



THE FISCAL SURVEY OF STATES

FALL 2022

AN UPDATE OF STATE FISCAL CONDITIONS

A REPORT BY THE NATIONAL ASSOCIATION OF STATE BUDGET OFFICERS

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PREFACE

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

Thirty states operate on an annual budget cycle, while 20 states operate primarily on a biennial (two-year) budget cycle. Arkansas, counted among the biennial budget states here, practices a hybrid approach, recommending and reviewing budgets on a biennial basis but enacting appropriations before each fiscal year.

Among the biennial budget states, three states (Kentucky, Virginia and Wyoming) enacted two-year budgets during this year's legislative sessions covering fiscal 2023 and fiscal 2024.

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

The field survey on which this report is based was conducted by NASBO from August through November 2022. The surveys were completed by executive state budget officers in 50 states. Generally, fiscal 2021 data represent actual figures, fiscal 2022 figures are preliminary actual, and fiscal 2023 data reflect states' enacted budgets. Footnotes in this report document exceptions to this. Unless otherwise noted, all percentage calculations reported in this survey are in nominal terms and not adjusted for inflation.

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



EXECUTIVE SUMMARY

This edition of the Fiscal Survey of States reflects actual fiscal 2021, preliminary actual fiscal 2022, and enacted fiscal 2023 figures (except where otherwise noted). The report includes 50-state data on general fund spending, revenue, rainy day funds and total balances, as well as information on enacted changes to appropriation levels by program area, taxes and fees, state employee compensation, aid to state and local governments and budget practices. The data were collected in the fall of 2022. All data are reported in nominal terms (not adjusted for inflation) unless otherwise specified.

Introduction

State fiscal conditions remain strong while budget growth is expected to slow in fiscal 2023, following record-breaking increases in general fund revenue in fiscal 2021 and spending in fiscal 2022. Enacted budgets for fiscal 2023 provide for a 6.7 percent increase in general fund spending compared to preliminary actual levels for fiscal 2022. This follows 18.3 percent spending growth in fiscal 2022, the highest annual spending increase ever recorded in the *Fiscal Survey of States* since its inception in 1979. Adjusted for inflation, general fund spending grew 9.6 percent in fiscal 2022.

States saw two consecutive years of double-digit percentage revenue growth and collections far exceeding budget forecasts in fiscal 2021 and fiscal 2022. As states have spent down these surplus funds at varying points in time, mostly on one-time expenditures, this has led to larger than usual fluctuations in spending from year to year. Looking at average spending growth for states over three years — fiscal 2021 (actual), fiscal 2022 (preliminary), and fiscal 2023 (enacted) — the median annual growth rate is 6.8 percent over that period.

States experienced annual growth of 16.6 percent in general fund revenue in fiscal 2021, the highest annual revenue increase in the history of the *Fiscal Survey*. The high growth rate in fiscal 2021 is largely attributable to a lower baseline in fiscal 2020 after revenues saw a decline due to the pandemic and other one-time factors such as the tax deadline shift in calendar year 2020. Fiscal 2022 was another strong year of revenue growth for states, with general fund collections increasing another 14.5 percent on top of an already high baseline in fiscal 2021. Adjusted for inflation, general fund revenue grew 12.7 percent in fiscal 2021 and 5.8 percent in fiscal 2022.

Revenue projections in enacted budgets for fiscal 2023 are 3.1 percent lower than preliminary actual collections for fiscal 2022. However, this decline is largely attributable to differences in timing of fiscal 2022 figures and fiscal 2023 estimates. More recent collections data for fiscal 2023 suggest that general fund revenues will continue to grow year-over-year, albeit

at a slower rate compared to the rapid growth observed the past two years. Thirty-three states already reported revenues exceeding original budget forecasts for fiscal 2023 in this survey. That said, there are some downside risks to the economic outlook that states are watching closely.

One way states are preparing for any future economic downturn is by continuing to bolster their rainy day funds or “savings accounts” during this time of strong state fiscal conditions. Rainy day funds in fiscal 2022 reached new heights at \$134.5 billion, with a median balance of 11.6 percent as a share of general fund spending; reserve levels are projected to continue growing into fiscal 2023 based on enacted budgets. Meanwhile, total balances (including general fund ending balances plus the amounts in states’ rainy day funds) have seen tremendous growth over the past two years, roughly tripling in size from fiscal 2020 to fiscal 2022. According to states’ enacted budgets, states plan to spend down some of these prior-year balances in fiscal 2023, including on one-time uses such as paying off debt, supplemental pension payments, capital construction, economic development, and other expenditures to strengthen their fiscal resiliency over the longer term.

State General Fund Spending

Fiscal 2023 Enacted Spending. States’ enacted budgets provide for general fund spending totaling \$1.16 trillion in fiscal 2023, a 6.7 percent increase over preliminary actual spending levels for fiscal 2022. This increase follows rapid spending growth in fiscal 2022. Overall, 40 states are projecting general fund spending increases in fiscal 2023, while 10 states are forecasting declines. Most of the states reporting projected declines experienced double-digit percentage increases in fiscal 2022 — increases driven in part by one-time spending from surplus funds. Fiscal 2023 budgets that states reported on in this survey were enacted as early as spring 2021 for some biennial states and as late as summer 2022. Upward revisions to revenue forecasts since budgets were enacted may increase spending levels for fiscal 2023.

Key Report Findings:

- Enacted budgets for fiscal 2023 call for general fund spending of **\$1.16 trillion**, a **6.7 percent** increase over fiscal 2022.
- General fund spending in fiscal 2022 grew **18.3 percent**, the highest annual increase ever recorded in the *Fiscal Survey of States*. Adjusted for inflation, spending grew **9.6 percent**.
- The three-year average annual growth rate of spending over fiscal 2021 (actual), fiscal 2022 (preliminary) and fiscal 2023 (enacted) for the median state is **6.8 percent**.
- No states reported making net mid-year budget cuts due to a revenue shortfall in fiscal 2022, while 27 states reported net mid-year spending increases, including one-time expenditures from surplus funds.
- General fund revenue grew **14.5 percent** year-over-year to total **\$1.17 trillion** in fiscal 2022, following a **16.6 percent** increase in fiscal 2021.
- **49 states** reported fiscal 2022 general fund revenue collections exceeded enacted budget forecasts, with collections in the aggregate exceeding original projections by **20.5 percent**.
- Revenue projections in fiscal 2023 enacted budgets are **3.1 percent** below preliminary actual collections for fiscal 2022, but more recent revenue data suggest that revenue will continue to grow in fiscal 2023, with **33 states** reporting collections exceeding budget forecasts.
- States enacted net tax cuts in fiscal 2023 totaling **\$16.2 billion** for all state funds, including a \$15.5 billion reduction in general fund revenue (**1.4 percent** of forecasted general fund revenue).
- Rainy day fund balances continued to grow in fiscal 2022 after increasing by 58 percent in fiscal 2021, and the median balance as a share of general fund spending is projected to be **11.9 percent** in fiscal 2023.
- Total balances have seen tremendous growth recently, roughly tripling in size over the past two years after revenues far exceeded enacted budget forecasts in fiscal 2021 and fiscal 2022. At the end of fiscal 2022, they totaled **\$343 billion**.

Fiscal 2022 Preliminary Actual Spending. Based on preliminary actual figures (or states' enacted budgets in some cases), general fund spending is on track to total \$1.08 trillion in fiscal 2022, an 18.3 percent increase over fiscal 2021 levels. This is the highest annual growth rate ever recorded in the *Fiscal Survey of States* since its inception in 1979. This steep increase is driven by a number of factors, including the high rate of inflation; states spending down surplus funds from fiscal 2021 (and fiscal 2022)

on one-time investments; a shift from a reliance on federal funds to general funds in certain areas; a lower baseline in fiscal 2021, when some states made budget cuts in anticipation of revenue shortfalls; and the inclusion of federal COVID-19 funds in expenditure amounts for a few states. Adjusted for inflation, general fund spending in fiscal 2022 grew 9.6 percent.¹ Additionally, the median nominal growth rate in fiscal 2022 is considerably lower at 11.0 percent.

¹ The state and local government implicit price deflator cited by the Bureau of Economic Analysis National Income and Product Account Tables, Table 3.9.4., Line 33 (last updated on October 27, 2022), is used for inflation adjustments. Quarterly averages are used to calculate fiscal year inflation rates.

Spending Actions, Budget Management Strategies, and Employment Compensation

Fiscal 2022 Mid-Year Spending Changes. Overall, 27 states reported net mid-year increases in general fund spending approved for fiscal 2022, while just five states reported decreases compared to their originally enacted budgets, resulting in a net mid-year increase of \$67.5 billion — an increase heavily driven by one large state. Among the five states reporting net mid-year cuts, none attributed these cuts to a revenue shortfall, but rather said these reductions resulted from lower spending needs or the use of federal assistance in place of general funds. Meanwhile, one-time expenditures using surplus funds for uses such as capital construction, paying off debt, rainy day fund deposits, and supplemental pension payments contributed to the mid-year increases in a number of states. All program areas saw a net mid-year increase in authorized spending compared to originally enacted budgets for fiscal 2022 except for public assistance, with this decline likely driven by revisions to caseloads.

Fiscal 2023 Enacted Program Area Changes. Enacted budgets for fiscal 2023 provided for \$113.9 billion in additional general fund appropriations compared to enacted levels in fiscal 2022. This is even greater than the already significant increase projected in governors' proposed budgets for fiscal 2023, as reported on in NASBO's *Spring 2022 Fiscal Survey*. All program areas saw substantial net increases in general fund appropriations according to enacted budgets for fiscal 2023 except transportation, a program area that is primarily funded by special fund sources outside of the general fund. The "all other" category received the largest net increase, followed by Medicaid and then K–12 education as the second and third largest recipients of new funds, respectively.

Budget Management Strategies for Fiscal 2022 (Mid-Year) and Fiscal 2023 (Enacted). Reported use of budget management strategies such as spending reductions, revenue increases, personnel actions, efficiency savings, and one-time measures was minimal in this survey, given strong fiscal conditions currently in most states. In managing their fiscal 2022 budgets in the middle of the year, just five states reported making targeted cuts, while eight states reported use of this strategy in enacted budgets for fiscal 2023. Six states reported hiring freezes or eliminating vacant positions in fiscal 2023, while nine states reported using prior-year fund balances (after states ended fiscal 2022 with large surpluses in many instances).

Fiscal 2023 Employee Compensation Changes. Thirty-seven states reported adopting across-the-board salary increases for at least some employee categories in fiscal 2023, representing a larger number of states approving across-the-board increases compared to the past couple of years. Across-the-board percentage increases ranged from 1.0 percent to 10.0 percent, with a median increase of 3.0 percent. A tight labor market, high inflation, and strong revenue performance in the states recently all likely contributed to the uptick in the number of states adopting across-the-board pay increases. Many states also adopted merit increases and other modifications, including one-time bonuses, longevity payments, and targeted salary increases.

State General Fund Revenues

Fiscal 2023 Enacted Revenue Projections. Enacted budgets for fiscal 2023 are based on general fund revenues totaling \$1.13 trillion, which would represent a 3.1 percent decline compared to fiscal 2022 levels. This decline is partially attributable to differences in timing of fiscal 2022 and fiscal 2023 estimates. Most states reported preliminary actual figures for fiscal 2022, which came in higher than was estimated when states put together their forecasts used to adopt budgets for fiscal 2023. Based on more current revenue collection data, it is expected that general fund revenues will continue to grow in fiscal 2023, albeit at a slower rate compared to the rapid growth observed for two consecutive years in fiscal 2021 and fiscal 2022. Among 14 states able to report more current projections for fiscal 2023, all reported upward revisions compared to the estimates used in enacted budgets. Moreover, 33 states (out of 41 reporting) indicated that collections were coming in ahead of original forecasts.

Fiscal 2022 Preliminary Actual Figures. States reported in this survey fiscal 2022 general fund revenue totaling \$1.17 trillion, representing a 14.5 percent increase compared to already high fiscal 2021 levels. This marks the second consecutive year that states experienced double-digit percentage growth in general fund revenues. Virtually all states reported preliminary actual revenue in fiscal 2022 came in above their original enacted projections, with collections in the aggregate exceeding original forecasts by an extraordinary 20.5 percent. Recent employment growth, elevated consumer demand, higher business profits, and a strong stock market performance in 2021 all likely helped to drive these revenue gains in fiscal 2022. The impacts of inflation on both consumer prices and wages also contributed to revenue growth; adjusted for inflation, general fund revenues grew 5.8 percent in

fiscal 2022. Revenue growth in fiscal 2022 was also bolstered by one-time factors; for example, at least a few states included federal COVID-19 relief funds deposited into their general funds in their reported fiscal 2022 revenue amounts.

Fiscal 2021 Actual Collections. State revenues performed considerably better in fiscal 2021 than was expected earlier in the pandemic, due in large part to federal stimulus that pumped additional money into the economy, as well as other factors. States reported fiscal 2021 general fund revenues totaling \$1.02 trillion, representing a sharp 16.6 percent increase over fiscal 2020 actual collections — the highest annual growth rate ever recorded in the *Fiscal Survey of States*. Several one-time factors helped to drive this figure, including a low baseline in fiscal 2020, the impact of the tax deadline shift on when revenues in some states were recognized and the inclusion of federal funds, borrowing and transfers from other state fund sources in at least a few states.

Revenue Actions

Fiscal 2023 Enacted Revenue Actions. Thirty-one states enacted net decreases in taxes and fees for fiscal 2023, while just five adopted net increases, resulting in a projected net revenue decline of \$16.2 billion for all state funds. Looking only at the impact on general fund revenue, these changes are estimated to reduce revenue on net by \$15.5 billion, representing 1.4 percent of forecasted general fund revenues in fiscal 2023 budgets. This reduction in revenues from enacted tax changes marks the largest net tax cut on record in the history of the *Fiscal Survey*, measured in nominal dollars. (See [Tables 20 and Figure 3](#)) Measured as a share of general fund revenue, the percentage decrease is similar to the reductions recorded in the late 1990s and fiscal years 2000–2001. The scale and scope of tax reductions enacted by states for fiscal 2023 reflect strong fiscal conditions and recent surpluses. Enacted tax reductions ranged from targeted, one-time tax relief measures to permanent, broad-based rate reductions — often phased-in over a series of years.

Fiscal 2022 Mid-Year Revenue Actions. Fifteen states enacted changes in taxes and fees affecting fiscal 2022 revenues after budget enactment, with two states making increases and 13 states with decreases, resulting in an estimated net revenue impact of -\$3.1 billion. Many of the tax cuts were in the personal and corporate income tax category.

State Balances

Rainy Day Fund Balances. Recent balance trends and current fund policies demonstrate how states have taken actions to strengthen their rainy day funds, also known as budget stabilization funds. In fiscal 2021, state rainy day fund balances reached a new high of \$121.8 billion, a 58 percent increase over fiscal 2020 levels. This steep increase in reserves was largely the result of stronger than anticipated revenue growth in fiscal 2021 that led to large surpluses and additional rainy day fund deposits in many states. Rainy day funds continued growing in fiscal 2022 to total \$134.5 billion; this growth was widespread, with 43 states recording year-over-year increases. According to enacted budgets, a majority of states plan to continue increasing their rainy day funds in fiscal 2023. The median rainy day fund balance as a share of general fund spending was 10.3 percent in fiscal 2021 and 11.6 percent in fiscal 2022, and is expected to tick up slightly to 11.9 percent in fiscal 2023. While reserve levels continue to vary by state, 44 states reported rainy day fund balances representing at least 5 percent of their general fund expenditures in fiscal 2022 — including 30 states with balances exceeding 10 percent of spending.

Total Balances. Total balances include general fund ending balances and the amounts in states' budget stabilization or rainy day funds. In fiscal 2021, total balances more than doubled to reach a new high of \$241.3 billion, equivalent to 26.4 percent of total general fund spending that year. The median balance was even higher, at 27.1 percent, for fiscal 2021. This rapid growth in state balance levels was driven mostly by revenues beating state forecasts — by a considerable margin in many cases. Based primarily on preliminary actual data, state total balance levels continued to grow rapidly in fiscal 2022 from an already high baseline, reaching \$342.9 billion, with a median balance of 34.6 percent. In states' enacted budgets for fiscal 2023, total balance levels are expected to decline, and the median balance is projected at 26.9 percent as a share of general fund expenditures. This projected decline likely reflects states' plans to spend down a portion of their larger-than-expected ending balances from the prior year, including for one-time investments. Additionally, fiscal 2023 balance projections in this survey are likely to be less up-to-date (and less reflective of more recent improvements in revenue performance) than fiscal 2022 balance figures that were reported based on preliminary actual data for most states.



STATE EXPENDITURE DEVELOPMENTS

CHAPTER ONE

Overview

States' enacted budgets for fiscal 2023 call for general fund spending growth of 6.7 percent compared to preliminary actual levels for fiscal 2022. This growth follows a sharp 18.3 percent spending increase in fiscal 2022, the highest annual increase ever recorded in the *Fiscal Survey of States*. The significant growth in general fund spending in fiscal 2022 is likely attributable to several factors, including strong state tax collections and one-time investments using surplus funds, increased spending in response to the pandemic, high inflation, and a lower baseline in fiscal 2021 after some states cut their budget due to projected revenue shortfalls at that time. Additionally, at least a few states included some spending from federal COVID-19 aid in their general fund figures, which helped drive the rate of spending growth reported by those states.

Similar to what transpired a year ago, enacted appropriation changes for fiscal 2023 exceeded governors' proposals due mainly to upward revisions in revenue projections and states ending fiscal 2022 with larger than expected budget surpluses. After two consecutive years of strong revenue growth and large budget surpluses, states have directed much of these surplus funds to one-time uses, which most commonly show up in the "all other" program area of this survey. Just as it was last year, this category was the largest recipient of new appropriations in fiscal 2023. These one-time investments include deposits to rainy day funds and other state funds, supplemental pension payments, capital investments, and COVID-19 related initiatives. Because the timing of state spending has been more variable due to the sizeable amount of one-time expenditures, it can be especially helpful to look at average spending growth over several years. The three-year average annual general fund spending growth (fiscal 2021, fiscal 2022 and fiscal 2023) for most states is between 3 and 10 percent, with a median of 6.8 percent.

State General Fund Spending

Enacted Spending for Fiscal 2023. Enacted budgets provide for general fund spending totaling \$1.16 trillion in fiscal 2023, which represents a 6.7 percent increase compared to preliminary actual spending levels for fiscal 2022. This growth rate follows a steep increase in general fund spending in fiscal 2022 that was driven largely by one-time factors. Overall, 40 states are projecting general fund spending increases in fiscal 2023, while 10 states are forecasting declines. Among the states reporting projected declines in enacted general fund spending for fiscal 2023, most experienced double-digit percentage growth in fiscal 2022 — growth which was likely driven in part by one-time expenditures using surplus funds.

Because the timing of state spending has been more variable during the pandemic, especially given the sizeable amount of one-time expenditures in some states, it can be especially helpful to also look at average spending growth over several years. The three-year average annual general fund spending growth (fiscal 2021, fiscal 2022 and fiscal 2023) for most states is between 3 and 10 percent, with a median of 6.8 percent. It is also important to remember that some states that budget on a biennial basis reported on their spending plans for fiscal 2023 as originally adopted in spring/summer 2021. Revenue forecast revisions since that time may increase these spending levels when states report updated figures. NASBO's *Spring 2023 Fiscal Survey* will provide final actual spending data for fiscal 2022 and updated estimates for fiscal 2023.

Preliminary Actual Spending for Fiscal 2022. Based on preliminary actual figures (or estimates at the time of budget enactment for fiscal 2023 in some cases), general fund spending totaled \$1.08 trillion in fiscal 2022, an 18.3 percent increase over fiscal 2021 levels. This is the highest annual growth rate ever recorded in the Fiscal Survey. A number of variables have contributed to the large spending increase in fiscal 2022, including states spending down surplus funds from fiscal 2021 and fiscal 2022 after experiencing double-digit revenue growth in the aggregate for those two years. States commonly directed these surplus dollars to one-time uses such as deposits to rainy day funds and other state funds, supplemental pension payments, paying off debt, capital investments, COVID-19-related initiatives, and other purposes. The rising level of inflation is likely another driver of the large spending increase, as states have needed to increase wages to compete for workers and spend more on goods and services. Adjusted for inflation,

general fund spending in fiscal 2022 grew 9.6 percent.² Some of the growth in general fund spending for fiscal 2022 is also attributable to a shift from a reliance on federal funds to general funds in certain program areas, as well as a lower baseline in fiscal 2021, when some states made budget cuts in response to projected revenue shortfalls at the time of budget adoption. Additionally, while the general fund figures in this survey typically exclude federal COVID-19 assistance, at least a few states noted that their expenditures included some funds from the *American Rescue Plan Act* and other federal legislation. Thus, the growth rate in spending is at least partially driven by spending from federal funds for COVID-19 relief. The median growth rate is considerably lower for fiscal 2022 at 11.0 percent, in part because the total spending increase was driven in particular by a substantial increase in one large state, heavily driven by one-time spending of surplus funds.

Technical Note: Biennial Budget States

Thirty states budget on an annual basis, while 20 states budget primarily on a biennial basis. Most biennial budget states enacted two-year budgets during 2021 legislative sessions covering fiscal 2022 and fiscal 2023. These include: Connecticut, Hawaii, Indiana, Maine, Minnesota, Montana, Nebraska, Nevada, New Hampshire, North Carolina, North Dakota, Ohio, Oregon, Texas, Washington, and Wisconsin. [Arkansas, counted among the biennial states, practices a hybrid approach, recommending budgets on a biennial basis but enacting appropriations before each fiscal year.] In some of these states, governors proposed and states adopted revised or supplemental budgets for fiscal 2023, the second year of the biennium. Please refer to the “Enacted Date” information shown in Table 5 to see what version of the budget was reported on by these biennial states.

The three remaining biennial states — Kentucky, Virginia and Wyoming — considered and enacted budgets this year covering fiscal 2023 and fiscal 2024.

Spending Growth by State. According to enacted budgets for fiscal 2023, 13 states are forecasting general fund spending growth between 0 and 5 percent, six states expect general fund spending growth between 5 and 10 percent, 21 states are forecasting growth of 10 percent or more, and 10 states are expecting general fund spending to decline. Meanwhile, in fiscal 2022, 12 states reported general fund spending grew between 0 and 5 percent, six states saw spending increase between 5 and 10 percent, 25 states reported spending growth greater than 10 percent, and seven states reported spending declines. This variation in spending growth by states in each year reflects the uneven impact of the pandemic and pace of economic recovery on state budgets, timing of one-time expenditures, demographic factors, differences in how states used and accounted for federal funds in their budgets, spending policy decisions, and other factors. For states that budget on a biennial basis, spending is not always evenly distributed in a two-year cycle, which can affect year-over-year changes. (See Tables 2 and 6)

² The state and local government implicit price deflator cited by the Bureau of Economic Analysis National Income and Product Account Tables, Table 3.9.4., Line 33 (last updated on October 27, 2022), is used for inflation adjustments. Quarterly averages are used to calculate fiscal year inflation rates.

TABLE 1
State Nominal and Real Annual Spending Changes,
Fiscal 1979 to Fiscal 2023

Fiscal Year	State General Fund	
	Nominal Increase	Real Increase
2023	6.7%	
2022	18.3	9.6%
2021	2.5	-1.4
2020	4.0	2.4
2019	5.5	2.4
2018	3.2	-0.4
2017	3.1	1.7
2016	3.5	3.8
2015	4.4	3.3
2014	4.5	1.5
2013	4.2	1.4
2012	3.4	0.7
2011	3.5	0.3
2010	-5.7	-6.6
2009	-3.8	-5.8
2008	4.9	-0.6
2007	9.4	4.4
2006	8.1	2.6
2005	5.9	-0.1
2004	2.9	-0.8
2003	-0.1	-3.1
2002	0.6	-1.6
2001	8.0	3.6
2000	7.8	3.0
1999	5.9	3.1
1998	5.7	3.7
1997	4.6	2.3
1996	5.4	3.1
1995	6.3	3.3
1994	6.2	4.0
1993	3.2	-0.2
1992	4.6	1.3
1991	5.2	0.7
1990	6.0	1.1
1989	9.8	5.9
1988	8.3	4.2
1987	6.9	3.2
1986	10.7	7.2
1985	10.2	6.0
1984	8.1	4.0
1983	-0.7	-6.2
1982	6.4	-0.9
1981	16.3	5.2
1980	10.0	-0.5
1979	10.1	3.2
1979-2022 average	5.6%	1.7%

Notes: The state and local government implicit price deflator quarterly data provided by the Bureau of Economic Analysis National Income and Product Account Tables, Table 3.9.4., Line 33 (last updated on October 27, 2022) is used to determine real changes in state expenditures. Fiscal Year (July to June for most states) real changes are based on quarterly averages. Fiscal 2022 figures are based on the change from fiscal 2021 actuals to fiscal 2022 preliminary actuals. Fiscal 2023 figures are based on the change from fiscal 2022 preliminary actuals to fiscal 2023 enacted figures.

FIGURE 1:

Annual General Fund Spending Changes, Fiscal 1990 to Fiscal 2023 (Enacted)

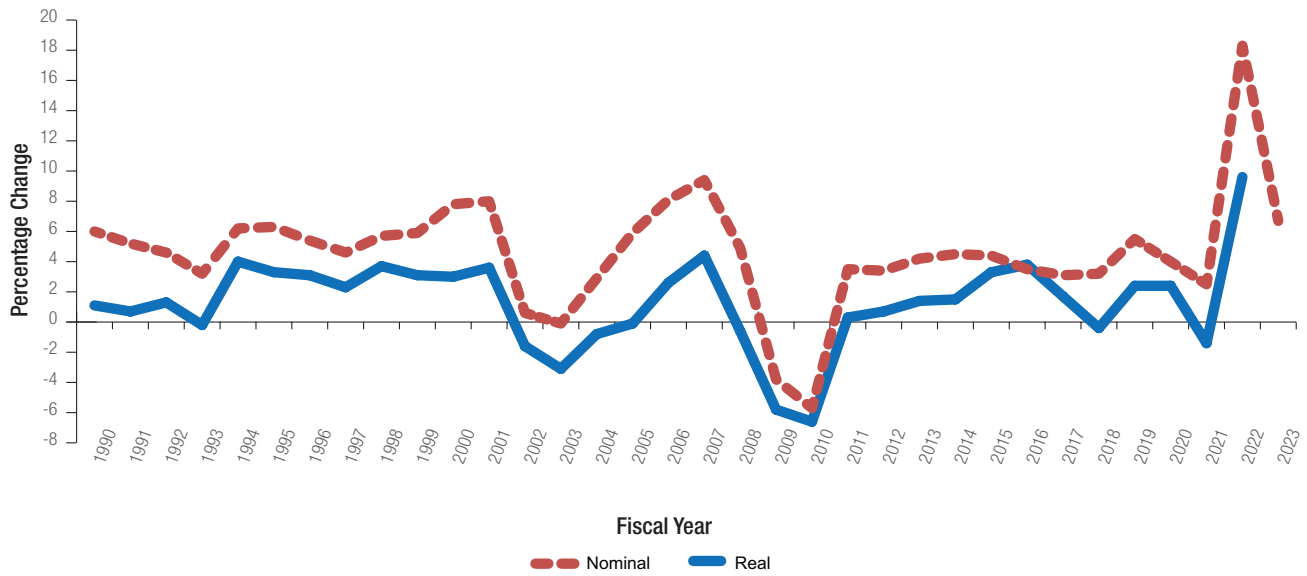


TABLE 2

State General Fund Expenditure Growth, Fiscal 2021 to Fiscal 2023

Spending Growth	Fiscal 2021 (Actual)	Fiscal 2022 (Preliminary Actual)	Fiscal 2023 (Enacted)
0% or less	19	7	10
> 0.0% but < 5.0%	16	12	13
> 5.0% but < 10.0%	6	6	6
10% or more	9	25	21

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

TABLE 3
Fiscal 2021 State General Fund, Actual (Millions)

State	Beginning Balance	Revenues	Adjustments	Total Resources	Expenditures	Adjustments	Ending Balance	Rainy Day Fund Balance
Alabama*	\$820	\$11,206	\$0	\$12,026	\$9,730	\$476	\$1,820	\$1,184
Alaska*	0	1,691	3,092	4,783	4,636	935	-788	1,060
Arizona	373	14,117	0	14,489	13,595	0	895	975
Arkansas*	0	6,845	0	6,845	5,900	0	946	210
California*	5,557	186,151	8,863	200,571	162,129	108	38,334	52,453
Colorado* **	1,826	14,310	337	16,473	13,327	-32	3,178	3,178
Connecticut*	0	20,531	0	20,531	20,056	0	476	3,112
Delaware* **	959	5,390	0	6,350	4,516	0	1,833	252
Florida*	6,320	37,399	6,352	50,070	36,269	0	13,802	1,674
Georgia* **	2,622	28,592	456	31,671	25,159	0	6,512	4,289
Hawaii*	1,003	8,170	833	10,006	8,756	0	1,250	320
Idaho*	186	5,010	-175	5,021	4,147	-16	890	788
Illinois*	531	44,852	2,222	47,605	43,500	3,129	976	4
Indiana*	542	19,746	450	20,738	17,732	384	2,621	1,302
Iowa*	0	8,801	247	9,047	7,809	0	1,238	801
Kansas*	495	8,866	2	9,363	7,268	0	2,095	82
Kentucky*	240	12,954	546	13,740	11,508	716	1,516	1,763
Louisiana*	270	10,696	264	11,231	10,355	177	699	546
Maine*	184	4,521	69	4,774	3,895	724	155	497
Maryland*	704	20,831	370	21,904	18,914	-248	3,239	631
Massachusetts* **	4,295	38,543	21,439	64,278	30,740	21,439	12,099	4,626
Michigan*	2,363	12,514	12	14,889	9,991	535	4,363	1,382
Minnesota* **	3,344	26,582	746	30,673	23,647	111	6,915	2,863
Mississippi*	9	6,741	0	6,750	5,559	1,181	10	542
Missouri*	803	11,240	101	12,144	9,789	0	2,354	604
Montana*	452	2,964	-12	3,404	2,699	-15	720	114
Nebraska*	711	5,959	-295	6,375	4,526	0	1,849	467
Nevada*	574	4,474	668	5,717	4,570	106	1,041	98
New Hampshire*	- 51	1,844	0	1,793	1,606	187	0	258
New Jersey* **	2,059	48,135	1,511	51,705	44,821	0	6,884	2,447
New Mexico* **	2,514	8,801	598	11,913	8,904	504	2,505	2,505
New York* **	8,944	74,312	0	83,256	74,095	0	9,161	2,476
North Carolina*	1,471	29,699	527	31,697	23,964	1,419	6,313	1,982
North Dakota*	282	1,878	1,324	3,484	2,362	0	1,122	749
Ohio*	1,270	26,819	- 11	28,078	23,357	0	4,721	2,692
Oklahoma*	324	8,278	- 134	8,469	6,581	282	1,606	542
Oregon*	23	15,388	- 95	15,316	11,455	-222	4,083	1,377
Pennsylvania*	- 2,734	40,392	2,181	39,839	34,013	5,826	0	244
Rhode Island*	156	4,432	- 39	4,549	4,079	95	374	228
South Carolina* **	1,805	11,089	- 629	12,264	8,398	251	3,615	1,707
South Dakota*	19	1,950	47	2,016	1,888	42	86	216
Tennessee*	1,991	18,386	- 419	19,959	14,448	992	4,518	1,450
Texas*	4,869	60,505	- 319	65,055	50,910	2,910	11,235	10,274
Utah*	304	10,067	112	10,483	8,507	247	1,729	887
Vermont	0	2,157	0	2,157	1,742	311	104	280
Virginia*	1,185	23,427	0	24,612	22,722	0	1,890	1,495
Washington*	654	26,834	706	28,194	24,828	0	3,366	-1
West Virginia*	455	4,988	26	5,468	4,775	14	679	995
Wisconsin*	1,172	19,573	1,186	21,932	19,516	-166	2,581	1,730
Wyoming*	0	1,262	281	1,543	1,543	0	0	1,478
Total	\$61,894	\$1,019,911		\$1,135,245	\$915,232		\$177,611	\$121,826

NOTES: NA Indicates data are not available. *See Notes to Table 3 at the end of the chapter. **In these states, the ending balance includes the balance in the rainy day fund.

TABLE 4

Fiscal 2022 State General Fund, Preliminary Actual (Millions)

State	Beginning Balance	Revenues	Adjustments	Total Resources	Expenditures	Adjustments	Ending Balance	Rainy Day Fund Balance
Alabama*	\$1,821	\$12,815	\$0	\$14,636	\$10,982	\$941	\$2,713	\$1,449
Alaska*	0	3,883	3,069	6,953	5,346	938	668	2,710
Arizona	895	16,419	0	17,314	12,805	0	4,509	982
Arkansas*	0	7,323	0	7,323	5,849	0	1,474	1,212
California*	38,334	221,774	5,286	265,395	242,944	0	22,450	46,685
Colorado* **	3,178	17,209	29	20,415	17,207	0	3,208	3,208
Connecticut*	0	21,996	0	21,996	20,672	0	1,324	3,313
Delaware* **	1,833	5,830	0	7,663	5,058	0	2,605	280
Florida*	13,802	44,539	5,725	64,066	35,926	6,591	21,550	2,730
Georgia* **	6,512	28,574	159	35,245	23,380	0	11,865	5,240
Hawaii*	1,250	10,211	0	11,461	8,842	0	2,619	326
Idaho*	890	4,830	-995	4,725	4,418	2	305	882
Illinois*	975	50,333	0	51,308	45,401	4,828	1,079	751
Indiana*	2,621	21,443	0	24,064	18,415	1,142	4,508	1,617
Iowa*	0	9,803	234	10,037	8,123	0	1,914	830
Kansas*	2,095	7,916	20	10,031	8,196	0	1,835	969
Kentucky*	1,516	14,832	803	17,151	13,156	2,117	1,878	2,496
Louisiana*	699	11,085	184	11,968	11,267	696	4	772
Maine*	155	5,392	197	5,744	4,074	1,637	34	907
Maryland*	3,239	24,045	-855	26,429	21,199	-268	5,499	1,161
Massachusetts* **	12,099	46,212	19,732	78,043	40,296	19,732	18,015	6,938
Michigan*	4,363	13,677	0	18,040	12,114	180	5,746	1,598
Minnesota* **	7,026	27,403	248	34,677	25,994	0	8,683	3,218
Mississippi*	10	6,875	0	6,886	5,819	1,062	4	556
Missouri*	2,354	12,881	133	15,368	10,469	0	4,899	772
Montana*	720	3,891	-13	4,598	2,753	-9	1,854	118
Nebraska*	1,849	6,349	-1,032	7,166	4,672	0	2,494	928
Nevada*	1,041	5,439	59	6,539	4,649	360	1,530	340
New Hampshire*	0	1,991	0	1,991	1,607	131	253	160
New Jersey* **	6,884	51,404	1,320	59,608	52,248	0	7,360	0
New Mexico* **	2,505	9,382	2,511	14,398	9,135	2,080	3,183	2,734
New York* **	9,161	91,880	20,930	121,971	84,418	4,500	33,053	3,319
North Carolina*	6,313	33,209	942	40,463	25,973	7,324	7,166	3,116
North Dakota*	1,122	2,390	205	3,718	2,741	18	959	717
Ohio*	4,722	28,763	6	33,490	26,943	0	6,547	2,706
Oklahoma*	1,606	9,650	-217	11,038	7,442	576	3,020	1,222
Oregon*	4,083	14,911	-25	18,968	13,652	0	5,317	1,660
Pennsylvania*	0	44,293	5,159	49,453	38,593	5,322	5,538	2,866
Rhode Island*	374	5,208	-110	5,473	5,236	19	217	279
South Carolina* **	3,615	13,654	-565	16,705	9,596	243	6,866	1,847
South Dakota*	86	2,155	13	2,254	2,047	91	116	307
Tennessee*	4,518	19,618	-600	23,535	17,145	1,596	4,795	1,550
Texas*	11,235	75,475	-138	86,572	63,220	7,168	16,184	10,615
Utah*	1,729	11,518	354	13,601	10,254	0	3,347	1,033
Vermont*	0	2,356	104	2,459	2,333	-52	177	265
Virginia*	1,890	29,263	0	31,153	26,420	0	4,733	2,647
Washington*	3,366	30,070	-277	33,159	28,223	0	4,936	312
West Virginia*	679	5,888	183	6,750	4,740	15	1,994	957
Wisconsin*	2,581	20,548	633	23,762	19,377	86	4,299	1,734
Wyoming*	0	1,262	281	1,543	1,543	0	0	1,478
Total	\$175,746	\$1,167,865		\$1,407,303	\$1,082,914		\$255,325	\$134,515

NOTES: NA Indicates data are not available. *See Notes to Table 4 at the end of the chapter. **In these states, the ending balance includes the balance in the rainy day fund.

TABLE 5
Fiscal 2023 State General Fund, Enacted (Millions)

State	Beginning Balance	Revenues	Adjustments	Total Resources	Expenditures	Adjustments	Ending Balance	Rainy Day Fund Balance	Date
Alabama	\$2,713	\$10,906	\$0	\$13,618	\$11,057	\$0	\$2,561	\$1,557	Apr-22
Alaska*		4,970	3,361	8,331	6,018	1,680	633	2,999	Jun-22
Arizona*	4,509	12,323	0	16,832	15,755	0	1,077	1,417	Jun-22
Arkansas*	0	6,938	0	6,938	6,024	0	914	1,212	Mar-22
California*	22,450	216,366	3,341	242,157	234,366	0	7,791	37,217	Jun-22
Colorado* **	3,208	16,563	58	19,829	17,814	0	2,015	2,015	Apr-22
Connecticut*	0	22,388	0	22,388	22,089	0	299	3,313	May-22
Delaware* **	2,605	5,813	0	8,418	5,790	0	2,628	316	Jun-22
Florida*	21,550	42,516	0	64,065	45,769	4,577	13,719	3,140	Jun-22
Georgia*	11,706	28,635	0	40,341	28,635	0	11,706	N/A	May-22
Hawaii*	2,619	10,622	-238	13,003	10,967	0	2,036	831	Jul-22
Idaho*	305	5,182	-628	4,860	4,625	0	235	1,099	Apr-22
Illinois*	1,079	46,429	0	47,508	46,813	623	72	1,161	Apr-22
Indiana*	4,508	19,097	0	23,605	19,025	288	4,293	1,316	Apr-21
Iowa*	0	9,135	192	9,326	8,204	0	1,122	895	May-22
Kansas	1,835	8,907	0	10,742	9,483	0	1,259	984	Jun-22
Kentucky*	845	13,867	1,626	16,338	14,202	1,871	265	2,744	Apr-22
Louisiana*	0	11,040	0	11,040	10,866	171	4	797	Jul-22
Maine*	34	4,759	94	4,886	4,615	237	35	907	Apr-22
Maryland*	4,604	23,526	121	28,251	28,069	-45	227	2,352	Apr-22
Massachusetts* **	18,015	44,525	16,567	79,107	48,857	16,567	13,682	8,406	Jul-22
Michigan*	5,746	13,350	0	19,096	16,301	0	2,795	1,662	Jul-22
Minnesota* **	8,683	28,818	186	37,687	27,305	0	10,382	3,333	Jul-22
Mississippi*	4	6,987	0	6,992	6,292	159	541	579	Jul-22
Missouri*	4,899	11,419	127	16,444	12,603	0	3,841	875	Jun-22
Montana*	1,854	2,737	0	4,592	3,213	0	1,379	118	May-21
Nebraska*	2,494	5,824	-1,866	6,453	5,126	557	770	1,688	Apr-22
Nevada*	1,530	4,719	59	6,308	4,687	60	1,561	387	Jun-21
New Hampshire*	253	1,656	0	1,909	1,632	277	0	199	Jun-21
New Jersey* **	7,360	49,826	-243	56,943	50,162	0	6,781	0	Jun-22
New Mexico* **	2,734	9,049	617	12,400	8,693	68	3,639	3,761	Mar-22
New York* **	33,053	96,044	-7,738	121,359	93,753	2,350	25,256	6,468	Apr-22
North Carolina*	6,524	30,510	1,102	38,136	27,902	9,416	818	4,750	Jul-22
North Dakota*	959	1,697	345	3,001	2,546	0	454	752	May-21
Ohio*	6,547	28,290	-63	34,774	27,809	1,182	5,782	2,731	Jul-21
Oklahoma*	3,020	8,346	0	11,366	8,463	453	2,450	1,452	May-22
Oregon*	5,317	13,056	-210	18,162	14,209	242	3,711	2,019	Sep-22
Pennsylvania*	5,538	43,580	175	49,292	42,766	1,255	5,272	4,966	Jul-22
Rhode Island*	10	4,901	132	5,043	5,042	0	1	246	Jun-22
South Carolina* **	6,866	11,164	-83	17,947	13,179	1,184	3,584	2,150	Jun-22
South Dakota*	116	2,066	0	2,182	2,061	116	5	423	Mar-22
Tennessee*	4,795	19,899	-900	23,793	20,600	3,143	51	1,800	Jun-22
Texas*	16,184	77,407	-138	93,454	58,904	7,605	26,945	13,664	Jun-21
Utah*	1,966	9,725	6	11,697	11,624	0	72	1,033	Mar-22
Vermont*	91	1,990	0	2,081	2,032	41	8	284	Jun-22
Virginia*	4,733	27,026	0	31,759	31,250	0	509	3,801	Jun-22
Washington*	3,629	30,343	-1,649	32,323	32,381	0	-58	611	Mar-22
West Virginia*	1,994	4,636	0	6,630	4,636	943	1,051	960	Mar-22
Wisconsin*	4,299	20,873	508	25,680	19,731	598	5,350	N/A	Jul-22
Wyoming*	0	1,155	236	1,391	1,391	0	0	1,436	Mar-22
Total	\$243,782	\$1,131,598		\$1,390,476	\$1,155,337		\$179,524	\$136,828	

NOTES: N/A indicates data are not available. *See Notes to Table 5 at the end of this chapter. **In these states, the ending balance includes the balance in the rainy day fund. *Date listed above reflects date budget was enacted and/or the date of projections shown for fiscal 2023. See footnotes to this table for more details.



