increasing the counties' share of costs for the program from prior levels. Counties historically have funded their share of IHSS costs with 1991 Realignment sales tax revenues, which are estimated to be sufficient to fully fund the net increase costs in counties' IHSS costs over the next several years until state fiscal year (SFY) 2020–21, when the revenue shortfall is estimated to be \$106.7 million.”
Maryland	Aid totals \$7.7 billion, an increase of \$198.9 million (2.6%) over FY 2018.
Massachusetts	\$37.1 M increase to Unrestricted Local Aid
Mississippi	SB 2002 allows for certain projects to certain local governments with funding of \$52.9M.
New Jersey	A \$10.3 million (11.2%) increase for Transitional Aid to Localities. A \$7.6 million (28.7%) increase for County Administration Funding and a removal of a \$4 million appropriation for County Prosecutor Funding Initiative Pilot Program.
New York	“The FY 2019 Enacted Budget provides local governments with \$41.4 billion in State support through major local aid programs and savings initiatives. This includes nearly \$18.4 billion for school districts, \$16.7 billion for New York City, \$4.7 billion for counties, and over \$1.0 billion for other cities, towns, and villages.”
Ohio	Subsequent to the enacted budget, up to an additional \$30 million was authorized to continue to mitigate the effects of reduced sales tax revenues to counties and transit authorities caused by the repeal of the sales tax collected by Medicaid health insuring corporations on health care service transactions.
Oklahoma	HB1010XX changes incentive rates on gross production taxes which apportions larger amounts to school districts.
Rhode Island	The Payment-in-Lieu-of-Taxes (PILOT) program reimburses communities for up to 27.0 percent of what they would have collected in property taxes from certain designated tax exempt property (subject to appropriation). The FY 2019 budget is funded at \$46.1 million, an increase of \$0.8 million, which fully funds the aid program at 27.0 percent in FY 2018. Data used to determine distribution amounts is updated annually to reflect the most recent data
REVENUE-SHARING PAYMENTS	
Alaska	Program is now titled Community Assistance and has been reported in the row above.

Table 32 continues on next page.

TABLE 32 (CONTINUED)

Enacted Changes in Aid to Local Governments, Fiscal 2019

State	Description
REVENUE-SHARING PAYMENTS (continued)	
Illinois	Move to 95% proration (90% in FY2018) of state income and sales tax revenue sharing with local governments.
Maryland	The State provides very small grants for payments in lieu of taxes (PILOT), with insignificant year over year growth.
Michigan	The FY 19 budget includes an increase of \$21.5 million for estimated constitutional payments, and an additional \$1.4 million increase in statutory payments.
FUNDING FOR EDUCATION	
Arizona	+\$559M all funds, formula and teacher pay raises
California	<ul style="list-style-type: none"> • “The 2018 enacted budget provides \$3.7 billion to fully implement the local control funding formula, a 6.4% increase over the revised 17–18 level. Additionally, the proposal allocates \$1.1 billion in discretionary grants to local educational agencies. • Revised the community college apportionments funding formula from an enrollment-based system to a formula that provides funding upon additional factors, including the number of low-income students enrolled and the number of students who meet certain student success metrics.”
Colorado	The FY 2019 enacted budget incorporated a \$150M increase in funding for schools as a reduction in the budget stabilization factor in the school finance formula. The budget also included an additional \$30M for rural school districts.
Connecticut	Net change in FY 2019 appropriation for education funding was a \$1.6 million reduction: \$3.5 million increase for Vocational Agriculture education grants; \$1.5 million decrease for special education; \$1.5 million decrease for interdistrict cooperation grants; \$1.0 million decrease for priority school districts.
Illinois	Increase K–12 education funding to school districts by \$350M.
Kansas	4.0% increase (+\$133,971,913)—This increase in school finance expenditures from the State General Fund was the Legislature's response to the Kansas Supreme Court's ruling in the <i>Gannon v. State of Kansas</i> school finance lawsuit. This additional funding will be given as state aid to school districts in Kansas.
Maine	Increase of \$76M over the enacted fiscal 2018 budget.
Maryland	K–12 education totals \$6.5 billion, an increase of \$155.9 million (2.4%). Community Colleges funding totals \$322.4 million, an increase of \$4.7 million (1.5%).
Massachusetts	\$260 M increase to programs supporting public education, including \$176 M increase in direct education assistance (Chapter 70 and other related), \$38 M increase for special education costs, \$10 M increase for education-related transportation costs, \$10 M increase for charter school reimbursements, and \$21 M in other increases.
Michigan	The FY 19 budget includes \$311 million to fund the largest per pupil foundation grant increase in more than 15 years; an increase of \$5 million for career and technical education; an increase of \$5 million for early identification and interventions for development disabilities; and significant funding for retirement costs.
Nebraska	TEEOSA (formula) State Aid to Schools: \$4.5 million, 0.5% increase for FY2019 over FY2018 Special Education Aid: \$2.2 million, 1.0% increase for FY2019 over FY2018 Community College Aid: -\$1.7 million, -1.7% decrease for FY2019 over FY2018

TABLE 32 (CONTINUED)

