THE FISCAL SURVEY OF STATES

Spring 2018

An Update of State Fiscal Conditions

A report by the National Association of State Budget Officers

National Association of State Budget Officers
444 North Capitol Street, NW, Suite 642
Washington, DC 20001-1511
Tel: (202) 624-5382 Fax: (202) 624-7745
www.nasbo.org

Price: $25.00

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. NASBO's Executive Committee is our policy-making body.

2017–2018 Executive Committee

Paul Potamianos, Connecticut, *President*

Michael Cohen, California, *President-Elect*

Margaret Kelly, Minnesota, *Past President*

Zac Jackson, Indiana, *Member-at-Large*

Dan Timberlake, Virginia, *Member-at-Large*

Sandra Beattie, New York, *Eastern Regional Director*

Liza Clark, South Dakota, *Midwestern Regional Director*

Phil Dean, Utah, *Western Regional Director*

Duncan Baird, Arkansas, *Southern Regional Director*

Teresa MacCartney, Georgia, *Chair, Health and Human Services Committee*

David Thurman, Tennessee, *Chair, Fiscal Management and Reporting Committee*

Jill Geiger, Oklahoma, *Chair, Education Committee*

Marc Nicole, Maryland*, Chair, Critical Issue Committee on Pensions*

John Hicks, *Executive Director and Secretary/Treasurer*

ACKNOWLEDGEMENTS

The Fiscal Survey was written, compiled and produced by Kathryn Vesey White, with assistance from Lauren Cummings, Brukie Gashaw, Stacey Mazer, Brian Sigritz, and Leah Wavrunek. In addition, the report represents substantial work by state budget office staff throughout the United States. NASBO thanks these individuals for their assistance in providing state data for this report:

Julian Rogers, Alabama

Tabitha Williams, Alaska

Cristina Tuñón, Arizona

Eva Yung, Arkansas

Susan Wekanda, California

Nathan Hart, California

Jason Schrock, Colorado

Brian Tassinari, Connecticut

Lexi Allegue, Connecticut

Bert Scoglietti, Delaware

Shaquan Jackson, Florida

Anna Miller, Georgia

Terri Ohta, Hawaii

Shelby Kerns, Idaho

Ascha Nickell, Illinois

Zac Jackson, Indiana

Joel Lunde, Iowa

Julie Thomas, Kansas

Janice Tomes, Kentucky

Jeremy McDaniel, Louisiana

Melissa Winchenbach, Maine

Carissa Ralbovsky, Maryland

Heath Fahle, Massachusetts

Terese Walsh, Michigan

James Stelzner, Minnesota

Sherry Norwood, Mississippi

Judy Eggen, Missouri

Ryan Evans, Montana

Joe Wilcox, Nebraska

Tiffany Greenameyer, Nevada

Joseph Bouchard, New Hampshire

Alka Kohli, New Jersey

Andrew Miner, New Mexico

Patricia Holtzman, New York

Thomas Cheek, North Carolina

Becky Keller, North Dakota

Benjamin Boettcher, Ohio

Shelly Paulk, Oklahoma

Dustin Ball, Oregon

Mary Kenee, Pennsylvania

Thomas Mullaney, Rhode Island

David Seigler, South Carolina

Derek Johnson, South Dakota

Charles W. Brown, Tennessee

Christopher Smith, Texas

Ken Matthews, Utah

Richard Donahey, Vermont

Karen Lux, Virginia

Sara Tatum, Virginia

Pam Davidson, Washington

Mike McKown, West Virginia

Dan Subach, Wisconsin

Folbert Ware, Jr., Wyoming

Additionally, in consultation with a working group of member volunteers, NASBO reviewed the *Fiscal Survey of States* to determine where revisions or additional guidance were needed to ensure the data collected are as useful, timely, accurate, and consistent as possible. Based on this effort, a number of changes were incorporated into the Spring 2018 Fiscal Survey instrument. NASBO thanks the following NASBO members for their valuable contributions to this effort: Carla Castaneda, Bill Steffenhagen and Susan Wekanda from California; Alexis Senger from Colorado; Matt Pellowski from Connecticut; John Nauman and Bert Scoglietti from Delaware; Stephanie Beck and Bakia Parrish from Georgia; Shelby Kerns from Idaho; Zac Jackson from Indiana; Carla Wright from Kentucky; James Stelzner from Minnesota; Paul Palamattam and Alex Sitts from New Jersey; Tim Keen and Ben Boettcher from Ohio; Brian DeForest from Oregon; Susan Irby from Tennessee; and Karen Lux from Virginia.

TABLE OF CONTENTS

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 state-by-state data on states' general fund revenues, expenditures, and balances. Although not the totality of state spending, general funds are raised from states' own taxes and fees, such as state income and sales taxes. These general funds are used to finance most broad-based state services and are the most important elements in determining the fiscal health of the states. A separate survey that includes total state spending, NASBO's *State Expenditure Report,* is also conducted annually.

30 states operate on an annual budget cycle, while 20 states operate on a biennial (two-year) budget cycle. Among the biennial budget states, governors in three states (Kentucky, Virginia and Wyoming) recommended fiscal 2019–fiscal 2020 budgets. The other 17 biennial budget states passed a two-year budget for fiscal 2018 and fiscal 2019 during 2017 legislative sessions, though a number of these states considered and acted upon supplemental appropriations and other mid-biennium budget changes in 2018.

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

The field survey on which this report is based was conducted by NASBO from February through April 2018. The surveys were completed by executive state budget offices in all 50 states. Fiscal 2017 data represent actual figures, fiscal 2018 figures are estimated, and fiscal 2019 data generally reflect governors' recommended budgets. However, for some biennial budget states that are in the second year of their biennium, data for fiscal 2019 reflect enacted budgets, as detailed in footnotes. A number of changes were incorporated into the *Fiscal Survey of States* instrument, effective starting with this Spring 2018 edition, to ensure the data collected are as useful, timely, accurate, and consistent as possible.

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

EXECUTIVE SUMMARY

Fiscal 2019 will mark the ninth consecutive year of modest state spending and revenue growth, according to governors' budget proposals — and enacted budgets for some states that budget on a biennial basis and passed two-year budgets in 2017.[1] Compared to this time last year, state fiscal conditions show signs of improvement and greater stability. According to this survey, states are projected to increase general fund spending by 3.2 percent in fiscal 2019; by comparison, last spring, states were expecting an increase of just 1.0 percent based on governors' fiscal 2018 budgets.

After weak revenue growth in fiscal 2016 and fiscal 2017, collections have been on the upswing in fiscal 2018, with total general fund revenues growing an estimated 4.9 percent (though the median is lower, at 2.7 percent). At the time of data collection, the vast majority of states (39) reported meeting or exceeding their original revenue projections for fiscal 2018, and NASBO believes the number of states exceeding original estimates could rise even higher based on more recent revenue reports. In the *Spring 2017 Fiscal Survey*, only 17 states were seeing revenues coming in on or above target for fiscal 2017. As a result of these positive revenue developments, far fewer states have had to make mid-year spending reductions in fiscal 2018 — nine states reported making cuts totaling $830 million in this survey — whereas this time last year, 23 states reported making cuts totaling $4.9 billion in fiscal 2017.

While conditions have improved overall, budget situations continue to vary significantly by state. Twenty-seven states reported general fund spending amounts that are still lower than they were a decade ago in fiscal 2008, after adjusting for inflation — including 11 states with spending levels more than 10 percent below their pre-recession peak levels. At the same time, nine states have inflation-adjusted general fund expenditures more than 10 percent above their fiscal 2008 levels. This variation is due to a combination of factors, including demographic trends, regional economic disparities, lingering impacts from the steep decline in oil and gas prices, and fiscal policy decisions. Despite these variations, all states to some extent are facing long-term spending pressures in areas ranging from health care and pensions to adequately funding K–12 education and infrastructure. States are also still trying to untangle the complicated effects of recent federal tax changes on their revenues, while also working to build up their reserves to prepare for the next downturn. While Medicaid spending growth shows signs of slowing in the short term, the program continues to pose long-term spending pressures, as states monitor the impacts on their budgets of rising prescription drug costs, the growing elderly and disabled population, changes in federal laws and regulations, and costs associated with the opioid epidemic.

Key Report Findings:

- Governors' budgets for fiscal 2019 recommend general fund spending growth of **3.2 percent**, with a median growth rate of 2.7 percent.
- Governors proposed program area spending increases totaling **$26.5 billion** in fiscal 2019, compared to just $8.7 billion in new spending proposed last year in their fiscal 2018 budgets.
- Revenue conditions have improved in fiscal 2018, and states expect moderate general fund revenue growth to continue in fiscal 2019, with a median growth rate of **2.8 percent**.
- Only **9 states** reported making mid-year budget cuts totaling **$830 million** in fiscal 2018, far fewer than last year.
- Governors proposed mostly modest tax and fee changes for fiscal 2019, many of which were in response to the new federal tax law.
- Most states continue to strengthen their rainy day funds, with the median balance as a share of general fund spending rising to **6.2 percent** in fiscal 2019.
- Medicaid spending is projected to slow in fiscal 2019, with a median growth rate of **1.9 percent** from all funds.

State Spending

State general fund budgets are projected to increase 3.2 percent in fiscal 2019, totaling $861.8 billion, according to governors' recommended budgets, in line with the average annual growth rate proposed by governors since the Great Recession. This represents an improvement over this time last year, when states were dealing with the impacts of lackluster revenue

[1] See more discussion on biennial budget states and how their data are reported in this survey in Chapter 1.

growth for multiple years, causing governors to propose extremely cautious budgets with a projected spending increase of just 1.0 percent for fiscal 2018. Overall, 42 states plan for general fund spending increases in fiscal 2019, compared to just 35 states calling for increases last year for fiscal 2018. According to governors' fiscal 2019 budgets, seven states expect spending declines for the next fiscal year, one state reported flat spending, seven states have spending growing between 0 and 2 percent, 27 states expect spending growth between 2 and 5 percent, and the remaining eight states forecast spending growth above 5 percent.

General fund spending in fiscal 2018 is estimated to total $835.0 billion, up 3.4 percent compared to fiscal 2017 levels. In the aggregate, estimated general fund spending in fiscal 2018 is just 0.4 percent above the inflation-adjusted spending 50-state total in fiscal 2008, the pre-recession peak one decade ago.[2] However, a majority of individual states (27) reported estimated general fund spending amounts lower than their inflation-adjusted fiscal 2008 levels. General fund spending grew 3.0 percent in fiscal 2017, totaling $807.9 billion.

Mid-Year and Recommended Budget Actions

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

Fiscal 2018 Mid-Year Budget Actions. Improved revenue conditions in states this fiscal year led to significantly fewer states making mid-year budget reductions compared to the last couple of years. Nine states reported making net mid-year budget cuts totaling $830 million in fiscal 2018, compared to this time last year, when 23 states reported mid-year cuts totaling $4.9 billion in fiscal 2017. Overall, 19 states increased their fiscal 2018 budgets in the mid-year, resulting in a net increase of $1.6 billion across all program areas, compared to original enacted budgets.

Fiscal 2019 Recommended Appropriation Changes. Similar to states' mid-year budget actions, governors' recommended spending changes for fiscal 2019 also reflect an improved fiscal environment relative to last year. For the upcoming fiscal year, governors recommended general fund spending increases across all program areas totaling $26.5 billion (compared to enacted fiscal 2018 appropriation levels). By comparison, when governors proposed their fiscal 2018 budgets, they recommended increases of just $8.7 billion. Once again, the largest funding boost for fiscal 2019 goes to K–12 education, which would receive $7.2 billion in new money under governors' budgets, followed by Medicaid, which would see an increase of $5.3 billion. All other program areas would also see spending increases in fiscal 2019.

Budget Gaps and Management Strategies. Reported state budget gaps in this survey serve as another indication of a more stable fiscal environment this year. Going into fiscal 2019, 13 states reported projected budget gaps totaling $9.5 billion (before incorporating governors' recommendations), whereas this time last year, 22 states reported $26 billion in projected budget gaps for fiscal 2018. States rely on a number of strategies to manage their budgets and address or prevent gaps, with the most common approach being targeted spending cuts, recommended by 21 governors in their budget proposals for fiscal 2019.

State Revenues

Revenue Estimates for Fiscal 2018. Most states saw improved revenue conditions in fiscal 2018 following the slowdown experienced in tax collections in fiscal 2016 and fiscal 2017. Total state general fund revenues grew an estimated 4.9 percent in fiscal 2018, after growing 2.3 percent in fiscal 2017. This improvement reflects continued job growth, a stronger performance of the stock market in calendar year 2017, and a modest recovery in most energy-producing states following steep oil and gas price declines. Fiscal 2018 revenues in a few states were also bolstered by enacted tax increases. Note that the median revenue growth rate for fiscal 2018 is much lower, at 2.7 percent, mostly due to faster-growing revenues in large states. In fact, five out of the six most populated states in the country reported estimated general fund revenue growth above 6 percent for fiscal 2018.

At the time of data collection for this survey, 39 states were meeting or exceeding their original budgeted revenue projections, and based on updated general fund revenue information

[2] Adjusted for inflation, the aggregate general fund spending amount in fiscal 2008 was $831.5 billion, 0.4 percent above the $835.0 billion estimated figure for fiscal 2018 reported in this survey. The state and local government implicit price deflator cited by the Bureau of Economic Analysis National Income and Product Account Tables, Table 3-.9.4., Line 33 (last updated on April 27, 2018), is used for inflation adjustments. Quarterly averages are used to calculate fiscal year inflation rates.

from states, this number is likely to rise further before year-end. States' sales and personal income tax collections were both exceeding original budget targets for fiscal 2018, by 2.1 percent and 0.9 percent, respectively. Among the states that have revised their fiscal 2018 revenue estimates since releasing their governors' recommendations for fiscal 2019, the vast majority made upward revisions for the current fiscal year.

Impacts of New Federal Tax Law. The federal tax changes under the *Tax Cuts and Jobs Act* (TCJA) have impacted state revenue collections for this year as well. States saw a significant uptick in their December personal income tax collections, believed to be largely driven by high-income taxpayers making advance payments to take advantage of expiring tax breaks. While some expected April tax collections to be lower as a result, preliminary data available indicate that states saw strong growth in their collections in April too. States are still working to untangle and better understand these trends and the impacts of the federal tax law on their revenues, and it remains to be seen how much of the revenue increase this fiscal year will carry into fiscal 2019 and subsequent years.

Revenue Forecasts for Fiscal 2019. According to governors' budgets for fiscal 2019 — which mostly came out before states were able to incorporate the effects of TCJA into their revenue forecasts — states predict that general fund revenue collections will increase modestly, with total revenues growing 2.1 percent and 40 states forecasting positive revenue growth. The median growth rate for fiscal 2019 is higher, at 2.8 percent. Similar to the spending side, 27 states forecast revenues to increase between 2 and 5 percent compared to estimated fiscal 2018 budgets, with seven states forecasting growth above 5 percent, six states predicting growth between 0 and 2 percent, and the remaining 10 states forecasting revenue declines.

Recommended and Mid-Year Revenue Actions

Governors in 14 states recommended net increases in taxes and fees in fiscal 2019, while 12 states recommended decreases, resulting in a net increase of $2.8 billion. Looking only at general fund revenue impacts, proposed changes would increase revenues by $1.7 billion, or 0.2 percent as a share of total general fund revenues. The revenue proposals with the largest dollar impact include packages of tax increases recommended by the governors of New Jersey and Oklahoma. Additionally, 16 states provided information on revenue measures — which do not directly affect taxpayer liability — which would result in a net revenue increase of $3.0 billion. Most of this impact comes from the proposed drawdown from Alaska's Permanent Fund account, along with a recommendation to move New Jersey's energy sales tax revenues on budget. Several states reported on mid-year enacted revenue changes as well for fiscal 2018.

Some of the personal and corporate income tax changes proposed for consideration during 2018 legislative sessions were prompted by or in direct response to the new federal tax law passed in December 2017. States have reacted to the TCJA in a variety of ways, depending on how their tax code conforms to federal law, political priorities, and other factors. Governors' revenue proposals responding to federal tax changes included actions to cut state tax rates, decouple from the federal tax code to prevent state revenue increases (or decreases), expand family tax credits, create options for taxpayers to mitigate the impact of the cap on state and local tax deductibility, and other provisions. Due to the deadlines for submitting proposed budgets, governors in many states made or endorsed later recommendations in reaction to the federal tax law changes.

State Balances

Rainy Day Funds. Rainy day fund balances are a crucial tool that states rely on during fiscal downturns and to address shortfalls. States have made building up their reserves a priority in the years following the Great Recession, when rainy day fund balances fell to $21.0 billion in fiscal 2010 (or just $10.7 billion when excluding Alaska). Significant progress has been made since then, with rainy day fund balances estimated to total $53.9 billion in fiscal 2018 (excluding Georgia and Oklahoma, which were not able to provide data for the current year), with a median of 5.8 percent as a share of general fund spending. Governors continued to prioritize rainy day funds in their fiscal 2019 budgets, with 28 states recommending increases in their rainy day fund balances and only three states projecting declines. Rainy day fund balances are projected to total $58.1 billion at the end of fiscal 2019 (excluding Georgia, Oklahoma and Wisconsin).

Total Balances. Total balances include ending balances and the amounts in states' budget stabilization or "rainy day" funds. Total balances reflect the surplus funds and reserves that states may use to respond to unforeseen circumstances and to help smooth revenue volatility, though in some states, part of the ending balance may already be reserved for expenditure in a subsequent year. Total balances are estimated at $78.0 billion in fiscal 2018 (excluding Oklahoma), little changed from fiscal 2017, and they are projected to dip somewhat to $74.6 billion in fiscal 2019 (excluding Oklahoma and Wisconsin), as some states intend to use their prior-year general fund balance to help manage their budgets.

Medicaid Outlook

Spending Trends. The median growth rate for Medicaid spending from all fund sources is estimated at 5.2 percent for fiscal 2018. Looking just at spending from state fund sources, the median growth rate is a moderate 4.5 percent (3.2 percent median general fund growth and 7.8 percent median growth in other state funds). Medicaid spending from federal funds has an estimated median growth rate of 5.9 percent for fiscal 2018. Looking ahead, Medicaid spending growth is forecasted to slow considerably in fiscal 2019, based on governors' budgets. The median growth rate for total Medicaid spending is projected at 1.9 percent for the upcoming fiscal year. State fund spending is projected to grow by a median rate of 1.5 percent (3.4 percent median general fund growth and zero median other state fund growth), while federal fund spending is expected to increase 2.3 percent. Given large swings in some states that can substantially influence total Medicaid spending growth rates, examining the median percentage change often better reflects underlying trends, though timing issues can still skew the data.

Medicaid Expansion. States that expanded Medicaid also reported on their expenditures for the new adult eligibility group (including both "newly eligible" and "not newly eligible") by fund source. States began paying 5 percent of the costs for newly eligible adults in calendar year 2017, with the state share gradually set to increase to 10 percent by 2020. As states have begun to pick up a larger share of the cost, Medicaid expansion spending from state funds is estimated to increase $3.6 billion in fiscal 2018. Most states are planning for increases in state fund spending on Medicaid expansion in fiscal 2019 as well, though 50-state total spending from state funds is projected to decrease.

Programmatic Changes. States also reported on changes to their Medicaid programs implemented in fiscal 2018 and recommended in fiscal 2019. With budget conditions fairly stable in most states, a number of states reported increasing provider payments and expanding Medicaid benefits, while fewer states reported restricting payments or benefits. At the same time, cost containment and service delivery reform efforts continue, with states passing or considering policies to cut drug costs, enhance program integrity, and expand managed care.

Federal Issues for States

Last spring, states were facing tremendous federal uncertainty regarding health care as efforts to repeal and replace the *Affordable Care Act* (ACA) and overhaul Medicaid funding were still underway. States were also uncertain about future federal funding levels and the prospects for tax reform. Much of this uncertainty has been eliminated or significantly reduced — at least for the time being — after Congress made no changes to Medicaid's federal/state sharing arrangement, reached agreement on a two-year spending framework, and enacted the largest set of changes to the federal tax code in more than 30 years. States are now passing their own legislation in response to the federal tax changes while analyzing the effects of the new federal law on their current revenue collections and forecasts. States also recently received a decision from the U.S. Supreme Court that lifts a federal ban on sports betting, and, as this report went to print, they were still awaiting the high court's ruling in a landmark case on whether states can compel remote/online retailers to collect sales taxes.

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

STATE EXPENDITURE DEVELOPMENTS

CHAPTER ONE

Overview

State budgets are projected to increase 3.2 percent in fiscal 2019 according to governors' recommended budgets, in line with the average annual growth rate proposed by governors since the Great Recession. The eight-year average growth rate of recommended budgets from fiscal 2011 to fiscal 2018, as reported in NASBO's past Spring Fiscal Survey editions, is 2.8 percent.[3] This represents an improvement over this time last year, when states were dealing with the impacts of lackluster revenue growth for multiple years, causing governors to propose extremely cautious budgets with a projected spending increase of just 1.0 percent for fiscal 2018. Overall, 42 states plan general fund spending increases in fiscal 2019, compared to just 35 states calling for increases last year for fiscal 2018.

Estimated general fund spending in fiscal 2018 increased 3.4 percent — higher than what was originally recommended and what states enacted, due to a combination of mid-year spending increases in fiscal 2018 and actual spending coming in lower than previously estimated for fiscal 2017. Improved fiscal conditions also led far fewer states to make mid-year budget reductions in fiscal 2018 compared to the last couple of years. However, budget situations continue to vary significantly by state. Twenty-seven states report general fund spending levels that are lower than their fiscal 2008 levels, after adjusting for inflation — including 11 states with spending levels more than 10 percent below their pre-recession peak levels — while nine states have inflation-adjusted general fund expenditures more than 10 percent above their fiscal 2008 levels. All states are continuing to face long-term spending pressures in areas ranging from health care and pensions to adequately funding K–12 education and infrastructure.

State Spending from All Sources

This report captures only state general fund spending, excluding Chapter 4 on Medicaid 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 2017 spending from all sources (general funds, federal funds, other state funds and bonds) is approximately $1.98 trillion. General funds represent the largest category of total state spending by fund source at 40.3 percent, followed by federal funds at 31.3 percent, other state funds at 26.4 percent, and bonds at 2.0 percent. The program area components of total state spending for estimated fiscal 2017 are: Medicaid, 29.0 percent; elementary and secondary education, 19.4 percent; higher education, 10.4 percent; transportation, 8.1 percent; corrections, 3.0 percent; public assistance, 1.4 percent; and all other expenditures, 28.7 percent.

For estimated fiscal 2017, components of general fund spending are elementary and secondary education, 35.4 percent; Medicaid, 20.3 percent; higher education, 9.9 percent; corrections, 6.7 percent; public assistance, 1.1 percent; transportation, 0.8 percent; and all other expenditures, 25.8 percent.

State General Fund Spending

Recommended Spending for Fiscal 2019. State general fund spending is projected to be $861.8 billion in fiscal 2019 according to governors' recommended budgets, as well as enacted budgets for some biennial budget states — see textbox on next page for more discussion on biennial budget states. This represents a 3.2 percent increase from the estimated $835.0 billion spent in fiscal 2018. Based on governors' proposed budgets, 42 states plan general fund spending increases in fiscal year 2019 compared to estimated fiscal 2018 spending levels. Seven states called for modest general fund spending declines for the upcoming fiscal year while one state expected flat spending growth.

Estimated Spending for Fiscal 2018. Aggregate general fund spending is estimated to have increased by 3.4 percent in fiscal 2018 compared to fiscal 2017 actual spending levels, a modest rate of growth. The median growth rate is lower, at 2.6 percent, with most states estimating spending growth of less than 3.0 percent. While modest, 3.4 percent is higher than the 2.3 percent growth projected when states enacted their fiscal 2018 budgets (as reported in NASBO's *Fall 2017*

[3] See NASBO's Spring Fiscal Survey of States, 2010–2017.

Fiscal Survey). This is due to a combination of fiscal 2018 estimated spending ($835.0 billion) coming in somewhat higher than budgeted ($830.2 billion), and fiscal 2017 spending actuals revised slightly downward from $811.6 billion to $807.9 billion. Adjusting for inflation, estimated general fund spending increased 0.9 percent in fiscal 2018. *(See Table 1, Figure 1, and Tables 3 – 5)*

Technical Note: Biennial Budget States

Thirty states budget on an annual basis, while 19 states budget on a biennial basis and one state — Arkansas — uses a hybrid approach. Most biennial budget states (17 when including Arkansas) enacted two-year budgets during 2017 legislative sessions covering fiscal 2018 and fiscal 2019. These include: Arkansas, Connecticut, Hawaii, Indiana, Maine, Minnesota, Montana, Nebraska, Nevada, New Hampshire, North Carolina, North Dakota, Ohio, Oregon, Texas, Washington, and Wisconsin. Most of these states reported on fiscal 2019 in this survey based on their enacted biennial budget, some with the governor's proposed revisions and supplementals and some with enacted revisions, while a couple reported based on the governor's original biennial budget proposal. See footnotes to Table 5 for more details. For simplicity, this report refers to all aggregate fiscal 2019 data as based on governors' budget proposals.

Governors in the remaining three biennial states — Kentucky, Virginia and Wyoming — proposed spending plans for fiscal 2019 and fiscal 2020 for consideration during the 2018 legislative sessions. Kentucky provided data for fiscal 2020 based on the governor's budget recommendation as part of this survey. *(See Table A-5)*

Spending Growth by State. For fiscal 2018, 11 states estimate general fund expenditures equal to or below fiscal 2017 levels, 26 states had general fund expenditure growth greater than 0 but less than 5 percent, 13 states had general fund spending growth between 5 and 10 percent; no states reported spending growth greater than 10 percent. For fiscal 2019, based on governors' recommended budgets, eight states plan for budget growth at or below 0 percent, 34 states forecast budget growth between 0 and 5 percent, six states expect budget growth between 5 and 10 percent, and two expect spending increases greater than 10 percent. *(See Tables 2 and 6)*

Technical Note: Revenue and Expenditure "Adjustments"

When completing NASBO's Fiscal Survey, states are given the opportunity to note "adjustments" to revenues and expenditures in their general funds, as shown in Tables 3–5. These adjustments are used to retain a close alignment of general fund revenues to a state's revenue estimates (plus the governors' recommended policy changes), and of general fund expenditures to the amounts reported in NASBO's *State Expenditure Report*. They can also be used when there are amounts that require further explanation in order to ensure more accurate year-to-year comparisons in a state. For example, these adjustments may include fund transfers in and out of the general fund, accounting adjustments, appropriation lapses or reversions, or reappropriations. Footnotes at the end of this chapter provide more details for each state's reported adjustments. A state's usage of the adjustments columns will vary depending on the state's budgeting and accounting procedures.

TABLE 1

State Nominal and Real Annual Budget Increases, Fiscal 1979 to Fiscal 2019

	State General Fund	
Fiscal Year	Nominal Increase	Real Increase
2019	3.2%	
2018	3.4	0.9%
2017	3.0	1.2
2016	3.5	2.8
2015	4.4	3.0
2014	4.5	2.4
2013	4.2	2.3
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	8.1	2.6
2005	5.9	-0.1
2004	2.9	-0.8
2003	-0.1	-3.1
2002	0.6	-1.6
2001	8.0	3.6
2000	7.8	3.0
1999	5.9	3.1
1998	5.7	3.7
1997	4.6	2.3
1996	5.4	3.1
1995	6.3	3.3
1994	6.2	4.0
1993	3.2	-0.2
1992	4.6	1.3
1991	5.2	0.7
1990	6.0	1.1
1989	9.8	5.9
1988	8.3	4.2
1987	6.9	3.2
1986	10.7	7.2
1985	10.2	6.0
1984	8.1	4.0
1983	-0.7	-6.2
1982	6.4	-0.9
1981	16.3	5.2
1980	10.0	-0.5
1979	10.1	3.2
1979–2018 average	**5.4%**	**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 April 27, 2018), is used for state expenditures in determining real changes. Fiscal Year real changes are based on quarterly averages. Fiscal 2017 figures are based on the change from fiscal 2016 actuals to fiscal 2017 actuals. Fiscal 2018 figures are based on the change from fiscal 2017 actuals to fiscal 2018 estimates. Fiscal 2019 figures are based on the change from fiscal 2018 estimates to fiscal 2019 recommended figures. Historical data shown in this table may differ from figures published in previous editions of The Fiscal Survey of States, as figures for some years were updated based on a review of original source data.

FIGURE 1:

Annual Percentage Budget Changes, Fiscal 1990 to Fiscal 2019

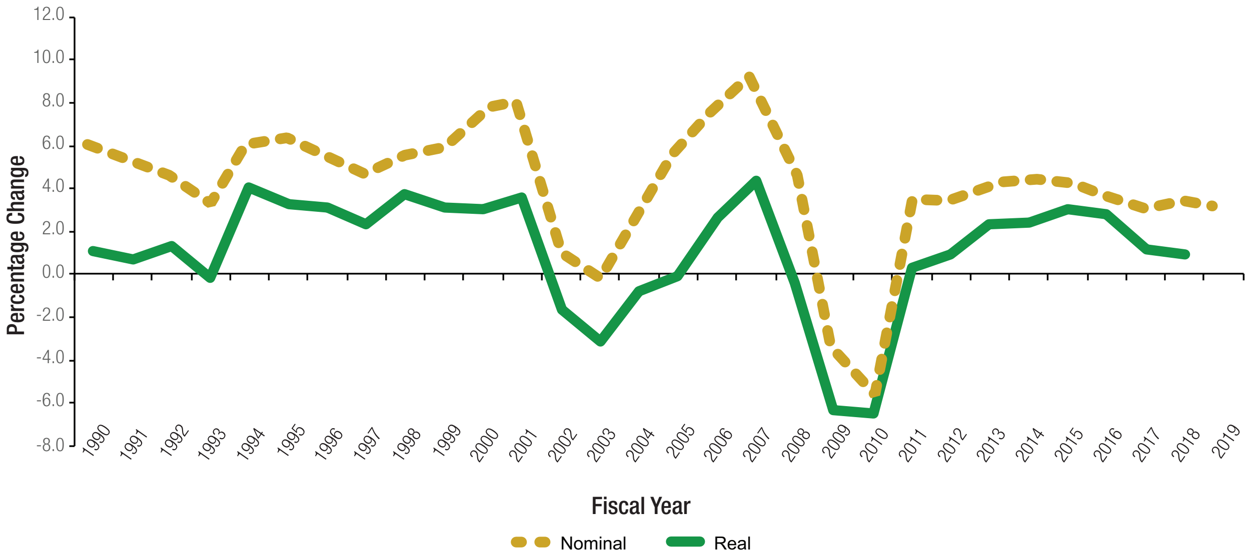


TABLE 2

State General Fund Expenditure Growth, Fiscal 2017 to Fiscal 2019

Spending Growth	Fiscal 2017 (Actual)	Fiscal 2018 (Estimated)	Fiscal 2019 (Recommended)
0% or less	8	11	8
> 0.0% but < 5.0%	28	26	34
> 5.0% but < 10.0%	12	13	6
10% or more	2	0	2

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

TABLE 3

Fiscal 2017 General Fund, Actual (Millions)

State	Beginning Balance	Revenues	Adjustments	Total Resources	Expenditures	Adjustments	Ending Balance	Rainy Day Fund Balance
Alabama*	$185	$8,197	$50	$8,432	$8,166	$116	$150	$766
Alaska*	0	1,354	745	2,099	4,498	764	-3,162	4,641
Arizona*	284	9,503	0	9,787	9,636	0	151	461
Arkansas*	0	5,349	0	5,349	5,349	0	0	123
California*	4,504	118,669	-96	123,077	119,087	-622	4,611	10,159
Colorado* **	513	10,276	45	10,833	10,425	-206	614	614
Connecticut*	0	17,703	0	17,703	17,727	-1	-23	213
Delaware* **	568	4,013	0	4,581	4,106	0	475	221
Florida	1,892	29,945	0	31,836	30,322	0	1,515	1,384
Georgia* **	2,131	23,268	211	25,611	23,139	0	2,472	2,309
Hawaii	1,028	7,352	0	8,379	7,486	0	894	311
Idaho*	51	3,448	27	3,526	3,261	164	101	413
Illinois* **	967	30,333	171	31,471	31,011	-908	1,368	10
Indiana*	776	15,497	0	16,273	15,455	516	303	1,474
Iowa*	0	7,096	162	7,258	7,258	0	0	605
Kansas	37	6,348	0	6,385	6,277	0	109	0
Kentucky*	334	10,571	581	11,486	11,169	201	116	151
Louisiana*	-314	9,456	155	9,297	9,149	26	123	287
Maine*	71	3,416	39	3,526	3,346	123	57	209
Maryland*	385	16,699	234	17,317	17,289	-230	259	833
Massachusetts* **	1,482	41,167	617	43,267	41,202	617	1,448	1,301
Michigan*	604	9,872	31	10,507	9,809	75	623	710
Minnesota* **	3,102	21,334	0	24,436	21,103	0	3,333	1,980
Mississippi	7	5,654	0	5,661	5,656	0	4	269
Missouri*	153	9,016	155	9,324	9,151	0	173	294
Montana*	257	2,142	-2	2,396	2,365	-17	48	0
Nebraska*	532	4,263	-217	4,577	4,329	0	248	681
Nevada*	419	3,881	191	4,490	3,990	66	434	39
New Hampshire*	89	1,503	0	1,592	1,511	81	0	100
New Jersey*	473	34,203	162	34,838	34,051	0	787	0
New Mexico* **	148	6,461	26	6,635	6,130	0	505	505
New York**	8,934	66,895	0	75,829	68,080	0	7,749	1,798
North Carolina*	580	22,614	101	23,295	22,085	739	472	1,838
North Dakota*	263	1,579	828	2,669	2,503	102	65	38
Ohio*	1,193	34,178	0	35,371	34,814	0	557	2,034
Oklahoma*	0	5,706	114	5,820	5,737	0	84	93
Oregon*	550	9,824	-27	10,347	9,186	183	978	761
Pennsylvania*	2	31,669	-1,269	30,402	31,941	0	-1,539	0
Rhode Island*	168	3,684	-108	3,744	3,672	10	62	193
South Carolina* **	1,131	7,582	139	8,853	7,646	131	1,076	487
South Dakota*	14	1,541	15	1,570	1,548	14	8	157
Tennessee*	1,390	14,409	-217	15,582	13,238	697	1,647	668
Texas*	4,278	52,285	-528	56,035	53,683	1,469	883	10,290
Utah	165	6,331	0	6,496	6,411	0	85	507
Vermont*	0	1,574	0	1,574	1,540	34	0	107
Virginia	623	19,619	0	20,243	20,115	0	128	549
Washington*	1,373	19,739	-673	20,439	19,339	0	1,100	1,638
West Virginia*	371	4,191	98	4,660	4,248	14	398	652
Wisconsin*	331	15,518	679	16,528	17,099	-1,150	579	283
Wyoming*	0	1,121	409	1,530	1,530	0	0	1,538
Total	**$42,042**	**$798,046**		**$842,936**	**$807,865**		**$32,064**	**$54,696**

*NOTES: NA Indicates data are not available. *See Notes to Table 3 on page 22. **In these states, the ending balance includes the balance in the rainy day fund.*

TABLE 4

Fiscal 2018 State General Fund, Estimated (Millions)

State	Beginning Balance	Revenues	Adjustments	Total Resources	Expenditures	Adjustments	Ending Balance	Rainy Day Fund Balance
Alabama	$150	$8,422	$0	$8,572	$8,377	$0	$195	$788
Alaska*	0	2,337	799	3,137	4,500	800	-2,163	2,360
Arizona*	151	9,721	0	9,872	9,829	0	43	463
Arkansas*	0	5,453	0	5,453	5,453	0	0	128
California*	4,611	127,252	0	131,862	126,511	0	5,351	12,598
Colorado* **	614	11,600	91	12,305	11,137	0	1,168	1,168
Connecticut*	0	18,497	0	18,497	18,660	30	-193	878
Delaware* **	475	4,240	0	4,715	4,172	0	542	232
Florida	1,515	31,807	0	33,322	31,955	0	1,367	1,417
Georgia*	2,472	23,794	0	26,266	23,794	0	2,472	N/A
Hawaii	894	7,508	0	8,401	7,394	0	1,008	320
Idaho*	101	3,616	9	3,725	3,451	61	214	394
Illinois* **	1,368	35,908	4,581	41,857	33,981	6,508	1,368	10
Indiana*	303	15,636	6	15,945	15,637	22	286	1,434
Iowa*	0	7,249	0	7,249	7,239	6	4	624
Kansas*	109	6,814	1	6,924	6,643	14	267	0
Kentucky*	116	10,831	467	11,413	11,354	59	0	8
Louisiana*	123	9,595	19	9,737	9,461	0	275	314
Maine*	57	3,506	33	3,595	3,515	6	75	211
Maryland*	259	17,059	45	17,362	17,232	-78	207	859
Massachusetts* **	1,448	42,962	663	45,072	42,963	663	1,446	1,367
Michigan*	623	9,802	0	10,425	10,109	210	106	889
Minnesota* **	3,333	21,766	0	25,100	22,788	0	2,312	1,997
Mississippi	4	5,602	0	5,607	5,607	0	0	277
Missouri*	168	9,189	385	9,741	9,498	0	244	305
Montana*	48	2,296	0	2,344	2,291	-4	58	0
Nebraska*	248	4,505	0	4,752	4,387	213	152	332
Nevada*	434	3,916	91	4,440	3,981	141	319	169
New Hampshire*	0	1,520	-2	1,518	1,482	35	1	100
New Jersey*	787	35,201	373	36,361	35,623	0	738	0
New Mexico* **	505	6,314	-1	6,819	6,201	0	617	617
New York* **	7,749	71,441	0	79,190	70,023	0	9,167	1,798
North Carolina*	472	23,134	-9	23,597	23,031	75	491	1,838
North Dakota*	65	1,781	377	2,223	2,155	0	68	73
Ohio*	557	32,274	0	32,831	32,330	0	500	2,034
Oklahoma*	84	6,509	-338	6,255	5,932	303	19	N/A
Oregon*	978	9,653	-219	10,412	9,731	0	681	940
Pennsylvania*	-1,539	34,752	-1,160	32,053	31,998	14	41	0
Rhode Island*	62	3,852	-107	3,807	3,807	0	0	196
South Carolina* **	1,076	7,951	95	9,122	7,899	139	1,084	509
South Dakota*	8	1,570	18	1,595	1,588	8	0	158
Tennessee*	1,646	14,291	-162	15,776	14,540	791	445	800
Texas*	883	54,585	989	56,458	54,754	1,554	149	10,457
Utah	85	6,715	0	6,800	6,743	0	57	507
Vermont*	0	1,575	5	1,580	1,552	28	0	125
Virginia	128	20,235	0	20,363	20,355	0	8	282
Washington*	1,100	21,492	-391	22,201	20,526	0	1,675	1,364
West Virginia*	398	4,225	2	4,625	4,300	38	287	718
Wisconsin*	579	16,126	512	17,217	16,947	-277	547	285
Wyoming*	0	1,121	409	1,530	1,530	0	0	1,538
Total	**$35,243**	**$837,196**		**$880,020**	**$834,964**		**$33,699**	**$53,879**

*NOTES: NA Indicates data are not available. *See Notes to Table 4 on page 25. **In these states, the ending balance includes the balance in the rainy day fund.*

TABLE 5
Fiscal 2019 General Fund, Recommended*** (Millions)

