

A REPORT BY THE NATIONAL ASSOCIATION OF STATE BUDGET OFFICERS

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THE NATIONAL ASSOCIATION OF STATE BUDGET OFFICERS

Founded in 1945, NASBO is the instrument through which the states collectively advance state budget practices. The major functions of the organization consist of research, policy development, education, training, and technical assistance. These are achieved primarily through NASBO's publications, membership meetings, and training sessions. Association membership is composed of the heads of state finance departments, the states' chief budget officers, and their deputies. All other state budget office staff are associate members. Association membership is organized into four standing committees-Health and Human Services; Financial Management and Reporting; Education; and a Critical Issue Committee. NASBO is an independent professional and education association.

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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 broadbased 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.

The field survey on which this report is based was conducted by NASBO from August through October 2015. The surveys were completed by executive state budget officers in all 50 states.

Fiscal 2014 data represent actual figures, fiscal 2015 figures are preliminary actual, and fiscal 2016 data reflect state enacted budgets.

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. Thirty states operate on an annual budget cycle, while 20 states operate on a biennial (two-year) budget cycle.

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

EXECUTIVE SUMMARY

This report finds that state budgets are stable and continue to grow moderately in fiscal 2016. While states' fiscal conditions have been steadily improving in recent years, progress has been slow and somewhat uneven, and state governments face significant financial challenges going forward. Requirements for spending on K-12 education, health care and other important areas continue to grow, often at faster rates than state revenue growth. Long-term critical challenges include pent-up demand for spending on infrastructure and rising pension and health care costs. States vary in their fiscal health, with some doing very well and others facing more significant budgetary problems. For example, the steep decline in oil prices has impacted some energy producing states. Overall, state fiscal conditions are stable, but growth is modest and uneven.

Modest state fiscal growth is widespread, with 43 states enacting budgets with higher spending levels in fiscal 2016 compared to fiscal 2015. Most states enacted budgets that increase spending in fiscal 2016 by more than the current rate of inflation to bolster core services such as K-12 education and health care. However, aggregate spending and revenue increases are projected to remain below historical growth trends.

Mid-year budget reductions in fiscal 2015 were fairly minimal compared to the levels observed in the strained years during and immediately following the Great Recession, though more states made mid-year cuts last year than in the previous year. While the national unemployment rate continues to decline as the economy grows and adds more jobs, disparities in economic performance, including uneven job and population growth, are becoming more pronounced, putting budgetary pressure on some states, while helping to strengthen fiscal conditions in others.

State tax revenue growth is expected to be modest in fiscal 2016 based on enacted budgets, following fairly robust growth in fiscal 2015 revenues. The strong stock market performance in calendar year 2014 helped to bolster state income tax collections in fiscal 2015, though the market's increased volatility recently has left states unable to count on a similar windfall this year. States' enacted budgets continue to be cautious as they plan for modest revenue growth and seek structural balance.

State Spending

Enacted fiscal 2016 budgets show aggregate general fund expenditures reaching \$790.3 billion, an increase of \$30.9 billion or 4.1 percent over fiscal 2015. Budget growth in fiscal 2016 is projected to slow slightly from a 4.6 percent increase in fiscal 2015. General fund spending in fiscal 2015 reached \$759.4 billion, compared to \$725.7 billion spent in fiscal 2014. As will be discussed in more detail later in this report, the aggregate spending increases in fiscal 2015 and fiscal 2016 were particularly driven by a few large states. For this reason, median state spending growth is a more modest 3.0 percent in fiscal 2015 and 2.9 percent in fiscal 2016.

It should also be noted that two states—Illinois and Pennsylvania—have not yet enacted operating budgets for fiscal 2016. Both states face significant fiscal challenges, and in each state, negotiations between the governor and legislature (controlled by opposite parties) on how to address fiscal issues have failed to produce an enacted budget. In order to allow for year-over-year comparisons of aggregate state spending and revenue data, fiscal 2016 general fund totals, as reported in Table 5, include the general fund amounts for Illinois and Pennsylvania reported in NASBO's *Spring 2015 Fiscal Survey of States*, which were based on governors' recommended budgets for fiscal 2016. These amounts are being used as placeholders in this report; NASBO plans to update this report with final enacted fiscal 2016 amounts for both Illinois and Pennsylvania once these states enact budgets.

In fiscal 2016, moderate spending increases are expected to be widespread with 43 states enacting higher spending levels in fiscal 2016 compared to fiscal 2015. However, fiscal 2015 and fiscal 2016 nominal spending increases both remain below the historical average growth rate of 5.5 percent, although inflation also remains low. Without adjusting for inflation, general fund spending surpassed pre-recession highs for the first time in fiscal 2013, and is projected in fiscal 2016 to be roughly 15 percent above the pre-recession peak. However, after adjusting for inflation, fiscal 2015 general fund spending still came in below the peak fiscal 2008 level. Aggregate spending levels would have needed to reach \$789 billion, or 3.9 percent higher than the \$759.4 billion estimated for fiscal 2015, to be equivalent with real 2008 spending levels.

¹ 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 October 29, 2015), is used for inflation adjustments. Quarterly averages are used to calculate fiscal year inflation rates.



Enacted Budget Adjustments by Program Area

Examining enacted budget adjustments by program area can help to identify changing spending patterns across states. Additionally, spending changes across categories provide insight on policy priorities driving budgetary decision-making. General fund spending increases in fiscal 2016 continued to be most heavily targeted towards K-12 education and Medicaid, which received the majority of additional budget dollars. Forty-one states enacted general fund spending increases for K-12 education, for a net increase of \$14.7 billion. Thirty-one states increased spending for Medicaid for a net increase of \$9.2 billion. Thirty-five states enacted spending increases for higher education (\$3.3 billion), 37 states increased spending for corrections (\$1.4 billion) and 18 states enacted increases for public assistance (\$22 million). Twenty-nine states increased spending in the "All Other" category, which captures all state general fund spending outside of the six identified program areas, for a net increase of \$9.0 billion.

Four states enacted general fund budget cuts to K-12 education, 12 states made cuts to higher education, 16 states cut funding for public assistance, 13 states cut spending for Medicaid, 10 states enacted budget cuts for corrections and 12 states cut transportation. Transportation was the only program area to see a small net decrease in enacted general fund spending (-\$264 million). However, since most states rely on other fund sources primarily to finance transportation spending, general fund spending adjustments are not necessarily indicative of overall enacted state spending changes for transportation in fiscal 2016.

Budget Gaps and Mid-Year Budget Adjustments

State budget gaps and mid-year budget cuts have subsided compared to the years during and immediately following the recession, when states had to make substantial cuts and take other actions—such as drawing down on rainy day funds to balance their budgets. Improved revenue collections and spending controls have significantly reduced the number of states with budget gaps since the Great Recession. Fourteen states reported closing \$8.7 billion in budget gaps prior to the start of fiscal 2016, and five states have a combined \$3.0 bil-

lion in ongoing budget gaps to close by the end of the fiscal year. These figures are comparable to those reported during the same period in fiscal 2015, when 10 states reported closing \$5.2 billion in budget gaps and nine states reported \$4.4 billion in ongoing budget gaps. Although not all state budget offices have completed official forecasts, nine states are projecting \$3.9 billion in budget gaps for fiscal 2017. In contrast, during the height of the recession, budget gaps for fiscal 2009 and fiscal 2010 reached a combined \$185 billion for states.

State budget gaps that arise during the fiscal year are primarily solved through a reduction in previously appropriated spending. Fourteen states enacted net mid-year budget cuts in fiscal 2015, totaling roughly \$1 billion. By comparison, 41 states made mid-year budget reductions totaling \$31.3 billion in fiscal 2009.

State Revenues

According to enacted budgets, state revenue growth is projected to slow in fiscal 2016, after accelerating in fiscal 2015. General fund revenues are projected to increase by 2.5 percent in fiscal 2016, down from the estimated 4.8 percent gain in fiscal 2015. Most states are expecting modest revenue growth in fiscal 2016, with 28 states projecting positive growth below 5 percent. Nine states enacted fiscal 2016 budgets with general fund revenues more than five percent above fiscal 2015 levels, while 11 states project negative revenue growth this fiscal year. Enacted fiscal 2016 budgets forecast total general fund revenues of \$784.7 billion, compared to an estimated \$765.4 billion collected in fiscal 2015 and \$730.3 billion collected in fiscal 2014.

The strong performance of general fund revenues in fiscal 2015 is reflected in the 39 states that reported fiscal 2015 general fund revenues from all sources, including sales, personal income, corporate income, and all other taxes and fees, coming in above projections. Meanwhile, seven states reported that collections came in below projections and three states reported them as on target. In early fiscal 2016, general fund revenues were exceeding original projections in 16 states, on target in 20 states, and below target in six states. Eight states were not able to report fiscal 2016 collections compared to projections at the time of data collection.

Personal income tax collections are expected to increase by 3.3 percent in fiscal 2016, after the sharp 8.0 percent increase experienced in fiscal 2015. Corporate income tax collections, which tend to be a more volatile revenue source, grew 8.7 percent in fiscal 2015, and are estimated to decline 0.5 percent in fiscal 2016. Sales tax collections, a more stable source of revenue, performed reasonably well in fiscal 2015, growing by 5.2 percent, and are expected to increase 3.9 percent in fiscal 2016.

State Revenue Actions

Twenty-two states increased net taxes and fees in fiscal 2016, while 18 states enacted net tax and fee decreases, for a net increase of \$546 million. This relatively even mix of increases and decreases contrasts with the previous two fiscal years, when states cut taxes and fees by \$2.1 billion in fiscal 2014 and \$2.3 billion in fiscal 2015. States with the largest increases in taxes and fees in actual dollar amounts in fiscal 2016 include Connecticut and Louisiana, both of which modified certain provisions and reduced tax breaks across a number of revenue categories, Georgia, which increased taxes and fees to fund transportation projects, and Nevada, which enacted various tax increases to enhance funding for K-12 education. Texas enacted the largest tax decrease with its property tax relief and reduction in the business franchise tax rate (which both fall under the "Other Taxes" category), followed by Ohio's personal income tax cuts. In addition to tax and fee changes, states also enacted \$351 million in new revenue measures in fiscal 2016. Revenue measures enhance or reduce general fund revenues but do not affect taxpayer liability.

Year-End Balances

Total balances, which include ending balances and the amounts in budget stabilization or "rainy day" funds, are a crucial tool that states heavily rely on during fiscal downturns and budget shortfalls. Balances reflect the surplus funds that states may use to respond to unforeseen circumstances, helping to offset potential revenue declines or increased spending demands. States have made progress in rebuilding budgetary reserves since revenues precipitously declined in fiscal 2009 and 2010. By the end of fiscal 2010, total balance levels had fallen to \$32.5 billion, or 5.2 percent of expenditures, from \$69.0 billion, or 11.5 percent of expenditures in fiscal 2006. By fiscal 2015, states' budgetary reserves increased to \$73.3 billion or 9.6 percent of expenditures, bolstered by larger than expected ending balances resulting from revenue collections exceeding projections. Budget reserves are expected to decline in fiscal 2016 according to enacted budgets, which show total balances declining to \$61.0 billion or 8.8 percent of expenditures (though this figure excludes five states for whom fiscal 2016 balance projections are not available).

Historically, Alaska and Texas held a disproportionate share of state budget reserves, causing 50-state totals to somewhat misrepresent the average balance level as a share of expenditures for most states. However, this has changed recently with Alaska's budget situation, which has required the state to heavily draw down on its reserves to respond to the fiscal impact of declining oil prices. While Alaska still has the largest budget reserve as a share of general fund expenditures, its total balances in absolute dollar terms are no longer large enough to significantly skew 50-state totals. But taking Texas out of the equation, total balances for the remaining states are estimated at \$57.4 billion or 8.1 percent of expenditures in fiscal 2015, and projected to be \$46.0 billion or 6.7 percent of expenditures in fiscal 2016.

This edition of The Fiscal Survey of States reflects actual fiscal 2014, preliminary actual fiscal 2015, and appropriated fiscal 2016 figures, unless otherwise noted. The data were collected in the fall of 2015.



STATE EXPENDITURE DEVELOPMENTS

CHAPTER ONE

Overview

State budgets are projected to continue their trajectory of moderate growth in fiscal 2016 for the sixth consecutive year according to enacted budgets. Consistent year-over-year growth has helped states achieve relative budget stability with limited unanticipated reductions. Aggregate general fund spending increased by 4.6 percent in fiscal 2015, a much faster growth rate than inflation for fiscal 2015, estimated at 1.0 percent.² While states' fiscal conditions continue to improve, this progress is slow and state governments face significant financial challenges going forward. Budgets remain constrained by a variety of factors. Mandatory spending demands in health care, K-12 and other areas continue to rise faster than revenue growth in a number of states.

Forty-three states enacted budgets for fiscal 2016 calling for higher general fund spending levels compared to fiscal 2015, in nominal terms. Additional spending in fiscal 2016 is limited, but states have enacted budgets providing increased funding for core services such as K-12 education, Medicaid and higher education. While modest growth continues for most states, budgetary challenges linger from the Great Recession for some states that have not been able to fully restore previous spending cuts. In fact, in eight states, enacted spending levels for fiscal 2016 are still below pre-recession highs set back in fiscal 2008, without adjusting for inflation.

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 2015 spending from all sources (general

funds, federal funds, other state funds and bonds) is approximately \$1.9 trillion. General funds represent the largest category of *total* state spending by fund source at 40.0 percent, followed by federal funds at 31.3 percent, other state funds at 26.8 percent, and bonds at 2.0 percent. The program area components of total state spending for estimated fiscal 2015 are: Medicaid, 27.4 percent; elementary and secondary education, 19.3 percent; higher education, 10.3 percent; transportation, 7.7 percent; corrections, 3.1 percent; public assistance, 1.3 percent; and all other expenditures, 30.9 percent.

For estimated fiscal 2015, components of general fund spending are elementary and secondary education, 35.2 percent; Medicaid, 19.3 percent; higher education, 10.0 percent; corrections, 6.8 percent; public assistance, 1.2 percent; transportation, 0.7 percent; and all other expenditures, 26.7 percent.

State General Fund Spending

State general fund spending is forecast to be \$790.3 billion in fiscal 2016 according to enacted budgets.3 This represents a 4.1 percent increase from the \$759.4 billion spent in fiscal 2015. The fiscal 2016 spending increase will mark the sixth consecutive annual increase in general fund expenditures, following back-to-back declines in general fund spending in fiscal 2009 and fiscal 2010, when spending decreased by 3.8 percent and 5.7 percent respectively. (See Table 1, Figure 1) Budget increases are widespread in fiscal 2016, with 43 states enacting higher spending levels compared to fiscal 2015. However, most individual state spending increases in fiscal 2016 are modest and below the 50-state average growth rate of 4.1 percent. This is because the aggregate spending growth rate is partly driven by double-digit percentage spending increases in several large states, including New York, Ohio, and Texas. In all three of these states, the annual increases are due to very specific, technical reasons. New York's expenditure growth in-

³ As noted in the Executive Summary, two states—Illinois and Pennsylvania—had not yet enacted budgets for fiscal 2016 as this report went to print. In order to allow for year-over-year comparisons of aggregate state spending and revenue data, fiscal 2016 general fund totals, as reported in Table 5, include the general fund amounts for Illinois and Pennsylvania reported in NASBO's Spring 2015 Fiscal Survey of States, which were based on governors' recommended budgets for fiscal 2016. These amounts are being used as placeholders in this report; NASBO plans to update this report once these states enact fiscal 2016 budgets.



² See the U.S. Bureau of Economic Analysis National Income and Product Account Tables. Table 3.9.4. Price Indexes for Government Consumption Expenditures and Gross Investment. Last revised on October 29, 2015. Line 33, state and local price index, is used for calculating inflation. Fiscal year inflation rates determined through quarterly averages.

cludes a one-time transfer of approximately \$4.6 billion in onetime monetary settlements to a dedicated fund for infrastructure investment. Ohio's spending increase is primarily due to the unique way in which the state accounts for federal Medicaid reimbursements, which are deposited into the fund that covered the initial expenditure (primarily the state's general fund), and the impact of Medicaid expansion expenditures shifting from non-general funds in fiscal 2015 to the general fund in fiscal 2016. And in Texas, the state's biennial budget process and appropriations method tend to concentrate spending growth in the first year of the biennium (a similar spending jump was seen in fiscal 2014); Texas also saw an increase due to general revenue being used to pay for local school property tax relief. (See Tables 3-5) Excluding these three states from the totals for fiscal 2015 and fiscal 2016, the rate of general fund spending growth based on fiscal 2016 enacted budgets drops to just 2.0 percent. To illustrate this point another way, the average fiscal 2016 general fund spending growth of 4.1 percent exceeds the median spending growth, which is 2.9 percent.

A similar situation can be observed when examining fiscal 2015 general fund spending growth, based on preliminary ac-

tual data. In this case, the state of California had a one-time spending increase of 14.5 percent, which, given the size of California's budget, significantly contributed to the 4.6 percent average spending growth for fiscal 2015. The increase in spending is attributable mostly to payments to K-12 schools and community colleges, pay down of debt, and higher than anticipated Medicaid caseload growth associated with federal health care reform. Taking California out of the equation, state general fund spending for the other 49 states increased a more modest 3.1 percent in fiscal 2015.

After six years of budget growth, most states have surpassed their pre-recession spending levels in nominal terms, although eight states enacted fiscal 2016 budgets below fiscal 2008 levels; several of these states are facing negative budgetary impacts associated with the declining price in oil, which has set back their progress during the recovery from the Great Recession. For fiscal 2016, four states enacted general fund expenditures below fiscal 2015 levels, 31 states had general fund expenditure growth between 0 and 5.0 percent, and 13 states had general fund spending growth greater than 5.0 percent. (See Tables 2 and 6)

TABLE 1
State Nominal and Real Annual Budget Increases,
Fiscal 1979 to Fiscal 2016

	State General Fund					
Fiscal Year	Nominal Increase	Real Increase				
2016	4.1%					
2015	4.6	3.6%				
2014	4.5	2.4				
2013	4.1	2.2				
2012	3.4	0.9				
2011	3.5	0.3				
2010	-5.7	-6.5				
2009	-3.8	-6.3				
2008	4.9	-0.4				
2007	9.4	4.4				
2006	8.7	3.1				
2005	6.5	0.5				
2004	3.0	-0.7				
2003	0.6	-2.4				
2002	1.3	-0.9				
2001	8.3	3.9				
2000	7.2	2.4				
1999	7.7	4.9				
1998	5.7	3.7				
1997	5.0	2.7				
1996	4.5	2.2				
1995	6.3	3.3				
1994	5.0	2.8				
1993	3.3	-0.1				
1992	5.1	1.8				
1991	4.5	0.0				
1990	6.4	1.5				
1989	8.7	4.8				
1988	7.0	2.9				
1987	6.3	2.6				
1986	8.9	5.4				
1985	10.2	6.0				
1984	8.0	3.9				
1983	-0.7	-6.2				
1982	6.4	-0.9				
1981	16.3	5.2				
1980	10.0	-0.5				
1979	10.1	3.2				
1979-2015 average	5.5%	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 October 29, 2015), is used for state expenditures in determining real changes. Fiscal Year real changes are based on quarterly averages. Fiscal 2014 figures are based on the change from fiscal 2013 actuals to fiscal 2014 actuals. Fiscal 2015 figures are based on the change from fiscal 2014 actuals to fiscal 2015 preliminary actuals. Fiscal 2016 figures are based on the change from fiscal 2015 preliminary actual figures to fiscal 2016 enacted.



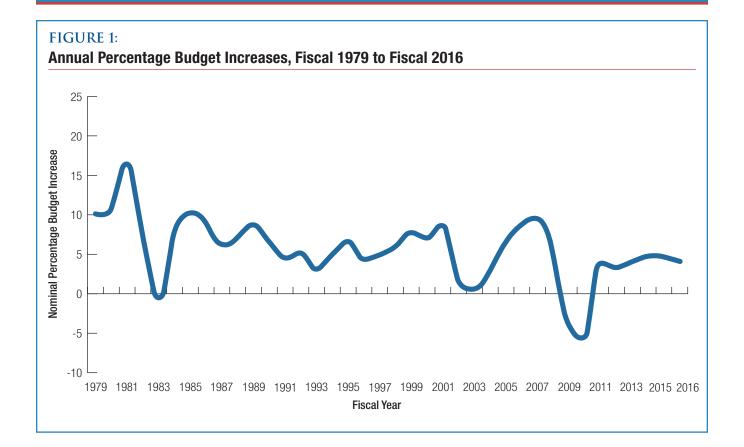


TABLE 2 State General Fund Expenditure Growth, Fiscal 2015 & 2016

Spending Growth	Fiscal 2015 (Preliminary Actual)	Fiscal 2016 (Enacted)
Negative growth	8	4
0.0% to 5.0%	29	31
> 5.0% but < 10.0%	11	10
10% or more	2	3

NOTE: Average spending growth for fiscal 2015 (preliminary actual) is 4.6 percent; average spending growth for fiscal 2016 (enacted) is 4.1 percent. See Table 6 for state-by-state data.

TABLE 3
Fiscal 2014 General Fund, Actual (Millions)

State	Beginning Balance	Revenues	Adjustments	Total Resources	Expenditures	Adjustments	Ending Balance	Rainy Day Fund Balance
Alabama*	\$304	\$7,353	\$204	\$7,862	\$7,479	\$330	\$52	\$11
Alaska*	0	5,390	35	5,425	7,323	-184	-1,714	15,574
Arizona*	896	8,329	154	9,378	8,801	0	577	455
Arkansas	0	4,944	0	4,944	4,944	0	0	0
California* **	2,528	103,375	-977	104,925	100,005	-670	5,590	4,619
Colorado* **	373	8,978	14	9,365	8,764	-50	651	411
Connecticut*	0	17,608	-408	17,200	16,980	-29	249	519
Delaware**	636	3,573	0	4,209	3,794	0	414	202
Florida	2,892	26,604	0	29,495	26,914	0	2,581	925
Georgia* **	900	19,168	95	20,163	19,109	0	1,055	863
Hawaii	844	6,096	0	6,940	6,275	0	665	83
Idaho*	80	2,815	-67	2,828	2,781	3	44	162
Illinois*	154	34,646	2,142	36,912	31,479	5,359	74	276
Indiana*	1,428	14,660	22	16,110	14,553	520	1,036	969
lowa*	1,420	6,489	679	7,168	6,462	0	707	670
Kansas*	709	5,653	0	6,363	5,983	0	380	0
Kentucky*	123	9,621	302	10,046	9,864	102	80	77
Louisiana*	0	8,217	545	8,762	8,583	0	179	445
Maine*	8	3,114	91	3,212	3,149	51	12	93
Maryland*	502	15,106	78	15,686	15,659	-120	148	764
Massachusetts* **	1,874	35,473	0	37,347	35,897	0	1,450	1,243
Michigan*	1,187	9,788	-1,687	9,287	8,981	0	306	386
Minnesota* **	1,712	19,522	0	21,234	19,348	0	1,886	661
Mississippi	54	5,403	0	5,457	5,416	0	41	110
Missouri*	447	8,003	124	8,574	8,385	0	189	277
Montana*	538	2,077	-2	2,613	2,188	1	424	0
Nebraska*	815	4,106	-456	4,465	3,791	0	674	719
Nevada	300	3,067	142	3,509	3,291	34	184	28
New Hampshire* **	82	1,322	0	1,404	1,251	122	31	9
New Jersey*	310	31,072	1,721	33,103	32,807	0	296	0
New Mexico* **	671	6,097	0	6,769	5,991	140	638	638
New York* **	1,610	61,868	0	63,478	61,243	0	2,235	1,481
North Carolina	351	20,988	0	21,339	20,930	139	269	651
North Dakota*	1,396	2,586	342	4,324	3,237	0	1,087	584
Ohio*	2,639	29,233	0	31,872	30,172	0	1,700	1,478
Oklahoma*	133	6,330	37	6,500	6,500	0	0	535
Oregon*	470	7,634	-164	7,940	7,693	0	247	153
Pennsylvania*	541	28,607	-672	28,476	28,395	0	81	0
Rhode Island*	104	3,430	-99	3,436	3,337	31	68	177
South Carolina* **	1,046	6,552	0	7,599	6,329	106	1,163	408
South Dakota*	24	1,354	98	1,476	1,442	24	10	139
Tennessee*	800	12,052	154	13,006	12,136	486	384	456
Texas*	5,505	51,640	-3,413	53,732	46,764	0	6,968	6,703
Utah*	122	5,420	0	5,542	5,402	0	140	432
Vermont*	0	1,388	12	1,400	1,386	14	0	71
Virginia	880	17,304	0	18,184	17,705	0	479	688
Washington*	168	16,383	-98	16,453	16,079	0	373	415
West Virginia*	512	4,106	8	4,626	4,208	6	412	956
Wisconsin*	759	13,948	606	15,313	14,674	122	517	280
. 11000110111	100	•						
Wyoming*	0	1,787	0	1,787	1,787	0	0	926

NOTES: N/A indicates data are not available. "See Notes to Table 3 on page 33. **In these states, the ending balance includes the balance in the rainy day fund.



TABLE 4
Fiscal 2015 State General Fund, Preliminary Actual (Millions)

State	Beginning Balance	Revenues	Adjustments	Total Resources	Expenditures	Adjustments	Ending Balance	Rainy Day Fund Balance
Alabama*	\$52	\$7,815	\$85	\$7,952	\$7,702	\$35	\$215	\$412
Alaska*	0	2,216	71	2,287	6,014	-1,008	-2,719	10,084
Arizona*	577	8,933	67	9,578	9,287	0	291	457
Arkansas	0	5,059	0	5,059	5,059	0	0	0
California*	5,590	111,307	0	116,896	114,473	0	2,423	3,058
Colorado* **	436	9,816	66	10,318	9,706	0	612	577
Connecticut*	0	17,314	0	17,314	17,405	-21	-71	448
Delaware**	414	3,955	0	4,370	3,833	0	537	213
Florida	2,581	27,959	0	30,541	28,189	0	2,352	1,139
Georgia* **	1,055	20,435	9	21,498	20,047	0	1,451	1,246
Hawaii	665	6,577	0	7,242	6,413	0	828	90
Idaho*	44	2,965	-51	2,958	2,936	-20	42	190
Illinois*	74	32,333	1,736	34,143	31,110	2,959	74	276
Indiana*	1,036	15,145	15	16,196	14,935	374	887	1,254
lowa*	0	6,767	642	7,410	6,982	64	364	696
Kansas*	380	5,947	042	6,327	6,251	0	76	090
Kentucky*	81	10,029	324	10,433	10,108	104	221	77
	0	8,508	201	8,709	8,715	-6	0	470
Louisiana* Maine*	13	3,329	-100	3,242		51	26	128
					3,166	-84	320	766
Maryland*	148	15,923	161	16,231	15,995			
Massachusetts* **	1,450	38,181	0	39,631	38,146	0	1,485	1,179
Michigan*	306	10,480	-1,227	9,559	9,389	0	170	498
Minnesota* **	1,886	19,916	0	21,802	20,381	0	1,421	994
Mississippi*	41	5,537	0	5,578	5,511	1	66	395
Missouri*	189	8,709	124	9,022	8,744	0	278	270
Montana*	424	2,200	1	2,625	2,168	2	455	0
Nebraska*	674	4,306	-217	4,763	4,030	0	732	728
Nevada*	184	3,222	149	3,555	3,398	11	146	0
New Hampshire* **	31	1,404	0	1,435	1,259	94	83	9
New Jersey*	296	32,768	330	33,394	32,767	0	627	0
New Mexico**	638	6,309	0	6,946	6,313	0	634	634
New York* **	2,235	67,921	0	70,156	62,856	0	7,300	1,798
North Carolina	269	22,331	0	22,600	21,538	198	864	652
North Dakota*	1,087	2,354	520	3,961	3,231	0	730	573
Ohio*	1,700	31,473	0	33,173	31,462	0	1,712	1,478
Oklahoma*	0	6,465	-13	6,452	6,403	0	49	385
Oregon*	247	8,499	-44	8,703	8,226	0	477	391
Pennsylvania*	81	30,177	-1,198	29,060	29,048	3	9	0
Rhode Island*	68	3,641	-80	3,628	3,455	7	166	185
South Carolina* **	1,163	6,960	0	8,124	6,815	127	1,182	447
South Dakota*	10	1,381	27	1,418	1,386	10	22	149
Tennessee*	384	13,020	66	13,469	12,509	142	819	492
Texas*	6,933	52,580	-2,774	56,739	48,401	0	8,338	7,500
Utah*	113	6,040	0	6,153	5,749	0	404	491
Vermont*	0	1,444	5	1,449	1,429	20	0	76
Virginia	479	18,009	0	18,487	18,240	0	247	468
Washington*	373	17,270	-72	17,572	16,706	0	866	513
West Virginia*	412	4,204	37	4,653	4,234	0	420	869
Wisconsin*	517	14,541	672	15,730	15,504	91	136	280
Wyoming*	0	1,774	0	1,774	1,774	0	0	960
Total	\$35,335	\$765,446	<u> </u>	\$800,313	\$759,396		\$37,764	\$43,995

NOTES: N/A indicates data are not available. *See Notes to Table 4 on page 36.**In these states, the ending balance includes the balance in the rainy day fund.



TABLE 5
Fiscal 2016 State General Fund, Enacted (Millions)

State	Beginning Balance	Revenues	Adjustments	Total Resources	Expenditures	Adjustments	Ending Balance	Rainy Day Fund Balance
Alabama*	\$215	\$7,936	\$-31	\$8,120	\$7,801	\$0	\$318	\$412
Alaska*	0	2,206	0	2,206	5,180	-226	-2,748	7,287
Arizona*	12	8,852	235	9,099	9,134	0	-35	313
Arkansas	0	5,186	0	5,186	5,186	0	0	0
California*	2,423	115,033	0	117,456	115,370	0	2,086	4,576
Colorado* **	612	10,254	16	10,882	10,340	0	542	542
Connecticut*	0	18,187	-25	18,162	18,162	0	1	449
Delaware* **	537	3,939	0	4,476	3,933	0	543	215
Florida	2,352	28,694	0	31,045	29,336	0	1,709	1,354
Georgia*	1,449	20,709	0	22,158	20,709	0	N/A	N/A
Hawaii	828	6,800	0	7,628	6,876	0	752	108
Idaho*	42	3,128	-89	3,081	3,072	0	9	219
Illinois*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Indiana*	887	15,195	-42	16,040	15,099	198	743	1,316
lowa*	0	7,176	341	7,517	7,168	0	349	719
Kansas*	76	6,334	0	6,410	6,322	0	88	0
Kentucky*	221	10,140	187	10,548	10,369	179	0	209
Louisiana*	0	8,596	292	8,888	9,008	-122	1	515
Maine*	26	3,311	3	3,340	3,335	3	2	128
Maryland*	320	16,323	56	16,700	16,434	-30	295	794
	1,485	40,540	0	42,025	40,877	0	1,148	1,184
Massachusetts* **	1,465				•	0		,
Michigan*		10,831	-1,504 0	9,497	9,474	0	23	611
Minnesota* **	1,421 89	20,893		22,314	20,500		1,814	994
Mississippi		5,655	0	5,744	5,744	0	0	395
Missouri*	278	8,675	93	9,046	8,950	0	96	291
Montana*	455	2,263	0	2,718	2,359	0	359	0
Nebraska*	732	4,474	-302	4,904	4,272	369	263	729
Nevada*	146	3,602	49	3,797	3,521	9	268	0
New Hampshire* **	73	1,431	0	1,504	1,367	80	57	24
New Jersey	627	33,663	0	34,290	33,526	0	764	0
New Mexico* **	634	6,305	0	6,939	6,325	0	614	614
New York* **	7,300	68,285	0	75,585	72,090	0	3,495	1,798
North Carolina	265	21,653	0	21,917	21,735	0	183	852
North Dakota*	730	2,477	657	3,864	3,013	0	851	573
Ohio*	1,712	34,807	0	36,519	35,622	0	896	2,005
Oklahoma*	49	6,475	0	6,524	6,307	0	217	N/A
Oregon*	477	9,093	-583	8,987	8,515	0	473	652
Pennsylvania*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Rhode Island*	119	3,544	-110	3,553	3,552	0	1	183
South Carolina* **	1,182	7,045	77	8,304	7,166	128	1,011	459
South Dakota*	22	1,433	0	1,455	1,433	22	0	171
Tennessee*	819	12,862	-70	13,611	12,946	316	348	568
Texas*	7,533	53,778	-2,395	58,916	53,814	0	5,102	9,900
Utah*	404	5,884	0	6,288	6,282	0	6	491
Vermont*	0	1,470	0	1,470	1,470	0	0	71
Virginia	247	18,522	0	18,769	18,764	0	5	237
Washington*	866	17,989	-16	18,839	18,211	0	628	695
West Virginia*	420	4,306	0	4,725	4,342	6	377	853
Wisconsin*	136	15,208	540	15,883	15,886	-301	297	N/A
Wyoming*	1	1,773	0	1,774	1,774	0	0	960
Total***	\$38,471	\$784,661		\$820,788	\$790,344		\$24,120	\$44,744

NOTES: N/A indicates data are not available. *See Notes to Table 5 on page 39. **In these states, the ending balance includes the balance in the rainy day fund. ***Totals include the fiscal 2016 general fund amounts for Illinois and Pennsylvania reported in NASBO's Spring 2015 Fiscal Survey of States, which were based on governors' recommended budgets. These are being used as placeholders in order to calculate 50-state total figures that are comparable to prior fiscal years for the purposes of this report.