TABLE 6
General Fund Nominal Percentage Expenditure Changes,
Fiscal 2021 to Fiscal 2023

State	Fiscal 2021	Fiscal 2022	Fiscal 2023
Alabama	4.5%	12.9%	0.7%
Alaska	-3.5	15.3	12.6
Arizona	20.5	-5.8	23.0
Arkansas	2.6	-0.9	3.0
California	10.8	49.8	-3.5
Colorado	4.8	29.1	3.5
Connecticut	4.7	3.1	6.9
Delaware	0.1	12.0	14.5
Florida	10.3	-0.9	27.4
Georgia	-3.7	-7.1	22.5
Hawaii	9.0	1.0	24.0
Idaho	6.1	6.5	4.7
Illinois	3.8	4.4	3.1
Indiana	7.3	3.8	3.3
Iowa	-0.2	4.0	1.0
Kansas	-3.4	12.8	15.7
Kentucky	-1.0	14.3	7.9
Louisiana	2.1	8.8	-3.6
Maine	-1.0	4.6	13.3
Maryland	-3.2	12.1	32.4
Massachusetts	-10.1	31.1	21.2
Michigan	12.4	21.3	34.6
Minnesota	-0.6	9.9	5.0
Mississippi	-3.0	4.7	8.1
Missouri	6.3	6.9	20.4
Montana	10.8	2.0	16.7
Nebraska	0.6	3.2	9.7
Nevada	2.3	1.7	0.8
New Hampshire	-4.9	0.1	1.5
New Jersey	17.5	16.6	-4.0
New Mexico	16.1	2.6	-4.8
New York	-4.4	13.9	11.1
North Carolina	-0.4	8.4	7.4
North Dakota	1.3	16.1	-7.1
Ohio	0.7	15.4	3.2
Oklahoma	-12.2	13.1	13.7
Oregon	4.1	19.2	4.1
Pennsylvania	-3.4	13.5	10.8
Rhode Island	3.6	28.4	-3.7
South Carolina	-2.7	14.3	37.3
South Dakota	10.9	8.4	0.7
Tennessee	-1.2	18.7	20.1
Texas	-13.8	24.2	-6.8
Utah	16.6	20.5	13.4
Vermont	8.4	33.9	-12.9
Virginia	2.0	16.3	18.3
Washington	3.6	13.7	14.7
West Virginia	4.1	-0.7	-2.2
Wisconsin	5.8	-0.7	1.8
Wyoming	-5.2	0.0	-9.9
Total	2.5%	18.3%	6.7%
Median	2.2%	11.0%	7.1%

Fiscal 2021 reflects changes from fiscal 2020 expenditures (actual) to fiscal 2021 expenditures (actual). Fiscal 2022 reflects changes from fiscal 2021 expenditures (actual) to fiscal 2022 expenditures (preliminary actual). Fiscal 2023 reflects changes from fiscal 2022 expenditures (preliminary actual) to fiscal 2023 expenditures (enacted).

Mid-Year Budget Actions for Fiscal 2022

Mid-year budget actions include any actions, whether legislative or executive (e.g., executive order, withholding of excess funds), that change the appropriated or authorized expenditure level compared to the original enacted budget. After several years of minimal mid-year budget cuts prior to the COVID-19 crisis, fiscal 2020 saw an uptick in states making mid-year reductions due to a shortfall, as reported in the *Fall 2020 Fiscal Survey*, followed by fairly minimal budget cuts in fiscal 2021. (See Figure 2) This survey looks at mid-year actions adopted in fiscal 2022.

Overall, 27 states reported net mid-year increases in general fund spending proposed or approved for fiscal 2022, while just five states reported decreases compared to their enacted budgets. However, among the five states that reported net mid-year cuts, none attributed these cuts to a revenue shortfall. (See Table 7) Rather, states reporting decreases indicated that the reductions resulted from lower spending needs or in areas where federal assistance was able to be used in place of general funds.

For the states that reported net mid-year increases in general fund spending, these included supplemental appropriations for fiscal 2022 to address additional spending needs, including in response to natural disasters, as well as one-time expenditures using surplus funds for capital infrastructure investments, payments to individuals, economic development initiatives, temporary tax relief, paying off debt, rainy day fund deposits, and supplemental pension payments.

The net impact of states' mid-year budget changes for fiscal 2022 was a \$67.5 billion increase. It should be noted that the majority of this increase is attributable to increased spending by California due to its large revenue surplus as well as its K-12 education funding constitutional requirements. The "all other" category, where most one-time investments from surplus funds are reported, saw by far the largest net increase of \$43.5 billion. K-12 education received most of the remaining funds, with a net increase of \$15.5 billion. Higher Education, Medicaid, Corrections, and Transportation all saw net mid-year increases as well. Meanwhile, Public Assistance saw a net reduction in general fund spending compared to enacted levels for fiscal 2022. (See Table 8)

State Spending from All Sources

This report captures only state general fund spending. General fund spending represents the primary component of expenditures from revenue derived from taxes and other resources which have not been earmarked to other funds. According to the most recent edition of NASBO's *State Expenditure Report*, fiscal 2022 spending from all sources (general funds, federal funds, other state funds and bonds) is estimated to total \$2.86 trillion. While general funds have historically represented the largest category of total state spending by fund source, federal funds surpassed them in fiscal 2021 and continued to be the largest source in fiscal 2022 due to the significant amount of federal COVID-19 aid sent to states. In fiscal 2022, federal funds comprised 38.0 percent of total state spending, with general funds at 36.6 percent, other state funds at 23.6 percent, and bonds at 1.8 percent. The program area components of total state spending for fiscal 2022 are: Medicaid, 27.6 percent; elementary and secondary education, 18.8 percent; higher education, 8.7 percent; transportation, 7.3 percent; corrections, 2.5 percent; public assistance, 1.1 percent; and all other expenditures, 34.0 percent.

For fiscal 2022, components of general fund spending are elementary and secondary education, 34.2 percent; Medicaid, 17.3 percent; higher education, 9.2 percent; corrections, 5.5 percent; public assistance, 0.9 percent; transportation, 1.2 percent; and all other expenditures, 31.7 percent.

Enacted Program Area Changes for Fiscal 2023

Overall, enacted general fund budgets for fiscal 2023 call for \$113.9 billion in increases over fiscal 2022 (original or revised) enacted appropriation levels. All program areas except transportation saw net increases in general fund appropriations according to states' enacted budgets for fiscal 2023. K-12 education, the largest area of state general fund spending, saw a \$27.0 billion increase in general fund appropriations. Medicaid, the second largest area of state general fund spending, saw

a \$29.5 billion appropriation increase, in large part driven by the expected expiration of the enhanced Federal Medical Assistance Percentage (FMAP) during fiscal 2023. Higher education saw an \$8.5 billion appropriation increase, Public Assistance a \$3.8 billion increase, and Corrections a \$2.7 billion increase. Transportation would see a \$0.9 billion general fund appropriation decrease, which is almost entirely attributable to one state that recorded large one-time expenditures in this program area in the prior year. Additionally, it should be noted that transportation is primarily funded by special fund sources outside of the general fund, and therefore changes in general fund spending do not tend to be illustrative of overall state spending trends for this area.

The “all other” category of general fund spending would once again receive the largest general fund appropriation increase in the aggregate for fiscal 2023, with states directing \$43.2 billion in additional funding to this broad category comprised of a diverse range of programs. Some states provided further detail on enacted appropriation changes in this category, which include both recurring and nonrecurring investments in areas such as disaster response, housing and homelessness, public health and human services, environmental protection, economic development, and information technology. Other one-time expenditures reported in this category and supported largely with surplus funds include supplemental pension payments, deposits to rainy day funds, paying down debt, and capital construction projects. Some states also reported reductions in this area (in some cases offset by increases also in this category) due to one-time expenditures recorded in the prior year (fiscal 2022). (See [Table 9](#))

States were asked to indicate if any of their recommended general fund appropriation changes were offset or supplemented by changes in other state fund sources or by federal funds. The areas where other state fund changes were most commonly reported were K–12 education and Medicaid. Federal fund offsets (in this case, declines) were most often reported for Medicaid, which can be attributed in large part to the enhanced FMAP during the COVID-19 public health emergency (PHE) that was expected to expire in fiscal 2023 at the time of budget enactment.

Similar to what transpired a year ago, enacted appropriation changes for fiscal 2023 exceeded governors’ proposals due mainly to upward revisions in revenue projections and states ending fiscal 2022 with larger than expected budget surpluses.

According to NASBO’s *Spring 2022 Fiscal Survey*, governors recommended net increases for fiscal 2023 totaling \$74.8 billion. All program areas saw larger net increases (or in the case of transportation, a smaller net decline) in enacted budgets compared to governors’ recommendations.

Budget Gaps

In this survey, three states reported general fund budget gaps in fiscal 2022 totaling \$0.9 billion. For fiscal 2023, three states indicated that they closed budget gaps totaling \$1.5 billion, while one state reported an ongoing budget gap for fiscal 2023 of \$0.6 billion. So far, four states reported that they are forecasting budget gaps for fiscal 2024 totaling \$3.8 billion. These are among the lowest number of states and smallest gap amounts reported in the history of the Fiscal Survey.

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

Budget Management Strategies for Fiscal 2022 (Mid-Year) and Fiscal 2023

In order to manage their budgets, particularly in an economic downturn, states employ a variety of strategies and tools, including spending reductions (across-the-board or targeted), revenue changes, personnel actions, efficiency savings, and one-time measures. Given strong fiscal conditions currently in most states, budget management strategies reported in this survey were fairly minimal and targeted.

Strategies for Fiscal 2022 Mid-Year / Post-Enacted. States reported on the strategies used to manage their budgets in the middle of fiscal 2022, post-enactment. Five states reported making targeted cuts while one state reported across-the-board cuts. This contrasts with 19 states reporting targeted spending cuts, and seven states reported making across-the-board cuts in the middle of fiscal 2021 in NASBO’s *Fall 2021 Fiscal Survey of States*. Another way to reduce spending is through personnel actions — in that regard, just three states imposed hiring

freezes and/or eliminated vacant positions, while no states implemented furloughs, salary reductions, or layoffs, and one state reported using early retirement incentives. Very few states reported utilizing one-time measures to manage their budgets in the middle of the year. The most commonly reported budget strategy used in the middle of fiscal 2022 was prior-year fund balances, given how many states were left with large surpluses in fiscal 2021. (See [Table 10](#))

Strategies Enacted for Fiscal 2023. States were also asked to identify the strategies used in enacted budgets for fiscal 2023. Similar to fiscal 2022, budget management strategies were used to a lesser extent in fiscal 2023 given improved state fiscal conditions. Eight states reported targeted spending reductions — including efforts to streamline operations or make use of other available fund sources — while six states reported hiring freezes and/or eliminating vacant positions in fiscal 2023. Nine states reported using their prior-year fund balances, as states ended fiscal 2022 with large surpluses, while eight states reported Medicaid program changes. States provided more details about budget management strategies used in footnotes to both tables. (See [Table 11](#))

TABLE 7

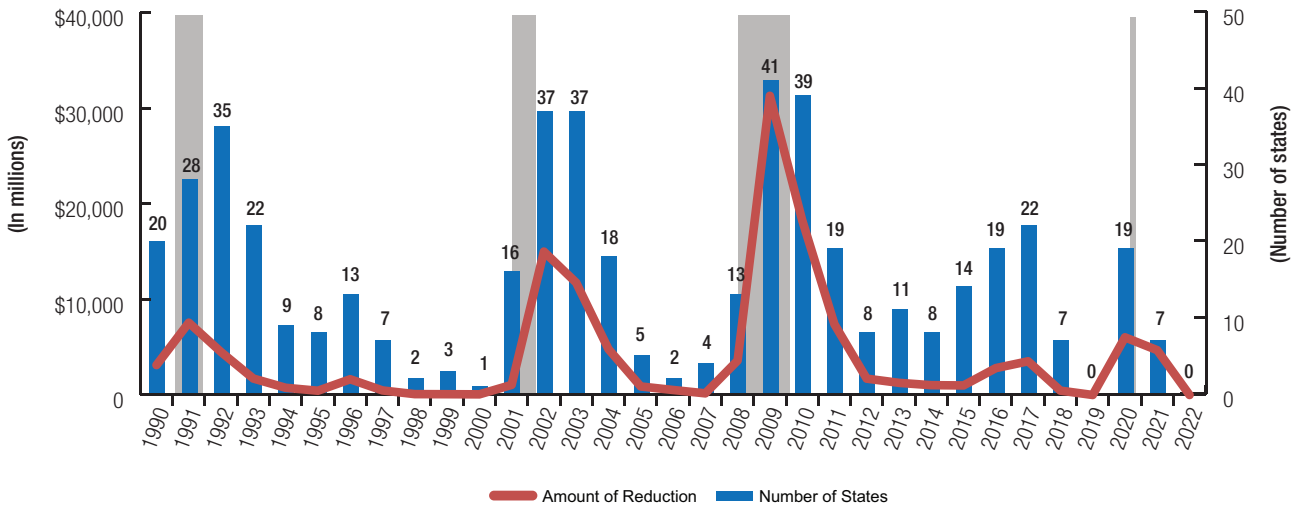
States with Net Mid-Year Budget Cuts in Fiscal 2022 Due to a Shortfall

State	FY 2022 Size of Cuts (\$ in Millions)	Programs or Expenditures Exempted from Cuts
No states reported budget reductions due to a revenue shortfall in fiscal 2022.		
Total	\$0.0	

See Table 8 for more details on mid-year spending actions by program area.

FIGURE 2:

Figure 2: Budget Cuts Made After the Budget Passed, Fiscal 1990 to Fiscal 2022



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

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

TABLE 8

Fiscal 2022 Mid-Year Program Area Budget Actions By Dollar Value (Millions)

State	K-12 Education	Higher Education	Public Assistance	Medicaid	Corrections	Transportation	Other	Total
Alabama*	\$6.9	\$86.7	\$9.2	\$215.8	\$35.7		\$1,595.9	\$1,950.2
Alaska	14.8	48.3	-0.2		1.9	\$36.5	1,011.9	1,113.1
Arizona								
Arkansas								
California*	14,379.9	1,921.5	-135.6	182.5	194.7	2,032.2	23,917.8	42,492.9
Colorado*				-116.0	8.0		19.0	-89.0
Connecticut	-8.6	70.7			-60.1			2.0
Delaware								
Florida								
Georgia	1,004.5	359.2	140.8	-275.2	125.3	123.5	1,312.7	2,790.8
Hawaii*	-4.0	-2.4	-3.2	-1.1	-1.7		-35.6	-47.9
Idaho								
Illinois								
Indiana*						-0.5	289.4	288.9
Iowa*							0.1	0.1
Kansas*	-66.8	4.6		-168.3	45.0		554.9	369.4
Kentucky*	482.1	23.9			11.5		566.0	1,083.5
Louisiana*	-82.5	33.0	2.1	-208.9	17.7	4.8	1,127.6	893.7
Maine*				-115.1	3.0		23.0	-89.1
Maryland*	60.8	-40.5	1.4	-148.0	42.8		700.5	617.0
Massachusetts*	140.0		35.0	346.1		100.0	1,128.6	1,749.6
Michigan*	57.7		2.5	-738.9	-883.0	88.1	1,990.0	516.4
Minnesota*							1,117.9	1,117.9
Mississippi*								
Missouri								
Montana								
Nebraska*	1.5				-18.9		11.3	-6.1
Nevada								
New Hampshire								
New Jersey*	20.6	-37.2	21.7	-261.0	-60.9	22.4	5,580.7	5,286.3
New Mexico								
New York								
North Carolina*				52.8				52.8
North Dakota*				40.0			17.5	57.5
Ohio								
Oklahoma								
Oregon*								
Pennsylvania	-99.0		-2.0	1,469.0			505.0	1,873.0
Rhode Island*	2.0	6.9		-72.6	13.9	100.0	891.7	942.0
South Carolina*							5.2	5.2
South Dakota	-9.4	78.9	26.6	-40.3	-3.8	0.7	218.8	271.5
Tennessee					7.4	200.0	703.1	910.5
Texas								
Utah	2.8	16.4	-1.7	-33.8	-4.5	294.0	208.9	482.1
Vermont*	125.0		10.0	24.7	-0.4		324.3	483.7
Virginia*	-130.6	14.2	1.6	-902.1	6.8	287.5	1,649.6	927.0
Washington*	-393.0	1.6	-179.9	3,088.5	963.5	6.9	-2,323.2	1,164.4
West Virginia*	1.0		-32.0		-72.0		385.0	282.0
Wisconsin*	-3.1	0.1			-0.6	-3.5	-10.5	-17.7
Wyoming								
Total	\$15,502.7	\$2,585.8	-\$103.7	\$2,338.2	\$371.2	\$3,292.6	\$43,486.9	\$67,473.7
Increases	14	14	10	8	14	13	27	27
Decreases	9	3	7	13	10	2	3	5

NOTE: *See Notes to Table 8 at the end of the chapter.

TABLE 9

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

State	K-12 Education	Higher Education	Public Assistance	Medicaid	Corrections	Transportation	All Other	Total
Alabama*	\$370.5	\$159.7	\$36.6	\$23.8	\$19.6		\$31.6	\$641.8
Alaska*	15.4	46.0	130.6	649.9	-166.3	\$69.0	902.2	1,646.8
Arizona	322.5	217.5		634.4	53.4	-3.3	248.2	1,472.7
Arkansas	98.2	12.9		23.6	11.1		46.5	192.3
California*	12,199.0	2,457.4	912.4	8,395.8	-295.1	-3,228.7	17,485.1	37,925.9
Colorado	206.0	143.0		1,026.0	23.0		257.0	1,655.0
Connecticut*	-63.6	-1.8	131.2	234.2	14.5	104.4	1,028.2	1,447.1
Delaware	122.3	9.9	20.2	23.1	11.2	27.3	114.3	328.3
Florida*	593.8	262.8	-10.7	1,556.9	197.1	349.0	2,560.6	5,509.5
Georgia	487.1	767.3	369.1	351.5	217.3	-34.1	692.1	2,850.3
Hawaii*	623.4	68.9	17.6	22.8	22.5		763.3	1,518.5
Idaho								
Illinois	431.0	-50.0	312.0		48.0		656.0	1,397.0
Indiana*	381.5	21.0		352.2	5.4		61.4	821.5
Iowa*	161.4	17.1		6.3	7.0		-107.0	84.8
Kansas*	356.2	141.2		276.4	29.7		-147.0	656.5
Kentucky*	346.7	184.1		38.9	8.1	280.4	1,513.3	2,371.5
Louisiana*	256.1	84.9	32.8	315.0	84.0	-11.2	37.2	798.7
Maine*	76.6	10.2	0.2	322.6	3.0		128.4	541.0
Maryland*	828.0	380.9	-4.1	552.4	97.4	-8.7	5,291.6	7,137.5
Massachusetts*	1,157.2	227.4	119.8	493.6	111.3	383.1	1,866.5	4,358.8
Michigan*	-18.9	222.4	4.3	972.8	957.7	66.3	1,936.2	4,140.8
Minnesota*		20.0					402.1	422.1
Mississippi*	254.2	72.7		2.1	39.3		104.6	472.9
Missouri	285.5	93.6		338.5	50.1	11.9	1,244.8	2,024.4
Montana	46.0	14.0		81.0	10.0		18.0	169.0
Nebraska*	5.8	4.2		39.8	30.6		69.0	149.4
Nevada	-167.2	2.4	3.4	119.6	7.5		53.4	19.1
New Hampshire					2.9		87.7	90.6
New Jersey*	454.5	272.0	78.5	895.0	-48.8	4.4	-3,742.1	-2,086.5
New Mexico	425.8	41.4	9.1	252.5	6.1		106.3	841.2
New York*	1,122.4	327.9	-8.0	4,889.8	152.6	398.8	228.0	7,111.4
North Carolina*	351.6	219.3		43.1	8.5		299.0	921.5
North Dakota				40.0				40.0
Ohio*	144.9	3.3	-1.0	1,674.6	74.2	1.0	2.2	1,899.2
Oklahoma*	112.0	144.7			-16.1			240.6
Oregon*	-97.6	185.3	134.7	1,000.0	-31.7	40.7	1,183.5	2,415.0
Pennsylvania	1,573.0	136.0	44.0	1,159.0	63.0		440.0	3,415.0
Rhode Island*	109.8	5.9	12.9	96.7	9.5		256.5	491.3
South Carolina*	256.5	163.3	26.6	468.2	129.3	466.1	1,414.8	2,924.8
South Dakota	49.4	27.0	16.2	60.6	78.8	0.1	11.0	243.1
Tennessee	654.4	463.7		307.0	68.2	498.8	1,015.1	3,007.2
Texas								
Utah*	514.0	184.5	1.3	180.3	49.2	-168.0	609.0	1,370.2
Vermont*	-121.8	21.0	11.7	28.3	21.4		-261.5	-300.9
Virginia	1,830.3	521.6	78.5	1,174.9	88.2	-311.0	1,447.8	4,830.3
Washington*	59.9	109.7	1,347.8	439.3	381.4	0.3	1,828.8	4,167.2
West Virginia*	56.3	34.2	10.2	-15.2	57.2	150.0	791.4	1,084.1
Wisconsin*	204.6	25.3		-0.7	19.4	-14.5	194.8	428.9
Wyoming								
Total	\$27,074.7	\$8,475.8	\$3,837.8	\$29,546.6	\$2,710.7	-\$927.9	\$43,169.8	\$113,887.5
Increases	39	43	25	41	40	17	41	45
Decreases	5	2	4	2	5	8	4	2

NOTE: *See Notes to Table 9 at the end of the chapter. Value of changes are in reference to funding level of FY 2022 enacted budget.

TABLE 10

Strategies Used to Manage Budget, Fiscal 2022 (Mid-Year / Post-Enacted)

State	Across-the-Board % Cuts	Targeted Cuts	Layoffs	Furloughs	Early Retirement	Salary Reductions	Cuts to State Employee Benefits	Eliminating Vacant Positions / Hiring Freeze	Pension / OPEB Adjustments
Alabama									
Alaska									
Arizona*									
Arkansas								X	
California*									
Colorado									
Connecticut									
Delaware									
Florida									
Georgia									
Hawaii		X							
Idaho									
Illinois									
Indiana*									
Iowa									
Kansas*									
Kentucky									
Louisiana*								X	
Maine*									
Maryland									
Massachusetts*									
Michigan									
Minnesota									
Mississippi									
Missouri									
Montana									
Nebraska*									
Nevada*									
New Hampshire									
New Jersey*									
New Mexico*								X	
New York									
North Carolina*									
North Dakota									
Ohio									
Oklahoma									
Oregon									
Pennsylvania*		X							
Rhode Island*		X			X				X
South Carolina									
South Dakota		X							
Tennessee*									
Texas*	X								
Utah									
Vermont		X							
Virginia									
Washington*									
West Virginia									
Wisconsin									
Wyoming									
Total	1	5			1			3	1

NOTE: *See Notes to Table 10 at the end of the chapter.

TABLE 10 (CONTINUED)

Strategies Used to Manage Budget, Fiscal 2022 (Mid-Year / Post-Enacted)

State	Reduce Local Aid	Reorganize Agencies	Privatization	Rainy Day Fund	Other Fund Transfers	Prior-year Fund Balance	Deferred Payments	Revenue Increase	Medicaid Program Changes	Other
Alabama										
Alaska										
Arizona*									X	
Arkansas									X	
California*									X	
Colorado										
Connecticut										
Delaware										
Florida										
Georgia										
Hawaii						X				
Idaho										
Illinois										
Indiana*					X					X
Iowa										
Kansas*						X				
Kentucky										
Louisiana*								X		
Maine*										X
Maryland										
Massachusetts*						X				X
Michigan										
Minnesota										
Mississippi										
Missouri										
Montana										
Nebraska*				X	X	X				
Nevada*				X						
New Hampshire										
New Jersey*				X	X				X	
New Mexico*										
New York										
North Carolina*						X				
North Dakota										
Ohio										
Oklahoma										
Oregon										
Pennsylvania*		X				X				
Rhode Island*					X	X				X
South Carolina										
South Dakota										
Tennessee*										X
Texas*										
Utah										
Vermont						X				
Virginia										
Washington*								X	X	
West Virginia										
Wisconsin										
Wyoming										
Total		1		3	4	8		2	5	5

NOTE: *See Notes to Table 10 at the end of the chapter.

TABLE 11
Strategies Used to Manage Budget, Fiscal 2023 (Enacted)

State	Across-the-Board % Cuts	Targeted Cuts	Layoffs	Furloughs	Early Retirement	Salary Reductions	Cuts to State Employee Benefits	Eliminating Vacant Positions / Hiring Freeze	Pension / OPEB Adjustments
Alabama									
Alaska		X						X	
Arizona*									
Arkansas								X	
California*									
Colorado									
Connecticut									
Delaware									
Florida									
Georgia									
Hawaii									
Idaho									
Illinois									
Indiana*									
Iowa									
Kansas*									
Kentucky									
Louisiana*								X	
Maine*		X							
Maryland		X							
Massachusetts*									
Michigan									
Minnesota									
Mississippi*								X	
Missouri*		X						X	
Montana									
Nebraska*									
Nevada									
New Hampshire									
New Jersey*									
New Mexico									
New York*									
North Carolina									
North Dakota									
Ohio									
Oklahoma									
Oregon									
Pennsylvania*		X						X	X
Rhode Island*		X							
South Carolina*									X
South Dakota		X							
Tennessee*									
Texas*	X								
Utah									
Vermont		X							
Virginia									
Washington*									
West Virginia									
Wisconsin									
Wyoming									
Total	1	8						6	2

NOTE: *See Notes to Table 11 at the end of the chapter.

TABLE 11 (CONTINUED)

Strategies Used to Manage Budget, Fiscal 2022 (Enacted)

State	Reduce Local Aid	Reorganize Agencies	Privatization	Rainy Day Fund	Other Fund Transfers	Prior-year Fund Balance	Deferred Payments	Revenue Increase	Medicaid Program Changes	Other
Alabama										
Alaska		X		X						
Arizona*									X	
Arkansas									X	
California*									X	
Colorado										
Connecticut									X	
Delaware										
Florida										
Georgia										
Hawaii						X				
Idaho										
Illinois										
Indiana*										
Iowa										
Kansas*						X				
Kentucky										
Louisiana*								X		
Maine*						X				X
Maryland										
Massachusetts*						X				X
Michigan										
Minnesota										
Mississippi*										
Missouri*										
Montana										
Nebraska*				X	X				X	
Nevada										
New Hampshire										
New Jersey*						X				
New Mexico										
New York*						X			X	X
North Carolina										
North Dakota										
Ohio										
Oklahoma										
Oregon										
Pennsylvania*		X		X		X		X		
Rhode Island*					X	X		X	X	X
South Carolina*				X						
South Dakota										
Tennessee*										X
Texas*										
Utah										
Vermont						X				
Virginia										
Washington*								X	X	
West Virginia										
Wisconsin										
Wyoming										
Total		2		4	2	9		4	8	5

NOTE: *See Notes to Table 11 at the end of the chapter.

CHAPTER 1 NOTES

Notes to Table 3: Fiscal 2021 State General Fund, Actual

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

Alabama	Expenditure adjustments include transferring \$146.6 million from the ETF to the ETF Budget Stabilization Fund, transferring \$307.1 million from the ETF to the ETF Advancement and Technology Fund, and transferring \$22.3 million from the GF to the GF Budget Reserve Fund.
Alaska	Revenue adjustment represents statutory draw from the Alaska Permanent Fund Earnings Reserve Account. Expenditure adjustment represents Permanent Fund dividend payments.
Arkansas	<p>Total available revenue amounts are reported as net of refunds and special dedications/payments.</p> <p>Per statute amended in 2021 Regular Session, 25% of the first \$200M (\$50M) of the ending balance was transferred to the State Highway and Transportation Department Fund. The remaining amount transferred to the General Revenue Allotment Reserve Fund. After the start of the next fiscal year, any remaining balances in the General Revenue Allotment Reserve Fund that were not obligated, will be transferred to the Catastrophic Reserve Fund.</p>
California	<p>Total Revenues: Reflect revenues before transfers and loans to/from the General Fund. Estimated cost recoveries for Fiscal 2021 for COVID-19, wildfires, various disaster relief are included as “revenue adjustments”.</p> <p>Revenue and expenditure adjustments to the beginning fund balance consist primarily of adjustments made to major taxes and other non K-12 spending. Revenue adjustments include \$7,764.2 million in transfers and loans to/from the General Fund as well as \$659.3 million in estimated cost recoveries for COVID-19, wildfires, and various disaster relief.</p> <p>The ending balance includes the Special Fund for Economic Uncertainties (SFEU) and reserve for encumbrances but excludes the BSA (a rainy day reserve held in a separate fund), the Safety Net Reserve Fund, and the Public School System Stabilization Account (PSSSA). The excluded amounts are \$14,643.4 million for the BSA and \$450 million for the Safety Net Reserve Fund, and \$3,302 million for the PSSSA at the end of FY 2021. Adding these amounts to the FY 2021 ending balance, the projected total balance is \$56,729.6 million in FY 2021.</p> <p>The rainy day balance is made up of the SFEU, BSA, and the Safety Net Reserve Fund, however, withdrawals of mandatory deposits from the BSA are subject to provisions of Proposition 2, 2014. Safety Net Reserve Fund created in the 2018 Budget Act to maintain existing benefits and services for Medi-Cal and CalWORKs during economic downturns.</p> <p>Public School System Stabilization Account enacted in 2014 as part of Proposition 2 to serve as a Proposition 98 Rainy Day Fund to lessen the impact of volatile state revenues on K-14 schools.</p> <p>A reserve for encumbrances of \$4,276.4 million, included in the ending balance, represents amounts which will be expended in the future for state obligations for which goods and services have been ordered/contracted, but have not been received by the end of the fiscal year. These amounts are shown as a reserve to the fund balance instead of a hit to the fund balance.</p>
Colorado	Revenue adjustments include transfers to the general fund. Expenditure adjustments include reversions and accounting adjustments. Source: OSPB June 2022 Forecast.
Connecticut	FY 2021: FY 2021 Rainy Day Fund balance includes a deposit of \$1.24 billion due to the volatility cap and \$475.9 million from the FY2021 surplus. This brought the balance of the Budget Reserve Fund to 22.8% of net General Fund appropriations. Once the Rainy Day Fund reaches 15% of the following fiscal year’s projected expenditures, Connecticut statute requires funds in excess of the 15% to be transferred from the Rainy Day Fund to reduce the unfunded liability of the State Employees Retirement (SERS) Pension Fund or Teachers Retirement (TRS) Pension Fund, and to reduce bonded indebtedness. Due to fund being above the 15% cap, \$903.6 million will be transferred from the Rainy Day Fund to reduce the liabilities of the TRS Pension Funds and \$238.8 million, in addition to the \$480.9 million surplus, will be deposited to reduce the SERS liabilities. Net of all transfers, the rainy day fund balance at the end of FY 2021 was about \$3,112.0 million.

FY 2021 Actual Revenue: Included in the total revenue figure of \$20,531.4 million, \$1,496.3 million is included as Federal Grant Revenue. Without the \$1,496.3 million in Federal Grant Revenue, the total revenue collected would be \$19,035.1 million. Federal Grants figures do not include any Coronavirus Relief Fund dollars or Coronavirus State and Local Fiscal Recovery Fund dollars.

Delaware	FY 2021 General Fund balance also includes \$63.1 million in the Budget Stabilization Fund
Florida	Revenue adjustments include federal COVID-19 funds. Revenues include FEMA Reimbursements in addition to “traditional” adjustments associated with trust fund transfers, reversions, and various other actions. Total expenditures include federal Coronavirus Relief Funds.
Georgia	FY 21 beginning balance reflects general fund balances as of June 30, 2020 for Revenue Shortfall Reserve, Guaranteed Revenue Debt Common Reserve Fund, and State Revenue Collections as reported on the FY 20 Combined Balance Sheet of the Budgetary Compliance Report. Adjustments to Revenues include FY20 agency surplus returned and early remittance of FY 21 surplus from state agencies. Fund balance in excess of Rainy Day Fund includes the unreserved undesignated regular surplus.
Hawaii	Adjustment in FY 2021 include a \$750 million working capital loan and \$83.2 million transfer from non-general funds pursuant to Act 87, SLH 2021.
Idaho	Revenue adjustments include: \$356.4M for transfers out, \$60.4M for prior year reversion, \$120.5M CRF reimbursement, \$.4M for reappropriation, and \$.3M for miscellaneous. Expenditure adjustments include: \$15.2 in reversions, \$1.1M for PY reappropriations, and \$.8M for miscellaneous.
Illinois	Total revenues include \$38,558M in state sources, \$4,744M in federal, \$1,550M in transfers in. Adjustments include \$1,998M short-term borrowing proceeds from the Municipal Liquidity Facility (MLF) and \$224M in Comptroller budgetary basis adjustments. Total expenditures include \$32,071M in appropriations, \$8,839M in pension contributions, \$2,046M in transfers out, and \$544M in interfund and investment borrowing repayment. Expenditure adjustments include -\$1,314 in unspent appropriations, -\$54M in Comptroller budgetary basis adjustments, \$2,503M in accounts payable, \$2,209M in MLF repayment and -\$215M in transfers for unclaimed property.
Indiana	Revenue adjustments include a \$10.0 million transfer from a dedicated fund named the Agency Settlement Fund per the 2019 Budget Bill and a \$440.0 million in reimbursement from the Coronavirus Relief Fund for public safety and public health payroll costs. Federal fund revenues are usually not included in revenue or adjustment figures, but since this funded customary public health/safety payroll, our intent was not to artificially lower spending levels. Expenditure adjustments include \$27.0 million reversion in unspent prior year appropriations, a transfer of \$214.7 million in unspent FY21 Medicaid appropriation to the Medicaid Contingency and Reserve Account, a transfer of \$196.8 million in unspent K-12 Tuition Support appropriation to the State Tuition Reserve fund.
Iowa	Total Revenues are as actual, also included in revenue adjustments is \$246.9 million of residual funds transferred to the General Fund after the Reserve Funds are filled to their statutory maximum amounts. Total Expenditures include \$44.2 million of supplemental appropriations and an adjustment of \$4.1 million to standing appropriations. At the end of the fiscal year, any ending balance is transferred in the subsequent fiscal year to the Reserve Funds. After the Reserve Funds are filled to their statutory limit and other transfers are completed as required by statute, the remaining balance is transferred back to the General Fund. There are no federal funds included in these amounts.
Kansas	\$1.7 million in prior year released encumbrances shows as revenue.
Kentucky	Revenue includes \$126.3 million in Tobacco Settlement Funds. Revenue adjustments include \$375 million that represents appropriation balances carried forward from the prior fiscal year, and \$171.1 million from fund transfers into the General Fund. Expenditure adjustments include \$715.7 million in appropriation balances forwarded into the next fiscal year and budgeted balances to be expended in the next fiscal year.
Louisiana	Revenue adjustments — Includes \$264.5m of other obligations against cash carried over from FY20 to FY21 Expenditure adjustments — Includes 25% to Budget Stabilization Fund (\$67.6M), 10% to Retirement System Unfunded Accrued Liability (\$27M), and the remaining to Capital Outlay, Coastal Protection and Restoration, and highway construction projects.