State	Beginning Balance	Revenues	Adjustments	Total Resources	Expenditures	Adjustments	Ending Balance	Rainy Day Fund Balance
Alabama*	$195	$8,640	$0	$8,835	$8,659	$101	$75	$853
Alaska*	0	2,259	2,811	5,070	4,196	834	40	1,913
Arizona	43	10,168	0	10,211	10,144	0	67	469
Arkansas*	0	5,690	0	5,690	5,626	0	64	128
California*	5,351	129,791	0	135,142	131,690	0	3,452	15,749
Colorado* **	1,168	11,968	7	13,143	12,185	0	958	958
Connecticut*	0	18,860	0	18,860	18,856	0	4	895
Delaware* **	542	4,312	0	4,854	4,373	0	481	236
Florida	1,367	32,726	0	34,093	32,826	0	1,268	1,485
Georgia*	2,472	24,679	0	27,151	24,679	0	2,472	N/A
Hawaii*	1,008	7,714	0	8,722	7,882	0	840	328
Idaho*	156	3,663	13	3,832	3,679	82	70	419
Illinois* **	1,368	37,364	600	39,332	34,431	3,517	1,384	10
Indiana*	286	16,186	0	16,472	16,182	107	183	1,444
Iowa*	0	7,634	0	7,634	7,386	56	192	677
Kansas*	267	6,783	-1	7,049	6,708	191	150	0
Kentucky*	0	11,125	255	11,380	11,299	81	0	70
Louisiana	0	8,601	0	8,601	8,601	0	0	339
Maine*	75	3,689	6	3,770	3,593	36	141	211
Maryland*	207	17,625	11	17,843	17,778	-35	101	883
Massachusetts* **	1,446	44,061	863	46,370	43,973	863	1,534	1,463
Michigan*	106	9,872	0	9,978	9,963	0	15	922
Minnesota* **	2,524	22,995	0	25,519	23,380	0	2,139	2,016
Mississippi	0	5,600	0	5,600	5,488	0	112	382
Missouri*	177	9,418	372	9,967	9,863	0	105	308
Montana*	58	2,374	0	2,432	2,309	0	123	0
Nebraska*	152	4,451	55	4,659	4,427	5	227	274
Nevada*	319	4,077	96	4,491	4,079	107	306	265
New Hampshire*	1	1,554	-23	1,531	1,521	10	0	101
New Jersey*	738	37,209	-74	37,873	37,131	0	742	0
New Mexico* **	617	6,365	34	7,016	6,380	0	636	636
New York**	9,167	71,201	0	80,368	75,248	0	5,120	1,798
North Carolina*	708	24,017	-3	24,722	24,537	184	0	2,022
North Dakota*	68	1,806	394	2,268	2,155	48	65	161
Ohio*	500	33,337	0	33,837	33,642	0	195	2,034
Oklahoma*	19	7,041	0	7,060	7,095	0	-34	N/A
Oregon*	681	10,179	-390	10,470	10,128	0	342	1,241
Pennsylvania*	41	34,220	-1,258	33,003	32,987	4	12	14
Rhode Island*	0	3,948	-118	3,830	3,829	0	1	197
South Carolina* **	1,084	8,077	21	9,181	7,929	145	1,107	531
South Dakota	0	1,623	0	1,623	1,623	0	0	158
Tennessee*	445	14,721	-50	15,116	14,842	273	1	850
Texas*	149	54,013	232	54,394	52,480	1,821	94	11,201
Utah	57	7,027	0	7,084	7,069	0	16	512
Vermont*	0	1,627	0	1,627	1,591	6	30	197
Virginia	8	20,927	0	20,936	20,881	0	55	285
Washington*	1,675	21,333	1,045	24,053	22,776	0	1,277	1,395
West Virginia*	287	4,440	0	4,727	4,426	14	287	731
Wisconsin*	547	16,632	478	17,657	17,830	-355	182	N/A
Wyoming*	0	1,014	438	1,452	1,452	0	0	1,324
Total	**$36,079**	**$854,635**		**$896,528**	**$861,803**		**$26,630**	**$58,087**

*NOTES: N/A indicates data are not available. *See Notes to Table 5 on page 29. **In these states, the ending balance includes the balance in the rainy day fund. ***For some states that enacted biennial budgets for fiscal 2018–2019, the fiscal 2019 data in this survey reflect enacted budget information. See footnotes to this table for more details.*

TABLE 6

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

State	Fiscal 2017	Fiscal 2018	Fiscal 2019
Alabama	4.6%	2.6%	3.4%
Alaska	-17.8	0.0	-6.7
Arizona	1.3	2.0	3.2
Arkansas	3.1	2.0	3.2
California	4.0	6.2	4.1
Colorado	1.9	6.8	9.4
Connecticut	-1.3	5.3	1.0
Delaware	4.9	1.6	4.8
Florida	3.9	5.4	2.7
Georgia	5.6	2.8	3.7
Hawaii	8.8	-1.2	6.6
Idaho	7.3	5.8	6.6
Illinois	13.0	9.6	1.3
Indiana	3.1	1.2	3.5
Iowa	0.2	-0.3	2.0
Kansas	2.6	5.8	1.0
Kentucky	8.2	1.7	-0.5
Louisiana	5.1	3.4	-9.1
Maine	0.4	5.0	2.2
Maryland	3.9	-0.3	3.2
Massachusetts	1.8	4.3	2.3
Michigan	1.3	3.1	-1.4
Minnesota	4.7	8.0	2.6
Mississippi	-1.4	-0.9	-2.1
Missouri	1.4	3.8	3.8
Montana	2.0	-3.1	0.8
Nebraska	3.2	1.3	0.9
Nevada	10.7	-0.2	2.5
New Hampshire	9.2	-1.9	2.7
New Jersey	1.0	4.6	4.2
New Mexico	-2.8	1.2	2.9
New York	0.1	2.9	7.5
North Carolina	4.1	4.3	6.5
North Dakota	-16.8	-13.9	0.0
Ohio*	1.1	-7.1	4.1
Oklahoma	-6.2	3.4	19.6
Oregon	2.2	5.9	4.1
Pennsylvania	6.0	0.2	3.1
Rhode Island	3.5	3.7	0.6
South Carolina	6.5	3.3	0.4
South Dakota	6.0	2.5	2.2
Tennessee	4.7	9.8	2.1
Texas	-0.5	2.0	-4.2
Utah	1.6	5.2	4.8
Vermont	4.2	0.8	2.5
Virginia	5.3	1.2	2.6
Washington	6.4	6.1	11.0
West Virginia	1.7	1.2	2.9
Wisconsin	7.9	-0.9	5.2
Wyoming	-7.3	0.0	-5.1
Average	**3.0**	**3.4**	**3.2**
Median	**3.1%**	**2.6%**	**2.7%**

**See Notes to Table 6 on page 33. **Fiscal 2017 reflects changes from fiscal 2016 expenditures (actual) to fiscal 2017 expenditures (actual). Fiscal 2018 reflects changes from fiscal 2017 expenditures (actual) to fiscal 2018 expenditures (estimated). Fiscal 2019 reflects changes from fiscal 2018 expenditures (estimated) to fiscal 2019 expenditures (recommended).*

Recommended Fiscal 2019 Appropriation Changes

Examining governors' recommended appropriation changes compared to enacted budgets from the prior fiscal year helps to identify changing state general fund spending patterns and governors' priorities. State fiscal conditions and the degree of competition for state resources are also reflected in the reported budget reductions and spending increases across program areas. Governors recommended general fund spending increases in fiscal 2019 totaling $26.5 billion. While a modest increase, this figure represents a return to relative stability when compared to this time last year, when governors called for general fund spending increases of just $8.7 billion across all programs.[4] K–12 education is once again recipient of the largest spending increase, not surprising given that it is the largest category of state general fund spending. K–12 education would receive a $7.2 billion net funding boost under governors' budget proposals, with 37 states recommending spending increases and seven states calling for decreases. Medicaid, the second largest component of state general fund spending, would see a $5.3 billion increase in general fund spending. Overall, 33 states recommended increases in Medicaid spending, while governors in ten states called for decreases.

Governors' Budget Priorities for Fiscal 2019

Governors' spending proposals for fiscal 2019 continued to direct revenue growth mainly to K–12 education, including investments in teacher pay raises, base funding increases, and school facilities. Other spending priorities included increasing funding for behavioral health, responding to the opioid crisis, investing in infrastructure, and job training and workforce development initiatives. For detailed narrative summaries of governors' budget recommendations, see NASBO's "Summaries of Fiscal Year 2019 Proposed Executive Budgets," available at www.nasbo.org.

Governors also recommended moderate net spending increases for higher education ($1.4 billion), corrections ($1.4 billion), public assistance ($358 million), and transportation ($791 million). Most states rely on other fund sources to finance transportation spending; therefore, general fund spending changes are not necessarily reflective of overall recommended state spending changes for transportation. Thirty-five states called for increases in higher education spending, 37 states for corrections, 21 states for public assistance (which is narrowly defined to include assistance provided through the Temporary Assistance for Needy Families (TANF) program and other cash assistance programs only), and 13 states for transportation. Meanwhile, ten states called for general fund spending decreases for higher education, six states for corrections, 10 states for public assistance, and seven states for transportation. Governors recommended a sizeable net spending increase of $10.1 billion in all other areas of state government. General fund spending changes, particularly reductions, are sometimes partially or fully offset by spending changes in other state funds. *(See Tables 10 and 11)*

Mid-Year Budget Adjustments for Fiscal 2018

IIn fiscal 2018, only nine states made net mid-year budget reductions totaling $830 million, another sign of state fiscal conditions being more stable. *(See Table 7*) By comparison, this time last year, 23 states reported making mid-year cuts for fiscal 2017 totaling $4.9 billion — which was later reduced to 22 states making $3.5 billion in cuts when states reported on final fiscal 2017 spending changes in NASBO's *Fall 2017 Fiscal Survey of States*. *(See Figure 2)* Meanwhile, 19 states increased their budgets mid-year, resulting in a net mid-year increase in state general fund spending of $1.6 billion compared to original enacted budgets for fiscal 2018. The large number of states increasing their spending in the middle of the year is another sign of improved fiscal conditions relative to when states enacted their budgets for fiscal 2018. *(See Tables 8 and 9)*

States primarily turn to spending cuts to help resolve budget gaps that arise during the fiscal year due to revenues coming in below forecast. Among the nine states reporting mid-year cuts, seven indicated that the reductions were made to respond to a revenue shortfall. Mid-year reductions, especially when only appearing in one or two program areas, do not

[4] For states that practice biennial budgeting and completed their fiscal 2018–2019 budgets in calendar year 2017, reported fiscal 2019 appropriation changes may reflect enacted amounts, as discussed earlier in this chapter.

always indicate fiscal stress, as they can sometimes reflect adjustments due to fund shifts, downward revisions in anticipated caseloads, changing spending priorities and so on. A number of states indicated in footnotes where a mid-year general fund spending decrease was partially or fully offset by a spending change in another state fund source.

Budget Gaps

As mentioned above, states often make mid-year budget cuts to address budget gaps that arise during the fiscal year. A budget gap exists when projected costs of continuing current services exceed projected revenues. For fiscal 2019, 13 states are projecting budget gaps totaling $9.5 billion — prior to implementing their governors' budget recommendations. Notably, this total is far lower than the $26 billion in budget gaps projected by 19 states (and three more states with unspecified amounts) this time last year for fiscal 2018, another sign of improved budget conditions for states. In fiscal 2018 — either prior to or during the fiscal year — 18 states reported closing budget gaps totaling $12.4 billion. Eight states reported having budget gaps in the current fiscal year still to be closed; these can result either from revenues coming in below projections or cost overruns in certain areas. It is important to note that shortfall projections tend to be moving targets and can change dramatically over the course of the fiscal year. States also vary greatly in the methods and assumptions used to measure projected budget gaps, and not all states have a formal process to identify budget gaps. For these reasons, this report only discusses budget gap data in the aggregate and does not publish state-by-state budget gap amounts.

Budget Management Strategies. In order to manage their budgets and prevent or close budget gaps, states employ a variety of strategies to increase revenues or reduce expenses. In fiscal 2018, 14 states reported that targeted cuts have been used to reduce expenditures during the fiscal year (or after budget enactment), while three states made across-the-board percentage cuts. Other common budget management strategies for the current fiscal year included tapping rainy day funds (9 states), other fund transfers (10 states), reorganizing agencies (6 states), and eliminating vacant positions or hiring freezes (7 states). For fiscal 2019, 21 governors recommended targeted spending cuts in their budget proposals, while three recommended across-the-board cuts. Eliminating vacant positions/hiring freezes were once again a popular management strategy recommended in 12 states. Additionally, 12 governors recommended other fund transfers, eight would reorganize agencies, seven would reduce local aid, and seven recommended drawing down on their prior-year fund balances. Many states provided more details on these strategies in footnotes, printed at the end of this chapter. *(See Tables 12 and 13)*

TABLE 7

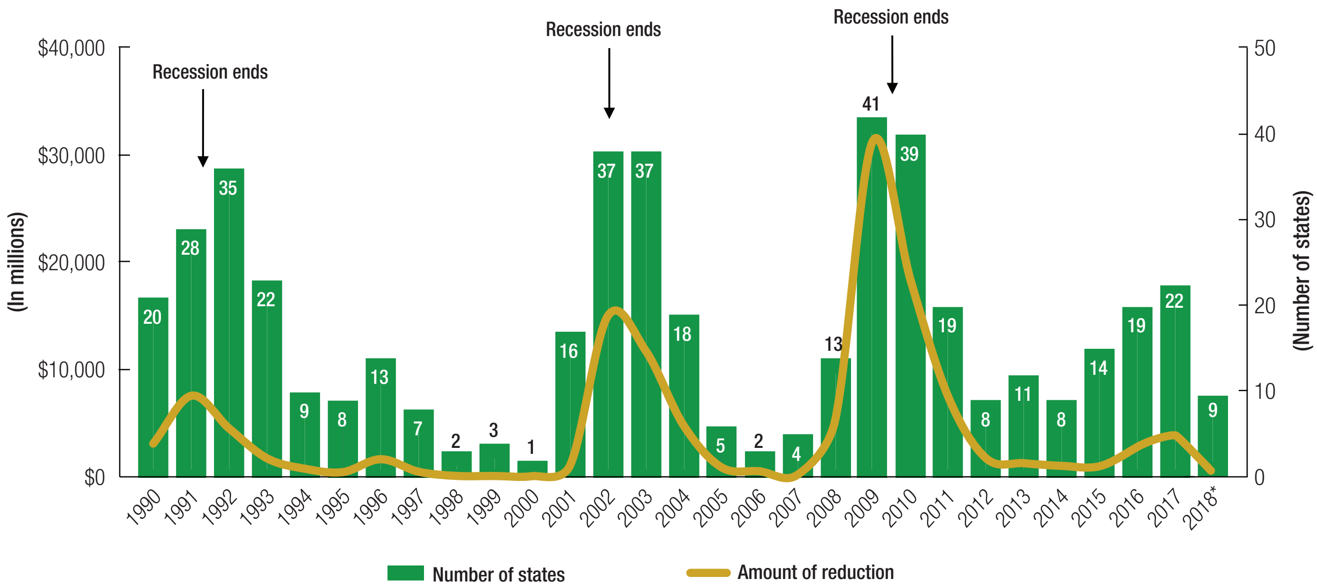
States with Net Mid-Year Budget Cuts Made After the Fiscal 2018 Budget Passed

State	FY 2018 Size of Cuts ($ in Millions)	Cuts Due to Revenue Shortfall?	Programs or Expenditures Exempted from Cuts
Hawaii*	$82.0		
Indiana*	48.0	X	Distributions to K–12 school corporations, funding for higher education operations, and Medicaid assistance.
Kentucky*	93.4	X	Commonwealth/County Attorneys, Public Defenders, Medicaid, Education (in part), Debt Service, Community Based Services, Corrections, State Police
Maryland	115.5	X	
Missouri	262.5	X	
Montana	32.6	X	
South Dakota	2.6	X	
Vermont*	8.7	X	
Wyoming	185.0		
Total	**$830.3**		

*Notes: *See Notes to Table 7 on page 33. See Tables 8 & 9 for state-by-state data on program area cuts and dollar values.*

FIGURE 2:

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



*Mid-year budget actions for fiscal 2018 are estimated and subject to change, as the fiscal year is ongoing.

TABLE 8

Fiscal 2018 Mid-Year Budget Cuts By Program Area

State	K–12 Education	Higher Education	Public Assistance	Medicaid	Corrections	Transportation	Other
Alabama							
Alaska							
Arizona							
Arkansas							
California							
Colorado*	X						
Connecticut							
Delaware							
Florida							
Georgia	X						
Hawaii*	X	X	X	X	X		X
Idaho							
Illinois							
Indiana*	X	X	X	X	X		X
Iowa							
Kansas							
Kentucky*	X	X		X		X	X
Louisiana							
Maine							
Maryland*		X	X	X	X		X
Massachusetts							
Michigan							
Minnesota							
Mississippi							
Missouri	X	X	X	X	X		X
Montana	X	X		X	X		X
Nebraska*							
Nevada							
New Hampshire							
New Jersey		X	X				
New Mexico							
New York							
North Carolina							
North Dakota							
Ohio							
Oklahoma	X	X			X	X	
Oregon* **	X			X			
Pennsylvania					X		X
Rhode Island							
South Carolina							
South Dakota* **			X	X	X		
Tennessee							
Texas							
Utah							
Vermont				X			X
Virginia							
Washington		X	X	X			
West Virginia* **				X			
Wisconsin							
Wyoming		X			X	X	X
Total	**9**	**10**	**7**	**11**	**9**	**3**	**9**

NOTE: *See Notes to Table 8 on page 33. See Table 9 for state-by-state dollar values. **Certain program area general fund reductions were partially or fully offset by other state fund changes; see notes for more details.

TABLE 9

Fiscal 2018 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	$47.4	$6.2	$0.0	$67.7	$121.3
Alaska	0.0	0.0	0.0	45.0	18.3	0.0	28.7	92.0
Arizona*	10.0	0.0	0.0	0.0	0.0	0.0	3.6	13.6
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	190.5	190.5
Colorado*	-30.7	0.0	21.9	62.3	8.5	0.0	5.6	67.7
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	-115.9	35.7	25.3	42.9	6.8	26.0	386.5	407.3
Hawaii*	-13.0	-8.7	-2.8	-0.5	-1.4	0.0	-55.6	-82.0
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*	-0.7	-0.4	-1.6	-2.0	-15.3	0.0	-28.0	-48.0
Iowa	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Kansas	0.0	7.3	0.0	0.0	0.0	0.0	7.0	14.3
Kentucky*	-19.6	-11.0	0.0	-64.6	52.1	-0.3	-50.0	-93.4
Louisiana*	1.6	0.5	0.0	0.0	0.8	0.0	16.3	19.2
Maine	0.0	0.0	0.0	0.0	0.0	0.0	0.7	0.7
Maryland*	0.0	-11.0	-3.7	-11.0	-8.4	0.0	-81.4	-115.5
Massachusetts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Michigan*	1.3	1.0	0.0	0.0	0.0	175.0	40.8	218.1
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	-15.4	-35.1	-4.0	-52.7	-0.5	0.0	-154.8	-262.5
Montana	-2.3	-2.2	0.0	-12.0	-2.2	0.0	-13.9	-32.6
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	2.5	2.5
New Hampshire	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
New Jersey*	14.1	-7.0	-6.6	29.7	2.0	62.0	791.7	885.9
New Mexico	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
New York*	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
North Carolina	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
North Dakota	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ohio	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Oklahoma	-16.3	-4.7	0.0	0.0	-3.2	-1.0	41.3	16.1
Oregon*	-71.0	16.1	22.4	-5.5	25.6	0.0	59.7	47.4
Pennsylvania	0.0	0.0	0.0	24.4	-22.2	0.0	-0.8	1.4
Rhode Island*	0.0	0.0	0.0	14.2	11.6	0.0	2.9	28.7
South Carolina	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
South Dakota	9.3	0.0	-4.1	-10.3	-0.3	0.0	2.8	-2.6
Tennessee	0.0	0.0	0.0	0.0	0.0	0.0	46.0	46.0
Texas	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Utah	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Vermont	0.0	0.0	1.8	-3.9	0.0	0.0	-6.5	-8.7
Virginia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Washington*	72.0	-6.0	-4.0	-36.0	11.0	0.0	84.0	121.0
West Virginia*	0.0	0.0	44.7	-84.1	23.0	0.0	16.4	0.0
Wisconsin*	0.3	0.0	0.0	0.6	0.0	0.0	129.4	130.3
Wyoming	0.0	-80.0	0.0	0.0	-5.0	-9.0	-91.0	-185.0
Total	**-$176.3**	**-$105.5**	**$89.3**	**-$16.2**	**$107.4**	**$252.7**	**$1,442.2**	**$1,593.6**
Increases	7	5	5	8	11	3	20	19
Decreases	9	10	7	11	9	3	9	9

*NOTE: *See Notes to Table 9 on page 33.*

TABLE 10

Fiscal 2019 Recommended Budget Cuts by Program Area

State	K–12 Education	Higher Education	Public Assistance	Medicaid	Corrections	Transportation	Other
Alabama							
Alaska* **	X	X	X				
Arizona							
Arkansas							
California							
Colorado							
Connecticut	X			X	X		
Delaware				X			
Florida* **		X					
Georgia							X
Hawaii						X	
Idaho							
Illinois			X		X	X	X
Indiana							
Iowa							
Kansas							
Kentucky* **	X	X		X		X	
Louisiana	X	X		X			X
Maine				X	X		
Maryland* **			X				
Massachusetts							
Michigan* **	X	X	X				
Minnesota							
Mississippi* **	X	X		X			X
Missouri		X	X			X	
Montana				X			
Nebraska*		X					
Nevada*	X						
New Hampshire							
New Jersey			X		X		
New Mexico							
New York* **			X	X	X	X	
North Carolina							
North Dakota							
Ohio			X			X	
Oklahoma							
Oregon							
Pennsylvania			X				
Rhode Island				X			
South Carolina							X
South Dakota				X			
Tennessee							
Texas							
Utah							
Vermont							X
Virginia							
Washington		X					
West Virginia*			X		X		
Wisconsin							
Wyoming		X				X	
Total	**7**	**10**	**10**	**10**	**6**	**7**	**6**

*NOTE: *See Notes to Table 10 on page 34. See Table 11 for state-by-state dollar values. **Certain program area general fund reductions were partially or fully offset by other state fund changes; see notes for more details.*

TABLE 11

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

State	K–12 Education	Higher Education	Public Assistance	Medicaid	Corrections	Transportation	Other	Total
Alabama*	$159.0	$57.5	$3.2	$53.9	$20.0	$0.0	$63.2	$356.8
Alaska*	-18.4	-0.4	-2.0	34.2	1.5	42.7	799.1	856.7
Arizona	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Arkansas*	4.3	9.4	4.9	140.8	9.3	0.0	4.2	172.8
California*	1,539.4	542.0	20.5	2,057.3	568.5	1.5	1,864.8	6,594.0
Colorado*	276.9	89.0	49.9	66.1	50.6	421.0	94.1	1,047.6
Connecticut	-55.8	1.8	7.0	-61.6	-3.1	0.0	247.9	136.2
Delaware*	52.1	0.3	9.0	-6.0	20.5	N/A	67.6	143.5
Florida*	160.4	-67.3	0.0	264.1	168.5	0.0	147.5	673.2
Georgia*	352.7	136.7	67.8	594.5	13.1	15.5	-229.8	950.5
Hawaii	22.3	6.7	5.5	42.6	3.4	-2.0	161.0	239.5
Idaho*	101.7	20.1	0.6	67.9	19.3	0.0	18.8	228.4
Illinois	330.0	226.0	-29.6	756.0	-47.0	-1.0	-785.4	449.0
Indiana*	157.4	26.7	0.0	257.9	2.8	1.0	117.2	563.0
Iowa	62.3	13.0	0.1	65.1	2.1	0.0	53.4	196.0
Kansas	107.3	15.6	0.0	18.3	15.9	0.0	33.7	190.8
Kentucky*	-181.3	-61.2	0.0	-57.0	93.5	-1.0	195.8	-11.2
Louisiana	-17.8	-271.7	0.0	-510.7	2.4	0.0	-43.1	-840.9
Maine	85.9	4.7	0.0	-12.9	-17.9	0.0	18.0	77.8
Maryland*	155.6	19.3	-18.0	245.7	4.1	0.0	130.8	537.5
Massachusetts*	134.7	16.5	232.7	296.9	29.0	64.3	385.9	1,160.1
Michigan*	-155.0	-120.0	-5.5	121.0	33.3	0.0	201.0	74.8
Minnesota	36.5	31.0	0.0	12.0	2.7	36.3	167.8	286.3
Mississippi*	-17.1	-5.1	0.0	-0.1	0.0	0.0	-34.9	-57.2
Missouri	54.5	-98.6	-4.0	78.3	18.1	-2.0	375.6	421.9
Montana	19.2	1.1	0.0	-4.0	4.1	0.0	11.8	32.2
Nebraska*	4.6	-4.9	1.0	14.1	0.0	0.0	13.9	28.7
Nevada*	-10.0	13.6	0.5	55.7	7.5	0.0	45.3	112.6
New Hampshire*	0.0	0.6	7.7	10.5	3.2	0.0	18.8	40.8
New Jersey*	995.6	74.9	-22.2	205.1	-2.1	229.8	27.0	1,508.1
New Mexico	71.1	1.0	0.4	38.5	14.4	0.0	125.2	250.6
New York*	581.0	180.0	-38.0	-836.0	-3.0	-72.0	4,239.0	4,051.0
North Carolina	338.5	191.5	0.0	0.0	93.7	0.0	200.2	823.9
North Dakota	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ohio	158.4	35.7	-3.9	848.7	28.0	-0.5	46.9	1,113.3
Oklahoma	312.1	0.0	0.0	0.0	10.5	55.2	53.2	431.0
Oregon	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pennsylvania	603.8	16.3	-0.2	169.4	98.4	0.0	102.1	989.8
Rhode Island*	18.7	10.1	12.6	-28.4	14.7	0.0	37.3	65.0
South Carolina	70.6	9.0	24.7	45.0	17.3	0.0	-52.7	113.8
South Dakota	16.5	3.9	4.9	-4.2	3.3	0.0	8.0	32.4
Tennessee	67.9	28.6	0.0	61.0	14.4	0.0	317.5	489.4
Texas	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Utah	196.1	111.0	0.0	2.9	9.8	1.4	63.9	385.1
Vermont*	28.4	0.7	1.0	6.7	0.5	0.0	-1.8	35.5
Virginia	206.5	104.6	18.7	72.2	46.1	0.0	68.5	516.6
Washington*	136.0	-12.0	11.0	94.0	17.0	2.0	387.0	635.0
West Virginia*	53.1	18.7	-2.4	31.1	-10.0	1.5	38.9	130.9
Wisconsin*	6.8	0.5	0.0	0.1	0.0	0.6	131.8	139.8
Wyoming*	0.0	-10.0	0.0	0.0	4.0	-3.0	176.0	167.0
Total	**$7,222.4**	**$1,366.8**	**$357.8**	**$5,306.7**	**$1,382.3**	**$791.4**	**$10,112.1**	**$26,539.6**
Increases	37	35	21	33	37	13	40	43
Decreases	7	10	10	10	6	7	6	3

*NOTE: *See Notes to Table 11 on page 35. Value of changes are in reference to funding level of FY 2018 enacted budget.*

TABLE 12

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

State	Across-the-Board % Cuts	Targeted Cuts	Layoffs	Furloughs	Early Retirement	Salary Reductions	Cuts to State Employee Benefits	Eliminating Vacant Positions / Hiring Freeze	Pension/ OPEB Adjustments
Alabama*									
Alaska		X	X	X			X	X	
Arizona									
Arkansas								X	
California									
Colorado									
Connecticut*									
Delaware									
Florida									
Georgia									
Hawaii		X							
Idaho									
Illinois									
Indiana	X								
Iowa*		X							
Kansas		X							
Kentucky*		X						X	
Louisiana*								X	
Maine									
Maryland		X						X	
Massachusetts*									
Michigan									
Minnesota									
Mississippi									
Missouri									
Montana	X	X	X						
Nebraska*	X	X						X	
Nevada									
New Hampshire									
New Jersey									
New Mexico*									
New York*									
North Carolina									
North Dakota									
Ohio									
Oklahoma*		X							
Oregon									
Pennsylvania									
Rhode Island*		X			X				
South Carolina									
South Dakota		X							
Tennessee*									
Texas									
Utah									
Vermont		X							
Virginia		X				X			
Washington*									
West Virginia									
Wisconsin									
Wyoming		X						X	
Total	**3**	**14**	**2**	**1**	**1**	**1**	**1**	**7**	**0**

*NOTE: *See Notes to Table 12 on page 36.*

TABLE 12 (CONTINUED)

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

State	Reduce Local Aid	Reorganize Agencies	Privatization	Rainy Day Fund	Other Fund Transfers	Prior-year Fund Balance	Deferred Payments	Other (Specify)
Alabama*		X						
Alaska		X		X	X	X	X	
Arizona								
Arkansas								
California								
Colorado								
Connecticut*								X
Delaware								
Florida								
Georgia								
Hawaii						X		
Idaho								
Illinois								
Indiana								
Iowa*								
Kansas								
Kentucky*				X				
Louisiana*								
Maine								
Maryland					X			
Massachusetts*					X			X
Michigan								
Minnesota								
Mississippi								
Missouri								
Montana		X			X			
Nebraska*	X			X	X	X		X
Nevada								
New Hampshire								
New Jersey								
New Mexico*		X						
New York*								
North Carolina								
North Dakota								
Ohio								
Oklahoma*		X		X	X	X		X
Oregon								
Pennsylvania								
Rhode Island*		X	X		X	X		
South Carolina								
South Dakota				X	X			
Tennessee*								X
Texas								
Utah								
Vermont				X	X			
Virginia	X			X				
Washington*				X	X	X		
West Virginia								
Wisconsin								
Wyoming				X				
Total	**2**	**6**	**1**	**9**	**10**	**6**	**1**	**5**

*NOTE: *See Notes to Table 12 on page 36.*

TABLE 13
Strategies Used to Manage Budget, Fiscal 2019 Recommended

State	Across-the-Board % Cuts	Targeted Cuts	Layoffs	Furloughs	Early Retirement	Salary Reductions	Cuts to State Employee Benefits	Eliminating Vacant Positions / Hiring Freeze	Pension/ OPEB Adjustments
Alabama									
Alaska		X	X	X			X	X	
Arizona*		X					X	X	
Arkansas		X						X	
California									
Colorado*									
Connecticut*		X							
Delaware		X							
Florida		X						X	
Georgia									
Hawaii									
Idaho									
Illinois*		X							X
Indiana									
Iowa									
Kansas		X							
Kentucky*		X	X	X				X	
Louisiana		X	X					X	
Maine*								X	
Maryland*		X						X	X
Massachusetts*									X
Michigan*		X							
Minnesota									
Mississippi									
Missouri		X	X					X	
Montana	X	X	X					X	
Nebraska*	X	X						X	
Nevada									
New Hampshire									
New Jersey									
New Mexico									
New York*	X	X						X	
North Carolina									
North Dakota*									
Ohio*		X							
Oklahoma									
Oregon									
Pennsylvania									
Rhode Island*		X							
South Carolina									
South Dakota		X					X		
Tennessee*									
Texas									
Utah									
Vermont*		X							
Virginia*		X							X
Washington*									
West Virginia*									
Wisconsin									
Wyoming									
Total	**3**	**21**	**5**	**2**	**0**	**0**	**3**	**12**	**4**

*NOTE: *See Notes to Table 13 on page 37.*

TABLE 13 (CONTINUED)

Strategies Used to Manage Budget, Fiscal 2019 Recommended

State	Reduce Local Aid	Reorganize Agencies	Privatization	Rainy Day Fund	Other Fund Transfers	Prior-year Fund Balance	Deferred Payments	Other (Specify)
Alabama								
Alaska		X		X	X	X	X	
Arizona*		X			X	X	X	
Arkansas		X						
California								
Colorado*								
Connecticut*	X	X	X					X
Delaware								
Florida					X	X		
Georgia								
Hawaii						X		
Idaho								
Illinois*	X				X			
Indiana								
Iowa								
Kansas								
Kentucky*				X				
Louisiana	X							
Maine*								X
Maryland*	X				X			
Massachusetts*								X
Michigan*								
Minnesota								
Mississippi								
Missouri			X		X			
Montana		X			X		X	
Nebraska*	X				X			X
Nevada								
New Hampshire								
New Jersey								
New Mexico								
New York*	X				X	X	X	X
North Carolina								
North Dakota*					X			
Ohio*								X
Oklahoma								
Oregon								
Pennsylvania		X						
Rhode Island*		X	X		X			
South Carolina								
South Dakota								
Tennessee*								X
Texas								
Utah								
Vermont*		X				X		
Virginia*	X							X
Washington*				X	X	X		
West Virginia*								X
Wisconsin								
Wyoming								
Total	**7**	**8**	**3**	**3**	**12**	**7**	**4**	**9**

*NOTE: *See Notes to Table 13 on page 37.*

CHAPTER 1 NOTES

Notes to Table 3: Fiscal 2017 State General Fund, Actual

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

Alabama Revenue adjustments include one-time BP Settlement funds of $50M. Expenditure adjustments include transfers to the ETF Budget Stabilization Fund of $64.2M and the ETF Advancement & Technology Fund of $37.1M.

Designated portion of ending balance: In 2017 $50,000,000 from the BP settlement was budgeted to be used for Medicaid in 2018.

Alaska Revenues: Spring 2018 Revenue Sources Book (Total Revenue)

Revenue Adjustments: SLA2017 Enacted Fiscal Summary (Lines 3–9)

Expenditures: SLA2017 Enacted Fiscal Summary (Line 48)

Expenditure Adjustments: SLA2017 Enacted Fiscal Summary (Line 49 and 52)

Rainy Day Balance: State of Alaska Fiscal Summary FY18 and FY19 (Part 2) Number listed is EoY Balance

Rainy day balance includes any anticipated draws.

Designated portion of ending balance: includes multi-year appropriations

Arizona Adjusted revenues ($428.4k) are one-time revenues, which include fund transfers and settlement monies.

Arkansas Total available revenue amounts are reported as net of refunds and special dedications/payments.

California Revenue and expenditure adjustments to the beginning fund balance consist primarily of adjustments made to major taxes and K–12 spending.

The ending balance includes the SFEU but excludes the BSA (a rainy day reserve held in a separate fund). The excluded amount is $6,713.4 million at the end of FY 2017. Adding these amounts to the FY 2017 ending balance, the projected total balance is $11,324.1 million in FY 2017.

The rainy day balance is made up of the Special Fund for Economic Uncertainties and the BSA, however, withdrawals from the BSA are subject to provisions of Proposition 2, 2014.

Designated portion of ending balance: Includes a reserve for encumbrances of $1,165 million representing amounts which will be expended in the future for state obligations for which goods and services have been ordered/contracted, but have not been received by the end of the fiscal year. These amounts are shown as a reserve to the fund balance instead of a hit to the fund balance.

Colorado Adjustments include money transferred from other funds to the General Fund.

Connecticut The reported rainy day fund balance includes the ending balance.

Delaware Fiscal year ending balance includes encumbered appropriations and those appropriations legislatively continued into the ensuring fiscal year.

Georgia FY 17 beginning balance reflect general fund balances as of June 30, 2017 for Revenue Shortfall Reserve, Guaranteed Revenue Debt Common Reserve Fund, and State Revenue Collections as reported on the Combined Balance Sheet of the Budgetary Compliance Report. Adjustments to Revenues include FY16 agency surplus returned and early remittance of FY17 surplus from state agencies. FY 2017 Actual Expenditures include $22,596,503,946 in State General fund expenditures.

Idaho Revenue adjustments include prior year reversions, reappropriation, and cancelled prior year encumbrances. Expenditures adjustments include transfers to other funds, reappropriations and end-of-year cash adjustments.

Illinois	Federal fund sources included in the general fund: $2,483m in FY17. Revenue adjustments includes $171M in budgetary basis transfers adjustments. Expenditures adjustments include $4,636M in transfers out, $9,331M in accounts payable at the end of the current FY, and $3,789M in accounts payable at the end of the prior fiscal year.
Indiana	Expenditure adjustments include reversions from distributions, capital, and reconciliations; transfer to the Major Moves 2020 trust fund; a transfer to the Bicentennial Capital Account; state agency and university line item capital projects; and a transfer of excess reserves for state ($235.3 million) and local ($192.6 million) roads and bridges. This one-time excess reserve transfer of $427.9 million was a move by the Governor and General Assembly to support infrastructure projects.
Iowa	Revenue adjustments include an estimated $18.2 million of residual funds transferred to the General Fund after the Reserve Funds are filled to their statutorily set maximum amounts. The ending balance of the General Fund is transferred in the current fiscal year to the Reserve Funds in the subsequent fiscal year. After the Reserve Funds are at their statutorily set maximum amounts, the remainder of the funds are transferred back to the General Fund in that subsequent fiscal year. Also included in revenue adjustments is $131.1 million transferred from the Cash Reserve Fund as authorized by the Legislature under SF 516 and $13.0 million transferred from the Economic Emergency Fund as authorized by Governor Reynolds with the issuance of an Official Proclamation to bring the General Fund into balance.
Kentucky	Revenue includes $93.4 million in Tobacco Settlement funds. Adjustments for Revenues includes $240.2 million that represents appropriation balances carried over from the prior fiscal year, and $340.6 million from fund transfers into the General Fund. Adjustment to Expenditures represents appropriation balances forwarded to the next fiscal year and budget balances to be expended in the next fiscal year. The FY 2017 $115 million ending balance was budgeted for use in the FY 2018 enacted budget.
Louisiana	Revenues adjustments — Includes $99.0 million from Budget Stabilization funds, $55.8 million Mid-Year Deficit action. Expenditure adjustments — Includes $6.5 million in transfers to DPS License Fees
Maine	Revenue and Expenditure adjustments reflect Legislatively authorized transfers.
Maryland	Revenue adjustments include $29.5 million in transfers from tax credit reserves, $34.7 million in transfers from other funds, and $170 million transfer from the Revenue Stabilization Account (Rainy Day). Expenditure adjustments represent $229.9 million in reversions to the unappropriated General Fund balance.
Massachusetts	General Fund is defined as all budgeted operating funds. Ending balance includes $117.4 million in reserved balances to be spent in the next fiscal year.
Michigan	Revenue totals are net of payments to local governments and balance sheet adjustments. Adjustments (Revenues): $30.6 book closing correction to prior year amount. Adjustments (Expenditures): $75 million transfer to budget stabilization fund/rainy day fund.
Minnesota	Ending budgetary balance includes: cash flow account of $350 million, budget reserve of $1.603 billion and a stadium reserve of $26.82 million.
Missouri	Revenue adjustments include transfers from other funds into the general revenue fund. The enacted revenue estimate was insufficient to cover budgeted expenses. The above expenditures include expenditure restrictions.
Montana	Revenue adjustments reflect prior year revenue activity and expenditure adjustments reflect prior year expenditure activity and adjustments to fund balance as a result of the annual CAFR reconciliation.
Nebraska	Revenue adjustments are transfers from the General Fund to other funds. Among these transfers is a $202 million transfer from the General Fund to the Property Tax Credit Cash Fund for property tax relief.
Nevada	Revenue adjustments are restricted revenue, Rainy Day Fund transfers in and prior year reversion. Expenditures adjustments are restricted transfers out, rainy day transfers out and prior year accounting adjustments.
New Hampshire	Expenditure Adjustments: $62.2 million was moved to the Education Trust Fund; $.7 million was moved to the Fish and Game Fund; $13.9 million was moved to the Highway Fund,18.7 million was moved to the Public School Infrastructure Fund and $7.0 million was moved to the Rainy Day Fund at year end. (Positive adjustments totaling $22.0 million were made for GAAP and Other also.)

