



THE FISCAL SURVEY OF STATES

SPRING 2021

AN UPDATE OF STATE FISCAL CONDITIONS

A REPORT BY THE NATIONAL ASSOCIATION OF STATE BUDGET OFFICERS

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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

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Patricia Ward, Alabama

Amy Moselle, Alaska

Jonathan Perkins, Arizona

Eva Yung, Arkansas

Susan Wekanda, California

Matthew Westbrook, California

Meredith Moon, Colorado

Daniel Innes, Connecticut

Carla Cassell-Carter, Delaware

Cali Engelsiepen, Delaware

Laurie Harrison, Florida

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Dustin Ball, Oregon

Mary Kenée, Pennsylvania

Kathleen Wallace, Pennsylvania

Joseph Codega, Rhode Island

David Seigler, South Carolina

Derek Johnson, South Dakota

Susan Burdette, Tennessee

Sallie Bentley, Texas

Duncan Evans, Utah

Timothy Metayer, Vermont

Sara Tatum, Virginia

Rachel Knutson, Washington

Michael Cook, West Virginia

Dan Subach, Wisconsin

Folbert Ware, Jr., Wyoming



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PREFACE

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

Thirty states operate on an annual budget cycle, while 20 states operate on a biennial (two-year) budget cycle. Among the biennial budget states, governors in 17 recommended fiscal 2022–2023 budgets. Two biennial budget states passed a two-year budget for fiscal 2021 and fiscal 2022 during 2020 legislative sessions, while one state that would have normally passed a two-year budget in 2020 instead passed a one-year budget for fiscal 2021, due to uncertainty created by COVID-19, and waited until 2021 to pass its fiscal 2022 budget. Arkansas, counted among the biennial budget states here, practices a hybrid approach, recommending and reviewing budgets on a biennial basis but enacting appropriations before each fiscal year.

Forty-six states begin their fiscal years in July and end them in June. The exceptions are New York, which starts its fiscal year on April 1; Texas, with a September 1 start date; and Alabama and Michigan, which start their fiscal years on October 1. [For fiscal 2020 only, New Jersey extended its fiscal year so that fiscal 2021 began on October 1, 2020 and will end on June 30, 2021.]

The field survey on which this report is based was conducted by NASBO from March through May 2021. The surveys were completed by executive state budget officers in all 50 states. Subsequent budget recommendations from governors to state legislatures may have occurred after the survey responses were submitted.

Fiscal 2020 data represent actual figures, fiscal 2021 figures are estimated, and fiscal 2022 data generally reflect governors' recommended budgets. However, for some biennial budget states that are in the second year of their biennium, data for fiscal 2022 reflect enacted budgets, as detailed in footnotes.

Unless otherwise noted, all percentage calculations reported in this survey are in nominal terms and not adjusted for inflation.

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



EXECUTIVE SUMMARY

Introduction

States' general fund information reported in this survey demonstrates how the effects of COVID-19 on state fiscal conditions were not as severe as anticipated earlier in the crisis. However, the pandemic still has had a significant impact on states' budgets, and both general fund spending and revenue levels are below pre-pandemic projections.

When governors proposed their fiscal 2022 budgets, fiscal conditions were evolving, uncertain and uneven across states, though overall they were showing signs of improvement. In this environment, executive budgets were marked by a growing sense of optimism as state revenue projections strengthened and vaccine developments improved the nation's public health and economic outlook. These positive developments are reflected in state spending levels proposed by governors, with 39 executive budgets calling for increased general fund spending in fiscal 2022 compared to the prior fiscal year. State general fund spending is expected to grow moderately in fiscal 2022, after slower growth in fiscal 2020 and fiscal 2021.

Based on recent forecasts outlined in this report, the pandemic's impact on state revenues has been less severe than expected. While revenue performance to-date and projections going forward have improved compared to forecasts earlier in the pandemic, most states have collected and are projecting to collect less revenue than what they were expecting before the COVID-19 crisis. States experienced a decline in general fund revenue in fiscal 2020 for the first time since the Great Recession, and current estimates show modest general fund revenue growth for fiscal 2021. State revenue forecasts used to build governors' budgets for fiscal 2022 also predict modest year-over-year growth.

State spending and revenue trends vary by state due to the uneven economic impacts of COVID-19. The pandemic has affected states in differing ways and differing magnitudes depending on their economies, tax structures, virus transmission levels, and other factors. States with an especially strong tourism and leisure industry, a revenue system highly reliant on the energy sector, and a higher unemployment rate have tended to see larger negative impacts on their budgets. These states

were more likely to have to make spending reductions in fiscal 2021 and are recommending more modest budgets for fiscal 2022. They were also more likely to experience multiple years of declining revenues in the years covered in this report, as well as tap their rainy day funds and other reserves.

Governors in the vast majority of states submitted their budget recommendations to the legislature in December, January or February, with a few that released in November and one state that released in March.¹ As in the *Fall 2020 Fiscal Survey of States*, variations in budget calendars across the states played a role in shaping the conditions in which governors' budgets for fiscal 2022 were developed and what they reflect, as expectations around state revenue performance and federal aid evolved over the winter months.

State General Fund Spending

Fiscal 2022 Recommended Spending. Governors proposed general fund spending in the amount of \$963.6 billion in fiscal 2022 according to recommended budgets. This represents a 5.0 percent increase compared to estimated spending levels for fiscal 2021. Overall, 39 states are forecasting nominal spending increases in fiscal 2022. Projected spending growth in fiscal 2022 is driven in part by an increase in one-time expenditures as states spend down some of their unanticipated surplus from fiscal 2021.

Fiscal 2021 Estimated Spending. General fund spending is on track to total \$917.8 billion in fiscal 2021, a 3.0 percent increase. These figures are based on estimates at the time of data collection — and in some cases include governors' proposed supplemental changes. While state budgets have not fared as badly as was feared during much of the pandemic, the impact of COVID-19 is still evident when comparing pre-COVID projections to post-COVID estimates and actuals. Fiscal 2021 estimated general fund spending is roughly 2 percent below what states were expecting to spend based on governors' budgets reported in NASBO's *Spring 2020 Fiscal Survey*.²

¹ See NASBO, *Budget Processes in the States* (2021), Table 1 for detailed information on state budget calendars.

² Data comparisons between the figures in this survey edition and prior Fiscal Surveys are adjusted to exclude Ohio, as the state revised its reporting methodology in this survey to exclude federal Medicaid reimbursements from its general fund reporting. Excluding Ohio, general fund spending was projected to be \$908.1 billion in fiscal 2021.

Key Report Findings:

- Governors' budgets for fiscal 2022 call for general fund spending growth of **5.0 percent**, driven in part by one-time investments and lower spending levels in fiscal 2021.
- Estimated general fund spending is on track to grow **3.0 percent** in fiscal 2021 but is 2 percent below pre-pandemic spending projections.
- **38 states** reported fiscal 2021 general fund revenue collections are exceeding original budgeted revenue projections.
- Fiscal 2021 general fund revenue is estimated to grow **3.7 percent**, or **1.4 percent** after accounting for the tax deadline shift that occurred in calendar year 2020.
- Governors' budgets are based on forecasted general fund revenue growth of **2.3 percent** in fiscal 2022, or **3.4 percent** after adjusting for the impact of the tax deadline shift that occurred in calendar year 2020.
- States are on track to collect **2.8 percent** less over fiscal 2020 and fiscal 2021 compared to what they were expecting before the COVID-19 crisis, with **40 out of 50 states** seeing declines compared to pre-pandemic projections over the two-year period.
- Rainy day fund use has been uneven across states, with the median balance holding fairly steady at **8.4 percent** in fiscal 2020, **7.6 percent** in fiscal 2021, and **8.3 percent** in fiscal 2022.
- Medicaid spending is forecasted to continue growing in fiscal 2022 but at a slower rate of **5.2 percent**, after growing an estimated **12.5 percent** in fiscal 2021.

Spending Actions and Other Budget Management Strategies

Fiscal 2022 Recommended Appropriation Changes.

Governors' proposed general fund appropriation increases for fiscal 2022 total \$70.5 billion compared to fiscal 2021 enacted budget levels, with all program areas seeing net increases. This figure is in part a reflection that some states' enacted budgets for fiscal 2021 assumed significant general fund budget reductions, which were in a number of cases at least partially restored. Appropriation increases for fiscal 2022 also reflect a shift from reliance on federal funds for certain expenditures to a greater reliance on general funds, particularly since governors' budgets were almost all developed before the March 2021 passage of the *American Rescue Plan Act*, and in some cases before the federal package passed in December 2020. Sizeable increases recommended in a couple of large states make up the majority couple of the total appropriation increase.

Fiscal 2021 Mid-Year Spending Actions. Eighteen states reported net mid-year decreases in general fund spending for fiscal 2021, with 12 of these states indicating that these cuts were made in response to a revenue shortfall. Mid-year spending reductions in fiscal 2021 due to shortfalls totaled \$4.1 billion. A number of states reported using federal funds to offset general fund spending, particularly in Medicaid and Corrections. Meanwhile, 12 states reported net mid-year increases in general fund spending for fiscal 2021, including governors' proposed supplemental appropriations for pandemic response and other activities and restoration of spending cuts included in originally enacted budgets.

Budget Management Strategies. States employed a variety of strategies and tools to manage their budgets in the middle of fiscal 2021 and in their recommended budgets for fiscal 2022, including spending reductions (across-the-board or targeted), personnel actions, and one-time measures. In the middle of fiscal 2021, 14 states reported making targeted

spending cuts and five states reported making across-the-board cuts. For fiscal 2022, most states that recommended spending reductions in executive budgets took a targeted approach, with 17 states reporting targeted spending cuts as a budget management strategy and only three states reporting across-the-board cuts. Other commonly reported strategies used or recommended include hiring freezes and/or eliminating vacant positions, reorganizing agencies, tapping rainy day funds, transferring funds, using prior-year fund balances, and deferring payments.

State General Fund Revenues

Fiscal 2022 Forecasts. General fund revenues are expected to grow **2.3 percent** in fiscal 2022 compared to fiscal 2021 estimated revenues, based on forecasts used in governors' budgets. The two largest sources of general fund revenue — sales taxes and personal income taxes — are both expected to see moderate growth in fiscal 2022 of 3.9 percent and 4.3 percent, respectively. After adjusting fiscal 2021 figures to account for the tax deadline shift in calendar year 2020, annual general fund revenue growth for fiscal 2022 is **3.4 percent**.

Fiscal 2021 Estimated Collections. Fiscal 2021 general fund revenues are on track to total \$908.1 billion based on current estimates, representing **3.7 percent** growth over fiscal 2020 actual collections. After adjustments to account for those states that deferred revenue due to the tax deadline shift, general fund revenue is estimated to increase **1.4 percent** in fiscal 2021.

Fiscal 2020 Actual Collections. In the aggregate, states recorded a general fund revenue change in fiscal 2020 of **-0.6 percent**. This marked the first time state general fund revenues declined year-over-year (without adjusting for inflation) since states experienced two consecutive years of declines during the Great Recession in fiscal 2009 and fiscal 2010. In fiscal 2020, the decline was driven both by the impacts of COVID-19 on state revenues and some states recognizing revenue in fiscal 2021 instead of fiscal 2020 due to the tax deadline shift. After adjustments to account for those states that deferred revenue due to the tax deadline shift, general fund revenue recorded a slight increase of **0.6 percent** in fiscal 2020.

Fiscal 2021 Revenue Collections Compared to Original Projections and Recent Improvements. General fund collections for fiscal 2021 from all revenue sources are coming in above original projections used to adopt budgets in 38 states, below forecasts in eight states, and on target in four states. Overall, revenues have outperformed projections from earlier in the pandemic (when most states enacted their fiscal 2021 budgets). Compared to most recent official revenue estimates (at the time of data collection), fiscal 2021 collections are coming in above those projections in 36 states and on target in 10 states. This speaks to continued improvement in state revenue performance, which likely has been helped further by the passage of the *American Rescue Plan Act* on March 10, 2021.

Several factors help explain recent improvements in states' revenue outlooks, including: federal stimulus measures have put a lot of additional money into the economy, which helped to lessen state revenue losses; high-income earners have been relatively insulated from the pandemic's economic effects, which has limited impacts on personal income tax collections; the types of consumption most curtailed by the pandemic comprise a relatively small portion of states' sales tax bases; and the enabling of online sales tax collections following the U.S. Supreme Court decision in *Wayfair v. South Dakota*. Additionally, just as the tax deadline shift contributed to the overall decline in general fund revenue in fiscal 2020, it also contributed to higher growth in fiscal 2021 as some states recognized additional revenue that year.

Revenue Collections Below Pre-COVID Forecasts. General fund revenue for fiscal 2020 came in 3.0 percent below pre-pandemic estimates reported in NASBO's *Spring 2020 Fiscal Survey of States*. For fiscal 2021, revenue is estimated to come in 2.7 percent below pre-pandemic projections. Note that figures for both years are not adjusted for deferrals due to the tax deadline shift. Looking at combined revenue estimates for fiscal 2020 and fiscal 2021 before and after the pandemic, 40 out of 50 states reported lower total general fund revenue collections over those two years in this survey compared to pre-COVID estimates in the Spring 2020 survey.

Recommended and Mid-Year Revenue Actions

Fiscal 2022 Recommended Revenue Actions. According to executive budgets, 15 states proposed net increases in taxes and fees while 19 states proposed net decreases, resulting in a projected net positive revenue impact in fiscal 2022 of \$6.5 billion. Nearly all this additional revenue generated by governors' recommended changes would be deposited into states' general funds, in contrast to this time last year, when increases were heavily skewed towards non-general fund revenue sources such as motor fuel taxes. The largest increases recommended by governors tended to be in the personal income and corporate income tax categories. Tax and fee decreases proposed in executive budgets were mostly modest and included numerous income tax changes to conform with changes at the federal level.

Fiscal 2021 Mid-Year Revenue Actions. Seventeen states recommended or enacted changes in taxes and fees in the middle of fiscal 2021, with five states proposing or enacting increases and 12 states with decreases, for a total net revenue decrease of \$3.5 billion. The largest reductions included one-time targeted tax relief and economic support measures, as well as numerous revenue actions to conform with federal tax changes.

State Balances

Before the COVID-19 crisis hit, state rainy day funds and total balances were at an all-time high, after a decade of rebuilding reserves following the Great Recession. As they coped with weakening revenue projections and increased spending demands in the wake of COVID-19, some states turned to their rainy day funds, other reserves, and prior-year balances as a tool to help manage their budgets.

Rainy Day Fund Balances. State rainy day fund balances in fiscal 2020 declined slightly to total \$77.7 billion while the median rainy day fund balance ticked up to 8.4 percent in fiscal 2020. Estimated rainy day funds in fiscal 2021 increased in nominal dollars while the median balance is estimated to drop to 7.6 percent. Fifteen states reported lower rainy day fund balances (in nominal dollars) estimated for fiscal 2021 com-

pared to fiscal 2019 levels, with declines for those states totaling \$5.9 billion. Meanwhile, 33 states reported higher balances over the same two-year period, with those increases totaling \$8.3 billion (one state reported no change and one state was not able to report for fiscal 2021). This uneven use of rainy day funds across the states reflects how the pandemic affected states to differing degrees, as well as how states entered the crisis with varying reserve levels.

Total Balances. Estimated total balance levels — states' rainy day fund balances combined with general fund ending balances — reached \$126.4 billion in fiscal 2021, a new all-time high in nominal dollars, and 13.8 percent as a share of general fund spending. While states recorded a decline in total balances in fiscal 2020, this was followed by an uptick in fiscal 2021 — driven mostly by revenues exceeding expectations from earlier in the pandemic, which resulted in unanticipated budget surpluses that bolstered states' ending balances and reserves. According to governors' budgets for fiscal 2022, states are planning to spend down some of their larger-than-expected ending balances, including for one-time investments, with 34 states forecasting declines in their total balance levels for fiscal 2022.

Medicaid Outlook

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

Spending Trends. Medicaid spending from all fund sources was estimated to grow 12.5 percent in fiscal 2021 compared to fiscal 2020 levels. Looking just at spending from state fund sources, general fund spending on Medicaid is on track to grow 2.7 percent and spending from other state funds is estimated to grow 13.4 percent in fiscal 2021. Federal fund spending on Medicaid, bolstered by the enhanced Federal Medical Assistance Percentage (FMAP) provided in the *Families First Coronavirus Response Act* that was passed in March 2020, is on track to grow 15.9 percent for fiscal 2021. Looking ahead, Medicaid spending is forecasted to continue growing in fiscal 2022 but at a slower rate, based on governors' proposed budgets. Total Medicaid spending is projected to grow



5.2 percent for fiscal 2022. State general fund spending is projected to grow by 12.5 percent (due in large part to the expected expiration of the enhanced FMAP), other state funds are projected to increase 4.8 percent, and federal fund spending is expected to increase 2.8 percent in fiscal 2022.

Medicaid Expansion. As of May 2021, 38 states and the District of Columbia have adopted the Medicaid expansion. For fiscal 2020, 35 states that expanded Medicaid under the *Affordable Care Act* (ACA) reported total spending of \$105.9 billion in fiscal 2020, including \$10.9 billion in state funds and \$95 billion in federal funds. In fiscal 2021, 36 states are estimated to spend \$131.1 billion in all funds, including \$15.8 billion in state funds, and \$115.3 billion in federal funds. In 38 recommended budgets for fiscal 2022, projected spending for Medicaid expansion totaled \$146.1 billion, with \$18.8 billion in state funds and \$127.3 billion in federal funds. Medicaid expansion spending from all fund sources increased by an estimated \$25 billion in fiscal 2021 and is projected to increase by another \$15 billion in fiscal 2022. For most states, the state share for Medicaid expansion on a fiscal year basis is 8.5 percent in fiscal 2020 and 10 percent in fiscal 2021 and fiscal 2022.

Programmatic Changes. States reported changes to their Medicaid programs in fiscal 2021 and recommended changes for fiscal 2022 both to contain costs and enhance their programs. States' most common strategies to contain costs included managed care organizations reflecting decreased utilization or to contain costs, policies to cut costs for prescription drugs, and enhanced program integrity efforts. Some of the changes to contain costs are ongoing efforts of states, such as policies to reduce costs for prescription drugs and increased program integrity, while others, such as changes to managed care capitation rates, reflect the impact of the pandemic on decreased utilization of health care. The program enhancements states have made or are planning to make reflect the impact of the pandemic, especially with the expansion of telehealth, increased provider payments for vulnerable providers, and expansion of behavioral services.

This edition of the Fiscal Survey of States reflects actual fiscal 2020, estimated fiscal 2021, and recommended fiscal 2022 figures (except where otherwise noted). The data were collected in the spring of 2021.

STATE EXPENDITURE DEVELOPMENTS

CHAPTER ONE

Overview

Governors' budget proposals for fiscal 2022 were introduced in the late fall/winter of 2020–2021, during a time of continued uncertainty and volatility as the COVID-19 pandemic unfolded across the country. Despite this uncertainty, most executive budgets were also characterized by a growing sense of optimism as state revenue conditions improved and positive vaccine developments strengthened the nation's public health and economic outlook. These positive developments are reflected in state spending levels proposed by governors, with 39 executive budgets calling for increased general fund spending in fiscal 2022 compared to the prior fiscal year.

Overall, state general fund spending, as called for in governors' budgets, is expected to grow moderately in fiscal 2022, after slower growth in fiscal 2020 and fiscal 2021. State spending trends vary considerably by state due to the uneven economic impacts of COVID-19. States with an especially strong tourism and leisure industry, a revenue system highly reliant on the energy sector, or a higher unemployment rate have tended to see larger negative impacts on their budgets. These states were more likely to have to make spending reductions in their enacted budgets for fiscal 2021 and/or as mid-year budget revisions, and are recommending more modest budgets for fiscal 2022.

States' general fund information reported in this survey reflects how the impact of the pandemic on state budgets was not as severe as anticipated earlier in the COVID-19 crisis. The reasons for this are discussed in more depth in Chapter Two on State Revenues. However, the pandemic still has had a meaningful impact on states' general fund budgets, and a significant majority of states are on track to collect less revenue and spend less out of their general funds in fiscal 2021 than was forecasted before the COVID-19 pandemic.

Technical Note: Biennial Budget States

Thirty states budget on an annual basis, while 20 states budget on a primarily biennial basis. Most biennial budget states (17) recommended two-year budgets for consideration during 2021 legislative sessions covering fiscal 2022 and fiscal 2023. These include: Arkansas*, Connecticut, Hawaii, Indiana, Maine, Minnesota, Montana, Nebraska, Nevada, New Hampshire, North Carolina, North Dakota, Ohio, Oregon, Texas, Washington, and Wisconsin. Some of these states elected to report data for fiscal 2023 based on governors' biennial budget recommendations, including: general fund spending, revenue and balance figures; general fund appropriation changes by program area; budget management strategies; and revenue actions. (See Tables A–5 to A–9)

The three remaining biennial states — Kentucky, Virginia and Wyoming — normally would have enacted biennial spending plans for fiscal 2021 and fiscal 2022 during 2020 legislative sessions. However, due to the high degree of uncertainty last year driven by COVID-19, Kentucky only enacted a one-year spending plan for fiscal 2021, and the governor proposed a one-year budget for fiscal 2022 for consideration during the 2021 session.

For the vast majority of states, fiscal 2022 data presented in this report reflect the governor's proposed budget. However, some states (including some biennial states) reported on enacted budget information for fiscal 2022. See footnotes to Table 5 for more details. For simplicity, this report refers to all aggregate fiscal 2022 data as based on governors' budget proposals.

**Arkansas practices a hybrid approach, recommending budgets on a biennial basis but enacting appropriations before each fiscal year.*

State General Fund Spending

Recommended Spending for Fiscal 2022. According to governors' budgets, proposed general fund spending totals \$963.6 billion in fiscal 2022, representing a 5.0 percent increase compared to estimated spending levels for fiscal 2021.³ The median growth rate is lower at 3.2 percent. Proposed spending growth rates vary considerably, which speaks to both the uneven impact of COVID-19 on state economies and budgets and varied spending levels across states in fiscal 2021 (the baseline year in this case). Overall, the relatively robust 5.0 percent growth rate is also attributable to lower spending levels in fiscal 2021 (the baseline year). Compared to mostly pre-COVID spending proposals for fiscal 2021, reported in NASBO's *Spring 2020 Fiscal Survey of States*, the spending total here for fiscal 2022 would represent a more modest 3.4 percent growth rate.⁴ Projected spending growth in fiscal 2022 is also driven in part by an increase in one-time expenditures as states spend down some of their unanticipated surplus from fiscal 2021.

Estimated Spending for Fiscal 2021. This edition of the *Fiscal Survey of States* shows general fund spending is on track to increase 3.0 percent in fiscal 2021 to total \$917.8 billion. Adjusting for inflation, general fund spending in fiscal 2021 is estimated to increase 1.1 percent.⁵ (See [Tables 3–5](#)) While state budgets have not fared as badly as was feared during much of the pandemic, the impact of COVID-19 is still evident when comparing pre-COVID projections to post-COVID estimates and actuals. Fiscal 2021 estimated general fund spending is roughly 2 percent below what states were expecting to spend based on governors' budgets reported in NASBO's *Spring 2020 Fiscal Survey*.⁶

Comparing states' fiscal 2021 estimated spending levels in this survey to governors' recommended spending levels for the same year, as reported in the *Spring 2020 Fiscal Survey*, a significant majority of states are seeing spending coming in lower than forecasted pre-COVID — in some cases by a considerable margin. Meanwhile, a small minority of states are seeing general fund spending for fiscal 2021 exceed their pre-COVID recommended spending level, though in certain instances this is related to fund transfers, timing shifts for when expenses were recognized, and other factors.

Spending Growth by State. According to recommended budgets for fiscal 2022, 21 states are forecasting general fund spending growth between 0 and 5 percent, 12 states expect general fund spending growth between 5 and 10 percent, six states are forecasting growth of 10 percent or more, and 10 states are expecting general fund spending to decline. In fiscal 2021, 19 states had estimated general fund spending growth between 0 and 5 percent, 11 states had growth tracking between 5 and 10 percent, four states reported spending growth greater than 10 percent, and 16 states reported estimated spending declines. For states that budget on a biennial basis, spending is not always evenly distributed in a two-year cycle, which can affect year-over-year changes. Additionally, the delay of the tax deadline in 2020 caused a few states to shift some expenditures from fiscal 2020 to fiscal 2021; this delay had a more widespread impact on state revenues recognized over those two years, as will be discussed in Chapter Two. (See [Tables 2 and 6](#))

³ Texas was not able to report on a proposed general fund spending figure for fiscal 2022, as the governor released a policy budget only without a top-line spending amount. To allow for year-over-year comparisons, the fiscal 2022 general fund spending total was calculated using fiscal 2022 spending figures for 49 states plus Texas's fiscal 2021 general fund spending estimate.

⁴ Data comparisons between the figures in this survey edition and prior Fiscal Surveys are adjusted to exclude Ohio, as the state revised its reporting methodology in this survey to exclude federal Medicaid reimbursements from its general fund reporting. Excluding Ohio, general fund spending was projected to be \$908.1 billion in fiscal 2021.

⁵ The state and local government implicit price deflator cited by the Bureau of Economic Analysis National Income and Product Account Tables, Table 3.9.4., Line 33 (last updated on May 27, 2021), is used for inflation adjustments. Quarterly averages are used to calculate fiscal year inflation rates.

⁶ Data comparisons between the figures in this survey edition and prior Fiscal Surveys are adjusted to exclude Ohio, as the state revised its reporting methodology in this survey to exclude federal Medicaid reimbursements from its general fund reporting. Excluding Ohio, general fund spending was projected to be \$908.1 billion in fiscal 2021.

TABLE 1

State Nominal and Real Annual Spending Increases, Fiscal 1979 to Fiscal 2022

Fiscal Year	State General Fund	
	Nominal Increase	Real Increase
2022	5.0	
2021	3.0	1.1
2020	3.8	2.2
2019	5.5	2.3
2018	3.2	-0.2
2017	3.1	1.7
2016	3.5	3.7
2015	4.4	3.3
2014	4.5	1.5
2013	4.2	1.4
2012	3.4	0.7
2011	3.5	0.3
2010	-5.7	-6.7
2009	-3.8	-5.9
2008	4.9	-0.6
2007	9.4	4.4
2006	8.1	2.6
2005	5.9	-0.1
2004	2.9	-0.8
2003	-0.1	-3.1
2002	0.6	-1.6
2001	8	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
1979-2021 average	5.3%	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 May 27, 2021), is used for state expenditures in determining real changes. Fiscal Year real changes are based on quarterly averages. Fiscal 2020 figures are based on the change from fiscal 2018 actuals to fiscal 2020 actuals. Fiscal 2021 figures are based on the change from fiscal 2020 actuals to fiscal 2021 estimates. Fiscal 2022 figures are based on the change from fiscal 2021 estimates to fiscal 2022 recommended figures.

FIGURE 1:

Annual Percentage Budget Changes, Fiscal 1990 to Fiscal 2022

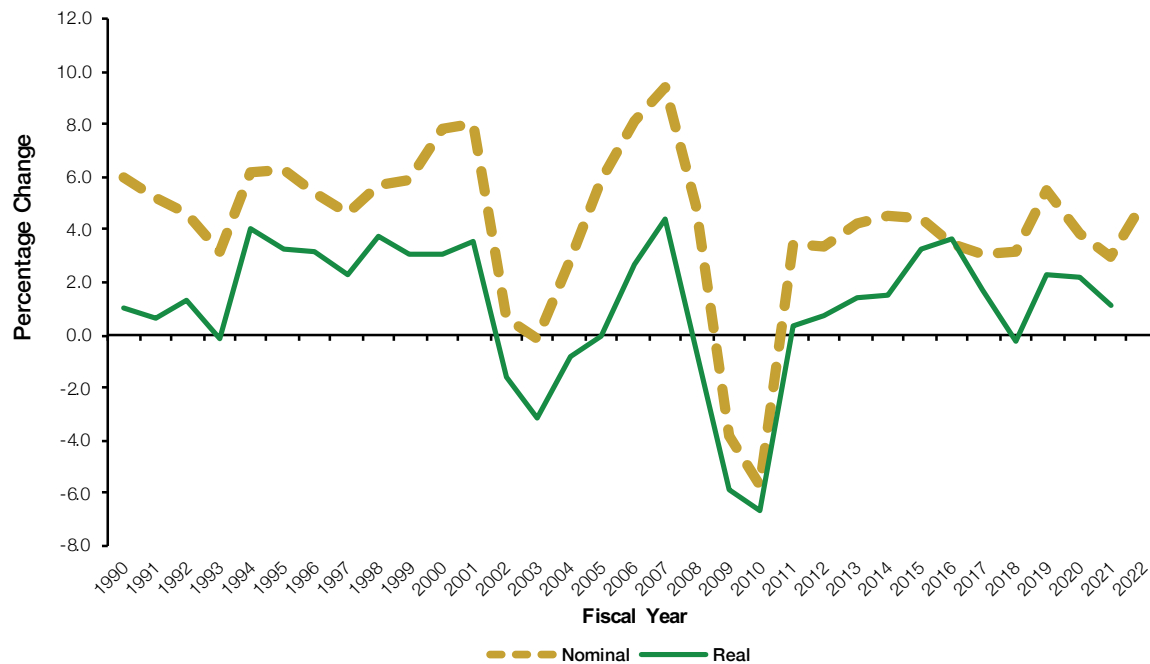


TABLE 2

**State General Fund Expenditure Growth,
Fiscal 2020 to Fiscal 2022**

Spending Growth	Fiscal 2020 (Actual)	Fiscal 2021 (Estimated)	Fiscal 2022 (Recommended)
0% or less	11	16	10
> 0.0% but < 5.0%	25	19	21
> 5.0% but < 10.0%	11	11	12
10% or more	3	4	6
Not available	0	0	1

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

TABLE 3

Fiscal 2020 State General Fund, Actual (Millions)

State	Beginning Balance	Revenues	Adjustments	Total Resources	Expenditures	Adjustments	Ending Balance	Rainy Day Fund Balance
Alabama*	\$974	\$9,724	\$15	\$10,713	\$9,308	\$584	\$820	\$968
Alaska*	0	1,596	3,749	5,345	4,701	1,183	-539	2,275
Arizona*	957	10,973	0	11,930	11,284	271	375	979
Arkansas*	0	5,753	0	5,753	5,750	0	3	185
California*	11,280	144,363	-4,301	151,343	146,556	-573	5,359	20,205
Colorado**	1,263	12,869	248	14,379	12,716	-160	1,824	1,824
Connecticut*	0	19,194	0	19,194	19,189	-34	39	3,075
Delaware**	948	4,526	0	5,473	4,514	0	959	252
Florida*	2,490	32,068	5,856	40,414	34,061	0	6,352	1,574
Georgia**	3,138	25,479	415	29,032	25,265	0	3,767	2,705
Hawaii*	752	7,637	648	9,037	8,035	0	1,003	59
Idaho*	101	4,032	-54	4,080	3,907	-14	186	393
Illinois**	466	38,060	1,861	40,387	41,921	-2,065	531	4
Indiana*	835	15,640	669	17,144	16,522	80	542	877
Iowa*	0	7,931	196	8,126	7,821	0	306	777
Kansas*	1,105	6,900	12	8,018	7,523	0	495	82
Kentucky*	130	11,679	540	12,349	11,734	538	78	466
Louisiana*	535	9,846	90	10,471	10,141	59	270	568
Maine*	139	3,969	53	4,161	3,934	43	184	273
Maryland*	974	18,634	183	19,791	19,531	-444	703	1,177
Massachusetts**	3,959	32,693	15,355	52,008	32,357	15,355	4,295	3,501
Michigan*	916	10,382	153	11,451	9,088	0	2,363	829
Minnesota**	3,971	23,150	0	27,122	23,778	0	3,344	2,709
Mississippi*	5	5,817	0	5,822	5,731	82	9	501
Missouri*	654	8,934	427	10,014	9,212	0	803	652
Montana*	361	2,533	-4	2,891	2,436	3	452	114
Nebraska*	737	4,940	-291	5,386	4,499	176	711	426
Nevada*	353	4,077	688	5,118	4,467	77	574	0
New Hampshire*	193	1,503	22	1,718	1,688	81	-51	116
New Jersey**	1,711	37,700	891	40,303	38,140	0	2,163	7
New Mexico**	1,834	8,183	169	10,186	7,672	0	2,514	2,514
New York**	7,206	79,207	0	86,413	77,469	0	8,944	2,476
North Carolina*	1,709	23,939	3,585	29,234	24,062	3,701	1,471	1,169
North Dakota*	65	2,089	461	2,615	2,333	0	282	717
Ohio*	1,538	22,922	0	24,460	23,190	0	1,270	2,692
Oklahoma*	310	7,057	366	7,734	7,423	0	310	230
Oregon*	2,709	9,912	-209	12,412	11,105	0	1,307	1,486
Pennsylvania*	0	32,276	-920	31,356	34,090	0	-2,734	343
Rhode Island*	31	4,064	4	4,098	3,937	5	156	91
South Carolina**	1,709	9,179	10	10,898	8,633	460	1,805	1,181
South Dakota*	19	1,700	22	1,741	1,703	19	19	174
Tennessee*	1,642	16,195	-296	17,541	14,620	930	1,991	1,200
Texas	4,721	56,983	-4,198	57,506	59,084	2,196	-3,775	8,947
Utah*	292	7,244	109	7,646	7,298	44	304	740
Vermont*	0	1,620	1	1,621	1,607	14	0	228
Virginia*	230	23,242	0	23,472	22,287	0	1,185	1,072
Washington*	999	23,781	-160	24,620	23,967	0	653	1,683
West Virginia*	518	4,495	48	5,061	4,588	18	455	856
Wisconsin*	1,087	17,532	631	19,250	18,450	-373	1,172	762
Wyoming*	0	1,291	336	1,627	1,627	0	0	1,577
Total	\$65,566	\$875,514		\$968,460	\$890,952		\$55,250	\$77,710

Notes: NA Indicates data are not available. *See Notes to Table 3 on page 20. **In these states, the ending balance includes the balance in the rainy day fund.

TABLE 4
Fiscal 2021 State General Fund, Estimated (Millions)

State	Beginning Balance	Revenues	Adjustments	Total Resources	Expenditures	Adjustments	Ending Balance	Rainy Day Fund Balance
Alabama*	\$820	\$9,713	\$0	\$10,533	\$9,886	\$336	\$311	\$1,109
Alaska*	0	1,572	3,092	4,664	4,628	1,936	-1,901	931
Arizona	375	12,287	79	12,741	11,564	0	1,177	986
Arkansas*	0	5,687	0	5,687	5,687	0	0	210
California*	5,359	150,893	11,849	168,101	155,898	0	12,203	22,761
Colorado* **	1,824	12,909	325	15,058	12,912	0	2,146	2,146
Connecticut*	0	19,822	0	19,822	19,641	0	181	3,749
Delaware* **	959	4,899	0	5,859	4,653	0	1,206	252
Florida	6,352	33,704	0	40,057	37,144	0	2,913	1,674
Georgia	3,767	25,103	0	28,870	25,103	0	3,767	N/A
Hawaii*	1,003	7,530	750	9,283	8,279	0	1,004	64
Idaho*	186	4,255	-205	4,236	4,049	2	186	529
Illinois* **	531	41,482	1,998	44,011	42,689	1,222	100	4
Indiana*	542	17,978	452	18,971	16,985	602	1,384	887
Iowa*	0	7,969	247	8,216	7,774	46	397	784
Kansas	495	7,860	0	8,355	7,588	0	768	82
Kentucky*	78	11,835	651	12,564	11,903	480	181	466
Louisiana*	270	9,453	157	9,881	9,317	0	564	571
Maine*	184	3,692	53	3,929	3,895	8	26	271
Maryland*	703	18,164	580	19,447	18,994	189	264	884
Massachusetts* **	4,295	31,562	16,238	52,096	33,226	16,137	2,733	2,522
Michigan*	2,364	9,748	0	12,112	11,069	210	833	1,059
Minnesota* **	3,344	24,494	0	27,838	24,008	0	3,830	2,727
Mississippi*	9	5,691	0	5,699	5,586	114	0	558
Missouri*	803	10,203	272	11,278	10,078	0	1,200	608
Montana*	452	2,473	0	2,926	2,517	0	409	114
Nebraska*	711	5,286	-382	5,615	4,742	280	594	500
Nevada*	575	4,012	402	4,989	4,544	106	339	98
New Hampshire*	-51	1,639	-22	1,565	1,595	-30	0	86
New Jersey* **	2,163	43,811	1,235	47,208	40,866	0	6,342	1,422
New Mexico* **	2,514	7,808	140	10,461	8,892	0	1,569	1,570
New York* **	8,944	73,040	0	81,984	74,747	0	7,237	2,476
North Carolina	1,471	27,603	20	29,094	24,485	15	4,594	1,169
North Dakota*	282	1,767	952	3,001	2,511	0	490	727
Ohio*	1,270	24,692	0	25,962	25,233	0	730	2,692
Oklahoma	310	7,706	0	8,016	6,745	0	1,271	230
Oregon*	1,307	11,999	-11	13,296	11,558	0	1,737	1,357
Pennsylvania*	-2,734	37,490	-1,075	33,681	33,146	768	-233	243
Rhode Island*	156	3,999	-8	4,147	4,153	-272	265	208
South Carolina**	1,805	8,821	0	10,626	8,561	0	2,065	1,005
South Dakota*	19	1,805	80	1,904	1,862	42	0	216
Tennessee*	1,991	16,190	-101	18,080	16,311	98	1,671	1,450
Texas	4,869	55,459	-319	60,009	58,904	2,052	-946	10,074
Utah*	304	8,941	16	9,261	8,866	0	395	841
Vermont*	0	1,888	0	1,888	1,663	209	17	228
Virginia*	1,185	23,427	0	24,612	22,694	0	1,917	1,488
Washington*	653	26,024	1	26,678	25,890	0	788	1,808
West Virginia*	455	4,575	-11	5,019	4,575	14	430	950
Wisconsin*	1,172	18,102	516	19,790	18,933	-1,037	1,895	994
Wyoming*	0	1,006	277	1,283	1,283	0	0	1,058
Total	\$64,087	\$908,065		\$1,010,401	\$917,831		\$69,046	\$78,833

NOTES: NA Indicates data are not available. *See Notes to Table 4 on page 24. **In these states, the ending balance includes the balance in the rainy day fund.

TABLE 5

Fiscal 2022 State General Fund, Recommended*** (Millions)

State	Beginning Balance	Revenues	Adjustments	Total Resources	Expenditures	Adjustments	Ending Balance	Rainy Day Fund Balance	Date of Enactment
Alabama	\$311	\$10,028	\$0	\$10,339	\$10,153	\$0	\$186	\$1,123	Feb-21
Alaska*	0	1,662	3,069	4,732	4,367	2,044	-1,679	919	
Arizona	1,177	12,380	0	13,557	12,634	0	924	993	Jan-21
Arkansas*	0	5,849	0	5,849	5,849	0	0	210	Nov-20
California*	12,203	155,154	3,217	170,574	164,516	0	6,058	21,894	Jan-21
Colorado* **	2,146	13,857	41	16,045	13,384	0	2,660	2,660	Mar-21
Connecticut*	0	20,730	0	20,730	20,519	0	211	2,825	Feb-21
Delaware* **	1,187	4,765	0	5,952	5,216	0	737	261	Jan-21
Florida	2,913	35,061	0	37,974	35,793	0	2,180	1,674	Jan-21
Georgia	3,767	25,776	0	29,542	25,776	0	3,767	N/A	Jan-21
Hawaii	1,004	7,793	0	8,797	7,869	0	927	68	Apr-21
Idaho*	186	4,404	-219	4,371	4,230	0	140	637	Jan-21
Illinois* **	100	41,708	0	41,808	42,929	-1,221	100	4	
Indiana*	1,384	17,488	0	18,873	17,458	22	1,392	896	Jan-21
Iowa*	0	8,266	184	8,450	8,109	0	341	825	Jan-21
Kansas	768	7,794	0	8,561	7,960	0	601	0	Jan-21
Kentucky*	181	12,123	562	12,866	12,272	580	15	566	Jan-21
Louisiana*	0	9,567	0	9,567	9,567	0	0	596	Feb-21
Maine*	27	4,030	135	4,191	4,189	10	-8	281	Jan-21
Maryland*	264	19,848	763	20,876	20,099	585	192	990	Mar-21
Massachusetts* **	2,733	32,744	14,822	50,299	34,273	14,822	1,204	1,105	Jan-21
Michigan*	1,006	10,463	0	11,468	11,404	0	65	1,080	Feb-21
Minnesota* **	3,623	25,166	0	28,789	25,661	0	3,129	2,727	Mar-21
Mississippi*	0	5,754	0	5,754	5,545	115	94	555	Nov-20
Missouri*	1,200	9,785	141	11,125	10,889	0	236	608	Jan-21
Montana	409	2,534	0	2,943	2,585	0	357	114	Jan-21
Nebraska*	594	4,920	-457	5,057	4,755	5	296	507	Jan-21
Nevada	339	4,214	58	4,610	4,340	51	220	41	
New Hampshire*	0	1,652	0	1,652	1,656	0	-5	86	Feb-21
New Jersey* **	6,342	40,460	-198	46,603	44,410	0	2,193	0	Feb-21
New Mexico**	1,570	7,463	178	9,210	7,450	0	1,760	1,760	Jan-21
New York* **	7,237	78,376	3,000	88,613	82,883	0	5,730	2,476	Feb-21
North Carolina*	4,594	27,351	72	32,016	27,321	2,955	1,740	2,269	Mar-21
North Dakota*	490	1,843	415	2,748	2,418	0	330	597	Dec-20
Ohio*	730	25,274	0	26,004	24,955	434	616	2,692	Jul-21
Oklahoma*	1,271	7,366	0	8,637	7,774	300	563	530	Feb-21
Oregon*	1,737	10,784	-254	12,267	11,801	0	467	1,584	Dec-20
Pennsylvania*	-233	40,086	-1,625	38,228	40,207	-2,272	293	245	Feb-21
Rhode Island*	265	4,246	-135	4,376	4,371	0	4	226	Mar-21
South Carolina* **	2,065	8,940	0	11,005	9,174	176	1,655	1,031	Jan-21
South Dakota	0	1,803	0	1,803	1,803	0	0	216	Dec-20
Tennessee*	1,671	16,659	-51	18,279	17,404	873	2	1,500	Feb-21
Texas*	-946	58,444	-2,814	54,684	N/A	2,815	N/A	N/A	
Utah*	395	8,706	-5	9,095	8,993	0	103	841	Jan-21
Vermont*	0	1,762	213	1,975	1,903	72	0	210	Jan-21
Virginia*	1,917	23,611	0	25,529	23,414	0	2,115	2,138	Apr-21
Washington*	2,172	25,777	-87	27,862	27,872	-10	0	257	Dec-20
West Virginia*	430	4,570	0	5,000	4,570	0	430	1,000	Feb-21
Wisconsin*	1,895	18,909	506	21,309	20,716	-209	803	N/A	Mar-21
Wyoming*	0	1,007	277	1,284	1,284	0	0	1,058	
Total****	\$71,121	\$928,949		\$1,021,877	\$963,622		\$43,144	\$64,874	

NOTES: N/A indicates data are not available. *See Notes to Table 5 on page 27. **In these states, the ending balance includes the balance in the rainy day fund. ***For some states, fiscal 2022 data in this survey reflect enacted budget information. Date listed above reflects date governor's recommended budget was released and/or the date of projections shown for fiscal 2022. See footnotes to this table for more details. ****Texas was not able to report on a proposed general fund spending figure for fiscal 2022, as the governor released a policy budget only without a top-line spending amount. To allow for year-over-year comparisons, the fiscal 2022 general fund spending total was calculated using fiscal 2022 spending figures for 49 states plus Texas's fiscal 2021 general fund spending estimate.

TABLE 6

General Fund Nominal Percentage Expenditure Change, Fiscal 2020 to Fiscal 2022

State	Fiscal 2020	Fiscal 2021	Fiscal 2022
Alabama	7.6%	6.2%	2.7%
Alaska	-3.8	-1.5	-5.7
Arizona	5.2	2.5	9.2
Arkansas	2.2	-1.1	2.8
California	4.4	6.4	5.5
Colorado	-1.1	1.5	3.7
Connecticut	-0.5	2.4	4.5
Delaware	2.7	3.1	12.1
Florida	2.4	9.1	-3.6
Georgia	-0.6	-0.6	2.7
Hawaii	1.5	3.0	-4.9
Idaho	5.6	3.6	4.5
Illinois	14.6	1.8	0.6
Indiana	1.5	2.8	2.8
Iowa	3.9	-0.6	4.3
Kansas	7.0	0.9	4.9
Kentucky	0.6	1.4	3.1
Louisiana	1.4	-8.1	2.7
Maine	7.5	-1.0	7.6
Maryland	9.0	-2.7	5.8
Massachusetts	-2.1	2.7	3.2
Michigan	-12.9	21.8	3.0
Minnesota	3.1	1.0	6.9
Mississippi	3.6	-2.5	-0.7
Missouri	-3.4	9.4	8.0
Montana	1.3	3.3	2.7
Nebraska	3.0	5.4	0.3
Nevada	1.1	1.7	-4.5
New Hampshire	12.2	-5.5	3.8
New Jersey	0.3	7.1	8.7
New Mexico	2.1	15.9	-16.2
New York	6.4	-3.5	10.9
North Carolina	1.7	1.8	11.6
North Dakota	5.7	7.6	-3.7
Ohio	-1.8	8.8	-1.1
Oklahoma	5.8	-9.1	15.2
Oregon	9.2	4.1	2.1
Pennsylvania	2.1	-2.8	21.3
Rhode Island	0.3	5.5	5.2
South Carolina	6.0	-0.8	7.2
South Dakota	4.0	9.3	-3.2
Tennessee	2.5	11.6	6.7
Texas	13.0	-0.3	N/A
Utah	-3.7	21.5	1.4
Vermont	0.7	3.4	14.5
Virginia	3.9	1.8	3.2
Washington	4.5	8.0	7.7
West Virginia	-0.3	-0.3	-0.1
Wisconsin	2.7	2.6	9.4
Wyoming	0.0	-21.1	0.1
Average	3.8%	3.0%	5.0%
Median	2.4%	2.4%	3.2%

*See Notes to Table 6 on page 30. **Fiscal 2020 reflects changes from fiscal 2019 expenditures (actual) to fiscal 2020 expenditures (actual). Fiscal 2021 reflects changes from fiscal 2020 expenditures (actual) to fiscal 2021 expenditures (estimated). Fiscal 2022 reflects changes from fiscal 2021 expenditures (estimated) to fiscal 2022 expenditures (recommended).

Mid-Year Budget Actions for Fiscal 2021

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

Overall, 18 states reported net mid-year decreases in general fund spending for fiscal 2021, while 12 states reported increases compared to their enacted budgets. Among the 18 states that reported net mid-year cuts, 12 of these states reported that these cuts were made in response to a revenue shortfall, with spending reductions totaling \$4.1 billion. (See [Table 7](#)) The other six states reported the reductions were attributed mostly to lower spending needs or in areas where federal assistance was able to be used in place of general funds. A number of states reported using federal funds to offset general fund spending changes in Medicaid and Corrections areas, for example. For the 12 states that reported net mid-year increases in general fund spending, these include governors' proposed supplemental appropriations for fiscal 2021 — including for pandemic response — and restoration of spending cuts included in originally enacted budgets.

The net impact of states' mid-year budget changes for fiscal 2021 was a \$13.5 billion increase, mostly driven by a large increase to one state's enacted budget, which had included significant spending reductions due to revenue projections from earlier in the pandemic. Overall, K–12 education saw the largest net increase of \$8.3 billion, while the All Other category saw a net increase of \$6.8 billion. Corrections and Transportation both saw modest net increases, while Higher Education, Public Assistance and Medicaid all saw net mid-year reductions. (See [Table 8](#))

Recommended Appropriation Changes for Fiscal 2022

Overall, governors' general fund budgets for fiscal 2022 propose \$70.5 billion in increases over fiscal 2021 enacted appropriation levels. While this figure is larger than typically observed, it is important to note that some states' enacted budgets for fiscal 2021 assumed significant general fund budget reductions, which

State Spending from All Sources

This report captures only state general fund spending. General fund spending represents the primary component of expenditures from revenue derived from taxes and other resources which have not been earmarked to other funds. According to the most recent edition of NASBO's *State Expenditure Report*, fiscal 2020 spending from all sources (general funds, federal funds, other state funds and bonds) is approximately \$2.26 trillion. General funds represent the largest category of *total* state spending by fund source at 39.7 percent, followed by federal funds at 32.4 percent, other state funds at 26.0 percent, and bonds at 1.9 percent. The program area components of total state spending for fiscal 2020 are: Medicaid, 28.6 percent; elementary and secondary education, 19.0 percent; higher education, 9.7 percent; transportation, 7.9 percent; corrections, 2.9 percent; public assistance, 1.2 percent; and all other expenditures, 30.7 percent.

For fiscal 2020, components of general fund spending are elementary and secondary education, 35.5 percent; Medicaid, 19.6 percent; higher education, 9.4 percent; corrections, 6.5 percent; public assistance, 1.0 percent; transportation, 0.7 percent; and all other expenditures, 27.3 percent.

were in a number of cases at least partially restored. Using these budgets as the baseline can tend to inflate fiscal 2022 recommended appropriation changes in certain instances. Moreover, appropriation increases for fiscal 2022 also reflect a shift from reliance on federal funds for certain expenditures to a greater reliance on general funds, particularly since governors' budgets were almost all developed before the March 2021 passage of the *American Rescue Plan Act*, and in some cases before the federal package passed in December 2020. It should also be noted that sizeable increases recommended in a couple of large states make up the majority of the total appropriation increase.

All program areas would see net increases in general fund appropriations according to governors' proposed budgets for fiscal 2022. K–12 education, the largest area of state general fund spending, would see a \$23.9 billion increase in appropriations

(with roughly half of that figure attributable to one state that drastically reduced K–12 spending in its fiscal 2021 originally enacted budget based on its revenue forecast at that time). Medicaid, the second largest area of state general fund spending, would see an \$11.4 billion appropriation increase. Higher education would see a \$4.8 billion appropriation increase, Public Assistance a \$2.4 billion increase, and Corrections a \$2.9 billion increase. Transportation, which is primarily funded by special fund sources outside of the general fund, would see a \$360 million general fund appropriation increase.

The “all other” category of general fund spending received the largest proposed general fund appropriation increase in the aggregate for fiscal 2022, with governors directing \$24.8 billion in additional funding to this broad category comprised of a diverse range of programs. Some states provided further detail on proposed appropriation changes in this category, which include one-time state stimulus investments, spending increases for housing programs, other health programs besides Medicaid, deposits to reserve funds, pension fund contributions, public safety, environment and conservation projects, economic development, capital construction and debt service, children and family services, local government assistance, and state parks. (See Table 9)

States were asked to indicate if any of their recommended general fund appropriation changes were offset or supplemented by changes in other state fund sources or by federal funds. The areas where other state fund changes were most commonly reported were K–12 education and Medicaid. Not surprisingly, federal fund offsets were used most often for Medicaid (13 states), which can be attributed in large part to the enhanced Federal Medical Assistance Percentage (FMAP) during the COVID-19 public health emergency (PHE). Depending on the PHE end date assumed in the governor’s budget, some states projected larger general fund spending increases due to federal fund reductions associated with enhanced FMAP expiration. See Notes to Table 9 and Chapter Four for more discussion on this. A few states reported using federal funds in K–12 education, corrections, and other areas to offset general fund appropriation changes.