Maine	<p>Total Revenues and Expenditures reported here reflect the final enacted budget. Any variance between actual revenues received and expenditures made are effectively captured in the Adjustments columns. This approach to reporting better aligns with the public reporting available on the status of the State's General Fund. For reference, actual General Fund revenues for SY21 were \$4520.6 million and actual General Fund expenditures were \$3755.1 million.</p> <p>Revenue and Expenditure adjustments reflect legislatively authorized transfers and year-end closing adjustments. Transfers in included \$50 million in available balances in liquor sales account and there was about \$15 million in lapsed balances and other adjustments adding to available resources at year-end. As May 2021 projections for FY21 revenue substantially exceeded the previous forecast, the biennial budget enacted for 2022-2023 ultimately included approximately \$351 million in transfers of FY21 GF unappropriated revenue to Other Special Revenue accounts in agencies for a variety of one-time purposes. The budget also included a transfer out of another \$8 million to the Budget Stabilization Fund. FY21 actual revenues exceeded budget as well so year-end statutorily required transfers included nearly \$106 million to Transportation's Highway and Bridge Capital account, \$2.5 million to the Reserve for Operating Capital and \$223.6 million to the Budget Stabilization Fund.</p>
Maryland	<p>Revenue adjustments include \$25.8 million in transfers from tax credit reserves and \$341 million in FEMA reimbursement. Expenditure adjustments include \$248.4 in agency reversions.</p>
Massachusetts	<p>General Fund is defined as all budgeted operating funds, adjusted for expenditures funded by federal reimbursements. This is to better align with spending reported in the State Expenditure Report and be more comparable to most other states, which book federally reimbursed expenditures in a separate federal fund; adjustments also account for certain transfers between budgeted funds.</p>
Michigan	<p>Revenue totals are net of payments to local government and balance sheet adjustments.</p> <p>Adjustments (Revenues): Transfer from various restricted funds to the General Fund</p> <p>Adjustment (Expenditures): Total deposit of \$535 to the Budget Stabilization/Rainy Day Fund.</p>
Minnesota	<p>Rainy Day Fund balance includes cash flow account of \$350 million; a budget reserve of \$2,406 billion; and stadium reserve of \$106.7 million. Expenditure adjustment includes an appropriation carried forward amount of \$111 million. Revenue Adjustments include Dedicated Revenue, Transfers-In and Prior Year Adjustments.</p>
Mississippi	<p>Adjustments to expenditures reflect statutory transfers and Reappropriations.</p>
Missouri	<p>Revenue adjustments include transfers from other funds into the General Revenue fund and \$250M in cash flow borrowing paid back to the Coronavirus Relief Fund.</p>
Montana	<p>Revenue adjustments reflect prior year revenue activity and expenditure adjustments reflect prior year expenditure activity and adjustments to fund balance as a result of the annual CAFR reconciliation.</p>
Nebraska	<p>Revenue adjustments are transfers between the General Fund and other funds. These include a \$272 million transfer from the General Fund to the Property Tax Credit Cash Fund. There is an additional \$11 million transfer to the Water Sustainability Cash Fund, and \$3.3 million to the Water Resources Cash Fund. There were also usual and customary transfers into the General Fund from other cash funds, which were reduced by \$3 million during the 2021 legislative session and is included in the net receipts line. There was also a \$10.6 million transfer to the Cash Reserve Fund for revenues in excess of the Certified Forecast for FY 2020. In addition, there was a \$125 million reduction from LB 1107 - a comprehensive tax package passed in August 2020 (FY 2021).</p>
Nevada	<p>Revenue adjustments are restricted revenue, reversions, Rainy Day Fund transfers and reserve transfers. Expenditure adjustments are restricted transfers.</p>
New Hampshire	<p>Expenditure Adjustments: The makeup of this adjustment total for FY2021 includes: a negative \$8.8 million standard GAAP adjustment; a negative \$28.9 million FEMA future recoveries GAAP adjustment; a \$142.3 million transfer to the Rainy Day Fund; a \$8.1 million transfer to the Highway Fund; and a \$1.2 million transfer from the Education Trust Fund.</p>
New Jersey	<p>Revenue adjustments include lapses; transfers to other funds; transfer from Surplus Revenue Fund from General fund</p>

New Mexico	Adjustments are net of reversions and transfers from other funds. Revenue adjustments include reversions. Expenditure adjustments include appropriations, expenditures and transfers out. The State of New Mexico treats certain federal funds as “general funds” throughout the legislative appropriating process, and total revenues for FY 2021 include NM’s coronavirus relief fund allocation to the general fund.
New York	<p>General Fund revenues and expenditures include operating transfers to/from other funds which constitute legally authorized transfers from a fund receiving revenues, to a fund through which disbursements will ultimately be made.</p> <p>Revenue Transfer (transfers from) totaled in (in millions): \$26,122, 49,696, and 37,094 for 2021; 2022; and 2023, respectively.</p> <p>Expenditure transfers (transfers to) totaled (in millions): \$7,978, \$9,813, and \$8,140 for 2021; 2022; and 2023, respectively.</p>
North Carolina	Revenue adjustments include carryforward plus Savings Reserve funds. Expenditure adjustments reflect transfers out to various reserve funds.
North Dakota	Revenue adjustments are transfers of \$871.7 million from the legacy fund, \$382.2 million from the strategic investment and improvements fund and \$70.0 million from other special fund sources to the general fund.
Ohio	The negative revenue adjustment reflects the difference between federal revenues and federal expenditures in the general fund for the fiscal year. This change is needed to tie to the actual ending fund balance. Federal reimbursements for Medicaid expenditures funded from the General Revenue Fund (GRF) are deposited into the GRF. Federal reimbursements for Medicaid expenditures from non-GRF sources are deposited into the appropriate federal fund. Expenditures of federal funds are not included in the General Fund number to be consistent with new NASBO survey guidelines.
Oklahoma	The revenue adjustment is \$133.9 million of negative cash flow. The expenditure adjustment of \$282 million are the end-of-year surpluses deposited to the Constitutional Reserve Fund. No CSFRF funds are included in the calculations.
Oregon	<p>Revenue adjustments include: a revenue adjustment for a statutory transfer to local governments for local property tax relief.</p> <p>Expenditure adjustment includes: the required deposit into the Rainy Day Fund, as well as reversions to the General Fund for unexpended General Fund appropriations to state agencies.</p>
Pennsylvania	Revenue adjustments include lapses (\$220 million), refunds (-\$1,262 million), adjustments to beginning balances (\$18.8 million) and federal COVID funds (\$1,651 million Enhanced FMAP and \$1,553 million CRF Public Health and Safety Staff). Expenditure adjustments include federal spending (\$3,204 million) and a transfer to the Rainy Day Fund (\$2,621.5 million). There is a lag between the ending balance and when funds are transferred to the rainy day fund (completed in September of the next fiscal year).
Rhode Island	Adjustments to revenues reflect a transfer of \$137.2 million to the State Budget Reserve and Cash Stabilization Account (“Rainy Day Fund”) offset by a FEMA receivable of \$92.6 million for reimbursement of FY 2020 expenditures along with a reappropriation total of \$5.3 million from FY 2020. Adjustments to expenditures reflect a transfer of \$67.0 million to the Information Technology Investment Restricted Account, a transfer of \$20.0 million to the Historic Tax Credit Special Revenue Fund and a reappropriation of \$8.4 million from FY 2021.
South Carolina	Revenue Adjustments: (\$629.4) transfer to Tax Relief Trust Fund. Expenditure Adjustments: \$251.2 transfer to agencies for COVID response and other purposes. Ending Balance: Rainy Day Funds: \$440.2 General Reserve, \$176.1 Capital Reserve, and \$1090.8 Contingency Reserve. Reserved/Designated: \$679.4 appropriations carryforward to FY22, and \$1,228.6 designated for FY22 nonrecurring appropriations.
South Dakota	The adjustment to expenditures of \$41.6 million reflects the prior year’s ending balance of \$19.1 million along with an additional \$22.5 million that was transferred to the rainy day funds. Adjustments to revenue of \$46.8 million is from one-time receipts. The ending balance of \$85.9 million is cash that is obligated to reserves the following fiscal year. This \$85.9 million is not included in the total rainy day funds balance of \$215.9 million.
Tennessee	Adjustments (Revenues): \$54M transfer from debt service fund unexpended appropriations, -\$250M transfer to Rainy Day Fund, -\$6.3M transfer to Highway Fund, -\$229.8 transfer to dedicated revenue reserves, \$13.2M balancing estimate.



Adjustments (Expenditures): \$72.8M transfer to Capital Outlay Projects Fund, \$13.1M transfer to State Office Buildings and Support Facilities Fund, \$3.7M transfer to Debt Service Fund, \$1.0M transfer to reserves for dedicated revenue appropriations, \$896.9M transfer to reserves for unexpended appropriations, \$4.5M transfer to systems development fund.

Texas Revenue adjustment of -319.0 from GR dedicated account balances. Expenditure adjustment of \$2,910 is reserved for transfer (50/50) to the Rainy Day Fund and State Highway Fund. Data as of Comptroller's Revised Certification Revenue Estimate (CRF) from July 14, 2022: Tables A-1, A-2, A-8.

Utah FY 2021 revenue adjustments include transfers to the General Fund and Income Tax Fund and the amount set aside for economic development cash incentives. FY 2021 revenue includes an estimated \$795 million of collections that were shifted from FY 2020 to FY 2021 due to the income tax filing extension. Expenditure adjustments include \$247 million of surplus revenue collections that were automatically transferred to rainy day funds and other funds at the end of FY 2021 based on statutory formulas.

Virginia Total revenues include transfers.

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

West Virginia Fiscal Year 2021 Beginning balance includes \$361.1 million of Reappropriations, Unappropriated Surplus Balance of \$84.052 million, \$260,245 of cash balance adjustments, and FY 2020 13th month expenditures of \$55.9 million. Total Revenues show the FY 2021 actual general revenue collections of \$4,987.5 billion. Adjustments (Revenue) are prior year redeposits of \$0.017 million and special revenue expirations of \$25.79 million. Total Expenditures include general revenue appropriated expenditures of \$4,581.5 million, surplus appropriation expenditures of \$22.02 million, reappropriation expenditures of \$115.2 million, \$41,160 of cash adjustments, \$55.9 million of reappropriations transferred to FY 2021 collections, and \$14.3 million of 31 day prior year expenditures. Adjustment (Expenditures) represent \$14.0 million which was the amount transferred to the Rainy Day Fund from 1/2 of the FY 2020 surplus. The Ending Balance is mostly the historically carried forward reappropriation from previous fiscal years (estimated amounts that will remain and be reappropriated to the next fiscal year.

Wisconsin Revenue adjustments include Tribal Gaming, \$0.1; Prior Year Designated Balance, \$600.9; and Other Revenue, \$585.41. Expenditure adjustments include Transfers, \$1,011.5; Lapses, -\$1,264.7; and Compensation Reserves, \$87.7.

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

Notes to Table 4: Fiscal 2022 State General Fund, Preliminary Actual

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

Alabama Expenditure adjustments include transferring \$117.7 million from the ETF to the ETF Budget Stabilization Fund, transferring \$750.4 million from the ETF to the ETF Advancement and Technology Fund, and transferring \$72.7 million from the GF to the GF Budget Reserve Fund.

Alaska Revenue adjustment includes statutory draw from the Alaska Permanent Fund Earnings Reserve Account (\$3,069m) and carryforward and other adjustments (\$938m). Expenditure adjustment represents Permanent Fund dividend payments. Revenue forecast as of Spring 2022. Expenditure amount and rainy day fund balance based on February 2022 Amended Budget.

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

Per statute amended in 2021 Regular Session, 25% of the first \$200M (\$50M) of the ending balance will be transferred to the State Highway and Transportation Department Fund, and 75% of the first \$200M (\$150M) will be transferred to the General Revenue Allotment Reserve Fund. The remaining balance will be transferred to the Catastrophic Reserve Fund if the Catastrophic Reserve Fund balance does not equal or exceed 20% of the total amount of general revenue last distributed. If there is a balance after determining the Catastrophic Reserve Fund equals or exceeds 20% of the total amount of general revenue last distributed or transferring a portion of the remaining balance to ensure the Catastrophic Reserve Fund equals 20% of the total amount of general revenue last distributed, the remaining balance will be transferred to the General Revenue Allotment Reserve Fund.

California

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

Revenue adjustments include \$4,179 million in transfers and loans to/from the General Fund as well as \$1,107.1 million in estimated cost recoveries for COVID-19 and wildfires.

The ending balance includes the SFEU and reserve for encumbrances, but excludes the BSA, the Safety Net Reserve Fund, and the Public School System Stabilization Account (PSSSA). The excluded amounts are \$20,320.4 million for the BSA, \$900 million for the Safety Net Reserve Fund, and \$7,290.3 million for the PSSSA at the end of FY 2022. Adding these amounts to the FY 2022 ending balance, the projected total balance is \$50,961.1 million in FY 2022.

The rainy day balance is made up of the SFEU, BSA, the Safety Net Reserve Fund, and the PSSSA however, withdrawals of mandatory deposits from the BSA are subject to provisions of Proposition 2, 2014. Safety Net Reserve Fund created in the 2018 Budget Act to maintain existing benefits and services for Medi-Cal and CalWORKs during economic downturns.

Public School System Stabilization Account enacted in 2014 as part of Proposition 2 to serve as a Proposition 98 Rainy Day Fund to lessen the impact of volatile state revenues on K–14 schools.

A reserve for encumbrances of \$4,276.4 million, included in the ending balance, represents amounts which will be expended in the future for state obligations for which goods and services have been ordered/contracted, but have not been received by the end of the fiscal year. These amounts are shown as a reserve to the fund balance instead of a hit to the fund balance.

Colorado

Revenue adjustments include transfers to the general fund. Figures as of June 21, 2022 forecast. Total expenditures include \$3,353.4 million for TABOR refunds. Source: OSPB June 2022 Forecast.

Connecticut

FY 2022: FY 2022 is estimated to deposit \$4,368.2 million into the Rainy Day Fund of which \$1,324.1 is due to the surplus and \$3,044.1 is due to the volatility cap transfer. This would bring the Rainy Day Fund balance to 33.9% of net General Fund appropriations. Once the Rainy Day Fund reaches 15% of the following fiscal year’s projected expenditures, Connecticut statute requires funds in excess of the 15% to be transferred from the Rainy Day Fund to reduce the unfunded liability of the State Employees Retirement (SERS) Pension Fund or Teachers Retirement (TRS) Pension Fund, and to reduce bonded indebtedness. Due to the fund being above the 15% cap, \$903.6 million is expected to be transferred from the Rainy Day Fund to reduce the liabilities of the TRS Pension Funds and \$3,263.3 million is expected to be deposited to reduce the SERS liabilities. \$201.3 million is expected to remain in the Rainy Day Fund to keep the balance at the 15% threshold. Net of all transfers, it is estimated that the Rainy Day Fund Balance at the end of FY 2022 will be about \$3,313.4 million.

FY 2022 Preliminary Actual: Included in the total revenue figure of \$21,995.8 million, \$1,936.0 million is included as Federal Grant Revenue. Without the Federal Grant, the total revenue collected would be \$20,059.8 million. Federal Grants figures do not include any Coronavirus Relief Fund dollars or Coronavirus State and Local Fiscal Recovery Fund dollars.

Delaware

FY 2022 General Fund balance also includes \$287.3 million in the Budget Stabilization Fund

Florida

Revenue adjustments include federal COVID-19 (American Rescue Plan Act) funds. Revenues include FEMA Reimbursements in addition to “traditional” adjustments associated with trust fund transfers, reversions, and various other actions. Expenditure adjustments include federal COVID-19 funds (ARP State Fiscal Recovery Fund appropriations, ARP 2021 Homeowner Assistance Fund, ARP Local Fiscal Recovery Fund passthrough to eligible local NEUs, and ARP Emergency Rental Assistance).

Georgia

Adjustments to revenue includes FY 21 agency surplus returned as reported in the Georgia Revenues and Reserves Report. Georgia’s Rainy Day Fund has a limit of 15% of prior year state revenues and is fully filled for FY 2022. Fund balance in excess of Rainy Day Fund includes the unreserved undesignated regular surplus.

Hawaii

Adjustment in FY 2022 includes a \$89 thousand transfer from non-general funds pursuant to Act 87, SLH 2021.

Idaho

Figures are after legislative action during 2022 legislative session, as prepared by Legislative Services Offices as of sine die. Revenue adjustments include: \$1,065.9M for transfers out, \$69.2M for prior year reversion, \$1.6M for reappropriation. Total expenditures include supplementals/rescissions. Expenditure adjustments include \$1.6M reappropriations.

Illinois	Total revenues include \$43,658M in state sources, \$4,583M in federal, \$2,092M in transfers in. Total expenditures include \$34,086M in appropriations, \$9,363M in pension contributions, \$1,952M in transfers out. Expenditure adjustments include -\$870 in unspent appropriations \$300M pension stabilization fund contribution, \$470M for property tax rebates, \$325M for grocery tax replacement to local units of government, \$685M income tax rebates to individuals, \$1,213M in accounts payable, \$1,052M in MLF repayment, \$933M in interfund borrowing repayment.
Indiana	Expenditure adjustments include \$42.8 million in unspent prior year reversions, a \$1,090.8 million excess reserves transfer that is split evenly between Teachers Retirement Fund pensions and an Automatic Taxpayer Refund, and a transfer of surplus K-12 funding to the Tuition Support Reserve Account (this account is included in the Rainy Day Fund balances).
Iowa	Total Revenues are as actual, also included in revenue adjustments is \$233.6 million of residual funds transferred to the General Fund after the Reserve Funds are filled to their statutory maximum amounts. Total Expenditures include \$0.1 million of supplemental appropriations and an adjustment of \$18.0 million to standing appropriations. At the end of the fiscal year, any ending balance is transferred in the subsequent fiscal year to the Reserve Funds. After the Reserve Funds are filled to their statutory limit and other transfers are completed as required by statute, the remaining balance is transferred back to the General Fund. There are no federal funds included in these amounts.
Kansas	\$20.0 million in prior year released encumbrances shows as revenue.
Kentucky	Revenue includes \$129.6 million in Tobacco Settlement Funds. Revenue adjustments include \$715.7 million that represents appropriation balances carried forward from the prior fiscal year, and \$87.8 million from fund transfers into the General Fund. Expenditure adjustments include \$2,116.9 million in appropriation balances forwarded into the next fiscal year and budgeted balances to be expended in the next fiscal year.
Louisiana	Revenue adjustments — Includes \$183.6m of carryforwards Expenditure adjustments — Of the \$699.2M Surplus — 25% (\$174.8M) would transfer to Budget Stabilization Fund and 10% (\$69.9M) to the Retirement System Unfunded Accrued Liability (UAL). The remaining amount is appropriated to: Capital Outlay, Coastal Protection and Restoration, and new highway construction projects.
Maine	Totals here reflect all enacted appropriations and projected revenue associated with legislative actions taken through the end of the Second Regular Session of the 130th Legislature. Revenue and Expenditure adjustments reflect legislatively authorized transfers, lapses of unspent balances from prior years and year-end closing adjustments. Transfers In included \$20 million in available balances in the liquor sales account and there was \$116 million in lapsed balances from several Health and Human Services accounts. Transfers Out included \$10 million to support student aid, about \$9 million to support indigent legal services and about \$97 million for a property tax relief program that historically had been a budgeted GF expense. Additionally, there was approximately \$892 million in transfers of FY22 unappropriated revenue to Other Special Revenue accounts in agencies for a variety of one-time purposes. FY22 actual revenues exceeded budget as well so year-end statutorily required transfers included about \$135 million to Highway and Bridge Capital and Reserve accounts, \$2.5 million to the Reserve for Operating Capital, \$15 million to a newly created Education Stabilization Fund and nearly \$402 million to the Budget Stabilization Fund.
Maryland	Revenue adjustments include a \$500.2 million transfer to the Rainy Day Fund and \$370.0 million transfer to the Fiscal Responsibility Fund (triggered by revenue overattainment), and \$20.4 million in transfers from tax credit reserves. Expenditure adjustments include \$268.2 million in agency reversions.
Massachusetts	Data as of 9/13/22. General Fund is defined as all budgeted operating funds, adjusted for expenditures funded by federal reimbursements. This is to better align with spending reported in the State Expenditure Report and be more comparable to most other states, which book federally reimbursed expenditures in a separate federal fund; adjustments also account for certain transfers between budgeted funds. Large increase in fiscal 2022 expenditures reflect the carryforward from fiscal 2021 of \$4.9 billion from the CSFRF and \$1.5 billion in the Transitional Escrow Fund from a fiscal 2021 tax surplus, which were credited as operating revenue in fiscal 2021 and 2022. FY22 expenditures specifically include \$1.279 billion funded by CSLFRF and \$418 million in transitional escrow fund expenditures funded by FY21 revenues. Expenditures of these funds are affordable from these sources, but they are not matched with operating revenue in each year.

Michigan	<p>Revenue totals are net of payments to local government and balance sheet adjustments.</p> <p>Adjustment (Expenditures): Total deposit of \$180 to the Budget Stabilization/Rainy Day Fund.</p>
Minnesota	<p>Rainy Day Fund balance includes cash flow account of \$350 million; a budget reserve of \$2,656 billion; and stadium reserve of \$212.6 million. Revenue Adjustments include Dedicated Revenue, Transfers-In and Prior Year Adjustments.</p>
Mississippi	<p>Adjustments to expenditures reflect statutory transfers and Reappropriations. Fiscal 2022 total revenues represent preliminary revenue data at period beginning 4/31/22.</p>
Missouri	<p>Revenue adjustments include transfers from other funds into the General Revenue Fund.</p>
Montana	<p>Revenue adjustments reflect prior year revenue activity and expenditure adjustments reflect prior year expenditure activity and adjustments to fund balance as a result of the annual CAFR reconciliation. Additionally, general fund transfer to reserves (budget stabilization, capital development, and fire suppression fund) are included in the total expenditures.</p>
Nebraska	<p>Revenue Adjustments include \$339.6 million in re-appropriations, a transfer of \$535.3 million to the Cash Reserve Fund from FY 2020–21 General Fund tax receipts exceeding the certified forecast, an additional \$50 million transfer to the Cash Reserve Fund, and \$660,000 related to legislative bills. The following General Fund transfers are also included: \$297 million to the Property Tax Credit Fund, \$100 million to the Nebraska Capital Construction Fund, \$11 million to the Water Sustainability Fund, \$15 million to the Shovel-Ready Capital Projects Fund, \$15 million to the Prison Overcrowding Contingency Fund, \$5 million to the ImagineNE Revolving Loan Fund, and \$12.8 million in transfers to other cash funds. Expenditure Adjustments reflect the net mid-biennium budget recommendations of \$8.1 million.</p>
Nevada	<p>Revenue adjustments are restricted revenue, reversions, Rainy Day Fund transfers in and reserve transfers in. Expenditure adjustments are restricted transfers out. FY22 is preliminary as Nevada is in the processing of closing out and reconciling the general fund.</p>
New Hampshire	<p>Expenditure Adjustments: The makeup of this adjustment total for FY2022 includes: a negative \$15.4 million standard GAAP adjustment; a negative \$62.9 million FEMA future recoveries GAAP adjustment; a \$2.1 million transfer to the Rainy Day Fund; a \$50 million transfer to the Highway Fund; and a \$0.1 million transfer to the Fish & Game Fund.</p>
New Jersey	<p>Revenue adjustments include transfers to other funds and estimated funds and other lapses, and transfer from Surplus Revenue Fund to General Fund. Total expenditures in FY 2022 include a \$5.15b general fund transfer made to the State's Debt Defeasance and Prevention Fund.</p>
New Mexico	<p>Adjustments are net of reversions and transfers from other funds. Revenue adjustments include reversions. Expenditure adjustments include appropriations, expenditures and The State of New Mexico treats certain federal funds as "general funds" throughout the legislative appropriating process, and total revenues for FY 2022 include American Rescue Plan Act funds to replace lost public sector revenue. There is a discrepancy in the survey's calculation of ending balances versus the entered Rainy Day Fund balance. This is due to ARPA funds not all being spent in FY22. Some ARPA funds are appropriated in FY23.</p>
New York	<p>General Fund revenues and expenditures include operating transfers to/from other funds which constitute legally authorized transfers from a fund receiving revenues, to a fund through which disbursements will ultimately be made.</p> <p>Revenue Transfer (transfers from) totaled in (in millions): \$26,122, 49,696, and 37,094 for 2021; 2022; and 2023, respectively.</p> <p>Expenditure transfers (transfers to) totaled (in millions): \$7,978, \$9,813, and \$8,140 for 2021; 2022; and 2023, respectively.</p> <p>The Rainy Day Reserve increased by \$843 million after a deposit from the General Fund State Purposes Account to the Rainy Day Reserve Fund. Both the State Purposes Account and Rainy Day Reserve Fund are components of New York State's General Fund.</p> <p>Revenue and Expenditures adjustments reflect the receipt & disbursement of \$4.5 billion in unrestricted Federal aid in FY 2022. While this funding is treated in the state budget as a general fund resource, it is displayed as an adjustment to be consistent with survey guidelines requesting federal funds be excluded from revenue and expenditure figures where possible.</p> <p>Explanation of large increase in fund balance: As part of the State's continuing response to Federal tax law changes, legislation was enacted in FY 2022 to allow an optional Pass-Through Entity Tax (PTET) on the New York-sourced income of partnerships and S corporations. Qualifying entities that elect to pay PTET will pay a tax of up to 10.9 percent on their taxable income at the partnership</p>

or corporation level, and their individual partners, members and shareholders will receive a refundable Personal Income Tax (PIT) credit equal to the proportionate or pro rata share of taxes paid by the electing entity. In December 2021, entities began making PTET payments that were recorded as business taxes which totaled \$16.4 billion in FY 2022. DOB expects the accompanying tax credits will impact PIT receipts beginning in April 2022, which would decrease PIT collections. DOB expects that the PTET will be revenue neutral for the State. However, because PTET payments will generally be received in the fiscal year prior to credit claiming, the PTET will not be revenue-neutral within each fiscal year. Therefore, a reserve has been established for PTET collected in FY 2022 for purposes of offsetting the decrease in PIT receipts expected in FY 2023, as such the \$16.4 billion of PTET receipts is treated as a revenue adjustment. The remaining increase mainly reflects \$5 billion in deposits to the State's principal reserves (Rainy Day Reserves and Reserve for Economic Uncertainties), \$2 billion to fund future pandemic relief initiatives, and \$275 million set aside for labor settlements and operational needs.

Explanation of Revenue Increase: General Fund receipts, as adjusted, are estimated to total \$91.9 billion in FY 2022, an increase of \$17.6 billion (23.6 percent) from FY 2021. The increase reflects an improved revenue outlook and new revenue from the high-income PIT surcharge and business tax increases enacted in FY 2022.

Explanation of Expenditure Increase: General Fund disbursements, as adjusted, are expected to total \$84.4 billion in FY 2022, an increase of \$10.3 billion (13.9 percent) from FY 2021 spending. FY 2022 spending includes nearly \$3 billion for time limited recovery initiatives, a substantial School Aid increase, Medicaid growth of roughly 35 percent, and the purchase of COVID test kits (\$900 million). In addition, several transactions that were executed in FY 2021 lowered reported spending in that year. These included funding \$2.7 billion of certain eligible health and public safety payroll costs from the CRF; temporary payment withholdings that were authorized for release in FY 2021 but not paid until FY 2022; higher State share Medicaid savings from retroactive eFMAP processing; and the deferral of social security taxes from FY 2021 to FY 2022, as provided in the CARES Act.

North Carolina	Revenue adjustments include carryforward plus Public School contingency reserve funds plus Opioid settlement funds. Expenditure adjustments include transfers to various reserve funds.
North Dakota	Revenue adjustments are transfers of \$205.0 million from the strategic investment and improvements fund. Expenditure adjustment is for a contingent appropriation that was met for a loan repayment.
Ohio	The revenue adjustment reflects the difference between federal revenues and federal expenditures in the general fund for the fiscal year. This change is needed to tie to the actual ending fund balance. Federal reimbursements for Medicaid expenditures funded from the General Revenue Fund (GRF) are deposited into the GRF. Federal reimbursements for Medicaid expenditures from non-GRF sources are deposited into the appropriate federal fund. Expenditures of federal funds are not included in the General Fund number to be consistent with new NASBO survey guidelines.
Oklahoma	The revenue adjustment is \$217.2 million of negative cash flow. The expenditure adjustment of \$575.7 million is the end-of-year surplus deposited to the Constitutional Reserve Fund, which met the fund's Constitutional balance maximum. No CSFRF funds are included in the calculations.
Oregon	Revenue adjustments include: a revenue adjustment for a statutory transfer to local governments for local property tax relief.
Pennsylvania	Revenue adjustments include lapses (\$270 million), refunds (-\$1,420 million), adjustments to beginning balances (\$4.5 million) and federal COVID funds (\$2,464 million Enhanced FMAP and \$3,841 million COVID SLFRF deposited in general fund as revenue replacement). Expenditure adjustments include federal COVID funds (\$2,464 million enhanced FMAP), supplemental appropriations enacted with the 2022-23 budget (\$758.2 million) and a transfer to the Rainy Day Fund (\$2,100 million). There is a lag between the ending balance and when funds are transferred to the rainy day fund (completed in September of the next fiscal year).
Rhode Island	Adjustments to revenues reflect \$155.3 million for a FEMA receivable that was disallowed in FY 2021 and instead recognized as a general revenue expenditure. Rhode Island recognizes corresponding FEMA revenue in FY 2022 to offset the general revenue expense along with a reappropriation total of \$8.5 million from FY 2021. There was also a transfer of \$167.5 million to the Budget Reserve Fund ("Rainy Day Fund"), a transfer of \$75.0 million to the Information Technology Investment Restricted Account, a transfer of \$6.0 million to the Pay for Success Restricted Account, and a transfer of \$25.0 million to the Housing Production Restricted Account in FY 2022.

South Carolina	Revenue Adjustments: (\$650.0) transfer to Tax Relief Trust Fund, \$20.5 transfer from Litigation Recovery, and \$65.0 CARES Act reimbursements. Expenditure Adjustments: \$176.1 FY21 Capital Reserve transfer to agencies, \$67.1 transfer to local tax relief trust fund. Ending Balance: Rainy Day Funds: \$458.9 General Reserve, \$183.6 Capital Reserve, and \$1,204.8 Contingency Reserve. Reserved/ Designated: \$1,434.4 appropriations carryforward to FY23, and \$3,584.2 designated for FY23 nonrecurring appropriations.
South Dakota	The adjustment to expenditures of \$91.2 million reflects the prior year's ending balance of \$85.9 million along with an additional \$5.3 million that was transferred to the rainy day funds. Adjustments to revenue of \$12.9 million is from one-time receipts. The ending balance of \$115.5 million is cash that is obligated to reserves the following fiscal year. This \$115.5 million is not included in the total rainy day funds balance of \$307.1 million.
Tennessee	Adjustments (Revenues): -\$100M transfer to Rainy Day Fund, -\$250M transfer to K-12 Mental Health Trust Fund, -\$250M to Retirement System Trust Fund, -\$0.3M rounding adjustment. Adjustments (Expenditures): \$1,578.5M transfer to Capital Outlay Projects Fund, \$12.3M transfer to State Office Buildings and Support Facilities Fund, \$3.7M transfer to Debt Service Fund, \$1.0M transfer to reserves for dedicated revenue appropriations. Revenue figures as of February 2022 Budget Document.
Texas	Revenue adjustment of -137.8 from GR dedicated account balances. Expenditure adjustment of \$7,167.8 is reserved for transfer (50/50) to the Rainy Day Fund and State Highway Fund. Data as of Comptroller's Revised Certification Revenue Estimate (CRF) from July 14, 2022: Tables A-1, A-2, A-8.
Utah	FY 2022 revenue adjustments include transfers to the General Fund and Income Tax Fund, including \$333 million of ARPA revenue replacement funds, and the amount set aside for economic development cash incentives. At the end of the 2022 General Session, FY 2022 revenue estimates were revised to \$10.1 billion. The \$11.5 billion FY 2022 preliminary actual revenue represent pre-closeout revenue when this survey was prepared.
Vermont	\$103.6 million GF carried forward from FY21.
Virginia	Total revenues include transfers.
Washington	Revenue adjustments reflect the net of transfers in and out of the General Fund, as well as prior biennium recoveries and similar resource adjustments
West Virginia	Fiscal Year 2022 Beginning balance includes \$604.0 million of Reappropriations, Unappropriated Surplus Balance of \$74.849 million, \$260,245 of cash balance adjustments, and FY 2021 13th month expenditures of \$44.1 million. Total Revenues show the FY 2022 actual general revenue collections of \$5,887.9 billion. Adjustments (Revenue) are prior year redeposits of \$0.072 million and special revenue expirations of \$182.1 million. Total Expenditures include general revenue appropriated expenditures of \$4,298.6 billion, surplus appropriation expenditures of \$11.2 million, reappropriation expenditures of \$392.5 million, \$-239,562 of cash adjustments, \$44.1 million of reappropriations transferred to FY 2022 collections, and \$28.5 million of 31 day prior year expenditures. Adjustment (Expenditures) represent \$15.4 million which was the amount transferred to the Rainy Day Fund from 1/2 of the FY 2021 surplus. The Ending Balance is mostly the historically carried forward reappropriation from previous fiscal years (estimated amounts that will remain and be reappropriated to the next fiscal year), the estimated 13th month expenditures applicable to the current fiscal year & the any unappropriated surplus balance (estimated) from the current fiscal year.
Wisconsin	Revenue adjustments include Tribal Gaming, \$0; Prior Year Designated Balance, \$62.8; and Other Revenue, \$569.7. Expenditure adjustments include Transfers, \$428.5; Lapses, -\$360.4; and Compensation Reserves, \$18.2.
Wyoming	The State of Wyoming budgets on a biennial basis, to arrive at annual figures certain assumptions and estimates are required.

Notes to Table 5: Fiscal 2023 State General Fund, Enacted

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

Alaska	Revenue adjustment includes statutory draw from the Alaska Permanent Fund Earnings Reserve Account (\$3,361m) and carry-forward and other adjustments (\$1,680.3m). Expenditure adjustment represents Permanent Fund dividend payments. Revenue forecast as of Spring 2022. Expenditure amount and rainy day fund balance based on February 2022 Amended Budget.
Arizona	Total revenue figure is net of several one-time revenue changes, including a \$2,287 million diversion of Transaction Privilege Tax (TPT) revenues to various non-General Fund agency funds.
Arkansas	<p>Total available revenue amounts are reported as net of refunds and special dedications/payments.</p> <p>Per statute amended in 2021 Regular Session, 25% of the first \$200M (\$50M) of the ending balance will be transferred to the State Highway and Transportation Department Fund, and 75% of the first \$200M (\$150M) will be transferred to the General Revenue Allotment Reserve Fund. The remaining balance will be transferred to the Catastrophic Reserve Fund if the Catastrophic Reserve Fund balance does not equal or exceed 20% of the total amount of general revenue last distributed. If there is a balance after determining the Catastrophic Reserve Fund equals or exceeds 20% of the total amount of general revenue last distributed or transferring a portion of the remaining balance to ensure the Catastrophic Reserve Fund equals 20% of the total amount of general revenue last distributed, the remaining balance will be transferred to the General Revenue Allotment Reserve Fund.</p>
California	<p>Total Revenues: Reflect revenues before transfers and loans to/from the General Fund. Estimated cost recoveries for Fiscal 2023 for COVID-19 and wildfires are included as “revenue adjustments”.</p> <p>Revenue adjustments include \$3,343.3 million in transfers and loans to/from the General Fund as well as \$6,684.1 million in estimated cost recoveries for COVID-19 and wildfires.</p> <p>The ending balance includes the SFEU and reserve for encumbrances, but excludes the BSA, the Safety Net Reserve Fund, and the Public School System Stabilization Account (PSSSA). The excluded amounts are \$23,288.4 million for the BSA, \$900 million for the Safety Net Reserve Fund, and \$9,514.4 million for the PSSSA at the end of FY 2023. Adding these amounts to the FY 2023 ending balance, the projected total balance is \$41,493.5 million in FY 2023.</p> <p>The rainy day balance is made up of the SFEU, BSA, the Safety Net Reserve Fund, and the PSSSA however, withdrawals of mandatory deposits from the BSA are subject to provisions of Proposition 2, 2014. Safety Net Reserve Fund created in the 2018 Budget Act to maintain existing benefits and services for Medi-Cal and CalWORKs during economic downturns.</p> <p>Public School System Stabilization Account enacted in 2014 as part of Proposition 2 to serve as a Proposition 98 Rainy Day Fund to lessen the impact of volatile state revenues on K–14 schools.</p> <p>A reserve for encumbrances of \$4,276.4 million, included in the ending balance, represents amounts which will be expended in the future for state obligations for which goods and services have been ordered/contracted, but have not been received by the end of the fiscal year. These amounts are shown as a reserve to the fund balance instead of a hit to the fund balance.</p>
Colorado	Revenue adjustments include transfers to the general fund. Figures as of June 21, 2022 forecast. Total expenditures include \$2,202.8 million for TABOR refunds. Source: OSPB June 2022 Forecast.
Connecticut	FY 2023 enacted budget assumes a surplus of \$299.0 million at the end of the fiscal year of which \$279.9 million is due to the revenue cap and \$19.1 million is due to balance. The revenue cap limits the amount of appropriations that can be made based on a certain percentage of revenue: 99.5% in FY 2020, 99.25% in FY 2021, 99.0% in FY 2022, 98.75% in FY 2023 phasing down to 98.0% by FY 2026. The FY 2023 enacted budget also assumes a \$1,847.5 million volatility cap transfer to the Rainy Day Fund at the end of the fiscal year. This would equate to a total deposit to the Rainy Day Fund of \$2,146.5 million. Because the Rainy Day Fund is already at its 15% threshold, it is expected that a significant amount, if not all of the surplus and volatility cap transfer, will again be transferred out of the Rainy Day Fund to reduce the unfunded liabilities of SERS/TRS. The Rainy Day Fund balance at the end of FY 2023 is expected to be about \$3,313.4 million which equates to 15% of current year appropriations.

FY 2023 Enacted Revenue: Included in the total revenue figure of \$22,388.2 million, \$2,059.0 million is included as Federal Grant Revenue. Without the Federal Grant Revenue, the total revenue would be \$20,329.2 million. Federal Grants figures (\$2059.0 million) do not include any Coronavirus Relief Fund dollars or Coronavirus State and Local Fiscal Recovery Fund dollars.

Delaware	FY 2023 General Fund balance also includes \$402.6 million in the Budget Stabilization Fund
Florida	Revenues include FEMA Reimbursements in addition to “traditional” adjustments associated with trust fund transfers, reversions, and various other actions. Adjusted expenditures include federal COVID-19 (Coronavirus State Fiscal Recovery Fund) expenditures.
Georgia	Georgia is required by its constitution to maintain a balanced report. The fund balances for FY 23 reflects the enacted balanced budget and estimated revenues. Georgia does not project future Rainy Day fund balances; however, the current balance is the maximum legal limit and Georgia does not anticipate any utilization of the Rainy Day Fund beyond the statutorily mandated 1% mid-term adjustment for K–12 enrollment growth. Fund balance in excess of Rainy Day Fund includes the unreserved undesignated regular surplus.
Hawaii	Adjustment in FY 2023 includes less 338.4 million statutorily required tax refund to Hawai'i State taxpayers, and plus \$100 million FEMA reimbursement for health cost bridge loan
Idaho	Figures are after legislative action during 2022 legislative session, as prepared by Legislative Services Offices as of sine die. Revenue adjustments include: \$627.9M for transfers out.
Illinois	Total revenues include \$40,416M in state sources, \$4,000M in federal, \$2,013M in transfers in. Total expenditures include \$35,214M in appropriations, \$9,632M in pension contributions, \$1,967M in transfers out. Expenditure adjustments include -\$1,145M in unspent appropriations, \$1,034M in accounts payable, \$409M budget stabilization fund contribution, \$200M pension stabilization fund contribution, \$50M for property tax rebates, and \$75M for grocery tax replacement to local units of government.
Indiana	Revenue: Revenue estimates are based on April 15, 2021 Revenue Forecast (forecast used to finalize FY22/23 biennial budget) and do not take into consideration changes during the 2022 legislative session. An updated forecast was presented in December 2021 and a new forecast will be published in December 2022. Expenditure adjustments include an estimated \$22.0 million in unspent prior year reversions and a statutorily directed excess reserves transfer estimated at enactment at \$309.6 million to Teachers Retirement Fund pensions.
Iowa	Total Revenues are as estimated at the March 2022 REC, also included in revenue adjustments is -\$258.0 million in tax law changes and \$191.8 million of residual funds transferred to the General Fund after the Reserve Funds are filled to their statutory maximum amounts. At the end of the fiscal year, any ending balance is transferred in the subsequent fiscal year to the Reserve Funds. After the Reserve Funds are filled to their statutory limit and other transfers are completed as required by statute, the remaining balance is transferred back to the General Fund. There are no federal funds included in these amounts.
Kentucky	Revenue includes \$108.4 million in Tobacco Settlement Funds. Revenue adjustments include \$1,622.6 million that represents appropriation balances carried forward from the prior fiscal year, and \$3.5 million from fund transfers into the General Fund. Expenditure adjustments include \$1,870.6 million in appropriation balances forwarded into the next fiscal year and budgeted balances to be expended in the next fiscal year.
Louisiana	Expenditure Adjustments — include deposits into various Funds: Jean Boudreaux Settlement Compromise Fund (\$40M); Hurricane Ida Recovery Fund (\$33M); Construction Subfund of the Transportation Trust Fund (\$42.5M); LA Tourism Revival Fund (\$15M); Megaprojects Leverage Fund (\$50M)
Maine	Totals here reflect all enacted appropriations and projected revenue associated with legislative actions taken through the end of the Second Regular Session of the 130th Legislature. Revenue and Expenditure adjustments reflect legislatively authorized transfers and lapses of unspent balances from prior years. Transfers In included \$56 million in available balances in the liquor sales account and \$1 million in available balances from the medical marijuana account. Transfers Out included \$9.3 million to support indigent legal services, about \$97.6 million for a property tax relief program that historically had been a budgeted GF expense, about \$3 million to fund changes to the property tax exemption program and \$15 million to support payments to medical providers. Additionally, there was approximately \$40.8 million in transfers of FY23 GF unappropriated revenue to Other Special Revenue accounts in agencies for a variety of one-time purposes.