New Jersey	Budget to GAAP adjustments and transfers to other funds.
New Mexico	Revenue from reversions, and transfers from other funds to general fund.
North Carolina	Transfer from Rainy Day Fund for S.L. 2016-124 Disaster Recovery Act of 2016. Adjusted expenditures include transfer to the Budget Stabilization Reserve, transfer for the Medicaid Transformation Reserve, and transfer for Repair and Renovation
North Dakota	Revenue adjustments are transfers of $572.5 million from the budget stabilization fund, $155.0 million from the strategic investment and improvements fund and $100.0 million from other special fund sources, to the general fund. Expenditure adjustments include a transfer of $32.2 million to the budget stabilization fund, $2 million in misc. adjustments and $67.3 million of expenditure authority carried over to the 2015–17 biennium, obligating an equal amount of the general fund balance.
Ohio	FY 2017 expenditures include expenditures against prior year encumbrances as well as $310.8 million in transfers out of the GRF. The fiscal 2017 ending balance included funds to support $386.2 million in open encumbrances. Federal reimbursements for Medicaid expenditures funded from the General Revenue Fund (GRF) are deposited into the GRF. Federal reimbursements for Medicaid expenditures from non-GRF sources are deposited into the appropriate federal fund. Expenditures of federal funds are contained in the General Fund number to be consistent with Ohio accounting practices and with other portrayals of Ohio's general fund. This will tend to make Ohio's GRF revenue and expenditures look higher relative to most other states that don't follow this practice.
Oklahoma	Revenue adjustments reflect the change in cash flow reserve for the fiscal year. No adjustments were made to expenditures since no deposit was made into the Rainy Day Fund.
Oregon	Revenue adjustment includes a statutory transfer to local governments for local tax relief and the cost of Tax Anticipation Notes. Expenditure adjustment made to fiscal year 2017 is to account for agency reversions (where agencies spent less General Fund than authorized), as well as Office of Economic Analysis adjustments to the revenue forecast.
Pennsylvania	Revenue adjustments include refunds, lapses and adjustments to beginning balances.
Rhode Island	Adjustments to revenues reflect a transfer of $115.6 million to the Budget Reserve Fund plus a reappropriation of $7.8 million.
South Carolina	Revenue Adjustments: Litigation Recovery Account ($139.2M). Expenditure Adjustments: Prior Yr 2% Capital Reserve ($131m) transferred to state agencies. Designated portion of ending balance — Capital Reserve Fund — $139.2M.
South Dakota	The beginning balance of $14.1 million and adjustment to expenditures reflects the prior year's ending balance that is transferred to the rainy day fund. Adjustments to revenue of $15.4 million is from one-time receipts. The ending balance of $7.9 million is cash that is obligated to the Budget Reserve fund the following fiscal year. This $7.9 million is not included in the total rainy day fund balance of $157.4 million.
Tennessee	Revenue adjustments: $83.9 million transfer from debt service fund unexpended appropriations, -$100.0 million transfer to Rainy Day Fund, $147.6 million transfer to Highway Fund, -$53.7 million transfer to dedicated revenue reserves. Expenditure adjustments: $445.8 million transfer to capital outlay projects fund, $95.1 million transfer to state office buildings and support facilities fund, $3.6 million transfer to debt service fund, $1.0 million transfer to reserves for dedicated revenue appropriations, $151.5 million transfer to reserves for unexpended appropriations. Ending balance: $1,306.3 million reserve for appropriations 2017–2018, $340.3 million unappropriated budget surplus at June 30, 2017.
Texas	Revenue figures taken from Monthly Revenue Watch on Comptroller's website using current and historical tables. Revenue adjustment of -$527.7m from general fund dedicated account balances. Expenditure adjustment of $1,468.8m reserved for transfer (50/50) to the Rainy Day Fund and State Highway Fund.
Vermont	$34.3M of expenditure adjustments reflect a combination of $28.52M in contributions to reserve accounts, as well as $5.76M in transfers to other funds.

Washington Revenue adjustments reflect the net of transfers in and out of the General Fund, as well as prior biennium recoveries and similar resource adjustments.

West Virginia Fiscal Year 2017 Beginning balance includes $283.0 million of Reappropriations, Unappropriated Surplus Balance of $28.8 million, $0.7 million of cash balance adjustments, and FY 2016 13th month expenditures of $58.9 million. Total Revenues show the FY 2017 actual general revenue collections of $4,191.0 million. Adjustments (Revenue) are prior year redeposits of $0.4 million and special revenue expirations of $97.3 million. Total Expenditures include current year general revenue appropriated expenditures of $3,997.1 million, surplus appropriation expenditures of $54.8 million, reappropriation expenditures of $112.5 million, -$0.2 million of cash adjustments, $24.5 million of reappropriations transferred to FY 2017 collections, and $58.9 million of 31 day prior year expenditures. Adjustment (Expenditures) represent $14.4 million which was the amount transferred to the Rainy Day Fund from 1/2 of the FY 2016 surplus. The Ending Balance is mostly the historically carried forward reappropriation from previous fiscal years (estimated amounts that will remain and be reappropriated to the next fiscal year), the estimated 13th month expenditures applicable to the current fiscal year & the any unappropriated surplus balance (estimated) from the current fiscal year.

The ending balance of $398.1m was designated as follows; $285.1m reappropriated, $35.9m 13th month expenditures, $1.1m cash adjustments, $38.0m surplus appropriations, and $38.0m transferred to Rainy Day.

Wisconsin Revenue adjustments include Tribal Gaming, $27.4; Prior Year Designated Balance, $132.0; and Other Revenue, $520.1. Expenditure adjustments include Transfers to Transportation fund, $39.5; Lapses, -$1,190.7; and Compensation Reserves, $1.2.

Wyoming The State of Wyoming budgets on a biennial basis, to arrive at annual figures certain assumptions and estimates were required. Adjustments revenue = $564,713 GF revenue from budget reductions & transfers +$408,717,035 transfer in from BRA- 2016 Budget, Sect 300

Notes to Table 4: Fiscal 2018 State General Fund, Estimated

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

Alaska Revenues: Spring 2018 Revenue Sources Book (Total Revenue)

Revenue Adjustments: SLA2017 Enacted Fiscal Summary (lines 3–9)

Expenditures: Fiscal Year 2018 Governor Amended Fiscal Summary (line 45)

Expenditure Adjustments: Fiscal Year 2019 Governor Amended Fiscal Summary (line 46 and 51)

Rainy Day Balance: State of Alaska Fiscal Summary FY18 and FY19 (Part 2) Number listed is EoY Balance

Rainy day balance includes any anticipated draws.

Designated portion of ending balance: includes multi-year appropriations

Arizona Adjusted revenues ($179.2k) are one-time revenues, which include fund transfers and settlement monies.

Arkansas Total available revenue amounts are reported as net of refunds and special dedications/payments.

California The ending balance includes the SFEU but excludes the BSA. The excluded amount is $8,411.4 million at the end of FY 2018. Adding these amounts to the FY 2018 ending balance, the projected total balance is $13,762.3 million in FY 2018.

The rainy day balance is made up of the Special Fund for Economic Uncertainties and the BSA, however, withdrawals from the BSA are subject to provisions of Proposition 2, 2014.

Designated portion of ending balance: Includes a reserve for encumbrances of $1,165 million representing amounts which will be expended in the future for state obligations for which goods and services have been ordered/contracted, but have not been received by the end of the fiscal year. These amounts are shown as a reserve to the fund balance instead of a hit to the fund balance.

Colorado Adjustments include money transferred from other funds to the General Fund.

Connecticut Connecticut has a new "volatility" cap, effective in fiscal 2018. This new law caps Estimates and Finals revenue at $3.15 billion, with any amounts over the cap transferred to the budget reserve fund (BRF). Based on current estimates, the state is expected to make a $664.9 million transfer to the BRF, growing it to $877.8 million. The current deficit of $192.7 million in FY 2018 is also expected to be solved prior to the end of the fiscal year.

Delaware FY 2018 General Fund figures are as per December 2017 DEFAC. Fiscal year ending balance includes encumbered appropriations and those appropriations legislatively continued into the ensuing fiscal year.

Georgia Georgia is required by its constitution to maintain a balanced report. The fund balances for FY 18 and 19 reflect the Governor's balanced budget. Georgia does not project future Rainy Day fund balances, but expects the reserve to continue to grow in future years.

Idaho Includes updated General Fund revenue forecast not yet adopted by Legislature. Revenue adjustments include prior year reversions and reappropriation. Expenditures adjustments include transfers to other funds and reappropriations.

Illinois Federal fund sources included in the general fund: $3,418m in FY18. Total revenues increase is due primarily from the increase in income tax rates from 3.75% to 4.95% for individual and from 5.25% to 7% for corporate. Estimated revenue adjustments include $600M in interfund borrowing from other state funds, $2,500M in proceeds from the issuance of backlog borrowing bonds, and $1,206M in federal match from the paydown of prior year Medicaid liabilities. Estimated expenditures adjustments include $3,392M in transfers out, $1,091 in supplemental appropriations needed to fulfill prior year obligations, $7,306M in accounts payable at the end of the current FY, and $9,331M in accounts payable at the end of the prior fiscal year.

Indiana Revenue adjustments include a one-time transfer to the General Fund to assist with the Integrated Tax System. Expenditure adjustments include reversions from distributions, capital, and reconciliations; state agency and university line item capital projects; the cost of a 13th check for pension recipients; and net transfers to/from the Rainy Day Fund.

Iowa Total revenues are as estimated by the December 2017 REC, also included is $11.2 million to account for the impact of H.R. 1 Tax Cuts & Jobs Act passed after the December 2017 REC meeting. Expenditure adjustments include a $20.0 appropriation from the General Fund to the Cash Reserve Fund and a $13.0 million appropriation from the General Fund to the Economic Emergency Fund. Governor Reynolds has also recommended -$27.1 million in appropriation adjustments to bring the FY2018 budget into balance. 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 Governor's budget recommendation for FY 2018 includes additional revenue transfers to the State General Fund and miscellaneous additional State General Fund expenditures.

Kentucky Revenue includes $112.6 million in Tobacco Settlement funds and $8.4 million in prior year Tobacco Settlement funds. Adjustment for Revenues includes $201.5 million that represents appropriation balances carried over from the prior fiscal year and $257.1 million from fund transfers into the General Fund. Adjustment to Expenditures represents appropriation balances forwarded to the next fiscal year and budgeted balances to be expended in the next fiscal year.

Louisiana Revenues adjustments — Includes $19.2 million in carryforwards and $152.7 million Increase in revenue estimating conference forecast. Expenditure adjustments — None. FY18 numbers are budgeted and not actuals.

Maine Revenue and Expenditure adjustments reflect Legislatively authorized transfers.

Designated portion of ending balance: Transfers funds into the Budget Stabilization Fund from unclaimed property and transfers $2M from the Budget Stabilization Fund to the General Fund, and up to $65M to a General Fund Reserve account for disallowed costs from the Centers for Medicare and Medicaid Services.

Maryland Revenue adjustments include $21.8 million in transfers from tax credit reserves, a $22.0 million Volkswagen settlement, -$7.6 million in misc. revenue attainment estimates, and $9.0 million in transfers from other funds. Expenditure adjustments represent $77.5 million in reversions to the unappropriated General Fund balance.

Massachusetts	General Fund is defined as all budgeted operating funds. Ending balance includes $67 million in reserved balances to be spent in the next fiscal year.
Michigan	Revenue totals are net of payments to local governments and balance sheet adjustments. Adjustments (Expenditures): $150 million transfer to budget stabilization/rainy day fund; $35 million transfer to infrastructure fund; and $25 million transfer to Flint reserve fund for water emergency.
Minnesota	Ending budgetary balance includes: cash flow account of $350 million, budget reserve of $1.608 billion and a stadium reserve of $39.6 million.
Missouri	Revenue adjustments include transfers from other funds into the general revenue fund. The enacted revenue estimate was insufficient to cover budgeted expenses. The above expenditures include expenditure restrictions.
Montana	Revenue adjustments reflect prior year revenue activity and expenditure adjustments reflect prior year expenditure activity and adjustments to fund balance as a result of the annual CAFR reconciliation.
Nebraska	Revenue adjustments are transfers between the General Fund and other funds. Among others, this includes a $221 million transfer from the General Fund to the Property Tax Credit Cash Fund. Also included are transfers totaling $233 million from the Cash Reserve Fund to the General Fund for budget stabilization. Expenditure adjustments include a net $212.6 million reserved for authorized reappropriations and carryover obligations from FY 2017.
Nevada	Revenue adjustments are restricted revenue, Rainy Day Fund transfers in and prior year reversions. Expenditures adjustments are restricted transfers out and rainy day transfers out.
New Hampshire	Revenue Adjustments: An increase in Liquor Revenue is expected due to expenditure reductions of $.8 million with additional Liquor Revenue moving to the Governor's Commission on Alcohol Abuse totaling $3.4 million. Additional Dept. of Revenue Audit income is expected, totaling $.4 million, as well as a reduction in Restricted Airways Toll income of $.2 million. Expenditure Adjustments: $35.3 million is anticipated to be moved to the Education Trust Fund at year end.
New Jersey	Adjustments represent transfers to other funds and estimated lapses
New Mexico	Adjustments are net of reversions and transfers from other funds.
New York	FY 2018 and FY 2019 annual revenue changes include an acceleration of PIT payments due in calendar year 2018 as taxpayers responded to Federal tax law changes that, starting in tax year 2018, limit the allowable aggregate itemized deduction of State and local income taxes, and local real property taxes, to a maximum of $10,000 on Federal income tax returns. DOB estimates approximately $1.9 billion was accelerated from FY 2019 to FY 2018.
North Carolina	Adjusted expenditure include transfer to Budget Stabilization Reserve. The ending Balance for FY 2018–19 has been adjusted due to revenue adjustments in S.L. 2017-57.
North Dakota	Revenue adjustments are transfers of $183.0 million from the tax relief fund, $124.0 million from the strategic investment and improvements fund and $70.0 million from other special fund sources, to the general fund.
Ohio	FY 2018 expenditures include anticipated expenditures against prior year encumbrances ($386.2 million) as well as $66.0 million in anticipated transfers out of the GRF. The fiscal 2018 ending balance will include funds to support open encumbrances at year end. The estimated FY18 open encumbrance balance is $276.7 million. Federal reimbursements for Medicaid expenditures funded from the General Revenue Fund (GRF) are deposited into the GRF. Federal reimbursements for Medicaid expenditures from non-GRF sources are deposited into the appropriate federal fund. Expenditures of federal funds are contained in the General Fund number to be consistent with Ohio accounting practices and with other portrayals of Ohio's general fund. This will tend to make Ohio's GRF revenue and expenditures look higher relative to most other states that don't follow this practice.
Oklahoma	Revenue adjustments reflect the change in cash flow for FY2018. The balance in the Rainy Day Fund is not estimated at this time due to possible legislative expenditures from the fund.

Oregon	Revenue Adjustment includes a transfer to the Rainy Day Fund (up to 1% of total biennial budget appropriation), the cost of Tax Anticipation Notes, and a statutory transfer to local governments for local tax relief. Includes additional revenue anticipated in the 2017–19 biennium as a result of actions taken during the 2018 Legislative Session. The amount is forecasted by the CFO's office and not the official revenue number. The official revenue revision will be released by the Office of Economic Analysis in their May 2018 Revenue Forecast.
Pennsylvania	Revenue adjustments include refunds, lapses and adjustments to beginning balances. Expenditure adjustments include transfers to the Budget Stabilization Reserve Fund (rainy day).
Rhode Island	Adjustments to revenues reflect a transfer of $117.4 million to the Budget Reserve Fund plus reappropriations of $10.3 million.
South Carolina	Revenue Adjustments: Litigation Recovery Account ($16.1M), FY 2016–17 Debt Services Lapse ($13.3M), FY 2016–17 S.C. Farm Aid Lapse ($4.5M), FY 2016–17 HEX Fund Lapse ($7.8M), FY 2016–17 Projected Year-End Surplus ($28.5M), Redirect FY 2016–17 Non-Recurring Appropriation for SLED Forensics Building ($17.8M), and Conservation Bank Carry Forward Cash ($6.6M). Expenditure Adjustments: Prior Yr 2% Capital Reserve ($139.2M) transferred to state agencies. Designated portion of ending balance — Capital Reserve Fund — $145.4M.
South Dakota	The beginning balance of $7.9 million and adjustment to expenditures reflects the prior year's ending balance that is transferred to the rainy day fund. Adjustments to revenue of $17.7 million is from one-time receipts.
Tennessee	Revenue adjustments: $55.5 million transfer from debt service fund unexpended appropriations, -$132.0 million transfer to Rainy Day Fund, -$85.0 million transfer to Highway Fund. Expenditure adjustments: $644.6 million transfer to capital outlay projects fund, $141.7 million transfer to state office buildings and support facilities fund, $3.5 million transfer to debt service fund, $1.0 million transfer to reserves for dedicated revenue appropriations. Ending balance: $444.8 million unappropriated budget surplus at June 30, 2018.
Texas	Figures can be found in 2018–19 CRE on Table A-1. Revenue figures taken from Monthly Revenue Watch on Comptroller's website using current and historical tables. ESF Balances can be found in Table A-8 of CRE. Revenue adjustment of $988.8M in general fund dedicated account balances. Expenditure adjustment of $1,554.2M reserved for transfer (50/50) to the Rainy Day Fund and the State Highway Fund.
Vermont	$5.2M in adjusted revenues reflect the use of Rainy Day reserve funds to partly address a $28.8M general fund revenue downgrade. The $27.7M in adjusted expenditures reflect +$19.1M in contributions to established reserves, the creation of a temporary reserve by the legislature totaling +$4.81M, and +$3.79M in fund transfers.
Washington	Reflects budget as passed by the legislature. Revenue adjustments reflect the net of transfers in and out of the General Fund, as well as prior biennium recoveries and similar resource adjustments.
West Virginia	Total Revenue is the official estimate for FY 2018 Total General Revenue collections. Total Expenditures are FY 2018 general revenue appropriations of $4,225.1 million, FY 2018 surplus appropriations of $39.6 million, and FY 2017's 13th month expenditures of $35.5 million. Adjustment (Expenditures) represents the $38m transferred in August 2017 to the Rainy Day Fund from 1/2 of the FY 2017 surplus. The Ending Balance is mostly the historically carried forward reappropriation amounts that will remain and be reappropriated to the next fiscal year, the 13th month expenditures from the previous fiscal year & any unappropriated surplus balance. The estimated total balance of $286.6m is estimated to be designated as follows; $228.0m reappropriated, $30.0m 13th month expenditures, $1.0m cash adjustments, $13.8m surplus appropriations, and $13.8m transferred to Rainy Day.
Wisconsin	Revenue adjustments include Tribal Gaming, $26.2; and Other Revenue, $485.9. Expenditure adjustments include Transfers to Transportation fund, $40.2; Lapses, -$344.8; 7; Budget Stabilization, $24.2; and Compensation Reserves, $3.1. The estimates are based upon adjustments made since the passing of the budget bill in September 2017. The $285.0 rainy day fund balance is through March 31, 2018.

Wyoming The State of Wyoming budgets on a biennial basis, to arrive at annual figures certain assumptions and estimates were required. Adjustments revenue = $564,713 GF revenue from budget reductions & transfers +$408,717,035 transfer in from BRA-2016 Budget, Sect 300

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

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

Alabama Expenditure adjustments include transfers to the ETF Budget Stabilization Fund of $64.2M and the ETF Advancement & Technology Fund of $37.1M.

Alaska Revenues: Spring 2018 Revenue Sources Book (Total Revenue)

Revenue Adjustments: SLA2017 Enacted Fiscal Summary (lines 3–9)

Expenditures: Fiscal Year 2019 Governor Amended Fiscal Summary, line 45

Expenditure Adjustments: Fiscal Year 2019 Governor Amended Fiscal Summary, line 46 and 51

Rainy Day Balance: State of Alaska Fiscal Summary FY18 and FY19 (Part 2) Number listed is EoY Balance

Rainy day balance includes any anticipated draws.

Designated portion of ending balance: includes multi-year appropriations

Arkansas Arkansas passed a biennial budget for fiscal 2018–2019. The fiscal 2019 data in this survey reflect the enacted budget.

Total available revenue amounts are reported as net of refunds and special dedications/payments.

The ending balance of $64.2 million is recommended to create a restricted reserve fund for FY19.

Designated portion of ending balance: 25% of the ending balance will be transferred to Arkansas Highway Transfer Fund ($15,991,346).

California The ending balance includes the SFEU but excludes the BSA. The excluded amount is $13,461.4 million at the end of FY 2019. Adding these amounts to the FY 2019 ending balance, the projected total balance is $16,913.7 million in FY 2019.

The rainy day balance is made up of the Special Fund for Economic Uncertainties and the BSA, however, withdrawals from the BSA are subject to provisions of Proposition 2, 2014.

Designated portion of ending balance: Includes a reserve for encumbrances of $1,165 million representing amounts which will be expended in the future for state obligations for which goods and services have been ordered/contracted, but have not been received by the end of the fiscal year. These amounts are shown as a reserve to the fund balance instead of a hit to the fund balance.

Colorado Adjustments include money transferred from other funds to the General Fund.

Connecticut Connecticut passed a biennial budget for fiscal 2018–2019. The fiscal 2019 data in this survey reflect the enacted budget, with the Governor's proposed revisions/supplemental items. The reported rainy day fund balance includes the ending balance.

Delaware FY 2019 General Fund figures are as per December 2017 DEFAC as adjusted by Governor's recommended revenue adjustments. Fiscal year ending balance includes encumbered appropriations and those appropriations legislatively continued into the ensuing fiscal year.

Georgia Georgia is required by its constitution to maintain a balanced report. The fund balances for FY 18 and 19 reflect the Governor's balanced budget. Georgia does not project future Rainy Day fund balances, but expects the reserve to continue to grow in future years.

Hawaii	Hawaii passed a biennial budget for fiscal 2018–2019. The fiscal 2019 data in this survey reflect the Governor's FY 2019 supplemental budget request.
Idaho	Includes impact of proposed executive branch legislation with an impact on revenue. Total revenues include impact of proposed executive branch legislation. Revenue adjustments include transfers from other funds. Expenditure adjustments include transfers to other funds. Beginning Balance does not equal ending balance on question 2 as revenue and expenditure adjustments were recommended by Governor.
Illinois	Federal fund sources included in the general fund for each year: $3,754m in FY19. Estimated revenue adjustments includes $600M in interfund borrowing from other state funds. Estimated expenditures adjustments include $3,183M in transfers out, $6,972M in accounts payable at the end of the current FY, and $7,306M in accounts payable at the end of the prior fiscal year.
Indiana	Indiana passed a biennial budget for fiscal 2018–2019. The fiscal 2019 data in this survey reflect the enacted budget. Expenditure adjustments include reversions from distributions, capital, and reconciliations; state agency and university line item capital projects; and the cost of a 13th check for pension recipients.
Iowa	Total Revenues are as estimated by the December 2017 REC, also included is $110.8 million to account for the impact of H.R. 1 Tax Cuts & Jobs Act passed after the December 2017 REC meeting. Governor Reynold's budget proposal also included a reduction of $3.9 million in revenue for a water quality bill. Expenditure adjustments include Governor Reynold's recommendation to transfer $55.5 million from the General Fund to the Cash Reserve Fund. 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	Governor's budget recommendation for FY 2019 includes a small reduction in revenue transfers to the State General Fund. The recommendation includes additional State General Fund expenditures of $190.8 million. Major portions of this recommendation are $107.3 million in additional funding for K–12 education; $11.6 million for state mental health hospitals; $18.3 million for increased Medicaid rates for hospitals and nursing facilities; $11.1 million for employee compensation mainly at correctional facilities; $15.6 million in higher ed initiatives; $4.7 million in child welfare initiatives; $5.0 million for economic development; $4.8 million in public safety funding; $3.5 million for cyber security and other miscellaneous expenditures.
Kentucky	Revenue includes $119.5 million in Tobacco Settlement funds. Adjustment for Revenues includes $18.8 million that represents appropriation balances carried over from the prior fiscal year, and $235.7 million from fund transfers into the General Fund. Adjustment to Expenditures represents appropriation balances forwarded to the next fiscal year and budgeted balances to be expended in the next fiscal year.
Maine	Maine passed a biennial budget for fiscal 2018–2019. The fiscal 2019 data in this survey reflect the enacted budget, with enacted revisions. Revenue and Expenditure adjustments reflect Legislatively authorized transfers.
Maryland	Revenue adjustments include $25.2 million in transfers from tax credit reserves. Expenditure adjustments represent $35 million in reversions to the unappropriated General Fund balance and -$14.2 million in expenditures for proposed legislation (Military Retirement Income, Hometown Heroes, and Small Business Relief Tax Credit).
Massachusetts	General Fund is defined as all budgeted operating funds. Ending balance includes $63 million in reserved balances to be spent in the next fiscal year.
Michigan	Revenue totals are net of payments to local governments and balance sheet adjustments.
Minnesota	Minnesota passed a biennial budget for fiscal 2018–2019. The fiscal 2019 data in this survey reflect the Governor's biennial budget as originally proposed. Ending budgetary balance includes: cash flow account of $350 million, budget reserve of $1.608 billion and a stadium reserve of $57.63 million.
Missouri	Revenue adjustments include transfers from other funds into the general revenue fund.
Montana	Montana passed a biennial budget for fiscal 2018–2019. The fiscal 2019 data in this survey reflect the enacted budget, with enacted revisions.

Nebraska	Nebraska passed a biennial budget for fiscal 2018–2019. The fiscal 2019 data in this survey reflect the Governor's biennial budget as originally proposed. Revenue adjustments are transfers between the General Fund and other funds. Among others, this includes a $48 million transfer from the Cash Reserve Fund to the General Fund for budget stabilization. Expenditure adjustments include $5 million reserved for potential deficit appropriations.
Nevada	Nevada passed a biennial budget for fiscal 2018–2019. The fiscal 2019 data in this survey reflect the enacted budget, with enacted revisions. Revenue adjustments are restricted revenue and prior year reversions. Expenditures adjustments are restricted transfers out and rainy day transfers out.
New Hampshire	New Hampshire passed a biennial budget for fiscal 2018–2019. The fiscal 2019 data in this survey reflect the enacted budget.
New Jersey	Transfers to other funds.
New Mexico	Adjustments are net of reversions and transfers from other funds.
New York	FY 2018 and FY 2019 annual revenue changes include an acceleration of PIT payments due in calendar year 2018 as taxpayers responded to Federal tax law changes that, starting in tax year 2018, limit the allowable aggregate itemized deduction of State and local income taxes, and local real property taxes, to a maximum of $10,000 on Federal income tax returns. DOB estimates approximately $1.9 billion was accelerated from FY 2019 to FY 2018. FY 2019 expenditure change includes a $1.2 billion increase for the support of capital projects reflecting the timing of reimbursement from bond proceeds, planned disbursements from the Dedicated Highway and Bridge Trust Funds, and the use of extraordinary monetary settlements.
North Carolina	The Beginning balance for FY 2018–19 includes the $491 million unappropriated balance remaining from FY 2017–18, and additional funds from the over collections of projected revenue in FY 2018. Adjusted expenditure includes transfer to Budget Stabilization Reserve.
North Dakota	North Dakota passed a biennial budget for fiscal 2018–2019. The fiscal 2019 data in this survey reflect the enacted budget. Revenue adjustments are transfers of $200.0 million from interest earned on the Legacy fund, $124.0 million from the strategic investment and improvements fund and $70.0 million from other special fund sources, to the general fund. Expenditure adjustments include a $47.5 million transfer to the budget stabilization fund.
Ohio	Ohio passed a biennial budget for fiscal 2018–2019. The fiscal 2019 data in this survey reflect the enacted budget. FY 2019 expenditures include anticipated expenditures against prior year encumbrances as well as $71.5 million in expected transfers out of the GRF. The fiscal 2019 ending balance is based on appropriations; however, cash equal to open encumbrances at the end of the year will be reserved in the ending balance. Federal reimbursements for Medicaid expenditures funded from the General Revenue Fund (GRF) are deposited into the GRF. Federal reimbursements for Medicaid expenditures from non-GRF sources are deposited into the appropriate federal fund. Expenditures of federal funds are contained in the General Fund number to be consistent with Ohio accounting practices and with other portrayals of Ohio's general fund. This will tend to make Ohio's GRF revenue and expenditures look higher relative to most other states that don't follow this practice.
Oklahoma	Revenue and Expenditure adjustments cannot be estimated at this time for FY2019. The Legislature has not passed an FY19 budget to-date; however, this estimate assumes all available revenues will be appropriated.
Oregon	Oregon passed a biennial budget for fiscal 2018–2019. The fiscal 2019 data in this survey reflect the enacted budget, with enacted revisions. Revenue adjustment includes a statutory transfer to local governments for local tax relief and the cost of Tax Anticipation Notes. Includes additional revenue anticipated in the 2017–19 biennium as a result of actions taken during the 2018 Legislative Session. The amount is forecasted by the CFO's office and not the official revenue number. The official revenue revision will be released by the Office of Economic Analysis in their May 2018 Revenue Forecast.
Pennsylvania	Revenue adjustments include refunds, lapses and adjustments to beginning balances. Expenditure adjustments include transfers to the Budget Stabilization Reserve Fund (rainy day).

Rhode Island	Adjustments to revenues reflect a transfer of $118.5 million to the Budget Reserve Fund.
South Carolina	Revenue Adjustments: Litigation Recovery Account ($4.0M) and FY 2017–18 Debt Service Lapse ($16.5M). Expenditure Adjustments: Prior Yr 2% Capital Reserve ($145.4M) transferred to state agencies. Designated portion of ending balance — Capital Reserve Fund — $151.6M
Tennessee	Revenue adjustments: -$50.0 million transfer to Rainy Day Fund, Expenditure adjustments: $251.5 million transfer to capital outlay projects fund, $16.4 million transfer to state office buildings and support facilities fund, $3.7 million transfer to debt service fund, $1.0 million transfer to reserves for dedicated revenue appropriations. Ending balance: $1.3 million undesignated balance.
Texas	Texas passed a biennial budget for fiscal 2018–2019. The fiscal 2019 data in this survey reflect the enacted budget, with enacted revisions. Figures can be found in 2018–19 CRE on Table A-1. Revenue figures taken from Monthly Revenue Watch on Comptroller's website using current and historical tables. ESF Balances can be found in Table A-8 of CRE. Revenue adjustment of $232.4m in general fund dedicated account balances. Expenditure adjustment of $1820.6m reserved for transfer (50/50) to the Rainy Day Fund and the State Highway Fund.
Vermont	$6.5M in expenditure adjustments reflect the following: $6.01M in fund transfers and a $.45M contribution from the General Fund to the Budget Stabilization Reserve. However, please note that the growth in "Rainy Day Fund Balance" of $72.1M is largely attributable to a transfer of funds from a pre-existing unrestricted special fund balance to the State's Human Services Caseload Reserve. Regarding the $29.8M ending balance, this amount is wholly attributable to the State's estimate of federal tax reform implications to General Fund revenue if no changes are made to Vermont's tax structure. How the estimated $29.8M ending balance will be addressed from a policy standpoint will occur during the legislative budgeting process currently underway. Please note that the Governor's Recommended Budget quantifies year-over-year growth as compared to the previous year's initial appropriations, not as compared to mid-year adjustments (as a result, the Governor's Recommended Budget growth for Fiscal Year 2019 was calculated as 2.33%).
Washington	Washington passed a biennial budget for fiscal 2018–2019. Reflects FY 19 budget as proposed by the Governor in December 2017. Revenue adjustments reflect the net of transfers in and out of the General Fund, as well as prior biennium recoveries and similar resource adjustments.
West Virginia	Total Revenues is the Governor's official FY 2019 Total General Revenue collections estimate of $4,439.9m. Total Expenditures are the Governor's FY 2019 General Revenue Fund anticipated total appropriations of $4,381.8m, plus estimated surplus appropriations of $13.8m, plus estimated 13th month expenditures of FY 2018 appropriations of $30m. Adjustment (Expenditures) represents the amount estimated to be transferred to the Rainy Day Fund at the end of FY 2018. The Ending Balance is mostly the historically carried forward reappropriation amounts that will remain and be reappropriated to the next fiscal year, the 13th month expenditures from the previous fiscal year & unappropriated surplus balance. $259.0m of the estimated total balance of $317.1m is estimated to be designated as follows; $228.0m reappropriated, $30.0m 13th month expenditures, 1.0m cash adjustments, $0.0m surplus appropriations, and $0.0m transferred to Rainy Day. (note that $58.1m is estimated to remain unappropriated unless surplus develops throughout the year).
Wisconsin	Wisconsin passed a biennial budget for fiscal 2018–2019. The fiscal 2019 data in this survey reflect the enacted budget, with enacted revisions. Revenue adjustments include Tribal Gaming, $26.1; and Other Revenue, $451.9. Expenditure adjustments include Transfers to Transportation fund, $41.6; Lapses, -$448.2; and Compensation Reserves, $52.1. The estimates are based upon adjustments made since the passing of the budget bill in September 2017.
Wyoming	The State of Wyoming budgets on a biennial basis, to arrive at annual figures certain assumptions and estimates were required. Adjustments revenue = $383,225 GF revenue from budget reductions & transfers + $92,600,000 HB1 1% severance tax diversion +$345,477,018 transfer in from BRA-2016 Budget, Sect 300

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

Ohio The fiscal year 2018 annual revenue and expenditure decline is the result of the elimination of the sales tax on Medicaid managed care companies and the adoption of a provider assessment on all managed care companies. The provider tax, unlike the sales tax, will be deposited in a non-GRF dedicated purpose fund.

Notes to Table 7: States with Net Mid-Year Budget Cuts Made After the Fiscal 2018 Budget Passed

Hawaii Some of the mid-year budget adjustments were released throughout the fiscal year.

Indiana Indiana has usually requested that many state agencies and programs avoid spending 3% of their appropriations in the event that revenues do not come in at anticipated levels or to provide funding for emergencies.

Kentucky Revenue shortfall projected December 2017 resulting in General Fund Budget Reduction Order.

Vermont A portion of the revenue downgrade for SFY18 was addressed by a reduction in expenditures and was effectuated by the annual mid-year legislative Budget Adjustment Act (BAA). Other adjustments were included in the SFY18 BAA exclusive of the revenue downgrade.

Notes to Table 8: Fiscal 2018 Mid-Year Budget Cuts by Program Area

Colorado K–12: The decline in expenditures was mostly due to higher local property taxes for school reducing the state's share of K–12 funding. An additional $73M reduction in State Education Fund Expenditures for K–12 occurred due to same reason.

Hawaii Some of the mid-year budget adjustments were released throughout the fiscal year.

Indiana Indiana has usually requested that many state agencies and programs avoid spending 3% of their appropriations in the event that revenues do not come in at anticipated levels or to provide funding for emergencies.

Kentucky Budget Reduction Order cuts in Higher Education, Medicaid, Transportation, and All Other. Reduction in K–12 education — surplus/lapse due to less growth than anticipated in population.

Maryland All other — Includes an across-the-board health insurance reduction.

Nebraska While not yet approved by the Legislature at the time this survey response was submitted, the Governor's budget adjustment recommendations for the current fiscal 2018 included a net $10.7 million reduction to new appropriations and a net $1.1 million reduction to carryover authority from the prior fiscal year 2017. In October 2017, the Nebraska Economic Forecasting Advisory Board reduced the revenue projection for fiscal 2018 by $100.4 million.

Oregon K–12 education — This was a net zero shift from General Fund to Lottery Fund. Medicaid — used $17.2 million Hospital Assmt carryover to offset GF, needed $15 mil more GF due to Prov Tax referendum.

South Dakota Public assistance cut offset by $3.8 million in other state funds. Medicaid cut partially offset by $2 million in other state funds.

West Virginia Medicaid — Used available cash balance to offset general revenue cuts.

Notes to Table 9: Fiscal 2018 Mid-Year Program Area Adjustments by Dollar Value

Alabama Medicaid: Medicaid State GF carryover; Corrections: Reversion reappropriated

Arizona K–12: K–12, school facility funding; All other: Fire costs, special election

California All other: $169m CalFIRE Emergency Fund; $4.0 million in emergency Public Health expenditures due to purchase of Hepatitis A vaccines.

Colorado K–12: The decline in expenditures was mostly due to higher local property taxes for school reducing the state's share of K–12 funding. An additional $73M reduction in State Education Fund Expenditures for K–12 occurred due to same reason.

Hawaii	Some of the mid-year budget adjustments were released throughout the fiscal year.
Indiana	Indiana has usually requested that many state agencies and programs avoid spending 3% of their appropriations in the event that revenues do not come in at anticipated levels or to provide funding for emergencies.
Kentucky	K–12 education — surplus/lapse due to less growth than anticipated in population. Corrections — increase for more inmates, medical, staffing. All other — +$32.1 — Fire Suppression, Guardian Ad Litem, County Costs, Military Affairs–Disasters and Planned Events; -$82.1 in budget reductions.
Louisiana	All mid-year spending actions represent State General Fund Carryforward from FY17.
Maryland	All other — Includes an across-the-board health insurance reduction.
Michigan	Mid-year spending actions consisted of supplemental appropriations, as well as accelerated road funding for transportation.
Nebraska	While not yet approved by the Legislature at the time this survey response was submitted, the Governor's budget adjustment recommendations for the current fiscal 2018 included a net $10.7 million reduction to new appropriations and a net $1.1 million reduction to carryover authority from the prior fiscal year 2017. In October 2017, the Nebraska Economic Forecasting Advisory Board reduced the revenue projection for fiscal 2018 by $100.4 million.
Nevada	All other — Firefighting Costs
New Jersey	Medicaid — $30m from Other State funds to offset supplemental need. All other — $788m proposed shift of Energy Tax Receipts on-budget.
New York	In prior surveys, changes to cash projections, primarily reestimates to expected spending, have been used to illustrate changes in spending levels. These re-estimates do not represent cuts to programs and thus do not meet the definition of budget actions as defined in the "Definitions" and "Instructions" included in this survey. Therefore, there are no actions to report.
Oregon	K–12 education — This was a net zero shift from General Fund to Lottery Fund. Medicaid — used $17.2 Hospital Assmt carryover to offset GF, needed $15 mil more GF due to Prov Tax referendum.
Rhode Island	Expenditure changes were primarily to address overspending by certain agencies. State aid programs were not specifically exempted, but were not targeted for any cuts.
Washington	Represents FY 18 as passed the 2018 Legislature
West Virginia	Medicaid — Used available cash balance to offset general revenue cuts.
Wisconsin	Other — This amount includes a one-time $100 million for school safety grants from the Wisconsin Department of Justice.

Notes to Table 10: Fiscal 2019 Recommended Budget Cuts by Program Area

Alaska	K–12 Education Reductions: Proposed to offset with Public School Trust Fund
Florida	Higher Education Reduction partially or fully offset by lottery funds.
Kentucky	Other state fund change to offset Medicaid general fund decrease for benefits only.
Maryland	Public assistance: 4.4 — Offset by net changes in Public Assistance including TANF, Refugee Assistance, and various State Special Funds
Michigan	For K–12 and higher education, the general fund spending reductions were fully or partially offset by other state funds. GF and School Aid fund revenues are used interchangeably to fund education in Michigan.
Mississippi	General fund spending reductions for K–12 education, higher education, Medicaid and All Other were partially or fully offset by other state fund spending changes.
Nebraska	Higher education — across the board reduction (4%)

Nevada	K–12 education reduction due to projected increase in local revenues.
New York	General fund spending reductions in public assistance, Medicaid and Transportation partially or fully offset by other state funds.
West Virginia	Decreases in public assistance and corrections represent one-time appropriations in FY18 not funded in FY19.

Notes to Table 11: Fiscal 2019 Recommended Program Area Adjustments by Dollar Value

Alabama	Medicaid: In 2017, $50,000,000 from the BP settlement was budgeted for Medicaid's use in 2018. Transportation: Transportation does not get a General Fund appropriation.
Alaska	K–12 Education: Proposed to offset reduction with Public School Trust Fund
Arkansas	K–12 Education: Additional funding was provided from the Educational Adequacy Fund. Medicaid: Approximately $50M of this increase replaces other funds used in the previous year.
California	Medicaid: The increase is primarily attributable to using a lower amount of other state funds to support program growth, increased share of Optional Expansion population expenditures, and assuming a full year of reduced federal funding for the Children's Health Insurance Program. Transportation: Funds provided to Department of Motor Vehicles for Motor Voter. All Other: includes $0.1b for replacing the voting system, $0.3b healthcare caseload increases, $0.2b CHIP costs due to federal changes, 0.3b supplemental pension payments, and $0.6b employee compensation.
Colorado	Includes proposal for special one-time transfer of General Fund to State Education Fund.
Delaware	DelDOT is funded through non-general fund appropriations.
Florida	Higher Education Reduction partially or fully offset by lottery funds.
Georgia	K–12 program area includes preschool services.
Idaho	Calculated from original appropriation, supplementals are not reflected in FY 2018 number.
Indiana	Medicaid: The appropriation for FY18 was supplemented by $127.7M of prior year funding. Therefore, the true increase between FY18 and FY19 was $130.2M.
Kentucky	Corrections: Pension increases reflect $17.5 million. Other: Pension increases comprise most of this increase.
Maryland	K–12 education: Gambling revenue is partially devoted to education, with an estimated $502.9 million going towards K–12 funding formulas in fiscal 2019. Public assistance: $4.4 million — Offset by net changes in Public Assistance including TANF, Refugee Assistance, and various State Special Funds.
Massachusetts	Medicaid: Net cost of $76.5 M.
Michigan	For this comparison, FY 2019 Executive Recommendation is compared to Original FY 2018 appropriation, net of transfers to other funds (rainy day fund, infrastructure fund, Flint reserve fund.). For K–12 and higher education, the general fund spending reductions were fully or partially offset by other state funds. GF and School Aid fund revenues are used interchangeably to fund education in Michigan. Michigan primarily funds elementary and secondary education outside of the state general fund; therefore, most K–12 spending in this state is not captured in this survey.
Mississippi	General fund spending reductions for K–12 education, higher education, Medicaid and All Other were partially or fully offset by other state fund spending changes.
Nebraska	Fiscal 2019 recommended appropriation changes are compared to Governor's recommended mid-year appropriation changes for fiscal 2018. Higher education — Across the board reduction (4%). Medicaid — General Fund increase required due to FMAP reduction of equal amount.
Nevada	K–12 education reduction due to projected increase in local revenues.

