

Summaries of Fiscal Year 2023 Proposed Budgets

May 3, 2022 (Updated July 7, 2022)

This document details summaries of governors' budget proposals for fiscal 2023. Also included are links to proposed budgets, supporting documents, and State of the State speeches. If you would like additional information, please contact Brian Sigriz at 202-624-8439.

Overview of Proposed Budgets

Over the course of the past several months, governors in 33 states have released their fiscal 2023 budget proposals. Last year, 17 states enacted budgets covering both fiscal 2022 and fiscal 2023; in eight of those states, governors released a supplemental or revised budget recommendation for fiscal 2023. The remaining nine states did not release a new or revised budget proposal for fiscal 2023. The first fiscal 2023 budget proposal was released in early November, while the last was released in May.

Economic and Fiscal Conditions

Fiscal 2023 budgets were released during a time when state fiscal conditions were showing marked improvements compared to the beginning of the pandemic. State budgets were benefiting from both increased state tax collections as well as additional federal COVID-19 aid. Due to an improving economic outlook and the impact of federal aid, most states were seeing revenues exceed their forecasts. As reported in NASBO's December 2021 [Fiscal Survey of States](#), 32 states were seeing revenues come in above projections for fiscal 2022, 10 were on target, and no states were experiencing revenues lower than forecast (8 states were unable to report data). The improved fiscal outlook also led many states to increase their [revenue forecasts](#) for fiscal 2023. In both [State of the State](#) speeches and budget press releases, governors spoke about having an opportunity to make new investments and positively alter the course of the state moving forward due to improved fiscal conditions.

Fiscal Profile

Most, but not all, budget proposals called for increased general fund spending in fiscal 2023. In many cases the fiscal 2023

proposed general fund spending increases were smaller than in fiscal 2022 budgets, which were largely driven by one-time spending increases funded by budget surpluses from the prior fiscal year (fiscal 2021). Governors' budget proposals also assume less growth in total state spending (including both state and federal funds), partly due to states having already spent federal COVID-19 aid from the *Coronavirus Aid, Relief, and Economic Security Act* (CARES), and much of the additional federal funding from the *American Rescue Plan Act* (ARPA). Overall states are forecasting small increases in revenue collections in fiscal 2023, following larger gains in fiscal 2022. Rainy day fund balances are projected to remain at an elevated level in fiscal 2023 as governors continue to prioritize strengthening reserves, while total balances (including both rainy day fund and ending balances) may see a decline due to smaller ending balances. NASBO's Spring 2022 *Fiscal Survey of States*, to be released in June, will include additional data on proposed expenditure, revenue, and balance levels for fiscal 2023.

Priorities in Proposed Budgets

Several overarching themes were present in governors' budget proposals this year. Governors discussed the need for fiscal sustainability through building reserves, paying down debt, using one-time funds for one-time purposes, and streamlining government. Many initiatives were centered around strengthening the economy and expanding opportunities including for working families. They also focused on workforce challenges for both the private and public sector, with many calling for salary increases for teachers and other state employees. Governors noted the importance of making key investments with an emphasis on increasing education options, supporting public safety, strengthening behavioral health, expanding housing opportunities, improving infrastructure,

increasing broadband access, protecting natural resources, responding to climate change, and supporting businesses. Another priority for many governors was tax relief and putting money back into people's pockets. Finally, governors talked about transitioning from the pandemic and the need to invest for the future through spending that will pay long-term dividends and help future generations.

Program Area Highlights

The following are highlights of program areas in governors' recommended budgets. The lists are not all-inclusive but focus on topics that were discussed in a number of budget proposals.

Elementary and Secondary Education

- Pay raises for teachers and other recruitment and retention efforts
- Increased staffing levels for school nurses, mental health professionals, and other support personnel
- Increased state support for K-12 and fully funding education formulas
- Funding for school construction and maintenance
- Addressing learning loss through summer school and other programs
- Greater investments in early childhood education and full-day kindergarten
- Additional support for low-income students
- Expanded education options including charter schools

Higher Education and Workforce Training

- Increased operating support for higher education institutions and community colleges
- Restoring prior austerity cuts
- Expanded student financial aid and tuition assistance programs
- Freezing tuition rates
- Added funding for career technical education
- Support for higher education capital projects
- Greater collaboration between universities, community colleges, and private sector

- Focus on apprenticeship programs and opportunities for people to develop skills
- Expanded efforts for recruiting employees in high-demand fields
- Addressing employment barriers

Health and Human Services

- Increased support for public health initiatives and modernization efforts
- COVID-19 mitigation efforts
- Expanded Medicaid access
- Extended postpartum benefits
- Increased dental benefits
- Additional funding for hospitals and other healthcare facilities
- Growing healthcare workforce pipeline through recruitment efforts and new resident and nursing positions
- Increased rural healthcare options
- Building telehealth networks
- Enhanced behavioral health services
- Strengthening child welfare workforce
- Reduced waitlists for developmental disabilities and other services
- Expanded home and community-based services
- Provider rate increases
- Enhanced support for children in foster care

Public Safety

- Increased salaries for public safety personnel to improve recruitment and retention
- Funds for new state trooper positions and correctional personnel
- Local law enforcement grants
- Support for initiatives focused on reducing crime, violence

prevention, youth intervention, re-entry programs, drug treatment, preventing human trafficking, and expanded lab testing

- Funding for new correctional facilities

Infrastructure

- Funding mechanisms include both state and federal funds
 - Recommendations include greater utilization of one-time state funds
 - Proposals also include additional federal funds received through the *American Rescue Plan Act* (detailed below)
- Increased funding for maintenance of capital projects and state facilities
- Support for upgrading broadband infrastructure and expanding access
- Other projects include roads, bridges, rural routes, rail services, aviation, flooding prevention, ports, ferries, clean water, wastewater, state parks, and other state facilities

Other

- Continued funding for COVID-19 response efforts
- Childcare grants and assistance for childcare providers
- Strengthening rural communities
- New and expanded affordable housing options
- Funding to reduce homelessness
- Expanded cybersecurity initiatives
- Support for state parks and recreational areas
- Wildfire prevention
- Efforts to address climate change
- Expansion of clean energy investments including wind
- Resiliency planning
- Clean water and air quality programs
- Protection of natural resources
- Support for agricultural producers
- Aid to small businesses

- Recruitment and retention of state employees including increased compensation
- Government reform efforts including modernization and streamlining

American Rescue Plan Act (ARPA)

In their fiscal 2023 budget proposals, many governors separately detailed planned uses of federal funds received through the *American Rescue Plan Act of 2021* (ARPA). Over the course of the past year, states have been developing plans for the best use of ARPA funds. To date, states have been using the increased federal aid in a continued effort to address the impacts of the COVID-19 pandemic, help states and the economy move forward, and invest in the future.

Specific recommendations for the use of ARPA funds in governors' fiscal 2023 budget proposals included COVID-19 mitigation; public health; hospitals and health care facilities; behavioral health; telehealth; home and community-based services; elementary and secondary education including addressing learning loss; higher education including community colleges and university research programs; workforce development and job training; economic and community development; and tourism. Other proposals focused on affordable housing; childcare; food assistance; public safety including law enforcement training centers; National Guard costs; veterans' support and veterans homes; transportation including roads, bridges, and waterways; natural resources; state parks and recreational areas; water and wastewater infrastructure; climate change; air quality; broadband; technology upgrades; premium pay for essential workers; administrative costs; replenishing unemployment insurance trust funds; small businesses; non-profit organizations; and local government support.

Tax Policy Changes

Fiscal 2023 budget proposals saw an uptick in the number of governors proposing tax policy changes. Partly due to strong revenue growth and current budget surpluses, most of the tax policy changes focused on reducing taxes. Many governors noted their proposals were aimed at returning part of the surplus to taxpayers. Governors also stated their recommendations were geared towards putting money back into pockets, promoting prosperity, expanding economic opportunities, providing relief to families, and supporting businesses.

While most proposals centered around reducing taxes, they varied in type and scope. Several proposals were broad-based and focused on reducing personal income and corporate

income tax rates. Many of the income tax reductions were phased-in over a series of years, while some were also tied to future revenue growth. Other proposals were more targeted including recommendations aimed at property tax relief, reducing taxes on retirement benefits, lowering car taxes, grocery tax relief, aiding small businesses, tax breaks for low-income workers and expanding earned income tax credits. Some recommendations were temporary and focused on the current impact of inflation and helping people save money, including freezing state gas taxes. Finally, a number of governors proposed one-time measures including using surpluses to provide tax rebates to individuals and families.

Outlook

While current fiscal trends for states are positive, states will closely monitor both the path of the pandemic and the economy moving forward. States will watch for any impacts on tax collections from several areas including COVID-19, inflation, workforce shortages, and geopolitical events. States will also determine the best use of increased federal aid from both the *American Rescue Plan Act* and the *Infrastructure Investment and Jobs Act*. Looking forward, states are likely to continue to emphasize strong rainy day funds, making targeted key investments, and planning for the future.

Table of Contents

6	Alabama	40	Minnesota
7	Alaska	41	Mississippi
8	Arizona	43	Missouri
9	Arkansas	45	Nebraska
10	California	46	New Jersey
13	Colorado	47	New Mexico
15	Connecticut	49	New York
16	Delaware	50	North Carolina
17	Florida	52	Oklahoma
19	Georgia	53	Pennsylvania
21	Hawaii	54	Rhode Island
22	Idaho	55	South Carolina
24	Illinois	57	South Dakota
26	Iowa	59	Tennessee
28	Kansas	61	Utah
30	Kentucky	63	Vermont
32	Louisiana	64	Virginia
34	Maine	66	Washington
35	Maryland	68	West Virginia
37	Massachusetts	69	Wyoming
38	Michigan		



ALABAMA

On January 13, Alabama Governor Kay Ivey released her fiscal 2023 budget proposals for both the General Fund and the Education Trust Fund. The General Fund proposes \$2.7 billion in non-earmarked spending, an increase of \$42.5 million or 1.6 percent over fiscal 2022. The Education Trust Fund proposes \$8.3 billion in spending for fiscal 2023, an increase of \$627.2 million or 8.2 percent over the prior year. Net receipts to the General Fund are projected to grow from \$2.5 billion in fiscal 2022 to \$2.6 billion in fiscal 2023, a growth rate of 2.1 percent. Net receipts to the Education Trust Fund are projected to grow from \$8.0 billion in fiscal 2022 to \$8.3 billion in fiscal 2023, a 3.6 percent growth rate. The estimated balances at the end of fiscal 2023 are \$337.8 million for the Education Trust Fund and \$0 for the General Fund. The governor's budget proposals also call for fully funding the state's rainy day fund accounts.

Proposed Budget Highlights

The governor outlined her priorities for the proposed fiscal 2023 budget, including investments that will pay long-term dividends to the state.

General Fund

- Includes a 4 percent pay raise for state employees and a bonus for all retired state employees.
- Proposes \$12 million for mental health crisis centers, including funds for two new centers.
- Provides \$7 million for the state share and related federal matching funds for payment of inpatient and outpatient services in rural hospitals.
- Includes \$6.8 million as state match required for the Drinking Water and Clean Water State Revolving Funds under the federal Infrastructure Investment and Jobs Act.
- Provides funding increases for several agencies including the Department of Corrections (3.4 percent), Department of Forensic Sciences (14.2 percent), Law Enforcement Agency (4.0 percent), and Department of Mental Health (9.5 percent).

Education Trust Fund

- Includes a 4 percent pay raise for teachers.
- Provides an additional \$212.8 million for the K-12 Foundation Program.
- Proposes \$5 million for the Governor's Mathematics Education Coaching Corps, a pilot program for math coaches in grades K-5.
- Includes \$10 million for a new initiative aimed at underperforming schools.
- Provides \$22.5 million to add 125 First Class Pre-K classrooms in the state.
- Includes \$1.5 million in the Department of Early Childhood Education for a new pilot program to expand access to high-quality summer and afterschool programs.
- Provides \$4 million for prison education and \$5 million to expand dual enrollment for technical education programs.
- Proposes \$17.8 million to support increased quality in childcare providers.
- Provides a 15.9 percent funding increase to the Commission on Higher Education and a 26.2 percent increase to the Department of Child Abuse and Neglect Prevention.

Proposed Budget Information

[Fiscal Year 2022 Executive Budget](#)

[Education Trust Fund Summary](#)

[General Fund Summary](#)

[State of the State Address](#)



ALASKA

On December 15, Alaska Governor Mike Dunleavy released his recommended budget for fiscal 2023. Total state spending from all fund sources for fiscal 2023 is \$10.9 billion in the governor's budget, a 12.8 percent decline from fiscal 2022 appropriations, with that decline driven by reduced federal funds. The fiscal 2023 budget calls for federal fund expenditures of \$4.6 billion, a 24.3 percent decline from fiscal 2022 appropriated levels. The operating, mental health and capital budget calls for \$4.6 billion in unrestricted general fund (UGF) spending in fiscal 2023, representing flat growth over fiscal 2022 appropriated levels. The governor's UGF budget is based on \$2.6 billion in unrestricted revenue (a 3 percent decline from fiscal 2022 estimate) combined with a drawdown of \$1.7 billion from the Permanent Fund Earnings Reserve Account (ERA) for government services and \$375 million in carryforward revenue. The budget calls for an additional \$1.7 billion drawdown from the ERA to be used for Permanent Fund Dividend payments. According to the state's 10-year plan, the budget includes unrestricted federal revenue replacement from the *American Rescue Plan Act* (ARPA) of \$250 million for fiscal 2022 and \$375 million for fiscal 2023. The budget also proposes supplemental spending for fiscal 2022. The state's combined rainy day fund balance in the Statutory Budget Reserve and Constitutional Budget Reserve is projected to be \$1.51 billion at the end of fiscal 2023, 32.7 percent as a share of unrestricted general fund spending.

Proposed Budget Highlights

The governor's budget prioritizes public safety, education, infrastructure, and the Permanent Fund Dividend (PFD) without increasing or creating new taxes. The budget proposal also emphasizes small, sustainable government, with fiscal 2023 UGF spending 7 percent below the approved fiscal 2019 budget.

Public Safety

- \$7.3 million for the People First Initiative, a multi-agency strategy to tackle domestic violence, sexual assault, human trafficking, homelessness, and violence against indigenous peoples
- \$5.1 million for Village Public Safety Officer program, public safety support services for rural communities
- Funds for 15 new state troopers and additional administrative support
- More than \$25 million in operating support and \$35 million for capital projects for other public safety programs, including the body worn camera initiative

Education

- \$79 million for 100 percent school bond debt reimbursement
- Full funding for base student allocation formula and for school construction and maintenance
- \$55 million to replace a public school affected by river erosion
- \$23 million in ARPA funds for new university research programs and \$95 million in federal grant funds for a university marine center

Infrastructure

- \$310 million general obligation transportation and infrastructure bond to finance projects for ports and harbors, surface transportation, airports, education, public safety and community infrastructure
- \$200 to \$250 million in federal highway funds to replace the Tustumena ferry and re-energize the Alaska Marine Highway System
- \$72 million (including \$19.5 million UGF) for clean water systems in rural areas
- \$17 million for Rural Power System Upgrades program, in addition to other energy investments.

Permanent Fund Dividend

- \$1.7 billion drawdown from the Earnings Reserve Account (ERA) for a 2022 Permanent Fund Dividend (PFD) payment of \$2,564 to eligible state residents
- \$796 million to fund remainder of the 2021 PFD (estimated at \$1,200 per resident)
- Proposed PFD payments reflect the Governor's 50/50 Permanent Fund constitutional amendment

Proposed Budget Information

[Fiscal Year 2023 Budget Proposal](#)

[Fiscal Summary](#)

[10-Year Plan](#)

[Fact Sheet](#)

[Governor's Press Release](#)

[Revenue Forecast](#)

[State of the State](#)



ARIZONA

Arizona Governor Doug Ducey released his fiscal 2023 budget proposal on January 14. The budget calls for \$61.9 billion in total spending from all funds. This includes \$14.2 billion in general fund spending, which represents an 8.6 percent increase over the fiscal 2022 recommended general fund level. The budget, which includes \$13.2 billion in ongoing spending, is based on ongoing forecasted general fund revenues of \$13.8 billion, reflecting a 6.2 percent decline from fiscal 2022 revenues. With a structural surplus of \$552 million, the executive budget recommendation has a projected ending balance of \$1.0 billion in the general fund. Accounting for the governor's recommended transfer into the Budget Stabilization Fund, the state is projected to have a \$1.4 billion rainy day fund balance at the end of fiscal 2023, roughly 10 percent of projected general fund revenues.

Proposed Budget Highlights

The governor's budget for fiscal 2023 prioritizes targeted investments in education, public safety, border security, water, and infrastructure. The proposal also continues to bolster the state's rainy day fund with a \$425 million deposit, creates a State Earned Income Tax Credit (EITC) and provides a manufacturing tax incentive package. Key spending initiatives include:

K-12 Education

- \$276 million for School Facilities Board (SFB) building renewal grants (including fiscal 2022 supplemental) and an additional \$90 million in SFB funds for new schools
- \$124 million for K-12 baseline enrollment growth and inflation
- \$100 million in federal funds to support summer camps and address learning loss during the pandemic
- \$61 million for additional funding to modernize results-based funding, which rewards top-performing schools in the state
- \$58 million for Operation Excellence, intended to close the achievement gap at underperforming schools

Higher Education

- \$46 million to continue New Economy initiatives to prepare higher education students for high-demand jobs
- \$13 million to expand the Arizona Promise Program

- \$11 million to permanently restore STEM and Workforce funding for community colleges

Water and Natural Resources

- \$1 billion over three years for water augmentation projects
- \$177 million in federal and state funds for state parks system projects to spur rural tourism
- \$36 million for the Arizona Healthy Forest Initiative Phase II

Infrastructure

- \$400 million investment in a major roadway project
- \$186 million for building renewal and capital projects statewide
- \$50 million for rural transportation grants to help communities and the state transportation agency compete for federal funds

Other

- Employee Compensation: \$217 million for an Enterprise Compensation Strategy, which provides ongoing base salary increases and changes to the state's Health Insurance Trust Fund, including for public safety and corrections officers
- Border Security: \$50 million for Border Security Fund Deposit and \$12 million to expand the Border Strike Force
- Nursing Education: \$26 million for a public-private partnership to expand nursing training
- Cybersecurity: \$25 million to create a new cybersecurity risk management program
- Foster Care: \$20 million for foster care and kinship support

Proposed Budget Information

[Fiscal Year 2023 Budget Proposal](#)

[Budget Summary](#)

[Governor's Press Release](#)

[State of the State Address](#)



ARKANSAS

On January 11, Arkansas Governor Asa Hutchinson released a \$6.04 billion general revenue budget proposal for fiscal 2023. This represents an increase of \$194.7 million over fiscal 2022, or 3.3 percent. Gross general revenues are projected to be \$7.5 billion in fiscal 2023, a 2.6 percent increase over fiscal 2022, while net available revenues are projected at \$6.2 billion, an increase of 1.7 percent. In a December special session, the state passed tax cuts that will gradually reduce the top individual income tax rate from 5.9 percent to 4.9 percent by 2025; it also provides a \$60 tax credit to low-income taxpayers. In response to the changes, a revised general revenue forecast was released on December 16, noting that the changes result in estimated reductions in general revenue of \$135.3 million in fiscal 2022 and \$307.4 million in fiscal 2023. The fiscal 2023 budget proposal includes a surplus of \$174.4 million and the governor noted there is \$1.2 billion in the Catastrophic Reserve Fund.