Enacted Changes in Aid to Local Governments, Fiscal 2019

State	Description
FUNDING FOR EDUCATION (continued)	
New Jersey	A \$933.7 million (7.1%) increase for School Aid.
New York	The Enacted Budget will provide a statewide school aid increase of \$863.7 million for the 2018–19 school year. School districts outside of New York City are expected to receive \$529.7 million of this total increase. School districts will also be eligible for additional education funds through \$50 million in new competitive grants
North Carolina	An additional \$500M for local education authorities mostly for teacher and principal pay increases. A 5.52% increase when compared to FY 2017–18.
Oklahoma	HB1019XX, the Amazon 3rd Party Marketplace Sales Act will allow municipalities to charge use tax for such transactions, some collections could be allocated to local school districts. Also, HB1010XX, changes incentive rates on gross production taxes which apportions larger amounts to school districts.
Rhode Island	Under the state's education funding formula, the state's contribution increased by \$28.2 million in FY 2019 compared to FY 2018.
South Dakota	1% increase
Vermont	In conjunction with the legislature, the Governor adjusted the SFY19 Capital Budget to include \$4M in school safety and security grant funds.
Washington	Funding for K–12 education was greatly increased following a lawsuit brought against the state several years ago. The legislature resolved most of the lawsuit issues but hadn't funded the changes in the current biennium. The budget passed earlier this year added funding to the current biennium for this change.
Wisconsin	State aid to school districts will increase by \$269.5 million from FY18 to FY19. Of this amount, \$263.1 million is provided in 2017 Wisconsin Act 59, primarily through increases to equalization aid and per pupil aid, and new grants to increase school mental health services. An additional \$6.5 million is provided in 2017 Wisconsin Act 141 for sparsity aid in FY19. Act 141 also provided a revenue ceiling adjustment to assist low revenue districts.
FUNDING FOR TRANSPORTATION	
California	The passage of SB 1 in 2017 approved an increase in gasoline excise tax, diesel excise tax, diesel sales tax, and implementation of a transportation improvement fee. New tax rates began on November 1, 2017, and the 17–18 budget included \$1.4 billion to locals for various transportation projects. Since the newly increased rate is in effect for the entirety of the 18–19 fiscal year, the amount given to locals from the new revenue in 18–19 is substantially higher than 17–18. In 18–19, the amount is \$2.3 billion.
Colorado	SB 18–001 provided a \$495M transfer from the General Fund for transportation projects. Of this amount, \$74.25M goes to local governments, and \$74.25M goes to multi-modal projects statewide.
Kansas	0.81% increase (+\$1,667,110)—The increase is from additional revenue to the Special City & County Highway Fund. The fund is a dedicated fund for local governments. Revenues are distributed by statutory formulas.
Maryland	Transportation funding totals \$237.9 million, an increase of \$18 million (8.2%).
Michigan	The FY 19 enacted budget increases transportation funding to local governments from state sources by \$309.8 million.
Mississippi	HB 1—THE MISSISSIPPI INFRASTRUCTURE MODERNIZATION ACT OF 2018: Tax on electric and hybrid vehicles to be used solely for the repair and maintenance of roads, streets and bridges, estimated funding for FY 2019 is \$795,656; Sports betting to be used first for matching funds for any federal highway infrastructure program implemented after September 1, 2018 and then solely for the repair and maintenance of highways and bridges of the State, estimated funding for FY 2019 \$6.4M; Revenue bond proceeds for emergency repairs to roads and bridges funding of \$50M (SB 2002).

Table 32 continues on next page.

TABLE 32 (CONTINUED)

Enacted Changes in Aid to Local Governments, Fiscal 2019

State	Description
FUNDING FOR TRANSPORTATION (continued)	
Oklahoma	HB1010XX changes incentive rates on gross production taxes which apportions larger amounts to local transportation funds.
Wisconsin	The enacted 2017–19 biennial budget increased general transportation aid to counties by 12.9% annually beginning in CY2018 (creating a \$12.7 million lift in state payments to counties in FY19). Similar payments to municipalities were increased 8.5% beginning in CY2018 (creating a \$27.4 million lift in state payments to municipalities in FY19).
FUNDING FOR OTHER SPECIFIC GRANT PROGRAMS	
California	<p>The 2018 enacted budget provides:</p> <ul style="list-style-type: none"> • \$0.5 million to local district attorneys for enhanced insurance fraud activities; \$8.8 million for the CA Arts Council to provide arts programming grants; • \$37.3 million for the Youth Reinvestment Fund grant program; and \$50 million for reentry and diversion grant funds. • \$10 million to fund grant programs for local equity cannabis licensees and applicants. • \$155 million Greenhouse Gas Reduction Fund for the Department of Forestry and Fire Protection to support forest health and fire prevention projects, a portion of which will be dedicated to funding local government projects. • \$10 million General Fund for grants to build local capacity to complete community-based fire prevention projects, which may also be granted to local governments.
Colorado	The enacted budget eliminated the Local Government Retail Marijuana Impact Grant Program (-\$1.1 million cash funds), and added the Peace Officers Mental Health Support Grant Program (\$2 million General Fund) and the Defense Counsel on First Appearance Grant Program (\$1.8 million General Fund).
Maryland	The State also provides aid for libraries (\$81 million), police and fire aid (\$133 million), local health (\$51 million), program open space (\$58.8 million), etc.
New York	The Enacted Budget continues the successful County-wide Shared Services Initiative by extending the Shared Services Panels until 2021 and providing optional participation for fire districts and fire protection districts, in addition to school districts, boards of cooperative educational services, and special improvement districts. Furthermore, within appropriated amounts, the Enacted Budget provides \$225 million to match savings from new shared services actions generated by county-wide shared services plans.
Wisconsin	Volkswagen settlement funds will be available for replacement of eligible local vehicles as a result of provisions enacted into law in the 2017–19 budget.

