

# SUMMARIES OF FISCAL YEAR 2015 PROPOSED & ENACTED BUDGETS

July 11, 2014

## Overview

*As of July 11, all states have enacted budgets for fiscal 2015, which began on July 1 for 46 states. In North Carolina, the legislature continues to consider budget adjustments to the previously enacted fiscal 2014-2015 biennium budget.*

Overall, fiscal conditions for states continue to improve. According to data on governors' budget proposals collected in NASBO's Spring Fiscal Survey of States, general fund spending is recommended to increase 2.9 percent, the fifth consecutive year of spending growth following two straight years of decline. Governors proposed spending increases in most areas of the state budget, with K-12, Medicaid, and higher education seeing the largest increases. In addition, governors recommend \$2.5 billion in tax and fee cuts, and total balance levels of 7.4 percent, above the historical average.

In many ways, enacted budgets for fiscal 2015 closely mirror governors' budget proposals. The majority of states have enacted budgets with general fund spending increases. States have approved additional support for education through changes to school finance formulas, increased aid for early education, tying higher education funding to performance measures, and new initiatives linking education to economic development. Additionally, in the area of health care several states have added funding for home and community based care, mental health services, and programs to increase

healthcare coverage. Several states have also enacted budgets that increase spending on prisons, and some states have made greater investments in infrastructure. Finally, states have enacted tax and fee changes including property tax cuts and reductions in business taxes.

While for the most part enacted budgets have been very similar to governors' budget proposals, there have been notable differences, which can be partly attributed to weakening revenue collections in the first half of calendar year 2014. Most governors made their budget proposals during the winter months. Since that time, a number of states have reduced revenue projections due to a combination of factors, including declining economic growth in the first quarter of 2014, and lower tax collections partly brought on by previous federal tax changes. The decline in revenue has caused several states to reduce spending increases for certain programs, enact smaller tax cuts, delay pay raises, and has led to smaller ending balances for fiscal 2014. Additionally, in some states governors have made line-items vetoes to ensure that the budget remains in balance for fiscal 2015.

On the following pages, please find summaries detailing governors' budget proposals, as well as summaries of enacted budgets. Also included are links to proposed budgets, enacted budgets, supporting documents, press releases, and State of the State speeches. If you would like additional information, please contact [Brian Sigrutz](#) at 202-624-8439.

## **Alabama**

### **Proposed**

On January 28, Alabama Governor Robert Bentley unveiled his fiscal 2015 budget proposal that calls for \$5.9 billion in spending for the Education Trust Fund (ETF) as well as \$1.8 billion in General Fund spending; Alabama's fiscal year begins on October 1. Spending for K-12 and higher education would increase by \$153.6 million and \$30.8 million respectively, under the governor's proposal. General Fund spending would rise slightly by \$16 million, or less than 1.0 percent. Revenue for the state's ETF is projected to increase by \$134 million next fiscal year; General Fund revenue is expected to decline by \$83 million. The state's Medicaid budget is projected to increase by \$70 million, putting pressure on a number of other state agencies likely to receive spending cuts or remain relatively flat. Medicaid spending accounts for nearly 40 percent of Alabama's General Fund expenditures. Corrections, the second largest component of the state's General Fund, received a slight reduction under the fiscal 2015 budget proposal. Also, the governor called for a 2.0 percent pay raise for teachers, and a 4.0 percent increase for non-school state employees provided that state revenues surpass enacted spending levels. Previously, voters approved a measure to borrow funds from the Alabama Trust Fund, which functions as the state's rainy day account and serves as a repository for revenues from offshore oil and gas drilling. The state continues to repay funds to the account that were borrowed to make up for projected shortfalls in the General Fund. The recommended ETF budget includes a \$27 million repayment, after the state paid back \$295.4 million in fiscal 2014. In his State of the State speech, the governor provided an update on the repayment progress stating that "...because of conservative budgeting and an improving economy, we made substantial progress in our commitment to paying off millions of dollars still owed to the Education Trust Fund's Rainy Day Account."

Links: [Fiscal Year 2015 Budget Proposal](#); [Fiscal Year 2015 Education Trust Fund Budget Proposal](#); [State of the State Speech](#)

### **Enacted**

Alabama Governor Robert Bentley signed the Education Trust Fund Budget on April 11. The Education Trust Fund Budget includes \$60 million less in spending than the governor's recommendation. Additionally, the enacted Education Trust Fund budget includes a \$10 million increase in pre-K funding and a \$6 million increase in Dual Enrollment Expansion; it also keeps health insurance premiums unchanged. The Education Trust Fund Budget did not include a pay raise for teachers, and the governor said that he may ask the legislature to support a mid-year pay raise if enough revenues are available. The governor also signed the General Fund Budget, which includes \$17.3 million more in spending than the governor's recommendation. Most agencies received approximately the same amount of funding as fiscal 2014, although the enacted budget does include additional funds for the state prison system.

Links: [Fiscal Year 2015 Enacted Budget](#); [General Fund Comparison Sheet](#); [Education Trust Fund Comparison Sheet](#); [Governor's Press Release on Education Trust Fund Budget](#)

## **Alaska**

### **Proposed**

On December 12, Alaska Governor Sean Parnell released a proposed budget for fiscal 2015 with total state spending of \$12.4 billion, including the state's Permanent Fund. The proposed operating budget authorizes \$7.6 billion for agency operations, roughly equivalent to this fiscal year. An additional \$3.9 billion is authorized for statewide operations, including a one-time \$3 billion fund transfer from the Constitutional Budget Reserve Fund to retirement trust funds. Recommended capital project spending totals \$1.7 billion and spending from the Permanent Fund totals \$2.1 billion, bringing total state

spending to \$12.4 billion (excluding \$2.9 billion in net fund transfers). This includes \$5.6 billion in unrestricted general fund spending, a \$1.3 billion (or 18.4 percent) decrease compared to current year spending out of the state's general fund. The governor's proposed budget is based on a general fund revenue forecast of \$4.5 billion in fiscal 2015, compared to \$4.9 billion in fiscal 2014. An additional \$1.1 billion would be transferred from state reserves to help cover fiscal 2015 general fund expenditures. Total forecasted revenues amount to \$9.1 billion when including \$868 million in designated general funds, \$600 million in other state funds, and \$3.1 billion in federal funds. The governor's budget proposes \$1.26 billion in K-12 spending, one of the governor's priority program areas. Transfer and infrastructure spending is highlighted as another priority, with more than one billion in spending on statewide highway and aviation, the Alaska Marine Highway, and other capital projects. Speaking of his budget proposal, Governor Parnell said, "It significantly reduces spending and addresses the biggest cost driver – our state's unfunded pension liability payments."

Links: [Fiscal Year 2015 Budget Proposal](#); [Governor's Press Release](#); [State of the State Speech](#)

### Enacted

Alaska Governor Sean Parnell signed three budget bills into law on May 28 for state operations, capital projects, and mental health programs. The enacted budget spends 16 percent less in state general funds than in fiscal 2014. The budget includes an additional \$300 million over the next three years for K-12 and \$81.5 million for an Alaska gasline, as well as transfers \$2 billion from the Constitutional Budget Reserve Fund into the Teacher's Retirement System and \$1 billion into the Public Employees' Retirement System. The governor did not veto any portions of the budget bills.

Links: [Fiscal Year 2015 Enacted Budget](#); [Budget Summary](#); [Governor's Press Release](#)

### Arizona

#### Proposed

On January 17, Arizona Governor Jan Brewer proposed a fiscal 2015 budget recommending \$9.3 billion in general fund spending, a 5.7 percent increase compared to projected spending for the current year. The proposed budget calls for roughly \$370 million in spending on the governor's initiatives, in addition to baseline spending of \$8.9 billion. Base general fund revenue is estimated to total \$8.9 billion in fiscal 2015, compared to \$8.6 billion projected for fiscal 2014. Additionally, the state is expected to carry over a \$676 million balance going into fiscal 2015, meaning the state would have general fund sources totaling \$9.6 billion. The governor proposes to make a \$50 million deposit into the state's rainy day fund, leaving an ending balance in the general fund of \$244 million. The budget proposal also aims to restore the general fund budget to structural balance by fiscal 2016, and projects recommended general fund spending and base general fund revenues of \$9.4 billion that year. The proposed budget prioritizes child and adult protection, education, infrastructure and good government initiatives. Continuing an effort initiated in fiscal 2014, the governor calls for a continued phase-in of additional caseworkers to strengthen child protective services. For K-12, the governor recommends \$37.6 million in performance funding, as well as additional resources for charter school reform, data system investments, and other purposes. The governor also requests funds to make investments that will lead to a more efficient government. "We have launched the modernization of our technology systems, and now we must begin the long-term process of addressing critical building systems and statewide infrastructure," said Governor Brewer.

Links: [Fiscal Year 2015 Budget Proposal](#); [Governor's Press Release](#); [State of the State Speech](#)

### Enacted

Arizona Governor Jan Brewer signed the fiscal 2015 state budget into law on April 11. The governor noted that the budget allocates resources to a number of areas she highlighted in her State of the State address, including a new child safety agency, the establishment of K-12 Student Success Funding, allowing for the transition to performance funding for higher education, and addressing the increase in adult protective services caseloads. The governor did include several line-item vetoes of specific appropriations when signing the budget. Overall, the enacted budget increases spending by \$440.7 million.

Links: [Fiscal Year 2015 Enacted Budget](#); [Governor's Press Release](#)

### **Arkansas**

#### Proposed

Arkansas Governor Mike Beebe delivered his fiscal 2015 budget proposal to the legislature on January 14. The proposed budget calls for spending \$5.0 billion, including an additional \$105.8 million or 2.1 percent over the current fiscal year. The additional spending includes \$65 million to increase base funding for public schools by 2.0 percent and enhance education adequacy. The budget proposal includes an additional \$10 million to offset insurance premium increases for teachers, and \$26 million more for the Department of Human Services. State prisons would also get additional funding, including \$7 million to reimburse counties for housing state prisoners and \$3 million to expand state prison capacity. The governor's proposed budget incorporates \$85 million in tax cuts approved by the legislature last year that go into effect in fiscal 2015, as well as \$89 million from expected savings attributable to Medicaid expansion under the private option. The savings arise from a reduction to hospitals uncompensated care costs. The governor and finance officials warned lawmakers that budget cuts would need to be made if the private option expansion isn't continued. The governor described the situation in an address by saying, "The anticipated influx of federal funds will save an estimated \$89 million for our state in the next fiscal year. However, the funding for the Private Option must be re-approved by three-quarters of the General Assembly...If the Private Option fails, many Arkansans will lose their health care, and tough cuts will need to be decided for other state services, as well."

Links: [Fiscal Year 2015 Budget Proposal](#); [Governor's Press Release](#)

#### Enacted

In March, Arkansas Governor Mike Beebe signed the state's \$5 billion fiscal 2015 budget, a 2 percent increase from fiscal 2014. The enacted budget largely follows the governor's budget proposal, and includes \$65 million more for K-12, an additional \$7 million to reimburse county jails, \$5.2 million for state employee raises, and an increase of \$3.1 million for corrections. Additionally, the budget appropriates \$915 million of federal funds to the Department of Human Services for the state's private option, and places \$19 million into the state's rainy day fund. The governor vetoed one provision of the budget bill exempting sand used by oil and gas drillers from the state sales tax, arguing that the provision should not have been included in the fiscal session; the veto was later overridden by the legislature.

Links: [Fiscal 2015 Enacted Budget](#); [Appropriations Summary](#); [Veto Message](#)

### **California**

#### Proposed

On January 9, California Governor Jerry Brown proposed a fiscal 2015 budget that recommends \$106.8 billion in general fund spending, an 8.5 percent increase from fiscal 2014. General fund

revenues are expected to increase by 5.9 percent for fiscal 2015, totaling \$106.1 billion. Of that amount, \$1.6 billion is designated to be transferred to the state's rainy day fund – the first deposit into the fund since 2007 – leaving \$104.5 billion available to spend. In addition, the state will carry over a balance from fiscal 2014 of \$4.2 billion in its general fund, meaning the state will have \$108.7 billion in total general fund resources available for fiscal 2015. The state is projected to end fiscal 2015 with a general fund balance of \$1.9 billion under the governor's proposed budget. The governor's budget recommends a continued increase in funding for education, building on the investments made in the current fiscal year, proposing a 9.5 percent increase in K-12 spending and a 10.8 percent increase in higher education spending. The governor's message states, "The 2014-15 budget continues our investment in schools by providing \$10 billion this year alone" and "also provides new money for our colleges and universities with a focus on getting students their degrees in a timely manner." The budget proposal also includes the state's five-year infrastructure plan for the first time since 2008, which includes \$815 million in funding for deferred maintenance, in addition to spending for new projects. The budget plan recommends \$670 million in new general fund spending for expansion of the state's Medicaid program and also proposes new investments to protect the environment and promote water sustainability. The governor's budget directs more than \$11 billion to pay down past budgetary borrowing, so that this debt will be fully eliminated by fiscal 2018, and also proposes a constitutional amendment to strengthen the state's rainy day fund.