Maryland	<p>Revenue adjustments include a total of \$1.1 billion in reduced revenue resulting from legislation (including an \$800 million transfer to the Blueprint for Maryland's Future (K–12 education) special fund and \$291.2 million to reduce income tax for retirees); a \$1.2 billion transfer from the Rainy Day Fund; and \$41.6 million in transfers from tax credit reserves. The expenditure adjustment includes \$45 million in estimated agency reversions.</p> <p>The FY 2023 Enacted starting balance does not match the FY 2022 Actual ending balance because the FY 2023 Enacted budget did not incorporate updated revenue and expenditure figures from FY 2022. The budget bill is enacted without the Governor's signature in accordance with Article III, Section 52(6) of the Maryland Constitution.</p>
Massachusetts	<p>General Fund is defined as all budgeted operating funds, adjusted for expenditures funded by federal reimbursements. This is to better align with spending reported in the State Expenditure Report and be more comparable to most other states, which book federally reimbursed expenditures in a separate federal fund; adjustments also account for certain transfers between budgeted funds. Fiscal 2023 expenditures reflect the carryforward from fiscal 2021 of \$4.9 billion from the CSFRF and \$1.5 billion in the Transitional Escrow Fund from a fiscal 2021 tax surplus, which were credited as operating revenue in fiscal 2021 and 2022, and excess state tax revenue of \$2.941 to be applied by the Department of Revenue in fiscal 2023 pursuant to Chapter 62F, which was credited as operating revenue in fiscal 2022. FY23 expenditures include \$731 million in projected CSLFRF-associated expenditures as well as \$1.042 billion in transitional escrow fund expenditures funded by FY22 revenues. FY23 expenditures also reflect the outflow of \$2.941 billion pursuant to Chapter 62F Taxpayer Refunds, which was credited as operating revenue in FY22. Expenditures of these funds are affordable from these sources, but they are not matched with operating revenue in each year.</p>
Michigan	<p>Revenue totals are net of payments to local governments and balance sheet adjustments.</p>
Minnesota	<p>Rainy Day Fund balance includes cash flow account of \$350 million; a budget reserve of \$2,656 billion; and stadium reserve of \$326.7 million. Revenue Adjustments include Dedicated Revenue, Transfers-In and Prior Year Adjustments.</p>
Mississippi	<p>Adjustments to expenditures reflect statutory transfers and Reappropriations.</p>
Missouri	<p>Revenue adjustments include transfers from other funds into the General Revenue Fund.</p>
Montana	<p>General fund transfer to reserves (budget stabilization, capital development, and fire suppression fund) are included in the total expenditures.</p>
Nebraska	<p>Revenue adjustments include transfers of \$310 million to the Property Tax Credit Fund, \$1 million to the Cultural Preservation Fund, \$3.3 million to Water Resources Fund, \$11 million to Water Sustainability Fund, \$5 million to the Site and Building Development Fund, \$5 million to the Imagine Revolving Loan Fund, \$1 million to the State Teammate Community College Fund, \$100 million to the Water Recreation Enhancement Fund, \$20 million to the Jobs and Economic Development Fund, \$5 million to the Governor's Emergency Fund, and \$40.7 million to the Capital Construction Fund. Expenditure adjustments include carryover obligations of \$557.1 million.</p>
Nevada	<p>Revenue adjustments are restricted revenue, reversions, Rainy Day Fund transfers and reserve transfers. Expenditure adjustments are restricted transfers.</p>
New Hampshire	<p>Expenditure Adjustments: The makeup of this adjustment total for FY2023 includes: 2022 Legislative Session bills with FY2022 appropriations moved to FY2023 of \$105.7 million; FY 2022 Legislative Session bills with FY2023 appropriations of \$132.2 million; and a \$39.1 million transfer to the Rainy Day Fund.</p>
New Jersey	<p>Revenue adjustments include transfer to other funds</p>
New Mexico	<p>Adjustments are net of reversions and transfers from other funds. Revenue adjustments include reversions. Expenditure adjustments include appropriations, expenditures and transfers out.</p>
New York	<p>General Fund revenues and expenditures include operating transfers to/from other funds which constitute legally authorized transfers from a fund receiving revenues, to a fund through which disbursements will ultimately be made.</p> <p>Revenue Transfer (transfers from) totaled in (in millions): \$26,122, 49,696, and 37,094 for 2021; 2022; and 2023, respectively.</p> <p>Expenditure transfers (transfers to) totaled (in millions): \$7,978, \$9,813, and \$8,140 for 2021; 2022; and 2023, respectively.</p>

The Rainy Day Reserve is projected to increase by \$3.1 billion after a deposit from the General Fund. Funds are expected to be transferred from the State Purposes Account to the Rainy Day Reserve Fund. Both the State Purposes Account and Rainy Day Reserve Fund are components of New York State's General Fund.

Revenue and Expenditures adjustments reflect the expected receipt & disbursement of \$2.35 billion in unrestricted Federal aid in FY 2023. While this funding is treated in the state budget as a general fund resource, it is displayed as an adjustment to be consistent with survey guidelines requesting federal funds be excluded from revenue and expenditure figures where possible.

Explanation of large decrease in fund balance: As described in the FY 2022 footnotes, beginning in FY 2022, the PTET program began affecting reported General Fund tax collections. In FY 2022, the State collected \$16.4 billion in PTET payments through business tax receipts. In FY 2023, it expects to collect another \$15 billion from PTET and pay \$25 billion in PIT refunds connected with the program. The General Fund reserved the entire amount of PTET collections received in FY 2022 and will use \$10 billion of that balance to cover the difference between PTET collections and related PIT refunds in FY 2023. The timing between the initial PTET collections and subsequent refunds will be managed in a similar manner in each year of the Financial Plan. The PTET program is expected to have no net impact on operations over its life but will distort the annual change for business and PIT receipts. The reserve established for PTET collected in FY 2022 offsets the decrease in PIT receipts expected in FY 2023, as such, the net \$10 billion tax receipts reduction is treated as a revenue adjustment. The remaining decrease mainly reflects the planned uses of the reserve for pandemic assistance (\$2 billion), amounts from FY 2022 related to consensus revenue forecast and the timing of payments/reimbursements (\$1.9 billion), and nearly \$300 million from the reserved Extraordinary Monetary Settlements to fund planned expenses. The use of these available funds is partly offset by planned deposits totaling \$5 billion to the State's principal reserves, \$855 million added to the debt management reserve, and \$600 million reserved for labor settlements and agency operations.

Explanation of Revenue Increase: General Fund receipts, as adjusted, are estimated to total \$96 billion in FY 2023, an increase of \$4.2 billion (4.5 percent) from FY 2022. The increase reflects projected growth in tax receipts and the actual and planned prepayments of debt service due in future years. These transactions reduce reported tax receipts in the fiscal year in which the payments are made and increase tax receipts in the fiscal years in which the debt service was originally scheduled to be paid.

Explanation of Expenditure Increase: General Fund disbursements, as adjusted, are expected to total \$93.8 billion in FY 2023, an increase of \$9.3 billion (11.1 percent) from FY 2022 spending. The growth in spending is attributable to initiatives and investments in nearly all major programs, including health care, School Aid, mental hygiene, social services, one-time bonus payments to health care/direct care workers, recovery assistance to individuals and small businesses, and the expected expiration of the eFMAP that temporarily lowers State spending and increases the Federal share of Medicaid costs and several transactions that were executed in FY 2022 that temporarily lower spending. These transactions include funding \$2.2 billion of certain eligible health and public safety payroll costs, including fringe benefits, from the CRF and the payment of prior year salary increases.

North Carolina Revenue adjustments include carryforward plus Opioid settlement funds plus unspent Public School Contingency funds. Expenditure adjustments include all transfers out to reserves plus expenditures out of general fund reserves.

Difference between ending FY2022 and enacted beginning FY2023 due to higher overcollections than anticipated in budget bill.

North Dakota Revenue adjustments are transfers of \$205.0 million from the strategic investment and improvements fund and \$140.0 million from other special fund sources to the general fund.

Ohio Revenue figure is as of 8/1/2022 projections. The negative revenue adjustment reflects the projected difference between federal revenues and federal expenditures in the general fund for the fiscal year. This change is needed to tie to the projected ending fund balance. The expenditure adjustment reflects the amount that is expected to be encumbered by the end of Fiscal Year 2023. Federal reimbursements for Medicaid expenditures funded from the General Revenue Fund (GRF) are deposited into the GRF. Federal reimbursements for Medicaid expenditures from non-GRF sources are deposited into the appropriate federal fund. Expenditures of federal funds are not included in the General Fund number to be consistent with new NASBO survey guidelines.

Oklahoma The expenditure adjustment was an appropriation of surplus funds that were in excess of the deposit allowed to the Constitutional Reserve Fund. No CSFRF funds are included in the calculations.

Oregon Revenue adjustments include: a revenue adjustment for a statutory transfer to local governments for local property tax relief.

Expenditure adjustment includes: the cost of Tax Anticipation Notes, as well as the required deposit into the Rainy Day Fund.

Pennsylvania	Revenue adjustments include lapses (\$140 million), refunds (-\$1,220 million), federal COVID funds (\$1,255 million enhanced FMAP) and certain tax code changes. Expenditure adjustments include federal COVID funds (\$1,255 million enhanced FMAP). There is a lag between the ending balance and when funds are transferred to the rainy day fund.
Rhode Island	Adjustments to revenues reflect \$278.9 in estimated FEMA receivables that was disallowed in FY 2022 and instead recognized as a general revenue expenditure. Rhode Island expects to recognize corresponding FEMA revenue in FY 2023 to offset the general revenue expense. There is also a transfer of \$147.4 million to the State Budget Reserve and Cash Stabilization Account (“Rainy Day Fund”).
South Carolina	Revenue Adjustments: (\$661.9) transfer to Tax Relief Trust Fund, \$53.8 transfer from Litigation Recovery, and \$525.0 transfer from Savannah River Site settlement. Expenditure Adjustments: \$183.6 FY22 Capital Reserve transfer to agencies, \$1,000.0 transfer to individual income tax rebate fund. Ending Balance: Rainy Day Funds: \$575.2 General Reserve, \$209.2 Capital Reserve, and \$1,365.5 Contingency Reserve. Reserved/Designated: \$1,434.4 projected carryforward appropriations to FY24.
South Dakota	The beginning balance of \$115.5 million and adjustment to expenditures reflects the prior year’s ending balance which is transferred to the rainy day fund.
Tennessee	Adjustments (Revenues): -\$250M transfer to Rainy Day Fund, -\$300M transfer to OPEB, -\$350M transfer to Retirement System Trust Fund, -\$0.03M rounding adjustment. Adjustments (Expenditures): \$3,125.9M transfer to Capital Outlay Projects Fund, \$12.3M transfer to State Office Buildings and Support Facilities Fund, \$3.4M to Debt Service Fund, \$1.0M transfer to reserves for dedicated revenue appropriations.
Texas	Revenue adjustment of -137.8 from GR dedicated account balances. Expenditure adjustment of \$7,604.6 is reserved for transfer (50/50) to the Rainy Day Fund and State Highway Fund. Data as of Comptroller’s Revised Certification Revenue Estimate (CRF) from July 14, 2022: Tables A-1, A-2, A-8.
Utah	FY 2023 revenue adjustments include transfers to the General Fund and Income Tax Fund and the amount set aside for economic development cash incentives. FY 2023 beginning balances were based on the FY 2022 revenue projections of \$10.1 billion at the time that the FY 2023 budget was enacted. Actual FY 2022 and anticipated FY 2023 balances are anticipated to increase due to higher than projected FY 2022 revenue.
Vermont	Data reflects GF operating statement following passage of FY23 budget—FY22—FY23 carryforward amounts not established.
Virginia	Total revenues include transfers.
Washington	Revenue adjustments reflect the net of transfers in and out of the General Fund, as well as prior biennium recoveries and similar resource adjustments
West Virginia	FY 2023 enacted budget has a remaining unappropriated balance of \$322,611 available for supplemental appropriation. Surplus items that were added are included for an addition of \$943.4m.
Wisconsin	Revenue adjustments include Tribal Gaming, \$21.7; Prior Year Designated Balance, \$0; and Other Revenue, \$486.2. Expenditure adjustments include Transfers, \$685.1; Lapses, -\$553.0; and Compensation Reserves, \$106.
Wyoming	The State of Wyoming budgets on a biennial basis, to arrive at annual figures certain assumptions and estimates are required.

Notes to Table 6: General Fund Nominal Percentage Expenditure Changes, Fiscal 2021 to Fiscal 2023

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

Notes to Table 8: Fiscal 2022 Mid-Year Program Area Budget Actions by Dollar Value

Alabama	<p>K–12 Education: State Department of Education Supplemental; Higher Education: Alabama Community College System Supplemental; Medicaid: State GF carryover; Corrections: Reversion Reappropriated; All Other: Supplemental Appropriations, Conditional Appropriations, Reversion Reappropriations for all other agencies other than those listed above.</p>
California	<p>K–12 Education: Estimated General Fund revenues led to an increase of \$14.4b for K–12 schools based on the updated Proposition 98 calculation (minimum funding guarantee for K–14 education).</p> <p>Higher Education: Primarily consists of the California Community College Proposition 98 (minimum funding guarantee for K–14 education) General Fund adjustment which includes \$0.7b for Flexible Block Grant and \$0.4b for deferred maintenance. The changes also reflect an additional \$0.2b for the Higher Education Student Housing Grant Program.</p> <p>Medicaid: Includes Medicaid funding only for the Department of Health Care Services. The Department of Social Services' IHSS Medicaid funding is included in the "Public Assistance" totals. Medicaid funding for all other departments is included in the "All Other" totals.</p> <p>Transportation: Includes additional funding for the Transportation Infrastructure package and \$0.5b for the Active Transportation Program."</p> <p>All Other: The net increase includes \$9.5b for the Better for Families Tax Refund, \$5.9b General Fund transfer to the California Emergency Relief Fund for various emergency response costs, \$1.9b for drought resilience and response, \$1.7b for the Department of Water Resources for energy grid reliability and temporary generators, \$1.1b for the Air Resources Board for zero-emission school bus investments, and \$0.8b for the Energy Resources Conservation and Development Commission for zero-emission vehicle and energy investments.</p>
Colorado	<p>Largest additions are \$14.5M for public health and environment and \$4.0M for Treasury</p>
Hawaii	<p>Some restrictions may have been released. Debt service, employee retirement and health benefits were exempt from cuts. K–12 Education includes public libraries and charter schools.</p>
Indiana	<p>Mid-year spending cuts represented management reserves of approximately \$18.2 million placed on various agency appropriations at the beginning of FY 2022. Generally, agencies were given a 1-2% target for appropriations to hold in reserve. These were dynamic and could have been released at any point in the fiscal year based on need.</p> <p>The legislature also passed additional appropriations totaling \$307.1 million in a non-budget year during the 2022 legislative session. \$7.1 million was for Geographic Information Services and \$300.0 million was for economic development initiatives. The 1-2% management reserves applied to certain appropriations were not intended to cover an anticipated budget gap. Instead, they represent a long-standing practice of maintaining good fiscal stewardship by leaving a reserve to cover unforeseen emergencies that an agency could experience. Programs exempt from cuts: K-12 education, universities, Medicaid, corrections, and child welfare are some examples of exemptions from management reserves.</p>
Iowa	<p>Miscellaneous supplemental appropriation made for specific purpose.</p>
Kansas	<p>All Other includes debt reduction of \$453.7 million.</p>
Kentucky	<p>Nearly all of the K–12 Education mid-year spending was a one-time deposit into the Kentucky Teachers' Retirement System for the unfunded liability. In the "Other" category, \$215 million was a one-time deposit into the Kentucky Employees' Retirement System for the unfunded liability, a reversal of a deferred payroll action during the Great Recession involved \$82 million, for recovery from the December, 2021 tornadoes, a \$200 million fund was established, \$50 million to support a site development project for business recruitment.</p>
Louisiana	<p>Net increase is due to carryforwards and supplemental appropriations.</p> <p>Additional revenue from the Lottery Proceeds Fund and the Support Education in Louisiana (SELF) Fund was used to partially offset \$34.5 million of the state general fund decrease.</p>



The state general fund decrease for Medicaid expenditures is partially offset by increased federal funds and additional revenue in the Louisiana Medical Assistance Trust Fund as a result of the eFMAP extension.

Maine This is a comparison of the FY22 original budget (appropriations enacted through the First Regular Session of the 130th Legislature) to the FY22 Revised Budget (appropriations enacted through the Second Regular Session of the 130th Legislature).

The decrease in GF Medicaid appropriations is primarily reflective of the continuing enhanced 6.2% in the FMAP rate associated with the pandemic. The increase in Corrections appropriations is primarily to support county jail operations and increased information technology costs. In addition to the budgeted GF appropriations, the Governor’s recommended supplemental budget for 2022-2023 included approximately \$892 million in transfers of year end FY22 GF unappropriated revenue to Other Special Revenue accounts in agencies for a variety of one-time purposes. Of the \$892 million, \$729 million was for Covid-relief payments direct to Maine Citizens. The remainder of that funding would effectively be one-time supplements to agency GF appropriations. As with all states, additional federal Covid-related funds have been available and are supplementing programs across State government.

Maryland The enhanced federal match for eligible Medicaid services and additional reinsurance funding are used to offset general fund spending for Medicaid.

“All Other” includes \$266.8 million in salary enhancement funding that is centrally budgeted for statewide distribution, \$100 million for cybersecurity efforts, and \$100 million to support a 30-day gas tax holiday.

Massachusetts On February 12, 2022, the Governor signed legislation appropriating \$101 million in supplemental spending, including spending to purchase coronavirus rapid antigen tests and personal protective masks, and to fund a public information campaign related to unemployment assistance. On April 1, 2022, the Governor signed legislation further supporting the Commonwealth’s on-going response to COVID-19 and funding investments in other areas with immediate need, such as human services, housing, and local infrastructure. In total, the legislation includes \$1.6 billion in supplemental appropriations, at a net state cost of \$859 million. The appropriations are supported through strong tax collections above what was originally projected for fiscal 2022.

Michigan Michigan’s FY22 initial enacted budget was based on significantly lower revenues than subsequently collected, and assumed only 1 quarter of enhanced FMAP. Mid-year adjustments were based on updated revenue forecast and 3 additional quarters of eFMAP savings.

\$1 billion deposit to economic development/strategic attraction fund

\$337 million for water infrastructure, including drinking water, dam, and septic projects

\$180 million deposit to Rainy Day Fund

\$883 million GF to CRF fund shift in Corrections

Minnesota All Other includes \$500m in Frontline worker aid, UI Replenishment \$406m, Labor and Industry frontline worker aid \$11.6m, COVID-19 Mgmt \$190m, and capital project Veterans Home supplemental funding \$10.3m.

Mississippi Note: There were Program Area Spending Changes in Higher Education, Medicaid and All Other, but these did NOT include any General Funds. Additional other state funds appropriations were enacted to cover fiscal year 2022 expenditures that could not be postponed until the next fiscal year appropriation.

Nebraska Corrections adjustments include utilization of federal funds to offset General Fund expenditure; All Other includes \$7.9 million increase in homestead exemption and \$2 million for economic development programs.

New Jersey All Other — as noted above, a \$5.15b general fund appropriation was made to the Debt Defeasance and Prevention Fund.

Historically, New Jersey’s midyear spending figures have reflected normal underspending; due to this, the negative numbers shown across Medicaid, Higher Education and Corrections are not reflective of program cuts, but underspending. Further, underspending is also netted against increased appropriations across the other program areas.

North Carolina	State appropriated \$227 million to the Public School Contingency Fund in order to meet a funding shortfall at the Dept. of Public Instruction. The funds were placed in a reserve.
North Dakota	There was a contingent appropriation that was met for a loan repayment.
Oregon	Refer to biennial adjustment amounts in Table 9, as Oregon does not budget by fiscal year.
Rhode Island	Includes additional funding in Coronavirus Relief Funds eligible personnel costs which results in direct or indirect general revenue savings (\$8.8 million); RI expects to recognize corresponding FEMA revenue in FY 2022 in the amount of \$145.9 million which results in direct or indirect general revenue savings; Remaining changes reflect various one-time expenditures: \$463.0 million transfer to RICAP, \$100 million transfer to RICAP for Transportation State Match, \$119.7 million for the acceleration of the Motor Vehicle Excise Tax phase out, \$75.0 million transfer to the Information Technology Investment Fund, \$61.8 million pension contribution deferrals, \$21.9 million transfer to the Clean Water/Drinking Water Fund, \$12.6 million DD Check Swap, and \$6.0 million for Pay for Success transfer. The revised budget also included an increase of \$60.4 million in statewide COLAs and bonus payments. Remaining changes reflect various shifts and adjustments between general revenue and other federal direct grants amongst other changes.
South Carolina	\$3.9m Aid to Fire Districts for funding mandate shortfall; \$1.3m Adjutant General's Office-activation of national guard
Vermont	K–12 Education spending differential reflects an FY22 one-time appropriation of \$125m towards the Vermont State Teachers Retirement System's actuarially accrued unfunded liability, per Act 114 of the 2022 session.
Virginia	All Other includes Deposits to Rainy Day Fund, additional Virginia Retirement System (VRS) payment.
Washington	All Other includes Legislative, Judicial, General Government, and Human Services other than Medicaid, Public Assistance and Corrections.
West Virginia	Other: \$20m for Public Defender; \$500,000 for Division of Personnel; \$2m for Office of Technology; \$2.5 m for Commerce; \$73k for Arts Culture and History; \$339m for Economic Development; (-27.8m) for WV State Police; \$4.4m for Division of Administrative Services under Homeland Security; \$45m for Governor's Office Civil Contingent Fund; \$465k for K–12 education.
Wisconsin	The comparison is Final Post Budget FY22 vs. Governor Final (Act 58) FY22.

Notes to Table 9: Fiscal 2023 Enacted Program Area Appropriation Changes by Dollar Value

Alabama	Medicaid carry-forward from FY2021
Alaska	FY23 one-time deposit of ARPA CSLFRF Federal Receipts in General Fund was used for Revenue Replacement
California	<p>K–12 Education: Estimated General Fund revenues led to an increase of \$12.2b for K–12 schools based on the updated Proposition 98 calculation (minimum funding guarantee for K-14 education).</p> <p>Higher Education: Primarily consists of the California Community College Proposition 98 (minimum funding guarantee for K–14 education) General Fund adjustment which includes \$0.6b for a base increase and \$0.5b for COLA adjustments. The changes also reflect an increase of \$0.4b for the University of California and California State University.</p> <p>Medicaid: Includes Medicaid funding only for the Department of Health Care Services. The Department of Social Services' IHSS Medicaid funding is included in the "Public Assistance" totals. Medicaid funding for all other departments is included in the "All Other" totals.</p> <p>The increase in Medicaid funding is primarily due to \$2.2b for shifts in State-Only Claiming Adjustments, \$1.9b for Medi-Cal Base Growth, \$1.7b for Enhanced FMAP and other COVID-19 impacts, \$1.2b for the Behavioral Health Continuum Infrastructure Program, \$1.2b for the Children and Youth Behavioral Health Initiative, \$1b for Behavioral Health Bridge Housing, \$0.7b for CalAIM, and \$0.6b for the Undocumented Older Adult Medi-Cal Expansion.</p>

Transportation: The year-over-year decrease is due to significant one-time funding that was provided in the previous fiscal year.

All Other: The net increase includes \$4b General Fund transfer to the California Emergency Relief Fund for various emergency response costs, \$1.7b for the Climate Resilience package, \$1.6b to various departments for homelessness, \$1.3b for the Energy Resources Conservation and Development Commission for zero-emission vehicle and energy investments, an additional \$1.2b for legislative district investments, \$1.1b for employer required retirement contributions toward state plans, an additional \$1b one-time supplemental pension payment above the one-time supplemental pension payment appropriated in fiscal 2022 at the 2021 Budget Act, and \$0.9b for the Department of Developmental Services. The changes also reflect removal of various one-time resources from the previous Budget Act.

Connecticut

The Medicaid appropriation in the Department of Social Services (DSS) is “net funded” while other Medicaid expenditures - including funding for the Hospital Supplemental Payments account in DSS - are gross funded, with federal funds deposited directly to the State Treasury.

Figures include both the General Fund and Special Transportation Funds. However, the Special Transportation Fund is not included in the General Fund.

Florida

Florida also established the Reinsurance to Assist Policyholders (RAP) Program with a contingency reserve of \$2 billion for FY 2022-23 during a Special Session of the Legislature in 2022. The RAP Program is designed to provide an additional reinsurance support mechanism for insurance carriers that were struggling to pay for and complete their lower reinsurance needs.

General Revenue estimates for FY 2022–23 increased by over \$4 billion from the time the FY 2021-22 State Budget was enacted. Actual collections were even higher than the increased projections. This allowed for Florida to make historic investments in education, the environment, and law enforcement.

Hawaii

K–12 Education includes public libraries and charter schools.

Indiana

FY2023 appropriation changes are based on enacted biennial budget from April 2021.

Iowa

Most of the reduction in All Other is due to the elimination in FY2023 of a one-time appropriation in FY2022 of \$100 million for broadband expansion.

Kansas

All Other mainly reflects reductions to account for one-time spending in FY 22.

Kentucky

FY 2023 appropriations compared to FY 2022 appropriations made before 2022. The All Other category includes \$330 million in cash funded capital projects, \$240 million to pay down pension liabilities, \$150 million to prepare economic development site locations around the state, \$194 million in other health and human services, over \$168 million in other criminal justice areas, about \$150 million in earmarked projects funds, mostly to local communities.

Louisiana

The change for Medicaid expenditures was partially offset by increased federal funds and additional revenue in the Louisiana Medical Assistance Trust Fund as a result of the eFMAP extension into the first quarter of state FY23.

Maine

This is a comparison of the FY22 revised budget (currently enacted appropriations) to the appropriations currently enacted for FY23. Both are through all actions of the Second Regular Session of the 130th Legislature.

The increase in K–12 education reflects increased costs for teacher retirement, maintaining state funding for K-12 education at 55% and cost of living increases for child development services workers. Additionally, there is nearly \$27 million to fully fund universal free meals in public schools, and additional support for increased pay for child care workers and early childhood educators to strengthen Maine's child care system. The increase in higher education reflects funding to hold down tuition increases, support infrastructure improvements on campuses and support career and technical education. The FY23 increase in Medicaid over FY22 reflects the anticipated ending of the 6.2% enhanced FMAP associated with the pandemic, increased costs associated with enacted rate increases and related cost-of-living adjustments for a broad spectrum of Medicaid providers and services; investments in the State's public health capacity; provision of a full adult dental benefit for low-income Mainers; wage increases for direct care workers; additional support for in-home and community services for older adults, healthcare benefits for children who would be

eligible for federal benefits but for their immigration status, and expansion of the Children's Health Insurance Program. There is also one-time support for hospitals and long-term care facilities. The increase in Corrections reflects costs for medical services contracts and increased personal services costs across the system.

Maryland FY 2022 includes approximately \$440 million in enhanced federal match (eFMAP) for eligible Medicaid services and the offsetting general fund savings; the FY 2023 Legislative Appropriation does not reflect any eFMAP for eligible Medicaid services because at the time of budget creation the Public Health Emergency (PHE) had not officially been extended. Therefore, general funds appear to increase drastically in FY 2023. The PHE is in effect through the end of calendar year 2022, meaning Maryland expects approximately \$220 million in Medicaid general fund savings for the first six months of FY 2023 that is not reflected in the enacted budget.

"All Other" includes \$3.5 billion in appropriations to the Dedicated Purpose Account and the Revenue Stabilization Account (Rainy Day Fund).

Massachusetts Excludes non-appropriated transfers such as a \$175 million transfer to a new trust fund dedicated to supporting high-quality early education and care, a \$150 million transfer to the Student Opportunity Act Investment Fund, a \$100 million supplemental transfer to the Commonwealth's Pension Liability Fund, and a \$100 million transfer to the State Retiree Benefits Trust Fund. Transportation includes a \$266 million reserve to support MBTA safety and workforce initiatives.

Michigan Large increases in Medicaid and Corrections are the result of backfill of FY22 savings.

Other significant increases in FY23 include \$800m for local pension debt, \$660 additional funding for economic development/site readiness, behavioral health infrastructure grants and access and capacity expansion, \$255 economic & workforce development grants, \$250 for new higher ed scholarship program, Medicaid adult dental program redesign, ongoing and one-time increases for university operations.

Minnesota 22, CH 54 — Veterans Homes Supplemental Funding - \$16.5m, 22, CH 44 — Transfer to Premium Security Account - \$300m, Broadband Development Office (TR-OUT) - \$25.3m, Dept Agriculture - \$21.6m, Dept NR - \$5m, 22, CH 44 — Transfer to Mnsure Enterprise Fund - \$13.2m, Dept Health - \$2.9m, DHS Grant programs - \$16.5m, and DHS admin central office operations - \$2.1m

Mississippi Legislative funding changes for the enacted FY2023 budget include but not limited to pay raises for most state employees-teachers and teacher assistants, IHL faculty and staff, Community and Junior Colleges faculty and staff. Pay increases for state agencies are the result of the implementation of the new state employee compensation plan. Funds were provided to ensure that staff reached at least the minimum level of pay based on their current rate of compensation relative to the fair market rate.

Nebraska Medicaid adjustments include healthcare provider rates and nursing facility rates. Corrections adjustments include \$33.8 million in salary increases offset by other adjustments. All Other includes \$11 million shifted to cash for the capitol HVAC project, \$1.3 million reduction in required retirement contributions, \$11.7 increase in homestead exemption, \$15 million for economic development, \$5 million for the law enforcement training center, \$1 million for catastrophic livestock euthanasia aid, \$1.2 million for 24-hour facility program evaluation, and \$15.5 million for criminal justice provider rates.

New Jersey All Other — A one-time \$5.15b general fund transfer was made in FY22 to the State's Debt Defeasance and Prevention Fund, resulting in a net decline in FY23.

New York As in other surveys, the appropriations changes for Fiscal Year 2023 were provided using cash estimates per 2022 and 2023 Enacted Budgets.

All Other includes Economic Development, Children and Family Services, Mental Hygiene, and Local Government Assistance and transfers in support of capital projects and debt service.

The Enacted Financial Plan assumes FEMA reimbursement of certain pandemic response expenses incurred in FY 2021 and 2022, including PPE, durable medical equipment, costs to build out field hospital facilities, testing, and vaccination activities (\$800 million).

North Carolina Includes Dept of Public Safety Juvenal Justice and Dept of Corrections 2022 legislative increases to the biennium budget. All Other: Includes appropriations changes for General Government, Agriculture and Economic Resources, Statewide Reserves, and other areas.

Ohio	The large growth in Medicaid is partially caused by the fiscal year 2022 base being artificially low due to the Enhanced Federal Medical Assistance Percentage and the anticipated use of non-general revenue funds.
Oklahoma	Indicated program areas had overall increases in state fund appropriations.
Oregon	These are biennial (FY 2022 & 2023) adjustment amounts as Oregon does not budget by fiscal year. For Education, there is an offsetting increase to Other Revenue sources.
Rhode Island	Significant increases in education aid, municipal aid, and personnel categories reflect normal data updates in addition to accounting for the fact that some expenditures covered by federal funds in FY 2022 are returned to general revenue in FY 2023. Additionally, FY 2023 Enacted budget is year three of a four year COLA for all state employees. Remaining changes reflect various one-time expenditures: \$50.0 million to the School Building Authority, \$63.5 million for the acceleration of the Motor Vehicle Excise Tax phase out, \$15.0 million transfer to RICAP, \$28.0 million transfer to the Historic Tax Credit Fund, \$11.5 million for a SNAP Pilot, \$8.5 million related to license play reissuance, \$1.4 million to support services provided by the state's community action agencies, and \$8.7 million related to the Public Health Emergency unwinding.
South Carolina	Recurring appropriations increase \$1,070.7M: K-12 — teacher & bus driver salaries, aid to school districts; Higher Ed — tuition mitigation; Public Assistance — child welfare; Medicaid — maintenance of effort, provider rate adjustments and transfer provider payments from Dept. of Disabilities; Corrections — employee retention, salary increases, and health care funding; Transportation Nonrecurring surplus appropriation increase \$1,854.1M: A multitude of various capital projects, information technology, economic development assistance to local governments, various local earmarked projects, rural interstate and county transportation funding, SC Port expansion, statewide airport growth.
Utah	The state invested a historically high \$1.2 billion of General Fund on transportation and transit projects in FY 2022. The FY 2023 investment of \$1 billion was a slight decrease compared to the prior year, but still a historically high General Fund investment. The other increases include a \$250 million reserve to pay off future year debt service payments.
Vermont	FY22–FY23 K-12 Education spending differential reflects an FY22 one-time appropriation of \$125m towards the Vermont State Teachers Retirement System's actuarially accrued unfunded liability, per Act 114 of the 2022 session.
Washington	All Other includes Legislative, Judicial, General Government, and Human Services other than Medicaid, Public Assistance and Corrections.
West Virginia	Other: \$4m to General Services; \$2m to Department of Personnel; \$2m to Commerce; \$600k to Arts, Culture and History; \$600.5m to Economic Development; \$12.2m to Division of Administrative Services; \$7m to Tourism; \$100m to the Governor's Civil Contingent Fund; \$50m to Environmental Protection; \$1.5m to Adjutant General; \$1m to Veteran's Assistance.
Wisconsin	The comparison is Final Post Budget FY23 vs. Governor Final (Act 58) FY22.

Notes to Table 10: Strategies Used to Manage Budget (Mid-Year/Post-Enacted), Fiscal 2022

Arizona	Arizona took part in the enhanced Federal Medical Assistance Percentage (FMAP), which increased the Federal share of Medicaid expenses.
California	Medicaid Program Changes: The 2022 Budget Act includes costs of \$137 million General Fund in fiscal year 2022 associated with the carve-out of the Medi-Cal pharmacy benefit from managed care to fee-for-service (Medi-Cal Rx) on January 1, 2022.
Indiana	Indiana's State Budget Director, Zac Jackson, issued a memo on June 1, 2021 asking all executive branch agencies to hold back a 2% management reserve on their appropriations when drafting their FY2022 spending plans. General management reserves on agency appropriation allotments in the 1-2% range are currently being held. Many of these were released with justification prior to the close of the fiscal year. These are targeted though and not across every agency or appropriation. Use of a dedicated contingency fund has and will be used to address unforeseen and unbudgeted expenditure increases.
Kansas	Prior-year fund balance covers the structurally imbalanced budget.

Louisiana	Ongoing Executive Order (JBE 16-03) Hiring Freeze
Maine	One-time de-appropriations to Medicaid accounts were made to capture freed up General Fund dollars from the enhanced Federal Medical Assistance Percentage (FMAP) rate the State has been receiving during the COVID-19 public health emergency.
Massachusetts	Caps on Full-Time Equivalent employees are in effect for executive department agencies. As discussed in footnotes to Tables 4 and 5 of this report, a portion of FY22 and FY23 expenditures are supported by prior-year fund balances largely driven by federal support. This spending is primarily one-time in nature and reflects our ongoing efforts to fully expend ARPA funds in line with federal guidance.
Nebraska	Transfers from the General Fund to the Cash Reserve Fund; Utilize Cash Reserve Fund for Capital Construction projects; Usual and Customary Cash Transfers to General Fund; Eliminate remaining tax level on Military Retirement Benefits; Adjustments to pension contributions based on ARC but no plan changes.
Nevada	The Rainy Day fund was used to fund expenditures in FY22.
New Jersey	<p>Rainy Day Fund — the Rainy Day Fund (also known as “Surplus Revenue Fund”) balance will be transferred to the general fund at the end of fiscal year 2022. (see note above on fiscal 2022 preliminary actual)</p> <p>Other Fund Transfers — At the end of fiscal year 2022, a \$5.15b general fund transfer was made to the State’s Debt Defeasance and Prevention Fund.</p> <p>Medicaid Program Changes- The State will contract with a third-party vendor to apply a risk reduction model to the prescription drug services provided within the Medicaid program in the hopes of improving outcomes while reducing costs.</p>
New Mexico	There was no longer a hiring freeze in FY22 but positions that have been vacant for over 2 years continue to be eliminated if they cannot be justified, and agencies are encouraged to reclass existing vacant positions in lieu of requesting new position creations when possible.
North Carolina	Prior to closing FY 2022, the 2022 Appropriations Act provided \$227 million to the Dept. of Public Instruction to close a gap in their budget and \$52.8 million to DHHS for provider payments.
Pennsylvania	Agencies were tasked with seeking efficiencies and performance in government, while enhancing flexibility in service delivery. Agencies were encouraged to prioritize sound budget planning, utilizing prior year fund balances where possible. As new sources of federal funding became available due to the pandemic, agencies were tasked with identifying funding opportunities that would advance agency priorities and reduce the need for General Fund appropriations. Finally, agencies were required to evaluate and phase-out burdensome or outdated practices in an effort to save money, streamline operations (by reorganizing, if necessary) and improve outcomes.
Rhode Island	<p>Early Retirement: Technically the program initiated in FY 2021 and continuing into FY 2022 is not an early retirement but rather a voluntary retirement incentive which pays an incentive payment to employees already eligible for retirement under current rules to elect this option.</p> <p>Other Fund Transfers: Due to the state realizing larger than expected revenue surpluses and general revenue savings related to enhanced FMAP, Rhode Island chose to invest these one-time funds responsibly to address long-standing problems and to help reduce future operating costs: \$563.0 million transfer to RICAP, \$75.0 million transfer to the Information Technology Investment Restricted Account, \$25.0 million transfer to the Housing Production Restricted Account, \$6.0 million transferred to the Pay for Success Restricted Account., and \$21.9 million transferred to the Clean Water/Drinking Water Fund in place of utilizing debt service for this program’s state matching funds.</p> <p>Pension/OPEB Adjustments: Allocated \$62.0 million of surplus funds to retire a pension liability dating back to 1991 and 1192 where the State deferred its pension contributions for State employees and teachers. That liability has remained on the books which would have required the State to pay \$6.0 million in FY 2023 toward that obligation. By retiring the pension liability, the State will realize annual savings for more than a decade.</p>

Other: Shifted eligible personnel costs otherwise covered by general revenue to Coronavirus Relief Fund. Direct and indirect savings relative to the enacted budget made possible by enhanced FMAP related to the public health emergency and 100 percent FEMA reimbursement. A one-time general revenue expense of \$12.6 million to write off a receivable related to state start up loans made to Developmental Disability Organizations that dates back to a prior year receivable. An additional \$120.0 million towards accelerating the phase out of the Motor Vehicle Excise Tax.

- Tennessee** Other — Agency reserves, base budget reductions, and carryforwards.
- Texas** The Legislative Budget Board and the Governor sent a letter to agencies in May of 2020 asking agencies to make 5% strategic cuts to their budgets. These cuts were carried forward to the current budget cycle and agencies started with a 5% cut to their base.
- Washington** All identified budget management strategies for FY 2022 are the result of executive branch action.