Proposed Budget Highlights

The governor included several priorities in the budget proposal including those that strengthen Arkansas families, help victims of crime, and support law enforcement. Below are specific proposals, including recommended year-over-year increases from fiscal 2022 to fiscal 2023:

Education

- \$69.6 million increase for the Public School Fund.
- \$28.5 million increase for the educational facilities partnership.
- \$12.9 million increase for institutions of higher education, including \$5.3 million for historically underfunded institutions.
- \$57.4 million in existing funds to support the public school employee health insurance fund, with an additional \$50 million remaining in the restricted reserve fund for this purpose.

Child Welfare and Human Services

- \$66.3 million increase for human services programs.
 - \$11.1 million to strengthen the child welfare workforce.
 - \$37.6 million to reduce the waitlist for services for those with developmental disabilities.
 - \$6.1 million increase for behavioral health.

Public Safety

- \$7.5 million increase for the State Police to improve recruitment and make the starting salary for new troopers more competitive in the region, while also benefiting those with seniority.
- \$2.3 million for the Crime Victims Reparations Board to supplement revenue generated from court fees and provide a stable funding source.
- Funding Child Abduction Response Teams for the first time through the Criminal Justice Institute and funding two new drug courts in the northeast part of the state.
- \$3.9 million increase for the Division of Correction.

Other Provisions

- \$5.8 million increase for the Economic Development Commission.
- \$16 million for the Performance Fund, which can be used to help pay for merit raises for state employees and the 27th pay period in fiscal 2023.

Proposed Budget Information

[Fiscal Year 2023 Budget Proposal](#)

[Official General Revenue Forecast 2021-2023 Biennium](#)

[Governor's Budget Presentation](#)

[Governor's Press Release on Tax Cuts](#)

[State of the State](#)



CALIFORNIA

On January 10, California Governor Gavin Newsom introduced his budget proposal for fiscal 2023. The budget calls for total state expenditures (excluding federal funds) of \$286.4 billion, including \$213.1 billion in general fund spending for fiscal 2023. This represents a 1.5 percent general fund increase compared to spending levels in fiscal 2022. The budget is based on total general fund resources for fiscal 2023 of \$219.4 billion, including a \$23.7 billion beginning balance and \$195.7 billion in annual revenue after a \$1.6 billion transfer to the rainy day fund. General fund revenues, prior to transfers, are forecasted to decline 2.2 percent in fiscal 2023 compared to fiscal 2022. The recommended budget projects reserve balances of \$20.9 billion in the Budget Stabilization Account/Rainy Day Fund (BSA), \$9.7 billion in the Public School System Stabilization Account (PSSSA), and \$900 million in the Safety Net Reserve. Additionally, the general fund ending balance is expected to be \$6.2 billion, including a \$3.2 billion Reserve for Liquidation of Encumbrances and \$3.1 billion in the Special Fund for Economic Uncertainties (SFEU). This amounts to combined budgetary reserves (BSA, PSSA, SFEU and Safety Net) of \$34.6 billion (16.2 percent of recommended general fund expenditures for fiscal 2023), and a total balance of \$37.8 billion. The governor also recommends some changes to allocations of Coronavirus State Fiscal Recovery Funds (CSFRF) from the *American Rescue Plan Act* (ARPA), namely increasing the allocation for revenue replacement by roughly \$2 billion and shifting the cost of certain programs supported by CSFRF to the general fund, to increase funding flexibility and streamline reporting requirements.

Proposed Budget Highlights

The governor's "California Blueprint" budget proposal for fiscal 2023 continues to build on recent investments, supporting efforts to promote the health and safety of state residents, address inequality, and foster a robust economic recovery. The governor's priorities focus on responding to COVID-19, combatting climate change, confronting homelessness, increasing affordability for families and small businesses, and strengthening public safety. The governor's Blueprint prioritizes one-time spending with surplus funds while continuing to bolster reserves and pay down long-term liabilities. Fiscal 2023 budget priorities include:

COVID-19 Response

- \$1.3 billion one-time to increase vaccine distribution, including boosters, testing and medical personnel (see Early Budget Action Items below for a description of a supplement to fiscal 2022)

Public Health Infrastructure

- \$300 million ongoing general fund to support a set of core services that underpin the work of state and local public health departments and serve to modernize the state's public health infrastructure
- \$235 million general fund to maintain and operate information technology platforms and applications stood up during the COVID-19 pandemic that are necessary to support public health services statewide

Education and Child Care

- \$3.4 billion ongoing for expanded-day, full-year instruction and enrichment programs for K-12 students, and \$937 million one-time to integrate arts and music into these enrichment programs
- \$2.2 billion one-time over two fiscal years to support school facilities construction and modernization
- \$1.5 billion for K-12 college and career pathways in education, health care, technology, and climate-related fields
- \$1 billion to begin first year of universal transitional kindergarten for all four-year-olds
- \$772 million one-time to support early literacy efforts
- \$596 million ongoing and \$450 million one-time to support access to universal subsidized school meals that incorporate more fresh, minimally processed California-grown foods
- \$500 million one-time to support inclusive preschool classroom infrastructure.
- \$500 million to support special education
- \$500 million one-time to strengthen and expand student access and participation in dual enrollment opportunities
- \$309 million to further serve dual language learner students and students with disabilities in preschools



CALIFORNIA (Continued)

Workforce Training and Higher Education

- \$1.7 billion to expand health and human services workforce
- \$750 million for the second year of a planned total three-year investment of \$2 billion one-time in grants for affordable higher education student housing.
- \$515 million for student financial aid through an updated Middle Class Scholarship program
- Proposes multi-year funding compacts with state universities and a roadmap to guide community college investments. Both compacts and the roadmap include, among other goals and priorities, a focus on linking curricula to workforce needs. The Administration would propose base increases of 5 percent each year of the compact for the University of California and California State University segments on condition that certain goals are achieved.

Climate Change

- \$648 million to invest in wildfire response personnel and equipment and \$1.2 billion over two years for wildfire and forest resilience to advance critical investments in forest health and fire protection to continue to reduce the risk of catastrophic wildfires.
- \$750 million for drought resilience and response
- \$2 billion in clean energy investments over two years for various incentive programs
- \$9.1 billion (\$4.9 billion general fund and \$4.2 billion bond funds) to continue developing the high-speed rail system and other transportation infrastructure projects
- \$6.1 billion from several fund sources over 5 years for investments that advance the acceleration of Zero-Emission Vehicles
- \$250 million in annual tax credits for three years for companies investing in research to mitigate climate change and \$100 million in annual tax credits for those developing green energy technologies

Housing and Homelessness

- \$2 billion one-time general fund in additional funding for behavioral health housing and encampment cleanup grants

- \$1.5 billion in one-time general funds over two years to create more sustainable and affordable housing

Healthcare

- \$400 million (\$200 million general fund and \$200 million federal funds) for provider payments focused on closing equity gaps in preventative care for families and children
- Expand Medi-Cal to all income-eligible residents, regardless of immigration status
- \$2.8 billion (\$982.6 million general fund) to continue the implementation of the California Advancing and Innovating Medi-Cal initiative

Public Safety

- \$285 million over three years in local law enforcement grants to increase enforcement of theft-related crimes, increase local law enforcement presence in retail locations, and to increase local prosecution resources.
- \$51 million over three years and ongoing for theft related investigation and statewide taskforces.
- \$67 million one-time investments for local government gun buyback programs, aid to small businesses affected by retail theft, a drug interdiction program, and firearm violence research.

Miscellaneous

- \$3 billion over two years to pay down a portion of the Unemployment Insurance debt.
- \$2.3 billion for supply chain investments, including \$1.2 billion for port, freight, and goods movement infrastructure and \$1.1 billion for other related areas such as workforce training and ZEV equipment and infrastructure related to the supply chain.

Early Budget Action Items

- COVID-19 direct response costs (referenced above in COVID-19 Response)—Cost estimates for COVID-19 direct response activities for fiscal 2022 grew to \$3.6 billion one-time, or \$1.9 billion above the \$1.7 billion authorized in fiscal 2022. The additional \$1.9 billion one-time is for testing, vaccinations, medical surge personnel, and additional personal protective equipment and medical supplies.



CALIFORNIA (Continued)

Support for Businesses

- Restores, one year earlier than under current law, business tax credits that were limited during the COVID-19 Recession, reducing revenue by \$5.5 billion
- Additional tax relief for small businesses through federal conformity, reducing revenue by \$274 million over fiscal years 2021-22 and 2022-23
- \$150 million to provide additional COVID-19 relief grants to small businesses
- Paid sick leave--requires employers with 26 or more employees to provide up to 80 hours of COVID-19 supplemental paid sick leave to employees through September 30, 2022.

Proposed Budget Information

[Fiscal Year 2023 Budget Proposal](#)

[Budget Summary](#)

[Governor's Press Release](#)

[State of the State](#)



COLORADO

On November 1, Colorado Governor Jared Polis released his recommended budget for fiscal year 2023. The proposal calls for \$40.0 billion in total fund spending and \$13.5 billion in general fund operating spending, reflecting increases of 3.9 percent in total spending and 8.1 percent in general fund operating spending compared to fiscal 2022 levels. The governor's budget also recommends a package of one-time transformational investments of \$1.3 billion in general funds. Gross general fund revenue in fiscal 2023 is expected to total \$15.9 billion. Combined with the state's beginning balance of \$3.5 billion, total forecasted general fund resources for fiscal 2023 are \$19.4 billion. Including one-time investments, transfers to other state funds, and projected refunds to taxpayers required by state law, general fund expenditures in the budget total \$17.2 billion. The governor recommends a general fund reserve level of \$1.997 billion, or 15 percent of general fund spending subject to the reserve. The executive budget also outlines the governor's funding priorities for remaining *American Rescue Plan Act* (ARPA) State and Local Fiscal Recovery Funds.

Proposed Budget Highlights

The budget focuses on four elements: fiscal responsibility; historic investments in education and workforce; putting money back in Coloradans paychecks and supporting Colorado businesses; and healthy and safe communities. Funding recommendations include:

One-Time State Investments (General Fund)

- \$424 million for improving air quality
- \$500 million for unemployment insurance premium relief
- \$51 million in workforce investments (including renovating state facilities to provide childcare)
- \$45 million in public safety investments
- \$150 million transfer to the State Education Fund in fiscal 2023 to increase per-pupil funding and prepaid transfers of \$300 million for the next two years
- \$104 million in fee relief for individuals and businesses.

One-Time Federal Investments (ARPA SLFRF)

- Affordable Housing: \$175 million in funding priorities for affordable housing investments, including

infrastructure grants for local infill infrastructure needs, energy improvements, housing innovation incentives, and increasing middle-income housing access.

- Behavioral Health: \$275 million in funding priorities, including matching grant funds for local and community organization programs; provider support for care integration and payment reform; residential facility for children and youth with complex needs; and behavioral health workforce investments.
- Workforce Development and Education: \$95 million in funding priorities to foster cross-sector collaboration through a regional approach to investing in workforce programs.
- Economic Recovery and Relief: \$100 million for additional unemployment insurance premium relief; \$200 million to leverage local and other funding to reduce homelessness; \$126 million in other agency proposals identified as "high-impact".
- Revenue Replacement Funds: Carries forward \$1 billion in SLFRF to prepay for other essential government services.

Other Budget Highlights

- K-12 Education: Increases funding by \$381 million, as well as increases access to resources on evidence-based supports for school improvement
- Early Childhood: Invests \$13 million in the new state Department of Early Childhood that will prepare to launch the state's new Universal Preschool Program
- Higher Education: Increases operating support for higher education institutions by \$43 million (4.6 percent) and student financial aid by \$10 million, and provides \$140 million in capital maintenance and improvements, particularly for more underserved institutions, combined with freezing tuition rates.
- Health Care: Provides \$530 million over three years to expand and improve home and community-based services, as well as additional funding for technology enhancements to enhance rural healthcare and other priorities.



COLORADO (Continued)

- **Public Safety:** Recommends a series of ongoing general fund investments, supplemented with one-time state and federal investments in public safety described above, to total \$113 million for community investments, domestic violence initiatives, behavioral health investments, workforce transformations, and recidivism reduction initiatives.
- **State Employee Compensation:** In accordance with a labor agreement reached in October, funds a 3% across-the-board pay increase, sets a \$15 minimum wage, provides funding for expanded paid family medical leave benefits, creates a new Colorado Equity Office, and other actions.

Proposed Budget Information

[Fiscal Year 2023 Budget Proposal](#)

[Budget Letter \(Shortened\)](#)

[Budget Letter \(Full\)](#)

[Governor's Press Release](#)

[Revenue Forecast \(September 2021\)](#)

[State of the State](#)



CONNECTICUT

During the 2021 legislative session, Connecticut enacted a biennial budget for fiscal 2022 and fiscal 2023 totaling \$22.7 billion in fiscal 2022 and \$23.6 billion in fiscal 2023 with general fund amounts of \$20.8 billion in fiscal 2022 and \$21.7 billion for fiscal 2023. On February 9, Connecticut Governor Ned Lamont proposed fiscal 2023 budget adjustments. The recommended revised budget for fiscal 2023 at \$24.2 billion is 2.4 percent above the enacted fiscal 2023 level with the general fund at \$22.1 billion, 2.5 percent above the enacted fiscal 2023 level. The proposed fiscal 2023 level provides a \$296.4 million operating surplus and is \$16.7 million below available revenue. The January 2022 consensus revenue forecast is projected at \$22.7 billion in fiscal 2023. Consensus revenue adjustments in November and January increased available resources by \$873 million. The projected budget reserve balance at the end of fiscal 2023 is \$4.4 billion.

Proposed Budget Highlights

Major priorities in the proposed fiscal 2023 budget adjustment include tax relief, strengthening behavioral health care, and workforce development. Funding recommendations include:

- Expanding eligibility for the property tax credit.
- Eliminating the income tax on retirement income for most households.
- Providing tax relief by lowering local car taxes.
- Accelerating by 3 years from 2025 to 2022 the phase-in of pensions and annuities exemption under the income tax.
- Including nearly \$160 million in additional funding for mental health services, with \$26.4 million to expand access to mobile crisis units for adults and children.
- Adding \$65 million for tuition assistance and aid to higher education institutions to boost enrollment through tuition assistance.
- Investing in broadband and infrastructure projects including rail service, roads and bridges, and clean wind energy.
- \$19.4 million for preventing and reducing repeat crime.

- Developing the state's workforce including through expanding the CareerConnect program with a focus on trade schools, apprentice programs, and tuition-free certificate programs.
- \$174.4 million in state funds to help fund the *American Rescue Plan Act* (ARPA) home and community-based services reinvestment plan to support workforce stability, informal caregiver support, assistive technology/smart home technology, home adaptations, and self-direction.
- \$165.0 million in new general obligation bond authorizations to increase authorizations from \$1.9 billion to \$2.1 billion.

Proposed Budget Information

[Fiscal Year 2023 Budget Adjustment Proposal](#)

[Budget Presentation](#)

[Revenue Forecast – February 2022](#)

[State of the State Speech](#)



DELAWARE

On January 27, Delaware Governor John Carney released his proposed fiscal 2023 general fund operating budget of nearly \$5.0 billion, reflecting an increase of 4.6 percent compared to the current year’s plan. This budget reflects \$5.9 billion in total general fund appropriations after including \$591.6 million in dedicated cash to the Bond and Capital Improvements Act, \$56.9 million for Grants-in-Aid, \$215.9 million for the Recommended One-Time Supplemental Appropriations Act, and a recommended \$47.7 million in dedicated cash to the Other Post-Employment Benefits (OPEB) Trust Fund. The governor has recommended that \$15.2 million over and above the constitutionally mandated two percent set-aside remain unappropriated and added to the budget stabilization fund for a new balance of \$302.5 million. The budget would appropriate 97.8 percent of revenues. Net general fund revenue collections for fiscal 2023 are estimated at \$5.5 billion, a 0.7 percent decrease from fiscal 2022.

Proposed Budget Highlights

The proposed fiscal 2023 budget continues investments in key areas such as strengthening the economy, expanding opportunity, and supporting families and workforce. Funding recommendations include:

- Investing in three priority areas: clean water, Wilmington education initiatives, and economic development.
- \$367.2 million in state and federal clean water investments to improve drinking water and water resources.
- \$75.0 million to ensure Delaware remains competitive through modernizing infrastructure, focusing on small businesses, and fostering a culture of innovation and entrepreneurship.
- Providing targeted tax relief and incentives, including exempting 2021 unemployment insurance benefits from state personal income taxes to total \$25.2 million over two years.
- Funding school projects, totaling \$339.9 million across all three counties.

- \$88.7 million in compensation and pay increases for state employees, including moving toward a \$15 minimum wage, increasing merit pay scales or 2 percent pay increases, depending on current pay scales and roles.
- \$30 million for farmland and open space preservation, \$20.6 million for mental health services in elementary schools, \$11.5 million in increased support for childcare providers, and \$7.6 million for police body-worn cameras.

In addition to the general fund budget, the governor recommended allocating *American Rescue Plan Act* (ARPA) funds in the following categories:

- \$355 million in statewide technology and capital upgrades
- \$135 million in housing development and emergency housing
- \$121 million in hospitals and health care facilities
- \$112.5 million for the Community Investment Recovery Fund (Nonprofits)
- \$107 million in higher education
- \$100 million in COVID response and mitigation
- \$50 million in workforce development and pathways

Proposed Budget Information

[Fiscal Year 2023 Budget Proposal](#)

[Budget Overview](#)

[Governor’s Financial Overview](#)

[Budget Presentation](#)

[Revenue Forecast - December](#)

[State of State Speech](#)



FLORIDA

On December 9, Florida Governor Ron DeSantis introduced a \$99.7 billion budget proposal for fiscal 2023, a decrease of \$1.99 billion or 1.96 percent from the current year budget. The general revenue portion of the budget totals \$37.05 billion, an increase of \$580.4 million or 1.6 percent over fiscal 2022. The general revenue ending balance at the time of the governor's budget release is estimated at \$10.8 billion in fiscal 2023 while all reserves combined would total \$15.6 billion; the Budget Stabilization Fund is estimated at \$3.0 billion. The budget includes \$3.8 billion in provisions funded from the State Fiscal Recovery Fund, authorized by the *American Rescue Plan Act* (ARPA). Recent general revenue estimates (recurring and non-recurring) have added \$3.3 billion to projected current year collections and \$700 million to fiscal year 2023 projected revenue collections. This increase is approximately \$1.9 billion in additional revenue over what was included in the governor's recommended budget.

Proposed Budget Highlights

The proposed budget includes record funding for education, environmental resources, and law enforcement. In general, the budget includes \$225 million to provide pay increases for state employees; other funding recommendations include:

Taxpayer Savings

- \$1 billion through a fuel tax holiday, reducing the tax motor fuel by \$0.25 per gallon (funded by the State Fiscal Recovery Fund).
- \$57.4 million through a 7-day Freedom Week sales tax holiday covering certain outdoor recreation purchases.
- \$72.9 million through a 10-day Back-to-School sales tax holiday covering certain purchases of clothing, school supplies and computers.
- \$11 million through a 10-day Disaster Preparedness sales tax holiday covering items needed during disasters including generators up to \$1,000.
- \$14.7 million through permanent elimination of fees charged for obtaining a state identification card.