Budget Gaps

In this survey, 12 states reported closing general fund budget gaps in fiscal 2021 totaling \$68.7 billion. This followed fiscal 2020, when 22 states reported closing \$25.6 billion in budget gaps in the *Fall 2020 Fiscal Survey*. Meanwhile, ongoing budget gaps for fiscal 2021 remain rather minimal, with only two states reporting amounts totaling \$782 million. In the Fall 2020 survey, states had forecasted considerably larger ongoing budget gaps, but recent improvements in revenue projections largely helped to close those shortfalls. Prior to governors’ budget recommendations, 17 states reported \$29.1 billion in forecasted budget gaps for fiscal 2022 and 12 states reported \$40.7 billion in budget gaps for fiscal 2023. Many states reported that budget gap projections for fiscal 2023 were not available.

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

Budget Management Strategies for Fiscal 2021 (Mid-Year) and Fiscal 2022

In order to manage their budgets, particularly in an economic downturn, states employ a variety of strategies and tools, including spending reductions (across-the-board or targeted), revenue changes, personnel actions, efficiency savings, and one-time measures.

Strategies for Fiscal 2021 Mid-Year/Post-Enacted. States reported on the strategies used to manage their budgets in the middle of fiscal 2021, post-enactment. For most states, the strategies identified in this survey represent the actions states took to close budget gaps projected due to the COVID-19 crisis and its economic impacts. Fourteen states reported making targeted spending cuts, and five states reported making across-the-board cuts in the middle of fiscal 2021. Another way to reduce spending is through personnel actions — in that regard, 16 states imposed

hiring freezes and/or eliminated vacant positions, six states imposed furloughs, three states reported salary reductions, and two states offered employees early retirement. The spending impacts of these various changes are shown earlier in this chapter in discussion of mid-year spending adjustments for fiscal 2021. Some states also utilized one-time measures to manage their budgets in the middle of the year, including tapping rainy day funds (six states), other fund transfers (seven states), using prior-year fund balances (six states), and deferring payments (four states). Some states also reported using federal assistance to offset some eligible general fund costs related to pandemic response and relief. Many states provided more details on these strategies in footnotes, printed at the end of this chapter. *(See Table 10)*

Strategies Recommended for Fiscal 2022. States were also asked to identify the strategies recommended in governors' budget proposals for fiscal 2022. Most states that recommended spending reductions in executive budgets took a targeted approach, with 17 states reporting targeted spending cuts as a budget management strategy and only three states reporting across-the-board cuts for fiscal 2022. Fourteen states reported continuing hiring freezes and/or eliminating vacant positions into fiscal 2022. Outside of hiring freezes, recommended personnel actions were minimal, though five states reported recommending pension/OPEB adjustments. Ten states reported proposed agency reorganizations as well. States also turned to Medicaid program changes (six states) and reducing local aid (three states) to manage their spending levels, while five states reported using revenue increases. Once again, some states turned to other, largely one-time measures to manage their budgets as well, including rainy day funds (eight states), other fund transfers (10 states), using prior-year fund balances (eight states), and deferring payments (seven states). *(See Table 11)*

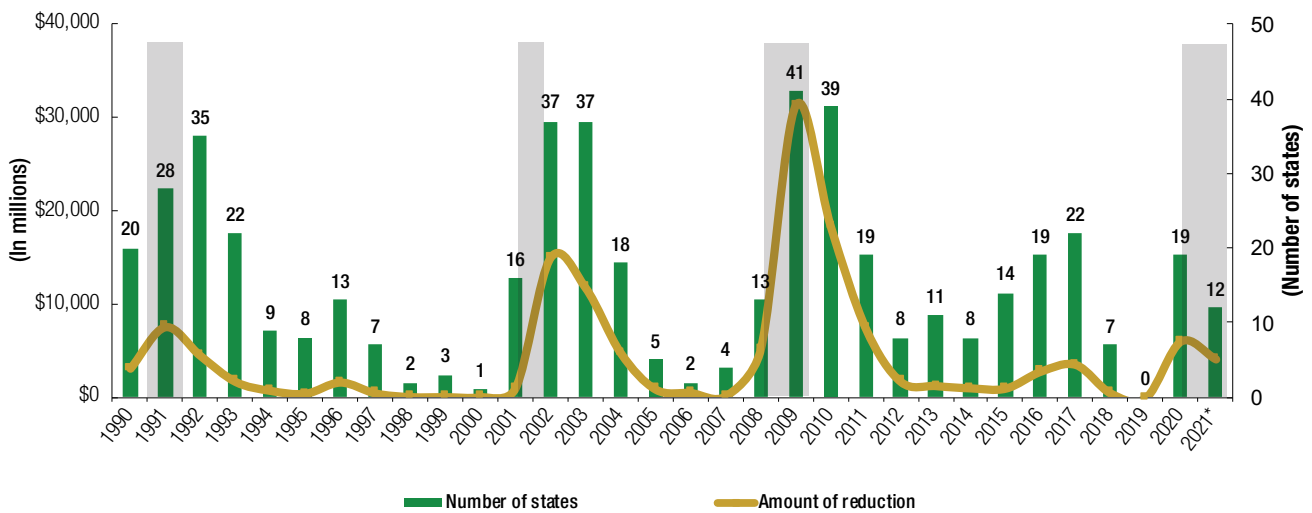
TABLE 7**States with Net Mid-Year Cuts in Fiscal 2021 Due to a Shortfall**

State	FY 2021 Size of Cuts (\$ in Millions)	Programs or Expenditures Exempted from Cuts
Connecticut	\$155.3	
Hawaii*	90.6	
Indiana	303.3	Pensions, Medicaid, K–12 education
Kansas*	437.3	K–12 Education & pandemic response functions
Maine*	194.2	K–12 Education
Maryland*	447.8	
Nevada	540.8	
New Jersey	192.0	
New Mexico	558.6	
Ohio	390.0	
Utah*	155.8	
Washington	653.0	
Total	\$4,118.7	

*See Notes to Table 7 on page 31. See Table 8 for more details on mid-year spending actions by program area.

FIGURE 2:

Budget Cuts Made After the Budget Passed, Fiscal 1990 to Fiscal 2021



Gray boxes denote recessionary periods, based on a July-June fiscal year calendar that most states follow. Recession dates are as follows: Early 1990s recession (July 1990 to March 1991); Early 2000s recession (March 2001 to November 2001); Great Recession (December 2007 to June 2009); COVID-19 Recession (February 2020 - present). *Budget revisions for fiscal 2021 are ongoing and subject to change.

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

TABLE 8

Fiscal 2021 Mid-Year Program Area Budget Actions By Dollar Value (Millions)

State	K-12 Education	Higher Education	Public Assistance	Medicaid	Corrections	Transportation	Other	Total
Alabama*	\$22.4	\$5.6		\$50.2	\$40.7		\$187.2	\$306.1
Alaska*		0.8	1.2			1.7	24.6	28.3
Arizona*	38.8	16.1					2.2	57.1
Arkansas								
California*	9,842.1	120.0	5.2		139.9		6,030.1	16,137.3
Colorado								
Connecticut*							-155.3	-155.3
Delaware								
Florida								
Georgia	647.1	69.1	13.6	-319.1	5.3	199.3	88.9	704.3
Hawaii*	-13.6	-12.0	-9.9	-1.5	-1.4		-52.3	-90.6
Idaho*	-98.7	-22.6	-9.0	-36.7	-16.2		-12.3	-195.5
Illinois								
Indiana*		-103.2			-3.0	-7.1	-190.0	-303.3
Iowa*	20.0						21.0	41.0
Kansas*	-155.7	-44.1	-16.0	-205.5	-28.9		12.9	-437.3
Kentucky*	-130.0	-20.0			-100.7		-57.4	-308.1
Louisiana	0.8	5.2		-92.1	9.4		158.0	81.2
Maine*	43.8	-0.6		-128.3	-67.5		-41.6	-194.2
Maryland*	-4.2	-155.2	80.0	-540.8	-23.0		195.4	-447.8
Massachusetts								
Michigan*	60.0	57.3	-35.5	367.4		300.0	-30.4	718.8
Minnesota								
Mississippi								
Missouri*								
Montana								
Nebraska*	-1.7		-10.3	-7.5	-38.2		-45.7	-103.4
Nevada*	-176.9	-114.5		-145.1	-8.0		-96.3	-540.8
New Hampshire								
New Jersey	103.8	1.5	5.2	-351.7	-1.7	-107.4	158.3	-192.0
New Mexico*	-206.8	-98.0	-3.2	-121.4	-16.6		-112.6	-558.6
New York*								
North Carolina								
North Dakota								
Ohio	-175.9	-73.4		-28.0	-13.6	-8.2	-90.9	-390.0
Oklahoma								
Oregon*	-150.2	-15.6	5.8	-91.4	18.9	-0.1	368.5	135.9
Pennsylvania	4.6			951.6			-47.8	908.4
Rhode Island*				-34.5	-44.8		-192.4	-271.6
South Carolina*								
South Dakota	2.1	25.3	-9.8	-77.5	-25.7	9.0	195.9	119.3
Tennessee	129.4	15.8					83.3	228.5
Texas								
Utah*	-220.5	-60.9		34.4	258.8	-5.1	-162.5	-155.8
Vermont*			-0.7	-3.0	-5.1	0.1	1.9	-6.8
Virginia	-192.8	-84.5	-35.6	-829.5	-9.5		235.2	-916.7
Washington*	-1,098.3	70.4	-56.8	16.8	44.2	1.4	369.3	-653.0
West Virginia								
Wisconsin								
Wyoming								
Total	\$8,289.6	-\$417.5	-\$75.7	-\$1,593.2	\$113.4	\$383.6	\$6,845.2	\$13,545.4
Increases	12	11	6	5	7	6	16	12
Decreases	13	13	10	17	16	5	14	18

NOTE: *See Notes to Table 8 on page 31.

TABLE 9

Fiscal 2022 Recommended Program Area Appropriation Changes by Dollar Value (Millions)

State	K-12 Education	Higher Education	Public Assistance	Medicaid	Corrections	Transportation	All Other	Total
Alabama*	\$309.9	\$116.0	\$6.1	-\$51.0	\$26.3		\$68.7	\$476.0
Alaska*	-14.1	-20.0	2.0	-35.1	6.6	1.0	-60.1	-119.7
Arizona*	239.4	36.4	137.5	130.9	26.0	4.1	320.2	894.5
Arkansas*	36.8	48.1	7.0	75.3	20.5		34.0	221.6
California*	12,593.5	2,290.6	1,568.6	5,491.5	635.2	-7.0	8,043.3	30,615.7
Colorado*	360.1	506.7	-14.1	559.1	24.7	-201.0	-884.0	351.5
Connecticut*	-9.9	43.1	-35.1	1.8	-33.8		928.8	894.9
Delaware*	42.5	4.1		15.1	15.1	N/A	82.2	159.0
Florida*	-59.9	-56.6		1,261.5	74.4	50.0	-227.3	1,042.2
Georgia	573.3	141.8	310.2	443.9	0.3	213.7	-27.2	1,656.0
Hawaii*	83.1	3.1	-13.6	10.6	17.4		-355.8	-255.2
Idaho	73.6	10.8	5.3	45.2	9.7		8.4	153.0
Illinois		49.0			-10.0		296.0	335.0
Indiana	106.4	-4.6		107.6	47.0	-2.0	-45.7	208.7
Iowa*	27.1	34.3		21.9	5.3		241.9	330.5
Kansas*	244.9	-2.4	21.8	257.1	10.8		-158.5	373.7
Kentucky*	290.0	68.6		-80.0	62.5	8.4	18.9	368.4
Louisiana	-67.4	170.4	5.1	-380.9	363.1	-8.4	252.6	334.5
Maine*	29.8	0.9	-1.0	113.6	70.9		80.8	295.0
Maryland*	-58.0	-98.3	55.4	488.9	-33.4		727.3	1,081.9
Massachusetts*	246.3	-33.7	-12.9	-610.9	13.6	16.2	318.3	-63.1
Michigan*		30.5	1.3	685.5	190.0		-140.7	766.6
Minnesota*	250.0	65.3		11.0	2.9	18.0	393.6	740.7
Mississippi	-43.9	-2.5	-14.3				20.1	-40.6
Missouri*	62.0	120.3	-0.3	281.1	9.8	8.2	161.8	642.9
Montana	30.0			7.0	5.0		-10.0	32.0
Nebraska*	15.0	20.0		-44.4	7.9		-26.9	-28.4
Nevada	178.2	-19.4	1.5	107.7	11.6		29.4	309.0
New Hampshire		-3.9			-2.9		0.9	-5.9
New Jersey	2,008.1	130.8	90.2	340.3	-4.2	-273.4	1,252.2	3,544.0
New Mexico*	127.6	26.3	-1.0	43.1			39.7	235.7
New York*	695.0	-5.0	-15.0	1,031.0	-43.0	40.0	8,009.4	9,712.4
North Carolina*	1,115.4	581.4		146.4	42.0		608.6	2,493.8
North Dakota*	-18.5	-4.6	1.5	-19.5	0.4		36.7	-4.0
Ohio*	384.8	154.9	5.0	331.4	80.5	-14.3	696.9	1,639.2
Oklahoma*	17.0				9.3	36.2	-16.1	46.4
Oregon*	28.9	7.6	6.8	94.2	-30.0	-49.3	637.2	695.5
Pennsylvania	1,767.8	2.4	-1.8	489.6	1,052.0		478.0	3,788.0
Rhode Island*	45.7	6.1	0.2	31.5	114.7		291.5	489.6
South Carolina*	38.0		20.0	8.2	6.4		116.8	189.4
South Dakota	19.5	4.2	7.2	14.7	-0.2		15.3	60.7
Tennessee	228.3	137.0		19.5	64.2		529.7	978.7
Texas								
Utah*	224.4	43.7		2.6	23.6	477.9	-215.7	556.5
Vermont	36.4	0.8	6.0	39.1	6.2	-0.1	146.1	234.5
Virginia	2.1	126.1	-8.6	-189.7	-0.5	55.0	915.9	900.3
Washington*	962.1	-14.2	251.1	78.6	-32.5	-5.7	689.4	1,928.8
West Virginia	-65.8		-11.9	38.0			34.8	-4.9
Wisconsin*	705.7	139.1		-62.4	90.2	-7.4	660.3	1,525.5
Wyoming*		-66.0			-28.0		-180.0	-274.0
Total	\$23,861.1	\$4,789.2	\$2,380.1	\$11,350.6	\$2,927.7	\$360.2	\$24,837.7	\$70,506.5
Increases	37	32	21	35	35	12	36	40
Decreases	8	13	12	9	11	10	13	9

NOTE: *See Notes to Table 9 on page 33. Value of changes are in reference to funding level of FY 2021 enacted budget.

TABLE 10

Strategies Used to Manage Budget, Fiscal 2021 Mid-Year (Post-Enacted)

State	Across-the-Board % Cuts	Targeted Cuts	Layoffs	Furloughs	Early Retirement	Salary Reductions	Cuts to State Employee Benefits	Eliminating Vacant Positions/ Hiring Freeze	Pension/OPEB Adjustments
Alabama									
Alaska								X	
Arizona									
Arkansas									
California*				X		X		X	X
Colorado*				X					
Connecticut		X						X	
Delaware									
Florida									
Georgia									
Hawaii*		X						X	X
Idaho*	X							X	
Illinois									
Indiana*	X	X						X	
Iowa									
Kansas*		X							
Kentucky									
Louisiana*								X	
Maine*		X						X	
Maryland*	X	X						X	
Massachusetts*									
Michigan									
Minnesota									
Mississippi									
Missouri*									
Montana									
Nebraska*		X						X	X
Nevada*		X		X					
New Hampshire*								X	
New Jersey*		X		X					
New Mexico*	X	X						X	
New York*									
North Carolina*								X	
North Dakota									
Ohio*		X		X		X		X	
Oklahoma									
Oregon*		X							
Pennsylvania*								X	
Rhode Island*					X				
South Carolina									
South Dakota		X							
Tennessee*									
Texas	X								
Utah*		X							
Vermont									
Virginia*									
Washington				X	X	X		X	
West Virginia									
Wisconsin*									
Wyoming									
Total	5	14	0	6	2	3	0	16	3

NOTE: *See Notes to Table 10 on page 36.

Table 10 continues on next page.

TABLE 10 (CONTINUED)

Strategies Used to Manage Budget, Fiscal 2021 Mid-Year (Post-Enacted)

State	Reduce Local Aid	Reorganize Agencies	Privatization	Rainy Day Fund	Other Fund Transfers	Prior-year Fund Balance	Deferred Payments	Revenue Increase	Medicaid Program Changes	Other
Alabama										
Alaska		X								
Arizona										
Arkansas										
California*					X					
Colorado*						X	X		X	
Connecticut										
Delaware										
Florida										
Georgia										
Hawaii*						X				
Idaho*					X	X				
Illinois										
Indiana*					X					
Iowa										
Kansas*										
Kentucky										
Louisiana*										
Maine*						X				X
Maryland*	X				X					
Massachusetts*										X
Michigan										
Minnesota										
Mississippi										
Missouri*										
Montana										
Nebraska*	X			X	X	X				X
Nevada*										
New Hampshire*									X	
New Jersey*				X			X			X
New Mexico*				X	X					X
New York*							X			
North Carolina*										
North Dakota										
Ohio*										
Oklahoma										
Oregon*				X						
Pennsylvania*				X	X					
Rhode Island*							X			X
South Carolina										
South Dakota										
Tennessee*										X
Texas										
Utah*										
Vermont						X				
Virginia*										X
Washington				X						
West Virginia										
Wisconsin*										X
Wyoming										
Total	2	1	0	6	7	6	4	0	2	9

NOTE: *See Notes to Table 10 on page 36.

TABLE 11
Strategies Used to Manage Budget, Fiscal 2022 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	
Arizona									
Arkansas								X	
California*						X		X	X
Colorado*		X							
Connecticut		X							
Delaware									
Florida*		X						X	
Georgia									
Hawaii*									X
Idaho									
Illinois									
Indiana									
Iowa									
Kansas*		X							X
Kentucky									
Louisiana*								X	
Maine*		X							
Maryland*		X						X	
Massachusetts*									
Michigan									
Minnesota									
Mississippi									
Missouri*		X						X	
Montana*									X
Nebraska*									X
Nevada									
New Hampshire		X						X	
New Jersey*		X							
New Mexico								X	
New York*	X	X						X	
North Carolina									
North Dakota*									
Ohio									
Oklahoma*									
Oregon*	X	X						X	
Pennsylvania								X	
Rhode Island*		X			X				
South Carolina									
South Dakota		X							
Tennessee*									
Texas	X								
Utah									
Vermont		X							
Virginia*									
Washington		X		X	X	X		X	
West Virginia									
Wisconsin									
Wyoming		X		X				X	
Total	3	17	0	2	2	2	0	14	5

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

Table 11 continues on next page.

TABLE 11 (CONTINUED)

Strategies Used to Manage Budget, Fiscal 2022 Recommended

State	Reduce Local Aid	Reorganize Agencies	Privatization	Rainy Day Fund	Other Fund Transfers	Prior-year Fund Balance	Deferred Payments	Revenue Increase	Medicaid Program Changes	Other
Alabama										
Alaska*		X								
Arizona										
Arkansas									X	
California*		X					X			X
Colorado*										
Connecticut				X	X		X	X	X	
Delaware										
Florida*					X	X				
Georgia										
Hawaii*		X				X				
Idaho					X	X				
Illinois										
Indiana										
Iowa										
Kansas*		X		X			X	X	X	
Kentucky										
Louisiana*										
Maine*	X					X				X
Maryland*				X	X		X			
Massachusetts*				X						X
Michigan										
Minnesota										
Mississippi										
Missouri*		X								
Montana*										
Nebraska*	X			X	X				X	
Nevada										
New Hampshire		X			X					
New Jersey*						X	X			
New Mexico										
New York*	X				X	X	X		X	X
North Carolina										
North Dakota*				X	X					
Ohio										
Oklahoma*		X		X		X			X	
Oregon*		X		X				X		
Pennsylvania					X			X		
Rhode Island*		X					X			X
South Carolina										
South Dakota		X								
Tennessee*										X
Texas										
Utah										
Vermont						X				
Virginia*										X
Washington					X			X		
West Virginia										
Wisconsin										
Wyoming										
Total	3	10	0	8	10	8	7	5	6	7

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

CHAPTER 1 NOTES

Notes to Table 3: Fiscal 2020 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 transferring \$15 million from the ETF Advancement and Technology Fund to the Education Trust Fund. Expenditure adjustments include transferring \$66.5 million to the ETF Budget Stabilization Fund, transferring \$512.9 million to the ETF Advancement and Technology Fund, and transferring \$5 million to the General Fund Budget Reserve Fund.
Alaska	Revenues: Spring 2021 Revenue Forecast (page 10) Revenue Adjustments: Fiscal Year 2021 Fiscal Summary Expenditures: Fiscal Year 2021 Fiscal Summary Expenditure Adjustments: State of Alaska Detailed Fiscal Summary FY20 and FY21 Rainy Day Balance: Short Fiscal Summary FY20/FY21 Budget Number listed is EoY Balance
Arizona	\$271.1 million rainy day fund deposit from the General Fund
Arkansas	25% of the ending balance was transferred to the Arkansas Highway Transfer Fund, the remaining transferred to the General Revenue Allotment Reserve Fund. Total available revenue amounts are reported as net of refunds and special dedications/payments.
California	<p>Total Revenues: reflect revenues before transfers and loans to/from the General Fund. Estimated cost recoveries for Fiscal 2020 for COVID-19 and wildfires are included as "revenue adjustments".</p> <p>Revenue and expenditure adjustments to the beginning fund balance consist primarily of adjustments made to major taxes and other non K-12 spending. Revenue adjustments include \$4,447.1 million in transfers and loans to/from the General Fund as well as \$706.9 million in estimated cost recoveries for COVID-19 and wildfires.</p> <p>The ending balance includes the Special Fund for Economic Uncertainties (SFEU), but excludes the BSA (a rainy day reserve held in a separate fund) and the Safety Net Reserve Fund. The excluded amounts are \$17,120.4 million for the BSA and \$900 million for the Safety Net Reserve Fund at the end of FY 2020. Adding these amounts to the FY 2020 ending balance, the projected total balance is \$23,379.6 million in FY 2020.</p> <p>The rainy day balance is made up of the SFEU, BSA, and the Safety Net Reserve Fund, however, withdrawals of mandatory deposits from the BSA are subject to provisions of Proposition 2, 2014.</p> <p>The ending balance includes a reserve for encumbrances of \$3,175.1 million representing amounts which will be expended in the future for state obligations for which goods and services have been ordered/contracted, but have not been received by the end of the fiscal year. These amounts are shown as a reserve to the fund balance instead of a hit to the fund balance.</p>
Colorado	Revenue adjustments include transfers to the General Fund. Expenditure adjustments include reversions and accounting adjustments. Colorado's rainy day fund is included within the General Fund.
Connecticut	<p>FY 2020 Rainy Day Fund balance includes a deposit of \$530.3 million due to the volatility cap and a deposit of \$38.7 million due to a surplus at the end of the FY. Once the Rainy Day Fund reaches 15% of the following fiscal year's projected expenditures, Connecticut statute requires funds in excess of the 15% to be transferred from the Rainy Day Fund to reduce the unfunded liability of the State Employees Retirement (SERS) Pension Fund or Teachers Retirement (TRS) Pension Fund, and to reduce bonded indebtedness. The Rainy Day Fund balance at the end of FY 2020 reached the 15% threshold of FY 2021 expenditures. \$61.6 million was transferred from the Rainy Day Fund to reduce the liabilities of the SERS Pension Funds. The Rainy Day Fund will then have a total balance of \$3,012.9 million after the transfer. The ending balance is included in the Rainy Day Fund balance.</p> <p>FY 2020 Actual Revenue: Included in the total revenue figure of \$19,193.5 million, \$1,796.8 million is included as Federal Grant Revenue. Without the \$1,796.8 million in Federal Grant Revenue, the total revenue collected would be \$17,396.7 million. Federal Grants figures do not include any Coronavirus Relief Fund dollars or Coronavirus State and Local Fiscal Recovery Fund dollars.</p>
Delaware	FY 2020 General Fund figures as per March, 2021 DEFAC. FY2020 Actual Ending Balance also includes \$63.1 in the Budget Stabilization Fund.

Florida	The revenue adjustment reflects \$5,855.8 million of Cares Act – COVID-19 funds received from the government.
Hawaii	Due to a combination of timing issues with enactment of various laws and accounting system limitations certain items were processed in FY 21 but have been reflected as authorized in FY 20. Adjustment in FY 2020, \$648 million deposit to the general fund from the Emergency and Budget Reserve Fund.
Idaho	Revenue adjustments: \$84.5M for statutory/legislative transfers out, \$20.1M for statutory/legislative transfers in, \$.4M for miscellaneous adjustments, \$7.5M for prior-year reversion, \$2.9 for reappropriation. Expenditure adjustments: \$17.6M reversions, \$2.9M prior-year reappropriation, \$1.1M miscellaneous adjustments.
Illinois	Total revenues include \$32,078M in state sources, \$3,551M in federal, \$2,431M in transfers in. Adjustments include \$1,198M short-term borrowing proceeds from the Municipal Liquidity Facility (MLF), \$462M interfund borrowing, \$400M in Treasurer's investment borrowing and minus \$199M in Comptroller budgetary basis adjustments. Total expenditures include \$30,997M in appropriations, \$8,328M in pension contributions, \$2,309M in transfers out, and \$287M in interfund and investment borrowing repayment. Expenditure adjustments include -\$1,725 in unspent appropriations, -\$23M in Comptroller budgetary basis adjustments, -\$102M in accounts payable, and -\$215M in transfers for unclaimed property.
Indiana	Revenue adjustments include a transfer to the General Fund to assist with the Integrated Tax System, a casino relocation fee, a \$13.2 million transfer from a Special Transportation Flexibility Fund, a one-time judgment payment of \$73.1 million, and a \$577.6 million transfer from the Medicaid Contingency & Reserve Account (part of "Rainy Day Fund Balances" in FY19 and prior). Expenditure adjustments include reversions from prior year distributions, capital, and reconciliations; reversions from prior year Medicaid appropriations; state agency and university line item capital projects; the cost of a 13th check for pension recipients; and minimal one-time expenditures.
Iowa	Total Revenues are as actual, also included in revenue adjustments is \$195.6 million of residual funds transferred to the General Fund after the Reserve Funds are filled to their statutory maximum amounts. Total Expenditures actual appropriations including \$185.6 million of supplemental appropriations for FY2020.
Kansas	\$12.0 million in Prior year released encumbrances shows as revenue.
Kentucky	Revenue includes \$112.7 million in Tobacco Settlement Funds. Revenue adjustments include \$222.8 million that represents appropriation balances carried forward from the prior fiscal year, and \$317.1 million from fund transfers into the General Fund. Expenditure adjustments include \$375 in appropriation balances forwarded into the next fiscal year and budgeted balances to be expended in the next fiscal year, and surplus allocation to the Rainy Day Fund of \$162.5.
Louisiana	Revenue adjustments — Includes \$87.9m of carryforwards from FY19. Expenditure adjustments — Includes \$67.3m of expenditures carried forward into FY21.
Maine	Revenue and Expenditure adjustments reflect legislatively authorized transfers and year-end closing adjustments. Legislatively authorized transfers included transfers in from prior year balances available in carrying accounts and transfers out to the Budget Stabilization Fund (\$17.4 million) and for funding going to other dedicated revenue accounts. Year-end adjustments included lapsed encumbrances, unbudgeted lapsed balances, other accounting adjustments and a statutory year-end transfer of \$2.5 million to Reserve for Operating Capital.
Maryland	Revenue adjustments include \$27.6 million in transfers from tax credit reserves, a \$158 million transfer from the Revenue Stabilization Account (Rainy Day), and -\$2.9 million in revenue underattainment from transfers. Expenditure adjustments include \$443.6 million in reversions, which was largely driven by the utilization of federal Coronavirus Relief Funds to replace salaries for public safety officials (State Police, etc.) as well as a spending and hiring freeze for State agency operations.
Massachusetts	General Fund is defined as all budgeted operating funds, adjusted for expenditures funded by federal reimbursements. This is to better align with spending reported in the State Expenditure Report and be more comparable to most other states, which book federally reimbursed expenditures in a separate federal fund; adjustments also account for certain transfers between budgeted funds. Ending balances include \$776.6 M in reserved balances projected to be spent in the next fiscal year.

Michigan	Revenue totals are net of payments to local governments and balance sheet adjustments. Revenue adjustment: One-time transfer of \$163.8m in restricted fund balances to the general fund, (\$10.3m) restatement of use tax.
Minnesota	Rainy Day Fund balance includes cash flow account of \$350 million and a budget reserve of \$2.358 billion. Does not include stadium reserve of \$55.7 million.
Mississippi	2.0% Set Aside/Ending Cash Available for Distribution
Missouri	Revenue adjustments include transfers from other funds into the General Revenue Fund and \$250M borrowed from the Coronavirus Relief Fund for cash flow purposes.
Montana	Adjustments to revenues and expenditures reflect prior year revenue activity, prior year expenditure activity and adjustments to general fund balance resulting from the CAFR reconciliation process.
Nebraska	Revenue adjustments are transfers between the General Fund and other funds. These include a \$272 million transfer from the General Fund to the Property Tax Credit Cash Fund. There is an additional \$11 million transfer to the Water Sustainability Cash Fund, \$3.3 million to the Water Resources Cash Fund, and \$500,000 to the Cultural Preservation Endowment Fund. There are also \$48.5 million in usual and customary transfers into the General Fund from other cash funds, which is included in the net receipts line. There was also a \$176.4 million transfer to the Cash Reserve Fund for revenues in excess of the Certified Forecast for FY 2019.
Nevada	Adjustments include: 1. Unclaimed Property- Millennium Scholarship 2. Live Entertainment Tax 3. Unrestricted Reversions 4. Other Budget Reserves 5. Transfer from Rainy Day Fund
New Hampshire	Adjustments: 1.) Revenue Adjustment: Increase of \$22.0 million due to anomalous receivables attributable to FY20 activity received in FY21 due to federal tax deadline changes due to COVID-19 that crossed state fiscal years. 2) Expenditure Adjustments: A \$8.7 million unfavorable GAAP adjustment, a \$4.0 M transfer to the Highway Fund, a \$0.2M transfer to the Rainy Day Fund and a \$68.1 million transfer to the Education Trust Fund.
New Jersey	Revenue adjustments: Lapses; transfers to other funds; transfer from Surplus Revenue fund to General Fund
New Mexico	Adjustments are net of reversions and transfers from other funds. Revenue adjustments include reversions. Expenditure adjustments include appropriations, expenditures and transfers out.
New York	General Fund revenues and expenditures include operating transfers to/from other funds which constitute legally authorized transfers from a fund receiving revenues, to a fund through which disbursements will ultimately be made. The Rainy Day Reserve increased by \$428 million after a deposit from the General Fund. This was the result of a transfer from the State Purposes Account to the Rainy Day Reserve Fund. These funds are components of New York State's General Fund.
North Carolina	Includes the transfer in of Federal Coronavirus Relief Funds as a Revenue Adjustment and as an Expenditure Adjustment to Reserves.
North Dakota	Revenue adjustments are transfers of \$8.6 million from the tax relief fund, \$382.2 million from the strategic investment and improvements fund and \$70.0 million from other special fund sources to the general fund.
Ohio	FY 2020 includes expenditures against prior year encumbrances as well as \$669.5 million in transfers out of the GRF. Federal reimbursements for Medicaid expenditures funded from the General Revenue Fund (GRF) are deposited into the GRF. Federal reimbursements for Medicaid expenditures from non-GRF sources are deposited into the appropriate federal fund. Expenditures of federal funds are not included in the General Fund number to be consistent with new NASBO survey guidelines.
Oklahoma	Revenue adjustments of \$366.4 million represent deposits into the GRF from the Constitutional Reserve Fund (Rainy Day Fund) of \$302.3 million and \$64.1 million from the Revenue Stabilization Fund as directed by Legislative action. A total of \$229.9 million in reserves remains available entering FY21, including \$58.7 million in the Rainy Day Fund and \$171.2 million in the Revenue Stabilization Fund.
Oregon	Revenue Adjustments include borrowing costs for Tax Anticipation Notes as well as the anticipated transfer to the Rainy Day Fund. Rainy Day Fund balances are forecasted on a biennial basis I estimated the balance to include the deposit shown in the Revenue Adjustment.

Pennsylvania	Revenue adjustments include refunds, lapses and adjustments to beginning balances.
Rhode Island	Adjustments to revenues reflect a transfer of \$126.4 million to the State Budget Reserve and Cash Stabilization Account ("Rainy Day Fund") offset by a transfer from the State Budget Reserve and Cash Stabilization Account of \$120.0 million and a reappropriation total of \$5.3 million from FY 2019.
South Carolina	Revenue Adjustments: Transfer from Litigation Recovery Account (\$9.6M) Expenditure Adjustments: Transfer FY19 Capital Reserve to agencies (\$151.6M); Transfer from Contingency Reserve to agencies for COVID-19 response (\$246.5M), one-time taxpayer rebate related to income tax collections on prior year Powerball winnings (\$61.4M).
South Dakota	The beginning balance of \$19.4 million and adjustment to expenditures reflects the prior year's ending balance that is transferred to the rainy day fund. Adjustments to revenue of \$22.4 million is from one-time receipts. The ending balance of \$19.1 million is cash that is obligated to the Budget Reserve fund the following fiscal year. This \$19.1 million is not included in the total rainy day fund balance of \$174.3 million.
Tennessee	<p>Adjustments (Revenues): \$31.0 million transfer from debt service fund unexpended appropriations; -\$325.0 million transfer to Rainy Day Fund; -\$12.8 million transfer to Highway Fund; \$106.3 million transfer to dedicated revenue reserves; -\$95.1 million balancing estimate.</p> <p>Adjustments (Expenditures): \$406.7 million transfer to capital outlay projects fund; \$49.5 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; \$464.2 million transfer to reserves for unexpended appropriations; \$5.1 million transfer to systems development fund.</p> <p>Ending Balance: \$1,515.1 million reserve for appropriations 2020-2021; \$476.0 million unappropriated budget surplus at June 30, 2019.</p>
Utah	Expenditure adjustments include \$44.2 million of surplus revenue collections were automatically transferred to rainy day funds and other funds at the end of FY 2020 based on statutory formulas. FY 2020 revenue adjustments include transfers to the General Fund and Education fund, the amount set aside for economic development cash incentives, funds that lapsed to General Fund or Education Fund at the end of FY 2019, and other revenue adjustments. Due to the shift in the tax deadline from April 15 to July 15, this shifted revenue from FY 2020 to FY 2021. This deflated revenues and expenditures for FY 2020 and inflated both for FY 2021.
Vermont	\$.9M in adjusted revenues reflect amounts reserved at the end of FY2019, that were subsequently unreserved in fiscal year 2020, and were intended to address general appropriations. \$13.5M in adjusted expenditures reflect net-transfers among other state funds and the General Fund (\$9.7M), and General Fund reserves (\$3.8M).
Virginia	Total revenues include fund transfers.
Washington	Revenue adjustments reflect the net of transfers in and out of the General Fund, as well as prior biennium recoveries and similar resource adjustments.
West Virginia	Fiscal Year 2020 Beginning balance includes 397.9 million of Reappropriations, Unappropriated Surplus Balance of 36.9 million, \$3.76 million of cash balance adjustments, and FY 2019 13th month expenditures of \$79.4 million. Total Revenues show the FY 2020 actual general revenue collections of \$4,494.9 million. Adjustments (Revenue) are prior year redeposits of \$0.016 million and special revenue expirations of \$47.95 million. Total Expenditures include current year general revenue appropriated expenditures of \$4,280.9 million, surplus appropriation expenditures of \$54.5 million, reappropriation expenditures of \$169.6 million, \$3.5 million of cash adjustments, \$79.4 million of reappropriations transferred to FY 2020 collections, and \$54.4 million of 31 day prior year expenditures. Adjustment (Expenditures) represent \$18.4 million which was the amount transferred to the Rainy Day Fund from 1/2 of the FY 2019 surplus. The Ending Balance is mostly the historically carried forward reappropriation from previous fiscal years (estimated amounts that will remain and be reappropriated to the next fiscal year), the estimated 13th month expenditures applicable to the current fiscal year & the any unappropriated surplus balance (estimated) from the current fiscal year.
Wisconsin	Revenue adjustments include Tribal Gaming, \$5.3; Prior Year Designated Balance, \$97.1; Other Revenue, \$528.3. Expenditure adjustments include Transfers, \$149.1; Lapses, -\$525.3; and Compensation Reserves, \$3.7.

Wyoming

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

Notes to Table 4: Fiscal 2021 State General Fund, Estimated

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

Alabama Expenditure adjustments include a transfer of \$71.6 million to the ETF Budget Stabilization Fund, a transfer of \$242.1 million to the ETF Advancement and Technology Fund, and a transfer of \$22.3 million to the General Fund Budget Reserve Fund.

Alaska Revenues: Spring 2021 Revenue Forecast (page 10) Revenue Adjustments: Fiscal Year 2022 Fiscal Summary Expenditures: Fiscal Year 2022 Fiscal Summary Expenditure Adjustments: State of Alaska Detailed Fiscal Summary FY21 and FY22 Rainy Day Balance: Short Fiscal Summary FY21/FY22 Budget Number listed is EoY Balance

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

California Total Revenues: reflect revenues before transfers and loans to/from the General Fund. Estimated cost recoveries for Fiscal 2021 for COVID-19 and wildfires are included as "revenue adjustments".

Revenue adjustments include \$9,121.4 million in transfers and loans to/from the General Fund (primarily comprised of a net revenue transfer of \$4,584 million from the rainy day fund) as well as \$2,727.8 million in estimated cost recoveries for COVID-19 and wildfires.

The ending balance includes the SFEU, but excludes the BSA, the Safety Net Reserve Fund, and the Public School System Stabilization Account (PSSSA). The excluded amounts are \$12,536.4 million for the BSA, \$450 million for the Safety Net Reserve Fund, and \$746.5 million for the PSSSA at the end of FY 2021. Adding these amounts to the FY 2021 ending balance, the projected total balance is \$25,936.3 million in FY 2021.

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

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

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

Connecticut FY 2021 budget reflects the adopted budget from Public Act 19-117 signed into law on June 26, 2019 that was amended by Public Act 19-1 of the December Special Session that was signed into law on December 19, 2019. As of March 19, 2021, we are projecting a surplus in the General Fund of \$180.6 million. FY 2021 Rainy Day Fund balance includes a projected deposit of \$555.1 million due to the volatility cap, a deposit of \$180.6 million due to the projected surplus, and a transfer out of the Rainy Day Fund of \$61.6 million as a result of the fund reaching its 15% statutory maximum at the end of FY 2020. The net deposit to the Rainy Day Fund is projected to be \$674.1 million at the end of FY 2021 equating to a total balance of \$3,748.7 million or 18.3% of the ensuing fiscal year's General Fund appropriations (FY 2022 Governor's Budget Recommendations). Once the Rainy Day Fund reaches 15% of the following fiscal year's expenditures, Connecticut statute requires funds in excess of the 15% to be transferred from the Rainy Day Fund to reduce the unfunded liability of the SERS Pension Fund or TRS Pension Fund, and to reduce bonded indebtedness. As of March 19, 2021, CT's Office of Policy and Management is projecting that \$670.8 million will be transferred out of the Rainy Day Fund to reduce the unfunded liability of the SERS Pension Fund, TRS Pension Fund, or to reduce bonded indebtedness due to the maximum threshold being reached. The ending balance is included in the Rainy Day Fund balance.

FY 2021 Estimated Revenue: Included in the total revenue figure of \$19,821.7 million, \$1,657.2 million is included as Federal Grant Revenue. Without the \$1,657.2 million in Federal Grant Revenue, the total revenue collected would be \$18,164.5 million. Federal Grants figures do not include any Coronavirus Relief Fund dollars or Coronavirus State and Local Fiscal Recovery Fund dollars.

Delaware	FY 2021 General Fund Figures are as per December 2020 DEFAC.
Hawaii	Adjustment in FY 2021, \$750 million working capital borrowing.
Idaho	Revenue adjustments: \$207.8M for statutory/legislative transfers out, \$1.2M for statutory/legislative transfers in, \$1.5M for re-appropriation, \$60M for tax conformity, \$60.4M for prior-year and early reversion. Expenditures include: \$141.4M for Covid-19 expenses reimbursement, \$281.4M for Governor's holdback and Board of Examiner's Reduction (K-12). Expenditure adjustments: \$1.5M prior-year reappropriation, \$.3M for deficiency warrants.
Illinois	Total revenues include \$35,311M in state sources, \$4,384M in federal, \$1,787M in transfers in. Adjustments include \$1,998M short-term borrowing proceeds from the Municipal Liquidity Facility. Total expenditures include \$31,552M in FY21 appropriations, \$8,839M in pension contributions, \$2,296M in transfers out and \$2M for FY20 supplemental appropriations. Expenditure adjustments include -\$1,523M in unspent appropriations, \$508M in accounts payable, and -\$215M in transfers for unclaimed property, \$552M in interfund and investment borrowing repayment and \$1,899M in MLF borrowing repayment.
Indiana	Revenue includes \$885.1 million in deferred income tax revenue from FY 2020. Revenue adjustments include a \$2.0 million casino owner's license transfer fee, a \$10.0 million transfer from a dedicated fund named the Agency Settlement Fund per the 2019 Budget Bill, and an estimated \$440.0 million in reimbursement from the Coronavirus Relief Fund for public safety and public health payroll costs. Expenditure adjustments include an estimated \$20.0 million in reversions from prior year appropriations, \$2.0 million from the Indiana Motorsports Commission, \$200.0 million of Medicaid surplus due to enhanced FMAP, \$121.9 million in one-time appropriations for capital line items, \$302.0 million in one-time appropriations for bond defeasance, and \$400.0 million in one-time appropriations for buying down the unfunded liability in a teachers retirement account.
Iowa	Total Revenues are estimated as of the December 2020 REC meeting, also included in the revenue adjustments is \$246.9 million of residual funds transferred to the General Fund after the Reserve Funds are filled to their statutory maximum amount. Expenditure adjustments include \$5.1 million adjustment to standing appropriations, and \$41.0 million of one-time supplemental appropriations recommended by the Governor.
Kentucky	Revenue includes \$106.3 million in Tobacco Settlement Funds. Revenue adjustments include \$479.6 million that represents appropriation balances carried forward from the prior fiscal year, and \$171.4 million from fund transfers into the General Fund. Expenditure adjustments include \$479.6 in appropriation balances forwarded into the next fiscal year and budgeted balances to be expended in the next fiscal year.
Louisiana	Revenue adjustments — Includes the use of \$90.1m of the Budget Stabilization Fund and \$67.3m of carryforwards Expenditure adjustments — none
Maine	Revenue and Expenditure adjustments reflect legislatively authorized transfers. Transfers in included \$50 million in available balances in liquor sales account and transfer out was to the Budget Stabilization Fund for \$8 million.
Maryland	Revenue adjustments include \$25.8 million in transfers from tax credit reserves, a \$43.9 million transfer from the Dedicated Purpose Account, a \$30 million transfer from the State unemployment insurance balance, a \$0.9 million fund balance transfer from the Maryland Board of Physicians, and a \$54 million transfer from the Revenue Stabilization Account (Rainy Day). Expenditure adjustments include \$173.4 million in Coronavirus Relief Fund salary swaps and \$63.7 million in reversions. Both revenues and expenditures are also adjusted by \$425.8 million to reflect 5 supplemental budgets introduced by the Governor throughout the legislative session to appropriate general fund revenue attainment above previous revenue estimates. Revenues and expenditures reported are based on the Governor's proposed allowance from January 2021, which utilized December 2020 revenue estimates. Additional proposed appropriations made during the legislative session through the supplemental budget process are reflected as expenditure adjustments, and revenue adjustments reflect revised March 2021 revenue estimates.
Massachusetts	General Fund is defined as all budgeted operating funds, adjusted for expenditures funded by federal reimbursements. This is to better align with spending reported in the State Expenditure Report and be more comparable to most other states, which book federally reimbursed expenditures in a separate federal fund; adjustments also account for certain transfers between

budgeted funds. Ending balances include \$184.8 M in reserved balances projected to be spent in the next fiscal year. Data is as of 1/27/2021. Medicaid changes related to the timing of the federal public health emergency and enhanced FMAP described in Chapter Four on Medicaid Outlook.

Michigan	Revenue totals are net of payments to local governments and balance sheet adjustments. Expenditure Adjustment: BSF deposits of \$35m enacted and \$175 proposed.
Minnesota	Rainy Day Fund balance includes cash flow account of \$350 million and a budget reserve of \$2.377 billion. Does not include stadium reserve of \$80.738 million.
Mississippi	2.0% Set Aside/Ending Cash Available for Distribution
Missouri	Revenue adjustments include transfers from other funds into the General Revenue fund and \$250M in cash flow borrowing paid back to the Coronavirus Relief Fund.
Montana	Estimated expenditures for FY 21 are lower than budgeted due to enhanced FMAP.
Nebraska	Revenue adjustments are transfers between the General Fund and other funds. These include a \$272 million transfer from the General Fund to the Property Tax Credit Cash Fund. There is an additional \$11 million transfer to the Water Sustainability Cash Fund, and \$3.3 million to the Water Resources Cash Fund. There was also \$50.5 million in usual and customary transfers into the General Fund from other cash funds, which is included in the net receipts line. There was also a \$10.6 million transfer to the Cash Reserve Fund for revenues in excess of the Certified Forecast for FY 2019. In addition, there were \$360.8 million in FY 2020 carryover obligations against revenue and \$95 million reduction from LB 1107 — a comprehensive tax package passed in August 2020 (FY 2021). Spending adjustments include \$7.8 million in mid-biennium budget changes as well as \$49.9 million mid-biennium adjustments for Federally-reimbursed Presumed Payroll under the 2020 CARES Act.
Nevada	Adjustments include: 1. Unclaimed Property — Millennium Scholarship 2. Live Entertainment Tax 3. Unrestricted Reversions 4. Other Budget Reserves 5. Transfer from Rainy Day Fund
New Hampshire	Adjustments: 1.) Revenue Adjustment: Reduction of \$22.0 million due to anomalous receivables attributable to FY20 activity received in FY21 due to federal tax deadline changes due to COVID-19 that crossed state fiscal years. 2.) Expenditure Adjustment: End of FY21 transfer to the Rainy Day Fund of \$29.8 Million
New Jersey	Revenue adjustments: Transfers to other funds and estimated lapses; transfer to Surplus Revenue fund from General Fund. Revenue from the bond sale was initially reported as a revenue adjustment in the Fall 2020 Fiscal Survey, but is now being reported as revenue in the Spring 2021 Fiscal Survey.
New Mexico	Adjustments are net of reversions and transfers from other funds. Revenue adjustments include reversions. Expenditure adjustments include appropriations, expenditures and transfers out.
New York	General Fund revenues and expenditures include operating transfers to/from other funds which constitute legally authorized transfers from a fund receiving revenues, to a fund through which disbursements will ultimately be made
North Dakota	Revenue adjustments are transfers of \$500.0 million from the legacy fund, \$382.2 million from the strategic investment and improvements fund and \$70.0 million from other special fund sources to the general fund.
Ohio	The FY 2021 estimate includes expenditures against prior year encumbrances and \$2,400.6 million in transfers out of the GRF. Federal reimbursements for Medicaid expenditures funded from the General Revenue Fund (GRF) are deposited into the GRF. Federal reimbursements for Medicaid expenditures from non-GRF sources are deposited into the appropriate federal fund. Expenditures of federal funds are not included in the General Fund number to be consistent with new NASBO survey guidelines.
Oregon	Revenue Adjustments include borrowing costs for Tax Anticipation Notes Rainy Day Fund balances are forecasted on a biennial basis. This matches the Office of Economic Analysis Estimate.
Pennsylvania	Revenue adjustments include refunds and lapses to beginning balances. Expenditure adjustments include current year lapses.

Rhode Island	Adjustments to revenues reflect \$110.9 million for a FEMA receivable and that was disallowed in FY 2020 and instead recognized as a general revenue expenditure. RI expects to recognize corresponding FEMA revenue in FY21 to offset the GR expense. There was also a transfer of \$124.7 million to the Budget Reserve Fund offset by a general revenue savings of \$34.5 million for FMAP Enhancement Q4 savings related to the extension of the Public Health Emergency and \$237.2 million
South Dakota	The adjustment to expenditures of \$41.6 million reflects the prior year's ending balance of \$19.1 million along with an additional \$22.5 million that was transferred to the rainy day fund.
Tennessee	Adjustments (Revenues): \$150.0 million transfer from debt service fund unexpended appropriations; -\$250.0 million transfer to Rainy Day Fund; -\$0.8 rounding adjustment. Adjustments (Expenditures): \$80.2 million transfer to capital outlay projects fund; \$13.1 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: \$1,671.3 million unappropriated budget surplus at June 30, 2021.
Utah	FY 2021 revenue adjustments include transfers to the General Fund and Education fund, the amount set aside for economic development cash incentives, and other revenue adjustments. Based on FY 2021 revenue projections when the FY 2022 Governor's budget proposal was released. Due to the shift in the tax deadline from April 15 to July 15, this shifted revenue from FY 2020 to FY 2021. This deflated revenues and expenditures for FY 2020 and inflated both for FY 2021.
Vermont	\$208.9M in adjusted expenditures reflect transfers among state special funds and the General Fund as well as \$211.1 in temporary reserves for use in fiscal year 2022. The \$16.5M ending balance is a result of BAA legislative action and that amount may be amended by an additional COVID-response bill.
Virginia	Total revenues include fund transfers.
Washington	Revenue adjustments reflect the net of transfers in and out of the General Fund, as well as prior biennium recoveries and similar resource adjustments. The fiscal 2021 estimates are based on the 3/17/2021 revenue forecast, which forecasted significantly higher revenue collections compared to the 11/18/2020 revenue forecast. On 2/19/2021 the Governor signed HB 1367 into law which appropriated an additional \$164 million for COVID-19 related expenditures from the Budget Stabilization Account (Rainy Day Fund).
West Virginia	Total Revenue is the official estimate for FY 2021 Total General Revenue collections. Total Expenditures are FY 2021 general revenue appropriations of \$4,574.5 million, FY 2021 surplus appropriations of \$6 million, and FY 2020's 13th month expenditures of \$55.98 million. Adjustment (Expenditures) represents the \$14m transferred in August 2020 to the Rainy Day Fund from 1/2 of the FY 2020 surplus. The Ending Balance is mostly the historically carried forward reappropriation amounts that will remain and be reappropriated to the next fiscal year, the 13th month expenditures from the previous fiscal year & any unappropriated surplus balance.
Wisconsin	Revenue adjustments include Tribal Gaming, \$0; and Other Revenue, \$516.3. Expenditure adjustments include Transfers, \$275.9; Lapses, -\$1,403.9; Biennial Spend Ahead, -\$3.4; and Compensation Reserves, \$94.5.
Wyoming	The State of Wyoming budgets on a biennial basis, to arrive at annual figures certain assumptions and estimates are required.

Notes to Table 5: Fiscal 2022 State General Fund, Recommended

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

Alaska	Revenues: Spring 2021 Revenue Forecast (page 10) Revenue Adjustments: Fiscal Year 2022 Fiscal Summary Expenditures: Fiscal Year 2022 Fiscal Summary Expenditure Adjustments: State of Alaska Detailed Fiscal Summary FY21 and FY22 Rainy Day Balance: Short Fiscal Summary FY21/FY22 Budget Number listed is EoY Balance
Arkansas	Total available revenue amounts are reported as net of refunds and special dedications/payments.