New Hampshire	New Hampshire funds elementary and secondary education outside of the state general fund, which is therefore not captured in this survey.
New Jersey	Higher education — The allocation from the Supplemental Workforce Fund decreased by $5m.
New York	As in other surveys, the appropriations changes for Fiscal year 2019 were provided using cash estimates per 2018 Enacted and 2019 Executive Budget, as amended Financial Plans. General fund spending changes in K–12 education, public assistance, Medicaid, Transportation and all other partially or fully offset by other state funds.
North Carolina	Medicaid — Governor is Recommending Medicaid expansion of $1.4 billion (Affordable Care Act) funding it through fees charged to hospitals and healthcare systems. Transportation — ($73) M lower projected revenue from State's Motor Vehicle Usage tax and DMV fees that go into the Highway and Highway Trust Fund.
Rhode Island	Transportation not funded by general fund. All other — primarily additional state aid
Vermont	Section response reflects total GF change as proposed by the Governor to the Vermont legislature for SFY19 as compared to the SFY18 enacted budget. K–12 education — Represents the year-over-year increase in the General Fund transfer to the Education Fund, as well as Teachers' Retirement and Retired Teachers' Health defined benefit contributions. Higher education — This represents a $0 increase across all funds as the use of GF is recommended to backfill the loss of federal funds. Public Assistance — This represents a GF net-neutral funding transfer among two separate appropriations and the claiming of TANF funds to offset the GF transfer. Vermont primarily funds elementary and secondary education outside of the state general fund; therefore, most K–12 spending in this state is not captured in this survey.
Washington	Governor's 2019 Budget from December 2017
West Virginia	Decreases in public assistance and corrections represent one-time appropriations in FY18 not funded in FY19.
Wisconsin	Other — This amount includes a one-time $100/child sales tax rebate that will be expended in FY19.
Wyoming	Wyoming funds elementary and secondary education outside of the state general fund, which is therefore not captured in this survey.

Notes to Table 12: Strategies Used to Manage Budget, Fiscal 2018

Alabama	Alabama Law Institute, Legislative Fiscal Office, Legislative Council, and Legislative Reference Services were combined into the Legislative Services Agency in Act 2017-214. This agency provides legal, fiscal and code revisions services to the Alabama Legislature.
Connecticut	Other — Increased user fees
Iowa	Governor Reynolds is recommending a net appropriation adjustment of $27.1 million in targeted reductions, and supplemental appropriations.
Kentucky	FY 18 mid-year cut $158 million. Personnel policy for the elimination of vacant positions. Spend down in FY 18 leaving balance $8m.
Louisiana	Hiring freeze in FY18
Massachusetts	Anticipate sweeping unneeded balances from certain trust accounts. Other — Caps on Full-Time Equivalent employees are in effect for executive branch agencies.
Nebraska	The mid-year/post-enacted strategies for fiscal 2018 reflect the Governor's budget adjustment recommendations which were yet to be approved by the Legislature at the time this survey response was submitted. Across-the-Board reduction recommendations represent 2% of General Fund appropriations. Exemptions were provided for K–12 formula aid, special education aid, health and human services aid programs, 24-hour care facilities, corrections, child protective service operations, property tax relief aid programs, defined benefit retirement plan contributions and constitutional officers' salaries. Beginning October 2016,

the reduction of employees in code agencies was nearly 500 or 3.5% of personnel. Also, 1,500 vacant positions have been eliminated. A new recommended transfer of $108 million from the Cash Reserve Fund to the General Fund in fiscal 2018 supplements the $125 million already provided in current law. Various cash fund transfers to the General Fund for budget stabilization. Prior-year fund balance — This includes lapsing of unexpended balance of prior year appropriations to the unreserved General Fund balance. Other — IT consolidation; process improvement strategies to identify cost savings.

New Mexico Consolidation of HR positions into central agency.

New York Other gap-closing measures in FY 2018 included $500 million general fund savings from the implementation of agency financial management plans and savings related to capital projects and debt management.

Oklahoma Other — Agency Revolving Fund authorizations; Revenue from changes to gross production taxes

Rhode Island Voluntary Retirement Incentive was offered to employees already fully eligible to retire. Consolidation of building/firecode programs under one agency. Privatization of portions of workers' comp program. Other fund Transfers of surplus balances from quasi-public agencies.

Tennessee Other — agency reserves and carryforwards

Washington Using fund balance from Rainy Day to cover some Wild Fire Suppression costs

Notes to Table 13: Strategies Used to Manage Budget, Recommended Fiscal 2019

Arizona Increased health care premiums on January 1, 2018 for employees; Eliminated vacant positions as part of targeted cuts; Consolidated two agencies (Automobile Theft Authority, Office of Equal Opportunity); Using carry-forward from FY 2017; Continuing a $930M for a payment to schools — this has been in place since FY 2008.

Colorado Governor proposed retirement plan reforms, but not as a budget management strategy.

Connecticut Other — Increased fees, enhanced collection efforts, reduction of tax credits, increased tobacco taxes, etc.

Illinois Shifting the normal cost of teachers' pension benefits from the state to the school districts and universities that employ the teachers. Continue 90% proration (began in FY2018) of state income and sales tax revenue sharing with local governments.

Kentucky Targeted 6.25% reductions in FY 19 and FY 20. Permissive budget bill language related to layoffs, furloughs, and reduced hours. Personnel policy for the elimination of vacant positions. Direct appropriations to Budget Reserve Trust Fund in FY 19 of $33.5m.

Maine Other — increase in the attrition rate from 1.6% to 5%

Maryland A supplemental contribution is required, equaling one-half of any unappropriated general fund balance in excess of $10.0 million be paid to the pension fund, up to a maximum of $50.0 million annually. The governor's recommended budget removed this requirement in fiscal year 2019.

Massachusetts Proposed modification to statutory OPEB funding mechanism to reduce OPEB pre-funding payment to $25 M, replicating an FY18 budget strategy. Other — Caps on Full-Time Equivalent employees are in effect for executive branch agencies.

Michigan Nearly $130 million in GF reductions were made to pay for investments in the FY 19 budget.

Nebraska Across-the-Board reduction recommendations represent 4% of General Fund appropriations. Exemptions were provided for K–12 formula aid, special education aid, health and human services aid programs, 24-hour care facilities, corrections, child protective service operations, property tax relief aid programs, defined benefit retirement plan contributions and constitutional officers' salaries. Beginning October 2016, the reduction of employees in code agencies was nearly 500 or 3.5% of personnel. Also, 1,500 vacant positions have been eliminated. In fiscal 2019, current law provides for a $48 million transfer from the Cash Reserve Fund to the General Fund. Various cash fund transfers to the General Fund for budget stabilization. Other — IT consolidation; process improvement strategies to identify cost savings.

New York	Other gap-closing measures in FY 2019 include: $500 million general fund savings continued from FY 2018 agency financial management plans; $500 million from conversions, acquisitions, or related transactions in which not-for-profit health insurers convert to corporations organized for pecuniary profit; revenue generated from new financial monetary settlements; savings related to capital projects and debt management.
North Dakota	Transfers of $124.0 million from the strategic investment and improvements fund and $70.0 million from other special fund sources, to the general fund.
Ohio	During the development of the fiscal year 2018–2019 biennial budget, the state of Ohio utilized targeted cuts to balance. Other — Expanded lottery gaming locations and authority was given to increase the state's utilization of surplus non-GRF cash balances.
Rhode Island	Consolidation of building/firecode programs under one agency. Privatization of portions of workers' comp program. Other fund Transfers of surplus balances from quasi-public agencies.
Tennessee	Other — base budget reductions
Vermont	The Governor's Recommended FY18 Budget Adjustment included using $3.01M of General Fund balance to transfer to reserves and other funds to satisfy FY19 obligations.
Virginia	Medicaid Expansion, Technical Adjustments
Washington	Using fund balance from Rainy Day to cover some Wild Fire Suppression costs
West Virginia	Use one-time excess cash in various Special Revenue accounts.

STATE REVENUE DEVELOPMENTS

CHAPTER TWO

Overview

States forecast that general fund revenue collections will increase moderately in fiscal 2019 according to governors' budgets, with 40 states projecting positive revenue growth. For the current fiscal year, most states have seen improvement in revenue conditions following the slowdown experienced in tax collections in fiscal 2016 and fiscal 2017. This improvement reflects continued job growth, a stronger performance of the stock market in calendar year 2017, and a modest recovery in most energy-producing states following steep oil and gas price declines. Fiscal 2018 revenues in a few states were also bolstered by enacted tax increases. The federal tax changes under the *Tax Cuts and Jobs Act* (TCJA) have implications for state revenue collections as well, and states are still working to untangle and better understand these effects, as well as proposing and passing their own legislation in response to the federal law.

Compared to this time last year, current revenue trends are more positive, with the vast majority of states seeing general fund collections meeting or exceeding original budget targets. However, growth has been uneven, and 11 states reported revenues coming in below projections for the current fiscal year at the time of data collection — with most of these states in the slower-growing regions of the Northeast and Midwest. Adjusting for inflation, estimated general fund revenues in fiscal 2018 exceed the pre-recession peak level in fiscal 2008 by 1.7 percent in the aggregate. However, 23 states have estimated general fund revenue collections in fiscal 2018 below their level one decade ago, and 10 of the 23 states are still more than 10 percent below their fiscal 2008 levels (adjusted for inflation).

Revenues

State general fund revenues are projected to reach a total of $854.6 billion in fiscal 2019 according to recommended budgets when including governors' tax policy proposals — 2.1 percent greater than estimated revenues collected in fiscal 2018. This figure is brought down by projected revenue declines in a few large states, including New York, Pennsylvania and Texas, as well as Louisiana due to expiring tax actions. The median growth rate is higher at 2.8 percent, and a majority of states (27) expect revenues to grow between 2 and 5 percent. Fiscal 2018 revenues are estimated to end the current fiscal year totaling $837.2 billion, 4.9 percent above fiscal 2017 levels, and also higher than the $829.6 billion projected based on enacted budgets for fiscal 2018, as reported in NASBO's Fall 2017 *Fiscal Survey of States.*

In the wake of the last recession, general fund revenues dropped to $609.9 billion in fiscal 2010 from $680.2 billion in fiscal 2008. General fund revenues are estimated to end fiscal 2018 up $157.0 billion, or 23 percent, over collections one decade ago in fiscal 2008 (without adjusting for inflation). While states have enacted some tax increases since that time, most of the revenue gains are due to improved collections resulting from the gradual strengthening of the economy. General fund revenue collections increased by 2.3 percent in fiscal 2017, 1.8 percent in fiscal 2016, 5.0 in fiscal 2015, 1.9 percent in fiscal 2014, 7.1 percent in fiscal 2013, 2.9 percent in fiscal 2012, and 6.6 percent in fiscal 2011. *(See Table 14)*

While total general fund revenues grew an estimated 4.9 percent in fiscal 2018, the median growth rate is just 2.7 percent and a majority of states (27) reported revenue growth below 3 percent (this includes those states reporting revenue declines). Thirteen states reported general fund revenue growth greater than 6 percent, including several states in the West with booming economies, a few energy states rebounding after several years of revenue weakness, a couple states that passed significant tax increases, and several other large states that have a significant impact on the 50-state total due to their size. In fact, five out of the six most populated states (California, Florida, New York, Illinois, and Pennsylvania) reported estimated revenue growth greater than 6 percent in fiscal 2018. This helps to explain why the total revenue growth rate is substantially higher than the median rate. Some of these same large states are reporting slight revenue declines in the upcoming fiscal year that contribute to the significantly lower projected revenue growth rate in fiscal 2019 in this survey. Reported general fund revenue declines can sometimes result from a state's accounting treatment of general revenue transfers to dedicated funds, and do not always reflect forecasted declines in tax collections. *(See Tables 15 and 16)*

Estimated Collections in Fiscal 2018

At the time of data collection, state general fund revenues in fiscal 2018 from all sources, including sales, personal income, corporate income, gaming/lottery, and all other taxes and fees, were on track to meet or exceed original budget projections in 39 states — with 24 states coming in higher and 15 states on target. The remaining 11 states were reporting revenues coming in below budgeted — a substantial improvement from this time last year, when 33 states were seeing revenues coming in below budget targets. NASBO believes the number of states exceeding their targets could rise even higher based on more recent revenue data. Compared to states' most recent revenue forecasts for fiscal 2018, 22 states were seeing revenues above projections and 25 states were coming in on target, with no states reporting revenues coming in lower than their most recent projections. *(See Table 17)*

Technical Note: Defining Revenues as "On Target"

Beginning with NASBO's *Spring 2018 Fiscal Survey*, states are advised to report their general fund revenues collections as "on target" if they are within 0.5 percent above or below forecast. This figure was established, in consultation with an advisory group of NASBO members, in an effort to standardize survey responses. This standard is not to be interpreted as a metric for judging the accuracy of state revenue forecasts, which is not the focus of this report. The *Fiscal Survey* is intended to measure state fiscal conditions from a budgetary perspective, and as such, revenues coming in more than 0.5 percent above or below forecast, while a common occurrence, can be expected to have budgetary impacts.

Note also that for a few states, original budget projections are the most current estimates available, and these states will therefore show up as being on target.

Sales & Use Taxes. For the 46 states that have this type of tax, general fund sales and use tax collections grew an estimated 3.6 percent in fiscal 2018 over fiscal 2017 levels. They were coming in 2.1 percent ($5.2 billion) above budgeted for fiscal 2018 based on most recent forecasts — a significant departure from this time last year, when sales taxes were coming in 2.5 percent below budget for fiscal 2017. Much of this variance can be attributed to Florida and Texas — two large, non-income tax states that collect the majority of their general fund revenues from sales tax. Excluding these two states from the totals, sales tax revenues were still up 0.9 percent compared to original forecasts. At the time of data collection, 18 states were seeing sales taxes coming in higher than budgeted, 15 states were lower, and 13 were on target.

Personal Income Taxes. Forty-one states collect a broad-based personal income tax, while New Hampshire and Tennessee collect taxes on interest and dividends only. Total personal income tax collections have increased by an estimated 7.0 percent, a robust rate of growth, though the median increase is lower at 4.8 percent. A number of states saw a large uptick in personal income tax revenues in late calendar year 2017, carrying into January 2018, believed to be driven by accelerated estimated income tax payments by high-income earners wanting to take advantage of federal tax breaks before they expire in 2018 under the new federal tax law, the *Tax Cuts and Jobs Act* (TCJA). This uptick is reflected in this survey's data for some but not all states, depending on how recently a state has revised its revenue forecast. The data in this survey predate April tax collections as well, which preliminary reports show are coming in higher than expected in many states. States' most recent forecasts show personal income tax collections in state general funds are coming in 0.9 percent ($3.5 billion) above original budget projections. Sixteen states reported coming in above budgeted, 12 were lower, and 14 were on target.

Corporate Income Taxes. For the 45 states that collect a corporate income tax, total corporate income tax revenues are expected to increase by 3.2 percent in fiscal 2018 after two consecutive years of actual declines. Nineteen states are forecasting corporate income tax collections to come in higher than budgeted, 16 states lower and ten on target. Overall, corporate income taxes are forecasted to be 3.1 percent ($1.5 billion) below forecast in the aggregate.

Gaming/Lottery Revenues. To align with NASBO's *State Expenditure Report,* the Fiscal Survey now asks states to separately report on gaming tax and net lottery revenue collections that are deposited into the general fund. Twenty-nine states reported on general fund collections from these sources (some states direct this revenue source, particularly from lotteries, into special funds, which are not reported here). Compared to original budget forecast, 15 states are seeing collections coming in higher, six states are lower, and eight states are on target.

Other General Fund Revenues. All other general fund revenues, such as collections from cigarette and other excise taxes, severance taxes, insurance taxes, fees, and other sources, increased 4.3 percent in fiscal 2018, and are coming in 1.3 percent ($1.9 billion) above forecast, based on states' most recent estimates.

Since data for this survey were collected, some states' revenue performance compared to original budgeted forecast may have changed, particularly since many of these figures predate tax collections from December through April. NASBO's analysis of preliminary data on December through April collections in states indicates that income tax revenues for fiscal 2018 are likely to come in even higher than the current estimates reported in this survey. NASBO's *Fall 2018 Fiscal Survey* will provide an update on how actual fiscal 2018 revenue collections came in relative to budget projections. *(See Tables 18 and 19)*

Technical Note: General Fund Revenue Amounts

For the first time, NASBO's *Spring 2018 Fiscal Survey* breaks out all general fund revenues by tax type (prior to this edition, states were only asked to report on sales, personal income and corporate income tax collections, and this reporting was not always limited to the general fund). In many cases, the sum of a state's general fund revenue amounts reported by type in Table 19 is equivalent to the total revenue amounts reported for that state in Tables 3–5. However, this may not always be the case, usually because of differing treatment of fund transfers, dedications, revenue-sharing payments, and other adjustments. See footnotes to Table 19 for more details.

Forecasted Collections in Fiscal 2019

Governors' proposed budgets for fiscal 2019 include continued modest growth in general fund revenue collections, with median growth rates similar to the current fiscal year. Sales tax collections are forecasted to grow 2.3 percent in fiscal 2019 (the median is 3.5 percent). Personal income taxes are projected to grow 2.9 percent (the median is 4.2 percent) and corporate income taxes are estimated to grow 8.4 percent (5.0 percent median) in fiscal 2019. *(See Tables 20 and 21)* Significant uncertainty surrounds these revenue forecasts, however, as states continue to predict and analyze the effects of federal tax changes under TCJA — including both the impacts related to how a state conforms with the federal code as well as behavioral responses by taxpayers to shift the timing of income. States are also awaiting a decision on the U.S. Supreme Court case, *South Dakota v. Wayfair et al.*, regarding the legality of states compelling remote/online retailers to collect sales taxes on remote purchases.

TABLE 14

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

	State General Fund	
Fiscal Year	Nominal Increase	Real Increase
2019	2.1%	
2018	4.9	2.4%
2017	2.3	0.6
2016	1.8	1.1
2015	5.0	3.6
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
1979–2017 average	**5.4%**	**1.5%**

Notes: The state and local government implicit price deflator cited by the Bureau of Economic Analysis National Income and Product Account Tables, Table 3.9.4., Line 33 (last updated on April 27, 2018), is used for state revenues in determining real changes. Fiscal Year real changes are based on quarterly averages. Fiscal 2017 figures are based on the change from fiscal 2016 actuals to fiscal 2017 actuals. Fiscal 2018 figures are based on the change from fiscal 2017 actuals to fiscal 2018 estimates. Fiscal 2019 figures are based on the change from fiscal 2018 estimates to fiscal 2019 recommended figures.

TABLE 15

State General Fund Revenue Growth, Fiscal 2017 to Fiscal 2019

Revenue Growth	Fiscal 2017 (Actual)	Fiscal 2018 (Estimated)	Fiscal 2019 (Recommended)
0% or less	9	7	10
> 0.0% but < 5.0%	32	28	33
> 5.0% but < 10.0%	5	10	7
10% or more	4	5	0

NOTE: See Table 16 for state-by-state data.

TABLE 16

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

State	Fiscal 2017	Fiscal 2018	Fiscal 2019
Alabama	4.0%	2.7%	2.6%
Alaska	-11.7	72.6	-3.3
Arizona	0.2	2.3	4.6
Arkansas	-0.4	2.0	4.3
California	2.6	7.2	2.0
Colorado	3.1	12.9	3.2
Connecticut	-0.4	4.5	2.0
Delaware	1.7	5.6	1.7
Florida	4.9	6.2	2.9
Georgia	4.6	2.3	3.7
Hawaii	3.8	2.1	2.7
Idaho	8.3	4.9	1.3
Illinois	2.1	18.4	4.1
Indiana	3.0	0.9	3.5
Iowa	2.5	2.2	5.3
Kansas	4.4	7.3	-0.4
Kentucky	1.4	2.5	2.7
Louisiana	19.5	1.5	-10.4
Maine	1.8	2.6	5.2
Maryland	3.1	2.2	3.3
Massachusetts	2.0	4.4	2.6
Michigan	-10.1	-0.7	0.7
Minnesota	0.9	2.0	5.6
Mississippi	2.3	-0.9	0.0
Missouri	2.6	1.9	2.5
Montana	1.0	7.2	3.4
Nebraska	-1.1	5.7	-1.2
Nevada	5.1	0.9	4.1
New Hampshire	-1.7	1.1	2.2
New Jersey	4.8	2.9	5.7
New Mexico	11.8	-2.3	0.8
New York	-4.0	6.8	-0.3
North Carolina	3.0	2.3	3.8
North Dakota	-16.3	12.8	1.4
Ohio*	0.7	-5.6	3.3
Oklahoma	-3.8	14.1	8.2
Oregon	12.5	-1.7	5.4
Pennsylvania	2.5	9.7	-1.5
Rhode Island	0.6	4.6	2.5
South Carolina	4.3	4.9	1.6
South Dakota	7.1	1.9	3.4
Tennessee	4.2	-0.8	3.0
Texas	3.0	4.4	-1.0
Utah	5.0	6.1	4.6
Vermont	6.7	0.0	3.3
Virginia	5.0	3.1	3.4
Washington	6.2	8.9	-0.7
West Virginia	2.1	0.8	5.1
Wisconsin	2.8	3.9	3.1
Wyoming	12.0	0.0	-9.5
Average	**2.3%**	**4.9%**	**2.1%**
Median	2.7%	2.7%	2.8%

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

TABLE 17
General Fund Revenue Collections Compared to Projections, Fiscal 2018

	Original Fiscal 2018			Most Recent Fiscal 2018		
State	**On Target**	**Lower**	**Higher**	**On Target**	**Lower**	**Higher**
Alabama			X			X
Alaska			X	X		
Arizona			X			X
Arkansas	X			X		
California	X					X
Colorado			X	X		
Connecticut		X		X		
Delaware			X	X		
Florida			X	X		
Georgia	X					X
Hawaii			X			X
Idaho			X			X
Illinois	X			X		
Indiana		X				X
Iowa		X				X
Kansas			X			X
Kentucky		X		X		
Louisiana			X	X		
Maine		X				X
Maryland	X			X		
Massachusetts			X	X		
Michigan			X			
Minnesota	X			X		
Mississippi	X					X
Missouri		X				X
Montana		X		X		
Nebraska		X				X
Nevada			X			X
New Hampshire	X			X		
New Jersey			X	X		
New Mexico			X	X		
New York			X			X
North Carolina			X	X		
North Dakota			X			
Ohio	X					X
Oklahoma			X	X		
Oregon			X	X		
Pennsylvania	X					X
Rhode Island	X					X
South Carolina	X			X		
South Dakota		X		X		
Tennessee	X			X		
Texas			X			X
Utah			X			X
Vermont		X		X		
Virginia		X				X
Washington			X			X
West Virginia	X					
Wisconsin	X			X		
Wyoming			X	X		
Total	**15**	**11**	**24**	**25**	**0**	**22**

NOTES: Original Fiscal 2018 reflects whether general fund revenues from all sources thus far have come in higher, lower, or on target with original projections used to adopt the Fiscal 2018 budget. Most Recent Fiscal 2018 reflects whether collections thus far have been coming in higher, lower, or on target with a state's most recent projection. The date of a state's most recent projection referenced in this survey varies by state, ranging from May 2017 for some biennial budget states to May 2018.

TABLE 18

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

	Sales Tax		Personal Income Tax		Corporate Income Tax	
State	Original Estimate	Current Estimate	Original Estimate	Current Estimate	Original Estimate	Current Estimate
Alabama	$2,413	$2,398	$3,619	$3,628	$357	$389
Alaska	N/A	N/A	N/A	N/A	393	260
Arizona	4,647	4,648	4,347	4,328	401	314
Arkansas	2,445	2,419	3,319	3,323	475	466
California	24,470	25,165	88,821	89,403	10,894	10,656
Colorado	3,220	3,400	7,343	7,649	621	706
Connecticut	4,221	4,151	9,183	9,768	933	933
Delaware	N/A	N/A	1,373	1,409	108	57
Florida	23,037	24,137	N/A	N/A	2,324	2,415
Georgia	5,849	5,875	11,455	11,416	1,043	999
Hawaii	3,366	3,390	2,285	2,319	91	85
Idaho	1,447	1,466	1,667	1,754	216	211
Illinois	7,970	7,951	17,250	17,610	1,882	1,884
Indiana	7,630	7,584	5,661	5,687	949	775
Iowa	2,981	2,918	4,743	4,656	526	593
Kansas	2,667	2,725	2,927	2,927	275	325
Kentucky	3,638	3,612	4,589	4,509	553	559
Louisiana	4,259	4,364	3,017	2,994	338	350
Maine	1,434	1,472	1,703	1,555	166	172
Maryland	4,727	4,622	9,396	9,289	827	844
Massachusetts	6,472	6,472	15,316	15,473	2,107	2,107
Michigan	783	800	7,192	7,068	195	202
Minnesota	5,465	5,489	11,714	11,451	1,278	1,301
Mississippi	2,065	2,060	1,835	1,841	551	551
Missouri	2,149	2,159	6,644	6,414	275	310
Montana	62	58	1,321	1,241	169	133
Nebraska*	1,625	1,620	2,425	2,310	265	295
Nevada	1,200	1,200	N/A	N/A	N/A	N/A
New Hampshire	N/A	N/A	N/A	N/A	412	412
New Jersey	9,851	10,430	14,382	14,980	2,579	2,376
New Mexico	2,118	2,191	1,381	1,381	105	105
New York	13,642	13,568	49,382	50,935	5,718	5,108
North Carolina	7,335	7,262	12,341	12,538	732	734
North Dakota	819	818	341	354	55	67
Ohio*	10,028	10,028	7,977	7,977	1,494	1,494
Oklahoma	2,549	2,680	2,150	2,336	124	168
Oregon	N/A	N/A	8,247	8,477	510	541
Pennsylvania	10,341	10,407	13,305	13,400	3,119	3,010
Rhode Island	1,059	1,053	1,302	1,299	159	151
South Carolina	3,041	3,041	3,753	3,753	288	303
South Dakota	989	979	N/A	N/A	N/A	N/A
Tennessee	8,227	8,185	143	135	2,131	2,179
Texas*	28,067	30,380	N/A	N/A	N/A	N/A
Utah	1,944	1,990	3,805	3,891	344	348
Vermont	258	254	795	794	87	79
Virginia	3,635	3,458	13,836	13,492	736	362
Washington	10,501	10,855	N/A	N/A	N/A	N/A
West Virginia	1,259	1,259	1,860	1,860	109	109
Wisconsin	5,384	5,465	8,380	8,380	951	950
Wyoming	429	442	N/A	N/A	N/A	N/A
Total	**$251,717**	**$256,899**	**$372,523**	**$376,006**	**$47,866**	**$46,388**

*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 18 on page 59. **Unless otherwise noted, original estimates reflect the figures used when the fiscal 2018 budget was adopted, and current estimates reflect most current revenue forecast for fiscal 2018.*

Table 18 continues on next page.

TABLE 18 (CONTINUED)

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

	Gaming/Lottery Revenue		All Other Revenue	
State	Original Estimate	Current Estimate	Original Estimate	Current Estimate
Alabama	N/A	N/A	$1,925	$2,004
Alaska	$11	$11	1,428	2,066
Arizona	77	79	210	352
Arkansas	63	65	455	463
California	N/A	N/A	2,980	2,028
Colorado	16	18	466	463
Connecticut	607	612	3,814	3,034
Delaware	204	212	2,523	2,608
Florida	139	299	4,059	4,257
Georgia	N/A	N/A	5,367	5,505
Hawaii	N/A	N/A	1,587	1,713
Idaho	N/A	N/A	178	185
Illinois	993	989	7,804	7,475
Indiana	409	412	939	955
Iowa	81	83	-966	-1,012
Kansas	N/A	N/A	836	837
Kentucky	241	243	1,853	1,796
Louisiana	402	402	1,426	1,485
Maine	55	59	185	248
Maryland	505	521	1,668	1,782
Massachusetts	1,149	1,135	16,555	17,043
Michigan	N/A	0	1,583	1,732
Minnesota	65	71	3,272	3,373
Mississippi	141	144	1,009	1,006
Missouri	N/A	N/A	331	306
Montana	74	71	738	794
Nebraska*	1	1	290	280
Nevada	766	766	1,950	1,950
New Hampshire	N/A	N/A	1,108	1,108
New Jersey	N/A	N/A	7,630	7,415
New Mexico	63	60	2,424	2,512
New York	N/A	N/A	1,092	1,830
North Carolina	N/A	N/A	2,725	2,949
North Dakota	11	11	527	530
Ohio*	N/A	N/A	12,773	12,773
Oklahoma	158	156	1,141	1,169
Oregon	N/A	N/A	632	637
Pennsylvania	123	123	7,817	7,812
Rhode Island	363	368	952	981
South Carolina	N/A	N/A	868	853
South Dakota	118	118	483	472
Tennessee	346	346	3,446	3,446
Texas*	1,233	1,225	22,979	22,980
Utah	N/A	N/A	532	554
Vermont	N/A	N/A	370	366
Virginia	N/A	N/A	1,426	2,016
Washington	N/A	N/A	10,058	10,246
West Virginia	65	65	932	932
Wisconsin	N/A	N/A	1,363	1,331
Wyoming	N/A	N/A	633	637
Total	**$8,475**	**$8,663**	**$146,378**	**$148,275**

*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 18 on page 59. *Unless otherwise noted, original estimates reflect the figures used when the fiscal 2018 budget was adopted, and current estimates reflect most current revenue forecast for fiscal 2018.*

TABLE 19

Fiscal 2018 General Fund Revenue Collections Compared With Projections (Percentage Above or Below)**

State	Sales Tax	Personal Income Tax	Corporate Income Tax	Gaming/ Lottery Revenue	All Other Revenue
Alabama	-0.6%	0.3%	8.9%	N/A	4.1%
Alaska	N/A	N/A	-33.9	0.9%	44.7
Arizona	0.0	-0.4	-21.8	2.6	67.8
Arkansas	-1.1	0.1	-1.9	3.0	1.6
California	2.8	0.7	-2.2	N/A	-31.9
Colorado	5.6	4.2	13.7	13.5	-0.6
Connecticut	-1.6	6.4	0.0	0.8	-20.5
Delaware	N/A	2.6	-47.3	3.8	3.4
Florida	4.8	N/A	3.9	115.3	4.9
Georgia	0.4	-0.3	-4.2	N/A	2.6
Hawaii	0.7	1.5	-6.6	N/A	8.0
Idaho	1.3	5.2	-2.2	N/A	3.9
Illinois	-0.2	2.1	0.1	-0.4	-4.2
Indiana	-0.6	0.5	-18.4	0.9	1.7
Iowa	-2.1	-1.8	12.8	2.2	4.7
Kansas	2.2	0.0	18.2	N/A	0.1
Kentucky	-0.7	-1.7	1.0	0.8	-3.1
Louisiana	2.5	-0.8	3.4	0.0	4.2
Maine	2.6	-8.7	3.7	7.5	34.1
Maryland	-2.2	-1.1	2.1	3.3	6.8
Massachusetts	0.0	1.0	0.0	-1.2	2.9
Michigan	2.2	-1.7	4.0	N/A	9.4
Minnesota	0.4	-2.2	1.8	9.4	3.1
Mississippi	-0.2	0.3	0.0	1.6	-0.4
Missouri	0.5	-3.5	12.7	N/A	-7.5
Montana	-7.2	-6.0	-21.5	-4.3	7.6
Nebraska	-0.3	-4.7	11.3	0.0	-3.6
Nevada	0.0	N/A	N/A	0.0	0.0
New Hampshire	N/A	N/A	0.0	N/A	0.0
New Jersey	5.9	4.2	-7.9	N/A	-2.8
New Mexico	3.5	0.0	0.0	-4.6	3.6
New York	-0.5	3.1	-10.7	N/A	67.6
North Carolina	-1.0	1.6	0.2	N/A	8.2
North Dakota	-0.1	4.0	23.4	-2.7	0.5
Ohio	0.0	0.0	0.0	N/A	0.0
Oklahoma	5.2	8.6	36.0	-1.2	2.5
Oregon	N/A	2.8	6.1	N/A	0.7
Pennsylvania	0.6	0.7	-3.5	0.0	-0.1
Rhode Island	-0.6	-0.2	-5.0	1.5	3.1
South Carolina	0.0	0.0	5.2	N/A	-1.7
South Dakota	-1.0	N/A	N/A	0.2	-2.2
Tennessee	-0.5	-5.7	2.3	0.1	0.0
Texas	8.2	N/A	N/A	-0.6	0.0
Utah	2.3	2.3	1.3	N/A	4.1
Vermont	-1.4	-0.2	-8.8	N/A	-1.1
Virginia	-4.9	-2.5	-50.8	N/A	41.4
Washington	3.4	N/A	N/A	N/A	1.9
West Virginia	0.0	0.0	0.0	0.0	0.0
Wisconsin	1.5	0.0	-0.1	N/A	-2.4
Wyoming	3.0	N/A	N/A	N/A	0.6
Total	**2.1%**	**0.9%**	**-3.1%**	**2.2%**	**1.3%**
On target	13	14	10	8	9
Higher	18	16	19	15	29
Lower	15	12	16	6	12

*NOTES: N/A indicates data are not available because, in most cases, these states do not have that type of tax. **Unless otherwise noted, original estimates reflect the figures used when the fiscal 2018 budget was adopted, and current estimates reflect most current revenue forecast for fiscal 2018. For some states, original budget projections are the most current estimates available.*

TABLE 20

Comparison of General Fund Revenue Collections in Fiscal 2017, Fiscal 2018, and Recommended Fiscal 2019

	Sales Tax			Personal Income Tax			Corporate Income Tax		
State	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2017	Fiscal 2018	Fiscal 2019
Alabama	$2,328	$2,398	$2,456	$3,511	$3,628	$3,756	$382	$389	$401
Alaska	N/A	N/A	0	N/A	N/A	0	27	260	335
Arizona	4,506	4,648	4,838	4,131	4,328	4,508	368	314	299
Arkansas*	2,338	2,419	2,488	3,215	3,323	3,429	434	466	482
California	24,872	25,165	26,151	82,857	89,403	93,593	10,116	10,656	11,224
Colorado	3,086	3,400	3,562	6,761	7,649	7,782	509	706	780
Connecticut	4,192	4,151	4,216	8,989	9,768	8,638	1,038	933	1,636
Delaware	N/A	N/A	N/A	1,333	1,409	1,454	121	57	105
Florida	22,987	24,137	25,017	N/A	N/A	N/A	2,366	2,415	2,448
Georgia*	5,716	5,875	6,093	10,978	11,416	12,026	972	999	1,068
Hawaii	3,239	3,390	3,509	2,192	2,319	2,448	77	85	96
Idaho	1,382	1,466	1,531	1,651	1,754	1,835	214	211	225
Illinois	8,043	7,951	8,110	13,661	17,610	18,153	1,332	1,884	1,998
Indiana	7,490	7,584	7,838	5,435	5,687	5,923	979	775	871
Iowa*	2,812	2,918	3,018	4,469	4,656	4,866	550	593	599
Kansas	2,671	2,725	2,775	2,304	2,927	3,020	325	325	330
Kentucky	3,485	3,612	3,699	4,394	4,509	4,650	497	559	601
Louisiana	4,284	4,364	3,460	2,960	2,994	3,038	388	350	300
Maine	1,398	1,472	1,483	1,524	1,555	1,785	175	172	170
Maryland	4,539	4,622	4,735	9,019	9,289	9,782	796	844	887
Massachusetts	6,211	6,472	6,601	14,684	15,473	16,231	2,197	2,107	2,213
Michigan*	869	800	846	6,732	7,068	6,961	420	202	347
Minnesota	5,405	5,489	5,775	10,931	11,451	12,263	1,205	1,301	1,295
Mississippi	2,055	2,060	2,090	1,782	1,841	1,807	564	551	551
Missouri	2,112	2,159	2,204	6,240	6,414	6,588	276	310	331
Montana	60	58	59	1,168	1,241	1,312	126	133	142
Nebraska	1,548	1,620	1,700	2,225	2,310	2,206	264	295	295
Nevada	1,134	1,200	1,262	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	401	412	418
New Jersey	9,592	10,430	11,322	13,958	14,980	16,232	2,344	2,376	2,628
New Mexico	2,062	2,191	2,217	1,381	1,381	1,409	70	105	110
New York	12,966	13,568	14,279	47,565	50,935	49,244	4,761	5,108	5,869
North Carolina*	7,004	7,262	7,625	11,970	12,538	12,800	752	734	721
North Dakota	793	818	883	313	354	358	69	67	48
Ohio*	10,615	10,028	10,209	7,607	7,977	8,368	1,302	1,494	1,524
Oklahoma	2,104	2,680	2,809	2,122	2,336	2,534	158	168	181
Oregon	N/A	N/A	N/A	8,441	8,477	8,908	608	541	503
Pennsylvania	10,004	10,407	10,782	12,664	13,400	14,127	2,751	3,010	3,075
Rhode Island	998	1,053	1,102	1,244	1,299	1,365	119	151	162
South Carolina	2,896	3,041	3,148	3,581	3,753	3,709	270	303	314
South Dakota	951	979	1,017	N/A	N/A	N/A	N/A	N/A	N/A
Tennessee*	8,063	8,185	8,479	165	135	104	2,329	2,179	2,277
Texas*	28,797	30,380	28,700	N/A	N/A	N/A	N/A	N/A	N/A
Utah	1,857	1,990	2,102	3,609	3,891	4,181	328	348	365
Vermont*	245	254	257	756	794	847	96	79	90
Virginia	3,357	3,458	3,547	13,053	13,492	14,110	827	362	912
Washington*	10,133	10,855	11,322	N/A	N/A	N/A	N/A	N/A	N/A
West Virginia*	1,222	1,259	1,316	1,814	1,860	2,004	116	109	142
Wisconsin*	5,224	5,465	5,635	8,040	8,380	8,715	921	950	932
Wyoming	407	442	445	N/A	N/A	N/A	N/A	N/A	N/A
Total* **	**$248,052**	**$256,899**	**$262,712**	**$351,425**	**$376,006**	**$387,071**	**$44,941**	**$46,388**	**$50,298**

*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 20 on page 59. **Unless otherwise noted, fiscal 2017 figures reflect actual tax collections, fiscal 2018 figures reflect estimated tax collections, and fiscal 2019 figures reflect the estimates based on governors' recommended budgets. ***Totals include state collections by tax type where amounts were provided for all three years.*

Table 20 continues on next page.