TABLE 6
General Fund Nominal Percentage Expenditure
Change, Fiscal 2015 and Fiscal 2016**

State	Fiscal 2015	Fiscal 2016
Alabama	3.0%	1.3%
Alaska	-17.9	-13.9
Arizona	5.5	-1.6
Arkansas	2.3	2.5
California*	14.5	0.8
Colorado	10.7	6.5
Connecticut	2.5	4.3
Delaware	1.0	2.6
Florida	4.7	4.1
Georgia	4.9	3.3
Hawaii	2.2	7.2
Idaho	5.6	4.6
Illinois	-1.2	N/A
Indiana	2.6	1.1
lowa	8.0	2.7
Kansas	4.5	1.1
Kentucky	2.5	2.6
Louisiana	1.5	3.4
Maine	0.5	5.3
Maryland	2.1	2.7
Massachusetts	6.3	7.2
Michigan	4.5	0.9
Minnesota	5.3	0.6
Mississippi	1.8	4.2
Missouri	4.3	2.4
Montana	-0.9	8.8
Nebraska	6.3	6.0
Nevada	3.2	3.6
New Hampshire	0.6	8.6
New Jersey	-0.1	2.3
New Mexico	5.4	0.2
New York*	2.6	14.7
North Carolina	2.9	0.9
North Dakota	-0.2	-6.8
Ohio*	4.3	13.2
Oklahoma	-1.5	-1.5
Oregon	6.9	3.5
Pennsylvania	2.3	N/A
Rhode Island	3.6	2.8
South Carolina	7.7	5.2
South Dakota	-3.9	3.4
Tennessee	3.1	3.5
Texas	3.5	11.2
Utah	6.4	9.3
Vermont	3.1	2.9
Virginia	3.0	2.9
Washington	3.9	9.0
West Virginia	0.6	2.6
Wisconsin	5.7	2.5
Wyoming	-0.7	0.0
Average	4.6%	4.1%
orugo	110 /0	1.170

*See Notes to Table 6 on page 42. **Fiscal 2015 reflects changes from fiscal 2014 expenditures (actual) to fiscal 2015 expenditures (preliminary actual). Fiscal 2016 reflects changes from fiscal 2015 expenditures (preliminary actual) to fiscal 2016 expenditures (enacted).



Mid-Year Budget Adjustments, Enacted Budget Adjustments by Program Area and Budget Gaps

One sign of state fiscal stress can be net mid-year budget cuts, as these actions are often taken when a state will not be able to meet previously set revenue collection forecasts. States reported final, cumulative numbers for fiscal 2015 mid-year budget cuts, with 14 states reporting net mid-year reductions totaling \$999 million. While the number of states with net mid-year budget cuts is somewhat higher than has been observed in recent years, most of these reductions were relatively small in value. Also, these cuts do not always reflect fiscal stress or even true spending cuts; for example, in Michigan, some of these reductions were technical changes to reflect transfers to other state funds. (See Tables 7-9) In sharp contrast to fiscal 2009, 2010 and 2011, states have enacted minimal mid-year cuts over the last several fiscal years, indicating that states' fiscal situations have stabilized, and budgets are successfully adapting to the current economic environment. (See Figure 2)

In addition to mid-year budget cuts, enacted budget adjustments by program area help identify changing spending patterns and priorities within the general fund. (See Tables 10-12) Forty-one states increased funding for K-12 education, the largest category of state general fund spending, while only four states enacted cuts, resulting in a net spending increase of \$14.7 billion in fiscal 2016. Thirty-one states increased general fund spending for Medicaid, the second largest category of state general fund spending, resulting in a net spending increase of \$9.2 billion. And for higher education, the third largest spending category, 35 states enacted general fund spending increases, resulting in a net spending boost of \$3.3 billion. All major program areas experienced enacted spending increases in fiscal 2016 with the exception of transportation, which received a net spending decline of \$264 million. However, most states primarily rely on other fund sources to finance transportation spending; in fiscal 2015, general fund spending accounted for just 4 percent of total state expenditures on transportation.⁴ Therefore general fund spending adjustments are not necessarily indicative of overall enacted state spending changes for transportation in fiscal 2016.

Budgets appear stable so far in fiscal 2016, with only two states reporting net mid-year budget cuts totaling \$63 million. (See Tables 13-15) However, the fiscal year was just underway at the time of data collection, and mid-year budget reductions often take place further along in the year. Updated figures for fiscal 2016 mid-year budget adjustments will be collected in the Spring 2016 Fiscal Survey of States.

Mid-year budget cuts are one mechanism by which states can close current year budget gaps, the differences between enacted levels of spending and anticipated revenue collections. States can also implement various strategies to close budget gaps prior to the start of the fiscal year. Previously closed budget gaps for fiscal 2016 totaled \$8.7 billion, more than the \$6.3 billion in previously closed budget gaps for fiscal 2015. Five states reported having \$3.0 billion in ongoing budget gaps to solve before the end of fiscal 2016. Although projected budget gaps for fiscal 2017 are preliminary, nine states are forecasting \$3.9 billion in budget gaps for fiscal 2017. These budget gap levels illustrate that state fiscal conditions remain fairly stable, in contrast to the years immediately following the recession marked by severely constrained revenues and heightened spending demands. For example, in the fall of 2010, states reported closing \$82.0 billion in fiscal 2010 budget gaps and \$72.4 billion in fiscal 2011 budget gaps. While the situation is much improved compared to those years, some states still face significant budgetary challenges that will require tough choices.

In order to increase revenues or reduce expenses in fiscal 2016 and fiscal 2017, states are planning to use a number of budget management strategies. In fiscal 2016, 24 states reported that targeted cuts have been used to reduce expenditures, and six states made across-the-board percentage cuts. Eight states increased their transportation or motor vehicle related fees, and seven states increased court related fees. Eight states reorganized agencies, while six states intend to make use of their rainy day fund in fiscal 2016. These were among the more popular strategies used to manage budgets in fiscal 2015 as well. While few states were able to project how budget gaps will be addressed in fiscal 2017, nine expect to make targeted cuts. (See Tables 16-18)

⁴ See NASBO, State Expenditure Report: Fiscal 2013-2015 Data (2015).

TABLE 7

Fiscal 2015 Net Mid-Year Budget Cuts

State	FY 2015 Size of Cuts (\$ in Millions)	Programs or Expenditures Exempted from Cuts
Arizona	\$15.6	
Hawaii	47.8	Debt services, employee retirement and health benefits
Idaho	20.3	
Indiana*	55.7	Distributions to K-12 school corporations.
Kansas	110.9	Medicaid
Louisiana	42.8	Non Discretionary Programs
Maryland	278.1	
Michigan*	242.4	Higher education, revenue sharing payments to local government, k-12 operations
Missouri	66.9	
New Hampshire	18.3	All mid year programs impacted were targeted reductions.
Oregon	12.6	
Utah	14.9	
Vermont	34.1	
West Virginia	38.9	Public Education's School Aid Formula, Higher Education, various other smaller programs
Total	\$999.3	

Notes: *See Notes to Table 7 on page 42. See Tables 8 & 9 for state-by-state data on program area cuts and dollar values.

TABLE 8

Fiscal 2015 Mid-Year Program Area Cuts

State	K-12 Education	Higher Education	Public Assistance	Medicaid	Corrections	Transportation	Other
Alabama	X						
Alaska	Х						
Arizona				X			Χ
Arkansas							
California*							
Colorado							
Connecticut		Χ	Χ				Χ
Delaware							
Florida							
Georgia					Х		
Hawaii	X	Х	X	X	Х		Χ
Idaho				X	Х		Х
Illinois							
Indiana	X	X	X	X	X	X	X
lowa							
Kansas	X	Χ			X		Х
Kentucky	^				^		
Louisiana		X		Χ	X		
Maine		Λ		Λ	۸		
Maryland	X	X	X	X	X		Х
Massachusetts	X	X	X	Λ	۸		^
Michigan	X	۸	X	X	X		Х
Minnesota	X	Χ	^	^	^		X
	٨	۸					۸
Mississippi				Χ			Х
Missouri				Х			X
Montana	V		V	V			
Nebraska	X		X	X			
Nevada							V
New Hampshire	X	X			X		Х
New Jersey							
New Mexico							
New York							
North Carolina							
North Dakota							
Ohio							
Oklahoma							
Oregon							Χ
Pennsylvania							
Rhode Island	X	Χ	X				
South Carolina							
South Dakota	X			Χ	Χ		
Tennessee	Χ						
Texas	X					Χ	
Utah		Х		Х		X	
Vermont	X	Χ	Χ	Χ	Χ		Χ
Virginia				Χ	Χ		
Washington		Χ	Χ				
West Virginia	Х			Х	Х	Χ	Х
Wisconsin							
Wyoming							
Total	17	13	10	14	13	4	14

NOTE: *See Notes to Table 8 on page 42. See Table 9 for state-by-state dollar values.



TABLE 9
Fiscal 2015 Mid-Year Program Area Adjustments By Dollar Value (Millions)

Alabama Alaska* Arizona Arkansas California* Colorado Connecticut Delaware Florida Georgia Hawaii Idaho Illinois Indiana* Iowa Kansas Kentucky Louisiana	-\$0.2 -60.3 0.0 0.0 4,909.1 0.1 0.0 0.0 139.2 -14.0 3.6 0.0 -1.8 0.0 -41.3 0.0 22.2 1.0 -3.6	\$2.9 0.0 0.0 0.0 660.0 0.1 -18.9 0.0 0.0 12.1 -5.4 0.0 0.0 -1.8 0.0 -44.5 0.0 -15.8	\$3.0 0.0 3.3 0.0 -89.4 0.0 -9.5 0.0 0.0 -2.5 0.0 0.0 -7.9 0.0 0.0	\$38.3 30.0 -15.3 0.0 214.6 88.0 82.0 0.0 0.0 45.5 -7.0 -17.2 0.0 -2.4 43.0 0.0	\$7.8 0.0 0.0 0.0 107.8 0.5 3.8 0.0 0.0 -0.4 -0.8 -2.0 0.0 -12.9 0.0	\$0.0 5.0 0.0 0.0 0.0 0.0 18.0 0.0 4.4 0.0 0.0 0.0 -1.9	\$45.3 249.8 -3.6 0.0 861.4 15.1 -55.0 0.0 0.0 75.4 -18.1 -4.7 0.0 -27.0 20.8	\$97.1 224.5 -15.6 0.0 6,663.5 103.7 20.4 0.0 276.2 -47.8 -20.3 0.0 -55.7 63.8
Arizona Arkansas California* Colorado Connecticut Delaware Florida Georgia Hawaii Idaho Illinois Indiana* Iowa Kansas Kentucky	0.0 0.0 4,909.1 0.1 0.0 0.0 0.0 139.2 -14.0 3.6 0.0 -1.8 0.0 -41.3 0.0 22.2	0.0 0.0 660.0 0.1 -18.9 0.0 0.0 12.1 -5.4 0.0 0.0 -1.8 0.0 -44.5	3.3 0.0 -89.4 0.0 -9.5 0.0 0.0 0.0 -2.5 0.0 0.0 -7.9 0.0	-15.3 0.0 214.6 88.0 82.0 0.0 0.0 45.5 -7.0 -17.2 0.0 -2.4 43.0	0.0 0.0 107.8 0.5 3.8 0.0 0.0 -0.4 -0.8 -2.0 0.0 -12.9	0.0 0.0 0.0 0.0 18.0 0.0 0.0 4.4 0.0 0.0 0.0 0.0	-3.6 0.0 861.4 15.1 -55.0 0.0 0.0 75.4 -18.1 -4.7 0.0 -27.0	-15.6 0.0 6,663.5 103.7 20.4 0.0 0.0 276.2 -47.8 -20.3 0.0 -55.7
Arkansas California* Colorado Connecticut Delaware Florida Georgia Hawaii Idaho Illinois Indiana* Iowa Kansas Kentucky	0.0 4,909.1 0.1 0.0 0.0 0.0 139.2 -14.0 3.6 0.0 -1.8 0.0 -41.3 0.0 22.2	0.0 660.0 0.1 -18.9 0.0 0.0 12.1 -5.4 0.0 0.0 -1.8 0.0 -44.5	0.0 -89.4 0.0 -9.5 0.0 0.0 0.0 -2.5 0.0 0.0 -7.9 0.0 0.0	0.0 214.6 88.0 82.0 0.0 0.0 45.5 -7.0 -17.2 0.0 -2.4 43.0	0.0 107.8 0.5 3.8 0.0 0.0 -0.4 -0.8 -2.0 0.0	0.0 0.0 0.0 18.0 0.0 0.0 4.4 0.0 0.0 0.0	0.0 861.4 15.1 -55.0 0.0 0.0 75.4 -18.1 -4.7 0.0	0.0 6,663.5 103.7 20.4 0.0 0.0 276.2 -47.8 -20.3 0.0
California* Colorado Connecticut Delaware Florida Georgia Hawaii Idaho Illinois Indiana* Iowa Kansas Kentucky	4,909.1 0.1 0.0 0.0 139.2 -14.0 3.6 0.0 -1.8 0.0 -41.3 0.0 22.2 1.0	660.0 0.1 -18.9 0.0 0.0 12.1 -5.4 0.0 0.0 -1.8 0.0 -44.5	-89.4 0.0 -9.5 0.0 0.0 0.0 -2.5 0.0 0.0 -7.9 0.0	214.6 88.0 82.0 0.0 0.0 45.5 -7.0 -17.2 0.0 -2.4	107.8 0.5 3.8 0.0 0.0 -0.4 -0.8 -2.0 0.0 -12.9	0.0 0.0 18.0 0.0 0.0 4.4 0.0 0.0 0.0 -1.9	861.4 15.1 -55.0 0.0 0.0 75.4 -18.1 -4.7 0.0	6,663.5 103.7 20.4 0.0 0.0 276.2 -47.8 -20.3 0.0
Colorado Connecticut Delaware Florida Georgia Hawaii Idaho Illinois Indiana* Iowa Kansas Kentucky	0.1 0.0 0.0 0.0 139.2 -14.0 3.6 0.0 -1.8 0.0 -41.3 0.0 22.2	0.1 -18.9 0.0 0.0 12.1 -5.4 0.0 0.0 -1.8 0.0 -44.5	0.0 -9.5 0.0 0.0 0.0 -2.5 0.0 0.0 -7.9 0.0	88.0 82.0 0.0 0.0 45.5 -7.0 -17.2 0.0 -2.4	0.5 3.8 0.0 0.0 -0.4 -0.8 -2.0 0.0	0.0 18.0 0.0 0.0 4.4 0.0 0.0 0.0 -1.9	15.1 -55.0 0.0 0.0 75.4 -18.1 -4.7 0.0 -27.0	103.7 20.4 0.0 0.0 276.2 -47.8 -20.3 0.0
Connecticut Delaware Florida Georgia Hawaii Idaho Illinois Indiana* Iowa Kansas Kentucky	0.0 0.0 139.2 -14.0 3.6 0.0 -1.8 0.0 -41.3 0.0 22.2	-18.9 0.0 0.0 12.1 -5.4 0.0 0.0 -1.8 0.0 -44.5	-9.5 0.0 0.0 0.0 -2.5 0.0 0.0 -7.9 0.0 0.0	82.0 0.0 0.0 45.5 -7.0 -17.2 0.0 -2.4 43.0	3.8 0.0 0.0 -0.4 -0.8 -2.0 0.0	18.0 0.0 0.0 4.4 0.0 0.0 0.0 -1.9	-55.0 0.0 0.0 75.4 -18.1 -4.7 0.0	20.4 0.0 0.0 276.2 -47.8 -20.3 0.0
Delaware Florida Georgia Hawaii Idaho Illinois Indiana* Iowa Kansas Kentucky	0.0 0.0 139.2 -14.0 3.6 0.0 -1.8 0.0 -41.3 0.0 22.2	0.0 0.0 12.1 -5.4 0.0 0.0 -1.8 0.0 -44.5	0.0 0.0 0.0 -2.5 0.0 0.0 -7.9 0.0 0.0	0.0 0.0 45.5 -7.0 -17.2 0.0 -2.4 43.0	0.0 0.0 -0.4 -0.8 -2.0 0.0	0.0 0.0 4.4 0.0 0.0 0.0 -1.9	0.0 0.0 75.4 -18.1 -4.7 0.0	0.0 0.0 276.2 -47.8 -20.3 0.0
Florida Georgia Hawaii Idaho Illinois Indiana* Iowa Kansas Kentucky	0.0 139.2 -14.0 3.6 0.0 -1.8 0.0 -41.3 0.0 22.2	0.0 12.1 -5.4 0.0 0.0 -1.8 0.0 -44.5	0.0 0.0 -2.5 0.0 0.0 -7.9 0.0	0.0 45.5 -7.0 -17.2 0.0 -2.4 43.0	0.0 -0.4 -0.8 -2.0 0.0 -12.9	0.0 4.4 0.0 0.0 0.0 -1.9	0.0 75.4 -18.1 -4.7 0.0 -27.0	0.0 276.2 -47.8 -20.3 0.0 -55.7
Georgia Hawaii Idaho Illinois Indiana* Iowa Kansas Kentucky	139.2 -14.0 3.6 0.0 -1.8 0.0 -41.3 0.0 22.2 1.0	12.1 -5.4 0.0 0.0 -1.8 0.0 -44.5 0.0	0.0 -2.5 0.0 0.0 -7.9 0.0	45.5 -7.0 -17.2 0.0 -2.4 43.0	-0.4 -0.8 -2.0 0.0 -12.9	4.4 0.0 0.0 0.0 0.0 -1.9	75.4 -18.1 -4.7 0.0 -27.0	276.2 -47.8 -20.3 0.0 -55.7
Hawaii Idaho Illinois Indiana* Iowa Kansas Kentucky	-14.0 3.6 0.0 -1.8 0.0 -41.3 0.0 22.2 1.0	-5.4 0.0 0.0 -1.8 0.0 -44.5	-2.5 0.0 0.0 -7.9 0.0 0.0	-7.0 -17.2 0.0 -2.4 43.0	-0.8 -2.0 0.0 -12.9	0.0 0.0 0.0 -1.9	-18.1 -4.7 0.0 -27.0	-47.8 -20.3 0.0 -55.7
Idaho Illinois Indiana* Iowa Kansas Kentucky	3.6 0.0 -1.8 0.0 -41.3 0.0 22.2	0.0 0.0 -1.8 0.0 -44.5 0.0	0.0 0.0 -7.9 0.0 0.0	-17.2 0.0 -2.4 43.0	-2.0 0.0 -12.9	0.0 0.0 -1.9	-4.7 0.0 -27.0	-20.3 0.0 -55.7
Idaho Illinois Indiana* Iowa Kansas Kentucky	0.0 -1.8 0.0 -41.3 0.0 22.2	0.0 -1.8 0.0 -44.5 0.0	0.0 -7.9 0.0 0.0	0.0 -2.4 43.0	0.0 -12.9	0.0 0.0 -1.9	0.0 -27.0	0.0 -55.7
Indiana* Iowa Kansas Kentucky	-1.8 0.0 -41.3 0.0 22.2 1.0	-1.8 0.0 -44.5 0.0	-7.9 0.0 0.0	-2.4 43.0	-12.9	-1.9	-27.0	-55.7
Indiana* Iowa Kansas Kentucky	-1.8 0.0 -41.3 0.0 22.2 1.0	-1.8 0.0 -44.5 0.0	-7.9 0.0 0.0	-2.4 43.0	-12.9	-1.9	-27.0	-55.7
lowa Kansas Kentucky	0.0 -41.3 0.0 22.2 1.0	0.0 -44.5 0.0	0.0	43.0				
Kansas Kentucky	-41.3 0.0 22.2 1.0	-44.5 0.0	0.0					
Kentucky	0.0 22.2 1.0	0.0		U.U	-4.9	0.0	-20.2	-110.9
•	22.2 1.0			0.0	0.0	0.0	0.0	0.0
	1.0		0.0	-138.1	-4.4	0.0	93.2	-42.8
Maine		0.0	0.0	15.0	3.5	0.0	25.6	45.1
Maryland		-64.2	-17.9	-19.0	-24.2	0.0	-149.2	-278.1
Massachusetts*	-45.0	-2.9	-22.0	162.0	39.8	41.5	258.2	431.6
Michigan*	-81.2	0.0	-14.3	-124.3	-20.7	0.0	-1.9	-242.4
Minnesota*	-1.2	-8.4	0.0	468.6	0.0	0.0	-30.0	429.0
Mississippi	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Missouri	0.0	0.0	0.0	-17.8	0.0	0.0	-49.1	-66.9
Montana	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nebraska*	-1.1	0.0	-8.0	-22.0	14.7	0.0	27.6	11.2
Nevada	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
New Hampshire	-4.4	-3.4	0.0	0.0	-1.9	0.0	-8.6	-18.3
New Jersey*	138.4	40.1	0.0	0.0	0.0	115.2	266.1	559.8
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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Oregon*	0.0	1.7	0.0	0.0	18.0	0.8	-33.1	-12.6
Pennsylvania	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
		-2.7				0.0	7.2	
Rhode Island	-1.6		-0.3	20.4	8.5			31.5
South Carolina	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
South Dakota	-6.0	0.4	0.0	-5.6	-1.4	0.0	18.6	6.0
Tennessee	-3.1	0.8	1.1	0.0	0.2	0.0	21.0	20.0
Texas	-710.0	0.0	23.0	165.2	50.5	-22.1	783.5	290.1
Utah	5.4	-0.7	0.0	-25.2	0.3	-3.0	8.3	-14.9
Vermont	-0.4	-0.4	-5.1	-20.1	-0.6	0.0	-7.5	-34.1
Virginia	3.8	0.0	6.3	-11.1	-0.2	0.0	147.9	146.7
Washington	65.0	-6.0	-11.0	0.0	11.0	1.0	11.0	71.0
West Virginia	-2.5	0.0	0.0	-9.4	-14.3	-0.2	-12.5	-38.9
Wisconsin	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Wyoming Total	0.0 \$4,310.0	0.0 \$542.9	0.0 -\$151.1	0.0 \$938.0	0.0 \$177.7	0.0 \$158.7	0.0 \$2,515.5	0.0 \$8,491.8

NOTE: *See Notes to Table 9 on page 43.



TABLE 10

Fiscal 2016 Enacted Budget Cuts by Program Area

State	K-12 Education	Higher Education	Public Assistance	Medicaid	Corrections	Transportation	Other
Alabama							Χ
Alaska	Χ	Χ	Χ	Χ	Χ	Χ	Χ
Arizona		Х		Х			Χ
Arkansas						Χ	Х
California							Χ
Colorado						Χ	
Connecticut			X				
Delaware			X				
Florida						Χ	Χ
Georgia							
Hawaii	X	Χ	X	Χ	Х		Χ
Idaho			X				
Illinois							
Indiana			Х	Х			Х
lowa			X	X			
Kansas				X	Х	Χ	
Kentucky							
Louisiana		Х	X		Х		Х
Maine							
Maryland		Х	X				
Massachusetts			X				
Michigan		Х	X	X	X		Х
Minnesota				X			
Mississippi				**	Х	X	
Missouri					X		Χ
Montana							
Nebraska							
Nevada				X			
New Hampshire		Х					
New Jersey			X		X	X	
New Mexico							
New York			X				
North Carolina							Χ
North Dakota		Х				X	Х
Ohio							
Oklahoma		Х				X	Х
Oregon			X	X			
Pennsylvania							
Rhode Island				X			
South Carolina							
South Dakota							
Tennessee			X		X		
Texas					^	X	
Utah						X	
Vermont		Χ	X			.,	Х
Virginia		,	Α	Χ			A
Washington				X			Х
West Virginia	Χ	X		A			X
Wisconsin	X	X			Х	Χ	X
Wyoming	Λ	Λ			Λ	٨	٨
vvyorimiy		12	16	13	10	12	18

NOTE: See Table 12 for state-by-state dollar values.



TABLE 11
Fiscal 2016 Enacted Budget Increases by Program Area

State	K-12 Education	Higher Education	Public Assistance	Medicaid	Corrections	Transportation	Other
Alabama	Х	Х	Х		X		
Alaska							
Arizona	Х		Х		X		
Arkansas	Х	Х	Χ	Х	X		
California	Х	Х	X	Χ	X	Χ	
Colorado	Х	Х		Х	Х		Х
Connecticut	Χ	Χ		Χ	X	Χ	Χ
Delaware	Х	Х		Χ	Х		Х
Florida	Χ	Х		Χ	X		
Georgia	Х	Х		Χ	X	Χ	Х
Hawaii							
Idaho	Х	Х		Χ	X		Х
Illinois							
Indiana	Х	Х			X	X	
lowa	X	X			X		Х
Kansas	X	X	Х				X
Kentucky	X	X	X	X	X		X
Louisiana	X			X			
Maine	X	Х	Х	X	X		Х
Maryland	X			X	X		X
Massachusetts	X	Х		X	X	X	X
Michigan	Λ	Λ				X	
Minnesota	X	Х	Х		X	X	X
Mississippi	X	X		X			X
Missouri	X	X		X		X	
Montana	X	X	Х	X	X	Λ	X
Nebraska	X	X	X	X	X		X
Nevada	X	X	X	Λ	X		X
New Hampshire	Λ	Λ	Λ		X		X
New Jersey	X	Х		X	Λ		X
New Mexico	X	X		X	X		X
New York	X	X		X	X	X	X
North Carolina	X	X		X	X	X	^
North Dakota	X	۸		X	X	^	
Ohio	X	X	X	X	X	Χ	V
Oklahoma	X	٨	٨	٨	X	٨	X
	X	Χ			X	X	Х
Oregon Pennsylvania	٨	٨			Λ	٨	Λ
	V	V	V		V		V
Rhode Island	X	X	X	V	X	V	X
South Carolina	X	X	X	X	X	X	X
South Dakota			Х		Х		X
Tennessee	X	X		X	V		X
Texas	X	X		X	X		X
Utah	X	Х		X	X		Х
Vermont	X	V		X	X		37
Virginia	X	X	V		X	V	X
Washington	X	X	X	V	X	X	
West Virginia			X	X	X		
Wisconsin			X	Χ			
Wyoming							
Total	41	35	18	31	37	14	29

NOTE: See Table 12 for state-by-state dollar values.



TABLE 12
Fiscal 2016 Enacted Program Area Adjustments by Dollar Value (Millions)

State	K-12 Education	Higher Education	Public Assistance	Medicaid	Corrections	Transportation	Other	Total
Alabama	\$47.3	\$40.2	\$0.1	\$0.0	\$4.4	\$0.0	-\$118.0	-\$26.0
Alaska	-190.8	-17.1	-6.5	-51.9	-18.1	-149.4	-519.4	-953.2
Arizona	91.8	-107.6	13.6	-20.7	33.0	0.0	-85.4	-75.3
Arkansas	142.5	0.2	4.4	71.9	50.2	-2.5	-57.5	209.3
California*	4,272.6	1,529.3	29.3	1,345.5	488.2	1.0	-283.4	7,382.5
Colorado*	210.0	95.3	0.0	154.6	59.7	-0.7	58.4	577.4
Connecticut	42.8	22.9	-7.5	333.8	15.4	94.5	291.2	793.1
Delaware	37.5	0.4	-4.0	0.7	6.6	0.0	57.7	98.9
Florida	483.5	188.1	0.0	575.0	39.8	-12.0	-318.8	955.6
Georgia	557.7	101.2	0.0	31.2	51.3	26.4	195.5	963.3
Hawaii	-137.1	-17.9	-2.6	-33.4	-20.7	0.0	-183.8	-395.5
Idaho	7.3	117.4	-7.9	12.2	4.1	0.0	2.7	135.8
Illinois	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Indiana	186.2	79.5	-6.1	-135.1	36.0	0.4	-161.9	-1.(
lowa	88.0	5.5	-1.1	-6.3	3.0	0.0	34.9	124.0
Kansas	77.4	1.8	8.7	-15.9	-2.0	-2.9	3.6	70.7
Kentucky*	68.7	35.0	23.0	52.8	8.2	0.0	0.3	188.0
Louisiana	34.4	-282.5	-0.1	594.0	-39.8	0.0	-55.3	250.
Maine	10.1	13.5	2.2	18.2	7.4	0.0	67.2	118.0
Maryland	106.8	-28.7	-15.0	39.6	2.4	0.0	237.3	342.4
Massachusetts	117.5	20.2	-50.1	1,138.4	14.4	67.4	584.4	1,892.
Michigan*	0.0	-18.5	-53.3	-141.7	-76.8	115.4	-67.7	-242.0
Minnesota	162.7	84.4	3.2	-301.0	14.1	32.8	105.8	102.0
	99.7	37.7	0.0	82.3	-13.0	-32.0	73.8	248.
Mississippi Missouri	73.6	4.7	0.0	106.0	-9.1	3.5	-9.9	168.8
Montana	28.6	13.0	1.1	11.8	7.1	0.0	35.6	97.
	48.3				5.2	0.0		
Nebraska Neveda		20.4	10.6	63.0			7.3	154.8
Nevada	70.0	39.1	6.3	-30.5	12.0	0.0	97.7	194.0
New Hampshire	0.0	-3.0	0.0	0.0	3.4	0.0	7.0	7.4
New Jersey	681.0	31.9	-38.9	7.1	-3.0	-186.5	267.2	758.8
New Mexico	36.6	9.9	0.0	0.7	12.2	0.0	29.2	88.6
New York*	1,670.0	43.0	-21.0	727.0	77.0	25.0	6,427.0	8,948.0
North Carolina	411.8	145.2	0.0	48.1	107.0	113.9	-59.5	766.
North Dakota*	49.3	-3.0	0.0	43.2	17.2	-413.8	-111.1	-418.2
Ohio*	358.7	106.9	90.5	3,234.3	62.2	5.9	190.6	4,049.
Oklahoma	0.3	-24.1	0.0	0.0	14.0	-12.3	-2.6	-24.7
Oregon*	316.1	174.3	-16.4	-15.2	44.0	7.6	537.3	1,047.0
Pennsylvania	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N//
Rhode Island	63.3	5.4	2.2	-12.9	12.5	0.0	36.3	106.8
South Carolina	152.6	4.1	10.3	18.8	17.1	60.7	122.1	385.
South Dakota	11.0	6.5	6.9	7.6	1.8	0.0	7.2	41.0
Tennessee	153.1	69.9	-9.9	56.9	-3.0	0.0	79.8	346.8
Texas*	1,346.0	585.0	0.0	1,000.0	177.6	-1.7	2,379.1	5,486.0
Utah	185.9	52.6	0.0	34.4	100.0	-0.2	135.4	508.1
Vermont	15.3	-1.1	-5.1	36.2	6.5	0.0	-10.5	41.3
Virginia	29.9	27.7	0.0	-6.3	12.2	0.0	324.6	388.
Washington	2,631.0	176.0	37.0	-219.0	62.0	8.0	-1,257.0	1,438.0
West Virginia*	-99.3	-7.5	14.7	18.8	1.9	0.0	-15.7	-87. ⁻
Wisconsin	-95.2	-95.0	3.7	289.1	-25.8	-12.9	-60.8	3.
Wyoming	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
otal	\$14,654.5	\$3,282.1	\$22.3	\$9,163.4	\$1,379.8	-\$264.4	\$9,017.9	\$37,255.