California

Total Revenues: reflect revenues before transfers and loans to/from the General Fund. Estimated cost recoveries for Fiscal 2022 for COVID-19 and wildfires are included as "revenue adjustments".

Revenue adjustments include \$3,204 million in transfers and loans to/from the General Fund as well as \$6,420.4 million in estimated cost recoveries for COVID-19 and wildfires.

The ending balance includes the SFEU, but excludes the BSA, the Safety Net Reserve Fund, and the Public School System Stabilization Account (PSSSA). The excluded amounts are \$15,574.4 million for the BSA, \$450 million for the Safety Net Reserve Fund, and \$2,987.2 million for the PSSSA at the end of FY 2022. Adding these amounts to the FY 2022 ending balance, the projected total balance is \$25,069.4 million in FY 2022.

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

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

Colorado

Revenue adjustments include transfers to the General Fund. Colorado's rainy day fund is included within the General Fund. Figures reported here reflect March 2021 OSPB Forecast.

Connecticut

The Governor's Recommended FY 2022 budget is balanced per CT Constitution. As a result of the revenue cap (\$207.3 million) and a smaller surplus (\$3.2 million) projected for the end of FY 2022, \$210.5 million is projected to be deposited into the Rainy Day Fund at the end of FY 2022. The revenue cap limits the amount of appropriations that can be made based on a certain percentage of revenue: 99.5% in FY 2020, 99.25% in FY 2021, 99.0% in FY 2022, 98.75% in FY 2023 phasing down to 98.0% by FY 2026. The Governor's Recommended budget proposes to use \$775.0 million of the Coronavirus State and Local Fiscal Recovery Fund that was part of the American Rescue Plan Act of 2021 to close the gap between revenue and expenditures as CT statute requires a balanced budget to be passed. The volatility cap is projected to transfer \$412.0 million to the Rainy Day Fund. The balance of the Rainy Day Fund at the end of FY 2022 is estimated to be \$2,925.3 million or 13.8% of the ensuing fiscal year's appropriations as of March 19, 2021.

'FY 2022 Recommended Revenue: Included in the total revenue figure of \$20,729.5 million, \$1,549.7 million is included as Federal Grant Revenue plus an additional \$775.0 million being included from the Coronavirus State and Local Fiscal Recovery Fund that was part of the American Rescue Plan Act of 2021. Without the \$1,549.7 million in Federal Grant Revenue, the total revenue collected would be \$19,179.8 million. Federal Grants figures (\$1,549.7 million) do not include any Coronavirus Relief Fund dollars or Coronavirus State and Local Fiscal Recovery Fund dollars. Rainy Day Fund balance at the end of FY 2022 is higher than what was in the Governor's recommended budget due to improved projections for FY 2021 year-end surplus and transfer due to the volatility cap.

Delaware

FY 2022 Governor's Recommended Budget

Idaho

Revenue adjustments: \$108.6M for statutory/legislative transfers out, \$104.8M transfer in from tax relief fund, \$55M for tax conformity, \$160M for tax relief, \$.4M for legislation with revenue impact, \$335M for miscellaneous adjustments.

Illinois

Total revenues include \$35,896M in state sources, \$3,971M in federal, \$1,841M in transfers in. Total expenditures include \$31,148M in appropriations, \$9,581M in pension contributions, \$2,200M in transfers out. Expenditure adjustments include -\$1,123M in unspent appropriations, \$120M in accounts payable, and -\$218M in transfers for unclaimed property.

Indiana

Expenditure adjustments include an estimated \$20.0 million in reversions from prior year appropriations, \$2.0 million from the Indiana Motorsports Commission, and \$180.9 million in one-time appropriations for capital line items.

Iowa

Total Revenues are estimated as of the December 2020 REC meeting. Expenditures are as recommended by the Governor.

Kentucky

Revenue includes \$103 million in Tobacco Settlement Funds. Revenue adjustments include \$479.6 million that represents appropriation balances carried forward from the prior fiscal year, and \$82.6 million from fund transfers into the General Fund. Expenditure adjustments include \$479.6 in appropriation balances forwarded into the next fiscal year and budgeted balances to be expended in the next fiscal year, and appropriation of \$100 million to the Rainy Day Fund.

Louisiana	<p>Revenue adjustments — none</p> <p>Expenditure adjustments — none</p>
Maine	Revenue and Expenditure adjustments reflect legislatively authorized transfers and recommended transfers in Governor's Budget including the Governor's recommended transfer of \$10 million to the Budget Stabilization Fund.
Maryland	<p>Revenue adjustments include \$32.9 million in transfers from tax credit reserves, \$100.6 million in General Fund PAYGO for land preservation swapped with general obligation bonds, and \$10 million in Consumer Protection Recoveries.</p> <p>Expenditure adjustments represent \$35 million in reversions to the unappropriated General Fund balance.</p> <p>Both revenues and expenditures are also adjusted by \$619.7 million to include 5 supplemental budgets introduced by the Governor throughout the legislative session that reflect revised general fund revenue estimates.</p>
Michigan	Revenue totals are net of payments to local governments and balance sheet adjustments.
Minnesota	Rainy Day Fund balance includes cash flow account of \$350 million and a budget reserve of \$2.377 billion. Does not include stadium reserve of \$100 million.
Mississippi	2.0% Set Aside/Ending Cash Available for Distribution
Missouri	Revenue adjustments include transfers from other funds into the General Revenue Fund.
Nebraska	<p>Revenue adjustments are transfers between the General Fund and other funds. These include a \$272 million transfer from the General Fund to the Property Tax Credit Cash Fund, and \$86.7 million in Property Tax Incentive Credits (LB 1107), as well as \$5.3 million in Military Retirement Income tax benefits. There was also \$35.5 million in usual and customary transfers into the General Fund from other cash funds, and an \$11 million Transfer to the Water Sustainability Cash Fund, along with \$3.3 million to the Water Resources Cash Fund, which is included in the net receipts line. There was also a \$112.1 million transfer to the Cash Reserve Fund for revenues in excess of the Certified Forecast for FY 2020.</p> <p>The FY 2022 Revenues and Revenue adjustments do not reflect the February 2021 Nebraska Forecast Advisory Board updated revenue projections for FY 2021, FY 2022, which changes were enacted after the Governor's Budget Recommendations. The increases to General Fund Revenue projections were \$204 million for FY 2021 and \$165 million in FY 2022.</p>
New Hampshire	The State of New Hampshire operates within a biennial budget process. The Governor proposes his/her recommended budget to the legislature in February of the odd year for the next two fiscal years beginning July 1. FY 2022 is the first year of the next biennium, and although the ending balance for that year is projected to be negative, the governor's FY 2023 recommended budget offsets that negative, and brings the biennium into balance.
New Jersey	Revenue adjustments: Transfers to other funds; transfer from Surplus Revenue Fund to General Fund
New York	General Fund revenues and expenditures include operating transfers to/from other funds which constitute legally authorized transfers from a fund receiving revenues, to a fund through which disbursements will ultimately be made. Revenue adjustment reflects the expected receipt of \$3 billion in unrestricted Federal aid in FY 2022.
North Carolina	Includes the appropriation of agency reversions in estimated revenue adjustments as well as adjustments to revenue recommended in the Governor's recommended budget. The forecast included in the budget is from Feb. 2021.
North Dakota	Revenue adjustments are transfers of \$122.2 million from the budget stabilization fund, \$200.0 million from the strategic investment and improvements fund and \$93.0 million from other special fund sources to the general fund.
Ohio	The FY 2022 recommendation includes expenditures against estimated prior year encumbrances (\$433.7 million) and transferring \$645.7 million out of the GRF. Federal reimbursements for Medicaid expenditures funded from the General Revenue Fund (GRF) are deposited into the GRF. Federal reimbursements for Medicaid expenditures from non-GRF sources are deposited into the appropriate federal fund. Expenditures of federal funds are not included in the General Fund number to be consistent with new NASBO survey guidelines.

Oklahoma	The Governor proposes a \$300 million transfer from the general revenue fund to the Revenue Stabilization Fund.
Oregon	Expenditures for Fiscal Year 2022 are based on the Governor's Recommended Budget for the 2021-23 Biennium. Revenue Adjustments include borrowing costs for Tax Anticipation Notes as well as the anticipated transfer to the Rainy Day Fund. Rainy Day Fund balances are forecasted on a biennial basis I estimated the balance to include the deposit shown in the Revenue Adjustment.
Pennsylvania	Revenue adjustments include refunds and lapses to beginning balances. Expenditure adjustments include transfers to the Budget Stabilization Reserve Fund (rainy day).
Rhode Island	Adjustments to revenues reflect a transfer of \$135.3 million to the Budget Reserve Fund.
South Carolina	Expenditure Adjustments: Transfer FY21 Capital Reserve to agencies (\$176.1M)
Tennessee	Adjustments (Revenues): -\$50.0 million transfer to Rainy Day Fund; -\$0.9 rounding adjustment. Adjustments (Expenditures): \$855.8 million transfer to capital outlay projects fund; \$12.3 million transfer to state office buildings and support facilities fund; \$3.7 million transfer to debt service fund; \$1.0 million transfer to reserves for dedicated revenue appropriations. Ending Balance: \$2.0 million undesignated balance.
Texas	Texas was not able to report on a proposed general fund spending figure for fiscal 2022 at the time of data collection, as the governor released a policy budget only without a top-line spending amount.
Utah	FY 2022 revenue adjustments include transfers to the General Fund and Education fund, the amount set aside for economic development cash incentives, and other revenue adjustments. Based on FY 2022 revenue projections when the FY 2022 Governor's budget proposal was released
Vermont	\$213M in adjusted revenues reflect amounts intended to be reserved at the end of FY2021 and unreserved in fiscal year 2022, and is intended to be used for proposed one-time and general appropriations. \$72M in adjusted expenditures reflect net-transfers among other state funds and the General Fund (\$89M), and General Fund reserves (\$-17M). This reduction in reserves is due to a \$20.3M reduction in the 27/53 reserve which will be utilized in FY22. Lastly, the \$16.5 ending balance resulting from the FY21 BAA was not included in FY22 Gov Rec because it occurred subsequently to Gov Rec development.
Virginia	Figures reflect state's enacted budget for fiscal 2022, as passed on April 7, 2021. Total revenues include fund transfers.
Washington	Revenue adjustments reflect the net of transfers in and out of the General Fund, as well as prior biennium recoveries and similar resource adjustments. Note that the Governor's proposed 2021 Supplemental Budget transferred \$1.774 billion from the Budget Stabilization Account (Rainy Day Fund) into the State General Fund in FY 2021. This transfer in combination with other reductions and savings accounts for the difference between the estimated FY 2021 ending balance (current law) and the FY 2022 (recommended) beginning balance.
West Virginia	Total Revenue is the official estimate for FY 2022 Total General Revenue collections. FY 2022 appropriated expenditures are \$4,569m.
Wisconsin	Revenue adjustments include Tribal Gaming, \$2.0; and Other Revenue, \$503.7. Expenditure adjustments include Transfers, \$47.3; Lapses, -\$310.8; and Compensation Reserves, \$54.1. There is no official estimate for the rainy day fund (Budget Stabilization Fund).
Wyoming	The State of Wyoming budgets on a biennial basis, to arrive at annual figures certain assumptions and estimates are required.

Notes to Table 6: General Fund Nominal Percentage Expenditure Change, Fiscal 2020 to Fiscal 2022

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

Notes to Table 7: States with Mid-Year Budget Cuts Due to Revenue Shortfall, Fiscal 2021

Hawaii	Actions to decrease spending due to projected decrease in revenues. Some restrictions may have been released.
Indiana	Generally, most agencies were given a 15% target for appropriations to hold in reserve, but most developed a plan to hold-back between 5-15%. A 7% reserve was held on university operating appropriations.
Kansas	Pandemic caused revenue shortfalls.
Maine	The state projected decreased revenue due to the pandemic so targeted reductions in spending were part of the solution.
Maryland	Major reductions to the budget were introduced in July 2020 and January 2021 in reaction to estimated revenue reductions from the pandemic. During the legislative session, revenue estimates increased, and so some of the reductions were restored in Supplemental Budgets #1-5.
Utah	This is the net impact of \$597 million of increases due to FY 2020 appropriations moved to FY 2021 and \$753 million of FY 2021 decreases.

Notes to Table 8: Fiscal 2021 Mid-Year Program Area Adjustments by Dollar Value

Alabama	Supplemental appropriations that were proposed by the Governor for FY21 have been included but are still pending legislative action. Conditional appropriations were also released for certain agencies in FY21 and have been included.
Alaska	Actions are proposed and still pending approval by the legislature
Arizona	All other — An increase to the Department of Forestry for higher fire-suppression costs incurred by the State
California	<p>K-12 Education: Estimated General Fund revenues led to an increase of \$9.8b for K-12 schools based on the updated Proposition 98 calculation (minimum funding guarantee for K-14 education). This proposed action will be updated when the budget is enacted.</p> <p>Higher Education: Includes California Community College Proposition 98 (minimum funding guarantee for K-14 education) General Fund Adjustments.</p> <p>All Other: The net increase includes \$1.8b for the Department of Resources Recycling and Recovery for wildfire debris removal, \$1.4b for the Governor's Office of Business and Economic Development (GO-Biz) for small business assistance, \$0.6b for CAL FIRE due to significant wildfire activity, \$0.5b for the Department of Housing and Community Development for housing and homelessness, \$0.5b for the Department of Public Health for COVID-19 emergency response, and \$0.4b for the Department of General Services for wildfire and COVID-19 emergency response expenses.</p>
Connecticut	All Other — Recissions, hiring freeze, and use of Coronavirus Relief Fund
Hawaii	K-12 Education includes public libraries and charter schools. Debt service, employee retirement and health benefits are exempt.
Idaho	The Governor implemented a 5% across the board General Fund holdback, excepting Idaho State Police and the Tax Commission. Mid-year reductions were intended to address an anticipated shortfall; however, we haven't, nor do we anticipate seeing any type of shortfall.
Indiana	The spending cuts represent management reserves placed on various agency appropriations at the beginning of FY 2021.
Iowa	The Governor recommended \$21.0 million in one-time spending for implementation of an ERP systems. The recommended \$20 million additional funding for PreK-12 is considered one-time.
Kansas	All Other: Additional SGF funding mainly for pandemic response in various agencies where no federal relief funding was allowable and other state funding was not available.
Kentucky	There were recommended appropriation reductions because of lower need due to revised spending forecasts or the result of applying federal Coronavirus Relief Funds. Recommended appropriation reductions of \$360.1 million. Recommend supplemental appropriation increases of \$51.9 million.

Maine	The Legislature enacted the Supplemental Budget for fiscal year 2021 at the end of March 2021 and it did include cost (saving) reductions to some of departments as had been recommended in the Governor's Supplemental Budget. A significant portion of the reductions were related to the enhanced FMAP for the pandemic and the use of Coronavirus Relief Funds for eligible public safety and public health personnel costs. General Fund expenses in some agencies were shifted to other allowable federal or dedicated revenue funding sources. The State also transferred to the General Fund \$50 million from available balances in a dedicated revenue account for alcoholic beverage sales. Maine funds its Transportation needs primarily from a separate Highway Fund, the revenue for which is primarily from motor fuel taxes, motor vehicle registration fees and the similar transportation-related revenue streams. The FY21 enacted budget also includes an \$8 million transfer to the Budget Stabilization Fund.
Maryland	<p>Higher Education: Federal funds from the CARES Act are being used to partly offset the reduction in general funds.</p> <p>Public Assistance: General funds partially offset by special fund Child Support Offset and federal Temporary Assistance to Needy Families (TANF)</p> <p>Corrections: Federal funds from the CARES Act are used to offset general fund reductions for COVID-related salary costs.</p> <p>"All Other" includes various adjustments in all other State agencies through either mid-year reductions on July 1, 2020; deficiency appropriations proposed in the Governor's allowance in January 2021, and additions through Supplemental Budgets #1-5 in February and March 2021.</p> <p>FY 2021 Program Area Spending Changes do not include COLA funding that was transferred mid-year from the centralized payroll adjustment account to individual agency budgets.</p>
Michigan	The Governor proposed a supplemental in January 2021, and on 2/11/21, the Governor issued her FY22 Executive Budget recommendations, along with proposed supplemental spending for FY21. As of mid-March, the legislature had not taken action on those proposed supplemental items. Increased appropriations were partially offset by enhanced FMAP rates for FY21.
Missouri	\$438.5 million general revenue expenditure restrictions were enacted at the start of the fiscal year; however, as of March 1, 2021 all restrictions have been released and made available for expenditure.
Nebraska	K-12 Education adjustment due to TEEOSA Insurance Premium Tax Adjustment; Federal CARES Act Presumed Payroll costs for Department of Corrections, reimbursed by federal CRF was \$38.1 million and for State Patrol was \$11.7 million (Other). Also in Other — \$3.4 million for Personal Property Tax Adjudication; \$3.9 million for Liquor Control Licensing software replacement, and \$2.0 million for Homestead Exemption adjustments. Also in the FY 2020-21 mid-year changes above were General Fund re-appropriation lapses from FY 2019-20 into FY 2020-21 of unexpended, unobligated General Funds totaling an additional -\$61.3 million (\$53.2 million of which coming from reappropriation lapses in Medicaid and Public Health related programs).
Nevada	Assembly Bill 3.
New Mexico	Medicaid: Compensated with \$75 million in tobacco settlement funds and \$17 million in Families First covid relief funds. Also used \$44 million in PSS from ESSR.
New York	Executive agency budgets, with exceptions for facility operations and public health and safety, are expected to reduce costs by 10 percent from budgeted levels. The Judiciary and elected officials are expected to achieve comparable reductions in their budgets for FY 2021. These savings, included in the Enacted Budget, were allocated to agencies in the Mid-Year Update resulting in changes to program area spending, but do not meet the criteria of Post-Enacted Spending Actions.
Oregon	The Legislature convened the 2nd special session in August 2020 to rebalance the state's 19-21 biennial budget and also convened a 3rd special session in December 2020 to make additional budgetary adjustments.
Rhode Island	Included an additional \$24.2 million in Coronavirus Relief Funds eligible personnel costs which results in direct or indirect general revenue savings; RI expects to recognize corresponding FEMA revenue in FY 2021 in the amount of \$110.9 million which results in direct or indirect general revenue savings; Remaining changes reflect various shifts and adjustments between general revenue, CRF, and other federal direct grants resulting from the fact that the CRF 12/30/2020 deadline was extended following passage of the FY 2021 Enacted Budget.

South Carolina	No spending changes for FY2021. Due to uncertainty of COVID-19 effect on economy, the State passed a Resolution to continue FY2020's enacted budget for FY2021.
Utah	This is the net impact of \$597 million of increases due to FY 2020 appropriations moved to FY 2021 and \$753 million of FY 2021 decreases.
Vermont	The net change in general fund spending represents a shifting of funding sources.
Washington	All Other includes Legislative, Judicial, General Government, and Human Services other than Medicaid, Public Assistance and Corrections. This reflects the Governor's proposed 2021 second supplemental budget compared to the originally enacted 2021 budget.

Notes to Table 9: Fiscal 2022 Recommended Program Area Adjustments by Dollar Value

Alabama	Anticipating Medicaid to have an estimated carryover of \$215 million
Alaska	Actions are proposed and still pending approval by the legislature
Arizona	\$320.2 million in additional spending increases across all state agencies. All values include increases to formula spending, which are required by current statute, as well as Executive initiative spending.
Arkansas	<p>The state will continue to utilize other revenue streams for K–12 Education (i.e., Educational Adequacy Fund), Medicaid (i.e., Medicaid Trust Fund), and/or other available one-time state funds for all others into FY22.</p> <p>'All Other' are all other agencies which receive state general revenue.</p>
California	<p>K–12 Education: Estimated General Fund revenues led to an increase of \$12.6b for K–12 schools based on the updated Proposition 98 calculation (minimum funding guarantee for K-14 education).</p> <p>Higher Education: Includes paying off over \$1b of apportionment deferrals from fiscal year 2020-21, \$0.4b for deferred maintenance for the University of California (UC) and California State University (CSU), and base increases of \$0.1b for the UC and \$0.1b for the CSU.</p> <p>Public Assistance: Includes \$1.4b shift from the California Department of Education to the Department of Social Services to administer existing early learning and child care programs.</p> <p>Medicaid:</p> <ul style="list-style-type: none"> • CHIP and the Department of Developmental Services are reported in the "All Other" line. • The increase in Medicaid funding relative to Fiscal 2021 is primarily driven by COVID-19 caseload growth and other COVID-19 impacts (\$2.5 billion General Fund) and underlying cost growth (approximately \$1.1 billion) in the Medi-Cal program. Of the \$2.5 billion General Fund change related to COVID-19 impacts, \$1.9 billion General Fund is attributable to increased caseload and \$581 million General Fund is due to reduced projected enhanced FMAP in Fiscal 2022 waiver flexibility costs and vaccine administration. <p>Corrections: Includes various proposals including approximately \$0.3b in COVID-19 direct response expenditures.</p> <p>All Other: The net increase includes \$1.4b to end employee compensation related pay reductions and the Personal Leave Program, an additional \$1.2b one-time supplemental pension payment above the one-time supplemental pension payment appropriated in fiscal 2021 at the 2020 Budget Act, \$0.8b for the Department of Public Health, \$0.6b for the estimated interest payment on the federal unemployment insurance loan, \$0.6b for the Department of Developmental Services, \$0.5b for the Department of Housing and Community Development for housing and homelessness, \$0.5b for the Department of State Hospitals, \$0.4b for state contributions to the State Teachers' Retirement System, \$0.4b for CAL FIRE due to significant wildfire activity and forest health and wildfire prevention activities, and \$0.3b for the Department of Toxic and Substances Control for statewide contaminated site cleanup.</p>
Colorado	All other — Transfers to other funds and stimulus investments.

Connecticut	DOC — Workers' Compensation Claims was transferred out of the agency accounting for most of the decrease \$31.1M. Not reflected is savings anticipated due to prison closures as this was part of the CREATES lapse not yet allocated to the agency.
Delaware	All Other includes OMB Statewide Salary, One-times and Contingencies; DOF Debt Service; DTI Technology Services; DHSS Healthy Children; DSCYF Youth Treatment Services; and all other agency increases.
Florida	<p>All Other: The Governor's 2022 Recommended Budget saved over \$48 million in General Revenue by converting previously funded capital projects to bonded proposals and almost \$200 million by shifting water resource protection projects to the Land Acquisition Trust Fund.</p> <p>K-12: The Governor's 2022 Recommended Budget utilized \$211.1 million in Educational Enhancement Trust Fund revenue and \$14.9 million in State School Trust Fund revenue to the benefit of General Revenue in the K-12 Education budget.</p>
Hawaii	K-12 Education includes public libraries, early learning, and charter schools.
Iowa	Additional increases include \$150.0 million in broadband grants, \$35.0 for technology projects, \$15.0 million for mental health, \$16.8 million for Department of Human Services, \$7.2 million for Department of Public Safety, \$9.1 million for Courts, \$8.8 million for various programs through state government.
Kansas	All Other: Reduction in SGF funding is for recommendation to extend the current amortization schedule for 10 years which reduces employer contributions to the pension system.
Kentucky	K-12 Education includes \$100 million for one-time school construction purposes. Reduction in Medicaid is due to the federal enhanced FMAP through fiscal year 2021 allowing Other State Funds to carry over and be used in fiscal year 2022.
Maine	Efficiency related reductions and shifting of General Fund expenses to other allowable funding sources identified for FY21 reductions that could be ongoing were included in the Governor's recommended budget for FY22. While the Governor's budget did not include any federal COVID funds as offsets, the State continues to have additional federal funds from enhanced FMAP in the regular rate and also related to Medicaid expansion and this is supplementing GF appropriations. The Governor's budget also included the \$50 million transfer from alcoholic beverage revenues that have now been used instead in the enacted FY21 budget. The Governor's budget included about another \$80 million in available GF balances from prior years to offset the budgeted revenue reductions associated with the pandemic. Lastly, the Governor's budget included a \$10 million transfer to the Budget Stabilization Fund.
Maryland	<p>Changes are compared to FY 2021 original enacted — FY 2021 adjustments happened concurrently with FY 2022 adjustments through Supplemental Budgets #1-5, so they were not a basis for comparison when making proposed changes for FY 2022.</p> <p>Higher Education: Corporate tax revenues dedicated to higher education funding are being used to partially offset the reduction.</p> <p>Public Assistance: General funds partially offset by special fund Child Support Offset and federal Temporary Assistance to Needy Families (TANF)</p>
Massachusetts	<p>Data as of filing of FY22 budget recommendation, 1/27/21.</p> <p>Higher Education: FY22 reflects level funding to FY21 after eliminating COVID-19 related costs and other one-time funding.</p> <p>Medicaid: Appropriation changes reflect projected decreases in pandemic related caseload and costs assuming end of PHE April, 2021. Please see Table 31 for most recent projections.</p>
Michigan	<p>K-12 education is funded by constitutionally established School Aid Fund, not the General Fund; recommended increases are not included under GF increase here.</p> <p>Corrections increase was restoration of base salary costs that had been paid by CRF for public safety workers.</p> <p>Recommended funding in other priority areas includes affordable credential or degree program for frontline workers and for non-traditional students; child care expansion, cybersecurity and IT; environmental cleanup; high water infrastructure grants;</p>



coverage for sickle cell disease treatment; increase in hourly wage for direct care workers; grants for mandatory improvements in local indigent defense; economic development initiatives; foster care prevention programs; debt service and early payoff of legal settlement, etc. Increased appropriations were partially offset by Increase in standard FMAP and additional enhanced FMAP assumed for Oct-Dec 2021

Minnesota	The Governor recommends \$50 million in FY 2022 for the Border-to-Border Broadband Grant program. The recommendation allows the Department of Employment and Economic Development (DEED) to reserve up to 3% of grant funds for program administration and broadband mapping.
Missouri	Legislature funded part of FY 21 Medicaid costs through a supplemental.
Nebraska	Biggest Other factor was -\$55.0 million reduction in Governor's Emergency fund Base General Fund Aid amount, to recognize the large FY 2020-21 base included one-time increase of \$55.0 million for Flood Relief, partially offset by a \$20 million increase in appropriation for Rural Broadband enhancement and \$1.0 million for Judges' salary increases.
New Mexico	"All Other" includes limited general fund increases to other areas of government not specified, most notably the Department of Health (\$21.2 million).
New York	<p>All Other includes Economic Development, Children and Family Services, Mental Hygiene, Local Government Assistance and transfers in support of Capital Projects and Debt Service. The disbursement estimates in FY 2021 reflect the unallocated budget balance reductions that DOB expected to execute during FY 2021 totaling nearly \$9 billion.</p> <p>As in other surveys, the appropriations changes for Fiscal Year 2022 were provided using cash estimates per 2021 Enacted and 2022 Executive Budget, as amended Financial Plans.</p>
North Carolina	Transportation does not receive General Funds. "Other" includes all budgeted increases not related to Medicaid, Education, and Corrections.
North Dakota	The K-12 education did not have a change in spending, but the cost decreased due to a decline in the anticipated cost to continue. Transportation received some one-time funding in the 19-21 biennium, but did not receive any in the 21-23 biennium.
Ohio	The net appropriation change between fiscal years 2021 and 2022 is attributable to several factors including debt restructuring, an artificially low fiscal year 2021 due to the pandemic and executive order reductions, and expected recovery in FY 2022. Medicaid's fiscal year 2022 spending increase will be partially offset by an FY 2021 transfer out of the general revenue fund to a non-GRF fund.
Oklahoma	Total all other are all other agency proposed expenditures that are reduced by non-recurring FY21 agency expenditures of \$51.6 million.
Oregon	Based on the Governor's Recommended Budget for the 2021-23 biennium.
Rhode Island	Significant increases in education aid, municipal aid, and personnel categories reflect normal data updates in addition to accounting for the fact that some expenditures covered by federal funds in FY 2021 are returned to general revenue in FY 2022.
South Carolina	Changes above reflect recurring base budget appropriation changes and does not include one-time supplemental appropriations.
Utah	FY 2022 spending changes represent the FY 2022 Governor's recommendation compared to the FY 2021 enacted budget, including mid-year adjustments. The \$216 million in other decreases is the net of \$459 million of decreases to cash spending on capital projects and \$243 million of increase to other agency budgets not included in one of the reported categories.
Washington	All Other includes Legislative, Judicial, General Government, and Human Services other than Medicaid, Public Assistance and Corrections. This reflects the enacted 2020 supplemental budget for FY 2021 compared to the Governor's proposed 2021-23 biennial budget for FY 2022.
Wisconsin	The comparison is Governor Recommended FY22 vs. Final Post Budget FY21.
Wyoming	This change only applies to the Budget Bill. Does not include other bills or Section 300.

Notes to Table 10: Strategies Used to Manage Budget (Mid-Year/Post-Enacted), Fiscal 2021

California	<p>Furloughs and Salary Reductions (Control Sections 3.90 and 3.91)</p> <ul style="list-style-type: none"> • In 2021, the state implemented pay reductions and a Personal Leave Program. The Budget includes a provision providing flexibility for the state and bargaining units to negotiate savings totaling roughly \$2.8 billion (\$1.4 billion General Fund), which is an approximate 10-percent reduction in employee compensation statewide. This included suspending a majority of collectively bargained salary increases that were to be effective in 2020-21. <p>Eliminating Vacant Positions / Hiring Freeze</p> <ul style="list-style-type: none"> • In 2020 and 2021, as a result of the economic downturn, the state is filling only essential positions when filling vacancies and assessing staffing needs. <p>OPEB Adjustments</p> <ul style="list-style-type: none"> • In 2020, the state and its employees will continue equally prefunding retiree health benefits for active employees, generally phased-in over a three-year period, as collectively bargained with the state's 21 bargaining units. However, in 2021, the employees prefunding contributions will be suspended while the employer prefunding contributions will continue. <p>Other Fund Transfers</p> <ul style="list-style-type: none"> • Transfer of \$59.7 million from the General Fund to the State Parks and Recreation Fund.
Colorado	Furloughs, cash fund allocations, Medicaid program changes, deferred payments to PERA (Colorado's Retirement).
Hawaii	FY 2021, suspension of prefunding OPEB. FY 2021, hiring freeze except for exceptional cases regarding public health and/or safety such as hiring for COVID-19 response, direct education instructional positions, Public Safety correctional facilities staff, and State Hospital staff positions. Hiring freeze subsequently, relaxed in the fiscal year.
Idaho	Our Governor enacted an across the board 5% General Fund holdback for FY21 as well as continued a modified hiring freeze. Our state also moved funding off of GF onto federal funds as allowed and where possible.
Indiana	On May 21, 2020, Indiana State Budget Agency (SB) distributed a memo calling for agencies to hold a 15% reserve on FY2021 enacted appropriations. In addition, agencies were to complete and share with SBA a strategic plan on how they would operate within 85% of their FY2021 appropriations. A general hiring freeze was implemented with exemptions for public health, safety, or critically needed positions related to the pandemic.
Kansas	Targeted Cuts — 7/1/20 Governor used allotment authority to cut the FY 21 expenditures by \$374.5 million immediately. The plan also included further expenditure reductions of \$63.0 million and reducing transfers out of the SGF by \$266.8 million which requires legislative enactment.
Louisiana	<p>The Budget Stabilization Fund was utilized in the creation of the FY21 Enacted Budget, however there were no budget management strategies used to solve a post-enactment or midyear imbalance.</p> <p>Executive Order (JBE 16-03) Hiring Freeze</p>
Maine	In FY21, Maine implemented targeted cuts identified by agencies in areas where there were efficiencies or actual expenditures were anticipated to be underbudget. Some agencies also froze positions to assist with addressing reduced General Fund revenues due to COVID impacts. These cuts had minimal to no impact on program service levels. Where allowable, Maine also used federal COVID relief to substitute for General Fund costs like personal services costs for public safety/public health employees. The enhanced FMAP also contributed to reduced General Fund need. Maine also made use of available prior year unspent appropriations that had built up in various General Fund accounts that are authorized to carry balances.
Maryland	Rainy Day Fund: A net \$556.0 million has been spent from the Rainy Day Fund in FY 2021 on relief programming related to the COVID-19 pandemic, but it was not a budget management strategy as it was used for additional supports rather than budget balancing.



Local Aid: FY 2021 mid-year reductions to local aid included (a) \$40.4 million in community college funding, (b) \$3.0 million to neighborhood revitalization, (c) \$3.6 million in local law enforcement grants, and (d) \$0.3 million in environmental-related funding.

Massachusetts	Caps on Full-Time Equivalent employees are in effect for executive department agencies.
Missouri	\$438.5 million general revenue expenditure restrictions were enacted at the start of the fiscal year. As of March 2021, all expenditure restrictions have been lifted and the hiring freeze has ended.
Nebraska	Targeted Cuts — Rebase DHHS Programs in line with estimated expenditures; Eliminate Vacant positions; Hiring Freeze — Hiring Freeze for non-essential personnel; Pension Adj — Changes to the ARC contributions each fiscal year; Reduce Local Aid — TEEOSA State Aid to K-12 Schools Formula; Rainy Day Fund — Transfer from Cash Reserve Fund for Capital Construction (54.7 million in FY 2020-21); Prior-Year Fund Balance — Lapse 19.6 Million of FY 2019-20 carryover to FY 2020-21; Other — Subsequent Transfer from the Governor's Emergency Cash Fund for Coronavirus Relief back to the Cash Reserve Fund in FY 2020-21 (\$60.5 million). Transfer \$88 million from General Fund to the Cash Reserve Fund for Capital projects.
Nevada	Every state employee is required to take 48 hours of furlough in the second half of FY21. Also, 12% budget reduction.
New Hampshire	A Hiring and Out of State Travel Freeze, instituted by the Governor as Emergency Order # 37 on April 28, 2020, was continued into Fiscal Year 2021, until rescinded by Emergency Order # 84 on February 11, 2021.
New Jersey	<p>An example of a targeted cut is \$171.6m has been made to the FY21 appropriation for NJ Transit, which is offset by increased federal funding for NJ Transit as a result of the COVID stimulus acts.</p> <p>Certain State employees furloughed on Presidents' Day, 2/15/21.</p> <p>Pursuant to a statutory calculation, it is currently projected that general fund revenue will be deposited into the Surplus Revenue Fund ("Rainy Day Fund") at the end of fiscal year 2021.</p> <p>Contractual across-the-board increases for three of the State's largest unions were deferred from July 2020 until December 2021.</p> <p>The State enacted Pass through Business Alternative Income Tax (PTBAIT) effective January 1, 2020. This legislation was intended to be revenue neutral and, therefore, a revenue estimate was not included in the 9/30/20 Appropriations Act. The State sold COVID-19 Emergency Bonds in anticipation of a revenue shortfall in FY21, as identified in question 7B.</p>
New Mexico	During the June 2020 special legislative session, the legislature transferred \$750 million of New Mexico's coronavirus relief fund allocation to the state's general fund, to be used for eligible CRF expenditures.
New York	Deferred Payments: The Enacted budget assumed the State would withhold, for a minimum of 90 days, the general salary increases that were scheduled to go into effect on April 1, 2020. The FY 2022 Executive Budget assumes that the State will continue to withhold planned general salary increases through FY 2022, with repayment budgeted in FY 2023.
North Carolina	During the pandemic, the state went to monthly budget allotments in addition to hiring freezes and pay freezes. Hiring and pay increases could be made with approval of the budget director.
Ohio	Reduced GRF spending via targeted cuts by approximately \$390.0 million, continued hiring freeze, pay freeze (held COLA in FY 21) for exempt employees, and instituted 10 unpaid furlough days for exempt employees.
Oregon	The Oregon Legislature convened a special session in August 2020 to rebalance the state in response to reduced revenue projections resulting from the COVID 19 Pandemic. Budget balancing actions included targeted reductions in agency budgets as well as transferring \$400.0 million from the Education Stability fund to the State School Fund.
Pennsylvania	Transferred \$100,000,000 from the Rainy Day Fund to the General Fund.
Rhode Island	Early Retirement: Technically the program initiated in FY 2021 and continuing into FY 2022 is not an early retirement but rather a voluntary retirement incentive which pays an incentive payment to employees already eligible for retirement under current rules to elect this option.

Deferred Payments: A net savings over FY 2021 and FY 2022 of \$70 million from deferring repayments related to an FY 2020 withdrawal from the state rainy day fund.

Other: Shifting eligible personnel costs otherwise covered by general revenue to Coronavirus Relief Fund. Direct and indirect savings relative to the enacted budget made possible by enhanced FMAP related to the public health emergency and 100 percent FEMA reimbursement.

Tennessee	Agency reserves, base budget reductions, carryforwards and over appropriation adjustments.
Utah	Utah made targeted budget cuts to manage FY 2021 projected revenue declines. The majority of these \$777 million of ongoing cuts were roll-backs of funding increases that were made in the 2020 General Session that ended in March. This included the elimination of a 3% across the board salary increase that was originally planned.
Virginia	Chapter 56, Special Session I (Fall 2020) contained a reduction estimated at \$687.2 million the first year to recognize the loss of general fund revenue associated with the COVID-19 pandemic. The savings are associated with the reduction of certain spending items included in Chapter 1289, 2020 Acts of Assembly (Spring 2020).
Wisconsin	Other — Up to 10% lapse for many agencies. Through the 10% lapse, agencies were asked to identify \$250 million in cost savings from the current fiscal year, FY21, which ends June 30, 2021.

Notes to Table 11: Strategies Used to Manage Budget (Recommended), Fiscal 2022

Alaska	Reduction to K–12 aid and Higher Education; Eliminated debt payments on behalf of other entities
California	<p>Furloughs and Salary Reductions (Control Sections 3.90 and 3.91)</p> <ul style="list-style-type: none">• For 2022, the state will suspend a majority of collectively bargained salary increases that were to be effective in 2021–22. Even though the pay reductions and Personal Leave Program were negotiated to continue with 19 of 21 bargaining units into 2021-22, the Governor's Budget reflects them as being eliminated. <p>Reorganize Agencies</p> <ul style="list-style-type: none">• The 2021–22 Governor's Budget includes statutory changes to reorganize dispersed workforce related state programs under one department to improve coordination of workforce programs and leverage cost efficiencies. <p>Deferred Payments</p> <ul style="list-style-type: none">• The 2021–22 Governor's Budget reflects a deferral of approximately \$3.7 billion for K–12 education and \$326.5 million for community colleges in Proposition 98 General Fund apportionment funding from FY 2022 to FY 2023. <p>Other — Operational Efficiencies</p> <ul style="list-style-type: none">• The Governor's Budget proposes a five-percent permanent reduction in state operations expenditures to reflect operational efficiencies which results in ongoing General Fund savings of \$57.4 million.
Colorado	Targeted reductions
Florida	The Governor recommended target reductions in the current 2020-21 fiscal year.
Hawaii	Suspend prefunding of OPEB and made adjustments to FY 2022 budget after conducting a program review of government functions.
Kansas	<p>Targeted Cuts — Governor's recommendation includes targeted reduced resources reductions of up to 10% of the SGF appropriation for the majority of state agencies. Pension/OPEB Adjustments — Governor's recommendation includes extending the current amortization schedule for 10 years which reduces employer contributions to the pension system. Reorganize Agencies — Governor's recommendation includes merging 2 agencies for operational efficiencies, no expenditure reductions are recommended. Rainy Day Fund — Governor recommendation includes transferred balance of the Budget Stabilization Fund to the SGF. Deferred Payments—</p>



Governor's recommendation includes delaying repayment of internal borrowing. Revenue Increase — Governor's recommendation includes taxing marketplace facilitators and digital goods. Medicaid Program Changes — Governor's recommendation includes Medicaid expansion.

Louisiana	Executive Order (JBE 16-03) Hiring Freeze
Maine	For FY22, the Governor recommended continuing targeted cuts made in FY21 that agencies felt could be done on an on-going basis. As has historically been the case, the Governor also recommended funding certain efforts at levels less than what is required by statute but still consistent with what was budgeted for FY21. Specifically, the Governor recommended state-municipal revenue sharing at 3.75% rather than the statutorily required 5% and state share of K–12 cost of education at just under 52% rather than the 55% required in statute. Also consistent with past budgets, the Governor recommended budgeting savings from an increased attrition rate of 5% compared to the 1.6% set out in statute. The Governor's recommendations also included further use of available prior year unspent appropriations that had built up in various General Fund accounts that are authorized to carry balances.
Maryland	<p>Rainy Day Fund: The FY 2022 Governor's Allowance reduces the Rainy Day Fund mandated appropriation by \$422.0 million, while maintaining a balance that is 5% of projected FY 2022 General Fund revenues.</p> <p>Deferred Payments: In FY 2022, the Governor's Allowance delays \$80M of non-withholding income tax revenues set to be paid into a new "Fiscal Responsibility Fund."</p>
Massachusetts	The FY22 budget recommendation includes language authorizing up to \$1.6 B to the General Fund from the Commonwealth Stabilization Fund. Caps on Full-Time Equivalent employees are in effect for executive department agencies.
Missouri	The recommended budget consolidates early childhood programs within the Department of Elementary and Secondary Education.
Montana	Pension adjustments include an adjustment to the employer share contribution for the Judges Retirement System. Currently, JRS amortizes in 0 years and is approaching an estimated 200% funded ratio. After the proposed adjustment, JRS is still anticipated to amortize in 0 years with the funded ratio still increasing.
Nebraska	Transfers from the General Fund to the Cash Reserve Fund; Utilize Cash Reserve Fund for Capital Construction projects; Usual and Customary Cash Transfers to General Fund; Eliminate remaining tax level on Military Retirement Benefits; Other includes \$20 million additional appropriation for underserved Broadband bridge program.
New Jersey	<p>An example of a targeted cut is \$286.1m that has been made to the FY22 recommended funding for NJ Transit compared to the FY21 appropriation, which is offset by increased federal funding for NJ Transit as a result of the COVID stimulus acts.</p> <p>The Governor's fiscal year 2022 budget anticipated the Rainy Day Fund will be shifted back to the General Fund during fiscal year 2022 pursuant to budgetary language.</p> <p>Contractual across-the-board increases for three of the State's largest unions were deferred from July 2020 until December 2021.</p>
New York	<p>Across-the-Board % Cuts: In general, cash disbursements have been reduced by 5 percent for most local aid programs. In addition, Executive agency budgets, with exceptions for facility operations and public health and safety, have been reduced by 10 percent from budgeted levels beginning in FY 2021.</p> <p>Targeted Cuts/Medicaid Program Changes: The Financial Plan includes \$2.2 billion in recommendations, including the recurring value of savings that began in FY 2020, put forward by the MRT II to create efficiencies within the Medicaid program and address the Medicaid imbalance, including identifying efficiencies in Managed Care and Managed Long-Term Care. The FY 2022 Executive Budget continues programmatic reforms and targeted support that will expand access to cost effective models and transform care delivery. Actions taken are done to limit Medicaid spending to the Global Cap indexed rate. State funding for school districts is reduced, largely through the consolidation and reduction of certain expense-based School Aid categories and a Local District Funding Adjustment against other reimbursements to districts. However, due to the significant additional Federal aid for school districts through the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act, total district support increases by approximately 7.1 percent in School Year 2022.</p> <p>Deferred Payments: The FY 2022 Executive Budget assumes that the State will continue to withhold planned general salary increases through FY 2022, with repayment budgeted in FY 2023</p>

Other: Savings in the debt service budget are expected from portfolio management, including refundings.

Budget Balance Authority: The Executive Budget includes a provision that will trigger automatic across-the-board reductions to planned local assistance appropriations and cash disbursements if unrestricted Federal aid is not approved by August 31, 2021 or is approved at an amount less than the amount budgeted in the Financial Plan. The reductions would be calculated to generate savings equal to the difference between the Federal aid assumed in the Financial Plan and the amount approved.

North Dakota	Transfers of \$122.2 from the rainy day fund, \$200 million from the strategic investment and improvements fund and \$70 million from other special fund sources to the general fund.
Oklahoma	Improve and modernize government structure by consolidation of Oklahoma Health Care Authority with the Health Department and the Department of Mental Health and Substance Abuse Services. A prior year cash balance from the General Revenue Fund is expected due to projected collections exceeding FY21 appropriations. Deposit \$300 million into the Revenue Stabilization Fund. With the passage of State Question 802 in the summer of 2020 by the vote of Oklahomans, Medicaid coverage will be expanded under ACA.
Oregon	<p>The Governor's Recommended Budget for the 2021–23 biennium includes across the board reductions to eliminate inflation for most Services and Supplies budget categories, includes targeted budget reductions, makes targeted reductions to vacant positions (either eliminating the position or increasing the vacancy savings factor in agency budgets). Additionally, the recommended budget proposes to reorganize the Health Related Licensing Agency into the Oregon Health Authority and to also reorganize the Department of Geology and Mineral Industries by eliminating the agency and moving its programs into two other existing agencies (Department of Environmental Quality and Department of Land Conservation and Development).</p> <p>The Governor also recommends transferring \$215 million from the Education Stability Fund to the State School Fund. Revenue increases included in the Governor's budget are outlined in response to question #8</p>
Rhode Island	<p>Reorganize Agencies: Reforms to state hospital facility to more appropriately serve long-term care patients and reduce census of patients served in state facility. Closure of state-operated group homes for individuals with intellectual and developmental disabilities and transfer of service provision to privately-operated DDOs.</p> <p>Deferred Payments: A net savings over FY 2021 and FY 2022 of \$70 million from deferring repayments related to an FY 2020 withdrawal from the state rainy day fund.</p>
Tennessee	Agency reserves, base budget reductions, and carryforwards.
Virginia	Chapter 56, Special Session I (Fall 2020) contained a reduction estimated at \$1,048.4 million the second year to recognize the loss of general fund revenue associated with the COVID-19 pandemic. The savings are associated with the reduction of certain spending items included in Chapter 1289, 2020 Acts of Assembly (Spring 2020).

STATE REVENUE DEVELOPMENTS

CHAPTER TWO

Overview

The COVID-19 crisis created a confusing and tumultuous time for state revenue forecasting. The lack of reliable revenue projection models for states to build upon when forecasting revenues earlier in the pandemic, coupled with rapidly evolving public health and economic conditions, a large influx of federal stimulus, and uncertainty about additional federal aid, made revenue estimating especially challenging. Earlier in the pandemic, with the economy largely shut down and a vaccine not yet developed, many states were forecasting large revenue declines on par with or worse than what states experienced during the Great Recession. However, based on actual data for fiscal 2020, estimated collections for fiscal 2021, and projections for fiscal 2022, the pandemic's impact on state revenues has been less severe than expected. At the same time, state revenues continue to underperform pre-COVID-19 forecasts, with 40 out of 50 states reporting lower total general fund revenue collections combined over fiscal 2020 and fiscal 2021 compared to pre-pandemic estimates.

States experienced a decline in general fund revenue in fiscal 2020 for the first time since the Great Recession due to the economic impact of COVID-19 coupled with some states recognizing deferred revenue in fiscal 2021 instead of fiscal 2020 due to the delayed tax deadline. While states were previously anticipating larger revenue declines in fiscal 2021, current estimates show modest general fund revenue growth instead over the prior year. State revenue forecasts used to build governors' budgets for fiscal 2022 also predict modest year-over-year growth. For the most part, these forecasts account for tax and fee changes recommended by governors, which would on net provide additional revenue to primarily support state general fund spending.

Several factors help explain recent improvements in states' revenue outlooks. These include federal stimulus measures that helped to lessen state revenue losses by injecting a lot of money into the economy; the fact that high-income earners have been relatively insulated from the pandemic's eco-

nomic effects; the types of consumption most curtailed by the pandemic comprise a relatively small portion of states' sales tax bases; and the enabling of online sales tax collections following the U.S. Supreme Court decision in *Wayfair v. South Dakota*. Additionally, just as the tax deadline shift contributed to the overall decline in general fund revenue in fiscal 2020, it also contributed to faster growth in fiscal 2021 as some states recognized additional revenue that year.

While revenue performance to-date and projections going forward have improved compared to forecasts earlier in the pandemic, most states have collected and are projecting to collect less revenue than what they were expecting before the COVID-19 crisis. Revenue trends also continue to vary considerably across the states. For example, looking at fiscal 2020, fiscal 2021 and fiscal 2022, 23 states experienced or expect year-over-year revenue declines in two out of those three years, while six states are expecting consecutive years of annual growth in all three of those years. The COVID-19 crisis has affected states in differing ways and differing magnitudes depending on their economies, tax structures, virus transmission levels, and other factors. States that are particularly dependent on tourism and leisure industries, the energy sector, and other areas that have been disproportionately affected by the pandemic have seen larger impacts on their economies and tax revenues. Unemployment rates also vary widely across states, from a low of 2.8 percent to a high of 8.5 percent, highlighting the variation in economic conditions across the states.⁷

Total General Fund Revenue and Annual Growth

Fiscal 2022 Forecasts. Based on governors' recommended budgets for fiscal 2022, general fund revenues are expected to total \$928.9 billion, a 2.3 percent increase compared to fiscal 2021 estimated revenues. The median growth rate is similar at 2.4 percent. When you adjust fiscal 2021 figures to account for the tax deadline shift, annual general fund revenue growth for fiscal 2022 is 3.4 percent.⁸

⁷ U.S. Bureau of Labor Statistics, State Rates for Unemployment, Seasonally Adjusted, April 2021 (last modified May 21, 2021).

⁸ In NASBO's Fall 2020 Fiscal Survey of States (Table 21), 19 states reported deferring revenue from fiscal 2020 to fiscal 2021 due to the tax deadline shift, with estimated deferred revenues totaling \$10.15 billion. Two states were not able to report the impact of deferrals, so this amount is only adjusted for 17 out of the 19 states that deferred revenue to fiscal 2021. Adjustments for the tax deadline shift are derived by subtracting this aggregate deferred amount from fiscal 2021 and adding it to fiscal 2020 revenue totals.

The revenue projections used in the governor's recommended budget represent the most current estimate for fiscal 2022 for most states. However, 13 states also reported on more recent revenue forecasts for fiscal 2022. Among those states, the vast majority reported upward revisions to their fiscal 2022 revenue forecasts compared to their governors' budget forecasts, with sales, personal income and corporate income tax projections all seeing increases, on average. This reinforces the theme evident throughout the data presented in this chapter of continued improvements in state revenue performance.

Fiscal 2021 Estimated Collections. According to estimates as of the time of data collection, fiscal 2021 general fund revenues are on track to total \$908.1 billion, representing 3.7 percent growth over fiscal 2020 actual collections of \$875.5 billion. When you adjust fiscal 2020 and fiscal 2021 figures to account for the tax deadline shift, annual general fund revenue growth for fiscal 2021 is 1.4 percent.

Fiscal 2020 Actual Collections. In the aggregate, states recorded a general fund revenue decline in fiscal 2020 of 0.6 percent, with a median decline of 1.6 percent. This marked the first time state general fund revenues declined year-over-year (without adjusting for inflation) since states experienced two consecutive years of declines during the Great Recession in fiscal 2009 and fiscal 2010. In fiscal 2020, the decline was driven both by the impacts of COVID-19 on state revenues and some states recognizing revenue in fiscal 2021 instead of fiscal 2020 due to the tax deadline shift. When you adjust fiscal 2020 figures to account for the tax deadline shift, annual general fund revenue growth for fiscal 2020 is actually positive at 0.6 percent. (See [Tables 12 and 14](#))

General Fund Revenue Trends: National Analysis

Comparing Current Revenue Estimates to Pre-COVID Forecasts. While revenue performance to-date and projections going forward have improved compared to forecasts earlier in the pandemic, most states have collected and are projecting to collect less revenue than what they were expecting pre-COVID-19. Specifically, fiscal 2021 general fund revenue collections are 2.7 percent below pre-COVID forecasts, as reported in the *Spring 2020 Fiscal Survey*.⁹ With fiscal 2021 ongoing, this comparison may change when final collections are determined but they will still likely be lower than pre-COVID projections for most states.