Links: [Fiscal Year 2015 Budget Proposal](#); [Governor's Press Release](#); [State of the State Speech](#)

### *Enacted*

California Governor Jerry Brown signed into law the state's \$156.3 billion fiscal 2015 budget on June 20 after making some vetoes. The budget calls for general fund spending of \$108.0 billion in fiscal 2014, a 7.2 percent increase from fiscal 2014. The enacted budget includes additional funding for K-12, increasing per student aid and providing \$4.7 billion for the second year of the implementation of the Local Control Funding Formula. The budget also assumes an increase in MediCal enrollment due to expansion under the Affordable Care Act. Additionally, the budget places \$1.6 billion into the state's rainy day fund, the first deposit since 2007, reduces previous debts by \$10 billion, and includes a plan to shore up the State Teachers' Retirement System. The governor noted that the budget both provides for today and saves for the future.

Links: [Fiscal Year 2015 Enacted Budget](#); [Enacted Budget Summary](#); [Governor's Press Release](#)

## **Colorado**

### *Proposed*

On November 1, Colorado Governor John Hickenlooper submitted his budget request to the legislature for fiscal 2015. The budget proposal totals \$24.1 billion, of which \$9.0 billion is spending from the general fund. The budget proposal increases total state spending by \$1.07 billion (4.7 percent) and general fund spending by \$389 million (4.5 percent) compared to the governor's fiscal 2014 request. The proposed budget assumes total general fund resources available of \$9.55 billion, which accounts for \$9.26 billion in fiscal 2015 revenues, a \$406 million beginning fund balance, and a \$109 million transfer out of the general fund to pay back certain cash reserve funds. The budget proposal aims to further strengthen the state's reserve fund, recommending an increase in its size from the current 5.0 percent to 6.5 percent. Referring to the severe wildfires and flooding encountered by the state recently, Governor Hickenlooper explained in his State of the State address, "This money in reserve is what has enabled us to respond quickly to the disasters and get assistance to local partners." The governor's budget blueprint also would increase K-12 spending by \$223 per pupil (or 3.4 percent), with 57 percent of this increased funding to be financed by the State Education Fund (SEF). The governor also

proposes to restore higher education spending to pre-recession levels, boosting general fund support for higher education institutions by \$102 million (or 15.5 percent) while restricting tuition growth to 6.0 percent. Additionally, the budget calls for a transfer of \$199 million from the general fund to the state's construction fund to help finance numerous capital projects.

Links: [Fiscal Year 2015 Budget Proposal](#); [Governor's Press Release](#); [State of the State Speech](#)

### Enacted

Colorado Governor John Hickenlooper signed the fiscal 2015 state budget on April 30. The total enacted budget including capital construction appropriations is \$24.2 billion, including \$9 billion in general funds, \$6.7 billion from fees, fines, and other non-tax revenues, \$7.2 billion in federal funds, and \$1.3 billion in transfers between state agencies. In signing the budget, the governor noted that it increases the amount of general fund reserves, adds additional funding for disaster recovery and preparedness, increases K-12 and higher education funding including targeted increases in areas like special education and aid to college students, includes reforms to the parole system, and promotes economic development.

Links: [Fiscal Year 2015 Enacted Budget](#); [Governor's Transmittal Letter](#); [Governor's Press Release](#)

## Connecticut

### Proposed

Connecticut's Governor Dannel P. Malloy released his midterm budget for fiscal 2015 on February 5. The revised budget totals \$19.03 billion in all state funds and \$17.50 billion in general funds. In total, the recommended budget for fiscal 2015 increase spending 2.7 percent from fiscal 2014 levels and 0.2 percent from enacted fiscal 2015 levels. The proposed budget is \$8.1 million below the spending cap for fiscal 2015. The budget includes a \$40 million increase in early childhood and K-12 spending, significant investments in higher education, and \$51.3 million in new tax cuts in fiscal 2015. Additionally, the budget includes an initiative that would create a system wide operating fund for each institution in the higher education system which is a first step in combining and coordinating management of the 17 colleges and universities. The budget also includes a proposal for use of the fiscal 2014 budget surplus, estimated at over \$500 million, which would deposit funds in the budget reserve fund, pay down debt, and provide some refunds to taxpayers. Finally, the proposal increases the maximum size of the rainy day fund from a cap of 10 percent to 15 percent of state revenue. In his State of the State Address, the governor emphasized an increase in school funding, statewide access to pre-K, and greater investments in higher education stating that, "Taken together, the education initiatives I'm proposing today are part of a continuum, one that would support kids from birth all the way through college."

Links: [Fiscal Year 2015 Midterm Budget Adjustments Proposal](#); [Budget Presentation](#); [State of the State Address](#)

### Enacted

On May 29, Connecticut Governor Dannel Malloy signed the fiscal 2015 midterm budget adjustment bill into law. The enacted adjusted budget reduces original fiscal 2015 appropriations for all funds by \$2.2 million, reduces original general fund appropriations by \$40.4 million, and implements various policy changes that increases general fund revenue by \$2.9 million in fiscal 2015. Under the enacted budget, the state's total gross appropriations for fiscal 2015 are \$19.14 billion, a decline of \$28.6 million from the original budget.

Links: [Fiscal Year 2015 Enacted Midterm Budget Adjustments](#); [Fiscal Note](#)

## **Delaware**

### **Proposed**

Delaware's Governor Jack Markell released his proposed fiscal 2015 budget on January 30 that totals \$3.83 billion in operating funds, a 3 percent increase over the previous year. The budget includes a bonds and capital improvements act totaling \$460.9 million representing \$253.5 million in capital projects and \$207.4 million in transportation projects. New initiatives in the budget represent 0.199 percent of budget growth. The budget proposal would give state workers a 1 percent salary increase and funds \$7.4 million in new programs. The budget doubles the funding for public education staffing and increases transportation costs allocating more than \$22 million for projected growth. The budget also includes \$93 million for school construction and renovation. Additionally, the budget proposal recommends changes to business taxes including increasing the annual tax on limited liability companies, limited partnerships, and general partnerships from \$250 to \$300 raising \$33.0 million and increasing the minimum annual corporation franchise tax from \$75 to \$175. In his State of the State Address, the governor focused on increased infrastructure investments in areas such as road and bridge improvements. The governor also focused on new job training and education initiatives including new research grants, and a scholarship program allowing low-income students to take college classes while in high school. In discussing his budget proposal the governor stated that, "This budget invests in what we value. It targets the key areas that we know are essential to maximizing economic opportunity for Delawareans; education and job training to strengthen our workforce; innovation and infrastructure to support businesses; and programs that will help our most vulnerable citizens and neighborhoods so everyone can have a fair shot to make the most of their abilities."

Links: [Fiscal Year 2015 Budget Proposal](#); [Governor's Budget Presentation](#); [Governor's Press Release](#); [State of the State Speech](#)

### **Enacted**

On July 1, Delaware Governor Jack Markell signed the state's fiscal 2015 budget, which includes spending of \$3.8 billion, a 2.46 percent increase from fiscal 2014. Part of the spending increase was due to unanticipated increases in Medicaid expenses and the number of children attending state schools. The budget also includes a \$500 across-the-board pay raise for state workers on January 1. Overall, the enacted budget is approximately \$20 million less than the governor's recommendation due to a decline in tax collections. As typical in Delaware, the budget appropriates just 98 percent of available revenues, which has helped the state to maintain a AAA bond rating. The governor noted that bills passed during the legislative session will help ensure economic opportunity for all residents.

Links: [Fiscal Year 2015 Enacted Budget](#); [Governor's Press Release](#)

## **Florida**

### **Proposed**

Florida Governor Rick Scott unveiled his fiscal 2015 budget proposal on January 29, calling for \$74.2 billion in total spending. The recommended budget includes a \$400 million cut to auto tag fees, a \$100 million tax cut for businesses and a \$542 million increase for K-12 that would be financed primarily from rising property tax collections. The governor also recommended \$300 million in new debt issuance to fund the state's transportation infrastructure. Total spending under the fiscal plan is nearly flat, a decrease of 0.1 percent compared to the current budget. General fund revenues are projected to reach \$27.6 billion, an increase of \$1.3 billion or 4.9 percent compared to current levels. The governor highlighted several priorities in the recommended budget including tax and fee cuts, efforts to reduce inefficiencies, debt reduction, and future job creation through additional education spending. The budget would raise total spending for K-12 to \$18.8 billion, an increase of \$542 million or 3.0 percent

compared to the current budget. Much of the additional spending capacity is due to improvements in the real estate market, a 4.68 percent or \$66.6 billion rise in the school taxable value of Florida properties. The budget also contains \$5.6 billion in combined spending for colleges and universities without increases to student tuition. The state agency responsible for administering Medicaid received a \$678 million budget cut because the state will no longer receive federal money under an Affordable Care Act program to pay more to doctors who treat Medicaid patients. Net budget cuts to the Agency for Health Care Administration are \$868 million under the recommended budget. Previously, the governor advocated expanding Medicaid, although the legislature continues to oppose expansion. After several years of reductions to the state workforce, the governor's fiscal plan keeps state employment level. However, state employees would not get an across-the-board pay raise, although nearly a third of workers may be eligible for discretionary bonuses. In the governor's press release for the fiscal 2015 budget proposal, he stated, "Florida's economy is growing. We are on the rebound. More revenue does not mean we should grow government. Instead, we should grow our businesses."

Links: [Fiscal Year 2015 Budget Proposal](#); [Budget Presentation](#); [Governor's Press Release](#); [State of the State Speech](#)

### Enacted

On June 2, Florida Governor Rick Scott signed the fiscal 2015 state budget. The \$77 billion budget includes \$605.6 million in budget savings; additionally, the governor vetoed \$68.9 million in spending. The budget includes \$500 million in tax cuts, spends \$20.7 billion on K-12, includes funds to hire 270 Department of Children and Families workers to reduce caseloads, contains no automatic tuition increases, and places \$3 billion in reserves.

Links: [Fiscal Year 2015 Enacted Budget](#); [Governor's Press Release](#)

## **Georgia**

### Proposed

On January 15, Georgia Governor Nathan Deal unveiled his fiscal 2015 budget proposal, calling for \$42.3 billion in total spending, which includes federal funds, and \$20.8 billion in state spending. Spending from state funds would rise by nearly \$1 billion or 4.5 percent from the current fiscal year. The governor plans to direct 80.0 percent of additional funds towards education, with the majority of new revenue going towards K-12. General fund revenues are projected to increase by 4.3 percent or \$807 million more than the revised 2014 revenue estimate. The budget proposal allocates an additional \$547 million for K-12, although roughly \$200 million of this is needed for enrollment growth. The remaining additional funds would be distributed to local governments to have greater discretion on its use. Some local school districts have faced budgetary challenges in recent years and the additional funds are intended to relieve spending pressures, end teacher furloughs and increase the number of school days. The budget also includes \$44.8 million to better connect classrooms to the internet and enhance digital infrastructure, especially for rural areas. Additionally, the recommended budget includes \$27.5 million more for higher education, \$39 million for state employee incentive programs, \$18.2 million more for corrections and an additional \$44 million to meet baseline budget growth in the state's Medicaid program. The governor noted that the *Affordable Care Act* and Medicaid program growth will increase healthcare expenses by \$145.3 million in fiscal 2015. The governor is also proposing \$763 million in bond authority to fund infrastructure projects across the state, including \$147 million for the University of Georgia system. In his State of the State speech the governor said, "When I took office, Georgia had a AAA bond rating from all three major agencies. With your help,



we are one of only ten states that still maintain that advantage, a rating that even the federal government doesn't have.”

Links: [Fiscal Year 2015 Budget Proposal](#); [State of the State Speech](#)

### Enacted

Georgia Governor Nathan Deal signed the \$20.8 billion fiscal 2015 budget on April 28. The budget assumes that revenues will increase 3 percent, or \$602.5 million, over fiscal 2014. 80 percent of new revenue receipts are dedicated to education in the fiscal 2015 budget, with 66 percent of the new revenue going to K-12. The increased education spending includes \$514.3 million for Quality Basic Education for K-12, and \$22.5 million to increase HOPE scholarships. In addition to increased funding for K-12 and higher education, the budget includes \$35 million for the Savannah Harbor deepening project, and subjects 13 percent of all budgetary programs to a zero-based budget analysis.