NOTE: *See Notes to Table 12 on page 44. Value of changes are in reference to funding level of FY 2015 enacted budget.



TABLE 13

Fiscal 2016 Net Mid-Year Budget Cuts

State	FY 2016 Size of Cuts (\$ in Millions)	Programs or Expenditures Exempted from Cuts
Hawaii	\$22.0	Debt services, employee retirement and health benefits
Indiana	40.5	Distributions to K-12 school corporations and appropriations to state universities.
Total	\$62.5	

Notes: Budget Cuts for Fiscal 2016 are currently ongoing. See Tables 14 & 15 for state-by-state data on programs and dollar values.



TABLE 14

Fiscal 2016 Mid-Year Program Area Cuts

State	K-12 Education	Higher Education	Public Assistance	Medicaid	Corrections	Transportation	Other
Alabama							
Alaska							
Arizona							
Arkansas							
California							
Colorado							
Connecticut							
Delaware							
Florida							
Georgia							
Hawaii	X	Χ			Х		
Idaho							
Illinois							
Indiana	X	X	X	X	X	X	Х
lowa				Λ	Λ	Λ	Λ
Kansas							
Kentucky							
Louisiana							
Maine							
Maryland							
Massachusetts							
Michigan							
Minnesota							
Mississippi							
Missouri							
Montana							
Nebraska							
Nevada							
New Hampshire							
New Jersey							
New Mexico							
New York							
North Carolina							
North Dakota							
Ohio							
Oklahoma							
Oregon							
Pennsylvania							
Rhode Island							
South Carolina							
South Dakota							
Tennessee							
Texas							
Utah							
Vermont							
Virginia							
Washington							
West Virginia							
Wisconsin							
Wyoming							
Total	2	2	1	1	2	1	1

NOTE: See Table 15 for state-by-state dollar values.



TABLE 15
Fiscal 2016 Mid-Year Program Area Adjustments By Dollar Value (Millions)

State	K-12 Education	Higher Education	Public Assistance	Medicaid	Corrections	Transportation	Other	Total
Alabama*	\$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
Arizona	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
California	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Colorado	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
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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Hawaii	-15.0	-6.2	0.0	0.0	-0.8	0.0	0.0	-22.0
Idaho	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Illinois	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Indiana	-0.1	-0.5	-2.0	-2.0	-6.0	-1.3	-28.6	-40.5
lowa	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
Kentucky	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
Maine	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Maryland	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
Michigan	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
Mississippi	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Missouri	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
Nebraska	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
New Hampshire	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
New Jersey	0.0	0.0	0.0	0.0	0.0	0.0	66.2	66.2
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
New Mexico								
New York*	134.0	0.0	0.0	0.0	0.0	0.0	15.0	149.0
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	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Oregon	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pennsylvania	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
South Carolina	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
Tennessee	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
Utah	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
Virginia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Washington	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
Wisconsin	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Wyoming	32.0	103.0	0.0	0.0	0.0	11.0	322.0	468.0
Total	\$150.9	\$96.3	-\$2.0	-\$2.0	-\$6.8	\$9.7	\$374.6	\$620.7

NOTE: *See Notes to Table 15 on page 44.



TABLE 16

Strategies Used to Manage Budget, Fiscal 2015

r Fees	Related Fees		Rolated Food	Foos	Lavoffe	Furloughe	Early Retirement	Salary Reductions	Employee Benefits
		Fees	Related Fees	Fees	Layoffs	Furloughs	Retirement	Reductions	Benefits
Χ									
					Χ	Χ			
Χ									
Χ		Х		Х					
Χ	Χ				Х		Χ		
		Χ							
		Λ					Х		
			X				Λ		
			^		Х				
					^				
					V				
					Χ				
	X		X			X			
Χ				Χ					
		Х							
			X						
			Х						
٧				V					
٨				λ					
									0
	X X	X 6 2	X X	X X X	X X X X X	X X X X X X X X X X X X X X X X X X X	X X X X X X X X X X X X X X X X X X X	X X X X X X X X X X X X X X X X X X X	X X X X X X X X X X X X X X X X X X X

NOTE: *See Notes to Table 16 on page 44.

Table 16 continues on next page.



TABLE 16 (CONTINUED)

Strategies Used to Manage Budget, Fiscal 2015

State	Across-the-Board % Cuts	Targeted Cuts	Reduce Local Aid	Reorganize Agencies	Privatization	Rainy Day Fund	Lottery Expansion	Gaming/ Gambling Expansion	Other (Specify)
Alabama				J					(-13)
Alaska		Χ				X			
Arizona						,			
Arkansas				Χ					
California*		Χ							X
Colorado									
Connecticut		Χ	Х			X			
Delaware	<u></u>	X	Λ			Λ			
Florida									
Georgia									
Hawaii*		Χ							Х
Idaho		^							٨
Illinois*		Χ	Х	_					X
	V	Λ	٨						٨
Indiana	Х								
lowa	V	V							
Kansas	X	X							
Kentucky		X							
Louisiana		Х		X					
Maine*		X							X
Maryland	X	Х	X						
Massachusetts	Χ	Χ				Χ		X	
Michigan*		Х							Х
Minnesota									
Mississippi									
Missouri	Χ	Χ			Χ				
Montana									
Nebraska*									Χ
Nevada						Х			Х
New Hampshire		Χ							
New Jersey									
New Mexico									
New York		Х	Х	X				X	
North Carolina									
North Dakota									
Ohio*		Χ							Χ
Oklahoma	<u></u>	X							Λ
Oregon		X							
Pennsylvania*		X		X				X	X
Rhode Island		X		Λ				^	٨
		٨							
South Carolina									
South Dakota									.,
Tennessee*		.,			.,				Х
Texas		Χ		X	Х				
Utah									
Vermont	X	Χ							
Virginia		Х				X			
Washington		Χ				Χ			
West Virginia*	Х	Χ				X			Х
Wisconsin									
Wyoming									
Total .	7	26	4	5	2	7	0	3	11

NOTE: *See Notes to Table 16 on page 44.



TABLE 17

Strategies Used to Manage Budget, Fiscal 2016

State	User Fees	Higher Education Related Fees	Court Related Fees	Transportation/ Motor Vehicle Related Fees	Business Related Fees	Layoffs	Furloughs	Early Retirement	Salary Reductions	Cuts to State Employee Benefits
Alabama	USEI FEES	neialeu rees	rees	neialeu rees	rees	Layuns	Fullougils	netirement	neuuciioiis	Dellellis
		X	X	X		X	X			
Alaska		^	٨	^		۸				
Arizona										
Arkansas	V									
California*	X									
Colorado										
Connecticut*			X			X				
Delaware*			Х	X						X
Florida										
Georgia										
Hawaii*										
Idaho				X						
Illinois										
Indiana										
lowa										
Kansas	Х		X		X					
Kentucky										
Louisiana		X		X		Х		Χ		
Maine*										
Maryland*										
Massachusetts								Χ		
Michigan										
Minnesota										
Mississippi										
Missouri										
Montana										
Nebraska*										
Nevada		Х		Χ	Χ					
New Hampshire										
New Jersey										
New Mexico										
New York*										
North Carolina			Χ	X						
North Dakota										
Ohio*										
Oklahoma*										
Oregon			Χ							
Pennsylvania			Λ							
Rhode Island		Χ		X						
South Carolina		^		٨						
South Dakota				Χ						
Tennessee*				٨						
Texas Utah										
	V		V		V	V		V		V
Vermont*	Х		X		Х	Х		Х		X
Virginia										
Washington										
West Virginia*										
Wisconsin										
Wyoming										
Total NOTE: *See Notes to Tal	3 blo 17 on page 45	4	7	8	3	4	1	3	0 Table 17 con	tinuae on na

NOTE: *See Notes to Table 17 on page 45.





TABLE 17 (CONTINUED)

Strategies Used to Manage Budget, Fiscal 2016

State	Across-the-Board % Cuts	Targeted Cuts	Reduce Local Aid	Reorganize Agencies	Privatization	Rainy Day Fund	Lottery Expansion	Gaming/ Gambling Expansion	Other (Specify)
Alabama									, , , ,
Alaska	Х		X	Х	X	Х			
Arizona									
Arkansas	X	Χ							
California*		X							Χ
Colorado									
Connecticut*		Χ	Χ					Χ	
Delaware*		X							
Florida									
Georgia									
Hawaii*		Χ							X
Idaho		^							^
Illinois									
Indiana									
lowa									
Kansas		X							
Kentucky		X							
Louisiana		X		X					
Maine*			Х	X					Х
Maryland*	X	Χ	Х						Х
Massachusetts	X	Χ						X	
Michigan		X							
Minnesota									
Mississippi									
Missouri		Χ			Χ				
Montana									
Nebraska*									Χ
Nevada						Х			
New Hampshire									
New Jersey									
New Mexico									
New York*		Х	Х	X				X	Х
North Carolina		Χ		X					
North Dakota									
Ohio*		Χ							X
Oklahoma*		X				Х			X
Oregon		X		X		Λ			
Pennsylvania		٨		۸					
Rhode Island		Χ		Χ					
		٨		٨					
South Carolina									
South Dakota									.,
Tennessee*									Х
Texas		Χ		X	Х				
Utah									
Vermont*	X	Χ							
Virginia		Х				X			
Washington		Χ				Χ			
West Virginia*	X	Χ				X			Х
Wisconsin		Χ							
Wyoming									
Total	6	24	5	8	3	6	0	3	10

NOTE: *See Notes to Table 17 on page 45.



TABLE 18

Strategies Used to Manage Budget, Fiscal 2017

State	Hoor Food	Higher Education Related Fees	Court Related	Transportation/ Motor Vehicle Related Fees	Business Related	Loveffe	Furlanaba	Early	Salary Reductions	Cuts to State Employee Benefits
	User Fees	Related Fees	Fees	Related Fees	Fees	Layoffs	Furloughs	Retirement	Reductions	Benefits
Alabama										
Alaska										
Arizona										
Arkansas California*										
California*										
Colorado			V							
Connecticut*			Х							
Delaware										
Florida										
Georgia										
Hawaii*										
Idaho										
Illinois										
Indiana										
lowa										
Kansas	Х		Х		Х					
Kentucky										
Louisiana										
Maine*										
Maryland										
Massachusetts										
Michigan										
Minnesota										
Mississippi										
Missouri										
Montana										
Nebraska*										
Nevada				Х	Χ					
New Hampshire										
New Jersey										
New Mexico										
New York										
North Carolina										
North Dakota										
Ohio*										
Oklahoma										
Oregon			Χ							
Pennsylvania			Λ							
Rhode Island										
South Carolina										
South Dakota										
Tennessee										
Texas										
Utah										
Vermont										
Virginia										
Washington Wash Viscola *										
West Virginia*										
Wisconsin										
Wyoming										
Total	1	0	3	1	2	0	0	0	0	0



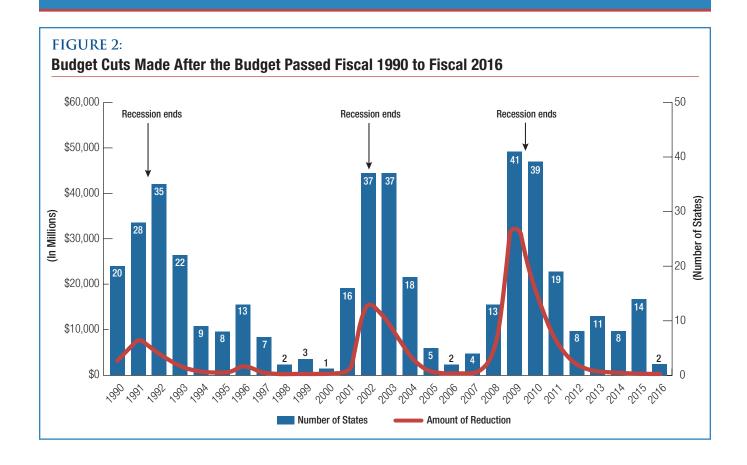
TABLE 18 (CONTINUED)

Strategies Used to Manage Budget, Fiscal 2017

State	Across-the-Board % Cuts	Targeted Cuts	Reduce Local Aid	Reorganize Agencies	Privatization	Rainy Day Fund	Lottery Expansion	Gaming/ Gambling Expansion	Other (Specify)
Alabama				J					(-1),
Alaska									
Arizona									
Arkansas									
California*									Х
Colorado									
Connecticut*		Х	Χ					X	
Delaware	<u></u>	Λ	Х					Λ	
Florida									
Georgia									
Hawaii*		Χ							Х
Idaho		^							^
Illinois									
Indiana									
lowa									
Kansas		Х							
Kentucky									
Louisiana									
Maine*			X	X					Х
Maryland									
Massachusetts								X	
Michigan									
Minnesota									
Mississippi									
Missouri									
Montana									
Nebraska*									Χ
Nevada									
New Hampshire									
New Jersey									
New Mexico									
New York									
North Carolina									
North Dakota									
Ohio*		Χ							Х
Oklahoma									
Oregon		Χ		X					
Pennsylvania									
Rhode Island									
South Carolina									
South Dakota									
Tennessee									
Texas		X		X	X				
Utah		Λ		Λ	A				
Vermont									
Virginia		V							
Washington Wash Virginia*		X							
West Virginia*		X							X
Wisconsin Wyoming		Χ							

NOTE: *See Notes to Table 18 on page 46.





State Employment Changes

The state employment outlook has remained largely stable, with most states showing small year-over-year increases or decreases in employment. For states where data was available for all three fiscal years, the number of full-time equivalent (FTE) positions remained essentially flat in fiscal 2015, declining by 0.2 percent. Based upon appropriated levels, state FTE positions are expected to increase by 1.6 percent for fiscal 2016. Twenty-seven states expect to increase the number of full-time employees in fiscal 2016, 12 states plan to reduce the number of positions, and six states project no change in state employment. Five states did not have data available for fiscal 2016. (See Table 19) Reporting and classification changes may also have contributed to reported annual increases and decreases for some states.

State employee compensation has been widely affected by the recession and slow economic recovery. Since fiscal 2010, there has been considerable variation among states' changes to employee compensation, but many states have foregone salary increases, reduced benefits, and, in select cases, implemented salary cuts. However, 24 states authorized across-the-board salary increases for employees in fiscal 2016. Additionally, 15 states enacted broad-based merit increases in fiscal 2016. Other modifications to employee compensation in fiscal 2016 included one-time bonuses and longevity payments. (See Table 20)

TABLE 19
Number of Filled Full-Time Equivalent Positions Fiscal 2014 to Fiscal 2016, in All Funds

State	Fiscal 2014	Fiscal 2015	Fiscal 2016	Percent Change, 2014-2015	Percent Change, 2015–2016	Includes Higher Education Faculty	State-Administered Welfare System
Alabama	30,309	30,225	30,225	-0.3%	0.0%		Χ
Alaska*	19,357	18,968	18,468	-2.0	-2.6		
Arizona*	34,161	33,717	50,816	-1.3	50.7		Χ
Arkansas*	26,289	28,676	30,214	9.1	5.4		Х
California	353,979	360,859	363,736	1.9	0.8	Х	Χ
Colorado*	65,052	55,000	55,735	-15.5	1.3	Х	
Connecticut	45,119	45,644	45,627	1.2	0.0	Χ	Χ
Delaware*	31,542	31,790	31,886	0.8	0.3	X	Χ
Florida	114,197	114,376	113,553	0.2	-0.7		Χ
Georgia	58,324	58,262	N/A	-0.1	N/A		
Hawaii*	45,145	45,676	45,652	1.2	-0.1	Χ	X
Idaho	18,185	18,537	18,658	1.9	0.7	X	Х
Illinois	N/A	N/A	N/A	N/A	N/A		
Indiana*	27,932	28,087	28,204	0.6	0.4		Х
lowa	41,693	41,776	41,776	0.2	0.0	Χ	Χ
Kansas	40,293	39,477	39,918	-2.0	1.1	Х	Х
Kentucky	31,831	31,607	32,400	-0.7	2.5		
Louisiana	54,236	52,955	52,468	-2.4	-0.9	Х	X
Maine	13,264	13,305	13,282	0.3	-0.2		X
Maryland	80,299	81,104	80,840	1.0	-0.3	Х	X
Massachusetts	86,601	87,839	85,329	1.4	-2.9	Х	X
Michigan	44,426	44,802	44,600	0.8	-0.5		X
Minnesota	32,259	32,482	N/A	0.7	N/A		
Mississippi	30,167	29,992	35,049	-0.6	16.9		X
Missouri	53,848	53,617	54,786	-0.4	2.2		X
Montana	14,285	14,354	13,385	0.5	-6.8		X
Nebraska*	16,282	16,379	N/A	0.6	N/A		X
Nevada	25,220	25,567	26,194	1.4	2.5	X	X
New Hampshire	9,477	9,375	10,536	-1.1	12.4		
New Jersey	68,339	66,128	66,148	-3.2	0.0		
New Mexico	23,192	23,012	26,014	-0.8	13.0		Х
New York	184,557	184,103	185,637	-0.2	0.8	X	Α
North Carolina	316,400	311,572	311,572	-1.5	0.0	X	
North Dakota	7,942	7,946	8,694	0.0	9.4	X	
Ohio	50,408	50,027	50,027	-0.8	0.0		
Oklahoma	36,229	35,896	37,797	-0.9	5.3		
Oregon*	37,893	37,923	38,617	0.1	1.8		Х
Pennsylvania	73,579	73,341	N/A	-0.3	N/A		X
Rhode Island	13,889	13,725	15,119	-1.2	10.2	Х	X
South Carolina	57,086	58,357	67,028	2.2	14.9	X	X
South Dakota	13,245	13,969	14,004	5.5	0.3	X	
Tennessee	39,954	39,486	39,500	-1.2	0.0	۸	X
Texas*	218,318	218,331	216,112	0.0	-1.0	X	X
Utah	20,110	20,067	20,067	-0.2	0.0	۸	X
Vermont	8,648	8,716	8,728	0.8	0.0		X
Virginia	117,693	117,043	117,486	-0.6	0.4	Χ	۸
						X	V
Washington West Virginia*	108,895	110,490	111,430	1.5 -0.2	0.9	X	X
West Virginia*	37,504	37,438	37,597	_	0.4	X	۸
Wisconsin*	64,219	65,401	65,069	1.8	-0.5		V
Wyoming	7,604	7,588	7,588	-0.2	0.0	X	X
Total**	2,769,033	2,764,542	2,807,570	-0.2%	1.6%	23	33

NOTES: N/A indicates data are not available. Unless otherwise noted, fiscal 2014 reflects actual figures, fiscal 2015 reflects preliminary actuals and fiscal 2016 reflects enacted figures. *See Notes to Table 19 on page 46. **Totals exclude states that were not able to provide data for all three years.



TABLE 20 **State Employee Compensation Changes, Fiscal 2016**

State	Across-the-Board (percent)	Merit (percent)	Other (percent)	Notes
Alabama		5.0		Employees are eligible for merit raises up to 5%.
Alaska	2.5	3.3		
Arizona				
Arkansas	1.0			Governor may award merit bonuses of up to 4.5% before the close of the FY16 based on available funding.
California	2.5	Depends on individual eligibility	0.4 - 4.67	Across-the-board percentage reflects the average general salary increase received by a majority of state civil service employees.
				Other percentages reflects the range of general salary increases receive by a minority of state civil service employees.
Colorado	1.0	1.0		1.0% for merit is the average; actual merit increases are based on employees' performance rating and position in the salary range.
Connecticut	3.0	3.0		
Delaware	0.0	0.0	0.0	
Florida			See note	\$5,000 Florida Highway Patrol Critical Market Pay Additive for officers in certain counties and a \$3,000/\$3,750 pay raise for motorist services classes.
Georgia		1.0	0.5	Merit: Provide an amount equivalent to 1% of personal services for employees of the Executive, Judicial and Legislative Branches to be use for merit based pay increases for high performing employees in FY 201 or for salary adjustments to attract new employees with critical skills or retain successful performers in jobs critical to the agency's mission, effective July 1, 2014.
				Other: Provide funds for supplementary salary adjustments to address needs for the recruitment and retention of Board of Regents faculty.
Hawaii	2.4		2.3	Blue collar employees will receive only across the board increases. Blue collar supervisors, registered nurses, institutional health/correctional workers, firefighters, and professional/scientific employees will receive combination of step movements and across the board increases. White collar employees and supervisors will receive either step movements or one-time lump sum payments.
Idaho		0.0		A 3% change in employee compensation was provided for permanent employees to be based on merit with flexibility for directors to address agency needs.
Illinois				N/A
Indiana				These decisions have not yet been made.
lowa	2.5	4.5	0.0	Across-the-board increases ranged from 0.00% for judges, elected and appointed officials, 2.5% for AFSCME, IUP, NonContract, Judicial Exemp Judicial AFSCME and Legislative staff, 2.85% for SPOC members. Meri increase only to eligible employees, of which 46% of AFSCME covered employees, 41% of IUP covered employees, 53% of SPOC covered employees and 53% of noncontract covered employees are eligible.
Kansas	0.0	0.0	0.0	No general pay increase for state employees was recommended.
Kentucky				Total increase of 1.0%

NOTE: *See Notes to Table 20 on page 47.

Table 20 continues on next page.



TABLE 20 (CONTINUED)

State Employee Compensation Changes, Fiscal 2016

State	Across-the-Board (percent)	Merit (percent)	Other (percent)	Notes
Louisiana		4.0		
Maine	3.0	4.5		Across-the-board: Employees covered by a collective bargaining agreement as well as certain other employees, will receive either a 1% or a 3% increase. Merit: All employees not at the top step of their range are eligible for a merit increase of 4.5%. Other: Certain appointed positions were included in a wage parity adjustment.
Maryland	0.0	0.0	0.0	No merit or cost-of-living adjustments are provided in FY 2016.
Massachusetts	3.0	2.2	1.5	3% average employee CB increases. Merit for managers, Other is managers base increase
Michigan	2 percent base wage increase for all employees; 1% lump sum payment for enlisted state police personnel.	N/A		Some classified employees will receive step increases; pay adjustments for satisfactory performance in amounts and at intervals provided for in compensation schedules for the employee's classification level. Other employees may be eligible for promotion to a higher classification grade and pay level. Career employees receive an annual longevity payment following completion of 6 years of continuous full-time service. The amount of the longevity payment varies depending on the number of years of full-time service and is increased in four-year increments.
Minnesota	2.5	0.0	0.0	Proposed contracts have not yet been approved by the legislature. The across-the-board increases are effective on July 1, 2015. The anticipated increase in insurance of 6.93% is effective January 1, 2016. Approximately 50% of employees are eligible for step or merit increases averaging 3.0%.
Mississippi				No compensation package appropriated
Missouri	0.0	0.0	0.0	
Montana			\$0.50 per hour	Across-the-board \$0.50 per hour raise effective January 15, 2016.
Nebraska	See note			Employees covered by collective bargaining contracts as follows: NAPE/AFSCME contract: 2.25% State Law Enforcement (SLEBC) contract: Step increase into next step on payline with minimum of 3.4% increase State Education Dept. contract employees: 2.25% Non-contract employees as follows: Classified (and non-classified) supervisory/management (non-contract) staff of most other executive branch agencies: 2.25% Judicial Branch (non-classified): An average increase of 2.25%, but with some employees receiving more and some less Legislative Branch (non-classified): 2.25% on July 1st, with additional 1% increase on January 1st
Nevada	1.0		-1.3	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. Other is a Public Employees Retirement System adjustment.
New Hampshire	2.0			Effective January 8, 2016 an across the board salary increase has been authorized for all employees.

NOTE: *See Notes to Table 20 on page 47.

Table 20 continues on next page.



TABLE 20 (CONTINUED)

State Employee Compensation Changes, Fiscal 2016

State	Across-the-Board (percent)	Merit (percent)	Other (percent)	Notes
New Jersey	0.0		1.5	There are currently no contractual across-the-board (ATB) increases, as contracts for all state workforce unions remain unsettled. Collective bargaining negotiations are underway. State employees received increments averaging 1.5% of their salaries.
New Mexico			5.0	Limited to Commissioned Public Safety Officers.
New York*	2.0			See footnote describing across-the-board increases and general contract provisions, as well as step or anniversary increases
North Carolina*				Please see Footnote; Some employees received base pay raises; all employees will receive a one-time \$750 bonus at Christmas
North Dakota		3.0		Performance-based increases between 2.0 and 4.0 percent, averaging 3.0 percent.
Ohio	2.5		0-9.0	Other: stepped-out classified exempt employees in pay grades 12-16 (Largely Program Managers) receive a new step to address wage compression. This does not apply to most employees. Also a one-time supplement of \$750 for full-time employees and \$375 for part-time employees is provided in FY 2016.
Oklahoma	0.0	0.0	0.0	
Oregon	5.0	4.5	3.4	Not all CBA's have been settled as of this survey. A 2.25% and 2.75% COLA effective Dec. 2015 and Dec. 2016, respectively, is included in the AFSCME contract that was recently ratified. The CBA for SEIU includes a 1.48% COLA effective Dec. 2015, a 6.95% increase effective November 2016 and a second COLA of 2.75% effective December 201 Additionally, SEIU represented employees will begin contributing 6% of gross salary and wages to the State's retirement plan in November 2016. Previously, all state employees had the 6% contribution "picked up" by the state; which remains in effect for all other bargaining units and unrepresented employees. A management package was announced for a first year COLA of 2.25%, but the second year adjustments have not been announced. Merit increases are granted to employees that are below the top step of their salary range. The merit (longevity) increase is granted on the employee's "salary eligibility date", aka anniversary date which is roughly based on an employee's hire date into their current position. The date varies by employee and can occur anytime during the fiscal year. Cost of health care coverages to the state and employees is anticipated to increase by 3.4% per coverage year.
Pennsylvania			1.1	Most state employees will receive a 2.25% service increment in Januar 2016.
Rhode Island	2.0			Across-the-board cost of living adjustments total 2.0% on April 6, 2014 2.0% on October 5, 2014, and 2.0% on October 4, 2015.
South Carolina				\$800 one-time bonus to full-time state employees making less than \$100,000; State Health Plan increase covered 100% by State appropriation.
South Dakota	2.0		0-6.6	The movement towards job worth for select groups of employees received a percentage increase based on where they were currently within that career family. For employees not included in that component they received up to a 2.0% movement towards job worth if they were below the mid-point level.

NOTE: *See Notes to Table 20 on page 47.

Table 20 continues on next page.



TABLE 20 (CONTINUED)

State Employee Compensation Changes, Fiscal 2016

State	Across-the-Board (percent)	Merit (percent)	Other (percent)	Notes
Tennessee	2.0	2.0		Non-Executive Branch employees received a 2.0% across-the-board raise beginning July 1, 2015. A salary pool equivalent to a 2.0% raise was appropriated for merit pay for Executive Branch employees, effective January 1, 2016.
Texas	2.5			Increased pension contribution rates as passed by the Legislature in House Bill 9, legislation that preserves the ERS pension fund by funding it at near actuarially sound levels. The pre-tax pension contribution increased from 6.9 percent to 9.5 percent, a 2.6 percent increase. The state offset this by increasing salaries for all contributing employees by 2.5 percent, so it neutralized all but 0.1 percent of the increased employee contribution.
Utah	2.3		0.8	State Employees received a 2.25% salary increase. The "Other" increase was a .75% discretionary increase. These increases do not include increases to health or retirement benefits.
Vermont	2.5	1.7		Merit reflects average state-wide impact of granting step increases on classified pay schedule.
Virginia				Increases included in the 2016 appropriations
Washington	3.0		2.5 to 15	Most people got a 3% salary increase on July 1. A few job classes got an additional increase, based on market influences.
Wisconsin	0.0	0.0	0.0	Merit: Agencies may use existing monies to fund lump sum merit awards.
West Virginia				
Wyoming		up to 4.0		

NOTE: *See Notes to Table 20 on page 47.

Medicaid Outlook

Medicaid, a means-tested entitlement program financed by the states and the federal government, provides comprehensive and long-term medical care for more than 70 million low-income individuals. According to NASBO's latest *State Expenditure Report*, total Medicaid spending for fiscal 2015 is estimated at \$512.3 billion, an increase of 15.1 percent over fiscal 2014. State funds increased by an estimated 4.8 percent while federal funds increased by 22.5 percent over fiscal 2014 amounts. Medicaid spending accounted for 27.4 percent of total state spending in fiscal 2015, the single largest component of *total* state expenditures, and 19.3 percent of general fund expenditures.

The rate of growth in federal funds exceeds state funds since costs for those newly eligible for coverage in states implementing the Medicaid expansion under the *Affordable Care Act* are fully federally funded in calendar years 2014, 2015, and 2016. Federal funding will begin to phase down in 2017 and will be 90 percent by 2020 and beyond. Increased participation among those currently eligible is funded at each state's regular Medicaid matching rate.

NASBO's Spring 2016 Fiscal Survey of States will contain detailed data on Medicaid spending and enrollment growth for fiscal 2015, fiscal 2016, and governors' recommended fiscal 2017 budgets. The report will also discuss various actions states are taking to control costs and reform their Medicaid programs, and other key trends.

CHAPTER 1 NOTES

Notes to Table 3

Fiscal 2014 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 revenues of \$145.8 million, tobacco settlement funds of \$46.4 million and an insurance

settlement of \$12.0 million. Expenditure adjustments include Rainy Day Account repayments of \$330.4.

Alaska Revenues: Spring 2015 Revenue Source Book (Total Revenue)

Revenue Adjustments: SLA2014 Fiscal Summary (Revenue Carryforward)

Expenditures: SLA2014 Fiscal Summary (Pre-Transfer Authorization)

Ending Balance: SLA2014 Fiscal Summary (Transfer to SBR)

Rainy Day Balance: FY2014 Comprehensive Annual Financial Report (CAFR)

Arizona Adjustments to revenue include revenues from budget transfers.

California Represents adjustments to the Beginning Fund Balance. This consists primarily of adjustments made to major taxes and K-12

spending.

Colorado Of the ending balance of \$650.9M, \$215.0M is transferred, leaving \$25.0M to add to the statutory reserve of \$410.9M, for a

total of \$435.9M. For more information, please see page 61, of the OSPB June 2015 forecast.

Connecticut FY 2014: Revenue adjustments include release of reserved fund balance of \$190.8 million, \$598.5 million for GAAP conver-

sion bonds, and \$0.5 million reserved for future fiscal years. Expenditure adjustments include \$2.2 million in miscellaneous adjustments, and \$26.5 million in net adjustments due to carry-forward of appropriations. The reported rainy day fund balance

includes the ending balance.

Georgia Beginning and ending balances reflect the total Revenue Shortfall Reserve balance as reported in the Budgetary Compliance

Report. Adjustments to Revenues include surplus from state agencies and other funds collected by the State Treasury. Final Rainy Day Fund Balance reflects the ending balance less the 1% mid-term adjustment for K-12 enrollment appropriated during

FY 2015.

Idaho Transfers to included: Budget Stabilization Fund—\$26,375,800, Business Job Development Fund—\$3,000,000, Water Re-

sources Boards—\$15,000,000, Permanent Building Fund—\$10,000,000, Public Education Stabilization Fund—\$10,000,000, Higher Education Stabilization Fund—\$2,000,000, Deficiency Warrant Fund \$11,875,000. Transfers in include \$6,430,800 from the Catastrophic Health Care Fund, and \$4,413,700 in miscellaneous adjustments. Expenditure adjustments include

\$10,463,500 for supplementals, \$8,178,700 in reversions/rescissions, and \$234,600 in miscellaneous receipts.

Illinois Revenue adjustments include transfers in to the general fund. Expenditure adjustments include transfers out of the general fund

and the change in accounts payable.

Indiana Revenue adjustments include PTRC and homestead credit adjustments HEA 1072-2011 loan repayments, and a transfer from

the Mine Subsidence Fund. Expenditure adjustments include reversions from distributions, capital, and reconciliations; the cost of a 13th check for pension recipients; transfer to the Major Moves 2020 trust fund; transfer to the tuition reserve fund; and state

agency and university line item capital projects.

lowa Revenue adjustments include an estimated \$679.3 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.

Kansas does not have a "Rainy Day" fund. However, the balanced budget provision of the constitution requires revenues to

finance the approved budget.