TABLE 32 (CONTINUED)

Enacted Changes in Aid to Local Governments, Fiscal 2019

State	Description
PENSION/OPEB CONTRIBUTIONS	
Alaska	\$108m increase from prior year, mostly due to use of one-time, non-general fund sources in prior year.
Colorado	SB 18–200, which had several provisions to address the state's pension system's (PERA's) unfunded liability, included a \$225M annual payment from the State each year to help reduce the plan's unfunded liability. The payment goes toward the division trusts, including the Denver Public Schools and School divisions, but it does not go toward the local government division as the division is better funded than the other divisions under PERA. The increase in the employer contribution rate for PERA under SB 18–200 also does not apply to local governments that are covered under PERA. However, the changes in employee contributions and other changes to employee benefits (e.g., COLA reduction, increased retirement age) do apply to local governments. SB 18–200 also expanded access to PERA's defined contribution plan to local government employees.
Kansas	-25.1% decrease (-\$113,889,126)—Most of the decrease is from the 2017 Legislature's approval of reducing school district (KPERs School) employer contributions in FY 2019. The Governor and the 2018 Legislature considered various options for repaying amounts owed to the pension system as a result of the reduced contributions. The 2018 Legislature approved direct transfers from the State General Fund to KPERs instead of adding expenditures to school districts for the repayments.
Maryland	Local pension aid totals \$797.6 million, a decrease of \$1.8 million (-0.2%).
Michigan	The FY 19 School aid budget provides an increase of \$131.6 million to fund retirement costs for K–12 school districts and community colleges. (FY 18 budget included a one-time pre-payment amount of \$200 million, which is excluded for this comparison.)
Minnesota	10.9 Million to school districts for increased pension contributions (increases by additional 12million each year after 2019)
New Jersey	A \$25.4 million (13.8%) increase for Employee Benefits on behalf of Local Governments.
Rhode Island	The State contributes 40% towards the pension liability for teachers; in FY 2019 an additional \$4.3 million is recommended for this expense.
LOCAL GOVERNMENT REVENUE CAPACITY	
Maryland	Revenue capacity considerations are built throughout the K–12 funding model, as well as local aid programs. The Disparity Grant program in particular provides noncategorical State aid to low-wealth jurisdictions for county government purposes. Disparity grants 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. The Disparity Grant is funded at \$140.8 million in FY 2019, \$2 million more than FY 2018.
Oklahoma	HB1019XX, the Amazon 3rd Party Marketplace Sales Act will allow municipalities to charge use tax for such transactions.

Table 32 continues on next page.

TABLE 32 (CONTINUED)

Enacted Changes in Aid to Local Governments, Fiscal 2019

State	Description
LOCAL PROPERTY TAX RELIEF	
Connecticut	Funding increase by \$15.7 million in motor vehicle tax grants to municipalities.
Nebraska	Homestead Exemption: \$5.9 million, 7.5% increase for FY2019 over FY2018
New Jersey	A \$142.2 million (91.2%) increase for Homestead Benefits, a \$3.2 million (1.5%) decrease for Senior and Disabled Citizens' Property Tax Freeze, a \$2.8 million (5.8%) decrease for Veterans' Property Tax Deductions, and a \$0.9 million (9.1%) decrease for Senior and Disabled Citizens' Property Tax Deductions.
North Dakota	The 2017 Legislative Assembly eliminated the 20-mill levy authority for human services purposes and established a state-paid economic assistance and social service pilot program for the 2017–19 biennium.
Rhode Island	As part of the FY 2018 appropriations act, a new program to phase-out the local property tax on motor vehicles was enacted. The FY 2019 budget includes \$54.7 million for this program, an increase of \$18.7 million over FY 2018.
Wisconsin	As noted in the Fall 2017 survey, \$87 million of additional state aid will be paid to local governments beginning in FY19 to reduce property taxes otherwise imposed on property owners statewide beginning with the 2017–18 property tax year. Additionally, beginning in FY19, provide \$74.4 million in local aid to offset the exemption of certain personal property from the property tax.
OTHER CHANGES IMPACTING LOCAL GOVERNMENTS	
Alabama	Currently, the Simplified Sellers Use Tax is divided as follows: (a) 50% goes to the state treasury and 50% goes to local governments. (b) Of the local share 50% is distributed to counties, and 50% is distributed to municipalities. Legislation enacted in the 2018 session will change this local distribution to 60% for municipalities and 40% to counties as of January 1, 2019. Based on FY17 collections the municipality share will increase by \$2.6 million while the county share will decrease by an equal amount.
California	<ul style="list-style-type: none"> The 2018 enacted budget provides \$34.7 million in passthrough grants to local governments for various projects and \$0.5 million for San Bernardino County for the purchase of type III wildland fire engine.
Colorado	The Dept of Local Affairs received \$250,000 to reimburse local governments for cyber security training.
Hawaii	\$500,000 for county prosecuting attorney offices and \$100,000 for county to prepare, execute and record quitclaim deeds
New York	The Enacted Budget authorizes school districts and local governments to establish reserve funds for charitable gifts and to provide a property tax credit of up to 95 percent of such gifts. The Enacted Budget continues the successful Downtown Revitalization Initiative by including \$100 million for a third round of funding. With this, \$300 million will be made available to revitalize downtowns in every region across New York State. The Enacted Budget authorizes New York City to utilize design-build procurement for construction of new jails to accelerate the closure of Rikers Island and reconstruction of the Brooklyn Queens Expressway. This authorization is expected to save the City hundreds of millions of dollars in capital project costs and shorten construction timelines by multiple years each.