Education

- \$600 million, an increase of \$50 million, to continue efforts to raise the minimum K-12 teacher salary to \$47,500 plus salary increases for veteran teachers and instructional personnel.

- \$23.9 billion in total funding for the Florida Education Finance Program (FEFP), including increases for the Base Student Allocation (\$124 per pupil), mental health allocation (\$20 million), safe school initiatives (\$30 million), and instructional materials (\$21 million).
- The budget does not include any tuition or fee increases for the state's colleges and universities.

Environment

- \$980 million dedicated for Everglades restoration and protection of water resources.
- \$552 million for resiliency planning and coral reef protection. (\$500 million funded by the State Fiscal Recovery Fund).
- \$50 million for beach nourishment to protect the state's coastline.
- \$137 million for cleanup of contaminated sites, focused on promoting redevelopment.

Public Safety

- \$25 million in bonus payments for new law enforcement officers.
- \$210.8 million to provide salary increases across various public safety offices, including:
 - \$124.2 million to increase the Department of Corrections' base rate of pay to \$20 per hour for Correctional Officers, Probation Officers, and Inspectors.
 - \$11.2 million to increase the base rate of pay to \$17 and \$19 per hour for Department of Juvenile Justice Detention Officers and Probation Officers, respectively.
 - \$32.5 million to give all entry level state sworn law enforcement a 20 percent increase.
 - \$42.9 million to give all non-entry level state sworn law enforcement a 25 percent increase.
- \$5 million to develop a comprehensive prison modernization and position realignment analysis plus \$20.7 million for correctional IT infrastructure and security.



FLORIDA (Continued)

- \$17.8 million and 12 FTE to improve staffing levels at the Department of Corrections plus \$6.5 million and 18 FTE to make correctional facilities safer and \$31.3 million and 43 FTE to improve inmate health and well-being.

State Fiscal Recovery Fund

- \$238 million for one-time \$1,000 retention payments for eligible full-time teachers and principals.
- \$500 million for the Resilient Florida Grant Program.
- \$220 million for second round of relief payments of \$1,000 for first responders.
- \$100 million for the Workforce Information System.
- \$100 million for the Rural Infrastructure Fund.

Proposed Budget Information

[Fiscal Year 2023 Budget Proposal](#)

[Budget Highlights](#)

[Budget FAQs](#)

[Budget Presentation](#)

[Revenue Forecast](#)

[Governor's Press Release](#)

[State of the State](#)



GEORGIA

On January 13, Georgia Governor Brian Kemp released a \$57.7 billion budget proposal for fiscal 2023, a decrease of 1.0 percent from the amended fiscal 2022 budget. From state funds the budget proposes spending \$30.2 billion in fiscal 2023, an increase of 1.1 percent from amended fiscal 2022 while general funds total \$25.9 billion, a decrease of \$34.2 million or 0.13 percent from amended fiscal 2022. State general fund receipts are projected at \$28.6 billion in fiscal 2023, an increase of 1.8 percent over amended fiscal 2022, while total state treasury receipts are estimated at \$30.2 billion, a 2.03 percent increase. The Revenue Shortfall Reserve was \$4.3 billion at the end of fiscal 2021, reaching “filled” status as current law provides that the reserve cannot exceed 15 percent of the previous fiscal year’s net revenue. Across state funds appropriated in the budget, the largest categories of spending are dedicated to Educated Georgia (52.5 percent), Healthy Georgia (23.8 percent), Safe Georgia (7.4 percent), and Mobile Georgia (6.9 percent).

Proposed Budget Highlights

The governor outlined his priorities for the proposed fiscal 2023 budget, funding investments in education, economic development, health care and human services, and public safety.

Education

- \$382.7 million to restore austerity cuts to the Quality Basic Education funding program and \$5.6 million to restore austerity cuts to other K-12 instruction programs.
- \$287.1 million to increase K-12 teacher and certified personnel salaries and \$19.4 million to increase early care certified teachers and assistant teachers’ salaries by \$2,000.
- \$42.98 million to recognize a 0.007 percent increase in enrollment at K-12 public schools.
- \$35.3 million for the State Commission Charter Schools supplement to recognize a 23.79 percent increase in enrollment at state charter schools.
- \$577.3 million for the University System of Georgia to provide a \$5,000 cost of living adjustment for full-time employees, restore austerity cuts in the teaching formula and eliminate the Special Institutional Fee, and reflect a 1.2 percent increase in credit hour enrollment, graduate medical education, and increased square footage.

- \$23.4 million reduction for technical education to reflect a 10.1 percent decline in credit hour enrollment and a 3.2 percent increase in square footage.
- \$33.4 million to restore austerity cuts and expand instruction at technical colleges in critical jobs such as health care, commercial truck driving and manufacturing.

Workforce and Economic Development

- \$6.3 million to design a new Quick Start Training Center to support the expansion of the electric vehicle industry in the state, along with \$5.4 million for customized training and recruitment operations.
- \$20.98 million for the Transportation Trust Fund for transportation projects and \$8.3 million for the Transit Trust Fund for transit projects.
- \$367.5 million to provide a \$5,000 cost of living adjustment for state employees.
- \$24.8 million to allow eligible employees to withdraw up to 40 hours of annual leave as salary per year.

Health Care and Human Services

- \$314.1 million for Medicaid and PeachCare, including \$50 million for program growth and \$150 million to restore the 6.2 percent enhanced Federal Medical Assistance Percentage (FMAP) due to the COVID-19 Public Health Emergency.
- \$85.4 million to bring equity to Medicaid provider rates and support existing physicians through the elimination of attestation.
- \$39.5 million to increase access to Medicaid for children receiving SNAP/TANF benefits through express lane enrollment.
- \$28.2 million to extend postpartum coverage from 6 to 12 months.
- \$7.8 million for a 10 percent increase in outpatient core services for addictive diseases and mental health and \$6.2 million to expand behavioral health and substance abuse crisis capacity.
- \$27.8 million for a 10 percent provider rate increase for child caring and placing institutions, along with foster parents and relative caregivers.



GEORGIA (Continued)

- \$124.3 million for the implementation of the state reinsurance program to reduce insurance premiums and \$15.5 million to implement the state health care exchange to increase access to health insurance.

Public Safety

- \$4.6 million to expand the Medical Examiner's office and crime lab to address the forensic backlog.
- \$3.2 million to support one trooper school with 75 cadets.
- \$1.3 million for 12.0 positions to establish a gang prosecution unit and \$317,484 for 3.0 positions to expand the human trafficking unit in the Department of Law.
- \$167.7 million in bond funds for the State Prison Facility Transformation Program, to purchase an additional facility and begin construction on a new state prison, allowing for the closure of four older and more dangerous facilities.

Proposed Budget Information

[Fiscal Year 2023 Budget Proposal](#)

[State of the State Address](#)



HAWAII

During the 2021 legislative session, Hawaii enacted a biennial budget for fiscal 2022 and fiscal 2023. On December 20, 2021, Hawaii Governor David Ige released a supplemental budget proposal for fiscal 2023. The governor's supplemental operating budget calls for \$1.56 billion in amendments for fiscal 2023, including \$942 million general fund, which would result in total operating spending of \$16.9 billion and general fund spending of \$8.7 billion for fiscal 2023. Under the governor's revised operating budget recommendations, total spending would increase 5.7 percent and general fund spending would increase 13.5 percent in fiscal 2023 compared to proposed fiscal 2022. The governor also proposed adjustments to the state's Capital Improvement Program Budget, adding \$1.8 billion for all means of financing for fiscal 2023, including \$827 million in general obligation bond funding. The budget is based on the state's Council on Revenues' September 2021 general fund revenue forecast predicting 4.0 percent growth in tax revenues in fiscal 2023, after 6.3 percent estimated growth in fiscal 2022. The proposal calls for a general fund ending balance of \$614 million and a balance in the Emergency and Budget Reserve Fund (EBRF), or rainy day fund, of \$1.33 billion (15.3 percent of the Executive Branch's general fund budget) at the end of fiscal 2023.

Proposed Budget Highlights

The governor's supplemental budget for fiscal 2023 focuses on transitioning the state's health care system and economy from pandemic response to a careful reopening and return to a "new normal", with funding to address current issues and make strategic investments in education and affordable housing. The supplemental budget also restores funding for programs previously affected by budget cuts earlier in the pandemic in light of the state's improved fiscal position. Additionally, the governor proposed making a \$1 billion deposit into the EBRF.

Education

- \$100 million for K-12 programs to restore funding cuts during the pandemic
- \$33 million for extra compensation to address classroom teacher shortages
- \$240 million in additional funding for public school facilities, including for health and safety projects

- \$87 million in additional funds for maintenance and capital projects for University of Hawaii system
- \$4 million to expand medical education and address shortages in doctors and nurses

Medicaid

- \$16 million in general funds and \$10 million in federal funds to expand home- and community-based services, extend postpartum benefits, and expand adult dental benefits

Broadband

- \$33 million in *American Rescue Plan Act* (ARPA) funds to be used as a state match for additional federal funds for broadband
- \$115 million in reappropriated ARPA funds for statewide broadband projects, after initial appropriations did not comply with federal guidance

Housing

- \$40 million in the capital budget for a special fund cash infusion for teacher housing and \$40 million special fund ceiling in the operating budget for expenditure of the funds

Public Health

- \$62 million in ARPA funds for COVID-19 response including addressing Safe Travel requirements and National Guard costs
- \$32 million in additional state and federal contingency funding for COVID-19 operations

Public Safety

- \$18 million in funding to restore public safety staffing reductions
- Funds additional corrections officer, healthcare, and other support positions at state correctional facilities

Proposed Budget Links

[Fiscal Years 2022-2023 Supplemental Budget Proposal](#)

[Governor's Press Release](#)

[Revenue Forecast \(September 2021\)](#)

[State of the State](#)



IDAHO

On January 10, Idaho Governor Brad Little released his recommended budget for fiscal year 2023. The proposal calls for \$12.7 billion in total fund spending and \$4.6 billion in general fund spending, reflecting increases of 12.7 percent in total spending and 8.1 percent in general fund spending compared to fiscal 2022 levels. General fund revenue in fiscal 2023 is forecast to total \$5.32 billion (2.9 percent growth) before proposed tax changes. The governor recommends increasing rainy day funds by \$260 million, bringing both the Budget Stabilization Fund and the Public Education Stabilization Fund to statutory maximums and combined reserve fund balances to \$1.1 billion (about 22 percent of forecasted revenue). The executive budget also outlines the governor's recommendations for remaining *American Rescue Plan Act* (ARPA) State and Local Fiscal Recovery Funds.

Proposed Budget Highlights

The governor's budget prioritizes funding for education, tax relief, public safety, transportation and broadband infrastructure, water projects, behavioral health, and election integrity. The budget also takes steps to promote fiscal conservatism, such as by paying off building debt, investing in deferred maintenance, and bolstering rainy day funds. Funding recommendations include:

One-Time State Investments (General Fund)

- \$175.8 million to pay off bonds for state buildings and \$18.5 million to pay off the callable portion of GARVEE transportation bonds
- \$250 million for state building deferred maintenance
- \$20 million to improve water quality
- \$75 million for water infrastructure projects

Tax Relief

- \$350 million for one-time income tax rebates of approximately 12 percent in fiscal 2022
- \$251 million to lower the top individual and corporate income tax rate from 6.5 percent to 6 percent beginning in fiscal 2023

Education

- \$104 million to increase teacher pay by 10 percent, plus \$17.8 million to provide a \$1,000 bonus for all teachers

- \$105 million to increase the state's contribution to teacher health insurance
- \$47 million for literacy programs
- \$50 million for grants to help families with education expenses
- \$10 million for career technical education
- \$24.8 million for higher education, a 7.1 percent increase for universities and 4.8 percent for community colleges

Other Priorities

- Child welfare: Adds 21 social workers, 3 psychosocial rehabilitation specialists, and a 7 percent pay increase for safety assessors and case managers. The budget also increases monthly rates for all foster families, with a 60 percent rate increase for families with foster children 12 years old and under.
- Healthcare capacity: Adds 14 new medical residents to address the state's physician shortage and increases capacity for education programs for nursing, occupational therapy, medical assistants, and other health professions.
- Behavioral Health: Invests \$50 million in behavior health initiatives including new community behavioral health clinics, psychiatric residential treatment facilities, and youth crisis centers.

ARPA Investments

- \$50 million for job training and apprenticeships for in-demand professions
- \$45 million to expand capacity and enhance accommodations for state parks
- \$70 million to improve water quality
- \$250 million for water infrastructure projects
- \$450 million of ARPA and Infrastructure Investment and Jobs Act (IIJA) funds for local water and wastewater systems with an emphasis on rural communities
- \$225 million of ARPA and IIJA funds to upgrade broadband infrastructure



Proposed Budget Information

[Fiscal Year 2023 Budget Proposal](#)

[Executive Budget Detail](#)

[Governor's Press Release](#)

[Revenue Forecast \(January 2022\)](#)

[State of the State](#)



ILLINOIS

Illinois Governor JB Pritzker released his fiscal 2023 budget proposal on February 2, which calls for operating expenditures from all funds of \$112.5 billion, a 1.4 percent increase from fiscal 2022. The main funding sources for fiscal 2023 are general funds (39.1 percent), all other state funds (39.5 percent), and federal funds (21.4 percent). General fund expenditures are estimated to be \$45.375 billion, a 3.4 percent decrease from fiscal 2022 expenditures. General fund revenues are estimated to be \$45.8 billion in fiscal 2023, a 4.1 percent decline from estimated fiscal 2022 totals. The budget assumes a general fund surplus of \$458 million. Investment priorities in the governor's fiscal 2023 budget proposal include the healthcare system; early childhood programs; K-12 education; higher education; social service programs; public safety and violence prevention; economic development and infrastructure; and environmental and cultural resources.

Proposed Budget Highlights

The proposed budget for fiscal 2023 builds on three years of progress and recommends a balanced budget with a significant surplus; paying debts; saving for a rainy day; providing tax relief for Illinois families; and funding programs to help all Illinoisans. The recommended budget invests in critical areas of growth and services, including education, public safety, and small businesses. Additionally, with revenues exceeding initial projections, the budget provides significant one-time relief to families. Budget highlights include:

Family Relief Plan

- \$475 million in property tax rebates for families, with a one-time property tax rebate payment to homeowners of 5 percent of property taxes paid, up to \$300 for those eligible for a state income tax credit
- \$360 million by freezing the state's tax on groceries
- \$135 million by freezing the planned increase in the gas tax

Fiscal Responsibility

- Additional \$500 million directly to the Pension Stabilization Fund, reducing long-term liabilities by \$1.8 billion
- Adds nearly \$900 million to the Rainy Day Fund
- Eliminates the \$898 million owed for employee health insurance

- Saves \$2 billion through fiscal management strategies

Investing in Education

- \$350 million increase for Evidence Based Funding for K-12 schools
- \$96 million increase for district transportation and special education
- \$54 million increase for early childhood education
- \$300 million to strengthen and grow childcare grants
- Increase Monetary Award Program (MAP) funding to \$600 million, a one-year increase of \$122 million, increasing the maximum award to 50 percent of average tuition and fees at public universities and expanding eligibility to students enrolled in short-term certificate programs
- Pays off the \$230 million unfunded liability for College Illinois! Pre-paid tuition program
- Increases funding for minority teacher scholarships

Strengthening Healthcare

- Waives licensing fees for nearly 470,000 frontline healthcare workers
- \$180 million to preserve and expand the healthcare workforce, through Medicaid providers - focusing on underserved and rural areas
- \$140 million to mental health care providers through rate enhancements
- \$70 million to 9-8-8 call centers and crisis response services for mental health
- \$25 million to expand the healthcare workforce pipeline through the Illinois Community College Board

Support for Small Businesses and Employers

- One-year waiver of retail liquor license fees to aid restaurants, bars, and liquor license holders
- \$38 million to Employer Training and Investment Program to assist with workforce and employee training efforts
- \$5 million to develop minority entrepreneurship programs and support small, minority-owned businesses



ILLINOIS (Continued)

- \$35 million in new capital appropriations to Rebuild Main Streets and Downtown Commercial Corridors to promote new investment and bring jobs to communities

Public Safety & Violence Prevention

- Over \$800 million for violence prevention appropriations, tripling state violence prevention funding since fiscal 2019
- 300 new state troopers, the single largest dollar investment in state history to expand cadet classes
- \$50 million increase directly from cannabis revenues to support communities harmed by violence, excessive incarceration, and economic disinvestment
- \$20 million to support Gang Crime Witness Protection Program
- \$20 million for non-profits for security investments to prepare for hate crimes
- \$5.4 million for increased staffing and equipment at new forensic lab

Protecting the Most Vulnerable

- \$2 billion for services for people with developmental disabilities, including implementation of 2nd phase of Guidehouse recommendations
- \$250 million increase to hire additional Department of Children and Family Services staff, increase rates for private partners and create new residential capacity

Proposed Budget Information

[Fiscal Year 2023 Budget Proposal](#)

[Budget in Brief](#)

[Revenue Forecast – November 2021](#)

[State of the State and Budget Address](#)



IOWA

Iowa Governor Kim Reynolds released her fiscal 2023 budget proposal on January 11, which calls for \$8.20 billion in total general fund appropriations, an increase of 0.9 percent from fiscal 2022's estimated spending level of \$8.12 billion. The largest program areas include education (56 percent), health and human services (27 percent), justice/judicial branch (9 percent), and property replacement/tax credits (5 percent). Total net general fund receipts are estimated at \$9.21 billion, a 1.7 percent increase from estimated fiscal 2022's level. In addition, the budget assumes an ending balance of \$960.2 million and total reserve funds of \$897.9 million. Total federal funds are estimated at \$10.07 billion, a 12.4 percent decline from estimated fiscal 2022.

Proposed Budget Highlights

The governor said her vision for Iowa is focused on the following areas: cutting taxes for all Iowans; making Iowa an employment destination; improving access to childcare; building Iowa's health care workforce; preparing students for high-demand careers; providing educational choice and transparency for Iowa families; and growing the fuels of the future. Specific proposals include:

Cutting Taxes for All Iowans

- Establishing a flat 4 percent individual income tax rate.
- Eliminating retirement income tax.
- Exempting net capital gains on sales of employee-awarded capital stock.
- Reforming Iowa's corporate tax rate.

Making Iowa an Employment Destination

- Reforming the state's unemployment system to re-employ out-of-work Iowans sooner.
- Retaining Iowa's law enforcement officers and recruiting others to the state.
- Recruiting military veterans to civilian careers in Iowa.
- Easing licensure requirements that delay employment.
- Limiting non-economic damages in tort litigation.
- Standardizing building codes to promote construction of attainable housing and childcare facilities.

Improving Access to Childcare

- Finding childcare solutions for businesses.
- Increasing support for childcare providers.
- Providing quality childcare for families.
- Investing in the childcare workforce.

Building Iowa's Health Care Workforce

- Strengthening existing programs that recruit new health care providers to rural communities.
- Investing in residency programs that increase mental health specialists.
- Developing high school Registered Apprenticeship Programs that create health care career pathways for Iowa's youth.

Preparing Students for High-Demand Careers

- Further expanding and integrating work-based learning into Iowa schools.
- Growing and retaining Iowa's education workforce.