Links: [Fiscal Year 2015 Enacted Budget](#); [Governor's Press Release](#)

## **Hawaii**

### Proposed

In 2013, Hawaii enacted a two-year budget for fiscal 2014 and fiscal 2015. On December 16, Governor Neil Abercrombie submitted a supplemental budget request for the 2014-2015 biennium. The supplemental budget proposal recommends making amendments that, when compared to appropriations for the biennium, would result in a total operating budget reduction of \$53 million (-0.4 percent) for fiscal 2014, and an increase of \$284 million (2.4 percent) for fiscal 2015. For general fund operating expenditures only, the administration proposes a \$53.2 million spending decrease (-0.9 percent) for fiscal 2014 and a \$183.3 million spending increase (3.0 percent) for fiscal 2015. Additional investments in early learning programs and services for the elderly are among the new operating expenditures requested in the supplemental budget for fiscal 2015. Overall, the supplemental operating budget proposes general fund spending of \$6.0 billion in fiscal 2014 and \$6.3 billion in fiscal 2015, with total state spending of \$11.8 billion in fiscal 2014 and \$12.3 billion in fiscal 2015. Regarding capital improvements, the supplemental budget proposes an additional \$1.8 billion in total state spending from all means of financing to fund the integration of health and human services eligibility systems, school construction projects, conservation efforts, and other projects. With these adjustments, the supplemental capital improvement plan budget recommends total state spending of \$2.7 billion for fiscal 2015. The state has also established a goal of building state reserves up to 10 percent of general fund revenues. “These reserves will allow us to weather possible economic downturns,” said Governor Abercrombie, “and to guard against the public service cutbacks of the recent past.”

Links: [Fiscal Years 2015 Supplemental Budget Proposal](#); [Governor's Press Release](#); [State of the State Speech](#)

### Enacted

In April, the Hawaii legislature approved a fiscal 2015 budget that calls for spending \$12.1 billion; the budget was less than the governor's original budget proposal of \$12.3 billion, which was released before a downgrade in the state's revenue forecast. On June 23, the governor made line-item vetoes to the budget bill to address an inconsistency of approximately \$444 million between the budget bill and the bond authorization bill passed by the legislature. The Department of Budget and Finance identified discrepancies in the areas of state educational facilities improvement authorizations, the Judiciary

budget, standalone appropriation bills, and lapsed projects. The governor stated that making line-item reductions in the budget bill is the most efficient path to resolving the situation without the need for any additional costs to taxpayers.

Links: [Fiscal Year 2015 Enacted Supplemental Budget](#); [Governor's Press Release](#)

## **Idaho**

### *Proposed*

On January 6, Idaho Governor C. L. Butch Otter released his budget proposal for fiscal 2015, a spending plan that totals \$7.36 billion. The budget contains recommendations for general fund spending of \$2.89 billion, reflecting a 3.8 percent increase from fiscal 2014 appropriations. General fund revenue is projected to grow 6.4 percent in fiscal 2015 to \$2.99 billion. Broken down by state goal, the governor's fiscal 2015 budget recommends net increases in general fund spending on education of \$60 million (3.6 percent), health and human services of \$17 million (2.6 percent), public safety of \$26 million (9.7 percent), natural resources of \$2.7 million (8.3 percent), and economic development of \$1.3 million (5.1 percent), as well as a net reduction in general government spending of \$3.5 million (-3.4 percent). The executive budget proposes \$58 million to implement the recommendations of the state's task force on education, including a \$35 million down payment to begin a five-year plan to restore public school discretionary funding to pre-recession levels. An additional \$5 million from the general fund is recommended to help the state meet the goal of 60 percent post-secondary education attainment among young adults by 2020. "My first priority is investing in what will help us achieve sustainable growth," said Governor Otter in his State of the State address. The governor's budget also proposes increased general fund spending authority for Medicaid in response to the expected woodwork effect resulting from the Affordable Care Act. The budget plan also sets aside \$30 million for tax relief and \$71 million in funds to replenish the state stabilization funds.

Links: [Fiscal Year 2015 Budget Proposal](#); [State of the State Speech](#)

### *Enacted*

In March, Idaho Governor Butch Otter signed various fiscal 2015 budget bills into law including the K-12 budget. The overall enacted budget is approximately \$2.94 billion, a 5.6 percent increase from appropriated fiscal 2014 spending levels, and higher than the governor's recommended 3.8 percent increase. The governor praised the legislature for advancing his priorities in the budget including improving public education and workforce development, stimulating job creation, reforming the criminal justice system, and protecting the state's natural resources.

Links: [Fiscal Year 2015 Enacted Budget](#); [Governor's Press Release](#)

## **Illinois**

### *Proposed*

Illinois Governor Pat Quinn released his fiscal 2015 budget proposal on March 26. The budget recommendation calls for spending from all funds of \$65.9 billion in fiscal 2015, an increase of \$1.6 billion or 2.4 percent from fiscal 2014. General fund recommended appropriations for fiscal 2015 are \$32.2 billion, \$272 million above fiscal 2014 levels with the requested fiscal 2014 supplemental. Of the \$32.2 billion proposed for general fund spending, 42.7 percent would be directed towards education, while 21.8 percent would go to healthcare, 18.2 percent for human services, 11.7 percent to government services, 5.0 percent for public safety, 0.3 percent to economic development, and 0.2 percent for environment and culture. General fund revenues are estimated to be \$38.6 billion, an

increase of \$1.9 billion or 5.0 percent from fiscal 2014. The governor's fiscal 2015 budget proposal calls for increased investments in education including \$1.5 billion towards the Birth to Five initiative, doubling the state's investment in a scholarship program, modernizing K-12 classrooms, and increasing classroom spending by \$6 billion over the next five years. Additionally, the governor called for fiscal controls including establishing spending caps and building a rainy day fund. On the revenue side, the governor proposed a yearly \$500 property tax refund, doubling the earned income tax credit, and new tax cuts to businesses that provide job training. The governor also called for maintaining the state's current income tax rates, stating that significant cuts will need to be made in areas such as education, economic development, public safety, and human services if the tax rates are not extended. In discussing his budget proposal, the governor noted that Illinois has already cut spending by \$5.7 billion due to previous spending cuts, pension reform, and labor contract savings, and that proposed fiscal 2015 discretionary spending would be below fiscal 2008 levels. The governor said, "Illinois is in a stronger financial position now than we were five years ago and now is the time to end the era of fiscal cliffs and secure Illinois' long-term financial future. Because of the hard choices we've made, we're in a position to balance the budget in a way that builds and protects the middle class by providing significant tax relief to homeowners and working families. We're also in a position to properly invest in our schools, because the future of our economy depends on the quality of our education."

Links: [Fiscal Year 2015 Budget Proposal](#); [Budget Presentation](#); [Governor's Press Release](#); [State of the State Address](#)

### *Enacted*

On June 30, Illinois Governor Pat Quinn signed the state's fiscal 2015 state budget after vetoing \$250 million for renovations of the state Capitol. Earlier, the governor announced \$55 million in efficiencies including reduced parking and reduced leases. At the end of May, the legislature passed a \$35.7 billion fiscal 2015 budget that keeps agency spending mostly flat, while relying on borrowing money from dedicated state funds, does not include pay raises, and does not have as much funding that is expected to be needed for areas like child care, home-based care for seniors, and mental health services. The legislature also has yet to decide whether to extend an income tax hike that is set to expire on January 1. The governor described the budget as incomplete and said that it postpones tough decisions; he also said that by his actions reducing the budget and identifying additional efficiencies he has helped to minimize cuts in vital services and maintain prior fiscal gains.

Links: [Fiscal Year 2015 Enacted Budget](#); [Governor's Press Release](#)

### **Indiana**

In 2013, Indiana enacted a two-year budget for fiscal 2014 and fiscal 2015. In his 2014 State of the State address, Governor Mike Pence urged lawmakers to establish a preschool voucher program for low-income children, create a teacher innovation fund, and release \$400 million for highway expansion. In addition, the governor discussed the state's recent efforts to reduce red tape, pay down the state debt, and improve roads and schools. The governor also called for a phase out of the business personal property tax, stating that "...low taxes are essential to attracting investments and good paying jobs."

Links: [Fiscal Years 2014-2015 Enacted Budget](#); [State of the State Address](#)

## **Iowa**

### **Proposed**

Iowa Governor Terry Branstad released his budget proposal on January 14. His budget recommendation calls for \$7.00 billion in general fund spending in fiscal 2015, an increase from fiscal 2014's estimated spending of \$6.49 billion. Approximately 55 percent of general fund spending would go towards education, with 27 percent going to health and human services, 10 percent to justice/judicial branch, 5 percent to property replacement tax credits, and 3 percent to all other. Spending adjustments proposed in the budget include \$120 million for property tax replacement, an additional \$170 million in K-12 aid, \$54 million for education reform enacted last year, and \$86 million for the state's share of Medicaid. The budget projects that the state will have \$8.16 billion in available general fund revenue in fiscal 2015, up from \$7.76 billion in fiscal 2014. Under the recommended budget, the state would have an ending balance of \$723.2 million. The governor focused on improving education, increasing employment, and helping rural communities with digital issues in his Condition of the State speech. Specifically, the governor proposed exempting military pensions from the income tax, a limited tax incentive to build high speed Internet capabilities, freezing college tuition, and a new apprenticeship and job training program. During his speech, the governor said that "...Iowa's economy, educational system, and health are moving forward." The governor also added that now is the time "...to increase the competitiveness of our state and its people today and for years to come."

Links: [Fiscal Year 2015 Budget Proposal](#); [Budget in Brief](#); [Condition of the State Speech](#)

### **Enacted**

On May 29, Iowa Governor Terry Branstad signed the state's budget bills for fiscal 2015 that call for \$6.9 billion in state spending. In addition to signing the budget bills, the governor made a series of line-item vetoes to reduce state spending. Since the legislature passed the budget bills, the state has revised its revenue projections downward. Some of the areas in which the governor made line-item vetoes include environmental protection, recreation projects, and infrastructure. In his veto message, the governor stated that Iowa is working and growing, highlighting education reform and property tax cuts, but that the vetoes were needed to maintain stability and predictability in the state's budget.

Links: [Fiscal Year 2015 Enacted Budget Bills and Veto Messages](#)

## **Kansas**

### **Proposed**

Kansas Governor Sam Brownback released a revised budget proposal for fiscal 2014 and fiscal 2015 on January 16. The proposed budget calls for \$6.20 billion in general fund spending in fiscal 2015, a \$429.8 million increase from the budget approved June 2013. The additional spending includes \$326.9 million for corrections, \$20.0 million for school finance formula, \$16.3 million for all-day kindergarten, \$15.3 million for technical education, and \$5.2 million for a classified salary increase of 1.5 percent. The primary reason for the increase in Department of Corrections spending is due to the governor's prior veto of its operating budget, which is now included in the fiscal 2015 budget. The \$20.0 million increase in school finance is to fund base state aid per pupil at the budgeted \$3,852 per pupil. Funding was also added for tuition of high school students to attend technical colleges, phasing in all-day kindergarten, and additional funds to operate the judiciary. The budget projects that total general fund available revenue will be \$6.45 billion, resulting in an ending balance of \$247.6 million. For statewide expenditures from all funding sources the governor recommends \$14.57 billion in fiscal 2015, down from the recommended level of \$15.05 billion in fiscal 2014 with most of the decline coming from fewer funds allocated to capital improvements. In his State of the State speech, the

governor highlighted improvements in the state since tax cuts were enacted in 2012, and said that they will spur further economic growth. Also, the governor focused on education and called for increased funding for all-day kindergarten, continued investments in higher education, and asked the state Supreme Court to not prescribe school funding levels. During his speech, the governor said, “On the number one item in the state budget – education – the Constitution empowers the Legislature---the people's representatives---to fund our schools.”

Links: [Fiscal Year 2015 Supplemental Budget Proposal](#); [Budget Brief](#); [State of the State Speech](#)

### Enacted

On May 16, Kansas Governor Sam Brownback signed into law a \$14.6 billion supplemental budget for fiscal 2014 and fiscal 2015. The governor thanked the legislature for passing the two-year supplemental budget and noted that the bill includes a significantly improved budget for the Department of Corrections. The governor did veto five line items of appropriations, including a \$5 million transfer from the Kansas Endowment for Youth Fund to the Kansas Bioscience Authority.