Looking at fiscal 2020 and fiscal 2021 combined, states are on track to collect 2.8 percent less over those two years compared to what they were expecting before the COVID-19 crisis, according to the *Spring 2020 Fiscal Survey*.¹⁰

Comparing Current Revenue Estimates to Forecasts Earlier in the Pandemic. While general fund revenues continue to underperform pre-COVID revenue forecasts, current estimates for fiscal 2021 are considerably improved compared to estimates reported at the time of data collection for NASBO's *Fall 2020 Fiscal Survey*. Several factors made revenue forecasting especially challenging for states over the last year. Models for reliably projecting state revenues in unprecedented events such as a pandemic did not exist. Moreover, public health and economic conditions have evolved rapidly and unevenly across states over the course of the pandemic. A large influx of federal stimulus early on, coupled with uncertainty regarding additional federal aid, contributed to forecasting challenges as well. Compared to Fall 2020 survey estimates, general fund revenue estimates for fiscal 2021 are up 8.9 percent.¹¹ There are a few reasons behind why revenues did not fare as poorly as was predicted earlier in the pandemic. First, federal stimulus measures have put a lot of additional money into the economy, helping to lessen

⁹ Data comparisons between the figures in this survey edition and prior Fiscal Surveys are adjusted to exclude Ohio, as the state revised its reporting methodology in this survey to exclude federal Medicaid reimbursements from its general fund reporting. Excluding Ohio, general fund revenue was projected to be \$907.7 billion in fiscal 2021.

¹⁰ This analysis here looks at combined revenue collected over fiscal 2020 and fiscal 2021 to eliminate issues with some states shifting revenue from fiscal 2020 into fiscal 2021 due to the tax deadline shift. As noted previously in this report, data comparisons between the figures in this survey edition and prior Fiscal Surveys are adjusted to exclude Ohio, as the state revised its reporting methodology in this survey to exclude federal Medicaid reimbursements from its general fund reporting. Excluding Ohio, general fund revenue was projected to total \$1,786 billion over fiscal 2020 and fiscal 2021 based on pre-COVID forecasts, compared to \$1,736 billion in this survey.

¹¹ Data comparisons between the figures in this survey edition and prior Fiscal Surveys are adjusted to exclude Ohio, as the state revised its reporting methodology in this survey to exclude federal Medicaid reimbursements from its general fund reporting. Excluding Ohio, general fund revenue was projected to total \$811 billion in fiscal 2021 according to the Fall 2020 Fiscal Survey of States.

state revenue losses. Second, personal income taxes were not as impacted as expected due to the recession disproportionately affecting low-income workers while high-income earners have been relatively insulated. Third, the pandemic's effects on economic activity largely curtailed consumption of services that most states do not tax, while consumption of goods, which are taxed, was less affected. Fourth, increased online sales tax collections following the U.S. Supreme Court decision in *Wayfair v. South Dakota* has mitigated sales tax losses.

COVID-19 Impact on State Revenues Compared to the Great Recession. During the Great Recession, general fund revenues dropped to \$601.3 billion in fiscal 2010 from \$673.7 billion in fiscal 2008 (an 11 percent decline over two years), according to historical Fiscal Survey data.¹² While effects of the COVID-19 pandemic persist to some extent, so far states have seen a far smaller negative impact on their revenues overall compared to their experiences during the Great Recession, for the same reasons as highlighted in the previous section. Moreover, the unique nature of the economic crisis created by the pandemic has also led to highly uneven impacts across the states and across localities, discussed further later in this chapter.

Impact of Tax Deadline Shift. After the federal government made the decision to delay its tax filing deadline from April 15 to July 15, 2020 in response to the pandemic, all states that collect an income tax also delayed their tax filing deadlines. The vast majority of these states set July 15 as the new filing deadline. Since most states start their fiscal year on July 1, the delayed collections were received in a different fiscal year than they would have been absent the deadline change. For states where this was the case, many recognized the collections on an accrual basis and still accounted for them as fiscal 2020 revenues. However, 19 states recognized these delayed collections on a cash basis as fiscal 2021 revenue. This tended to make these states' fiscal 2020 revenue collections look smaller, but in turn makes their fiscal 2021 revenue estimates larger. In the *Fall 2020 Fiscal Survey*, states reported deferring an estimated \$10.2 billion in general fund revenue into fiscal 2021 due to the deadline change, though a couple of states were

not able to provide deferral amounts. Most of this revenue represents personal income tax collections (\$8.3 billion) and corporate income tax collections (\$1.4 billion).¹³ A few states also reported deferring some sales taxes and miscellaneous taxes; see footnotes at the end of the chapter for more details.

General Fund Revenue Trends: State-by-State Analysis

Annual Growth Rates. The overall impact that COVID-19 has had on state revenues has been smaller compared to both what states experienced during the Great Recession and to what states forecasted earlier in the pandemic. However, looking at state-by-state revenue data also reveals significant variation in the impact of COVID-19 across the states. For example, looking at fiscal 2020, fiscal 2021 and fiscal 2022, 23 states experienced or expect year-over-year revenue declines in two out of those three years, while six states are expecting consecutive years of annual growth in all three of those years. Overall, 31 states recorded revenue declines in fiscal 2020, 21 states are estimating declines in fiscal 2021, and 15 states are expecting declines in fiscal 2022. Meanwhile, four states recorded growth greater than 5 percent in fiscal 2020, 21 states estimate revenue growth greater than 5 percent in fiscal 2021 (including 14 states that deferred revenue to fiscal 2021 due to the tax deadline shift), and 10 states expect growth greater than 5 percent in fiscal 2022. (See [Table 13](#))

Impact of the Tax Deadline Shift. The vast majority of states that recognized delayed revenues due to the tax deadline shift in fiscal 2021 recorded revenue declines in fiscal 2020, followed by increases — in some cases quite sizable — in fiscal 2021. States that deferred revenue are also more likely to show declines or very slow revenue growth in fiscal 2022 due to elevated revenues in the baseline year (fiscal 2021).

COVID-19 Impacts. Looking at combined revenue estimates for fiscal 2020 and fiscal 2021 before and after the pandemic, 40 out of 50 states reported lower total general fund revenue collections over those two years in this survey compared

¹² Aggregate historical general fund spending and revenue figures have been adjusted to account for a change in Massachusetts' reporting methodology in the Fiscal Survey. Beginning with the Fall 2020 Fiscal Survey edition, Massachusetts now excludes federal reimbursements in its general fund spending and revenue totals. NASBO has adjusted prior 50-state totals from past editions of the Fiscal Survey to remove Massachusetts' federal reimbursement amounts (as reported in the state's Comprehensive Annual Financial Report, or CAFR) for comparison purposes.

¹³ Two states were not able to report the impact of deferrals, so deferred revenue amounts only account for 17 out of the 19 states that deferred revenue to fiscal 2021.

to pre-COVID estimates in the Spring 2020 survey. Excluding three states where comparisons between the two surveys are difficult for technical reasons,¹⁴ seven states report a decline greater than 5 percent, 32 states experienced a decline of less than 5 percent, and eight states recorded an increase compared to pre-COVID estimates. Generally, states that have seen greater negative impacts of COVID-19 on their budgets include those heavily reliant on tourism and leisure industries and the energy sector, and/or those with a larger number of dense urban areas. Meanwhile, states that have seen smaller impacts on their revenues include those with a greater reliance on income taxes and/or a higher number of rural areas.

Comparing General Fund Collections to Budget Projections

Fiscal 2021 from All Sources. General fund collections for fiscal 2021 from all revenue sources including sales, personal income, corporate income, gaming and other revenues at the time of data collection are coming in below original projections used to adopt budgets in eight states, on target in four states, and above forecasts in 38 states. These findings align with earlier discussion of the improved revenue performance compared to projections from earlier in the pandemic (when most states enacted their fiscal 2021 budgets). Among the eight states that came in lower than forecast, most had original revenue projections that predated the COVID-19 crisis (for example, biennial budget states that enacted two-year budgets for fiscal 2020 and fiscal 2021 in 2019 legislative sessions). Compared to most recent official revenue estimates (at the time of data collection), fiscal 2021 collections are coming in above those projections in 36 states and on target in 10 states. This speaks to continued improvement in state revenue performance, which likely has been helped further by the passage of the December 2020 federal stimulus package and the *American Rescue Plan Act* on March 10, 2021. (See Table 15)

Fiscal 2021 Forecast Revisions by Revenue Type. General fund revenue estimates for fiscal 2021 have been revised upward for every revenue type tracked separately in this report, with the exception of gaming and lottery revenue. Compared to original revenue forecasts, current revenue estimates at the

time of the survey for sales and use tax collections are up 0.8 percent, personal income tax collections are up 8.3 percent, corporate income tax collections are up 5.7 percent, gaming and lottery revenue are down 2.9 percent, and all other general fund revenue is up 3.3 percent. At the individual state level, whether a state's forecast was revised upward or downward is highly dependent on when its original revenue forecast was adopted. For example, some biennial budget states' original revenue estimates for fiscal 2021 date back to spring 2019, well before the COVID-19 pandemic began, while others were released in the spring of 2020 when economic forecasts were predicting deep recessionary conditions. Additionally, some states' current revenue estimates for fiscal 2021 were released in fall 2020, when economic and public health conditions as well as prospects for additional federal aid were more uncertain than in early 2021, when most states' current revenue estimates were developed. (See Tables 16 and 17)

General Fund Collection Growth By Revenue Type

In fiscal 2022 revenue forecasts used in governors' budgets, personal income taxes account for 46.2 percent of all forecasted general fund revenues, sales and use taxes for 30.6 percent, corporate income taxes for 6.7 percent, gaming and lottery revenues for 1.0 percent, and all other revenues at 15.5 percent. The two largest sources of general fund revenue – sales taxes and personal income taxes – are both expected to see moderate growth in fiscal 2022 after staying fairly flat in fiscal 2020 and experiencing modest growth overall in fiscal 2021.

Sales & Use Taxes. Forty-four states have a broad-based sales tax that goes towards the general fund; additionally, Vermont's sales taxes go towards its separate Education Fund (not reported in this survey), and Montana collects a small amount of revenue in the sales and use tax category (reported in this survey). General fund sales and use tax collections for these states in the aggregate grew 0.5 percent in fiscal 2020, are on track to grow 2.0 percent in fiscal 2021 over fiscal 2020 levels, and are projected to grow 3.9 percent in fiscal 2022, based on governors' budgets.

¹⁴ The three excluded states are Arkansas, New Jersey, and Ohio. Unlike other states, Arkansas reported on post-COVID revenue estimates in the *Spring 2020 Fiscal Survey*. New Jersey's *Spring 2021 Fiscal Survey* includes substantial revenue from borrowing. Ohio changed its reporting methodology in the *Spring 2021 Fiscal Survey* to exclude federal reimbursements for Medicaid in its general fund revenue amounts reported.

Personal Income Taxes. Forty-one states collect a broad-based personal income tax, while New Hampshire and Tennessee collect taxes on interest and dividends only. Personal income tax collections grew 0.3 percent in fiscal 2020, are set to increase by an estimated 2.8 percent in fiscal 2021 compared to fiscal 2020, and are forecasted to grow a moderate 4.3 percent in fiscal 2021 budget recommendations. Adjusted for the tax deadline shift, personal income tax collections grew 2.4 percent in fiscal 2020, are on track to decline 1.3 percent in fiscal 2021, and are projected to increase 6.4 percent in fiscal 2022.¹⁵

Corporate Income Taxes. For the 45 states that collect a corporate income tax, total corporate income tax revenues declined 4.9 percent in fiscal 2020, are on track to increase 8.0 percent in fiscal 2021, and are forecasted to be flat (0.1 percent growth) in fiscal 2022. Adjusted for the tax deadline shift, corporate income tax collections declined 2.6 percent in fiscal 2020, are on track to increase 3.2 percent in fiscal 2021, and are projected to increase 2.3 percent in fiscal 2022.¹⁶

Gaming/Lottery Revenues. Twenty-seven states reported on general fund collections from these sources (some states direct revenues in this category, particularly from lotteries, into special funds, which are not reported on in this survey). Revenues in this category declined 15.6 percent in fiscal 2020, are on track to increase 3.1 percent in fiscal 2021, and are forecasted to grow 5.8 percent in fiscal 2022.

Other General Fund Revenues. All other general fund revenues may include collections from cigarette and other excise taxes, severance taxes, insurance taxes, fees, and other sources. Some states may also use this category to record revenue transfers in and out of the general fund from/to other state fund sources, which can contribute to large fluctuations year-over-year for some states in this category. All other general fund revenues declined 4.1 percent in fiscal 2020, are estimated to increase 8.7 percent in fiscal 2021, and are projected to decline 6.7 percent in fiscal 2022 recommended budgets. *(See Tables 18 and 19)*

¹⁵ In NASBO's *Fall 2020 Fiscal Survey of States* (Table 21), 19 states reported deferring revenue from fiscal 2020 to fiscal 2021 due to the tax deadline shift, with estimated deferred revenues from personal income taxes totaling \$8.3 billion. Two states were not able to report the impact of deferrals, so this amount is only adjusted for 17 out of the 19 states that deferred revenue to fiscal 2021. Adjustments for the tax deadline shift are derived by subtracting this personal income tax deferred amount from fiscal 2021 and adding it to fiscal 2020 revenue totals.

¹⁶ In NASBO's *Fall 2020 Fiscal Survey of States* (Table 21), 19 states reported deferring revenue from fiscal 2020 to fiscal 2021 due to the tax deadline shift, with estimated deferred revenues from personal income taxes totaling \$1.4 billion. Two states were not able to report the impact of deferrals, so this amount is only adjusted for 17 out of the 19 states that deferred revenue to fiscal 2021. Adjustments for the tax deadline shift are derived by subtracting this personal income tax deferred amount from fiscal 2021 and adding it to fiscal 2020 revenue totals.

TABLE 12

State Nominal and Real Annual Revenue Increases, Fiscal 1979 to Fiscal 2022

Fiscal Year	State General Fund	
	Nominal Increase	Real Increase
2022	2.3%	
2021	3.7	1.8%
2020	-0.6	-2.2
2019	5.7	2.5
2018	6.9	3.5
2017	2.4	1.1
2016	1.8	2.0
2015	5.0	3.9
2014	1.9	-1.1
2013	7.1	4.3
2012	2.9	0.2
2011	6.6	3.4
2010	-2.5	-3.5
2009	-8.0	-10.1
2008	3.9	-1.6
2007	5.4	0.4
2006	9.1	3.6
2005	7.8	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	4.6
1984	12.5	8.4
1983	3.7	-1.8
1982	12.6	5.3
1981	7.9	-3.2
1980	9.8	-0.7
1979	7.8	0.9
1979-2021 average	5.3%	1.5%

Notes: The state and local government implicit price deflator cited by the Bureau of Economic Analysis National Income and Product Account Tables, Table 3.9.4., Line 33 (last updated on May 27, 2021), is used for state revenues in determining real changes. Fiscal Year real changes are based on quarterly averages. Fiscal 2020 figures are based on the change from fiscal 2018 actuals to fiscal 2020 actuals. Fiscal 2021 figures are based on the change from fiscal 2020 actuals to fiscal 2021 estimates. Fiscal 2022 figures are based on the change from fiscal 2021 estimates to fiscal 2022 recommended figures.

TABLE 13**State General Fund Revenue Growth,
Fiscal 2020 to Fiscal 2022**

Revenue Growth	Fiscal 2020 (Actual)	Fiscal 2021 (Estimated)	Fiscal 2022 (Recommended)
0% or less	31	21	15
> 0.0% but < 5.0%	14	8	25
> 5.0% but < 10.0%	2	11	10
10% or more	2	10	0

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

TABLE 14

General Fund Nominal Percentage Revenue Change, Fiscal 2020 to Fiscal 2022**

State	Fiscal 2020	Fiscal 2021	Fiscal 2022
Alabama	3.8%	-0.1%	3.3%
Alaska	-39.3	-1.5	5.7
Arizona**	-1.4	12.0	0.8
Arkansas**	-2.8	-1.1	2.8
California	-0.1	4.5	2.8
Colorado	2.4	0.3	7.3
Connecticut	-2.3	3.3	4.6
Delaware**	-1.4	8.3	-2.7
Florida	-6.0	5.1	4.0
Georgia	-0.4	-1.5	2.7
Hawaii**	-3.5	-1.4	3.5
Idaho	8.0	5.5	3.5
Illinois**	-2.9	9.0	0.5
Indiana**	-6.3	14.9	-2.7
Iowa	0.9	0.5	3.7
Kansas**	-6.4	13.9	-0.8
Kentucky	1.5	1.3	2.4
Louisiana	-2.9	-4.0	1.2
Maine	3.1	-7.0	9.2
Maryland	1.3	-2.5	9.3
Massachusetts	-5.5	-3.5	3.7
Michigan	-2.6	-6.1	7.3
Minnesota	-2.5	5.8	2.7
Mississippi**	-2.5	-2.2	1.1
Missouri**	-6.6	14.2	-4.1
Montana	-1.6	-2.4	2.4
Nebraska**	0.9	7.0	-6.9
Nevada	-4.9	-1.6	5.0
New Hampshire	-7.3	9.0	0.8
New Jersey	-1.6	16.2	-7.6
New Mexico	3.5	-4.6	-4.4
New York	12.3	-7.8	7.3
North Carolina**	-3.6	15.3	-0.9
North Dakota**	9.1	-15.4	4.3
Ohio**	-4.2	7.7	2.4
Oklahoma**	-8.2	9.2	-4.4
Oregon**	-14.8	21.1	-10.1
Pennsylvania**	-7.4	16.2	6.9
Rhode Island	1.0	-1.6	6.2
South Carolina	4.3	-3.9	1.3
South Dakota	3.6	6.2	-0.1
Tennessee	4.9	0.0	2.9
Texas	-1.5	-2.7	5.4
Utah**	-4.0	23.4	-2.6
Vermont**	-3.7	16.6	-6.7
Virginia	13.7	0.8	0.8
Washington	0.9	9.4	-0.9
West Virginia**	-5.5	1.8	-0.1
Wisconsin	1.1	3.2	4.5
Wyoming	0.0	-22.1	0.1
Average	-0.6%	3.7%	2.3%
Median	-1.6%	1.6%	2.4%

*See Notes to Table 14 on page 64. **Denotes states that recognized some revenue (primarily from income taxes) in fiscal 2021 instead of fiscal 2020 due to the shift in the tax filing deadline from April 15, 2020 to July 15, 2020. Fiscal 2020 reflects changes from fiscal 2019 revenues (actual) to fiscal 2020 revenues (actual). Fiscal 2021 reflects changes from fiscal 2020 revenues (actual) to fiscal 2021 revenues (estimated). Fiscal 2022 reflects changes from fiscal 2021 revenues (estimated) to fiscal 2022 revenues (recommended).

TABLE 15

General Fund Revenue Collections Compared to Projections, Fiscal 2021

State	Original Fiscal 2021			Most Recent Fiscal 2021			N/A
	On Target	Lower	Higher	On Target	Lower	Higher	
Alabama			X			X	
Alaska			X	X			
Arizona**			X			X	
Arkansas**			X			X	
California			X			X	
Colorado			X			X	
Connecticut		X				X	
Delaware**			X			X	
Florida	X			X			
Georgia			X			X	
Hawaii**			X	X			
Idaho			X			X	
Illinois**		X				X	
Indiana* **			X			X	
Iowa			X	X			
Kansas**			X			X	
Kentucky			X			X	
Louisiana			X	X			
Maine	X					X	
Maryland		X		X			
Massachusetts			X			X	
Michigan			X				X
Minnesota		X				X	
Mississippi**			X			X	
Missouri**			X			X	
Montana			X			X	
Nebraska**			X			X	
Nevada		X				X	
New Hampshire			X			X	
New Jersey			X	X			
New Mexico		X				X	
New York			X			X	
North Carolina**			X			X	
North Dakota**	X			X			
Ohio**			X			X	
Oklahoma**	X					X	
Oregon**			X	X			
Pennsylvania**			X			X	
Rhode Island*			X				X
South Carolina			X			X	
South Dakota			X			X	
Tennessee			X			X	
Texas		X				X	
Utah**			X			X	
Vermont**			X			X	
Virginia			X				X
Washington			X	X			
West Virginia**			X				X
Wisconsin			X			X	
Wyoming		X				X	
Total	4	8	38	10	0	36	4

NOTES: Original Fiscal 2021 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 2021 budget. Most Recent Fiscal 2021 reflects whether collections thus far have been coming in higher, lower, or on target with a state's most recent revenue projection. *See Notes to Table 15 on page 64. **Denotes states that recognized some revenue (primarily from income taxes) in fiscal 2021 instead of fiscal 2020 due to the shift in the tax filing deadline from April 15, 2020 to July 15, 2020.

TABLE 16

Fiscal 2021 General Fund Revenue Collections Compared With Projections Used to Adopt Fiscal 2021 Budgets (Millions)

State	Sales Tax		Personal Income Tax		Corporate Income Tax	
	Original Estimate	Current Estimate	Original Estimate	Current Estimate	Original Estimate	Current Estimate
Alabama	\$2,878	\$2,913	\$4,371	\$4,104	\$506	\$520
Alaska					75	55
Arizona**	5,276	5,796	5,070	5,663	445	541
Arkansas**	2,569	2,562	3,359	3,380	449	453
California*	20,583	26,509	77,567	102,208	16,534	16,948
Colorado	3,373	3,537	6,795	8,434	576	819
Connecticut*	4,588	4,533	10,005	9,454	1,083	990
Delaware**			1,562	1,732	77	146
Florida	27,023	24,949			2,843	2,603
Georgia	6,272	6,197	12,070	12,469	770	789
Hawaii**	3,045	2,996	2,058	2,641	111	182
Idaho	1,772	1,838	1,859	1,977	294	261
Illinois**	9,038	8,663	20,126	20,248	2,489	2,378
Indiana**	8,277	8,470	6,380	6,973	834	882
Iowa	3,170	3,274	5,134	5,101	721	812
Kansas**	2,770	2,940	3,770	4,040	370	410
Kentucky	4,130	4,233	4,665	4,818	581	568
Louisiana	3,532	3,631	3,646	3,654	423	481
Maine*	1,697	1,650	1,846	1,696	204	203
Maryland	5,041	4,589	11,030	10,837	1,101	1,139
Massachusetts	4,848	4,798	16,180	16,680	2,925	3,225
Michigan	1,415	1,603	6,212	6,491	269	448
Minnesota	6,049	5,833	13,195	12,570	1,541	1,731
Mississippi**	2,291	2,291	2,005	2,005	481	481
Missouri**	2,048	2,198	6,400	7,124	325	513
Montana	58	53	1,411	1,505	166	149
Nebraska**	1,820	1,910	2,750	2,765	360	385
Nevada	1,411	1,227				
New Hampshire					380	484
New Jersey	10,690	11,510	15,016	15,279	3,410	3,524
New Mexico	3,051	2,575	1,654	1,587	16	51
New York*	11,342	11,918	41,602	42,557	6,506	5,921
North Carolina* **	N/A	8,624	N/A	14,822	N/A	1,037
North Dakota**	940	786	407	390	67	88
Ohio* **	11,181	11,039	9,187	9,390	1,653	1,535
Oklahoma**	2,869	2,801	3,277	3,314	299	310
Oregon**			9,951	10,202	473	716
Pennsylvania**	11,904	11,981	15,438	15,572	3,253	3,570
Rhode Island*	1,213	1,213	1,450	1,422	151	96
South Carolina*	3,294	3,372	4,096	4,113	353	324
South Dakota	1,102	1,140				
Tennessee*	8,600	9,348	68	50	2,153	2,476
Texas	33,691	30,185				
Utah**	2,296	2,482	5,168	5,751	383	448
Vermont**			836	945	49	82
Virginia	3,893	3,879	16,159	15,446	1,019	1,289
Washington	12,933	12,867				
West Virginia**	1,422	1,422	2,156	2,156	145	145
Wisconsin	5,961	5,915	9,142	8,640	1,205	2,205
Wyoming	553	452				
Total***	\$261,908	\$264,075	\$365,070	\$395,385	\$58,068	\$61,373

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 2021 budget was adopted, and current estimates reflect most current revenue forecast for fiscal 2021. *See Notes to Tables 16 and 17 on page 64. **Denotes states that recognized some revenue (primarily from income taxes) in fiscal 2021 instead of fiscal 2020 due to the shift in the tax filing deadline from April 15, 2020 to July 15, 2020. *** Totals exclude North Carolina, which was unable to provide a breakdown by revenue type of original revenue projections for fiscal 2021.

Table 16 continues on next page.

TABLE 16 (CONTINUED)

Fiscal 2021 General Fund Revenue Collections Compared With Projections Used to Adopt Fiscal 2021 Budgets (Millions)

State	Gaming/Lottery Revenue		All Other Revenue	
	Original Estimate	Current Estimate	Original Estimate	Current Estimate
Alabama			\$2,215	\$2,176
Alaska	\$5	\$2	1,073	1,515
Arizona**	87	101	177	187
Arkansas**	33	33	484	513
California*	2	2	4,960	5,226
Colorado			-57	120
Connecticut*	602	619	3,974	4,226
Delaware**	172	206	2,725	2,976
Florida			4,583	4,924
Georgia			5,035	5,648
Hawaii**			1,406	2,246
Idaho			201	179
Illinois**	986	675	9,492	9,518
Indiana**	421	386	1,448	1,267
Iowa	81	84	-1,269	-1,301
Kansas**			321	318
Kentucky	271	286	1,816	1,825
Louisiana	268	364	1,307	1,323
Maine*	66	66	138	201
Maryland	565	631	1,629	1,577
Massachusetts	1,345	1,303	5,231	5,558
Michigan			1,151	1,206
Minnesota	159	171	3,357	3,593
Mississippi**	121	121	793	793
Missouri**			293	369
Montana	75	74	799	787
Nebraska**			220	226
Nevada	822	575	2,363	2,210
New Hampshire			1,160	1,133
New Jersey			11,538	13,498
New Mexico	69	9	3,083	3,586
New York*	11	11	11,481	12,633
North Carolina* **			N/A	3,120
North Dakota**	10	25	324	478
Ohio* **			3,015	2,728
Oklahoma**	180	176	1,271	1,104
Oregon**			699	1,081
Pennsylvania**	198	205	6,162	6,162
Rhode Island*	255	260	969	1,008
South Carolina*			974	1,013
South Dakota	132	135	508	530
Tennessee*	403	398	3,901	3,918
Texas	1,454	1,618	26,681	23,656
Utah**			582	575
Vermont**			779	860
Virginia			1,617	1,707
Washington			12,703	13,158
West Virginia**			853	853
Wisconsin			1,347	1,342
Wyoming			572	532
Total***	\$8,792	\$8,534	\$146,085	\$150,955

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 2021 budget was adopted, and current estimates reflect most current revenue forecast for fiscal 2021. *See Notes to Tables 16 and 17 on page 64. **Denotes states that recognized some revenue (primarily from income taxes) in fiscal 2021 instead of fiscal 2020 due to the shift in the tax filing deadline from April 15, 2020 to July 15, 2020. *** Totals exclude North Carolina, which was unable to provide a breakdown by revenue type of original revenue projections for fiscal 2021.

TABLE 17

Fiscal 2021 General Fund Revenue Collections Compared with Projections (Percentage Above or Below)

State	Sales Tax	Personal Income Tax	Corporate Income Tax	Gaming/ Lottery Revenue	All Other Revenue
Alabama	1.2%	-6.1%	2.7%	N/A	-1.8%
Alaska	N/A	N/A	-26.7	-54.3	41.2
Arizona**	9.9	11.7	21.6	15.9	5.3
Arkansas**	-0.3	0.6	0.9	-1.2	6.0
California*	28.8	31.8	2.5	0.0	5.4
Colorado	4.8	24.1	42.1	N/A	311.8
Connecticut*	-1.2	-5.5	-8.5	2.8	6.3
Delaware**	N/A	10.9	89.8	19.8	9.2
Florida	-7.7	N/A	-8.4	N/A	7.4
Georgia	-1.2	3.3	2.4	N/A	12.2
Hawaii**	-1.6	28.3	63.6	N/A	59.7
Idaho	3.7	6.4	-11.2	N/A	-11.1
Illinois**	-4.1	0.6	-4.5	-31.5	0.3
Indiana**	2.3	9.3	5.7	-8.4	-12.5
Iowa	3.3	-0.6	12.6	3.7	2.6
Kansas**	6.1	7.2	10.8	N/A	-0.9
Kentucky	2.5	3.3	-2.3	5.6	0.5
Louisiana	2.8	0.2	13.7	35.7	1.3
Maine*	-2.8	-8.1	-0.6	0.8	45.3
Maryland	-9.0	-1.7	3.4	11.5	-3.2
Massachusetts	-1.0	3.1	10.3	-3.1	6.3
Michigan	13.3	4.5	66.4	N/A	4.7
Minnesota	-3.6	-4.7	12.4	7.6	7.0
Mississippi**	0.0	0.0	0.0	0.0	0.0
Missouri**	7.3	11.3	57.8	N/A	25.7
Montana	-9.0	6.7	-10.1	-1.8	-1.5
Nebraska**	4.9	0.5	6.9	N/A	2.7
Nevada	-13.1	N/A	N/A	-30.0	-6.5
New Hampshire	N/A	N/A	27.3	N/A	-2.4
New Jersey	7.7	1.8	3.3	N/A	17.0
New Mexico	-15.6	-4.1	217.3	-87.6	16.3
New York*	5.1	2.3	-9.0	0.0	10.0
North Carolina* **	N/A	N/A	N/A	N/A	N/A
North Dakota**	-16.5	-4.2	31.6	156.1	47.5
Ohio* **	-1.3	2.2	-7.1	N/A	-9.5
Oklahoma**	-2.4	1.1	3.6	-2.3	-13.1
Oregon**	N/A	2.5	51.6	N/A	54.7
Pennsylvania**	0.6	0.9	9.7	3.5	0.0
Rhode Island*	0.0	-1.9	-36.3	2.2	3.9
South Carolina*	2.3	0.4	-8.1	N/A	3.9
South Dakota	3.5	N/A	N/A	2.0	4.2
Tennessee*	8.7	-27.3	15.0	-1.2	0.4
Texas	-10.4	N/A	N/A	11.2	-11.3
Utah**	8.1	11.3	17.0	N/A	-1.3
Vermont**	N/A	13.1	67.1	N/A	10.5
Virginia	-0.4	-4.4	26.4	N/A	5.6
Washington	-0.5	N/A	N/A	N/A	3.6
West Virginia**	0.0	0.0	0.0	N/A	0.0
Wisconsin	-0.8	-5.5	82.9	N/A	-0.4
Wyoming	-18.3	N/A	N/A	N/A	-7.0
Total	0.8%	8.3%	5.7%	-2.9%	3.3%
On target	5	4	2	3	6
Higher	20	25	30	14	30
Lower	19	12	12	10	13

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 2021 budget was adopted, and current estimates reflect most current revenue forecast for fiscal 2021. For some states, original budget projections are the most current estimates available. *See Notes to Tables 16 and 17 on page 64.

**Denotes states that recognized some revenue (primarily from income taxes) in fiscal 2021 instead of fiscal 2020 due to the shift in the tax filing deadline from April 15, 2020 to July 15, 2020.

TABLE 18

Comparison of General Fund Revenue Collections in Fiscal 2020, Fiscal 2021, and Recommended Fiscal 2022 (\$ in millions)

State	Sales Tax			Personal Income Tax			Corporate Income Tax		
	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2020	Fiscal 2021	Fiscal 2022
Alabama	\$2,842	\$2,913	\$3,035	\$4,168	\$4,104	\$4,235	\$489	\$520	\$542
Alaska	0	0	0	0	0	0	102	55	10
Arizona**	5,392	5,796	6,025	4,530	5,663	5,489	512	541	467
Arkansas* **	2,544	2,562	2,649	3,419	3,380	3,300	482	453	451
California*	25,495	26,509	25,925	99,509	102,208	107,360	14,035	16,948	16,636
Colorado*	3,407	3,537	3,749	8,646	8,434	8,209	728	819	756
Connecticut*	4,318	4,533	4,514	9,398	9,454	9,774	934	990	1,091
Delaware* **	0	0	0	1,472	1,732	1,643	117	146	82
Florida*	24,591	24,949	26,804	0	0	0	2,474	2,603	2,668
Georgia	6,174	6,197	6,649	12,408	12,469	12,739	1,233	789	881
Hawaii* **	3,430	2,996	3,409	2,359	2,641	2,163	8	182	99
Idaho	1,689	1,838	1,866	1,905	1,977	2,089	243	261	261
Illinois**	8,255	8,663	9,518	18,471	20,248	20,151	2,081	2,378	3,058
Indiana**	8,042	8,470	8,653	5,272	6,973	6,369	691	882	765
Iowa	3,176	3,274	3,392	4,652	5,101	4,923	649	812	754
Kansas**	2,832	2,940	3,111	3,338	4,040	3,830	384	410	360
Kentucky*	4,071	4,233	4,346	4,765	4,818	5,034	639	568	590
Louisiana	3,697	3,631	3,678	3,780	3,654	3,793	578	481	380
Maine	1,614	1,650	1,773	1,836	1,696	1,751	216	203	230
Maryland*	4,635	4,589	4,934	10,699	10,837	11,316	1,052	1,139	1,190
Massachusetts	4,790	4,798	5,199	17,361	16,680	17,418	2,924	3,225	3,038
Michigan	1,585	1,603	1,676	6,870	6,491	6,952	404	448	525
Minnesota*	5,746	5,833	6,262	12,094	12,570	13,109	1,580	1,731	2,021
Mississippi**	2,496	2,291	2,473	1,820	2,005	1,850	549	481	488
Missouri**	2,248	2,198	2,254	5,984	7,124	6,745	323	513	412
Montana	65	53	58	1,429	1,505	1,422	187	149	175
Nebraska**	1,848	1,910	1,910	2,446	2,765	2,490	391	385	335
Nevada	1,264	1,227	1,256	0	0	0	0	0	0
New Hampshire	0	0	0	0	0	0	410	484	496
New Jersey	10,597	11,510	11,798	16,254	15,279	16,258	4,095	3,524	3,791
New Mexico	3,006	2,575	2,617	1,692	1,587	1,667	63	51	42
New York*	13,626	11,918	12,825	50,508	42,557	51,767	6,370	5,921	6,019
North Carolina**	7,743	8,624	8,951	12,651	14,822	14,456	698	1,037	868
North Dakota**	971	786	797	352	390	388	92	88	91
Ohio* **	10,686	11,039	11,604	7,881	9,390	9,176	1,672	1,535	1,660
Oklahoma**	2,675	2,801	2,862	2,856	3,314	2,927	289	310	266
Oregon**	0	0	0	8,438	10,202	9,525	835	716	611
Pennsylvania**	10,818	11,981	12,501	12,835	15,572	18,383	2,827	3,570	3,432
Rhode Island	1,167	1,213	1,263	1,406	1,422	1,443	149	96	167
South Carolina	3,287	3,372	3,420	4,454	4,113	4,202	374	324	304
South Dakota	1,073	1,140	1,145	0	0	0	0	0	0
Tennessee*	8,982	9,348	9,708	96	50	3	2,610	2,476	2,571
Texas	30,800	30,185	31,310	0	0	0	0	0	0
Utah**	2,265	2,482	2,544	3,985	5,751	5,114	356	448	371
Vermont**	0	0	0	926	945	962	148	82	121
Virginia*	3,707	3,879	3,992	15,352	15,446	15,991	1,012	1,289	1,272
Washington	12,015	12,867	12,613	0	0	0	0	0	0
West Virginia**	1,387	1,422	1,474	1,948	2,156	2,041	152	145	160
Wisconsin	5,836	5,915	6,299	8,742	8,640	9,319	1,608	2,205	1,934
Wyoming	487	452	465	0	0	0	0	0	0
Total	\$267,373	\$272,698	\$283,304	\$399,005	\$410,206	\$427,774	\$57,766	\$62,410	\$62,442

NOTES: N/A indicates data are not available because, in most cases, these states do not have that type of tax. Unless otherwise noted, fiscal 2020 figures reflect actual tax collections, fiscal 2021 figures reflect estimated tax collections, and fiscal 2022 figures reflect the estimates based on governors' recommended budgets. *See Notes to Tables 18 and 19 on page 65. **Denotes states that recognized some revenue (primarily from income taxes) in fiscal 2021 instead of fiscal 2020 due to the shift in the tax filing deadline from April 15, 2020 to July 15, 2020.

Table 18 continues on next page.

TABLE 18 (CONTINUED)

Comparison of General Fund Revenue Collections in Fiscal 2020, Fiscal 2021, and Recommended Fiscal 2022 (\$ in millions)

State	Gaming/Lottery Revenue			All Other Revenue		
	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2020	Fiscal 2021	Fiscal 2022
Alabama	\$0	\$0	\$0	\$2,240	\$2,176	\$2,216
Alaska	16	2	2	1,478	1,515	1,650
Arizona**	104	101	131	435	187	268
Arkansas* **	34	33	33	489	513	474
California*	4	2	1	5,319	5,226	5,231
Colorado*	0	0	0	88	120	126
Connecticut*	504	619	606	4,039	4,226	4,745
Delaware* **	177	206	214	2,760	2,976	2,827
Florida*	0	0	0	4,301	4,924	4,842
Georgia	0	0	0	5,663	5,648	5,507
Hawaii* **	0	0	0	1,840	2,246	1,486
Idaho	0	0	0	194	179	187
Illinois**	825	675	813	8,428	9,518	8,168
Indiana**	291	386	422	1,345	1,267	1,279
Iowa	81	84	86	-627	-1,301	-889
Kansas**	0	0	0	346	318	493
Kentucky*	271	286	292	1,820	1,825	1,735
Louisiana	355	364	345	1,419	1,323	1,372
Maine	73	66	66	230	201	210
Maryland*	549	631	595	1,700	1,577	1,854
Massachusetts	1,213	1,303	1,392	6,406	5,558	5,697
Michigan	0	0	0	1,523	1,206	1,309
Minnesota*	149	171	177	3,325	3,593	3,409
Mississippi**	116	121	137	837	793	806
Missouri**	0	0	0	378	369	374
Montana	75	74	77	818	787	788
Nebraska**	0	0	0	255	226	185
Nevada	623	575	695	2,190	2,210	2,164
New Hampshire	0	0	0	1,115	1,133	1,156
New Jersey	0	0	0	6,755	13,498	8,613
New Mexico	46	9	64	3,376	3,586	3,073
New York*	14	11	14	8,689	12,633	7,751
North Carolina**	0	0	0	2,989	3,120	3,076
North Dakota**	16	25	27	658	478	540
Ohio* **	0	0	0	2,683	2,728	2,835
Oklahoma**	145	176	182	1,092	1,104	1,129
Oregon**	0	0	0	639	1,081	648
Pennsylvania**	143	205	231	5,653	6,162	5,539
Rhode Island	284	260	357	1,058	1,008	1,016
South Carolina	0	0	0	1,064	1,013	1,015
South Dakota	123	135	136	504	530	522
Tennessee*	392	398	402	4,115	3,918	3,976
Texas	1,656	1,618	1,535	24,528	23,656	25,600
Utah**	0	0	0	638	575	597
Vermont**	0	0	0	546	860	680
Virginia*	0	0	0	1,668	1,707	1,644
Washington	0	0	0	11,606	13,158	13,077
West Virginia**	0	0	0	1,008	853	894
Wisconsin	0	0	0	1,346	1,342	1,357
Wyoming	0	0	0	709	532	518
Total***	\$8,279	\$8,534	\$9,031	\$141,680	\$154,075	\$143,766

NOTES: N/A indicates data are not available because, in most cases, these states do not have that type of tax. Unless otherwise noted, fiscal 2020 figures reflect actual tax collections, fiscal 2021 figures reflect estimated tax collections, and fiscal 2022 figures reflect the estimates based on governors' recommended budgets. *See Notes to Tables 18 and 19 on page 65. **Denotes states that recognized some revenue (primarily from income taxes) in fiscal 2021 instead of fiscal 2020 due to the shift in the tax filing deadline from April 15, 2020 to July 15, 2020.

TABLE 19

Percentage Change in General Fund Revenue Collections in Fiscal 2020, Fiscal 2021, and Recommended Fiscal 2022

State	Sales Tax			Personal Income Tax			Corporate Income Tax		
	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2020	Fiscal 2021	Fiscal 2022
Alabama	7.4%	2.5%	4.2%	1.8%	-1.5%	3.2%	7.5%	6.4%	4.2%
Alaska	N/A	N/A	N/A	N/A	N/A	N/A	-10.8	-46.3	-81.8
Arizona**	5.8	7.5	3.9	-9.6	25.0	-3.1	-0.4	5.6	-13.6
Arkansas* **	3.2	0.7	3.4	-2.9	-1.1	-2.4	-15.5	-6.0	-0.5
California*	-2.5	4.0	-2.2	0.3	2.7	5.0	-0.3	20.8	-1.8
Colorado*	-7.8	3.8	6.0	4.8	-2.4	-2.7	-20.8	12.4	-7.7
Connecticut*	-0.5	5.0	-0.4	-2.5	0.6	3.4	-11.9	5.9	10.2
Delaware* **	N/A	N/A	N/A	-3.6	17.7	-5.2	-21.2	25.2	-43.6
Florida*	-3.1	1.5	7.4	N/A	N/A	N/A	-21.2	5.2	2.5
Georgia	-1.2	0.4	7.3	1.9	0.5	2.2	-3.0	-36.0	11.7
Hawaii* **	-3.2	-12.7	13.8	-8.1	12.0	-18.1	-94.9	2063.7	-45.6
Idaho	5.7	8.8	1.5	14.7	3.8	5.7	-14.1	7.2	0.1
Illinois**	-1.8	4.9	9.9	-4.0	9.6	-0.5	-12.9	14.3	28.6
Indiana**	1.6	5.3	2.2	-13.0	32.3	-8.7	-27.2	27.6	-13.2
Iowa	4.3	3.1	3.6	-5.9	9.6	-3.5	-8.2	25.2	-7.2
Kansas**	2.3	3.8	5.8	-11.1	21.0	-5.2	-12.1	6.7	-12.2
Kentucky*	3.4	4.0	2.7	4.9	1.1	4.5	-16.2	-11.2	3.9
Louisiana	-3.6	-1.8	1.3	1.6	-3.3	3.8	-8.3	-16.9	-20.9
Maine	3.3	2.3	7.4	7.9	-7.6	3.3	-14.6	-6.1	13.5
Maryland*	-3.7	-1.0	7.5	4.2	1.3	4.4	1.8	8.3	4.5
Massachusetts	-1.3	0.2	8.4	1.5	-3.9	4.4	-0.1	10.3	-5.8
Michigan	2.1	1.1	4.6	-3.4	-5.5	7.1	-42.2	10.8	17.3
Minnesota*	-0.3	1.5	7.4	-2.5	3.9	4.3	-4.8	9.6	16.7
Mississippi**	1.3	-8.2	7.9	-4.1	10.2	-7.7	-14.7	-12.4	1.5
Missouri**	2.3	-2.2	2.6	-10.2	19.1	-5.3	-7.1	58.5	-19.7
Montana	0.1	-18.8	10.2	0.0	5.3	-5.6	0.0	-20.0	17.6
Nebraska**	11.5	3.3	0.0	-3.9	13.1	-9.9	-7.7	-1.6	-13.0
Nevada	-1.6	-2.9	2.4	N/A	N/A	N/A	N/A	N/A	N/A
New Hampshire	N/A	N/A	N/A	N/A	N/A	N/A	-13.6	18.0	2.5
New Jersey	-2.3	8.6	2.5	2.2	-6.0	6.4	-5.7	-13.9	7.6
New Mexico	9.8	-14.3	1.6	1.2	-6.2	5.0	-63.4	-18.7	-17.7
New York*	6.0	-12.5	7.6	17.6	-15.7	21.6	15.8	-7.0	1.7
North Carolina**	-0.1	11.4	3.8	-3.9	17.2	-2.5	-15.9	48.5	-16.4
North Dakota**	1.4	-19.1	1.5	-14.9	10.7	-0.6	-38.0	-4.0	3.9
Ohio* **	1.1	3.3	5.1	-11.5	19.1	-2.3	2.6	-8.2	8.1
Oklahoma**	-3.7	4.7	2.2	5.3	16.0	-11.7	-1.5	7.2	-14.1
Oregon**	N/A	N/A	N/A	-14.8	20.9	-6.6	-9.9	-14.2	-14.7
Pennsylvania**	-2.5	10.8	4.3	-8.9	21.3	18.1	-16.8	26.3	-3.9
Rhode Island	3.7	3.9	4.2	0.6	1.2	1.4	-4.2	-35.1	73.6
South Carolina	3.2	2.6	1.4	7.1	-7.7	2.2	-16.7	-13.4	-6.3
South Dakota	4.6	6.3	0.5	N/A	N/A	N/A	N/A	N/A	N/A
Tennessee*	2.6	4.1	3.8	-27.0	-48.1	-95.0	3.8	-5.1	3.9
Texas	3.2	-2.0	3.7	N/A	N/A	N/A	N/A	N/A	N/A
Utah**	7.0	9.6	2.5	-7.7	44.3	-11.1	-31.7	26.0	-17.2
Vermont**	N/A	N/A	N/A	5.8	2.1	1.7	10.2	-44.3	46.4
Virginia*	3.5	4.7	2.9	0.8	0.6	3.5	7.2	27.4	-1.3
Washington	1.3	7.1	-2.0	N/A	N/A	N/A	N/A	N/A	N/A
West Virginia**	1.2	2.5	3.7	-7.1	10.7	-5.3	-23.3	-4.9	10.9
Wisconsin	2.5	1.4	6.5	-2.8	-1.2	7.9	20.2	37.1	-12.3
Wyoming	-6.2	-7.2	2.9	N/A	N/A	N/A	N/A	N/A	N/A
Total	0.5%	2.0%	3.9%	0.3%	2.8%	4.3%	-4.9%	8.0%	0.1%
Median	1.4%	2.6%	3.7%	-2.7%	3.2%	0.5%	-10.8%	5.9%	-0.5%

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Table 19 continues on next page.

TABLE 19 (CONTINUED)

Percentage Change in General Fund Revenue Collections in Fiscal 2020, Fiscal 2021, and Recommended Fiscal 2022

State	Gaming/Lottery Revenue			All Other Revenue		
	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2020	Fiscal 2021	Fiscal 2022
Alabama	N/A	N/A	N/A	3.1%	-2.9%	1.9%
Alaska	22.0%	-86.5%	14.3%	-40.9	2.5	8.9
Arizona**	24.8	-3.0	30.6	-17.7	-57.1	43.5
Arkansas* **	-52.4	-3.8	-0.3	-5.3	4.8	-7.5
California*	-23.4	-39.5	-45.0	5.0	-1.8	0.1
Colorado*	N/A	N/A	N/A	-77.6	36.0	5.1
Connecticut*	-18.6	22.7	-2.1	1.2	4.6	12.3
Delaware* **	-17.8	16.1	3.7	2.2	7.8	-5.0
Florida*	N/A	N/A	N/A	-6.9	14.5	-1.7
Georgia	N/A	N/A	N/A	-3.6	-0.3	-2.5
Hawaii* **	N/A	N/A	N/A	12.0	22.1	-33.8
Idaho	N/A	N/A	N/A	0.7	-7.8	4.8
Illinois**	-17.5	-18.2	20.4	3.3	12.9	-14.2
Indiana**	-34.4	32.6	9.4	29.0	-5.8	0.9
Iowa	-10.3	3.8	2.4	-32.4	-107.5	-31.7
Kansas**	N/A	N/A	N/A	15.1	-8.2	55.2
Kentucky*	2.8	5.4	2.1	-3.4	0.3	-4.9
Louisiana	-13.5	2.3	-5.2	-1.7	-6.8	3.6
Maine	16.9	-10.0	0.6	-14.5	-12.9	4.5
Maryland*	-0.7	15.0	-5.7	-1.7	-7.2	17.5
Massachusetts	-9.2	7.5	6.8	-23.6	-13.2	2.5
Michigan	N/A	N/A	N/A	17.6	-20.8	8.6
Minnesota*	-6.1	14.3	3.4	-4.8	8.1	-5.1
Mississippi**	-19.1	4.7	12.9	2.3	-5.3	1.7
Missouri**	N/A	N/A	N/A	5.7	-2.6	1.4
Montana	-0.1	-2.5	4.9	0.0	-3.8	0.1
Nebraska**	N/A	N/A	N/A	-4.9	-11.3	-18.1
Nevada	-17.9	-7.7	20.9	-2.4	0.9	-2.1
New Hampshire	N/A	N/A	N/A	-2.8	1.6	2.0
New Jersey	N/A	N/A	N/A	-2.2	99.8	-36.2
New Mexico	-29.1	-81.5	652.9	3.5	6.2	-14.3
New York*	-6.7	-21.4	27.3	-5.6	45.4	-38.6
North Carolina**	N/A	N/A	N/A	-2.9	4.4	-1.4
North Dakota**	12.3	53.0	8.8	72.4	-27.3	12.8
Ohio* **	N/A	N/A	N/A	-4.5	1.7	3.9
Oklahoma**	-16.4	21.6	3.1	-37.0	1.1	2.2
Oregon**	N/A	N/A	N/A	-9.5	69.2	-40.1
Pennsylvania**	8.3	43.4	12.7	-7.8	9.0	-10.1
Rhode Island	-28.6	-8.3	37.1	11.5	-4.8	0.8
South Carolina	N/A	N/A	N/A	5.7	-4.8	0.2
South Dakota	-4.5	10.0	0.7	-3.1	5.1	-1.4
Tennessee*	1.8	1.5	0.9	12.6	-4.8	1.5
Texas	8.7	-2.3	-5.1	-7.5	-3.6	8.2
Utah**	N/A	N/A	N/A	8.9	-9.9	3.9
Vermont**	N/A	N/A	N/A	-20.1	57.5	-21.0
Virginia*	N/A	N/A	N/A	7.1	2.3	-3.7
Washington	N/A	N/A	N/A	-0.9	13.4	-0.6
West Virginia**	N/A	N/A	N/A	-7.6	-15.4	4.9
Wisconsin	N/A	N/A	N/A	2.4	-0.3	1.2
Wyoming	N/A	N/A	N/A	-19.0	-25.0	-2.6
Total	-15.6%	3.1%	5.8%	-4.1%	8.7%	-6.7%
Median	-9.2%	2.3%	3.7%	-2.3%	-0.3%	0.5%

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Recommended Fiscal 2022 Revenue Actions

According to executive budgets, 15 states proposed net increases in taxes and fees while 19 states proposed net decreases, resulting in a projected net positive revenue impact in fiscal 2022 of \$6.5 billion. (See [Tables 20 and Figure 3](#)) Nearly all of this additional general fund revenue generated by governors' recommended changes would be deposited into states' general funds, in contrast to this time last year, when increases were heavily skewed towards non-general fund revenue sources such as motor fuel taxes.

The largest increases recommended by governors tended to be in the personal income and corporate income tax categories. For personal income taxes, New York proposed a temporary high income surcharge, while Pennsylvania would increase its personal income tax rate (coupled with increasing eligibility limits for 100 percent tax forgiveness). For corporate income taxes, Illinois would eliminate and restrict various tax breaks and Wisconsin would limit the state's Manufacturing Credit and make other various updates.