Providing Educational Choice and Transparency for Iowa Families

- Allowing a portion of Iowa's per pupil educational funds to follow eligible students to private schools or other educational programs.
- Requiring all public schools to publish course syllabuses, materials, and available library books online.
- Requiring all high school students to pass the Civics portion of the U.S. Naturalization Service Test to graduate from high school.
- Eliminating the need for Area Education Agencies (AEA) approval to place students receiving special education services in competent private instruction.
- Eliminating the requirement for PreK-12 school librarians to have a master's degree.

Growing the Fuels of the Future

- All retailers with compatible infrastructure must offer E-15 by January 1, 2026.



IOWA (Continued)

- Any newly installed or upgraded fuel infrastructure must be E-85 or B-20 compatible.
- Invest \$10 million in state funding each year for five years in the Renewable Fuels Infrastructure Program, on top of the nearly \$50 million in state and federal funds already invested.
- Optimize and extend fuel retailer tax credits to incentivize higher blends of ethanol and biodiesel.
- Codify the Governor's 2019 Executive Order which requires state vehicles with diesel engines to be B-20 biodiesel compatible.
- Require the Iowa Department of Administrative Services to report annually on biodiesel usage by the state's vehicle fleet.
- The bill will remain revenue neutral, while increasing savings to the Road Use Tax Fund and imposing no additional cost for Iowans.

Proposed Budget Information

[Fiscal Year 2023 Budget Proposal](#)

[Vision for Iowa](#)

[Revenue Forecast](#)

[Condition of the State Speech](#)



KANSAS

On January 12, Kansas Governor Laura Kelly released a fiscal 2023 budget proposal that calls for \$22.59 billion in total expenditures which is a 1.8 percent decrease from the governor's revised fiscal 2022 recommendation. The proposal calls for \$8.91 billion in fiscal 2023 general fund spending which is a 4.5 percent decrease from the governor's revised fiscal 2022 recommendation. Total taxes for fiscal 2023 are estimated at \$9.2 billion, an increase of 3.2 percent from fiscal 2022, and total receipts are estimated at \$9.05 billion, an increase of 2.0 percent from fiscal 2022. The proposal recommends an ending balance in the state general fund of \$671.2 million or 7.5 percent of expenditures. The proposal also recommends a \$600 million deposit into the budget stabilization fund as the fund balance is currently zero.

Proposed Budget Highlights

The governor's fiscal 2023 budget proposal builds on the principles of sound fiscal management with a focus on long-term sustainability. The budget proposal invests in core areas of government services, provides tax relief to citizens of Kansas, and makes a deposit into the state's reserves. The following recommendations are included in the fiscal 2023 budget proposal:

Continued Investment in Education

- Fully fund K-12 education at the constitutionally required levels.
- \$153.1 million of new funding to post-secondary education.
- \$45.7 million to restore university funding to pre-pandemic levels and freeze tuition for the upcoming academic year.
- \$25.0 million to fund the Kansas Access Partnership Grant, a need-based grant program that assists Kansas families with the cost of attending four-year public universities.
- \$15.0 million of one-time funding to be distributed across the system of two-year colleges.
- \$2.5 million to fully fund Excel in Career Technical Education for fiscal 2023.
- \$45.0 million of one-time funding for physical and digital infrastructure needs.

Expand Access to Affordable Healthcare

- \$19.0 million to expand Medicaid.
- \$29.3 million to increase capacity for regionalization of state hospitals.
- \$3.0 million increase for the Mental Health Intervention Team Program.
- \$4.2 million to extend Medicaid coverage for pregnant women for up to 12 months post-partum.

Provide Tax Relief

- Eliminate the state's sales tax on food items effective July 1, 2022.
- One-time \$250 rebate to all Kansas residents who filed a 2020 tax return in 2021.

Early Debt Retirement

- Pay off \$585.5 million of existing debt in fiscal year 2022.
- \$235.9 million to eliminate the debt associated with the missed KPERS-School payments from fiscal year 2017 and fiscal year 2019.

One-Time Investments

- \$600 million deposit to the budget stabilization fund.
- \$185 million to pay for approved capital projects.
- \$195 million for the university economic development challenge grant.
- \$20 million for the Department of Commerce to invest in initiatives to increase affordable housing options.

Realign Program Outcomes with Appropriate Funding Source

- End transfers from the state highway fund to the state general fund.
- End the transfer of funds from the economic development initiatives fund to the state general fund.
- Fully fund the state water plan fund with a transfer of \$6.0 million from the state general fund and \$2.0 million from the economic development initiatives fund.

**Proposed Budget Information**[Fiscal Year 2023 Budget Proposal](#)[Budget Presentation](#)[Press Release](#)[Revenue Forecast – November 2021](#)[State of the State Speech](#)



KENTUCKY

On January 13, Kentucky Governor Andy Beshear released a proposed budget for fiscal years 2023 and 2024. The budget recommends general fund spending of \$15.4 billion in fiscal 2023, an increase of 19.95 percent over fiscal 2022, and \$14.7 billion in fiscal 2024, a decrease of 4.7 percent from fiscal 2023. The consensus revenue estimate for the general fund in fiscal 2023 is \$14.09 billion, an increase of 2.1 percent over fiscal 2022, and in fiscal 2024 is \$14.68 billion, an increase of 4.3 percent over fiscal 2023. Including beginning balances and other adjustments, general fund resources are projected at \$15.69 billion in fiscal 2023 and \$14.7 billion in fiscal 2024. The largest categories of general fund appropriations are education (39.6 percent), Medicaid (14.9 percent), criminal justice system (11.0 percent), and postsecondary education (9.3 percent). The current balance of the Budget Reserve Trust Fund is a little over \$1.5 billion, the largest dollar amount ever and the highest ratio of balance to the enacted fiscal 2022 revenue estimate at 12.5 percent. The proposed budget provides \$250 million in a direct appropriation in fiscal 2023, which would bring the balance to \$1.76 billion or 12.5 percent of the fiscal 2023 estimated revenues. The budget also notes that recurring spending in both fiscal years is less than recurring revenues, with recurring revenues exceeding recurring spending by 4.5 percent in fiscal 2024.

Proposed Budget Highlights

Looking to build on Kentucky's economic momentum and make investments for the future, the governor's proposed biennial budget includes a record investment in pre-K-12 education, state-changing economic provisions, crucial health and social services supports, and funds for responsible government operations. The budget also lays out the governor's recommendations for the remaining \$1 billion in *American Rescue Plan Act* (ARPA) State Fiscal Recovery Fund spending.

Investing in Education

- The budget adds nearly \$2 billion over the biennium to the current education budget, providing an additional \$915 million in fiscal 2023 and \$983 million in fiscal 2024.
- Provides a 16 percent increase in SEEK funding, which is the formula funding program for elementary and secondary schools, including an increase to the base per-pupil of 12.5 percent (to \$4,300 in fiscal 2023 and \$4,500 in fiscal 2024).

- Adds \$175 million each year to fully fund school district costs for pupil transportation, an 81 percent increase in funding.
- Includes \$172 million in each year to fund universal preschool for all four-year-olds and continues the funding for full-day kindergarten.
- Calls for a minimum five percent salary increase for all school personnel, fully funds the teachers' pension and medical benefits, prevents any health insurance premium increases for school employees, and provides \$26.3 million each year for a student loan forgiveness program for public school teachers.
- Adds \$67.5 million in fiscal 2023 and \$90 million in fiscal 2024 to the base funding for public postsecondary education institutions, a nearly 12 percent increase over the biennium.

Health and Social Services Supports

- Includes \$6.0 million each year to significantly increase the number of nursing scholarships and double the maximum award to \$3,000 per semester.
- Fully funds the Medicaid program, including Medicaid expansion, based on an updated forecast. The budget assumes the increased federal match due to the COVID-19 public health emergency is effective through March 31, 2022.
- Provides \$150 million each year to extend the \$29 per-diem reimbursement rate increase for nursing homes through June 30, 2024.
- Includes \$17.7 million in fiscal 2023 and \$19.1 million in fiscal 2024 to fund the Public Health Transformation legislation enacted in 2020, with funds allocated to the 60 local health departments for workforce and operations support.
- Adds 350 new social workers to bring the average caseload to 16 to fight abuse and neglect of children and also funds a social worker student loan forgiveness program (\$2.1 million each year).

Economic Development and Infrastructure Investments

- Includes \$20 million each year for a competitive workforce initiative grant program.



KENTUCKY (Continued)

- Provides \$250 million in one-time funds for Kentucky's Site Identification and Development Program.
- Includes \$75 million to assist in the establishment of a state-of-the-art AgriTech research and development center in Eastern Kentucky.
- Invests \$250 million from the General Fund for Major Transportation Infrastructure Projects.
- Provides \$61.6 million in fiscal 2023 and \$66.1 million in fiscal 2024 from the Road Fund for increased road and bridge match costs from the federal infrastructure bill.
- Creates an Office for Broadband and provides \$200 million in federal and state funds for the Broadband Deployment Fund.

Enhancing Fiscal Responsibility and Investing in Public Employees

- Proposes a Disaster Relief and Recovery Fund, funded with an initial \$100 million, to address the costs that state government incurs in responding to and recovering from natural disasters.
- Provides \$1.2 billion to pay down the debt of state government's deferred maintenance.
- Includes a five percent salary increase for state employees who did not receive other salary increases in November or December 2021 or January 2022.
- Fully funds the actuarially determined contribution for all state employees for all retirement system plans and includes \$250 million in fiscal 2023 and \$500 million in fiscal 2024 to pay down the pension liability of the retirement system's nonhazardous pension plan.
- Includes an additional \$13 million in fiscal 2023 and \$29 million in fiscal 2024 to prevent health insurance premium increases for state employees.

ARPA Recommendations

- \$400.0 million in premium pay for essential workers
- \$250.0 million in water and wastewater infrastructure grants
- \$179.9 million for COVID-19 mitigation
- \$75.0 million for assistance to nonprofit organizations

- \$36.2 million for senior meals
- \$27.0 million for nursing student loan forgiveness and media effort
- \$24.0 million in child care assistance
- \$11.7 million for behavioral health facilities testing
- \$10.0 million for the travel industry

Proposed Budget Information

[Fiscal Years 2023-2024 Budget Proposal](#)

[Budget in Brief](#)

[Executive Summary](#)

[Governor's Press Release](#)

[Revenue Estimate](#)

[State of the State](#)



LOUISIANA

On January 25, Louisiana Governor John Bel Edwards released a proposed budget for fiscal 2023 that totals \$38.6 billion, a decrease of 4.0 percent from the existing operating budget for fiscal 2022. The general fund portion of the budget totals \$10.94 billion, an increase of 8.6 percent from the existing budget for fiscal 2022. Total revenue for fiscal 2023 is projected at \$38.6 billion which is a decrease of 4.0 percent from the total revenue for the existing budget for fiscal 2022. \$175 million is recommended to be deposited into the Budget Stabilization Fund. The state general fund is broken down into the following spending categories: Department of Education (36 percent); Department of Health (26 percent); Higher Education (11 percent); Corrections Services (6 percent); Non-Appropriated Requirements (5 percent); Other Requirements (6 percent); and All Other (10 percent).

Proposed Budget Highlights

The proposed fiscal 2023 budget focuses on making investments in the future, and only using one-time money for one-time expenses. The following State General Fund items are included in the proposed budget:

- \$671.2 million to replace one-time funds from the emergency FMAP and Lottery Proceeds Fund.
- \$36.8 million to provide funds for state agency acquisitions and repairs.
- \$148.4 million for teacher and support worker pay raises.
- \$47.5 million to invest in early childhood education, including the following:
 - \$25 million to increase per child rate to providers.
 - \$17 million to increase LA-4 Early Childhood program rate per pupil.
 - \$1.4 million to increase rate for nonpublic school early childhood development.
 - \$4.1 million to add additional funding for 256 students on waitlist for Student Scholarships for Education Excellence Program.

- \$103.8 million for higher education including the following:
 - \$31.7 million for faculty pay increases and related benefits.
 - \$18.0 million for mandated cost increases and LSU First.
 - \$25.0 million for formula funding.
 - \$15.0 million for Go Grants.
 - \$5.0 million for Title IX offices.
 - \$5.0 million for the Pennington Biomedical Research Center youth obesity pilot program
 - \$4.1 million for LSU and Southern University agriculture programs.
- \$33.8 million for Louisiana Department of Health to equalize rates for personal care services.
- \$25.7 million for a \$100 per month supplemental pay increase for sheriffs' deputies, as well as municipal police and firefighters.

Other priorities in the fiscal 2023 budget include the following:

- Using one-time money for one-time expenses.
- Supporting Louisiana's businesses and unemployed workers.
 - Dedicates \$550 million in federal *American Rescue Plan Act* (ARPA) funding to replenish the state's Unemployment Insurance Trust Fund.
- \$1.2 billion for improving Louisiana's infrastructure including the following:
 - \$500 million from fiscal 2022 state General Fund excess for new Mississippi River Bridge in Baton Rouge.
 - \$100 million of ARPA funds for I-10 Calcasieu River Bridge in Lake Charles.
 - \$100 million for the I-49 Lafayette Connector.
 - \$500 million for water and sewer improvements statewide.



LOUISIANA

(Continued)

Proposed Budget Information

[Fiscal Year 2023 Budget Proposal](#)

[Budget Summary](#)

[Budget Presentation](#)

[State General Fund Revenues and Expenditures](#)

[Budget Press Release](#)

[State of the State Speech](#)



MAINE

During the 2021 legislative session, Maine enacted a biennial budget for fiscal 2022 and fiscal 2023 totaling \$8.5 billion for fiscal 2022-2023. On February 15, Maine Governor Janet Mills introduced a supplemental budget proposal for fiscal 2022 and fiscal 2023. The supplemental budget proposal relies on an updated general fund revenue forecast adding approximately \$822 million in revenue for fiscal 2022 and 2023, representing approximately a 9.7 percent increase over previous projections for the current fiscal year and next.

Proposed Budget Highlights

Major priorities in the proposed fiscal 2022-2023 supplemental budget include one-time checks to taxpayers, providing tax relief for working families, increasing the budget stabilization fund, and providing two-years of free community college. Funding recommendations include:

- Returns half of the budget surplus, equal to \$411 million, in the form of one-time \$500 checks to help taxpayers deal with pandemic driven inflation.
- Proposes \$27.6 million in ongoing general fund dollars by increasing the value of the Earned Income Tax Credit.
- Adds \$10 million to the budget stabilization fund bringing it to a total of \$502.8 million and \$30 million to the Medicaid stabilization fund.
- Provides \$100 million to the Department of Transportation to repair roads and bridges.
- Provides two years of free community college.
- Increases pay for childcare workers and early childhood educators.
- Fully implements updated rates for direct support worker wages, adds and accelerates new cost-of-living adjustments for rates, and raises rates to be sufficient to pay direct support professionals at 125 percent of minimum wage.
- \$25 million in one-time funding to hospitals and \$7.6 million in one-time dollars to nursing and residential care facilities
- Proposes nearly \$8 million to improve the child welfare system, with \$6.2 million from the general fund.

- \$14.7 million in funds for a one-time increase to the cost-of-living adjustment payment for retirees.

Proposed Budget Information

[Fiscal Years 2022-2023 Supplemental Budget Proposal](#)

[Fiscal Note](#)

[Governor's Press Release](#)

[Revenue Forecast – November 2021](#)

[State of the State Address](#)



MARYLAND

On January 19, Maryland Governor Larry Hogan released a \$58.2 billion all funds proposed budget for fiscal 2023, a decrease of 5.4 percent compared to fiscal 2022; this is partly attributed to reduced federal fund revenue. General fund spending totals \$25.7 billion, an increase of \$4.6 billion or 21.9 percent. This increase is largely attributable to a \$2.4 billion contribution to the state's rainy day fund plus an increase of \$669.0 million in PAYGO projects. Estimated general fund revenues for fiscal 2023 are \$22.8 billion, an increase of 5.6 percent over fiscal 2022. The fiscal 2023 proposed budget would leave a general fund unappropriated balance of \$583.7 million and includes a balance of \$3.6 billion in the Revenue Stabilization Account, which is equal to 15.9 percent of revenues. The governor proposed over \$4.6 billion in tax relief (over six years) in the fiscal 2023 budget including: phased-in elimination of taxation on all income of retirees receiving Social Security or who are above the age of 65; removing 70,000 lower-income seniors from the tax rolls in the first year; and permanent expansion of the enhanced State Refundable Earned Income Tax Credit, benefiting nearly 300,000 families.

Proposed Budget Highlights

The governor addressed multiple priorities in his budget proposal including strengthening the rainy day fund, providing tax relief for retirees and working Marylanders, increasing funding for education, and more. The budget also highlights \$358.9 million in spending from the *American Rescue Plan Act* (ARPA) State Fiscal Recovery Fund.

Education

- Invests \$8.15 billion in K-12 public schools with direct aid to local schools growing by \$610.9 million (9 percent).
- Increased funding is provided to support for low-income students (\$80.6 million), grants for students learning English (\$88.2 million) and students with disabilities (\$24.8 million).
- Includes a record \$1 billion in K-12 school construction funding across the state.
- Provides an additional \$144.1 million to support full-day pre-kindergarten for low-income 3-and 4-year olds.

- Increases general fund support by \$10 million for the Child Care Scholarship program and brings scholarship rates to the 70th percentile of market rates.
- Includes more than \$2 billion for state-operated institutions of higher education, which represents annual growth of 17 percent.
- Increased funding is provided for the University System of Maryland (\$277.5 million) and local community colleges (\$59.3 million), along with independent colleges and universities (nearly \$30.0 million) and Historically Black Colleges and Universities (\$77.6 million).

Public Safety

- Funds the governor's "Re-Fund the Police Initiative," a multi-year investment that will provide \$500 million over three years to state and local police agencies. Funding provided in the fiscal 2023 budget includes \$190 million over three years for salary increases at state police agencies, \$45 million increase in aid to local police departments, \$10 million to launch a new program of neighborhood safety grants, and approximately \$3.6 million to support critical crime victim programs and initiatives.
- Provides \$10 million for scholarships and loan repayment assistance for police officers and students pursuing law enforcement careers.
- Includes \$3.5 million to reduce the backlog of sexual assault test kits at the local level.
- Provides nearly \$37 million to help address staffing levels across the Department of Public Safety and Correctional Services, allowing the agency to fill more than 350 vacant positions.

Health Care

- Includes nearly \$14.1 billion in total funds for the state's Medicaid program; general fund support totals \$4.6 billion, an increase of \$538 million.
- Provides an additional \$30.2 million to support community services for people with developmental disabilities, expanding services and reducing waiting lists.



MARYLAND (Continued)

- Includes \$92.8 million in general funds to fund provider rate increases in the fields of behavioral health, developmental disabilities, Medicaid and other health care services.
- Increases aid to local health departments by \$23.4 million, for a total of \$75 million.
- Provides more than \$996 million in direct state support for mental health and substance use disorder programs, including an \$8 million increase for substance use disorder services, a 7 percent increase for treatment for the uninsured population, and more than \$11 million as the sixth installment of funding for the Opioid Operational Command Center.
- Invests \$30.5 million to increase salaries of critical staff across Department of Health facilities and \$4.7 million to provide a one-grade salary increase for registered nurses.
- \$200.0 million – Transportation Trust Fund
- \$25.0 million – Project Restore (Housing and Community Development)
- \$875,000 – Homeownership Works

Proposed Budget Information

[Fiscal Year 2023 Proposed Budget Volume I](#)

[Budget Volume II](#)

[Budget Highlights](#)

[Budget Presentation](#)

[Governor's Press Release](#)

[Revenue Forecast – December 2021](#)

[State of the State](#)

State Government Operations

- Provides compensation increases over two years (fiscal 2022 and 2023), with most employees receiving a salary increase of 8 percent over the two years and a \$1,500 bonus.
- Contributes \$100 million more than is actuarially required to the state's pension system. The pension fund remains on track to be fully funded by 2039.
- Includes \$334 million in Major Information Technology funding to support 44 major projects.
- Invests \$120 million in renewal and critical maintenance of state facilities.