Links: [Fiscal Year 2015 Enacted Supplemental Budget](#); [Governor’s Press Release](#)

## **Kentucky**

### Proposed

On January 21, Kentucky Governor Steve Beshear proposed a \$20.3 billion spending plan for the upcoming biennium. The two year budget provides additional funding for K-12, fully funds required contributions to the state employee pension plan though not the teacher’s retirement system, and includes pay raises put on hold in years prior for school employees and state workers. To offset these budget increases, most state agencies would receive a budget cut from 2.5-5.0 percent to free up nearly \$100 million from other parts of state government. The governor’s proposed budget also relies on \$370 million in fund transfers and \$166 million in savings from the *Affordable Care Act*. With prior budget cutbacks and increasing costs, the state’s spending obligations continue to outpace general revenues, which are projected to increase by 2.6 percent annually over the next two fiscal years. General fund revenues are projected to reach \$9.8 billion in fiscal 2015 and \$10.1 billion in fiscal 2016. However, the fiscal plan does not account for tax reform or expanded gaming taxes, although the governor recently endorsed 22 tax changes recommended by a tax commission to increase state revenues by \$210 million a year. The governor expressed his frustration with the state’s tax system in his State of the State speech saying, “Kentucky generally gets good marks for our business tax climate, but in many ways our system of taxation remains archaic. We need to revamp laws governing “what” and “how” we tax in order to improve our economic competitiveness.” The nearly \$2.0 billion capital budget proposal includes substantial infrastructure investments for the university system as well as \$500 million to repair or replace more than 250 bridges across the state.

Links: [Fiscal Years 2015 and 2016 Budget Proposal](#); [Budget Presentation](#); [State of the Commonwealth Speech](#)

### Enacted

Kentucky Governor Steve Beshear signed into law a \$20.3 billion fiscal 2015-2016 biennium budget on April 11. The budget includes pay raises for state employees and teachers, while also increasing K-12 school funding by \$189 million. The budget also fully funds pension contributions. However, a number of state agencies will see reductions under the enacted budget ranging from 2.5 percent to 5 percent. While signing the budget, the governor vetoed 12 items including a provision that would have prevented constructing new buildings on a number of colleges.

Links: [Fiscal Years 2015 and 2016 Enacted Budget](#); [Governor's Veto Message](#)

## **Louisiana**

### **Proposed**

On January 24, Louisiana Governor Bobby Jindal unveiled his fiscal 2015 budget proposal that calls for \$25.0 billion in total state spending. The proposed spending level would be a decrease of \$623.7 million, or 2.4 percent, compared to the \$25.6 billion currently authorized for fiscal 2014. However, general fund spending under the governors' recommended budget is \$8.6 billion; \$186 million, or 2.2 percent more than in fiscal 2014. Total spending declines in fiscal 2015 are primarily due to a drop in federal funds and spending from dedicated funds. Compared to fiscal 2014, federal funds are estimated to decrease by \$524 million, or 5.0 percent, and recommended spending from dedicated funds is \$458 million or 10.0 percent less than in fiscal 2014. General fund revenues for fiscal 2015 are projected to reach \$8.6 billion, an increase of \$300 million or 2.9 percent. The rise in general funds is not enough to offset declines in federal funds and other state funds, leading to sizeable net cuts to total spending levels for a number of state agencies. Areas of state government receiving total spending cuts include the Executive Department (\$900 million), public safety (\$82.5 million), Department of Education (\$142 million), higher education (\$11.4 million), Department of Child and Family Services (\$16.2 million), Department of Natural Resources (\$22 million), and the Department of Transportation and Development (\$18.8 million). The governor's recommended budget does provide a \$100 million general fund increase to the base budget for K-12 institutions, and an additional \$142 million for higher education, although tuition and fee increases account for \$88 million. The budget also includes \$60 million for state employee salary increases accompanied by a 5.0 percent across-the-board health insurance premium increase, as well as an additional \$26 million to expand access to home and community health waivers. To help control costs in the future, the governor also proposed to eliminate more than 1,000 state positions that are mostly vacant. Additionally, the budget includes recommendations to achieve cost savings in the Department of Health and Hospitals to continue to adjust to the state's lower Federal Medicaid Assistance Percentage (FMAP) under the Medicaid program. General fund spending for health care would decrease by \$70 million in fiscal 2015, yet total healthcare spending increases by \$277 million under the governors' fiscal plan. The governor's budget includes no new taxes or revenue initiatives with the exception of a planned tax amnesty in the fall. In the fiscal 2015 budget press release, the governor summarized his budget priorities by saying, "The bottom line is that this budget is further proof of our commitment to growing the private sector economy, making sure we have the most skilled workforce in the world, and caring for our most vulnerable citizens."

Links: [Fiscal Year 2015 Budget Proposal](#); [Budget Briefing](#); [Budget Graphs](#); [Governor's Press Release](#)

### **Enacted**

Louisiana Governor Bobby Jindal signed the state's \$25.1 billion fiscal 2015 budget after making eight line-item vetoes; the budget spends approximately \$100 million less than fiscal 2014's budget. Spending initiatives in the budget include a \$120 million increase to the K-12 funding formula, \$40 million for the WISE fund that helps prepare college students for jobs in the state, additional health care spending including \$26 million in new funding for individuals with disabilities, and merit pay increases for state employees. The governor praised the passage of the budget noting that it reduces the size of state government without raising taxes.

Links: [Fiscal Year 2015 Enacted Budget](#); [Governor's Press Release and Veto Message](#)

## **Maine**

In 2013, Maine enacted a two-year budget for fiscal 2014 and fiscal 2015. In his 2014 State of the State address, the governor discussed economic development plans, including a proposal to provide incentives for large companies to relocate to the state. The governor also called for welfare reform, reiterated his opposition to Medicaid expansion, supported an additional tax cut, and stressed the importance of infrastructure and education. During his speech the governor discussed the challenges Maine faces and stated that, “Higher taxes and bloated government have not improved our lives. Higher energy costs have not attracted major investments to Maine. More welfare has not led to prosperity.” The governor also added, “We must have the courage to make the tough decisions.”

Links: [Fiscal Years 2014-2015 Enacted Budget](#); [State of the State Address](#)

## **Maryland**

### *Proposed*

On January 15, Maryland Governor Martin O’Malley unveiled his recommended budget for fiscal 2015. The proposed budget recommends total state spending of \$39.2 billion, or a 5.0 percent increase from the current spending level. Under the proposal, adjusted general fund spending would rise by \$700 million to \$16.4 billion, or 4.5 percent from the current fiscal year. Adjusted general fund revenues are projected to rise by nearly \$800 million or 5.6 percent in fiscal 2015. The governor’s budget includes few new spending initiatives, but closes a \$584 million revenue shortfall with spending cuts, fund transfers and no new taxes or fees. Additional general funds and fund transfer are projected to lessen budget cuts to some extent, but the state continues to adapt fiscal plans for higher-than-expected costs in areas such as Medicaid, which recently adopted increased provider rates in the state. The governor’s budget also provides \$4.5 million to expand pre-k education and preserves an \$800 million rainy day fund. The governor’s general capital budget (excluding transportation infrastructure) calls for \$1.5 billion in capital spending that heavily targets school construction, higher education infrastructure, public safety, and water treatment or other environmental projects. Funding for roads and transportation infrastructure is projected to increase over the coming years after the 2013 legislature tied the gas tax to changes in inflation rates. In his State of the State speech the governor proposed to raise the state’s minimum wage to \$10.00 an hour, and in his fiscal 2015 budget proposal press release the governor said, “This budget makes the right choices by investing in our schools, including expanding pre-k, improving public safety and continuing our work to expand access to quality health care for all Marylanders while maintaining fiscal responsibility.”

Links: [Fiscal Year 2015 Budget Proposal](#); [Budget Highlights](#); [Governor's Press Release](#); [State of the State Speech](#)

### *Enacted*

Maryland Governor Martin O’Malley signed the state’s approximately \$39 billion fiscal 2015 budget on May 15. The budget increases state spending by about 3 percent from fiscal 2014, and leaves \$879 million in reserves. In signing the budget, the governor highlighted its investment in education including expanding Maryland Meals for Achievement and pre-kindergarten, as well as providing additional funds to higher education to hold down tuition costs. The governor also discussed that the budget contains no tax or fee increases, and invests more in economic development.

Links: [Fiscal Year 2015 Enacted Budget](#); [Budget Fact Sheet](#); [Governor’s Press Release](#)

## **Massachusetts**

### *Proposed*

Massachusetts' Governor Deval Patrick released his proposed fiscal 2015 budget on January 22 with state spending of \$36.4 billion, a 4.9 percent increase from the prior year and projected tax revenue growth of 4.9 percent. The fiscal 2015 budget proposes \$205 million in increased education funding and \$57 million in new tax revenue derived from applying the sales tax to candy and soda purchases to be dedicated to supporting public health services and infrastructure. The budget proposal also includes \$68 million in additional funding at public colleges and universities to help families afford a quality college education for their children and to help students succeed in a changing economy, as well as an additional \$15 million to expand early education. The governor proposes to use \$334 million in gross one-time resources, down from \$667 million in fiscal 2014. The fiscal 2015 budget includes a \$1.79 billion pension appropriation which is part of an updated and accelerated pension funding schedule recently announced by the Secretary of Administration and Finance and the legislature. This represents a \$163 million increase over fiscal 2014 and a \$65 million increase over the previously adopted pension schedule. The governor's fiscal 2015 budget also includes an \$82 million deposit into the State Retiree Benefits Trust Fund to address the Commonwealth's unfunded retiree health benefit (OPEB) liability. In his State of the Commonwealth Address, the governor focused on investing in education, expanding access to early education and full day kindergarten, raising the minimum wage, innovation, and infrastructure. The governor noted in his budget message that, "We have also proposed a further series of reforms to streamline government to achieve savings, create efficiencies and improve performance, accompanying the budget. Those reforms include additional transportation reforms that will generate revenue and improve business practices, the implementation of integrated facilities management to protect our capital investments and achieve operating cost savings for state buildings and investments to strengthen our preparedness and resilience against the impacts of climate change."

Links: [Fiscal Year 2015 Budget Proposal](#); [Budget Message](#); [State of the Commonwealth Address](#)

### *Enacted*

On July 11, Massachusetts Governor Deval Patrick signed into law the state's \$36.5 billion fiscal 2015 budget. The governor stated that the budget invests in education, innovation, and infrastructure, which will help create jobs and opportunities in the near term and strengthen the Commonwealth for the long term. Specific initiatives in the budget include an additional \$100 million for local education aid, \$24 million more for early education, increase in higher education funding to allow universities to freeze tuition, a \$48 million increase for the Department of Children and Families, \$1.7 in additional funds for criminal justice reforms, and less use of one-time funds. The governor did issue a number of limited vetoes totaling \$16.1 million.

Links: [Fiscal Year 2015 Enacted Budget](#); [Governor's Letter](#); [Governor's Press Release](#)

## **Michigan**

### *Proposed*

On February 5, Michigan Governor Rick Snyder released his fiscal 2015 budget proposal, which also includes recommended spending for fiscal 2016 (Michigan's fiscal year begins on October 1). The budget proposes total fund spending of \$52.13 billion in fiscal 2015, a 2.1 percent increase from fiscal 2014, and general fund spending of \$9.84 billion, a 7.1 percent increase. Nearly 75 percent of the total budget is dedicated to education and health and human services, with health and human services at 44 percent, education 31 percent, jobs 10 percent, public safety 6 percent, government services 6 percent, environment 2 percent, and reserves at 1 percent. Additionally, the budget includes a \$120 million deposit to the rainy day fund, raising the level to more than \$700 million, and a \$122 million deposit to a health savings fund. General fund revenues in fiscal 2015 are projected to be \$10.05 billion, a 5



percent increase from fiscal 2014. The governor's proposed budget calls for spending a total of \$11.7 billion in K-12 state appropriations, which includes an additional \$150 million to increase the foundation allowance, an additional \$65 million for the Great Start Readiness Program, \$2 million in new funding to pilot year-around school programs, and an additional \$80.3 million for Michigan's universities and \$8.9 million more for community colleges. Regarding education, the budget also includes funding for financially distressed school districts, the phased in implementation of evaluation tools, and increased funding for school retirement system liabilities. In the area of healthcare, the budget includes \$71.7 million for the Healthy Michigan Plan to implement expanded Medicaid coverage. Finally the budget includes funding for new job creation and training programs, as well as an additional \$254 million for infrastructure projects. In discussing his budget, the governor said that, "Many of the investments we're making in areas such as transportation, public safety, and human services will save money in the long run."

Links: [Fiscal Year 2015 Budget Proposal](#); [Budget Presentation](#); [Governor's Press Release](#); [State of the State Speech](#)

### Enacted

Michigan Governor Rick Snyder signed the state's fiscal 2015 budget on June 30; in addition, the governor signed the state's education budget on June 24. Combined, the budgets total \$53.2 billion for the fiscal year that begins on October 1, with general fund spending at \$10.1 billion and the School Aid budget at \$12.3 billion. Overall the budget devotes more than 75 percent to education and health and human services. Included in the budget is additional funds and new programs aimed at job creation and economic development, a \$177 per student funding increase for K-12, increased funds for community colleges and universities, \$46.6 million to train additional law enforcement, \$285 million in funding for roads improvements, \$194.8 million to support Detroit, and changes to healthcare related to the Healthy Michigan Initiative. The governor stated that the budget strikes the right balance by making critical investments while maintaining fiscal responsibility.