APPENDIX

TABLE A-1

Enacted Revenue Changes by Type of Revenue, Fiscal 2019

State	Tax Change Description	Effective Date	Fiscal 2019 Revenue Impact (\$ in millions)		
			General Fund	Other State Fund	Total
SALES TAXES					
Alabama	Simplified Sellers Use Tax	10/18	\$11.5		\$11.5
	Tax Fraud Prevention	7/18	30.0		30.0
	Increase Auditors/Collectors	7/18	25.0		25.0
	Online Lodging Marketplace Expansion Bill	7/18	10.0		10.0
Connecticut	Lower Sales and Use Tax Rate for Vessels to 2.99%	7/18	-2.3		-2.3
	Lower Sales and Use Tax Rate for Vessels to 2.99%	7/18		-0.2	-0.2
Florida	Back-to-School Holiday, various exemptions and credits	7/18	-58.6	-0.3	-58.9
	Scholarship Tax Credits	7/18	-71.0		-71.0
Georgia	Exemption for Computer Equipment for Data Centers	1/19	-7.6		-7.6
	Exemption for Donations to Public Health Centers	7/18	-2.0		-2.0
	Exemption for aquarium construction/Bartow Museum	7/18	-1.5		-1.5
	Manufactured homes sales tax break—update	7/18	-3.3		-3.3
	Exemptions for Ag Inputs	7/18	2.4		2.4
Hawaii	Exemption for affordable housing	1/18	-23.0		-23.0
	Subjects remote sellers to GET	7/18	6.8		6.8
Idaho	Disabled Vet Exemption	7/18	-1.1		-1.1
Iowa	Expands the definition of taxable consumer goods	1/19	55.8		55.8
Kansas	Excludes Car Rebates	7/18	-3.3	-0.6	-3.9
Kentucky	Remote Internet Sales	7/18	5.0		5.0
	Labor and Repair Services	7/18	96.9		96.9
	Pollution Control Facilities	7/18	15.0		15.0
	Tax on Certain Services	7/18	91.3		91.3
Louisiana	Enacts 0.45% of rate	7/18	463.0		463.0
Maine	Marijuana Sales Tax	5/18	1.4		1.4
Mississippi	SB 2312—Provides sales tax exemption for admissions to events sponsored by and held on property controlled by a municipality; however, a municipality may require the collection of the tax through adoption of an ordinance and notification to the Department of Revenue.	7/18	Unable to determine fiscal impact		0.0
New Jersey	Medical Marijuana sales tax	TBD	20.0		20.0
	Tax on transient rentals (e.g., Airbnb)	10/18	15.0		15.0
Ohio	Sales tax holiday for specified back to school purchases.	7/17	-16.2	-0.5	-16.7
Oklahoma	Amazon 3rd Party Marketplace Sales Act	4/18		19.6	19.6
Rhode Island	Online 3rd Party Hosted Subscription Services	7/18	4.8		4.8
	Security Services	7/18	9.7		9.7
South Carolina	Intermodal Facility Sales and Use Tax Exemptions	07/18	-1.4		-1.4
Wisconsin	One-time 5-day "Back-to-School" Sales Tax Holiday	08/18	-14.0		-14.0
Total Revenue Changes—Sales Tax			\$658.3	\$18.0	\$676.2

TABLE A-1 (CONTINUED)

Enacted Revenue Changes by Type of Revenue, Fiscal 2019

State	Tax Change Description	Effective Date	Fiscal 2019 Revenue Impact (\$ in millions)		
			General Fund	Other State Fund	Total
PERSONAL INCOME TAXES					
Arizona	2018 Conformity	07/18	\$-5.0		\$-5.0
California	Earned Income Tax Credit Expansion	01/18	-60.0		-60.0
	Cal Competes Extension	07/18	-2.7		-2.7
	Tribal Tax Exemption	01/18	-1.1		-1.1
Colorado	Tax Deduction for Military Retirement Benefits	01/19	-1.1		-1.1
	Expand Child Care Expenses Tax Credit	01/19	-1.9		-1.9
Connecticut	Credit for New Passthrough Entity Tax	01/18	-600.0		-600.0
Georgia	2018 IRC Update—Individual Income	01/18	252.0		252.0
	Income tax deduction for spouses of deceased veterans	07/18	-1.4		-1.4
Hawaii	Amend withholding tax	07/18	8.1		8.1
Idaho	Income Tax Conformity/Relief	01/18	-68.0		-68.0
	Child Income Tax Credit	01/18	-25.0		-25.0
	College Savings Deduction	07/18	-0.1		-0.1
	Capital Gains Deduction	07/18	-0.5		-0.5
	Adoption Expenses Deduction	03/18	-0.2		-0.2
Iowa	Decrease tax rates, multiple changes to personal income tax policy	01/19	-186.0		-186.0
Kentucky	Change to 5% flat rate	01/18	-118.3		-118.3
Louisiana	Tax Credit Limit extension	07/18	33.6		33.6
Maine	Tax Relief	12/18	-22.1		-22.1
Maryland	Major changes include increase in standard deduction, increase in subtraction for military and correctional officer retirement income, repeal of the federal minimum age requirement for the earned income tax credit, a new small business tax credit for providing paid sick leave, increasing the film production tax credit, and adding a cybersecurity technology purchases tax credit.	07/18	-83.0		-83.0
Massachusetts	Income Tax Reduction	01/19	-84.0		-84.0
Missouri	Reduced deductions	01/19	1.7		1.7
Missouri	Lower Tax Rate (phase-in 2 of 5)	01/19	-240.0		-240.0
Nebraska	Tax Cuts & Jobs Act (TCJA)	07/19	327.0		327.0
	Offset TCJA Impact	07/19	-326.0		-326.0
New Jersey	Millionaire's tax = 10.75% tax on those earning > \$5m	01/18	0.0	280.0	280.0
	EITC; Child Care Credit; and Property tax cap increase	01/18	0.0	-123.2	-123.2
New York	Allow Warrantless Tax Debt to be Assessed Against Unclaimed Funds	04/18	3.0		3.0
	Extend the Statute of Limitations on Amended Personal Income Tax Returns	04/18	2.0		2.0
	Make Participation in Income Verification Program (IVP) Mandatory	04/18	35.0	-35.0	0.0
North Carolina	Conformity with federal Tax Cuts & Jobs Act	01/19	40.1		40.1
	Allow additional pre-tax benefit purchases by state employees	01/19	-1.2		-1.2
Ohio	Increased college and disability savings tax deductions and reduce personal income tax brackets from 9 to 7.	07/17	-9.4	-0.3	-9.7
Oklahoma	Caps OK Itemized Deductions at \$17K—TY2018	01/18	80.5	7.8	88.3
South Carolina	Exceptional Needs Children Tax Credit	07/18	-1.0		-1.0

Table A-1 continues on next page.