ARPA Funding

- \$569,885 – Temporary Cash Assistance
- \$40.0 million – Healthy Schools/HVAC
- \$3.9 million – Veterans Home
- \$37.5 million – Employment Training and Apprenticeships
- \$46.0 million – Learning Loss
- \$5.0 million – Enhance State Government Teleworking Capabilities



MASSACHUSETTS

On January 26, Massachusetts Governor Charlie Baker released his proposed fiscal 2023 budget totaling \$48.5 billion in authorized spending and transfers, which is approximately 0.5 percent above fiscal 2022, excluding transfers to the Medical Assistance Trust Fund. The proposed budget is based on the \$36.9 billion consensus tax revenue estimate, which anticipates a 2.7 percent growth in total collections over revised fiscal 2022 tax estimates. The budget includes a \$749 million increase to the stabilization fund, which in combination with projected fiscal 2022 transfers, would bring the balance to \$6.64 billion by the end of fiscal 2023. The budget recommendation incorporates a \$3.744 billion pension transfer, an increase of \$329 million above fiscal 2022, keeping to the current pension schedule. The budget also proposes a supplemental pension transfer of \$250 million. Along with the budget, the governor is also recommending a tax relief proposal that totals \$693 million, including relief for low-income residents, renters, parents, and seniors.

Proposed Budget Highlights

Major priorities in the proposed fiscal 2023 budget include education, housing, health care, and a package of tax breaks. Funding recommendations include:

- Fully funds the Student Opportunity Act, adding a total of \$591.4 million in new spending for a total of \$6 billion.
 - Includes a \$41 million increase over fiscal 2022 for special education circuit breaker reimbursement for cities and towns, and a \$64.8 million increase in charter school reimbursement funding.
- \$802 million in funding for the Department of Early Education and Care.
- \$31.1 million to scale up college and career pathway programs for high school students with a focus on equity and recruitment of high-need student populations.
- Increases unrestricted general government aid investment by \$31.5 million, consistent with the expected 2.7 percent growth in tax revenue.
- Housing investments of \$213.2 million, an 8 percent increase above fiscal 2022, for emergency assistance family shelters and \$85 million in funding for local housing authorities.

- \$17.8 billion gross amount and \$7.2 billion net for MassHealth, which includes \$115 million to expand outpatient and urgent behavioral health services and incorporates an increase of \$21 million to expand the Medicare Savings Program.
- Recommends a package of tax breaks for low-income workers, renters, and seniors totaling \$700 million in tax relief to low-income families and residents.

Proposed Budget Information

[Fiscal Year 2023 Budget Proposal](#)

[Governor's Message](#)

[Tax Expenditure Budget](#)

[Financial Statements](#)

[Governor's Press Release](#)

[State of the Commonwealth Address](#)



MICHIGAN

On February 9, Michigan Governor Gretchen Whitmer released her fiscal 2023 budget proposal that calls for \$74.14 billion in total spending, a 2.8 percent increase from fiscal 2022's enacted level. The recommended budget calls for \$14.31 billion in general fund spending, a 10.71 percent increase from the enacted level in fiscal 2022. Much of the general fund increase in fiscal 2023 is due to one-time spending; when one-time spending is excluded, ongoing spending is projected to increase 8.4 percent. Additionally, the budget includes a school aid fund total of \$16.63 billion, a 6.4 percent increase from fiscal 2022. The budget projects total general fund tax revenue at \$12.89 billion in fiscal 2023, a 3.6 percent increase from the current estimate for fiscal 2022. The budget recommendation calls for a \$52 million deposit to the Budget Stabilization Fund, bringing the total balance to approximately \$1.5 billion, or 5 percent of total state general fund and school aid revenues. Total budget by source includes federal (41 percent), school aid (23 percent), general fund (20 percent), other state restricted (15 percent), and local private (1 percent).

Proposed Budget Highlights

The governor noted that in recent months the legislature has appropriated federal COVID-19 relief funds to support health systems, encourage economic development, and provide critical resources that put Michiganders first. In addition, the governor said she is recommending a fiscal 2022 supplemental budget to complement her budget recommendation for fiscal 2023. For fiscal 2023, the governor's priorities are focused on putting money back into the pockets of families; putting students and teachers first; continuing to improve the state's roads and infrastructure; driving economic and community development; establishing clean and sustainable environments; keeping families healthy; and promoting secure and safe communities. Specific recommendations include:

Putting Money Back in Pockets

- Rolls back Michigan's tax on retirement income over four years
- Increases the state's earned income tax credit from 6 percent to 20 percent of the federal credit

Putting Students First

- Provides the largest state funding increase for K-12 education in more than 20 years

- Increases base per-pupil funding by 5 percent
- Provides additional support and resources for economically disadvantaged students; special education students; career and technical education; English language learners; intermediate school district operation; rural and isolated districts; early childhood interventions; and free preschool for income-eligible four-year-olds
- Prioritizes teacher retention and recruitment including retention bonuses, teacher mentoring programs, regional innovation grants, the creation of a Michigan Future Educator Fellowship, and stipends for student teachers
- Focuses on the mental health and well-being of students including funding to support programs to help students manage stress, expand health clinics and mental health screenings, hire more mental health professionals, and invest in school safety grants
- Provides a 5 percent increase in one-time funding, on top of a 5 percent increase in ongoing funding, for public universities and community colleges

Road, Bridge, and Infrastructure Improvement

- Provides a \$1.1 billion increase including \$578 million from the federal Infrastructure Investment and Jobs Act (IIJA) and \$481 million in state support
- Includes \$279.9 million for one-time general fund investments in areas such as road improvements, resiliency to future flooding events, improving rail crossings, and replacing the state's aviation weather stations

Workforce and Economic Development

Focuses on efforts to retain current workers; provide opportunities for people to develop skills and gain experience; address employment barriers; and build new economic partnerships to drive economic development, attract large projects, and create new jobs

Funding includes a \$500 million deposit into the Strategic Outreach and Reserve Fund; \$50 million for electric vehicle rebates; \$40 million to aid communities that have experienced significant economic impacts; and \$500 million in hero pay for frontline workers.



MICHIGAN (Continued)

Clean Water and Environment

- Continues a commitment to ensure clean drinking water for every resident with investments targeting home plumbing grants and lead service line replacement
- Prioritizes the clean-up of contaminated sites across the state

Healthy Families and Communities

- Investments focused on improving access to dental benefits; ensuring access to behavioral health services; enhancing support for children in foster care; improving the financial health of families with young children; investing in public health preparedness and response; and reducing racial and economic disparities in the healthcare system

Safe Communities

- Provides increased funding for first responders and supports the hiring of 50 new state police troopers
- Recommends an ongoing 5 percent increase in revenue sharing payments to counties, cities, villages & townships, and a one-time increase of 5 percent
- Supports programs aimed at victim advocacy, fraud detection, price gouging, and better case management
- Expands cybersecurity initiatives

Proposed Budget Information

[Fiscal Year 2023 Budget Proposal](#)

[Budget Presentation](#)

[Press Release](#)

[Revenue Forecast – January 2022](#)

[State of State Speech](#)



MINNESOTA

On January 26, Minnesota Governor Tim Walz released a supplemental budget request for the current fiscal 2022-2023 biennial budget. The proposal is based on a November 2021 forecast that projects a \$7.746 billion available general fund balance for the current biennium. The governor is proposing general fund budget changes of \$7.583 billion; this total includes the general fund impact from the 2022 Local Jobs and Projects Plan. After recommended changes for the current fiscal 2022-2023 biennial budget, the remaining budgetary balance is \$163 million. Under the governor's revised, supplemental budget proposal, total expenditures and transfers are expected to grow 9.3 percent in fiscal 2023 compared to fiscal 2022. Fiscal 2023 tax revenues are projected to grow 6.0 compared to fiscal 2022. The balance before reserves is estimated at \$3.48 billion.

Proposed Budget Highlights

The governor's "To Move Minnesota Forward" supplemental budget proposal is focused on four main areas: investing in local jobs and projects; expanding economic opportunity; supporting children and families; and protecting health and safety. Specific proposals include:

Investing in Local Jobs and Projects

- \$2.7 billion overall investment, including \$2 billion in general obligation bonds
- Includes funding directed at asset preservation, infrastructure, housing and homelessness, community and equity efforts, and environmental stewardship

Expanding Economic Opportunity

- Includes delivering \$700 million in direct payments to Minnesotans through Walz Checks
- Other initiatives are focused on advancing workforce development; increasing educational opportunities; lowering costs for consumers; cutting taxes for families and small businesses; ensuring broadband access for everyone; fostering business development statewide; and supporting farmers and livestock producers

Supporting Children and Families

- Proposals are centered around expanding access to childcare and Pre-K; investing in paid family and medical leave; strengthening schools and supporting the education workforce; ensuring no child goes

hungry; ensuring student success for years to come; prioritizing mental health and well-being; and ensuring a healthy beginning for every young Minnesotan

Protecting Health and Safety

- Recommendations are focused on funding local law enforcement and first responders; reducing crime and increasing community trust; standing up a statewide violent crime initiative; prioritizing youth intervention and juvenile justice; legalizing cannabis for adult use; expanding access to high-quality, affordable health care; providing health care for Minnesota kids; ensuring every Minnesotan has a safe and affordable place to call home; addressing climate change to create a healthy future; and taking care of veterans

Proposed Budget Information

[Fiscal Years 2022-2023 Supplemental Budget Proposal](#)

[Agency Recommendations](#)

[General Fund Balance Analysis Summary](#)

[Transmittal Letter](#)

[Revenue Forecast – November](#)

[Local Jobs and Projects Plan](#)

[Expanding Economic Opportunity](#)

[Supporting Children and Families](#)

[Health and Safety](#)



MISSISSIPPI

On November 15, Mississippi Governor Tate Reeves introduced a fiscal 2023 executive budget recommendation that proposes \$8.09 billion in state support funds, an increase of 22.4 percent over fiscal 2022. This increase is largely driven by a 530.8 percent increase in the Capital Expense Fund, a fund created for capital expense needs, repair and renovation of state-owned properties, and specific projects. General fund agency appropriations total \$6.49 billion, a decrease of 1.7 percent from fiscal 2022. General fund revenue estimates for fiscal 2023 total \$6.49 billion, a 9.6 percent increase over the prior year amount of \$5.93 billion. The required 2.0 percent general fund revenue set aside removes \$129.9 million from available general fund revenues, for a net of \$6.36 billion. The executive budget recommendation includes proposals for spending the state's allocation of *American Rescue Plan Act* (ARPA) funds.

Proposed Budget Highlights

The budget highlights the governor's key priorities for fiscal year 2023 including: increasing skills training; investing in infrastructure; eliminating the income tax; and improving education and raising teacher pay. Funding recommendations include:

Economic Development Proposals

- Eliminates the individual income tax. Allocating \$1 billion of excess revenue would eliminate the 4 percent bracket in fiscal year 2023 and eliminate a significant portion of the 5 percent bracket starting in calendar year 2023. In order to completely eliminate the income tax in five years, the budget proposes allocating 50 percent of excess revenue to this goal.
- Implements a budget cap to protect the state's fiscal and financial health. The governor proposes limiting the increase of the state's general fund budget to no more than 1.5 percent each fiscal year.
- Invests \$50 million in capital expense funds towards a Site Development Grant program to increase the number of marketable, or shovel ready, sites in the state.
- Transfers oversight of state parks from the Department of Wildlife, Fisheries and Parks to the Mississippi Development Authority's Tourism Department and creates a pilot program for an independent third party to manage two state parks.

Education Proposals

- Allocates \$71 million for teacher pay raises. This includes an immediate \$1,300 across-the-board teacher pay raise followed by a \$1,000 raise per year in fiscal years 2024 and 2025.
- Proposes a \$3 million investment from capital expense funds in a Patriotic Education Fund.
- Allocates \$3 million to fund additional quality math coaches.
- Invests \$400,000 to increase the number of National Board Certified Career Technical Education (CTE) Teachers.
- Recommends \$2 million to fund a dedicated computer science coordinator at the state level and to train and prepare computer science teachers.

Public Safety Proposals

- Allocates an additional \$5.5 million to double the size of the Capitol Police Force to 150 officers and help keep the capital city safe.
- Provides an additional \$5 million to recruit law enforcement officers from other states.
- Adds employee positions at two correctional facilities and shifts \$20.2 million from the private prison account to fund the facilities. Allocates an additional \$9.3 million for correctional officer positions to ensure adequate staffing at both facilities.
- Proposes \$2 million for re-entry programs focusing on individuals eligible for parole within six months.
- Proposes expansion of the work release program pilot program to each of the state's 82 counties, administered by the county sheriff with oversight by the Department of Corrections. Allocates \$200,000 for program operation.

ARPA Proposals

- \$130 million to increase workforce training opportunities for in-demand career paths;
- \$200 million for broadband expansion efforts;
- \$100 million towards implementation of a Water and Sewer Grant program;



MISSISSIPPI (Continued)

- \$50 million for downtown revitalization projects across the state;
- \$52 million over four years for additional tourism investment;
- \$300 million to upgrade the state’s aging 911 infrastructure and implement Next Generation 911;
- \$200 million to refill the Unemployment Insurance (UI) Trust Fund to pre-pandemic levels; and
- \$200 million to strengthen the Mississippi State and School Employees’ Life and Health Insurance Plan surplus.

Proposed Budget Information

[Fiscal Year 2023 Budget Proposal](#)

[State of the State](#)



MISSOURI

On January 19, Missouri Governor Michael Parson released his fiscal 2023 budget proposal that calls for \$46.72 billion in total spending, a 33.7 percent increase from fiscal 2022. The total spending increase is heavily driven by an increase in federal funds, which are projected to grow \$9.23 billion, or 65.1 percent in fiscal 2023. The budget calls for \$12.06 billion in spending from general revenues, a 15.6 percent increase from fiscal 2022. Fiscal 2023 revenues are forecasted to grow 2.1 percent compared to the revised fiscal 2022 estimate. The ending balance for fiscal 2022 is projected at \$1.57 billion. The total budget is comprised of federal funds (50 percent), general revenue (26 percent), and other funds (24 percent). In addition to releasing his fiscal 2023 budget proposal, the governor also released his plan for *American Rescue Plan Act* (ARPA) State Fiscal Recovery Funds.

Proposed Budget Highlights

The governor said that due to the state's strong economic performance and secure financial position, Missouri has the opportunity to make fundamental improvements to the state that will serve Missourians now and into the future. The budget proposal is focused on: continuing to improve infrastructure, including historic investments in roads and bridges, clean water, and broadband; expanding successful workforce development programs; investing in K-12 and higher education; and supporting public safety. The governor's budget priorities include:

Education

- Childcare support and investments (\$722M): strengthening the state's childcare network, developing the childcare workforce, and increasing childcare quality
- Higher education institutions (\$51.6M): increasing core funding
- Educator recruitment and retention (\$21.8M): strengthening teacher recruitment and retention, including increasing baseline educator salary to \$38,000
- A+ Schools Program (\$6M): providing scholarships to eligible graduates
- Dual credit and enrollment scholarships (\$7M): funding dual credit and enrollment scholarships for low-income Missouri students

Workforce

- Small business investment (\$94.9M): providing access to capital funding
- MoExcels (\$31.5M): facilitates the development of employer-driven workforce education and training programs in high-demand occupations
- Missouri One Start (\$11M): helping employers hire and retain employees
- Missouri Technology Corporation (\$4M): assisting emerging high-tech companies

Stronger Communities

- 988 Crisis Hotline (\$28.5M): will serve as the emergency hotline for mental health crises
- Substance use reform (\$10.9M): grants for localities to fight the opioid epidemic and help prevent overdose deaths
- 911 dispatch centers (\$4.4M): modernizing the network to improve public safety
- Telehealth victim services (\$4M): creating a 24/7 telehealth network

Health Care

- Provider rates and value-based payments (\$955M): standardizing rates and incentivizing providers to improve the quality and value of care
- Veterans homes (\$23M): increase support for veterans and veterans homes
- Missouri Autism Centers (\$4.2M): help double capacity at autism centers
- Prescription drug monitoring program (\$2.5M): implementation of 2021 bill

Infrastructure

- Broadband grants (\$56.2M): funding is in addition to ARPA funding
- Transportation cost-share (\$75M): provides financial assistance to applicants for road and bridge projects
- Rural routes (\$100M): for low-volume routes across the state



MISSOURI (Continued)

Public transit (\$12.9M): financial and technical assistance to transit providers

Government Reform

- Investing in the state workforce (\$228M): pay increase for state team members
- Cash operating expense fund (\$281M): setting aside 2.5 percent of prior year revenue collections to achieve greater financial stability
- Bond debt repayment acceleration (\$100M): paying off outstanding debt
- MO Healthnet eligibility redeterminations (\$16.8M): ensuring program integrity
- MOSERS state pension (\$500M): in addition to annual contributions

The governor's plan for ARPA funds is focused on the principles of being sustainable; having long-term benefits; having a sizeable impact across the state; ensuring the state has the capacity to administer the funding; being directed at programs, not projects; and leveraging funds through matching funds. The governor's recommended uses are directed at the following areas:

- Economic and community development
 - Including workforce, education, digital modernization and better government, public safety, and tourism
- Healthcare
- Infrastructure
 - Including broadband, water, wastewater, and stormwater

In total, the governor is recommending \$3.12 billion in spending from ARPA State Fiscal Recovery Funds. By department, the largest categories are:

- Economic Development (\$786.7M)
- Public Safety (\$579.4M)
- Natural Resources (\$545.3M)
- Higher Education and Workforce Development (\$493.4M)

- Office of Administration (\$228.3M)
- Mental Health (\$180.2M)
- Health and Senior Services (\$88.6M)
- Social Services (\$77.0M)

Proposed Budget Information

[Fiscal Year 2023 Budget Proposal](#)

[Budget Summary](#)

[Budget and Legislative Priorities](#)

[Plan for ARPA funds](#)

[Governor's Letter](#)

[Revenue Forecast](#)

[State of the State Speech](#)



NEBRASKA

On January 13, Nebraska Governor Pete Ricketts announced proposed adjustments to the current fiscal 2021-2023 biennium budget. At the end of fiscal 2021, general fund tax receipts exceeded forecasts by \$958 million. \$533 million was transferred to the Cash Reserve Fund while also allowing the Property Tax Incentive Credit to reach \$548 million in annual tax relief to Nebraskan property owners. In November 2021, the Nebraska Forecasting Advisory Board increased its anticipated General Fund tax receipts amounts for fiscal 2022 and fiscal 2023 by \$475 million and \$428 million, respectively. This provides an estimate of \$475 million to be transferred to the Cash Reserve Fund which raises the balance to an estimated amount of \$1.5 billion in fiscal 2022-2023. The governor proposes to use \$575 million of the Cash Reserve Fund for one-time costs this year which leaves an ending unobligated balance of \$941.2 million in the Cash Reserve Fund.