Tax and fee decreases proposed in executive budgets were mostly modest. Among the more significant are North Carolina's expansion of the Earned Income Tax Credit and the Child and Dependent Tax Credit, and proposals for broad-based tax relief in Arizona, Idaho, and Nebraska. Additionally, a number of states recommended income tax changes to conform with changes at the federal level that will result in net revenue decreases.

Below is a summary of the revenue impacts by category. More detailed, state-by-state information on tax and fee changes recommended in fiscal 2022, as well as recommended or enacted mid-year changes for fiscal 2021, is available in the Appendix of this report. (See [Tables A-1 through A-4](#))

Sales Taxes — Six governors recommended sales and use tax increases and seven recommended decreases, which together would have a positive net revenue impact of \$232 million (\$215 million general fund impact) in fiscal 2022.

Personal Income Taxes — Eight governors recommended net personal income tax increases, while 16 governors proposed decreases, which would result in a net revenue increase of \$3,982 million (all general fund).

Corporate Income Taxes — Seven governors recommended corporate income tax increases while seven proposed decreases for a net increase of \$1,978 million (all general fund).

Cigarette and Tobacco Taxes — One modest increase and one modest decrease in this category (both related to vaping) result in a net increase of \$1 million (all general fund).

Motor Fuel Taxes — An extension of a tax exemption for alternative fuels in one state results in a decrease of \$3 million (-\$1 million general fund impact).

Alcohol Taxes — A surcharge added to all distilled spirits is proposed that would increase general fund revenue by \$20 million.

Gaming Taxes/Lottery Revenue — Five governors recommended increases and one governor recommended a decrease, for a net increase in gaming taxes and lottery revenue of \$60 million (\$38 million general fund impact).

Other Taxes & Revenue — Six governors recommended increases on other tax and revenue sources, while eight governors proposed decreases, resulting in a net revenue decline of \$284 million (-\$451 million general fund impact).

Fees — Seven governors recommended net fee increases resulting in a total increase of \$475 million (\$197 million general fund impact).

Fiscal 2022 Revenue Measures. In addition to tax and fee changes, governors also recommended new revenue measures with a total net impact of \$1,549 million, including a \$1,426 million increase for states' general funds. These measures often enhance general fund revenue but, in most cases, do not affect taxpayer liability and include actions to enforce existing laws, tax amnesties, additional audits and compliance efforts, as well as fund transfers and diversions. Fund transfers were especially common revenue measures reported this year. (See [Appendix Table A-2](#))

Mid-Year Revenue Changes in Fiscal 2021

Seventeen states recommended or enacted changes in taxes and fees in the middle of fiscal 2021, with five states proposing or enacting increases and 12 states with decreases, for a total net revenue decrease of \$3.5 billion. The largest reductions included one-time targeted tax relief and economic support measures, such as the Golden State Stimulus payments in California, small business sales tax credits and Earned Income Tax Credit rebates in Maryland, as well as numerous revenue actions to conform with federal tax changes. Additionally, Wisconsin reduced its rates for earners in the bottom tax brackets. Among the mid-year increases proposed or approved by

states are New Jersey's pass-through business alternative income tax and an additional motor fuel excise tax in Alabama. Note that final information on mid-year revenue changes that were enacted in fiscal 2021 will be available in the *Fall 2021 Fiscal Survey*.

States also reported on revenue measures proposed or enacted mid-year for fiscal 2021 that do not affect taxpayer liability. For example, New Jersey reported on its COVID-19 bond sale to raise \$4.3 billion in general fund revenue through borrowing in this category. (See [Table 23](#), [Appendix Tables A-3 and A-4](#))

TABLE 20

Enacted State Revenue Changes, Fiscal 1979 to Fiscal 2021, and Recommended 2022

Fiscal Year	Revenue Change (Billions)
2022	\$6.5
2021	5.2
2020	6.7
2019	3.1
2018	9.9
2017	1.3
2016	0.5
2015	-2.3
2014	-2.1
2013	6.9
2012	-0.7
2011	6.2
2010	23.9
2009	1.5
2008	4.5
2007	-2.1
2006	2.5
2005	3.5
2004	9.6
2003	8.3
2002	0.3
2001	-5.8
2000	-5.2
1999	-7.0
1998	-4.6
1997	-4.1
1996	-3.8
1995	-2.6
1994	3.0
1993	3.0
1992	15.0
1991	10.3
1990	4.9
1989	0.8
1988	6.0
1987	0.6
1986	-1.1
1985	0.9
1984	10.1
1983	3.5
1982	3.8
1981	0.4
1980	-2.0
1979	-2.3

SOURCES: Fiscal 1979-1987 data from Advisory Commission on Intergovernmental Relations, Significant Features of Fiscal Federalism, 1985-86 edition, page 77, based on data from the Tax Foundation and the National Conference of State Legislatures. Fiscal 1988-2022 data provided by the National Association of State Budget Officers.

FIGURE 3:

Enacted State Revenue Changes, Fiscal 1979 to Fiscal 2021, and Recommended Fiscal 2022 (\$ in Billions)

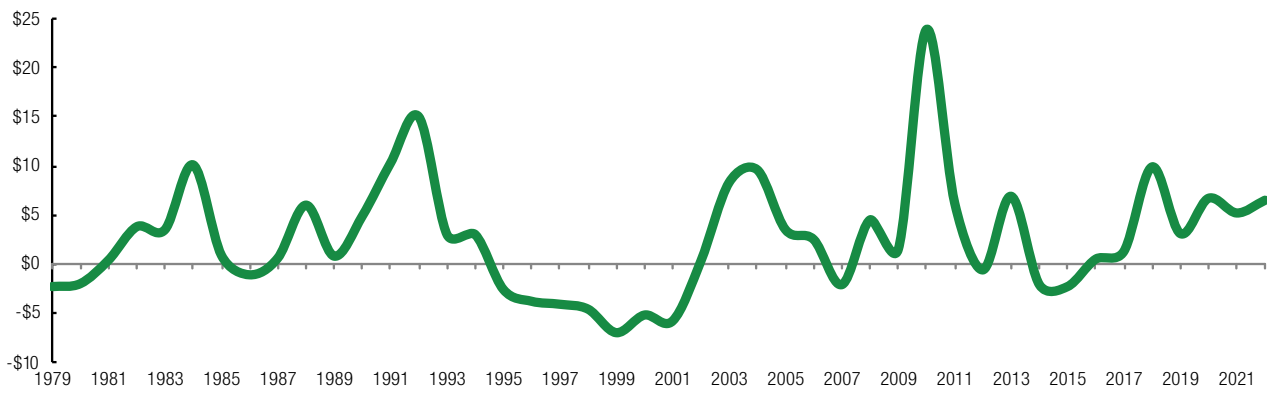


TABLE 21

Recommended Fiscal 2022 Revenue Actions by Type of Revenue and Net Increase or Decrease (Millions)

State	Sales & Use Tax	Personal Income Tax	Corporate Income Tax	Cigarette/ Tobacco Tax	Motor Fuel Tax	Alcohol Tax	Gaming Tax/ Lottery Revenue	Other Taxes and Revenues	Fees	Total
Alabama										
Alaska										
Arizona								-\$200.0		-\$200.0
Arkansas*	-\$6.5	-\$3.1	-\$179.0					1.3		-187.4
California	-66.5	-35.8	-40.8					18.0	\$106.7	-18.3
Colorado										
Connecticut	1.9	24.4	100.9	\$-1.9			\$2.0	62.3	7.0	196.6
Delaware		-6.0						-4.5		-10.5
Florida	-50.3									-50.3
Georgia		-73.6	-11.5							-85.1
Hawaii										
Idaho		-215.1								-215.1
Illinois	249.0	51.9	1,099.0							1,399.9
Indiana										
Iowa		-7.7						-4.4		-12.1
Kansas	102.4									102.4
Kentucky		-9.0								-9.0
Louisiana	-2.3		-5.0				-16.3	-25.2		-48.8
Maine	3.9									3.9
Maryland		-45.2								-45.2
Massachusetts		61.7					35.0	74.0		170.7
Michigan									26.3	26.3
Minnesota	11.1	-169.5	343.9	3.3					7.2	196.0
Mississippi										
Missouri										
Montana		-16.3	10.3					-2.7		-8.7
Nebraska								-288.6		-288.6
Nevada										
New Hampshire	-19.0		-4.2							-23.2
New Jersey										
New Mexico	-3.0	-73.7						-47.2		-123.9
New York		1,897.0	-35.0		\$-3.0		22.0		7.0	1,888.0
North Carolina		-365.5								-365.5
North Dakota										
Ohio									138.5	138.5
Oklahoma										
Oregon		193.8				\$20.4				214.2
Pennsylvania		2,964.0	208.5							3,172.5
Rhode Island		3.8	13.3					3.4	182.4	202.9
South Carolina		-19.1								-19.1
South Dakota										
Tennessee										
Texas										
Utah*		-80.0								-80.0
Vermont		-2.7					5.5	-2.1		0.7
Virginia	-4.9	-119.3	-18.0				11.7			-130.5
Washington	15.9									15.9
West Virginia										
Wisconsin		27.4	495.3					132.0		654.7
Wyoming										
Total	\$231.6	\$3,982.4	\$1,977.7	\$1.4	-\$3.0	\$20.4	\$59.9	-\$283.7	\$475.0	\$6,461.8
Increases	6	8	7	1		1	5	6	7	15
Decreases	7	16	7	1	1		1	8		19

NOTE: See Appendix Table A-1 for details on specific revenue changes. *See Notes to Table 21 on page 66.

TABLE 22

Recommended Fiscal 2022 Revenue Actions — General Fund Impact (Millions)

State	Sales & Use Tax	Personal Income Tax	Corporate Income Tax	Cigarette/ Tobacco Tax	Motor Fuel Tax	Alcohol Tax	Gaming Tax/ Lottery Revenue	Other Taxes and Revenues	Fees	Total
Alabama										
Alaska										
Arizona								-\$200.0		-\$200.0
Arkansas	-\$6.5	-\$3.1	-\$179.0					2.1		-186.5
California	-66.5	-35.8	-40.8							-143.0
Colorado										
Connecticut	1.9	24.4	100.9	\$-1.9			\$2.0	62.3	\$7.0	196.6
Delaware		-6.0						-4.5		-10.5
Florida	-50.3									-50.3
Georgia		-73.6	-11.5							-85.1
Hawaii										
Idaho		-215.1								-215.1
Illinois	249.0	51.9	1,099.0							1,399.9
Indiana										
Iowa		-7.7						-4.4		-12.1
Kansas	85.8									85.8
Kentucky		-9.0								-9.0
Louisiana	-2.3		-5.0				-16.3	-25.2		-48.8
Maine	3.9									3.9
Maryland		-45.2								-45.2
Massachusetts		61.7					35.0	5.0		101.7
Michigan										
Minnesota	11.1	-169.5	343.9	3.3					7.2	196.0
Mississippi										
Missouri										
Montana		-16.3	10.3					-2.7		-8.7
Nebraska								-288.6		-288.6
Nevada										
New Hampshire	-19.0		-4.2							-23.2
New Jersey										
New Mexico	-3.0	-73.7						-47.2		-123.9
New York		1,897.0	-35.0		\$-1.0					1,861.0
North Carolina		-365.5								-365.5
North Dakota										
Ohio										
Oklahoma										
Oregon		193.8				\$20.4				214.2
Pennsylvania		2,964.0	208.5							3,172.5
Rhode Island		3.8	13.3					1.7	182.4	201.1
South Carolina		-19.1								-19.1
South Dakota										
Tennessee										
Texas										
Utah		-80.0								-80.0
Vermont		-2.7					5.5	-2.1		0.7
Virginia	-4.9	-119.3	-18.0				11.7			-130.5
Washington	15.9									15.9
West Virginia										
Wisconsin		27.4	495.3					52.8		575.5
Wyoming										
Total	\$215.0	\$3,982.4	\$1,977.7	\$1.4	-\$1.0	\$20.4	\$37.9	-\$450.8	\$196.6	\$5,979.6
Increases	6	8	7	1		1	4	5	3	13
Decreases	7	16	7	1	1		1	8		19

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

TABLE 23

Mid-Year Fiscal 2021 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					\$65.0					\$65.0
Alaska										
Arizona										
Arkansas		-\$155.4								-155.4
California	\$-19.0	-2,409.5	\$-9.5						\$-78.6	-2,516.6
Colorado										
Connecticut										
Delaware										
Florida										
Georgia		-44.6	-4.0							-48.6
Hawaii										
Idaho		-26.0								-26.0
Illinois										
Indiana										
Iowa										
Kansas										
Kentucky										
Louisiana	-6.6		-8.6				\$-11.2			-26.4
Maine	16.6	-125.6	2.2	\$9.2						-97.6
Maryland	-300.0	-316.7								-616.7
Massachusetts										
Michigan										
Minnesota										
Mississippi										
Missouri										
Montana										
Nebraska								\$-113.3		-113.3
Nevada								54.5		54.5
New Hampshire										
New Jersey								606.4		606.4
New Mexico	-195.8	5.0								-190.8
New York										
North Carolina										
North Dakota										
Ohio		-3.0								-3.0
Oklahoma										
Oregon										
Pennsylvania										
Rhode Island		-27.8	-54.9						32.3	-50.4
South Carolina										
South Dakota										
Tennessee										
Texas										
Utah										
Vermont										
Virginia	-4.0	101.0								97.0
Washington										
West Virginia		-3.0						24.4		21.4
Wisconsin		-338.7	-124.2							-462.9
Wyoming										
Total	-\$508.8	-\$3,344.3	-\$199.0	\$9.2	\$65.0		-\$11.2	\$572.0	-\$46.3	-\$3,463.3
Increases	1	2	1	1	1			3	1	5
Decreases	5	10	5				1	1	1	12

NOTE: See Appendix Table A-3 for details on specific revenue changes. * Changes reported here may be enacted or proposed.

CHAPTER 2 NOTES

Notes to Table 14: General Fund Nominal Percentage Revenue Change, Fiscal 2020 to Fiscal 2022

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

Notes to Table 15: General Fund Revenue Collections Compared to Projections, Fiscal 2021

Indiana Compared to original projections: Revenue projections are higher by \$617.3 million but latest FY21 revenue projections include \$885.1 million in income taxes deferred from FY20 to FY21.

Rhode Island Fiscal 2021 Current Estimates corresponds to the Governor's FY 2021 Revised Budget submission and relies upon the same forecast and assumptions as Original Estimates for Fiscal 2021 with the only modification being policy proposals and adjustments included in the revised budget recommendation.

Notes to Tables 16 and 17: Fiscal 2021 General Fund Revenue Collections Compared with Projections Used in Adopting Fiscal 2021 Budgets (\$ Amounts and Percentage Change)

California Fiscal 2021 does not include \$9.1b in revenue transfers and loans to the General Fund (primarily comprised of a net revenue transfer of \$4.6b from the rainy day fund) or \$2.7b in estimated cost recoveries for COVID-19 and wildfires.

Connecticut FY 2021 Adopted Estimates: "All Other General Fund Revenue" and the "Total GF Revenue" include Federal Grant revenue of \$1,571.5 million. Without accounting for Federal Grant Revenue, "All Other General Fund Revenue" would equate to \$2,402.7 million and "Total GF Revenue" would equate to \$18,681.0 million. Federal Grants figures do not include any Coronavirus Relief Fund dollars or Coronavirus State and Local Fiscal Recovery Fund dollars.

FY 2021 Current Estimates: "All Other General Fund Revenue" and the "Total GF Revenue" include Federal Grant revenue of \$1,657.2 million. Without accounting for Federal Grant Revenue, "All Other General Fund Revenue" would equate to \$2,568.6 million and "Total GF Revenue" would equate to \$18,164.5 million. Federal Grants figures do not include any Coronavirus Relief Fund dollars or Coronavirus State and Local Fiscal Recovery Fund dollars.

Maine Maine has a biennial budget process. The revenue for the original enacted budget that included FY21 (the 2020 -2021 biennial budget passed in June 2019) was from the May 2019 Revenue forecast while revenue for the currently enacted FY21 budget as of the Fall of 2020 would have come from the most recent updated revenue forecast of March 2020 as incorporated into the Supplemental budget enacted in March 2020.

Massachusetts Original Estimates for FY2021 vary between the Spring 2021 and Fall 2020 NASBO surveys. Fall Survey estimates were based on the Governor's revised proposed budget filed on October 14, 2020. Spring Survey estimates reflect the FY2021 general appropriations act signed by the Governor on December 11, 2020.

New York In FY 2021 revenues reflect \$4.5 billion in PIT note sales executed in the first quarter of FY 2021, as well as the subsequent repayment within FY 2021. The borrowings were done to address liquidity needs in response to the Federal government's decision to extend the calendar year 2019 income tax filing from April 15, 2020 to July 15, 2020. The FY 2021 Enacted Budget authorized up to \$8 billion of short-term borrowing in the form of personal income tax revenue or bond anticipation notes and up to \$3 billion of credit facilities in the form of a line of credit at one or more banks. In FY 2021, the note proceeds increase miscellaneous receipts by \$4.5 billion, while the repayment results in a reduction of PIT receipts of \$4.5 billion, resulting in no impact to total revenue estimates.

North Carolina Details of North Carolina's revenue forecast for the fiscal 2021 enacted budget are not available by tax type. The consensus forecast developed in May 2020 consisted of a top-level amount only (\$23,466 million), without details by revenue type.

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

Fiscal 2021 Original Estimate of Personal Income Tax reflects as-enacted revenue estimate, with a \$719 million upward adjustment to reflect the estimated impact of the postponement of income tax filing/payments, from April 2020 and June 2020, to July 2020.

All Other General Fund Revenue: Ohio typically includes Medicaid's federal reimbursements and federal share expenditures in general fund reporting. Federal revenues and expenditures were removed to be consistent with new NASBO survey guidelines. The difference between estimated federal revenues and disbursements was removed to accurately reflect total revenues.

Rhode Island	Fiscal 2021 Current Estimates corresponds to the Governor's FY 2021 Revised Budget submission and relies upon the same forecast and assumptions as Original Estimates for Fiscal 2021 with the only modification being policy proposals and adjustments included in the revised budget recommendation.
South Carolina	Due to the uncertainty of the effects of COVID-19 pandemic on State's economy, the State enacted a "Continuing Resolution" to continue FY2020's enacted budget for FY2021. FY2021's estimated revenues when the FY 2021 budget was adopted reflect the estimates used in FY2020's enacted budget.
Tennessee	Estimates Used When Fiscal 2021 Budget was Adopted: These estimates were used when the second, not original, budget was enacted and are equal to the numbers reported in the fall Fiscal Survey.

Notes to Tables 18 and 19: Comparison of Tax Collections in Fiscal 2020, Fiscal 2021, and Recommended Fiscal 2022 (\$ Amounts and Percentage Change)

Arkansas	Revenue amounts here are reported as "gross" (before refunds and special dedications/payments).
California	<p>Fiscal 2020 does not include \$4.4b in revenue transfers and loans from the General Fund or \$0.7b in estimated cost recoveries for COVID-19 and wildfires.</p> <p>Fiscal 2021 does not include \$9.1b in revenue transfers and loans to the General Fund (primarily comprised of a net revenue transfer of \$4.6b from the rainy day fund) or \$2.7b in estimated cost recoveries for COVID-19 and wildfires.</p> <p>Fiscal 2022 does not include \$3.2b in revenue transfers and loans from the General Fund or \$6.4b in estimated cost recoveries for COVID-19 and wildfires.</p>
Colorado	Fiscal 2022 projections reported here reflect September 2020 OSPB forecast, which formed basis for the Governor's original budget request for fiscal 2022.
Connecticut	<p>FY 2020 Actual: "All Other General Fund Revenue" and the "Total GF Revenue" include Federal Grant revenue of \$1,796.8 million. Without accounting for Federal Grant Revenue, "All Other General Fund Revenue" would equate to \$2,242.5 million and "Total GF Revenue" would equate to \$17,396.7 million. Federal Grants figures do not include any Coronavirus Relief Fund dollars or Coronavirus State and Local Fiscal Recovery Fund dollars.</p> <p>FY 2021 Current Estimates: "All Other General Fund Revenue" and the "Total GF Revenue" include Federal Grant revenue of \$1,657.2 million. Without accounting for Federal Grant Revenue, "All Other General Fund Revenue" would equate to \$2,568.6 million and "Total GF Revenue" would equate to \$18,164.5 million. Federal Grants figures do not include any Coronavirus Relief Fund dollars or Coronavirus State and Local Fiscal Recovery Fund dollars.</p> <p>FY 2022 Governor's Recommended Budget: The total differs from a previously reported total due to the adjustments portion. The Governor's FY 2022 Recommended Budget includes a transfer (or an adjustment as noted in this report) from the Rainy Day Fund to the General Fund of \$775 million to balance the budget. "All Other General Fund Revenue" and the "Total GF Revenue" include Federal Grant revenue of \$1,549.7 million. Without accounting for Federal Grant Revenue, "All Other General Fund Revenue" would equate to \$3,195.7 million and "Total GF Revenue" would equate to \$19,179.8 million. Federal Grants figures do not include any Coronavirus Relief Fund dollars or Coronavirus State and Local Fiscal Recovery Fund dollars.</p>
Delaware	Fiscal 2021 current estimates as of March DEFAC, while fiscal 2021 revenues reported in Table 4 are as of December 2020 DEFAC.
Florida	The revenue totals here are limited to revenues associated with taxes, licenses, and fees as reported by the General Revenue Estimating Conference only. The revenue totals in Tables 3-5 include in addition to estimated revenues, transfers of trust funds to GR, legal settlement receipts, federal receipts, repayments, reversions and revenue adjustments.
Hawaii	Current revenue estimates for fiscal 2021 include \$750 million in working capital and does not include other revenue adjustments submitted to the legislature. Projected revenue estimates for fiscal 2022 do not include other revenue adjustments submitted to the legislature.

Kentucky	Revenue amounts exclude Tobacco Settlement Funds.
Maryland	Current estimates for fiscal 2021 reported here reflect revised March 2021 revenue estimates. Supplemental budgets #1-5 were introduced after the Governor's Allowance was originally proposed in January. These addendums appropriate some (\$425.8 million total) of the revised general fund revenue estimates for FY 2021 from March 2021, but not all. Additionally, the revenue estimates reported for fiscal 2022 recommended does not include -\$80 million assumed for Revenue Volatility that is included in Table 5. Table 5 also includes \$40.1 million of miscellaneous "other" revenue that is not included here.
Minnesota	Total revenues exclude prior-year adjustments and dedicated transfers from other funds.
New York	In FY 2021 revenues reflect \$4.5 billion in PIT note sales executed in the first quarter of FY 2021, as well as the subsequent repayment within FY 2021. The borrowings were done to address liquidity needs in response to the Federal government's decision to extend the calendar year 2019 income tax filing from April 15, 2020 to July 15, 2020. The FY 2021 Enacted Budget authorized up to \$8 billion of short-term borrowing in the form of personal income tax revenue or bond anticipation notes and up to \$3 billion of credit facilities in the form of a line of credit at one or more banks. In FY 2021, the note proceeds increase miscellaneous receipts by \$4.5 billion, while the repayment results in a reduction of PIT receipts of \$4.5 billion, resulting in no impact to total revenue estimates.
Ohio	<p>Corporate Income Tax: Ohio doesn't have a corporate income tax and instead has a commercial activities tax (CAT).</p> <p>All Other General Fund Revenue: Ohio typically includes Medicaid's federal reimbursements and federal share expenditures in general fund reporting. Federal revenues and expenditures were removed to be consistent with new NASBO survey guidelines. The difference between estimated federal revenues and disbursements was removed to accurately reflect total revenues.</p>
Tennessee	Sales tax, personal income tax, and corporate income tax are shared with local governments. Corporate income tax includes franchise tax.
Virginia	General fund revenues here exclude fund transfers.

Notes to Table 21: Recommended Fiscal 2022 Revenue Actions by Type of Revenue and Net Increase or Decrease

Arkansas	As of March 26, 2021, the Arkansas General Assembly is still in legislative session. Therefore, tax changes that were recommended and enacted by the Governor until the submission of this survey have been accounted for.
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TOTAL BALANCES

CHAPTER THREE

Overview

Before the COVID-19 crisis hit, state rainy day funds and total balances were at an all-time high, after a decade of rebuilding reserves following the Great Recession. Since fiscal 2010, the median rainy day fund balance level as a percentage of general fund spending had grown from 1.6 percent to 7.9 percent in fiscal 2019, with rainy day fund balances totaling \$79.0 billion in fiscal 2019. As they coped with weakening revenue projections and increased spending demands in the wake of COVID-19, some states turned to their rainy day funds and other reserves as a tool to help manage their budgets.

Fifteen states reported lower estimated rainy day fund balances (in nominal dollars) for fiscal 2021 compared to their fiscal 2019 levels, with declines for those states of the two years totaling \$5.9 billion. Meanwhile, 33 states reported higher balances, with those increases totaling \$8.3 billion (one state reported no change and one state was not able to report for fiscal 2021). This uneven use of rainy day funds across the states reflects how the pandemic affected states to differing degrees, as well as how states entered the crisis with varying reserve levels.

Like rainy day fund balances, states' total balance levels — states' rainy day fund balances combined with general fund ending balances — reached an all-time high in fiscal 2019. While states recorded a decline in total balances in fiscal 2020, this was followed by an uptick in fiscal 2021 — driven mostly by revenues exceeding expectations from earlier in the pandemic, which resulted in unanticipated budget surpluses that bolstered states' ending balances and reserves. According to governors' budgets for fiscal 2022, states are planning to spend down some of their larger-than-expected ending balances, including for one-time investments, with 34 states forecasting declines in their total balance levels for fiscal 2022.

Rainy Day Funds

In NASBO's 2021 *Budget Processes in the States* report, all 50 states report now having at least one rainy day fund or budget stabilization fund established to supplement general fund spending during a revenue downturn or other unanticipated shortfall (if the specific restrictions on the use of the fund are met).¹⁷ Rainy day funds are a reflection of deliberate state policy choices by elected officials, and recent balance trends and current fund policies demonstrate how states have taken actions to strengthen their reserves such as by refining methods of deposit and tying target fund size to revenue volatility.

Pre-COVID Rainy Day Fund Levels. Since the Great Recession, governors and state lawmakers have focused on rebuilding their states' rainy day funds, or budget stabilization funds. Rainy day fund balances, in the aggregate, have grown substantially over the last decade, reaching \$79.0 billion in fiscal 2019 (with a median balance of 7.9 percent as a share of general fund spending). Overall, states were in a relatively strong position in terms of their reserve levels as they entered the COVID-19 recession. By comparison, when states entered the Great Recession crisis in fiscal 2008, the median rainy day fund balance was 4.8 percent, falling to a low of 1.6 percent in fiscal 2010. That said, rainy day fund levels continue to be somewhat uneven across the states. (See [Tables 24 and Figure 4](#))

Rainy Day Fund Use During the COVID Era. Facing in some cases substantial budget gaps as a result of COVID-19, some states turned to their rainy day funds to close shortfalls in fiscal 2020. Thirteen states recorded net declines in their rainy day fund balance levels in fiscal 2020 compared to fiscal 2019, and rainy day fund balances totaled \$77.7 billion across the states. Meanwhile, 35 states recorded increases in their rainy day fund balances, and the median balance ticked up slightly to 8.4 percent in fiscal 2020. Some states experienced unexpected surpluses in fiscal 2020 (in some cases in specific revenue streams) that resulted in automatic deposits into their reserves. In fiscal 2021, the median balance dropped to 7.6 percent, with 12 states estimating declines in their rainy day fund balances, 28 states expecting increases, nine states es-

¹⁷ For more details on states' budget stabilization or rainy day funds, see NASBO's *Budget Processes in the States* (2021), Table 13.

timating no change, and one state not able to provide data. According to governors' budgets for fiscal 2022, 11 states are projecting decreases, 24 states are projecting increases, 12 states reported no change, and three states (Georgia, Texas, and Wisconsin) were unable to provide data.


Comparing fiscal 2019 (pre-COVID) figures to projected fiscal 2022 figures, state rainy day fund levels are expected to remain relatively flat overall during that time period (excluding the three states that were unable to provide data for all three fiscal years in this survey). This is attributable primarily to modest increases across most states coupled with withdrawals (in some cases, substantial in size) from other states that were generally more impacted by the COVID-19 pandemic. Through fiscal 2021, rainy day fund balances as a share of general fund spending also remain effectively flat – at 9.1 percent in fiscal 2019 and 8.8 percent in fiscal 2021. While that total figure drops to 7.6 percent in fiscal 2022, this is skewed by the exclusion of Texas, which has an especially large rainy day fund balance and was not able to provide an estimate for the upcoming fiscal year. (See [Table 26A and 26B](#))

Rainy Day Fund Levels Vary Across States. Rainy day fund levels, as a share of expenditures, vary across states, ranging in fiscal 2020 from a low of 0 percent to a high of 97 percent. This variation is related to differing rainy day fund structures, policy decisions, revenue volatility levels, fiscal conditions, and other factors. In fiscal 2020, 20 states had rainy day fund balances greater than 10 percent as a share of their general fund expenditures, 14 states had balances between 5 percent and 10 percent, 12 states had balances between 1 percent and 5 percent, and four states had balances of less than 1 percent of general fund spending. According to states' current estimates for fiscal 2021, this breakdown has changed only modestly, with 19 states estimating rainy day fund balances greater than 10 percent as a share of their general fund expenditures, 16 states with balances between 5 percent and 10 percent, 11 states with balances between 1 percent and 5 percent, and three states had balances of less than 1 percent of general fund spending (data were not available for all states). (See [Table 25](#))

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

Total Balances

Total balances include ending balances (both reserved and unreserved) and the amounts in states' budget stabilization or rainy day funds. Since fiscal 2009 and fiscal 2010, when states' total balance levels declined due to the severe drop in revenues resulting from the Great Recession, states made significant progress rebuilding budget reserves. In fiscal 2019 — before the COVID-19 crisis — total balances reached an all-time high in actual dollars, totaling \$121.6 billion, and as a share of general fund spending, at 14.0 percent of general fund spending. (See [Table 28, Figure 5](#)) According to the data reported in this survey, that record high in nominal dollars is expected to be surpassed by states' total balance levels for fiscal 2021, estimated at \$126.4 billion and 13.8 percent as a share of general fund spending. While states recorded a decline in total balances in fiscal 2020, this was followed by an uptick in fiscal 2021 — driven mostly by revenues exceeding expectations from earlier in the pandemic, which resulted in unanticipated budget surpluses that bolstered states' ending balances and reserves. According to governors' budgets for fiscal 2022, states are planning to spend down some of their larger-than-expected ending balances, including for one-time investments.



In fiscal 2020, 35 states had total balances greater than 10 percent as a share of their general fund expenditures, 10 states had balances between 5 percent and 10 percent, four states had balances between 1 percent and 5 percent, and one state had a balance of less than 1 percent of general fund spending. According to governors' budgets for fiscal 2022, 31 states estimate total balances greater than 10 percent as a share of their general fund expenditures, nine states project

balances between 5 percent and 10 percent, six states expect a balance between 1 percent and 5 percent, and two states project balances of less than 1 percent of general fund spending (data were not available for all states). Excluding the two states (Texas and Wisconsin) that were not able to report complete balance information for fiscal 2022, states estimate a \$7.4 billion increase in total balances for fiscal 2021 followed by a \$20.7 billion decline in fiscal 2022 ([See Tables 29-30](#))

TABLE 24

Rainy Day Fund Balances, Fiscal 1988 to Fiscal 2022

Fiscal Year	RDF Balance (Billions)	Total RDF Balance (Percentage of Expenditures)	Median RDF Balance (Percentage of Expenditures)
2022*	\$64.9	7.6%	8.3%
2021*	78.8	8.8	7.6
2020	77.7	8.7	8.4
2019	79.0	9.1	7.9
2018	68.0	8.3	6.5
2017	55.7	6.9	5.6
2016	51.9	6.6	5.3
2015	48.1	6.3	4.9
2014	48.0	6.6	4.4
2013	41.8	6.0	3.6
2012	36.9	5.5	2.4
2011	29.0	4.5	1.8
2010	27.3	4.4	1.6
2009	29.3	4.4	2.6
2008	33.2	4.8	4.8
2007	31.1	4.8	4.7
2006	31.9	5.3	4.6
2005	25.0	4.5	2.5
2004	12.3	2.4	1.8
2003	8.4	1.7	0.7
2002	10.9	2.1	1.7
2001	22.0	4.4	4.6
2000	27.9	6.0	4.1
1999	21.0	4.8	3.5
1998	19.5	4.8	3.3
1997	13.7	3.5	2.6
1996	11.0	3.0	2.4
1995	9.1	2.6	1.9
1994	5.7	1.7	1.6
1993	5.3	1.7	1.0
1992	3.0	1.0	0.0
1991	3.0	1.0	0.0
1990	3.6	1.3	0.7
1989	4.2	1.6	1.5
1988	\$3.0	1.3%	0.8%

NOTE: *Figures for fiscal 2021 are estimated; figures for fiscal 2022 are projected based on governors' recommended budgets. Figures for fiscal 2021 exclude Georgia, while figures for fiscal 2022 exclude Georgia, Texas and Wisconsin. Historical rainy day fund balance data shown in this table may differ from figures published in previous editions of The Fiscal Survey of States, as figures for some years were updated based on a review of original source data.

TABLE 25**Rainy Day Fund Balances as a Percentage of Expenditures,
Fiscal 2020 to Fiscal 2022**

Percentage	Number of States		
	Fiscal 2020 (Actual)	Fiscal 2021 (Estimated)	Fiscal 2022 (Recommended)
Less than 1%	4	3	7
> 1% but < 5%	12	11	7
> 5% but < 10%	14	16	14
10% or more	20	19	19
N/A	0	1	3

NOTE: See Table 26 for state-by-state data. Georgia was unable to provide rainy day fund balance data for fiscal 2021 and fiscal 2022; Texas and Wisconsin were unable to provide data for fiscal 2022.

FIGURE 4:

Rainy Day Fund Balances as a Percentage of Expenditures Fiscal 2000 to Fiscal 2022

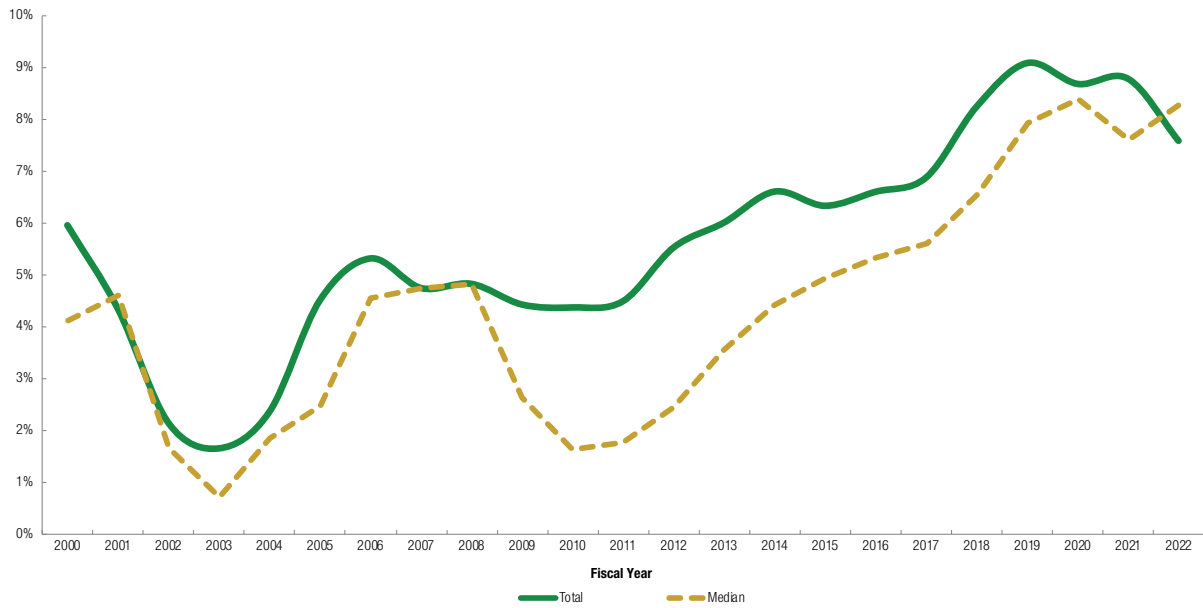


FIGURE 5:

Total Balances as a Percentage of Expenditures, Fiscal 2000 to Fiscal 2022

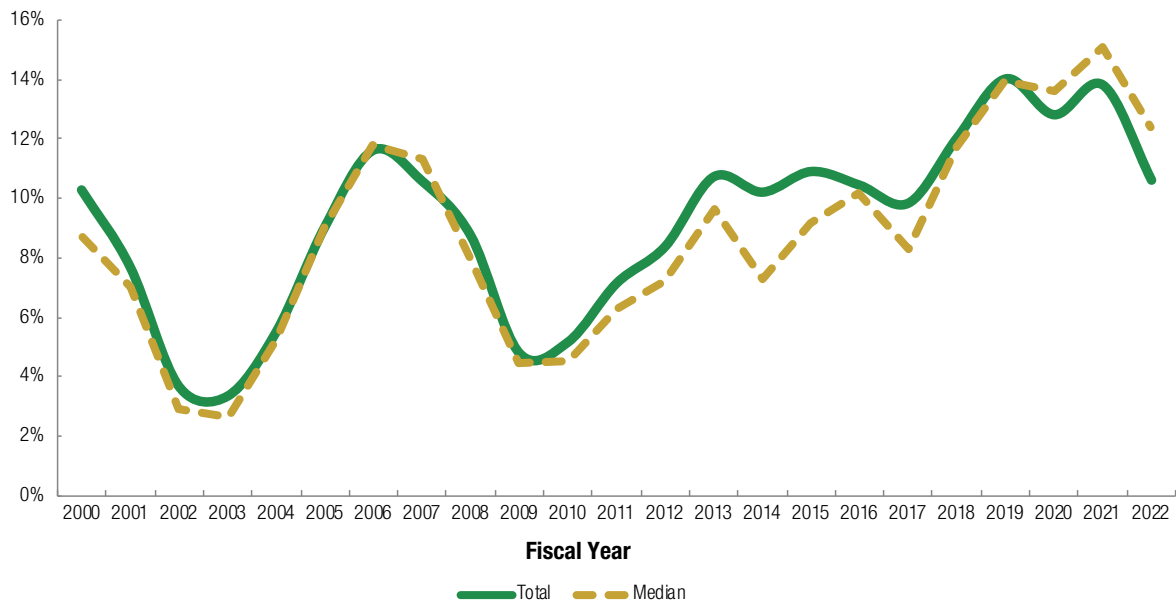


TABLE 26A

Rainy Day Fund Balances, Dollar Amount and Percentage of Expenditures, Fiscal 2011 to Fiscal 2022

State	Rainy Day Fund Balances (\$ in Millions)**				
	2011	2012	2013	2014	2015
Alabama	\$0	\$14	\$14	\$11	\$412
Alaska	12,981	15,880	16,332	15,597	10,442
Arizona	0	250	454	455	458
Arkansas	0	0	0	0	0
California	0	0	1,573	4,619	4,085
Colorado	157	281	373	411	709
Connecticut	0	93	271	519	406
Delaware	186	186	199	202	213
Florida	279	494	709	925	1,139
Georgia	328	378	717	863	1,431
Hawaii	0	24	24	83	90
Idaho	0	24	135	162	244
Illinois	0	0	0	276	276
Indiana	57	352	515	969	1,254
Iowa	440	601	611	670	698
Kansas	0	0	0	0	0
Kentucky	0	122	122	77	77
Louisiana	647	443	444	445	470
Maine*	0	45	60	93	119
Maryland	624	672	705	764	774
Massachusetts	1,379	1,652	1,557	1,248	1,252
Michigan	2	365	506	386	498
Minnesota	9	658	656	661	994
Mississippi	191	100	32	110	395
Missouri	507	498	505	557	543
Montana	0	0	0	0	0
Nebraska	313	429	384	719	728
Nevada	0	39	85	28	0
New Hampshire	9	9	9	9	22
New Jersey	0	0	0	0	0
New Mexico	501	713	651	638	613
New York	1,206	1,306	1,306	1,481	1,798
North Carolina	296	419	651	651	852
North Dakota	386	386	584	584	573
Ohio	0	247	482	1,478	1,478
Oklahoma	249	578	535	535	385
Oregon	16	128	69	153	391
Pennsylvania	0	0	0	0	0
Rhode Island	130	153	172	177	185
South Carolina	712	288	388	408	447
South Dakota	107	135	135	139	149
Tennessee	284	306	356	456	492
Texas	5,012	6,133	6,170	6,704	8,469
Utah	233	277	403	432	491
Vermont	54	58	74	71	76
Virginia	299	303	440	688	468
Washington	1	130	270	415	513
West Virginia	659	851	915	956	869
Wisconsin	17	125	279	280	280
Wyoming	752	765	927	926	1,811
Total**	\$29,034	\$36,911	\$41,798	\$48,028	\$48,067

NOTES: N/A indicates data not available. Fiscal 2020 are actual figures, fiscal 2021 are estimated figures, and fiscal 2022 are recommended figures. **Total Rainy day fund balances for fiscal 2021 exclude Georgia, and for fiscal 2022 exclude Georgia, Texas, and Wisconsin as data were unavailable for these years.

Table 26A continues on next page.

TABLE 26A (CONTINUED)

Rainy Day Fund Balances, Dollar Amount and Percentage of Expenditures, Fiscal 2011 to Fiscal 2022

State	Rainy Day Fund Balances (\$ in Millions)**						
	2016	2017	2018	2019	2020	2021	2022
Alabama	\$530	\$766	\$784	\$848	\$968	\$1,109	\$1,123
Alaska	7,109	4,641	2,533	2,288	2,275	931	919
Arizona	461	461	458	743	979	986	993
Arkansas	0	123	127	153	185	210	210
California	7,224	11,251	20,842	23,001	20,205	22,761	21,894
Colorado	513	614	1,366	1,262	1,824	2,146	2,660
Connecticut	236	213	1,185	2,506	3,075	3,749	2,825
Delaware	215	221	232	240	252	252	261
Florida	1,354	1,384	1,417	1,483	1,574	1,674	1,674
Georgia	2,033	2,309	2,557	2,808	2,705	N/A	N/A
Hawaii	101	311	376	378	59	64	68
Idaho	259	413	354	373	393	529	637
Illinois	277	10	4	4	4	4	4
Indiana	1,468	1,474	1,419	1,436	877	887	896
Iowa	729	605	620	757	777	784	825
Kansas	0	0	0	0	82	82	0
Kentucky	236	151	94	129	466	466	566
Louisiana	359	287	321	405	568	571	596
Maine*	122	209	288	309	273	271	281
Maryland	832	833	857	877	1,177	884	990
Massachusetts	1,292	1,301	2,001	3,424	3,501	2,522	1,105
Michigan	612	710	1,006	1,149	829	1,059	1,080
Minnesota	1,969	1,980	2,092	2,480	2,709	2,727	2,727
Mississippi	350	269	295	350	501	558	555
Missouri	586	591	616	651	652	608	608
Montana	0	0	0	60	114	114	114
Nebraska	731	681	340	334	426	500	507
Nevada	0	146	180	332	0	98	41
New Hampshire	93	100	110	115	116	86	86
New Jersey	0	0	0	421	7	1,422	0
New Mexico	148	0	527	1,834	2,514	1,570	1,760
New York	1,798	1,798	1,798	2,048	2,476	2,476	2,476
North Carolina	1,575	1,838	1,849	1,849	1,169	1,169	2,269
North Dakota	573	38	113	659	717	727	597
Ohio	2,005	2,034	2,034	2,692	2,692	2,692	2,692
Oklahoma	241	93	452	806	230	230	530
Oregon	550	761	940	1,288	1,486	1,357	1,584
Pennsylvania	0	0	0	22	343	243	245
Rhode Island	192	193	199	204	91	208	226
South Carolina	459	487	509	871	1,181	1,005	1,031
South Dakota	143	157	160	170	174	216	216
Tennessee	568	668	800	875	1,200	1,450	1,500
Texas	9,715	10,290	11,043	10,099	8,947	10,074	N/A
Utah	493	508	578	697	740	841	841
Vermont	78	107	133	224	228	228	210
Virginia	236	549	440	792	1,072	1,488	2,138
Washington	550	1,638	1,369	1,618	1,683	1,808	257
West Virginia	779	652	710	753	856	950	1,000
Wisconsin	281	283	320	649	762	994	N/A
Wyoming	1,811	1,538	1,538	1,577	1,577	1,058	1,058
Total**	\$51,881	\$55,687	\$67,983	\$79,040	\$77,710	\$78,833	\$64,874

NOTES: N/A indicates data not available. Fiscal 2020 are actual figures, fiscal 2021 are estimated figures, and fiscal 2022 are recommended figures. **Total Rainy day fund balances for fiscal 2021 exclude Georgia, and for fiscal 2022 exclude Georgia, Texas, and Wisconsin as data were unavailable for these years.

TABLE 26B

Rainy Day Fund Balances, Dollar Amount and Percentage of Expenditures, Fiscal 2011 to Fiscal 2022

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

NOTES: N/A indicates data not available. Fiscal 2020 are actual figures, fiscal 2021 are estimated figures, and fiscal 2022 are recommended figures. **Total Rainy day fund balances for fiscal 2021 exclude Georgia, and for fiscal 2022 exclude Georgia, Texas and Wisconsin, as data were unavailable for these years.

Table 26B continues on next page.

TABLE 26B (CONTINUED)

Rainy Day Fund Balances, Dollar Amount and Percentage of Expenditures, Fiscal 2011 to Fiscal 2022

State	Rainy Day Fund Balances as a Percent of General Fund Expenditures						
	2016	2017	2018	2019	2020	2021	2022
Alabama	6.8%	9.4%	9.4%	9.8%	10.4%	11.2%	11.1%
Alaska	129.9	103.2	56.4	46.8	48.4	20.1	21.0
Arizona	4.8	4.8	4.7	6.9	8.7	8.5	7.9
Arkansas	0.0	2.3	2.3	2.7	3.2	3.7	3.6
California*	6.3	9.4	16.7	16.4	13.8	14.6	13.3
Colorado	5.0	5.9	12.2	9.8	14.3	16.6	19.9
Connecticut*	1.3	1.2	6.3	13.0	16.0	19.1	13.8
Delaware	5.5	5.4	5.6	5.5	5.6	5.4	5.0
Florida	4.6	4.6	4.5	4.5	4.6	4.5	4.7
Georgia*	9.3	10.0	10.6	11.1	10.7	N/A	N/A
Hawaii	1.5	4.2	4.8	4.8	0.7	0.8	0.9
Idaho	8.5	12.7	10.2	10.1	10.1	13.1	15.1
Illinois	1.0	0.0	0.0	0.0	0.0	0.0	0.0
Indiana	9.8	9.5	9.0	8.8	5.3	5.2	5.1
Iowa	10.1	8.3	8.6	10.1	9.9	10.1	10.2
Kansas	0.0	0.0	0.0	0.0	1.1	1.1	0.0
Kentucky	2.3	1.3	0.8	1.1	4.0	3.9	4.6
Louisiana	4.1	3.1	3.3	4.1	5.6	6.1	6.2
Maine*	3.7	6.2	8.2	8.4	6.9	6.9	6.7
Maryland	5.0	4.8	5.0	4.9	6.0	4.7	4.9
Massachusetts	3.2	3.2	6.4	10.4	10.8	7.6	3.2
Michigan	6.3	7.2	10.0	11.0	9.1	9.6	9.5
Minnesota	9.8	9.4	9.4	10.8	11.4	11.4	10.6
Mississippi	6.1	4.7	5.3	6.3	8.7	10.0	10.0
Missouri	6.5	6.5	6.6	6.8	7.1	6.0	5.6
Montana	0.0	0.0	0.0	2.5	4.7	4.5	4.4
Nebraska	17.4	15.7	7.8	7.6	9.5	10.6	10.7
Nevada	0.0	3.7	4.5	7.5	0.0	2.1	0.9
New Hampshire	6.7	6.6	7.3	7.7	6.8	5.4	5.2
New Jersey	0.0	0.0	0.0	1.1	0.0	3.5	0.0
New Mexico	2.3	0.0	8.5	24.4	32.8	17.7	23.6
New York	2.6	2.6	2.6	2.8	3.2	3.3	3.0
North Carolina*	7.4	8.3	8.1	7.8	4.9	4.8	8.3
North Dakota	19.0	1.5	5.2	29.9	30.7	28.9	24.7
Ohio	5.8	5.8	6.4	8.0	11.6	10.7	10.8
Oklahoma*	3.9	1.6	7.5	11.5	3.1	3.4	6.8
Oregon	6.1	8.4	9.6	12.7	13.4	11.7	13.4
Pennsylvania	0.0	0.0	0.0	0.1	1.0	0.7	0.6
Rhode Island	5.4	5.2	5.2	5.2	2.3	5.0	5.2
South Carolina	6.4	6.4	6.4	10.7	13.7	11.7	11.2
South Dakota	9.8	10.2	10.0	10.4	10.2	11.6	12.0
Tennessee	4.5	5.0	5.8	6.1	8.2	8.9	8.6
Texas	18.0	19.2	19.7	19.3	15.1	17.1	N/A
Utah	7.8	7.9	8.6	9.2	10.1	9.5	9.3
Vermont	5.3	6.9	8.5	14.0	14.2	13.7	11.1
Virginia	1.2	2.7	2.2	3.7	4.8	6.6	9.1
Washington	3.0	8.5	6.7	7.1	7.0	7.0	0.9
West Virginia	18.7	15.4	16.8	16.4	18.7	20.8	21.9
Wisconsin*	1.8	1.7	1.9	3.6	4.1	5.2	N/A
Wyoming	109.7	100.5	100.5	96.9	96.9	82.5	82.4
Total**	6.6%	6.9%	8.3%	9.1%	8.7%	8.8%	7.6%
Median	5.3%	5.6%	6.5%	7.9%	8.4%	7.6%	8.3%

NOTES: N/A indicates data not available. Fiscal 2020 are actual figures, fiscal 2021 are estimated figures, and fiscal 2022 are recommended figures. **Total Rainy day fund balances for fiscal 2021 exclude Georgia, and for fiscal 2022 exclude Georgia, Texas and Wisconsin, as data were unavailable for these years.

TABLE 27

State Rainy Day Fund Names*

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

Notes: *Above are the names of those funds that are included in the rainy day fund balances reported in this survey. For more details on how these funds are structured, as well as information on other more targeted state budget stabilization funds not included here, see NASBO's *Budget Processes in the States* (2021), Table 13.

TABLE 28

Total Balances, Fiscal 1979 to Fiscal 2022

Fiscal Year	Total Balance (Billions)	Total Balance (Percentage of Expenditures)
2022*	\$93.8	10.6%
2021*	126.4	13.8
2020	114.1	12.8
2019	121.6	14.0
2018	98.9	12.0
2017	79.4	9.8
2016	81.8	10.4
2015	82.5	10.9
2014	74.0	10.2
2013	74.4	10.7
2012	55.8	8.4
2011	46.0	7.1
2010	32.1	5.2
2009	31.6	4.8
2008	60.1	8.7
2007	69.2	10.6
2006	69.5	11.6
2005	50.0	9.0
2004	28.7	5.5
2003	16.9	3.3
2002	18.7	3.7
2001	38.8	7.7
2000	48.1	10.3
1999	39.3	9.0
1998	35.4	8.6
1997	30.7	7.9
1996	25.1	6.8
1995	20.6	5.8
1994	16.9	5.1
1993	13.0	4.2
1992	5.3	1.8
1991	3.1	1.1
1990	9.4	3.4
1989	12.5	4.8
1988	9.8	4.2
1987	6.7	3.1
1986	7.2	3.5
1985	9.7	5.3
1984	6.4	3.8
1983	2.3	1.5
1982	4.5	2.9
1981	6.5	4.4
1980	11.8	9.4
1979	11.2	9.8

NOTE: *Figures for fiscal 2021 are estimated; figures for fiscal 2022 are projected based on governors' recommended budgets. Figures for fiscal 2022 exclude Texas and Wisconsin.