Notes to Table 11: Strategies Used to Manage Budget (Enacted), Fiscal 2023

- Arizona** Arizona took part in the enhanced Federal Medical Assistance Percentage (FMAP), which increased the Federal share of Medicaid expenses.
- California** Medicaid Program Changes: The 2022 Budget Act includes savings of \$178 million General Fund in fiscal year 2023 associated with the carve-out of the Medi-Cal pharmacy benefit from managed care to fee-for-service (Medi-Cal Rx) on January 1, 2022.
- Indiana** Indiana’s State Budget Director, Zac Jackson, issued a memo on June 1, 2021 asking all executive branch agencies to hold back a 2% management reserve on their appropriations when drafting their FY2022 spending plans. General management reserves on agency appropriation allotments in the 1-2% range are currently being held. Many of these were released with justification prior to the close of the fiscal year. These are targeted though and not across every agency or appropriation. Use of a dedicated contingency fund has and will be used to address unforeseen and unbudgeted expenditure increases. (Same strategies as listed for FY 2022.)
- Kansas** Prior-year fund balance covers the structurally imbalanced budget.
- Louisiana** Ongoing Executive Order (JBE 16-03) Hiring Freeze
- Maine** The enacted 2022-2023 biennial budget continued some of the targeted cuts made in FY21 that agencies felt could be done on an on-going basis. Consistent with past budgets, there was also budgeted savings from an increased attrition rate of 5% compared to the 1.6% set out in statute. The enacted budget also included further use of available prior year unspent appropriations that had built up in various General Fund accounts that are authorized to carry balances. There were no additional mid-year budget management strategies in the enacted FY22–23 Supplemental budget.
- Massachusetts** Caps on Full-Time Equivalent employees are in effect for executive department agencies. As discussed in footnotes to Tables 4 and 5 of this report, a portion of FY22 and FY23 expenditures are supported by prior-year fund balances largely driven by federal support. This spending is primarily one-time in nature and reflects our ongoing efforts to fully expend ARPA funds in line with federal guidance.
- Mississippi** The elimination of vacant positions is a standard practice in the Joint Legislative Budget Committee (JLBC) recommendation relative to the enacted budget. Affected agencies have an opportunity to lobby to have those positions restored during the legislative process. Defunding agencies vacant positions, reduced funding for travel and vehicle purchases, funding only critical equipment/lease purchase obligations, and spending down cash balances of agencies where possible are the JLBC’s recommendation relative to the enacted budget. Again, agencies have the opportunity to lobby for certain items to be restored during the legislative process.
- Missouri** Some vacant positions were cut by the General Assembly.
- Nebraska** Utilize Cash Reserve Fund for Capital Construction projects; Usual and Customary Cash Transfers to/from General Fund; Continued increases to Property Tax Relief. Medicaid program changes include increased appropriation for healthcare provider rates and nursing facility rates.

New Jersey	Prior Year Fund Balance — as shown above (the difference between opening and ending fiscal year 2023 fund balance), the budget assumes spending down about \$578m of prior year fund balance.
New York	<p>Medicaid Program Changes — The Enacted Budget amended the Global Cap index to align with the five-year rolling average of Centers for Medicare & Medicaid Services (CMS) annual projections of health care spending. The CMS projections account for enrollment, including specific populations, such as the aging or disabled populations. The new index accounts for enrollment and population changes, which are significant drivers of costs, and supports additional Medicaid spending growth of \$366 million in FY 2023, growing to \$3.1 billion in FY 2027. The total Global Cap spending growth in FY 2023 is estimated at \$966 million using the new index (\$366 million above the previous cap).</p> <p>Other — The FY 2023 Enacted Budget includes prepaying \$2.0 billion in debt in FY 2023 from previously projected levels. This will reduce projected debt service expenditures by \$750 million in FY 2025 and FY 2026, respectively, and \$500 million in FY 2027 from previously projected levels.</p>
Pennsylvania	Agencies were tasked with seeking efficiencies and performance in government, while enhancing flexibility in service delivery. Agencies were encouraged to prioritize sound budget planning, utilizing prior year fund balances where possible and eliminating any unfunded vacant positions. In addition, the calculation for employee benefits was adjusted to more accurately reflect the commonwealth's contribution amount. As new sources of federal funding became available due to the pandemic, agencies were tasked with identifying funding opportunities that would advance agency priorities and reduce the need for General Fund appropriations. Finally, agencies were required to evaluate and phase-out burdensome or outdated practices in an effort to save money, streamline operations (by reorganizing, if necessary) and improve outcomes. 2.1 billion was transferred to the fiscal stabilization reserve fund.
Rhode Island	<p>Other Fund Transfers: Pre-funded future obligations utilizing \$50.0 million to the School Building Authority, \$28.0 million towards the Historic Tax Credit Fund, and \$15.0 million to RICAP.</p> <p>Medicaid Program Changes: The FY 2023 Enacted Budget includes \$1.5 million to conduct a comprehensive rate and program review. The new initiative would conduct an examination of all contracted and licensed social and human service providers focused around programs funded through Medicaid and those within the other human service agencies.</p> <p>Other: Enhanced FMAP savings of \$44.0 million related to the public health emergency for the first quarter of FY 2023 (3-months). An additional \$63.5 million towards accelerating the phase out and ultimately eliminating the Motor Vehicle Excise Tax in the FY 2023 budget.</p>
South Carolina	Pension — 1% employer retirement rate increase. Rainy Day Funds — Increased General Reserve funding from 5% to 5.5%
Tennessee	Other — Agency reserves, base budget reductions, and carryforwards.
Texas	The Legislative Budget Board and the Governor sent a letter to agencies in May of 2020 asking agencies to make 5% strategic cuts to their budgets. These cuts were carried forward to the current budget cycle and agencies started with a 5% cut to their base.
Washington	All identified budget management strategies for FY 2023 are the result of executive branch action.

STATE REVENUE DEVELOPMENTS

CHAPTER TWO

Overview

As has been documented in recent prior editions of the *Fiscal Survey of States*, state revenue forecasting throughout the pandemic has been wrought with challenges and uncertainty. As data has revealed over time, state revenue collections far outperformed earlier projections in fiscal 2021 and again in fiscal 2022. Based on data collected early in the fiscal year, fiscal 2023 collections appear to be on track to beat enacted budget projections for most states, though growth is expected to slow this year compared to the past two consecutive years of double-digit percentage growth.

Following record annual general fund revenue growth of 16.6 percent in fiscal 2021, fiscal 2022 proved to be another strong year for state tax collections, which grew 14.5 percent based on preliminary actual data. Adjusted for inflation, general fund revenues grew 12.7 percent in fiscal 2021 and 5.8 percent in fiscal 2022. A number of factors contributed to the large increases in revenues over the past two years. One-time factors, such as the inclusion of federal funds, borrowing and transfers from other state fund sources in at least a few states, the low baseline in fiscal 2020, and the tax deadline shift in calendar year 2020, helped drive the sharp increase in fiscal 2021. Other variables that boosted revenues in one or both years include recent economic and employment growth, pent-up consumer demand, and a strong stock market performance in 2020 and 2021. The impacts of rising inflation on both consumer prices and wages also contributed to revenue growth in fiscal 2022 especially. Additionally, federal stimulus played a role, pumping more money into the economy and boosting personal income.

There are also some downside risks to the economic outlook that states are paying close attention to. With economic activity softening, consumer and business confidence at low levels, continued geopolitical conflict, and the Federal Reserve raising interest rates to combat inflation (currently at 40-year highs), states are mindful that another recession could arise in the near future and are planning accordingly, for example using one-time revenue for one-time expenditures and directing surplus funds to paying down debt and building reserves.

Total General Fund Revenue and Annual Growth

Fiscal 2023 Forecasts. Enacted budgets for fiscal 2023 are based on general fund revenues totaling \$1.13 trillion, which would represent a 3.1 percent decline compared to fiscal 2022 levels. This decline is partially attributable to differences in timing of fiscal 2022 and fiscal 2023 estimates. Most states reported preliminary actual figures for fiscal 2022, which came in higher than was estimated when states put together their forecasts used to adopt budgets for fiscal 2023. Based on more current revenue collection data, it is expected that general fund revenues will continue to grow in fiscal 2023, albeit at a slower rate compared to the rapid growth observed for two consecutive years in fiscal 2021 and fiscal 2022. In fact, 14 states separately reported more current revenue estimates for fiscal 2023. Among those states, all but one reported upward revisions to their fiscal 2023 revenue projections compared to the estimates used in enacted budgets, with a median upward revision of 5.6 percent from enacted to most current. Most states reported revenue projections used in their enacted budgets for fiscal 2023, though in some cases states chose to report more recent estimates for fiscal 2023. When comparing states' enacted revenue forecasts for fiscal 2023 to their originally enacted forecasts for fiscal 2022 (as reported in NASBO's *Fall 2021 Fiscal Survey of States*), projected general fund revenues in fiscal 2023 are up 16.0 percent.

Fiscal 2022 Preliminary Actual Collections. States reported in this survey fiscal 2022 general fund revenues totaling \$1.17 trillion, representing an increase of 14.5 percent compared to actual fiscal 2021 levels. On a median basis, general fund revenues grew 11.9 percent. This marks the second consecutive year that states experienced double-digit percentage growth in general fund revenues, far outperforming original forecasts when states adopted their budgets for fiscal 2022. Recent employment growth, high consumer demand, and a strong stock market performance in 2021 all likely helped to drive these revenue gains in fiscal 2022. The impacts of inflation on both consumer prices and wages also contributed to revenue growth; adjusted for inflation, general fund revenues grew 5.8 percent in fiscal 2022. Most states reported preliminary actual figures for fiscal 2022, though in some cases states chose to report estimates developed at the same time as the revenue projections used in enacted budgets for fiscal 2023.

Fiscal 2021 Actual Collections. States reported in this survey fiscal 2021 general fund revenues totaling \$1.02 trillion, representing a sharp 16.6 percent year-over-year increase that followed revenue declines in fiscal 2020. While there are some one-time factors driving this figure — including the impact of the tax deadline shift on when revenues in some states were recognized and the inclusion of federal funds, borrowing and other sources in at least a few states — this pace of growth is notable for its scale. In fact, this marks the highest annual growth rate ever recorded in the Fiscal Survey since its inception in fiscal 1979. There are several other reasons why revenues performed so well in fiscal 2021, despite the pandemic. First, federal stimulus measures put a lot of additional money into the economy and directly boosted personal income. Second, personal income taxes were not as impacted as expected due to the recession disproportionately affecting low-income workers while high-income earners were relatively insulated. Third, the pandemic's effects on economic activity largely curtailed consumption of services that most states do not tax, while consumption of goods, which are taxed, was less affected. Fourth, increased online sales tax collections following the U.S. Supreme Court decision in *Wayfair v. South Dakota* has mitigated sales tax losses. (See Tables 12 and 14)

Impact of Tax Deadline Shift. After the federal government made the decision to delay its tax filing deadline from April 15 to July 15, 2020 in response to the pandemic, all states that collect an income tax also delayed their tax filing deadlines. The vast majority of these states set July 15 as the new filing deadline. Since most states start their fiscal year on July 1, most of the delayed collections were received in a different fiscal year than they would have been absent the deadline change. For states where this was the case, most recognized the collections on an accrual basis and still accounted for them as fiscal 2020 revenues. However, 19 states recognized these delayed collections on a cash basis as fiscal 2021 revenue. This tended to make these states' fiscal 2020 revenue collections look smaller, but in turn made their fiscal 2021 revenue collections larger. For states that deferred revenue due to the tax deadline shift, this also affects the percentage change calculations for fiscal 2022, making them appear smaller or in some cases as declines due to the inflated baseline in fiscal 2021. Comparing the median general fund growth rates for fiscal 2021 and fiscal 2022 for states that deferred revenues to those that did not defer can help illuminate the impact of the tax deadline shift. The median growth rates for all 50 states were 15.6 percent in fiscal

2021 and 11.9 percent in fiscal 2022. For the 31 states that did not defer revenues due to the deadline change, median growth was 11.8 percent in fiscal 2021 and 14.4 percent in fiscal 2022. For those states that deferred revenue, median growth was 20.6 percent in fiscal 2021 and 9.7 percent in fiscal 2022.

Variation By State. The negative impacts that COVID-19 had on state revenues were much smaller than predicted earlier in the pandemic due to a combination of factors previously discussed. However, just as state-by-state revenue data revealed significant variation in the revenue impacts of COVID-19 across the states, the survey data in this edition also shows variations in the pace of economic recovery and revenue growth since the earlier phases of the pandemic. This variation is explained partially by differences across states in tax structures, most prevalent industries, demographic shifts, policy choices, and other factors.

That said, there is a degree of uniformity across most states when looking at annual revenue growth, with most states experiencing robust annual growth for two consecutive years in fiscal 2021 and fiscal 2022. Thirty-eight states in fiscal 2021 and 28 states in fiscal 2022 recorded general fund revenue growth of 10 percent or more (not adjusting for inflation). Meanwhile, three states in fiscal 2021 and five states in fiscal 2022 reported declines. For fiscal 2023, 37 states are showing revenue declines year-over-year based on the data in this report. However, this can be misleading since, for most states, this is comparing states' enacted revenue projections for fiscal 2023 (developed in the early months of calendar year 2022 or as far as back as winter/spring 2021 for some biennial states) to preliminary actual figures for fiscal 2022 that reflect a significant uptick in collections that states experienced late in the fiscal year. If current revenue trends hold, it is likely that most states will end up seeing nominal revenue growth in fiscal 2023. (See Table 13)

Comparing General Fund Revenue Collections to Budget Projections

Fiscal 2023 from All Sources. Among the 41 states able to report how general fund collections were coming in relative to adopted budget forecasts for fiscal 2023, 33 states said collections early in the fiscal year were exceeding originally enacted budget projections. Seven states reported collections to be on target and one state reported collections coming in below forecast. These figures speak to the trend of continued improvements in tax collections since the time that many states adopted their budgets.

Fiscal 2022 from All Sources. General fund collections for fiscal 2022 from all revenue sources including sales, personal income, corporate income, gaming and other revenues came in ahead of original projections used to adopt budgets in 49 states and lower in just one state. The fact that nearly all states beat their original budgeted revenues is noteworthy and evidence of the continued improvements in revenue performance since the earliest phase of the COVID-19 pandemic. The only state to come in lower than forecast is a biennial state that adopted its original fiscal 2022 budget before the onset of the COVID-19 crisis. (See Table 15) Compared to original general fund revenue projections in enacted budgets for fiscal 2022, preliminary actual revenues reported in this survey came in an extraordinary 20.5 percent ahead in the aggregate and 22.9 percent ahead on a median basis. A number of factors contributed to fiscal 2022's stronger than expected revenue growth including economic gains following the initial effects of the pandemic, the role of federal COVID-19 relief aid, and the impact of inflation on both salaries and the price of goods. The strong growth in collections and revenues outperforming forecasts in fiscal 2022 led many states to report their largest surplus in state history.³

Fiscal 2022 by Revenue Type. General fund revenue collections for fiscal 2022 came in significantly ahead of original projections used at budget enactment for all revenue types tracked in this report. Compared to original revenue forecasts, preliminary actual fiscal 2022 collections for sales and use taxes were 13.7 percent above, personal income tax collections 17.4 percent above, corporate income tax collections 79.6 percent above, gaming and lottery revenue 12.7 percent above, and all other general fund revenue 17.3 percent above. (See Tables 16 and 17)

General Fund Collection Growth By Revenue Type

In fiscal 2023 revenue forecasts used to adopt budgets, personal income taxes account for 46.1 percent of all forecasted general fund revenues, sales and use taxes for 29.5 percent, corporate income taxes for 9.4 percent, gaming and lottery revenues for 0.9 percent, and all other revenues at 14.2 percent. Below is a discussion of trends in state general fund collections by revenue source.

Sales & Use Taxes. Forty-four states have a broad-based sales tax that goes towards the general fund; additionally, Vermont's

sales taxes go towards its separate Education Fund (not reported in this survey), and Montana collects a small amount of revenue in the sales and use tax category (reported in this survey). General fund sales and use tax collections for these states in the aggregate grew a robust 9.9 percent in fiscal 2021 and 13.8 percent in fiscal 2022. Along with pent-up consumer demand, a low baseline in fiscal 2020 helped contribute to the high growth rate in fiscal 2021 and a high inflation rate likely contributed to the growth rate in fiscal 2022. Sales and use tax collections in fiscal 2023 are projected to total \$325.9 billion; this would technically represent a decline of 2.6 percent from preliminary fiscal 2022 levels. However, projections based on more recent data for fiscal 2023 are higher. Among 13 states reporting original enacted and revised estimates for fiscal 2023 sales and use tax collections, revised forecasts are up 7.8 percent compared to enacted.

Personal Income Taxes. Forty-one states collect a broad-based personal income tax, while New Hampshire and Tennessee collect taxes on interest and dividends only. Personal income tax collections grew 18.3 percent in fiscal 2021 and 12.5 percent in fiscal 2022. Personal income taxes over the past two years have been bolstered by employment growth, wage increases (driven in part by inflation), and the strong stock market performance in calendar years 2020 and 2021. A large influx of federal COVID-19 relief into the economy also increased taxable personal income. Personal income tax collections in fiscal 2023 are projected to total \$509.8 billion, which would represent a decline of 3.6 percent from preliminary fiscal 2022 levels. However, once again projections based on more recent data for fiscal 2023 are higher. Among 11 states reporting original enacted and revised estimates for fiscal 2023 personal income tax collections, revised forecasts are up 3.4 percent compared to enacted.

Corporate Income Taxes. For the 45 states that collect a corporate income tax, total corporate income tax revenues — which tend to be a more volatile revenue source — increased 48.1 percent in fiscal 2021 and another 44.1 percent in fiscal 2022 as businesses recorded higher profits. In fiscal 2023 enacted budgets, corporate income tax collections are forecasted to total \$103.7 billion, a 14.6 percent decline compared to preliminary actual figures. Twelve states reported revised projections for fiscal 2023, which in the aggregate are running 7.0 percent ahead of original estimates.

³ NASBO, "Strong Growth in Fiscal 2022 Revenues Leads to Record-High Surpluses for Many States," (July 29, 2022), <https://budgetblog.nasbo.org/budgetblogs/blogs/brian-sigritz/2022/07/29/strong-growth-in-fiscal-2022-revenues-leads-to-rec>

Gaming/Lottery Revenues. Twenty-eight states reported on general fund collections from these sources (some states direct gaming revenues, particularly from lotteries, into special funds, which are not reported on in this survey). General fund revenues in this category increased 13.5 percent in fiscal 2021 and 8.5 percent in fiscal 2022. They are forecasted to total \$9.7 billion in fiscal 2023, a decline of 5.2 percent compared to preliminary actual figures in fiscal 2022. Seven states reported revised projections for fiscal 2023, which in the aggregate are running 6.9 percent ahead of original estimates.

Other General Fund Revenues. All other general fund revenues may include collections from cigarette and other excise taxes, severance taxes, insurance taxes, fees, and other sources. Some states may also use this category to record revenue transfers in and out of the general fund from/to other state fund sources (and federal funds in some cases), which can contribute to large fluctuations year-over-year for some states in this category. All other general fund revenues increased 13.5 percent in fiscal 2021 and another 9.3 percent in fiscal 2022. They are projected to total \$157.2 billion in fiscal 2023, a decline of 12.4 percent compared to preliminary actuals for fiscal 2022. Fourteen states reported revised projections for fiscal 2023, which in the aggregate are running 16.8 percent ahead of original estimates in enacted budgets. *(See Tables 18 and 19)*

TABLE 12
State Nominal and Real Annual Revenue Changes,
Fiscal 1979 to Fiscal 2023

Fiscal Year	State General Fund	
	Nominal Increase	Real Increase
2023	-3.1%	
2022	14.5	5.8%
2021	16.6	12.7
2020	-0.6	-2.2
2019	5.7	2.6
2018	6.9	3.3
2017	2.4	1.1
2016	1.8	2.1
2015	5.0	3.9
2014	1.9	-1.1
2013	7.1	4.2
2012	2.9	0.2
2011	6.6	3.4
2010	-2.5	-3.4
2009	-8.0	-10.1
2008	3.9	-1.6
2007	5.4	0.4
2006	9.1	3.6
2005	7.8	1.8
2004	5.4	1.7
2003	8.0	5.0
2002	-6.8	-9.1
2001	4.5	0.1
2000	2.0	-2.7
1999	5.5	2.7
1998	6.1	4.1
1997	5.0	2.7
1996	5.9	3.6
1995	5.3	2.3
1994	5.5	3.3
1993	5.8	2.4
1992	6.6	3.3
1991	4.7	0.2
1990	3.4	-1.5
1989	10.1	6.1
1988	6.5	2.4
1987	8.2	4.5
1986	6.3	2.8
1985	8.8	4.6
1984	12.5	8.4
1983	3.7	-1.8
1982	12.6	5.3
1981	7.9	-3.2
1980	9.8	-0.7
1979	7.8	0.9
1979-2022 average	5.6%	1.7%

Notes: The state and local government implicit price deflator quarterly data provided by the Bureau of Economic Analysis National Income and Product Account Tables, Table 3.9.4., Line 33 (last updated on October 27, 2022) is used to determine real changes in state revenue. Fiscal Year (July to June for most states) real changes are based on quarterly averages. Fiscal 2022 figures are based on the change from fiscal 2021 actuals to fiscal 2022 preliminary actuals. Fiscal 2023 figures are based on the change from fiscal 2022 preliminary actuals to fiscal 2023 enacted figures.

TABLE 13
State General Fund Revenue Growth,
Fiscal 2021 to Fiscal 2023

Revenue Growth	Fiscal 2021 (Actual)	Fiscal 2022 (Preliminary Actual)	Fiscal 2023 (Enacted)
0% or less	3	5	37
> 0.0% but < 5.0%	1	4	9
> 5.0% but < 10.0%	8	13	2
10% or more	38	28	2

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

TABLE 14

General Fund Nominal Percentage Revenue Changes, Fiscal 2021 to Fiscal 2023

State	Fiscal 2021	Fiscal 2022	Fiscal 2023
Alabama	15.2%	14.4%	-14.9%
Alaska	6.4	129.6	28.0
Arizona**	28.7	16.3	-24.9
Arkansas**	19.0	7.0	-5.2
California	28.9	19.1	-2.4
Colorado	11.2	20.3	-3.8
Connecticut	7.0	7.1	1.8
Delaware**	19.1	8.2	-0.3
Florida	18.8	19.1	-4.5
Georgia	12.2	-0.1	0.2
Hawaii**	7.0	25.0	4.0
Idaho	24.2	-3.6	7.3
Illinois**	17.8	12.2	-7.8
Indiana**	26.3	8.6	-10.9
Iowa	11.0	11.4	-6.8
Kansas**	28.5	-10.7	12.5
Kentucky	10.9	14.5	-6.5
Louisiana	8.6	3.6	-0.4
Maine	13.9	19.3	-11.7
Maryland	11.8	15.4	-2.2
Massachusetts	11.7	19.9	-3.7
Michigan	20.5	9.3	-2.4
Minnesota	16.1	3.1	5.2
Mississippi**	15.9	2.0	1.6
Missouri**	25.8	14.6	-11.4
Montana	17.0	31.3	-29.6
Nebraska**	20.6	6.5	-8.3
Nevada	9.7	21.6	-13.2
New Hampshire	20.9	8.0	-16.8
New Jersey	27.7	6.8	-3.1
New Mexico	7.6	6.6	-3.5
New York	-6.2	23.6	4.5
North Carolina**	24.1	11.8	-8.1
North Dakota**	-10.5	27.3	-29.0
Ohio**	16.5	7.2	-1.6
Oklahoma**	17.3	16.6	-13.5
Oregon**	84.5	-3.1	-12.4
Pennsylvania**	25.1	9.7	-1.6
Rhode Island	9.1	17.5	-5.9
South Carolina	20.8	23.1	-18.2
South Dakota	14.7	10.5	-4.1
Tennessee	13.5	6.7	1.4
Texas	6.2	24.7	2.6
Utah**	39.0	14.4	-15.6
Vermont**	33.1	9.2	-15.5
Virginia	0.8	24.9	-7.6
Washington	12.8	12.1	0.9
West Virginia**	11.0	18.1	-21.3
Wisconsin	11.6	5.0	1.6
Wyoming	-2.2	0.0	-8.5
Average	16.6%	14.5%	-3.1%
Median	15.6%	11.9%	-4.3%

**Denotes states that recognized some revenue (primarily from income taxes) in fiscal 2021 instead of fiscal 2020 due to the shift in the Tax filing deadline from April 15, 2020 to July 15, 2020. Fiscal 2021 reflects changes from fiscal 2020 revenues (actual) to fiscal 2021 revenues (actual). Fiscal 2022 reflects changes from fiscal 2021 revenues (actual) to fiscal 2022 revenues (preliminary actual). Fiscal 2023 reflects changes from fiscal 2022 revenues (preliminary actual) to fiscal 2023 revenues (enacted).

TABLE 15

General Fund Revenue Collections Compared to Projections, Fiscal 2022 and Fiscal 2023

State	Fiscal 2022			Fiscal 2023			N/A
	On Target	Lower	Higher	On Target	Lower	Higher	
Alabama			X				X
Alaska			X				X
Arizona			X				X
Arkansas			X	X			
California			X		X		
Colorado			X			X	
Connecticut			X			X	
Delaware			X	X			
Florida			X				X
Georgia			X			X	
Hawaii			X			X	
Idaho			X			X	
Illinois			X	X			
Indiana			X			X	
Iowa			X			X	
Kansas			X			X	
Kentucky			X			X	
Louisiana			X				X
Maine			X			X	
Maryland			X			X	
Massachusetts			X			X	
Michigan			X			X	
Minnesota			X			X	
Mississippi			X			X	
Missouri			X	X			
Montana			X			X	
Nebraska			X			X	
Nevada			X				X
New Hampshire			X			X	
New Jersey			X	X			
New Mexico			X				X
New York			X			X	
North Carolina			X			X	
North Dakota			X	X			
Ohio			X				X
Oklahoma			X			X	
Oregon			X			X	
Pennsylvania			X			X	
Rhode Island			X			X	
South Carolina			X			X	
South Dakota			X			X	
Tennessee			X				X
Texas			X			X	
Utah			X			X	
Vermont			X			X	
Virginia			X			X	
Washington			X			X	
West Virginia			X			X	
Wisconsin			X			X	
Wyoming		X		X			
Total		1	49	7	1	33	9

NOTES: Fiscal 2022 reflects whether preliminary actual general fund revenues from all sources came in higher, lower, or on target with original projections used to adopt the Fiscal 2022 budget. Fiscal 2023 reflects whether collections thus far have been coming in higher, lower, or on target with projections used to adopt the Fiscal 2022 budget. Some states did not have enough data available to provide information on fiscal 2023 at time of data collection. *See Notes to Table 15 at the end of the chapter.

TABLE 16

Fiscal 2022 General Fund Revenue Collections Compared With Projections Used in Adopting Fiscal 2022 Budgets (Millions)

State	Sales Tax		Personal Income Tax		Corporate Income Tax	
	Original Estimate	Preliminary Actual	Original Estimate	Preliminary Actual	Original Estimate	Preliminary Actual
Alabama	\$3,035	\$3,494	\$4,235	\$5,809	\$542	\$1,053
Alaska					10	15
Arizona	6,380	7,140	5,890	7,401	645	1,112
Arkansas	2,815	3,115	3,190	4,133	479	783
California*	28,986	32,750	123,298	136,497	18,106	46,395
Colorado	3,677	4,259	9,103	11,468	803	1,408
Connecticut*	4,275	4,818	10,361	12,057	1,116	1,402
Delaware			1,788	1,909	145	314
Florida*	27,135	34,040			2,876	3,762
Georgia	6,649	7,306	12,739	14,112	881	1,426
Hawaii	3,748	3,980	2,498	3,760	149	256
Idaho	1,866	2,195	2,089	2,603	261	1,039
Illinois	9,255	10,234	20,792	24,839	3,293	5,407
Indiana	9,074	9,991	6,711	8,181	884	1,540
Iowa	3,399	3,854	5,051	5,780	743	919
Kansas*	3,515	3,534	4,500	4,836	725	806
Kentucky	4,336	5,063	5,004	6,048	469	1,187
Louisiana	3,828	4,584	3,793	4,438	500	897
Maine	1,857	2,079	1,845	2,581	220	416
Maryland*	4,997	5,967	11,663	13,548	1,252	1,700
Massachusetts	5,552	6,228	19,941	24,337	3,437	4,577
Michigan	2,032	2,320	7,289	8,831	605	1,228
Minnesota	6,234	6,603	12,819	14,477	1,478	2,376
Mississippi	2,629	2,983	1,884	2,500	490	855
Missouri	2,254	2,692	6,745	9,010	412	711
Montana	66	93	1,539	2,394	161	294
Nebraska	1,993	2,133	2,314	3,243	350	715
Nevada	1,355	1,613				
New Hampshire					604	750
New Jersey	12,222	13,235	16,881	20,586	4,093	5,753
New Mexico*	2,617	3,492	1,667	1,920	42	306
New York	14,782	13,815	53,272	59,519	6,986	8,482
North Carolina	9,611	10,201	14,312	17,568	1,120	1,626
North Dakota	845	976	386	456	100	213
Ohio*	12,315	13,030	8,899	10,752	1,799	1,996
Oklahoma	2,889	3,334	3,122	3,573	253	664
Oregon			9,742	12,458	681	1,539
Pennsylvania*	12,801	13,914	15,769	18,126	3,777	5,323
Rhode Island	1,305	1,511	1,549	1,999	179	288
South Carolina	3,418	4,402	5,064	6,828	466	1,129
South Dakota	1,183	1,385				
Tennessee*	9,667	12,004	3	6	2,571	4,291
Texas	31,310	38,660				
Utah	2,580	3,098	5,114	6,772	438	937
Vermont			962	1,268	121	223
Virginia*	3,992	4,558	15,991	20,410	1,272	1,979
Washington*	13,348	14,889				
West Virginia	1,474	1,655	2,041	2,503	160	366
Wisconsin	6,640	6,978	8,681	9,214	1,910	2,960
Wyoming	561	513				
Total	\$294,501	\$334,720	\$450,534	\$528,747	\$67,603	\$121,416

NOTES: Unless otherwise noted, original estimates reflect the figures used when the fiscal 2022 budget was adopted. *See Notes to Tables 16 and 17 at the end of the chapter.

TABLE 16 (CONTINUED)

Fiscal 2022 General Fund Revenue Collections Compared With Projections Used in Adopting Fiscal 2022 Budgets (Millions)

State	Gaming/Lottery Revenue		All Other Revenue	
	Original Estimate	Preliminary Actual	Original Estimate	Preliminary Actual
Alabama			\$2,216	\$2,459
Alaska	\$2	\$4	1,650	3,865
Arizona		26	-328	741
Arkansas	33	48	478	538
California*	0	0	6,811	6,132
Colorado			274	73
Connecticut*	633	644	4,637	3,075
Delaware	220	236	2,972	3,370
Florida*	20	15	4,834	6,220
Georgia			5,515	5,731
Hawaii			1,548	2,216
Idaho			187	361
Illinois	837	960	8,191	8,893
Indiana	422	509	1,238	1,223
Iowa	90	98	-994	-847
Kansas*	N/A	N/A	-1,045	-1,261
Kentucky	292	295	1,749	2,111
Louisiana	363	428	1,404	738
Maine	60	71	198	245
Maryland*	596	635	1,774	2,194
Massachusetts	1,427	1,440	8,908	9,631
Michigan			1,320	1,298
Minnesota	177	238	3,409	3,709
Mississippi	125	174	799	876
Missouri			374	468
Montana	77	93	800	1,017
Nebraska			223	257
Nevada	739	1,005	2,331	2,824
New Hampshire			1,057	1,242
New Jersey			8,664	11,830
New Mexico*	64	71	3,158	3,151
New York	14	13	7,630	10,051
North Carolina			3,370	3,815
North Dakota	7	6	649	739
Ohio*			2,970	2,986
Oklahoma	182	218	1,350	1,862
Oregon			682	889
Pennsylvania*	284	308	9,906	10,463
Rhode Island	376	389	1,001	1,021
South Carolina			973	1,295
South Dakota	139	172	536	598
Tennessee*	396	398	4,057	4,378
Texas	1,535	1,774	25,600	35,041
Utah			568	710
Vermont			765	865
Virginia*			1,644	1,988
Washington*			13,981	14,904
West Virginia			904	1,363
Wisconsin			1,341	1,396
Wyoming			576	603
Total	\$9,110	\$10,266	\$152,851	\$179,343

NOTES: Unless otherwise noted, original estimates reflect the figures used when the fiscal 2022 budget was adopted. *See Notes to Tables 16 and 17 at the end of the chapter.

TABLE 17

Fiscal 2022 General Fund Revenue Collections Compared with Original Projections (Percentage Above or Below)

State	Sales Tax	Personal Income Tax	Corporate Income Tax	Gaming/ Lottery Revenue	All Other Revenue
Alabama	15.1%	37.2%	94.1%	N/A	11.0%
Alaska	N/A	N/A	50.0	54.2 %	134.3
Arizona	11.9	25.6	72.5	N/A	-326.1
Arkansas	10.7	29.6	63.5	47.1	12.5
California*	13.0	10.7	156.2	0.0	-10.0
Colorado	15.8	26.0	75.3	N/A	-73.4
Connecticut*	12.7	16.4	25.7	1.6	-33.7
Delaware	N/A	6.8	116.8	7.3	13.4
Florida*	25.4	N/A	30.8	-25.5	28.7
Georgia	9.9	10.8	61.9	N/A	3.9
Hawaii	6.2	50.5	71.5	N/A	43.2
Idaho	17.6	24.6	298.2	N/A	92.7
Illinois	10.6	19.5	64.2	14.7	8.6
Indiana	10.1	21.9	74.2	20.5	-1.2
Iowa	13.4	14.4	23.7	8.1	-14.8
Kansas*	0.6	7.5	11.2	N/A	20.6
Kentucky	16.8	20.9	153.0	1.0	20.7
Louisiana	19.7	17.0	79.4	17.9	-47.4
Maine	12.0	39.9	89.0	19.0	23.6
Maryland*	19.4	16.2	35.8	6.6	23.7
Massachusetts	12.2	22.0	33.2	0.9	8.1
Michigan	14.2	21.1	103.0	N/A	-1.6
Minnesota	5.9	12.9	60.8	34.7	8.8
Mississippi	13.4	32.7	74.4	39.2	9.6
Missouri	19.4	33.6	72.8	N/A	25.2
Montana	41.7	55.5	81.9	21.8	27.2
Nebraska	7.1	40.1	104.2	N/A	15.6
Nevada	19.0	N/A	N/A	36.0	21.1
New Hampshire	N/A	N/A	24.1	N/A	17.5
New Jersey	8.3	21.9	40.6	N/A	36.5
New Mexico*	33.5	15.2	623.1	10.6	-0.2
New York	-6.5	11.7	21.4	-7.1	31.7
North Carolina	6.1	22.7	45.2	N/A	13.2
North Dakota	15.5	18.3	114.5	-19.2	13.9
Ohio*	5.8	20.8	10.9	N/A	0.5
Oklahoma	15.4	14.4	161.8	19.8	38.0
Oregon	N/A	27.9	125.9	N/A	30.3
Pennsylvania*	8.7	14.9	41.0	8.4	5.6
Rhode Island	15.8	29.0	61.1	3.4	2.0
South Carolina	28.8	34.8	142.4	N/A	33.2
South Dakota	17.1	N/A	N/A	23.1	11.5
Tennessee*	24.2	124.0	66.9	0.5	7.9
Texas	23.5	N/A	N/A	15.6	36.9
Utah	20.1	32.4	113.9	N/A	25.1
Vermont	N/A	31.8	85.2	N/A	13.0
Virginia*	14.2	27.6	55.6	N/A	20.9
Washington*	11.5	N/A	N/A	N/A	6.6
West Virginia	12.3	22.6	128.5	N/A	50.7
Wisconsin	5.1	6.2	55.0	N/A	4.1
Wyoming	-8.6	N/A	N/A	N/A	4.7
Total	13.7%	17.4%	79.6%	12.7%	17.3%
On target	0	0	0	1	1
Higher	43	42	45	23	41
Lower	2	0	0	3	8

NOTES: N/A indicates data are not available because, in most cases, these states do not have that type of Tax. *See Notes to Tables 16 and 17 at the end of the chapter.

TABLE 18

Comparison of General Fund Revenue in Fiscal 2021, Fiscal 2022, and Enacted Fiscal 2023 (\$ in millions)

State	Sales Tax			Personal Income Tax			Corporate Income Tax		
	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2021	Fiscal 2022	Fiscal 2023
Alabama	\$3,237	\$3,494	\$3,458	\$4,800	\$5,809	\$4,469	\$844	\$1,053	\$661
Alaska	0	0	0	0	0	0	103	15	125
Arizona**	6,245	7,140	7,291	6,533	7,401	5,946	847	1,112	1,133
Arkansas* **	2,884	3,115	3,167	3,969	4,133	3,907	652	783	642
California*	29,073	32,750	33,992	128,856	136,497	137,506	22,591	46,395	38,464
Colorado	3,632	4,259	4,372	9,478	11,468	10,983	1,183	1,408	1,059
Connecticut*	4,793	4,818	4,778	10,340	12,057	11,707	1,153	1,402	1,294
Delaware**	0	0	0	1,888	1,909	2,062	210	314	199
Florida*	27,158	34,040	29,797	0	0	0	3,396	3,762	3,822
Georgia	6,947	7,306	7,402	14,221	14,112	14,102	1,751	1,426	1,396
Hawaii* **	3,055	3,980	4,329	3,355	3,760	3,861	186	256	461
Idaho	2,004	2,195	2,233	2,446	2,603	2,319	349	1,039	301
Illinois**	9,368	10,234	10,080	22,525	24,839	22,577	3,563	5,407	4,608
Indiana**	9,073	9,991	9,366	7,532	8,181	6,966	1,385	1,540	1,059
Iowa	3,512	3,854	3,993	5,435	5,780	5,387	984	919	829
Kansas**	3,126	3,534	3,414	4,590	4,836	4,662	652	806	650
Kentucky	4,561	5,063	5,283	5,144	6,048	5,342	883	1,187	910
Louisiana	4,131	4,584	4,467	3,957	4,438	4,325	805	897	650
Maine	1,856	2,079	2,115	2,070	2,581	2,054	284	416	336
Maryland*	4,988	5,967	5,807	11,705	13,548	13,426	1,462	1,700	1,686
Massachusetts	5,468	6,228	6,277	19,619	24,337	22,897	3,627	4,577	4,158
Michigan	2,239	2,320	2,250	7,714	8,831	8,813	1,211	1,228	1,055
Minnesota	6,169	6,603	7,220	14,104	14,477	15,697	2,387	2,376	2,051
Mississippi* **	2,653	2,983	2,971	2,226	2,500	2,250	845	855	735
Missouri**	2,357	2,692	2,775	7,789	9,010	7,670	678	711	575
Montana	56	93	86	1,765	2,394	1,588	267	294	174
Nebraska**	2,010	2,133	2,344	3,131	3,243	2,795	571	715	462
Nevada*	1,381	1,613	1,442	0	0	0	0	0	0
New Hampshire	0	0	0	0	0	0	632	750	623
New Jersey	12,182	13,235	13,417	17,470	20,586	19,985	5,003	5,753	5,330
New Mexico*	2,914	3,492	3,047	1,904	1,920	2,039	150	306	68
New York	11,155	13,815	15,391	44,034	59,519	64,354	6,420	8,482	9,751
North Carolina**	9,024	10,201	10,183	15,823	17,568	15,471	1,552	1,626	1,156
North Dakota**	853	976	920	466	456	297	147	213	108
Ohio* **	12,191	13,030	12,460	10,201	10,752	9,522	1,667	1,996	1,880
Oklahoma**	3,318	3,334	3,359	2,950	3,573	3,125	562	664	339
Oregon**	0	0	0	12,773	12,458	11,320	1,479	1,539	814
Pennsylvania* **	12,835	13,914	13,815	16,283	18,126	18,164	4,424	5,323	4,900
Rhode Island	1,341	1,511	1,509	1,616	1,999	1,775	202	288	215
South Carolina	3,826	4,402	3,853	5,421	6,828	5,542	669	1,129	560
South Dakota	1,223	1,385	1,332	0	0	0	0	0	0
Tennessee*	10,456	12,004	11,471	56	6	0	3,240	4,291	3,696
Texas	32,254	38,660	32,796	0	0	0	0	0	0
Utah**	2,625	3,098	2,833	6,111	6,772	5,731	743	937	529
Vermont**	0	0	0	1,070	1,268	1,103	133	223	187
Virginia*	4,166	4,558	4,498	17,304	20,410	16,733	1,516	1,979	1,737
Washington*	13,290	14,889	15,404	0	0	0	0	0	0
West Virginia**	1,537	1,655	1,510	2,254	2,503	2,190	320	366	150
Wisconsin*	6,374	6,978	6,845	9,283	9,214	9,116	2,560	2,960	2,160
Wyoming	493	513	531	0	0	0	0	0	0
Total	\$294,030	\$334,720	\$325,882	\$470,206	\$528,747	\$509,776	\$84,286	\$121,416	\$103,696

NOTES: Unless otherwise noted, fiscal 2021 figures reflect actual tax collections, fiscal 2022 figures reflect preliminary actual tax collections, and fiscal 2023 figures reflect the estimates used in enacted budgets. *See Notes to Tables 18 and 19 at the end of the chapter. **Denotes states that recognized some revenue (primarily from income taxes) in fiscal 2021 instead of fiscal 2020 due to the shift in the tax filing deadline from April 15, 2020 to July 15, 2020.