Proposed Budget Highlights

The governor's proposed adjustments focus on three main areas: providing tax relief, strengthening public safety, and investing in the state's natural resources. Plans for using the *American Rescue Plan Act* (ARPA) funds are also included in the proposed adjustments. The governor's recommendations include:

Tax Relief

- Accelerate social security tax exemptions.
- Reduce the top individual and corporate tax rate to 5.84 percent over a five-year period.
- Ensure property tax relief is sustained at the current level of \$548 million in annual relief through the property tax incentive credit.

Strengthening Public Safety

- \$155 million in cash reserve funding for replacement of the Nebraska Penitentiary.
- \$36.7 million of ARPA funds in fiscal 2022 and \$62.4 million of general funds in fiscal 2023 to provide salary increases focusing on 24/7 public health and safety positions.
- \$47.7 million of ARPA funds for the Law Enforcement Training Center to expand capacity and enhance skills of new cadets.
- \$16.9 million of general funds to expand the State Patrol Crime Laboratory facility.

Investing in Nebraska's Natural Resources

- \$400 million of cash reserve funds and \$100 million of ARPA funds to construct the Perkins County Canal and protect Nebraska's South Plate River water rights.
- \$150 million in general funds and \$50 million in ARPA funds to establish new and update current recreational areas across the state.

ARPA Funds

- \$199.4 million for the public health response category, including:
 - \$40 million to supplement the overall public health response.
 - \$15 million for the Youth Rehabilitation Treatment Center in Kearney.
 - \$10 million for the UNK-UNMC Rural Health Complex public-private partnership project.
- \$504.7 million for the negative economic impact category, including:
 - \$100 million for shovel-ready projects throughout the state.
 - \$60 million for site and building development to assist adversely impacted local economies.
 - \$90 million for community colleges to facilitate high-skill workforce development.
 - \$25 million for behavioral health and nursing scholarships.
 - \$25 million to assist the meat packing industry supply chain.
 - \$12 million for economic development to North Omaha.
 - \$10 million for commercial real estate assistance.
- Water, sewer, and broadband projects.
 - \$274 million for water infrastructure improvements.

Proposed Budget Information

[Fiscal 2021-2023 Mid-Biennium Budget Adjustments Proposal](#)

[Mid-Biennium Budget Adjustments Presentation](#)

[Governor's Press Release](#)

[State of the State Speech](#)



NEW JERSEY

On March 8, New Jersey Governor Phil Murphy released his fiscal 2023 budget proposal that calls for \$48.9 billion budget in total appropriations, reflecting an increase of about 0.6 percent over fiscal 2022 adjusted amounts. Fiscal 2023 revenues are anticipated to be \$47.2 billion, representing growth of 0.7 percent, or more than \$330 million, over revised fiscal 2022 figures. The proposed budget would maintain a \$4.2 billion surplus and would use \$1.3 billion to pay down debt and support capital projects on a pay-as-you-go basis to avoid new debt. Of the total budget, over 70 percent is in the form of grants-in-aid for property tax relief, social services, and higher education, as well as state aid to schools, community colleges, municipalities, and counties.

Proposed Budget Highlights

Major priorities in the proposed fiscal 2023 budget include property tax relief, school funding, pension contributions, and affordable housing. Funding recommendations include:

- Approximately \$900 million in direct property tax relief to nearly 1.8 million middle and working-class and senior households under the ANCHOR Property Tax Relief Program.
- No new taxes or fees, and a year of fee holidays for drivers renewing their licenses, certain health care professionals applying for or renewing their licenses, couples getting married, and residents visiting state parks.
- Increasing K-12 formula aid funding by \$650 million and an additional \$68 million for preschool education aid.
- Making a full pension payment of \$6.82 billion, and providing an additional \$1.3 billion to reduce and avoid debt.
- \$305 million in *American Rescue Plan Act* (ARPA) funds to create the Affordable Housing Production Fund which will help create an estimated 3,300 new affordable housing units.
- \$430 million in funds for school construction, capital maintenance, and emergent needs.
- Nearly \$30 million investment to meet the Electric Vehicle Act's mandate of a 100 percent electric state fleet by 2035.

- Nearly \$20 million in state and federal funds to implement the Statewide Universal Newborn Home Nurse Visitation program.
- Adding \$11 million on the "Cover All Kids" health care program to give access to uninsured children.

American Rescue Plan Act

The state received \$6.2 billion from the ARPA's State Fiscal Recovery Fund in 2021 and has allocated funds for over 20 multi-year programs including the Eviction Prevention Program, public health preparedness, extended special education, and small business assistance initiatives. The administration is implementing and planning for transformative, one-time investments in people, communities, and infrastructure for fiscal 2022 and fiscal 2023 and broadly expects to spend \$2 billion on each of these overarching categories.

Proposed Budget Information

[Fiscal Year 2023 Budget Proposal](#)

[Budget in Brief](#)

[Budget at a Glance](#)

[Governor's Press Release](#)

[State of State Address](#)



NEW MEXICO

On January 6, New Mexico Governor Michelle Lujan Grisham submitted a fiscal year 2023 budget recommendation. The budget calls for total fund spending of \$21.0 billion, an increase of 6.5 percent from fiscal 2022, and recurring general fund spending of \$8.4 billion, an increase of 13.4 percent from fiscal 2022. The budget also calls for \$285.3 million of nonrecurring general fund appropriations which is a decrease of \$156.3 million from fiscal 2022. The fiscal 2023 budget recommendation is based on a recurring general fund revenue estimate of \$9.05 billion, an 11 percent increase compared to fiscal 2022. The budget projects a total balance in general fund reserves of \$3.07 billion which represents 36.4 percent of recurring general fund appropriations. Total reserves include \$2.13 billion in the state's rainy day fund and \$333.4 million in the state's Tobacco Settlement Permanent Fund.

Proposed Budget Highlights

The fiscal 2023 budget recommendation makes key investments in the priority areas of education, public safety, and economic development. The following recommendations are included in the budget:

Education

- \$200.4 million to increase salary minimums for teachers and \$76.9 million to provide a 7 percent salary increase to teachers and school staff at public schools to put teacher salaries above every neighboring state.
- Provide approximately 735 additional openings for early childhood education and increase pay for pre-K educators.
- Additional funding for dual-credit programs enabling high school students to accumulate college credit in high school.
- \$85.5 million increase to the Opportunity Scholarship program to cover tuition costs of New Mexico students of higher education.

Public Safety

- \$100 million to recruit, hire, and retain law enforcement officers.
- A 19.5 percent increase in state police officer pay.
-

- Provide Department of Public Safety with funding to train approximately 100 additional state police officers to fill every current officer vacancy.
- \$19.5 million to State Fire Marshal's Office to enable communities to respond to fires.

Jobs and Economy

- Directs \$18.5 million to the Economic Development Department to support and grow economic activity in the state.
- \$50 million in capital outlay to create a media academy to serve New Mexico students in the transition from education to employment in the state's film and media industry.
- \$6.5 million to support the new Cannabis Control Division.

Special Initiatives

- \$14.4 million to support statewide food and hunger initiatives.
- \$3 million for a home caregivers program within the Aging and Long Term Services Department.
- \$9.7 million to Public Education Department for the Indian Education Fund to improve education outcomes for Native American students.
- \$10.2 million for Native American Student Education to leverage Indian Education funding to expand and enhance programs.

Overall, the budget calls for general fund recurring spending of the following:

- \$3.8 billion for public education.
- \$1 billion for higher education.
- \$2.2 billion for health and human services.
- \$499 million for public safety.
- \$94 million for commerce and industry.
- \$100.8 million for agriculture, energy, and natural resources.
- \$188 million for general government.
- Funds for judicial and legislative branches.



NEW MEXICO (Continued)

Proposed Budget Information

[Fiscal Year 2023 Budget Proposal](#)

[Governor’s Press Release](#)

[State of the State Address](#)



NEW YORK

On January 18, New York Governor Kathy Hochul released her proposed fiscal 2023 budget totaling \$216.3 billion in all funds, reflecting a 1.6 percent increase, and \$118.8 billion in state operating funds, a 3.1 percent increase. General funds at \$95.5 billion, reflect a 5.3 percent increase, and federal operating aid at \$78.9 billion, a 4.1 percent decrease. The budget is projected to be balanced through 2027. The largest expenditures are in education and health care, with \$31.3 billion in school aid, an increase of 7.1 percent, and \$26.5 billion in Medicaid spending, an increase of 6.3 percent. Reserves are projected to be \$14 billion at the end of fiscal 2023, or 11.8 percent of state operating funds. All funds receipts at \$221.1 billion reflect a 2.5 percent decrease from the fiscal 2022 estimated level. General fund receipts, including transfers from other funds, are estimated to total \$92.6 billion in fiscal 2023, a decrease of 17.3 percent from fiscal 2022.

New York received \$12.75 billion in State and Local Fiscal Recovery Funds from the *American Rescue Plan Act* (ARPA) in 2021 to offset revenue loss, ensure the continuation of essential services and assistance provided by government, and assist in the public health emergency response and recovery efforts. These funds are expected to be transferred to state funds over multiple years to support eligible uses and spending. Of the total, the calculated revenue loss is \$9.9 billion on a modified accrual basis per the federal calculation and methodology.

Proposed Budget Highlights

Major priorities in the proposed fiscal 2023 budget include healthcare, education, tax relief for small businesses and the middle class, the environment, housing, and public safety. Funding recommendations include:

- \$10 billion multi-year investment in healthcare
 - More than \$4 billion to support wages and bonuses for healthcare workers, including \$1.2 billion of state support for healthcare and mental hygiene worker retention bonuses, with up to \$3,000 bonuses going to full-time workers who remain in their positions for one year.
 - \$2.4 billion for healthcare capital infrastructure and improved lab capacity.
- \$1.6 billion foundation aid increase and a \$466 million increase in all other school aid programs.

- \$1.5 billion in SUNY and CUNY over the next five years and expansion of Tuition Assistance Program eligibility.
- Tax relief for small businesses and the middle class, including:
 - Acceleration of tax relief by providing the fully implemented reduced tax rates beginning in tax year 2023
 - A new capped refundable tax relief program targeting COVID-19-related expenses for small businesses
 - \$1 billion to fund innovative small businesses and tax credit for COVID-related expenses
 - A homeowner tax rebate credit
- A five-year \$32.8 billion Department of Transportation capital plan to leverage federal funding to support major infrastructure projects throughout the state.
- \$900 million in childcare stabilization grants to cover operational costs for 15,000 childcare providers statewide and increase eligibility for childcare subsidy from up to 200 percent of the federal poverty level to up to 300 percent of the federal poverty level over three years.
- \$4 billion for clean water, clean air, and green jobs environmental bond act and \$500 million for offshore wind.
- A new five-year, \$25 billion comprehensive housing plan.
- \$224 million to fund law enforcement and community-based gun violence initiatives.

Proposed Budget Information

[Fiscal Year 2023 Budget Proposal](#)

[Budget Highlights](#)

[Budget Director's Presentation](#)

[Economic and Revenue Outlook](#)

[State of the State](#)



NORTH CAROLINA

On May 11, North Carolina Governor Roy Cooper introduced budget adjustments for fiscal year 2023. The fiscal 2023 enacted general fund budget, signed into law in November 2021 as part of the 2021-2023 biennial budget, totaled \$26.98 billion and the adjustments would increase that amount to \$29.28 billion, an increase of \$2.3 billion or 8.5 percent. The prior fiscal 2023 general fund certified revenue amount was \$28.75 billion, and the Consensus Revenue Forecast May Revision increased that to \$30.72 billion, an increase of 6.8 percent. The state is projected to have a beginning unreserved fund balance of \$6.8 billion at the start of fiscal 2023. The governor's budget adjustments allocate \$2.4 billion in additional investments to reserve accounts and after recommended adjustments, there would be a general fund balance of \$1.5 billion.

Proposed Budget Highlights

The proposed budget adjustments, entitled Building on Success, invests in North Carolina's families, businesses and communities.

Investing in Communities

- Provides \$27.7 million recurring and nonrecurring for new housing development and the rehabilitation of existing units to increase the supply of affordable housing.
- Provides \$50 million nonrecurring for down payment assistance for eligible first-time homebuyers. Enhanced assistance is provided for eligible homebuyers who are educators or first responders.
- Invests \$20 million nonrecurring for drinking water and wastewater infrastructure grants in low-and-moderate income areas.
- Increases funding by \$12.3 million recurring to initiate transitions for eligible adults with mental illness from institutions to community care settings.

Health Care

- Expands Medicaid to provide access to health insurance to more than 600,000 additional North Carolinians. Expansion would not require additional state funding as the federal government pays 90 percent of the cost while hospital assessments and premium taxes paid by health insurance companies cover the remaining 10 percent.

- The expansion is expected to save \$71 million in general fund appropriations annually.

Education

- Provides \$525.8 million to increase access to a sound, basic education for students.
 - Ensures all teachers receive at least a 7.5 percent raise over the biennium and increases the starting pay to \$36,600.
 - Invests \$4.7 million to expand the pipeline of diverse, well-prepared teachers.
 - Invests \$6 million for schools to adopt a Community Schools model to address out-of-school barriers to learning.
 - Removes funding caps and increases funding by \$146.9 million for targeted populations including Children with Disabilities, Disadvantaged Student Supplemental Fund, and Limited English Proficiency allotments.
 - Invests \$89.7 million in early childhood education.

Community and School Safety

- Invests \$5 million nonrecurring for a violence intervention and prevention competitive grant program to expand the use of evidence-based prevention and intervention programs statewide.
- Provides \$10 million nonrecurring in grants to cover the purchase costs of body-worn cameras for law enforcement agencies.
- Provides \$2.5 million recurring to expand evidence-based violence education and prevention programming for at-risk and juvenile justice-involved youth.
- Provides \$20 million recurring for schools to support students in crisis and provide school safety and mental health training.

Workforce Investments and Compensation

- Provides over \$120 million to address the state's labor shortage.
 - Provides nearly \$10 million recurring to expand supports for priority populations (reentry and justice-involved individuals, seasoned workers,



NORTH CAROLINA (Continued)

people of color, and rural and underserved communities).

- Includes \$18.5 million recurring to provide a statewide rate floor in the childcare subsidy program for childcare centers and family childcare homes in lower wealth counties.
- Invests \$45 million to address shortages in the state's healthcare workforce by expanding training in the University of North Carolina system, community colleges, and private colleges and universities.
- Provides \$691.6 million recurring and \$863 million nonrecurring to increase compensation and provide retention bonuses for all state employees and state-funded local employees and to give retirees a cost-of-living adjustment.
 - Funds an additional 2.5 percent across-the-board salary increase for most state employees and state-funded local employees.
 - Provides funding for an additional salary increase of 2.5 percent for law enforcement officers and health professionals within state agencies and the university system.
 - Provides retention bonuses of either \$1,500 or \$2,000 for all state employees and local employees, paid in two equal installments to be the most effective at retaining employees.

Proposed Budget Information

[Fiscal Year 2022-23 Recommended Budget Adjustments](#)

[Budget Overview Presentation](#)

[Governor's Press Release](#)

[May 2022 Revenue Forecast Revision](#)



OKLAHOMA

On February 7, Oklahoma Governor Kevin Stitt released his recommended budget for fiscal year 2023. The recommended budget totals \$8.95 billion which decreases spending by \$114 million, or 1.3 percent, from fiscal year 2022 authorized expenditures. Agency appropriations for fiscal year 2023 are recommended at \$8.86 billion which is a 2.2 percent decrease, or \$204 million, from fiscal year 2022. For the certified general revenue fund, the fiscal 2023 expenditure authority is projected at \$6.96 billion, an increase of 14.7 percent over fiscal 2022 actual expenditures. Oklahoma has recently saved over \$1 billion in General Revenue Fund cash and unspent budget. Total unspent cash and reserve funds are \$1.826 billion. This includes a Constitutional Reserve Fund (Rainy Day Fund) balance of \$370.6 million and a Revenue Stabilization Fund balance of \$171.3 million.

Proposed Budget Highlights

The budget focuses on keeping recurring expenditures in line with recurring revenues to grow reserves while making key investments in areas that work towards the governor's vision of making Oklahoma a Top Ten state. The governor's recommended budget focuses on making investments in four pillars: driving hope for all Oklahomans; protecting Oklahomans; becoming a top 10 state for business; and delivering taxpayers more for their money.

The governor's recommended financial strategy for fiscal year 2023 proposes the following:

- Maintain fiscal year 2023 total state appropriations to the recurring revenue base.
- Rebuild reserves to a level of \$2.3 billion.
- Promote prosperity in Oklahoma through an equitable, business-friendly structure.
- Governor supports reducing individual income tax, corporate income tax, and the grocery tax.
- Make strategic investments in the following areas:
 - Deposit \$20 million to the Quick Action Closing Fund.
 - Fund a \$10 million business and talent attraction campaign to recruit workforce to Oklahoma.
 - Invest \$1.8 million to establish a supercluster for industry innovation.

- Spend \$7.7 million to rebrand Oklahoma Center for the Advance of Science and Technology (OCAST) to create a single innovation support program within the agency.
- Fund \$17 million to be used for better desktop services and support outcomes for state employees.
- Invest \$20 million to move all eligible individuals with intellectual and developmental disabilities in need of services off the waiting list and onto Home and Community-based Waivered Services.

Proposed Budget Information

[Fiscal Year 2023 Budget Proposal](#)

[Revenue Forecast – December 2021](#)

[State of the State Address](#)



PENNSYLVANIA

On February 8, Governor Tom Wolf released his recommended budget for fiscal 2023 totaling \$109.3 billion in all operating funds. The proposed budget includes \$43.7 billion in general fund spending, \$41.4 billion in federal funds, \$3.0 billion in the motor license fund, \$2.0 billion in the lottery fund, and \$19.2 billion in augmenting fees and other special fund revenues. General fund spending in fiscal 2023 is projected to increase \$5.1 billion, or 13.2 percent, compared to fiscal 2022 enacted levels. Estimated revenue for fiscal 2023 is \$41.9 billion, which is \$3 billion, or 6.9 percent, less than projections for the prior year. The proposed budget retains the rainy day fund balance at \$2.9 billion.

Proposed Budget Highlights

Major priorities in the proposed fiscal 2023 budget include education, workforce, economic development initiatives and support for vulnerable populations with investments in mental health and services for individuals with a disability. Funding recommendations include:

- A \$1.55 billion increase in basic education funding
 - \$1.25 billion through a fair funding formula, \$300 million for the Level Up initiative, and a \$200 million increase in special education funding.
- Reduces the current 9.99 percent tax rate on corporate profits to 7.99 percent in 2023, 6.99 percent in 2026 and 5.99 percent in 2027.
- Creates a pathway to a \$15 per hour minimum wage with an increase to \$12 per hour on July 1, 2022.
- Includes a \$91 million increase in state funds to medical assistance rates for skilled nursing facility providers beginning in January 2023.
- Increase of \$36.6 million in county mental health base funds to support efforts to provide critical behavioral health services.
- Includes \$77.7 million in federal funds to support increased childcare works base rates to ensure continued stability for childcare facilities and to make quality childcare more affordable and accessible for families.
- Adds \$18.8 million in state funds to serve additional individuals with intellectual disabilities and autism currently on the waiting list.

- Adds \$50 million to increase the personal care home supplementary payment and \$91 million in state funds for nursing facility rate increases.