Kentucky Revenue includes \$159.4 million in Tobacco Settlement funds. Adjustment for Revenues includes \$156.4 million that represents

appropriation balances carried over from the prior fiscal year, and \$145.7 million from fund transfers into the General Fund.

Adjustment to Expenditures represents appropriation balances forwarded to the next fiscal year.

Louisiana Revenues adjustments—Includes transfer of \$198.7 from various funds and \$345.8 million in undesignated General Fund Cash

Balance from prior years.

Maine Revenue and Expenditure adjustments reflect legislatively authorized transfers. Previous surveys included only the Budget Sta-

bilization Fund. This survey reflects the total of all General Fund reserves.

Maryland Revenue adjustments include \$16.1 million in transfers from tax credit reserves and \$61.9 million in transfers from other funds.

Expenditure adjustments represent -\$120.5 million in reversions to the unappropriated General Fund balance.

Massachusetts May differ from prior submissions, as pensions are now treated as budgetary expense: added to revenue and expenditures.

Michigan Fiscal 2014 revenue adjustments include the impact of federal and state law changes (-\$769.1 million); revenue sharing pay-

ments to local government units (-\$396.6 million); deposits from restricted funds (\$120.0 million); deposit to the rainy day fund (-\$75.0 million); deposit to the Roads and Risks Reserve Fund (-\$230.0 million); and general fund revenue dedicated for roads (-\$336.6 million). Fiscal 2014 expenditures include \$515.7 million in one-time spending financed from one-time revenue, exclud-

ing deposits to the rainy day fund, the Roads and Risks reserve Fund, and funds earmarked for transportation.

Minnesota Ending balance includes cash flow account of \$350 million, budget reserve account of \$660.9 million, and stadium reserve of

\$39.7 million.

Missouri Revenue adjustments include transfers from other funds into the general revenue fund.

Montana Adjustments to revenues included prior year revenue activity. Adjustments to expenditures include adjustments to fund balance

made as part of the state's final CAFR.

Nebraska Revenue adjustments are transfers between the General Fund and other funds. Per Nebraska law, includes a transfer of \$285.3

million to the Cash Reserve Fund (Rainy Day Fund) of the amount the prior year's net General Fund receipts exceeded the official forecast and an additional \$49.4 million transferred from the General Fund to the Cash Reserve Fund to set aside additional funds as a result of increasing General Fund revenues. Among others, also includes a \$113 million transfer from the General

Fund to the Property Tax Credit Cash Fund.

Nevada Revenue adjustments are restricted revenue, reversions and Rainy Day transfers. Expenditure adjustments are restricted

transfers.

New Hampshire Expenditure Adjustments: \$102 million moved to the Education Trust Fund and \$.7 million moved to the Fish and Game Fund

at year end (Adjustments also included \$18.9 million of GAAP and Other).

New Jersey Budget vs GAAP entries; lapses and transfers to other funds.

New Mexico \$30 million contingent liability for cash reconciliation from FY13 audit, \$36 million contingent liability for PED Maintenance of

Effort, \$73.7 million for contingent liability for Medicaid receivables.

New York The ending balance includes approximately \$1.5 billion in rainy day reserve funds, \$88 million reserved to cover costs of poten-

tial retroactive labor settlements with certain unions, \$87 million in a community projects fund, \$500 million reserved for debt

reduction, \$21 million reserved for litigation risks, and \$58 million from a monetary settlement with J.P. Morgan.

North Dakota Revenue adjustments are a \$341.8 million transfer from the property tax relief fund into the general fund.

Ohio FY 2014 expenditures include expenditures against prior year encumbrances as well as \$1,270.2 million in transfers out

of the GRF.

Oklahoma Revenue adjustment represents the difference in cash flow. There was no expenditure adjustment, since no deposit was made

into the Rainy Day Fund.

Oregon Revenue adjustments include: prior biennium transfer adjustment; transfer 2011-13 biennium ending GF balance to Rainy Day Fund (up to 1% of total biennial budget appropriation minus GF reversions); cost of Tax Anticipation Notes; statutory dedication

of some corp. taxes to RDF; and, a statutory transfer to local governments for local property tax relief. As in previous reports, the Rainy Day Fund balance is a combined total of RDF (primarily GF) and Education Stability Fund (primarily Lottery Fund).

Pennsylvania Revenue Adjustments for \$1.1M in refunds, \$427M in prior year lapses and \$6M adjustment to beginning balance.

Rhode Island Adjustments to revenues reflect a transfer of \$106.0 million to the Budget Reserve Fund plus a reappropriation of \$7.1 million from FY 2013. Total expenditure adjustments of \$31.2 million reflect transfers to the Accelerated Depreciation Fund of \$10.0

million, anticipated transfer of surplus revenues to the State Retirement Fund of \$13.8 million, and reappropriations of \$7.4

million to FY 2015.

South Carolina Ending Balance = 5% General Reserve (\$292.9) + 2% Capital Reserve (\$114.9) + Surplus Contingency Reserve (\$265.6) +

Agency Appropriation Balances Carried Forward to Next FY (\$489.9); Expenditure Adjustments include FY12-13 Capital

Reserve Funds transferred to State agencies.

South Dakota The beginning balance of \$24.2 million and adjustment to expenditures reflects the prior year's ending balance that is transferred

to the rainy day fund. Adjustments to revenue of \$98.2 million are from one-time receipts. The ending balance of \$9.9 million is cash that is obligated to the Budget Reserve fund the following fiscal year. This \$9.9 million is not included in the total rainy day

fund balance of \$139.3 million.

Tennessee Revenue Adjustments include \$83.5 million transfer from debt service fund unexpended appropriations; -\$100.0 million transfer

to Rainy Day Fund; \$315.9 million transfer from reserves to closing; and a -145.3 million transfer to dedicated revenue reserves. Expenditure Adjustments include \$215.9 million transfer to capital outlay projects fund; \$170.8 million transfer to state office buildings and support facilities fund; \$3.8 million transfer to debt service fund; \$3.6 million transfer to Systems Development Fund; \$91.9 million transfer to reserves for unexpended appropriations. Ending Balance includes \$272.5 million reserve

appropriations 2014-2015 and \$111.3 million unappropriated budget surplus at June 30, 2014.

Texas Adjustments are net of set aside for transfer to Rainy Day Fund (-\$1,383.5m) and the State Highway Fund 6 (-\$1,383.4 million).

In addition, the Comptroller adjustment to general fund dedicated account balances (-\$646.1 million).

Utah Adjustments include transfers from previous year balance, to/from Rainy Day Fund, and special revenue funds.

Vermont Adjustments = net transfer effect in/out of the General Fund

Washington Adjustments include fund transfers between General Fund and other accounts, and changes made by the 2014 Legislature.

West Virginia Fiscal Year 2014 Beginning balance includes \$456.2 million in Reappropriations, Unappropriated Surplus Balance of \$11.8

million, and FY 2013 13th month expenditures of \$44.1 million. Expenditures include Regular, Surplus and Reappropriated funds and \$44.1 million of 31 day prior year expenditures. Revenue adjustments are prior year redeposits and special revenue expirations. Expenditure adjustment represents the amount transferred to the Rainy Day Fund. 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 & unappropriated surplus balance.

Wisconsin Revenue adjustments include Designated Balance, \$18.8 million and Other Revenue, \$587.1 million. Expenditure adjustments

include Designation for Continuing Balances, \$122.4 million.

Wyoming Wyoming budgets on a biennial basis. To arrive at annual figures certain assumptions and estimates were required.

Notes to Table 4

Fiscal 2015 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.

Alabama Revenue adjustments include one-time revenues of \$145.8 million, a transfer of \$20.0 million, a -\$23.6 million transfer repay-

ment to the Prepaid Affordable College Tuition Program and a -\$57.5 million transfer repayment to the Rainy Day Account.

Expenditure adjustments include a Rainy Day Account Repayment of \$35.1 million.

Alaska Revenues: SLA2015 Fiscal Summary (Total Revenue)

Revenue Adjustments: SLA2015 Fiscal Summary (Revenue Carryforward) Expenditures: SLA2015 Fiscal Summary (Pre-Transfer Authorization) Ending Balance: SLA2015 Fiscal Summary (Transfer to SBR/CBR)

Rainy Day Balance: OMB Spring Fiscal Model

Arizona Adjustments to revenue include revenues from budget transfers. No transfer from the RDF was required.

California Ending balance excludes \$1,606.4 million that was transferred to the Budget Stabilization Account for "rainy day" purposes. The

Rainy Day Fund balance consists of the Special Fund for Economic Uncertainties (which is the General Fund Ending Balance less specific reserves) and the Budget Stabilization Account; however, withdrawals from the BSA are subject to provisions of Proposition 2, 2014. The Ending Balance is only the General Fund balance and excludes the Budget Stabilization Account (a rainy day reserve held in a separate fund). The excluded amount is \$1,606.4 million in FY 2015. The "Total Balance" that includes the ending balance and all rainy day funds, including the Budget Stabilization Account amounts, would be \$4,029.6 million in

FY 2015.

Colorado Ending reserve requirement is \$576.5M; ending balance of \$612.1M is \$35.6M higher than the statutory reserve requirement.

Connecticut FY 2015: \$20.8 million adjustment in FY 2015 due to continuing appropriations. The reported rainy day fund balance includes

the ending balance.

Georgia Figures are preliminary and are subject to change pending final audit. Rainy Day Fund balance reflects preliminary balance less

the required 1% FY 2016 midterm appropriation for K-12 enrollment. Final Rainy Day Fund balance will be higher pending the

lapse of current year surplus for state agencies.

Idaho Transfers to include: Wolf Control Fund—\$400,000, Permanent Building Fund—\$101,200, Time Sensitive Fund Health and

Welfare—\$225,800, Constitutional Defense Fund—\$1,000,000, Permanent Building Fund—\$1,050,000, Budget Stabilization Fund—\$28,154,300, and Deficiency Warrant Fund—\$17,981,900. Miscellaneous Adjustments include: \$9,142,100 Health and Welfare reversion. Expenditure adjustments include 12,758,800 in negative supplementals and \$7,421,900 in early rescissions.

Illinois Revenue adjustments include transfers in to the general fund. Expenditure adjustments include transfers out of the general fund

and the change in accounts payable.

Indiana Revenue adjustments include funds from the S&P Settlement. Expenditure adjustments include reversions from distributions,

capital, and reconciliations; the cost of a 13th check for pension recipients; transfer to the Major Moves 2020 trust fund; transfer

to the tuition reserve fund; and state agency and university line item capital projects.

lowa Revenue adjustments include an estimated \$642.2 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. FY2015 Revenues are based upon the March 2015 Revenue Estimating Conference estimates. Also included is \$53.0 million in supplemental

appropriations and \$7.8 million in changes in estimates for standing unlimited appropriations.

Kansas Kansas does not have a "Rainy Day" fund. However, the balanced budget provision of the constitution requires revenues to finance the approved budget.

KentuckyRevenue includes \$61.9 million in Tobacco Settlement funds. Adjustment for Revenues includes \$101.8 million that represents appropriation balances carried over from the prior fiscal year, and \$222.6 million from fund transfers into the General Fund. Adjustment to Expenditures represents appropriation balances forwarded to the next fiscal year.

Louisiana Revenues adjustments—Includes \$11.2 from carryforwards and \$189.8 from various funds

Expenditure adjustments—Includes the remaining \$6.5 state general fund reduction as authorized by Act 15 of the 2014 legislative session

Maine Revenue and Expenditure adjustments reflect legislatively authorized transfers. Previous surveys included only the Budget Stabilization Fund. This survey reflects the total of all General Fund reserves.

Maryland

Revenue adjustments include \$17.6 million in transfers from tax credit reserves and \$143.4 million in transfers from other funds.

Expenditure adjustments include -\$0.3 million in identified reversions and -\$83.7 million in reversions to the unappropriated General Fund balance.

Massachusetts May differ from prior submissions, as pensions are now treated as budgetary expense: added to revenue and expenditures.

Michigan

Fiscal 2015 revenue adjustments include the impact of federal and state law changes (-\$754.6 million); revenue sharing payments to local government units (-\$468.0 million); deposits from restricted funds (\$374.8 million); deposit to the rainy day fund (-\$94.0 million); and general fund revenue dedicated for roads (-\$285.0 million).

Minnesota Ending balance includes cash flow account of \$350 million, budget reserve account of \$994.3 million, and stadium reserve of \$29.9 million.

Mississippi The Expenditure Adjustment of \$750,000 provides aid to municipalities.

Missouri Revenue adjustments include transfers from other funds into the general revenue fund. The enacted revenue estimate was insufficient to cover budget expenses. The above expenditures include expenditure restrictions.

Montana Adjustments to revenues included prior year revenue activity. Adjustments to expenditures include adjustments to fund balance made as part of the state's final CAFR.

Revenue adjustments are transfers between the General Fund and other funds. Per Nebraska law, includes a transfer of \$96.7 million to the Cash Reserve Fund (Rainy Day Fund) of the amount the prior year's net General Fund receipts exceeded the official forecast. Among others, also includes a \$138 million transfer from the General Fund to the Property Tax Credit Cash Fund.

Nevada Revenue adjustments are restricted revenue, reversions, Rainy Day transfers and reserve transfers. Expenditure adjustments are restricted transfers.

New Hampshire Expenditure Adjustments: \$77.2 million to be moved to the Education Trust Fund and \$.7 million moved to the Fish and Game Funds at year end (Adjustments also include \$15.6 million of GAAP and Other).

New Jersey Balances targeted to be lapsed; transfers to other funds.

Nebraska

New York

The ending balance includes approximately \$1.8 billion in rainy day reserve funds, \$50 million reserved to cover costs of potential retroactive labor settlements with certain unions, \$74 million in a community projects fund, \$500 million reserved for debt reduction, \$21 million reserved for litigation risks, \$190 million in undesignated fund balance to be used for gap-closing purposes in FY 2016, and approximately \$4.7 billion in proceeds from monetary settlements.

North Dakota Revenue adjustments are a \$520.0 million transfer from the strategic investment and improvements fund to the general fund.

Ohio FY 2015 expenditures include expenditures against prior year encumbrances as well as \$629.9 million transfers out of the GRF.

Oklahoma Revenue amounts are based upon reconciled, but yet uncertified, FY 2015 collections; Revenue adjustment represents the

difference in cash flow. There was no expenditure adjustment, since no deposit was made into the Rainy Day Fund.

Oregon Revenue adjustment is a statutory transfer to local governments for local property tax relief.

Pennsylvania Revenue Adjustments for \$1.287M in refunds and \$90 in prior year lapses. Expense Adjustments for transfer to Budget Stabi-

lization Reserve Fund.

Rhode Island Adjustments to revenues reflect a transfer of \$111.3 million to the Budget Reserve Fund plus a reappropriation of \$7.4 million

from FY 2014, a transfer of \$10.0 million from the Accelerated Deprecation Fund, and a repeal of the prior year transfer to the RI Employees Retirement System of \$13.8 million. Total expenditure adjustments include reappropriations of \$6.9 million to FY

2016.

South Carolina Ending Balance = 5% General Reserve (\$319.5 million) + 2% Capital Reserve (\$127.8 million) + Surplus Contingency Reserve

(\$136.7 million) + Agency Appropriation Balances Carried Forward to Next FY (\$415.1 million); Expenditure Adjustments include FY13-14 Capital Reserve Funds transferred to State agencies and \$12.0 million loan to a State-funded university.

South Dakota The beginning balance of \$9.9 million and adjustment to expenditures reflects the prior year's ending balance that is transferred

to the rainy day fund. Adjustments to revenue of \$26.5 million are from one-time receipts. The ending balance of \$21.5 million is cash that is obligated to the Budget Reserve fund the following fiscal year. This \$21.5 million is not included in the total rainy

day fund balance of \$149.2 million.

Tennessee Revenue Adjustments include \$72.0 million transfer from debt service fund unexpended appropriations; \$18.5 million transfer

from TennCare Reserve Fund; \$7.0 million transfer from Purchasing Reserve; \$3.8 million transfer from Severance Carryforward; and -\$35.5 million transfer to Rainy Day Fund. Expenditure Adjustments include \$123.6 million transfer to capital outlay projects fund; \$13.1 million transfer to state office buildings and support facilities fund; \$3.8 million transfer to debt service fund; and \$1.0 million transfer to reserves for dedicated revenue appropriations. Ending Balance includes \$819.2 million unappropriated

budget surplus at June 30, 2015.

Texas Revenue adjustment to Dedicated Account Balances (-\$341m); Also, adjustment for transfers to the Economic Stabilization and

State Highway Funds (-\$2,433m).

Utah Includes transfers from previous year balance, to/from Rainy Day Fund, and special revenue funds.

Vermont Adjustments = net transfer effect in/out of the General Fund

Washington Adjustments include fund transfers between General Fund and other accounts, and changes made by the 2015 Legislature.

West Virginia Fiscal Year 2015 Beginning balance includes \$378.2 million in Reappropriations, Unappropriated Surplus Balance of \$18.3

million, and FY 2014 13th month expenditures of \$15.9 million. Expenditures include Regular, Surplus and Reappropriated funds and \$15.9 million of 31 day prior year expenditures. Revenue adjustments are prior year redeposits and special revenue expirations. Expenditure adjustment represents the amount anticipated to be transferred to the Rainy Day Fund. 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 & any unappropriated surplus balance.

Wisconsin Revenue adjustments include Tribal Gaming, \$48.9 million; Other Revenue, \$501 million; and Prior Year Designated Balance,

\$122.4 million. Expenditure adjustments include Designation for Continuing Balances, \$91.3 million.

Wyoming Wyoming budgets on a biennial basis. To arrive at annual figures certain assumptions and estimates were required.

Notes to Table 5

Fiscal 2016 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 Revenue adjustments include \$2.9 million in expedited ad valorem on automobiles and a (\$34.0 million) transfer payment to the

Prepaid Affordable College Tuition Program.

Alaska Revenues: SLA2016 Fiscal Summary (Total Revenue)

Revenue Adjustments: SLA2016 Fiscal Summary (Revenue Carryforward) Expenditures: SLA2016 Fiscal Summary (Pre-Transfer Authorization) Ending Balance: SLA2016 Fiscal Summary (Transfer to SBR/CBR)

Rainy Day Balance: OMB Spring Fiscal Model

Arizona Adjustments to revenue include revenues from budget transfers. Beginning balance includes a transfer of \$144.3M from the

RDF. The enacted budget was passed in March of 2015. Revenues through the end of the fiscal year came in above the esti-

mates used for the enacted budget.

California Ending balance excludes projected \$1,854 million transfer to the Budget Stabilization Account for "rainy day" purposes. The

Rainy Day Fund balance consists of the Special Fund for Economic Uncertainties (which is the General Fund Ending Balance less specific reserves) and the Budget Stabilization Account (BSA); however, withdrawals from the BSA are subject to provisions of Proposition 2, 2014. The Ending Balance is only the General Fund balance and excludes the Budget Stabilization Account (a rainy day reserve held in a separate fund). The excluded amounts are \$1,606.4 million in FY 2015 and an additional \$1,854 million added in FY 2016. Adding these amounts to the FY 2016 Ending Balance, the projected "Total Balance" is \$5,546.7

million in FY 2016.

Colorado Ending balance of \$542.3M is \$69.0M short of the \$611.32M GF reserve requirement for a 6.5% reserve. (The \$542.3M

equates to a 5.8% reserve.)

Connecticut FY 2016: Revenue adjustments include a \$25.0 million transfer of FY 2016 Resources to FY 2017. The reported rainy day fund

balance includes the ending balance.

Delaware Figures based on enacted FY 2016 General Fund appropriations and revenue estimates contained in HJR 9 of the 148th

General Assembly. Revenue adjustments from the June 2015 DEFAC Fiscal Year 2016 revenue forecast include a \$20 million increase to the General Fund by funding the annual Farmland Preservation and Open Space programs funding through special funds, an additional \$5.0 million increase to the General Fund by directing the Energy Efficiency Investment Fund annual funding be deposited to the General Fund, and an increase of \$40 million by waiving the earmark of Abandoned Property funds to the

Transportation Trust Fund.

Georgia Georgia does not project future Rainy Day fund balances, but expects the reserve to continue to grow in future years.

Idaho Transfer to include: Budget Stabilization Fund—\$29,535,200, Commerce Opportunity Grant—\$1,750,000, Wolf Control

Fund—\$400,000, Economic Recovery Reserve Fund for FY 2017—27th payroll cost—\$20,000,000, \$500,000 Water Board for aquifer recharge, and \$27,000,000 to Fire Suppression fund for anticipated cost for the 2015 fire season. Transfers in include

\$780,000 from the Consolidated Election Fund. Other adjustments include \$10,933,500 for legislation with a fiscal impact.

Illinois As of November 12, 2015, Illinois had not yet enacted a budget for fiscal 2016.

Indiana Revenue adjustments include the SGO tax credit cap increase, teacher tax credit, income tax credit for certain hospitals, SOS

paper business filing fees, outside acts, and a transfer from the Political Subdivision Risk Management Fund. Expenditure adjustments include reversions from distributions, capital, and reconciliations; the cost of a 13th check for pension recipients; transfer to the Major Moves 2020 trust fund; transfer to the tuition reserve fund; and state agency and university line item capital

projects.

Iowa

Revenue adjustments include an estimated \$330.0 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 an \$11.2 million adjustment for the legislative changes approved by the Legislature and signed by the Governor. FY2016 Revenues are based upon the March 2015 Revenue Estimating Conference estimates.

Kansas

Kansas does not have a "Rainy Day" fund. However, the balanced budget provision of the constitution requires revenues to finance the approved budget.

Kentucky

Revenue includes \$72.4 million in Tobacco Settlement funds. Adjustment for Revenues includes \$109.8 million that represents appropriation balances carried over from the prior fiscal year, and \$77.4 million from fund transfers into the General Fund. Adjustment to Expenditures represents appropriation balances forwarded to the next fiscal year.

Louisiana

Revenues adjustments—Includes \$261.3 from Tax Credit Suspension and \$30.3 from various funds.

Expenditure adjustments—Includes \$18.8 Preamble reduction and a \$102.9 MOF substitution per Act 16 of the 2015 legislative session.

Rainy Day Fund Balance—One-third of the fund balance may be used during the fiscal year.

Maine

Revenue and Expenditure adjustments reflect legislatively authorized transfers. Previous surveys included only the Budget Stabilization Fund. This survey reflects the total of all General Fund reserves.

Maryland

Revenue adjustments include \$17.4 million in transfers from tax credit reserves and \$4.5 million in transfers from other funds. There is an additional transfer of \$34.0 million from the Rainy Day Fund, which are funds in excess of the State's goal of maintaining a Rainy Day Fund of 5% of the State's annual General Fund revenue. Expenditure adjustments include -\$30 million in unidentified estimated reversions to the unappropriated General Fund balance.

Massachusetts

May differ from prior submissions, as pensions are now treated as budgetary expense: added to revenue and expenditures.

Michigan

Fiscal 2016 revenue adjustments include the impact of federal and state law changes (-\$949.4 million); revenue sharing payments to local government units (-\$468.5 million); deposits from restricted funds (\$408.7 million); deposit to the rainy day fund (-\$95.0 million); and general fund revenue dedicated for roads (-\$400.0 million). Fiscal 2016 expenditures include \$98.5 million in one-time spending financed from one-time revenue, excluding deposit to the rainy day fund, and funds earmarked for transportation.

Minnesota

Ending balance includes cash flow account of \$350 million, budget reserve account of \$994.3 million, and stadium reserve of \$13.8 million.

Missouri

Revenue adjustments include transfers from other funds into the general revenue fund. The above expenditures assume expenditure restrictions.

Montana

FY 16 expenditures include the actual transfer made to the state's fire fund due to revenues exceeding the official estimate in FY 2015 and reversions in excess of 0.5%.

Nebraska

Revenue adjustments are transfers between the General Fund and other funds. Per Nebraska law, includes an estimated transfer of \$61.5 million to the Cash Reserve Fund (Rainy Day Fund) of the amount the prior year's net General Fund receipts are estimated to exceed the official forecast. Among others, also includes a \$202 million transfer (a \$64 million increase) from the General Fund to the Property Tax Credit Cash Fund. Expenditure adjustments represent \$5 million reserved for potential deficit appropriations and a net \$354 million reserved for authorized reappropriations and carryover obligations from FY 2015.

Nevada

Revenue adjustments are restricted revenue and estimated reversions. Expenditure adjustments are restricted transfers.

New Hampshire

Expenditure Adjustments: The enacted FY 2016 budget anticipates moving \$79.4 million to the Education Trust Fund and moving \$.7 million to the Fish and Game Fund at year end.



New Mexico FY16 expenditure amounts reflect the FY16 budget appropriation as passed during the 2015 Legislative Session. Revenue Amounts reflect the August 2015 estimate.

The ending balance includes approximately \$1.8 billion in rainy day reserve funds, \$60 million reserved to cover costs of poten-

tial retroactive labor settlements with certain unions, \$74 million in a community projects fund, \$500 million reserved for debt reduction, \$21 million reserved for litigation risks, and approximately \$1 billion in proceeds from monetary settlements.

North Dakota Revenue adjustments are a \$657.0 million transfer from the tax relief fund into the general fund.

Ohio Estimated FY 2016 include expenditures against prior year encumbrances as well as \$810.9 million in transfers out of the GRF. \$526.6 million of the \$810.9 million in transfers out will go to the Budget Stabilization (Rainy Day) Fund. Medicaid expansion was not funded through the General Revenue Fund (GRF) in fiscal 2015, but it is in fiscal 2016. This change is responsible for the majority of the fiscal 2016 growth. In addition, federal reimbursements for Medicaid expenditures funded from the GRF are deposited into the GRF. This will tend to make Ohio's GRF expenditures look higher relative to most states that don't follow this

practice.

New York

Oklahoma Revenue and expenditure adjustments cannot be calculated at this time; nor can we calculate the final balance of the Rainy Day

Fund at year-end.

Oregon Revenue adjustments include: transfer 2013-15 biennium ending GF balance to Rainy Day Fund (up to 1% of total biennial

budget appropriation); cost of Tax Anticipation Notes; a statutory transfer to local governments for local property tax relief; and, refund of personal income tax collections/revenues that exceeded the 2015 "close of session" forecast (aka "kicker"). Expendi-

tures represent 48% of the 2015-17 (Biennium) Legislatively Adopted Budget.

Pennsylvania As of November 12, 2015, Pennsylvania had not yet enacted a budget for fiscal 2016.

Rhode Island Adjustments to revenues reflect a transfer of \$109.9 million to the Budget Reserve Fund.

South Carolina Revenue Adjustments: Includes \$77.3 in nonrecurring revenues from a legal settlements and a transfer of excess cash from

the State's Unclaimed Property Fund. Expenditure Adjustments include FY14-15 Capital Reserve Funds transferred to State

agencies.

South Dakota The beginning balance of \$21.5 million and adjustment to expenditures reflect the prior year's ending balance which is trans-

ferred to the rainy day fund.

Tennessee Revenue Adjustments include -\$76.5 million transfer to Rainy Day Fund and \$6.1 million transfer from TennCare Reserve Fund.

Expenditure Adjustments include \$135.4 million transfer to capital outlay projects fund; \$176.1 million transfer to state office buildings and support facilities fund; \$3.8 million transfer to debt service fund; and \$1.0 million transfer to reserves for dedicated

revenue appropriations. Ending Balance includes \$348.2 million undesignated balance.

Texas Revenue adjustment for transfers to the Economic Stabilization and State Highway Funds (-\$2,395m). Enacted general fund

spending amount for FY 2016 comes from Conference Committee Report for H.B. No. 1. Texas is projected to have an \$11.1 billion balance in its Economic Stabilization Fund at the end of fiscal 2017. The \$9.9 billion figure is an estimate for fiscal 2016

based on this biennial projection and expected transfers to the $\ensuremath{\mathsf{ESF}}.$

Utah Includes transfers from previous year balance, to/from Rainy Day Fund, and special revenue funds.

Vermont Adjustments = net transfer effect in/out of the General Fund

Washington Adjustments include fund transfers between General Fund and other accounts, and changes made by the 2015 Legislature.

West Virginia Fiscal Year 2016 Beginning balance includes \$368.2 million in Reappropriations, Unappropriated Surplus Balance of \$12.8

million, \$0.2 million of cash balance adjustments, and FY 2015 13th month expenditures of \$38.4 million. Expenditures include Regular funds and surplus funds and \$38.4 million of 31 day prior year expenditures. Revenue adjustments are prior year redeposits and special revenue expirations. Expenditure adjustment represents the amount to be transferred to the Rainy Day Fund. 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 & any unappropriated surplus balance.

Wisconsin Revenue adjustments include Tribal Gaming, \$23.4 million and Other Revenue, \$516.1 million. Expenditure adjustments include

Transfers to Transportation fund \$38.0 million; Lapses, -\$349.2 million; and Compensation Reserves, \$10.7 million.

Wyoming 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 2015 and Fiscal 2016

California The increase in spending is attributable mostly to payments to K-12 schools and community colleges, debt pay down, and

Medicaid. State funding for K-12 schools and community colleges increased in fiscal 2015 by \$6.6 billion (fiscal 2015 included \$5.1b in debt pay down for K-12 schools and community colleges). Other year-over-year debt payment increases of \$2.6 billion included pay down of the Economic Recovery Bonds and payments to local agencies for state mandated costs, among other payments. Another \$1.1 billion increase for the state Medicaid program is due to higher than anticipated caseload growth as-

sociated with federal health care reform.

New York General Fund growth includes the one-time transfer of approximately \$4.6 billion in monetary settlements from the General Fund

to the Dedicated Infrastructure Investment Fund, as well as the transfer of \$850 million to fund the initial payment of a multi-year

 $repayment\ agreement\ for\ prior\ -year\ OPWDD\ -related\ Federal\ Medicaid\ disallowances.$

Ohio Medicaid expansion was not funded through the General Revenue Fund (GRF) in fiscal 2015, but it is in fiscal 2016. This change

is responsible for the majority of the fiscal 2016 growth. In addition, federal reimbursements for Medicaid expenditures funded from the GRF are deposited into the GRF. This will tend to make Ohio's GRF expenditures look higher relative to most states

that don't follow this practice.

Notes to Table 7 Fiscal 2015 Net Mid-Year Budget Cuts

Indiana The amounts listed represent reserves held on appropriations and not final reversion amounts.

Michigan Fiscal 2015 budget adjustments reflect changes in general fund spending. In some cases, general fund spending reductions create corresponding spending increases in other revenue sources. Many mid-year adjustments reflect technical changes in

spending and are not "cuts" per se.

Notes to Table 8 Fiscal 2015 Mid-Year Program Area Cuts

California Although Table 9 does show a negative adjustment for Public Assistance, this was due to caseload decline and was not a true cut to the program.

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Notes to Table 9

Fiscal 2015 Mid-Year Program Area Adjustments by Dollar Value

Alaska

Not reported is the transfer to the public education fund. In FY2015 the forward funding for the public education fund was reduced significantly. This does not reflect a spending cut as payments to school districts will still be made according to the statutory funding formula; rather public education was not forward funded in FY2015. Medicaid: Due to a one-time accounting item, a large portion of state general fund expenditures were moved from FY2014 to FY2015-2016. This does not reflect a change in Medicaid spending for the fiscal year, rather, this is a technical audit adjustment regarding the issuance of advanced payments to providers following the rollout of a new information system. Much of the increase (175 Million) comes from an increase in the estimate of previously appropriated oil and gas tax credits.

California

State funding for K-12 schools and community colleges account for the majority of the increase in state General Fund expenditures and is largely governed by a constitutional formula that is highly sensitive to changes in General Fund revenues. The K-12 Education mid-year adjustment reflects a change in reporting methodology for prior-year adjustments from a cash basis to a budgetary appropriation basis. As a result of this reporting change, the adjustment reported is lower than the actual adjustment by \$362 million. Regarding the mid-year budget adjustment in the "All Other" category, a trigger mechanism included in the 2014 Budget Act provided that after satisfying the funding requirements of Proposition 98, any General Fund revenues in excess of the Budget Act estimates for fiscal years 2013-14 and 2014-15, would be appropriated toward the outstanding pre-2004 mandate debt balance. As a result of increased revenues, a \$765 million payment will be made, which is anticipated to satisfy the outstanding pre-2004 mandate balance. These funds will provide counties, cities, and special districts with general purpose revenue. It is the Administration's expectation that local governments use these funds for core services such as public safety and improving the implementation of 2011 Realignment. The negative adjustment for Public Assistance was due to caseload decline and was not a true cut to the program.