Links: [Fiscal Year 2015 Enacted Budget](#); [Governor's Press Release on Budget](#); [Governor's Press Release on Education Budget](#)

## Minnesota

### Proposed

On March 10, Minnesota Governor Mark Dayton released a supplemental budget request for the current fiscal 2014-2015 biennium budget. The supplemental budget request came after a February revenue forecast that projected a \$1.23 billion surplus for the current biennium. The governor's supplemental budget request includes tax and revenue changes, spending adjustments, and additional funds transferred to the budget reserve. Specifically, the governor is proposing \$616 million in tax cuts including \$301 million in middle class tax reductions, \$232 million directed towards reducing business sales taxes, \$15 million for tax credits for innovations and jobs, \$25 million to reduce taxes for local governments and non-profits, and \$43 million towards simplifying the estate tax and eliminating the gift tax. On the spending side, the governor proposes increasing spending by \$162 million including \$20 million more for LIHEAP funding, \$30.1 million in additional funding for the Department of Corrections, \$3.5 million for school lunches, \$82.2 million for the Department of Human Services, and \$22 million for higher education. Finally, the governor recommends transferring \$456 million to the budget reserve, increasing it to \$1.12 billion. In announcing his supplemental budget request, the governors said that "...we must remember that these are forecasted surpluses." The governor added

that in limiting additional spending to \$162 million “...we must maintain tight discipline over additional expenditures in non-budget years.”

Links: [Fiscal Years 2014-2015 Supplemental Budget Proposal](#); [Transmittal Letter](#); [Governor’s Press Release](#)

#### *Enacted*

Minnesota Governor Mark Dayton signed into law the state’s fiscal 2014-2015 supplemental budget on May 20. The budget calls for \$283 million in additional spending and makes investments in areas such as broadband infrastructure, education funding, railway safety, and home and community-based healthcare. Additionally, on May 20, the governor signed a \$1.17 billion infrastructure bill and \$103 million tax relief bill including property tax reductions; altogether, the state enacted \$550 million in tax reductions during the legislative session. The governor stated that the infrastructure bill will improve parks, roads, and local infrastructure, while the tax reductions will help over 2 million residents and benefit thousands of businesses.

Links: [Fiscal Years 2014-2015 Enacted Supplemental Budget](#); [Governor’s Press Release](#)

### **Mississippi**

#### *Proposed*

Mississippi’s Governor Phil Bryant released his fiscal 2015 budget proposal on November 13 that calls for \$6.1 billion in state source fund spending. The proposed budget, increases spending by \$282.5 million or 4.8 percent from the \$5.8 billion budget the legislature enacted for fiscal 2014. General fund revenues are projected to increase by nearly \$141.4 million or 2.7 percent in fiscal 2015. The Department of Revenue’s IT improvements and additional staff are also projected to contribute an additional \$35 million in collections from enhanced auditing capacity. The governor’s budget appropriates 98 percent of expected revenue and does not dip into the state’s rainy day fund. If revenue meet projections, a portion of the set aside revenue will be deposited into the state’s rainy day fund to continue rebuilding the state’s budget reserves. Areas of the budget receiving the largest increases under the governor’s fiscal plan include: corrections (\$28.2 million or 8.3 percent), higher education (\$51.8 million or 5.9 percent), social welfare including Medicaid (\$54.4 million or 5.4 percent), and Military Police and Veterans Affairs (\$26.5 million or 28.7 percent). Funding for K-12 would increase by \$22.4 million or 1.0 percent. In an effort to reduce debt issuance, the governor has also proposed to use \$87.2 million to repair and renovate state-owned buildings, with \$16 million of that for elementary and secondary schools. In his fiscal 2015 budget proposal press release, the governor said, “I am adamant that Mississippi again fill the Rainy Day Fund to its statutory limit. Failure to save while times are good is unfair to taxpayers, and it has the potential to erode other successes in an instant if we are forced to make cuts in the face of another national recession.”

Links: [Fiscal Year 2015 Budget Proposal](#); [Governor's Press Release](#); [State of the State Speech](#)

#### *Enacted*

In April, Mississippi Governor Phil Bryant signed legislation comprising the \$6.1 billion state budget. In total, the budget increases state spending by \$247.2 million from fiscal 2014 levels, or 4.24 percent. The governor praised the legislature for passing a budget that met many of his priorities including putting \$400 million into reserves if revenues meet collections, and not paying recurring bills with one-time funding sources. The budget also focuses on public safety including appropriating \$6.9 million to

train more Highway Patrol troopers, enacting comprehensive criminal justice reforms, and providing additional funding for the drug court system.

Links: [Fiscal Year 2015 Enacted Budget](#); [Governor's Press Release](#)

## **Missouri**

### *Proposed*

On January 21, Missouri Governor Jay Nixon released his fiscal 2015 budget proposal. The budget proposal calls for total spending of \$27.67 billion in fiscal 2015, and general fund spending of \$9.08 billion. Under the proposed budget, human services would represent 48.2 percent of total spending, K-12 21.3 percent, all other 11.3 percent, transportation 7.8 percent, corrections and public safety 5.1 percent, higher education, 4.8 percent, and judiciary, elected officials and General Assembly at 1.5 percent. For general fund spending, K-12 would represent 36.9 percent, human services 28.4 percent, all other 12.4 percent, higher education 10.8 percent, corrections and public safety 8.1 percent, and judiciary, elected officials, and General Assembly at 3.4 percent. The budget projects general fund revenue growth of 5.2 percent in fiscal 2015. In the budget, the governor describes his top priorities as investing in and improving education at all levels, helping businesses to create jobs, strengthening the mental health safety net, expanding and reforming Medicaid, and balancing the budget while holding the line on taxes. Some of the specific education proposals include \$29.5 million more for early childhood education, \$278 million more for the K-12 foundation formula which would bring it closer to full funding, and \$42.1 million for performance based funding for colleges and universities. The budget projects that expanding Medicaid will result in \$77.3 million in general revenue savings. The budget also includes \$20 million in fiscal 2014 spending to cover the costs of the Joplin tornado and previous disasters. Finally, the budget proposal recommends a 3 percent salary increase for state employees. In discussing his priorities, the governor noted in his State of the State address that, "Our single greatest responsibility – as elected officials, as parents, as citizens of our state – is to make sure every child in Missouri has an opportunity to achieve his or her dreams."

Links: [Fiscal Year 2015 Budget Proposal](#); [Budget Summary](#); [Governor's Letter](#); [State of the State Address](#)

### *Enacted*

On June 24, Missouri Governor Jay Nixon signed into the law the \$26.4 billion fiscal 2015 budget approved by the legislature. However, in signing the budget, the governor made a series of vetoes. In total, the governor vetoed \$144.6 million in general revenue spending and restricted \$641.6 million in general revenue expenditures. The governor also announced that he was eliminating 260 full time state positions, withholding a 1 percent pay raise for state employees, and closing 19 regional state offices. The governor stated that the vetoes were needed because the budget was \$786 million out of balance due to the legislature not accounting for revenue reductions resulting from various tax bills, the budget depending on tobacco settlement payments that will not be available, the impact of the legislature's failure to expand Medicaid, and the legislature adding funding for a number of programs above the governor's recommendations. The governor also said that education funding will be restored if his vetoes of tax break bills are sustained.

Links: [Fiscal Year 2015 Enacted Budget Bills](#); [Veto Messages](#); [Governor's Press Release](#)

## **Montana**

In 2013, Montana enacted a two-year budget for fiscal 2014 and fiscal 2015.

Links: [Fiscal Years 2014-2015 Enacted Budget](#)

## **Nebraska**

### *Proposed*

On January 15, Nebraska Governor Dave Heineman announced proposed adjustments to the current fiscal 2014-2015 biennium budget. The relatively minor proposed changes decrease overall fiscal 2014 spending by \$2.27 million and increase fiscal 2015 spending by \$8.67 million. The changes mostly focused on corrections spending and prison capacity, as well as health care cost alterations. In addition, in his State of the State address, the governor reiterated his opposition to the expansion of Medicaid, called for maintaining strong cash reserves, and proposed tax changes including lowering income tax rates and providing property tax relief. The governor noted that "...Nebraska can afford up to \$500 million dollars in tax relief over the next three years because we have a growing economy, a strong cash reserve and we have worked hard to control spending."

Links: [Fiscal Years 2014-2015 Mid-Biennium Budget Adjustments Proposal](#); [Governor's Press Release](#); [State of the State Address](#)

### *Enacted*

Nebraska Governor Dave Heineman signed into law a \$7.8 billion mid-biennium budget adjustment on March 29. The governor thanked the legislature for prioritizing water sustainability funding, Game and Parks deferred maintenance funding, developmental disability waiting list funding, and early childhood education funding. The governor did veto \$65 million in spending including increased funds for a Juvenile Services Project Contingency Program, the construction of four fountains at the State Capitol, and a renovation of the HVAC system at the State Capitol. The governor stated that the additional spending could be used for greater property tax relief. The legislature later restored \$61 million of the vetoes.

Links: [Fiscal Years 2014-2015 Enacted Mid-Biennium Budget Adjustments](#); [Governor's veto message](#); [Governor's Press Release](#)

## **Nevada**

In 2013, Nevada enacted a two-year budget for fiscal 2014 and fiscal 2015.

Link: [Fiscal Years 2014-2015 Enacted Budget](#)

## **New Hampshire**

In 2013, New Hampshire enacted a two-year budget for fiscal 2014 and fiscal 2015. In her 2014 State of the State address, the governor discussed various initiatives to promote economic growth and strengthen the middle class. The governor noted in her speech that, "...In New Hampshire, we have worked together to support middle class families, to help innovative businesses thrive and to grow our economy." The governor also stated her support for a recent Senate proposal to expand Medicaid, encouraged lawmakers to pass casino legislation, and called for increased highway funding and for raising the minimum wage.

Links: [Fiscal Years 2014-2015 Enacted Budget](#); [State of the State Address](#)

## **New Jersey**

### **Proposed**

New Jersey's Governor Chris Christie released his proposed fiscal 2015 budget on February 25. Funds from state, federal, and dedicated sources total \$54.8 billion for fiscal 2015 with \$34.4 billion in general funds. The budget assumes that spending would rise 3.5 percent from the current year for state appropriations and includes a surplus of \$313 million. Total appropriations from federal, state, and dedicated sources would rise by 5.6 percent in the proposed budget. The proposed budget assumes revenue growth of 5.8 percent over the revised fiscal 2014 level and includes a \$2.25 billion deposit for public employee pensions. The governor called on local municipalities to consolidate services and offered an incentive of an \$8.5 million reimbursement to encourage that effort and includes an additional \$159 million in aid to colleges and students. The budget reduces reliance on non-recurring resources from 3.6 percent in fiscal 2014 to 2.8 percent in fiscal 2015. In his State of the State Address, the governor called for property tax relief and education reforms, including longer school days and school year. The governor also called for further changes to public worker pensions and discussed the impact that high pension payments have on the rest of the state budget. Additionally, the governor discussed the state's progress in responding from Hurricane Sandy noting that "Today, about nine months after the first phase of CDBG disaster recovery funds started flowing in New Jersey, nearly \$900 million – more than two-thirds of the funds for housing recovery programs are out the door or in the pipeline." The governor also added, "From the very beginning, the priority was putting those with the greatest needs and with the most limited financial resources at the front of the line."

Links: [Fiscal Year 2015 Budget Proposal](#); [Budget Address](#); [Appropriations Summary](#); [State of the State Address](#)

### **Enacted**

On June 30, New Jersey Governor Chris Christie signed a \$32.5 billion fiscal 2015 budget bill after making several vetoes. The governor vetoed a tax increase on incomes over \$1 million, a one-year surcharge on the corporation business tax, and reduced pension payments by \$1.57 billion; the governor stated that the state could not afford the pension contribution due to lower revenue collections and slower economic growth. The governor also vetoed a series of other smaller spending items. Overall the budget makes small funding increases to schools and hospitals and is 1.2 percent less than the state's fiscal 2014 budget. In his veto message, the governor said that he does not believe raising taxes is the answer to the state's short-term and long-term fiscal challenges.