TABLE 29

Total Balances as a Percentage of Expenditures, Fiscal 2020 to Fiscal 2022

Percentage	Number of States		
	Fiscal 2020 (Actual)	Fiscal 2021 (Estimated)	Fiscal 2022* (Recommended)
Less than 1%	1	2	2
> 1% but < 5%	4	1	6
> 5% but < 10%	10	8	9
10% or more	35	39	31
N/A	0	0	2

NOTE: See Table 30 for state-by-state data. *Texas and Wisconsin were unable to provide complete total balance data for fiscal 2022.

TABLE 30

Total Balances, Dollar Amount and Percentage of Expenditures, Fiscal 2020 to Fiscal 2022

State	Total Balances (\$ in Millions)			Total Balances as a Percent of General Fund Expenditures		
	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2020	Fiscal 2021	Fiscal 2022
Alabama	\$1,788	\$1,420	\$1,309	19.2%	14.4%	12.9%
Alaska	2,275	931	919	48.4	20.1	21.0
Arizona	1,354	2,163	1,916	12.0	18.7	15.2
Arkansas	188	210	210	3.3	3.7	3.6
California	23,380	25,936	25,069	16.0	16.6	15.2
Colorado***	1,824	2,146	2,660	14.3	16.6	19.9
Connecticut	3,075	3,749	2,825	16.0	19.1	13.8
Delaware***	959	1,206	737	21.3	25.9	14.1
Florida	7,926	4,587	3,855	23.3	12.3	10.8
Georgia***	3,767	3,767	3,767	14.9	15.0	14.6
Hawaii	1,062	1,068	996	13.2	12.9	12.7
Idaho	580	715	778	14.8	17.7	18.4
Illinois***	531	100	100	1.3	0.2	0.2
Indiana	1,419	2,271	2,288	8.6	13.4	13.1
Iowa	1,083	1,180	1,166	13.8	15.2	14.4
Kansas	577	849	601	7.7	11.2	7.5
Kentucky	543	646	581	4.6	5.4	4.7
Louisiana	839	1,134	596	8.3	12.2	6.2
Maine	457	297	273	11.6	7.6	6.5
Maryland	1,881	1,148	1,183	9.6	6.0	5.9
Massachusetts***	4,295	2,733	1,204	13.3	8.2	3.5
Michigan	3,193	1,892	1,144	35.1	17.1	10.0
Minnesota***	3,344	3,830	3,129	14.1	16.0	12.2
Mississippi	510	558	649	8.9	10.0	11.7
Missouri	1,455	1,808	844	15.8	17.9	7.8
Montana	566	523	471	23.3	20.8	18.2
Nebraska	1,137	1,094	803	25.3	23.1	16.9
Nevada	574	437	261	12.9	9.6	6.0
New Hampshire	64	86	81	3.8	5.4	4.9
New Jersey***	2,163	6,342	2,193	5.7	15.5	4.9
New Mexico***	2,514	1,569	1,760	32.8	17.6	23.6
New York***	8,944	7,237	5,730	11.5	9.7	6.9
North Carolina	2,640	5,763	4,010	11.0	23.5	14.7
North Dakota	1,000	1,217	927	42.8	48.5	38.4
Ohio	3,962	3,421	3,307	17.1	13.6	13.3
Oklahoma	540	1,501	1,093	7.3	22.3	14.1
Oregon	2,793	3,094	2,051	25.2	26.8	17.4
Pennsylvania	-2,391	10	538	-7.0	0.0	1.3
Rhode Island	247	473	230	6.3	11.4	5.3
South Carolina***	1,805	2,065	1,655	20.9	24.1	18.0
South Dakota	193	216	216	11.4	11.6	12.0
Tennessee	3,191	3,121	1,502	21.8	19.1	8.6
Texas	5,173	9,127	N/A	8.8	15.5	N/A
Utah	1,044	1,236	944	14.3	13.9	10.5
Vermont	228	244	210	14.2	14.7	11.1
Virginia	2,257	3,406	4,253	10.1	15.0	18.2
Washington	2,336	2,596	257	9.7	10.0	0.9
West Virginia	1,311	1,380	1,430	28.6	30.2	31.3
Wisconsin	1,934	2,889	N/A	10.5	15.3	N/A
Wyoming	1,577	1,058	1,058	96.9	82.5	82.4
Total**	\$114,104	\$126,447	\$93,776	12.8%	13.8%	10.6%
			Median	13.6%	15.1%	12.4%

NOTES: Total balances include both the ending balance and Rainy Day Funds. Fiscal 2020 are actual figures, fiscal 2021 are estimated figures, and fiscal 2022 are recommended figures. N/A indicates data not available. *See notes to Table 30 on page 81. **Fiscal 2022 total excludes Texas, as complete data were not available for that year. ***Ending Balance includes Rainy Day Fund.

CHAPTER 3 NOTES

Notes to Table 26: Rainy Day Fund Balances, Dollar Amount and as a Percentage of Expenditures, Fiscal 2011 to Fiscal 2022

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

Maine During FY 2018 and FY 2019, \$79.5 million was legislatively earmarked and deposited into Maine's Rainy Day Fund to cover a disallowance from the federal Centers for Medicare and Medicaid Services. The FY 2019 Rainy Day Fund balance included the remaining \$60 million of those earmarked funds that were paid out as planned in FY 2020 unrelated to the impacts of the COVID-19 pandemic.

Notes to Table 27: State Rainy Day Fund Names

California Safety Net Reserve Fund created in the 2018 Budget Act to maintain existing benefits and services for Medi-Cal and CalWORKs during economic downturns. Public School System Stabilization Account enacted in 2014 as part of Proposition 2 to serve as a Proposition 98 Rainy Day Fund to lessen the impact of volatile state revenues on K-14 schools.

Notes to Table 30: Total Balances, Dollar Amount and as a Percentage of Expenditures, Fiscal 2020 to Fiscal 2022

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

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 medical care and long-term services and supports for over 79 million low-income individuals. Medicaid is estimated to account for about 28.6 percent of total state spending from all fund sources in fiscal 2020, the single largest portion of total state expenditures, and 19.6 percent of general fund expenditures, according to NASBO's most recent *State Expenditure Report* released in November 2020.

The following sections look at Medicaid spending and enrollment, programmatic changes and trends to both enhance the program and contain costs, changes attributable to the Affordable Care Act (ACA) including expenditures for Medicaid expansion, and Medicaid spending trends and budget pressures. The figures and state actions reflect the impact of COVID-19 and the federal relief efforts to address the pandemic. The survey information covers actual fiscal 2020, estimated fiscal 2021, and governors' recommended budgets for fiscal 2022.

Medicaid Spending Trends

In fiscal 2020, 49 states spent \$616.8 billion in total on Medicaid, with \$145.3 billion from general funds, \$77.9 billion from other state funds, and \$393.6 billion from federal funds. (Note, figures reported here exclude Texas, which was unable to provide Medicaid spending data for all three fiscal years.) For fiscal 2021, states are estimated to spend \$693.9 billion in total on Medicaid with \$149.2 billion from general funds, \$88.3 billion from other state funds, and \$456.3 billion from federal funds. Total Medicaid spending increased by 0.8 percent in fiscal 2020 with general funds decreasing by 6.1 percent, other state funds increasing by 2.2 percent, and federal funds increasing by 3.3 percent. For fiscal 2021, total Medicaid spending is estimated to increase by 12.5 percent, with general funds increasing by 2.7 percent, other state funds increasing

by 13.4 percent, and federal funds increasing by 15.9 percent.

Governors' recommended budgets for fiscal 2022 assumed total Medicaid spending of \$729.6 billion with \$167.9 billion from general funds, \$92.5 billion from other state funds, and \$469.2 billion from federal funds. Total Medicaid spending is estimated to increase 5.2 percent with spending from general funds increasing by 12.5 percent, other state funds increasing by 4.8 percent, and federal funds increasing by 2.8 percent over the fiscal 2021 amounts. (See [Tables 31 and 32 and Notes](#))

Medicaid spending in fiscal 2020 through fiscal 2022 reflects the impact of the COVID-19 pandemic and ensuing economic fallout affecting Medicaid enrollment and spending. To address the rise in Medicaid spending and provide state fiscal relief, the *Families First Coronavirus Response Act*, enacted in March 2020, provides a 6.2 percentage point increase in the Federal Medical Assistance Percentage (FMAP) spending during the public health emergency. The increase is conditioned on states meeting certain maintenance-of-effort requirements including continuous coverage for current enrollees, which inflates Medicaid enrollment by providing coverage for those who otherwise may have transitioned off the program, including those who may have transitioned off due to administrative reasons during a renewal but remain eligible.

The increase in the FMAP was retroactive to January 2020 and is reflected in half of fiscal 2020 for almost all states and in portions of fiscal 2021 and fiscal 2022. The impact of the FMAP increase can be seen in how much faster federal fund spending on Medicaid grew in fiscal 2020 and fiscal 2021 relative to general fund spending. In contrast, with virtually all states expecting the FMAP increase to expire sometime before the end of fiscal 2022, governors' recommended budgets show a faster rate of spending growth from general funds compared to federal funds.

States assumed different dates for the expiration of the increased FMAP in their proposed budgets, which affects overall spending and spending from fund sources. In governors' recommended budgets for fiscal 2022, about one-third of the states assumed an end date of December 31, 2021 and the remainder of states assumed end dates of March 31, 2021; June 30, 2021; September 30, 2021; or June 30, 2022. The public health emergency and the resulting FMAP increase is renewed on a 90-day basis by the Secretary of Health and Human Services with the most recent extension effective April 21, 2021. The FMAP increase is in place through at least September 30, 2021, since the FMAP expires at the end of the quarter in which the public health emergency ends. The Biden administration has communicated that the increased FMAP tied to the declaration of the public health emergency will likely be in place through at least calendar year 2021, or half of fiscal 2022 for most states.

The increase in federal matching funds from the FMAP yielded about \$17.6 billion from January 2020 through June 2020 and about \$37 billion from June 2020 until June 2021 according to estimates from the Kaiser Family Foundation, or approximately \$10 billion each quarter that the increased FMAP is in effect. The increased federal matching funds results in differential increases in spending from state funds versus federal funds.

The timing of Medicaid expenditures may vary from year to year and may not reflect underlying program activity in a given year. Large swings in some states — due in part to timing and reporting issues — can substantially influence average Medicaid spending growth rates. Though it varies by state, other state funds may include provider taxes, fees and assessments, pharmaceutical rebates, intergovernmental transfers, and local funds.

More than 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 31, 32 and 33. These funds may include certified public expenditures, intergovernmental transfers, and other local funds, and may be used for services provided in schools or in county hospitals as the state share to draw down federal Medicaid funds. The estimated amount of the non-federal share not flowing through state budgets totals about \$18.9 billion in fiscal 2021 budgets.

Medicaid Expansion Under the Affordable Care Act. After receiving 100 percent match for those newly eligible under the ACA in calendar years 2014 through 2016, beginning January 1, 2017, states that expanded Medicaid under the ACA began paying 5 percent of the costs for the newly eligible individuals, with that amount increasing to 6 percent in January 1, 2018, 7 percent in January 1, 2019, and 10 percent in January 1, 2020 and thereafter. As of May 2021, 38 states and the District of Columbia have adopted the Medicaid expansion. In Idaho, Nebraska, and Utah, voters approved expansion in 2018 ballot initiatives with expansion implemented during fiscal 2020 and fiscal 2021. Missouri and Oklahoma voters approved expansion in 2020 ballot initiatives with expansions planned for July 1, 2021 in Oklahoma and no certain specified date in Missouri. The governors in Kansas, North Carolina, and Wisconsin called for Medicaid expansion in their recommended budgets, but did not provide proposed expansion expenditures for fiscal 2022 in this survey.

Medicaid Expansion Expenditures

States that expanded Medicaid under the ACA provided expenditure data related to the Medicaid expansion in fiscal years 2020, 2021, and 2022. 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 2020, 35 states reported total spending for Medicaid expansion of \$105.9 billion, \$10.9 billion in state funds, and \$95 billion in federal funds (See Table 33). In fiscal 2021, 36 states are estimated to spend \$131.1 billion in all funds, \$15.8 billion in state funds, and \$115.3 billion in federal funds. In 38 recommended budgets for fiscal 2022, projected spending for Medicaid expansion totaled \$146.1 billion, with \$18.8 billion in state funds, and \$127.3 billion in federal funds. The governors in Kansas, North Carolina, and Wisconsin included funding in fiscal 2022 for Medicaid expansion in their recommended budgets. Medicaid expansion spending from all fund sources is estimated to increase by \$15 billion in fiscal 2022, with state

funds increasing \$3 billion and federal funds increasing by \$12 billion. For most states, the state share for Medicaid expansion on a fiscal year basis is 8.5 percent in fiscal 2020 and 10 percent in fiscal 2021 and fiscal 2022.

Medicaid Enrollment

From February 2020 to November 2020, Medicaid enrollment increased by 8.1 million or 12.7 percent, according to the Centers for Medicare and Medicaid Services (CMS), reflecting the impact of COVID-19. Prior to the COVID-19 pandemic and ensuing economic fallout, enrollment was projected to increase by 0.8 percent for fiscal 2020, according to the Kaiser Family Foundation's annual Medicaid budget survey conducted in the fall of 2019. States at that time were largely attributing the relatively flat Medicaid enrollment levels to the improved economy though some states were also seeing process and systems changes, including changes to renewal processes, as also contributing to some enrollment declines.

Medicaid Programmatic Changes: Cost Containment and Program Enhancement

States reported the types of changes they made in the Medicaid program in fiscal 2021 and recommended changes for fiscal 2022 for both containing costs and enhancing programs. States' most common responses to contain costs in fiscal 2021 were changes to managed care organizations reflecting decreased utilization or to contain costs in 19 states, policies to cut costs for prescription drugs in 16 states, and enhanced program integrity efforts in 15 states. For recommended fiscal 2022 budgets, 14 states planned enhanced program integrity, 13 states planned changes to managed care capitation rates reflecting decreased utilization or to contain costs, 13 states proposed policies to reduce prescription drugs, and 11 states proposed changes to delivery systems. Some of the changes to contain costs are ongoing efforts of states, such as policies to reduce costs for prescription drugs and increased program integrity, while others, such as changes to managed care capitation rates, reflect the impact of the pandemic on decreased utilization of health care.

The program enhancements states have made or are planning to make reflect the impact of the pandemic, especially with the expansion of telehealth, increased provider payments for vulnerable providers, and expansion of behavioral services. In fiscal 2021, 35 states are expanding telehealth, 31 states are increasing payments to providers, 25 states are expanding access to behavioral health services, 16 states are expanding or restoring benefits, and 14 states are enhancing eligibility. In recommended fiscal 2022 budgets, 31 states propose to increase provider payments, 25 states propose expanding access to behavioral health services, 24 states plan to expand or continue expansion of telehealth, 18 states plan to expand or restore benefits, and 15 states plan to enhance eligibility. (See [Tables 34 and 35](#))

Provider Tax Increases for Medicaid. Some states have increased or plan to increase resources for Medicaid through provider taxes or fees. For fiscal 2021, fourteen states have raised or plan to raise provider taxes or fees while ten states have plans to raise provider taxes or fees in governors' recommended budgets for fiscal 2022. Restrictions to provider taxes and fees have surfaced in federal deficit reduction proposals, in Presidents' proposed budgets, and in congressional proposals over the years. States have also relied on provider tax increases to fund the state portion of Medicaid expansion. (See [Table 36](#))

Medicaid Spending Trends and Budget Pressures. States were asked to identify issues and trends that are affecting their Medicaid spending. The impact of COVID-19 on Medicaid is at the forefront of state concerns, especially the end of the increased FMAP tied to the declaration of a public health emergency. States noted concerns about increased enrollment driven by both the rise in the number of those unemployed and the continuous eligibility requirements that are linked to the increase in the FMAP. States also mentioned pharmacy costs, particularly for specialty drugs, overall enrollment, and utilization trends for long-term care. Other issues raised included: Medicaid expansion; increased demand for behavioral health; the underlying baseline for health care costs; the decline in nursing home counts and implications for funding; whether telehealth represents an expansion or substitution for services; and the lack of preventive health care for children during the pandemic.

TABLE 31

Medicaid Expenditures By Fund Source (\$ in millions)

State	Fiscal 2020 (Actual)				Fiscal 2021 (Estimated)				Fiscal 2022 (Recommended)			
	General	Other State	Federal	Total Funds	General	Other State	Federal	Total Funds	General	Other State	Federal	Total Funds
Alabama	\$726	\$1,177	\$5,405	\$7,308	\$820	\$1,285	\$5,993	\$8,098	\$769	\$1,400	\$6,087	\$8,256
Alaska	523	3	1,588	2,113	528	6	1,611	2,145	587	22	1,751	2,359
Arizona	1,426	1,132	11,312	13,870	1,688	2,029	12,453	16,170	1,779	2,247	13,768	17,793
Arkansas	1,243	461	5,703	7,407	1,306	712	6,755	8,772	1,380	823	6,752	8,954
California	26,579	18,391	61,598	106,567	25,938	27,086	75,728	128,753	32,681	23,249	78,706	134,636
Colorado	2,697	1,069	5,750	9,515	2,472	1,431	7,233	11,136	3,055	1,312	7,517	11,885
Connecticut*	3,440	0	5,084	8,525	3,606	0	5,172	8,778	3,620	0	5,402	9,021
Delaware	702	60	1,595	2,357	731	60	1,764	2,556	778	49	1,709	2,536
Florida	6,957	5,516	15,969	28,442	6,792	5,479	19,370	31,641	8,380	5,838	18,349	32,567
Georgia	2,480	714	8,344	11,537	3,191	700	7,643	11,534	3,679	538	8,009	12,226
Hawaii	761	68	1,482	2,311	823	85	1,780	2,688	830	85	1,700	2,615
Idaho	577	241	1,793	2,612	539	310	2,298	3,147	738	373	2,341	3,452
Illinois	3,836	5,767	13,214	22,817	4,046	5,411	16,430	25,887	3,806	7,214	16,443	27,463
Indiana	2,268	1,670	10,120	14,058	2,279	1,623	11,192	15,094	2,726	1,764	10,667	15,157
Iowa	1,418	430	3,877	5,725	1,417	434	4,413	6,264	1,649	448	4,083	6,180
Kansas	1,537	372	2,767	4,677	1,147	372	2,799	4,318	1,137	372	2,346	3,855
Kentucky	1,973	375	9,150	11,498	1,963	287	10,575	12,825	1,859	951	10,363	13,173
Louisiana	1,909	1,160	9,489	12,558	1,861	1,935	11,516	15,312	1,560	1,910	11,792	15,261
Maine	819	323	2,173	3,314	809	327	2,711	3,847	947	355	2,664	3,966
Maryland	3,442	1,022	7,339	11,802	3,505	953	8,042	12,500	4,143	786	7,772	12,701
Massachusetts	8,068	0	8,330	16,399	7,901	0	9,725	17,625	8,343	0	9,954	18,298
Michigan	2,530	2,738	14,075	19,343	2,897	2,979	16,720	22,597	3,582	3,053	16,540	23,175
Minnesota	5,302	169	7,899	13,369	5,172	154	8,656	13,982	6,381	166	9,943	16,490
Mississippi	868	499	5,017	6,384	751	485	5,325	6,560	833	522	5,116	6,471
Missouri	1,972	2,861	5,978	10,810	2,415	3,117	6,050	11,582	2,696	3,273	8,161	14,129
Montana*	279	110	914	1,303	269	105	937	1,311	343	115	971	1,429
Nebraska	1,075	33	1,239	2,347	1,090	47	1,368	2,506	1,113	47	1,688	2,848
Nevada	693	227	3,070	3,990	681	288	3,740	4,709	890	634	3,388	4,912
New Hampshire	324	488	938	1,749	474	516	1,125	2,115	381	491	953	1,825
New Jersey	4,126	1,776	8,182	14,083	4,390	1,916	8,951	15,256	4,730	1,857	9,944	16,531
New Mexico	948	316	5,361	6,624	970	362	5,968	7,300	1,012	376	5,116	6,504
New York	16,279	10,270	40,920	67,468	17,450	8,700	49,212	75,362	18,241	11,299	49,567	79,106
North Carolina*	3,805	1,873	11,149	16,828	3,497	1,344	11,898	16,739	3,992	1,531	12,956	18,478
North Dakota	475	0	793	1,268	404	0	881	1,284	384	0	909	1,293
Ohio	4,083	3,512	18,669	26,264	4,262	3,682	22,591	30,535	4,453	4,579	23,468	32,500
Oklahoma	935	1,085	3,396	5,417	900	948	3,999	5,848	1,041	956	5,613	7,609
Oregon	1,043	1,639	7,563	10,246	1,013	1,966	9,305	12,284	1,435	2,219	9,394	13,049
Pennsylvania	9,036	3,866	21,223	34,125	10,030	4,513	22,704	37,247	10,509	4,106	24,897	39,512
Rhode Island	1,095	0	1,624	2,719	1,135	0	2,001	3,136	1,168	0	1,969	3,136
South Carolina	1,244	743	5,139	7,127	1,275	566	5,529	7,369	1,373	944	5,126	7,443
South Dakota	334	4	566	904	320	6	671	996	414	6	676	1,096
Tennessee	2,616	1,687	7,543	11,847	3,201	1,495	7,634	12,329	3,179	1,495	7,713	12,386
Texas	9,908	234	27,533	37,675	11,387	241	31,968	43,596	N/A	N/A	N/A	N/A
Utah	450	299	2,225	2,974	472	382	3,288	4,141	566	417	3,336	4,318
Vermont	518	80	1,016	1,615	534	79	1,042	1,655	566	78	1,036	1,679
Virginia	4,138	968	8,462	13,569	4,084	1,395	10,557	16,037	4,981	1,459	10,958	17,398
Washington	4,189	626	8,558	13,373	4,380	653	10,220	15,252	4,826	719	10,162	15,707
West Virginia	434	382	3,335	4,150	440	377	4,036	4,852	483	476	4,006	4,966
Wisconsin	2,845	1,622	6,372	10,839	3,096	1,698	6,353	11,147	3,620	1,960	7,055	12,635
Wyoming	257	37	323	617	225	36	370	631	243	36	352	631
Total**	\$145,270	\$77,863	\$393,631	\$616,764	\$149,188	\$88,332	\$456,332	\$693,852	\$167,880	\$92,549	\$469,185	\$729,614

NOTES: N/A indicates data not available. *See Notes to Table 31 on page 93. **Totals exclude Texas, as the state was not able to provide comparable data for all three years.

TABLE 32

Annual Percentage Change in Medicaid Spending

State	Fiscal 2020 (Actual)				Fiscal 2021 (Estimated)				Fiscal 2022 (Recommended)			
	General	Other State	Federal	Total Funds	General	Other State	Federal	Total Funds	General	Other State	Federal	Total Funds
Alabama	-8.8%	-2.6%	8.6%	4.7%	13.0%	9.2%	10.9%	10.8%	-6.2%	9.0%	1.6%	2.0%
Alaska	-17.4	N/A	1.8	-3.6	1.0	N/A	1.5	1.5	11.2	N/A	8.6	10.0
Arizona	-7.2	-24.6	13.8	6.9	18.4	79.3	10.1	16.6	5.4	10.8	10.6	10.0
Arkansas	0.0	-38.8	7.8	1.7	5.1	54.4	18.4	18.4	5.7	15.6	0.0	2.1
California	16.2	-11.4	10.7	7.3	-2.4	47.3	22.9	20.8	26.0	-14.2	3.9	4.6
Colorado	-7.7	-25.6	3.2	-4.2	-8.3	33.9	25.8	17.0	23.6	-8.3	3.9	6.7
Connecticut*	-0.5	N/A	5.2	2.8	4.8	N/A	1.7	3.0	0.4	N/A	4.4	2.8
Delaware	-7.5	22.5	13.2	6.3	4.2	-0.2	10.6	8.4	6.4	-18.3	-3.1	-0.8
Florida	1.8	0.0	0.1	0.5	-2.4	-0.7	21.3	11.2	23.4	6.6	-5.3	2.9
Georgia	-7.1	-3.8	6.7	2.7	28.7	-1.9	-8.4	0.0	15.3	-23.1	4.8	6.0
Hawaii	2.1	17.2	7.2	5.8	8.1	25.0	20.1	16.3	0.9	0.0	-4.5	-2.7
Idaho	-6.0	15.1	20.0	12.7	-6.7	28.5	28.1	20.5	37.1	20.4	1.8	9.7
Illinois	-7.4	88.1	15.5	22.3	5.5	-6.2	24.3	13.5	-5.9	33.3	0.1	6.1
Indiana	-9.0	18.8	18.7	13.2	0.5	-2.8	10.6	7.4	19.6	8.7	-4.7	0.4
Iowa	-1.3	0.3	14.0	8.7	-0.1	0.9	13.8	9.4	16.4	3.2	-7.5	-1.3
Kansas	24.2	17.5	38.4	31.6	-25.4	0.0	1.1	-7.7	-0.9	0.0	-16.2	-10.7
Kentucky	8.1	-25.9	13.4	10.6	-0.5	-23.5	15.6	11.5	-5.3	231.0	-2.0	2.7
Louisiana	5.2	-8.0	13.0	9.5	-2.5	66.8	21.4	21.9	-16.2	-1.3	2.4	-0.3
Maine	1.5	5.3	16.6	11.4	-1.2	1.5	24.8	16.1	17.1	8.4	-1.7	3.1
Maryland	-8.7	0.3	4.3	-0.2	1.8	-6.8	9.6	5.9	18.2	-17.5	-3.4	1.6
Massachusetts	1.0	N/A	6.3	3.6	-2.1	N/A	16.7	7.5	5.6	N/A	2.4	3.8
Michigan	-10.5	-0.4	8.5	4.3	14.5	8.8	18.8	16.8	23.7	2.5	-1.1	2.6
Minnesota	3.0	-5.8	13.3	8.7	-2.4	-8.6	9.6	4.6	23.4	7.9	14.9	17.9
Mississippi	3.2	-11.0	11.1	7.9	-13.5	-2.9	6.1	2.8	10.9	7.8	-3.9	-1.4
Missouri	-7.0	9.6	10.1	6.4	22.5	9.0	1.2	7.1	11.6	5.0	34.9	22.0
Montana*	-4.6	9.5	9.3	6.0	-3.3	-5.0	2.5	0.6	27.3	10.0	3.6	9.0
Nebraska	3.1	-5.7	7.8	5.4	1.4	40.8	10.4	6.7	2.1	0.0	23.4	13.7
Nevada	-2.3	-16.0	0.4	-1.2	-1.7	26.8	21.8	18.0	30.6	120.4	-9.4	4.3
New Hampshire	-45.6	73.3	6.8	-0.3	46.5	5.8	19.9	20.9	-19.7	-4.9	-15.2	-13.7
New Jersey	-4.9	12.2	6.1	3.3	6.4	7.9	9.4	8.3	7.8	-3.0	11.1	8.4
New Mexico	2.5	25.5	20.8	18.0	2.4	14.6	11.3	10.2	4.3	4.0	-14.3	-10.9
New York	11.5	12.3	1.8	5.5	7.2	-15.3	20.3	11.7	4.5	29.9	0.7	5.0
North Carolina*	6.6	32.1	17.0	15.9	-8.1	-28.2	6.7	-0.5	14.1	13.9	8.9	10.4
North Dakota	-0.8	N/A	9.5	5.4	-15.1	N/A	11.1	1.3	-4.8	N/A	3.2	0.7
Ohio	-9.0	9.0	9.0	5.8	4.4	4.8	21.0	16.3	4.5	24.3	3.9	6.4
Oklahoma	-3.0	-15.0	12.5	3.0	-3.7	-12.7	17.8	8.0	15.6	0.8	40.3	30.1
Oregon	7.7	9.4	9.6	9.4	-2.9	19.9	23.0	19.9	41.7	12.9	1.0	6.2
Pennsylvania	-1.3	-13.5	13.8	5.7	11.0	16.8	7.0	9.1	4.8	-9.0	9.7	6.1
Rhode Island	-3.1	N/A	-0.5	-1.6	3.7	N/A	23.2	15.3	2.9	N/A	-1.6	0.0
South Carolina	10.6	-10.8	8.2	6.2	2.5	-23.9	7.6	3.4	7.7	66.9	-7.3	1.0
South Dakota	-8.2	-4.8	3.5	-1.1	-4.1	40.0	18.5	10.2	29.5	1.8	0.8	10.0
Tennessee	-14.0	36.5	13.0	8.2	22.3	-11.4	1.2	4.1	-0.7	0.0	1.0	0.5
Texas	-15.6	-27.5	17.9	6.3	14.9	2.9	16.1	15.7	N/A	N/A	N/A	N/A
Utah	-12.6	-34.2	20.4	5.6	4.8	27.6	47.8	39.3	19.9	9.1	1.5	4.3
Vermont	-7.6	-1.4	4.0	-0.3	3.0	-1.2	2.6	2.5	6.0	-2.0	-0.7	1.4
Virginia	-10.4	67.8	45.1	23.0	-1.3	44.1	24.8	18.2	22.0	4.6	3.8	8.5
Washington	1.2	9.4	7.2	5.3	4.6	4.3	19.4	14.1	10.2	10.1	-0.6	3.0
West Virginia	-21.2	47.6	15.2	12.0	1.4	-1.3	21.0	16.9	9.7	26.5	-0.7	2.3
Wisconsin	-5.4	-0.8	12.9	5.4	8.8	4.6	-0.3	2.8	16.9	15.4	11.0	13.3
Wyoming	-0.3	2.5	3.3	1.7	-12.4	-2.4	14.5	2.3	8.0	0.0	-4.9	0.0
Total**	-6.1%	2.2%	3.3%	0.8%	2.7%	13.4%	15.9%	12.5%	12.5%	4.8%	2.8%	5.2%
Median	-3.1%	0.3%	9.5%	5.7%	1.6%	4.3%	15.0%	10.2%	9.7%	5.8%	1.0%	3.1%

NOTES: NA indicates data not available or applicable. *See Notes to Table 32 on page 93. **Totals exclude Texas, as the state was not able to provide comparable data for all three years.

TABLE 33

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

State	Fiscal 2020 (Actual)					Fiscal 2021 (Estimated)					Fiscal 2022 (Recommended)				
	General	Other State	Total State	Federal	Total Funds	General	Other State	Total State	Federal	Total Funds	General	Other State	Total State	Federal	Total Funds
Alaska	\$0	\$0	\$25	\$457	\$482	\$0	\$0	\$36	\$516	\$552	\$0	\$0	\$38	\$553	\$591
Arizona	0	0	304	3,483	3,787	0	0	430	4,168	4,599	0	0	432	4,319	4,751
Arkansas	0	0	173	1,684	1,857	0	0	225	1,995	2,220	0	0	306	2,026	2,331
California*	1,695	0	1,695	16,997	18,692	2,313	0	2,313	20,881	23,194	2,663	0	2,663	23,142	25,805
Colorado	0	183	183	1,644	1,827	0	225	225	2,029	2,254	0	247	247	2,227	2,474
Connecticut	361	0	361	1,848	2,209	404	0	404	2,008	2,411	450	0	450	2,156	2,606
Delaware	51	0	51	545	597	63	0	63	568	631	64	0	64	579	643
Hawaii	54	0	54	554	608	78	0	78	694	772	70	0	70	650	720
Idaho	9	11	20	173	192	48	86	134	547	680	61	118	180	664	844
Illinois	23	390	413	4,376	4,789	24	410	433	4,595	5,028	25	430	455	4,825	5,280
Indiana	0	284	284	2,554	2,838	0	306	306	2,751	3,057	0	305	305	2,746	3,051
Iowa	118	0	118	979	1,097	165	0	165	1,101	1,267	153	0	153	1,117	1,270
Kentucky	0	0	281	2,974	3,255	0	0	386	3,471	3,857	0	0	396	3,566	3,962
Louisiana	0	445	445	3,340	3,785	53	443	496	4,965	5,461	13	519	532	5,143	5,675
Maine	2	0	2	19	21	3	0	3	18	21	3	0	3	18	21
Maryland	232	0	232	2,492	2,724	296	0	296	2,656	2,951	302	0	302	2,716	3,018
Massachusetts	234	0	234	2,105	2,339	293	0	293	2,639	2,932	370	0	370	3,325	3,695
Michigan	155	378	533	4,386	4,919	168	526	693	5,461	6,154	169	537	706	5,574	6,279
Minnesota	0	0	166	1,895	2,061	0	0	221	2,002	2,223	0	0	287	2,566	2,853
Missouri	0	0	0	0	0	0	0	0	0	0	129	182	311	1,582	1,894
Montana	26	50	76	747	823	44	45	89	803	892	31	54	85	781	865
Nebraska	0	0	0	0	0	44	0	44	373	417	44	0	44	373	417
Nevada	117	1	118	1,279	1,397	183	4	187	1,689	1,876	168	5	173	1,557	1,730
New Hampshire	0	0	35	349	384	0	0	58	490	547	0	0	59	529	588
New Jersey	327	0	327	2,947	3,274	457	0	457	3,654	4,111	520	0	520	4,455	4,975
New Mexico	139	0	139	1,536	1,675	190		190	1,750	1,940	186		186	1,719	1,905
New York	0	0	2,340	12,269	14,609	0	0	2,876	14,165	17,042	0	0	2,974	14,696	17,670
North Carolina	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
North Dakota	34	0	34	276	309	40	0	40	292	332	40	0	40	306	347
Ohio	403	44	447	4,692	5,139	579	86	666	5,991	6,656	660	95	755	6,792	7,547
Oklahoma	0	0	0	0	0	0	0	0	0	0	0	0	116	1,043	1,159
Oregon	0	0	298	2,681	2,979	0	0	381	3,430	3,811	0	0	410	3,695	4,105
Pennsylvania	0	0	514	5,712	6,226	0	0	858	7,735	8,593	0	0	890	7,640	8,530
Rhode Island	43	0	43	444	487	70	0	70	583	653	73	0	73	621	694
Utah	0	25	25	218	242	3	121	124	1,099	1,223	1	157	158	1,405	1,564
Vermont	0	0	75	265	340	0	0	76	271	347	0	0	74	274	348
Virginia	0	275	275	2,882	3,157	0	383	383	4,018	4,401	0	435	435	4,487	4,922
Washington	511	0	511	5,343	5,854	1,971	0	1,971	4,751	6,721	3,403	0	3,403	6,276	9,679
West Virginia	42	37	79	828	907	69	59	128	1,156	1,284	64	64	128	1,150	1,278
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	\$4,575	\$2,121	\$10,908	\$94,974	\$105,882	\$7,556	\$2,693	\$15,797	\$115,313	\$131,110	\$9,664	\$3,149	\$18,795	\$127,288	\$146,083

NOTES: N/A indicates data not available or applicable. Some states were not able to report state-funded Medicaid expansion expenditures broken down by fund source. *See Notes to Table 33 on page 93.

TABLE 34

Medicaid Programmatic Changes: Cost Containment, Fiscal 2021 and Recommended Fiscal 2022

State	Fiscal 2021						Other
	Restrict Provider Payments	Restrict benefits	Policies to Cut Costs for Prescription Drugs	Delivery system changes	MCO changes to contain costs/ reflect decrease in utilization	Enhanced program integrity efforts	
Alabama							
Alaska						X	
Arizona						X	
Arkansas							
California*			X		X		
Colorado*	X	X	X		X	X	
Connecticut*						X	
Delaware							
Florida							
Georgia					X		
Hawaii					X		
Idaho*	X				X		
Illinois							
Indiana*			X		X		X
Iowa*	X					X	
Kansas							
Kentucky							
Louisiana*		X					X
Maine*							
Maryland*					X		
Massachusetts*			X			X	
Michigan*			X		X	X	
Minnesota				X	X		
Mississippi*					X		
Missouri*			X		X	X	
Montana*							
Nebraska							
Nevada	X						
New Hampshire*				X	X	X	
New Jersey*						X	
New Mexico							
New York*	X		X	X	X	X	
North Carolina*							
North Dakota*			X	X			
Ohio*			X	X	X	X	
Oklahoma*							
Oregon							
Pennsylvania*					X		
Rhode Island*							
South Carolina*					X		
South Dakota							
Tennessee*			X			X	X
Texas			X		X	X	X
Utah*	X	X		X			
Vermont*			X	X			
Virginia*			X				X
Washington*			X		X		
West Virginia			X	X	X	X	
Wisconsin							
Wyoming*	X	X	X				X
Total	7	4	16	8	19	15	6

NOTES: *See Notes to Table 34 on page 93.

Table 34 continues on next page.

TABLE 34 (CONTINUED)

Medicaid Programmatic Changes: Cost Containment, Fiscal 2021 and Recommended Fiscal 2022

State	Fiscal 2022 Recommended						
	Restrict Provider Payments	Restrict benefits	Policies to Cut Costs for Prescription Drugs	Delivery system changes	MCO changes to contain costs/ reflect decrease in utilization	Enhanced program integrity efforts	Other
Alabama							
Alaska							
Arizona							
Arkansas							
California*							
Colorado*	X	X		X			
Connecticut*				X		X	X
Delaware							
Florida							
Georgia							
Hawaii						X	
Idaho*	X				X		
Illinois							
Indiana*			X		X		
Iowa*							
Kansas							
Kentucky							
Louisiana*							
Maine*			X				X
Maryland*							
Massachusetts*			X			X	
Michigan*					X	X	
Minnesota	X	X	X	X	X	X	
Mississippi*					X		
Missouri*			X	X	X	X	
Montana*			X				
Nebraska							
Nevada		X					
New Hampshire*				X	X	X	
New Jersey*			X				
New Mexico	X				X		
New York*	X		X	X	X	X	
North Carolina*							
North Dakota*			X	X			
Ohio*			X	X	X	X	
Oklahoma*				X			
Oregon							
Pennsylvania*							
Rhode Island*	X				X	X	
South Carolina*					X		
South Dakota							
Tennessee*			X			X	X
Texas						X	
Utah*						X	
Vermont*				X			
Virginia*							
Washington*							
West Virginia			X	X	X	X	
Wisconsin							
Wyoming*	X	X	X				X
Total	7	4	13	11	13	14	4

NOTES: *See Notes to Table 34 on page 93.

TABLE 35

Medicaid Programmatic Changes: Program Enhancements, Fiscal 2021 and Recommended Fiscal 2022

State	Fiscal 2021						
	Increase provider payments	Expand or restore benefits	Eligibility Enhancements	Expand Telehealth	Initiatives to expand access to behavioral health	Delivery system / MCO changes	Other
Alabama	X			X	X		
Alaska*					X		
Arizona	X	X		X	X		
Arkansas*	X			X			
California*							X
Colorado*	X		X	X	X		
Connecticut*	X			X			
Delaware*		X		X		X	
Florida							
Georgia							
Hawaii				X			
Idaho*	X	X		X	X	X	
Illinois	X	X	X	X	X	X	
Indiana*	X	X	X	X	X		X
Iowa*							
Kansas*							
Kentucky*	X		X	X			
Louisiana*	X	X		X			
Maine*							
Maryland*	X						
Massachusetts*	X	X		X	X		
Michigan*	X	X	X	X		X	
Minnesota	X		X	X	X		
Mississippi*	X			X			
Missouri*					X	X	
Montana*	X	X	X	X	X		
Nebraska*	X		X	X	X		
Nevada*				X			
New Hampshire*	X	X	X	X	X		
New Jersey*	X			X			
New Mexico*	X			X	X		
New York*			X	X	X		
North Carolina*				X		X	
North Dakota*					X		
Ohio*	X		X	X	X	X	
Oklahoma*	X	X		X			X
Oregon*	X		X	X	X	X	
Pennsylvania*	X	X		X		X	
Rhode Island*							
South Carolina*	X			X	X	X	
South Dakota	X			X	X		
Tennessee*				X			
Texas		X		X	X	X	X
Utah*					X		
Vermont*	X				X	X	
Virginia*	X	X	X	X	X	X	
Washington*	X	X			X	X	
West Virginia*	X	X	X	X			
Wisconsin*							
Wyoming*	X			X			
Total	31	16	14	35	25	14	4

NOTES: *See Notes to Table 35 on page 97.

Table 35 continues on next page.

TABLE 35 (CONTINUED)

Medicaid Programmatic Changes: Program Enhancements, Fiscal 2021 and Recommended Fiscal 2022

State	Fiscal 2022 Recommended						
	Increase provider payments	Expand or restore benefits	Eligibility Enhancements	Expand Telehealth	Initiatives to expand access to behavioral health	Delivery system / MCO changes	Other
Alabama	X			X	X		
Alaska*							
Arizona	X	X			X		
Arkansas*	X			X			
California*	X	X		X	X	X	
Colorado*	X	X	X	X			
Connecticut*	X				X		
Delaware*							
Florida							
Georgia			X	X	X		
Hawaii				X			
Idaho*				X	X	X	
Illinois	X				X		X
Indiana*	X		X	X			X
Iowa*	X						
Kansas*		X					
Kentucky*	X				X		
Louisiana*		X		X			
Maine*	X		X		X		
Maryland*	X						
Massachusetts*	X	X		X	X		
Michigan*	X	X			X		
Minnesota	X	X		X	X	X	
Mississippi*	X			X			
Missouri*	X	X		X	X	X	
Montana*	X	X		X	X		
Nebraska*							
Nevada*	X						
New Hampshire*		X	X	X	X		
New Jersey*	X	X	X	X			
New Mexico*			X		X		
New York*		X	X	X	X		
North Carolina*						X	
North Dakota*	X					X	
Ohio*	X		X	X	X	X	
Oklahoma*	X		X	X	X	X	X
Oregon*							
Pennsylvania*	X						X
Rhode Island*	X					X	
South Carolina*				X	X	X	
South Dakota	X			X	X		
Tennessee*		X	X				
Texas							
Utah*	X	X			X		
Vermont*	X				X	X	
Virginia*	X	X	X	X	X	X	
Washington*			X				
West Virginia*	X	X	X	X			
Wisconsin*	X	X	X		X	X	
Wyoming*				X			
Total	31	18	15	24	25	13	4

NOTES: *See Notes to Table 35 on page 97.

TABLE 36

Provider Tax Increases for Medicaid Program

State	Fiscal 2021	Fiscal 2022 (Recommended)
Alabama		
Alaska		
Arizona	X	
Arkansas		
California		
Colorado		
Connecticut		
Delaware		
Florida		
Georgia		
Hawaii	X	X
Idaho	X	X
Illinois	X	
Indiana		
Iowa		
Kansas		
Kentucky	X	
Louisiana	X	
Maine		
Maryland	X	X
Massachusetts	X	
Michigan	X	
Minnesota		
Mississippi		
Missouri		
Montana	X	
Nebraska		
Nevada		
New Hampshire		
New Jersey	X	
New Mexico		
New York		
North Carolina		X
North Dakota		
Ohio	X	X
Oklahoma		X
Oregon		
Pennsylvania		
Rhode Island		
South Carolina		
South Dakota		
Tennessee		
Texas		
Utah		X
Vermont		
Virginia		
Washington		X
West Virginia	X	X
Wisconsin		
Wyoming	X	X
Total	14	10

CHAPTER 4 NOTES

Notes to Table 31: Medicaid Expenditures by Fund Source and Table 32: Annual Percentage Change in Medicaid Spending

Connecticut	The Medicaid appropriation in the Department of Social Services (DSS) is “net funded” while other Medicaid expenditures — including funding for the Hospital Supplemental Payments account in DSS — are gross funded with federal funds deposited directly to the State Treasury. With the exception of enhanced FMAP available for certain populations and services and the current public health emergency, 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.
Montana	Actual FY 20 and estimated FY 21 general fund and other state fund expenditures for Medicaid are lower than budgeted due to receipt of the 6.2% enhanced FMAP. This results in what appears to be a large growth in Medicaid expenditures in FY 22, whereas the calculated growth is attributable to an assumption of no enhanced FMAP in FY 22.
North Carolina	Due to changes to the way these programs are forecasted and budgeted, the values represent the totals for NC Medicaid and CHIP programs.

Notes to Table 33: Medicaid Expansion Expenditures, Fiscal 2020 to Fiscal 2022

California	Actuals for Fiscal 2020 are unavailable. Estimated expenditures for Fiscal 2020 at the time of the Fiscal 2021 Budget are reflected.
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Notes to Table 34: Medicaid Programmatic Changes: Cost Containment, Fiscal 2021 and Recommended Fiscal 2022

California	<p>Policies to cut costs for prescription drugs: The revised Fiscal 2021 Budget includes costs of \$70.2 million General Fund in Fiscal 2021 and savings of \$238.2 million General Fund in Fiscal 2022 associated with the carve-out of the Medi-Cal pharmacy benefit from managed care to fee-for-service (Medi-Cal Rx), effective April 1, 2021. Full annual savings are projected to be \$419 million General Fund by 2023-24.</p> <p>MCO changes to contain costs/reflect decrease in utilization: The enacted Fiscal 2021 Budget implemented changes to the way that managed care capitation rates are determined. These changes include various acuity, efficiency, and cost containment adjustments. These adjustments are effective for the managed care rate year starting January 1, 2021, and are projected to yield savings of \$63 million General Fund in Fiscal 2021. Additionally, the Budget assumes a 1.5 percent rate reduction for the July 1, 2019, through December 31, 2020, period, resulting in savings of \$182 million General Fund in Fiscal 2021.</p>
Colorado	<p>FY 2021–22: The Colorado General Assembly has budgeted for decreases in certain provider rates so that they are more aligned with commercial or Medicare benchmarks including a component of allergy testing, pulse oximeters, and certain prosthetic, orthotics, and other supplies. Another change is to limit outpatient speech therapy to 3 visits each year. A delivery system change is to implement an eConsult program to increase access to specialty.</p> <p>FY 2020–21: Implemented a 1% across the board rate decrease for most providers, limited allowable growth of nursing facility rates to 2% (previously 3%), reduced supplemental payments to pediatric specialty hospitals, and reduced cap on the adult dental benefit from \$1,500 per person per year to \$1,000 per person per year (which was never implemented to comply with the maintenance of effort condition as part of receiving the enhanced FMAP from the Families First Coronavirus Response Act). In order to control pharmacy costs, the Department implemented more nuanced pricing methodologies to appropriately price drugs such as using maximum allowable cost (MAC) when average acquisition cost (AAC) is unavailable and using average acquisition cost for physician administered drugs. The Department also implemented a prescriber tool that provides information to prescribers about Colorado Medicaid’s drug costs, preferred drug listing (PDL), prior authorization requirements, and member-based risk factors based on diagnosis. There was also a 2.37% rate reduction to the Program for All Inclusive Care of the Elderly (PACE) and the Department used lower bound rate in managed care contracts to contain costs in MCOs during the economic downturn. As a cost containment and program integrity effort, the Department implemented a utilization management contractor for consumer directed programs on the Home and Community-Based Services waivers. Additionally, the Department hired a contractor to help maximize recovering funds from other insurance sources that should have paid before Medicaid.</p>

Connecticut	Includes efforts to strengthen program integrity in both FY 21 and FY 22. Governor's proposed budget for FY 22 includes proposals to implement a third party liability prompt pay requirement and claim residential care home services under Medicaid (for savings under State Supplement). Also, implementation of an acuity-based reimbursement system for nursing homes, which is to be cost neutral.
Idaho	Implement Healthy Connections Value Care (HCVC) program statewide. The HCVC program began in 2020, but starting July 1, 2021, Medicaid provider groups, hospitals and primary care, will accept accountability for controlling costs and improving health outcomes by a requirement to partner with value care organizations (VCOs) to increase relationships, control the Medicaid budget, and share in savings for improved outcomes. Payments for inpatient acute care hospitals will move from a fee-for-service to an All Patient Refined Diagnosis Related Groups (APR-DRG) model on July 1, 2021. A new payment methodology designed for nursing facilities will be implemented on July 1, 2021 which takes into account patient needs, facility quality of care, reasonable cost principles and state budget limitations. Rules will be promulgated to strike hospital and nursing facility cost-based language and align with the changes set forth in Idaho Code 56-116. Idaho Legislature passed House bill 351 that reduces Hospital costs to 91% of cost for third quarter of State fiscal year 2020 and full state fiscal year 2021. Managed care contracts are being evaluated for changes to narrow the corridor or removal; decrease or cap QL; and focus on improving member outcomes, and specifically for duals a target to evaluate and move clients institutionalized to HCBS settings.
Illinois	Illinois did not implement cost containment changes in FY 2021 and is not recommending any in FY 2022.
Indiana	<p>Indiana decreased the administration portion of our managed care entity (MCE) capitation payment. In addition, we instituted a risk corridor for CY 2020 and 2021 to capture funds from the MCEs resulting from the change in utilization.</p> <p>Prescription Drugs: For FY 2021, we reinstituted utilization management preventing early refills and requiring PA approvals that were suspended for the COVID-19 response (retrospective analysis showed these suspended UM were not heavily utilized during the pandemic). For FY 2022, we are adding the capacity to enter into value-based contracts for drugs into our state plan. We are also analyzing the impact of carving out the pharmacy benefit from our managed care programs.</p>
Iowa	Leveraged existing Iowa rules and federal regulations to enhance program integrity efforts by sanctioning providers who has outstanding overpayments with the Department. This effort requires the managed care entities to adopt the state's action and restrict payments to the providers.
Louisiana	<p>Restrict Benefits: Definitive urine drug testing limited to 12 tests per year per member, effective 1/1/21. Vitamin D testing limited to 4 tests per year, effective 1/1/21. Glucose test strips and lancets for diabetes limited, effective 1/1/21.</p> <p>Other: Enrollment acuity adjustment due to suspended redeterminations resulted in a reduction to PMPM rates, effective 7/1/20</p>
Maine	Prescription Drugs — Changes to reduce MaineCare prescription drug dispensing fee; achieve savings by establishing a reimbursement methodology that reimburses 340B providers at the approximate cost of 340B physician administered drugs; reduce cost by developing a preferred drug list and prior authorization process for physician-administered drugs where there are biosimilar equivalents eligible for rebates. Other - adjusts funding related to rebasing the hospital tax year from fiscal year 2015-16 to 2017-18 and eliminates exceptions for psychiatric units' rates per discharge.
Maryland	Carve in HIV services.
Massachusetts	<p>Prescription drugs: enhanced supplemental rebates; enhanced formulary management, e.g., increased price transparency + negotiation tools</p> <p>Program integrity: increase oversight of provider and member integrity (e.g., expanded PARIS matching) and TPL contract management initiatives</p>
Michigan	<p>FY21</p> <p>Prescription drugs: The budget includes savings of \$322m from implementing a single preferred drug list across all managed care plans.</p> <p>MCO changes: The budget assumed savings of \$140m from implementing a two-way risk corridor for physical health HMOs. However, accounting rules required the state to actually reflect these savings in FY20. The two-way risk corridor remains in effect for FY21.</p> <p>Program integrity: The enacted budget recognizes savings of \$31m from partnering with health plans to recoup costs that should have been billed to Medicare.</p>

FY22

MCO changes: The executive budget calls for fixing a loophole that allowed an integrated care MCO to be paid a significantly higher rate if a client was approved for a personal emergency response system (PERS)

Program integrity: The executive budget identifies savings of \$4m from IT system enhancements that will more accurately identify inappropriate hospital claims.

The executive budget recognizes \$33m in savings from ensuring that reimbursement for personal care services is not made without proof of service.