Indiana

The amounts listed represent reserves held on appropriations and not final reversion amounts.

Massachusetts

Massachusetts closed an estimated \$1 B budget gap, which included unfunded spending needs reflected in the higher total spending number, through a combination of mid-year budget cuts, directing excess capital gains to the general fund, and higher than expected tax revenues.

Michigan

Fiscal 2015 budget adjustments reflect changes in general fund spending. In some cases, general fund spending reductions create corresponding spending increases in other revenue sources. Many mid-year adjustments reflect technical changes in spending and are not "cuts" per se.

Minnesota

Medicaid adjustment reflects a transfer out to Health Care Access Fund.

Nebraska

The fiscal 2015 mid-year budget adjustments to Public Assistance and Medicaid do not represent a reduction in eligibility or the level of services offered but rather represent a rebasing of the General Fund appropriation needed for those two programs. The net increase in the Other category includes a \$20.9 million increase for state aid for child welfare services.

New Jersey

The "mid-year budget adjustments" calculation for fiscal year 2015 was based on a different methodology than those used in past submissions to NASBO. The adjustments indicated here represent supplemental appropriations offset by deappropriations. Such adjustments change the amounts appropriated to the various State agencies. However, these net additional appropriations of \$559.8 million were mostly offset by normal underspending; however, that underspending is not displayed here as it does not represent a change in the appropriated funding level.

Oregon

Oregon budgets on a biennial basis. Mid-year adjustments represent an approximate single fiscal year change.

Notes to Table 12

Fiscal 2016 Enacted Program Area Adjustments by Dollar Value

California General obligation debt service for higher education is now reported with other debt service in "all other". The 2014 Budget Act

included a \$100 million appropriation to pay pre-2004 mandate costs. This was a one-time payment and is not included in the 2015-16 Budget Act. In addition, the 2015-16 Budget Act included an additional \$10.6 million for newly determined mandates.

Colorado HB14-1301 had a one year \$700,000 GF appropriation for CDOT in FY 2014-15 that was not on-going in FY 15-16.

Kentucky Public Assistance increase primarily represents the restoration of prior reductions to the child care assistance program.

Michigan Fiscal 2016 general fund adjustments replace general fund revenue with restricted revenue for K-12 education (\$69.0 million)

and for Community Colleges (\$36.0 million). Many mid-year adjustments reflect technical changes in spending and are not

"cuts" per se.

New York General Fund growth includes the one-time transfer of approximately \$4.6 billion in monetary settlements from the General Fund

to the Dedicated Infrastructure Investment Fund, as well as the transfer of \$850 million to fund the initial payment of a multi-year

repayment agreement for prior-year OPWDD-related Federal Medicaid disallowances.

North Dakota North Dakota's budget is based on a biennial period. This adjustment amount is half of the approved biennial decrease for the

2015-17 biennium.

Ohio Medicaid expansion was not funded through the General Revenue Fund (GRF) in fiscal 2015, but it is in fiscal 2016. This change

is responsible for the majority of the fiscal 2016 growth. In addition, federal reimbursements for Medicaid expenditures funded from the GRF are deposited into the GRF. This will tend to make Ohio's GRF expenditures look higher relative to most states

that don't follow this practice.

Oregon Oregon budgets on a biennial basis. Amounts represent an approximate single fiscal year change.

Texas Using Summary of 2016-2017 Conference Committee Report (CCR) for HB 1, prior to any vetoes. The overall increase in GR

funding does not take into account the amount of tax relief that was enacted for this budget, which is an additional \$3.8 billion.

West Virginia Changes are based on "base general revenue appropriations." The Public Education School Aid Formula called for decreases in

the Teachers' Retirement ARC of \$-67.2 million. Also, local share grew by \$21.5 million requiring \$-21.5 million less state general

revenue funding.

Notes to Table 15

Fiscal 2016 Mid-Year Program Area Adjustments By Dollar Value

Alabama Alabama's fiscal year begins October 1, so FY 2016 has not begun.

New York Session changes taking place after enactment of the FY 2016 budget were 1) Partially offset by \$118 million in re-estimates

and other adjustments so that the total General Fund spending increase reflecting all changes after enactment was only \$31 million and 2) More than offset by additional revenue re-estimates (\$471 million), stemming primarily from new financial monetary

settlements.

Notes to Table 16

Strategies Used to Manage Budget, Fiscal 2015

California Other—Zero-Based Budget Analysis, Work Study Analysis



Hawaii Other—Prior year fund balance

Illinois Other—Executive order 15-08; Reserves and grant suspensions for non-essential spend

Maine Other—Additional budget management strategies include transfers from various sources, lapsed balances, increases in credits

and transfers, reductions in MaineCare for health care savings, re-projection of employee and retiree health insurance costs,

and receipt of a settlement.

Michigan Lower caseload costs; shift costs to non-general fund revenue sources

Nebraska The Governor is working closely with his appointed agency directors to identify strategies for improving the efficiency and ef-

fectiveness of the state programs under their direct control. These efforts will lead to an improvement in the level of customer

service provided to Nebraskans at a lower overall cost.

Ohio Targeted cuts refer to prioritization of budget decisions. Other—Medicaid cost containment.

Pennsylvania Other—Payment delays for Medicaid providers and transfers of costs to special funds.

Tennessee Other—Agency Reserves, Carryforwards, and Over-appropriation Increase

West Virginia Other—Use one time surplus from General Revenue & Lottery Funds from previous fiscal years. Also use one-time excess cash

in various Special Revenue accounts.

Notes to Table 17 Strategies Used to Manage Budget, Fiscal 2016

California Other—Zero-Based Budget Analysis, Work Study Analysis, New collective bargaining agreements

Connecticut Court related fees include probate court fees; layoffs of federally funded staff. The gaming/gambling expansion refers to imple-

mentation of Keno.

Delaware Increases to Transportation related revenues and Motor Vehicle fees dedicated to the Delaware Transportation Trust Fund.

Hawaii Other—Prior year fund balance

Maine Other—Increase in the attrition rate from 1.6% to 3%, and eliminate vacant positions.

Maryland The "Other" approach that Maryland's General Assembly used to balance the budget was to revise the State's pension funding

methodology for calculating annual contributions.

Nebraska The Governor is working closely with his appointed agency directors to identify strategies for improving the efficiency and ef-

fectiveness of the state programs under their direct control. These efforts will lead to an improvement in the level of customer

service provided to Nebraskans at a lower overall cost.

New York Other gap-closing measures in FY 2016 included the use of \$190 million in General Fund surplus resources available from

FY 2015, revenue generated from new financial monetary settlements, and savings related to capital projects and debt man-

agement.

Ohio Targeted cuts refer to prioritization of budget decisions. Other—Medicaid cost containment.

Oklahoma Other—Voluntary Tax Compliance Initiative; Enhanced Identification of Fraudulent Tax Refund Claims; Remove Workers' Com-

pensation Assessment Rebate

Tennessee Other—Base Budget Reductions

Vermont Cuts to state employee benefits: The Secretary of Administration typically extends the benefits that are bargained by the State

employees to non-classified employees. In FY2016 some of these benefits, including the negotiated mileage reimbursement

rate and the percent increase in salaries.

West Virginia Other—Use one time surplus from General Revenue & Lottery Funds from previous fiscal years. Also use one-time excess cash

in various Special Revenue accounts.

Notes to Table 18

Strategies Used to Manage Budget, Fiscal 2017

California Other—Zero-Based Budget Analysis, Work Study Analysis, New collective bargaining agreements

Connecticut Court related fees include probate court fees. The gaming/gambling expansion refers to implementation of Keno.

Hawaii Other—Prior year fund balance

Maine Other—Eliminate vacant positions.

Nebraska The Governor is working closely with his appointed agency directors to identify strategies for improving the efficiency and ef-

fectiveness of the state programs under their direct control. These efforts will lead to an improvement in the level of customer

service provided to Nebraskans at a lower overall cost.

Ohio Targeted cuts refer to prioritization of budget decisions. Other—Medicaid cost containment.

West Virginia Other—Use one time surplus from General Revenue & Lottery Funds from previous fiscal years. Also use one-time excess cash

in various Special Revenue accounts.

Notes to Table 19

Number of Filled Full-Time Equivalent Positions Fiscal 2014 to Fiscal 2016, in All Funds

Alaska The State of Alaska does not budget full-time equivalent positions so the numbers reported are total positions (permanent

full-time, permanent part-time and non-permanent) Actual (FY 2014-2015) and projected (FY2016).

Arizona FTE positions for FY 2014 and FY 2015 include only those positions funded by appropriated funds. Appropriated FTE for

FY 2016 includes all funds.

Arkansas FY 2015 Preliminary Actual is based on the number of total positions budgeted.

Colorado 53,684.3 FTE were appropriated, including HED, for FY 2014. The FY 2015 amount represents FY15 final appropriated FTE

from Appropriations Report. The FY 2016 amount also comes from the Appropriations Report. Colorado has not previously included FTE data for the institutions of Higher Ed, but it is included this year because actual data is available for FY 2014.

Delaware Position authorization for Delaware Technical and Community College is included in the figures. Position authorization for the

University of Delaware and for Delaware State University is not included.

Hawaii All numbers reflect appropriation.

Indiana We use a hybrid of state employees and contractors to administer the state's welfare system.

Nebraska Appropriations bills do not limit authorized FTE to a specific number.



Oregon Previous responses from Oregon were on position count rather than full-time equivalent. Future responses will be autho-

rized FTE.

TexasThis 2014 number includes those employed by institutions of higher education. Eliminating those employees, state agencies

employed a total of 147581 FTEs in FY 2014. (Averages per SAO in Jan 2015.) The 2015 number is the state employee cap

minus the higher education employees.

West Virginia FY 2014 and FY 2015 filled positions at June 30th (all funding sources). FY 2016 is filled positions as of 7/31/15.

Wisconsin FY16 appropriated number assumes 9.3% vacancy rate for non-UW and 4.8% for UW times budgeted FTE positions.

Notes to Table 20 State Employee Compensation Changes, Fiscal 2016

New York Across-the-board Increases and General Contract Provisions:

The FY 2016 July Update to the Financial Plan includes settled labor contracts with 99 percent of employees in agencies subject to direct executive control, including those represented by CSEA, PEF, UUP, PBANYS, NYSCOPBA, Council 82, DC-37 (Housing), GSEU and NYSPBA for the contracts starting in FY 2012. An agreement has not been reached with the NYS Police Investigators Association (BCI) or the City University of New York (CUNY). The PEF and PBANYS represented employees have no contracts in place for the period April 2015 forward.

The settled agreements provided a three-year freeze in the provision of across-the-board salary increases (FY 2012 through FY 2014), a contingent layoff protection, a deficit reduction program (for most unions), increased employee health insurance contributions, and other health insurance concessions. The agreements also provided compensation increases, as follows:

Across-the-Board Increases. A 2 percent across-the-board salary increase in FY 2015, and a 2% across-the-board salary increase in FY 2016 only for employees whose agreements extend into FY 2016 and a 1.5% across-the-board salary increase in FY 2017 and FY 2018, respectively, for employees represented by the NYSPBA.

Lump Sum Payments. Two lump sum payments—\$775 in FY 2014 and \$225 in FY 2015 for employees represented by CSEA, PBANYS, NYSCOPBA and Council 82. PEF- and DC-37-represented employees did not receive these lump sum payments, but will be repaid the entire value of the deficit reduction program at the end of their contract period (other union-represented employees will only be repaid a portion their reductions taken under the deficit reduction program). UUP-represented employees may receive lump sum payments in the form of Chancellor's Power of State University of New York (SUNY) Awards and Presidential Discretionary Awards.

Additional Compensation Increases. Employees represented by the NYSPBA will have \$1,250 increases to Hazardous Duty Pay and Expanded Duty Pay, effective April 1, 2014.

Step or Anniversary Increases:

Step Increases. Unionized civilian (non-uniformed) 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.

Longevity Increases.

- —Civilian employees with five or more years at job rate receive a lump sum payment of \$1,250 annually.
- —Civilian employees with 10 or more years at job rate receive an annual \$2,500 lump sum payment.
- —Uniformed employees are eligible for longevity payments as they reach designated years of service.



North Carolina

Salary Increases:

The act appropriates funds for an experience-based step increase for State Highway Patrol Troopers, effective January 1, 2016, and the salaries of all sworn members of the SHP and the starting pay for entry-level SHP positions are increased 3%, effective July 1, 2015. Additionally, funds are provided to begin implementation of custody-level pay for Correctional Officers, Custody Supervisors, and Prison Facility Administrators, no earlier than January 1, 2016. The act also appropriates funds for a market-based salary adjustment for Forensic Scientists employed in the State Crime Laboratory and for an experienced-based step increase for Assistant Clerks, Deputy Clerks, and Magistrates, all effective January 1, 2016.

Funds several changes to the Statewide teachers salary schedule, including an increase in starting pay from \$3,300 to \$3,500 per month (i.e. \$33,000 to \$35,000 per year for a 10-month teacher), an experience-based step increase for educators earning a year of creditable experience, and a sixth tier for school psychologists, speech pathologists and school audiologists. Funds are also provided for a \$750 one-time bonus for educators and to ensure that bonuses received in FY 2014-15 are continued as appropriate.

Provides funds for salary increases for State-funded local community college employees. Community Colleges are given flexibility in allocating these funds to their State-funded employees.

STATE REVENUE DEVELOPMENTS

CHAPTER TWO

Overview

States forecast that general fund revenue collections will increase again in fiscal 2016, marking a sixth consecutive annual increase. However, the growth rate of general fund revenues is projected to slow in fiscal 2016, after the strong stock market performance in 2014 helped to bolster states' fiscal 2015 income tax collections. The national economy and the labor market continue to improve moderately, but the state revenue forecast for fiscal 2016 remains cautious and growth is expected to be limited, particularly in light of recent stock market volatility. Whereas in fiscal 2015, 29 states experienced general fund revenue growth exceeding 5.0 percent, just nine states are projecting revenue growth above 5.0 percent for the current fiscal year, based on enacted budgets.

State tax collection growth has fluctuated over the past couple of years, with that volatility largely caused by individuals shifting income to the 2012 calendar year to avoid federal tax changes that were set to take effect in 2013. This one-time shift led to a substantial acceleration of state revenue growth in fiscal 2013, followed by a significant slowdown in fiscal 2014. Revenue growth accelerated again in fiscal 2015, with many states experiencing a positive "April Surprise" as income tax collections outpaced projections. Overall, most states show signs of returning to more stable, steadier revenue growth, though certain energy-producing states are seeing some negative impact on their revenues and economies from the rapid decline in oil prices.

The rise in general fund revenues in fiscal 2015 is primarily attributed to growth in income taxes, though sales tax collections also experienced relatively robust gains. Corporate income tax collections tend to be the most volatile among the three largest general fund revenue sources, followed by personal income taxes, while sales taxes continue to be relatively stable year-over-year.

States enacted a mix of tax and fee increases and decreases in fiscal 2016. States enacted net tax increases on sales, corporate income, cigarettes and tobacco products, and motor fuel, while on net they reduced personal income taxes and other taxes. There were also slight net declines enacted for alcohol taxes, as well as for fees.

Revenues

According to states' enacted budgets, aggregate general fund revenues are projected to reach \$784.7 billion in fiscal 2016, \$19.2 billion or 2.5 percent greater than the estimated \$765.4 billion collected in fiscal 2015. This growth rate is significantly slower than the 4.8 percent increase seen in general fund revenues in fiscal 2015. It is also slower than the 3.1 percent growth previously projected for fiscal 2016 in the Spring 2015 Fiscal Survey of States based on governors' projected budgets. However, this variance is due not to lower revenue forecasts for fiscal 2016, but rather the result of preliminary actual fiscal 2015 revenues coming in well above previous estimates in the Spring survey, narrowing the growth rate between the two years. At that time, states were estimating general fund revenues totaling \$755.1 billion for fiscal 2015 (more than \$10 billion less than the updated figures in this report). Overall, 45 states experienced revenue increases in fiscal 2015, while the remaining five states, including several oil-rich ones, experienced general fund revenue declines.

The projected deceleration in state revenue growth in fiscal 2016 aligns with other sources. According to the Rockefeller Institute of Government at SUNY-Albany, state tax collection growth is expected to slow in fiscal 2016, largely due to an expected deceleration in income tax revenue growth. Based on preliminary data, state tax collections increased 4.3 percent in the third quarter of calendar year 2015 (which corresponds to the first quarter of fiscal 2016 for most states).⁵

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. After five years of improvement, general fund revenues ended fiscal 2015 up \$156 billion, or 26 percent, over collections in fiscal 2010. While states have enacted some tax increases, most of the revenue gains are due to larger collections thanks to an improving national economy. General fund revenue collections increased by 4.8 percent 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 21)

⁵ The Nelson A. Rockefeller Institute of Government. November 2015. "Another Strong Tax Quarter for the States, But Less Promising Forecasts for Fiscal 2016."



Estimated Collections in Fiscal 2015 and Projected Collections in Fiscal 2016

General fund revenue collections from all sources including sales, personal income, corporate income and all other taxes and fees, outpaced projections in most states in fiscal 2015. Thirty-nine states reported that fiscal 2015 revenue collections ended the fiscal year higher than originally forecasted and three states reported that collections were on target. Seven states reported that total general fund revenues ended fiscal 2015 with collections lower than projections, including several energy-producing states affected by declining oil prices. For fiscal 2016, 16 states reported that collections to date are higher than projections used to enact the budget, 20 states reported that collections are on target and six states reported collections coming in below estimates used to enact the budget. Data was collected early in fiscal 2016, and therefore these comparisons are subject to change as updated revenue collection figures become available. Also, not all states were able to compare collections to original projections at the time of data collection. (See Tables 22 and 23)

Sales, Personal Income and Corporate Income Tax Collections

Revenue collections of sales, personal income, and corporate income tax collections, which make up approximately 80 percent of states' general fund revenue, are projected to grow 3.2 percent in fiscal 2016 compared to fiscal 2015. Sales and personal income tax collections are projected to see slower, more modest growth in fiscal 2016 compared to fiscal 2015, while corporate income tax collections are projected to decline slightly, based on enacted budgets. Specifically, sales tax collections are projected to increase by 3.9 percent in fiscal 2016, after growing 5.2 percent in fiscal 2015. Personal income tax collections, which saw robust growth of 8.0 percent in fiscal 2015, are projected to grow by just 3.3 percent in fiscal 2016. Corporate income tax collections, which account for about 6.0 percent of general fund revenues, are projected to slightly decrease by 0.5 percent in fiscal 2016, after growing 8.7 percent in fiscal 2015. Note that preliminary actual tax collection figures for fiscal 2015 and enacted budget figures for fiscal 2016 exclude Illinois and Pennsylvania, as these states were unable to provide data due to ongoing budget negotiations. (See Tables 24 and 25)

TABLE 21
State Nominal and Real Annual Revenue Increases,
Fiscal 1979 and Fiscal 2016

	State General Fund			
Fiscal Year	Nominal Increase	Real Increase		
2016	2.5%			
2015	4.8	3.8%		
2014	1.9	-0.2		
2013	7.1	5.5		
2012	2.9	0.4		
2011	6.6	3.4		
2010	-2.5	-3.3		
2009	-8.0	-10.5		
2008	3.9	-1.4		
2007	5.4	0.4		
2006	9.1	3.6		
2005	7.8	1.8		
2004	5.4	1.7		
2003	8.0	5.0		
2002	-6.8	-9.1		
2001	4.5	0.1		
2000	2.0	-2.7		
1999	19.2	16.3		
1998	-0.6	-2.6		
1997	5.0	2.7		
1996	5.9	3.6		
1995	5.3	2.3		
1994	5.5	3.3		
1993	5.8	2.4		
1992	6.6	3.3		
1991	4.7	0.2		
1990	3.4	-1.5		
1989	10.1	6.1		
1988	6.5	2.4		
1987	8.2	4.5		
1986	6.3	2.8		
1985	8.8	4.5		
1984	12.5	8.4		
1983	3.7	-1.9		
1982	12.6	5.3		
1981	7.9	-3.2		
1980	9.8	-0.6		
1979	7.8	0.9		
1979-2015 average	5.6%	1.6%		

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 October 29, 2015), is used for state expenditures in determining real changes. Fiscal Year real changes are based on quarterly averages. Fiscal 2014 figures are based on the change from fiscal 2013 actuals to fiscal 2014 actuals. Fiscal 2015 figures are based on the change from fiscal 2014 actuals to fiscal 2015 preliminary actuals. Fiscal 2016 figures are based on the change from fiscal 2015 preliminary actual figures to fiscal 2016 enacted.



TABLE 22 **General Fund Revenue Collections Compared to Projections, Fiscal 2015 and Fiscal 2016**

_		Fiscal 2015			Fiscal 2016	
State	On Target	Lower	Higher	On Target	Lower	Higher
Alabama*			Χ			
Alaska		X			X	
Arizona			Χ	X		
Arkansas			X			Х
California*			X			
Colorado			Χ			
Connecticut		Χ			Χ	
Delaware			Χ			Χ
Florida			Χ	Χ		
Georgia			Χ			
Hawaii*			Χ			Х
Idaho			Х			Х
Illinois	Χ					
Indiana		X		Χ		
lowa	Χ			Χ		
Kansas		X			Х	
Kentucky			X			Χ
Louisiana	X			X		,,
Maine			X	X		
Maryland			X	X		
Massachusetts			X	X		
Michigan*			X			
Minnesota			X			Х
Mississippi		Χ	٨			X
Missouri		^	Χ	Χ		^
Montana			X	X		
			X	^		V
Nebraska Nevada*				<u>.</u>		Х
Nevada*			X	V		
New Hampshire			X	X		
New Jersey			X	X		
New Mexico			X	X		
New York			X			Х
North Carolina			X	X		
North Dakota			X		X	
Ohio			X		X	
Oklahoma		X				Х
Oregon			Χ	X		
Pennsylvania						
Rhode Island			Χ			Χ
South Carolina			X	X		
South Dakota			Χ			Χ
Tennessee			Χ	Χ		
Texas			Χ	X		
Utah			Х	Х		
Vermont			Χ			Χ
Virginia			X			Х
Washington			X			Х
West Virginia		X			Х	
Wisconsin		<u>, , , , , , , , , , , , , , , , , , , </u>	X	X	,, 	
Wyoming			X			X
Total	3	7	39	20	6	16

NOTES: Fiscal 2015 reflects whether revenues from all sources came in higher, lower, or on target with final projections. Fiscal 2016 reflect whether Fiscal 2016 collections thus far have been coming in higher, lower, or on target with projections. Not all states were able to report on fiscal 2016 collections. *See Notes to Table 22 on page 62.



TABLE 23
Fiscal 2015 Tax Collections Compared With Projections Used in Adopting Fiscal 2015 Budgets (Millions)**

	Sale	es Tax	Personal I	ncome Tax	Corporate	Income Tax
State	Original Estimate	Current Estimate	Original Estimate	Current Estimate	Original Estimate	Current Estimate
Alabama	\$2,120	\$2,143	\$3,397	\$3,332	\$387	\$492
Alaska	N/A	N/A	N/A	N/A	591	320
Arizona	4,208	4,190	3,697	3,761	671	663
Arkansas	2,208	2,198	3,173	3,189	450	493
California	23,823	23,684	70,238	75,384	8,910	9,809
Colorado	2,413	2,588	6,113	6,368	775	708
Connecticut	4,167	4,211	9,265	9,154	704	812
Delaware	N/A	N/A	1,226	1,252	212	269
Florida	21,012	21,063	N/A	N/A	2,185	2,236
Georgia	5,340	5,390	9,364	9,679	955	1,001
Hawaii	2,882	2,993	1,820	1,988	65	52
Idaho	1,204	1,219	1,413	1,471	200	215
Illinois	7,847	N/A	14,845	N/A	3,071	N/A
				5,233	869	1,094
Indiana	7,442	7,195	5,419			· · · · · · · · · · · · · · · · · · ·
lowa	2,770	2,761	4,272	4,162	564 425	550 417
Kansas	2,505	2,485	2,280	2,278		
Kentucky	3,150	3,267	3,977	4,070	463 351	528 385
Louisiana	2,696	2,730	2,932	2,863		
Maine	1,147	1,244	1,438	1,522	214	169
Maryland	4,335	4,351	8,168	8,346	768	777
Massachusetts	5,820	5,774	14,021	14,448	2,000	2,172
Michigan*	7,549	7,504	8,506	8,691	468	259
Minnesota	5,145	5,163	9,860	10,415	1,372	1,441
Mississippi	2,073	2,034	1,749	1,743	691	714
Missouri	2,034	1,988	5,991	5,948	442	436
Montana	65	64	1,143	1,176	154	173
Nebraska	1,560	1,535	2,190	2,206	345	347
Nevada*	1,023	1,034	N/A	N/A	N/A	N/A
New Hampshire	N/A	N/A	N/A	N/A	356	352
New Jersey	9,332	9,039	12,627	13,403	2,820	2,870
New Mexico	2,665	2,695	1,280	1,340	289	255
New York	12,114	12,137	43,735	43,710	5,438	6,265
North Carolina	6,244	6,252	10,885	11,079	1,095	1,328
North Dakota	1,324	1,266	415	536	193	196
Ohio	9,914	9,960	8,717	8,507	833	854
Oklahoma	2,034	2,020	2,129	2,161	375	304
Oregon	N/A	N/A	7,068	7,330	524	622
Pennsylvania	9,477	N/A	12,033	N/A	2,501	N/A
Rhode Island	954	964	1,227	1,228	143	148
South Carolina	2,590	2,657	3,013	3,159	304	327
South Dakota	851	837	N/A	N/A	N/A	N/A
Tennessee	7,515	7,724	264	303	1,904	2,204
Texas	28,219	28,957	N/A	N/A	N/A	N/A
Utah	1,730	1,712	3,034	3,173	372	373
Vermont	366	365	702	706	103	122
Virginia	3,271	3,235	12,252	12,329	830	832
Washington	8,405	8,620	N/A	N/A	N/A	N/A
West Virginia	1,314	1,289	1,905	1,932	206	190
Wisconsin	4,607	4,892	7,651	7,326	994	1,005
Wyoming	521	561	N/A	N/A	N/A	N/A
Total***	\$222,658					
iviai	φΖΖΖ,030	\$223,987	\$298,557	\$306,896	\$42,010	\$44,778

NOTES: N/A indicates data are not available because, in most cases, these states do not have that type of tax. *See Notes to Table 23 on page 62. **Unless otherwise noted, original estimates reflect the figures used when the fiscal 2015 budget was adopted, and current estimates reflect preliminary actual tax collections. ***Totals include only those states with data for both fiscal 2015 projections and actual collections.



TABLE 24

Comparison of Tax Collections in Fiscal 2014, Fiscal 2015, and Enacted Fiscal 2016**

		Sales Tax			Personal Income	Tax	C	orporate Income 1	ax
State	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2014	Fiscal 2015	Fiscal 2016
Alabama	\$2,075	\$2,143	\$2,191	\$3,202	\$3,332	\$3,419	\$378	\$492	\$393
Alaska	N/A	N/A	N/A	N/A	N/A	N/A	408	320	275
Arizona	3,986	4,190	4,276	3,462	3,761	3,671	575	663	623
Arkansas	2,173	2,198	2,273	3,111	3,189	3,092	440	493	476
California	22,263	23,684	25,240	67,025	75,384	77,700	9,093	9,809	10,342
Colorado	2,416	2,588	2,722	5,696	6,368	6,611	721	708	785
Connecticut	4,101	4,211	4,121	8,719	9,154	9,834	782.2	812.0	902.2
Delaware	N/A	N/A	N/A	1,188	1,252	1,297	102	269	154
Florida	19,708	21,063	21,957	N/A	N/A	N/A	2,043	2,236	2,350
Georgia	5,126	5,390	5,594	8,966	9,679	9,884	944	1,001	996
Hawaii*	2,825	2,993	3,181	1,745	1,988	1,915	87	52	100
Idaho	1,146	1,219	1,270	1,329	1,471	1,489	188	215	213
Illinois	7,676	N/A	N/A	16,642	N/A	N/A	3,164	N/A	N/A
Indiana	6,926	7,195	7,505	4,899	5,233	5,122	1,054	1,094	985
lowa	2,642	2,761	2,891	3,975	4,162	4,494	550	550	560
	2,446	2,485	2,786	2,218	2,278	2,462	399	417	445
Kansas									443
Kentucky	3,131	3,267	3,216	3,749	4,070	4,130	475	528	
Louisiana	2,620	2,730	2,935	2,751	2,863	3,013	330	385	790
Maine	1,156	1,244	1,179	1,406	1,522	1,549	183	169	150
Maryland	4,143	4,351	4,530	7,774	8,346	8,629	761	777	822
Massachusetts	5,496	5,774	6,008	13,202	14,448	14,789	2,049	2,172	2,226
Michigan*	7,355	7,504	7,822	8,014	8,691	8,940	138	259	161
Minnesota*	5,043	5,163	5,328	9,660	10,415	10,736	1,278	1,441	1,299
Mississippi	1,955	2,034	2,135	1,667	1,743	1,814	677	714	693
Missouri	1,925	1,988	2,032	5,404	5,948	6,023	396	436	340
Montana	63	64	66	1,063	1,176	1,230	148	173	180
Nebraska	1,525	1,535	1,614	2,061	2,206	2,299	307	347	329
Nevada*	968	1,034	1,098	N/A	N/A	N/A	N/A	N/A	N/A
New Hampshire	N/A	N/A	N/A	N/A	N/A	N/A	345	352	354
New Jersey	8,849	9,039	9,253	12,312	13,403	13,930	2,299	2,870	2,862
New Mexico	2,514	2,695	2,807	1,255	1,340	1,360	197	255	225
New York	11,786	12,137	12,649	42,961	43,710	47,075	6,046	6,265	5,897
North Carolina	5,567	6,252	6,289	10,272	11,079	10,961	1,357	1,328	1,093
North Dakota	1,213	1,266	1,378	514	536	371	239	196	186
Ohio*	9,166	9,960	10,373	8,065	8,507	8,093	794	854	1,282
Oklahoma	1,959	2,020	2,134	2,028	2,161	2,076	307	304	250
Oregon	N/A	N/A	N/A	6,628	7,330	7,660	495	622	540
Pennsylvania	9,130	N/A	N/A	11,437	N/A	N/A	2,502	N/A	N/A
Rhode Island	916	964	970	1,116	1,228	1,216	114	148	136
South Carolina	2,517	2,657	2,714	2,921	3,159	3,251	288	327	308
South Dakota	823	837	869	N/A	N/A	N/A	N/A	N/A	N/A
Tennessee*	7,286	7,724	7,878	239	303	269	1,859	2,204	1,938
Texas*	27,400	28,957	29,680	N/A	N/A	N/A	N/A	N/A	1,936 N/A
Utah	1,657		1,800					373	381
		1,712	· · · · · · · · · · · · · · · · · · ·	2,890	3,173	3,163	314		
Vermont	354	365	378	671	706	740	95	122	82
Virginia	3,067	3,235	3,401	11,253	12,329	12,759	758	832	827
Washington	8,237	8,620	9,287	N/A	N/A	N/A	N/A	N/A	N/A
West Virginia	1,222	1,289	1,321	1,770	1,932	1,956	204	190	178
Wisconsin	4,628	4,892	5,054	7,061	7,326	7,859	967	1,005	994
Wyoming	521	561	546	N/A	N/A	N/A	N/A	N/A	N/A
Total***	\$212,895	\$223,987	\$232,749	\$284,242	\$306,896	\$316,877	\$41,180	\$44,778	\$44,551

NOTES: N/A indicates data are not available because, in most cases, these states do not have that type of tax. *See Notes to Table 24 on page 62. **Unless otherwise noted, fiscal 2014 figures reflect actual tax collections, fiscal 2015 figures reflect preliminary actual tax collections estimates, and fiscal 2016 figures reflect the estimates used in enacted budgets. ***Totals include only those states with data for all years.