TABLE 18 (CONTINUED)

Comparison of General Fund Revenue in Fiscal 2021, Fiscal 2022, and Enacted Fiscal 2023 (\$ in millions)

State	Gaming/Lottery Revenue			All Other Revenue		
	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2021	Fiscal 2022	Fiscal 2023
Alabama	\$0	\$0	\$0	\$2,326	\$2,459	\$2,318
Alaska	3	4	13	1,586	3,865	4,833
Arizona**	0	26	19	492	741	-2,065
Arkansas* **	40	48	52	576	538	558
California*	1	0	0	5,631	6,132	6,404
Colorado	0	0	0	17	73	226
Connecticut*	639	644	654	3,606	3,075	3,955
Delaware**	216	236	232	3,077	3,370	3,322
Florida*	17	15	9	5,710	6,220	5,413
Georgia	0	0	0	5,673	5,731	5,734
Hawaii* **	0	0	0	2,407	2,216	1,860
Idaho	0	0	0	210	361	329
Illinois**	777	960	822	8,619	8,893	8,342
Indiana**	498	509	451	1,259	1,223	1,255
Iowa	101	98	104	-1,231	-847	-1,178
Kansas**	N/A	N/A	N/A	498	-1,261	182
Kentucky	289	295	335	1,951	2,111	1,889
Louisiana	431	428	413	1,140	738	1,185
Maine	71	71	60	240	245	194
Maryland*	632	635	665	2,045	2,194	1,942
Massachusetts	1,374	1,440	1,461	8,457	9,631	9,731
Michigan	0	0	0	1,350	1,298	1,233
Minnesota	205	238	245	3,717	3,709	3,605
Mississippi* **	158	174	148	858	876	883
Missouri**	0	0	0	416	468	399
Montana	87	93	80	789	1,017	809
Nebraska**	0	0	0	248	257	223
Nevada*	713	1,005	793	2,381	2,824	2,484
New Hampshire	0	0	0	1,212	1,242	1,033
New Jersey	0	0	0	13,481	11,830	11,094
New Mexico*	25	71	67	3,093	3,151	3,829
New York	10	13	13	12,693	10,051	6,535
North Carolina**	0	0	0	3,301	3,815	3,700
North Dakota**	25	6	17	388	739	355
Ohio* **	0	0	0	2,760	2,986	3,042
Oklahoma**	183	218	185	1,266	1,862	1,338
Oregon**	0	0	0	1,042	889	712
Pennsylvania* **	242	308	317	6,608	10,463	6,384
Rhode Island	302	389	388	971	1,021	1,015
South Carolina	0	0	0	1,173	1,295	1,209
South Dakota	156	172	171	571	598	564
Tennessee*	388	398	477	4,246	4,378	4,255
Texas	1,884	1,774	1,542	26,367	35,041	26,784
Utah**	0	0	0	589	710	632
Vermont**	0	0	0	954	865	700
Virginia*	0	0	0	1,893	1,988	1,904
Washington*	0	0	0	14,250	14,904	13,290
West Virginia**	0	0	0	876	1,363	786
Wisconsin*	0	0	0	1,356	1,396	1,338
Wyoming	0	0	0	914	603	610
Total	\$9,465	\$10,266	\$9,731	\$164,048	\$179,343	\$157,169

NOTES: Unless otherwise noted, fiscal 2021 figures reflect actual tax collections, fiscal 2022 figures reflect preliminary actual tax collections, and fiscal 2023 figures reflect the estimates used in enacted budgets. *See Notes to Tables 18 and 19 at the end of the chapter. **Denotes states that recognized some revenue (primarily from income taxes) in fiscal 2021 instead of fiscal 2020 due to the shift in the tax filing deadline from April 15, 2020 to July 15, 2020.

TABLE 19

Percentage Change in General Fund Revenue Collections in Fiscal 2021, Fiscal 2022, and Enacted Fiscal 2023

State	Sales Tax			Personal Income Tax			Corporate Income Tax		
	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2021	Fiscal 2022	Fiscal 2023
Alabama	13.9%	8.0%	-1.0%	15.2%	21.0%	-23.1%	72.6%	24.7%	-37.2%
Alaska	N/A	N/A	N/A	N/A	N/A	N/A	0.4	-85.4	733.3
Arizona**	15.8	14.3	2.1	44.2	13.3	-19.7	65.5	31.2	1.9
Arkansas***	13.4	8.0	1.7	16.1	4.1	-5.5	35.2	20.1	-18.0
California*	14.0	12.6	3.8	29.4	5.9	0.7	61.9	105.4	-17.1
Colorado	6.6	17.3	2.6	9.6	21.0	-4.2	62.4	19.0	-24.8
Connecticut	11.0	0.5	-0.8	10.0	16.6	-2.9	23.4	21.6	-7.7
Delaware**	N/A	N/A	N/A	28.3	1.1	8.0	80.0	49.8	-36.6
Florida	10.4	25.3	-12.5	N/A	N/A	N/A	37.3	10.8	1.6
Georgia	12.5	5.2	1.3	14.6	-0.8	-0.1	42.0	-18.6	-2.1
Hawaii**	-10.9	30.3	8.8	42.2	12.1	2.7	2,117.9	37.2	80.2
Idaho*	18.6	9.5	1.7	28.4	6.4	-10.9	43.4	197.8	-71.0
Illinois**	13.5	9.2	-1.5	21.9	10.3	-9.1	71.2	51.8	-14.8
Indiana**	12.8	10.1	-6.3	42.9	8.6	-14.8	100.5	11.1	-31.2
Iowa	10.6	9.7	3.6	16.8	6.4	-6.8	51.7	-6.6	-9.8
Kansas**	10.4	13.1	-3.4	37.5	5.4	-3.6	69.7	23.6	-19.4
Kentucky	12.0	11.0	4.4	7.9	17.6	-11.7	38.1	34.4	-23.3
Louisiana	11.7	11.0	-2.5	4.7	12.2	-2.5	39.2	11.4	-27.5
Maine	15.0	12.0	1.7	12.7	24.7	-20.4	31.6	46.3	-19.3
Maryland*	7.6	19.6	-2.7	9.4	15.7	-0.9	39.0	16.3	-0.9
Massachusetts	13.5	13.9	0.8	13.0	24.0	-5.9	43.7	26.2	-9.2
Michigan	41.2	3.6	-3.0	12.3	14.5	-0.2	199.8	1.4	-14.1
Minnesota	7.4	7.0	9.3	16.6	2.6	8.4	51.1	-0.5	-13.7
Mississippi**	6.3	12.4	-0.4	22.3	12.3	-10.0	54.0	1.1	-13.9
Missouri**	4.9	14.2	3.1	30.2	15.7	-14.9	109.7	4.9	-19.1
Montana	-4.0	67.4	-7.4	23.0	35.6	-33.6	42.2	10.2	-40.7
Nebraska**	8.7	6.1	9.9	28.0	3.6	-13.8	46.0	25.2	-35.4
Nevada	9.2	16.9	-10.6	N/A	N/A	N/A	N/A	N/A	N/A
New Hampshire	N/A	N/A	N/A	N/A	N/A	N/A	54.1	18.6	-16.9
New Jersey	15.0	8.6	1.4	7.5	17.8	-2.9	22.2	15.0	-7.3
New Mexico*	-3.0	19.8	-12.8	12.5	0.8	6.2	136.9	104.3	-77.7
New York*	-18.1	23.8	11.4	-12.8	35.2	8.1	0.8	32.1	15.0
North Carolina**	15.4	13.0	-0.2	27.5	11.0	-11.9	135.9	4.8	-28.9
North Dakota**	-12.1	14.4	-5.7	32.2	-2.0	-34.8	60.3	45.4	-49.6
Ohio**	14.1	6.9	-4.4	29.4	5.4	-11.4	-0.3	19.7	-5.8
Oklahoma**	24.0	0.5	0.7	3.0	21.1	-12.5	94.4	18.1	-49.0
Oregon**	N/A	N/A	N/A	77.6	-2.5	-9.1	202.8	4.1	-47.1
Pennsylvania***	18.6	8.4	-0.7	26.9	11.3	0.2	56.5	20.3	-7.9
Rhode Island	14.9	12.7	-0.2	15.0	23.7	-11.2	35.8	42.9	-25.5
South Carolina*	16.4	15.1	-12.5	21.7	25.9	-18.8	78.7	68.8	-50.4
South Dakota	14.0	13.3	-3.9	N/A	N/A	N/A	N/A	N/A	N/A
Tennessee*	16.4	14.8	-4.4	-41.2	-90.0	-100.0	24.2	32.4	-13.9
Texas*	4.7	19.9	-15.2	N/A	N/A	N/A	N/A	N/A	N/A
Utah**	15.9	18.0	-8.6	53.3	10.8	-15.4	108.7	26.2	-43.5
Vermont**	N/A	N/A	N/A	15.6	18.5	-13.0	-9.8	67.4	-16.1
Virginia*	12.4	9.4	-1.3	12.7	18.0	-18.0	49.8	30.5	-12.2
Washington*	10.6	12.0	3.5	N/A	N/A	N/A	N/A	N/A	N/A
West Virginia**	10.9	7.7	-8.8	15.7	11.0	-12.5	110.9	14.3	-59.1
Wisconsin	9.2	9.5	-1.9	6.2	-0.7	-1.1	59.2	15.6	-27.0
Wyoming	1.2	4.1	3.5	N/A	N/A	N/A	N/A	N/A	N/A
Total	9.9%	13.8%	-2.6%	18.3%	12.5%	-3.6%	48.1%	44.1%	-14.6%
Median	12.0%	12.0%	-0.7%	16.4%	11.7%	-9.6%	54.0%	20.3%	-18.0%

NOTES: N/A indicates data are not available because, in most cases, these states do not have that type of Tax. Unless otherwise noted, fiscal 2021 figures reflect actual Tax collections, fiscal 2022 figures reflect preliminary actual Tax collections, and fiscal 2023 figures reflect the estimates based on enacted budgets. *See Notes to Tables 18 and 19 at the end of the chapter. **Denotes states that recognized some revenue (primarily from income Taxes) in fiscal 2021 instead of fiscal 2020 due to the shift in the Tax filing deadline from April 15, 2020 to July 15, 2020.

TABLE 19 (CONTINUED)

Percentage Change in General Fund Revenue Collections in Fiscal 2021, Fiscal 2022, and Enacted Fiscal 2023

State	Gaming/Lottery Revenue			All Other Revenue		
	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2021	Fiscal 2022	Fiscal 2023
Alabama	N/A	N/A	N/A	3.8%	5.7%	-5.8%
Alaska	8.3%	42.3%	248.6%	6.8	143.7	25.0
Arizona**	N/A	N/A	-29.1	14.1	50.5	-378.7
Arkansas* **	18.5	19.1	7.5	17.6	-6.5	3.6
California*	-66.9	-74.7	0.0	6.0	8.9	4.4
Colorado	N/A	N/A	N/A	-80.7	329.4	209.3
Connecticut	26.8	0.7	1.6	-10.7	-14.7	28.6
Delaware**	21.6	9.4	-1.7	11.5	9.5	-1.4
Florida	N/A	N/A	N/A	32.7	8.9	-13.0
Georgia	N/A	N/A	N/A	0.2	1.0	0.1
Hawaii**	N/A	N/A	N/A	-3.2	-7.9	-16.1
Idaho*	N/A	N/A	N/A	8.3	71.8	-8.8
Illinois**	-5.8	23.6	-14.4	2.3	3.2	-6.2
Indiana**	67.2	2.1	-11.4	-5.9	-2.8	2.6
Iowa	24.8	-3.7	6.9	96.3	31.2	39.1
Kansas**	N/A	N/A	N/A	-43.8	-353.2	-114.4
Kentucky	6.5	2.0	13.6	7.2	8.2	-10.5
Louisiana	21.3	-0.8	-3.5	-19.7	-35.3	60.5
Maine	-3.7	1.1	-16.0	4.4	1.9	-20.8
Maryland*	15.2	0.5	4.7	20.3	7.3	-11.5
Massachusetts	11.9	4.9	1.5	-1.6	13.9	1.0
Michigan	N/A	N/A	N/A	-11.4	-3.8	-5.0
Minnesota	37.3	15.9	3.0	11.8	-0.2	-2.8
Mississippi**	36.7	9.8	-14.8	2.6	2.0	0.8
Missouri**	N/A	N/A	N/A	9.9	12.6	-14.7
Montana	33.1	6.9	-14.3	0.2	28.9	-20.5
Nebraska**	N/A	N/A	N/A	-2.8	4.0	-13.2
Nevada	14.4	41.0	-21.1	8.7	18.6	-12.0
New Hampshire	N/A	N/A	N/A	8.7	2.4	-16.8
New Jersey	N/A	N/A	N/A	99.6	-12.2	-6.2
New Mexico*	-46.3	186.5	-6.0	-8.4	1.9	21.5
New York*	-28.6	30.0	0.0	46.1	-20.8	-35.0
North Carolina**	N/A	N/A	N/A	8.4	15.6	-3.0
North Dakota**	51.8	-76.3	184.7	-41.9	90.7	-52.0
Ohio**	N/A	N/A	N/A	-0.9	8.2	1.9
Oklahoma**	26.1	19.2	-14.9	16.7	47.0	-28.1
Oregon**	N/A	N/A	N/A	63.1	-14.7	-19.9
Pennsylvania* **	69.1	27.3	3.0	16.9	58.3	-39.0
Rhode Island	6.3	28.8	-0.2	-8.2	5.1	-0.6
South Carolina*	N/A	N/A	N/A	10.2	10.5	-6.6
South Dakota	26.9	10.4	-0.6	13.3	4.6	-5.7
Tennessee*	-1.1	2.7	19.7	3.2	3.1	-2.8
Texas*	13.8	-5.8	-13.1	7.5	32.9	-23.6
Utah* **	N/A	N/A	N/A	-7.7	20.6	-11.0
Vermont**	N/A	N/A	N/A	74.6	-9.3	-19.1
Virginia*	N/A	N/A	N/A	13.5	5.0	-4.2
Washington*	N/A	N/A	N/A	22.8	4.6	-10.8
West Virginia**	N/A	N/A	N/A	-1.5	55.6	-42.4
Wisconsin	N/A	N/A	N/A	0.8	2.9	-4.1
Wyoming	N/A	N/A	N/A	28.9	-34.0	1.2
Total	13.5%	8.5%	-5.2%	13.5%	9.3%	-12.4%
Median	16.8%	8.1%	-0.2%	7.0%	5.1%	-6.2%

NOTES: N/A indicates data are not available because, in most cases, these states do not have that type of Tax. Unless otherwise noted, fiscal 2021 figures reflect actual Tax collections, fiscal 2022 figures reflect preliminary actual Tax collections, and fiscal 2023 figures reflect the estimates based on enacted budgets. *See Notes to Tables 18 and 19 at the end of the chapter. **Denotes states that recognized some revenue (primarily from income Taxes) in fiscal 2021 instead of fiscal 2020 due to the shift in the Tax filing deadline from April 15, 2020 to July 15, 2020.

Enacted Fiscal 2023 Revenue Actions

According to enacted budgets, 31 states enacted net decreases in taxes and fees while just five adopted net increases, reducing state revenues on net by \$16.2 billion. This significant net decrease closely aligns with governors' proposed tax and fee changes for fiscal 2023 reported in the *Spring 2022 Fiscal Survey of States*, which called for a net reduction in taxes and fees of \$15 billion. Looking only at the impact on general fund revenue, enacted revenue changes will reduce revenue on net by an estimated \$15.5 billion, representing 1.4 percent of forecasted general fund revenues in fiscal 2023 enacted budgets.

It is worth noting that a \$16.2 billion reduction in revenues from enacted tax changes marks the largest net tax cut on record in the history of the Fiscal Survey, measured in nominal dollars. (See [Tables 20 and Figure 3](#)) Measured as a share of general fund revenue, the percentage cut is similar to the reductions recorded in the late 1990s and fiscal years 2000–2001. The scale and scope of tax reductions enacted by states for fiscal 2023 reflect strong fiscal conditions. Adopted tax cuts including measures to return part of states' revenue surplus to taxpayers, provide inflation relief to families, support businesses, and promote prosperity and economic opportunity. Tax reductions ranged from targeted, one-time tax relief measures to permanent, broad-based rate reductions — often phased-in over a series of years.

Below is a summary of the revenue impacts of tax policy and fee changes by source. More detailed, state-by-state information on tax and fee changes enacted by states for fiscal 2023 is available in the Appendix of this report. (See [Tables 21 and 22](#), [Appendix Tables A-1 and A-2](#))

Sales Taxes—Three states enacted sales and use tax increases, while 19 states enacted decreases, which will reduce revenue on net by \$1.6 billion in fiscal 2023 (the general fund revenue impact is the same, at \$1.6 billion). Some of the more impactful changes include a diesel sales tax exemption in California and temporary fuel tax holiday in New York, a variety of specific product exemptions and a Back to School holiday in Florida, phasing in the elimination of food tax in Kansas and grocery tax in Virginia, and several temporary tax exemptions in Tennessee.

Personal Income Taxes—Twenty-six states enacted personal income tax decreases, while two states enacted changes resulting in small increases. These changes have a net revenue

impact of -\$8.3 billion (nearly all of this impacts the general fund). Numerous states enacted broad-based rate reductions in this category, including Arkansas, Idaho, Indiana, Iowa, Kentucky, Mississippi, Montana, Nebraska, South Carolina, and Utah. Personal income tax reductions also include the creation or expansion of various tax credits, including a homeowner tax rebate credit in New York as well as Earned Income Tax Credit (EITC) programs in California (for foster youth), Maine, New York, Utah and Virginia. Additionally, states reported on reductions attributed to tax conformity measures and the exemption of retirement and/or military pension income.

Corporate Income Taxes—Sixteen states adopted corporate income tax cuts, while three states enacted net increases, for a net impact on revenue in fiscal 2023 of -\$4.0 billion (nearly all general fund impact). California's lifting of a temporary limitation on certain corporate income tax breaks one year early accounts for most of the net reduction in this category. Tax conformity measures in California, the repeal of a utility receipts tax in Indiana, a variety of changes in New Hampshire, and a tax rate cut and expansion of the base in Pennsylvania make up some of the other significant tax reductions in this category.

Cigarette and Tobacco Taxes—One state enacted a tax increase on retail vaping, while two states adopted small changes leading to modest revenue reductions, with a net increase in this category of \$27 million (the general fund impact is a decline of \$6 million).

Motor Fuel Taxes—Three states — Florida, Georgia and New York — reported on temporary gas tax holidays/exemptions, with a net revenue impact of -\$1.1 billion (including a -\$650 million impact on general fund revenue). Note that some states reported on gas tax holidays in other revenue categories, such as sales taxes or other taxes and revenue.

Alcohol Taxes—No changes were reported in this category.

Gaming Taxes/Lottery Revenue—Maryland reported a net decrease related to increasing the lottery agent sales commission, while Ohio reported an increase from the creation of a sports gaming tax, resulting in a net revenue impact in this category of -\$3 million (-\$10 million general fund impact).

Other Taxes & Revenue—Six states enacted net increases in this category while 15 states adopted cuts, resulting in a net revenue impact of -\$1.2 billion (including a -\$929 million general fund

impact). Some of the most impactful reductions in this category include a managed care organization tax reduction in California, a one-time child tax credit along with property tax credit expansion in Connecticut, and various tax changes in New Mexico and Pennsylvania.

Fees—Five states reported net increases in fees while four states reported decreases, resulting in a net revenue impact of \$91 million (including a general fund revenue impact of -\$27 million).

Fiscal 2023 Revenue Measures. In addition to tax and fee changes, some states also reported on revenue measures with a total net impact of -\$3.0 billion, with a -\$3.1 billion impact on states' general funds. These measures in most cases do not affect taxpayer liability and include actions to enforce existing laws, tax amnesties, additional audits and compliance efforts, as well as fund transfers and diversions. A couple states reported on one-time tax rebates in this category. *(See Appendix Table A-2)*

Mid-Year Revenue Changes in Fiscal 2022

Fifteen states enacted changes in taxes and fees affecting fiscal 2022 revenues after budget enactment, with two states making increases and 13 states with decreases, resulting in an estimated net revenue impact of -\$3.1 billion. Many of the tax cuts were in the personal and corporate income tax categories. These included a 2-year personal income tax credit in North Dakota and exemption of certain forgiven small business loans in Arkansas. Connecticut and Maryland also reported on temporary gas tax holidays in the middle of fiscal 2022.

States also reported on revenue measures enacted mid-year for fiscal 2022 that do not affect taxpayer liability, with a total net impact of -\$1.7 billion. For example, Virginia reported on moving when certain sales tax revenue was recognized, Connecticut transferred its fiscal 2022 budget surplus for the child tax credit, and Wisconsin reported on withholding changes to reflect recent tax rate reductions. *(See Table 23, Appendix Tables A-3 and A-4)*

TABLE 20
Enacted State Revenue Changes, Fiscal 1979 to
Fiscal 2023

Fiscal Year	Revenue Change (Billions)
2023	-\$16.2
2022	-2.9
2021	5.2
2020	6.7
2019	3.1
2018	9.9
2017	1.3
2016	0.5
2015	-2.3
2014	-2.1
2013	6.9
2012	-0.7
2011	6.2
2010	23.9
2009	1.5
2008	4.5
2007	-2.1
2006	2.5
2005	3.5
2004	9.6
2003	8.3
2002	0.3
2001	-5.8
2000	-5.2
1999	-7.0
1998	-4.6
1997	-4.1
1996	-3.8
1995	-2.6
1994	3.0
1993	3.0
1992	15.0
1991	10.3
1990	4.9
1989	0.8
1988	6.0
1987	0.6
1986	-1.1
1985	0.9
1984	10.1
1983	3.5
1982	3.8
1981	0.4
1980	-2.0
1979	-2.3

SOURCES: Fiscal 1979–1987 data from Advisory Commission on Intergovernmental Relations, *Significant Features of Fiscal Federalism*, 1985–86 edition, page 77, based on data from the Tax Foundation and the National Conference of State Legislatures. Fiscal 1988–2023 data provided by the National Association of State Budget Officers.

FIGURE 3:
Enacted State Revenue Changes, Fiscal 1979 to Fiscal 2023

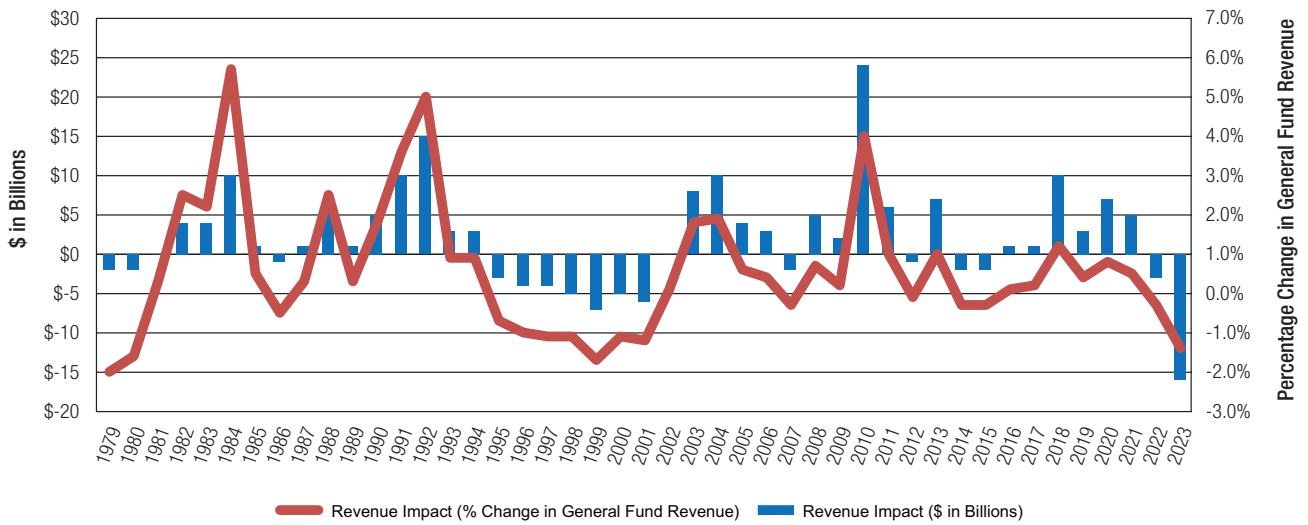


TABLE 21

Enacted Fiscal 2023 Revenue Actions by Type of Revenue and Net Increase or Decrease (Millions)

State	Sales & Use Tax	Personal Income Tax	Corporate Income Tax	Cigarette/ Tobacco Tax	Motor Fuel Tax	Alcohol Tax	Gaming Tax/ Lottery Revenue	Other Taxes and Revenues	Fees	Total
Alabama		-\$17.2	-\$4.5					-\$11.5		-\$33.2
Alaska										
Arizona										
Arkansas		-452.2	-18.5					-29.4		-500.1
California	-\$327.0	-423.7	-3,477.0	\$32.0				-479.2	\$116.7	-4,558.2
Colorado										
Connecticut	-9.7	-42.9	-9.4					-413.5		-475.5
Delaware		-10.3								-10.3
Florida	-500.0		68.2		-\$200.0					-631.8
Georgia	-5.7	-79.0			-650.0			-15.2		-749.9
Hawaii										
Idaho		-357.8	-53.1					-23.0		-433.9
Illinois										
Indiana*	-9.7	-98.7	-227.8	-2.1						-338.3
Iowa	-9.5	-222.0	-19.6					-6.9		-258.0
Kansas	-83.7	-39.6	-17.7					-11.0		-152.0
Kentucky	43.8	-310.3		-3.4				-57.7	0.3	-327.3
Louisiana										
Maine		-146.5	10.0							-136.5
Maryland	-49.3	-318.2	-5.6				-\$9.9			-383.0
Massachusetts		42.0								42.0
Michigan										
Minnesota										
Mississippi		-92.5						17.9		-74.6
Missouri	-31.1	8.8						-15.0		-37.3
Montana		-34.1	3.2					79.5	1.1	49.8
Nebraska	-6.4	-115.5	-2.0							-123.9
Nevada								83.0		83.0
New Hampshire	-19.0		-75.0					-6.3		-100.3
New Jersey								3.2	-28.3	-25.1
New Mexico	-1.5							-191.9		-193.4
New York	-310.0	-2,937.0	-10.0		-297.0			1.0		-3,553.0
North Carolina	-6.3	-1.6								-7.9
North Dakota		-114.3								-114.3
Ohio		-288.6					\$7.0			-281.6
Oklahoma										
Oregon										
Pennsylvania	0.2	-15.6	-126.6					-126.2		-268.2
Rhode Island	2.9	-52.2							176.2	126.9
South Carolina		-710.4								-710.4
South Dakota										
Tennessee	-178.6							-9.7	-121.6	-309.9
Texas										
Utah	-3.8	-196.5	-29.3					-7.2	-5.3	-242.2
Vermont	-0.9								1.0	0.0
Virginia	-110.0	-1,305.7	-18.3							-1,434.0
Washington	-5.4		-8.0					1.1	-48.6	-60.9
West Virginia										
Wisconsin		-14.1								-14.1
Wyoming										
Total	-\$1,620.7	-\$8,345.6	-\$4,021.0	\$26.5	-\$1,147.0		-\$2.9	-\$1,218.0	\$91.4	-\$16,237.3
Increases	3	2	3	1			1	6	5	5
Decreases	19	26	16	2	3		1	15	4	31

NOTE: See Appendix Table A-1 for details on specific revenue changes. *See Notes to Table 21 at the end of the chapter.

TABLE 22

Enacted Fiscal 2023 Revenue Actions — General Fund Impact (Millions)

State	Sales & Use Tax	Personal Income Tax	Corporate Income Tax	Cigarette/Tobacco Tax	Motor Fuel Tax	Alcohol Tax	Gaming Tax/Lottery Revenue	Other Taxes and Revenues	Fees	Total
Alabama								-\$11.5		-\$11.5
Alaska										
Arizona										
Arkansas		-\$452.2	-\$18.5					-29.4		-500.1
California	-\$327.0	-423.7	-3,477.0					-285.2		-4,512.9
Colorado										
Connecticut	-9.7	-42.9	-9.4					-264.8		-326.8
Delaware		-10.3								-10.3
Florida	-500.0		68.2							-431.8
Georgia	-5.7	-79.0			-\$650.0			-15.2		-749.9
Hawaii										
Idaho		-357.8	-53.1					-23.0		-433.9
Illinois										
Indiana	-9.7	-98.7	-227.8	-\$2.1						-338.3
Iowa	-9.5	-222.0	-19.6					-6.9		-258.0
Kansas	-88.4	-39.6	-17.7					-11.0		-156.7
Kentucky	43.8	-310.3		-3.4				-57.7		-327.6
Louisiana										
Maine		-146.5	10.0							-136.5
Maryland	-49.3	-318.2	-5.6				-\$9.9			-383.0
Massachusetts		42.0								42.0
Michigan										
Minnesota										
Mississippi		-92.5						17.9		-74.6
Missouri	-22.1	8.8						-15.0		-28.3
Montana		-34.1	3.2					20.4	\$1.1	-9.3
Nebraska	-6.4	-115.5	-2.0							-123.9
Nevada								83.0		83.0
New Hampshire	-18.4		-47.4					-6.3		-72.1
New Jersey								3.2	-28.3	-25.1
New Mexico	-1.5							-191.9		-193.4
New York	-295.0	-2,937.0	-10.0					3.0		-3,239.0
North Carolina	-6.3	-1.6								-7.9
North Dakota		-114.3								-114.3
Ohio		-279.0								-279.0
Oklahoma										
Oregon										
Pennsylvania	0.2	-15.6	-126.6					-126.2		-268.2
Rhode Island	2.9	-52.2							176.2	126.9
South Carolina		-710.4								-710.4
South Dakota										
Tennessee	-178.6							-9.7	-121.6	-309.9
Texas										
Utah	-2.9	-196.5	-29.3					-3.6	-5.3	-237.6
Vermont	-0.9									-0.9
Virginia	-110.0	-1,305.7	-18.3							-1,434.0
Washington	-5.4		-8.0					1.1	-48.6	-60.9
West Virginia										
Wisconsin		-14.1								-14.1
Wyoming										
Total	-\$1,599.8	-\$8,318.8	-\$3,988.9	-\$5.5	-\$650.0		-\$9.9	-\$928.9	-\$26.5	-\$15,528.3
Increases	3	2	3					6	2	3
Decreases	19	25	15	2	1		1	15	4	33

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

TABLE 23

Mid-Year Fiscal 2022 Revenue Actions by Type of Revenue and Net Increase or Decrease (Millions)

State	Sales & Use Tax	Personal Income Tax	Corporate Income Tax	Cigarette/Tobacco Tax	Motor Fuel Tax	Alcohol Tax	Gaming Tax/Lottery Revenue	Other Taxes and Revenues	Fees	Total
Alabama		-\$12.9								-\$12.9
Alaska										
Arizona										
Arkansas	-\$16.6	-138.4	-\$181.8							-336.8
California		-240.0	-1,950.0						-\$15.6	-2,205.6
Colorado										
Connecticut	-2.5				-\$90.0					-92.5
Delaware										
Florida										
Georgia										
Hawaii										
Idaho										
Illinois										
Indiana										
Iowa										
Kansas										
Kentucky								-\$34.8		-34.8
Louisiana										
Maine										
Maryland					-100.0					-100.0
Massachusetts										
Michigan										
Minnesota										
Mississippi										
Missouri										
Montana										
Nebraska										
Nevada										
New Hampshire										
New Jersey								2.8		2.8
New Mexico	-3.0	-73.7						-8.3		-84.9
New York	5.3									5.3
North Carolina										
North Dakota		-110.4								-110.4
Ohio										
Oklahoma										
Oregon										
Pennsylvania										
Rhode Island		-1.8							1.7	-0.1
South Carolina		-15.1								-15.1
South Dakota										
Tennessee										
Texas										
Utah		-8.9	-2.6							-11.5
Vermont										
Virginia		-129.1								-129.1
Washington										
West Virginia										
Wisconsin		-15.6								-15.6
Wyoming										
Total	-\$16.9	-\$745.8	-\$2,134.4		-\$190.0			-\$40.3	-\$13.9	-\$3,141.2
Increases	1							1	1	2
Decreases	3	10	3		2			2	1	13

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

CHAPTER 2 NOTES

Notes to Table 14: General Fund Nominal Percentage Revenue Change, Fiscal 2021 to Fiscal 2023

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

Notes to Tables 16 and 17: Fiscal 2022 General Fund Revenue Collections Compared with Projections Used in Adopting Fiscal 2022 Budgets (\$ Amounts and Percentage Change)

California	The Corporate Income Revenue in preliminary actual fiscal 2022 includes the pass-through entity (PTE) elective tax, which began in 2021-22 and allows taxpayers to pay a tax at the entity level and receive an equivalent credit against their personal income tax liability.
Connecticut	<p>FY 2022 Adopted Estimates: “All Other General Fund Revenue” and the “Total GF Revenue” include Federal Grant revenue of \$1,851.9 million. Without accounting for Federal Grant Revenue, “All Other General Fund Revenue” would equate to \$2,784.8 million and “Total GF Revenue” would equate to \$19,169.4 million. Federal Grants figures do not include any Coronavirus Relief Fund dollars or Coronavirus State and Local Fiscal Recovery Fund dollars.</p> <p>FY 2022 Preliminary Actual: “All Other General Fund Revenue” and the “Total GF Revenue” include Federal Grant revenue of \$1,936.0 million. Without accounting for Federal Grant Revenue, “All Other General Fund Revenue” would equate to \$1,139.2 million and “Total GF Revenue” would equate to \$20,059.8 million. Federal Grants figures do not include any Coronavirus Relief Fund dollars or Coronavirus State and Local Fiscal Recovery Fund dollars.</p>
Florida	Amounts are limited to state revenues from taxes, licensees and fees while total revenues in Tables 3-5 also include state revenues from various reimbursements, reversions, transfers and settlement agreements.
Kansas	Estimates used when budget was adopted for FY 2022 uses the Legislative Adjustment Memo which adjusts the April 20, 2022 Consensus Revenue Estimate with all legislation enacted after that date.
Maryland	The State of Maryland revenue forecast for FY 2022 includes -\$80 million for revenue volatility, and the FY 2023 forecast includes -\$100 million for revenue volatility. It would be more accurate to show this figure on its own row, but without that, we have incorporated that amount into “All Other Revenues.”
New Mexico	Revenue figures here exclude federal COVID-19 aid deposited into the general fund.
Ohio	Corporate Income Tax: Ohio doesn’t have a corporate income tax and instead has a commercial activities tax (CAT).
Pennsylvania	All Other General Fund Revenue for FY 2022 includes federal ARPA SLFRF revenue replacement funds (\$3,841 million), which are reported as a revenue adjustment in Table 4.
Tennessee	Fiscal 2022 represent preliminary actual collections as of July 2022.
Virginia	Revenue information excludes transfers.
Washington	Total revenue figures reported here are before transfers and other adjustments.

Notes to Tables 18 and 19: Comparison of Tax Collections in Fiscal 2021, Fiscal 2022, and Enacted Fiscal 2023 (\$ Amounts and Percentage Change)

Arkansas	Revenue amounts here are reported as “gross” (before refunds and special dedications/payments).
California	<p>The Corporate Income Revenue in preliminary actual fiscal 2022 includes the pass-through entity (PTE) elective tax, which began in 2021-22 and allows taxpayers to pay a tax at the entity level and receive an equivalent credit against their personal income tax liability.</p> <p>All Other General Fund Revenue excludes cost recoveries from wildfires and COVID-19, as well as transfers and loans:</p> <p>A. Fiscal 2021 does not include \$7.8b in revenue transfers and loans to the General Fund or \$0.7b in cost recoveries from COVID-19 and wildfires.</p> <p>B. Fiscal 2022 estimate adopted in the 2021 Budget Act does not include \$6.3b in revenue transfers and loans from the General Fund or \$4.4b in cost recoveries from COVID-19 and wildfires.</p>

C. Fiscal 2022 does not include \$4.2b in revenue transfers and loans to the General Fund or \$1.1b in cost recoveries from COVID-19 and wildfires.

D. Fiscal 2023 does not include an expected \$3.3b in revenue transfers and loans from the General Fund or \$6.7b in cost recoveries from COVID-19 and wildfires.

Connecticut

FY 2021 Actual: "All Other General Fund Revenue" and the "Total GF Revenue" include Federal Grant revenue of \$1,496.3 million. Without accounting for Federal Grant Revenue, "All Other General Fund Revenue" would equate to \$2,109.7 million and "Total GF Revenue" would equate to \$19,035.1 million. Federal Grants figures do not include any Coronavirus Relief Fund dollars or Coronavirus State and Local Fiscal Recovery Fund dollars.

FY 2022 Preliminary Actual: "All Other General Fund Revenue" and the "Total GF Revenue" include Federal Grant revenue of \$1,936.0 million. Without accounting for Federal Grant Revenue, "All Other General Fund Revenue" would equate to \$1,139.2 million and "Total GF Revenue" would equate to \$20,059.8 million. Federal Grants figures do not include any Coronavirus Relief Fund dollars or Coronavirus State and Local Fiscal Recovery Fund dollars.

FY 2023 Enacted Budget: "All Other General Fund Revenue" and the "Total GF Revenue" include Federal Grant revenue of \$2,059.0 million. Without accounting for Federal Grant Revenue, "All Other General Fund Revenue" would equate to \$1,896.3 million and "Total GF Revenue" would equate to \$20,329.2 million. Federal Grants figures do not include any Coronavirus Relief Fund dollars or Coronavirus State and Local Fiscal Recovery Fund dollars.

Florida

Amounts are limited to state revenues from taxes, licensees and fees while total revenues in Tables 3-5 also include state revenues from various reimbursements, reversions, transfers and settlement agreements.

Hawaii

Fiscal 2021 all other general fund revenue includes working capital loan and transfer (reported as revenue adjustments in Table 3). Fiscal 2023 all other general fund revenues were adjusted to add \$100M estimated FEMA reimbursement and minus \$388.4M statutorily required tax refund.

Maryland

The State of Maryland revenue forecast for FY 2022 includes -\$80 million for revenue volatility, and the FY 2023 forecast includes -\$100 million for revenue volatility. It would be more accurate to show this figure on its own row, but without that, we have incorporated that amount into "All Other Revenues."

Mississippi

Preliminary Actual Fiscal 2022 Revenue is actual revenue collected at the end of lapse period ending 8/31/2022.