TABLE A-1 (CONTINUED)

Recommended Revenue Changes by Type of Revenue, Fiscal 2019

State	Tax Change Description	Effective Date	Fiscal 2019 Revenue Impact (\$ in millions)		
			General Fund	Other State Fund	Total
PERSONAL INCOME TAXES					
Utah	Income tax rate cut from 5% to 4.95%	05/18	\$-48.4		\$-48.4
Vermont	SS income exemption	07/18	-5.0		-5.0
	Adj. to VT Income Tax structure to reflect federal tax code changes	01/18	-24.2		-24.2
Virginia	Fed tax conformity to 12/17	02/18	-3.3		-3.3
	Extend cap on Land Preservation credit	01/18	6.6		6.6
Wisconsin	Historic Rehabilitation Credit: Increase maximum tax credits allowed per parcel from \$500,000 to \$3,500,000	04/18	-3.5		-3.5
	Increase Maximum Investment Eligible for a Tax Credit in a Qualified New Business Venture	04/18	-5.0		-5.0
	Adopt certain federal tax changes enacted in December 2017		-26.5		-26.5
Total Revenue Changes—Personal Income Tax			-\$1,164.3	\$129.3	-\$1,035.0
CORPORATE INCOME TAXES					
California	Cal Competes Extension	07/18	\$-5.5		\$-5.5
Colorado	Market Based Sourcing	01/19	2.9		2.9
Connecticut	New Passthrough Entity Tax	01/18	600.0		600.0
Florida	Contaminated Site Tax Credit Extension	07/18	-8.5		-8.5
	Scholarship Tax Credits	07/18	-10.0		-10.0
Georgia	2018 IRC Update—Corporate Income	01/18	13.0		13.0
Hawaii	IRC Conformity Law	07/18	9.2		9.2
Idaho	Income Tax Conformity/Relief	01/18	-36.5		-36.5
Indiana	Corporate income tax decrease	07/18	-58.6		-58.6
Iowa	Reduction in tax rates, multiple changes in tax policy	01/19	25.6		25.6
Kentucky	Change to 5% flat rate	01/18	-55.2		-55.2
	Update to IRC in effect 12/2017	01/18	28.9		28.9
	Update to Single Factor Apportionment	01/18	-11.4		-11.4
	Disallow Domestic Production Deduction	01/18	10.1		10.1
Maryland	Phasing in Single Sales Factor Apportionment and new small business tax credit for providing paid sick leave	07/18	-4.2	-0.9	-5.1
Nebraska	Tax Cuts & Jobs Act (TCJA)	07/19	8.0		8.0
New Hampshire	Reductions in Business Profit Tax and Business Enterprise Tax rates are expected to reduce revenues by \$ 11.0 million in FY 2019, with an additional reduction of \$ 9.7 million in revenue expected from the Business Profit Tax as the result of a change in business tax deductions in determining gross business profits, raising the limit from \$100,000 to \$500,000, effective January 1, 2018.	01/18	-20.7		-20.7
New Jersey	2.5% surcharge on >\$1 million for 2 years, then 1.5% surcharge for the next 2 years	01/18	425.0		425.0
New York	Eliminate Repatriation Tax Deduction	04/18	2,000.0		2,000.0

TABLE A-1 (CONTINUED)

Enacted Revenue Changes by Type of Revenue, Fiscal 2019

State	Tax Change Description	Effective Date	Fiscal 2019 Revenue Impact (\$ in millions)		
			General Fund	Other State Fund	Total
CORPORATE INCOME TAXES					
North Carolina	Conformity with federal Tax Cuts & Jobs Act	01/19	\$18.9		\$18.9
Pennsylvania	Depreciation	01/17	-121.2		-121.2
	Tax Credit	07/18	-2.3		-2.3
Utah	Corporate income tax rate cut from 5% to 4.95%	05/18	-4.2		-4.2
Wisconsin	Adopt certain federal tax changes enacted in December 2017		3.0		3.0
Total Revenue Changes—Corporate Income Tax			\$2,806.4	-\$0.9	\$2,805.5
CIGARETTE TAXES					
Kentucky	Increase tax by \$0.50	07/18	\$130.0		\$130.0
New Jersey	Tax on liquid nicotine e-cigarettes	10/18	17.0		17.0
Ohio	Reduced excise tax on premium cigars	07/17	1.5	-0.1	-1.6
Oklahoma	Addn'l \$1 per pack of 20; little cigars taxed as cigarettes	07/18	153.0		153.0
Total Revenue Changes—Cigarette Tax			\$298.5	-\$0.1	\$298.4
MOTOR FUEL TAXES					
Florida	Agricultural Exemption	07/18	\$0.0	-\$2.5	-\$2.5
Oklahoma	Addn'l \$0.03 per gal. on Gasoline	07/18	52.0		52.0
	Addn'l \$0.06 per gal. on Diesel fuels	07/18	53.0		53.0
Total Revenue Changes—Motor Fuel Tax			\$105.0	-\$2.5	\$102.5
GAMING TAXES / LOTTERY REVENUE					
Rhode Island	Sports Betting	07/18	\$23.5		\$23.5
	New Gaming Initiatives	07/18	4.1		4.1
Total Revenue Changes—Gaming Taxes / Lottery Revenue			\$27.6	\$0.0	\$27.6

Table A-1 continues on next page.