TABLE 25
Percentage Changes in Tax Collections in Fiscal 2014, Fiscal 2015, and Enacted Fiscal 2016**

		Sales Tax		F	Personal Income T	ax	С	orporate Income	Гах
State	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2014	Fiscal 2015	Fiscal 2016
Alabama	2.6%	3.3%	2.2%	3.2%	4.1%	2.6%	8.2%	30.1%	-20.1%
Alaska	N/A	N/A	N/A	N/A	N/A	N/A	-25.5	-21.4	-14.2
Arizona	3.7	5.1	2.1	1.9	8.6	-2.4	-13.1	15.3	-6.0
Arkansas	2.3	1.1	3.4	-1.1	2.5	-3.0	2.1	12.0	-3.4
California	8.7	6.4	6.6	3.9	12.5	3.1	16.8	7.9	5.4
Colorado	9.2	7.1	5.2	1.8	11.8	3.8	13.3	-1.7	10.9
Connecticut	5.2	2.7	-2.1	0.0	5.0	7.4	5.3	3.8	11.1
Delaware	N/A	N/A	N/A	4.2	5.4	3.6	-45.7	164.2	-42.9
Florida	7.0	6.9	4.2	N/A	N/A	N/A	-1.9	9.5	5.1
Georgia	-2.9	5.2	3.8	2.2	8.0	2.1	18.4	6.0	-0.5
Hawaii	-4.1	5.9	6.3	0.6	13.9	-3.7	-13.8	-40.0	90.2
Idaho	3.2	6.4	4.2	3.5	10.7	1.2	-5.2	14.4	-1.3
Illinois	4.4	N/A	N/A	0.6	N/A	N/A	-0.4	N/A	N/A
Indiana	1.9	3.9	4.3	-1.6	6.8	-2.1	8.9	3.7	-10.0
lowa	3.7	4.5	4.7	-2.7	4.7	8.0	-1.0	0.1	1.8
Kansas	-3.1	1.6	12.1	-24.3	2.7	8.1	7.6	4.5	6.6
Kentucky	3.6	4.3	-1.6	0.7	8.5	1.5	18.5	11.2	-17.8
Louisiana	1.5	4.2	7.5	-0.1	4.1	5.2	-2.0	16.8	105.1
Maine	11.5	7.6	-5.2	-7.6	8.2	1.8	6.4	-7.7	-11.2
Maryland	1.8	5.0	4.1	1.1	7.4	3.4	-6.9	2.1	5.8
Massachusetts	6.4	5.1	4.0	2.9	9.4	2.4	12.5	6.0	2.5
Michigan	2.8	2.0	4.2	-3.1	8.4	2.9	-79.2	87.9	-37.8
Minnesota	5.9	2.4	3.2	7.2	7.8	3.1	-0.2	12.7	-9.9
Mississippi	2.3	4.1	5.0	1.0	4.6	4.0	29.2	5.5	-3.0
Missouri	2.8	3.3	2.2	-1.5	10.1	1.3	-4.7	10.0	-22.1
Montana	1.9	0.5	3.5	1.5	10.1	4.6	-16.9	17.1	4.2
Nebraska	3.4	0.7	5.1	-2.0	7.0	4.0	11.2	13.0	-5.0
Nevada	4.8	6.8	6.3	N/A	7.0 N/A	N/A	N/A	N/A	-3.0 N/A
	4.0 N/A					N/A	-0.2	2.2	
New Hampshire		N/A	N/A	N/A	N/A				0.3
New Jersey	4.7	2.1	2.4	1.7	8.9	3.9	-9.3	24.9	-0.3
New Mexico New York	4.9	7.2	4.2	1.1	6.8	7.7	-26.3 -3.3	29.6	-11.9 -5.9
	4.9	3.0	4.2	6.8	1.7			3.6	
North Carolina	5.1	12.3	0.6	-6.2	7.8	-1.1	13.8	-2.2	-17.7 -5.2
North Dakota	4.0	4.4	8.9	-16.5	4.1	-30.8		-18.2	
Ohio	8.5	8.7	4.1	-15.2	5.5	-4.9	0.5	7.5	50.2
Oklahoma	3.1	3.1	5.7	-1.4	6.5	-3.9	-32.1	-1.0	-17.7
Oregon	N/A	N/A	N/A	5.8	10.6	4.5	9.3	25.7	-13.1 N/A
Pennsylvania Phodo Joland	2.7	N/A	N/A	0.6	N/A	N/A	3.2	N/A	N/A
Rhode Island	4.2	5.2	0.6	2.7	10.0	-1.0	-13.4	29.6	-7.8
South Carolina	2.8	5.6	2.2	2.7	8.1	2.9	-17.9	13.5	-5.9 N/A
South Dakota	6.1	1.6	3.9	N/A	N/A	N/A	N/A	N/A	N/A
Tennessee	3.9	6.0	2.0	2.5	26.5	-11.1 N/A	-8.0	18.6	-12.1
Texas	6.0	5.7	2.5	N/A	N/A	N/A	N/A	N/A	N/A
Utah	-18.7	3.3	5.2	1.3	9.8	-0.3	-7.3	19.0	2.2
Vermont	2.0	3.1	3.6	1.6	5.2	4.9	-0.2	28.6	-32.4
Virginia	-4.8	5.5	5.1	-0.8	9.6	3.5	-4.9	9.8	-0.6
Washington	7.2	4.7	7.7	N/A	N/A	N/A	N/A	N/A	N/A
West Virginia	-2.7	5.5	2.5	-1.4	9.1	1.2	-16.1	-6.4	-6.8
Wisconsin	4.9	5.7	3.3	-5.8	3.7	7.3	4.5	3.9	-1.1
Wyoming	8.3	7.7	-2.7	N/A	N/A	N/A	N/A	N/A	N/A
Total***	4.6%	5.2%	3.9%	1.2%	8.0%	3.3%	1.3%	8.7%	-0.5%

NOTES: NA indicates data are not available because, in most cases, these states do not have that type of tax. **Unless otherwise noted, fiscal 2014 figures reflect actual tax collections, fiscal 2015 figures reflect preliminary actual tax collections estimates, and fiscal 2016 figures reflect the estimates used in enacted budgets. ***Totals include only those states with data for all years.



Enacted Fiscal 2016 Revenue Changes

States enacted a mix of tax increases and decreases in their fiscal 2016 budgets, resulting in a projected net increase of \$0.5 billion (\$546 million), in contrast to the previous two years when states enacted net revenue decreases. (See Table 26) Overall, 22 states enacted net tax and fee increases, while 18 states enacted net tax decreases in fiscal 2016. States with the largest increases in taxes and fees in fiscal 2016 include Connecticut and Louisiana, both of which modified certain provisions and reduced tax breaks across a number of revenue categories, Georgia, which increased taxes and fees to fund transportation projects, and Nevada, which enacted various tax increases to enhance funding for K-12 education. Texas enacted the largest tax decrease with its property tax relief and reduction in the business franchise tax rate (which both fall under the "Other Taxes" category), followed by Ohio's personal income tax cuts. (See Tables 27 and A-1) In addition to these revenue changes, states also enacted \$351 million in new revenue measures in fiscal 2016. These measures can enhance or reduce state revenue but do not affect taxpayer liability. Generally, states enact revenue measures to increase revenues and may rely on enforcement of existing laws, additional audits and compliance efforts, and increasing fines for late filings. Revenue measures may also consist of fund transfers so that revenue is redirected from the general fund to another state fund for a specific purpose. (See Table A-2)

It should be noted that NASBO updated its data collection survey to explicitly ask states to report all enacted tax and fee changes (including but not limited to the general fund). Prior to this change, the question was open to interpretation, and while some states included tax changes to other state fund sources, many limited reporting to changes impacting the general fund only. While for the most part this report focuses exclusively on state general fund spending and revenues, in this case, NAS-BO chose to also collect data on revenue changes impacting other state funds to capture important revenue actions in areas such as motor fuel taxation (most states tend to rely on other state funds primarily to finance transportation). For each reported revenue change or measure, NASBO asked states to indicate whether the action impacts the general fund and/or another state fund. Tables A-1, A-2, A-3 and A-4 in the appendix of this report provide this detail.

Tax changes on sales (\$494 million), corporate income (\$576 million), cigarette and tobacco product (\$535 million), and motor fuel (\$472 million) all contributed relatively evenly to the net increase in taxes and fees enacted in fiscal 2016. Partially offsetting these increases, states enacted a significant net decrease in personal income taxes (-\$1,264 million), as well as a moderate decrease in other taxes (-\$239 million) and slight decreases in alcohol taxes (-\$9.3 million) and fees (-\$19 million). New Jersey also enacted a fiscal 2016 mid-year personal income tax decrease of \$122 million. (See Table 28 and A-3)

Sales Taxes—Nine states enacted sales tax increases and seven enacted decreases. The result is a net revenue increase of \$494 million. Tax changes in Connecticut, Kansas, Louisiana and Maine account for the majority of this net increase. Excluding changes with no general fund impact, the net sales tax increase rises slightly to \$499 million.

Personal Income Taxes—Fifteen states enacted personal income tax decreases, while nine states enacted increases, resulting in a net decrease of \$1,264 million (\$1.3 billion). Ohio's across-the-board rate reduction and continued exemption on 75 percent of the first \$250,000 in income for small businesses drove most of the net decrease. All changes reported impact the general fund, though a few also have an impact on another state fund.

Corporate Income Taxes—Four states enacted corporate income tax increases while ten enacted decreases for a net increase of \$576 million. Louisiana's reduction of various tax credits accounted for most of the net increase, while several changes to increase corporate income tax revenue in Connecticut also contributed. All changes reported impact the general fund.

Cigarette and Tobacco Taxes—Eight states enacted tax increases on cigarettes and tobacco products, resulting in an increase of \$535 million. Ohio and Louisiana accounted for more than half of the total increase. Excluding changes with no general fund impact, the net sales tax increase reduces somewhat to \$425 million.

Motor Fuel Taxes—Eight states enacted motor fuel tax increases, while one state enacted a slight decrease, resulting

in a \$472 million total increase in fiscal 2016. This tax category is most affected by the data collection survey change explained above, whereby states were explicitly asked to report changes impacting other state funds as well as the general fund. All revenue changes reported in this category (with the exception of the slight decrease in Ohio) have no impact on the general fund.

Alcohol Taxes—Three states enacted small tax decreases, while one state enacted a slight increase, for a net decrease of \$9.3 million. All changes reported impact the general fund.

Other Taxes—Eleven states enacted other tax increases, while five states enacted decreases for a net decrease of

\$239 million. Property tax relief and a business franchise tax rate reduction in Texas drove the net decrease in this category, while Georgia's tax increases to fund transportation and Nevada's various tax changes partially offset this decrease. Excluding changes with no general fund impact, the net decrease for other taxes becomes larger at \$357 million.

Fees—Thirteen states enacted fee increases, while three states enacted decreases, resulting in a small net decrease of \$19 million. Texas's reduction or elimination of occupational licensure fees or occupations taxes drove the net decrease. Excluding changes with no general fund impact, the net fee decrease becomes larger at \$83 million.

TABLE 26
Enacted State Revenue Changes, Fiscal 1979 to
Fiscal 2016

Fiscal Year	Revenue Change (Billions)
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: 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 1988–2016 data provided by the National Association of State Budget Officers.

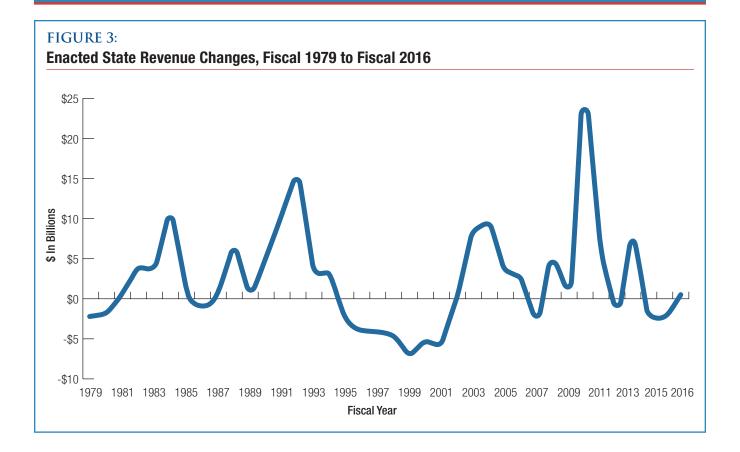


TABLE 27
Enacted Fiscal 2016 Revenue Actions by Type of Revenue and Net Increase or Decrease** (Millions)

State	Sales	Personal Income	Corporate Income	Cigarettes/ Tobacco	Motor Fuels	Alcohol	Other Taxes	Fees	Total
Alabama*	\$1.5			\$60.5			\$16.4		\$78.4
Alaska					7.5			7.9	15.4
Arizona							-1.5		-1.5
Arkansas		-28.9							-28.9
California		-380.0							-380.0
Colorado									0.0
Connecticut	169.8	219.3	258.1	24.5		0.5	239.5	4.5	916.2
Delaware								24.0	24.0
Florida	-106.2		-27.8				-207.5	-5.5	-347.0
Georgia							867.8		867.8
Hawaii		-15.5							-15.5
Idaho	-4.5	-0.1	-7.1		81.0				69.3
Illinois	1.0	0.1			01.0				N/A
Indiana		-6.9	-1.0	<u>. </u>					-7.9
lowa		-0.9	-1.0						0.0
	176.2	161.8	5.0	40.9					383.9
Kansas	170.2	-7.1	-1.3	40.9		-1.6			-9.9
Kentucky	107.2	36.3		106.4		-1.0	59.5		
Louisiana			404.5	106.4			59.5		713.9
Maine	129.9	-61.0							68.9
Maryland		12.5							12.5
Massachusetts									0.0
Michigan								3.7	3.7
Minnesota	8.4	5.1							13.5
Mississippi						-1.8	-3.6		-5.4
Missouri									0.0
Montana*								3.0	3.0
Nebraska	-0.7	-1.5	-0.9		2.1				-1.0
Nevada*				96.9			401.6	65.8	564.3
New Hampshire			-3.5						-3.5
New Jersey									0.0
New Mexico									0.0
New York	-10.0	56.0						5.0	51.0
North Carolina	44.5	-117.3	-1.9		144.2			25.0	94.5
North Dakota*		-51.0	-26.5						-77.5
Ohio	-4.8	-1085.2		196.0	-2.1		-5.4		-901.5
Oklahoma									0.0
Oregon*		-40.1					16.1	14.8	-9.2
Pennsylvania									N/A
Rhode Island*	-30.5	-12.4	-1.6	6.5	4.4	-6.4	0.7	-5.2	-44.5
South Carolina	30.0	-4.0	1.0	0.0		0.1		0.2	-4.0
South Dakota		1.0			41.3		27.2	17.3	85.8
Tennessee*	-6.4	-1.5			11.0		L1 .L	6.1	-1.8
Texas*	-0.4	-1.0					-1884.4	-200.0	-2,084.4
Utah					24.0		75.0	200.0	99.0
Vermont	8.9	22.9	0.0	3.2	0.0	0.0	2.8	3.6	41.4
	0.9		0.0	٥.۷	0.0	0.0	2.0	3.0	
Virginia		22.4			170.0		157.0	11.0	22.4
Washington West Virginia			07.0		170.0		157.0	11.0	338.0
West Virginia	10.7	11.0	-27.0						-27.0
Wisconsin	10.7	11.8	6.6						29.1
Wyoming	# 404.0	04.004.1	A	AFO.4. C	0.50	** *	# 222.2	* 40.0	0.0
Total	\$494.0	-\$1,264.4	\$575.7	\$534.9	\$472.4	-\$9.3	-\$238.8	-\$19.0	\$545.5

NOTE: *See Notes to Table 27 on page 63. **See Appendix Table A-1 for details on specific revenue changes.



TABLE 28

Fiscal 2016 Mid-Year Revenue Actions by Type of Revenue and Net Increase or Decrease** (Millions)

Olata	0-1	Personal	Corporate	Cigarettes/	Motor	A1	Other	-	
State	Sales	Income	Income	Tobacco	Fuels	Alcohol	Taxes	Fees	Total
Alabama*									\$0.0
Alaska									0.0
Arizona									0.0
Arkansas									0.0
California									0.0
Colorado									0.0
Connecticut									0.0
Delaware									0.0
Florida									0.0
Georgia									0.0
Hawaii									0.0
Idaho									0.0
Illinois									0.0
Indiana									0.0
lowa									0.0
Kansas									0.0
Kentucky									0.0
Louisiana									0.0
Maine									0.0
Maryland									0.0
Massachusetts									0.0
Michigan									0.0
Minnesota									0.0
Mississippi									0.0
Missouri									0.0
Montana									0.0
Nebraska									0.0
Nevada									0.0
New Hampshire									0.0
New Jersey		-122.0							-122.0
New Mexico		122.0							0.0
New York									0.0
North Carolina									0.0
North Dakota									0.0
Ohio									0.0
Oklahoma									0.0
Oregon									0.0
Pennsylvania									0.0
									0.0
Rhode Island South Carolina									0.0
									0.0
South Dakota									
Tennessee									0.0
Texas									0.0
Utah									0.0
Vermont									0.0
Virginia									0.0
Washington									0.0
West Virginia									0.0
Wisconsin									0.0
Wyoming									0.0
Total	\$0.0	-\$122.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	-\$122.0

NOTE: *See Notes to Table 28 on page 64. **See Appendix Table A-3 for details on specific revenue changes.



CHAPTER 2 NOTES

Notes to Table 22

General Fund Revenue Collections Compared to Projections, Fiscal 2015 and Fiscal 2016

Alabama's fiscal year begins October 1, so FY 2016 has not begun.

California It is too early in fiscal 2016 to compare collections to projections.

Hawaii For Fiscal 2015, used revenue estimates that were in place at the beginning of the fiscal year. For Fiscal 2016, used general fund

tax revenue growth rates.

Michigan Fiscal 2015 ends 9/30/15; "higher" is based on data through July 2015. Fiscal 2016 starts 10/1/15.

Not all FY 2015 revenue is in yet and we have not been able to start FY 2016 revenue tracking (too early).

Notes to Table 23

Fiscal 2015 Tax Collections Compared With Projections Used in Adopting Fiscal 2015 Budgets

Michigan Corporate Income Tax Collections include net revenue from the Corporate Income Tax, the Michigan Business Tax, and the

Single Business Tax. Preliminary Actuals for FY 2015 are based on May 2015 revenue estimates for the fiscal year ending

September 30, 2015.

Nevada Sales tax collections for preliminary actual for FY 2015 are missing June collection. Data not released until end of August.

Notes to Table 24

Comparison of Tax Collections in Fiscal 2014, Fiscal 2015, and Enacted Fiscal 2016

Hawaii All numbers reflect appropriation.

Michigan Corporate Income Tax Collections include net revenue from the Corporate Income Tax, the Michigan Business Tax, and the

Single Business Tax. Preliminary Actuals for FY 2015 are based on May 2015 revenue estimates for the fiscal year ending

September 30, 2015.

Minnesota Sources: Actual FY 2014—2015 EOS FBA; Estimates for FY 2015 Budget—014 EOS FBA; Preliminary Actual FY 2015—

Economic Update; Estimates for FY 2016 Budget—2015 EOS FBA

Nevada Sales tax collections for preliminary actual for FY 2015 are missing June collection. Data not released until end of August.

Ohio Ohio doesn't have a corporate income tax and instead has a commercial activities tax (CAT). The large increase in fiscal 2016

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.

Tennessee Sales tax, personal income tax, and corporate income tax are shared with local governments. Corporate income tax includes

franchise tax.

Texas Texas does not have a corporate income tax, but it does have a franchise tax, a privilege tax imposed on each taxable entity

chartered/organized in Texas or doing business in Texas. Franchise tax collections totaled \$4,700 million in fiscal 2014, \$2,874

million in fiscal 2015, and are projected to total \$2,800 million in fiscal 2016.

Notes to Table 27

Enacted Fiscal 2016 Revenue Actions by Type of Revenue and Net Increase or Decrease

Alabama

All revenue collected from the Supplemental Pharmacy Privilege Tax and the Supplemental Nursing Home Facility Bed Tax will go directly to Medicaid.

Montana

Montana HELP Act insurance charges for Medicaid expansion insurance policies fee, levied on HELP Act policyholders; \$3 million in FY 2016 and \$7.3 million in FY 2017.

Nevada

The amount is the net impact from the tax/fee increase/decrease in comparison to May 1, 2015 Economic Forum Forecast. Net impact for Modified Business Taxes (nonfinancial and mining) exclude transferrable tax credits that can be taken against the Modified Business Tax liability. Use of these tax credits by the taxpayer will reduce collections. At this time, it is unknown how the Modified Business Tax and its individual categories will be impacted by the tax credit programs. Not all Modified Business Tax categories had changes. At this time, it is not possible to estimate specifically how the Modified Business Nonfinancial Institutions and Mining categories will be impacted by the tax credits. These tax credit programs are new so we have no historical data that we can use as an estimate.

Additionally, some temporary tax rate increases were scheduled to sunset, but were extended or made permanent. 1) Prior to FY 2010, the Net Proceeds of Minerals Tax was collected on net proceeds from the calendar year ending in December of the given fiscal year. From FY 2010 through FY 2013, these taxes were collected based on an estimate of the net proceeds for the calendar year beginning in January of the given fiscal year and ending six months after the close of the given fiscal year, with a "true-up" to account for actual net proceeds due in the following fiscal year. In addition, in FY 2012 and FY 2013, the deduction for health and industrial insurance expenses was eliminated. The 2015 Legislature extends the prepayment of the Net Proceeds of Minerals Tax to June 30, 2016 and the insurance deduction provision is scheduled to revert back to FY 2009 methodology on January 1, 2017. 2) The 2009 Legislature passed a bill that increased the depreciation rates for autos and trucks by 10% in the schedules used to determine the value of a vehicle for the purpose of calculating the Governmental Services Tax and required the revenue generated from the 10% depreciation schedule change in the Governmental Services Tax to be allocated in the State General Fund until FY 2013 and then deposited in the State Highway Fund. This revenue enhancement was extended by the 2013 Legislative Session, continuing the revenue generated from the depreciation schedule change to be allocated to the General Fund until FY 2015 and to be deposited in the State Highway Fund starting FY 2016. The 2015 Legislature extends the additional revenue generated from the 10% depreciation schedule change to be deposited in the General Fund in FY 2016. The bill requires that 50% of the proceeds for the depreciation schedule to be allocated to the State General Fund and 50% to the State Highway Fund in FY 2017. In FY 2018 and beyond, the proceeds from the 10% depreciation schedule change are required to be deposited in the State Highway Fund. 3) The rate of the Local School Support Tax was increased in FY 2010 through FY 2015 to 2.60% from 2.25% temporarily. The 2015 Legislature makes the 0.35% increase in the Local School Support Tax permanent.

North Dakota

Decrease amounts reflect 1/2 of the total impact of tax changes approved for the 2015-17 biennium.

Oregon

Does not include the Personal Income Tax "kicker" that rebates Personal Income Tax revenues collected in the 2013-15 biennium that are in excess of the "close of session" forecast from September, 2013. The estimated kicker is \$451 million during the 2015-17 biennium, which will be applied to personal income tax filings in calendar year 2016.

Rhode Island

Legislation establishing biennial motor fuel tax increases was passed with the FY 2015 Appropriations Act. This increase is tied to the Consumer Price Index for all Urban Consumers (CPI-U).

Tennessee

Sales tax and personal income tax also impact the Local Government Fund. The limit placed on aviation fuel tax payments will impact the Highway Fund.

Texas

The "Property Tax Relief Fund" is reduced by the same amount of franchise tax reductions.

Notes to Table 28 Fiscal 2016 Mid-Year Revenue Actions by Type of Revenue and Net Increase or Decrease

Alabama's fiscal year begins October 1, so FY 2016 has not begun.

TOTAL BALANCES

CHAPTER THREE

Overview

Maintaining adequate balance levels helps states to mitigate disruptions to state services during an economic downturn. Total balances include both ending balances and the amounts in states' budget stabilization funds (rainy day funds and reserves), and reflect the funds that states may use to respond to unforeseen circumstances. Additionally, rainy day funds are needed to ensure that budgets can be balanced when revenues do not meet expectations in the latter part of the fiscal year when budget cuts and revenue increases do not have enough time to take effect. State officials often try to avoid drawing down balance levels at the beginning of a downturn, and may also be prohibited from draining all rainy day funds immediately. In total, 48 states have budget stabilization funds, which may be budget reserve funds, revenue-shortfall accounts, or cash flow accounts. About three-fifths of the states have maximum limits on the size of their budget reserve funds.6 Since the Great Recession, there have been calls by some organizations and academics to increase the standard size of budget reserves.

Total Balances

Budget reserves reached a recent low in fiscal 2010 due to the severe decline in revenues and rise in expenditure demands tied to the recession. Since that time, states have made significant progress rebuilding budget reserves. In fiscal 2013, revenues far outpaced projections, leading to large ending balances at the end of the fiscal year. Total balances, which include ending balances and balances in states' budget stabilization or rainy day funds, reached \$72.2 billion, or 10.4 percent of general fund expenditures. Balance levels remained relatively flat in fiscal 2014 at \$72.0 billion, representing 9.9 percent of general fund expenditures, and total balances rose slightly in dollar terms in fiscal 2015 to \$73.3 billion, while falling slightly as a percentage of expenditures to 9.6 percent.

Based on enacted budgets, states expect total balance levels to decline to \$61.0 billion (or 8.8 percent of expenditures) in fiscal 2016; note that this figure excludes five states (Georgia, Illinois, Oklahoma, Pennsylvania, and Wisconsin) for which data are not available. (See Table 29)

Total balance levels vary widely across states. Thirty-seven states ended fiscal 2015 with total balances above five percent of expenditures, and among those, 21 had balances equal to 10 percent or more of general fund expenditures. Eleven states, meanwhile, had total balances of greater than one percent but less than five percent, while the remaining two states had balances of less than two percent. For the 45 states with fiscal 2016 projections available, 30 states expect to end the current fiscal year with total balances of five percent or more as a share of expenditures, while 14 states expect to have between one and five percent and one state projects a zero balance. States with low balance levels may be impeded in their ability to respond to unforeseen events that occur during the fiscal year, including budget gaps due to unanticipated expenses or revenue shortfalls. (See Tables 30-31 and Figures 6, 7 and 8)

Texas continues to hold the largest portion of states' total balances in dollar terms, and is projected to end fiscal 2016 with \$15.0 billion (27.9 percent) in reserves. Excluding Texas from the totals for fiscal 2016 (in addition to the five other states with unavailable data), the remaining states are projected to have total balances equal to 6.7 percent of expenditures, on average. Alaska, historically, has also held a large portion of states' total balances, but that has changed somewhat recently, as the state has tapped its reserves to respond to the budgetary effects of the rapid decline in oil prices. Nevertheless, Alaska's total balance levels as a percentage of expenditures continue to rank highest among states, at 122.5 percent in fiscal 2015 and 87.6 percent projected in fiscal 2016.



⁶ For more details on states' budget stabilization or rainy day funds, see NASBO's Budget Processes in the States report (Spring 2015), Table 14.

Rainy Day Funds

State balances exclusively in rainy day funds—budget stabilization funds set aside to respond to unforeseen circumstances—tend to be more stable than total balance levels, as ending balances fluctuate from year to year due to a variety of factors. Excluding five states for which complete data are not available for all three years, states' rainy day fund balances totaled \$44.8 billion in fiscal 2014, \$40.8 billion in fiscal 2015, and are projected to increase to \$43.5 billion in fiscal 2016. (See Table

32) It should be noted that NASBO revised its survey instrument to clarify that when providing rainy day fund data, states are to provide the balance in budget stabilization fund(s) or reserve accounts available to supplement general fund spending during a revenue downturn or other unanticipated shortfall (if the specific restrictions on the use of this fund are met), and that these reserve funds may be stored within or outside of the state's general fund. A couple states, including Maine and Wisconsin, adjusted their reporting in response to this clarification.

TABLE 29
Total Year-End Balances, Fiscal 1979 to Fiscal 2016

Fiscal Year	Total Balance (Billions)	Total Balance (Percentage of Expenditures)
2016*	\$61.0	8.8%
2015*	73.3	9.6
2014	72.0	9.9
2013	72.2	10.4
2012	55.8	8.4
2011	45.7	7.1
2010	32.5	5.2
2009	36.2	5.7
2008	59.1	8.6
2007	65.9	10.1
2006	69.0	11.5
2005	46.6	8.4
2004	26.7	5.1
2003	16.4	3.2
2002	18.3	3.7
2001	44.1	9.1
2000	48.8	10.4
1999	39.3	8.4
1998	35.4	9.2
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	5.2
1984	6.4	3.8
1983	2.3	1.5
1982	4.5	2.9
1981	6.5	4.4
1980	11.8	9.0
1979	11.2	8.7
Average	_	6.3%

NOTE: "Figures for fiscal 2015 are preliminary actual; figures for fiscal 2016 are enacted. Figures for fiscal 2016 exclude Georgia, Illinois, Oklahoma, Pennsylvania, and Wisconsin.

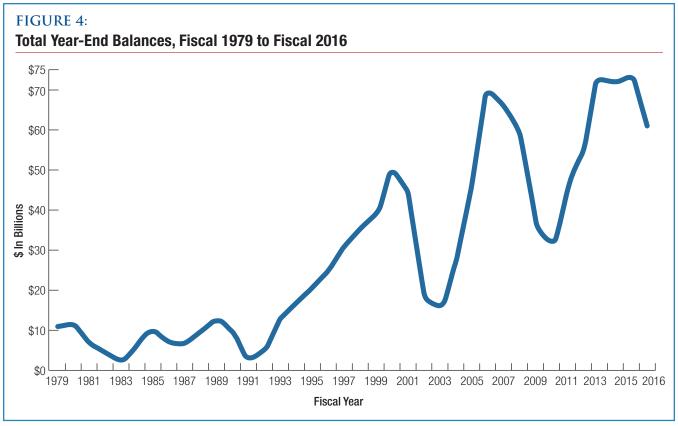


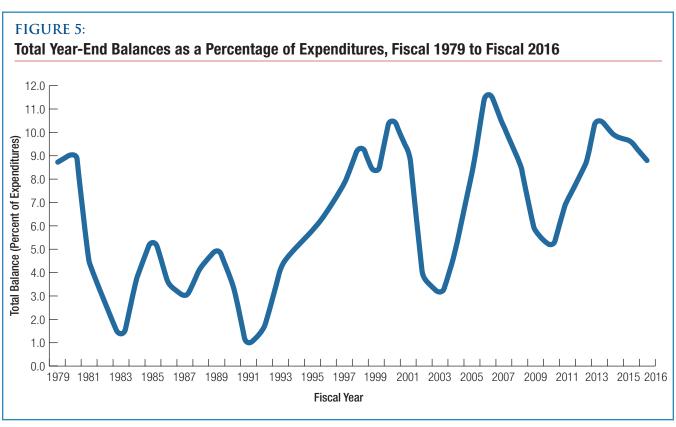
TABLE 30
Total Year-End Balances as a Percentage of

Total Year-End Balances as a Percentage of Expenditures, Fiscal 2014 to 2016

	Number of States					
Percentage	Fiscal 2014 (Actual)	Fiscal 2015 (Preliminary Actual)	Fiscal 2016 (Appropriated)			
Less than 1%	4	2	1			
> 1% but < 5%	10	11	14			
> 5% but < 10%	18	16	15			
10% or more	18	21	15			

NOTE: The average for fiscal 2014 (actual) was 9.9 percent; the average for fiscal 2015 (preliminary actual) was 9.6 percent; and the average for fiscal 2016 (enacted) is 8.8 percent. See Table 31 for state-by-state data.