Links: [Fiscal Year 2015 Enacted Budget](#); [Veto Message](#)

## **New Mexico**

### **Proposed**

On January 6, New Mexico Governor Susana Martinez announced a proposed state budget containing \$6.07 billion in general fund spending for fiscal 2015, which represents a 3.0 percent (or \$179 million) increase in recurring spending. This also includes one-time expenditure proposals totaling \$112 million for items such as funding the implementation of Common Core standards and investing in critical information technology projects, resulting in total new general fund spending of \$291 million. Recurring general fund revenues are projected to grow 5.5 percent in fiscal 2015 to \$6.18 billion. The budget proposal estimates that the general fund will end fiscal 2015 with a balance of \$583 million, reflecting 9.6 percent of recurring appropriations. The governor's budget requests \$100 million in new public education spending to cover basic school services such as enrollment growth as well as raise starting teacher salaries, fund merit-based bonuses for educators, and invest in early childhood programs. For higher education, the proposed budget recommends an \$8.3 million increase for instructional spending, and would reallocate \$58 million in the base budget for each institution to be

distributed based on outcome measures. “We’re in a sound fiscal position today because of bipartisan efforts over the past few years to ensure that we live within our means and focus intently on priority areas – like educating our children and growing our economy,” Governor Martinez said, and called for a similar focus for the fiscal 2015 budget. The budget plan also recommends reinvesting some of the general fund savings realized from Medicaid expansion into behavioral health services.

Links: [Fiscal Year 2015 Budget Proposal](#); [Governor’s Press Release](#); [State of the State Speech](#)

#### *Enacted*

New Mexico Governor Susana Martinez signed into law the state’s \$6.15 billion fiscal 2015 budget on March 11. The budget increases state spending by approximately \$266 million, or 4.3 percent, over fiscal 2014, and increases education spending by 5.75 percent. The governor noted that the budget is a bipartisan compromise that enacts initiatives to increase the state’s healthcare workforce, invest in key job creation efforts, and expand education reform. However, the governor did veto approximately \$27 million in spending including \$15 million in spending for an education program that isn’t needed until fiscal 2016, and pay raises for judges, district attorneys, and exempt employees in state government; the governor did not veto pay raises for other state employees, including teachers.

Links: [Fiscal Year 2015 Enacted Budget](#); [Governor’s Message](#); [Governor’s Press Release](#)

### **New York**

#### *Proposed*

New York’s Governor Andrew Cuomo released his proposed budget for fiscal 2015 on January 21 that totals \$137.2 billion and would hold state operating funds to 1.3 percent growth from fiscal 2014. The budget proposes to freeze local property taxes, provide tax reductions, and includes a statewide expansion of pre-kindergarten programs. State Operating Funds, which exclude federal funds and long-term capital spending, total \$92.03 billion and represent an increase of \$1.5 billion, or 1.7 percent from the prior year. The proposed budget would reduce taxes by almost \$500 million in fiscal 2015 and \$1.6 billion in fiscal 2016 on an all funds basis. In addition to freezing property taxes, other tax proposals include creating a property tax circuit breaker, additional tax relief to boost manufacturing, and corporate and estate tax reform. The proposed budget would increase education aid by \$807 million, an almost 4 percent increase, provide \$1.5 billion over a five year period to fund a statewide universal full day pre-K program, and authorize \$720 million over a five year period to expand after school programs. In his State of the State address, the governor emphasized various forms of tax relief and education reform including universal full day pre-K and a bond referendum to help makes schools state of the art, as well as increased infrastructure investments. In his speech, the governor stated “This agenda will grow the economy and provide fiscal relief to taxpayers, give our schools the classrooms of tomorrow, reimagine infrastructure across the state to face the new climate reality, and take steps to make our communities safer, fairer, cleaner and more progressive.”

Links: [Fiscal Year 2015 Budget Proposal](#); [State of the State Address](#)

#### *Enacted*

In April, New York Governor Andrew Cuomo signed the state’s \$138 billion fiscal 2015 budget that includes an expansion of prekindergarten programs, encourages local governments to increase efficiencies, continues Medicaid reforms, expands affordable housing, provides tax cuts to businesses, and includes \$1.5 billion in property tax cuts. The overall budget agreed to by the governor and legislature stays below a 2 percent cap on increased spending, while state education aid increases 5 percent. The governor did veto 483 legislative additions to the budget.

Links: [Fiscal Year 2015 Enacted Budget](#); [Governor's Press Release](#)

### **North Carolina**

In 2013, North Carolina enacted a two-year budget for fiscal 2014 and fiscal 2015. On May 14, North Carolina Governor Pat McCrory released a budget adjustment proposal for the fiscal 2014-2015 biennium that calls for spending \$21 billion, a 1.7 percent increase from the biennium budget enacted last year. The largest components of general fund spending consist of education (56 percent), health and human services (24 percent), justice and public safety (11 percent), debt services and reserves (5 percent), general government (2 percent), and natural and economic resources (2 percent). The largest sources of revenue include individual income taxes at 52 percent, sales and use taxes at 30 percent, and all other taxes at 14 percent. Areas of proposed spending increases include public education (\$46.4 million), justice and public safety (\$28.4 million), community colleges (\$16.9 million), and capital (\$7.1 million), while areas such as health and human services (\$122.6 million) and the university system (\$49.4 million) would see declines. In discussing the budget, the governor highlighted teacher and state employee pay raises, investments in education including early education, increased environmental protection, transportation initiatives, and continued operational reforms. The governor stated that, "This budget invests in our people, our environment, and continues the reforms that have put North Carolina back on track. This budget is not painless, but it does increase opportunity, improve our quality of life and makes North Carolina a more affordable place to live."

Links: [Fiscal Years 2014-2015 Budget Adjustments Proposal](#); [Budget Presentation](#); [Governor's Press Release](#)

### **North Dakota**

In 2013, North Dakota enacted a two-year budget for fiscal 2014 and fiscal 2015.

Link: [Fiscal Years 2014-2015 Enacted Budget](#)

### **Ohio**

#### **Proposed**

On March 11, Ohio Governor John Kasich announced proposed adjustments to the current fiscal 2014-2015 biennium budget. Overall, the budget reduces general fund appropriations by \$67.01 million in fiscal 2014 and by \$4.93 million in fiscal 2015. The proposal reduces debt service appropriations by \$31.0 million in fiscal 2015 due to a number of factors regarding the bond market, lowers the projected amount of local government and school district subsidizations by \$15 million due to lower than expected reimbursement requests, and reduces the Attorney General's budget by \$1.5 million due to new tobacco settlement funds. Proposed increases include \$39.5 million more in fiscal 2015 for the Department of Rehabilitation and Corrections due to increasing inmate populations, and \$3.1 million more to community colleges to help convert to a performance based funding model. The governor also included many policy proposals in his mid-biennium budget review including efforts to help reduce the number of dropouts, greater access to vocational education, an expansion of a program to allow high school students to earn college credits, incentives for colleges to graduate students, helping veterans transition to college and get jobs, reforms to the workforce development system, and additional programs for mental illness and to help prevent drug abuse. Finally, the governor proposed a wide-range of tax reforms including across the board income tax cuts, additional tax relief for low and middle income residents, increasing tobacco taxes, and alterations to the state's oil and gas drilling taxes. In his State of the State speech, the governor spoke of the need to "...keep Ohio's budget strong and balanced" in order to encourage job creation.

Links: [Fiscal Years 2014-2015 Mid-Biennium Budget Review](#); [State of the State Speech](#)

### Enacted

Ohio Governor John Kasich signed the mid-biennium budget review for fiscal 2014-2015 into law on June 16. Spending adjustments in the bill include new initiatives to help high school dropouts, \$10 million for cooperative mentoring efforts, \$47.5 million in additional funds for mental illness and addiction, and \$26.9 million for tobacco prevention and cessation programs. The enacted mid-biennium budget also makes several tax changes including doubling the earned income tax credit, increasing the income tax personal exemption, new middle income tax cuts, additional small business tax cuts, and accelerating a 10 percent income tax cut. Additionally, the governor made three vetoes to the bill.

Links: [Fiscal Years 2014-2015 Enacted Mid-Biennium Review](#); [Veto Message](#); [Fact Sheet](#)

## **Oklahoma**

### Proposed

On February 3, Oklahoma Governor Mary Fallin revealed her fiscal 2015 proposed budget calling for \$7.0 billion in state appropriations, a 1.3 percent decrease from fiscal 2014. The recommended budget contains a reduction to the top marginal rate for personal income taxes from 5.25 percent to 5.0 percent, a 5.0 percent budget cut for most state agencies, and an overall reduction of \$71 million from the current fiscal year. The governor is recommending targeted spending increases for select programs, such as child welfare services' Pinnacle Plan (\$36 million), K-12 education (\$50 million), increased pay for state troopers (\$5 million), mental health (\$28.6 million), and a proposed debt issuance for capitol building repairs (\$120 million). The governor has expressed concerns over visitor and state employee safety due to the capitol grounds extensive disrepair. The governor also advocated for \$2 million to support the state's long-term capital planning commission that is working to improve infrastructure financing. In her State of the State speech the governor described her proposed 5.0 percent budget cut to most state agencies by saying, "Any business worth its salt can find five percent costs savings without crippling the services it provides." The governor's proposed income tax reduction is estimated to reduce state revenue collections by \$47.4 million in fiscal 2015 and \$71.1 million in fiscal 2016. Lawmakers passed equivalent legislation in 2013, although the state Supreme Court ruled the tax change was unconstitutional because the bill combined more than one subject; it was accompanied by the creation of fund to repair the capitol.

Links: [Fiscal Year 2015 Budget Proposal](#); [State of the State Speech](#)

### Enacted

Oklahoma Governor Mary Fallin signed the state's fiscal 2015 budget into law on June 3. The budget calls for spending of \$7.12 billion, \$102.1 million, or 1.4 percent, less than the appropriated budget for fiscal 2014. The enacted budget increases K-12 spending by \$80 million, adds \$44.6 million to the Department of Human Services budget, and includes \$36.8 million for pay raises for state employees. The budget also closes a \$188 million shortfall through targeted spending cuts and a reconciliation of several state agency accounts. In announcing the budget agreement with the legislature, the governor noted that the budget improves safety measures for children in state custody, and adequately funds the state's eight-year transportation plan.

Links: [Fiscal Year 2015 Enacted Budget](#); [Governor's Press Release](#)



## **Oregon**

In 2013, Oregon enacted a two-year budget for fiscal 2014 and fiscal 2015.

Link: [Fiscal Years 2014-2015 Enacted Budget](#)

## **Pennsylvania**

### *Proposed*

Pennsylvania's Governor Tom Corbett released his proposed budget for fiscal 2015 on February 4. The recommended budget calls for spending \$29.4 billion in general funds, a 3.3 percent increase from fiscal 2014. Of the \$29.4 billion, 35.0 percent would be directed towards PreK-12, 22.8 percent to medical assistance and long-term living, 16.0 percent for other welfare, 7.5 percent for corrections, 5.5 percent for higher education, 4.1 percent for debt service, and 9.1 percent to all other. Spending proposals include a new grant program for K-12 that schools could use for curriculum development or teacher training, an increase in scholarships for middle income students, and a plan to increase access to quality, affordable healthcare. The proposed budget includes no new taxes and continues the phase out of the capital stock and franchise tax. Total general fund receipts are projected to reach \$30.54 billion in fiscal 2015, a 4.9 percent increase from fiscal 2014. For all funds, the total operating budget would be \$71.8 billion which includes \$24.2 billion in federal money and \$2 billion in the lottery fund. In his budget speech, the governor emphasized increased investments in economic development, early education, K-12, and postsecondary education and the need to control pension costs. In discussing his budget, the governor said that this budget reflects "...real numbers, responsible choices, and unlimited confidence in what our people can accomplish."

Links: [Fiscal Year 2015 Budget Proposal](#); [Governor's Press Release](#); [Governor's Budget Speech](#)

### *Enacted*

On July 10, Pennsylvania Governor Tom Corbett signed into law the state's \$29 billion fiscal 2015 budget. The budget increases spending by \$871 million in areas such as education, social safety net programs, and healthcare. Specifically, the budget includes a \$100 million increase for the Ready to Learn block grant, \$10 million more for Pre-K Counts, \$20 million in additional funds for special education, \$5 million for a new scholarship program, \$13 million to reduce waiting lists for people with disabilities, \$9 million to serve an additional 1,559 people with disabilities, and assumes federal approval of the governor's plan to reform Medicaid and increase access to health care through the private market. The governor did veto several items including \$65 million in General Assembly spending and \$7.2 million in legislative-designated spending. Additionally, the governor said that the legislature needs to come back and enact pension reform.