TABLE A-1 (CONTINUED)

Enacted Revenue Changes by Type of Revenue, Fiscal 2019

State	Tax Change Description	Effective Date	Fiscal 2019 Revenue Impact (\$ in millions)		
			General Fund	Other State Fund	Total
OTHER TAXES & REVENUE					
Delaware	Realty Transfer Tax—Exempt first time homebuyers	08/18	\$-5.0		\$-5.0
Georgia	Credit for Private School Tuition Donations	01/19	-34.9		-34.9
	Title Ad Valorem Tax	07/18	-2.4		-2.4
Hawaii	Amends def of "gross rental" to be amount charged by TA broker	01/18	14.7		14.7
Indiana	Financial institutions tax decrease	07/18	-1.2		-1.2
Iowa	Changes in tax credit policies, covers multiple revenue types	01/19	4.5		4.5
Mississippi	HB 1557—Increases the amount of investment tax credits (Insurance Premium Tax) available for allocation to investors under the MS Small Business Company Act.	07/18	-45.0		-45.0
New Hampshire	A repeal of the Electricity Consumption Tax will reduce revenues an expected \$3.0 million.	01/18	-3.0		-3.0
Oklahoma	Changes Gross Production Incentive Rate	07/18	166.8		166.8
Rhode Island	Transfer from Quasi-Public Agency	no later than 6/30/19	4.0		4.0
Virginia	Utility credit	07/18	3.4		3.4
Washington	Property Tax Reduction	01/19	-206.0		-206.0
Total Revenue Changes—Other Tax & Revenue			-\$104.1	\$0.0	-\$104.1

TABLE A-1 (CONTINUED)

Enacted Revenue Changes by Type of Revenue, Fiscal 2019

State	Tax Change Description	Effective Date	Fiscal 2019 Revenue Impact (\$ in millions)		
			General Fund	Other State Fund	Total
FEES-BUSINESS					
Rhode Island	Insurance Claims Adjusters Registration Fee	07/18	\$3.0		\$3.0
	Mutual Fund Fees	07/18	6.9		6.9
FEES-TRANSPORTATION/MOTOR VEHICLE					
Arizona	Highway Safety Fee Offset	07/18	72.4		72.4
Colorado	Increase Stationary Sources Air Pollution fees	01/19	1.8		1.8
Hawaii	Supplemental rental motor vehicle user fee; amends highway fund allocation	07/18		33.5	33.5
New York	Impose a Vehicle Safety Inspection Fee	04/18	3.0		3.0
	Modernize Highway Right of Way Fees	04/18	0.0	15.0	15.0
Utah	Vehicle registration increase for electric and hybrid vehicles	01/19		1.9	1.9
FEES-USER					
New Jersey	Surcharge for prearranged rides (e.g., Uber)	10/18	12.0		12.0
FEES-OTHER					
California	Cannabis Licensing Fees	01/18		189.2	189.2
	Los Angeles County Licensing and Certification Fee	07/18		9.4	9.4
	Licensing and Certification Fee Adjustment	07/18		9.6	9.6
	Newborn Screening Fee	07/18	2.9	5.6	8.5
Colorado	Infant Newborn Hearing Loss Screening Fee	07/18	1.5		1.5
Florida	Various	07/18	-0.9	-4.7	-5.6
Maryland	Repeal of requirement to charge specified Health care providers licensing fees.	07/18	-1.0		-1.0
Montana	Management Fee	04/18		14.6	14.6
Total Revenue Changes—Fees			\$101.7	\$274.1	\$375.8

TABLE A-2

Enacted Revenue Measures, Fiscal 2019

State	Tax Change Description	Effective Date	Fiscal 2019 Revenue Impact (\$ in millions)		
			General Fund	Other State Fund	Total
Alaska	Other—Transition of the draw from the Alaska Permanent Fund account to a percent of market value (POMV) and allows deposit of an amount up to the value of the POMV draw into the general fund. Draw would be 5.25% of the average value of the fund in the first 5 of the prior 6 years.	7/18	\$1,700.0		\$1,700.0
Arizona	Fees—User Fees—Fee Revenue Shifts	7/18	-3.6	3.6	0.0
	Other—Other Fund Transfers	7/18	120.7	-120.7	0.0
Arkansas		1/19	-26.3		-26.3
Colorado	PERA COLA timeout for 2018 & 2019 will reduce retirement income	1/18	-4.3		-4.3
Connecticut	Other—Restore \$1 Million to Support CT-N	1/18	-1.0		-1.0
	Other—Reflect Impact of State Policy Changes	7/18	3.0		3.0
	Other—Federal Match for I/DD Private Provider Increase	7/18	10.8		10.8
	Other—Restore Medicaid Savings Program Eligibility	1/18	-68.5		-68.5
	Other—Reduce transfer from ECLM Fund	7/18	-10.0		-10.0
Delaware	Other—Transfer of Captive Insurance funds to the General Fund	7/18	1.5		1.5
	Other—Change in share between the State and casinos	7/18	-11.4		-11.4
Hawaii	Other—Increase allocation to General Fund and reduce to special fund	7/18	13.0	-13.0	0.0
Idaho	Fees—Court—Magistrate Division Funding	3/18	-1.5		-1.5
	Other—redirect indirect cost recovery to new fund	3/18	-20.8		-20.8
Illinois	Corporate Income—Increase amount of revenue sharing with locals from 90% to 95% proration	7/18	-6.0		-6.0
	Personal Income—Increase amount of revenue sharing with locals from 90% to 95% proration	7/18	-60.0		-60.0
	Sales & Use—Increase amount of revenue sharing with locals from 90% to 95% proration	7/18	-31.0		-31.0
	Sales & Use—Pass legislation to facilitate the collection of sales tax revenue from retailers selling goods in IL but without a physical presence in IL	10/18	143.0	7.0	150.0
Kentucky	Fees—Other—Increased waste tire fee from \$1 to \$2.	7/18	3.0		3.0
	Personal Income—Made Film Credits Non-refundable	7/18	No savings in FY 19		0.0
Maryland	Fees—Business—Fees related to licensing and examination of nondepository entities diverted to special fund from general fund	7/18	-1.0	1.0	0.0
	Fees—Court—Distributing court costs levied on traffic violations for policy and standards training.	7/18	-2.0	2.0	0.0
	Other—Reduction of federal funds to the general fund related to Medicare retiree drug subsidy.	7/18	-6.4		-6.4
	Personal Income—Distributing income tax revenue to a special fund for pre-k through 12 education	7/18	-200.0	200.0	0.0
Massachusetts	Other—Marijuana Excise Tax	7/18	40.0		40.0
	Personal Income—Earned Income Tax Credit	1/19	0.0		0.0
	Personal Income—Dairy Farm Tax Credit	1/19	-2.0		-2.0
	Sales & Use—Marijuana Sales Tax (Other State Fund is for the Massachusetts School Building Authority, a non-budgeted fund.)	7/18	19.3	3.7	23.0