Nevada

Modified Business Tax — On May 13, 2021, the Nevada Supreme Court upheld a First Judicial District Court ruling that certain actions taken by the Legislature in Senate Bill 551 (2019) were unconstitutional, as that legislation was approved without the two-thirds majority in each house required in Article 4, Section 18 of the Nevada Constitution. As a result, the rate for the Modified Business Tax - Nonfinancial (MBT-NFI) was reduced to the amount determined by the Department of Taxation on or before September 30, 2018 (from 1.475% to 1.378% for all taxable wages in excess of \$50,000 per calendar quarter), effective April 1, 2021, and the rate for the Modified Business Tax - Financial (MBT-FI) and Modified Business Tax - Mining (MBT-MINING) was reduced to the amount determined by the Department of Taxation on or before September 30, 2018 (from 2% to 1.853% for all taxable wages), effective April 1, 2021. The court ruling additionally requires the Department of Taxation to issue refunds for all MBT that was collected at the higher rate, between July 1, 2019, and March 31, 2021, based on the difference between the rate approved in S.B. 551 and the reduced rate determined by the Department, as well as interest on the excess amount collected. Rate reduction/refunds/interest impact on the General Fund was \$75.6 million in FY 2021.

New Mexico

Revenue figures here exclude federal COVID-19 aid deposited into the general fund.

Ohio

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

Pennsylvania

All Other General Fund Revenue for FY 2022 includes federal ARPA SLFRF revenue replacement funds (\$3,841 million), which are reported as a revenue adjustment in Table 4.

Tennessee

Fiscal 2022 represent preliminary actual collections as of July 2022.

Virginia

Revenue information excludes transfers.

Washington

Total revenue figures reported here are before transfers and other adjustments.

Wisconsin Wisconsin has a Biennial Budget. Fiscal 2023 figures here reflect estimates at time of enactment. Revenues shown in Table 5 of this report reflect the post-budget actions and re-estimates.

Notes to Table 21: Enacted Fiscal 2023 Revenue Actions by Type of Revenue and Net Increase or Decrease

Indiana FY2023 revenue/tax changes are based on estimates from enacted legislation from the 2022 session.



TOTAL BALANCES

CHAPTER THREE

Overview

Rainy day funds and total balance levels reached new heights in fiscal 2022 as virtually all states ended with another revenue surplus. State rainy day fund balances ended fiscal 2022 at \$134.5 billion, with 43 states reporting increases. This follows fiscal 2021, when aggregate rainy day fund balances increased 58 percent to total \$121.8 billion. For fiscal 2023, enacted budgets are forecasting another, more modest increase in reserve levels. For the median state, rainy day funds represented 10.3 percent as a share of general fund spending in fiscal 2021, 11.6 percent (preliminary) in fiscal 2022 and 11.9 percent (enacted) in fiscal 2023.

Total balances (rainy day funds combined with general fund ending balances), meanwhile, have seen tremendous growth over the last couple of years, driven by revenues far exceeding enacted budget forecasts in the aggregate. After more than doubling in fiscal 2021 to total \$241.3 billion, total balances increased sharply again in fiscal 2022 to \$342.9 billion, or 31.7 percent of general fund spending. This contrasts with states' enacted budget projections reported in NASBO's *Fall 2021 Fiscal Survey of States*, which showed states expected ending balances (and total balances) to decline in fiscal 2022. For the median state, total balances represented 27.1 percent as a share of general fund spending in fiscal 2021 and 34.6 percent in fiscal 2022. Total balances are projected to fall in fiscal 2023 as states plan to spend down some of their surplus funds, though these projections are based on enacted budget forecasts and subject to change.

Rainy Day Funds

All 50 states report having at least one rainy day fund or budget stabilization fund established to supplement general fund spending during a revenue downturn or other unanticipated shortfall (if the specific restrictions on the use of the fund are met).⁴ Rainy day funds are a reflection of deliberate state policy choices by elected officials, and recent balance trends and current fund policies demonstrate how states have taken actions to strengthen their reserves such as by refining methods of deposit and tying target fund size to revenue volatility.

Since the Great Recession, governors and state lawmakers focused on rebuilding their states' rainy day funds, or budget stabilization funds. At their lowest point during the Great Recession, rainy day fund balances totaled \$27.4 billion in fiscal 2010, with a median balance of just 2.0 percent. After substantial growth, those balances reached \$79.1 billion in fiscal 2019 (with a median balance of 7.9 percent as a share of general fund spending). Overall, states were in a relatively strong position in terms of their reserve levels as they entered the COVID-19 pandemic. By comparison, when states entered the Great Recession crisis in fiscal 2008, the median rainy day fund balance was 4.8 percent. (See [Tables 24 and Figure 4](#))

Some states turned to their rainy day funds to close shortfalls in fiscal 2020, leading balances to decline slightly in the aggregate that year. Then, in fiscal 2021 and again in fiscal 2022, total rainy day fund balances and the median balance as a share of general fund spending both rose to new all-time highs, largely the result of significantly stronger than anticipated revenue growth for those two consecutive years. Total rainy day fund balances reached \$121.8 billion in fiscal 2021 and \$134.5 billion in fiscal 2022, while the median balance was 10.3 percent for fiscal 2021 and 11.6 percent for fiscal 2022.

According to states' enacted budgets, rainy day fund balances are expected to total \$136.8 billion at the end of fiscal 2023 — however, this figure is somewhat deflated as it excludes data from two states that do not have balance projections available. The median balance as a share of general fund spending is expected to tick up slightly, at 11.9 percent. (See [Table 26A and 26B](#))

Rainy Day Fund Levels Vary Across States. Rainy day fund levels as a share of expenditures vary across states, ranging in fiscal 2022 from a low of 0 percent to a high of 96 percent. This variation is related to differing rainy day fund structures, policy decisions, revenue volatility levels, fiscal conditions, and other factors. That said, as more states have deliberately focused on building reserves and changed deposit rules in recent years to align with this goal, rainy day fund balance growth has been widespread. In fiscal 2022, 43 states recorded year-over-year increases in their rainy day fund balances after 34

⁴ For more details on states' budget stabilization or rainy day funds, see NASBO's *Budget Processes in the States* (2021), Table 13.

states reported increases in fiscal 2021. At the end of fiscal 2022, 30 states reported rainy day fund balances greater than 10 percent as a share of their general fund expenditures, 14 states had balances between 5 percent and 10 percent, five states had balances between 1 percent and 5 percent, and one states had a balance of less than 1 percent of general fund spending. In states' enacted fiscal 2023 budgets, this breakdown is similar and a majority of states are forecasting increases in rainy day fund balance levels measured in dollars. (See Table 25)

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

Total Balances

Total balances include ending balances (both reserved and unreserved) and the amounts in states' budget stabilization or rainy day funds. Since fiscal 2009 and fiscal 2010, when states' total balance levels declined due to the severe drop in revenues resulting from the Great Recession, states made significant progress rebuilding budget reserves. In fiscal 2019 — before the COVID-19 crisis — total balances reached an all-time high in actual dollars, totaling \$121.6 billion, and as a share of general fund spending, at 14.0 percent of general fund spending. As states grappled with the early impacts of the COVID-19 pandemic, the cash flow challenges created by the tax deadline shift, and other factors, total balance levels recorded a decline in fiscal 2020 — the first substantive year-over-year reduction in total balance levels since fiscal 2009. However, due to revenues beating state forecasts — by a considerable margin in many

cases — coupled with state fiscal relief provided by the federal government to help with pandemic response efforts and other one-time factors, total balances experienced a sharp increase in fiscal 2021, more than doubling to reach a new high of \$241.3 billion — more than 26 percent as a share of total general fund spending that year. The median balance was even higher, at 27.1 percent, for fiscal 2021. (See Table 28, Figure 5)

In fiscal 2022, state total balance levels continued to grow sharply, reaching \$342.9 billion in fiscal 2022, with a median balance of 34.6 percent. Similar to fiscal 2021, this growth is mostly attributed to revenue collections in fiscal 2022 far outpacing original budget projections in many states, leading to large budget surpluses that show up in states' general fund ending balances.

In states' enacted budgets for fiscal 2023, total balance levels are projected to total \$280.1 billion — though this figure excludes data from one state. The median balance is estimated at 26.9 percent as a percentage of general fund spending. This projected decline relative to fiscal 2022 total balance levels likely reflects two factors. First, the decline is driven by states' plans to spend down a portion of their larger-than-expected ending balances from the prior year, including for one-time investments. Second, just as with the revenue figures in this survey, fiscal 2023 balance projections in this survey are likely to be less up-to-date (and less reflective of more recent improvements in revenue performance) than fiscal 2022 balance figures reported based on preliminary actual data.

In fiscal 2022, 46 states reported total balances greater than 10 percent as a share of their general fund expenditures, with three states reporting total year-end balances between 5 percent and 10 percent and one state with a total balance between 1 percent and 5 percent. According to states' enacted budgets for fiscal 2023, 42 states estimate total balances greater than 10 percent as a share of their general fund expenditures, four states project balances between 5 percent and 10 percent, and three state projects a balance between 1 percent and 5 percent (data were unavailable for one state). (See Tables 29-30)

TABLE 24
Rainy Day Fund Balances, Fiscal 1988 to Fiscal 2023

Fiscal Year	RDF Balance (Billions)	Total RDF Balance (Percentage of Expenditures)	Median RDF Balance (Percentage of Expenditures)
2023*	\$136.8	12.4%	11.9%
2022	134.5	12.4	11.6
2021	121.8	13.3	10.3
2020	77.0	8.6	8.4
2019	79.1	9.1	7.9
2018	68.1	8.3	6.5
2017	55.7	6.9	5.6
2016	52.0	6.6	5.3
2015	48.2	6.4	4.9
2014	48.1	6.6	4.4
2013	41.8	6.0	3.6
2012	36.9	5.5	2.4
2011	29.0	4.5	1.8
2010	27.4	4.4	2.0
2009	29.4	4.4	2.6
2008	33.2	4.8	4.8
2007	31.1	4.8	4.7
2006	31.9	5.3	4.6
2005	25.0	4.5	2.5
2004	12.3	2.4	1.8
2003	8.4	1.7	0.7
2002	10.9	2.1	1.7
2001	22.0	4.4	4.6
2000	27.9	6.0	4.1
1999	21.0	4.8	3.5
1998	19.5	4.8	3.3
1997	13.7	3.5	2.6
1996	11.0	3.0	2.4
1995	9.1	2.6	1.9
1994	5.7	1.7	1.6
1993	5.3	1.7	1.0
1992	3.0	1.0	0.0
1991	3.0	1.0	0.0
1990	3.6	1.3	0.7
1989	4.2	1.6	1.5
1988	\$3.0	1.3%	0.8%

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

TABLE 25**Rainy Day Fund Balances as a Percentage of Expenditures,
Fiscal 2021 to Fiscal 2023**

Percentage	Number of States		
	Fiscal 2021 (Actual)	Fiscal 2022 (Preliminary Actual)	Fiscal 2023 (Enacted)
Less than 1%	3	1	1
> 1% but < 5%	8	5	4
> 5% but < 10%	12	14	14
10% or more	27	30	29
N/A	0	0	2

NOTE: See Table 26 for state-by-state data.

FIGURE 4:

Rainy Day Fund Balances as a Percentage of Expenditures, Fiscal 2000 to Fiscal 2023

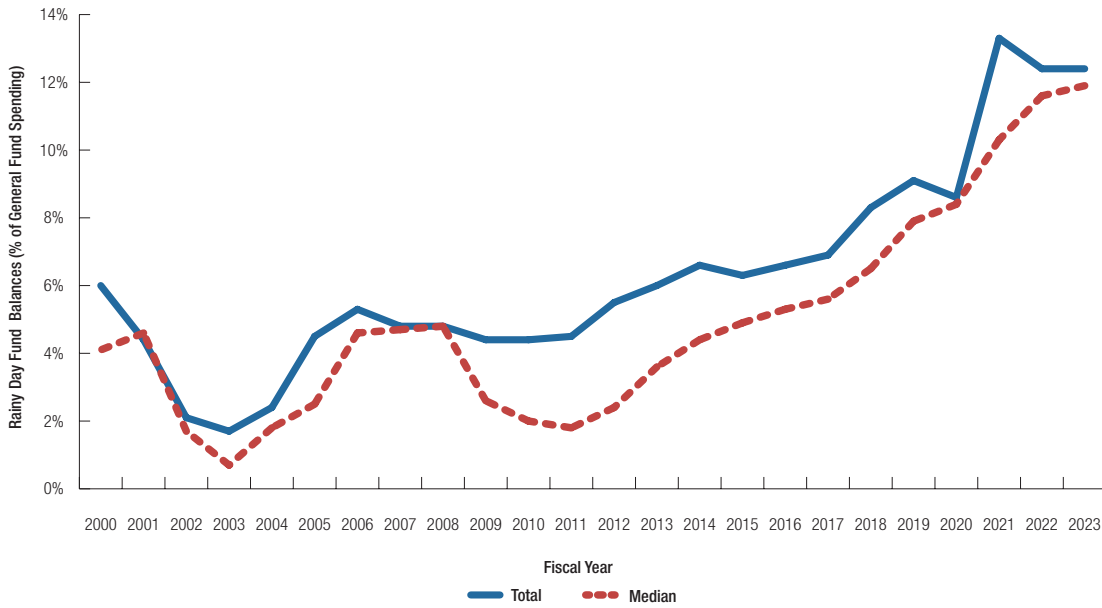


FIGURE 5:

Total Balances as a Percentage of Expenditures, Fiscal 2000 to Fiscal 2023

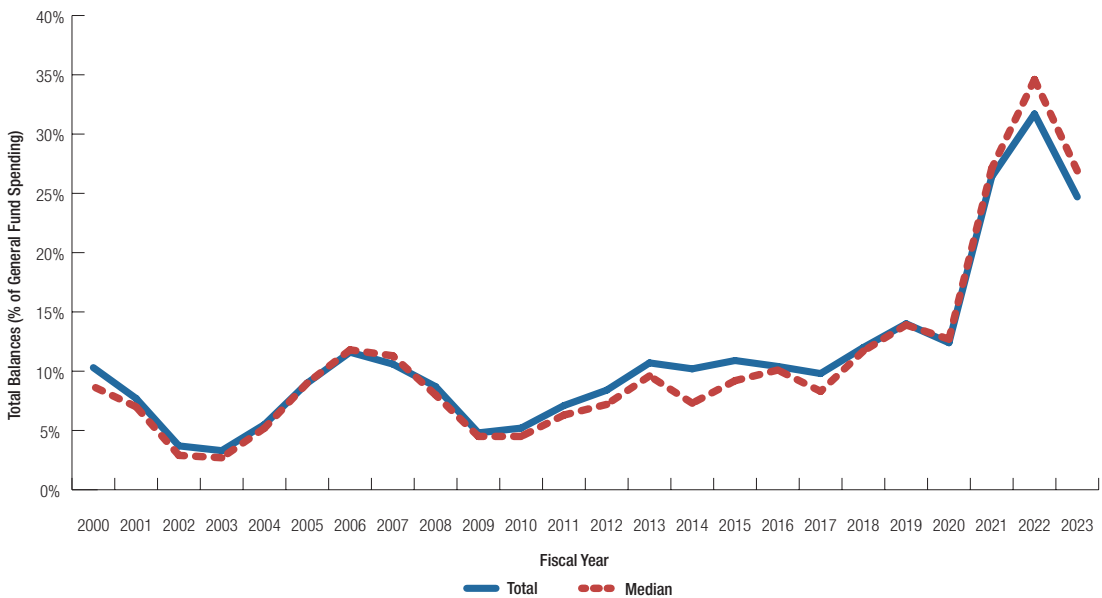


TABLE 26A

Rainy Day Fund Balances, Dollar Amount and Percentage of Expenditures, Fiscal 2011 to Fiscal 2023

State	Rainy Day Fund Balances (\$ in Millions)**					
	2011	2012	2013	2014	2015	2016
Alabama	\$0	\$14	\$14	\$11	\$412	\$530
Alaska	12,981	15,880	16,332	15,597	10,442	7,109
Arizona	0	250	454	455	458	461
Arkansas	0	0	0	0	0	0
California	0	0	1,573	4,619	4,085	7,224
Colorado	157	281	373	411	709	513
Connecticut	0	93	271	519	406	236
Delaware	186	186	199	202	213	215
Florida	279	494	709	925	1,139	1,354
Georgia	328	378	717	863	1,431	2,033
Hawaii	10	24	24	83	90	101
Idaho	11	61	185	238	338	371
Illinois	0	0	0	276	276	277
Indiana	57	352	515	969	1,254	1,468
Iowa	440	601	611	670	698	729
Kansas	0	0	0	0	0	0
Kentucky	0	122	122	77	77	236
Louisiana	647	443	444	445	470	359
Maine*	0	45	60	93	119	122
Maryland	624	672	705	764	774	832
Massachusetts	1,379	1,652	1,557	1,248	1,252	1,292
Michigan	2	365	506	386	498	612
Minnesota	9	658	656	661	994	1,969
Mississippi	191	100	32	110	395	350
Missouri	507	498	505	557	543	586
Montana	0	0	0	0	0	0
Nebraska	313	429	384	719	728	731
Nevada	0	39	85	28	0	0
New Hampshire	9	9	9	9	22	93
New Jersey	0	0	0	0	0	0
New Mexico	501	713	651	638	613	148
New York	1,206	1,306	1,306	1,481	1,798	1,798
North Carolina	296	419	651	651	852	1,575
North Dakota	386	386	584	584	573	573
Ohio	0	247	482	1,478	1,478	2,005
Oklahoma	249	578	535	535	385	241
Oregon	16	128	69	153	391	550
Pennsylvania	0	0	0	0	0	0
Rhode Island	130	153	172	177	185	192
South Carolina	712	288	388	408	447	459
South Dakota	107	135	135	139	149	143
Tennessee	284	306	356	456	492	568
Texas	5,012	6,133	6,170	6,704	8,469	9,715
Utah	233	277	403	432	491	493
Vermont	54	58	74	71	76	78
Virginia	299	303	440	688	468	236
Washington	1	130	270	415	513	550
West Virginia	659	851	915	956	869	779
Wisconsin	17	125	279	280	280	281
Wyoming	752	765	927	926	1,811	1,811
Total**	\$29,045	\$36,948	\$41,848	\$48,104	\$48,161	\$51,992

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

TABLE 26A (CONTINUED)

Rainy Day Fund Balances, Dollar Amount and Percentage of Expenditures, Fiscal 2011 to Fiscal 2023

State	Rainy Day Fund Balances (\$ in Millions)**						
	2017	2018	2019	2020	2021	2022	2023
Alabama	\$766	\$784	\$848	\$968	\$1,184	\$1,449	\$1,557
Alaska	4,641	2,533	2,288	1,379	1,060	2,710	2,999
Arizona	461	458	743	979	975	982	1,417
Arkansas	123	127	153	185	210	1,212	1,212
California	11,251	20,842	23,001	20,632	52,453	46,685	37,217
Colorado	614	1,366	1,262	1,823	3,178	3,208	2,015
Connecticut	213	1,185	2,506	3,075	3,112	3,313	3,313
Delaware	221	232	240	252	252	280	316
Florida	1,384	1,417	1,483	1,574	1,674	2,730	3,140
Georgia	2,309	2,557	2,808	2,544	4,289	5,240	N/A
Hawaii	311	376	378	59	320	326	831
Idaho	413	422	463	477	788	882	1,099
Illinois	10	4	4	4	4	751	1,161
Indiana	1,474	1,419	1,436	877	1,302	1,617	1,316
Iowa	605	620	757	777	801	830	895
Kansas	0	0	0	82	82	969	984
Kentucky	151	94	129	303	1,763	2,496	2,744
Louisiana	287	321	405	568	546	772	797
Maine*	209	288	309	273	497	907	907
Maryland	833	857	877	1,177	631	1,161	2,352
Massachusetts	1,301	2,001	3,424	3,501	4,626	6,938	8,406
Michigan	710	1,006	1,149	829	1,382	1,598	1,662
Minnesota	1,980	2,092	2,480	3,010	2,863	3,218	3,333
Mississippi	269	295	350	501	542	556	579
Missouri	591	616	651	652	604	772	875
Montana	0	0	60	114	114	118	118
Nebraska	681	340	334	426	467	928	1,688
Nevada	146	180	332	0	98	340	387
New Hampshire	100	110	115	116	258	160	199
New Jersey	0	0	421	7	2,447	0	0
New Mexico	0	527	1,834	2,514	2,505	2,734	3,761
New York	1,798	1,798	2,048	2,476	2,476	3,319	6,468
North Carolina	1,838	1,849	1,849	1,169	1,982	3,116	4,750
North Dakota	38	113	659	717	749	717	752
Ohio	2,034	2,034	2,692	2,692	2,692	2,706	2,731
Oklahoma	93	452	806	230	542	1,222	1,452
Oregon	761	940	1,288	1,153	1,377	1,660	2,019
Pennsylvania	0	0	22	343	244	2,866	4,966
Rhode Island	193	199	204	91	228	279	246
South Carolina	487	509	871	1,181	1,707	1,847	2,150
South Dakota	157	160	170	174	216	307	423
Tennessee	668	800	875	1,200	1,450	1,550	1,800
Texas	10,290	11,043	10,099	8,947	10,274	10,615	13,664
Utah	508	578	697	740	887	1,033	1,033
Vermont	107	133	224	228	280	265	284
Virginia	549	440	792	1,072	1,495	2,647	3,801
Washington	1,638	1,369	1,618	1,683	-1	312	611
West Virginia	652	710	753	856	995	957	960
Wisconsin	283	320	649	762	1,730	1,734	N/A
Wyoming	1,538	1,538	1,577	1,577	1,478	1,478	1,436
Total**	\$55,687	\$68,051	\$79,130	\$76,970	\$121,826	\$134,515	\$136,828

NOTES: N/A indicates data not available. Fiscal 2021 are actual figures, fiscal 2022 are preliminary actual figures, and fiscal 2023 are enacted figures. **Total Rainy day fund balances for fiscal 2023 exclude Georgia and Wisconsin, as data were unavailable for that year.

TABLE 26B

Rainy Day Fund Balances, Dollar Amount and Percentage of Expenditures, Fiscal 2011 to Fiscal 2023

State	Rainy Day Fund Balances as a Percent of General Fund Expenditures					
	2011	2012	2013	2014	2015	2016
Alabama	0.0%	0.2%	0.2%	0.1%	5.3%	6.8%
Alaska	238.2	226.4	209.9	213.0	173.6	129.9
Arizona	0.0	3.0	5.4	5.2	4.9	4.8
Arkansas	0.0	0.0	0.0	0.0	0.0	0.0
California	0.0	0.0	1.6	4.6	3.6	6.3
Colorado	2.3	3.9	4.7	4.7	7.4	5.0
Connecticut	0.0	0.5	1.4	3.1	2.3	1.3
Delaware	5.7	5.2	5.4	5.3	5.5	5.5
Florida	1.2	2.1	2.9	3.4	4.1	4.6
Georgia	1.9	2.2	3.9	4.5	7.1	9.3
Hawaii	0.2	0.4	0.4	1.3	1.4	1.5
Idaho	0.4	2.4	6.9	8.6	11.5	12.2
Illinois	0.0	0.0	0.0	0.9	0.9	1.0
Indiana	0.4	2.6	3.6	6.7	8.4	9.8
Iowa	8.2	10.0	9.5	10.4	9.9	10.1
Kansas	0.0	0.0	0.0	0.0	0.0	0.0
Kentucky	0.0	1.3	1.3	0.8	0.8	2.3
Louisiana	8.3	5.4	5.3	5.2	5.5	4.1
Maine*	0.0	1.4	1.9	3.0	3.7	3.7
Maryland	4.7	4.5	4.7	4.9	4.8	5.0
Massachusetts	4.3	5.1	4.6	3.5	3.3	3.2
Michigan	0.0	4.4	5.7	4.3	5.4	6.3
Minnesota	0.1	4.0	3.5	3.4	4.9	9.8
Mississippi	4.2	2.1	0.7	2.0	7.1	6.1
Missouri	6.6	6.3	6.3	6.6	6.2	6.5
Montana	0.0	0.0	0.0	0.0	0.0	0.0
Nebraska	9.4	12.4	10.7	19.0	18.1	17.4
Nevada	0.0	1.3	2.6	0.9	0.0	0.0
New Hampshire	0.7	0.7	0.7	0.7	1.7	6.7
New Jersey	0.0	0.0	0.0	0.0	0.0	0.0
New Mexico	9.4	12.8	11.2	10.6	9.7	2.3
New York	2.2	2.3	2.2	2.4	2.9	2.6
North Carolina	1.6	2.1	3.2	3.1	4.1	7.4
North Dakota	23.4	17.4	24.8	18.0	17.5	19.0
Ohio	0.0	0.9	1.7	4.9	4.7	5.8
Oklahoma	4.6	9.9	8.5	8.2	6.0	3.9
Oregon	0.3	1.9	1.0	2.0	4.8	6.1
Pennsylvania	0.0	0.0	0.0	0.0	0.0	0.0
Rhode Island	4.4	4.9	5.3	5.3	5.4	5.4
South Carolina	13.8	5.2	6.3	6.4	6.6	6.4
South Dakota	9.3	11.2	10.4	9.7	10.8	9.8
Tennessee	2.8	2.7	3.1	3.8	4.0	4.5
Texas	12.9	13.8	15.1	14.3	17.2	18.0
Utah	4.9	5.7	7.9	8.0	8.5	7.8
Vermont	4.7	4.6	5.6	5.1	5.3	5.3
Virginia	1.9	1.9	2.6	3.9	2.6	1.2
Washington	0.0	0.9	1.7	2.6	3.1	3.0
West Virginia	17.5	20.6	21.4	22.7	20.5	18.7
Wisconsin	0.1	0.9	1.9	1.9	1.8	1.8
Wyoming	47.6	48.4	51.8	51.8	86.2	109.7
Total**	4.5%	5.5%	6.0%	6.6%	6.4%	6.6%
Median	1.8%	2.4%	3.6%	4.4%	4.9%	5.3%

NOTES: N/A indicates data not available. Fiscal 2021 are actual figures, fiscal 2022 are preliminary actual figures, and fiscal 2023 are enacted figures. **Total Rainy day fund balances for fiscal 2023 exclude Georgia and Wisconsin, as data were unavailable for that year.

TABLE 26B (CONTINUED)

Rainy Day Fund Balances, Dollar Amount and Percentage of Expenditures, Fiscal 2011 to Fiscal 2023

State	Rainy Day Fund Balances as a Percent of General Fund Expenditures						
	2017	2018	2019	2020	2021	2022	2023
Alabama	9.4%	9.4%	9.8%	10.4%	12.2%	13.2%	14.1%
Alaska	103.2	56.4	46.8	28.7	22.9	50.7	49.8
Arizona	4.8	4.7	6.9	8.7	7.2	7.7	9.0
Arkansas	2.3	2.3	2.7	3.2	3.6	20.7	20.1
California	9.4	16.7	16.4	14.1	32.4	19.2	15.9
Colorado	5.9	12.2	9.8	14.3	23.8	18.6	11.3
Connecticut	1.2	6.3	13.0	16.0	15.5	16.0	15.0
Delaware	5.4	5.6	5.5	5.6	5.6	5.5	5.5
Florida	4.6	4.5	4.5	4.8	4.6	7.6	6.9
Georgia	10.0	10.6	11.1	9.7	17.0	22.4	N/A
Hawaii	4.2	4.8	4.8	0.7	3.6	3.7	7.6
Idaho	12.7	12.2	12.5	12.2	19.0	20.0	23.8
Illinois	0.0	0.0	0.0	0.0	0.0	1.7	2.5
Indiana	9.5	9.0	8.8	5.3	7.3	8.8	6.9
Iowa	8.3	8.6	10.1	9.9	10.3	10.2	10.9
Kansas	0.0	0.0	0.0	1.1	1.1	11.8	10.4
Kentucky	1.3	0.8	1.1	2.6	15.3	19.0	19.3
Louisiana	3.1	3.3	4.1	5.6	5.3	6.9	7.3
Maine*	6.2	8.2	8.4	6.9	12.8	22.3	19.7
Maryland	4.8	5.0	4.9	6.0	3.3	5.5	8.4
Massachusetts	3.2	6.4	10.4	10.2	15.1	17.2	17.2
Michigan	7.2	10.0	11.0	9.3	13.8	13.2	10.2
Minnesota	9.4	9.4	10.8	12.7	12.1	12.4	12.2
Mississippi	4.7	5.3	6.3	8.7	9.7	9.6	9.2
Missouri	6.5	6.6	6.8	7.1	6.2	7.4	6.9
Montana	0.0	0.0	2.5	4.7	4.2	4.3	3.7
Nebraska	15.7	7.8	7.6	9.5	10.3	19.9	32.9
Nevada	3.7	4.5	7.5	0.0	2.1	7.3	8.3
New Hampshire	6.6	7.3	7.7	6.8	16.1	9.9	12.2
New Jersey	0.0	0.0	1.1	0.0	5.5	0.0	0.0
New Mexico	0.0	8.5	24.4	32.8	28.1	29.9	43.3
New York	2.6	2.6	2.8	3.2	3.3	3.9	6.9
North Carolina	8.3	8.1	7.8	4.9	8.3	12.0	17.0
North Dakota	1.5	5.2	29.9	30.7	31.7	26.2	29.5
Ohio	5.8	6.4	8.0	11.6	11.5	10.0	9.8
Oklahoma	1.6	7.5	11.5	3.1	8.2	16.4	17.2
Oregon	8.4	9.6	12.7	10.5	12.0	12.2	14.2
Pennsylvania	0.0	0.0	0.1	1.0	0.7	7.4	11.6
Rhode Island	5.2	5.2	5.2	2.3	5.6	5.3	4.9
South Carolina	6.4	6.4	10.7	13.7	20.3	19.3	16.3
South Dakota	10.2	10.0	10.4	10.2	11.4	15.0	20.5
Tennessee	5.0	5.8	6.1	8.2	10.0	9.0	8.7
Texas	19.2	19.7	19.3	15.1	20.2	16.8	23.2
Utah	7.9	8.6	9.2	10.1	10.4	10.1	8.9
Vermont	6.9	8.5	14.0	14.2	16.1	11.4	14.0
Virginia	2.7	2.2	3.7	4.8	6.6	10.0	12.2
Washington	8.5	6.7	7.1	7.0	0.0	1.1	1.9
West Virginia	15.4	16.8	16.4	18.7	20.8	20.2	20.7
Wisconsin	1.7	1.9	3.6	4.1	8.9	8.9	N/A
Wyoming	100.5	100.5	96.9	96.9	95.8	95.8	103.2
Total**	6.9%	8.3%	9.1%	8.6%	13.3%	12.4%	12.4%
Median	5.6%	6.5%	7.9%	8.4%	10.3%	11.6%	11.9%

NOTES: N/A indicates data not available. Fiscal 2021 are actual figures, fiscal 2022 are preliminary actual figures, and fiscal 2023 are enacted figures. **Total Rainy day fund balances for fiscal 2023 exclude Georgia and Wisconsin, as data were unavailable for that year.

TABLE 27

State Rainy Day Fund Names*

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

Notes: *See Notes to Table 27 at the end of the chapter. Above are the names of those funds that are included in the rainy day fund balances reported in this survey. For more details on how these funds are structured, as well as information on other more targeted state budget stabilization funds not included here, see NASBO's Budget Processes in the States (2021), Table 13.

TABLE 28
Total Balances, Fiscal 1979 to Fiscal 2023

Fiscal Year	Total Balance (Billions)	Total Balance (Percentage of Expenditures)
2023*	\$280.1	24.7%
2022	342.9	31.7
2021	241.3	26.4
2020	111.2	12.4
2019	121.6	14.0
2018	98.9	12.0
2017	79.4	9.8
2016	81.8	10.4
2015	82.5	10.9
2014	74.0	10.2
2013	74.4	10.7
2012	55.8	8.4
2011	46.0	7.1
2010	32.1	5.2
2009	31.6	4.8
2008	60.1	8.7
2007	69.2	10.6
2006	69.5	11.6
2005	50.0	9.0
2004	28.7	5.5
2003	16.9	3.3
2002	18.7	3.7
2001	38.8	7.7
2000	48.1	10.3
1999	39.3	9.0
1998	35.4	8.6
1997	30.7	7.9
1996	25.1	6.8
1995	20.6	5.8
1994	16.9	5.1
1993	13.0	4.2
1992	5.3	1.8
1991	3.1	1.1
1990	9.4	3.4
1989	12.5	4.8
1988	9.8	4.2
1987	6.7	3.1
1986	7.2	3.5
1985	9.7	5.3
1984	6.4	3.8
1983	2.3	1.5
1982	4.5	2.9
1981	6.5	4.4
1980	11.8	9.4
1979	\$11.2	9.8%

NOTE: *Figures for fiscal 2022 are preliminary actual; figures for fiscal 2023 are projected based on states' enacted budgets. Figures for fiscal 2023 exclude Wisconsin. Historical total balance data shown in this table may differ from figures published in previous editions of *The Fiscal Survey of States*, as figures for some years were updated based on a review of original source data.

TABLE 29**Total Balances as a Percentage of Expenditures,
Fiscal 2021 to Fiscal 2023**

Percentage	Number of States		
	Fiscal 2021 (Actual)	Fiscal 2022 (Preliminary)	Fiscal 2023 (Enacted)
Less than 1%	1	0	0
> 1% but < 5%	1	1	3
> 5% but < 10%	1	3	4
10% or more	47	46	42
N/A	0	0	1

NOTE: See Table 30 for state-by-state data.

TABLE 30

Total Balances, Dollar Amount and Percentage of Expenditures, Fiscal 2021 to Fiscal 2023

State	Total Balances (\$ in Millions)			Total Balances as a Percent of General Fund Expenditures		
	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2021	Fiscal 2022	Fiscal 2023
Alabama	\$3,005	\$4,162	\$4,118	30.9%	37.9%	37.2%
Alaska	1,060	2,710	2,999	22.9	50.7	49.8
Arizona	1,869	5,491	2,494	13.8	42.9	15.8
Arkansas	1,156	2,686	2,126	19.6	45.9	35.3
California	56,730	50,961	41,494	35.0	21.0	17.7
Colorado***	3,178	3,208	2,015	23.8	18.6	11.3
Connecticut	3,112	3,313	3,313	15.5	16.0	15.0
Delaware***	1,833	2,605	2,628	40.6	51.5	45.4
Florida	15,476	24,280	16,860	42.7	67.6	36.8
Georgia***	6,512	11,865	11,706	25.9	50.7	40.9
Hawaii	1,569	2,945	2,867	17.9	33.3	26.1
Idaho	1,677	1,188	1,334	40.4	26.9	28.9
Illinois	980	1,830	1,233	2.3	4.0	2.6
Indiana	3,923	6,125	5,609	22.1	33.3	29.5
Iowa	2,040	2,745	2,018	26.1	33.8	24.6
Kansas	2,177	2,804	2,243	29.9	34.2	23.7
Kentucky	3,279	4,374	3,009	28.5	33.2	21.2
Louisiana	1,245	776	801	12.0	6.9	7.4
Maine	653	941	942	16.8	23.1	20.4
Maryland	3,870	6,660	2,578	20.5	31.4	9.2
Massachusetts***	12,099	18,015	13,682	39.4	44.7	28.0
Michigan	5,745	7,344	4,457	57.5	60.6	27.3
Minnesota***	6,915	8,683	10,382	29.2	33.4	38.0
Mississippi	552	561	1,121	9.9	9.6	17.8
Missouri	2,958	5,671	4,717	30.2	54.2	37.4
Montana	834	1,972	1,497	30.9	71.7	46.6
Nebraska	2,316	3,422	2,458	51.2	73.2	48.0
Nevada	1,138	1,870	1,949	24.9	40.2	41.6
New Hampshire	258	413	199	16.1	25.7	12.2
New Jersey***	6,884	7,360	6,781	15.4	14.1	13.5
New Mexico***	2,505	3,183	3,639	28.1	34.8	41.9
New York***	9,161	33,053	25,256	12.4	39.2	26.9
North Carolina	8,295	10,282	5,568	34.6	39.6	20.0
North Dakota	1,871	1,676	1,206	79.2	61.2	47.4
Ohio	7,413	9,253	8,514	31.7	34.3	30.6
Oklahoma	2,147	4,242	3,902	32.6	57.0	46.1
Oregon	5,459	6,976	5,730	47.7	51.1	40.3
Pennsylvania	244	8,404	10,238	0.7	21.8	23.9
Rhode Island	602	496	247	14.8	9.5	4.9
South Carolina***	3,615	6,866	3,584	43.1	71.5	27.2
South Dakota	302	423	427	16.0	20.6	20.7
Tennessee	5,968	6,345	1,851	41.3	37.0	9.0
Texas	21,509	26,799	40,609	42.2	42.4	68.9
Utah	2,616	4,380	1,106	30.8	42.7	9.5
Vermont	384	443	292	22.0	19.0	14.4
Virginia	3,385	7,380	4,310	14.9	27.9	13.8
Washington	3,365	5,248	553	13.6	18.6	1.7
West Virginia	1,674	2,951	2,011	35.1	62.2	43.4
Wisconsin	4,311	6,033	N/A	22.1	31.1	N/A
Wyoming	1,478	1,478	1,436	95.8	95.8	103.2
Total**	\$241,348	\$342,887	\$280,107	26.4%	31.7%	24.7%
			Median	27.1%	34.6%	26.9%

NOTES: Total balances include both the ending balance and Rainy Day Funds. Fiscal 2021 are actual figures, fiscal 2022 are preliminary actual figures, and fiscal 2023 are enacted figures. N/A indicates data not available. **Total balances for fiscal 2023 exclude Wisconsin, as data were unavailable for that year. ***Ending Balance includes Rainy Day Fund.

CHAPTER 3 NOTES

Notes to Table 26: Rainy Day Fund Balances, Dollar Amount and as a Percentage of Expenditures, Fiscal 2011 to Fiscal 2023

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

Notes to Table 27: State Rainy Day Fund Names

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

Notes to Table 30: Total Balances, Dollar Amount and as a Percentage of Expenditures, Fiscal 2021 to Fiscal 2023

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

OTHER STATE BUDGETING CHANGES

CHAPTER FOUR

Changes in Aid to Local Governments, Fiscal 2023

Some states reported on changes enacted for fiscal 2023 affecting state aid to local governments as well as other changes with a fiscal impact on localities. States were asked to report on these changes organized by the following categories: 1) general aid to local governments; 2) revenue-sharing payments; 3) funding for education; 4) funding for transportation; 5) funding for other specific grant programs; 6) pension/OPEB contributions; 7) local government revenue capacity; 8) local property tax relief; and 9) other. (See [Table 31](#))

Virtually all of the narrative descriptions of aid to localities presented in this chapter represent enacted increases for fiscal 2023. Earlier in this survey, no states reported reducing local aid as a budget management strategy in the middle of fiscal 2022 or in enacted budgets for fiscal 2023.

General Aid to Local Governments. Eight states reported on various changes to general aid for local governments in fiscal 2023. The vast majority of the changes in this category represent increases over the prior fiscal year. In addition to greater unrestricted local assistance in several states, other changes reported here support items such as disaster assistance and child support staffing in California.

Revenue-Sharing Payments. Four states reported on enacted changes related to revenue-sharing payments. Maine reported continuing to increase the rate of revenue shared with localities, Maryland reported small grants for payments in lieu of taxes, Michigan reported both an ongoing and one-time increase in its revenue-sharing program, and New Hampshire reported on its Municipal Revenue Fund per state law.

Funding for Education. Public education funding is typically the largest component of state spending that interacts with local government finances. Significant variation exists in how states help fund school districts and the share of K–12 spending covered by state versus local revenues. Fifteen states reported on enacted changes affecting education funding for local school

districts in fiscal 2023. Numerous states indicated plans to increase per-pupil funding, additional funds to support teacher pay raises and cost-of-living adjustments, and increased funds for special education.