TABLE 20 (CONTINUED)

Comparison of General Fund Revenue Collections in Fiscal 2017, Fiscal 2018, and Recommended Fiscal 2019

	Gaming/Lottery Revenue			All Other Revenue		
State	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2017	Fiscal 2018	Fiscal 2019
Alabama	N/A	N/A	N/A	$2,027	$2,004	$2,027
Alaska	$11	$11	$11	1,317	2,066	1,913
Arizona	79	79	95	420	352	428
Arkansas*	63	65	68	503	463	476
California	N/A	N/A	N/A	823	2,028	-1,177
Colorado	15	18	19	460	463	478
Connecticut	599	612	549	2,886	3,034	3,821
Delaware	205	212	211	2,354	2,608	2,542
Florida	139	299	302	4,102	4,257	4,434
Georgia*	N/A	N/A	N/A	5,603	5,505	5,492
Hawaii	N/A	N/A	N/A	1,843	1,713	1,661
Idaho	N/A	N/A	N/A	201	185	190
Illinois	990	989	996	6,307	7,475	8,107
Indiana	432	412	379	939	955	951
Iowa*	78	83	85	-669	-1,012	-1,042
Kansas	N/A	N/A	N/A	1,040	837	658
Kentucky	242	243	249	1,860	1,796	1,807
Louisiana	410	402	402	1,385	1,485	1,400
Maine	58	59	55	299	248	95
Maryland	484	521	522	1,860	1,782	1,699
Massachusetts	1,188	1,135	1,182	16,332	17,043	17,154
Michigan*	N/A	N/A	N/A	1,852	1,732	1,718
Minnesota	64	71	77	3,446	3,373	3,343
Mississippi	133	144	141	1,120	1,006	1,011
Missouri	N/A	N/A	N/A	389	306	295
Montana	70	71	73	718	794	788
Nebraska	1	1	1	228	280	250
Nevada	749	766	787	1,998	1,950	2,027
New Hampshire	N/A	N/A	N/A	1,102	1,108	1,136
New Jersey	1,005	N/A	N/A	6,958	7,415	7,027
New Mexico	60	60	59	2,313	2,512	2,580
New York	N/A	N/A	N/A	1,603	1,830	1,809
North Carolina*	N/A	N/A	N/A	2,888	2,949	2,871
North Dakota	10	11	11	395	530	507
Ohio*	N/A	N/A	N/A	14,656	12,773	13,235
Oklahoma	152	156	158	1,170	1,169	1,360
Oregon	0	0	0	776	637	768
Pennsylvania	121	123	149	6,128	7,812	6,088
Rhode Island	363	368	391	960	981	929
South Carolina	N/A	N/A	N/A	834	853	906
South Dakota	115	118	121	475	472	484
Tennessee*	337	346	359	3,516	3,446	3,501
Texas*	1,201	1,225	1,247	22,287	22,980	24,065
Utah	N/A	N/A	N/A	527	554	578
Vermont*	N/A	N/A	N/A	477	366	375
Virginia	N/A	N/A	N/A	1,458	2,016	1,527
Washington*	N/A	N/A	N/A	8,933	10,246	11,056
West Virginia*	65	65	65	974	932	913
Wisconsin*	N/A	N/A	N/A	1,333	1,331	1,349
Wyoming	N/A	N/A	N/A	766	637	566
Total* **	**$8,430**	**$8,663**	**$8,764**	**$142,170**	**$148,275**	**$146,177**

*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 20 on page 59. **Unless otherwise noted, fiscal 2017 figures reflect actual tax collections, fiscal 2018 figures reflect estimated tax collections, and fiscal 2019 figures reflect the estimates based on governors' recommended budgets. ***Totals include state collections by tax type where amounts were provided for all three years.*

TABLE 21

Percentage Change Comparison of General Fund Collections in Fiscal 2017, Fiscal 2018, and Recommended Fiscal 2019

	Sales Tax		Personal Income Tax		Corporate Income Tax		Gaming/Lottery Revenue		All Other Revenue	
State	Fiscal 2018	Fiscal 2019	Fiscal 2018	Fiscal 2019	Fiscal 2018	Fiscal 2019	Fiscal 2018	Fiscal 2019	Fiscal 2018	Fiscal 2019
Alabama	3.0%	2.4%	3.3%	3.5%	2.0%	3.0%	N/A	N/A	-1.1%	1.1%
Alaska	N/A	N/A	N/A	N/A	859.4	28.8	1.9%	3.7%	56.9	-7.4
Arizona	3.1	4.1	4.8	4.2	-14.7	-4.7	0.6	19.9	-16.2	21.6
Arkansas	3.5	2.8	3.4	3.2	7.4	3.6	3.0	4.6	-8.0	2.8
California	1.2	3.9	7.9	4.7	5.3	5.3	N/A	N/A	146.3	-158.0
Colorado	10.2	4.8	13.1	1.7	38.6	10.4	16.4	7.9	0.7	3.1
Connecticut	-1.0	1.6	8.7	-11.6	-10.1	75.3	2.2	-10.2	5.1	25.9
Delaware	N/A	N/A	5.7	3.2	-53.0	84.5	3.1	-0.3	10.8	-2.5
Florida	5.0	3.6	N/A	N/A	2.0	1.4	115.6	1.0	3.8	4.2
Georgia	2.8	3.7	4.0	5.3	2.8	6.9	N/A	N/A	-1.7	-0.2
Hawaii	4.6	3.5	5.8	5.6	11.2	12.0	N/A	N/A	-7.1	-3.0
Idaho	6.1	4.4	6.2	4.6	-1.4	6.5	N/A	N/A	-8.1	2.8
Illinois	-1.1	2.0	28.9	3.1	41.4	6.1	-0.1	0.7	18.5	8.5
Indiana	1.3	3.3	4.6	4.1	-20.8	12.4	-4.5	-8.1	1.7	-0.4
Iowa	3.8	3.4	4.2	4.5	7.8	1.1	5.7	2.4	51.2	2.9
Kansas	2.0	1.8	27.0	3.2	0.0	1.5	N/A	N/A	-19.5	-21.3
Kentucky	3.6	2.4	2.6	3.1	12.3	7.5	0.6	2.5	-3.4	0.6
Louisiana	1.9	-20.7	1.2	1.5	-9.9	-14.3	-1.9	0.0	7.2	-5.7
Maine	5.3	0.8	2.0	14.8	-1.9	-1.0	1.4	-6.9	-17.1	-61.7
Maryland	1.8	2.4	3.0	5.3	6.1	5.0	7.6	0.1	-4.2	-4.7
Massachusetts	4.2	2.0	5.4	4.9	-4.1	5.0	-4.4	4.1	4.4	0.7
Michigan	-7.9	5.7	5.0	-1.5	-51.8	71.7	N/A	N/A	-6.5	-0.8
Minnesota	1.5	5.2	4.8	7.1	7.9	-0.4	11.4	7.9	-2.1	-0.9
Mississippi	0.2	1.4	3.3	-1.8	-2.3	0.0	8.0	-1.6	-10.2	0.5
Missouri	2.2	2.1	2.8	2.7	12.1	7.0	N/A	N/A	-21.3	-3.6
Montana	-3.0	2.1	6.3	5.7	5.2	6.9	2.2	3.0	10.6	-0.8
Nebraska	4.6	4.9	3.8	-4.5	11.6	0.1	0.0	0.0	22.8	-10.7
Nevada	5.8	5.2	N/A	N/A	N/A	N/A	2.2	2.9	-2.4	3.9
New Hampshire	N/A	N/A	N/A	N/A	2.7	1.5	N/A	N/A	0.5	2.5
New Jersey	8.7	8.6	7.3	8.4	1.3	10.6	N/A	N/A	6.6	-5.2
New Mexico	6.3	1.2	0.0	2.0	49.6	4.8	0.2	-1.7	8.6	2.7
New York	4.6	5.2	7.1	-3.3	7.3	14.9	N/A	N/A	14.2	-1.1
North Carolina	3.7	5.0	4.7	2.1	-2.5	-1.7	N/A	N/A	2.1	-2.6
North Dakota	3.2	7.9	13.3	1.1	-2.6	-29.5	14.7	1.8	34.2	-4.4
Ohio*	-5.5	1.8	4.9	4.9	14.8	2.0	N/A	N/A	-12.8	3.6
Oklahoma	27.4	4.8	10.1	8.5	6.2	7.4	2.5	1.2	0.0	16.3
Oregon	N/A	N/A	0.4	5.1	-10.9	-7.1	N/A	N/A	-17.9	20.7
Pennsylvania	4.0	3.6	5.8	5.4	9.4	2.1	2.1	21.0	27.5	-22.1
Rhode Island	5.5	4.6	4.5	5.1	26.7	7.2	1.4	6.4	2.2	-5.4
South Carolina	5.0	3.5	4.8	-1.2	12.4	3.7	N/A	N/A	2.3	6.2
South Dakota	3.0	3.8	N/A	N/A	N/A	N/A	3.0	2.6	-0.5	2.5
Tennessee	1.5	3.6	-18.0	-23.1	-6.4	4.5	2.7	3.9	-2.0	1.6
Texas	5.5	-5.5	N/A	N/A	N/A	N/A	2.0	1.8	3.1	4.7
Utah	7.2	5.6	7.8	7.4	6.0	4.7	N/A	N/A	5.1	4.4
Vermont	3.9	0.9	4.9	6.7	-17.1	12.8	N/A	N/A	-23.3	2.4
Virginia	3.0	2.6	3.4	4.6	-56.2	151.9	N/A	N/A	38.3	-24.3
Washington	7.1	4.3	N/A	N/A	N/A	N/A	N/A	N/A	14.7	7.9
West Virginia	3.0	4.5	2.5	7.7	-6.3	30.4	0.0	0.0	-4.3	-2.1
Wisconsin	4.6	3.1	4.2	4.0	3.1	-1.9	N/A	N/A	-0.2	1.3
Wyoming	8.6	0.7	N/A	N/A	N/A	N/A	N/A	N/A	-16.8	-11.1
Total	**3.6%**	**2.3%**	**7.0%**	**2.9%**	**3.2%**	**8.4%**	**2.8%**	**1.2%**	**4.3%**	**-1.4%**
Median	3.7%	3.5%	4.8%	4.2%	2.8%	5.0%	2.2%	1.8%	0.6%	0.6%

*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 21 on page 60. **Unless otherwise noted, fiscal 2017 figures reflect actual tax collections, fiscal 2018 figures reflect estimated tax collections, and fiscal 2019 figures reflect the estimates based on governors' recommended budgets.*

Recommended Fiscal 2019 Revenue Changes

Fiscal 2019 revenue projections in this survey incorporate the mostly modest tax proposals included in governors' recommended budgets. Governors' proposed revenue actions would result in a net increase in taxes and fees for fiscal 2019 of $2.8 billion, including general fund and other state fund revenues. Governors in 14 states proposed net tax and fee increases totaling $3.6 billion, while governors in 12 states proposed net decreases totaling -$737 million. Looking just at general fund revenue impacts, proposed tax and fee changes would increase revenues by $1.7 billion, or 0.2 percent as a share of total general fund revenues projected for fiscal 2019 under governors' budgets. Many of the revenue actions considered during 2018 legislative sessions were prompted by or direct responses to the new federal tax law passed by Congress in December 2017.

(See Tables 22, 23 and 24, Figure 3 and Appendix Table A-1)

In actual dollar terms, the changes with the largest influence on the total revenue impact in fiscal 2019 include: a "millionaire's tax", sales tax rate increase and base expansion, marijuana tax, and other changes proposed by New Jersey's governor (with a net impact of +$1,351 million in all state funds); cigarette tax increase, changes to personal and corporate income taxes, a gas tax increase, gross production excise tax increase and other actions proposed by Oklahoma's governor (with a total impact of +$696 million); and changes to the personal income tax and corporate income tax enacted in Oregon (a biennial budget state) in response to federal tax changes (net impact of +$345 million).

Looking at proposed revenue actions state-by-state relative to the size of each state's projected general fund revenues for fiscal 2019, states with the largest recommended tax increases include Alaska (11 percent) and Oklahoma (12 percent), both of which are greatly reliant on severance tax revenues and have been significantly affected by the steep decline in oil and gas prices or declining coal production in recent years. Note that not all of the tax changes proposed in these states would directly impact the general fund. Most recommended tax and fee decreases were fairly modest. Florida reported the largest dollar amount decrease at -$158 million, while Idaho's proposed tax cuts prompted by the federal tax law would have the greatest impact as a share of the state's general fund (-3 percent or -$95 million).

Sales Taxes—Four states recommended sales tax increases and eight proposed decreases in their fiscal 2019 budgets. The result is a net revenue increase of $543 million ($533 million general fund impact). The net change in this category is driven by the proposed restoration of the 7.0 percent sales tax rate (currently at 6.625 percent) and expansion of the tax base in New Jersey.

Personal Income Taxes—Six states proposed changes that would increase personal income taxes, while 13 states recommended decreases, resulting in a net decrease of -$102 million. The general fund impact is significantly different, at -$889 million, since it excludes the New Jersey governor's proposed "Millionaire's Tax" (+$765 million impact on other state funds). The Connecticut governor's revenue-neutral proposal in response to the new federal cap on state and local income tax deductibility has the largest general fund impact in this category (-$600 million) — though this is offset by the revenue impact on the corporate side. A number of other changes in this category also represent state responses to various components of the new federal tax law.

Corporate Income Taxes—Nine states recommended corporate income tax increases, while four proposed decreases in their fiscal 2019 budgets for a net increase of $1,094 million ($1,091 million general fund impact). Connecticut's new pass through entity tax (offset by a new personal income tax credit) represents the largest change in this category, followed by Minnesota's actions to respond to the federal TCJA.

Cigarette and Tobacco Taxes—Five states proposed tax increases on cigarettes and tobacco products, and one state proposed a slight decrease, resulting in a total increase of $352 million (all general fund). A proposed increase in the cigarette tax per pack in Oklahoma accounted for most of the total estimated revenue impact.

Motor Fuel Taxes—Four states proposed increases to the motor fuel tax totaling $258 million (with a $128 million general fund impact), including Alaska, Connecticut, Indiana (motor carrier surtax and special fuel tax), and Oklahoma.

Alcohol Taxes—One state recommended a slight increase in this category, resulting in a total recommended increase of $1.5 million.

Gaming Taxes / Lottery Revenue—Rhode Island proposed legalizing sports betting (anticipating the Supreme Court's recent ruling to eliminate a previously existing federal ban), estimated to have a general fund revenue impact of $23.5 million in fiscal 2019.

Other Taxes—Eight states recommended other tax increases, while four states proposed decreases for a net increase of $572 million in fiscal 2019, including proposals to reimburse local governments for a property tax credit in Nebraska, increase gross production taxes in Oklahoma, and impose a new severance tax in Pennsylvania. The general fund revenue impact of these changes is $611 million.

Fees—Three states proposed fee increases while one state proposed a decrease, resulting in a net increase of $92 million. California's cannabis license revenues, which are deposited into another state fund, make up the bulk of the total revenue impact in this category. The impact to the general fund of these fee changes is -$104 million.

Fiscal 2019 Revenue Measures—In addition to these tax and fee changes, state governors also recommended new revenue measures totaling $3.0 billion. The changes proposed by Alaska's governor to restructure the Alaska Permanent Fund once again account for a large portion of the total net revenue impact of fiscal 2019 revenue measures reported by states. The New Jersey governor's proposal to move energy sales tax dedicated revenue to the general fund also contributed significantly to the total revenue impact. These measures enhance general fund revenue but do not affect taxpayer liability 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 or diversions so that revenue is repurposed. *(See Appendix Table A-2)*

Fiscal 2018 Mid-Year Revenue Changes

Ten states enacted mid-year changes in taxes and fees affecting fiscal 2018, with three states enacting increases and seven states enacting decreases, for a total net revenue decrease of -$403 million for fiscal 2018. New Jersey's sales tax rate decrease, phase-in of the increased pension exclusion and personal exemption for veterans, and increased estate tax exemption accounted for most of the revenue impact. Several states also enacted revenue measures with a total fiscal 2018 revenue impact of $871 million. *(See Table 25, Appendix Tables A-3 and A-4)*

TABLE 22

Enacted State Revenue Changes, Fiscal 1979 to Fiscal 2018 and Recommended 2019

Fiscal Year	Revenue Change (Billions)
2019	$2.8
2018	9.9
2017	1.3
2016	0.5
2015	-2.3
2014	-2.1
2013	6.9
2012	-0.7
2011	6.2
2010	23.9
2009	1.5
2008	4.5
2007	-2.1
2006	2.5
2005	3.5
2004	9.6
2003	8.3
2002	0.3
2001	-5.8
2000	-5.2
1999	-7.0
1998	-4.6
1997	-4.1
1996	-3.8
1995	-2.6
1994	3.0
1993	3.0
1992	15.0
1991	10.3
1990	4.9
1989	0.8
1988	6.0
1987	0.6
1986	-1.1
1985	0.9
1984	10.1
1983	3.5
1982	3.8
1981	0.4
1980	-2.0
1979	-2.3

SOURCES: Fiscal 1979–1987 data from Advisory Commission on Intergovernmental Relations, Significant Features of Fiscal Federalism,1985-86 edition, page 77, based on data from the Tax Foundation and the National Conference of State Legislatures. Fiscal 1988–2019 data provided by the National Association of State Budget Officers.

FIGURE 3:

Enacted State Revenue Changes, Fiscal 1979 to Fiscal 2019

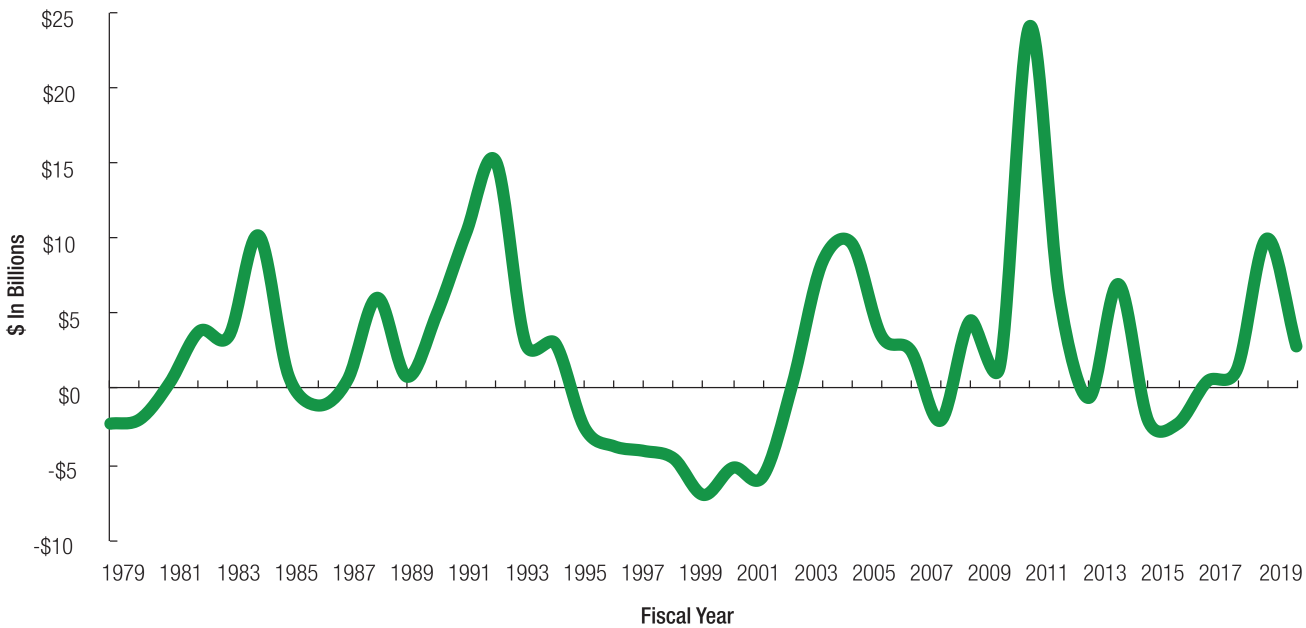


TABLE 23

Recommended Fiscal 2019 Revenue Actions by Type of Revenue and Net Increase or Decrease (Millions)

State	Sales & Use Tax	Personal Income Tax	Corporate Income Tax	Cigarette/ Tobacco Tax	Motor Fuel Tax	Alcohol Tax	Gaming Tax/ Lottery Revenue	Other Taxes and Revenues	Fees	Total
Alabama	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Alaska	0.0	160.0	0.0	0.0	40.3	0.0	0.0	0.0	0.0	200.3
Arizona	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Arkansas	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
California	0.0	0.0	-54.5	0.0	0.0	0.0	0.0	0.0	125.0	70.5
Colorado	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Connecticut	46.7	-583.9	647.0	34.2	30.0	1.5	0.0	71.7	0.0	247.2
Delaware	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-5.0	0.0	-5.0
Florida	-70.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-88.1	-158.3
Georgia	-2.3	252.0	13.0	0.0	0.0	0.0	0.0	-75.6	0.0	187.1
Hawaii	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Idaho	-0.5	-59.6	-35.1	0.0	0.0	0.0	0.0	0.0	0.0	-95.2
Illinois	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Indiana	-11.5	0.0	0.0	0.0	24.4	0.0	0.0	0.0	0.0	12.9
Iowa	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Kansas	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Kentucky	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Louisiana	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Maine	0.0	-93.1	18.2	0.0	0.0	0.0	0.0	-4.2	0.0	-79.1
Maryland*	0.0	-26.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-26.7
Massachusetts*	0.0	-84.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-84.0
Michigan	-2.7	-75.0	0.0	0.0	0.0	0.0	0.0	0.0	44.5	-33.2
Minnesota	6.6	-231.9	274.2	4.2	0.0	0.0	0.0	12.1	0.0	65.2
Mississippi	0.0	0.0	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	0.0	0.0
Montana	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nebraska	0.0	-219.0	-4.8	0.0	0.0	0.0	0.0	221.0	0.0	-2.8
Nevada	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
New Hampshire	0.0	0.0	20.7	0.0	0.0	0.0	0.0	3.0	0.0	23.7
New Jersey	608.0	630.8	110.0	65.0	0.0	0.0	0.0	-63.3	0.0	1,350.5
New Mexico	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
New York	-15.0	-1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-16.0
North Carolina	0.0	66.0	-12.0	0.0	0.0	0.0	0.0	0.0	0.0	54.0
North Dakota	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ohio*	-16.7	-9.7	0.0	-1.6	0.0	0.0	0.0	0.0	0.0	-28.0
Oklahoma	0.0	129.2	13.9	243.9	163.4	0.0	0.0	145.9	0.0	696.3
Oregon	0.0	245.4	100.0	0.0	0.0	0.0	0.0	0.0	0.0	345.4
Pennsylvania	0.0	0.0	0.0	0.0	0.0	0.0	0.0	248.7	0.0	248.7
Rhode Island	14.5	0.0	0.0	6.2	0.0	0.0	23.5	8.0	10.7	62.9
South Carolina	0.0	-162.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-162.4
South Dakota	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tennessee	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Texas	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Utah	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Vermont*	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Virginia	0.0	-4.3	0.0	0.0	0.0	0.0	0.0	9.9	0.0	5.6
Washington	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
West Virginia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Wisconsin	-14.0	-35.0	3.0	0.0	0.0	0.0	0.0	0.0	0.0	-46.0
Wyoming	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	**$542.9**	**-$102.2**	**$1,093.7**	**$352.0**	**$258.1**	**$1.5**	**$23.5**	**$572.2**	**$92.1**	**$2,833.7**
Increases	4	6	9	5	4	1	1	8	3	14
Decreases	8	13	4	1	0	0	0	4	1	12

*NOTE: See Appendix Table A-1 for details on specific revenue changes. *See Notes to Table 23 on page 60.*

TABLE 24

Recommended Fiscal 2019 Revenue Actions — General Fund Impact (Millions)

State	Sales & Use Tax	Personal Income Tax	Corporate Income Tax	Cigarette/ Tobacco Tax	Motor Fuel Tax	Alcohol Tax	Gaming Tax/ Lottery Revenue	Other Taxes and Revenues	Fees	Total
Alabama	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Alaska	0.0	0.0	0.0	0.0	-35.7	0.0	0.0	0.0	0.0	-35.7
Arizona	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Arkansas	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
California	0.0	0.0	-54.5	0.0	0.0	0.0	0.0	0.0	0.0	-54.5
Colorado	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Connecticut	33.6	-583.9	647.0	34.2	0.0	1.5	0.0	71.7	0.0	204.1
Delaware	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-5.0	0.0	-5.0
Florida	-70.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-88.3	-158.5
Georgia	-2.3	252.0	13.0	0.0	0.0	0.0	0.0	-36.7	0.0	226.0
Hawaii	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Idaho	-0.5	-59.6	-35.1	0.0	0.0	0.0	0.0	0.0	0.0	-95.2
Illinois	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Indiana	-11.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-11.5
Iowa	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Kansas	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Kentucky	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Louisiana	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Maine	0.0	-93.1	18.2	0.0	0.0	0.0	0.0	-4.2	0.0	-79.1
Maryland	0.0	-26.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-26.3
Massachusetts	0.0	-84.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-84.0
Michigan	-0.3	-59.8	0.0	0.0	0.0	0.0	0.0	0.0	-26.0	-86.1
Minnesota	6.6	-231.9	274.2	4.2	0.0	0.0	0.0	12.1	0.0	65.2
Mississippi	0.0	0.0	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	0.0	0.0
Montana	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nebraska	0.0	-219.0	-4.8	0.0	0.0	0.0	0.0	221.0	0.0	-2.8
Nevada	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
New Hampshire	0.0	0.0	20.7	0.0	0.0	0.0	0.0	3.0	0.0	23.7
New Jersey	608.0	0.0	110.0	65.0	0.0	0.0	0.0	-63.3	0.0	719.7
New Mexico	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
New York	-15.0	-1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-16.0
North Carolina	0.0	66.0	-12.0	0.0	0.0	0.0	0.0	0.0	0.0	54.0
North Dakota	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ohio	-16.2	-9.4	0.0	-1.5	0.0	0.0	0.0	0.0	0.0	-27.1
Oklahoma	0.0	117.2	11.4	243.9	163.4	0.0	0.0	145.9	0.0	681.8
Oregon	0.0	245.4	100.0	0.0	0.0	0.0	0.0	0.0	0.0	345.4
Pennsylvania	0.0	0.0	0.0	0.0	0.0	0.0	0.0	248.7	0.0	248.7
Rhode Island	14.5	0.0	0.0	6.2	0.0	0.0	23.5	8.0	10.7	62.9
South Carolina	0.0	-162.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-162.4
South Dakota	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tennessee	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Texas	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Utah	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Vermont	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Virginia	0.0	-4.3	0.0	0.0	0.0	0.0	0.0	9.9	0.0	5.6
Washington	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
West Virginia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Wisconsin	-14.0	-35.0	3.0	0.0	0.0	0.0	0.0	0.0	0.0	-46.0
Wyoming	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	**$532.7**	**-$889.1**	**$1,091.2**	**$352.0**	**$127.7**	**$1.5**	**$23.5**	**$611.1**	**-$103.6**	**$1,747.0**
Increases	4	4	9	5	1	1	1	8	1	11
Decreases	8	13	4	1	1	0	0	4	2	15

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

TABLE 25

Enacted Mid-Year Fiscal 2018 Revenue Actions by Type of Revenue and Net Increase or Decrease (Millions)

State	Sales & Use Tax	Personal Income Tax	Corporate Income Tax	Cigarette/ Tobacco Tax	Motor Fuel Tax	Alcohol Tax	Gaming Tax/ Lottery Revenue	Other Taxes and Revenues	Fees	Total
Alabama	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Alaska	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Arizona	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Arkansas	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
California	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-2.6	-2.6
Colorado	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Connecticut	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Delaware	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Florida	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Georgia	-1.8	28.0	45.0	0.0	0.0	0.0	0.0	-27.1	0.0	44.1
Hawaii	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Idaho	0.0	0.0	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	0.0	0.0
Indiana	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Iowa	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Kansas	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Kentucky	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Louisiana	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Maine	0.0	-9.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-9.2
Maryland	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Massachusetts	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Michigan	-0.2	-8.0	0.0	0.0	0.0	0.0	0.0	0.0	-28.3	-36.5
Minnesota	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mississippi	0.0	0.0	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	0.0	0.0
Montana	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	14.6	14.6
Nebraska	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nevada	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
New Hampshire	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
New Jersey	-202.9	-105.0	0.0	0.0	0.0	0.0	0.0	-139.0	0.0	-446.9
New Mexico	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
New York	-4.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-4.0
North Carolina	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
North Dakota	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ohio	0.0	-7.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-7.5
Oklahoma	0.0	0.0	0.0	0.0	0.0	0.0	0.0	48.5	0.0	48.5
Oregon	0.0	-3.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-3.8
Pennsylvania	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rhode Island	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
South Carolina	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
South Dakota	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tennessee	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Texas	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Utah	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Vermont	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Virginia	0.0	0.0	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	0.0	0.0
West Virginia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Wisconsin	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Wyoming	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	**-$208.9**	**-$105.5**	**$45.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**-$117.6**	**-$16.3**	**-$403.3**
Increases	0	1	1	0	0	0	0	1	1	3
Decreases	4	5	0	0	0	0	0	2	2	7

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

CHAPTER 2 NOTES

Notes to Table 16: General Fund Nominal Percentage Revenue Change, Fiscal 2017 to Fiscal 2019

Ohio The fiscal year 2018 annual revenue and expenditure decline is the result of the elimination of the sales tax on Medicaid managed care companies and the adoption of a provider assessment on all managed care companies. The provider tax, unlike the sales tax, will be deposited in a non-GRF dedicated purpose fund.

Notes to Table 18: Fiscal 2018 Tax Collections Compared With Projections Used in Adopting Fiscal 2018 Budgets

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

Maine Estimates used when the budget was adopted FY 2018 in the Fall 2017 survey were prior to the May 2017 recommended changes.

Michigan Consensus revenue forecast from May 2017 was the basis for original FY 2018 appropriations enacted.

Mississippi Estimate revised as adopted by the Joint Legislative Budget Commission

Tennessee Estimates used when the FY 2018 budget was adopted reflect general fund revenues only. The FY 2018 estimate used in the Fall 2017 Fiscal Survey reflect total revenues for all funds.

Notes to Table 20: Comparison of Tax Collections in Fiscal 2017, Fiscal 2018, and Recommended Fiscal 2019

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

Georgia Totals in Actual Collection Fiscal 2017 and Current Estimates Fiscal 2018 do not match the corresponding revenue totals in Tables 3 and 4 due to rounding.

Iowa Sales and use tax, personal income tax and corporate income tax figures are reported as “gross” (before refunds). The “all other general fund revenue” category is used here to adjust for tax refunds, so that the total revenue amounts are “net” (after refunds).

Michigan Consensus revenue forecast from May 2017 was the basis for original FY 2018 appropriations enacted. January 2018 consensus forecast was used for FY 2019 Executive Budget.

North Carolina Revenue for Lottery and Gaming is not a part of overall General Fund availability but go directly to support education, mostly K–12 and some scholarship funding for Higher Education. The funds are collected by the North Carolina Lottery Commission and are transferred to the North Carolina Department of Public Instruction and the University of North Carolina University System. Education program amounts that receive lottery funding are appropriated by the General Assembly each year and included in the final budget bill.

Ohio Sales and Use Tax: The fiscal year 2018 sales and use tax decline is the result of the elimination of the sales tax on Medicaid managed care companies and the adoption of a provider assessment on all managed care companies. The provider tax, unlike the sales tax, is deposited in a non-GRF dedicated purpose fund. Corporate Income Tax: Ohio doesn’t have a corporate income tax and instead has a commercial activities tax (CAT). The large increase in fiscal year 2018 is the result of allocating a higher percentage of the CAT revenue to the general fund and a lower percentage to property tax replacement funds.

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

Texas BRE Table A-12, CRE Table A-12, and the Monthly Revenue Watch were referenced.

Vermont All lottery proceeds benefits Vermont’s Education Fund, not the General Fund; the figure of $396.6M in Sales Tax collections reported in the fall survey is restated in this response to reflect the official portion of the revenue forecast comprised of this source; $8.1M and $29.8M of general fund revenue included in the current FY ‘18 and projected FY ‘19 forecast are attributed to the effect of federal income tax law changes.

Washington Transfers in and out of the general fund are included in revenue totals.

West Virginia Sales and Use Tax and Personal Income Tax revenues (actual and estimated) include special revenue transfers in each revenue group.

Wisconsin Lottery revenue is deposited to lottery fund, and therefore not reported here as part of general fund revenue collections.

Notes to Table 21: Percentage Changes in Tax Collections in Fiscal 2017, Fiscal 2018, and Recommended Fiscal 2019

Ohio Sales and Use Tax: The fiscal year 2018 sales and use tax decline is the result of the elimination of the sales tax on Medicaid managed care companies and the adoption of a provider assessment on all managed care companies. The provider tax, unlike the sales tax, is deposited in a non-GRF dedicated purpose fund. Corporate Income Tax: Ohio doesn't have a corporate income tax and instead has a commercial activities tax (CAT). The large increase in fiscal year 2018 is the result of allocating a higher percentage of the CAT revenue to the general fund and a lower percentage to property tax replacement funds.

Notes to Table 23: Recommended Fiscal 2018 Revenue Actions by Type of Revenue and Net Increase or Decrease

Maryland This does not account for revenue adjustments resulting from Federal tax reform.

Massachusetts The income tax rate reduction and tax revenue associated with the sale of recreational marijuana were accounted for in the Governor's Budget Recommendation but were enacted in separate legislation.

Ohio Tax increase and decrease figures provided are relative to fiscal year 2017 law baseline and are not incremental to the tax changes scored for fiscal year 2018.

Vermont Please note that these tax expenditures included in the Governor's Recommended Budget were treated as revenue decreases and reflected as such in Section 3's SFY19 revenue.

TOTAL BALANCES

CHAPTER THREE

Overview

Maintaining adequate balance levels helps states to mitigate disruptions to state services during an economic downturn and other unanticipated events. 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 and to help smooth revenue volatility. For example, these funds may be needed to ensure that budgets can be balanced when revenues do not meet expectations in the latter part of the fiscal year, and when budget cuts and revenue increases do not have enough time to take effect. State officials often try to avoid drawing down rainy day fund levels at the beginning of a downturn, and may also be legally prohibited from draining all rainy day funds immediately. When NASBO last conducted its *Budget Processes in the States* survey in fall 2014, 47 states reported having at least one budget stabilization fund or reserve account established to supplement general fund spending during a revenue downturn or other unanticipated shortfall (if the specific restrictions on the use of the fund are met).[5] However, in the last couple of years, the three remaining states — Arkansas, Kansas and Montana — have each taken steps to create a separate rainy day fund. Other states have also taken deliberate policy actions recently to strengthen their reserves such as by refining methods of deposit and tying target fund size to revenue volatility.

Technical Note: Calculating a State's Total Balance

Generally, a state's total balance in this survey is calculated as the sum of the general fund ending balance and the rainy day fund balance. However, there are numerous exceptions to this. For example, in nine states, the reported general fund ending balance already includes the rainy day fund balance, and in several of these states, the two terms are synonymous (the reported ending balance is the rainy day fund balance). Meanwhile, in a few other states, the rainy day fund balance already factors in the state's ending balance (positive or negative) reported for that fiscal year. In California, which has two funds that collectively make up the state's reported rainy day balance, one of those funds is included in the ending balance but the other is not. NASBO's total balance calculations in Table 30 account for these differing practices and reporting procedures, which are further described in state-specific footnotes. For the first time in this survey, states were also asked to indicate whether any portion of the ending balance reported for a given year is already budgeted, obligated, appropriated or legally reserved to be spent in a subsequent year. While NASBO did not exclude these designated amounts from a state's total balance, footnotes are provided for those states that reported them.

Total Balances

Total balances include ending balances (both reserved and unreserved) and the amounts in states' budget stabilization or rainy day funds. Since fiscal 2009 and fiscal 2010, when states' total balance levels declined due to the severe drop in revenues and rise in expenditure demands resulting from the Great Recession, states have made significant progress rebuilding budget reserves. Total balance levels have been relatively stable in recent years. After reaching an all-time high in nominal dollars of $82.2 billion in fiscal 2015 (10.9 percent of general fund spending), they dipped slightly in fiscal 2016 to $81.5 billion and again in fiscal 2017 to $77.3 billion. In fiscal 2018, they are estimated to increase slightly to $78.0 billion, but are projected to decline again in fiscal 2019 to $74.6 billion (8.9 percent of spending). *(See Table 26, Figure 4)* While ending balances fluctuate from year to year due to a variety of factors, rainy day fund balances — a core component of total balances — have continued to increase to record levels, as discussed in more detail below.

Balance levels vary considerably across states. In fiscal 2017, 36 states had total balance levels above 5 percent as a share of general fund spending — and 21 of these states had total balances above 10 percent. In fiscal 2018, once again a sig-

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

nificant majority of states (37) estimated total balance levels exceeding 5 percent of expenditures, with 20 of these states holding balances greater than 10 percent, while ten states had balances between 1 and 5 percent, and two states had balances below 1 percent. In fiscal 2019, based on governors' budgets, 37 states expect to end the upcoming fiscal year with total balances exceeding 5 percent, with 19 of these states projecting balance levels above 10 percent. Meanwhile, nine states are forecasting balance levels between 1 and 5 percent and two states are projecting balances of less than 1 percent.[6] The median total balance as a percent of general fund spending was 8.3 percent in fiscal 2017, is estimated at 8.7 percent in fiscal 2018, and is projected to be 9.1 percent in fiscal 2019 governors' budgets. Oklahoma and Wisconsin were not able to provide complete balance information for all three years. *(See Tables 28 and 30, and Figures 6–8)*

Rainy Day Funds

State balances exclusively in rainy day funds — budget stabilization funds and/or reserve accounts set aside to respond to unforeseen circumstances — reflect deliberate state policy choices by elected officials. In recent years, governors and state lawmakers have focused on rebuilding their states' rainy day funds. Rainy day fund balances, in the aggregate, grew steadily in the several years following the Great Recession, and have continued to increase as states have made building reserves a top budget priority. From fiscal 2011 to fiscal 2018, the median rainy day fund balance grew from 1.9 percent as a share of general fund expenditures to 5.8 percent, surpassing the pre-recession peak of 4.9 percent. Even as total balances have fluctuated somewhat due to revenue volatility, rainy day fund balances have continued on the upswing, with 30 states reporting increases in fiscal 2018 while seven states had decreases. Most of the states with decreases reported using their rainy day fund as a budget management strategy in fiscal 2018.

Governors once again made building reserves a priority in their fiscal 2019 budgets, recommending an increase from $53.9 billion (with a median of 5.8 percent as a share of general fund spending) to $58.1 billion (median of 6.2 percent). *(See Table 27 and Figure 5)* Twenty-eight states are forecasting increases in fiscal 2019, while just three states expect decreases in their rainy day fund balances.

Rainy day fund levels, as a share of expenditures, vary across states. This variation is related to differing fiscal conditions, rainy day fund structures, policy decisions, revenue volatility levels and other factors. For example, in fiscal 2017, seven states had rainy day fund balances of 10 percent or more, while six states had balances below 1 percent. Sixteen states had balances between 1 and 5 percent, and 21 states had balances between 5 and 10 percent. In fiscal 2019, 30 states are expected to have rainy day fund balances exceeding 5 percent of general fund spending. Three states — Georgia, Oklahoma and Wisconsin — were not able to report on their rainy day fund balance levels for fiscal 2018 and/or fiscal 2019. Excluding these three states, rainy day fund balances are expected to total $52.0 billion in fiscal 2017, $53.6 billion in fiscal 2018, and $58.1 billion in fiscal 2019. *(See Tables 29 and 31)*

Rainy Day Fund Names. All states now have at least one rainy day fund established to supplement general fund spending during a revenue downturn or other unanticipated shortfall, most commonly referred to as a "budget stabilization fund" or "budget reserve fund." *(See Table 32)*. Some states also have a reserve fund dedicated to supplement education funding or for other specific purposes. States provided the names of the funds that are included in the rainy day fund balances reported in this survey. Some more targeted state reserve funds that are not intended to supplement general fund spending may be excluded from the balances listed in this report.

[6] Oklahoma is excluded for fiscal 2018 as the state was unable to provide complete data for this year.