TABLE A-2 (CONTINUED)

Enacted Revenue Measures, Fiscal 2019

State	Tax Change Description	Effective Date	Fiscal 2019 Revenue Impact (\$ in millions)		
			General Fund	Other State Fund	Total
Michigan	Sales & Use—Remote Sales (Wayfair)	10/18	\$54.1	\$148.9	\$203.0
Montana	Other—Special Session Transfers to GF	various	44.1		44.1
New Hampshire	Gaming/Lottery—Implementation of KENO and online lottery games as additional Lottery Commission revenue sources with KENO to be dedicated school Kindergarten funding in FY 2019.	1/1/18		11.0	11.0
New Jersey	Other—Move dedicated energy taxes on-budget from off-budget	6/30/18	788.5	-788.5	0.0
	Other—90-day Tax Amnesty Program	11/18	150.0	50.0	200.0
Ohio	Corporate Income—Reduce the commercial activity tax administrative fee from .85% to .75%.	07/17	1.6	-1.6	0.0
	Sales & Use—Temporarily increase percentage of total GRF tax receipts deposited in the Public Library Fund from 1.66% to 1.68%. The loss in revenue is split between the non-auto sales and kilowatt hour taxes.	07/17	-4.6	4.6	0.0
Oklahoma	Sales & Use—Redirects Sales tax receipts from GRF to Transportation	05/18	-92.0	X	-92.0
Rhode Island	Fees—Other—Medical Marijuana—expansion	07/18	1.1		1.1
	Other—Taxation Restructuring	07/18	13.5		13.5
	Other—Collections Unit	07/18	1.3		1.3
Tennessee	Alcohol—Sale of alcoholic beverages and wine during certain hours on Sunday	04/18	0.6	0.1	0.7
	Sales & Use—Sale of alcoholic beverages and wine during certain hours on Sunday	04/18	1.7	0.1	1.8
Virginia	Personal Income—Enhanced compliance	06/18	14.7		14.7
Washington	Other—Business and Occupation Tax Deduction for Public Hospitals	03/18	-4.4		-4.4
Total			\$2,568.8	-\$491.8	\$2,077.0

TABLE A-3

Enacted Mid-Year Revenue Changes by Type of Revenue, Fiscal 2018

State	Tax Change Description	Effective Date	Fiscal 2018 Revenue Impact (\$ in millions)		
			General Fund	Other State Fund	Total
SALES TAXES					
Georgia	Sales Tax Exemption	07/18	-\$1.8		-\$1.8
Michigan	Accelerate phase-in of Sales Tax on the Difference, the deduction of vehicle trade-in value from taxable value of new vehicle.	01/18	0.0	-0.2	-0.2
New Jersey	Rate decrease from 6.875 to 6.625	01/18	-202.9		-202.9
New York	Lower Manhattan Extenders	06/18	-4.0		-4.0
Total Revenue Changes—Sales Tax			-\$208.7	-\$0.2	-\$208.9
PERSONAL INCOME TAXES					
Georgia	2018 IRC Update—Individual Income	01/18	\$28.0		\$28.0
Idaho	Income Tax Conformity/Relief	01/18	-6.4		-6.4
	Income Tax Conformity/Relief	01/18	-4.2		-4.2
Maine	Tax Conformity	01/18	-9.2		-9.2
Michigan	Personal Exemption Increase	01/18	-6.4	-1.6	-8.0
Mississippi	HB 1359—Provides an exemption from income tax for payments received by an agricultural producer or cattleman from certain agricultural disaster programs.	01/18	-1.4		-1.4
	HB 1566—Provides a new credit from income tax for contributions to qualifying charitable organizations that assist children who are either already in foster care or at high risk of going into the state's foster care system, or serve children with a disability, or that serve low-income families. Additionally, the legislation increases the amount of the tax credit for each child legally adopted.	01/18	-1.3		-1.3
New Jersey	Phase in of increased pension exclusion; personal exemption for honorably discharged veterans	01/18		-105.0	-105.0
Ohio	Allows a pass-through entity investor to claim the business income deduction in certain instances.		-7.5		-7.5
Oregon	Additional Spending of Criminal Fines and Assessment Revenue that would otherwise flow to the General Fund	01/18	-3.8		-3.8
Virginia	Federal tax conformity	02/18	-2.5		-2.5
	Retain limit on land preservation credit	01/18	6.1		6.1
Total Revenue Changes—Personal Income Tax			-\$8.6	-\$106.6	-\$115.2
CORPORATE INCOME TAXES					
Georgia	2018 IRC Update—Corporate Income	01/18	\$45.0		\$45.0
Total Revenue Changes—Corporate Income Tax			\$45.0	\$0.0	\$45.0