Links: [Fiscal Year 2015 Enacted Budget](#); [Governor's Press Release on Budget and Fiscal Code](#); [Governor's Press Release on Healthy PA](#)

## **Rhode Island**

### *Proposed*

Rhode Island's Governor Lincoln Chafee introduced his proposed budget for fiscal 2015 on January 15. The governor's proposed budget for fiscal 2015 budget adds \$37.9 million in school support, freezes tuition at all three public higher education institutions for the second year in a row, proposes to reduce the corporate tax from 9.0 percent to 6.0 percent and eliminate the sales tax on non-manufacturers' electricity and gas if the Main street Fairness Act passes in Congress, and creates a new \$80.0 million bridge repair program over the next five years. The budget totals \$8.5 billion for fiscal 2015 in all funds, an increase of \$165 million, or 2.0 percent, from the fiscal 2014 revised budget of \$8.4 billion. Of the \$8.5 billion budget, 40.5 percent is from general revenue, 33.7 percent is from

federal funds, 22.8 percent is from other sources, and 3.0 percent is from restricted or dedicated fee funds. The budget proposal recommends general fund spending of \$3.46 billion in fiscal 2015, an increase of \$104.3 million from the fiscal 2014 revised budget. Of the \$3.46 billion, 38.21 percent would be directed towards health and human services, 34.95 percent to education, 13.75 percent to general government, 12.03 percent to public safety, and 1.07 percent to natural resources. Recommended fiscal 2015 general revenue funding of \$3.46 billion represents an increase of 3.1 percent over the revised fiscal 2014 level. The fiscal 2015 recommended budget includes reviews of department and agency federal spending patterns and has more closely aligned requested spending levels with actual experience. In his State of the State address, the governor highlighted increased school funding, freezing university tuition, tax relief and the need to invest in infrastructure. The governor noted that, “Rhode Island is getting stronger with each day, each week, and each year - that is the state of our state. And if we continue to follow a steady, deliberate, compassionate course, avoiding short-term decisions and quick fixes, the coming year will once again be better than the last.”

Links: [Fiscal Year 2015 Budget Proposal](#); [Governor’s Message](#); [State of the State and Budget Address](#)

### Enacted

On June 19, Rhode Island Governor Lincoln Chafee signed into law the state’s fiscal 2015 budget. The \$8.7 billion budget closes a \$67 million budget gap through program reductions, rejections of new initiatives, maximizing revenues, requiring agencies to identify money for recently negotiated raises, and an accelerated recertification of human services caseloads. Included in the budget are various proposals such as eliminating a toll on the Sakonnet River Bridge, a new fund for the maintenance of roads and bridges, fully funding the state’s education aid formula, additional higher education funds to continue a tuition freeze, and \$12.3 million for 38 Studios bond payments. The enacted budget also reduces corporate tax rates and raises the credit on the death tax. The governor noted that the budget honors the state’s debts, funds and improves infrastructure, invests in the public education system, recognizes economic growth strategies, protects the environment, and maintains an appropriate aid level to municipalities.

Links: [Fiscal Year 2015 Enacted Budget](#); [Governor’s Press Release](#); [Legislature’s Press Release](#)

## **South Carolina**

### Proposed

On January 13, South Carolina Governor Nikki Haley recommended \$23.5 billion in total state expenditures in her fiscal 2015 proposed budget. Total state spending under the governor’s fiscal plan for next year would increase by 4.4 percent compared to fiscal 2014. General fund spending under the proposed budget is \$6.6 billion, an increase of \$239 million, or 3.7 percent. Revenues are projected to rise by \$252 million or 3.9 percent from fiscal 2014 enacted appropriations. In the budget proposal, the governor recommended changing the state’s education funding formula, reducing the 6.0 percent marginal tax bracket to 5.0 percent and financing new road infrastructure without raising the gas tax. Changes to the school funding formula combined with per pupil spending increases would direct an additional \$135 million to K-12 education in fiscal 2015. The proposed tax cut would reduce revenue collections by \$26.7 million in fiscal 2015. Changes to the school funding formula combined with per pupil spending increases would direct an additional \$135 million to K-12 education in fiscal 2015. The governor’s fiscal plan also redirects additional revenue due to conservative estimates towards transportation infrastructure to bolster road spending without raising the gas tax. The recommended budget documents persistently low revenue estimates have resulted in \$100 million more than budgeted on average over the past eight years. In her State of the State speech, the governor reiterated efforts to resist Medicaid expansion under the *Affordable Care Act*. The governor also noted that,

“Unlike during the recession, this is a good budget year, with enough revenue coming into Columbia that will allow us to make smart new investments in education, roads, and public safety.”

Links: [Fiscal Year 2015 Budget Proposal](#); [Budget Overview](#); [State of the State Speech](#)

### Enacted

South Carolina Governor Nikki Haley signed into law the state’s fiscal 2015 budget on June 11. The enacted budget includes \$24 billion in total spending, an increase from \$22.5 billion in fiscal 2014. The budget contains \$180 million more for K-12 including funds to hire additional reading coaches and to improve Internet capabilities in schools; additionally, the budget funds an expansion of full day kindergarten for at risk 4-year olds. Other items in the budget include a 2 percent pay raise for state workers and maintaining aid to local governments. The governor thanked the legislature for passing a budget that contained many of the education reforms and initiatives that she proposed in January. However, the governor did veto 76 items totaling \$18.5 million.

Links: [Fiscal Year 2015 Enacted Budget](#); [Veto Message](#)

## **South Dakota**

### Proposed

South Dakota Governor Dennis Daugaard released his fiscal 2015 budget proposal on December 3. The plan calls for total spending of \$4.28 billion in fiscal 2015, a 2.8 percent decline from the revised budget amount for fiscal 2014, and general fund spending of \$1.39 billion, a decrease of 4.0 percent. The largest components of general fund spending consist of health, human, and social services at 38.3 percent, 30.5 percent for aid to schools, 13.4 percent for higher education, 6.5 percent for corrections, 4.4 percent for the legislature, judicial system, public utilities commission, and elected officials, 1.2 percent for agriculture, environment and natural resources, and game, fish, and parks, and 5.7 percent for the remainder of state government. General fund revenues in fiscal 2015 are projected to be \$1.39 billion, down from the revised estimate of \$1.48 billion in fiscal 2014; much of the difference is due to no one-time receipts being forecasted at this time for fiscal 2015. The budget projects an ending balance of \$95.33 million in fiscal 2015, the same level as fiscal 2014. Highlights of the budget include an increase of 3.0 percent for K-12, 3.0 percent for technical institutes, 2.6 percent for the Board of Regents 3.0 percent for provider inflation, and 3.0 percent for the state workforce COLA. Also, the budget proposal includes policies to avoid a structural deficit including only spending revenues that are highly probable, cautious and sustainable ongoing increases, and the use of one-time dollars to reduce ongoing expenses. One-time proposed expenses in the budget proposal include prepaying bonds, prefunding Building South Dakota program, and paying cash instead of borrowing for a veterans’ home. In his State of the State address, the governor discussed the state’s fiscal position saying, “We have structurally balanced our budget without using any financial gimmicks. We have conservatively estimated revenue and enjoyed modest year-end surpluses. We are one of only a very few states in the nation to have a public pension that is more than 100 percent funded.”

Links: [Fiscal Year 2015 Budget Proposal](#); [Budget Summary](#); [Budget Presentation](#); [State of the State Address](#)

### Enacted

On March 31, South Dakota Governor Dennis Daugaard signed into law the state’s fiscal 2015 budget, totaling \$4.259 billion, a 4.7 percent increase from fiscal 2014. The budget contains a number of initiatives including increased funds for teacher pay, a 3.3 percent increase in state aid for school districts, freezing tuition at colleges and universities, a 3 percent raise for state employees, and additional funds for low-income medical care; the budget did not include an expansion of Medicaid.

After the adjournment of the legislature, the governor stated that it had been a successful legislative session while highlighting efforts in education and healthcare, the state's commitment to its outdoor heritage, and reducing the state debt by 20 percent after repaying bonds on state buildings.

Links: [Fiscal Year 2015 Enacted Budget](#); [Budget in Brief](#)

## **Tennessee**

### **Proposed**

On February 3, Tennessee Governor Bill Haslam released his fiscal 2015 proposed budget that calls for \$32.6 billion in total expenditures next fiscal year. Total expenditures under the recommended budget include spending \$15.0 billion from state appropriations, \$12.9 billion from the federal government, and \$4.7 billion from other departmental revenues, higher education tuition and fees and bonds. Fiscal 2015 general fund revenues are projected to increase by \$323 million or 3.3 percent from the revised fiscal 2014 forecast, which is \$126 million below original projections used at the time of budget enactment last legislative session. Projected increases to tax collections next fiscal year is allowing for some additional funding for K-12 education, the state's Medicaid agency TennCare, the state's share of employee retirement and health insurance, and salary increases for state employees and teachers. To offset these additional costs from new initiatives, the governor's proposal includes 2.4 percent budget cuts from recurring funding for most state programs. These budget cuts represent a \$132.9 million reduction in spending from state funds and a \$642.1 million decrease in total spending. Sixty percent of the net budget cuts to spending from state funds, or \$80 million, will be achieved through reductions to various areas of TennCare. Although under current eligibility rules, officials estimate that the state will have to spend an additional \$76.9 million on new enrollees next year, and program costs will grow by \$62.7 million, or 3.2 percent, despite a 1.0 percent cut in reimbursement rates for providers. In his State of the State speech the governor said, "The largest driver of the budget by far is TennCare, our state's Medicaid program... I believe that more Tennesseans having health care is good for our state. My concern has been that the federal government isn't giving us the tools to do that in a cost-effective way or in a way that will ultimately impact the health of Tennesseans for the better." In his address, the governor also proposed fully funding all tuition and fees to two-year higher education institutions for all graduating high school seniors by setting aside a \$300 million endowment from the Tennessee Education Lottery fund.

Links: [Fiscal Year 2015 Budget Proposal](#); [Governor's Press Release](#); [State of the State Speech](#)

### **Enacted**

Tennessee Governor Bill Haslam signed the state's \$32.4 billion fiscal 2015 budget on May 16. The legislation reduces overall spending by 2.4 percent from fiscal 2014, although both K-12 and TennCare received additional funds. The budget did not contain a pay raise for state workers due to a revenue shortfall. Additionally, on May 11, the governor signed the Tennessee Promise bill, which provides two years of community college or technical school free of tuition and fees to graduating high school students.

Links: [Fiscal Year 2015 Enacted Budget](#); [Governor's Press Release on Tennessee Promise](#)

## **Texas**

In 2013, Texas enacted a two-year budget for fiscal 2014 and fiscal 2015.

Link: [Enacted Fiscal Years 2014 and 2015 Budget](#)

## **Utah**

### **Proposed**

On December 4, Utah Governor Gary Herbert released a proposed budget for fiscal 2015 that includes \$13.3 billion in total state spending. Recommended operating and capital expenditures from the general and education funds totals \$5.7 billion, including \$2.8 billion for public education, \$885 million for Medicaid and social services, \$865 million for higher education, and \$550 million for corrections, public safety and justice. Additionally, transportation spending from other state-collected funds totals \$1.1 billion in the recommended budget. Unrestricted revenue collections in the general and education funds are projected to increase by 3.8 percent to \$5.4 billion in fiscal 2015; when earmarked general fund revenues are included, the funds are projected to raise \$5.9 billion (a 4.3 percent increase). The governor's budget invests \$169 million in new ongoing funds for education, including a 2.5 percent (\$61.6 million) increase in per pupil funding, in addition to \$92 million for major one-time K-12 and higher education expenditures. The budget also recommends an additional \$59 million for capital improvement projects. In total, the governor proposes \$253 million in one-time adjustments and \$204 million in ongoing program adjustments for general fund and education fund spending in fiscal 2015. The budget also highlights the governor's reorganization of state government to promote operational excellence and efficiency. In his State of the State address, Governor Herbert said, "It is not only important to bring more dollars into the state, we also need to become more efficient with the dollars we have," and applauded the results so far of his challenge to state agencies to improve their performance by 25 percent over his four-year term.

Links: [Fiscal Year 2015 Budget Proposal](#); [Governor's Press Release](#); [State of the State Speech](#)

### **Enacted**

Utah Governor Gary Herbert signed into law the state's budget bills on April 1. Utah's total operating and capital budget for fiscal 2015 is \$13.5 billion, a 1.2 percent increase from fiscal 2014. Additionally, general fund spending increased 7.3 percent from fiscal 2014, while education fund spending increased 7.0 percent. Much of the additional spending for fiscal 2015 was targeted at education, with \$61.2 million for additional public school students, \$62.5 million increased for the weighted pupil unit, \$53 million more for state funding equity at colleges and universities, \$115 million for new higher education facilities, and \$20 million in additional STEM funding. Other funding increases include \$58.5 million for deferred building maintenance, \$36 million for a prison expansion, \$5.2 million for contracts with local jails, and \$3 million more for state trooper personnel costs. At the conclusion of the session, the governor said that he was pleased that the legislature added additional funding to K-12 and higher education, his top budget priorities.