Mississippi	A two-sided risk corridor has been requested for FY2021 and will also be requested for FY2022 capitation rates. Both are due to the uncertainties related to utilization because of COVID-19.
Missouri	Changes to the reimbursement methodology for prescription drugs.
Montana	Prescription Efficiencies proposed by Governor in 2023 Biennium Budget.
New Hampshire	MCO contracts continue to contain managed care savings assumptions built into the capitation rates. Implemented risk corridors to limit MCO windfalls due to Covid-19 PHE. Implemented MCO Price Limitation decrease comprised of an overall capitation reduction of 3% in response to 1) reduction in service utilization due to COVID; 2) administrative allowance reduction and tighter Medical Loss Ratio requirement all in response to Covid-19.
New Jersey	<p>FY21: Clarification of MLTSS program rules surrounding medical day care services; match eligibility files with data contained in the Public Assistance Reporting Information System (PARIS).</p> <p>FY22: The State will contract with a third-party vendor to apply a risk reduction model to the prescription drug services provided within the Medicaid program in the hopes of improving outcomes while reducing costs.</p>
New York	<p>The FY 2021 reforms were developed by the New York State Medicaid Redesign Team who was tasked with identifying cost containment measures to provide approximately \$2.5 billion in savings to the Medicaid program while ensuring zero impact on local governments and beneficiaries. These actions include statutory reforms in Managed Care Organizations to reduce inappropriate payment denials, implementation of Health Home reforms to drive efficiencies, implementation of CDPAP reforms to improve oversight and accountability, and enhance purchasing power to lower drug costs. The Medicaid Redesign Team has also proposed the following reforms to help reduce the drivers of high Medicaid costs: discontinuing and reducing Medicaid transportation supplemental rates, reducing Indigent care pool for voluntary hospitals, reducing hospital capital rate add-ons and reconciliation payments, reducing workforce retraining and retention funding, adjusting the community spouse resource amount and enhancing wage parity enforcement. These reforms are not expected to have a significant impact on enrollment, but do intend to significantly decrease administrative costs. Details of the FY 2021 cost-containment actions can be found online: https://www.health.ny.gov/health_care/medicaid/redesign/2020/2020-21_enacted_budget_scorecard.htm</p> <p>The proposed FY 2022 reforms continue the implementation of carving out the Medicaid pharmacy benefit from Managed Care to Fee for Service to increase transparency, maximize rebates and reduce costs while maintaining an investment in to 340B entities. Additional measures include pharmaceutical efficiencies to continue efforts in limiting the rising cost of prescription drugs by extending the Medicaid drug cap and enhancing pharmacy oversight by eliminating “prescriber prevails” and coverage for certain over-the-counter drugs. Other cost containment measures include discontinuing the State funded portion of the Public Indigent Care Pool (ICP), reduce the hospital capital rate add-ons and reducing supplemental pools for certain health care plans and providers.</p>
North Dakota	Prescription drug coverage for Medicaid Expansion population is being administered by the State starting SFY2020 (January 1, 2020 effective date). Governor’s budget proposal included administering Medicaid Expansion population as fee for services (FFS) in SFY2022 (January 1, 2022 effective date).
Ohio	Implementing a Single Pharmacy Benefit Manager and centralizing provider credentialing is expected to reduce cost for the state. Reprourement of Managed Care Plans.

Oklahoma	Oklahoma has selected four qualified and experienced managed care organizations (MCOs) to assist in executing comprehensive managed care delivery system for certain Medicaid members in SFY2022, effective 10/01/2021. The managed care delivery model will allow the State to improve health outcomes for Oklahomans; move toward value-based payments and away from payments based on volume; improve Medicaid beneficiary satisfaction; improve access to prevention and treatment services through better care coordination; and increase cost predictability in the state.
Pennsylvania	Medication adherence (\$15M)
Rhode Island	The FY 2022 Recommended Budget includes the following budget actions, grouped based on the categories above as follows: Provider Payments: 1) - Outpatient Upper Payment Limit Elimination. The Governor recommends the elimination of these payments in FY 2022, for savings of \$2.2 million in general revenue and \$4.9 million in all funds. 2) Graduate Medical Education Payment Elimination. The Governor recommends elimination of this supplemental payment to Rhode Island Hospital, for a reduction of \$2.2 million in all funds, including \$1.0 million in general revenue. [There is no assumed effect on enrollment for any of these initiatives/no effect on admin costs]. Delivery System: 3) Long-Term Services and Supports (LTSS) Resiliency and Rebalancing. The Governor recommends a package of long-term services and support initiatives to rebalance the Medicaid LTSS utilization away from institutional settings and toward home and community (HCBS) settings leading towards an estimated reduction of \$9.2 million in all funds, including \$4.5 million in general revenue. MCO Changes: 4) Managed Care Organizations Profit Margin Reduction. The Governor recommends a reduction in the MCO profit margin from 1.5 percent to 1.25 percent for a funds reduction of \$4.0 million, including \$1.2 million in general revenue. Program Integrity Enhanced Efforts: 5) Rlt Share Enhancements. The Governor recommends maximizing Rlt Share enrollment to move employees onto employer-sponsored insurance (ESI), projecting general revenue savings of \$467,273 (six months of FY 2022), increasing thereafter once employment returns to pre-pandemic levels. 6) Program Integrity Enhancements. The Governor recommends a reduction of \$1.4 million all funds, including \$622,234 in general revenue, by implementing program integrity activities as EOHHS implements Electronic Visit Verification (EVV) and extending these activities to the managed care delivery system. Program Integrity currently reviews and monitors, Medicaid fee-for-service providers and claims to ensure compliance and appropriate billing practices. This initiative is net of an FTE position at a general revenue cost of \$75,704. 7) Third Party Liability (TPL) Optimization. The Governor recommends a reduction of \$890,000 in all funds, including \$395,991 in general revenue, by implementing improvements to the management of beneficiary TPL coverage collection in order to maximize fee-for-service cost avoidance and subrogation revenue. This reduction is net of an all funds investment of \$379,600, including \$189,000 in general revenue. 8) Community Health Workers (CHW) Investment. The Governor recommends a reduction of \$340,313 in all funds, including \$115,082 in general revenue, by investing in CHWs.
South Carolina	SCDHHS has implemented a risk corridor program, which protects both the managed care organizations (MCO) and SCDHHS from unanticipated profits or losses arising from COVID-19 related medical costs. Using the risk adjusted target medical expense as the base, results will be calculated separately for each MCO and for each fiscal year 2020 and 2021.
Tennessee	TennCare is annually asked for spending reduction items. We continue to expand our fraud, waste and abuse reduction efforts. We have payment reform efforts underway that are generating savings. Also, we are continuously monitoring prescription drug utilization to find areas of abuse or needed limitations. None of these changes are expected to affect enrollment but administrative costs could be decreased slightly by these changes. Other includes implementing policies and pricing strategies to reduce unnecessary and excessive costs.
Utah	Changes were made in fiscal year 2021 to keep managed care rates flat, remove inflationary increases for outpatient claims paid through OPPS, restrict the number of drug tests that Medicaid will cover, shift a population from managed care dental to fee for services so the funding responsibility of the state share could be shifted to the University of Utah School of Dentistry, and allow the state OIG to collect overpayments in managed care.
Vermont	Continued expansion of ACO program; Payment reform initiatives; Preferred Drug List (PDL) Management for HIV drugs.
Virginia	In FY 2021, Virginia prohibited Medicaid managed care organizations from engaging in "spread pricing" with pharmacy benefit managers. In addition, Virginia implemented programs aimed at improving care by reducing Medicaid hospital readmissions and avoidable emergency room utilization.

Washington	Removal of pharmacy spread pricing between the PBM and MCOs. Decrease in cost due to collection of supplemental rebates on prescriptions. Effective for CY 2021, HCA has developed three efficiency adjustments to adjust physical health medical costs for areas where the MCOs can improve performance. These areas are: hospital reimbursement (including combined inpatient and outpatient hospital services, but excluding select hospitals), professional reimbursement (excluding primary care and pediatric providers), and avoidable emergency department use.
Wyoming	Wyoming ended its PACE program in Fiscal 2021. Wyoming transitioned its CHIP population from a managed care program to an FFS Medicaid-like program during 2021. Both of these changes created large percentage savings. Wyoming implemented a 2.5% across the board rate reduction. Mandatory 90 day supply on pharmacy to help reduce dispensing fees implemented in 2021. Eliminated coverage of certain HCBS services in 2021. Eliminated chiropractic coverage for all individuals. Eliminate or reduced a number of administrative

Notes to Table 35: Medicaid Programmatic Changes: Program Enhancements, Fiscal 2021 and Recommended Fiscal 2022

Alaska	Continued onboarding CMS 1115 demonstration project for Substance Use Disorder Treatment and Alaska Behavioral Health Program.
Arkansas	Arkansas has an Executive Order to routinely complete provider rate reviews. Due to emergency rules, Arkansas expanded telehealth services for the COVID-19 pandemic. The Arkansas Legislative Session is currently ongoing, and there are telehealth bills to make permanent.
California	<p>Increase provider payments: The proposed Fiscal 2022 Budget delays the suspension of various Proposition 56 (tobacco tax revenue) supplemental payment programs by 12 months and includes a total of \$275.3 million General Fund for these programs in Fiscal 2022. The Budget would have otherwise included \$759.9 million General Fund savings if the suspensions were not delayed. General Fund partially supports supplemental payment programs at current levels now that program costs exceed declining tobacco tax revenues primarily due to the assumed implementation of the ban on flavored tobacco and vaping products.</p> <p>Expand or restore benefits: The proposed Fiscal 2022 Budget expands or restores a number of benefits, including the addition of continuous glucose monitors as a covered benefit for adults with type 1 diabetes (\$3.9 million General Fund in Fiscal 2022), reinstatement of over-the-counter adult acetaminophen and cough/cold products as covered benefits (-\$7.8 million General Fund in Fiscal 2022), delayed suspension of post-partum extended eligibility by 12 months (\$27.1 million General Fund in Fiscal 2022), and delayed suspension by 12 months of audiology and speech therapy services, incontinence creams and washes, optician and optical lab services, and podiatric services (\$15.6 million General Fund in Fiscal 2022).</p> <p>Expand telehealth: The proposed Fiscal 2022 Budget includes \$34 million General Fund to maintain and expand telehealth flexibilities authorized during COVID-19 for Medi-Cal providers, and to add remote patient monitoring as a new benefit/modality.</p> <p>Initiatives to expand access to behavioral health: The proposed Fiscal 2022 Budget includes funding for Behavioral Health Continuum Infrastructure (\$750 million General Fund in Fiscal 2022), which provides competitive grants to counties to acquire and rehabilitate real estate assets to expand the community continuum of behavioral health treatment resources. Additionally, the Fiscal 2022 Budget includes Increased Access to Student Behavioral Health Services (\$200 million General Fund in Fiscal 2022) to build infrastructure, partnerships, and capacity statewide to increase the number of students receiving preventive and early intervention behavioral health services by schools, providers in schools, or school-based health centers.</p> <p>Delivery system / MCO changes to enhance program: The proposed Fiscal 2022 Budget includes \$531.9 million General Fund to implement the California Advancing and Innovating Medi-Cal (CalAIM) framework, which includes broad delivery system reforms. More specifically, CalAIM proposes the following managed care delivery system reforms:</p> <ul style="list-style-type: none"> • Standardize managed care enrollment and benefits statewide. • Transition to statewide managed long-term services and supports. • Require Medi-Cal managed care plans be National Committee for Quality Assurance accredited. • Implement regional rates for Medi-Cal managed care plans

CalAIM also expands benefits and policies to improve health outcomes, including the adoption of Enhanced Care Management, In Lieu of Services, Population Health Management, and Managed Long Term Services and Support/Dual Special Needs Plans.

Other: The revised Fiscal 2021 Budget assumes various federally approved waiver flexibilities. It also reflects the impacts of the continuous coverage requirement as a condition of receiving the temporary increase in the Federal Medical Assistance Percentage (FMAP) for the duration of the public health emergency, assumed through the end of calendar year 2021. Waiver flexibilities include but are not limited to implementation of the COVID-19 uninsured eligibility group (which provides COVID-19 testing and treatment to uninsured individuals), a 10 percent per diem rate add-on for Long Term Care facilities, and expansion of the Presumptive Eligibility (PE) program to include the aged, disabled, and blind population and expansion of current PE period limitations to two periods within a 12-month timeframe. The proposed Fiscal 2022 Budget continues to reflect these flexibilities and the continuous coverage requirement.

Colorado

FY 2021–22: To increase provider payments, the Colorado General Assembly has budgeted for a 2.5% rate increase to most providers in its annual appropriations bill. In terms of efforts to expand or restore benefits, Colorado has budgeted for the restoration of the adult dental benefit cap to \$1,500 from \$1,000; however, the original reduction was never implemented to comply with the maintenance of effort condition as part of receiving the enhanced FMAP from the Families First Coronavirus Response Act. Colorado has also budgeted funds to expand the number of enrollments in its waiver program for individuals with developmental disabilities and expand service units available to members in its supported living services waiver program. For eligibility enhancement efforts, the Colorado General Assembly has budgeted funds to integrate eligibility processing for the State's behavioral health programs into the Colorado Benefits Management System (CBMS) and Colorado Program and Eligibility Application Kit (PEAK). For efforts to expand telemedicine, the Colorado General Assembly has budgeted funds to add remote support services to home and community-based services waivers and implement an eConsult program to increase access to specialty care.

FY 2020–21: To increase provider payments, the Department implemented provider rate increases to residential child care facilities (RCCF) in the Children's Habilitation Residential Program (CHRP) waiver. For eligibility enhancements, the Department implemented a program to crosscheck income eligibility of members with data from the State's Department of Labor & Employment. For efforts to expand telehealth, the Department made some emergency changes to allow telehealth to be billed by several new provider types including federally qualified health centers, rural health centers, Indian health services, physical therapists, occupational therapists, speech therapists, home health, home and community-based services, hospice, and pediatric behavioral health providers. To expand access to behavioral health, the Department implemented a substance-use disorder benefit as of January 1, 2021.

Temporary program enhancement tied to public health emergency: The Department is continuing to evaluate the appropriateness of its emergency reimbursement policy on telemedicine.

Connecticut

Enacted budget for FY 21 provided funding for nursing home rate increases (to support increases in wages/benefits); FY 21 and FY 22 includes hospital rate increases and additional funding for HCBS waiver providers due to minimum wage increases; FY 22 includes additional funding for hospital supplemental payments. In addition, revenue from the SUD demonstration waiver, which will be implemented in FY 22, will be reinvested to strengthen the SUD service system.

Delaware

Limited Adult Dental Benefit began 10/2020.

Expansion of telehealth services.

MCOs offering additional home-delivered meals.

Home-delivered meals is a temporary program enhancement tied to the public health emergency.

Idaho

2021 provider rate increases for the following provider types: Community Support Employment, Ambulatory Surgical Centers, Home Visiting Services, and Personal Assistance Agency providers for program related expenses due to the Electronic Visit Verification (EVV) mandate. These programmatic changes impact both an increase in enrollment and an increase in administrative costs. April 2021, received CMS approval for the Idaho Behavioral Health Transformation Wavier, allowing Idaho Medicaid the authority to use federal funding to pay for mental health and substance abuse services received in Institutions for Mental Disease for Medicaid members between the ages of 21 and 64. Before this change, these services were largely covered using state general funds. The goals of this wavier are to increase access to care and improve care coordination in the Idaho behavioral health system of care. Additionally, Medicaid is working in partnership with the Division of Behavioral Health to develop a new

and innovative plan to improve the quality of behavioral health care services across the system of care when the current Medicaid outpatient behavioral health contract with Optum Idaho expires in June 2022. The new contract will include management of inpatient services, which will help expand services, increase access to care and improve care coordination activities for Idaho Medicaid participants. The goal for contract award is summer 2021 to allow a sufficient transition and implementation period.

Certain HCBS temporary rate adjustments were made on April 17, 2020 due to the public health emergency (PHE); most remain in effect. Some HCBS services were identified as returning to levels that existed prior to the PHE, based on monitoring of claims and utilization data, and effective July 25, 2020, some of the temporary rate adjustments were rescinded. Telehealth flexibilities remain in effect and we are evaluating the extent to which these flexibilities may be made permanent. We are evaluating H.R. 1319 ARPA and plan to act on the 10% FMAP bump for HCBS providers.

Illinois

Illinois used quality withhold dollars to fund COVID reinvestment proposals from MCOs; these proposals were far-reaching and included initiatives addressing the social determinants of health and behavioral health. The Healthcare Transformation Collaborative launched in FY 2021 and will proceed in FY 2022. Additionally, Illinois is undertaking hospital and long term care rate reform; however, these changes have yet to be finalized to the point of budgetary inclusion.

Many of the benefits and eligibility program enhancements noted for FY 2021 relate to the public health emergency and actually began in FY 2020.

Indiana

Indiana Medicaid expanded telehealth during the PHE but plan to continue some of the expansions permanently (pending state legislation and State Plan approval).

Indiana Medicaid expanded coverage and benefits for our members, as needed and as approved. Stakeholders may request that the State add coverage for a specific procedure, it is then reviewed and added to our coverage policies, if approved.

We recently renewed our 1115 SMI and SUD waivers. In addition, we created an enrollment type for licensed mid-level behavioral health providers, which will increase access to those providers/services for our members.

Additionally, as a result of COVID we increased skilled nursing facility payments for facilities designated ready to take COVID positive patients.

As of 3/18/2020, we are not terminating Medicaid eligibility unless the individual has died, moved out of Indiana, or voluntarily withdraws from the program.

As of 5/22/2020 we began approving Medicaid applications based on client attestations for most items, and not requiring documentation until after the application is approved. ("post-eligibility verification")

In October 2020, we began our Expedited Waiver Eligibility pilot to grant same day Medicaid and Aged & Disabled waiver coverage to those who qualify.

If approved, the HIP Bridge program to give a transitional \$1000 account to cover approved healthcare expenses for those who fail HIP due to excess income will begin in FY 2022.

Division of Aging implemented the following: Retainer payments for impacted adult day centers, expedited eligibility pilot, virtual case management, social isolation survey.

The increase to skilled nursing facility payments is temporary and tied to the public health emergency.

Not terminating Medicaid is a requirement for receiving enhanced FMAP under the Families First Coronavirus Response Act (FFCRA); the requirement ends after the month in which the PHE ends. Post-eligibility verification was begun due to the public health emergency. Expedited Waiver Eligibility uses Appendix K authority due to the public health emergency, and expires 6 months after the emergency is ended.

We expanded telehealth through the Appendix K Flexibilities for Home and Community Based Services Waivers.

Division of Aging implemented the following related to the PHE: Retainer payments for impacted adult day centers, expedited eligibility pilot, and virtual case management.

Iowa	Increased provider payments applicable for FY22 due to rate increases for nursing facility, HCBS, and PMIC and Pharmacy Dispensing Fee - The dispensing fee amount from the 2020 Cost of Dispensing Survey (completed every 2 years) increased from \$10.07 to \$10.38 but the fee will not change to this higher amount unless additional funds are appropriated.
Kansas	The Governor has proposed Medicaid Expansion for the FY 2022 budget.
Kentucky	<p>Increased Provider payments in FY 2021 and FY2022 due to statutory and federally required inflationary adjustments and the establishment of new directed payment methodologies.</p> <p>Eligibility enhancements in FY2021 was due to expanding and expediting eligibility through the Presumptive Eligibility program through a 1135 disaster relief SPA filed to address issues related to PHE</p> <p>Expand telehealth in FY2021 was due to addressing access to care during the PHE through a 1135 disaster relief SPA. However, there is current legislation being considered to continue providing these expanded telehealth measures post PHE.</p> <p>Expand access to behavioral health as Kentucky has filed an amended 1115 waiver to authorize federal Medicaid matching funds for the provision of substance use disorder (SUD) treatment to eligible incarcerated members to help address the opioid use disorder (OUD) that remains as one of the most critical public health and safety issues facing the Commonwealth of Kentucky.</p> <p>Eligibility enhancement through the Presumptive Eligibility program is completely tied to PHE and currently the expanded telehealth services are as well. However, the expanded telehealth services are being considered to continue post PHE.</p>
Louisiana	<p>FY21: Fee schedules increased effective 7/1/20 for inpatient services, FQHCs/RHCs, and NEMT. Fee schedules increased effective 1/1/21 for outpatient hospital services, inpatient subspecialists, neonatology services, and LSU professional service providers. Rates were adjusted effective 1/1/21 for COVID testing and treatment. Peer Support Services is a new benefit effective 2/1/21. Telehealth options were expanded in response to the PHE.</p> <p>FY22: An expansion of benefits to disabled children is planned under the new Act 421 Children's Medicaid Option. Telehealth expansions continue into FY22.</p> <p>Some expanded telehealth options enacted in response to the PHE, particularly those related to behavioral health services, may be rescinded following the PHE.</p>
Maine	The Governor's Recommended Budget includes rate increases and/or cost of living adjustments for several categories of providers. It also provides funding for individuals with intellectual disabilities to receive services pursuant to MaineCare Benefits Manual, Chapter II, Section 29, Support Services for Adults with Intellectual Disabilities or Autism Spectrum Disorder thus promoting greater independence, employment and community engagement.
Maryland	Many provider rate increases originally budgeted for FY22 were accelerated to begin in January 2021. There are also a few provider rate increases in FY22.
Massachusetts	<p>Benefits: expanded adult dental coverage as of 1/1/21; postpartum coverage expansion</p> <p>BH access: Increasing IP Psych bed capacity to reduce ED Boarding, strengthening SUD treatment and better integrating SUD and mental health treatment.</p> <p>Temporary enhancements tied to public health emergency: Enhanced funding for inpatient psychiatric treatment for COVID-positive patients and dedicated COVID-positive inpatient psych units</p>
Michigan	<p>FY21</p> <p>Increase provider payments: 10% rate increase for private duty nursing providers serving children with special medical or behavioral health needs.</p> <p>The enacted budget includes \$353m to increase outpatient hospital reimbursement 21%. This increase was funded with provider taxes.</p> <p>The budget added federal authorization to pay Tribal Health Centers a higher pharmacy reimbursement.</p>

Expand benefits: Funding to extend Medicaid eligibility for pregnant women to 1 year postpartum.

The budget recognized additional federal Medicaid reimbursement for school-based services following approval of a SPA to expand eligibility to additional students.

Delivery system/MCO changes: The budget includes \$45m to increase the minimum dispensing fees paid by Medicaid HMOs to independent pharmacy providers.

FY22

Increase provider payments: The executive budget permanently maintains a \$2/hour wage increase for direct care staff providing Medicaid behavioral health and long-term care services.

Expand benefits: The executive budget supports and additional 1,000 slots in the Medicaid Home and Community Based Services Waiver program.

Behavioral health: The executive budget includes \$26m to support Certified Community Behavioral Health Clinic demonstration projects.

The executive budget sets aside \$91m to enhance access to behavioral health services, particularly for children.

Temporary enhancements tied to the public health emergency:

FY21

Increase provider payments: Hazard pay bonus of \$2/hour for direct care staff providing Medicaid behavioral health and long-term care services was funded beginning April 2020. (Subsequently proposed to make permanent in FY22 Executive Recommendation)

The budget includes \$20m to provide one-time support to provide additional reimbursement to nursing homes for PPE costs.

Expand benefits: A supplemental appropriation allowed the state to provide Medicaid reimbursement to hospitals for Remdesivir treatment of COVID-19.

Eligibility enhancements: Enacted budget assumes costs of \$99m gross/ \$35m GF stemming from Medicaid eligibility protections included in the FFCRA.

Expand telehealth: The Michigan Department of Health and Human Services covered additional telehealth services through Medicaid.

FY22

Increase provider payments: The executive budget includes \$37.5m to fund a one-time 1.5% rate increase for long-term care facilities to help address declining census counts.

Mississippi

At this time, the telehealth expansion is tied to the public health emergency. An increase in nursing home rates for CY2021 is tied to the public health emergency.

Missouri

The Governor's recommended budget includes funding for the voter-approved Medicaid expansion.

Montana

Increase Provider Payments - Provider Rate Increases passed by 2019 Legislature for FY 2021 - Proposed Provider Rate Increases for the 2023B

Expand or restore Benefits — Mental health peer support benefits increased by 2019 Legislature. PACT and MACT were implemented and HCBS slots were expanded.

Expand Telehealth

Initiatives to Expand Access to Behavioral Health. Gov Gianforte Healing and Ending Addiction through Recovery and Treatment (HEART) Fund for 2023B budget.

In response to the 2020 COVID-19 state of emergency, effective April 1, 2020, Montana implemented several temporary changes to member eligibility and services:

- Moratorium on disenrollment due to non-payment of premiums;
- Expedited enrollment process;
- Implemented telehealth options for most services; and
- Suspension of face-to-face requirements for some programs.

The Montana Healthcare Programs Pharmacy Program also made temporary adjustments in response to the 2020 COVID-19 emergency:

- Allowed early refills for members on a case-by-case basis;
- Authorized non-preferred medications due to shortages;
- Extended existing prior authorizations;
- Extended day supply for MAT therapy if provider deemed appropriate; and
- Allowed flexibility so members limited by the application of 42 CFR 431.54(e) can obtain medications at a pharmacy other than their lock-in, if necessary and appropriate.

In April, May and June of 2020, these additional temporary COVID-19 related adjustments were made:

- Amendment to provider enrollment instructions
- Requirements and billing clarifications for telehealth services by nursing facilities
- Dental telemedicine coding guidance
- Suspension of prior authorizations or continued stay reviews and clinical requirements for some Medicaid programs
- Changes to Youth Community-Based psychiatric rehabilitation and support services (retroactive to March 16, 2020)
- Non-covered services agreement policy change
- Suspension of the PCP referral requirement
- National correct coding initiative announcement
- Changes to Developmental Disabilities 0208 Comprehensive Waiver
- Revision to Case Management General Provisions
- Allowing a 90-day supply for all drugs except C II drugs, (retroactive to March 1, 2020)

In the last half of 2020, these additional temporary COVID-19 related adjustments were made:

- Behavioral Health Grants
- Provider Relief Fund General Allocation

As of end-of-year 2020, the above temporary COVID-19 related adjustments remained in place.

Senior and Long Term Care specific: Assisted Living Rate Increase, determination of service level for community first choice, removal of prior authorizations, extended retainer days to 3 -30 day periods, telehealth for case management, enhanced case management fee when congregate care facility had first positives.

Nebraska	<p>% Across the Board (ATB) provider rate increase; other targeted rate increases for Behavioral Health Services and Nursing Facility Services; Expanded Medicaid for adults up to 138% Federal poverty level; Added temporary triage telehealth codes via Disaster Recovery State Plan Amendment (SPA) for covid; added Behavioral Health services in alignment with 1115 SUD waiver, OTP, and MMWD.</p> <p>Long Term Care (NF and ALF) temporary rate add-ons and temporary coverage for specified triage codes for telehealth.</p>
Nevada	<p>Telehealth was expanded with the Public Health Emergency; however, those expansions will end when the PHE ends. The SFY 2022 Governor Recommends budget does include an enhancement to restore provider rate cuts that were approved in the 81st Special Session.</p>
New Hampshire	<p>SFY2021 biennial budget includes: 3.1% provider rate increase effective 1/1/21; increased DRG rates for DRF beds; new proposed Adult Dental Benefit (capitation plan) currently targeted for an effective date of 4/1/22.</p> <p>Enhancements that are temporary and tied to the public health emergency: Prevention of disenrollment of clients until end of public health emergency; Covid only eligibility group for testing; 1135 and Appendix K waivers</p>
New Jersey	<p>FY21: Increased payments to nursing homes, non-emergency transportation, personal care assistance services, and midwives.</p> <p>FY22: Payments to nursing homes (to annualize the impact of what was done in FY21) and payments to further supplement prenatal care were increased within the program. Also, there was an expansion of postpartum care benefits from six months to one year. Lastly, there were eligibility enhancements within the program related to the State's Cover All Kids initiative (expand Medicaid coverage to cover all children regardless of eligibility status).</p>
New Mexico	<p>HSD conducted extensive analysis to determine where changes would have an immediate positive impact, particularly in rural areas for providers of behavioral health, primary care, dental services, specialty care, and long-term services and supports. These increases included: Increase in Payment Rates for Evaluation and Management (E&M) Codes, Increase in Payment Rates for Dental Codes, Increase in Dispensing Fees Paid to Community-Based Pharmacies through Centennial Care, Increase in Rates Paid to Long-Term Services & Supports Providers, Addition of New Transitional Care and Chronic Care Management Services, Addition of Preventive Topical Fluoride Varnish Benefits for Children, as well as addition of Supportive Housing Services and Rates through Centennial Care. Expanding other services key to addressing Substance Use Disorder (SUD) and SUD/IMD (Institutional Mental Disease). Expanding the number of Adult Accredited Residential Treatment Centers (AARTC). Expanding home visiting services through the nurse family partnership model and parents as teachers model.</p> <p>NM also submitted SPAs for increasing DRG rates for ICU inpatient hospital stays by 50% and all other inpatient hospital stays by 12.4%, providing Targeted Access supplemental payments for Safety-Net Care Pool (SNCP) hospitals.</p>
New York	<p>Program enhancements include a comprehensive telehealth reform in response to the COVID-19 pandemic by expanding access, establishing interstate licensure, and eliminating obsolete location requirements, while promoting innovative technologies and increased training. A medical respite pilot program to provide care to homeless patients who are too sick to be on the street or in a traditional shelter but not enough to warrant inpatient hospitalization.</p> <p>Temporary enhancements tied to the public health emergency — Eligibility Enhancements: Due to the MOE the State has not been disenrolling Medicaid enrollees during the PHE.</p>
North Dakota	<p>Coverage of American Society of Addition Medicine levels 3.2 and 3.7 in FFS and coverage of 1915i State Plan services in FFS and MCO began in SFY 2021.</p>
Ohio	<p>Reduce regulatory constraints and increase flexibility for the health care sector to deliver telehealth services in a variety of locations, including schools, especially for BH rate increase for transportation providers, some waiver providers and some BH providers. Extending to 12-Month Medicaid Eligibility for Postpartum Women. Increase services/options to pregnant women and babies. New OhioRISE program for Multi-System Youth.</p> <p>Temporary program enhancements tied to public health emergency: Telehealth was successful in Ohio; we plan to continue the program after the PHE.</p>

Oklahoma	<p>COVID-19 Related Services and Administrative Cost for Covid vaccinations.</p> <p>Proposed provider supplemental payments to Nursing Homes are temporary and tied to the public health emergency, as are eligibility enhancements and other benefits to eligible members to comply with FFCRA disenrollment prohibitions and maintenance of effort requirement.</p>
Oregon	<p>Several temporary adjustments to payments to specific providers such as increase rate for nursing facility ventilator programs; increased telehealth rates; increase Ambulance “treat-in-place” rate and added a rate for NEMT wait time for drive through vaccination sites; Mental health and Substance Use Disorder residential treatment-Reserve Service Capacity payments; Increase to nursing facilities, assisted living facilities, residential care facilities; Tribal 638 and Urban Indian Health programs utilizing PPS-enhanced PPS rate; Indian Health Service /Tribal 638 programs utilizing the IHS/MOU rate-supplemental payments and Interim stability payments. used alternate setting waiver authority for Hospitals to set up mass vaccination sites, suspended or modified prior authorization requirements, Suspend Pre-Admission Screening and Annual Resident Review (PASRR) Level I and Level II Assessments for 30 days.</p> <p>Temporary enhancements tied to the public health emergency: Specific to the pandemic we added community partners to perform presumptive eligibility functions similar to hospitals, modified residency to those evacuated from the state to another state for medical reasons, extended the reasonable opportunity period from 90 days to 180 days, Accepting self-attestation of eligibility criteria, except for citizenship and immigration status</p>
Pennsylvania	<p>Increases tied to COVID; additional increases possible for expansion of Centers of Excellence initiative.</p> <p>Temporary enhancements tied to the public health emergency: Due to the pandemic, we did retainer payments and enhanced payments to stabilized providers. Additionally, added services for COVID treatments.</p>
Rhode Island	<p>The FY 2022 Recommended Budget includes the following budget actions, grouped based on the categories above as follows: Provider Payments: 1) — Home Stabilization Rate Increase. The Governor recommends \$1.5 million in all funds, including \$660,000 in general revenue, to finance a rate increase for home stabilization services. This program covers services that support eligible members in identifying, applying for, and navigating housing or rental assistance resources, transitioning into or maintaining housing, and preventing eviction. 2) Hospital Restoration. The Governor recommends restoring financing for Disproportionate Share Hospital (DSH) Supplemental Payments to \$142.5 million in all funds, including \$65.4 million in general revenue matching funds, an increase of \$71.0 million in all funds (\$32.6 million in general revenue) over the adopted CEC estimate. After the November 2020 CEC, Congress delayed DSH reductions until FY 2024. Delivery System: 2) The Governor recommends increased funding to provide medical assistance healthcare for expectant mothers by establishing coverage and reimbursement rates for perinatal doula services in the amount of \$112,252 in additional general revenues.</p>
South Carolina	<p>The agency provided a temporary rate increase for nursing homes, established additional telehealth services and codes, and allowed flexibility with prior authorizations (for routine and COVID-19 treatment). The Palmetto Coordinated System of Care (PCSC) waiver was approved by CMS (effective August 2020) resulting in a total increase in youth enrollment with significant behavioral health needs over four years. The waiver provides three services to beneficiaries: high fidelity wraparound, respite, and individual directed goods and services.</p> <p>The temporary rate increase for Nursing Homes was related to the Public Health Emergency.</p>
Tennessee	<p>The eligibility enhancement for FY2022 is extending eligibility for pregnant women to 12 months post-partum. The expansion of benefit is extending dental coverage to pregnant women.</p>
Utah	<p>Funding has been appropriated to increase payments to autism treatment providers, dental hygienists, managed care organizations, intermediate care facilities, and behavioral health providers. New funding and laws were passed to cover additional benefits including behavioral health crisis line services, stays in mental health IMDs, caregiver compensation under 1915(c) waivers, and fertility preservation services for individuals with cancer.</p> <p>None of the enhancements above are tied to the public health emergency.</p>
Vermont	<p>Inflationary rate increase for nursing homes; PNMI rate increase; Expansion of mental and behavioral health programs; Home visiting program.</p>

Virginia	The current Appropriation Act increases a number of provider rates, including personal care attendants, nursing facilities and mental health providers. Virginia also added an adult dental benefit in the Medicaid program effective July 1, 2021. In addition, the current budget includes a number of Medicaid program enhancements and benefit expansions. These include, among others, allowing 12 month contraceptive prescriptions, expanding opioid use disorder services, providing sick leave for personal care attendants, expanding telehealth and providing a doula benefit.
Washington	<p>Physical Health: Addition of prescriptions written by dentists. New Cystic Fibrosis specialty product. Increase of \$10 to the newborn screening rate and addition of spinal muscular atrophy screening to the NBD panel, adding additional cost per screening. Shifting Access for Baby and Children Dental (ABCD) services, when performed by a non-dentist, from FFS to MC. Toppenish Hospital fee increase.</p> <p>Temporary program enhancements tied to public health emergency: All changes are permanent with the exception of the Toppenish Hospital fee increase which is scheduled to end July 1, 2021. PHE renewal extensions.</p>
West Virginia	In FY2021, BMS added adult dental and LTAC benefits. Currently, there is proposed legislation to expand coverage for postpartum coverage from 60 days to 12 months in FY2022. COVID vaccine is covered at the Medicare rate; coverage began in FY21 and will continue into FY22. Swing beds are currently being reimbursed during FY21 and FY22 until after the PHE.
Wisconsin	The Governor's budget recommendation includes Medicaid expansion; post-partum eligibility expansion; increases to various provider rates; investments in long term care; ongoing funding for DSH payments; increased supplemental payments for hospitals; expanded benefits such as services provided by a community health worker, acupuncture, doula services, group physical therapy, an expanded psychosocial rehabilitation benefit, coverage of residential substance use disorder room and board costs and services targeting social determinates of health.
Wyoming	Wyoming had strong telehealth coverage prior to COVID-19 and made some additional changes to add flexibility during COVID-19. Wyoming is analyzing which of these changes to retain permanently. Temporary enhancements tied to public health emergency: Wyoming made some temporary rate increases to nursing facilities and certain HCBS providers to help those providers deal with COVID-19 costs and impacts.

OTHER STATE BUDGETING CHANGES

CHAPTER FIVE

Recommended Changes in Aid to Local Governments, Fiscal 2022

Some states reported on changes in their governors' budgets for fiscal 2022 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 37)

Most of the narrative descriptions of aid to localities presented in this chapter represent modest recommended increases for fiscal 2022. Earlier in this survey, just two states reported reductions in local aid as a budget management strategy in the middle of fiscal 2021, while three states indicated reducing local aid as a proposed strategy in their recommended budgets for fiscal 2022.

General Aid to Local Governments. Eight states reported on various changes to general aid for local governments in their fiscal 2022 recommended budgets. These included a one-time grant to distressed municipalities recommended in Connecticut that would be funded by a combination of bond funds and federal funds and non-recurring local infrastructure grants in Tennessee, along with mostly increases to other general local aid.

Revenue-Sharing Payments. Four states reported on recommended actions related to revenue-sharing payments, including Maine, which proposed a level consistent with fiscal 2021 but lower than the required statutory level, and New Hampshire, which recommended following a statutory provision aimed at increasing meal and rental tax revenues that are distributed to cities and towns.

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 recommended changes affecting education funding for local school districts in fiscal 2022. California proposed to repay deferrals and restore a cost-of-living adjustment that was withheld last year, a change in the funding distribution formula recommended in Pennsylvania, and other changes — mostly funding increases.

Funding for Transportation. Seven states reported on budget actions related to transportation funding for local governments. These include a new sales tax levy approved by voters in Arkansas dedicated to state and local road projects, additional bonding authority in Minnesota, proposed increases or projected growth in several states, and reduced service on the Alaska Marine Highway.

Other Specific Grant Program Funding. Six states noted funding for other specific grant programs, including funding in California to support juvenile justice realignment, increased student access to behavioral health services, broadband grants in Indiana, and numerous grant programs in Minnesota.

Pension/OPEB Contributions. Five states recommended or recently enacted changes to pension and/or OPEB contributions in fiscal 2022 affecting plans that cover school districts, community colleges, and other local government employers. The items reported reflect the variances in how state funding contributes to local government and school system pensions. Changes reported included a contribution rate increase in Arkansas, a 16 percent increase in New Jersey's benefit payments on behalf of localities, an increase in Maryland's retirement aid for K-12, library and community college employees, Florida's proposed adoption of actuarially recommended contribution rate increases, and a one-time appropriation in Indiana to reduce the teachers retirement pension liability.

Local Government Revenue Capacity. Four states reported items in this category, including a new revenue source for soil and water conservation districts in Minnesota and a cap on annual growth of local real property tax revenue in Nebraska.

Local Property Tax Relief. Four states reported on recommended property tax relief changes, including the next phase of Property Tax Relief and Homestead Exemption increase in

Nebraska, as well as a decrease in direct property tax relief in New Jersey due to a decline in participation among programs.

Other Changes. One other change recommended for fiscal 2022 entails funding for California's Behavioral Health Quality Incentive Program.

Changes to Budgeting and Financial Management Practices

Several states reported on recommended changes to budget and financial management practices for fiscal 2022. (See [Table 38](#)) Some examples of the changes reported include:

Major Restructuring Efforts. Alaska continues to consolidate procurement, human resources and information technology.

Workforce Policy Changes. Oklahoma proposes to reduce the number of classified employees and reform the state's current merit protection system.

Budget Process Changes. New York's Executive Budget included a provision triggering automatic across-the-board cuts to local assistance appropriations and cash disbursements if unrestricted federal aid was not approved by August 31, 2021.

Budget System Changes. Several executive budget proposals included funding to build or upgrade the state's enterprise financial management system.

TABLE 37

Recommended Changes in Aid to Local Governments, Fiscal 2022

State	Description
GENERAL AID TO LOCAL GOVERNMENTS	
California	<p>The 2021-22 Governor's Proposed Budget includes:</p> <ul style="list-style-type: none"> • The Office of Emergency Services' California Disaster Assistance Act (CDAA) program is \$193.4 million higher (154 Percent) than the previous enacted budget, for a total CDAA appropriation of \$256.1 million. CDAA estimates are evaluated annually at two points in time, the fall and spring. • An increase of \$8.1 million comprised of a reduction of \$2.2 million for county charges associated with prosecuting inmate crimes committed in state prison and an increase of \$10.3 million for the Community Corrections Performance Incentive Grant. In total the \$8.1 million is a 5.6% increase over the 2020-21 Enacted Budget. • General aid decrease of \$3.4 million General Fund, or approximately 3.5 percent, because of the end of the one-time Indigent Defense Pilot program funding and changes to funding for Public Safety and Rehabilitation Act of 2016 Impact on Post Release Community Supervision payments. • The 2020-21 Budget Act reappropriated \$10 million from the 2018 Budget Act to make the funds available for encumbrance through June 30, 2021 in order to support distance learning efforts by the Commission on Peace Officer Standards and Training.
Connecticut	A one-time, \$100 million grant to Distressed Municipalities was recommended to be funded partially from bond funds and partially from federal funds.
Maryland*	Fiscal 2022 grows by \$216.6 million (2.5%) over fiscal 2021, with further detail listed in the following categories. Note that the listed totals include all state funds (not just general).
Massachusetts	Increase in Unrestricted General Governmental Aid (UGGA) investment that is equivalent to the expected 3.5% tax revenue growth in the consensus revenue forecast announced on January 15, 2021. This translates to a \$39.5 million increase and a \$1.168 billion total investment.
Nebraska	Reduction of \$55 million in disaster relief aid to reflect adj for one-time increase in FY 2020-21
New York	<p>Total spending on behalf of local governments through major local aid programs and savings initiatives is expected to total \$45.7 billion in FY 2022 under the Executive Budget. This represents an increase of more than \$2.5 billion over the prior year, predominantly due to increases in School Aid.</p> <p>Total State spending on behalf of counties outside of New York City through major local aid programs is expected to total more than \$5.3 billion in FY 2022 under the Executive Budget. This includes \$2.4 billion attributable to the State takeover of local Medicaid growth. Total support for counties is approximately \$200 million higher than FY 2021.</p> <p>Total State spending on behalf of New York City through major local aid programs is expected to total more than \$19.7 billion in FY 2022 under the Executive Budget. This also includes \$2.4 billion attributable to the State takeover of local Medicaid growth and over \$13 billion in School Aid. Total support for New York City is higher than FY 2021 by nearly \$1.7 billion, in large measure due to a year to year school aid increase exceeding \$1.4 billion.</p> <p>The Executive Budget provides nearly \$1 billion in support for towns, villages, and cities other than the City of New York.</p>
South Carolina	Aid to Local Governments increased by \$5.9m to \$239.6m per formula
Tennessee	\$200M in non-recurring local infrastructure grants.

* See Notes to Table 37 on page 115.

Table 37 continues on next page.

TABLE 37 (CONTINUED)

Recommended Changes in Aid to Local Governments, Fiscal 2022

State	Description
REVENUE-SHARING PAYMENTS	
Maine	The Governor's recommended FY22 had revenue-sharing at 3.75% consistent with FY21 but lower than the 5% that is required by statute.
Michigan	\$10.3 million, 2% Increase
New Hampshire	By statute, 40% of state meals & rentals tax revenues are to be distributed to cities and towns on the basis of population. The state has long suspended this provision or delayed annual increases so that the percentage of revenue actually distributed is approximately 21%. There is a catch up provision allowing for increase of \$5 million each year until the statutory level is reached, but this too is perennially suspended. The Governor's proposed budget allows the catch up mechanism to take effect in both years of the biennium.
Wisconsin	Increase county and municipal aid payments by 2% (\$15.1 million) in 2021 (state FY22).
FUNDING FOR EDUCATION	
Alaska	Repeal 50% school debt reimbursement \$58.9
Arkansas	The per student amount increased from \$7,018 in FY21 to \$7,182 in FY22.
California	The 2021-22 Governor's Proposed Budget repays a net total of \$7.3 billion of K-12 apportionment deferrals for the 2020-21 fiscal year (\$11 billion total at the enacted 2020-21 budget) and provides a 1.5% cost-of-living adjustment to the Local Control Funding Formula applied in addition to the adjustment of 2.31% withheld from fiscal year 2020-21 apportionments at the enacted budget.
Connecticut	A pause in the scheduled increase to education funding was recommended for FY 2022 and FY 2023, resulting in no change from state-appropriated levels in FY 2021.
Indiana	Governor's Recommended Budget increases Tuition Support for K-12 Education Schools by 2% in FY22 compared to FY21, or a \$150.3 million increase.
Maine	The Governor's recommended FY22 budget had an increase for K-12 education as the Administration has a priority of continuing to increase the State's share of the total cost of K-12 education toward the statutorily required 55%. The FY22 budget funds K-12 education at 51.83%.
Maryland	Funding for K-12, libraries, and community colleges grows by \$208.0 million (2.7%).
Massachusetts	Fully funds the first year of the Student Opportunity Act with \$246.3 million in new funding added for initiatives laid out in this legislation. This includes an increase of \$197.7 million in Chapter 70 funding, with a particular focus on school districts serving low-income students. Increased funding for charter schools and special education circuit breaker reimbursement. Allows municipalities to count federal dollars towards their Chapter 70 required local contribution increases.
Michigan	School Aid Fund
Minnesota	General education formula increase of 1% in FY22 (\$63 million). Special education increase of 1.2% for FY22 (\$22 million). New funding in FY22 to provide student support services personnel (\$22 million). Maintain existing prekindergarten funding set to expire (\$20 million in FY22). Additional funding of \$37 million in FY22 across various — and predominantly new — other programs. Additional one time items include an FY21-22 summer learning package that provides \$97 million (majority to school districts), as well as \$61 million in FY22 for school districts expected to lose state formula funds due to underreporting of free and reduced price lunch eligibility.

Table 37 continues on next page.

TABLE 37 (CONTINUED)

Recommended Changes in Aid to Local Governments, Fiscal 2022

State	Description
FUNDING FOR EDUCATION	
Nebraska	Increase TEEOSA K–12 School Aid based on formula (\$11.5 million)
New Jersey	School Aid to local districts increased by \$1.730 billion (11.2%) to a total of \$17.232 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	In School Fiscal Year 2022, the Executive Budget increases aid for school districts outside New York City by \$640 million. Partially offsetting this impact, the Budget also makes permanent the school districts' share of the residential cost for Committees on Special Education (CSE) placements, which results in a \$28 million negative impact in the 2022 school year. Total State spending on behalf of New York City for School Aid is expected to total \$13 billion which includes a year to year school aid increase exceeding \$1.4 billion.
North Carolina	Recommended bond referendum to fund \$2.5 billion for K–12 facilities (typically a local responsibility) and \$500 million for community college facilities.
Ohio	K–12 education funding is recommended to increase by \$256.8 million over FY 2021 estimates
Pennsylvania	Recommended to use a different formula to distribute education funds.
South Dakota	2.4% increase
Wisconsin	School districts will receive \$221,410,000 GPR in general school aid, \$392,226,100 All Funds in categorical school aid, and a per pupil revenue limit adjustment of \$200 per pupil. Additionally, it was recommended that there be an increase to the low revenue ceiling (functionally the minimum per pupil revenue limit authority) from \$10,000 to \$10,250 in FY22.
FUNDING FOR TRANSPORTATION	
Alaska	Reduce the Alaska Marine Highway service to essential levels \$8.3
Arkansas	Arkansans voted to permanently levy a .5% sales tax where revenues are dedicated to state and local highways, roads, and bridges (Arkansas Issue #1 (2020)).
Maryland	State aid to local governments for transportation grows by \$17.4 million (7.2%). No law changes are recommended.
Minnesota	Regional Transit Bonding Authority: Provides the Metropolitan Council with \$98.4 million in additional bonding authority to implement the Council's transit capital improvement program.
New Jersey	The FY22 budget recommendation provides an increase of \$17 million for grants and capital projects for local municipalities.
New York	In FY 2022, the State expects to provide over \$5.7 billion in operating aid to mass transit systems, including \$2.2 billion from the direct remittance of various dedicated taxes and fees to the MTA and \$232 million annually from a State supplement to the Payroll Mobility Tax (PMT) tax collections. The MTA, the nation's largest transit and commuter rail system, receives approximately 90 percent of the State's mass transit aid.

Table 37 continues on next page.

TABLE 37 (CONTINUED)

Recommended Changes in Aid to Local Governments, Fiscal 2022

State	Description
FUNDING FOR TRANSPORTATION	
Wisconsin	Increase general transportation aids by 2% in 2022 (\$10 million on CY basis).
FUNDING FOR OTHER SPECIFIC GRANT PROGRAMS	
California	<p>The 2021–22 Governor's Proposed Budget includes:</p> <ul style="list-style-type: none"> • The Juvenile Justice Realignment Block Grant (SB 823) adds \$43.1 million General Fund, or 43.7 percent of the Board of State and Community Correction's overall Local Assistance, to Fiscal Year 2022, to support juvenile justice realignment from state to county jurisdictions. • \$194.5 million for Increased Access to Student Behavioral Health Services • \$750 million for Behavioral Health Continuum Infrastructure
Indiana	Funds \$100 million in broadband grants
Maryland	Other significant aid programs include Program Open Space grants which increase by \$4.5 million (9.0%), local health grants which grow by \$4.4 million (7.2%), and public safety funding which increases by \$0.7 million (0.4%).
Minnesota	Source Water Protection: \$800,000 in funding for grants to communities to assist with surface water based systems in their source water protection planning efforts. There is no base.
	Private Well Protection: \$200,000 for grants to local governments to engage in education and outreach efforts to reduce health risk from drinking water for private well owners. There is no base.
	Agricultural Best Management Practices Loan Program: \$83 million in low interest loans to rural communities to enable farmers to purchase equipment or services to implement farming practices that prevent pollution of surface water and groundwater. Represents a 2.4% increase in base.
	Nonpoint Source Restoration and Protection Activities: \$1.3 million for local governments to plan and implement infrastructure projects that improve resiliency to climate change. Specifically, the grants will pay for climate risk assessment, planning, and pre-design that cannot be paid for from existing bonding funds. There is no base for this.
	Surface and Drinking Water Protection Restoration: \$11.113 million for grants to local governments to plan, design and install conservation practices targeted to protect and restore water quality. Practices installed are generally designed to retain rainfall and runoff on the land and reduce the transport of sediment and nutrients to surface and ground waters. There is no base for this.
	Shoreland Buffer Compliance: \$1.936 million for grants to soil and water conservation districts and pays for Board of Water and Soil Resources staff to increase compliance with the state's shoreland buffer requirements. There is no base for this.
	Point Source Implementation Grants: \$8 million to provide grants to help cities upgrade water treatment facilities to meet more protective requirements to improve water quality. Eligible project costs are those necessary to meet wasteload reduction requirements under Total Maximum Daily Load (TMDL) implementation plans and to reduce the discharge of phosphorus, chlorides, nitrogen, and other pollutants.
	Small Community Wastewater Treatment: \$100,000 to provides grants and loans to assist small unsewered communities with technical assistance and construction funding to replace non-complying septic systems with community subsurface sewage treatment systems (SSTS).
	Department of Corrections: \$1,321 to increase grants to counties under two community supervision delivery mechanisms, Community Corrections Act and County Probation Officer Reimbursement. This is a 2% increase in base.

Table 37 continues on next page.