TABLE A-3 (CONTINUED)

Enacted Mid-Year Revenue Changes by Type of Revenue, Fiscal 2018

State	Tax Change Description	Effective Date	Fiscal 2018 Revenue Impact (\$ in millions)		
			General Fund	Other State Fund	Total
OTHER TAXES					
Georgia	Income Tax Credits (combined -\$12 million impact on general and other state funds)	07/18			\$-12.0
	Title Ad Valorem—Leasing	07/18	-15.1		-15.1
Mississippi	HB 1350—Extends the reduced tax rate (Oil and Gas Severance Tax) for horizontally drilled wells from which production from those wells commences before July 1, 2023.	03/18	-1.2		-1.2
New Jersey	Increased estate tax exemption from \$675k to \$2m	01/17	-139.0		-139.0
Oklahoma	Modified Tax Exemption—Gross Production Oil	11/18	22.1	22.1	
	Modified Tax Exemption—Gross Production Natural Gas	11/18	26.4		26.4
Total Revenue Changes—Other Tax			-\$106.8	\$0.0	-\$118.8
FEES					
California	State Responsibility Area Fire Prevention Fee Suspension	07/17		\$-87.2	\$-87.2
	Cannabis License fee revenues	01/18		7.6	7.6
Michigan	Elimination of Driver Responsibility Fees, monetary sanctions for select driving offenses.	02/18	-28.3	0.0	-28.3
Montana	Management Fee	04/18		14.6	14.6
Total Revenue Changes—Fees			-\$28.3	-\$65.0	-\$93.3

TABLE A-4

Enacted Mid-Year Revenue Measures, Fiscal 2018

State	Tax Change Description	Effective Date	Fiscal 2018 Revenue Impact (\$ in millions)		
			General Fund	Other State Fund	Total
Colorado	Personal Income—PERA COLA timeout for 2018 & 2019 will reduce retirement income	01/18	\$-2.1		\$-2.1
Idaho	Other—redirect indirect cost recovery to new fund	03/18	-18.5		-18.5
Montana	Alcohol—Liquor Auction from Lottery	01/18	3.0		3.0
	Other—Special Session Transfers to GF	various	65.0		65.0
New Jersey	Other—Moved dedicated energy taxes on budget from off budget	6/30/18	788.5	-788.5	0.0
New York	Gaming/Lottery—Vernon Downs Relief	06/18	0.0	-2.6	-2.6
Rhode Island*	Fees—Other—Transfer of surplus funds from certain restricted accounts to general fund	Transfer by 6/30/18	2.6		2.6
	Fees—Transportation—Shift from Transportation Fund to General Fund	Retro to 7/1/2017	10.4	-10.4	0.0
Washington	Other—Business and Occupation Tax Deduction for Public Hospitals	03/18	-5.6		-5.6
Total			\$843.3	-\$801.5	\$41.8

* See Notes to Table A-4 on page 96.

TABLE A-5

Fiscal 2020 State General Fund, Enacted (Millions)

State	Beginning Balance	Revenues	Adjustments	Total Resources	Expenditures	Adjustments	Ending Balance	Rainy Day Fund Balance
Kentucky*	\$0.0	\$11,605.6	\$368.2	\$11,973.8	\$11,715.8	\$247.4	\$10.6	\$322.3

NOTES: The states listed above opted to provide fiscal 2020 data based on their enacted budgets. In addition, Virginia and Wyoming enacted fiscal 2019–2020 biennial budgets during the 2018 legislative session. *See Notes to Table A-5 on page 96.

NOTES TO APPENDIX TABLES

Notes to Table A-2: Enacted Revenue Measures, Fiscal 2019

Maryland	Maryland is coupled to Federal Adjusted Gross Income. Prior to the 2018 Legislative Session, Maryland's Bureau of Revenue Estimates estimated an increase in General Fund collections of \$35.5 million in FY 18 and \$511.6 million in FY 19 due to the Federal Tax Cuts and Jobs Act (TCJA). Maryland set aside \$200 million from the Personal Income Tax collections for education and increased the standard deduction as a result of the federal changes. The State also decoupled from the Estate credit cap that will increase revenues in FY 20.
Massachusetts	The tax revenue associated with the sale of recreational marijuana was accounted for in the Governor's Budget Recommendation but was enacted in separate legislation.
Ohio	Tax increase and decrease figures are relative to fiscal 2017 law baseline and are not incremental to the tax changes scored for fiscal 2018.
Rhode Island	A restructuring of the Division of Taxation and creation of a new Collections Unit are expected to result in better collections of outstanding taxes owed to the State. Medical Marijuana expansion allows out-of-state patients to purchase from Rhode Island compassion centers; renewal fees for existing compassion centers increased from \$5000 to \$250,000.

Notes to Table A-4: Enacted Mid-Year Revenue Measures, Fiscal 2018

Rhode Island	Current law required that 80% of motor vehicle related fees be transferred to the Department of Transportation's Highway Maintenance Account in FY 2018. The supplemental budget reduced this transfer to 60% and returned \$10.4 million to the General Fund.
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Notes to Table A-5: Fiscal 2020 State General Fund, Enacted (Millions)

Kentucky	<p>Revenue includes \$118.1 million in Tobacco Settlement funds. Adjustments for Revenues includes \$52.3 million that represents appropriation balances carried over from the prior fiscal year, and \$315.9 million from fund transfers into the General Fund. Adjustment to Expenditures represents appropriation balances forwarded to the next fiscal year and budget balances to be expended in the next fiscal year.</p> <p>Budget Management strategies in fiscal 2020 included: permissive budget bill language related to layoffs, furloughs, and reduced hours; personnel policy for the elimination of vacant positions; and budget authority to use the rainy day fund for necessary governmental expenses.</p>
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