TABLE 26
Total Balances, Fiscal 1979 to Fiscal 2019

Fiscal Year	Total Balance (Billions)	Total Balance (Percentage of Expenditures)
2019*	$74.6	8.9%
2018*	78.0	9.4
2017	77.3	9.6
2016	81.5	10.4
2015	82.2	10.9
2014	73.7	10.2
2013	73.9	10.6
2012	55.4	8.3
2011	45.4	7.0
2010	32.0	5.1
2009	31.3	4.7
2008	59.8	8.7
2007	68.0	10.4
2006	69.0	11.5
2005	50.4	9.1
2004	28.5	5.4
2003	16.5	3.2
2002	18.4	3.6
2001	38.5	7.6
2000	48.1	10.3
1999	39.3	9.0
1998	35.4	8.6
1997	30.7	7.9
1996	25.1	6.8
1995	20.6	5.8
1994	16.9	5.1
1993	13.0	4.2
1992	5.3	1.8
1991	3.1	1.1
1990	9.4	3.4
1989	12.5	4.8
1988	9.8	4.2
1987	6.7	3.1
1986	7.2	3.5
1985	9.7	5.3
1984	6.4	3.8
1983	2.3	1.5
1982	4.5	2.9
1981	6.5	4.4
1980	11.8	9.4
1979	11.2	9.8
Average	**—**	**6.6%**

*NOTE: *Figures for fiscal 2018 are estimated; figures for fiscal 2019 are projected based on governors' recommended budgets. Figures for fiscal 2018 exclude Oklahoma, and figures for fiscal 2019 exclude Oklahoma and Wisconsin. Historical total balance data shown in this table may differ from figures published in previous editions of The Fiscal Survey of States, as figures for some years were updated based on a review of original source data.*

TABLE 27

Rainy Day Fund Balances, Fiscal 2000 to Fiscal 2019

Fiscal Year	RDF Balance (Billions)	Total RDF Balance (Percentage of Expenditures)	Median RDF Balance (Percentage of Expenditures)
2019*	$58.1	7.2%	6.2%
2018*	53.9	6.7%	5.8%
2017	54.7	6.8%	5.6%
2016	51.6	6.6%	5.4%
2015	47.8	6.3%	4.9%
2014	47.7	6.6%	4.5%
2013	41.6	6.0%	3.6%
2012	34.4	5.2%	2.7%
2011	24.7	3.8%	1.9%
2010	21.0	3.4%	2.0%
2009	29.0	4.4%	2.8%
2008	32.9	4.8%	4.9%
2007	30.0	4.6%	4.8%
2006	31.4	5.2%	4.7%
2005	25.4	4.6%	2.7%
2004	12.1	2.3%	1.9%
2003	7.9	1.6%	0.7%
2002	7.2	1.4%	2.0%
2001	21.7	4.3%	4.6%
2000	27.9	6.0%	4.5%
Average	**—**	**4.8%**	**3.7%**

*NOTE: *Figures for fiscal 2018 are estimated; figures for fiscal 2019 are projected based on governors' recommended budgets. Figures for fiscal 2018 exclude Georgia and Oklahoma. Figures for fiscal 2019 exclude Georgia, Oklahoma and Wisconsin.*

FIGURE 4:
Total Balances as a Percentage of Expenditures, Fiscal 2000 to Fiscal 2019

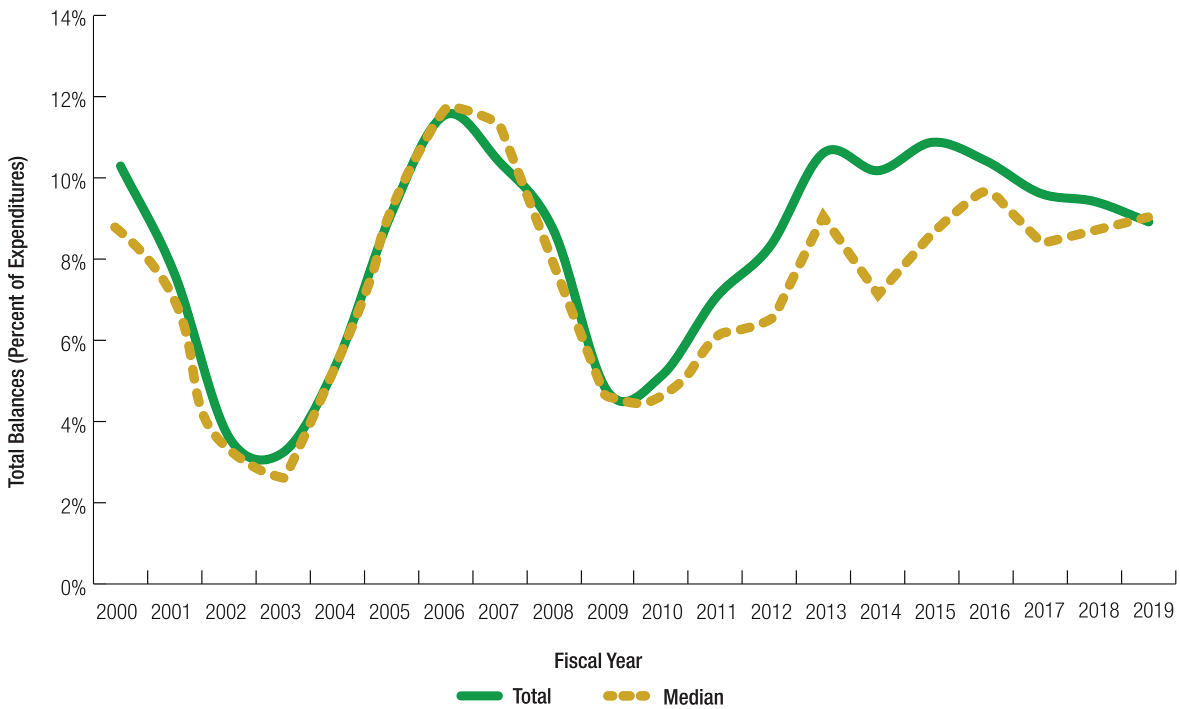


FIGURE 5:
Rainy Day Fund Balances as a Percentage of Expenditures Fiscal 2000 to Fiscal 2019

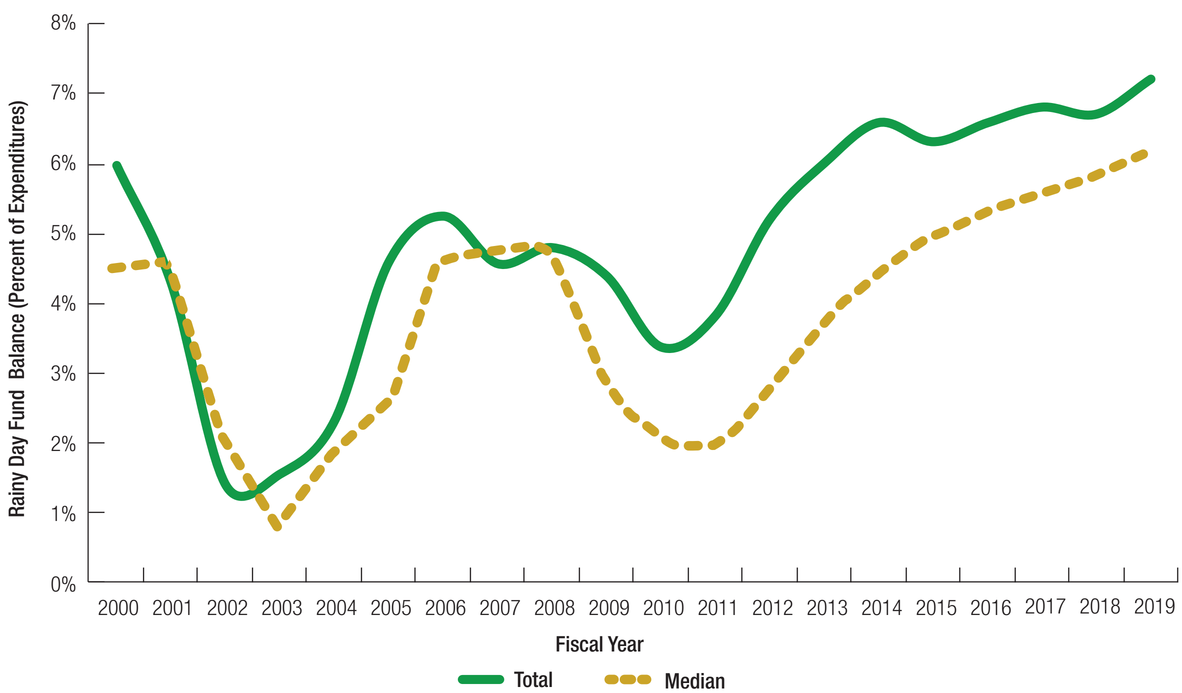


TABLE 28

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

	Number of States		
Percentage	Fiscal 2017 (Actual)	Fiscal 2018 (Estimated)	Fiscal 2019 (Recommended)
Less than 1%	1	2	2
> 1% but < 5%	13	10	9
> 5% but < 10%	15	17	18
10% or more	21	20	19
N/A	0	1	2

NOTE: See Table 30 for state-by-state data. Oklahoma was unable to provide complete total balance data for fiscal 2018 and fiscal 2019. Wisconsin was unable to provide complete data for fiscal 2019.

TABLE 29

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

	Number of States		
Percentage	Fiscal 2017 (Actual)	Fiscal 2018 (Estimated)	Fiscal 2019 (Recommended)
Less than 1%	6	6	6
> 1% but < 5%	16	15	11
> 5% but < 10%	21	21	22
10% or more	7	6	8
N/A	0	2	3

NOTE: See Table 31 for state-by-state data. Georgia and Oklahoma were unable to provide rainy day fund balance data for fiscal 2018 and fiscal 2019. Wisconsin was unable to provide data for fiscal 2019.

Changing Balance Levels Fiscal 2017, Fiscal 2018, Fiscal 2019

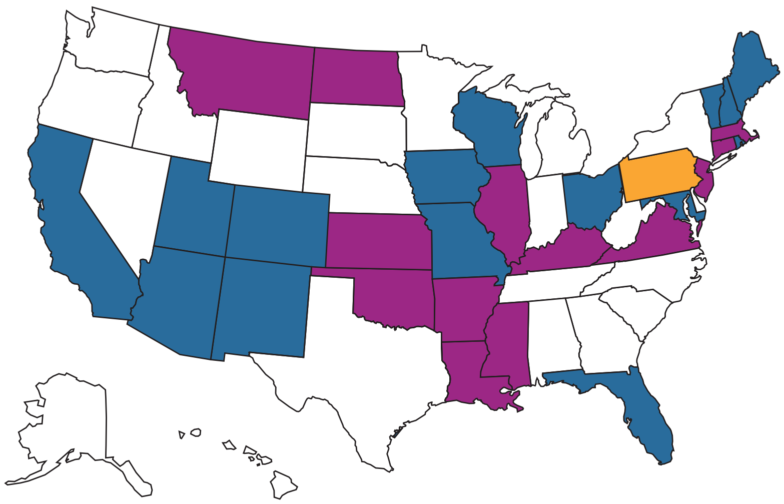


FIGURE 6:
State Total Balance Levels Fiscal 2017

- Less than 1 percent (1)
- Greater than 1 percent but less than 5 percent (13)
- Greater than 5 percent but less than 10 percent (15)
- Greater than 10 percent (21)

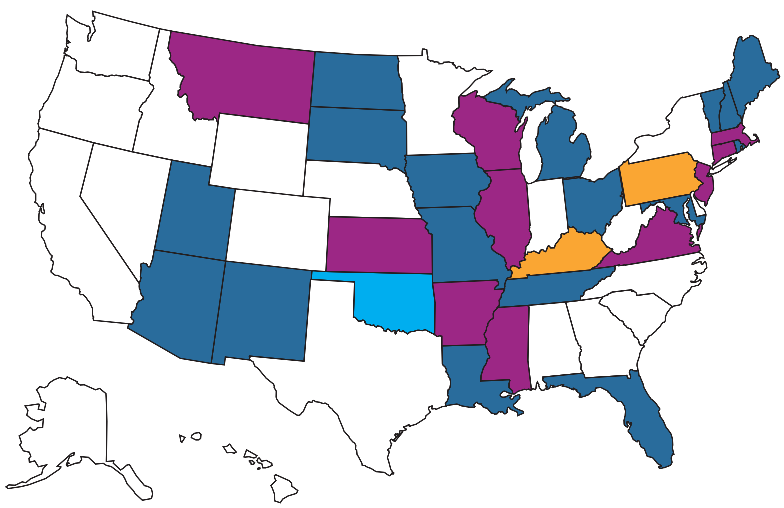


FIGURE 7:
State Total Balance Levels Fiscal 2018

- Less than 1 percent (2)
- Greater than 1 percent but less than 5 percent (10)
- Greater than 5 percent but less than 10 percent (17)
- Greater than 10 percent (20)
- Data not available (1)

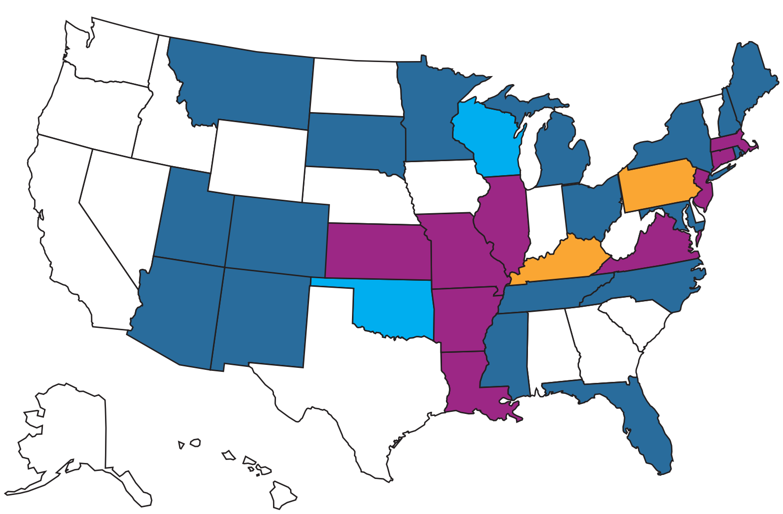


FIGURE 8:
State Total Balance Levels Fiscal 2019

- Less than 1 percent (2)
- Greater than 1 percent but less than 5 percent (9)
- Greater than 5 percent but less than 10 percent (18)
- Greater than 10 percent (19)
- Data are not available (2)

TABLE 30

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

	Total Balances ($ in Millions)				Total Balances as a Percent of General Fund Expenditures		
State	Fiscal 2017	Fiscal 2018	Fiscal 2019		Fiscal 2017	Fiscal 2018	Fiscal 2019
Alabama*	$916	$983	$928		11.2%	11.7%	10.7%
Alaska*	4,641	2,360	1,953		103.2	52.5	46.6
Arizona	613	506	536		6.4	5.1	5.3
Arkansas*	123	128	192		2.3	2.3	3.4
California*	11,324	13,762	16,914		9.5	10.9	12.8
Colorado***	614	1,168	958		5.9	10.5	7.9
Connecticut	213	878	895		1.2	4.7	4.7
Delaware* ***	475	542	481		11.6	13.0	11.0
Florida	2,899	2,784	2,753		9.6	8.7	8.4
Georgia***	2,472	2,472	2,472		10.7	10.4	10.0
Hawaii	1,205	1,327	1,168		16.1	18.0	14.8
Idaho	514	608	489		15.8	17.6	13.3
Illinois***	1,368	1,368	1,384		4.4	4.0	4.0
Indiana	1,777	1,720	1,627		11.5	11.0	10.1
Iowa	605	628	870		8.3	8.7	11.8
Kansas	109	267	150		1.7	4.0	2.2
Kentucky*	266	8	70		2.4	0.1	0.6
Louisiana	409	589	339		4.5	6.2	3.9
Maine*	266	286	352		7.9	8.1	9.8
Maryland	1,091	1,066	983		6.3	6.2	5.5
Massachusetts* ***	1,448	1,446	1,534		3.5	3.4	3.5
Michigan	1,333	995	937		13.6	9.8	9.4
Minnesota***	3,333	2,312	2,139		15.8	10.1	9.1
Mississippi*	273	277	494		4.8	4.9	9.0
Missouri	467	548	413		5.1	5.8	4.2
Montana	48	58	123		2.0	2.5	5.3
Nebraska	929	484	501		21.4	11.0	11.3
Nevada	473	487	570		11.9	12.2	14.0
New Hampshire	100	101	101		6.6	6.8	6.6
New Jersey	787	738	742		2.3	2.1	2.0
New Mexico***	505	617	636		8.2	10.0	10.0
New York***	7,749	9,167	5,120		11.4	13.1	6.8
North Carolina*	2,310	2,329	2,022		10.5	10.1	8.2
North Dakota	103	140	226		4.1	6.5	10.5
Ohio*	2,591	2,535	2,229		7.4	7.8	6.6
Oklahoma	177	N/A	N/A		3.1	N/A	N/A
Oregon	1,739	1,621	1,583		18.9	16.7	15.6
Pennsylvania	-1,539	41	26		-4.8	0.1	0.1
Rhode Island	254	196	198		6.9	5.2	5.2
South Carolina* ***	1,076	1,084	1,107		14.1	13.7	14.0
South Dakota	165	158	158		10.7	10.0	9.7
Tennessee	2,315	1,245	851		17.5	8.6	5.7
Texas	11,173	10,606	11,295		20.8	19.4	21.5
Utah	592	565	528		9.2	8.4	7.5
Vermont	107	125	227		6.9	8.1	14.3
Virginia	677	290	339		3.4	1.4	1.6
Washington	2,738	3,039	2,672		14.2	14.8	11.7
West Virginia*	1,051	1,005	1,018		24.7	23.4	23.0
Wisconsin	862	832	N/A		5.0	4.9	N/A
Wyoming	1,538	1,538	1,324		100.5	100.5	91.2
Total**	**$77,273**	**$78,030**	**$74,629**		**9.6%**	**9.4%**	**8.9%**
				Median	8.3%	8.7%	9.1%

*NOTES: Total balances include both the ending balance and Rainy Day Funds. Fiscal 2017 are actual figures, fiscal 2018 are estimated figures, and fiscal 2019 are recommended figures. N/A indicates data not available. *See notes to Table 30 on page 71. **Fiscal 2018 figures exclude Oklahoma and fiscal 2019 figures exclude Oklahoma and Wisconsin, as complete data for these states were not available for these years. ***Ending Balance includes Rainy Day Fund.*

TABLE 31

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

	Rainy Day Fund Balances ($ in Millions)**				Rainy Day Fund Balances as a Percent of General Fund Expenditures		
State	Fiscal 2017	Fiscal 2018	Fiscal 2019		Fiscal 2017	Fiscal 2018	Fiscal 2019
Alabama	$766	$788	$853		9.4%	9.4%	9.9%
Alaska	4,641	2,360	1,913		103.2	52.5	45.6
Arizona	461	463	469		4.8	4.7	4.6
Arkansas	123	128	128		2.3	2.3	2.3
California*	10,159	12,598	15,749		8.5	10.0	12.0
Colorado	614	1,168	958		5.9	10.5	7.9
Connecticut*	213	878	895		1.2	4.7	4.7
Delaware	221	232	236		5.4	5.6	5.4
Florida	1,384	1,417	1,485		4.6	4.4	4.5
Georgia*	2,309	N/A	N/A		10.0	N/A	N/A
Hawaii	311	320	328		4.2	4.3	4.2
Idaho	413	394	419		12.7	11.4	11.4
Illinois	10	10	10		0.0	0.0	0.0
Indiana	1,474	1,434	1,444		9.5	9.2	8.9
Iowa	605	624	677		8.3	8.6	9.2
Kansas	0	0	0		0.0	0.0	0.0
Kentucky	151	8	70		1.3	0.1	0.6
Louisiana	287	314	339		3.1	3.3	3.9
Maine	209	211	211		6.2	6.0	5.9
Maryland	833	859	883		4.8	5.0	5.0
Massachusetts	1,301	1,367	1,463		3.2	3.2	3.3
Michigan	710	889	922		7.2	8.8	9.3
Minnesota	1,980	1,997	2,016		9.4	8.8	8.6
Mississippi	269	277	382		4.7	4.9	7.0
Missouri	294	305	308		3.2	3.2	3.1
Montana	0	0	0		0.0	0.0	0.0
Nebraska	681	332	274		15.7	7.6	6.2
Nevada	39	169	265		1.0	4.2	6.5
New Hampshire	100	100	101		6.6	6.7	6.6
New Jersey	0	0	0		0.0	0.0	0.0
New Mexico	505	617	636		8.2	10.0	10.0
New York	1,798	1,798	1,798		2.6	2.6	2.4
North Carolina*	1,838	1,838	2,022		8.3	8.0	8.2
North Dakota	38	73	161		1.5	3.4	7.5
Ohio	2,034	2,034	2,034		5.8	6.3	6.0
Oklahoma*	93	N/A	N/A		1.6	N/A	N/A
Oregon	761	940	1,241		8.3	9.7	12.3
Pennsylvania	0	0	14		0.0	0.0	0.0
Rhode Island	193	196	197		5.2	5.1	5.2
South Carolina	487	509	531		6.4	6.4	6.7
South Dakota	157	158	158		10.2	10.0	9.7
Tennessee	668	800	850		5.0	5.5	5.7
Texas	10,290	10,457	11,201		19.2	19.1	21.3
Utah	507	507	512		7.9	7.5	7.3
Vermont	107	125	197		6.9	8.1	12.4
Virginia	549	282	285		2.7	1.4	1.4
Washington	1,638	1,364	1,395		8.5	6.6	6.1
West Virginia	652	718	731		15.4	16.7	16.5
Wisconsin	283	285	N/A		1.7	1.7	N/A
Wyoming	1,538	1,538	1,324		100.5	100.5	91.2
Total**	**$54,696**	**$53,879**	**$58,087**		**6.8%**	**6.7%**	**7.2%**
				Median	5.6%	5.8%	6.2%

*NOTES: N/A indicates data not available. Fiscal 2017 are actual figures, fiscal 2018 are estimated figures, and fiscal 2019 are recommended figures. *See Notes to Table 31 on page 72. **Total Rainy day fund balances for fiscal 2018 exclude Georgia and Oklahoma, and fiscal 2019 excludes Georgia, Oklahoma and Wisconsin, as data were unavailable for these years.*

TABLE 32

State Rainy Day Fund Names*

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

*Notes: *Above are the names of those funds that are included in the rainy day fund balances reported in this survey. For more details on how these funds are structured, as well as information on other more targeted state budget stabilization funds not included here, see NASBO's* Budget Processes in the States *(2015), Table 14.*

CHAPTER 3 NOTES

Notes to Table 30: Total Balances, Dollar Amount and Percentage of Expenditures, Fiscal 2017 to Fiscal 2019

Alabama In 2017 $50,000,000 from the BP settlement was budgeted to be used for Medicaid in 2018.

Alaska Ending balance includes multi-year appropriations for each fiscal year.

Arkansas For fiscal 2019, 25% of the ending balance will be transferred to Arkansas Highway Transfer Fund.

California The ending balance in each year includes a reserve for encumbrances of $1,165 million representing amounts which will be expended in the future for state obligations for which goods and services have been ordered/contracted, but have not been received by the end of the fiscal year. These amounts are shown as a reserve to the fund balance instead of a hit to the fund balance.

The ending balance includes the SFEU but excludes the BSA (a rainy day reserve held in a separate fund). For FY 2017, FY 2018 and FY 2019, the excluded amounts are $6,713.4 million, $8,411.4 million, and $13,461.4 million, respectively. Adding these amounts to the ending balance for each year, the projected total balances are $11,324.1 million in FY 2017, $13,762.3 million in FY 2018 and $16,913.7 million in FY 2019.

Delaware Fiscal year ending balance for each year includes encumbered appropriations and those appropriations legislatively continued into the ensuing fiscal year.

Kentucky The FY 2017 $115 million ending balance was budgeted for use in the FY 2018 enacted budget.

Maine For the ending balance in fiscal 2018, transfers funds into the Budget Stabilization Fund from unclaimed property and transfers $2M from the Budget Stabilization Fund to the General Fund, and up to $65M to a General Fund Reserve account for disallowed costs from the Centers for Medicare and Medicaid Services.

Massachusetts Ending balance includes the following amounts in reserved balances to be spent in the next fiscal year: $117.4 million in FY17; $67 million in FY18; $63 million in FY19.

Mississippi For FY17 and FY18, ending balance includes reappropriation of funds among various agencies.

North Carolina There are several restricted reserves that are not included in either the ending balance above or the rainy day fund. They include A Medicaid Transformation Reserve ($300M), Medicaid Contingency Reserve ($186.4M), and the states emergency disaster fund ($60.65M).

Ohio The fiscal 2017 ending balance included funds to support $386.2 million in open encumbrances. The fiscal 2018 ending balance will include funds to support open encumbrances at year end. The estimated FY18 open encumbrance balance is $276.7 million. The fiscal 2019 ending balance is based on appropriations; however, cash equal to open encumbrances at the end of the year will be reserved in the ending balance.

South Carolina The ending balance includes designated portion for Capital Reserve Fund already budgeted, obligated, appropriated or legally reserved to be spent in a subsequent year: $139.2M in FY17, $145.4M in FY18; $151.6M in FY19.

West Virginia For FY17, ending balance of $398.1m was designated as follows; $285.1m reappropriated, $35.9m 13th month expenditures, $1.1m cash adjustments, $38.0m surplus appropriations, and $38.0m transferred to Rainy Day. For FY18, estimated ending balance of $286.6m is estimated to be designated as follows; $228.0m reappropriated, $30.0m 13th month expenditures, $1.0m cash adjustments, $13.8m surplus appropriations, and $13.8m transferred to Rainy Day. For FY19, $259.0m of the estimated ending balance of $317.1m is estimated to be designated as follows; $228.0m reappropriated, $30.0m 13th month expenditures, 1.0m cash adjustments, $0.0m surplus appropriations, and $0.0m transferred to Rainy Day. (note that $58.1m is estimated to remain unappropriated unless surplus develops throughout the year).

Notes to Table 31: Rainy Day Fund Balances, Dollar Amount and as a Percentage of Expenditures, Fiscal 2017 to Fiscal 2019

California The rainy day balance is made up of the Special Fund for Economic Uncertainties and the BSA, however, withdrawals from the BSA are subject to provisions of Proposition 2, 2014.

Connecticut The reported rainy day fund balance includes the ending balance for each fiscal year. Connecticut has a new "volatility" cap, effective in fiscal 2018. This new law caps Estimates and Finals revenue at $3.15 billion, with any amounts over the cap transferred to the budget reserve fund (BRF). Based on current estimates, the state is expected to make a $664.9 million transfer to the BRF, growing it to $877.8 million. The current deficit of $192.7 million in FY 2018 is also expected to be solved prior to the end of the fiscal year.

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

North Carolina There are several restricted reserves that are not included in either the ending balance above or the rainy day fund. They include A Medicaid Transformation Reserve ($300M), Medicaid Contingency Reserve ($186.4M), and the states emergency disaster fund ($60.65M).

Oklahoma The balance in the Rainy Day Fund is not estimated at this time due to possible legislative expenditures from the fund.

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

CHAPTER FOUR

Medicaid, a means-tested entitlement program financed by the states and the federal government, provides comprehensive and long-term medical care for over 75 million low-income individuals. Medicaid is estimated to account for about 29 percent of total state spending from all fund sources in fiscal 2017, the single largest portion of total state expenditures, and 20.3 percent of general fund expenditures according to NASBO's most recent *State Expenditure Report* released in November 2017. The following sections look at Medicaid spending and enrollment, programmatic changes and trends, and changes attributable to the Affordable Care Act (ACA) including expenditures for Medicaid expansion. The survey information covers actual results for state fiscal year 2017, estimated data for 2018, and governors' proposed budgets for 2019.

Medicaid Spending Trends

In fiscal 2017, states spent $558.2 billion in total on Medicaid, with $158.1 billion from general funds, $61.4 billion from other state funds and $338.6 billion from federal funds. Fiscal 2017 was the first year that the 5 percent state share of costs for the newly eligible under the Medicaid expansion are reflected. For fiscal 2018, states are estimated to spend $604.4 billion in total on Medicaid with $165.7 billion from general funds, $70.0 billion from other state funds and $368.7 billion from federal funds. Total Medicaid spending is estimated to increase by 5.2 percent (median) in fiscal 2018, with state funds increasing by a median of 4.5 percent (general funds by 3.2 percent, other state funds by 7.8 percent) and federal funds increasing by 5.9 percent over the fiscal 2017 amounts.

Governors' recommended budgets for fiscal 2019 assume total Medicaid spending of $609.9 billion with $169.4 billion from general funds, $65.6 billion from other state funds and $374.9 billion from federal funds. Total Medicaid spending is estimated to increase 1.9 percent (median) with spending from state funds increasing by a median of 1.5 percent, (general funds by 3.4 percent, other state funds flat at 0 percent) and federal funds increasing by 2.3 percent over the fiscal 2018 amounts. *(See Tables 33 and 34 and Notes)*

The timing of Medicaid expenditures may vary from year to year and may not reflect underlying program activity in a given year. Given large swings in some states — due in part to accounting issues — that can substantially influence average Medicaid spending growth rates, examining the median percentage change better reflects underlying trends. Though it varies by state, other state funds may include provider taxes, fees and assessments, pharmaceutical rebates, intergovernmental transfers and local funds.

About one-third of the states also reported having Medicaid expenditures from non-federal funding sources that are included in reporting to the Centers for Medicare and Medicaid Services (CMS) but are not included in state budgets, and therefore excluded from the figures reported in Tables 33 and 35. These funds may include certified public expenditures and other local funds and may be used for services provided in schools or in county hospitals and are used as the state share to draw down federal Medicaid funds. For fiscal 2018, the estimated amount of the non-federal share that did not flow through state budgets totaled roughly $19 billion.

The relatively moderate increase of 1.9 percent (median) in total Medicaid spending included in governors' proposed budgets for fiscal 2019 is reflective of an improved economy, which would be expected to have a moderating effect on enrollment for adults and children. However, stronger economic conditions have little impact on the aged and disabled populations.

Medicaid Expansion Under the Affordable Care Act. Beginning January 1, 2014, state Medicaid programs effectively had the option to expand eligibility to cover non-pregnant, non-elderly individuals with incomes up to 138 percent of the federal poverty level. Beginning January 1, 2017, states that expanded Medicaid began paying 5 percent of the costs for the newly eligible individuals, with that amount increasing to 6 percent in January 1, 2018, 7 percent in January 1, 2019, and 10 percent in January 1, 2020 and thereafter. As of May 2018, 32 states and the District of Columbia have expanded Medicaid and several other states are debating the issue. While Maine voters adopted the Medicaid expansion through a ballot initiative in November 2017, the program has not yet been funded.

Medicaid Expansion Expenditures

States that expanded Medicaid under the ACA provided expenditure data related to the Medicaid expansion in fiscal years 2017, 2018, and 2019. More specifically, states were asked to include all expenditures falling under the new adult eligibility group (known as Group VIII) as reported to CMS, including Group VIII expenditures for both "newly eligible" and "not newly eligible" populations.

Total state funds include both state general funds and other state funds. In addition to the general fund, states use a combination of revenue sources including premium taxes, cigarette taxes, pharmaceutical rebates, intergovernmental transfers, provider assessments, and local funds to provide the state match.

In fiscal 2017, states reported total spending for Medicaid expansion of $87.7 billion, $6.7 billion in state funds, and $81.1 billion in federal funds *(See Table 35).* In fiscal 2018, states are estimated to spend $91.2 billion in all funds, $10.3 billion in state funds, and $80.9 billion in federal funds. In governors' proposed budgets for fiscal 2019, projected spending for Medicaid expansion totals $98.9 billion, $10.0 billion in state funds, and $88.9 billion in federal funds. Medicaid expansion spending from all fund sources is expected to increase by $3.5 billion in fiscal 2018 (with state funds increasing $3.6 billion) and by $7.7 billion in fiscal 2019 (with state funds decreasing by $306 million). New Hampshire's spending amounts are excluded from these totals, as the state was unable to provide data for all three fiscal years.

Medicaid Enrollment

Average enrollment in 2017 is estimated at 73.5 million and is projected to increase to 74.8 million by 2018, representing a 1.8 percent increase according to the CMS Office of the Actuary. Among states expanding Medicaid, enrollment in Medicaid and the Children's Health Insurance Program (CHIP) grew 38 percent since the July–September 2013 baseline period, according to the CMS January 2018 enrollment report. States not expanding Medicaid reported a 12 percent increase over the same period. According to the CMS Office of the Actuary, enrollment is projected to increase at an average annual rate of 1.5 percent and to reach 81.6 million in 2025.

Medicaid Programmatic Changes

States reported the types of changes they made in the Medicaid program in fiscal 2018 and proposed changes for fiscal 2019. Trends in state actions in Medicaid varied with 34 states increasing payments to providers in fiscal 2018 and 14 states restricting provider payments. Due to the multiple types of provider payments, nine states reported doing both. In governors' proposed budgets in fiscal 2019, 31 states would increase rates while 13 states would restrict rates. The greater number of provider increases versus restrictions reflects stable and improved state fiscal conditions *(See Tables 36 and 37).*

Other significant actions states took in fiscal 2018 include enhancing program integrity in 24 states, expanding or restoring benefits in 19 states, pursuing policies to cut costs of prescription drugs in 15 states, and expanding managed care in 15 states. In governors' proposed budgets for fiscal 2019, 20 states plan to enhance program integrity efforts, 15 states propose to expand or restore benefits, 16 states plan to expand managed care, and 14 states are planning to pursue policies to reduce costs for prescription drugs.

Provider Tax Increases for Medicaid. Some states have increased or plan to increase resources for Medicaid through provider taxes or fees. For fiscal 2018, ten states have raised or plan to raise provider taxes or fees while six states have plans to raise provider taxes or fees in governors' proposed budgets for fiscal 2019. Restrictions to provider taxes and fees have surfaced in federal deficit reduction proposals, in Presidents' proposed budgets, and in congressional proposals over the years. *(See Table 38).*

Medicaid Spending Trends and Budget Pressures. States were asked to identify issues and trends that are affecting their Medicaid spending. The most frequent responses were around pharmacy costs, particularly for specialty drugs, and overall enrollment and utilization trends such as for elderly and disabled individuals. Other issues states mentioned were substance use disorder treatment costs, reimbursement rates to providers, changes in federal laws and regulations including monitoring any legislation that would affect the ACA, the lower match for the expansion population, and changes to payment and delivery systems. Several states mentioned behavioral health spending, the impact of the opioid crisis, and plans to apply for Section 1115 demonstration waivers.

Recent Trends in Medicaid Waivers. The federal focus in Medicaid is now concentrated on increasing state flexibility through Section 1115 Medicaid demonstration waivers including a willingness by the Administration to approve state requests that include instituting work requirements and other provisions that have not been tried before in the Medicaid program. Waivers have been a longstanding feature of the Medicaid program as a way to test new approaches. States have used waiver authority to expand Medicaid under the Affordable Care Act, provide incentives for healthy behaviors, change delivery systems, and address behavioral health and substance abuse disorder among other trends.

As of April 27, 2018, 36 states had 43 approved Section 1115 waivers and 23 states had 25 pending waivers, according to the Kaiser Family Foundation. Some of the states with pending waivers include provisions such as work or community engagement requirements, premiums, and benefit restrictions. Ten of the states reporting waivers have either budgeted separately for administrative costs in approved waivers or plan to do so in pending waivers.

Long-Term Health Care Spending. The Congressional Budget Office (CBO) released its *Budget and Economic Outlook* for 2018 to 2028 in April 2018. Federal spending for Medicaid is estimated to increase by 2 percent, or $9 billion, in 2018 with CBO noting that the flattening growth in enrollment and slow growth in per capita costs largely explain the smaller increase in spending in 2018 compared with earlier years. After 2018, program spending is projected to grow at an average rate of about 5.5 percent per year closer to historical growth levels, with about 1 percent due to increasing enrollment and nearly 5 percent because of increasing per capita costs.