Links: [Fiscal Year 2015 Enacted Budget](#); [Appropriations Report](#)

## **Vermont**

### **Proposed**

Vermont's Governor Peter Shumlin released his proposed fiscal 2015 budget on January 15 that would increase general fund spending by about 3.56 percent, after accounting for the replacement of one-time funds included in the fiscal 2014 budget. The proposed fiscal 2015 budget totals \$5.62 billion in all funds and dedicated sources and \$1.44 billion in general funds. In the budget proposal, general fund revenues are projected to reach \$1.40 billion in fiscal 2015, a 5.5 percent increase from fiscal 2014. The budget proposes to fund all mandatory requirements, such as debt service and Medicaid, fully funds the actuarially required contributions for state employees' and teachers' pension plans, maintains the budget stabilization reserves at statutory levels, and includes the full statutory transfer to the Education Fund. The budget includes transportation investment of \$686 million, an increase of \$33

million over fiscal 2014. A combination of one-time receipts, a reduction in debt service needs, and increases from special and federal funds were used to close the \$71 million budget gap and bring the general fund budget appropriations into balance with the available general fund revenue projections. The breakdown of the \$5.62 billion recommended spending for total funds includes: general education 31.89 percent, Medicaid and long-term care 28.82 percent, transportation 11.79 percent, human services 10.41 percent, protection on person and property 5.29 percent, corrections 2.69 percent, general government 1.82 percent, natural resources 1.69 percent, higher education 1.52 percent, debt service 1.28 percent, commerce and community development 1.27 percent, property tax assistance 0.74 percent, labor 0.54 percent, and other 0.25 percent. In his State of the State address, the governor discussed the negative impact that increasing drug addiction is having on the state and said that his new policy proposals "...are designed to reframe the way we solve drug addiction and drug crime in Vermont, attacking it first as the health crisis that it is, while simultaneously retooling our criminal justice system and strengthening law enforcement."

Links: [Fiscal Year 2015 Budget Proposal](#); [Budget Summary](#); [State of the State Address](#)

### Enacted

On June 11, Vermont Governor Peter Shumlin signed the state's fiscal 2015 budget, which calls for \$5.6 billion in spending. The enacted budget contains most of the governor's proposals from January, and the governor stated that the legislative session was one of the most productive and successful in recent memory. Items approved by the legislature during the session include additional funding for drug treatment and intervention, a 2 percent increase in higher education funding, a new program that rewards college graduates for taking jobs in certain Vermont job fields, reforms for retired teachers' health insurance, additional funding for the Vermont Rental Subsidy, increased reimbursement for healthcare providers, and a \$686 million transportation budget.

Links: [Fiscal Year 2015 Enacted Budget](#)

### Virginia

#### Proposed

Outgoing Virginia Governor Bob McDonnell released his two-year budget proposal for the fiscal 2015-2016 biennium on December 16. The recommended budget calls for \$95.9 billion in total spending, \$37.7 billion from the general fund and \$58.2 billion in non-general funds. This represents a 7.8 percent increase in total spending over the fiscal 2013-14 budget. The proposed budget includes internal service funds or transactions between agencies, which accounts for \$3.2 billion or nearly one-third of the \$10 billion increase from the prior biennium. General fund revenue is projected to reach \$37.1 billion, an increase of 7.3 percent. Non-general fund revenue, which refers to funds earmarked by law for specific purposes, such as motor fuel taxes, student tuition and federal grants for specific activities, is projected to reach \$53.0 billion, an increase of 17.3 percent. Proposed spending increases under the governor's fiscal plan include: K-12 (\$583 million), Medicaid (\$674 million), higher education (\$183 million), mental health (\$38 million), and \$300 million for the rainy day fund. The budget also provides a one-time, 3.0 percent bonus for state employees and a 2.0 percent raise for state workers in jobs with higher turnover. Additionally, the budget allocates \$345 million for the state employee retirement system. Most K-12 funding will be in the form of direct aid to local schools to cover enrollment growth. Additional Medicaid spending will cover increased enrollment under current eligibility criteria and the rise in health care costs; the additional spending does not account for the expansion of Medicaid. In an address to the Joint Assembly, Virginia's new Governor Terry McAuliffe advocated for Medicaid expansion by saying, "But if we fail to exercise this option, we will forgo \$2.1 billion annually in federal funding over the next three years. That is more than \$5 million per day. That

money represents tax payments that Virginians have sent – and will continue to send -- to Washington regardless of whether we seize this opportunity or not.”

Links: [Fiscal Years 2015 and 2016 Budget Proposal](#); [Joint Assembly Address](#)

#### *Enacted*

On June 20, Virginia Terry McAuliffe signed the state’s fiscal 2015-2016 biennium budget. The budget closes a projected \$1.55 billion shortfall through \$842.5 million in spending cuts and \$707.5 million from the rainy day fund. The budget does add some new funding including \$50 million more for mental health services, and an increase of \$404.2 million for K-12 through the school aid formula. The budget does not include previously proposed pay raises for state employees and teachers. Additionally, the budget did not include Medicaid expansion, a priority of the governor. While signing the budget, the governor expressed frustration that the budget did not take even modest steps towards closing the health care coverage gap. Accordingly, the governor vetoed several parts of the budget including an item that would require approval of the Medicaid Innovation and Reform Commission before expanding Medicaid coverage, and a provision that prohibits any appropriation in the budget being used for Medicaid expansion. The governor also noted that he may have vetoed the entire budget if it wasn’t for the fact that the budget was passed near the end of the fiscal year and out of concern that the legislature wouldn’t have enough time to pass a new budget, which could have impacted critical services and Virginia’s AAA bond rating.

Links: [Fiscal Years 2015 and 2016 Enacted Budget](#); [Veto Message](#); [Governor’s Press Release](#)

### **Washington**

#### *Proposed*

In 2013, Washington enacted a two-year budget for fiscal 2014 and fiscal 2015. On December 17, Governor Jay Inslee proposed a supplemental budget for the current biennium. The recommendation makes modest amendments to the state’s enacted operating budget, including \$150 million in additional general fund spending to cover mandatory cost increases, due to factors such as rising caseloads and school enrollment, and maintain services at current levels. “This is a hold-steady budget that keeps us whole the remainder of the biennium, but we’ll have to make some tough decisions again next year,” said Governor Inslee. The supplemental budget also requests a net spending increase of \$55 million to address high-priority needs in areas such as corrections, information technology and education, and proposes to extend temporary tax preferences for research and development for one additional year. Overall, after the supplemental budget, Governor Inslee recommends \$33.9 billion in general fund operating expenditures and \$77.0 billion in total state expenditures, including transportation capital spending, for the fiscal 2014-2015 biennium.

Links: [Fiscal Years 2014-2015 Supplemental Budget Proposal](#); [Governor’s Press Release](#); [State of the State Speech](#)

#### *Enacted*

On April 4, Washington Governor Jay Inslee signed into law the state’s supplemental budget for fiscal 2014 and fiscal 2015 while vetoing several provisions. The supplement to the biennium budget increases state spending by roughly \$155 million. Included in the budget is an additional \$58 million for K-12, \$25 million for higher education scholarships, \$23.2 million for in-home child care providers, \$20.7 million for mental health programs, and \$7 million for wildfire costs; the budget also keeps in place a college tuition freeze. In a statement, the governor praised the legislature for some of

their actions in areas such as education and healthcare, but said that more needed to be done regarding education funding and reaching an agreement on a transportation investment package.

Links: [Fiscal Years 2014-2015 Enacted Supplemental Budget](#); [Veto Message](#); [Governor's Press Release](#)

## **West Virginia**

### *Proposed*

On January 8, West Virginia Governor Earl Ray Tomblin presented his fiscal 2015 budget proposal calling for \$4.7 billion in spending from general and lottery revenues. This is \$87 million or 1.9 percent higher than fiscal 2014 funding levels; however, the recommended budget includes \$70 million in base budget cuts from agencies. General and lottery revenues are projected to decrease by \$72 million or 1.5 percent in fiscal 2015. The largest driver of budget growth is the state's Medicaid program, which is projected to need an additional \$87 million next fiscal year, while funding for all other program areas in the budget is expected to decrease by a net \$42 million. The governor's budget also maintains a robust budget reserve fund above the current statutory cap of 13.0 percent of general revenue appropriations. To achieve fiscal balance, the governor's proposed budget uses the previous years' cash surplus and available special revenue balances to fund one-time appropriations. In addition to increased funds for Medicaid, the fiscal 2015 budget fully funds the local school aid formula as well as retirement system obligations, increases spending for social services, and provides a two percent pay raise for teachers and school service personnel. In his State of the State speech the governor said, "This is a year of tough financial choices for our state. Our budget is strained. However, we must invest in our future—sow the seeds for tomorrow—and invest in our children and those called to public service."

Links: [Fiscal Year 2015 Budget Proposal](#); [Budget Presentation](#); [State of the State Speech](#)

### *Enacted*

West Virginia Governor Earl Ray Tomblin signed the state's fiscal 2015 budget that totals \$22.2 billion in overall spending. Included in the budget are pay raises for state employees, teachers, and other education personnel, \$600 million for the state's share of Medicaid, and \$5 million for seniors' in-home care. The budget passed by the legislature also takes \$147.5 million from the state's \$922 million rainy day fund to help fill a budget shortfall. While signing the budget, the governor made a series of vetoes that reduced spending by \$67 million. The governor also reduced the use of the rainy day fund to \$100 million to help protect the state's bond rating. The governor noted that this year's budget was the most challenging to deal with in a number of years due to a decline in projected revenues and a long-projected increase in the required state match for Medicaid.

Links: [Fiscal Year 2015 Enacted Budget](#); [Veto Message](#);

## **Wisconsin**

In 2013, Wisconsin enacted a two-year budget for fiscal 2014 and fiscal 2015. In his 2014 State of the State address, Wisconsin Governor Scott Walker called for lowering taxes including reducing property taxes by \$406 million, lowering income taxes by \$100 million, and reducing the withholding tax for state income taxes by \$322.6 million. The governor also proposed putting an additional \$100 million into the state's rainy day fund, and increasing the Wisconsin Fast Forward program by \$35 million which supports dual enrollment programs between school districts and technical colleges and helps people with disabilities enter the workforce. Part of the funding for the tax cuts and additional funding for worker training is coming from a projected budget surplus for the current biennium. During his



address, the governor said that his plan would “...move Wisconsin further down the road to prosperity.”

Link: [Fiscal Years 2014-2015 Enacted Budget](#); [State of the State Address](#)

## **Wyoming**

### **Proposed**

On November 29, Wyoming Governor Matt Mead submitted his budget proposal to the legislature for the fiscal 2015-2016 biennium. The governor’s budget recommends that legislators appropriate \$3.4 billion from the general fund and Budget Reserve Account (BRA) over the next two years, which includes directing \$110 million to the BRA. The governor’s budget initiatives include \$50 million for salary increases and other employee compensation, \$175 million in aid to local governments (up from the \$135 million he requested in the current 2013-14 budget), and numerous capital construction projects. “Under my budget proposal,” said Governor Mead, “we can make this investment in Wyoming and at the same time continue to save money and keep spending flat.” With \$3.6 billion in resources available in the general fund/BRA, the governor’s proposal leaves \$219 million in resources available for the legislature to spend for its priorities and for savings. Most of state spending on K-12 falls outside the general fund budget, with spending from the School Foundation Program fund totaling \$1.7 billion and School Capital Construction Program fund spending of \$420 million. When including the general fund, other state funds and federal funds, recommended spending by executive branch state agencies totals \$8.4 billion for the next two-year budget cycle, compared to \$8.6 billion requested by agencies. The governor also recommends in the budget proposal that the state not expand Medicaid under the Affordable Care Act, but proposes to set aside \$28.5 million in additional general fund dollars to cover individuals currently eligible for Medicaid but not enrolled (the “woodwork” population) and newly eligible children.

Links: [Fiscal Years 2015-2016 Budget Proposal](#); [Governor’s Press Release](#); [State of the State Speech](#)

### **Enacted**

Wyoming Governor Matt Mead signed the state’s \$3.3 billion fiscal 2015-2016 budget after making several line item vetoes. The budget includes \$175 million in local aid and raises for state employees as well as K-12 and higher education employees. The budget also authorizes state officials to work with the federal government to design a state-specific Medicaid expansion plan, though actual expansion of the program would be subject to further legislative approval. The governor praised the passage of the budget, noting that spending remains essentially flat, while the budget provides for savings, education, local government, wildfire, new technologies, recruiting and retaining large businesses, health, and safety.

Links: [Fiscal Years 2015-2016 Enacted Budget](#); [Governor’s Press Release](#)