Changing Balance Levels Fiscal 2014, Fiscal 2015, Fiscal 2016

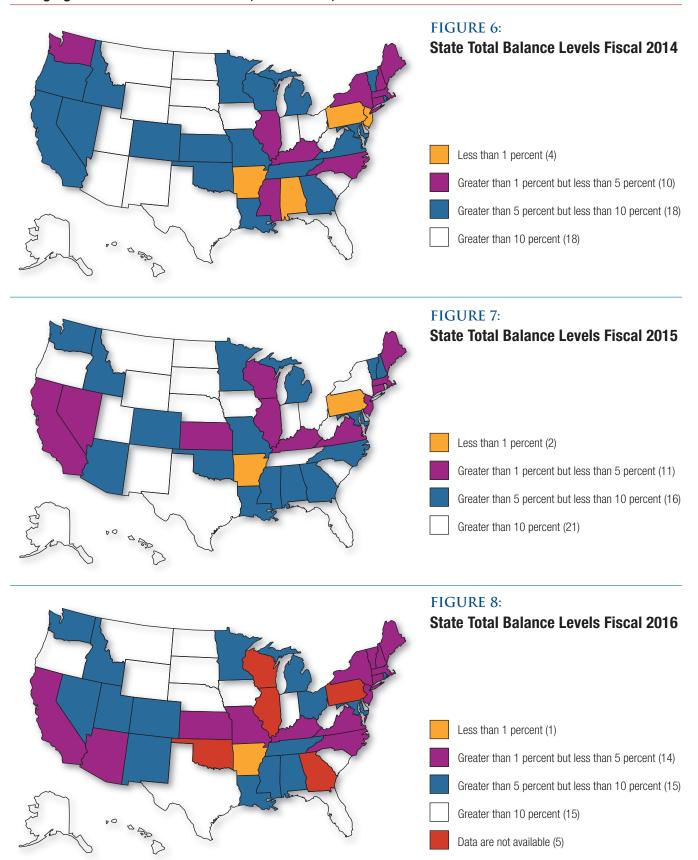


TABLE 31

Total Balances and Total Balances as a Percentage of Expenditures, Fiscal 2014 to Fiscal 2016

	Т	otal Balances (\$ in Millio	18)	Total Bal	ances as a Percent of Exp	enditures
State	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2014	Fiscal 2015	Fiscal 2016
Alabama	\$64	\$627	\$730	0.9%	8.1%	9.4%
Alaska	13,860	7,365	4,538	189.3	122.5	87.6
Arizona	1,033	748	278	11.7	8.1	3.0
Arkansas	0	0	0	0.0	0.0	0.0
California*	5,590	4,030	5,547	5.6	3.5	4.8
Colorado***	651	612	542	7.4	6.3	5.2
Connecticut	519	448	449	3.1	2.6	2.5
Delaware***	414	537	543	10.9	14.0	13.8
Florida	3,506	3,491	3,063	13.0	12.4	10.4
Georgia* ***	1,055	1,451	N/A	5.5	7.2	N/A
Hawaii	748	918	860	11.9	14.3	12.5
Idaho	206	232	228	7.4	7.9	7.4
Illinois	350	350	N/A	1.1	1.1	N/A
Indiana	2,005	2,141	2,059	13.8	14.3	13.6
lowa	1,377	1,061	1,068	21.3	15.2	14.9
Kansas	380	76	88	6.3	1.2	1.4
Kentucky	158	298	209	1.6	2.9	2.0
Louisiana	623	470	516	7.3	5.4	5.7
Maine*	106	154	130	3.4	4.9	3.9
Maryland	911	1,086	1,089	5.8	6.8	6.6
Massachusetts***	1,450	1,485	1,148	4.0	3.9	2.8
Michigan	693	668	634	7.7	7.1	6.7
Minnesota***	1,886	1,421	1,814	9.7	7.0	8.8
Mississippi	151	461	395	2.8	8.4	6.9
Missouri	466	548	387	5.6	6.3	4.3
Montana	424	455	359	19.4	21.0	15.2
Nebraska	1,393	1,460	992	36.7	36.2	23.2
Nevada	212	1,460	268	6.4	4.3	7.6
New Hampshire***	31	83	57	2.5	6.6	4.1
•			764	0.9		
New Jersey New Mexico***	296	627 634			1.9	2.3
New York***	638		614	10.6	10.0	9.7
	2,235 921	7,300	3,495	3.6	11.6	4.8
North Carolina North Dakota	1,670	1,516 1,302	1,034 1,423	<u>4.4</u> 51.6	7.0	4.8
Ohio	3,178	3,189	2,901	10.5	10.1	8.1 N/A
Oklahoma* Oregon	535 400	434 868	N/A 1,125	8.2 5.2	6.8	N/A 13.2
	81		1,125 N/A		0.0	N/A
Pennsylvania Rhode Island		9 352		7.3		5.2
	245		184		10.2	
South Carolina***	1,163	1,182	1,011	18.4	17.3	14.1
South Dakota	149	171	171	10.3	12.3	11.9
Tennessee	840	1,311	916	6.9	10.5	7.1
Texas	13,671	15,838	15,002	29.2	32.7	27.9
Utah	572	894	496	10.6	15.6	7.9
Vermont	71	76	71	5.1	5.3	4.8
Virginia	1,166	715	242	6.6	3.9	1.3
Washington	788	1,379	1,323	4.9	8.3	7.3
West Virginia	1,368	1,289	1,230	32.5	30.4	28.3
Wisconsin	797	416	N/A	5.4	2.7	N/A
Wyoming	926	960	960	51.8	54.1	54.1
Total**	\$71,969	\$73,282	\$60,954	9.9%	9.6%	8.8%

NOTES: Total balances include both the ending balance and Rainy Day Funds. Fiscal 2014 are actual figures, fiscal 2015 are preliminary actual figures, and fiscal 2016 are appropriated figures. N/A indicates data not available. *See notes to Table 31 on page 73. **Fiscal 2016 total balance amount and total balances as percentage of expenditures exclude Georgia, Oklahoma and Wisconsin, as complete data for these states was not available for this year. Also excluded are total balances for Illinois and Pennsylvania, which have not yet enacted fiscal 2016 budgets. ***Ending Balance includes Rainy Day Fund.



TABLE 32
Rainy Day Fund Balances and Rainy Day Fund Balances as a Percentage of Expenditures, Fiscal 2014 to Fiscal 2016

	Rainy I	Day Fund Balances (\$ in N	es (\$ in Millions) Rainy Day Fund Balances as a Percent of Expenditures			
State	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2014	Fiscal 2015	Fiscal 2016
Alabama	\$11	\$412	\$412	0.1%	5.3%	5.3%
Alaska	15,574	10,084	7,287	212.7	167.7	140.7
Arizona	455	457	313	5.2	4.9	3.4
Arkansas	0	0	0	0.0	0.0	0.0
California	4,619	3,058	4,576	4.6	2.7	4.0
Colorado	411	577	542	4.7	5.9	5.2
Connecticut*	519	448	449	3.1	2.6	2.5
Delaware	202	213	215	5.3	5.5	5.5
Florida	925	1,139	1,354	3.4	4.0	4.6
Georgia*	863	1,246	N/A	4.5	6.2	N/A
Hawaii	83	90	108	1.3	1.4	1.6
Idaho	162	190	219	5.8	6.5	7.1
Illinois	276	276	N/A	0.9	0.9	N/A
Indiana	969	1,254	1,316	6.7	8.4	8.7
lowa	670	696	719	10.4	10.0	10.0
Kansas*	0	0	0	0.0	0.0	0.0
Kentucky	77	77	209	0.8	0.8	2.0
Louisiana	445	470	515	5.2	5.4	5.7
Maine*	93	128	128	3.0	4.0	3.8
	93 764	766	794	4.9	4.8	4.8
Maryland					3.1	2.9
Massachusetts	1,243	1,179	1,184	3.5		
Michigan	386	498	611	4.3	5.3	6.5
Minnesota	661	994	994	3.4	4.9	4.9
Mississippi	110	395	395	2.0	7.2	6.9
Missouri	277	270	291	3.3	3.1	3.3
Montana	0	0	0	0.0	0.0	0.0
Nebraska	719	728	729	19.0	18.1	17.1
Nevada	28	0	0	0.9	0.0	0.0
New Hampshire	9	9	24	0.7	0.7	1.7
New Jersey	0	0	0	0.0	0.0	0.0
New Mexico	638	634	614	10.6	10.0	9.7
New York	1,481	1,798	1,798	2.4	2.9	2.5
North Carolina	651	652	852	3.1	3.0	3.9
North Dakota	584	573	573	18.0	17.7	19.0
Ohio	1,478	1,478	2,005	4.9	4.7	5.6
Oklahoma*	535	385	N/A	8.2	6.0	N/A
Oregon	153	391	652	2.0	4.8	7.7
Pennsylvania	0	0	N/A	0.0	0.0	N/A
Rhode Island	177	185	183	5.3	5.4	5.2
South Carolina	408	447	459	6.4	6.6	6.4
South Dakota	139	149	171	9.7	10.8	11.9
Tennessee	456	492	568	3.8	3.9	4.4
Texas	6,703	7,500	9,900	14.3	15.5	18.4
Utah	432	491	491	8.0	8.5	7.8
Vermont	71	76	71	5.1	5.3	4.8
Virginia	688	468	237	3.9	2.6	1.3
Washington	415	513	695	2.6	3.1	3.8
West Virginia	956	869	853	22.7	20.5	19.6
Wisconsin	280	280	N/A	1.9	1.8	N/A
Wyoming	926	960	960	51.8	54.1	54.1
Total**	\$44,840	\$40,847	\$43,505	7.2%	6.2%	6.3%

NOTES: N/A indicates data not available. Fiscal 2014 are actual figures, fiscal 2015 are preliminary actual figures, and fiscal 2016 are appropriated figures. *See Notes to Table 32 on page 73. **Rainy day fund balance total amounts and as a percentage of expenditures only include states with reported data for all three fiscal years.



CHAPTER 3 NOTES

Notes to Table 31

Total Balances and Total Balances as a Percentage of Expenditures, Fiscal 2014 to Fiscal 2016

California The Ending Balance is only the General Fund balance and excludes the Budget Stabilization Account (a rainy day reserve held

in a separate fund). The excluded amount is \$1,606.4 million (in FY 2015 and FY 2016) and an additional \$1,854 million in FY 2016. Therefore, the "Total Balance" that includes the ending balance and all rainy day funds, including the Budget Stabilization Account amounts, is \$4,029.6 million in FY 2015 and \$5,546.7 million in FY 2016. The Rainy Day Fund balance consists of the Special Fund for Economic Uncertainties (which is the General Fund Ending Balance less specific reserves) and the Budget Stabilization Account. Adding the Rainy Day Fund and the Ending balance would double count the Special Fund for Economic

Uncertainties.

Georgia Georgia does not project future Rainy Day fund balances, but expects the reserve to continue to grow in future years.

Maine Previous surveys included only the Budget Stabilization Fund. This survey reflects the total of all General Fund reserves.

Oklahoma The final balance of the Rainy Day Fund at year-end for fiscal 2016 cannot be calculated at this time.

Notes to Table 32

Rainy Day Fund Balances and Rainy Day Fund Balances as a Percentage of Expenditures, Fiscal 2014 to Fiscal 2016

Connecticut For each of the fiscal years, the reported rainy day fund balance includes the ending balance.

Georgia Georgia does not project future Rainy Day fund balances, but expects the reserve to continue to grow in future years.

Kansas Kansas does not have a "Rainy Day" fund. However, the balanced budget provision of the constitution requires revenues to

finance the approved budget.

Maine Previous surveys included only the Budget Stabilization Fund. This survey reflects the total of all General Fund reserves.

Oklahoma The final balance of the Rainy Day Fund at year-end for fiscal 2016 cannot be calculated at this time.

OTHER STATE BUDGETING CHANGES

CHAPTER FOUR

Enacted Changes to Budgeting and Financial Management Practices

For fiscal 2016, 19 states reported enacted changes to their budgeting and financial management practices. The most commonly cited changes were IT upgrades for budgeting, accounting, or enterprise resource planning (ERP) systems to streamline disparate systems and expand functionality, as well as workforce policy changes including hiring freezes, retiree health and pension benefit reforms, and early retirement incentives. Four states took on initiatives to increase the use of performance data and evidence in budget, policy and strategic planning decisions, and at least one state has integrated this effort with its budget system modernization project. Several states formed commissions to study state revenue structures and/or tax incentives to make recommendations that would improve their economic competitiveness. A couple states have restructured one or more state agencies, and one state created an infrastructure bank. Additional changes include reforming the state's rainy day fund to capture over-performing volatile revenue sources, tax relief, and establishment of a long-term budget report. (See Table 33)

Enacted Changes in Aid to Local Governments, Fiscal 2016

A number of states enacted changes to increase aid and revenue sharing for local governments in fiscal 2016, particularly for education purposes. Eighteen states reported that aid to local governments will increase in fiscal 2016, while three states reported a decrease. The impact of enacted changes in state aid to local governments varied considerably. New York estimat-

ed the largest increase in aid to local governments, primarily through additional school aid, while Alaska estimated the most significant decrease in aid, including reduced appropriations to retirement accounts for municipalities and school districts. Most states reported that increased aid came in the form of additional funds for K-12 education as well as community colleges. Increases also went to support corrections and juvenile justice aid, property tax relief, transportation funding and disaster relief. Several states also reported various changes to tax provisions that will have an impact on local governments. (See Table 34)

Like the states, local governments faced severe budgetary pressures in the years immediately following the recession. While the fiscal health of local governments varied considerably, many localities confronted a sharp rise in service demands, declining tax revenues, and cuts in state and federal aid. Currently, budget challenges persist for many local governments due to unmet infrastructure needs, pension liabilities, rising healthcare costs, and constrained revenue growth. However, city fiscal conditions continue to show modest progress, and ending balances reached pre-recession levels at 25.2 percent of general fund expenditures in 2015.7 According to the National League of Cities, property tax collections increased 2.4 percent in 2014 and are expected to grow 1.2 percent in 2015. Sales tax revenues are expected to grow 2.3 percent in 2015, after increasing 3.1 percent in 2014. As at the state level, income tax revenues have been more volatile, decreasing 1.7 percent in 2014 but expected to increase 3.6 percent in 2015. Data indicates that cities are being more cautious in planning their budgets as they focus on fiscal sustainability over the longer term and manage revenue volatility.8



 $^{^{\}scriptscriptstyle 7}$ National League of Cities, City Fiscal Conditions 2015 (2015), p. 3.

⁸ Ibid.

TABLE 33

Enacted Changes to Budgeting and Financial Management Practices

Alabama Budget System—In the process of implementing new integrated budget and financial system statewide.

Alaska Budget System—New Accounting System (IRIS) was implemented in July 2015.

Arizona Workforce Policy—Additional hiring freeze policies became effective on February 1, 2015.

Arkansas Major Restructuring—Act 8 of First Extraordinary Session of 2015 provided for the transfer of the Arkansas Building Authority to the Department of Finance and Administration, the Arkansas Science and Technology Authority and the Department of Rural Services to the Arkansas Economic Development Commission and the

Division of Land Survey of the Arkansas Agricultural Department to the Arkansas Geographic Information Office.

Workforce Policy—A hiring freeze has been implemented by executive order.

Other—Fiscal Session for passage of the FY17 budget will begin later in the calendar year on April 13th for the

90th General Assembly only.

California Workforce Policy—Proposed increased employer and employee prefunding for retiree health care benefits, and

reduced retiree health benefits for new hires, to be pursued through the collective bargaining process with state

employees.

ColoradoSpending/Revenue Review—The Colorado Results First project is a Pew-MacArthur Results First Initiative which is a project of the Pew Charitable Trusts and the John D. and Catherine T. MacArthur Foundation. It works with Colorado to implement a cost-benefit analysis approach to state policy decision making. The Results First project team identified programs and services in Adult Criminal Justice, Juvenile Justice, and Child Welfare that had a robust evidence-base to conduct benefit-cost analyses and project return on investment for specific pro-

gramming. The Results first team worked in collaboration with the General Assembly's Joint Budget Committee, the Judicial Branch, the Department of Human Services, the Department of Public Safety, the Department of

Corrections, and the Colorado counties to identify programs, services, and costs.

Budget Process—Legislation (HB14-1391) was implemented this year. The legislation directed the Department of Higher Education to fund the public higher education system based on a performance-funding allocation of General Fund appropriated for operating. This performance system was implemented July 1, 2015 for the FY 2015-16 budget which is based on the performance metrics by institution. These metrics include, but are not

limited to, completion, retention, PELL eligibles.

Budget System—Colorado modernized their financial and budget systems by implementing the Colorado Operations Resource Engine (CORE), including a new performance budgeting module (PB) in FY 2014-15. For the first time, Colorado has a statewide web based budgeting database system that is integrated into with the state's financial (accounting) system. Specifically, the budgeting system provides a centralized system for the development and tracking of the state's budget and the collection of specific performance based measures. The State will continue to improve the functionality and financial reports from the new system during the upcoming year.

Enacted Changes to Budgeting and Financial Management Practices

Colorado (cont.)

Other—Colorado modernized its financial, procurement, and budgeting systems by implementing the Colorado Operations Resource Engine (CORE) in FY 2014-15. CORE replaced the State's aging financial accounting system (which was developed in the years between 1988 and 1992), along with its legacy procurement system. CORE also includes a new performance budgeting module (PB). For the first time, Colorado now has an ERP system that fully integrates these various functions. Specifically, the budgeting system provides a centralized system for the development and tracking of the State's budget and the collection of specific performance measures. The State will continue to improve the system's functionality and reporting mechanisms during the upcoming year.

Connecticut

Budget Process—There were several changes to the Budget Reserve Fund (BRF) in order to capture volatile revenue sources that outperform historical growth rates and also raise the BRF balance cap from 10% to 15% of General Fund Expenditures.

Delaware

Spending/Revenue Review—Governor Markell signed Executive Order 47, creating the Delaware Economic and Financial Advisory Council's (DEFAC) Advisory Council on Revenues. The Council was charged with assessing Delaware's revenue portfolio and individual revenue sources, particularly in terms of their responsiveness to economic growth, their volatility over time, and their competitiveness relative to other states. The Executive Order required that the Council's findings and recommendations for alterations to Delaware's revenue portfolio be presented to DEFAC, the Governor, and the General Assembly. The final report can be found at: http://www.finance.delaware.gov/defac/adv15/DEFAC%20Advisory%20Council%20on%20Revenue%20-%20 Final%20Report.pdf.

Massachusetts

Workforce Policy—Early Retirement Incentive Program used by approximately 2,500 state employees

Mississippi

Budget Process—The Legislature implemented an effort to revitalize the State's strategic planning and performance budgeting system. A statewide strategic plan was developed to identify priorities for the work of state government. This plan sets forth the vision, mission, philosophy, priority goals and benchmarks of state government to which individual state agencies' strategic plans must conform to achieve statewide priority goals and outcomes.

Montana

Budget System—A new budget system (IBARS) is being implemented.

Nebraska

Other—While not enacted through legislation, the Governor has implemented monthly operational and financial metric reporting by agencies; operationalized a continuous improvement process.

Ohio

Spending/Revenue Review—The Ohio 2020 Tax Policy Study Commission was created with the goal of reviewing the state's tax structure and policies to make recommendations on how to maximize Ohio's competitiveness by the year 2020.

Oklahoma

Spending/Revenue Review—The Governor supported and signed the passage of HB2182, the Incentive Evaluation Act, which creates the eight-member Incentive Evaluation Commission to review current and future tax incentives at least once every four years, report their level of success and make recommendations for future policy. Additionally, the companion bill, SB 806, will require that tax incentives introduced in future legislative sessions will have clear and measurable goals.

Enacted Changes to Budgeting and Financial Management Practices

Oklahoma (cont.) Other—In keeping with the Governor's initiative to bring more high-paying, high-quality jobs to Oklahoma, legis-

lation signed into law after the 2014 Legislative session was activated by a finding of the State Board of Equalization to provide meaningful income tax relief for Oklahoma taxpayers. As a result, the top marginal individual

income tax rate will be reduced from 5.25% to 5.00% beginning in tax year 2016.

Rhode Island Workforce Policy—Article 21 of the FY 2016 Appropriations Act affects pensions of state employees.

Other—Creation of the Rhode Island Infrastructure Bank

South Carolina Restructuring—The budget was realigned to prepare for the creation of the Dept of Administration, effective

July 1, 2015.

South Dakota Other—Legislation was passed which requires the Bureau of Finance and Management (BFM) to submit to the

legislature an annual long-term budget report which includes a long-term financial plan, five-year capital expen-

diture plan, and a debt limitation and management policy.

Vermont Budget Process—Results based accountability—2014 Session, Act 186

Wisconsin Budget System—The state is implementing an Enterprise Resource Planning system to eliminate the disparate

financial and HR systems and created a single system that hosts multiple business functions.

TABLE 34

Enacted Changes in Aid to Local Governments, Fiscal 2016

Alaska

The appropriation to the Community Revenue Sharing Program was eliminated in the FY2016 enacted budget—A decrease of \$52 million from FY2015. Direct Appropriations to retirement accounts in FY2016 for municipalities and school districts is estimated to be \$256.6 Million, a decrease of \$1.6 billion over FY2015 levels. The decrease, in large part, is a result of a one-time transfer to fund an unfunded pension liability appropriated for FY2015. Distributions to municipalities from the Commercial Vessel Passenger Tax Account (AS 43.52.230(a)) will take a one year moratorium as a result of a cash-flow issue within the account (\$15 Million decrease from FY2015). Regional & Community Jail funding decreased by 3.5 million (33.2% decrease).

Arizona

The budget includes \$6 million to aid local governments.

California

K-12:

Budget augmentations to the 14-15 fiscal year eliminated the remaining deferral balance of \$992 million for K-12 and community colleges (100% of the deferral balance). Additional augmentations were provided to reimburse school districts and community colleges for the costs of state-mandated programs as follows: \$413 million for the fiscal year 13-14 (represents 7% of the outstanding balance in 13-14), \$3.6 billion for fiscal year 14-15 (represents 64% of the outstanding mandate balance in 14-15), and \$283 million for fiscal year 15-16 (represents 16% of the outstanding mandate balance).

Corrections:

The 2016 Budget includes:

- an additional \$1 million ongoing for Trial Court Security over the 2015 Budget.
- a reduction of \$20 million to grants to city law enforcement agencies.
- a new, ongoing \$6 million grant program to local law enforcement agencies aimed at strengthening the relationship between law enforcement and the communities they serve.
- an additional \$5.7 million to counties for recidivism reductions strategies.

Colorado

In FY 2016, the Department of Local Affairs estimates that its aid to local governments will increase by approximately \$58.6 million over the previous year. This increased aid includes: distributions up to \$939,053 to local governments for the Firefighter Heart and Cardiac Malfunction Benefit Fund Program for reimbursement for the cost of providing the benefit to qualified firefighters; \$3,115,546 in distributions in each of the next three fiscal years to offset the impacts to local governments from the Department of Interior's legal settlement surrounding the cancellation of Roan Plateau Federal Mineral Leases in 2008 and subsequent refund of "bonus" payments received by Colorado; \$100,000 in distributions for a one-time planning grant to El Paso County for possible redevelopment of a State of Colorado community corrections complex; an increase of \$57,464,629 in CDBG-DR distributions to disaster impacted local governments for household assistance, home access, infrastructure replacement and repair, and other planning grants; decreases in Federal CSBG/CDBG allocations to local governments of \$123,969; and, increases in Rural Economic Development Initiative grants of \$750,000. These amounts constitute a 24% increase in aid to local governments for FY2016. Although legislation directed \$10 million of Severance Taxes away from local governments to support potential refunds to taxpayers, the Department of Local Affairs does not expect this diversion to reduce the overall level of grants to local governments that were budgeted for FY 2016.

Enacted Changes in Aid to Local Governments, Fiscal 2016

Colorado (cont.) The Department of Local Affairs does not expect any financial impact to local government financial operations in

FY 2016 due to state level changes.

Connecticut In general the aggregate level of municipal aid has been maintained and increases \$30 million or 0.92% from FY

15 to FY 16. This includes appropriations and bonding.

Iowa During the 2013 legislative session, a new Business Property Tax Credit was created to take effect in FY2015.

The credit is funded through a General Fund appropriation. The appropriation is for \$100 million for FY2016, which is an increase of \$50 million in FY2015. The credit will be used to reduce the final property tax bill for all commercial, industrial, and railroad property. Also passed during the 2013 legislative session was a rollback to 90% of commercial property valuations for FY2016, compared to 95% rollback in valuations for FY2015. The property tax revenue loss is reimbursed to local governments through a standing unlimited general fund appropriation which is estimated to be \$152.50 million for FY2016, which is an increase of \$74.2 million over FY2015.

Maine Caps revenue sharing for fiscal years 2015-16 (reduction of \$93.9M), 2016-17 (reduction of \$93.1M), 2017-18

(reduction of \$97.1M), and 2018-19 (reduction of \$101.2M) to 2% of revenue from the income tax, sales tax and

a portion of the service provider tax. Returns to 5% after fiscal year 2018-19.

Increases the Maine Resident Homestead Property Tax exemption from \$10,000 to \$15,000 for property tax years beginning 04/01/16, and from \$10,000 to \$20,000 for property tax years beginning on or after 04/01/2017.

The State reimburses the municipality for a portion of the property tax lost as a result of this increase.

Maryland State aid to Local governments totaled \$7.1 billion, an increase of \$83 million or 1.2% compared to the prior

year. Major increases include: \$59.5 million increase in K-12 education, \$5.6 million in aid to local community

colleges, and \$8.6 million in transportation grants.

Massachusetts The FY16 budget increases unrestricted local government aid to \$979.8 M, a 3.6% increase over FY15. Chapter

70 aid to local school districts increased by 2.5% to \$4.512 B.

Michigan Effective for fiscal 2016, beginning October 1, 2015, constitutionally-required revenue sharing payments to cit-

ies, villages, and townships are increased by \$23.8 million, a 3.1% increase, based on estimated sales tax collections. Revenue sharing payments to counties are increased \$3.5 million, a 1.7% increase, to cover the costs of two counties eligible for state payments and full year costs for eleven counties receiving partial year payments

in fiscal 2015.

Minnesota Delayed implementation of a sales tax exemption for local special taxing districts from January 1, 2016 to January 1,

ary 1, 2017. The estimated impact over that time period is \$20.2 million. This value represents 100% of the value

of the exception for the time period the exemption is delayed.

Nebraska TEEOSA (formula) State Aid to Schools: \$38.3 million, 4.2% increase for FY2016

Special Education Aid: \$5.3 million, 2.5% increase for FY2016

Community College Aid: \$2.9 million, 3.0% increase for FY2016

Enacted Changes in Aid to Local Governments, Fiscal 2016

Nebraska (cont.)

County Juvenile Justice Aid: \$1.4 million, 27.3% increase for FY2016

Natural Resources Development Fund Aid to Natural Resources Districts: -\$10.5 million, 77.0% reduction for FY2016

New Jersey

An increase in Consolidated Municipal Property Tax Relief Act funding by \$18.2 million (3.2%) to \$594.1 million. This program provides general State Aid to municipalities. The increase reflects a reallocation of funds from the main discretionary aid program, Transitional Aid to Localities.

A decrease in Transitional Aid to Localities program funding by \$14.2 million (11.6%) to \$107.4 million. This discretionary aid program provides assistance to municipalities facing fiscal distress.

A reduction in Meadowlands Adjustment Payments Aid of \$7.3 million (100%). P.L.2015, c.19 was signed into law and implemented a regional hotel use assessment to replace the appropriation.

A decrease in funding for Consolidation Implementation by \$4.5 million (52.9%) to \$4 million. This program supports non-recurring costs associated with local unit consolidations and adoption of shared services agreements. The new funding level reflects anticipated programmatic need.

Changes in other local aid programs include an increase in Aid to County Psychiatric Hospitals by \$7.9 million (7.5%) to \$113.7 million, an increase in Transportation Trust Fund Local Project Aid by \$2.6 million (.9%) to \$278.6 million, a decrease in County College Aid by \$2.1 million (.9%) to \$220.7 million, and a decrease in Employee Benefits on behalf of Local Governments by \$10.2 million (7.3%) to \$129 million.

New Mexico

2015 House Bill/ Senate Bill 669 Enacted legislation to partially hold harmless local governments for taxpayer refunds and other negative adjustments to distributions. Estimated impact of \$0.5 million annually to the General Fund.

New York

The 2015-16 Enacted Budget will have an estimated \$1.46 billion positive impact on municipalities in local fiscal years ending in 2016—the first full-annual local fiscal year affected in the Budget.

Major Budget program changes and one-year impact for local fiscal years ending in 2016 are as follows:

- Increased school aid funding for the 2015-16 school year (\$1.3 billion)
- New competitive grants and persistently failing schools transformation grants for school districts (\$84.5 million)
- A cap on local youth facility chargeback costs (\$37.8 million)
- Creation of a New York City homelessness prevention pilot program (\$15.0 million)
- Modifications to the foster care human services COLA (-\$12.9 million)
- Adjustments to the NYC Emergency Assistance to Families reimbursement (-\$15.0 million)
- Increased transit assistance for downstate county transit systems (\$15.6 million)
- Increased highway assistance for extreme winter recovery (\$19.7 million)
- Creation of a Buffalo Traffic Violations Bureau (\$3.0 million)
- Increased or restored revenue from various municipal aid programs (\$4.0 million)



Enacted Changes in Aid to Local Governments, Fiscal 2016

New York (cont.)

Enacted Budget actions, in total, will result in a positive local impact of \$1.46 billion for local fiscal years ending in 2016—the first full-annual local fiscal year affected by the Enacted Budget. The fiscal summary of the impact on local governments for local fiscal year 2016 is as follows:

- School Districts: School districts outside of New York City will realize a \$799.8 million positive impact for their 2015-16 school year, primarily due to an \$800 million school aid increase.
- New York City: A \$516.2 million positive impact is estimated for New York City, primarily due to \$505 million in additional aid for New York City schools. The City will also benefit by \$15 million for a new homelessness prevention pilot program, by \$12.1 million from increased transit and highway assistance, and by a net \$5.5 million from several sales and income tax reforms. These positive impacts will be partially offset by a \$15 million impact from adjusting New York City's reimbursement for Federal Emergency Assistance to Families, and a \$5.8 million impact from modifying the funding for the Foster Care Human Services Cost of Living Adjustment (COLA)
- Counties: County governments will realize an estimated \$39.9 million positive impact in 2016, primarily due to a \$37.8 million benefit from capping youth facility chargeback costs, and \$12.5 million from increased transit and highway assistance. These benefits will be partially offset by a \$7.1 million impact from modifying the funding for the Foster Care Human Services COLA.
- Other Municipalities: The impact to other cities, towns, and villages is a positive \$16.3 million in local fiscal years ending in 2016, attributed primarily to \$10.7 million in increased highway assistance, \$3.1 million in new or restored municipal aid, and a potential \$3 million from the creation of the Buffalo Traffic Violations Bureau.

Other Budget Actions Affecting Local Governments

Restructuring Local Governments: Up to \$150 million in funding from recent financial settlements with the State will be invested in municipal restructuring. This funding will be used to assist and encourage local governments and school districts to implement shared services, cooperation agreements, mergers, and other actions that permanently reduce operational costs and related property tax burdens. Funding could also cover existing grant and aid programs that encourage local government and school district restructuring and efficiency.

- Capping Local Youth Facility Costs: The Enacted Budget caps the mandated costs imposed on counties and New York City for the operation of New York State OCFS juvenile facilities. Billings will be capped at \$55 million annually through FY 2019, providing total local savings of \$425 million over this time period. New York City's savings will be reinvested in homeless assistance programs and services.
- Auditing NYSHIP Dependent Eligibility: The Department of Civil Service will oversee an external audit of dependent eligibility in the employee and retiree health plan (NYSHIP). The removal of ineligible dependents (e.g., ex-spouses) from NYSHIP could save local governments more than \$10 million. Importantly, the Enacted Budget provides legislation which would protect employees who voluntarily identify ineligible dependents during a special amnesty period.

Enacted Changes in Aid to Local Governments, Fiscal 2016

New York (cont.)

Supporting Local Water Fluoridation Systems: The Enacted Budget includes \$5 million in grants to counties, cities, towns, or villages for the implementation costs of installing new fluoridation systems and/ or the repair or upgrading of existing fluoridation equipment for public water systems.

North Carolina

Some of funds from expanding sales tax on certain services will go to non-urban counties:

"§ 105-524. Distribution of additional sales tax revenue for economic development, public education, and community colleges.

(a) Purpose.—The purpose of this section is to address sales tax leakage that results from the different revenue-raising capacity of local option sales taxes in each taxing jurisdiction. The amount to be distributed is determined under subsection (b) of this section. The amount each county may receive is determined by the county's allocation percentage under subsection (c) of this section. The General Assembly must periodically review the allocation percentages. (\$84,800,000)

North Dakota

The state school aid program was increased by \$164.5 million, or 9.4%, for the 2015-17 biennium. The state aid distribution fund, which provides for a percentage of sales taxes to be allocated to cities and counties, is expected to increase by \$21.9 million, or 7.8%. Transportation grants to cities, counties and townships were increased by \$100 million, or 25%, for the biennium. Oil tax allocations to political subdivisions are projected to decrease by \$25.4 million, or -3.8%, for the 2015-17 biennium.