TABLE 33

Medicaid Expenditures By Fund Source, Fiscal 2017 to Fiscal 2019 ($ in millions)

	Fiscal 2017 (Actual)				Fiscal 2018 (Estimated)				Fiscal 2019 (Recommended)			
State	General	Other State	Federal	Total Funds	General	Other State	Federal	Total Funds	General	Other State	Federal	Total Funds
Alabama	$721	$1,210	$4,543	$6,474	$701	$1,295	$4,784	$6,780	$757	$1,222	$5,071	$7,050
Alaska	654	4	1,419	2,077	657	12	1,690	2,360	684	14	1,584	2,282
Arizona	1,880	1,022	9,213	12,114	1,919	1,100	9,730	12,749	2,105	1,110	10,441	13,656
Arkansas	1,057	537	5,509	7,104	1,106	571	5,407	7,084	1,243	565	5,558	7,366
California*	24,237	11,477	56,028	91,741	25,515	16,304	61,506	103,326	26,873	12,778	64,516	104,166
Colorado	2,531	1,024	4,988	8,542	2,823	1,295	5,838	9,955	2,921	1,353	6,009	10,284
Connecticut*	3,166	0	4,341	7,507	3,443	0	4,822	8,265	3,440	0	4,908	8,348
Delaware	776	64	1,168	2,007	787	68	1,302	2,156	785	57	1,368	2,210
Florida	6,485	4,765	14,508	25,758	6,331	5,315	15,211	26,856	6,792	4,760	14,741	26,293
Georgia*	2,481	767	6,894	10,141	2,555	889	6,864	10,308	2,765	827	7,020	10,611
Hawaii	838	33	1,456	2,327	848	57	1,673	2,577	889	57	1,777	2,723
Idaho	471	250	1,245	1,966	511	269	1,368	2,149	539	266	1,411	2,216
Illinois*	2,282	3,728	9,934	15,944	6,429	3,967	12,826	23,222	6,064	3,812	11,732	21,608
Indiana	1,647	1,213	8,156	11,016	1,752	1,392	8,359	11,503	1,707	1,535	8,610	11,852
Iowa	1,118	430	2,575	4,123	1,272	412	3,101	4,785	1,226	403	3,076	4,705
Kansas	1,107	269	1,829	3,205	1,149	324	1,873	3,346	1,253	311	2,093	3,657
Kentucky	1,749	506	7,792	10,047	1,921	552	8,150	10,624	1,882	555	8,926	11,363
Louisiana	1,917	1,107	7,310	10,334	1,894	547	9,406	11,847	1,385	841	7,261	9,487
Maine	752	267	1,638	2,656	773	288	1,878	2,938	760	286	1,856	2,901
Maryland	3,495	1,015	7,080	11,590	3,635	997	7,283	11,916	3,899	957	7,446	12,301
Massachusetts*	7,409	0	7,001	14,409	7,610	0	7,373	14,983	7,752	0	7,484	15,236
Michigan	2,718	2,116	12,126	16,960	2,837	2,300	12,447	17,584	2,958	2,305	12,340	17,603
Minnesota	4,160	241	6,220	10,621	4,763	385	7,070	12,219	4,812	439	7,053	12,304
Mississippi	1,089	402	4,269	5,760	1,071	407	4,491	5,969	1,093	389	4,594	6,076
Missouri	2,125	2,422	5,247	9,794	2,231	2,946	5,963	11,140	2,230	2,787	5,841	10,858
Montana	283	105	879	1,267	297	110	865	1,272	293	115	906	1,314
Nebraska	1,011	45	1,118	2,174	1,016	54	1,246	2,316	1,029	47	1,175	2,250
Nevada	594	242	2,719	3,555	707	227	3,057	3,992	765	229	3,001	3,995
New Hampshire*	585	242	828	1,655	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
New Jersey	3,493	1,395	4,328	9,216	3,472	1,522	4,307	9,301	3,628	1,512	4,608	9,748
New Mexico	904	282	4,428	5,613	910	288	4,443	5,640	934	252	4,492	5,677
New York	12,604	9,224	33,672	55,501	12,571	9,268	36,238	58,078	12,997	8,489	36,845	58,331
North Carolina	3,488	1,503	8,615	13,606	3,518	1,392	9,121	14,030	3,743	1,239	9,224	14,207
North Dakota	425	0	700	1,125	475	0	780	1,255	489	0	766	1,255
Ohio*	17,437	2,284	5,829	25,550	14,824	3,530	9,028	27,382	15,673	3,585	9,256	28,514
Oklahoma	1,008	1,240	2,947	5,195	1,019	1,405	2,988	5,412	1,012	1,348	3,155	5,515
Oregon	1,292	1,134	7,017	9,443	1,272	1,136	7,051	9,459	1,443	1,194	7,303	9,939
Pennsylvania	8,283	3,360	17,276	28,919	9,116	3,633	18,052	30,801	9,425	3,979	19,517	32,921
Rhode Island	1,104	11	1,539	2,653	1,139	11	1,609	2,759	1,079	11	1,554	2,645
South Carolina	1,275	870	4,960	7,104	1,303	888	5,085	7,277	1,348	938	5,226	7,512
South Dakota	353	5	500	857	368	6	554	928	372	6	586	964
Tennessee	3,296	840	6,701	10,837	3,435	743	7,218	11,396	3,515	743	7,494	11,751
Texas	12,111	307	20,112	32,530	12,342	311	22,035	34,688	11,002	313	20,751	32,066
Utah	435	494	1,735	2,664	463	568	1,971	3,002	482	564	2,035	3,080
Vermont	296	325	925	1,546	280	356	939	1,574	282	355	954	1,592
Virginia	4,440	401	4,737	9,579	4,797	400	5,084	10,281	4,822	452	6,050	11,324
Washington	3,709	500	7,804	12,013	4,003	555	7,846	12,405	4,262	570	8,161	12,993
West Virginia	525	360	3,115	4,000	528	394	3,222	4,145	556	360	3,288	4,205
Wisconsin	2,636	1,593	4,125	8,354	2,977	1,523	5,233	9,733	3,130	1,598	5,550	10,277
Wyoming	287	30	344	661	287	31	344	662	279	31	334	643
Total	**$158,149**	**$61,418**	**$338,610**	**$558,178**	**$165,654**	**$70,042**	**$368,729**	**$604,425**	**$169,370**	**$65,558**	**$374,945**	**$609,873**

*NOTES: N/A indicates data not available. New Hampshire was only able to provide spending data for fiscal 2017, which is excluded from the totals for year-over-year comparison purposes. *See Notes to Table 33 on page 82.*

TABLE 34

Annual Percentage Change in Medicaid Spending, Fiscal 2018 and Fiscal 2019

	Fiscal 2018 (Estimated)				Fiscal 2019 (Recommended)			
State	General	Other State	Federal	Total Funds	General	Other State	Federal	Total Funds
Alabama	-2.7%	7.0%	5.3%	4.7%	7.9%	-5.6%	6.0%	4.0%
Alaska	0.5	226.3	19.1	13.6	4.1	8.9	-6.3	-3.3
Arizona	2.1	7.7	5.6	5.2	9.7	0.9	7.3	7.1
Arkansas	4.6	6.3	-1.9	-0.3	12.5	-1.1	2.8	4.0
California	5.3	42.1	9.8	12.6	5.3	-21.6	4.9	0.8
Colorado	11.6	26.5	17.0	16.5	3.5	4.5	2.9	3.3
Connecticut	8.8	-	11.1	10.1	-0.1	-	1.8	1.0
Delaware	1.5	5.8	11.5	7.4	-0.3	-15.9	5.1	2.5
Florida	-2.4	11.5	4.8	4.3	7.3	-10.4	-3.1	-2.1
Georgia	3.0	16.0	-0.4	1.6	8.2	-7.1	2.3	2.9
Hawaii	1.2	72.7	14.9	10.8	4.9	0.0	6.2	5.6
Idaho	8.5	7.8	9.9	9.3	5.4	-1.3	3.2	3.1
Illinois*	181.7	6.4	29.1	45.6	-5.7	-3.9	-8.5	-6.9
Indiana	6.4	14.8	2.5	4.4	-2.6	10.3	3.0	3.0
Iowa	13.8	-4.2	20.4	16.1	-3.6	-2.2	-0.8	-1.7
Kansas	3.8	20.4	2.4	4.4	9.0	-4.0	11.8	9.3
Kentucky	9.9	9.2	4.6	5.7	-2.0	0.5	9.5	7.0
Louisiana	-1.2	-50.6	28.7	14.6	-26.9	53.7	-22.8	-19.9
Maine	2.8	7.8	14.7	10.6	-1.7	-0.7	-1.2	-1.3
Maryland	4.0	-1.7	2.9	2.8	7.3	-4.0	2.2	3.2
Massachusetts	2.7	-	5.3	4.0	1.9	-	1.5	1.7
Michigan	4.4	8.7	2.6	3.7	4.3	0.2	-0.9	0.1
Minnesota	14.5	60.0	13.7	15.0	1.0	13.9	-0.2	0.7
Mississippi	-1.7	1.2	5.2	3.6	2.1	-4.4	2.3	1.8
Missouri	5.0	21.6	13.6	13.7	-0.1	-5.4	-2.0	-2.5
Montana	5.3	4.2	-1.6	0.4	-1.4	5.4	4.7	3.3
Nebraska	0.5	20.6	11.4	6.5	1.3	-13.0	-5.7	-2.8
Nevada	19.1	-5.9	12.4	12.3	8.1	0.7	-1.8	0.1
New Hampshire	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
New Jersey	-0.6	9.1	-0.5	0.9	4.5	-0.7	7.0	4.8
New Mexico	0.7	2.0	0.3	0.5	2.6	-12.4	1.1	0.7
New York	-0.3	0.5	7.6	4.6	3.4	-8.4	1.7	0.4
North Carolina	0.9	-7.4	5.9	3.1	6.4	-11.0	1.1	1.3
North Dakota	11.8	-	11.4	11.6	2.9	-	-1.8	0.0
Ohio	-15.0	54.6	54.9	7.2	5.7	1.6	2.5	4.1
Oklahoma	1.1	13.3	1.4	4.2	-0.7	-4.1	5.6	1.9
Oregon	-1.5	0.2	0.5	0.2	13.5	5.1	3.6	5.1
Pennsylvania	10.1	8.1	4.5	6.5	3.4	9.5	8.1	6.9
Rhode Island	3.2	2.7	4.5	4.0	-5.3	0.0	-3.4	-4.1
South Carolina	2.3	2.1	2.5	2.4	3.4	5.6	2.8	3.2
South Dakota	4.5	24.4	10.7	8.2	1.0	0.0	5.9	3.9
Tennessee	4.2	-11.6	7.7	5.2	2.3	0.0	3.8	3.1
Texas	1.9	1.3	9.6	6.6	-10.9	0.6	-5.8	-7.6
Utah	6.4	14.9	13.6	12.7	4.1	-0.7	3.2	2.6
Vermont	-5.5	9.5	1.5	1.8	0.9	-0.1	1.6	1.1
Virginia	8.0	-0.3	7.3	7.3	0.5	13.1	19.0	10.1
Washington	7.9	11.0	0.5	3.3	6.5	2.6	4.0	4.7
West Virginia	0.7	9.5	3.5	3.6	5.3	-8.6	2.0	1.4
Wisconsin	12.9	-4.4	26.9	16.5	5.1	4.9	6.1	5.6
Wyoming	0.1	0.3	0.2	0.2	-3.0	0.0	-3.0	-2.9
Total	**4.7%**	**14.0%**	**8.9%**	**8.3%**	**2.2%**	**-6.4%**	**1.7%**	**0.9%**
Median	3.2%	7.8%	5.9%	5.2%	3.4%	0.0%	2.3%	1.9%

*NOTES: NA indicates data not available *See Notes to Table 34 on page 82.*

TABLE 35

Medicaid Expansion Expenditures By Fund Source, Fiscal 2017 to Fiscal 2019 ($ in millions)

	Fiscal 2017 (Actual)					Fiscal 2018 (Estimated)					Fiscal 2019 (Recommended)				
State	General	Other State	Total State	Federal	Total Funds	General	Other State	Total State	Federal	Total Funds	General	Other State	Total State	Federal	Total Funds
Alaska	$6	$0	$6	$345	$351	$11	$0	$11	$632	$643	$20	$0	$20	$448	$468
Arizona	43	182	225	2,567	2,792	51	193	245	2,819	3,063	53	181	233	3,135	3,368
Arkansas	0	49	49	1,872	1,921	83	25	108	1,880	1,988	111	25	136	1,954	2,090
California	970	1	970	16,541	17,511	1,430	1,477	2,907	14,770	17,676	1,636	756	2,391	20,536	22,928
Colorado	0	44	44	1,616	1,660	0	123	123	1,961	2,084	0	138	138	1,857	1,995
Connecticut	141	0	141	1,385	1,526	231	0	231	1,646	1,877	260	0	260	1,806	2,066
Delaware	N/A	N/A	58	412	470	N/A	N/A	51	429	480	N/A	N/A	39	439	478
Hawaii	N/A	N/A	32	590	622	N/A	N/A	48	649	696	N/A	N/A	52	713	765
Illinois	N/A	N/A	195	3,508	3,703	N/A	N/A	576	3,937	4,513	N/A	N/A	625	3,959	4,584
Indiana	0	275	275	2,116	2,391	0	302	302	2,135	2,437	0	340	340	2,243	2,583
Iowa	40	0	40	751	792	72	0	72	906	978	80	0	80	894	974
Kentucky	N/A	N/A	67	2,859	2,927	N/A	N/A	164	2,825	2,989	N/A	N/A	203	2,923	3,126
Louisiana	5	40	45	2,265	2,310	9	0	9	3,471	3,480	9	0	9	2,901	2,910
Maryland	69	0	69	2,716	2,785	147	0	147	2,519	2,667	207	0	207	2,983	3,190
Massachusetts*	303	0	303	1,775	2,078	519	0	519	1,552	2,071	446	0	446	1,625	2,071
Michigan	N/A	N/A	235	4,053	4,288	N/A	N/A	336	4,076	4,412	N/A	N/A	385	4,136	4,521
Minnesota	41	0	41	1,716	1,756	107	0	107	1,865	1,972	129	0	129	1,787	1,916
Montana	19	0	19	397	416	20	0	20	409	429	20	0	20	422	442
Nevada	29	1	30	1,173	1,203	70	2	71	1,232	1,303	87	2	89	1,287	1,375
New Hampshire	0	13	13	429	442	0	27	27	463	490	N/A	N/A	N/A	N/A	N/A
New Jersey	119	0	119	2,831	2,950	193	0	193	2,837	3,029	242	0	242	3,007	3,249
New Mexico	N/A	N/A	35	1,364	1,399	N/A	N/A	77	1,311	1,388	N/A	N/A	92	1,337	1,429
New York*	N/A	N/A	3,005	10,820	13,826	N/A	N/A	2,934	10,361	13,294	N/A	N/A	2,600	11,437	14,037
North Dakota	16	0	16	254	270	27	0	27	300	327	26	0	26	257	283
Ohio	113	10	123	4,494	4,617	230	29	258	4,436	4,694	284	34	318	4,569	4,887
Oregon	N/A	N/A	136	2,577	2,713	N/A	N/A	154	2,417	2,571	N/A	N/A	199	2,641	2,840
Pennsylvania*	N/A	N/A	179	5,053	5,232	N/A	N/A	282	4,944	5,226	N/A	N/A	343	5,028	5,371
Rhode Island	9	0	9	429	438	25	0	25	431	457	29	0	29	409	438
Vermont	N/A	N/A	64	229	293	N/A	N/A	64	239	304	N/A	N/A	63	253	315
Washington	N/A	N/A	90	3,270	3,360	N/A	N/A	175	2,941	3,116	N/A	N/A	207	2,962	3,169
West Virginia	20	14	34	1,110	1,144	34	25	59	1,018	1,077	42	27	69	996	1,065
Total	**$1,941**	**$615**	**$6,653**	**$81,088**	**$87,741**	**$3,259**	**$2,175**	**$10,295**	**$80,946**	**$91,241**	**$3,680**	**$1,502**	**$9,989**	**$88,943**	**$98,932**

*NOTES: N/A indicates data not available or applicable. Some states were not able to report state-funded Medicaid expansion expenditures broken down by fund source. New Hampshire was only able to provide spending data for fiscal 2017 and fiscal 2018, which are excluded from the totals for year-over-year comparison purposes. *See Notes to Table 35 on page 83.*

TABLE 36
Fiscal 2018 Programmatic Changes in Medicaid

State	Restrict Provider Payments	Increase Provider Payments	Restrict Benefits	Expand or Restore Benefits	Policies to Cut Costs for Prescription Drugs	Expand Managed Care	Enhanced Program Integrity Efforts	Other
Alabama								
Alaska*	X						X	
Arizona*		X		X				
Arkansas*					X	X	X	
California*		X		X				
Colorado*		X		X	X		X	
Connecticut	X	X	X					
Delaware*	X						X	
Florida								
Georgia*		X		X				
Hawaii		X						
Idaho*		X			X			
Illinois*		X				X		
Indiana	X	X		X	X		X	
Iowa	X	X	X					
Kansas*		X						
Kentucky								
Louisiana*		X	X				X	
Maine								
Maryland*	X	X		X				
Massachusetts*		X		X	X	X	X	
Michigan*		X	X					X
Minnesota*		X		X			X	
Mississippi							X	
Missouri*	X						X	
Montana	X	X	X	X	X		X	
Nebraska*			X	X		X		
Nevada*		X				X	X	
New Hampshire*						X	X	
New Jersey*		X			X			
New Mexico								
New York	X	X	X	X	X	X	X	
North Carolina		X						
North Dakota*		X		X			X	X
Ohio*	X	X		X	X	X	X	
Oklahoma			X				X	
Oregon*		X					X	
Pennsylvania*		X				X	X	
Rhode Island*	X						X	
South Carolina*		X		X		X		
South Dakota*		X		X		X		
Tennessee*		X			X	X	X	X
Texas						X		
Utah*		X		X	X		X	X
Vermont*	X	X						
Virginia*	X	X		X	X	X		
Washington*		X		X	X			X
West Virginia*		X			X			
Wisconsin*		X		X		X	X	
Wyoming*	X				X		X	X
Total	**14**	**34**	**8**	**19**	**15**	**15**	**24**	**6**

*NOTES: *See Notes to Table 36 on page 83.*

TABLE 37

Recommended Fiscal 2019 Programmatic Changes in Medicaid

State	Restrict Provider Payments	Increase Provider Payments	Restrict Benefits	Expand or Restore Benefits	Policies to Cut Costs for Prescription Drugs	Expand Managed Care	Enhanced Program Integrity Efforts	Other
Alabama*						X		
Alaska*	X						X	
Arizona*		X		X				
Arkansas*		X			X	X	X	
California*		X			X			
Colorado*	X	X	X	X	X		X	
Connecticut	X							
Delaware*							X	
Florida								
Georgia*		X						
Hawaii		X						
Idaho*		X		X		X		
Illinois*	X					X		X
Indiana	X	X			X	X	X	
Iowa								
Kansas*		X						
Kentucky*		X	X					X
Louisiana*	X	X	X		X	X	X	X
Maine								
Maryland*	X	X		X				
Massachusetts*		X		X	X	X	X	
Michigan*	X	X	X		X			
Minnesota*		X						
Mississippi							X	
Missouri*	X			X	X		X	
Montana		X					X	
Nebraska								
Nevada								
New Hampshire*						X	X	
New Jersey*		X	X	X		X		
New Mexico*		X	X	X				
New York	X	X	X	X	X	X	X	
North Carolina								
North Dakota								
Ohio*		X		X	X	X	X	X
Oklahoma		X	X				X	
Oregon								
Pennsylvania*		X				X	X	
Rhode Island*	X						X	
South Carolina*		X		X		X		
South Dakota*		X		X		X		
Tennessee*					X		X	X
Texas								
Utah*		X		X	X	X	X	
Vermont*	X	X					X	
Virginia*		X		X		X		
Washington*		X		X	X			X
West Virginia*		X						
Wisconsin*		X						
Wyoming*	X	X			X		X	X
Total	**13**	**31**	**8**	**15**	**14**	**16**	**20**	**7**

*NOTES: *See Notes to Table 37 on page 86.*

TABLE 38

Provider Tax Increases for Medicaid Program

State	Fiscal 2018	Fiscal 2019 (Recommended)
Alabama		X
Alaska		
Arizona		
Arkansas		
California		
Colorado		
Connecticut	X	
Delaware		
Florida		
Georgia		
Hawaii		
Idaho		
Illinois*		X
Indiana		
Iowa		
Kansas		
Kentucky		
Louisiana*	X	
Maine	X	
Maryland		
Massachusetts		
Michigan	X	X
Minnesota		
Mississippi		
Missouri		
Montana	X	
Nebraska		
Nevada		
New Hampshire		
New Jersey		
New Mexico		
New York		
North Carolina		
North Dakota		
Ohio		
Oklahoma	X	
Oregon	X	
Pennsylvania	X	X
Rhode Island		
South Carolina		
South Dakota		
Tennessee	X	
Texas		
Utah	X	X
Vermont		
Virginia		X
Washington		
West Virginia		
Wisconsin		
Wyoming		
Total	**10**	**6**

*NOTES: *See Notes to Table 38 on page 89.*

CHAPTER 4 NOTES

Notes to Table 33: Medicaid Expenditures By Fund Source

California Includes all departments that have Medicaid spending.

Connecticut The Medicaid appropriation in the Department of Social Services (DSS) is "net funded" while other Medicaid expenditures remain gross funded, with federal funds deposited directly to the State Treasury. (Funding for the Hospital Supplemental Payments account in DSS was net funded in FY 17 but is gross funded beginning in FY 18.) With the exception of enhanced FMAP available for certain populations and services, CT's FMAP is 50%. Includes Medicaid expenditures for administrative services organizations and fiscal intermediaries in DSS. Excludes state portion of Medicare Savings Program and School Based Child Health as those expenditures are netted out of federal Medicaid reimbursement. Also excludes provider taxes, which are deposited directly to the State Treasury.

Georgia Medicaid data reported in Georgia's 2016 state expenditure report included provider taxes and tobacco funds in the state general funds category. Based on the revised definitions outlined in this survey, those funds have been reclassified as "other state funds" for the purposes of Georgia's Spring 2018 Fiscal Survey.

Illinois FY17 is based on the vouchers released, not payments requested to be made or the liability of the program. The FY18 increase is based on an assumption of higher levels of vouchers being released this year, particularly as a result of the issuance of Income Tax Proceed Bonds in November 2017, and do not reflect liability changes of that magnitude.

Massachusetts Includes state budget-appropriated funds to the Medicaid program, excluding any funds claimed as CHIP (both Title XIX Expansion and Title XXI); excludes state budget-appropriated funds to other state agencies and non-appropriated trust fund spending that is used to draw federal match; includes expenditures claimed as Admin that are paid from Medicaid-appropriated funds (e.g., transportation). Account restructuring in MA's fiscal 2018 budget shifted spending for the Choices program ($214 million in fiscal 2017) from Medicaid to Elder Affairs; these dollars are excluded from fiscal 2017 for comparison purposes.

New Hampshire State was not able to provide Medicaid spending data for fiscal 2018 and fiscal 2019 in time for publication.

Ohio Federal reimbursements for Medicaid expenditures funded from the General Revenue Fund (GRF) are deposited into the GRF. Federal reimbursements for Medicaid expenditures from non-GRF sources are deposited into the appropriate federal fund. Expenditures of federal funds are contained in the General Fund number to be consistent with Ohio accounting practices and with other portrayals of Ohio's general fund. This will tend to make Ohio's GRF revenue and expenditures look higher relative to most other states that don't follow this practice. For fiscal 2017, Ohio's GRF State Share was $5,644 million and GRF Federal Share was $11,793 million. For fiscal 2018, the GRF State Share is estimated at $5,089 million and GRF Federal Share at $9,735 million. For fiscal 2019, the GRF State Share is projected to be $5,361 million and the Federal Share is $10,311 million.

Notes to Table 34: Annual Percentage Change in Medicaid Spending

Illinois FY17 is based on the vouchers released, not payments requested to be made or the liability of the program. The FY18 increase is based on an assumption of higher levels of vouchers being released this year, particularly as a result of the issuance of Income Tax Proceed Bonds in November 2017, and do not reflect liability changes of that magnitude.

Notes to Table 35: Medicaid Expansion Expenditures, Fiscal 2017 to Fiscal 2019

Maine	Medicaid expansion was approved by the voters via referendum in November of 2017, but has not been enacted.
Massachusetts	Reported federal funds inclusive of backout for Federal Share of Medicaid Drug Rebate Collections for Group VIII.
New York	Medicaid Expansion Expenditures reflect regular program costs and do not include CMS-64 reporting adjustments. Specifically, Fiscal 2017 (Actual) excludes a reversal of $12.1 billion Federal funds as a Line 10b Decreasing Adjustments made during the 7–9/17 quarter to comply with the CMS reporting requirements. Fiscal 2017 (Actual) also includes an estimate for the 7–9/17 quarter. Fiscal 2017 (Actual) includes a one-time retroactive share adjustment of $546.2 million in federal share processed during the 1–3/17 quarter. As a result, the federal expenditures in Fiscal 2017 are higher than in Fiscal 2018.
Pennsylvania	The Fiscal Year 2017 amounts include Gross Receipts Tax (GRT) payments that have been discontinued in Fiscal Year 2018. This results in lower total payouts in Fiscal Year 2018 compared to Fiscal Year 2017. The State amount still increases due to the change in the expansion FMAP from 100% to 95% in January 2017, and from 95% to 94% in January 2018. Fiscal 2018 includes the following Risk Corridor Recoupments from prior fiscal years: FY 2016 Healthy PA Risk Corridor: -$162,567,613 (federal) and -$14,592,271 (state); FY 2017 Risk Corridor Recoupments: -$395,254,571 (federal) and -$3,488,294 (state).

Notes to Table 36: Fiscal 2018 Programmatic Changes in Medicaid

Alaska	Rolled back increases for some service types and holding provider payments level without inflation adjustments.
Arizona	Nothing across the board, but rates are reviewed annually; Prop 206 increased minimum wage resulting in increases to NF and HCBS rates; Expanded dental, restored podiatry and OT.
Arkansas	Dental managed care.
California	Provider payments were increased for Physicians, Dentist, Home Health Providers, Intermediate Care Facilities for Developmentally Disabled, HIV/AIDS Providers, and Family Planning Services. Adult Dental benefits were fully restored in January 2018.
Colorado	1.4% across the board increase for most community providers. Additional targeted rate increases for primary care, home care providers, and transportation service rates. Removal of limit on physical and occupational therapy units for adults with prior authorization and increased the number of post-partum depression screenings allowed within one year. Proposal to gain access to PDMS. Resources for 11.4 FTE for a number of initiatives related to the oversight of state resources.
Delaware	Dental provider rate reduction; Asset verification system and Electronic visits verification
Georgia	The governor has proposed/is proposing increased reimbursement rates for primary care physicians, OB/GYN, nursing home, and community service providers. As part of the governor's FY 2018 budget, the governor proposed to cover behavioral health services for children under the age of 21 who are diagnosed as autistic.

Idaho	New 340b controls to cut costs for prescription drugs
Illinois	Rate increases for certain services enacted by the General Assembly: Supportive Living Facilities, Specialized Mental Health Rehabilitation Facilities and renal dialysis add-on. The Personal Needs Allowance was also increased from $30 to $60 per month for clients in certain long-term care settings. Roll-out of HealthChoice Illinois beginning in January 2018. Expand managed care to over 80% of Medicaid clients. Includes DCFS and special needs children.
Kansas	Increased provider payments for HCBS Waivered Services, Hospitals, and Nursing Facilities
Louisiana	Hospital Assessment through the House Concurrent Resolutions each year increases hospital rates. Health Services Reduction, Pediatric Day Healthcare Services Reduction. Applied Behavioral Analysis also shifting from FFS to Managed Care. Expanding monitoring of MCO fraud, waste and abuse through creation of targeted MCO PI staffing group. Creating a recipient fraud unit within Medicaid. Participation in Medicaid Fraud Prevention Task Force.
Maryland	Expand/restore benefits — two pilot programs.
Massachusetts	Expand/restore benefits — Substance Use Disorder recovery supports (approved in 1115 waiver). Enhanced supplemental rebates; enhanced formulary management, e.g. increased price transparency + negotiation tools. Accountable care organization (ACO) launch on 3/1/18; continued focus on increasing enrollment in managed LTSS programs.
Michigan	The current FY 2018 budget (1) increases rates to Medicaid behavioral health managed care organizations to increase direct care worker wages and (2) increases Michigan Medicaid's neo-natal reimbursement to approximately 75% of Medicare. Newly Eligible Medicaid expansion beneficiaries who do not complete healthy behavior activities will shift to a qualified health plan on the Exchange. These Exchange plans will not offer the same wrap-around services as available in the non-Exchange Healthy Michigan Plan benefit. A $1.4 million Gross Medicaid investment was included to increase the number of counties where a local public transportation entity administers the non-emergency medical benefit.
Minnesota	Pediatric dental rate increase. Expand/restore benefits — Care coordination and peer specialists for SUD. Compliance with federal asset verification requirements.
Missouri	Cost-Containment Initiatives to enhance program integrity
Nebraska	Reduced dental cap from $1,000 to $750 for Medicaid adults. Expanded school-based services under Medicaid in Public School program Removed prior authorization for Suboxone. Dental services are now capitated under managed care.

Nevada	Nevada continues to monitor its rates compared to Medicare rates and adjusts rates as needed. The 2017 Legislature has increased rates for Skilled Nursing Facilities, Adult Day Health Care, Assisted Living, and Pediatric Surgeons. Nevada has expanded from two managed care organizations to three starting July 2017. There has been no change in the client groups covered by MCOs. Managed Care oversight is increasing by Medicaid staff.
New Hampshire	Program integrity efforts — Increased staffing and enhanced staff management. Sought and received CMS technical assistance on provider enrollment.
New Jersey	Increase nursing home rates in FY18, and lower in FY19; increase rates for behavioral health providers; increase Managed Care personal care service rates. Change managed care capitation rates to incentivize lower cost Hepatitis C drugs
North Dakota	A small increase to the Nursing Home Operating Margin was authorized by 2017 Legislative Assembly, and effective January 1, 2018. Certain program enhancements that were postponed due to the State's budget allotment were implemented July 2017. The Medical Services Division of the Department of Human Services is continually seeking additional opportunities for auditing, data mining, system edits, and other program integrity efforts. Provider reimbursement reductions that were part of the State's budget allotment reductions were restored, effective July 1, 2017 and January 1, 2018.
Ohio	Rate cuts to lab/radiology implemented Jan 1, 2018. Increased provider payments for Developmental Disabilities complex care add-on (FY2018); Behavioral Health Redesign. Remove age restriction on people on vents in ICFs. Single PDL. Managed Care Day One implementation; Breast and Cervical Cancer Program; Adoption/Foster Care. Enrollee data cleanup — recategorization, dead and duplicate; audit enhancement; Electronic Visit Verification.
Oregon	Dental rates increased preventive codes by 10% and oral surgery codes by 30%. Also, starting a supplemental dental incentive payment for seeing new patients. Hiring additional Governmental Auditor (audit staff) positions.
Pennsylvania	FY 17–18 ID Waiver renewal rate increase; Managed care — FY 17–18 Community HealthChoices in Southwest; Integrity efforts — FY 17–18 provider portal.
Rhode Island	Provider rate freezes; fraud prevention/identification
South Carolina	Increased ASD rates; Increased dental rates; Increases Adult Vaccination benefit. Added ASD and PRTF services to managed care benefit.
South Dakota	Targeted increases for most needy providers in FY2018.
Tennessee	Managed care was expanded to HCBS services for individuals with intellectual or developmental disabilities in FY18. Other — Implementing policies and pricing strategies to reduce unnecessary and excessive costs.
Utah	Direct Care Staff Salary Increase in Intermediate Care Facilities, Outpatient Upper Payment Limit (supplemental payment). Increases to HCBS Provider Rates. Health Coverage Improvement Program (expands eligibility for a targeted group of adults), Dental for Disabled Adults, Residential Treatment. Adjusting identified drugs within the preferred drug list. Enhanced review of managed care entities. Also improved program integrity efforts related to provider enrollment. Both efforts began in FY18 and will continue through FY19. Expanded eligibility for parents to 55% FPL.
Vermont	DSH Reduction; Primary care case management fee elimination. DA $14/hr wage increase; 2% rate increase HCBS providers; DHMC rate increase.

Virginia Inflation adjustments were withheld for certain providers and provided for certain providers. In addition, there were limited rate increases for certain providers (i.e. nursing facilities in FY 2018). Virginia Governor's Access Plan (GAP) program uses a Medicaid demonstration waiver to provide primary care, outpatient medical services, and prescription drugs, along with certain behavioral health services to adults with serious mental illness. As of October 1, 2017, the income eligibility criteria for GAP was increased to 100 percent of the federal poverty level and new services were added. A common core formulary for managed care was implemented. Virginia implemented a substantial managed care expansion (Commonwealth Coordinated Care Plus and Medallion 4.0).

Washington Other — Medicaid Transformation Waiver

West Virginia Normal increases in provider payments outlined by SPA. To cut prescription drug costs, Implemented NADAC reimbursement — and carved benefit back to Fee for Service from Managed Care.

Wisconsin Increase provider payments — Long-term care provider rate increase. DSH supplemental payments. Ambulatory surgical center supplemental payment. Expand managed long-term care. Expand SSI Managed Care.

Wyoming Wyoming is still working through implementation of the CURES Act. Recent analyses completed with CMS indicate that Wyoming reimbursement for DME, in aggregate, exceeds the Medicare upper payment limit. May be required to reduce DME reimbursement rates if the state general fund cannot support repayment of the calculated overage. Implementation of new Pharmacy Benefit Management System and Services in FY 2018. Increase in rebate of physician administered drugs through improved administrative efforts. Implementation of medication therapy management and medication adherence improvement processes. FY 2018 procurement completed of new Fraud, Waste and Abuse technology Software. Indian Health Service uncompensated care waiver and/or changes to AI/AN referral policies/reimbursement

Notes to Table 37: Recommended Fiscal 2019 Programmatic Changes in Medicaid

Alabama Increase and combine managed care under a Patient Centered Care Management.

Alaska Rolled back increases for some service types and holding provider payments level without inflation adjustments.

Arizona Proposals include more dental for pregnant women and chiropractic

Arkansas Dental managed care.

California Provider payments were increased for Physicians, Dentist, Home Health Providers, Intermediate Care Facilities for Developmentally Disabled, HIV/AIDS Providers, and Family Planning Services. The Governor's Budget proposes to eliminate the 340 B program in Medi-Cal, which is projected to increase drug rebates and result in cost savings.

Colorado Proposal for targeted rate reductions to decrease anesthesia rates to 100% of benchmark, rebalancing rates for physician services, and a one-time reduction of the allowable inflation factor on nursing facility per diem rates from 3% to 1% for FY 2018–2019. Proposal for targeted rate increase for Alternative Care Facilities, a rebalancing of physician services rates, and a 0.77% across the board increase for most community providers. Proposal to implement new prior authorization requirements on several services categories at risk for over-utilization. Proposals to restructure and consolidate certain Home and Community Based Service waivers to better serve clients in the eligible population. Proposal for Utilization Management of Physician Administered Drugs and to participate in Alternative Payment Models. Proposals for Electronic Visit Verification, and funding for additional FTE and tools to increase the oversight of state resources.

Delaware	Asset verification system and Electronic visits verification
Georgia	The governor has proposed/is proposing increased reimbursement rates for primary care physicians, OB/GYN, nursing home, and community service providers.
Idaho	Expand or restore benefits — adult dental; dual eligible managed care, regional care organizations
Illinois	Eliminate rate increases for certain services enacted for FY18 by the General Assembly: Supportive Living Facilities, Specialized Mental Health Rehabilitation Facilities and renal dialysis add-on (see below). Proposed 4% provider rate reduction. Roll-out of HealthChoice Illinois beginning in January 2018. Expand managed care to over 80% of Medicaid clients. Includes DCFS and special needs children. 1115 behavioral health waiver expected to be approved by federal CMS in the latter part of FY18.
Kansas	Increased provider payments for HCBS Waivered Services, Hospitals, and Nursing Facilities.
Kentucky	SCL providers to receive 10% increase and the Pharmacy Dispensing Fee will increase approximately $2 in the Managed Care Program. 1115 Waiver to be implemented in FY19 will restrict Vision, Dental, and Non-Emergency Transportation (NEMT) benefits for specific eligibility populations. Other — 1915c Waiver Rate Study to be conducted (starting at end of FY18 and throughout FY19).
Louisiana	Eliminate NH Bed Holds, Eliminate NH Rebasing, reduce UPL/FMP payments, Eliminate most DSH payments. Hospital Assessment through the House Concurrent Resolutions each year increases hospital rates. Eliminate Pediatric Day Healthcare Services, Reduce Mental Health Services, Eliminate Substance Use Services, Eliminate Ambulatory Surgical Centers, Eliminate Inpatient Psychiatric beds for the uninsured, Eliminate Long Term Personal Care Services Program, Eliminate Supports Waiver, Eliminate Children's Choice Waiver, Reduce NOW Waiver Services. Single Preferred Drug List (PDL) under development for implementation. Plans are to transition CSOC to Managed Care in November 2018. The budget would need to be adjusted. Enhanced program integrity efforts — proposed legislation to continue task force efforts. Other — Eliminate Provisional Medicaid, Eliminate Long Term Care Special Income Level Program, Eliminate Medically Needy Regular Programs.
Maryland	Adding coverage of hearing aids/cochlear implants for adults.
Massachusetts	Expand/restore benefits — Substance Use Disorder recovery supports (approved in 1115 waiver). Enhanced supplemental rebates; enhanced formulary management, e.g. increased price transparency + negotiation tools. Accountable care organization (ACO) launch on 3/1/18; continued focus on increasing enrollment in managed LTSS programs
Michigan	Proposed budget includes a reduction to the Medicaid guardianship reimbursement rate, restoring rate to FY 2017 levels. In compliance with the Medicaid managed care rule, the budget ends Medicaid payment pools tied to hospitals' OB/GYN services and rural status. Newly Eligible Medicaid expansion beneficiaries who do not complete healthy behavior activities will shift to a qualified health plan on the Exchange. These Exchange plans will not offer the same wrap-around services as available in the non-Exchange Healthy Michigan Plan benefit. A total of $5 million in GF/GP savings is assumed, using one or several Medicaid policy changes to achieve pharmacy savings. Savings may be achieved by permitting drug classes exempted from prior authorization to be listed as preferred or non-preferred on Michigan Medicaid's preferred drug list, or other cost-savings strategies that result in savings while maintaining effective medical care for beneficiaries.

Minnesota	PCA rate increase. Additional program integrity for nonemergency medical transportation.
Missouri	Expand/restore benefits — Substance Use Disorder Waiver; Cost-Containment Initiatives to cut prescription drug costs and enhance program integrity.
New Hampshire	Working with UPIC (Unified Program Integrity Contractor) for enhanced fraud detection. Starting in State FY 2020, the state will engage in a new MCO Medicaid Care Organization (MCO) contract with better oversight of MCO program integrity functions.
New Jersey	Increase rates for behavioral health providers; increase Managed Care personal care service rates. Lower Personal Needs Allowance for nursing home population. Expand coverage for Hepatitis C. Add behavioral health services into managed care rates.
New Mexico	Increase provider payments for Behavioral Health, Nursing Facilities, Primary Care. Minor changes to move to single benefit package for adults.
Ohio	Increased provider payments for community/ICF provider rate increases; Behavioral Health Redesign. Developmental Disabilities Individual Option/Self Empowering Life Funding Waivers. Single PDL. Managed Care Day One implementation; Breast and Cervical Cancer Program; Adoption/Foster Care. Enrollee data cleanup- recategorization, dead and duplicate; audit enhancement; Electronic Visit Verification. Proposed Work Requirement.
Pennsylvania	Increase provider payments — FY 18–19 Nurse Family Partnership. FY 18–19 Community HealthChoices in Southeast. FY 18–19 additional Third Party Liability staff.
Rhode Island	Provider rate freezes; fraud prevention/identification
South Carolina	Increased ASD rates; increased Opioid coverage; Added ASD and PRTF services to managed care benefit.
South Dakota	For FY2019, across the board inflation for provider payment increases. Substance use disorder treatment funding was added in FY2019. Community health worker model funding added and increased funding for health homes in FY2019.
Tennessee	Other — Implementing policies and pricing strategies to reduce unnecessary and excessive costs
Utah	Increases to HCBS Provider Rates. Nursing Care Facility daily rate increased. Increase in the number of members in Community Supports Waiver, Family Planning Waiver (to provide family planning services to adults up to 100% FPL), Medicaid Expansion Waiver (potential expansion of Medicaid eligibility to adults up to 100% FPL), Dental for Targeted Adults with Substance Use Disorder. Proposing to limit opioid prescribing for dentists to 3 days. Managed care — Health Coverage Improvement Program. Enhanced review of managed care entities. Also improved program integrity efforts related to provider enrollment. Both efforts began in FY18 and will continue through FY19.
Vermont	DSH Reduction; Primary care case management fee elimination. DA $14/hr wage increase; 2% rate increase HCBS providers; DHMC rate increase.
Virginia	Inflation was provided for certain providers. In addition, there were limited rate increases for certain providers

(i.e. consumer directed attendants in FY 2019). Virginia's Governor's Access Plan (GAP) program uses a Medicaid demonstration waiver to provide primary care, outpatient medical services, and prescription drugs, along with certain behavioral health services to adults with serious mental illness. As of October 1, 2017, the income eligibility criteria for GAP was increased to 100 percent of the federal poverty level and new services were added. Virginia implemented a substantial managed care expansion (Commonwealth Coordinated Care Plus and Medallion 4.0).

Washington Other — Medicaid Transformation Waiver

West Virginia Normal increases in provider payments outlined by SPA.

Wisconsin Increase provider payments — Long-term care provider rate increase. DSH supplemental payments.

Wyoming Wyoming is still working through implementation of the CURES Act. Recent analyses completed with CMS indicate that Wyoming reimbursement for DME, in aggregate, exceeds the Medicare upper payment limit. May be required to reduce DME reimbursement rates if the state general fund cannot support repayment of the calculated overage. Increase for Intellectual/Development disability waiver provider rates to begin July 1, 2018. In FY 2019, will be moving the utilization management and pricing of physician administered drugs to the PBM vendor. FY 2019 Implementation of this FWA software. Indian Health Service uncompensated care waiver and/or changes to AI/AN referral policies/reimbursement

Notes to Table 38: Provider Tax Increases for Medicaid Program, Fiscal 2018 and Recommended Fiscal 2019

Illinois General Assembly has enacted, and Governor has signed a revised hospital assessment program scheduled to begin in FY19 pending federal CMS approval.

Louisiana Emergency Ground Ambulance Provider Fee increase.

CHAPTER FIVE

Recommended Changes in State Aid to Local Governments

A number of states reported recommended changes in their governors' budgets for fiscal 2019 affecting state aid to local governments as well as other changes with a fiscal impact on localities. States were asked to report on these changes organized by the following categories: 1) general aid to local governments; 2) revenue-sharing payments; 3) funding for education; 4) funding for transportation; 5) funding for other specific grant programs; 6) pension/OPEB contributions; 7) local government revenue capacity; 8) local property tax relief; and 9) other. *(See Table 39)*

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

Revenue-Sharing Payments. Five states reported on changes to revenue-sharing payments in fiscal 2019. In some cases, these are direct policy changes recommended, while in other cases they reflect expected increases or decreases based on the state's revenue projections for the next fiscal year. Once again, these include a mix of increases and decreases.

Funding for Education. Public education funding is typically the largest component of state spending that interacts with local government finances. Significant variation exists in how states help fund school districts and the share of K–12 spending covered by state versus local revenues. Eighteen states reported on changes affecting education funding in fiscal 2019, most of which reflected increases in funding. Changes include both broad-based per-pupil increases (or reductions) under the state's school funding formula as well as targeted investments in priorities such as teacher pay, school safety, rural education, special education, developmental disability services, and GED reimbursement.

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

Other Specific Grant Program Funding. Seven states reported on mostly modest funding changes to specific grant programs in other policy areas, such as public safety and law enforcement and the opioid crisis.

Pension/OPEB Contributions. Twelve states reported on changes to pension contributions in fiscal 2019 to plans that cover school districts, community colleges, and other local government employers. While some states recommended increased contributions, others would shift pension costs to localities.

Local Government Revenue Capacity. Three states reported on other changes affecting local government revenue capacity, including reductions to payments in lieu of taxes, and expected revenue increases from executive budget actions.

Local Property Tax Relief. Six states reported on property tax relief efforts, such as backfilling property tax revenue lost due to wildfires in California and funding for a new program in Rhode Island to phase out local property taxes on motor vehicles.

Other Changes. Additional proposals for fiscal 2019 affecting local governments include funds to replace voting systems and support broadband infrastructure.

Local Government Fiscal Conditions

Like state governments, local government fiscal conditions have improved modestly in recent years, but cities and counties continue to face budgetary challenges, including pent-up infrastructure needs, pension and retiree health care costs. Additionally, mirroring what states experienced in fiscal 2016 and fiscal 2017, municipal governments saw a slowdown in revenue growth in recent years. According to the 2017 edition of *City Fiscal Conditions* by the National League of Cities, general fund revenues grew 2.6 percent in 2016, and were projected to increase just 0.9 percent in 2017 (in constant, inflation-adjusted dollars). On average, city finance officials were expecting just 1.6 percent growth in property tax revenues in 2017, compared to 4.3 percent in 2016. As of 2017, cities' general fund revenues had still not yet reached pre-recession (2006) levels, after adjusting for inflation. Looking ahead, cities will also be monitoring closely the impacts of the new federal cap on state and local tax deductibility, passed as part of the *Tax Cuts and Jobs Act of 2017*, on property values and tax revenues over time.