Proposed Spending from the *American Rescue Plan Act (ARPA)*

- Anticipates using \$5.1 billion of Coronavirus State Fiscal Recovery Funding from ARPA in fiscal 2022.
- Proposes using the remaining \$2.2 billion to meet immediate pandemic response needs and promote long-term recovery.

Proposed Budget Information

[Fiscal Year 2023 Budget Proposal](#)

[Budget in Brief](#)

[Budget Presentation](#)

[Governor's Press Release](#)

[Revenue Forecast – January 2022](#)

[Budget Address](#)



RHODE ISLAND

On January 20, Rhode Island Governor Daniel McKee released his proposed fiscal 2023 budget totaling \$12.8 billion in all funds, a decrease of \$295.8 million, or 2.3 percent, compared to the fiscal 2022 enacted level. Of this total, \$4.7 billion is from general revenue, reflecting a 4 percent increase over the fiscal 2022 enacted level. The proposed budget includes \$618.4 million from a projected fiscal 2022 surplus that has been targeted for one-time investments in the revised fiscal 2022 and fiscal 2023 recommended budget. The governor's recommended budget is based on estimated general revenue of \$4.75 billion in fiscal 2023. Annual estimated revenue growth in fiscal 2023 is 1.3 percent over fiscal 2022 revised levels. The budget includes three initiatives for bond measures totaling \$350 million to be placed on the November 2022 ballot for K-12 school construction, higher education, and a green economy bond.

Proposed Budget Highlights

The fiscal 2023 recommended budget is focused on small business, climate action, and local and education aid. Funding recommendations include:

- Fully funds the car tax phase-out – \$166.6 million in relief with no revenue loss to cities and towns.
- Fully funds the education aid funding formula including a transition fund and ensures districts do not receive a reduction in funds regardless of enrollment shifts.
- Actions on climate include establishing an annual, dedicated funding source to be used for any program or investment (e.g., energy efficiency, renewable energy, clean transportation, clean heating, energy storage, etc.) that supports the reduction of greenhouse gases.
- Includes initiatives to improve conditions for small businesses.
- Phases out the taxation of military service pensions over five years.

The governor proposed allocating \$1.3 billion in State Fiscal Recovery Funds from ARPA in the following categories:

- Housing - \$250 million
- Economic and Workforce Development - \$212 million

- Aid to Small Business and Impacted Industry - \$181 million
- Public Health - \$152 million
- Climate - \$132 million
- Children Families and Education - \$119 million
- Behavioral Health - \$42.4 million
- Public Infrastructure and Technology - \$26.5 million
- Administrative Costs - \$17 million

Proposed Budget Information

[Fiscal Year 2023 Budget Proposal](#)

[Executive Summary](#)

[Budget Overview](#)

[Governor's Press Release](#)

[State of the State](#)



SOUTH CAROLINA

On January 10, South Carolina Governor Henry McMaster proposed a fiscal 2023 budget that recommends \$34.36 billion in all funds, an increase of \$3.29 billion or 10.59 percent over fiscal 2022. A contributor to the all funds budget increase is the 20.37 percent increase in federal funds over the current year. The general funds portion of the budget totals \$10.06 billion for fiscal 2023, an increase of \$789.23 million or 8.51 percent. General fund revenues are projected at \$10.06 billion, an increase of 8.51 percent over fiscal 2022. The General Reserve Fund is required to be 5 percent of the revenues of the most recently completed fiscal year; the required \$522.99 million for fiscal 2023 is fully funded. The budget also provides \$500 million to the “rainy day” reserve fund; adding in required Capital Reserves of \$209.19 million, reserve funds total \$1.23 billion. The governor also recommends that the General Assembly ensures each year a minimum balance in the rainy day fund of 10 percent of the state’s General Fund budget. In his proposed budget, the governor recommends two tax policy changes. First, a 1.0 percent rate reduction over five years for all personal income tax brackets, starting with an immediate \$177 million cut. Second, the governor recommends eliminating all state income taxes on the retirement pay of retired military veterans and first responders.

Proposed Budget Highlights

In the fiscal 2023 executive budget, the governor proposes using state funds to lay a foundation for future growth – by investing in education, public safety, job and community-supporting infrastructure, and continued savings to guard against future economic uncertainties. The governor also released his recommendations for spending \$2.4 billion in federal *American Rescue Plan Act* (ARPA) funding.

Education Investments

- \$120 million in recurring funds to increase the State Aid in Classrooms allocation while beginning the process to transform the K-12 school funding system, including consolidating line-item appropriations and simplifying funding formulas.
- Increase the state minimum teacher salary from \$36,000 to \$38,000.
- \$100 million in recurring and non-recurring funds for the purchase of instructional materials.

- \$60.2 million in recurring and non-recurring funds for charter schools.
- \$35 million in non-recurring funds set aside for the ARPA Maintenance of Equity requirement and Maintenance of Effort requirement for the Individuals with Disabilities Education Act (IDEA).
- \$12 million in non-recurring funds for retention bonuses for school bus drivers.
- \$20.1 million in recurring funds for a higher education tuition freeze.

Workforce and Community Infrastructure Investments

- \$496.9 million in non-recurring funds to expedite road and bridge projects at the state department of transportation.
- \$300 million in non-recurring funds for the Navy Base Intermodal Facility at the state’s port authority.
- \$150 million in non-recurring funds for economic development infrastructure at the state commerce department.
- \$46.7 million for 2.0 percent merit-based pay increases for state employees.

Public Safety and Law Enforcement Investments

- \$30.9 million in recurring funds across agencies for pay and step increases, and a 2.0 percent merit-based pay increase, for law enforcement officers.
- \$17 million in non-recurring funds for the Emergency Response Task Force to aid local fire departments during significant disasters or events.
- \$8.8 million in recurring funds to annualize funding for the school resource officer program.
- \$1.4 million in recurring funds for recruitment and retention at the Department of Probation, Parole and Pardon Services.

ARPA Investments

- \$500 million for rural water and sewer infrastructure
- \$300 million for broadband access and expansion
- \$660 million for interstate projects



SOUTH CAROLINA (Continued)

- \$300 million for the Office of Resilience for environmental mitigation and remediation
- \$250 million to replenish the Unemployment Insurance Trust Fund
- \$124 million for Workforce Scholarships for the Future
- \$100 million for a new public health laboratory
- \$87 million to harden state agency IT infrastructure
- \$50 million for agribusiness marketing and initiatives
- \$80 million for tourism recovery and motorsports marketing/initiatives
- \$10 million for Guidehouse grant management

Proposed Budget Information

- [Fiscal Year 2023 Budget Proposal](#)
- [Executive Budget Summary](#)
- [Statement of Revenues](#)
- [Budget Presentation](#)
- [Governor’s Press Release](#)
- [State of the State](#)



SOUTH DAKOTA

South Dakota Governor Kristi Noem released her fiscal 2023 budget proposal on December 7. The recommended budget calls for \$5.71 billion in total spending, a 11.6 percent increase from fiscal 2022's budget amount. General fund spending is recommended at \$1.97 billion, an 8.7 percent increase from the budgeted amount for fiscal 2022. While the recommended total spending and general fund spending amounts are higher than the budgeted amounts for fiscal 2022, they are both lower than the revised spending levels for fiscal 2022. The largest categories of general fund spending are health and human services (36.3 percent); state aid for education (34.5 percent); higher education (12.1 percent); and corrections (5.8 percent). Total fiscal 2023 general fund increases are \$157.3 million, with the largest increases going towards state aid (\$47.4 million), social services (\$44.2 million), employee compensation (\$28.0 million), and human services (\$24.3 million). General fund receipts in fiscal 2023 are projected at \$1.98 billion, a 7.0 percent decline from fiscal 2022's revised level. The total estimated reserve balance is \$279.1 million, or 14.2 percent of proposed fiscal 2023 general fund appropriations.

Proposed Budget Highlights

In discussing her recommendations for the remainder of fiscal 2022 and fiscal 2023, the governor noted total general fund receipts for fiscal 2022 are up 11.4 percent over fiscal 2021's historic numbers. Additionally, she said in addition to *American Rescue Plan Act* (ARPA) funds, there are \$215.5 million in one-time general fund dollars available for fiscal 2022 and \$157.6 million in ongoing general funds. The governor said the state will put those funds to use to address the state's most pressing needs, and to make fiscally responsible one-time expenditures. The governor highlighted key funding initiatives to invest in South Dakota's workforce, build infrastructure for the future, and strengthen public safety. Funding recommendations include:

Investments in South Dakota's Workforce

- \$150 million in state general funds for workforce housing, plus \$50 million in ARPA dollars for matching sewer projects.
- 6 percent inflationary increases to state employees, education, and healthcare providers.
- \$100 million in ARPA dollars received directly by the Department of Social Services for childcare grants.

- \$30 million in one-time state general funds to facilitate new cybersecurity training at Dakota State University.
- \$17 million in one-time state general funds to enhance workforce training capacity at technical colleges.
- \$35 million in ARPA dollars to the Department of Tourism to facilitate tourism and workforce marketing efforts.
- \$2.5 million in ongoing state general funds to expand the Bright Start program for eligible mothers statewide.

Infrastructure Projects for the Future

- \$660 million in ARPA funding for statewide water projects.
- \$6.5 million in one-time state general funds for dam repairs.
- \$5.6 million in one-time state general funds to repair public recreation areas damaged by 2019 floods.
- \$69.6 million in ARPA Capital Projects Funds to build and remodel the State Public Health Lab.
- \$10 million in one-time state general funds to create 175 new campsites in Custer State Park.

Efforts to Strengthen Public Safety

- \$28 million in state general fund reserve funds to build a new Department of Corrections (DOC) Community Work Center for Women.
- \$2.1 million in state general funds for targeted pay increase for DOC employees.
- \$15 million in ARPA funding to construct regional mental health crisis management centers across the state.
- \$24 million in total funds for a comprehensive reform proposal for EMS and first responders.
- Funding to respond to emerging threats, like human trafficking, drugs, crimes against children, Medicaid fraud, and cyber threats.
- Improvements to National Guard Readiness Centers.



SOUTH DAKOTA

Proposed Budget Information

[Fiscal Year 2023 Budget Proposal](#)

[Summary Book](#)

[Budget Presentation](#)

[Governor's Press Release](#)

[Budgeting for the Future](#)

[Budget Address](#)



TENNESSEE

On January 31, Governor Bill Lee proposed a fiscal year 2023 total budget of \$52.5 billion, an increase of \$1.3 billion or 2.5 percent over fiscal 2022. Compared to fiscal 2022, federal funds decreased by 13.0 percent while state appropriations increased by 20.0 percent. General fund appropriations for fiscal 2023 total \$20.2 billion, an increase of 15.96 percent from fiscal 2022. State general tax revenues for fiscal 2023 are forecast at \$16.9 billion, an increase of 2.55 percent over fiscal 2022. The proposed budget includes a deposit of \$50 million to the rainy day fund bringing the total to \$1.6 billion at the end of fiscal 2023.

Proposed Budget Highlights

The governor's fiscal 2023 budget focuses on making strategic investments that focus resources on new efforts to improve the lives of Tennesseans. Investments are proposed in the following areas:

Investments in Education and Workforce Development

- \$750 million to change the funding formula for K-12 education starting in fiscal 2024. The governor proposes to use the \$750 million for the following nonrecurring items in fiscal 2023:
 - \$500 million to provide innovative career and technical education grants to all high schools and middle schools in the state.
 - \$200 million to relocate 14 schools currently in flood plains,
 - \$50 million for allocation to the Governor's Investment in Vocational Education and Supporting Postsecondary Access in Rural Communities grant programs.
- \$70.5 million for funding of the Basic Education Program formula and a \$124.7 million increase to the instructional salary component of the formula.
- \$16 million recurring and \$16 million non-recurring for the Charter School Facilities fund.
- \$25.5 million for continuation of summer bridge camps to combat pandemic-related learning loss.
- \$90 million to fully fund the outcome funding formula for the University of Tennessee system, Locally Governed Institutions, and the Board of Regents. This appropriation will keep tuition at higher education

institutions flat in the 2022-2023 academic year.

- \$66.3 million for a 4 percent salary increase for higher education employees.
- \$19.4 million to reduce the waitlist for programs at Tennessee Colleges of Applied Technology.

Investments in Health and Social Services

- \$25.5 million to provide dental benefits to all adult TennCare enrollees.
- \$11.9 million of nonrecurring funds to address unmet dental services needs and increase the number of dentists practicing in the state.
- \$21.8 million to extend services in the Tennessee Early Intervention system to a child's fourth birthday.
- \$90.8 million for provider rate increases.
- \$88.8 million for the Department of Intellectual and Developmental Disabilities Services Employment and Community First CHOICES program to increase services to enrollees.
- \$50.4 million to expand the Extension of Foster Care program and childcare vouchers to more foster care and adoptive children.
- \$5.5 million to expand the Court Appointed Special Advocates program statewide.
- \$10.4 million to eliminate the waitlist for the OPTIONS for Community Living program.

Investments in Public Safety

- \$43.2 million to increase correctional officer salaries at state and privately-operated prisons.
- \$150 million of non-recurring funds for violent crime intervention grants to local law enforcements.
- \$25.3 million for evidence-based programming seed grants.
- \$1 million to Department of Corrections to provide treatment for those incarcerated.
- \$25 million to prepare offenders for life after prison.
- \$25.2 million to increase the number of law enforcement agents statewide.



TENNESSEE (Continued)

- \$178.9 million of non-recurring funds to improve infrastructure of the Tennessee Advanced Communications Network.
- \$4.97 million to expand partnership with the Tennessee Board of Regents to provide correctional officer training.
- \$30.1 million for local law enforcement recruitment bonuses.
- \$24 million for Tennessee Law Enforcement Training Academy training.

Investments in Business and Rural Initiatives

- \$103 million with \$18 million recurring funds for the Jobs4TN program to create new opportunities for Tennessee's workforce.
- \$26 million for grants and services to assist rural communities and distressed counties.
- \$25 million of non-recurring funds for a grant fund to attract major entertainment, sports, and convention events to the state.
- \$9.5 million of non-recurring funds to further develop the state fair site in Wilson county.
- \$9.6 million to the forestry division in the Department of Agriculture for maintenance needs and other operations.
- \$626.5 million (\$3.5 million recurring) to be transferred from the general fund to the Department of Transportation for the following:
 - \$519 million for new road projects.
 - \$100 million to accelerate completion of existing IMPROVE act projects.
 - \$4.0 million for enhanced litter removal along roads.
 - \$3.5 million for the Transportation Equity Fund.

Investments in Resources and Regulation

- \$13.4 million to establish the necessary infrastructure and environmental readiness at the Memphis Area Regional Megasite.
- \$28 million of non-recurring funds for state parks and natural areas to address maintenance.

Investments in Employees

- \$64.4 million to continue to implement Pay for Performance in executive branch agencies.
- \$15.4 million for salary increases for state employees not covered by the Tennessee Excellence, Accountability, and Management Act.
- \$120 million to address employee salaries in relation to the market.
- Investments in employee benefits in the following areas:
 - \$21.3 million for retirement.
 - \$57.1 million for group health insurance.
 - \$48.3 million of non-recurring funds to double the state match to employees' 401(k) accounts for the first \$50 employee contribution.
- \$350 million one-time deposit to the Tennessee Consolidated Retirement System Trust Fund and \$300 million one-time deposit to the Other Postemployment Benefits Trust Fund to reduce unfunded liabilities in both trust funds.

Proposed Budget Information

[Fiscal Year 2023 Budget Proposal](#)

[Budget Presentation](#)

[Budget Overview](#)

[State of the State Address](#)



UTAH

On December 7, Utah Governor Spencer Cox submitted a budget proposal for fiscal 2023. The total operating and capital budget calls for \$25.0 billion in spending from all funds, which represents a 2.9 percent decrease compared to authorized fiscal 2022 levels. The primary reason for the decrease is significant levels of one-time state and federal funds available in fiscal 2022. Governor Cox recommended \$10.5 billion in general fund, education fund and uniform school fund (GF/EF/USF) spending in fiscal 2023, including \$9.2 billion of ongoing funding, an 11.4 percent increase over GF/EF/USF ongoing spending authorized for fiscal 2022. The governor also recommends \$555 million in additional one-time GF/EF/USF spending for fiscal 2022. The budget is based on a consensus GF/EF revenue forecast of \$9.6 billion, excluding sales and use taxes earmarked for transportation, water and other non-general fund uses; this represents a 10.7 percent increase over the fiscal 2022 enacted revenue forecast and a 0.7 percent decline compared to the revised consensus estimate for fiscal 2022. Factoring in prior-year surplus funds and other sources, the consensus estimate yields \$1.16 billion in additional available ongoing GF/EF revenue and \$1.82 billion in one-time GF/EF revenue. The state's fiscal 2022 rainy day fund balances total \$1.15 billion, 11.8 percent as a share of authorized GF/EF/USF spending that year. The budget also recommends \$844 million in one-time spending adjustments for fiscal 2022 using *American Rescue Plan Act* (ARPA) funds – including \$707 million in State Fiscal Recovery Funds (SFRF) and \$138 million in Capital Projects Funds. These new allocations, along with \$571 million of SFRF appropriated in a May 2021 special session, would leave \$100 million SFRF funds unappropriated to respond to unanticipated pandemic-related costs.

Proposed Budget Highlights

The governor's One Utah budget recommendations call for generational investments in water projects, targeted investments in people, proactive investments in infrastructure, and transformational investments in how state employees work. These investments prioritize economic advancement, education innovation, rural matters, health security, equality and opportunity, and streamlining and modernizing state government. The governor also recommends \$160 million in tax relief as a refundable grocery tax credit.

K-12 Education

- \$184 million for 5 percent increase in weighted pupil unit (WPU) spending (2.6 percent inflationary and 2.4 percent discretionary)
- \$55 million to eliminate school fees for families
- \$57 million towards fully funding the at-risk WPU program over the next 5 years
- \$23 million per year for the next three years to increase access to full-day kindergarten
- \$254 million to provide schools with funds for one-time needs
- \$25 million for Teacher and Student Success Program

Higher Education & Workforce Development

- \$120 million for higher education and technical college capital projects
- \$3 million for a student mental health funding
- \$1 million in ongoing funding for public higher education online programs
- \$115 million to expand capacity and program offerings at state technical colleges
- \$2 million in ongoing funding for the state's apprenticeship program
- \$1 million for a data-driven statewide conversation about population growth

Transportation

- \$46 million to finish regionally significant transportation projects
- \$141 million one-time investment in "The Point", state-owned land to be built into Utah's Innovation Community
- \$294 million in general funds to replace unissued transportation bonds

Streamlining and Modernizing Government

- \$105 million to increase state employee compensation and benefits



UTAH (Continued)

- \$65 million initial investment in Renovation and Consolidation Fund to implement statewide Space Master Plan as part of statewide remote work program, expected to save \$569 million in operational costs over 50 years with potential avoidance of \$429 million in new construction costs
- \$29 million to create a new OneUtah.gov portal
- \$115 million for UDOT rural broadband projects
- \$20 million for telehealth and education network infrastructure
- \$3 million for broadband deployment efforts statewide

Other State Fund Adjustments, including:

- **Water & Air Quality:** \$5 million to expand the state's air quality monitoring network and \$3 million to help expand electric vehicle infrastructure to rural areas
- **Housing:** \$50 million to foster affordable housing development through private activity bonds and \$50 million for new construction or rehabilitation of rural workforce housing
- **Equality and Opportunity:** \$10 million for infrastructure to support children's mental health, \$5 million for university facilities to better serve Navajo nation students, and \$1 million for expanded parental leave for state employees
- **Health Care:** \$1 million for ensuring continuous Medicaid eligibility for children and \$3.2 million to create the Utah Sustainable Health Collaborative to transform the healthcare system through value-based care

Recommendations for ARPA Funds (Fiscal 2022 One-Time Adjustments)

- \$707 million in State Fiscal Recovery Funds (SFRF), including:
 - **Water and Air Quality:** \$400 million (in addition to \$100 million previously appropriated) for water conservation, restoration, preservation and infrastructure, including \$200 million to accelerate installation of secondary meters
 - **Public Health:** \$10 million for current public health response efforts and \$41 million for public health technology modernization
 - **Housing:** \$128 million for projects that will serve low-income individuals
- \$138 million in Capital Projects Funds, including:

Proposed Budget Information

[Fiscal Year 2023 Budget Proposal](#)

[Governor's Press Release](#)

[State of the State](#)



VERMONT

On January 18, Vermont Governor Phil Scott released his proposed fiscal 2023 budget totaling \$8.2 billion in all funding sources, 6.51 percent above the fiscal 2022 budget adjustment amount. Of the total funds, the general fund represents 24.7 percent, education funds 23.2 percent, and federal funds 36.2 percent. Two thirds of total expenditures are for education and health and human services. The general fund at \$2.0 billion is 4.21 percent below the fiscal 2022 governor’s recommended budget adjustment. The proposed budget supports fiscal 2023 total general fund uses of \$2.07 billion and includes \$437 million in general fund reserve balances. The fiscal 2023 general fund consensus revenue forecast of \$1.9 billion is 1.3 percent above the estimated fiscal 2022 amount.