A \$19.3 million general fund appropriation was provided for the state to assume the county share of certain social services expenses and to relieve local property owners from these expenses.

Ohio

Continue phase out of tangible personal property and utility tangible personal property tax replacement payments based on local revenue generating capacity.

Oregon

GF/LF funding for K-12 schools increased by \$723 million (11%) for the 2015-17 biennium compared to the previous biennium. State support for community colleges was increased by \$85 million (18.3%). Local community college districts will determine how the funds are expended. A formula was modified regarding how much state GF is transferred to certain counties for property tax relief. The formula change reduced the transfer by \$53.5 million (60% reduction).

Rhode Island

The FY 2016 Enacted Budget contains an increase of \$1.6 million in Hotel Local Tax payments.

South Carolina

Full funding of local government fund was suspended (4.5% of most recent completed fiscal year required by Statute). Amount funded remained same as previous fiscal year: \$229.9m

South Dakota

In FY2016, the Legislature passed a package of road and bridge funding legislation, which included a \$0.06/gallon increase in motor fuel taxes, an increase from 3% to 4% in motor vehicle excise tax as well as increases in license plate fees. This legislation dedicates approximately \$20 million in additional funding for local government highway and bridge projects for FY2016. The legislation also includes provisions to allow counties and townships to assess additional property taxes for road funding needs.

Enacted Changes in Aid to Local Governments, Fiscal 2016

Utah Increase in local property tax revenue to further equalize per-student funding in school districts.

Virginia The Commonwealth reversed a \$29.8 million Aid-to-Localities reversion clearing account in FY2016.

West Virginia The amount of State coal severance tax shared with producing counties increased from 3% to 4% as of July 1,

2015. The increased revenue sharing will cost the State Treasury roughly \$2.0 to \$2.5 million in FY2016. These revenues do not include the local coal severance tax that is separately collected by the State and distributed

back to local governments.

Wisconsin As reported in the NASBO Spring Survey: School Levy Credit, \$105.6 million (state FY2017 for local FY2016).

APPENDIX

TABLE A-1
Enacted Revenue Changes by Type of Revenue, Fiscal 2016

itate	Tax Change Description	Effective Date	Fiscal 2016 Revenue Changes (\$ in Millions)	General Fund	Other State Fund
	SALES TAXES				
Alabama	Sales tax on autos purchased by out-of-state residents	01-16	\$1.5	Χ	
Florida	Back-to-School tax holiday, 1 year exemption for college textbooks, boat repairs in excess of \$300k, various agricultural exemptions	07-15	-106.2	Х	
Connecticut	Eliminate Clothing Exemption; Alter Sales Tax Free Week, Exempt Clothing <\$100; Luxury Tax To 7.75%; Repeal Exemption for Water Companies; Remove Car Wash Exemption; Repeal exemption for motor vehicle parking; Impact of alcoholic beverages changes; Tax World Wide Web Services at 1.0%	07-15; 10-15	169.8	X	
Idaho	Sales Tax UTV's; Production exemption, eyeglasses/contacts exemption, circuit breaker additional claimants, digital streaming services use tax, food and beverage for employees exemption.	07-15	-4.5	Х	
Kansas	Rate increased to 6.5 percent.	07-15	176.2	Χ	
Louisiana	Suspends exemption for business utilities for 1% of state sales tax for one year.	07-15	107.2	Χ	Х
Maine	Makes permanent the current sales tax rate, meals tax rate and lodging tax rates that were scheduled to sunset on 07/30/15. Increases the lodging rate effective 01/01/16. Removes the sales tax exemption from certain items such as soft drinks, desserts, and snack items. Extends the sales and use tax to consumer purchases of various new services effective 01/01/16. Increases the service provider tax rate effective 01/01/16, expands the tax base to basic cable and satellite television services.	07-15	129.9	X	
Minnesota	Delay implementation of a sales tax exemption for local special taxing districts	06-15	8.4	Χ	Χ
Nebraska	Sales tax exemption for purchases by accredited zoos and aquariums	01-16	-0.7	Χ	Χ
New York	Exempt General Aviation Aircraft from State and Local Sales Tax	09-15	-10.0	Χ	Х
North Carolina	Expands Sales tax to include certain services	03-16	44.5	X	
Ohio	Exemption of sales tax on certain repair related rental cars. Exemption for meat sanitation sales.		-4.8	Χ	
Rhode Island	Elimination of sales tax on commercial use of electricity, natural gas, and heating fuels (-24.4), expand sales tax to rental of vacation homes (5.4), impose sales tax on the final retail price for room resellers (0.8) and unlicensed rentals for lodging accommodations (0.9), increased sales tax from cigarette excise tax to \$3.75/pack (0.7), and permanent restructuring of alcohol taxes (-14.3).	07-15	-30.5	Х	
Tennessee	Exempts diabetic testing equipment from sales tax.	07-15	-1.8	Х	Х
	Establishes limits on sales tax paid on aviation fuel.	07-15	-4.6		Χ
Vermont	Vending machine sales and soft drinks added to the sales tax base. 33% of the sales tax increase goes to the Education fund, the remainder goes to the General Fund	07-15	8.9	Х	Х
Wisconsin	Delay implementation of private label credit card deduction.	01-15	10.7	Х	
Total Revenue Cha	nges—Sales Tax		\$494.0		

Table A-1 continues on next page.



State	Tax Change Description	Effective Date	Fiscal 2016 Revenue Changes (\$ in Millions)	General Fund	Other State Fund
	PERSONAL INCOME TAXES		(4		
Arkansas	Act 1173 of 15 Amends capital gains income tax rate (50% exempt, also +10 million); Act 22 of 15 providing middle class tax relief	01-16	-\$28.9	X	
California	Earned Income Tax Credit	01-15	-380.0	Х	
Connecticut	Increase Military Retirement Exemption from 50% to 100%; Delay Singles Exemption for One Year; Adjust Top Marginal Rate; Alter Property Tax Credit Phase-Out; Delay EITC for 2 years at 27.5%	01-15	219.3	Х	
Hawaii	Expiration of the phase-out of the personal exemption for high-income taxpayers. (Act 14, SLH 2009 SS1)	07-15	-10.5	Х	
	Tax credit for converting cesspools to a septic systems or for connecting to a wastewater system. (Act 120, SLH 2015)	07-15	-5.0	Χ	
	Act 60, Session Laws of Hawaii (SLH) 2009 established new tax brackets for 9%, 10% and 11% tax rates for high-income taxpayers. The new brackets expire December 31 2015. The loss in collections is expected to show up primarily in fiscal year 2017.	01-16	see note	Х	
	Act 97, SLH 2011 capped itemized deductions for high-income taxpayers. The caps expire January 1, 2016. The loss in collections is expected to show up primarily in fiscal year 2017.	01-16	see note	X X X X X	
Idaho	Income tax right of doctrine, retirement benefits reduction, charitable contribution/net operating loss, income tax real property, livestock deduction, food tax credit.	07-15	-0.1	Х	
Indiana	Teacher Tax Credit	07-15	-6.9	Х	
Kansas	Freeze income tax rates, tax guaranteed payments, limit itemized deductions, and create a tax amnesty program.	07-15	161.8	Х	
Kentucky	Income tax credit for portion of distilled spirits ad valorem tax. Historic preservation tax credit. Angel investor tax credit.	01-15	-7.1	Х	
Louisiana	Reduces various personal income tax credits.	07-15	36.3	Х	
Maine	Makes changes to income modifications, deduction and exemptions, tax rates and brackets, and eliminates certain credits, including the phase out of refundable sales tax credits.	01-16	-61.0	Х	
Maryland	Expansion of military retirement income tax subtraction	07-15	-2.7	Χ	
	Limit eligibility for refundable EITC to State residents only	01-15	3.8	X X X X X X X X X X X X X X X X X X X	
	Provide tax amnesty to certain delinquent taxpayers	06-15	11.4		
Minnesota	Disallowing non-residents to claim the working family tax credit effective tax year 2015	07-15	5.1	Х	
Nebraska	Change maximum amount of Angel Investment tax credits; deduction for contributions to Achieve Better Life Experience accounts	01-15	-1.5	Х	
New York	Extend Warrantless Wage Garnishment for Two Years	04-15	15.0	Χ	Χ
	Eliminate the New York City PIT Rate Reduction Benefit for High Income Taxpayers	01-15	41.0	Χ	Χ
	Recoup Savings Retrospectively from Unlawfully Claimed Exemptions Removed During Re-registration Process	04-15	1.0	Χ	Χ
	Allow Unenrolled Registrants to Receive the STAR Exemption Benefit for Tax Year 2014	04-15	-1.0	X	Х
North Carolina	Reduce Individual Income tax by .26% (in 2017); restores medical expense and chartiable tax reduction; increases standard state deduction by \$500	01-16	\$-117.3	X	
North Dakota	HB1014 increases the Housing Incentive Fund tax credit by \$15.0 million. SB2349 reduces the income tax rates by \$87.0 million.	01-15	-\$51.0	Х	

Enacted Revenue Changes by Type of Revenue, Fiscal 2016

State	Tax Change Description	Effective Date	Fiscal 2016 Revenue Changes (\$ in Millions)	General Fund	Other State Fur
	PERSONAL INCOME TAXES (continued)		(4		01410 1 41
Ohio	Across the board reduction in personal income tax rates of 6.3 percent, continue exemption on 75% of the first \$250,000 in business income for those reporting business income under the personal income tax. Increased revenue by means testing the retirement credit exemption and senior credit.	07-15	-1085.2	X	
Oregon	Extending various tax credits that otherwise would sunset.	various	-40.1	Х	
Rhode Island	Exempt Social Security up to 80K (S/HH/MS) /100K (MJ) (-9.4), and increase allowable Earned Income Tax Credit of fed up to 12.5% (-3.1).	07-15	-12.4	Х	
South Carolina	Tax Credit for Exceptional Needs Students	01-16	-4.0	Х	
Tennessee	Increases exemption level for single and joint filers.	07-15	-1.5	Χ	Х
Vermont	Eliminated deduction of state and local income taxes, capped deductions at 2.5X the standard deduction excluding medical and charitable deductions from the cap, implemented a 3% minimum tax	07-15	22.9	Х	
Virginia	Cap land preservation credit	01-15	22.4	Χ	
Wisconsin	Federalize deduction for educators' expenses, -\$1.1 million; Manufacturing and Agriculture Credit rate reduction, \$10.5 million; and repeal tax deduction for job creation, \$2.4 million.	01-15	11.8	Х	
Total Revenue Cha	nges—Personal Income Tax		-\$1264.4		
	CORPORATE INCOME TAXES				
Connecticut					
	Establish mandatory combined reporting; Extend Surcharge IY 2016 & 2017+; Credit caps at 50.01%; Cap use of Net Operating Losses at 50% of liability	01-16; 01-15	\$258.1	Х	
Florida	2017+; Credit caps at 50.01%; Cap use of Net Operating Losses at	01-16; 01-15	\$258.1 -27.8	X	
	2017+; Credit caps at 50.01%; Cap use of Net Operating Losses at 50% of liability tax credits for R&D, brownfield rehabilitation, and community	,			
Florida Idaho Indiana	2017+; Credit caps at 50.01%; Cap use of Net Operating Losses at 50% of liability tax credits for R&D, brownfield rehabilitation, and community contributions	07-15	-27.8	X	
ldaho Indiana	2017+; Credit caps at 50.01%; Cap use of Net Operating Losses at 50% of liability tax credits for R&D, brownfield rehabilitation, and community contributions Tax conformity	07-15 07-15	-27.8 -7.1	X	
Idaho Indiana Kansas	2017+; Credit caps at 50.01%; Čap use of Net Operating Losses at 50% of liability tax credits for R&D, brownfield rehabilitation, and community contributions Tax conformity Cap Increase for SGO Tax Credit (-1M)	07-15 07-15 07-15	-27.8 -7.1 -1.0	X X X	
ldaho Indiana Kansas Kentucky	2017+; Credit caps at 50.01%; Cap use of Net Operating Losses at 50% of liability tax credits for R&D, brownfield rehabilitation, and community contributions Tax conformity Cap Increase for SGO Tax Credit (-1M) Tax amnesty program.	07-15 07-15 07-15 07-15	-27.8 -7.1 -1.0 5.0	X X X	
Idaho Indiana Kansas Kentucky Louisiana	2017+; Credit caps at 50.01%; Čap use of Net Operating Losses at 50% of liability tax credits for R&D, brownfield rehabilitation, and community contributions Tax conformity Cap Increase for SGO Tax Credit (-1M) Tax amnesty program. Angel investor tax credit.	07-15 07-15 07-15 07-15 01-15	-27.8 -7.1 -1.0 5.0 -1.3	X X X X	
Idaho Indiana Kansas Kentucky Louisiana Nebraska	2017+; Credit caps at 50.01%; Čap use of Net Operating Losses at 50% of liability tax credits for R&D, brownfield rehabilitation, and community contributions Tax conformity Cap Increase for SGO Tax Credit (-1M) Tax amnesty program. Angel investor tax credit. Reduces various corporate income and franchise tax credits. Change redemption of tax credits under the New Markets Job Growth	07-15 07-15 07-15 07-15 01-15 07-15	-27.8 -7.1 -1.0 5.0 -1.3 404.5	X X X X X	
Idaho	2017+; Credit caps at 50.01%; Cap use of Net Operating Losses at 50% of liability tax credits for R&D, brownfield rehabilitation, and community contributions Tax conformity Cap Increase for SGO Tax Credit (-1M) Tax amnesty program. Angel investor tax credit. Reduces various corporate income and franchise tax credits. Change redemption of tax credits under the New Markets Job Growth Investment Act Effective for all taxable periods ending on or after December 31, 2016 the tax upon taxable business profits of every organization will be	07-15 07-15 07-15 07-15 01-15 07-15 01-15	-27.8 -7.1 -1.0 5.0 -1.3 404.5 -0.9	X X X X X X X	

Table A-1 continues on next page.



tate	Tax Change Description	Effective Date	Fiscal 2016 Revenue Changes (\$ in Millions)	General Fund	Other State Fund
iaic	CORPORATE INCOME TAXES (continued)	Lifective Date	(\$ III MIIIIOII3)	Tullu	State I und
Rhode Island	Reduce minimum corporate tax rate from \$500 to \$450 (-1.6).	07-15	-1.6	X	
West Virginia	Phase -out of Business Franchise Tax with tax rate lowered from 0.10% to 0% as of 1/1/2015 per plan enacted in 2007	01-15	-27.0	X	
Wisconsin	Manufacturing and Agriculture Credit rate reduction, \$6.3 million; and repeal tax deduction for job creation, \$0.3 million.	01-15	6.6	Х	
Total Revenue Cha	nges—Corporate Income Tax		\$575.7		
	CICADETTE TAVEC				
Alabama	CIGARETTE TAXES	10.15	#00 F	V	
Alabama	Tax increase of 25 cents per pack	10-15	\$60.5	X	
Connecticut	Increase tax by \$0.25 in FY 2016 (includes floor tax)	10-15	24.5	X	
Kansas	Increase tax by \$0.50 per pack.	07-15	40.9	X	
Louisiana	Increases the cigarette Tobacco Tax by 50 cent per cigarette pack, and also increases the tax on vapor products.	07-15	106.4		Χ
Nevada	Increase the Cigarette Tax from \$0.80 to \$1.80 per pack.	07-15	96.9	Χ	
Ohio	Increase cigarette and other tobacco products tax by \$.40 per pack.	07-15	196.0	Χ	
Rhode Island	Increase cigarette excise tax by 25 cents to \$3.75/pack (5.9). Also, increase in cigarette floor stock tax from increase in cigarette excise tax (0.6).	07-15	6.5	Х	
Vermont	Increased Cigarette tax rate and rate on other tobacco products. Deposited into the State Health Care Resources Fund.	07-15	3.2		Х
Total Revenue Cha	nges—Cigarette Tax		\$534.9		
	MOTOR FUEL TAXES				
Alaska	Refined Motor Fuel Surcharge (.95 cents per gallon) to be deposited in the oil and hazardous substance release prevention account of the oil and hazardous substance release prevention and response fund	07-15	\$7.5		Х
ldaho	Motor vehicle registration fee increase and increase in fuel tax from 7 cents to 32 cents per gallon.	07-15	81.0		
Nebraska	Motor fuel tax increase	01-16	2.1		Х
North Carolina	Set State Motor Fuel Tax at 36 cents per gallon	04-15	144.2		Χ
Ohio	Alternative price authorized in calculating taxable value of propane under the Petroleum Activity Tax.	07-15	-2.1	Χ	
Rhode Island	Increase gasoline tax by 1 cent per gallon. Increases will be every other year and tied to inflation.	07-15	4.4		Х
South Dakota	Increase of \$0.06/gallon for motor fuel and ethyl alcohol tax is effective April 1, 2015. These revenues are dedicated to the State Highway Fund.	04-15	41.3		Χ
Utah	Five cent increase in gas tax	01-16	24.0		Х
	E 11		170.0		Χ
Washington	Fuel tax		170.0		^



State	Tax Change Description	Effective Date	Fiscal 2016 Revenue Changes (\$ in Millions)	General Fund	Other State Fund
	ALCOHOLIC BEVERAGES TAXES				
Connecticut	Extend sale hours, locations; Growlers	07-15	\$0.5	Χ	
Kentucky	Reduce beer and wine wholesale tax.	07-15	-1.6	Х	
Mississippi	Redistribution from State to local governments	07-15	-1.8	Χ	
Rhode Island	Permanent restructuring of alcohol taxes (-6.4).	07-15	-6.4	Χ	
Total Revenue Cha	anges—Alcohol Tax		-\$9.3		
	OTHER TAXES				
Alabama	Supplemental Pharmacy Privilege Tax and Supplemental Nursing Facility Bed Tax	10-15	\$16.4		Χ
Arizona	Insurance Premium Tax Retaliatory Tax Exemption	07-15	-1.5	Χ	
Connecticut	\$20M cap on total UGE Liability; Maintain 3 Tier Credit Cap for 2 years +;Update hospital Net Revenue Tax; Increase Tax from 5.5% to 6.0%; Credit Caps at 50.01%;Tax Ambulatory Surgical Centers	01-16; 01-15; 07-15; 10-15	-27.0 239.5	X X	Χ
Florida	Reduction in communications services tax rate		-207.5	Х	
Georgia	HB 170: Transportation Funding Act—Highway User Impact Fees & Motor Fuel Excise Tax	07-15	867.8	Х	
Louisiana	Increases certificate of title tax and salvage title tax.	07-15	59.5	Χ	
Mississippi	Repeal of vehicle inspection statute	07-15	-3.6	Χ	
Nevada	1) Remove firms that are subject to the Net Proceeds of Minerals Tax from the Modified Business Tax on Non-financial businesses tax base and tax their taxable wages at 2.0% per quarter instead of the current rate of 1.475% of taxable wages paid in excess of \$50,000 per quarter (effective 7/1/2015). 2) Change the Modified Business Tax rate on Non-financial businesses to 1.475% of taxable wages paid in excess of \$50,000 per quarter from the previous 1.17% tax rate for payroll amounts over \$85,000 per quarter (effective 7/1/2015) 3) Change in law how employee leasing companies report wages for the Modified Business Tax for Nonfinancial institutions. The change in law reduces their tax liability because they will report wages on a disaggregated basis under each client company instead on an aggregated basis under the employee leasing company (effective 10/01/2015). 4) New annual commerce tax on Nevada gross revenue of a business over \$4 million a year. The tax rate is based on the industry in which the business is primarily engaged based on a company's North American Industry Classification System (NAICS) classification. The rates range from 0.051% to 0.331% depending on the industry category assigned by the NAICS code (effective 07/01/2015). 5) A new 3% monthly Passenger Carrier Excise Tax on fares of transportation network companies, common carriers and taxicabs (effective date for motor carriers and taxicabs 08/28/2015 and for transportation network companies effective date 05/29/2015). 6) Change the tax structure and tax rate for the Live Entertainment Taxes. Now there is a single 9% tax rate for all venues over 200 people. Previously, the tax rate was 10% of the admission charge and amounts paid for food, refreshments and merchandise when the live entertainment was provided at a facility with a maximum occupancy equal to or greater than 7,500 persons (effective 10/01/2015).	Various dates (see tax change description for details)	401.6	X	

tate	Tax Change Description	Effective Date	Fiscal 2016 Revenue Changes (\$ in Millions)	General Fund	Other State Fun
	OTHER TAXES (continued)				
Ohio	Exemption under the Commercial Activity Tax (CAT) for certain integrated supply chain transactions. Move production credits from the Financial Institutions Tax to the CAT.	07-15	-5.4	Х	
Oregon	Adds photo radar to certain dangerous roadways.	07-15	16.1	Х	
Rhode Island	Enact Controlling Interest Transfer Tax for real estate holdings.	07-15	0.7	Χ	
South Dakota	Motor vehicle excise tax is increased from 3% to 4% effective April 1, 2015. These revenues are dedicated to the State Highway Fund.	04-15	27.2		Х
Texas	Property tax relief by increasing mandatory homestead exemption (\$615.9); 25% reduction in business franchise tax rate (\$1,268.5)		-\$1884.4	Χ	Х
Utah	Local property tax revenue to further equalize per-student funding in school districts	07-15	\$75.0		Χ
Vermont	Increased Wage Garnishments for non-tax compliance, changes in the Current Land Use program, and a few small other changes	07-15	2.8	Χ	Х
Washington	Click Through Nexus, Nexus Wholesaling, Software M&E, B&O royalties, Server Farms, Food Processors, etc.		157.0	X	
Total Revenue Cha	nges—Other Tax		-\$238.8		
	FEES				
Alaska	Marine Highway 4.5% Fare Increase, University 5% Tuition Increase.	07-15	\$7.9		Х
Connecticut	Charge towns 85% for Resident State Troopers; E-Cigarette Registration Fee	07-15; 01-16	4.5	Х	
Delaware	Increases in various motor vehicle and drivers related fees. The motor vehicle document fee is increased from 3.75% to 4.25%. The fee for late renewal of a driver's license is increased from \$1.15 to \$10, and the fee for late renewal of vehicle registration is increased from \$10 to \$20. The fees for reinstatement of a suspended or revoked driver's license are increased from \$25 to \$40 and \$143.75 to \$200, respectively. The fees for issuance of duplicate documents is raised, with the fee for duplicate driver's license increased from \$10 to \$20, for duplicate titles from \$25 to \$50, for duplicate vehicle validation stickers from \$1 to \$5, and for duplicate registration cards from \$2 to \$10. The fee for a vehicle temporary tag is increased from \$15 to \$25. The fee to transfer a specific tag number from vehicle to vehicle is increased from \$10 to \$20. The fee to issue a title for a vehicle is increased from \$25 to \$35. The fee for issuance of a lien on an existing title is increased from \$10 to \$20.	10-15	24.0		X
Florida	Reduction in on-line procurement system usage fee	11-15	-5.5	Х	
Michigan	Enacted fee increases for fiscal 2016: pesticide and fertilizer fees (\$1.2 million); food establishment license fees (\$1.5 million); air quality fees (\$1.0 million).	10-15	3.7		Х
Montana	Montana HELP Act insurance charges for Medicaid expansion insurance policies fee levied on HELP Act policyholders.		3.0		
Nevada	Restructure Business License Fee. The fee is \$200 for businesses other than corporations. The fee for corporation is \$500. 2) Increase commercial recording fees for filing the initial and annual list of directors and officers by \$25.	07-15	65.8	X	

State	Tax Change Description	Effective Date	Fiscal 2016 Revenue Changes (\$ in Millions)	General Fund	Other State Fund
	FEES (continued)				
New York	Repeal 59 Nuisance Fees Charged by Various State Agencies	04-15	-3.0	Χ	Χ
	Align DEC Fees with Service Levels	04-15	6.0		Χ
	Enhance Oil Spill Preparedness	04-15	4.0		Χ
	Extend Monticello Video Lottery Terminal (VLT) Commission Rate for One Year	04-15	-2.0		Х
North Carolina	Adjust Court Fees	07-15	\$25.0	Х	
Oregon	Extending a bottle surcharge that otherwise would sunset.	07-15	\$14.8	Х	
Rhode Island	Eliminate imaging services and outpatient health care facility surcharges (-2.3) and licensure of select occupations (-0.3). Also delayed license plate reissuance to July, 2016 (-2.6).	07-15	-5.2	Х	
South Dakota	Includes a 20% overall increase in license plate fees effective April 1, 2015 and an increase in license plates for noncommercial vehicle over 20,000 lbs. (effective July 1, 2015). These revenues are dedicated to local government highway and bridge funding.	04-15	17.3		
Tennessee	Increases fee for recording motor vehicle liens.	07-15	6.1	Х	
Texas	Reduction or elimination of occupational licensure fees or occupations taxes.		-200.0	Х	
Vermont	Several fees were increased for FY2016, major categories of change included: Judiciary fees, Educator licensing fees, Health Department fees for food and lodging establishments, health department licensing fees, Agriculture and Environmental Conservation fees related to mitigating water pollution, Fishing and Hunting License fees. \$0.7 will be deposited into the General fund, the remaining \$2.8 is deposited into relevant special funds.	07-15	3.6	Х	Х
Washington	Late Penalties		11.0	Χ	
Total Revenue Cha	inges—Fees		-\$19.0		

TABLE A-2 **Enacted Revenue Measures, Fiscal 2016**

itate	Tax Change Description	Effective Date	Fiscal 2016 Revenue Changes (\$ in Millions)	General Fund	Other State Fund
Alabama	Personal Income—Elimination of withholding exemption certificates	09-15	\$12.0	Х	
	Corporate Income—Factor Presence Nexus	01-15	8.5	Χ	
Arizona	Personal Income—TPT Collection and Fraud Detection	07-15	41.9	Х	
Arkansas	Other—Act 536 of 15 Amends distribution and use of natural gas severance taxes; Act 1046 of 15 Changing distribution of gas assessment fess for FY16 and FY17 only	07-15	2.6	Х	
Connecticut	Other—Continue film moratorium for 2 years	07-15	4.0	Х	
	Fees—Implement Keno	07-15	13.6	Χ	
Florida	Sales—Suspends transfer of \$8 million in annual sales tax collections to the School Building Authority for one year.	07-15	8.0	Χ	
	Other—Reduces amount of Severance Tax dedicated to Infrastructure Bond Fund by \$0.5 million as a result of refunding	07-15	0.5	Χ	
Kansas	Other—Insurance Premiums Tax: Divert MCO privilege fees to a new state fund.	07-15	-31.5	Х	Х
Maine	Other—Caps the amount of real estate transfer tax transferred to the Maine State Housing Authority		6.3	Χ	
Maryland	Fees—Conversion of newborn screening operations to a special fund	07-15	-1.4	Χ	
Massachusetts	Sales—Sales tax holiday second to last weekend of August	08-15	-25.0	Χ	
	Personal Income—Projected automatic stepdown of the income tax rate based on economic conditions; required by early 2000s ballot imitative.	01-15	-74.0	Χ	
	Corporate Income—FAS 109 deduction implementation delayed for six years. Continues practice from previous budgets.	07-15	45.6	Χ	
Montana	Other—Changed property tax assessment. Montana has fixed statewide school equalization mills. Moved from six-year property tax reappraisal cycle to two-year cycle. The change reduces the smoothing (lag), but does not change the six year revenue profile. This is effectively a timing shift that mainly affects the fixed statewide mill levies.	01-15	9.0	X	X
	Other—Coal severance tax general fund distribution reduced (\$1.7 million in FY 2016 and \$1.8 million in FY 2017). Increases state coal board funding by like amounts.		-1.7	Χ	
Nebraska	Fees—Redirect portion of court fee revenue from General Fund to help fund judges retirement	07-15	-0.7	Х	
Nevada	Fees—Real estate license fee for the initial period changes from 24 to 12 months and the renewal period from 48 to 24 months. Fees are split by one half for each type of renewal. No annual tax liability change for the tax payer but there is an impact on the General Fund from the licensing period change.	07-15	-1.7	X	
New Hampshire	Effective July 1, 2015, a tax amnesty / volunteer disclosure program for taxes administered by the Dept of Revenue will take effect. The program will allow for a person or entity to voluntarily self discloses a tax liability to the department and for the department to then waive applicable penalties, and settle and compromise the taxes and interest due through a voluntary disclosure agreement.	7/1/15	16.0	Х	
New York	Fees—Expand Electronic Gaming Offerings at Video Lottery Gaming (VLG) Facilities	05-15	20.0		Х
Ohio	Temporarily increase percentage of total GRF tax receipts deposited in the Public Library Fund from 1.66% to 1.70%. The loss in revenue is split between the non-auto sales and kilowatt hour taxes.	07-15	-\$9.5	Х	Χ

Table A-2 continues on next page.



Enacted Revenue Measures, Fiscal 2016

State	Tax Change Description	Effective Date	Fiscal 2016 Revenue Changes (\$ in Millions)	General Fund	Other State Fund
Oklahoma	Personal Income—Initiative to identify fraudulent tax refund claims [+%8.1M]; Voluntary Tax Compliance Initiative [+\$30M]; Rebate for Workers' Compensation Assessment will no longer be paid from Personal Income Tax collections [+\$32.5M]	8/15; 5/15; 7/15	\$70.6	X	
Oregon	Personal Income—Modifies formula providing reimbursement of property tax relief to certain counties	07-15	53.5	Х	
	Corporate Income—Disallows use of tax credits against the minimum corporate tax.	07-15	19.2	Χ	
	Fees—Several fund sweeps and reappropriation of funds	Various	139.3	Χ	
Rhode Island	Sales—Taxation self-audit program	07-15	0.5	Χ	
	Personal Income—Performance contract for tax compliance	07-15	1.0	Χ	
	Other—Decrease in share of net terminal income by 1.9PP until FY 2018 for Newport Grand Casino	07-15	-0.8	Χ	
	Fees—Fines and penalties relating to performance contract for tax compliance	07-15	8.0	Χ	
South Carolina	Other—Non-Tax General Fund revenues transferred to Highway Fund	07-15	-50.0	Χ	
Tennessee	Sales—Revises reporting requirements on sales of tobacco and beer sales.	07-15	4.5	Χ	Х
	Sales—Revises tax credit provisions.	07-15	-3.3	Χ	Χ
	Sales—Tax extended to include click-thru nexus sales and software as a service and video games.	07-15	17.8	Χ	Χ
	Alcohol—Allows delivery of sealed alcoholic beverages under certain circumstances.	07-15	1.1	Χ	Χ
Virginia	Sales—Accelerated sales tax \$3 million dealer threshold	07-15	18.6	Χ	
	Sales—Combine 3 sales tax holidays	07-15	1.0	Χ	
Washington	Sales—Manufacturing Sales Tax Deferral		-3.0	Χ	
Wisconsin	Sales—Add auditors.	07-15	13.5	Х	
	Personal Income—Add auditors, \$2.3 million; and repeal of the economic development tax credit, \$1.1 million.	07-15	3.4	Χ	
	Corporate Income—Add auditors, \$15.8 million; and repeal of the economic development tax credit, \$1.2 million.	07-15	17.0	Χ	
	Other—Expanded statewide debt collection efforts.	07-15	3.7	Х	
Total			\$350.9		

TABLE A-3

Enacted Mid-Year Revenue Changes by Type of Revenue, Fiscal 2016

State	Tax Change Description	Effective Date	Fiscal 2016 Revenue Changes (\$ in Millions)	General Fund	Other State Fund
	PERSONAL INCOME TAXES				
New Jersey	Earned Income Tax Credit increased from 20% to 30% of poverty level	07-15	-\$122.0		Χ
Total Revenue C	hanges—Sales Tax		-\$122.0		

TABLE A-4

Enacted Mid-Year Revenue Measures, Fiscal 2016

State	Tax Change Description	Effective Date	Fiscal 2016 Revenue Changes (\$ in Millions)	General Fund	Other State Fund
Indiana	Alcohol—Shifts a portion of the existing excise tax from capital funding towards operations of the ATC.	07-15	\$1.1		Х
Total			\$1.1		