TABLE 37 (CONTINUED)

Recommended Changes in Aid to Local Governments, Fiscal 2022

State	Description
FUNDING FOR OTHER SPECIFIC GRANT PROGRAMS	
Minnesota	Supreme Court: \$1 million for competitive grants to counties for courthouse security upgrades. Counties are responsible for costs relating to county courthouses. There is no base for this item although the Supreme Court received prior one-time funding for the same purpose.
New Jersey	The addition of several grant programs will provide aid to specific municipalities. The Repayment of Municipal Contribution to Mass Transit Facility increasing to \$3 million from \$1.5 million, the addition of Perth Amboy's Open Space Acquisition and Improvements (\$1 million) and Local Recreational Improvement Grants increased by \$1 million to \$3.5 million.
Ohio	\$19.0 million increase in grants for law enforcement agencies.
PENSION/OPEB CONTRIBUTIONS	
Arkansas	<p>The state recently enacted an increase in the State Police Retirement System employer contribution rate from 22% to 26%, as well as increasing the State Police Retirement System Tier I benefits from 1.55% to 1.66% and Tier II from 2.475% to 2.65%, with required years of service decreasing from 30 to 28 years. There is a fiscal impact of \$1.2M in FY22.</p> <p>The state is also required to increase the Arkansas Teacher Retirement System employer contribution rate from 14.5% in FY21 to 15% by FY23. The state is required by law to fund the increase employer contribution rate.</p>
Florida	Proposed adoption of actuarially recommended contribution rates increases FY 21/22 contribution by an estimated \$52m for local governments and \$134m for school districts.
Indiana	Funds a one-time appropriation in FY21 of \$400 million to reduce the teachers retirement pension liability.
Maryland	Retirement aid for K-12, library, and community college employees grows by \$29.5 million (3.6%).
New Jersey	An increase of \$41.4 million (16.1%) for Employee Benefits on behalf of Local Governments.
LOCAL GOVERNMENT REVENUE CAPACITY	
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 are level funded in FY 2022.
Minnesota	Soil and Water Conservation District Levy Authority: Provides soil and water conservation districts the authority to issue property tax levies to fund operations, up to a maximum of \$1 million annually. This is a new revenue source for soil and water conservation districts.
Nebraska	LR 22CA in 2021 caps annual growth of local real property tax revenue to 3% unless overridden by a local special-purpose election.
Wisconsin	For counties and municipalities, increase the minimum allowable increase in property tax levies from 0% to 2%.

Table 37 continues on next page.

TABLE 37 (CONTINUED)

Recommended Changes in Aid to Local Governments, Fiscal 2022

State	Description
LOCAL PROPERTY TAX RELIEF	
Kansas	Eliminate \$54.0 million Local Ad Valorem Tax Refund
Nebraska	Property Tax Relief (2020 LB 1107 -\$285.4 million in FY 2022) and Homestead Exemption changes (-\$3.2 million in FY 2022)
New Jersey	A decrease in direct property tax relief programs of \$4 million (1.0%). FY2021 continues these programs unaltered, except for the expanded eligibility for the Veteran's Property Tax Deduction Program. The change amount reflects the change in forecasted participation.
Rhode Island	The proposed FY 2022 Budget provides full funding to continue the phase-out of the local motor vehicle excise tax. The FY 2022 Recommended Budget provides \$139.7 million to municipalities as well as eligible fire districts to offset forgone revenue resulting from mandated local tax reductions.
OTHER	
California	The 2021–22 Governor's Proposed Budget includes \$21.8 million for the Behavioral Health Quality Incentive Program.

* See Notes to Table 37 on page 115.

TABLE 38

Recommended Changes to Budget and Financial Management Practices, Fiscal 2022

State	Description
MAJOR RESTRUCTURING OF PRIMARY GOVERNMENT FUNCTIONS	
Alaska	Continue consolidation of procurement and HR.
Hawaii	Suspend prefunding of Other Post Employment Benefits and made adjustments to FY 2022 budget after conducting a program review of government functions.
Oklahoma	Improve and modernize government structure by consolidation of Oklahoma Health Care Authority with the Health Department and the Department of Mental Health and Substance Abuse Services.
MAJOR POLICY PROPOSAL WITH RESPECT TO YOUR WORKFORCE	
California	Pay reductions and Personal Leave Program were negotiated to continue with 19 of 21 bargaining units into fiscal year 2022, the 2021–22 Governor's Proposed Budget reflects both as being eliminated.
Oklahoma	Reduce the number of classified employees and reform current merit protection system.
MAJOR CHANGE IN BUDGET PROCESSES OR AUTHORITY, INCLUDING PERFORMANCE BUDGETING	
New York	The Executive Budget includes a provision that will trigger automatic across-the-board reductions to planned local assistance appropriations and cash disbursements if unrestricted Federal aid is not approved by August 31, 2021 or is approved at an amount less than the amount budgeted in the Financial Plan. The reductions would be calculated to generate savings equal to the difference between the Federal aid assumed in the Financial Plan and the amount approved.
CHANGE TO YOUR AUTOMATED BUDGET OR FINANCIAL SYSTEM	
Alaska	The State is upgrading their financial system.
Idaho	Our state Controller's Office will begin implementation of their new enterprise system which includes a budget and financials module. All statewide budget work will commence in the new system at go live — no later than July 1. The Governor has supported and recommended funding for this project over the course of design, build, and now implementation.
North Carolina	NC is currently undertaking a replacement of its financial backbone system.
North Dakota	Request for funding for a new budget reporting system.
Rhode Island	The Governor's FY 2022 Recommended Budget includes a statewide Enterprise Resource Planning (ERP) IT solution to manage HR, payroll, accounting, grants, and budgeting functions in the five-year capital plan with development to commence in FY 2023.
Utah	Included funding to upgrade the financial system to a vendor-supported, cloud-based system. The project was originally funded in the 2020 General Session, but defunded in a special session. The recommendation restores funding for the project.

CHAPTER 5 NOTES

Notes to Table 37: Recommended Changes in Aid to Local Governments, Fiscal 2022

Maryland

The local aid summary is largely based on the Governor's Allowance as introduced in January. The full impact of supplemental budgets introduced throughout the legislative session on local aid was not calculated in time for survey submission.

APPENDIX

TABLE A-1

Recommended Revenue Changes by Type of Revenue, Fiscal 2022

			Fiscal 2022 Revenue Impact (\$ in millions)		
State	Tax Change Description	Effective Date	General Fund	Other State Fund	Total
SALES & USE TAXES					
Arkansas	Used Motor Vehicle Sales Tax Adjustment	01–22	-\$6.5		-\$6.5
California	Main Street Small Business Tax Credit	07–21	-66.5		-66.5
Connecticut	Cannabis — Legalize Recreational Use — Sales Tax	07–21	1.9		1.9
Florida	Back to School Sales Tax Holiday	08–21	-43.6		-43.6
	Disaster Preparedness Sales Tax Holiday	06–21	-6.7		-6.7
Illinois	Cap Retailer's discount	07–21	77.0		77.0
	Eliminate exemptions	07–21	172.0		172.0
Kansas	Marketplace Facilitators	07–21	43.1	8.4	51.5
	Digital Property & Subscription Services	07–21	42.7	8.2	50.9
Louisiana	Vendor compensation	07–20	-2.3		-2.3
Maine	This Part updates, clarifies and simplifies the service provider tax law regarding consumer purchases of digital media by equalizing the tax treatment between the various modes of purchase for sales occurring on or after October 1, 2021.		3.9		3.9
Minnesota	Qualified Data Centers Sales Tax Exemption		12.3		12.3
	Sales Tax Exemption for School Fundraising		-0.6		-0.6
	Vapor Tax		-0.5		-0.5
New Hampshire	Reduce Meals & Rentals Tax Rate from 9% to 8.5%	10–21	-19.0		-19.0
New Mexico	Manufacturing Services Gross Receipts	01–22	-3.0		-3.0
Virginia	PPE Sales and Use Tax Exemption SB 1403	07–21	-7.0		-7.0
	Sales Tax on Accommodation Fees SB 1398	07–21	2.1		2.1
Washington	Narrowing exemptions for bad debts	05–21	17.7		17.7
	Exemption for salmon habitat restoration grants	05–21	-1.8		-1.8
Total Revenue Changes—Sales & Use Tax			\$215.0	\$16.6	\$231.6

* See Notes to Table A-1 on page 135.

Table A-1 continues on next page.

TABLE A-1 (CONTINUED)

Recommended Revenue Changes by Type of Revenue, Fiscal 2022

			Fiscal 2022 Revenue Impact (\$ in millions)		
State	Tax Change Description	Effective Date	General Fund	Other State Fund	Total
PERSONAL INCOME TAXES					
Arkansas	Exempt Unemployment benefits for tax years 2020 and 2021	Tax Year 2020	-\$3.1		-\$3.1
California	Expand Cal Competes	07–21	-2.5		-2.5
	Main Street Small Business Tax Credit	07–21	-33.3		-33.3
Connecticut	Hold Teachers' Pension Exemption at 25% for 2 Years	01–21	8.0		8.0
	Hold Pension and Annuity Exemption at 28% for 2 Years	01–21	16.4		16.4
Delaware	UI Tax Exemption	02–21	-6.0		-6.0
Georgia	Annual conformity bill	03–21	-73.6		-73.6
Idaho*	Conformity	01–21	-55.1		-55.1
	Tax Relief	07–21	-160.0		-160.0
Illinois	Cap contributions and depreciation	07–21	51.9		51.9
Iowa	Increase the Workforce Housing Tax Incentive Program	07–21	-7.7		-7.7
Kentucky	Fully exclude military pensions (partially excluded now)	01–21	-9.0		-9.0
Maryland	Expands the State income tax subtraction modification for retired law enforcement; correctional officers; and fire, rescue, or emergency services personnel by (1) increasing the maximum value of the subtraction modification and (2) extending eligibility to retirees who are between age 50 and 54.	07–21	-6.8		-6.8
	Expands the existing military retirement income tax subtraction modification by exempting 100% of military retirement income from State taxation. The exemption is phased in over two years, beginning with tax year 2021.	07–21	-18.4		-18.4
	Repeal personal income tax on unemployment benefits.	02–21	-20.0		-20.0
Massachusetts	Delay reinstitution of the charitable deduction	01–22	64.0		64.0
	MEFA College Savings Program Extension	01–22	-2.3		-2.3
Minnesota	5th Tier Income Tax Rate		233.9		233.9
	Angel Tax Credit		0.0		0.0
	Capital Gains Tax		294.1		294.1
	Expansion of First Tier of Individual Income Tax		-59.2		-59.2
	Federal Conformity for Section 179 Carryovers		-3.8		-3.8
	Federal Conformity Package		-221.8		-221.8
	Increase Amount of Working Family Credit		-51.8		-51.8
	ITIN Usage for Working Family Credit		-11.6		-11.6
	Minnesota Itemized Deduction for Casualty and Theft Losses		-1.0		-1.0
	Previously Taxed Foreign Income		2.3		2.3
	Unemployment Benefit Subtraction		-259.7		-259.7
	Working Family Credit Expansion		-90.9		-90.9
Montana	Rate reduction (SB 159)	01–22	-14.3		-14.3
	Elderly Homeowner — Renter Credit (HB 191)	01–21	-3.0		-3.0
	OTO capital gains exclusion for qualified gains (SB 184)	01–21	0.0		0.0
	Employee Training Tax Credit (HB 252)	01–21	1.0		1.0

* See Notes to Table A-1 on page 135.

Table A-1 continues on next page.

TABLE A-1 (CONTINUED)

Recommended Revenue Changes by Type of Revenue, Fiscal 2022

			Fiscal 2022 Revenue Impact (\$ in millions)		
State	Tax Change Description	Effective Date	General Fund	Other State Fund	Total
PERSONAL INCOME TAXES					
New Mexico	Tax Changes	01–21	-\$73.7		-\$73.7
New York	Enact Temporary PIT High Income Surcharge	04–21	1,537.0		1,537.0
	Delay Middle Class Tax Cut by One Year	04–21	394.0		394.0
	Preserve Enhanced STAR Exemption Beneficiaries	04–21	-36.0		-36.0
	Increase Wage and Withholding Filing Penalty	06–21	2.0		2.0
North Carolina	Earned Income Tax Credit	01–21	-146.5		-146.5
	Child and Dependent Tax Credit	01–21	-219.0		-219.0
Oregon	Extends tax credits that would otherwise expire.	01–21	-48.2		-48.2
	Expand EITC to ITIN Filers	01–21	-10.0		-10.0
	Increase Tax Credit Auctions (Film & Video	01–21	-12.0		-12.0
	Increase Tax Credit (Farmworker Housing)	01–21	-9.5		-9.5
	Cap Mortgage Interest Deduction to 1st Homes Only	01–22	21.0		21.0
	Eliminate the Partnership Passthrough Benefit	01–22	154.0		154.0
	Eliminate the ICDSC Exporter Benefit	01–22	9.8		9.8
	Disconnect from CARES Act	01–21	88.6		88.6
Pennsylvania	Increase eligibility limits for 100% tax forgiveness to \$15,000 for single claimants and \$30,000 for married without dependents. Eligibility income limits would increase by \$10,000 for each dependent. The percentage of tax forgiveness would decrease by 1% for each \$500 above the limit for 100% tax forgiveness. The Personal Income Tax rate would increase to 4.49% effective 07/21.	1/1/2021 & 07/2021	2,964.0		2,964.0
Rhode Island*	Federal law change making PPP-funded expenses deductible	TY 20	-15.7		-15.7
	Apply state tax to forgiven PPP loan amounts over \$150k	TY 20	19.5		19.5
South Carolina	Military Retirement Inc Tx Reduction	01–22	-9.6		-9.6
	Police/Peace Officers and Firefighters Retirement Inc Tx Exemption	01–21	-9.5		-9.5
Utah	Income tax credits	01–21	-80.0		-80.0
Vermont	Military retirement income tax exclusion	07–21	-1.4		-1.4
	Vermont educated nurses tax incentive	07–21	-1.3		-1.3
Virginia	Conformity CAA SB 1146	03–21	-69.7		-69.7
	Deductibility of PPP Loans, Rebuild VA, SB 1146	03–21	-24.8		-24.8
	Enhanced Agriculture Equipment Credit SB 1162	07–21	-1.0		-1.0
	CARES Act Revenue Deconformity	03–21	-7.5		-7.5
	Agricultural Equipment Tax Credits	07–21	-1.3		-1.3
	Housing Tax Credit SB 1197	07–21	-15.0		-15.0
Wisconsin	Create Caregiver Tax Credit	01–21	-100.4		-100.4
	Expand Earned Income Tax Credit	01–21	-74.3		-74.3
	Limit Capital Gains Exclusion	01–21	202.1		202.1
Total Revenue Changes — Personal Income Tax			\$3,982.4	\$0.0	\$3,982.4

* See Notes to Table A-1 on page 135.

Table A-1 continues on next page.

TABLE A-1 (CONTINUED)

Recommended Revenue Changes by Type of Revenue, Fiscal 2022

			Fiscal 2022 Revenue Impact (\$ in millions)		
State	Tax Change Description	Effective Date	General Fund	Other State Fund	Total
CORPORATE INCOME TAXES					
Arkansas	Exempt certain forgiven small business loans	01–20	-\$179.0		-\$179.0
California	Expand Cal Competes	07–21	-7.5		-7.5
	Main Street Small Business Tax Credit	07–21	-33.3		-33.3
Connecticut	Maintain 10% Tax Surcharge	01–21	80.0		80.0
	Delay and Extend the Elimination of the Capital Base Tax	01–21	20.9		20.9
Georgia	annual conformity bill	03–21	-7.7		-7.7
	a variety of targeted tax credits for econ development	07–21	-3.8		-3.8
Illinois	Eliminate tax credit	07–21	73.8		73.8
	Cap depreciation	07–21	178.2		178.2
	Cap NOL deduction and treatment of foreign dividends	07–21	847.0		847.0
Louisiana	Enterprise Zone program	07–21	-5.0		-5.0
Minnesota	Corporate Franchise Tax Rate Increase		189.9		189.9
	Federal Conformity for Section 179 Carryovers		-1.4		-1.4
	Federal Conformity Package		-133.3		-133.3
	Minnesota Itemized Deduction for Casualty and Theft Losses		0.0		0.0
	Previously Taxed Foreign Income		285.3		285.3
	Regional Transit Bonding Authority		0.0		0.0
	Resident Trust Definition		3.4		3.4
Montana	Change Apportionment	07–21	10.3		10.3
New Hampshire	Reduce the Business Enterprise Tax (BET) from 0.6% to 0.55%; Increase filing thresholds to \$250k	12–21	-4.2		-4.2
New York	Enact the Pandemic Recovery and Restart Program	04–21	-35.0		-35.0
Pennsylvania	Cap Net Operating Losses at 40% of taxable income accompanied by mandatory combined reporting. The Corporate Net Income Tax rate is also proposed to be reduced from 9.99% to 8.99%.	01–22	208.5		208.5
Rhode Island	Federal law change making PPP-funded expenses deductible	TY 20	-31.3		-31.3
	Apply state tax to forgiven PPP loan amounts over \$150k	TY 20	44.6		44.6
Virginia	Deductibility of PPP Loans, Rebuild VA SB1146	03–21	-18.0		-18.0
Wisconsin	Create Work Opportunity Credit	01–21	-27.8		-27.8
	Limit Manufacturing Credit	01–21	258.9		258.9
	Internal Revenue Code Updates	01–21	264.2		264.2
Total Revenue Changes — Corporate Income Tax			\$1,977.7	\$0.0	\$1,977.7

* See Notes to Table A-1 on page 135.

Table A-1 continues on next page.

TABLE A-1 (CONTINUED)

Recommended Revenue Changes by Type of Revenue, Fiscal 2022

			Fiscal 2022 Revenue Impact (\$ in millions)		
State	Tax Change Description	Effective Date	General Fund	Other State Fund	Total
CIGARETTE TAXES					
Connecticut	Ban Flavored Vaping Products	10–21	-\$1.9		-\$1.9
Minnesota	Vapor Tax		3.3		3.3
Total Revenue Changes — Cigarette Tax			\$1.4	\$0.0	\$1.4
MOTOR FUEL TAXES					
New York	Extend the Alternative Fuels Exemption for Five Years	09–21	-\$1.0	-\$2.0	-\$3.0
Total Revenue Changes — Motor Fuel Tax			-\$1.0	-\$2.0	-\$3.0
ALCOHOLIC BEVERAGES TAXES					
Oregon	Add \$0.50 surcharge to all distilled spirits purchases	01–21	\$20.4		\$20.4
Total Revenue Changes — Alcoholic Beverages Tax			\$20.4	\$0.0	\$20.4
GAMING TAXES / LOTTERY REVENUE					
Connecticut	Implement i-Lottery — Draw Games	07–21	\$2.0		\$2.0
Louisiana	Partial exemption	07–20	-16.3		-16.3
Massachusetts	Sports wagering	07–21	35.0		35.0
New York	Eliminate Quick Draw Restrictions	04–21	0.0	15.0	15.0
	Remove Restrictions on Lottery Draw Game Offerings	04–21	0.0	7.0	7.0
Vermont	Sports betting	07–21	2.5		2.5
	Keno	07–21	3.0		3.0
Virginia	Sports Betting	07–21	11.7		11.7
Total Revenue Changes — Gaming Tax			\$37.9	\$22.0	\$59.9

* See Notes to Table A-1 on page 135.

Table A-1 continues on next page.

TABLE A-1 (CONTINUED)

Recommended Revenue Changes by Type of Revenue, Fiscal 2022

			Fiscal 2022 Revenue Impact (\$ in millions)		
State	Tax Change Description	Effective Date	General Fund	Other State Fund	Total
OTHER TAXES AND REVENUE					
Arizona	\$200 million tax cut placeholder in Executive Budget, applicable to any taxes. Negotiations with legislature still pending.		-\$200.0		-\$200.0
Arkansas	Elective Pass — Through Entity Tax	01–22	2.1		2.1
	Vehicle Registration Fee — reduce registration fee on hybrid vehicles with the exception of plug-in hybrid electric vehicles	01–22	0.0	-0.6	-0.6
	Vehicle Registration Fee — excludes hybrid/electric vehicles registered for a special license plate from the annual electric and hybrid registration fee. This will be retroactive to Oct. 1, 2019.	10–19	0.0	-0.3	-0.3
California	Pesticide Mill Assessment	07–21	0.0	18.0	18.0
Connecticut	Eliminate exemption for gas sold to facility with 775 MW Capacity	07–21	3.3		3.3
	Cap Credits claimed against the public utilities tax at 50.01% of liability	07–21	2.0		2.0
	Implement recommendation of ambulatory surgical center tax study	07–21	-0.5		-0.5
	Maintain current eligibility on the Property Tax Credit	01–21	53.0		53.0
	Cannabis — Legalize Recreational Use — Excise Tax	07–21	3.2		3.2
	Office of Health Strategy Hospital Assessment	07–21	1.3		1.3
Delaware	Earned Income Tax Credit	07–21	-4.5		-4.5
Iowa	Remove the \$3 million cap on 30% transfer of real estate transfer tax to Housing Trust Fund	07–21	-4.4		-4.4
Louisiana	Unclaimed Property off the State General Fund	07–21	-25.2		-25.2
Massachusetts	Opioid Excise Tax	04–22	5.0		5.0
	Pharmacy manufacturer price penalties as part of multi-pronged approach for increasing accountability for drug manufacturers	07–21	0.0	69.0	69.0
Montana	Partial Exemption Business Equipment Property Tax (HB 303)	01–21	-2.7		-2.7
Nebraska	Net Property Tax Relief	01–21	-285.4		-285.4
	Homestead Exemption	01–21	-3.2		-3.2
New Mexico	Alcohol Deliveries	07–21	-5.1		-5.1
	Omnibus Tax Bill	01–22	-1.0		-1.0
	Fire Protection Fund Changes	01–21	-19.1		-19.1
	No Behavioral Health Cost Sharing	01–21	-22.0		-22.0
Rhode Island	Excise, sales tax, and fees from adult-use marijuana	04–22	1.7		1.7
	Add a 0.46% Surcharge to the Real Estate Conveyance Tax for Values Over \$700,000	01–22		1.7	1.7
Vermont	VT Guard active duty tax exemption	07–21	0.0		0.0
	Downtown development tax credit	07–21	-1.8		-1.8
	Manufactured House Replacement & Purchase	07–21	-0.3		-0.3
Wisconsin	Recreational Marijuana Excise Taxes	01–21	52.8	79.2	132.0
Total Revenue Changes — Other Tax			-\$450.8	\$167.1	-\$283.7

* See Notes to Table A-1 on page 135.

Table A-1 continues on next page.

TABLE A-1 (CONTINUED)

Recommended Revenue Changes by Type of Revenue, Fiscal 2022

			Fiscal 2022 Revenue Impact (\$ in millions)		
State	Tax Change Description	Effective Date	General Fund	Other State Fund	Total
	FEES				
California*	Motorized Vessel Registration Fee Increase	07–21		\$35.4	\$35.4
	Debt Collector's Application Fee	07–21		1.4	1.4
	Alcohol License Fee Increase Concurrent with the Consumer Price Index	01–22		1.7	1.7
	California Hazardous Liquid Pipeline Safety Fund Regulatory Fee Increase	01–22		1.9	1.9
	Pesticide Registration Fee	07–21		5.0	5.0
	Hospital Building Fund Fee Increase	07–21		1.0	1.0
	California Health Data and Planning Fund Fee Increase	07–21		11.2	11.2
	Managed Care Fines and Penalties Fund Fee Increase	07–21		7.6	7.6
	Proposal to increase fees on oil and gas industry	07–21		6.3	6.3
	Licensing and Certification Program: Statewide Fee Adjustment	07–21		19.4	19.4
	Licensing and Certification Program: Los Angeles Supplemental Fee Adjustment	07–21		14.7	14.7
	Community Care Licensing Administrator Fees	07–21		1.1	1.1
Connecticut	Cannabis — Legalize Recreational Use - Licensing	07–21	4.8		4.8
	Safe Drinking Water Assessment	07–21	2.2		2.2
Michigan	Land & Water Resource permits	10–21		5.3	5.3
	Natl Pollutant Discharge elimination (NPDES) & Storm water permit fees	10–21		2.0	2.0
	Look up fees	10–21		19.0	19.0
Minnesota	Departmental Earnings		-0.9		-0.9
	DHS MSOP Collections		0.2		0.2
	DHS SOS Collections		6.1		6.1
	Fines and Surcharges		0.1		0.1
	All other fees/revenues		1.7		1.7
New York	Expand Hunting and Crossbow Licensing	04-21		1.5	1.5
	Allow Non-CPA Owners of Public Accounting Firms	04–21		1.5	1.5
	Impose a DMV Convenience Fee	10–21		4.0	4.0
Ohio	\$10 increase in annual motor vehicle registration fee	10–21		127.0	127.0
	\$10 increase in annual International Registration Plan fee	10–21		1.0	1.0
	\$2 increase in motor vehicle titling fee	10–21		8.9	8.9
	\$100 increase in pesticide product registration fee	10–21		1.6	1.6
Rhode Island	Establish FY 22 Hospital Licensing Fee at 6% using HFY 2020 Base	06–22	178.2		178.2
	Increase Broker Dealer Licensing Fee from \$75 to \$100	07–21	2.7		\$2.7
	Increase Fees for Pesticide Registration, Commercial Feed/Fertilizer Registration	07–21	1.4		1.4
Total Revenue Changes — Fees			\$196.6	\$278.5	\$475.0

* See Notes to Table A-1 on page 135 .

TABLE A-2

Recommended Revenue Measures, Fiscal 2022

			Fiscal 2022 Revenue Impact (\$ in millions)		
State	Description	Effective Date	General Fund	Other State Fund	Total
SALES TAXES					
Connecticut	Delay Municipal Revenue Sharing Account for 2 Years	07–21	\$377.2		\$377.2
New York	Modernize Tax Law To Include the Vacation Rental Industry	09–21	9.0	0.7	9.7
PERSONAL INCOME TAXES					
Arkansas	Income Tax Table Cliff Adjustment	07–21	-2.8		-2.8
New York	Update Tax Preparer Regulation and Enforcement	04–21	15.0		15.0
Pennsylvania	Transfer funds from the Personal Income Tax to the Environmental Stewardship Fund for Growing Greener debt service payments.		-13.8		-13.8
CIGARETTE/TOBACCO TAXES					
Pennsylvania	Transfer funds from Cigarette Tax to the Tobacco Settlement Fund for deposit into the Tobacco Revenue Bond Debt Service Account.		-115.3		-115.3
GAMING TAX / LOTTERY REVENUE					
New York	Authorize Mobile Sports Wagering and Establish a Casino Tax Rate Petition Process	04–21		49.0	49.0
OTHER TAXES AND REVENUES					
Alaska	Repeal 50% School Debt Reimbursement	07–21	29.6	29.3	58.9
	Repeal Project Debt Reimbursement	07–21	2.4		2.4
Connecticut	Captive Insurers Initiative	07–21	7.5		7.5
	DRS Tax Amnesty Program	07–21	40.0		40.0
	Revenue Gain Attributable to Expenditure Changes	07–21	24.6		24.6
	Enhanced FMAP (+6.2%) Extended for Qtrs. Ending 9/30/21 & 12/31/21	Passage	59.1		59.1
	Delay GAAP Deficit Payment to FY 2024	Passage	85.1		85.1
	Transfer excess RPIA funding above RSG grant requirements	Passage	3.0		3.0
	Federal Stimulus/Aid	Passage	775.0		775.0
	Transfer to the Tourism Fund	Passage	-3.1		-3.1
Florida	Documentary Stamp Tax Redistribution to Resilient Florida TF	07–21	-25.0	25.0	0.0
New York	Enact the Cannabis Regulation and Taxation Act	03–22		20.0	20.0
	Simplify Certain Tax Filing and Reporting Requirements	01–22		-1.0	-1.0
North Carolina	Nontax Agency Transfers	07–21	3.8		3.8
	Disproportionate Share Transfer	07–21	33.4		33.4
North Dakota	Transfer from rainy day fund	07–21	122.2		122.2
Rhode Island	Transfer Excess Reserves from the Underground Storage Tank Account	07–21	1.0		1.0
	Eliminate the Dept. of Revenue Collections Unit Sunset	07–21	1.4		1.4
FEES					
Rhode Island	Delay License Plate Reissuance	07–21	-3.4		-3.4
Total			\$1,425.9	\$123.0	\$1,548.9

TABLE A-3

Mid-Year Revenue Changes by Type of Revenue, Fiscal 2021

			Fiscal 2021 Revenue Impact (\$ in millions)		
State	Tax Change Description	Effective Date	General Fund	Other State Fund	Total
SALES & USE TAXES					
California	Main Street Small Business Credit	09–20	-\$19.0		-\$19.0
Louisiana	Tax holiday	07–20	-4.5		-4.5
	Vendor compensation	07–20	-2.1		-2.1
Maine	Increase sales tax by changing the process of collecting tax by marketplace facilitators	06–20	16.6		16.6
Maryland	Small business sales tax credits of up to \$3,000 for four months	02–21	-300.0		-300.0
New Mexico	Technology Readiness Gross Receipts Credit	06–21	1.5		1.5
	Tax Changes	07–21	2.4		2.4
	Restaurant Gross Receipt Tax Deduction	02–21	-199.7		-199.7
Virginia	PPE Sales and Use Tax Exemption SB 1403	07–21	-4.0		-4.0
Total Revenue Changes — Sales & Use Tax			-\$508.8	\$0.0	-\$508.8
PERSONAL INCOME TAXES					
Arkansas	Income Tax Rate Decrease phased in	01–21	-\$71.4		-\$71.4
	Exempt Unemployment benefits for tax years 2020 and 2021	01–20	-51.0		-51.0
	Exempt certain forgiven small business loans	01–20	-33.0		-33.0
California	Golden State Stimulus	02–21	-2,400.0		-2,400.0
	Main Street Small Business Credit	09–20	-9.5		-9.5
Georgia	Annual conformity bill	03–21	-44.6		-44.6
Idaho*	Conformity	01–21	-26.0		-26.0
Maine	Adjust revenue for tax conformity	03–20	-1.8		-1.8
	Adjust revenue to conform to the United States Internal Revenue Code as of Dec 31, 2020.	12–20	-87.2		-87.2
	Adjust revenue to conform to federal tax change to exempt certain amount of unemployment compensation for tax year 2020	12–20	-36.6		-36.6
Maryland	Earned Income Tax Credit rebates for tax years 2019 and 2020	02–21	-266.7		-266.7
	Repeal personal income tax on unemployment benefits	02–21	-50.0		-50.0
New Mexico	Solar Market Development Income Tax Credit	05–21	5.0		5.0
Ohio	Enact campaign contribution tax credit	01–21	-3.0		-3.0
Rhode Island*	Federal law change making PPP-funded expenses deductible	TY 20	-28.8		-28.8
	Apply state tax to forgiven PPP loan amounts over \$150k	TY 20	1.0		1.0
Virginia	CARES Act Revenue Deconformity	03–21	34.2		34.2
	Conformity CAA SB 1146	03–21	9.0		9.0
	Deductibility of PPP Loans, Rebuild VA SB 1146	03–21	57.8		57.8
West Virginia	Exempt up to 35% of Taxable Social Security Benefits	01–20	-3.0		-3.0
Wisconsin	Reduction in the bottom two brackets from 3.86% and 5.04% to 3.54% and 4.65%, respectively.	01–20	-179.0		-179.0
	Adopt federal CAA provisions (exempt Paycheck Protection Program Forgiven loans and other business assistance)	01–20	-129.7		-129.7
	Federalize Earned Income Tax Credit TY2020 Provisions	01–20	-30.0		-30.0
Total Revenue Changes — Personal Income Tax			-\$3,344.3	0.0	-\$3,344.3

* See Notes to Table A-3 on page 135.

Table A-3 continues on next page.

TABLE A-3 (CONTINUED)

Mid-Year Revenue Changes by Type of Revenue, Fiscal 2021

			Fiscal 2021 Revenue Impact (\$ in millions)		
State	Tax Change Description	Effective Date	General Fund	Other State Fund	Total
CORPORATE INCOME TAXES					
California	Main Street Small Business Credit	09–20	-\$9.5		-\$9.5
Georgia	Annual conformity bill	03–21	-4.0		-4.0
Louisiana	Refundable tax credit	07–20	-1.5		-1.5
	Partial suspension of tax	07–20	-7.1		-7.1
Maine	Increase the seed tax investment credit	03–20	-1.3		-1.3
	Adjust revenue for tax conformity	03–20	-0.5		-0.5
	Increases revenue from changes to the Maine Capital Investment credit and Earned Income Tax Credit	10–20	4.0		4.0
Rhode Island	Federal law change making PPP-funded expenses deductible	TY 20	-57.5		-57.5
	Apply state tax to forgiven PPP loan amounts over \$150k	TY 20	2.6		2.6
Wisconsin	Adopt federal CAA provisions (exempt Paycheck Protection Program Forgiven loans and other business assistance)	01–20	-124.2		-124.2
Total Revenue Changes — Corporate Income Tax			-\$199.0	\$0.0	-\$199.0
CIGARETTE / TOBACCO TAX					
Maine	Increase sales tax on tobacco products	07–20	\$9.2		\$9.2
Total Revenue Changes — Cigarette/Tobacco Tax			\$9.2	\$0.0	\$9.2
MOTOR FUEL TAX					
Alabama	The Rebuild Alabama Act levied an additional excise tax on gasoline and diesel fuel. An additional \$.02 will be charged bringing the new total to \$0.10 on each net gallon of gasoline and diesel fuel.	10–20		\$65.0	\$65.0
Total Revenue Changes — Motor Fuel Tax			\$0.0	\$65.0	\$65.0
GAMING TAX/LOTTERY REVENUE					
Louisiana	Partial tax exemption	07–20	-\$11.2		-\$11.2
Total Revenue Changes — Gaming Tax/Lottery Revenue			-\$11.2	\$0.0	-\$11.2

* See Notes to Table A-3 on page 135.

Table A-3 continues on next page.

TABLE A-3 (CONTINUED)

Mid-Year Revenue Changes by Type of Revenue, Fiscal 2021

			Fiscal 2021 Revenue Impact (\$ in millions)		
State	Tax Change Description	Effective Date	General Fund	Other State Fund	Total
OTHER TAXES AND REVENUES					
Nebraska	Net Property Tax Relief	01–21	-\$110.8		-\$110.8
	Homestead Exemption	01–21	-2.5		-2.5
Nevada	Requires the advance payment on the net proceeds of minerals (“NPM”) tax in FY 2021 based on the estimated net proceeds for the current calendar year 2021 for the General Fund portion only. The provisions of S.B. 3 also apply to FY 2022 and FY 2023, but the NPM tax reverts back to the former method (tax due based on actual mining activity from the preceding calendar year) of taxing net proceeds on July 1, 2023.	07–20	54.5		54.5
New Jersey	Pass Through Business Alternative Income Tax (PTBAIT)-while enacted mid-year 2020, revenue estimates were not anticipated at this level in the 9/30/20 Approp Act. Thus, we are including in this survey.	01–20	1,459.8	-853.4	606.4
West Virginia	Reduce severance tax on steam coal from 4.3% to 3.7%	07–20	-12.0		-12.0
	Repeal Annuity Tax	01–20	-4.6		-4.6
	Impose Tax on HMOs	07–20		41.0	41.0
Total Revenue Changes — Other			\$1,384.4	-\$812.4	\$572.0
FEES					
California	License fee revenue reduction for one-time fee waivers for licensees of the Board of Barbering and Cosmetology.	01–21		-\$25.6	-\$25.6
	License fee revenue reduction for one-time fee waivers for licensees of the Department of Alcoholic Beverage Control.	03–21		-45.0	-45.0
	Hospital Building Fund Fee Increase	07–21		1.0	1.0
	Managed Care Fund Fee Decrease	07–21		-9.0	-9.0
Rhode Island	Increase FY 2021 Hospital Licensing Fee to 6% on HFY 2018 Base	06–21	32.3		32.3
Total Revenue Changes — Fees			\$32.3	-\$78.6	-\$46.3

* See Notes to Table A-3 on page 135.

Table A-4 continues on next page.

TABLE A-4

Mid-Year Revenue Measures, Fiscal 2021

			Fiscal 2021 Revenue Impact (\$ in millions)		
State	Tax Change Description	Effective Date	General Fund	Other State Fund	Total
PERSONAL INCOME TAXES					
Maine	Deferral of income tax filing date from April 15 to July 15, 2020 which pushed some collections and refunds into the next fiscal year. No impact on budgeted revenue due to accrual in FY20 and reversal of accrual in FY21.				\$0.0
Utah	Filing deadline moved to July 15	01–20	\$735.0		735.0
CORPORATE INCOME TAXES					
Maine	Deferral of income tax filing date from April 15 to July 15, 2020 which pushed some collections and refunds into the next fiscal year. No impact on budgeted revenue due to accrual in FY20 and reversal of accrual in FY21.				0.0
Utah	Filing deadline moved to July 15	01–20	60.0		60.0
GAMING TAX / LOTTERY REVENUE					
Rhode Island	Adjust casino revenue to account for less-than-expected decrease due to Dec. '20 shutdowns	12–20	5.7		5.7
OTHER TAXES AND REVENUES					
Nevada	Requires 100% of the proceeds from the portion of the Governmental Services Tax (GST) generated from the 10% depreciation schedule change, approved in S.B. 429 (2009), to be allocated to the State General Fund in FY 2021 only. Beginning in FY 2022, the distribution reverts to 75% of the additional revenue generated from the GST, 10% depreciation schedule change to be deposited in the State Highway Fund and 25% deposited in the State General Fund, as approved in S.B.541 (2019).	7–20	71.3	-\$71.3	0.0
	Requires the Department of Taxation to establish and conduct a tax amnesty program by which taxpayers may pay a fee, tax, or assessment required to be paid to the Department without incurring any penalties or interest that would otherwise be required as a result of the unpaid fee, tax, or assessment. This program is required to be conducted by the Department for a period of not more than 90 calendar days and must be concluded no later than June 30, 2021.	7–20	14.0	7.0	21.0
New Jersey	COVID 19 bond sale	11–20	4,288.7		4,288.7
Rhode Island	Proceeds from Series 2022–1 GO Refunding Bonds Forward Delivery	03–21	5.9		5.9
Total			\$5,180.7	-\$64.3	\$5,116.3

TABLE A-5

Fiscal 2023 State General Fund, Recommended (Millions)

State	Beginning Balance	Revenues	Adjustments	Total Resources	Expenditures	Adjustments	Ending Balance	Rainy Day Fund Balance
Arkansas*		\$6,071.2		\$6,071.2	\$6,016.3		\$54.9	\$210.0
Connecticut*		21,403		21,403	21,131		272	2,461
Hawaii	\$927	7,967		8,895	8,036		859	73
Indiana*	1,392	18,006		19,398	17,763	269	1,366	908
Nevada	220	4,392	\$58	4,670	4,369	54	247	44
New Hampshire*	-5	1,672		1,667	1,681	-14	0	86
North Carolina*	1,740	28,462	-170	30,032	28,667	1,080	284	2,269
Ohio	616	26,194		26,810	26,578		232	2,692

NOTES: The states listed above opted to provide fiscal 2023 data based on their governors' biennial budget recommendations. In addition, the governors of Maine, Minnesota, Montana, Nebraska, North Dakota, Oregon, Texas, Washington, and Wisconsin recommended fiscal 2022-2023 biennial budgets. *See Notes to Table A-5 on page 135.

TABLE A-6

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

State	K-12 Education	Higher Education	Public Assistance	Medicaid	Corrections	Transportation	Other	Total
Arkansas	\$135.0	\$48.1	\$7.4	\$126.0	\$24.6		\$48.4	\$389.4
Connecticut*	12.3	3.1	-58.6	182.1	-15.4		1,383.5	1,507.0
Hawaii*	83.0	3.1	-13.6	31.3	16.1		-238.2	-118.3
Indiana	213.5	2.7		233.4	51.4	-2.0	167.0	666.0
Nevada	58.6	-17.0	4.2	196.0	19.1		57.7	318.6
New Hampshire		-5.9			-0.1		49.7	43.7
North Carolina*	1,635.2	741.2		705.2	52.5		695.5	3,829.6
Ohio	-61.8	4.7		1,633.0	78.9		-34.8	1,620.0

NOTE: The states listed above opted to provide fiscal 2023 data based on their governors' biennial budget recommendations. *See Notes to Table A-6 on page 136. Value of changes are in reference to funding level of FY 2021 enacted budget.

TABLE A-7

Strategies Used to Manage Budget, Fiscal 2023

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
Arkansas								X	
Connecticut		X							
Hawaii									
Indiana									
Nevada									
New Hampshire		X							
North Carolina									
Ohio									

NOTE: The states listed above opted to provide fiscal 2023 data based on their governors' biennial budget recommendations.

Table A-7 continues on next page.

TABLE A-7 (CONTINUED)

Strategies Used to Manage Budget, Fiscal 2023

State	Reduce Local Aid	Reorganize Agencies	Privatization	Rainy Day Fund	Other Fund Transfers	Prior-year Fund Balance	Deferred Payments	Revenue Increase	Medicaid Program Changes	Other (Specify)
Arkansas				X					X	
Connecticut				X			X	X	X	
Hawaii						X				
Indiana										
Nevada										
New Hampshire		X								
North Carolina										
Ohio										

NOTE: The states listed above opted to provide fiscal 2023 data based on their governors' biennial budget recommendations.

TABLE A-8

Recommended Revenue Actions by Type of Revenue, Fiscal 2023

			Fiscal 2023 Revenue Impact (\$ in millions)		
State	Tax Change Description	Effective Date	General Fund	Other State Fund	Total
SALES TAXES					
Arkansas	Used Motor Vehicle Sales Tax Adjustment	01-22	-\$13.1		-\$13.1
Connecticut	Cannabis — Legalize Recreational Use — Sales Tax	07-21	11.5		11.5
New Hampshire	Meals & Rentals Tax reduced from 9% to 8.5% in FY22	10-21	-19.0		-19.0
Total Revenue Changes — Sales Tax			-\$20.6	\$0.0	-\$20.6
PERSONAL INCOME TAXES					
Connecticut	Hold Teachers' Pension Exemption at 25% for 2 Years	01-21	\$8.0		\$8.0
	Hold Pension and Annuity Exemption at 28% for 2 Years	01-21	32.8		32.8
New Hampshire	Phase out Interest in Dividends Tax over 5 years, beginning in FY23, declining at 1% per year	12-22	-6.3		-6.3
North Carolina	Earned Income Tax Credit	01-21	-121.2		-121.2
	Child and Dependent Care Tax Credit	01-21	-87.1		-87.1
Total Revenue Changes — Personal Income Tax			-\$173.8	\$0.0	-\$173.8
CORPORATE INCOME TAXES					
Connecticut	Maintain 10% Tax Surcharge	01-21	\$50.0		\$50.0
	Delay and Extend the Elimination of the Capital Base Tax	01-21	29.2		29.2
New Hampshire	Business Enterprise Tax (BET) reduced from 0.6% to 0.55% in FY22	12-22	-7.5		-7.5
Ohio	Expand the job creation tax credit	10-21	-10.0		-10.0
Total Revenue Changes — Corporate Income Taxes			\$61.7	\$0.0	\$61.7
CIGARETTE TAXES					
Connecticut	Ban Flavored Vaping Products	10-21	-\$2.5		-\$2.5
Total Revenue Changes — Cigarette Taxes			-\$2.5	\$0.0	-\$2.5
GAMING TAXES & LOTTERY REVENUE					
Connecticut	Implement i-Lottery — Draw Games	07-21	\$3.0		\$3.0
	Implement i-Gaming and Sports Betting	07-21	47.3		47.3
Total Revenue Changes — Gaming & Lottery			\$50.3	\$0.0	\$50.3

Table A-8 continues on next page.

TABLE A-8 (CONTINUED)

Recommended Revenue Actions by Type of Revenue, Fiscal 2023

			Fiscal 2023 Revenue Impact (\$ in millions)		
State	Tax Change Description	Effective Date	General Fund	Other State Fund	Total
OTHER TAXES AND REVENUES					
Arkansas	Vehicle Registration Fee — excludes hybrid/electric vehicles registered for a special license plate from the annual electric and hybrid registration fee. This will be retroactive to Oct. 1, 2019.	10-19	\$0.0	-\$0.3	-\$0.3
	Elective Pass-Through Entity Tax	01-22	4.2		4.2
	Vehicle Registration Fee — reduce registration fee on hybrid vehicles with the exception of plug-in hybrid electric vehicles	01-22	0.0	-1.1	-1.1
Connecticut	Eliminate exemption for gas sold to facility with 775 MW Capacity	07-21	3.3		3.3
	Cap Credits claimed against the public utilities tax at 50.01% of liability	07-21	2.0		2.0
	Implement recommendation of ambulatory surgical center tax study	07-21	-0.5		-0.5
	Cannabis — Legalize Recreational Use — Excise Tax	07-21	18.9		18.9
	CREATES Revenue Initiative	07-22	40.0		40.0
	Maintain current eligibility on the Property Tax Credit	01-21	53.0		53.0
	Office of Health Strategy Hospital Assessment	07-21	1.3		1.3
Total Revenue Changes — Other Taxes and Revenues			\$122.2	-\$1.4	\$120.9
FEES					
Connecticut	Safe Drinking Water Assessment	07-21	\$2.2		\$2.2
	Cannabis — Legalize Recreational Use — Licensing	07-21	2.2		2.2
	Impose Convenience Fee for Credit/Debit Card Use	07-22	2.5		2.5
Total Revenue Changes — Fees			\$6.9	\$0.0	\$6.9

TABLE A-9

Recommended Revenue Measures, Fiscal 2023

State	Tax Change Description	Effective Date	Fiscal 2023 Revenue Impact		
			General Fund	Other State Fund	Total
SALES TAXES					
Connecticut	Delay Municipal Revenue Sharing Account for 2 Years	07–21	\$386.6		\$386.6
Total Revenue Changes — Sales Tax			\$386.6	\$0.0	\$386.6
PERSONAL INCOME TAXES					
Arkansas	Income Tax Table Cliff Adjustment	07–21	-\$2.8		-\$2.8
Total Revenue Changes — Personal Income Taxes			-\$2.8	\$0.0	-\$2.8
PERSONAL INCOME TAXES					
Connecticut	Captive Insurers Initiative	07–21	\$0.2		\$0.2
	DRS Tax Amnesty Program	07–21	-4.0		-4.0
	Revenue Gain Attributable to Expenditure Changes	07–21	23.6		23.6
	Delay GAAP Deficit Payment to FY 2024	Passage	85.1		85.1
	Transfer excess RPIA funding above RSG grant requirements	Passage	3.0		3.0
	Federal Stimulus/Aid	Passage	975.0		975.0
North Carolina	Nontax Agency Transfers	07–22	4.7		4.7
	Disproportionate Share Transfer	07–21	33.4		33.4
Total Revenue Changes — Sales Tax			\$1,121.0	\$0.0	\$1,121.0

NOTES TO APPENDIX

Notes to Table A-1: Recommended Revenue Changes by Type of Revenue, Fiscal 2022

California	<p>Debt Collector's Application Fee: Adds a \$350 application fee for a debt collector's license related to the Debt Collection Licensing Act in compliance Chapter 163, Statutes of 2020 (SB 908). The revenues in 2021-22 are based on an estimated 4,000 applicants.</p> <p>Alcohol License Fee Increase Concurrent with the Consumer Price Index: The proposed fee increase applies to the majority of existing alcohol license application and renewal fees in the Alcoholic Beverage Control Act. The fee increase for the various license types is concurrent with the increase in the Consumer Price Index from August 2018 to August 2021. The increase will fund program enhancements, and will become effective January 1, 2022.</p>
Idaho	<p>Addresses portions of both corporate and personal tax conformity. The Governor recommended tax conformity in the amount of \$55.2M, the legislature has passed it at \$26M. The Governor recommended tax relief to be partially offset by the tax relief fund (internet sales tax).</p>
Rhode Island	<p>Items indicating effective date of Tax Year (TY) 2020 represent tax policy changes which will become effective upon passage of the budget (which is expected on or before 6/30/2021) but will apply retroactively to the tax year/s beginning on or after 1/1/2021.</p>

Notes to Table A-3: Mid-Year Revenue Changes by Type of Revenue, Fiscal 2021

Idaho	<p>Addresses portions of both corporate and personal tax conformity</p>
Rhode Island	<p>Items indicating effective date of Tax Year (TY) 2020 represent tax policy changes which will become effective upon passage of the budget (which is expected on or before 6/30/2021) but will apply retroactively to the tax year/s beginning on or after 1/1/2021.</p>

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

Arkansas	<p>The Governor has recommended to transfer the ending balance of \$54.9M to the State's Long Term Reserve Fund, or otherwise known as the Rainy Day Fund.</p>
Connecticut	<p>The second year of the Governor's FY 2022–2023 Recommended Biennial Budget proposes to use \$975.0 million of the Coronavirus State and Local Fiscal Recovery Fund that was part of the American Rescue Plan Act of 2021 to close the gap between revenue and expenditures as CT statute requires a balanced budget to be passed. The ending balance is the combination of \$267.5 million from the revenue cap and \$4.2 million from the projected surplus. The revenue cap limits the amount of appropriations that can be made based on a certain percentage of revenue: 99.5% in FY 2020, 99.25% in FY 2021, 99.0% in FY 2022, 98.75% in FY 2023 phasing down to 98.0% by FY 2026. The projected volatility cap deposit to the Rainy Day Fund is \$338.6 million. With the combination of the revenue cap, the projected surplus, the volatility cap deposit, and the transfer from the Rainy Day Fund to the General Fund at the end of FY 2023, the net of \$364.6 million will be transferred out of the Rainy Day Fund leaving the total balance at \$2,460.7 million.</p> <p>FY 2023 Recommended Revenue: Included in the total revenue figure of \$21,402.9 million, \$1,596.6 million is included as Federal Grant Revenue plus an additional \$975.0 million being included from the Coronavirus State and Local Fiscal Recovery Fund that was part of the American Rescue Plan Act of 2021. Without the \$1,596.6 million in Federal Grant Revenue, the total revenue collected would be \$18,831.3 million. Federal Grants figures (\$1,596.6 million) do not include any Coronavirus Relief Fund dollars or Coronavirus State and Local Fiscal Recovery Fund dollars. Rainy Day Fund balance at the end of FY 2023 is higher than what was in the Governor's recommended budget due to improved projections for FY 2021 year-end surplus and transfer due to the volatility cap as of March 19, 2021.</p>
Indiana	<p>Expenditure adjustments include an estimated \$20.0 million in reversions from prior year appropriations, \$2.0 million from the Indiana Motorsports Commission, and \$291.3 million in one-time appropriations for capital line items.</p>
New Hampshire	<p>Expenditure Adjustments: 1) A favorable GAAP adjustment will be recognized due to the occurrence of a 27th pay period in FY 2023. This known GAAP adjustment occurs once every 11 years, based on the State's bi-weekly pay period schedule.</p>
North Carolina	<p>Expenditure adjustments include appropriation of expected unreserved balance.</p>

Notes to Table A-6: Fiscal 2023 Recommended Program Area Appropriation Changes

Connecticut	<p>DOC — Workers' Compensation Claims was transferred out of the agency at \$31.1M, increases offset that reallocation. Not reflected is savings anticipated due to prison closures as this was part of the CREATES lapse not yet allocated to the agency.</p> <p>DSS — The Medicaid appropriation in the Department of Social Services (DSS) is "net funded" while other Medicaid expenditures — including funding for the Hospital Supplemental Payments account in DSS — are gross funded with federal funds deposited directly to the State Treasury.</p>
Hawaii	<p>K–12 Education includes public libraries and charter schools.</p>
North Carolina	<p>Transportation is not supported by the General Fund. All other changes include changes made that do not include Education, Medicaid, or Corrections.</p>