TABLE 39

Recommended Changes in Aid to Local Governments, Fiscal 2019

General Aid to Local Governments

Alaska Governor's proposed budget fully funded the community assistance program. This is the first budget that new statutes are in effect for the community assistance program, funding will result in a $30m distribution to communities, an $8m reduction from the prior year.

California Corrections: The 2018–19 Governor's Budget:

— increases funding for offenders on Post Release Community Supervision by $13.6 million General Fund from the 2017–18 enacted budget, an 88% increase for a total of $29 million.

— removes one-time spending of $100,000 for the Ione Police Department.

— includes an increase of $0.3 million General Fund to provide court security for the transfer of four judgeships, an increase of 100% from the 2017–18 enacted budget.

— includes an additional $11.1 million for county charges associated with prosecuting inmate crimes committed in state prison, a 95% increase over the 2017–18 enacted budget.

— includes $106.4 million for counties to reduce felony probationers sent to prison.

Connecticut The Governor's recommended FY 19 adjustments include a $7.6 million (20.3%) reduction to Municipal Stabilization grants.

Maryland Fiscal 2019 grows by $178.8 million (2.4%) over fiscal 2018, with further detail listed in the following categories. Note that the listed totals include all state funds (not just general).

Massachusetts Proposed to increase unrestricted local aid by $37 million (3.5%) over FY18

New Jersey An increase in Transitional Aid to Localities by $15 million (24.4%) to $102 million. This program is the State's largest discretionary form of municipal aid.

New York The FY 2019 Executive Budget provides local governments with $40.9 billion in State support through major local aid programs and savings initiatives. This includes nearly $18.1 billion for school districts, $16.5 billion for New York City, $4.5 billion for counties and nearly $1 billion for other cities, towns, and villages.

Ohio Subsequent to the enacted budget, up to an additional $30 million was authorized to continue to mitigate the effects of reduced sales tax revenues to counties and transit authorities caused by the repeal of the sales tax collected by Medicaid health insuring corporations on health care service transactions.

Rhode Island The Payment-in-Lieu-of-Taxes (PILOT) program reimburses communities for up to 27.0 percent of what they would have collected in property taxes from certain designated tax exempt property (subject to appropriation). The FY 2019 budget is funded at $46.1 million, an increase of $0.8 million, which fully funds the aid program at 27.0 percent in FY 2018. Data used to determine distribution amounts is updated annually to reflect the most recent data

Revenue-sharing Payments

Alaska Program is now titled Community Assistance and has been reported in the row above.

Connecticut The Governor's recommended FY 19 adjustments include a $1.6 million (4.3%) reduction to Municipal Revenue Sharing grants.

TABLE 39 (CONTINUED)

Recommended Changes in Aid to Local Governments, Fiscal 2019

Florida	The various sales tax holidays are expected to decrease local government sales tax collections by an estimated $18.0m.
Illinois	Continue 90% proration (began in FY2018) of state income and sales tax revenue sharing with local governments.
Michigan	The Governor's FY 19 budget includes an increase of $34.3 in Constitutional payments, and a reduction of $14.2 million in statutory payments. The FY 19 budget also includes a proposal to augment payments to cities, villages, townships, counties though redistribution of excess funds available from statutory earmark of use tax revenues based on personal property tax reform.
Tennessee	Recommended budget includes an increase in the estimate for tax revenues shared with local governments. FY19 shared revenues are projected to increase $35.1M or 3.0% to $1,202,700,000 over the FY18 revised estimate of $1,167,600,000.

Funding for Education

California	The Governor's Budget provides $3 billion toward fully funding the local control funding formula, a 5.1 percent increase over the revised 2017–18 level. Additionally, the proposal allocates $1.8 billion in discretionary grants to local educational agencies.
Colorado	The Governor proposed reducing the budget stabilization factor in the school finance formula by $100M. This funding is in addition to the required growth in state funding for schools. The proposal for funding schools also included providing an additional $30M for rural local school districts. The Governor also proposed transferring an additional $200M from the General Fund to the State Education Fund that could be allocated to schools, as well as to mitigate an expected future decline in local property tax revenue.
Connecticut	The Governor's recommended FY 19 adjustments include a $66.6 million (3.3%) reduction to Education Cost Sharing (ECS) and a $0.5 million (2.2%) reduction to Adult Education. There was an increase of $22.3 million above the estimated FY18 amount.
Illinois	Increase K–12 education funding to school districts by $350M.
Kansas	The Governor's FY 2019 recommendations increased expenditures by $117.6 million (or 2.7 percent) over FY 2018 for K–12 education, including expenditures in the state's school finance formula, special education, employer contributions for KPERS, capital outlay aid, and capital improvement (bond and interest) state aid. These "major categories of state aid" expenditures total $4,464.8 million in FY 2019.
Maryland	Funding for K–12, libraries, and community colleges grows by $143.6 million (2.1%). This includes $19.2 million in contingent reductions (i.e. law changes) to reduce funding in certain mandated programs.
Massachusetts	Proposed to increase education aid (Chapter 70) by $103.6 million (2.2%), plus $15 million in additional aid to targeted school districts; $10 M increase to reimbursements for local special education costs (Special Education Circuit Breaker)
Michigan	The FY 19 Executive budget includes $312 million to fund the largest per pupil foundation grant increase in more than 15 years; an increase of $5 million for career and technical education; an increase of $5 million for early identification and interventions for development disabilities; and significant funding for retirement costs.

TABLE 39 (CONTINUED)

Recommended Changes in Aid to Local Governments, Fiscal 2019

Minnesota	Safe and Secure Schools Act: Equalize and Increase the Safe Schools Levy (FY19 funding: $15.872 million in new funding) — Funding is provided to Minnesota school districts and charter schools to improve student and school security. Funds may be used for building security improvements or to hire more school resource officers, counselors, or other student support staff. This recommendation provides one-time state aid to districts and charter schools equal to $18 per pupil in FY 2019. Special Education Funding Increase (FY19 funding: $16.939 million, a 1.20% increase over base) — This funding is for state special education aid to reduce the special education cross subsidy. Reducing the cross subsidy will mitigate district cost increases due to inflation and increases in the number of students requiring special education instruction and services. Alternative Compensation (Q Comp) (FY19 funding: $847,000, a 0.90% increase over base) — This proposal removes the cap for current Alternative Compensation (Q Comp) program participants. This would allow current participants to continue to receive 100% of their entitlement as enrollment grows for these districts and schools. Fully Fund GED Reimbursement (FY19 funding: $403,000, a 322% increase over base) — This proposal fully funds the cost of taking the General Education Development (GED) once a year for any Minnesotan pursuing their High School Equivalency. This will provide increased access for eligible individuals to complete the GED battery of tests by paying all of the student's testing fees ($120 per individual). Kindergarten Students with a Disability Average Daily Membership Calculation (FY19 funding: $153,000) — This proposal aligns the number of hours required for a kindergarten student with a disability to generate one Average Daily Membership (ADM) with the number of hours required for all other kindergarten students. Currently the number of hours required for a kindergarten student with a disability is 875 and all other kindergartners is 850. This proposal corrects an inconsistency in ADM calculations and funding for kindergarten students with and without a disability.
Nebraska	TEEOSA (formula) State Aid to Schools: Reduction of $8.6 million, 0.9% decrease for fiscal 2019 over fiscal 2018
New Jersey	An increase in School Aid to local school districts by $903.5 million (6.8%) to $14.2 billion. This is comprised of aid to schools, direct payments on behalf of teacher pension and healthcare costs, and school construction debt service.
New York	The Executive Budget will provide a statewide school aid increase of $654.8 million for the 2018–19 school year ($407.1 million for New York City and $233.7 for school districts outside of New York City). School districts will also be eligible for additional education funds through $50 million in new competitive grants and a $64 million Fiscal Stabilization Fund. These benefits will be partially offset by a $30 million reduction caused by reforming summer school special education reimbursements rates.
North Carolina	State is proposing an increase of $338.5 million in K–12 mostly for teacher and principal salary.
Rhode Island	Under the state's education funding formula, the state's contribution will increase by $13.4 million in FY 2019 compared to FY 2018.
Tennessee	The FY19 budget includes a $66,820,000 increase in aid to local education agencies.
Vermont	In conjunction with the legislature, the Governor adjusted the SFY19 Capital Budget to include $4M in school safety and security grant funding.

TABLE 39 (CONTINUED)

Recommended Changes in Aid to Local Governments, Fiscal 2019

Washington	$136 million to fully fund basic education (primarily teachers' salaries).
Wisconsin	State aid to school districts will increase by $269.5 million from FY18 to FY19. Of this amount, $263.1 million is provided in 2017 Wisconsin Act 59, primarily through increases to equalization aid and per pupil aid, and new grants to increase school mental health services. An additional $6.5 million is provided in 2017 Wisconsin Act 141 for sparsity aid in FY19. Act 141 also provided a revenue ceiling adjustment to assist low revenue districts.

Funding for Transportation

California	Compared to the 2017–18 enacted budget, the 2018–19 Governor's Budget includes the following additional transportation funds to local governments: $742 million for Local Streets and Roads Program, $75 million for State Transit Assistance Program, and $11 million for Commuter Rail and Intercity Rail Program.
Colorado	The Governor proposed providing $500M General Fund for transportation, $421M more than the prior fiscal year. Some of this funding would benefit local governments.
Kansas	For FY 2019, funding for transportation is projected to increase by $1.7 million or less than 1.0 percent. The increase is from additional revenue to the Special City & County Highway Fund. The fund is a dedicated fund for local governments. Revenues are distributed by statutory formula.
Maryland	State aid to local governments for transportation grows by $17.9 million (8.2%). No law changes are recommended.
Michigan	Payments to local governments from state sources are estimated to increase by $135.7 million in FY 19 compared to revised FY 18 totals. In FY 18, an additional $175 million general fund was provided for transportation purposes, and an estimated $106.6 million of that amount will go to locals.
Minnesota	Grant to City of Virginia, MN (FY19 funding: $5.4 million in new funding) — Funding is provided for loan repayments related to utility relocation on Highway 53.
North Carolina	Increase funding for school transportation cost $10 million
Tennessee	Additional funding for local transportation projects is included in the revenue-sharing payments.
Wisconsin	The enacted 2017–19 biennial budget increased general transportation aid to counties by 12.9% annually beginning in CY2018 (creating a $12.7 million lift in state payments to counties in FY19). Similar payments to municipalities were increased 8.5% beginning in CY2018 (creating a $27.4 million lift in state payments to municipalities in FY19).

Funding for Other Specific Grant Programs

California	Corrections: The 2018–19 Governor's Budget removes: — a one-time General Fund backfill for the California Violence Intervention Prevention Grant Program of $9.2 million and — one-time funding of $20 million General Fund for the North Orange County Public Safety Task Force. Insurance fraud prevention and investigation ($0.5 million)

TABLE 39 (CONTINUED)

Recommended Changes in Aid to Local Governments, Fiscal 2019

Colorado	The Governor proposed the elimination of the Marijuana Impact Grant Program, which receives an annual appropriation of $1 million in grant funds from marijuana tax revenue. There has been minimal demand for the program.
Connecticut	The Governor's recommended FY 19 adjustments include a $0.25 million (0.5%) reduction to Mashantucket Pequot and Mohegan Fund grants.
Maryland	The Governor's Allowance includes contingent reductions reducing (a) local health grants by $0.9 million and (b) Program Open Space grants by $3.4 million.
Minnesota	Safe and Secure Courthouse Grants (FY19 funding: $1 million in new funding) — Safe and Secure Courthouse grants are distributed to counties on a matching basis to fund a variety of courthouse security improvements. Supporting Integrated Local response to the Opioid Crisis (FY19 funding: $2 million in new funding) — Funding provides grants to units of local government to support cross-sector integration to fight the opioid epidemic. Strengthen Vulnerable Adult Protection (FY19 funding: $3 million) — Funding provides grants to units of local government for adult protection services.
New York	The Budget continues the Governor's efforts to relieve the property tax burden by providing a $225 million appropriation to match savings from county-wide shared services plans.
Wisconsin	Volkswagen settlement funds will be available for replacement of eligible local vehicles as a result of provisions enacted into law in the 2017–19 budget.

Pension/OPEB Contributions

Alaska	$108m increase from prior year, mostly due to use of one-time, non-general fund sources in prior year.
Colorado	The Governor proposed increasing public employee pension contributions under a reform plan for the Public Employee Retirement Association (PERA). PERA includes some local government employers, including school districts.
Connecticut	The Governor's recommended FY 19 adjustments include a $40.1 million (3.1%) reduction to teachers' retirement contributions on behalf of municipalities.
Illinois	Shifting the normal cost of teachers pension benefits from the state to the school districts and universities that employ the teachers.
Kansas	Pension contributions for local school districts, community colleges and technical colleges will be $127.0 million or 28.0 percent lower in FY 2019. The decrease is from the Legislature's approval of reducing KPERS School Group employer contributions in FY 2019.
Kentucky	HB 265 2018RS holds FY 2019 employer contribution rates flat at the current FY 18 rates.
Maryland	Retirement aid for K–12, library, and community college employees falls by $1.8 million (-0.2%). No law changes are recommended.
Michigan	The FY 19 School aid budget provides an increase of $133 million to fund retirement costs for K–12 school districts and community colleges. (FY 18 budget included a one-time pre-payment amount of $200, which is excluded for this comparison.)

TABLE 39 (CONTINUED)

Recommended Changes in Aid to Local Governments, Fiscal 2019

Minnesota	Pension Sustainability (FY19 funding: $20.363 million) — This proposal provides pension adjustment formula aid to school districts to offset employer contribution rate increases in Minnesota's two teacher pension plans and direct aid to two pension plans for local government employees. These funding components are part of a comprehensive proposal to improve the funding trajectories of Minnesota's public pension funds. Other components include increasing employee contribution rates, increasing state government employer contribution rates, lowering the assumed rate of return to 7.5%, reducing cost of living adjustments, reducing various benefit components, and extending the amortization period to 30 years.
Nebraska	School Employees Defined Benefit Retirement Plans: $1.8 million, 3.8% increase for fiscal 2019 over fiscal 2018.
New Jersey	An increase in Employee Benefits on behalf of Local Governments by $25.4 million (13.8%) to $210 million. The State provides funding on behalf of certain local members of the Police and Firemen's Retirement System and the Consolidated Police and Firemen's Pension Fund. Funding is also provided for post-retirement medical costs of certain local police and fire who retired on a disability retirement or with 25 years of service. Pension/OPEB contributions
Rhode Island	The State contributes 40% towards the pension liability for teachers; in FY 2019 an additional $5.1 million is recommended for this expense.

Local Government Revenue Capacity

Connecticut	The Governor's recommended FY 19 adjustments include a $9.4 million (16.8%) reduction to the State-Owned Payment in Lieu of Taxes (PILOT) and a $10.8 million (10.2%) reduction to the Private Colleges & Hospitals PILOT.
Maryland	The State of Maryland provides local governments with Disparity Grants, which address the difference in the abilities of counties to raise revenues from the local income tax, which for most counties is one of their larger revenue sources. These grants grow by $1.9 million in fiscal 2019 over fiscal 2018 (1.4%). No law changes are recommended.
New York	Executive Budget actions will have an $142.4 million impact on New York City ($58.5 million), County ($73 million) and other Municipal Governments ($10.9 million) from collecting online market place sales tax. County and other Municipal governments will experience a $45.2 million impact, $38.1 million and $7.1 million, respectively, from a proposal to discontinue the Energy Services Company (ESCO) sales tax incentive.

Local Property Tax Relief

California	$48.2 million is proposed to backfill property tax revenue lost by cities, counties, special districts, and schools in 2017–18 and 2018–19 due to the 2017 wildfires.
Nebraska	Personal Property Tax Exemption: $0.3 million, 2.2% increase for fiscal 2019 over fiscal 2018. Homestead Exemption: $2.8 million, 3.5% increase for fiscal year 2019 over fiscal 2018.

TABLE 39 (CONTINUED)

Recommended Changes in Aid to Local Governments, Fiscal 2019

North Dakota	The 2017 Legislative Assembly eliminated the 20-mill levy authority for human services purposes and established a state-paid economic assistance and social service pilot program for the 2017–19 biennium.
Rhode Island	As part of the FY 2018 appropriations act, a new program to phase-out the local property tax on motor vehicles was enacted. The FY 2018 revised budget includes $24.5 million and FY 2019 recommended budget includes $44.7 million for this program.
Vermont	An additional $250K currently proposed to increase the annual cap on VT Downtown and Village Center Tax Credit program.
Wisconsin	As noted in the Fall 2017 survey, $87 million of additional state aid will be paid to local governments beginning in FY19 to reduce property taxes otherwise imposed on property owners statewide beginning with the 2017–18 property tax year. Additionally, beginning in FY19, provide $74.4 million in local aid to offset the exemption of certain personal property from the property tax.

Other Changes Impacting Local Governments

California	General Government: The 2018–19 Governor's Budget includes $134.3 million General Fund to replace (on a county-by-county basis) voting systems.
Colorado	The Governor proposed providing $10M in additional funding to support enhancing broadband infrastructure in the state, much of which would benefit rural areas.
Hawaii	$536,819 to fund County lifeguard services contracts.
Louisiana	— Local Housing of Adult Offenders per diem rate reduced $5 a day — Salaries to local Assistant District Attorneys — Supplemental Payments to Constables
New Jersey	Changes in other local aid programs include an increase in County Administration Funding of $7.5 million (43.9%), the elimination of State funding for County Prosecutor Funding Initiative Pilot Program ($4 million), and the elimination of State funding for Union County Inmate Rehabilitation Services.

APPENDIX

TABLE A-1

Recommended Revenue Changes by Type of Revenue, Fiscal 2019

State	Tax Change Description	Effective Date	Fiscal 2019 Revenue Impact ($ in millions) General Fund	Other State Fund	Total
	SALES TAXES				
Connecticut	Increase hotel occupancy tax from 15% to 17% and divert the 2% increase to the tourism fund	07-18	0.0	16.7	16.7
	Repeal existing diversion to the tourism fund.	07-18	12.7	-12.7	0.0
	Repeal exemption of nonprescription drugs	07-18	30.0		30.0
	Accelerate car sales tax diversion	07-18	-9.1	9.1	0.0
Florida	Back-to-School and Disaster Preparedness Tax Holidays	various	-70.2		-70.2
Georgia	Sales Tax Exemption	07-18	-2.3		-2.3
Idaho	Information Technology Equipment Tax Rebate	07-18	-0.5		-0.5
Indiana	Elimination of Sales Tax Collections on Software Sold as a Service	07-18	-11.5		-11.5
Michigan	Accelerate Sales Tax on the Difference for used automobiles	01-18	-0.3	-2.4	-2.7
Minnesota	Modify Data Center Exemption	07-18	6.6		6.6
New Jersey	Restore 7% rate (581m); expand base (27m)	07-18	608.0		608.0
New York	Lower Manhattan Extenders	06-18	-15.0	0.0	-15.0
Ohio	Sales tax holiday for specified back to school purchases.	07-17	-16.2	-0.5	-16.7
Rhode Island	Software as a Service	10-18	4.8		4.8
	Security Services	07-18	9.7		9.7
Wisconsin	One-time 5-day "Back-to-School" Sales Tax Holiday	08-18	-14.0		-14.0
Total Revenue Changes—Sales Tax			**$532.7**	**$10.2**	**$542.9**

Table A-1 continues on next page.

TABLE A-1 (CONTINUED)

Recommended Revenue Changes by Type of Revenue, Fiscal 2019

State	Tax Change Description	Effective Date	Fiscal 2019 Revenue Impact ($ in millions) General Fund	Other State Fund	Total
	PERSONAL INCOME TAXES				
Alaska	Institute limited payroll tax	01-19		160.0	160.0
Connecticut	Eliminate new exemption for social security income	01-18	7.9		7.9
	Eliminate new exemption for pension income	01-19	8.2		8.2
	New credit for pass-through entity taxes paid	01-18	-600.0		-600.0
Georgia	Conformity to IRC Changes — Individual Income Tax Impacts	01-18	252.0		252.0
Idaho	Federal Conformity+tax relief	01-18	-59.6		-59.6
Maine	Tax Reform	01-18	-93.1		-93.1
Maryland	An income tax credit for small businesses that provides qualified benefits, including dependent care, transportation, educational assistance, etc.	07-18	-4.7	-0.3	-5.0
	An expansion of the existing subtraction modification for retired emergency personnel to correctional officers, including retirees who are at least age 50 from 55, and increasing subtraction to 100 percent of retirement income by TY 2020.	07-18	-1.2	0.0	-1.2
	Expansion of existing subtraction modification of military retirement income to 100 percent of retirement income by TY 21.	07-18	-18.2	0.0	-18.2
	A tax credit against either income tax for purchases of cybersecurity technology from a Maryland company of the lesser of 50 percent of the cost or $50k.	07-18	-2.2	-0.1	-2.3
Massachusetts	Income Tax Reduction	01-19	-84.0	0.0	-84.0
Michigan	Personal Exemption Increase	01-18	-59.8	-15.2	-75.0
Minnesota	Expand the Working Family Tax Credit	07-18	-52.1		-52.1
	Minnesota Response to 2017 Federal Tax Bill	07-18	-169.8		-169.8
	Angel Tax Credit	07-18	-10.0		-10.0
Nebraska	Refundable income tax credit for property taxes paid	01-18	-210.3		-210.3
	Reduction in top marginal rate	01-18	-8.7		-8.7
New Jersey	Millionaire's Tax 10.75%	07-18		765.0	765.0
	Property tax deduction cap $15k; EITC phase-in; Child/dependent care credit; pension exclusion	07-18		-134.2	-134.2
New York	Lake Ontario Flood Disaster Deductions	06-18	-1.0	0.0	-1.0
North Carolina	Conformity with federal Tax Cuts & Jobs Act	11-17	66.0		66.0
Ohio	Increased college and disability savings tax deductions and reduce personal income tax brackets from 9 to 7.	07-17	-9.4	-0.3	-9.7
Oklahoma	Simplifies components of individual income tax		117.2	12.0	129.2
Oregon	Oregon Opportunity Grant Credit	01-18	-14.0		-14.0
	Partnership Passthrough (Decouple from Federal IRC 199A)	01-18	258.4		258.4
	Additional restrictions placed on the Oregon Working Family Credit	01-18	1.0		1.0
South Carolina	Police Officers, Peace Officer, & Firefighter Retirement Income Tax Exemption	07-18	-8.6		-8.6
	Military Retirement Income Tax Exemption	07-18	-14.1		-14.1
	Income Tax Reduction (Year 1 of 5)	07-18	-139.7		-139.7
Virginia	Federal tax conformity		-3.3		-3.3
	LPTC transfer fee to 3%		-1.0		-1.0
Wisconsin	Historic Rehabilitation Credit: Increase maximum tax credits allowed per parcel from $500,000 to $3,500,000	04-18	-3.5		-3.5
	Increase Maximum Investment Eligible for a Tax Credit in a Qualified New Business Venture	04-18	-5.0		-5.0
	Adopt certain federal tax changes enacted in December 2017		-26.5		-26.5
Total Revenue Changes—Personal Income Tax			**-$889.1**	**$786.9**	**-$102.2**

Table A-1 continues on next page.

TABLE A-1 (CONTINUED)

Recommended Revenue Changes by Type of Revenue, Fiscal 2019

State	Tax Change Description	Effective Date	Fiscal 2019 Revenue Impact ($ in millions) General Fund	Other State Fund	Total
	CORPORATE INCOME TAXES				
California	New Employee Hiring Credit	01-19	-50		-50
	Cal Competes Tax Credit	07-18	-4.5		-4.5
Connecticut	Corporate surcharge of 8% beginning in IY 2019	01-19	18		18
	Limit $2.5 million cap on unitary to manufacturers	01-18	25		25
	Repeal 7/7 brownfield tax credit program	01-17	4		4
	New pass-through entity tax	01-18	600		600
Georgia	Conformity to IRC Changes — Corporate Income Tax Impacts	01-18	13		13
Idaho	Federal Conformity+tax relief	01-18	-35.1		-35.1
Maine	Tax Reform	01-18	18.2		18.2
Minnesota	Minnesota Response to 2017 Federal Tax Bill	07-18	268.7		268.7
	Corporate Tax Reform	07-18	5.5		5.5
Nebraska	Reduction in top marginal rate	01-18	-4.75		-4.75
New Hampshire	Reductions in Business Profit Tax and Business Enterprise Tax rates are expected to reduce revenues by $11.0 million with another reduction of $ 9.7 million in revenue expected from the Business Profit Tax as the result of a change in business tax deductions in determining gross business profits, raising the limit from $100,000 to $500,000, effective January 1, 2018.	01-18	20.7		20.7
New Jersey	Business modernization	07-18	110		110
North Carolina	Conformity with federal Tax Cuts & Jobs Act	11-17	-12		-12
	Film Incentive	01-19	0		0
Oklahoma	Repeals refundability/transferability for eligible coal, wind and railroad tax credits		11.4	2.5	13.9
Oregon	Repatriation Revenue Recapture	01-18	100		100
Wisconsin	Adopt certain federal tax changes enacted in December 2017		3		3
Total Revenue Changes—Corporate Income Tax			**$1,091.2**	**$2.5**	**$1,093.7**

Table A-1 continues on next page.

TABLE A-1 (CONTINUED)

Recommended Revenue Changes by Type of Revenue, Fiscal 2019

State	Tax Change Description	Effective Date	Fiscal 2019 Revenue Impact ($ in millions) General Fund	Other State Fund	Total
	CIGARETTE TAXES				
Connecticut	Increase rate from $4.35 to $4.60 a pack	07-18	20		20
	Floor tax	07-18	2.8		2.8
	E-Cigarettes — 75% wholesale	07-18	8.5		8.5
	Cigars from 50 cents to $1.50	07-18	2.9		2.9
Minnesota	Restore Tobacco Tax Inflator	07-18	3.23		3.23
	Tobacco Product Tax Changes	07-18	1		1
New Jersey	E cigarettes	07-18	65		65
Ohio	Reduced excise tax on premium cigars	07-17	-1.5	-0.1	-1.6
Oklahoma	Additional $1.50 per cigarette pack		231.7		231.7
	Little Cigars will be taxed at the same rate as cigarettes; Additional 10% tax on chewing tobacco		12.2		12.2
Rhode Island	Cigarette tax/Cigars/Vape	08-18	6.2		6.2
Total Revenue Changes—Cigarette Tax			**$352.0**	**-$0.1**	**$352.0**
	MOTOR FUEL TAXES				
Alaska	Increase motor fuel tax	07-18	-35.7	76.0	40.3
Connecticut	Increase gasoline tax by 2 cents in FY 2019, 1 cent in FY 2020, 2 cents in FY 2021, and 2 cents in FY 2022.	07-18	0	30.0	30.0
Indiana	Motor carrier surtax and special fuel tax	07-18		24.4	24.4
Oklahoma	Additional $0.06 per gallon on gasoline and diesel fuels		163.4		163.4
Total Revenue Changes—Motor Fuel Tax			**$127.7**	**$130.4**	**$258.1**
	ALCOHOLIC BEVERAGES TAXES				
Connecticut	Modify minimum bottle pricing	7/1/18	1.5		1.5
Total Revenue Changes—Alcoholic Beverages Tax			**$1.5**	**$0.0**	**$1.5**
	GAMING TAXES / LOTTERY REVENUE				
Rhode Island	Legalize Sports Betting	10/1/18	23.5		23.5
Total Revenue Changes—Gaming Taxes / Lottery Revenue			**$23.5**	**$0.0**	**$23.5**

Table A-1 continues on next page.

TABLE A-1 (CONTINUED)

Recommended Revenue Changes by Type of Revenue, Fiscal 2019

State	Tax Change Description	Effective Date	Fiscal 2019 Revenue Impact ($ in millions) General Fund	Other State Fund	Total
	OTHER TAXES				
Connecticut	Increase real estate conveyance rates: 0.75% to 0.85%, 1.25% to 1.4%	07-18	22.9		22.9
	Implement recommendation of ASC Tax Study	07-18	-1.0		-1.0
	Technical Fix to ICF/IID user fees	07-18	0.1		0.1
	Eliminate the $200 property tax credit	01-18	49.7		49.7
Delaware	Other — Reduced Realty Transfer Tax for first time homebuyers	08-17	-5		-5
Georgia	Income Tax Credits	07-18			-38.9
	Title Ad Valorem — Leasing	07-18	-36.7		-36.7
Maine	Tax Reform — Estate Tax	01-18	-4.2		-4.2
Minnesota	State General Levy Inflation Reinstated	07-18	12.1		12.1
Nebraska	Transfer from General Fund to Property Tax Credit Cash Fund to reimburse local governments for a property tax credit applied to property taxes due	01-18	221.0		221.0
New Hampshire	A repeal of the Electricity Consumption Tax will reduce revenues an expected $3.0 million.	01-19	3.0		3.0
New Jersey	Marijuana tax	01-19	80.0		80.0
	Eliminate estate tax	01-18	-143.3		-143.3
Oklahoma	Gross Production Excise Tax — All wells currently taxed at 2% will be taxed at 4%; New wells drilled will be at 4% for the first 36 months and then move to 7%.		126.7		126.7
	Gross production tax on Wind Energy — $1 per MWh		19.2		19.2
Pennsylvania	A severance tax based on volume and a rate schedule. The rate is applied to each thousand cubic feet (MCF).	07-18	248.7		248.7
Rhode Island	Transfers from quasi-public agencies	06-19	8.0		8.0
Virginia	Limit on historic rehab credit		9.9		9.9
Total Revenue Changes—Other Tax			**$611.1**	**$0.0**	**$572.2**

Table A-1 continues on next page.

TABLE A-1 (CONTINUED)

Recommended Revenue Changes by Type of Revenue, Fiscal 2019

State	Tax Change Description	Effective Date	Fiscal 2019 Revenue Impact ($ in millions) General Fund	Other State Fund	Total
	FEES-BUSINESS				
Rhode Island	Mutual Fund/Insurance Adjusters	07-18	7.6		7.6
	FEES-COURT				
Michigan	Elimination of Driver Responsibility Fees	02-18	-26.0	-8.5	-34.5
	FEES-TRANSPORTATION/MOTOR VEHICLE				
Florida	Driver's License Fee Reductions	07-18	-84.1		-84.1
Rhode Island	Duplicate License Fee from $5 to $25	07-18	3.1		3.1
	FEES-OTHER				
California	State Responsibility Area Fire Prevention Fee Suspension	07-17		-87.2	-87.2
	Cannabis License fee revenues	01-18		203.5	203.5
	Los Angeles County Licensing and Certification Fee	07-18		8.7	8.7
Florida	Traffic Fine Reduction for Driver Improvement School	07-18	-4.2	0.2	-4.0
Michigan	Increase the solid waste tipping fee to generate revenue for a comprehensive Renew Michigan Initiative to fund environmental cleanup, water quality monitoring, waste management & recycling, and state park infrastructure improvements.	10-18		79.0	79.0
Total Revenue Changes—Fees			**-$103.6**	**$195.7**	**$92.1**

TABLE A-2

Recommended Revenue Measures, Fiscal 2019

State	Tax Change Description	Effective Date	Fiscal 2019 Revenue Impact ($ in millions) General Fund	Other State Fund	Total
Alaska	Other — Proposed transition of the draw from the Alaska Permanent Fund account to a percent of market value (POMV) and allows deposit of an amount up to the value of the POMV draw into the general fund. Draw would be 5.25% of the average value of the fund in the first 5 of the prior 6 years.	7-18	1910.7		1910.7
Arizona	Sales & Use — Fraud prevention services	7-18	30		30
	Sales & Use — Auditors and collectors	7-18	25		25
Arkansas	Personal Income — various tax credits and exemptions; Tax Relief	1-17	-26.3		-26.3
Connecticut	Fees — Business — Expand bottle bill to wine and liquor at 25 cents	10-18	13		13
	Fees — Business — Expand bottle bill fruit, tea, sports, and energy drinks	10-18	7		7
	Fees — Other — Higher Ed. Alternative retirement program recoveries	Passage	35.5		35.5
	Fees — Other — Federal grants increase due to expenditure changes	Passage	3.8		3.8
	Fees — Other — Reduce transfer to Mashantucket/Mohegan Fund	07-18	0.3	-0.3	0
	Fees — Other — Reduce transfer from banking fund	07-18	-5.2	5.2	0
	Fees — Other — Eliminate transfer from RGGI	07-18	-10	10	0
	Fees — Other — Eliminate transfer from green bank	07-18	-14	14	0
	Fees — Transportation/ Motor Vehicle — Impose a $3 tire fee	07-18	0	8	8
Idaho	Other — redirect indirect cost recovery to new fund	03-18	-20.8	20.8	0
	Other — redirect a portion of insurance premium tax to POST	07-18	-2	2	0
Iowa	Sales & Use — shift of sales tax on water to water quality programs	07-18	-3.9		-3.9
Massachusetts*	Other — Marijuana Excise Tax	07-18	40	0	40
	Other — Room Occupancy Tax Reform	07-18	13	0	13
	Personal Income — Earned Income Tax Credit	01-19	0	0	0
	Sales & Use — Marijuana Sales Tax (Other State Fund is for the Massachusetts School Building Authority, a non-budgeted fund)	07-18	19.3	3.7	23
New Hampshire	Gaming / Lottery — Implementation of KENO and online lottery games as additional Lottery Commission revenue sources with KENO to be dedicated school Kindergarten funding in FY 2019.	01-18		9	9
New Jersey	Sales & Use — Move energy sales tax dedicated revenue on budget	06-18	788.5		788.5
New York	Gaming / Lottery — Vernon Downs Relief	06-18	0	-2.6	-2.6
North Carolina*	Personal Income — Freeze rate at 5.499% for incomes above $200k (MFJ), $100k (single), and $150k (HOH)	01-19	68		68
	Corporate Income — Freeze rate at 3.0%	01-19	42		42
	Other — Real Estate Conveyance Tax — earmark 25% for trust funds for conservation and housing	07-18	-18.7	18.7	0
Ohio	Corporate Income — Reduce the commercial activity tax administrative fee from .85% to .75%.	07-17	1.6	-1.6	0
	Sales & Use — Temporarily increase percentage of total GRF tax receipts deposited in the Public Library Fund from 1.66% to 1.68%. The loss in revenue is split between the non-auto sales and kilowatt hour taxes.	07-17	-4.6	4.6	0
Vermont	Other — Downtown development tax credits	07-18	-0.25		-0.25
	Personal Income — Military pension exemption	07-18	-2.7		-2.7
	Personal Income — SS income exemption	07-18	-1.9		-1.9
	Personal Income — Other personal income tax credits	07-18	-0.75		-0.75
Virginia	Personal Income — Tax initiative to expand audits		7.9		7.9
	Sales & Use — sb1390 enforcement		5.4		5.4
Washington	Cigarette — Raise age to 21 to purchase tobacco products	07-18	-5		-5
West Virginia	Other — Workers' Comp Redirect	07-18	13.25		13.25
	Sales & Use — Eliminate Transfer to DOH	01-18	12.5		12.5
Total			**$2,920.7**	**$91.5**	**$3,012.2**

TABLE A-3

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

State	Tax Change Description	Effective Date	Fiscal 2018 Revenue Impact ($ in millions)		
			General Fund	Other State Fund	Total
	SALES TAXES				
Georgia	Sales Tax Exemption	07-18	-1.8		-1.8
Michigan	Accelerate phase-in of Sales Tax on the Difference, the deduction of vehicle trade-in value from taxable value of new vehicle.	01-18	0.0	-0.2	-0.2
New Jersey	Rate decrease from 6.875 to 6.625	01-18	-202.9		-202.9
New York	Lower Manhattan Extenders	06-18	-4.0	0.0	-4.0
Total Revenue Changes—Sales Tax			**-$208.7**	**-$0.2**	**-$208.9**
	PERSONAL INCOME TAXES				
Georgia	Conformity to IRC Changes — Individual Income Tax Impacts	01-18	28		28
Maine	Tax Conformity	01-18	-9.2		-9.2
Michigan	Personal Exemption Increase	01-18	-6.4	-1.6	-8
New Jersey	Phase in of increased pension exclusion; personal exemption for honorably discharged veterans	01-18		-105	-105
Ohio	Allows a pass-through entity investor to claim the business income deduction in certain instances.		-7.5		-7.5
Oregon	Additional Spending of Criminal Fines and Assessment Revenue that would otherwise flow to the General Fund	01-18	-3.8		-3.8
Total Revenue Changes—Personal Income Tax			**$1.1**	**-$106.6**	**-$105.5**
	CORPORATE INCOME TAXES				
Georgia	Conformity to IRC Changes — Corporate Income Tax Impacts	01-18	45.0		45.0
Total Revenue Changes—Corporate Income Tax			**$45.0**	**$0.0**	**$45.0**
	OTHER TAXES				
Georgia	Income Tax Credits (combined -$12 million impact on general and other state funds)	07-18			-12
	Title Ad Valorem — Leasing	07-18	-15.1		-15.1
New Jersey	Increased estate tax exemption from $675k to $2m	01-17	-139		-139
Oklahoma	Modified Tax Exemption — Gross Production Oil	11-18	22.1		22.1
	Modified Tax Exemption — Gross Production Natural Gas	11-18	26.4		26.4
Total Revenue Changes—Other Tax			**-$105.6**	**$0.0**	**-$117.6**
	FEES				
California	State Responsibility Area Fire Prevention Fee Suspension	07-17		-78.7	-78.7
	Cannabis License Fee Revenues	01-18		76.1	76.1
Michigan	Elimination of Driver Responsibility Fees, monetary sanctions for select driving offenses.	02-18	-28.3	0	-28.3
Montana	Management Fee	04-18		14.6	14.6
Total Revenue Changes—Fees			**-$28.3**	**$12.0**	**-$16.3**

TABLE A-4

Enacted Mid-Year Revenue Measures, Fiscal 2018

State	Tax Change Description	Effective Date	Fiscal 2018 Revenue Impact ($ in millions) General Fund	Other State Fund	Total
Montana	Other — Special Session Transfers to GF	various	65		65
	Alcohol Tax — Liquor Auction from Lottery	01-18	3		3
New Jersey	Sales & Use — Move energy sales tax on budget	06-18	788.5		788.5
New York	Gaming/Lottery — Vernon Downs Relief	06-18	0	-2.6	-2.6
Rhode Island	Transportation/Motor Vehicle Fee — Shift from dedicated to Transportation to General Fund (one year)	Retro to 7/1/17	10.3	-10.3	0
	Other — Transfers from Quasi-public agencies	Transfer by 6/30/18	17.1		17.1
Total			**$883.9**	**-$12.9**	**$871.0**

TABLE A-5

Fiscal 2020 State General Fund, Recommended (Millions)

State	Beginning Balance	Revenues	Adjustments	Total Resources	Expenditures	Adjustments	Ending Balance	Rainy Day Fund Balance
Kentucky*	0.0	11,408.1	331.6	11,739.7	11,475.2	264.5	0.0	253.8

*NOTES: The states listed above opted to provide fiscal 2020 data based on their governors' biennial budget recommendations. In addition, the governors of Virginia and Wyoming recommended fiscal 2019–2020 biennial budgets. *See Notes to Table A-5 on page 108.*

NOTES TO APPENDIX TABLES

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

Massachusetts The income tax rate reduction and tax revenue associated with the sale of recreational marijuana were accounted for in the Governor's Budget Recommendation but were enacted in separate legislation.

North Carolina For revenue measures, the Governor recommends a) freezing the personal income tax rate at 5.499% (scheduled to decrease to 5.25% in 2019 per S.L. 2017-57) for taxable incomes above $200K for married filing jointly ($100K for singles and $150K for head-of-household) and b) freezing the corporate tax rate at 3% (schedule to decrease to 2.5% in 2019 per S.L. 2017-57).

Notes to Table A-5: Fiscal 2020 State General Fund, Recommended (Millions)

Kentucky Revenue includes $118.1 million in Tobacco Settlement funds. Adjustments for Revenues include $17.6 million that represents appropriation balances carried over from the prior fiscal year, and $315.9 million from fund transfers into the General Fund. Adjustment to Expenditures represents appropriation balances forwarded to the next fiscal year and budget balances to be expended in the next fiscal year.

The following budget management strategies were also recommended in the Governor's budget for FY2020: Targeted Cuts; Eliminating Vacant Positions/Hiring Freeze; and Other Fund Transfers.

NASBO
NATIONAL ASSOCIATION OF STATE BUDGET OFFICERS