Proposed Budget Highlights

The proposed fiscal 2023 budget is focused on retaining and building the workforce by meeting the needs of families. Funding recommendations:

- Fully funds all state retirement and debt service obligations and maintains or exceeds statutory reserve requirements.
- Provides tax relief to low-and-moderate income families, critical occupations, military retirees, and students, including increasing the Earned Income Tax Credit, the Child and Dependent Care Credit, expanding the social security income tax exemption, and removing the tax on military pensions.
- Makes major investments in workforce training and expansion through education, internships, and outreach.
- Expands early care and learning subsidies for families and launches new initiatives to help those suffering from mental illness and addiction including an expansion of a mobile crisis pilot and suicide prevention model.
- Upgrades or replaces legacy software and equipment to deliver better, more timely information and services.

The governor also proposed uses of *American Rescue Plan Act* (ARPA) funds for fiscal 2023 in the following categories:

- Economic development - \$101 million

- Climate change mitigation - \$162 million
- Water/sewer infrastructure - \$72 million
- Housing - \$145 million
- Connectivity/broadband - \$95 million
- Administrative costs - \$10.5 million

Proposed Budget Information

[Fiscal Year 2023 Budget Proposal](#)

[Executive Budget Summary](#)

[Governor’s ARPA Proposal](#)

[Revenue Forecast – January 2022](#)

[Budget Address](#)

[State of the State](#)



VIRGINIA

On December 16, former Virginia Governor Ralph Northam released a biennial budget for fiscal 2023 and fiscal 2024; newly elected Governor Glenn Youngkin released a series of budget amendments to the proposed biennial budget on January 21. The former governor's recommended budget proposes all funds operating spending of \$79.79 billion in fiscal 2023 and \$78.24 billion in fiscal 2024. General fund operating spending would total \$30.07 billion in fiscal 2023, an increase of 19.4 percent over the revised fiscal 2022 amount, and \$28.18 billion in fiscal 2024, a decrease of 6.3 percent from fiscal 2023. The general fund revenue forecast estimates revenues of \$25.79 billion in fiscal 2023, a decrease of 0.6 percent from revised fiscal 2022, and \$28.08 billion in fiscal 2024, an increase of 8.9 percent over fiscal 2023. When transfers and balances are added in, total general fund resources are forecast at \$32.12 billion in fiscal 2023 and \$28.82 billion in fiscal 2024. The Revenue Stabilization Fund and Revenue Reserve Fund are estimated to have a combined total of \$3.9 billion in fiscal 2023 and the budget assumes an unexpended balance of \$149.4 million at the close of the biennium. The proposed budget contains multiple tax policy proposals: tax refund checks of \$250 for individual filers and \$500 for joint filers (\$1.04 billion in fiscal 2023); eliminates the 1.5 percent state sales tax on groceries effective January 1, 2023 (\$159.8 million in fiscal 2023 and \$384.8 million in fiscal 2024); eliminates the accelerated sales tax (\$202.8 million); and provides for a refundable individual income tax credit equal to 15 percent of the federal Earned Income Tax Credit claimed (\$159.0 million in fiscal 2023 and \$156.0 million in fiscal 2024).

Proposed Budget Highlights

The former governor's proposed biennial budget built on the priorities of his last four budgets: education, equity, and investments in working Virginians. The budget includes additional resources for education, behavioral health, public safety, and economic development, and also includes funding recommendations for *American Rescue Plan Act* (ARPA) allocations.

Education

- Provides \$751.0 over the biennium to fund a 5.0 percent salary increase in fiscal 2023 and an additional 5.0 percent salary increase in fiscal 2024 for funded instructional and support positions.
- Includes \$500 million to support school construction, renovations, and modernization.

- Provides \$354.5 million to fund hold harmless payments to school divisions for base year re-benchmarking data affected by COVID-19 and \$331.6 million to update the cost of re-benchmarking Direct Aid to Public Education for the biennium.
- Adds \$114.0 million to increase funding for affordable access at public higher education institutions and \$150 million for additional need-based financial assistance for in-state students.

Administration

- \$806.8 million for a 5.0 percent salary increase in each year for state employees, state-supported local employees and adjunct faculty/graduate teaching assistants at public institutions of higher education.
- \$1.1 billion for a mandatory deposit to the Revenue Stabilization Fund.
- \$924.0 million for a one-time deposit to the Virginia Retirement System to reduce unfunded liabilities, contingent on meeting the revenue forecast for fiscal 2022.
- \$40.7 million for the employer share of state employee health insurance premiums.

Health and Human Resources

- Provides \$821.2 million general fund to cover the cost of Medicaid utilization and inflation as estimated in the most recent expenditure forecast.
- Adds \$294.2 million to increase Medicaid reimbursement rates for developmental disability waiver services.
- Provides \$37.7 million to fund 249 behavioral health case managers in jails to provide baseline staffing for mental and behavioral health services.
- Includes \$39 million general fund to help add 1,200 developmental disability waiver slots.
- Provides \$2.5 million general fund to fund care coordination services to individuals who are Medicaid eligible 30 days prior to release from incarceration.



Public Safety

- Includes \$74.0 million to raise the entry level salary to \$42,000 for sworn sheriffs' deputies and regional jail officers.
- Provides \$85.2 million to increase minimum salaries and address salary compression issues for correctional officers and supervisory staff in state correctional facilities.
- Adds \$48.4 million to support a compensation plan for the State Police's sworn positions, increasing the starting salary for new troopers and addressing pay compression.
- Provides \$27.4 million and 13 positions to establish the Virginia Center for Firearm Violence Intervention and Prevention.

Economic Development

- Provides \$190.0 million to support the Housing Trust Fund.
- Adds \$85.0 million to support anticipated payments from the Major Headquarters Workforce Grant Fund.
- Provides \$207.2 million in one-time funding to support the statewide planning, development and construction of multi-use trails.

American Rescue Plan Act (ARPA)

- The budget includes \$253.2 million in fiscal 2023 and \$85.3 million in fiscal 2024 for the continuation of ARPA initiatives originally authorized during a 2021 Special Session.
- The budget also includes \$349.9 million in fiscal 2023 and \$500,000 in fiscal 2024 in new ARPA State and Local Fiscal Relief Fund (SLRF) allocations.
 - Dairy industry support, Rebuild VA, mental health, public health initiatives, drinking water and wastewater, and ARPA reporting.
- The budget further includes \$141.7 million in fiscal 2023 and \$43.2 million in fiscal 2024 for non-SLRF ARPA grant funding.
 - Public health initiatives, COVID-19 vaccine preparedness, disease intervention, maternal health support, and family violence prevention.

Newly elected Governor Glenn Youngkin released a set of 23 budget amendments to the proposed biennial budget on January 21. Highlights of the amendments include: doubling the standard deduction to \$9,000 for individual filers and \$18,000 for joint filers (\$1.2 billion in fiscal 2023 and \$852.3 million in fiscal 2024); phase-in of military retirement income tax exemptions over three years (\$287.0 million in fiscal 2023 and \$228.0 million in fiscal 2024); one-time tax credit for small businesses (\$75.0 million in fiscal 2023); increasing the one-time tax rebate to \$300 for individual filers and \$600 for joint filers (\$202.8 million in fiscal 2023); and funding for the creation of new Laboratory Innovation Charter Schools (\$100.0 million in fiscal 2023 and \$50.0 million in fiscal 2024).

Proposed Budget Information

[Fiscal Years 2023-2024 Budget Proposal](#)

[Revenue Forecast](#)

[Budget Director's Presentation](#)

[Governor Northam's Press Release](#)

[House Appropriations Committee Overview](#)

[Governor Youngkin's Budget Priorities](#)



WASHINGTON

During the 2021 legislative session, Washington State enacted a biennial budget for fiscal 2022 and fiscal 2023. On December 16, 2021, Washington Governor Jay Inslee released a supplemental budget proposal for the current biennium. The revised operating and transportation budget proposals call for \$140.0 billion in spending from all funds for the current biennium. The supplemental budget proposes \$61.8 billion in near-general fund spending over the biennium, including \$57.9 billion in maintenance level base budget spending plus \$4.2 billion in proposed policy changes minus \$313 million in assumed reversions. The proposal is based on a November 2021 revenue forecast of \$60.2 billion for the biennium, 13.4 percent above the prior biennium. Broken down by fiscal year, the state is projected to collect \$29.9 billion in fiscal 2022 (6.0 percent annual increase) and \$30.3 billion in fiscal 2023 (1.3 percent increase). At the end of the biennium, the state is projected to have a \$1.2 billion rainy day fund balance in the Budget Stabilization Account. The proposal also projects a \$1.3 billion near-general fund ending balance, for a total balance of \$2.5 billion. The governor's budget also recommends how to spend the state's remaining \$1.54 billion in Coronavirus State Fiscal Recovery Funds (SFRF) under the *American Rescue Plan Act* (ARPA).

Proposed Budget Highlights

The governor's supplemental budget for fiscal 2022 and fiscal 2023 calls for significant new funding aimed at increasing housing and addressing homelessness, reducing poverty, supporting K-12 education, investing in clean transportation and other climate change initiatives, and protecting salmon habitats, in addition to building up state reserves.

Housing and Homelessness

- \$815 million package of investments, including \$320 million in operating spending and \$495 million in capital spending, with two-thirds covered by ARPA funds, including:
 - \$100 million for utility assistance, \$100 million for affordable housing and \$60 million for crisis stabilization facilities (all ARPA SFRF)
 - \$335 million for rapid capital housing development, including \$285 million in SFRF and \$50 million in bonds
 - \$49 million to expand supportive behavioral health services

- \$51 million to support transition from encampment sites to permanent housing
- \$100 million to continue a grant program to expand shelter capacity

Poverty Reduction

- \$248 million in new state and federal funding to address poverty, with a focus on building a robust continuum of care for all ages, including:
 - \$5 million in state general funds and \$11 million in federal funds to build a one-stop-shop eligibility system
 - \$9 million to increase access to early learning programs
 - \$92 million in ARPA funds for food assistance programs
 - \$38 million for cash assistance program for low-income disabled population
 - \$26 million in state general funds and \$33 million in federal funds to increase income retained by those receiving Aging and Long-Term Care services

K-12 Education

- \$1 billion to bolster the state's K-12 educational system with investments in student academic and social emotional supports, educational equity, food security, and learning environments, including:
 - \$184 million to increase staffing levels for school nurses, counselors, social workers and psychologists
 - \$746 million for school districts to expand accelerated learning opportunities and offer more student supports
 - \$15 million for two programs aimed at recruiting and retaining teachers
 - \$13 million to fully fund the special education safety net
 - \$52 million to continually expand outdoor education



WASHINGTON (Continued)

Climate Strategy and Clean Transportation

- \$626 million to fund climate change initiatives, including:
 - \$27 million in bonds to weatherize homes and for energy efficiency projects at state facilities
 - \$50 million grant program to help certain industries plan and implement decarbonization strategies
 - \$100 million in annual ongoing funding for customer rebates for buying zero-emission vehicles
 - \$91 million for state ferry electrification (\$324 million over three years)
 - \$33 million to help transit agencies shift to clean alternative fuel buses
 - \$23 million for electric vehicle charging infrastructure and outreach
 - \$45 million to support safe school, bicycle and pedestrian routes
 - \$30 million for special needs transit grants
 - \$100 million for solar installation and energy storage grant program

Salmon Recovery

- \$187 million in investments and policy changes to protect and restore salmon populations, including:
 - \$100 million for a new riparian habitat conservation grant program
 - \$27 million for salmon harvest monitoring and enforcement

Other Highlights

- Foster Youth: \$82 million to expand services and resources for foster youth
- Ferries: \$40 million to attract and retain ferry system employees
- Transportation: A total of nearly \$1 billion in transportation budget funding, including \$500 million in ARPA funds
- COVID-19 Response: \$173 million in state general funds and \$25 million in ARPA funds to contain

COVID-19, as well as \$100 million to expand vaccine access

- Employee compensation: 3.25% general wage increase and other changes, totaling \$386 million
- Reserves: \$600 million additional deposit into the rainy day fund, in addition to \$574 million required under current two-year budget

Proposed Budget Information

[Fiscal Years 2022-2023 Supplemental Budget Proposal](#)

[Budget & Policy Highlights](#)

[Governor's Press Release](#)

[Revenue Forecast](#)

[State of the State](#)



WEST VIRGINIA

On January 12, West Virginia Governor Jim Justice released his recommended budget for fiscal 2023 that totals \$35.1 billion in spending from all funds, an increase of 2.16 percent over the fiscal 2022 budget. Spending from general revenue funds is recommended at \$4.65 billion, an increase of \$65.6 million, or 1.43 percent, over fiscal 2022. The official general revenue fund estimate for fiscal 2023 is \$4.65 billion, an increase of 1.43 percent over the \$4.58 billion estimated for fiscal 2022. For the sixth consecutive year, the governor recommends no rainy day funds be used to balance the budget. On December 31, 2021, the balance in the Rainy Day Fund was \$464.3 million (10.3 percent of fiscal 2022 appropriations) and the balance in the Rainy Day Fund - Part B was \$561.5 million (12.4 percent of fiscal 2022 appropriations). From the general revenue fund recommended appropriations of \$4.65 billion in fiscal 2023, the largest categories of spending are public education (43.8 percent), health and human resources (25.5 percent), homeland security (9.9 percent), higher education (9.7 percent), and judicial (3.2 percent).

Proposed Budget Highlights

The governor opted for a conservative, cautious revenue projection for fiscal 2023, necessitated by the pandemic and its ongoing unpredictability, and called for development of an essentially flat budget. The proposed budget meets this goal with a few targeted investments.

Investing in Employees

- The budget provides \$107.6 million in general revenue for an average 5 percent salary increase for state employees, including teachers and service personnel.
- The proposed budget funds 100 percent of required retirement contributions.
- The Public Employees Insurance Agency (PEIA) is fully funded with no programmatic changes or employee premium increases.

Budgetary Adjustments

- \$40.9 million for a new inmate medical care contract in regional jails and prisons.
- \$7 million restored to the base budget for the Department of Tourism.
- \$6.25 million to Jobs & Hope, the state's comprehensive response to the substance use

disorder crisis, for transition agents and equipment purchases.

- \$1.5 million enhancement for County Health Departments.
- \$1 million in continued support to the state's largest food banks.
- A decrease of \$154.8 million for medical services.
- \$30.4 million to multiple institutions of higher education as a restoration of a one-time cut in fiscal 2022.

Proposed Budget Information

[Fiscal Year 2023 Budget Proposal](#)

[Budget Report](#)

[Operating Detail](#)

[Budget Presentation](#)

[Budget Overview](#)

[State of the State](#)



WYOMING

On November 15, Wyoming Governor Mark Gordon submitted a biennial budget for fiscal 2023 and fiscal 2024. The budget calls for \$8.87 billion in spending from all funds over the next biennium; this includes \$3.0 billion in appropriations from the general fund (GF) and budget reserve account (BRA) (including \$2.25 billion from the general fund) and \$1.9 billion from federal sources. The spending plan, which keeps state agency funding essentially flat compared to the previous budget, is based on ongoing general fund revenues estimated at \$2.25 billion and ongoing BRA revenues estimated at \$525 million; when combined with the BRA carryover and prior-year surplus, reversions and other one-time funds, total GF/BRA resources are estimated at \$3.5 billion. The budget holds \$115 million (5 percent of general fund revenue) in the BRA and transfers the remaining GF/BRA ending balance of \$453 million to the Legislative Stabilization Reserve Account (LSRA), the state's rainy day fund, which has a projected balance of \$1.57 billion at the end of the next biennium after the transfer. The budget calls for \$1.8 billion in spending from the School Foundation Program, leaving an ending balance of \$100 million; \$252 million in spending from the School Capital Construction Account (SCCA); and \$283 million from the Strategic Investment and Projects Account (SIPA). The state also has \$488 million in general fund revenue assistance from the *American Rescue Plan Act* (ARPA) available for appropriation. The governor separately released a proposal in mid-December on how to spend these available ARPA funds.

Proposed Budget Highlights

State Employee Compensation

Proposes a combined \$53 million to increase state employee and higher education institution pay to move closer to current market conditions and reinstate merit pay to support retention and recruitment efforts, as well as to account for inflation.

Major Maintenance

Invests \$185 million in ongoing funding for deferred maintenance projects.

Health Care

Would use one-time anticipated reversions to temporarily restore cuts to Medicaid disability provider rates.

Wildfires

Seeks \$20 million in one-time funds to replenish the fire contingency account.

Transparency

Budget attempts to seek necessary legislative appropriations upfront rather than relying on mid-biennium adjustments; also seeks to defund the Strategic Investment and Projects Account to make state funding system less complex and more transparent.

ARPA Investments

In a separate proposal, the governor recommended using ARPA fiscal recovery funds for investments across 10 Goal Areas:

- Revenue Replacement Funds totaling \$207 million would be used to support the Wyoming Innovation Partnership (\$55 million); several State Parks and Cultural Resources programs (\$50 million); Wyoming Wildlife Trust Fund (\$75 million); and other projects.
- Additional available ARPA funds totaling \$279 million would be used for other likely eligible purposes such as: a Housing Grant Fund pilot program (\$23 million); tourism efforts (\$10 million); workforce-specific programs (\$20 million); health and human services infrastructure (\$40 million) and innovation projects (\$20 million); emergency medical services projects (\$20 million); public safety technology (\$35 million); and local government support projects (\$50 million).
- The proposal also would appropriate \$100 million to be set aside to match private, state or federal funding for large energy projects.

Proposed Budget Information

[Fiscal Years 2023-2024 Budget Proposal](#)

[Governor's Press Release](#)

[Governor's ARPA Letter](#)

[ARPA Proposal Press Release](#)

[Revenue Forecast \(October 2021\)](#)

[State of the State](#)