Funding for Transportation. Six states reported on budget actions related to transportation funding for local governments. These include general transportation local aid in several states, non-recurring funding for county transportation and funds for rural interstate projects in South Carolina, and a variety of transportation programs (including transit operating aid) in New York.

Other Specific Grant Program Funding. Five states noted funding changes for other specific grant programs, including behavioral health programs in California, police and fire aid in Maryland, community compact program funding in Massachusetts, and some ARPA funding in Colorado and Mississippi.

Pension/OPEB Contributions. Six states reported on changes to pension and/or OPEB contributions in fiscal 2023 affecting plans that cover school districts, community colleges, and other local government employers. The items reported reflect the variances in how state funding contributes to local government and school system pensions. Changes reported include a required contribution rate increase in Arkansas, as well as adoption of employer contribution increases and a decrease in the investment rate of return in Florida. Also reported was a decline in retirement aid in Maryland and a decrease in state spending for local employee benefits in New Jersey.

Local Government Revenue Capacity. One state reported changes in this category. Maryland reported on a funding increase for its Disparity Grant program, which addresses the difference in the abilities of counties to raise revenues from local income tax.

Local Property Tax Relief. Five states reported on property tax relief changes, including a property tax revenue backfill for wildfires in California, a property tax credit incentive program in Nebraska, and the expansion of a new ANCHOR Property Tax Relief Program in New Jersey.

Other Changes. Four states reported on other changes affecting local government finances, including increased county jail reimbursements in Arkansas, increased payments in lieu of taxes and local library aid in Massachusetts, funds for School Building Aid Debt Services in New Hampshire, and nonrecurring funds for local government economic and other special projects in South Carolina.

Changes to Budgeting and Financial Management Practices, Fiscal 2023

Several states reported on adopted changes to budget and financial management practices for fiscal 2023. *(See Table 32)* Some examples of the changes reported include:

Workforce Policy Changes. Five states reported major workforce policy changes in response to staffing challenges, increase in remote work, and high inflation. Maryland launched a new recruitment campaign that removes postsecondary degree requirements in lieu of experience for certain job classifications. Mississippi updated its compensation plan and enacted the ARPA Workforce Development and Retention Act. Rhode Island's enacted budget includes funds to conduct a thorough study of the state workforce and compensation.

Budget System Changes. Four states reported changes to their automated budget or financial systems, including Mississippi, Nevada, New Mexico, and Rhode Island.

Changes to Employee Compensation, Fiscal 2023

Thirty-seven states reported authorizing across-the-board salary increases for at least some employee categories in fiscal 2023, representing a larger number of states approving across-the-board increases compared to the past couple of years. A tight labor market, high inflation, and strong revenue performance in the states recently all likely contributed to the uptick in the number of states adopting across-the-board pay increases. Additionally, 13 states provided for at least some merit increases, and 20 states made other modifications to employee compensation in fiscal 2023 including one-time bonuses, longevity payments or step increases, and targeted salary increases. Some states indicated that compensation decisions for fiscal 2023 had not been finalized at the time of data collection.

TABLE 31

Enacted Changes in Aid to Local Governments, Fiscal 2023

State	Description
GENERAL AID TO LOCAL GOVERNMENTS	
Alaska	\$30M to Community Assistance Fund
California	<p>The 2022 Budget Act includes:</p> <ul style="list-style-type: none"> • \$96.2 million for insufficient Educational Revenue Augmentation Fund backfills. • \$125 million for the California Public Utilities Commission for the Loan Loss Reserve program. • An increase of \$14 million for the Office of Emergency Services' California Disaster Assistance Act (CDAA) program. This increase is 8.6% higher than 2021–22 Enacted Budget. • Department of Child Support Services includes an augmentation of \$20.1 million General Fund for Local Child Support Agencies (LCSA) to increase staffing levels for underfunded LCSAs. • An increase of \$10 million (7% increase over 2021–22 Enacted Budget), comprised of an increase in county charges associated with prosecuting crimes committed in state prisons.
Maryland	Aid in FY 2023 totals \$9.4 billion, an increase of \$640.5 million (7.3%) over FY 2022. Note that this reflects a change in state aid calculation compared to previous reports. In prior years, Maryland included capital funding in the operating budget (PAYGO) in state aid, but the Hogan Administration decided to exclude PAYGO funding going forward. The numbers for both FY 2022 and FY 2023 reflect this new methodology.
Massachusetts	\$63.1 million, or 5.4%, increase to \$1.231 billion.
Mississippi	Local and Private Legislation for certain cities and towns to implement restaurant and motel/hotel tax to promote tourism; increase sheriff salaries
New Jersey	General aid to local governments was increased by a total of \$68 million through increases to existing grant programs and the addition of new programs. This amounts to a 4.3% increase to general municipal aid. The largest total increase was the implementation of a \$75 million Municipal Relief Fund. Some line items saw small reductions, with the most substantial change being to Transitional Aid to Localities (\$10.8 million reduction).
New York	<p>The overall impact of the FY 2023 Enacted Budget on local governments can be measured in two ways. First, and most fundamentally, total assumed spending on behalf of local governments in FY 2023 can be compared to that of the prior fiscal year. This view reflects that State spending on behalf of local governments can go up or down because of budgetary changes, but also by increases in caseload or statutory automatic inflators.</p> <p>Total spending on behalf of local governments through major local aid programs and savings initiatives is expected to total \$48 billion in FY 2023 under the Enacted Budget. This represents an increase of \$3.1 billion over the prior year, predominantly due to increases in School Aid.</p> <p>The second way of measuring the impact of the FY 2023 Enacted Budget on local governments is reflected on the traditional local impact table. In this view, increases in caseload or statutory automatic inflators are excluded, and only new changes proposed in this Enacted Budget are considered.</p> <p>Under these narrower criteria, actions taken in the Enacted Budget result in a year-to-year net positive local impact of over \$2.6 billion for municipalities and school districts for their fiscal years ending in 2023.</p> <p>Support for New York City: Total State spending on behalf of New York City through major local aid programs is expected to total \$19.4 billion in FY 2023 under the Enacted Budget. This includes \$2.6 billion attributable to the State takeover of local Medicaid growth and \$12.4 billion in School Aid, as well as increases for GPHW.</p>

Table 31 continues on next page.

TABLE 31 (CONTINUED)

Enacted Changes in Aid to Local Governments, Fiscal 2023

State	Description
	<p>Traditional local impacts presented in the Enacted Budget reflect a net positive impact of \$384 million for the 2023 City Fiscal Year, including \$275 million in negative impacts which were enacted at the request of the City — \$250 million to expand the City Earned Income Tax Credit and \$25 million for a property tax abatement for child care centers. Without these impacts, New York City would benefit by \$634 million in CFY 2023.</p> <p>Support for County Governments: Total State spending on behalf of counties outside of New York City through major local aid programs is expected to total nearly \$5.8 billion in FY 2023 under the Enacted Budget. This includes \$2.5 billion attributable to the State takeover of local Medicaid growth. Traditional local impacts result in a net positive impact of \$418 million. There is also a \$36 million net impact due to various human service proposals, including increasing adoption support and maintaining the child care market rate.</p> <p>Beginning September 2022, the FY 2023 Enacted Budget changes the AIM funding source to the General Fund for certain town and villages that currently receive AIM-Related Payments funded by local sales tax. This results in a positive \$44.9 million impact to counties.</p> <p>Support for Other Cities, Towns and Villages: The Enacted Budget provides nearly \$1.3 billion in support for towns, villages, and cities other than the City of New York. Traditional local impacts result in a net positive impact of over \$241 million.</p> <p>Beginning September 2022, the FY 2023 Enacted Budget changes the AIM funding source to the General Fund for certain town and villages that currently receive AIM-Related Payments funded by local sales tax. This results in a positive \$12 million impact to other cities, towns, and villages.</p>
South Carolina	\$12.6m, 5% increase due to formula revision
REVENUE-SHARING PAYMENTS	
Maine	State statute calls for revenue-sharing to be at 5%. In FY22, the State budgeted for revenue-sharing payments at 4.5% which was an increase from FY21 which was at 3.75%. Revenue-sharing is currently budgeted at the increased rate of 5% for FY23.
Maryland	The State provides very small grants for payments in lieu of taxes (PILOT), with insignificant year over year growth.
Michigan	5% ongoing and 1% one-time increase in statutory payments to cities, villages, townships, and counties.
New Hampshire	Municipal Revenue Fund transfer per RSA 78-A:26, IV; actual transfer amounts are subject to final calculations by State Treasury. FY2023 Estimate is \$95.6 million
FUNDING FOR EDUCATION	
Arkansas	The per student amount will increase from \$7,182 in FY22 to \$7,413 in FY23.
California	<p>The 2022 Budget Act includes:</p> <ul style="list-style-type: none"> • A 6.56% COLA on the Local Control Funding Formula for K–12 schools in fiscal year 2022 and fully retired apportionment deferrals enacted as part of the 2021 fiscal year enacted budget. Additionally, several billion dollars were allocated for augmentations or new investments for programs such as Special Education, Teacher workforce development, and expanded learning opportunities for students outside of the traditional school day. • A base increase for the California Community Colleges general purpose apportionment funding formula.
Colorado	Added funding for state share of local share of K–12 education

Table 31 continues on next page.

TABLE 31 (CONTINUED)

Enacted Changes in Aid to Local Governments, Fiscal 2023

State	Description
Indiana	Funding for K–12 education is the largest appropriation in Indiana's state budget. The tuition support formula, which allocates dollars to local school corporations, increased per pupil funding for several categories including foundation, complexity, and special education. In addition, the General Assembly expanded income eligibility for Choice Scholarships to 300% of the amount required for the individual to qualify for a free or reduced-price lunch.
Kansas	\$517.8 million K–12 aid to local increase 8.7%
Maine	In FY22, the State increased funding for K–12 education to meet the statutory requirement to fund 55% of the total cost of K–12 essential programs and services for the first time since the requirement was established. The enacted budget continues the 55% level of funding in FY23.
Maryland	K–12 education totals \$8.0 billion, an increase of \$463.6 million (6.2%). Community Colleges funding totals \$435.3 million, an increase of \$63.8 million (17.2%).
Massachusetts	\$485 million increase to direct education assistance (i.e., "Chapter 70 Aid") in connection with the Student Opportunity Act, a reform initiative that increases funding for school districts; \$89 million in new funding for charter school tuition reimbursement; \$57 million in additional support for special education circuit breaker reimbursement for cities and towns. The FY23 budget also includes a transfer of \$150 million into a trust for the purposes of implementing the provisions of the Student Opportunity Act in future years.
Mississippi	Teacher pay raise (\$240 million)
New Jersey	Local school aid for K–12 education represented an increase of 3.7% (\$657.162m).
New York	In School Year 2023, the Enacted Budget increases Foundation Aid for NYC of \$309 million as well as an over \$165 million increase in School Aid expense-based aid and categorical programs. School districts outside New York City received increases in Foundation Aid over \$1.2 billion and expense-based and categorical aids of \$384 million. Partially offsetting this impact, the Budget also maintains the school districts' share of the residential cost for Committees on Special Education (CSE) placements, which results in a \$28.6 million negative impact in the 2023 school year.
Pennsylvania	Fiscal 2023 budget included a \$543 million, or 7.7%, increase in state aid to schools for basic education, a \$225 million increase to low-income schools, and a \$100 million, or 8.1%, increase in state aid to schools for special education.
South Dakota	6.0% increase
West Virginia	56.3m increase to overall to funding
Wisconsin	General aid to schools increased by approximately \$188 million over the prior year, and categorical aid for schools increased by approximately \$52 million over the prior year.
FUNDING FOR TRANSPORTATION	
Maryland	Transportation funding totals \$282.2 million, an increase of \$10.2 million (3.7%).

Table 31 continues on next page.

TABLE 31 (CONTINUED)

Enacted Changes in Aid to Local Governments, Fiscal 2023

State	Description
New Jersey	Local transportation aid has increased by \$6.85m (8.72%).
New York	The FY 2023 Enacted Budget includes increases for transportation funding including transit operating aid, and local road and bridge programs such as CHIPs, Extreme Winter Recovery, State Touring Routes aid, PaveNY and Operation Pave Our Potholes (\$108 million for New York City, \$163 million for county governments and \$229 million for other cities, towns and villages).
South Carolina	\$250m nonrecurring funding for county transportation fund, \$133.6m for rural interstates.
West Virginia	150m increase to overall funding
Wisconsin	A 2% increase in general transportation aids to counties and municipalities beginning in 2023 (\$10.3 million).

FUNDING FOR OTHER SPECIFIC GRANT PROGRAMS

California	<p>The 2022 Budget Act includes:</p> <ul style="list-style-type: none"> • \$20.5 million one-time for the Department of Cannabis Control to establish a local jurisdiction retail access grant program to assist local governments that do not currently license storefront or delivery-only cannabis retailers to develop a local retail licensing program. • \$298.5 million for the Department of Health Care Services' California Advancing and Innovating Medi-Cal Initiative. • \$997.8 million for the Department of Health Care Services' and the Department of Health Care Access and Information's Children and Youth Behavioral Health Initiative. • \$1.2 billion for the Department of Health Care Services' Behavioral Health Continuum Infrastructure Program. • \$957.9 million for the Department of Health Care Services' Behavioral Health Bridge Housing Program.
Colorado	No General Fund changes — some ARPA funding
Maryland	The State also provides aid for libraries (\$89.4 million), police and fire aid (\$250.8 million), local health (\$74.9 million), etc.
Massachusetts	\$4M in additional funding for community compact program.
Mississippi	ARPA funds (\$450 million)

PENSION/OPEB CONTRIBUTIONS

Arkansas	The state is also required to increase the Arkansas Teacher Retirement System employer contribution rate from 14.5% in FY21 to 15% by FY23. The state is required by law to fund the increased employer contribution rate.
Florida	Employer contributions for the FRS Investment Plan increased by 3 percent and the investment rate of return assumption decreased by 20 Basis Points.
Maryland	Local pension aid totals \$790.4 million, a decrease of \$55.0 million (6.5%) from FY 2022.

TABLE 31 (CONTINUED)

Enacted Changes in Aid to Local Governments, Fiscal 2023

State	Description
Massachusetts	\$100 million supplemental transfer to the Pension Liability Fund, in addition to \$329 million (+9.63%) increase in the current funding schedule. The Commonwealth is responsible for the payment of pension benefits for teachers of the cities, towns and regional school districts, costs that are more commonly funded elsewhere at the local level.
Michigan	\$800 million
New Jersey	A decrease of \$78,000 (-0.02%) for Employee Benefits on behalf of Local Governments.
LOCAL GOVERNMENT REVENUE CAPACITY	
Maryland	Revenue capacity considerations are built throughout the K–12 funding model, as well as local aid programs. The Disparity Grant program in particular provides noncategorical State aid to low-wealth jurisdictions for county government purposes. Disparity grants address the difference in the abilities of counties to raise revenues from the local income tax, which for most counties is one of their larger revenue sources. The Disparity Grant is funded at \$161.2 million in FY 2023, \$3.0 million more than FY 2022.
LOCAL PROPERTY TAX RELIEF	
California	The 2022 Budget Act includes \$3.8 million property tax revenue backfill for 2021 wildfires.
Connecticut	The state lowered the cap on local property taxes on motor vehicles from \$45 mills to \$32.46 mills. Local governments will be reimbursed for the revenue impact of the lowered cap with a \$132 million appropriation, which represents an increase of \$100 million (312.5%) from FY 2022.
Nebraska	\$50 million was provided for the property tax credit incentive program to offset local property tax collected for community college assessments.
New Jersey	An increase in direct property tax relief programs of \$1,630.4m (263.9%). FY2023 continues these programs unaltered, except for the expansion of the new ANCHOR Property Tax Relief Program, which was previously referred to as the Homestead Benefit Program.
Rhode Island	The FY 2023 Enacted Budget provides full funding for the complete phase-out of the local motor vehicle excise tax. The Budget provides \$231.0 million to municipalities as well as eligible fire districts to offset forgone revenue resulting from mandated local tax reductions.
OTHER	
Arkansas	Arkansas county jails reimbursements increased from \$32 to \$40 per day, which is a total increase of \$6.4 million.
Massachusetts	\$10 million increase (+29%) for reimbursements in lieu of taxes on state-owned land; \$3 million increase (+15%) for libraries local aid
New Hampshire	School Building Aid Debt Services transfer per RSA 78-A:26, I(a). FY2023 Estimate is \$7.0 million.

Table 31 continues on next page.

TABLE 31 (CONTINUED)

Enacted Changes in Aid to Local Governments, Fiscal 2023

State	Description
South Carolina	Millions in nonrecurring funding for numerous local government economic and special earmarked projects.

TABLE 32

Enacted Changes to Budget and Financial Management Practices, Fiscal 2023

State	Description
MAJOR POLICY PROPOSAL WITH RESPECT TO YOUR WORKFORCE	
California	The 2022 Budget Act provides ongoing \$200 million Proposition 98 General Fund for health insurance for part-time faculty at the California Community Colleges.
Maryland	Maryland recently launched a recruitment campaign focused on "Skilled Through Experience" candidates, which allows job seekers to search positions that do not require a college degree. The State reviewed all job classifications and removed the degree requirement for those which experience could be a substitute.
Mississippi	Created ARPA Workforce Development and Retention Act; Updated variable compensation plan (SEC2)
Pennsylvania	State agencies continue to have a significant share of workers working from home, but it varies by agency and operational need. Enacted budget does not alter status quo.
Rhode Island	The FY 2023 Enacted Budget includes \$2.0 million for a Statewide Workforce Efficiency, Classification, and Compensation Study to ensure that the state is able to attract and maintain a skilled workforce.
CHANGE TO YOUR AUTOMATED BUDGET OR FINANCIAL SYSTEM	
Mississippi	Department of Finance and Administration implementation of MAGIC HR
Nevada	The state is in a multi-year process to upgrade the financial system.
New Mexico	New budget system was launched for FY23 budget request and was utilized to prepare the FY23 operating budget and the FY24 budget request.
Rhode Island	The FY 2023 Enacted Budget includes a statewide Enterprise Resource Planning (ERP) IT solution to manage HR, payroll, accounting, grants, and budgeting functions in the five-year capital plan with development to commence in FY 2023.

TABLE 33

Enacted Changes in State Employee Compensation, Fiscal 2023

State	Across-the-Board (percent)	Merit (percent)	Other (percent)	Notes
Alabama	4.0	5.0		One time lump-sum payment given to retired employees calculated at two dollars per month for each year of service attained by the retiree.
Alaska		3.25	5.0	3.25% Merit steps are received by most state employees annually for their first 6 years and bi-annually thereafter. HB226 provides 5% increase for exempt employees Hiring/retention bonuses were offered to attorneys, correctional officers, state troopers due to high number of vacant positions/turnover
Arizona	10.0			A 10% compensation adjustment was granted to all state employees in FY 2023
Arkansas		5.0		
California	2.7	See note		Across-the-board percentage reflects the weighted average general salary increase received by the majority of state civil service employees. Merit increases depend on eligibility of individual employee.
Colorado	3.0			
Connecticut	2.5	See note	\$1,000 one-time	Merit increases vary by classification but generally range from 0 – 3%.
Delaware	See note	See note	\$500 one-time	Pay scale adjustment for merit plans; 2% increase for all other state employees in addition to annual step increases \$500 one-time bonus for all state employees Includes 28 collective bargaining units

TABLE 33

Enacted Changes in State Employee Compensation, Fiscal 2023

State	Across-the-Board (percent)	Merit (percent)	Other (percent)	Notes
Florida	5.4; see note		See note	Effective July 1, 2022, the following pay adjustments were provided: statewide pay increase of 5.38%; a minimum wage increase to \$15 per hour for eligible employees; the base pay for sworn law enforcement officers increased to \$50,000 or, an additional 5%; whichever was greater; the Department of Corrections provided retention and compression pay increases for correctional officers class codes; the base pay for institutional security specialist increased to \$41,600 or a 5% raise, whichever was greater for eligible employees employed by the Department of Children and Families and Agency for Persons with Disabilities; juvenile detention and probation officers received a pay increase; the base pay increased to \$41,600 for state firefighters; nurses of the Department of Veterans' Affairs received a pay increase; eligible employees of Children's Legal Services received a pay increase; a pay increase was granted for attorneys of Medical Quality Assurance (Department of Health); eligible employees of the Department of Revenue received a pay increase; increases were provided for the Department of Military Affairs (National Guard) on full-time military duty; attorneys of Justice Administrative received a pay increase; attorneys of the Department of Legal Affairs received a pay increase; eligible employees of the Department of Transportation received a pay increase; circuit judges and county judges received a pay increase; judges of compensation claims received a pay increase; commission on offender review received a pay increase; a pay increase was provided to assistant state attorneys, public defenders; regional conflict counsels and capital collaterals; eligible employees at the Department of Lottery received a pay increase and eligible employees of the Florida Highway Patrol received a pay increase.
Georgia	See note			All full-time, benefit eligible, state funded employees received a \$5,000 cost-of-living adjustment in FY 2023 for a total of \$404.8M
Hawaii	2.9		0.9	Only certain bargaining units receive step increases and generally only a portion of those employees will be eligible in any given year. For the bargaining units receiving step movements, employee's were "caught up" after not receiving step movements in FY 22, resulting in larger step increases for FY 23.
Idaho				
Illinois				
Indiana	TBD			The Governor and Indiana's State Personnel Department have completed a comprehensive salary/compensation study for a majority of state employee classifications. The results are expected to be revealed in October 2022.

Table 33 continues on next page.

TABLE 33 (CONTINUED)

Enacted Changes in State Employee Compensation, Fiscal 2023

State	Across-the-Board (percent)	Merit (percent)	Other (percent)	Notes
Iowa	1.1	3.0		
Kansas	5.0			
Kentucky	8.0			Prior to the across-the-board increases for state government employees, several targeted increases were implemented for corrections and juvenile justice security staff, social service and family support workers, and veteran nursing home staff. The Kentucky State Police received a \$15,000 raise with other salary schedule adjustments based on ranks by years of service.
Louisiana		2 to 4		Permanent classified state employees received an increase in compensation based on which quartile their current salary fell in for the position. The first quartile received 4%, second received 3%, and third and fourth received 2%. This increase in compensation was subject to the employee receiving a 'Successful' or above on their annual performance evaluation.
Maine	4.0			The 4% COLA was effective 7-1-22. All employees do receive step increases annually providing performance meets expectations and employee is not at top step in the assigned pay grade. The steps are built into the salary schedule and the % increase between steps is not consistent, generally however it averages about 4% per step.
Maryland	7.5	2.5		The across-the-board COLA as of June 1 was for a 3% salary enhancement, and law enforcement officers negotiated a COLA of 7% and a merit-based increment. The Governor has since announced that an additional 4.5% COLA will be effective for all State employees, including contractual positions, as of November 1, 2022.
Massachusetts	2.0		0.5	Contracts generally reflect a 2% across-the-board increase for FY23. Eligible employees will also receive step increases equivalent to, on average, approximately 0.5% of base pay.
Michigan	5.0			
Minnesota	2.5		3.5; see note	Step increases are available to employees who have not reached the maximum of their pay range. This is slightly over half the employees who have not reached the maximum. The 3.5% represents an approximation of step size; some are lower and some higher. Also note that only the MAPE and AFSCME Contracts have been approved at the 2.5% ATB. Those two bargaining groups represent the vast majority of state employees.

TABLE 33 (CONTINUED)

Enacted Changes in State Employee Compensation, Fiscal 2023

State	Across-the-Board (percent)	Merit (percent)	Other (percent)	Notes
Mississippi	N/A	N/A	See note	Pay increases are the result of the implementation of the new state employee compensation plan. Funds were provided to ensure that staff reached at least the minimum level of pay based on their current rate of compensation relative to the fair market rate.
Missouri	5.5		See note	The 5.5% across the board was effective 3/1/22. FY 2023 budget also set a \$15 state employee baseline wage. A 2.5% increase for elected officials starting 01/01/2023 in accordance with Citizen's Commission recommendations.
Montana			\$0.55/hr	Effective November 2022.
Nebraska		3.0		
Nevada	1.0		3.0	Across the board a 1% COLA was provided for state employees. Employees that are in certain bargaining units received a 3% COLA which included the 1% provided across the board.
New Hampshire	1.2			Annual step increases per CBA, if employee is not at max.
New Jersey	See note			Although the contracts for NJIA, PBA SLEU, STNCOA and STSOA remain unsettled, the State has reached agreements with labor groups representing approximately 97% of unionized employees. All settled unions, excluding NJSOLEA and STFA, received a 2% ATB increase in July of fiscal 2023 pursuant to the settled contracts. NJSOLEA received a 3% ATB increase in July of fiscal 2023, while STFA will receive no increases in fiscal 2023 pursuant to the ratified contract. All eligible employees will receive increments averaging roughly 1.8% of their salaries regardless of their union contract status. This information is representative of only the Executive Branch workforce.
New Mexico	7.0			In FY23 New Mexico implemented a comprehensive compensation package that gave larger percentage increases to employees in lower pay bands while also addressing compaction issues at pay bands above them. The average increase was 7%, although employees in high pay bands received the minimum increase of 4%.

Table 33 continues on next page.

TABLE 33 (CONTINUED)

Enacted Changes in State Employee Compensation, Fiscal 2023

State	Across-the-Board (percent)	Merit (percent)	Other (percent)	Notes
New York	2.0			<p>The State has settled collective bargaining agreements with several unions through Fiscal Year 2023 which provide a two percent General Salary Increase in each year of their respective terms, and certain items of additional compensation offset by health insurance and overtime savings. All contracts contain salary step provisions.</p> <p>The State also reached an agreement with CSEA for a five-year term covering FY 2022 through FY 2026. The agreement provides annual 2 percent salary increases in FY 2022 and FY 2023, and annual 3 percent salary increases in FY 2024 through FY 2026.</p> <p>The Judiciary's contracts with all 12 unions represented within its workforce have expired. This includes contracts with the CSEA, the New York State Supreme Court Officers Association, the New York State Court Officers Association, and the Court Clerks Association, and eight other unions.</p>
North Carolina	3.5		1.0	1.0 Percent is the Labor Market Adjustment Reserve for recruitment and retention of employees.
North Dakota		2.0		Raises are to average 2% but are to be performance based.
Ohio	3.0			
Oklahoma				
Oregon	3.0	4.8		For the 2021–23 biennium (FY22 & FY23) Oregon approved (in general) cost of living increases of 2.5% effective December 1, 2021 and 3.10% effective August 1, 2022. Annual step increases were approved for employees that were not currently on the top step of their classification were also approved. A step increase is roughly equivalent to a 4.75% salary increase.
Pennsylvania	2.5		2.3	Across-the-board: Most state employees will receive a 2.5% general salary increase effective 10/1/22. There is a step pay increase of 2.25% scheduled for 1/1/23. Also, many employees received a \$200 payment in 8/22.
Rhode Island	2.5		See note	In addition to a 2.5% COLA in FY 2023, union employees also received a \$1,500 bonus payment.
South Carolina	3.0		See note	3% across the board base pay increase, \$1,500 bonus all full-time equivalent employees, various pay increases for police and correctional officers, teachers and bus drivers. No increase in health insurance premiums for active and retired subscribers to State Health Plan
South Dakota	6.0		See note	In addition to the across-the-board, funding was appropriated for targeted and equity adjustments.
Tennessee	4.0		See note	Plus an additional \$120M for market rate adjustments for certain classes

TABLE 33 (CONTINUED)

Enacted Changes in State Employee Compensation, Fiscal 2023

State	Across-the-Board (percent)	Merit (percent)	Other (percent)	Notes
Texas				
Utah	3.5		2.2	FY23 included targeted funding increases equal to a 2.2% general increase but disbursed by percentages based upon how much they were determined to be or market pay and other criteria. Higher Education received a 5.75% aggregate increase for a labor market increase and performance increase up to educational institution discretion.
Vermont	3.0			
Virginia	5.0			
Washington	3.3			
West Virginia	5.0		See note	5% of total average annual salary for all state employees (\$2,550). \$2,240 teachers; \$1,255 school service personnel; \$10,000 to state police and forensic positions.
Wisconsin	2.0			There will be a 2% across-the-board increase in FY23. All other compensation increases that will become effective in FY23 have yet to be determined.
Wyoming		See note	See note	Compensation package consisted of merit and market adjustments.

APPENDIX

TABLE A-1

Enacted Revenue Changes by Type of Revenue, Fiscal 2023

State	Tax Change Description	Effective Date	Fiscal 2023 Revenue Impact (\$ in millions)		
			General Fund	Other State Fund	Total
SALES & USE TAXES					
California	Diesel Sales Tax Exemption	07-22	-\$327.0		-\$327.0
Connecticut	Water Companies — Exempt Purchases—Services	07-22	-3.4		-3.4
	Aerospace Manufacturing Contract	Passage	-6.3		-6.3
Florida	Back to School Holiday	07-22	-77.3		-77.3
	Disaster Preparedness Holiday	07-22	-19.8		-19.8
	Freedom Week	07-22	-54.5		-54.5
	Tools Holiday	07-22	-9.6		-9.6
	Children's Books	07-22	-2.5		-2.5
	Energy Star Appliances	07-22	-55.6		-55.6
	Baby Clothes and Shoes	07-22	-57.7		-57.7
	Diapers	07-22	-27.6		-27.6
	Impact Resistant Doors, Windows and garage doors	07-22	-158.3		-158.3
	Hydrogen products	07-22	-0.2		-0.2
	Grand Prix Events	07-22	-4.5		-4.5
	Mobile Home Sales to 3%	07-22	-15.2		-15.2
	Farm Trailers	07-22	-11.5		-11.5
	Fencing	07-22	-1.1		-1.1
	Admission to Dayton 500	07-22	-4.6		-4.6
Georgia	Fine arts performance & museum exemption	05-22	-5.7		-5.7
Indiana	Sales tax impact of URT repeal	07-22	-9.7		-9.7
Iowa	Elimination of sales tax on diapers and fem. hygiene products—manufactured food	01-23	-9.5		-9.5
Kansas	Ag Fencing Tax Exemption	07-22	-3.4	\$0.0	-3.4
	Eliminates the Food Sales Tax Over Three Years	07-22	-85.0	4.7	-80.3
Kentucky	Expansion of sales tax to 35 additional services	01-23	43.8		43.8
Maryland	Sales tax exemption on diapers and baby products.	07-22	-10.4		-10.4
	Sales tax exemption on thermometers, pulse oximeters, blood pressure monitors and respirators.	07-22	-8.9		-8.9
	Sales tax exemption on oral hygiene products.	07-22	-5.4		-5.4
	Tax exemption for sale of construction material for specified economic development projects (sports entertainment facilities).	06-22	-24.6		-24.6
Missouri	Transient Hotel Utilities	08-22	-15.6	-6.3	-21.9
	Solar Energy System Sales Tax Exemption	08-22	-6.5	-2.7	-9.2
Nebraska	Sales Tax Exemptions	01-23	-6.4	0.0	-6.4
New Hampshire	Decrease Meals & Room tax rate to 8.5% from 9%	10-21	-18.4	-0.6	-19.0
New Mexico	LGMAF	07-22	-1.5		-1.5
New York	Modify SUT on Terminal Rental Adjustment Clauses	04-22	2.0	0.0	2.0
	Establish a Temporary Fuel Tax Holiday	04-22	-297.0	-15.0	-312.0
North Carolina	Interstate Air and Ground Carriers Exemption		-6.3		-6.3
Pennsylvania	Car sharing rules	07-22	0.2		0.2
Rhode Island	Sales tax to be collected on adult-use cannabis	12-22	2.9		2.9

TABLE A-1 (CONTINUED)

Enacted Revenue Changes by Type of Revenue, Fiscal 2023

State	Tax Change Description	Effective Date	Fiscal 2023 Revenue Impact (\$ in millions)		
			General Fund	Other State Fund	Total
SALES & USE TAXES					
Tennessee	Exempts software services	07–22	-\$6.4		-\$6.4
	Exempts certain farm equipment (1/2 for FY 23; \$2.8M annually thereafter)	01–23	-1.4		-1.4
	One-year change in dealer's deduction for remitting sales tax	07–22	-11.0		-11.0
	Three-year exemption for broadband services and equipment	06–22	-68.0		-68.0
	One-month tax holiday on food during August 2022	06–22	-91.8		-91.8
Utah	Sales tax exemption on property consumed in the production of a service	07–22	-2.9	-1.0	-3.8
Vermont	Sales tax exemption for certain manufacturing inputs per Act 179 Section 27		-0.9		-0.9
Virginia	Grocery Tax		-106.2		-106.2
	Eliminate Prescription Pet Med Tax		-3.8		-3.8
Washington	Solar Canopies Tax Deferral	07–22	-5.4		-5.4
Total Revenue Changes—Sales & Use Tax			-\$1,599.8	-\$20.9	-\$1,620.7

*See Notes to Table A-1 at the end of the Appendix

Table A-1 continues on next page.

TABLE A-1 (CONTINUED)

Enacted Revenue Changes by Type of Revenue, Fiscal 2023

State	Tax Change Description	Effective Date	Fiscal 2023 Revenue Impact (\$ in millions)		
			General Fund	Other State Fund	Total
PERSONAL INCOME TAXES					
Alabama	Income tax, to increase optional standard deduction amount and increase the adjusted gross income range allowable for maximum optional standard deduction and dependent exemption.	01–22		-\$17.2	-\$17.2
Arkansas	Accelerating Individual Income tax Reduction	01–23	-\$295.9		-295.9
	Inflationary Relief	01–23	-156.3		-156.3
California	Allow YCTC for Zero Income Returns	01–22	-55.0		-55.0
	Early Enactment of Lifting Credit/NOL Suspension	01–22	-175.0		-175.0
	First-Time Penalty Abatement Program	01–22	-8.7		-8.7
	Foster Youth EITC	01–22	-19.0		-19.0
	Index YCTC to Inflation	01–22	-14.0		-14.0
	Late PPP Conformity	01–22	-80.0		-80.0
	Restaurant Revitalization Grant Conformity	01–19	-47.5		-47.5
	Shuttered Venue Grant Conformity	01–19	-24.5		-24.5
Connecticut	Pension & Annuity Exempt 100% for TY 2022	01–22	-42.9		-42.9
Delaware	UI tax deduction		-6.3		-6.3
	College & ABLE Plan Savings tax deduction		-0.7		-0.7
	Volunteer Firefighter tax credit		-1.8		-1.8
	Working Age Military Pensioner tax incentive		-1.5		-1.5
Georgia	Military retirement pay exemption	07–22	-79.0		-79.0
Idaho	HB 1		-125.0		-125.0
	HB 436		-223.9		-223.9
	Conformity HB 472		-7.9		-7.9
	HB 715		-1.0		-1.0
Indiana	Income tax rate reduction from 3.23% to 3.15%	01–23	-98.7		-98.7
Iowa	Retirement income exclusion from personal income tax, start of a phase down of income tax rates.	01–23	-222.0		-222.0
Kansas	Homestead Income Tax Credit	07–22	-6.9	0.0	-6.9
	College Contribution Tax Credit	07–22	-4.0	0.0	-4.0
	Short Line Rail Credit	07–22	-4.4	0.0	-4.4
	Teacher Classroom	07–22	-10.4	0.0	-10.4
	Aviation Tax Credits	07–22	-3.6	0.0	-3.6
	Targeted Employment Credit	07–22	-2.0	0.0	-2.0
	Child Care/Housing Credits	07–22	-8.4	0.0	-8.4
Kentucky	Expansion of the historic rehabilitation credit	01–22	-7.5		-7.5
	New decontamination credit	01–22	-3.8		-3.8
	Reduction of tax rate from 5% to 4.5%	01–23	-291.5		-291.5
	IRS Code update	01–22	-7.5		-7.5

*See Notes to Table A-1 at the end of the Appendix

TABLE A-1 (CONTINUED)

Enacted Revenue Changes by Type of Revenue, Fiscal 2023

State	Tax Change Description	Effective Date	Fiscal 2023 Revenue Impact (\$ in millions)		
			General Fund	Other State Fund	Total
PERSONAL INCOME TAXES					
Maine	Increases the earned income tax credit for tax years beginning on or after January 1, 2022	04–22	-\$26.2		-\$26.2
	Increases the maximum property tax fairness credit for tax years beginning on or after January 1, 2022	04–22	-6.7		-6.7
	Replaces the current credit for educational opportunity with a broader and simpler fully refundable credit of up to \$2,500 for an individual's student loan repayments for tax years beginning on or after January 1, 2022.	04–22	-55.7		-55.7
	Increases pension deduction amount to \$25,000 for tax years beginning in 2022, \$30,000 for tax years beginning 2023 and \$35,000 for tax years beginning in 2024.	04–22	-35.0		-35.0
	Adjust revenue to conform to the United States Internal Revenue Code as of Dec 31, 2020.	07–22	-4.7		-4.7
	Adjust revenue to conform to federal Covid-related tax measures authorized in ARPA	07–22	-0.9		-0.9
	Increase maximum property tax fairness credit for tax years 2022 and later	07–22	-17.3		-17.3
Maryland	A nonrefundable credit against the State income tax for a resident (1) who is at least age 65 and (2) whose federal adjusted gross income does not exceed \$100,000 (\$150,000 if married filing jointly). The amount of the tax credit is equal to (1) \$1,000 for an individual or if only one of the individuals filing a joint return is an eligible individual and (2) \$1,750 if married filing jointly and both individuals are at least age 65. The value of the tax credit is reduced for certain taxpayers if specified Board of Revenue Estimates are below a certain amount. Also expands the State subtraction modification for retired law enforcement; correctional officer; and fire, rescue, and emergency services personnel.	07–22	-291.9		-291.9
	Nonrefundable credit against the State income tax for up to 50% of the federal Work Opportunity Tax Credit claimed by an employer with respect to a qualified individual who is employed in the State. Any unused amount of the credit may not be carried forward to any other tax year.	07–22	-21.3		-21.3
	A refundable credit against the State income tax for 25% of qualified theatrical production costs incurred in the State	07–22	-5.0		-5.0
Massachusetts	Federal Income Tax Conformity	01–23	42.0		42.0
Mississippi	Phase out of 4% income tax rate	01–23	-92.5		-92.5
Missouri	Self-Employed Health Insurance Tax Credit	08–22	8.8	0.0	8.8
Montana	Revise residential property tax credit for elderly	07–21	-2.8	0.0	-2.8
	Non-refundable tax credit for employer-paid education of trade professions	07–21	-1.0	0.0	-1.0
	Lower top marginal tax rate from 6.9% to 6.75%	07–21	-31.3	0.0	-31.3
	Revise the MEDIA Act film tax credits	07–21	-2.0	0.0	-2.0
	Revise tax credit for K–12 school scholarships	07–21	-1.9	0.0	-1.9
	Generally revise income taxes — Phase I eliminate Tax credits	07–21	4.9	0.0	4.9
Nebraska*	Tax Rate Reduction	01–23	-24.7	0.0	-24.7
	Social Security Exemption	01–23	-40.8	0.0	-40.8
	Property Tax Incentive	01–23	-50.0	0.0	-50.0

*See Notes to Table A-1 at the end of the Appendix

Table A-1 continues on next page.

TABLE A-1 (CONTINUED)

Enacted Revenue Changes by Type of Revenue, Fiscal 2023

State	Tax Change Description	Effective Date	Fiscal 2023 Revenue Impact (\$ in millions)		
			General Fund	Other State Fund	Total
PERSONAL INCOME TAXES					
New York	Accelerate the Implementation of the Middle-Class Tax Cut	01-23	-\$162.0	\$0.0	-\$162.0
	Provide Small Business Tax Relief	01-22	-100.0	0.0	-100.0
	Provide a Homeowner Tax Rebate Credit	04-22	-2,200.0	0.0	-2,200.0
	Provide One-Time Supplemental Credit Payment — EITC	04-22	-188.0	0.0	-188.0
	Provide One-Time Supplemental Credit Payment — ESCC	04-22	-287.0	0.0	-287.0
North Carolina	NOAA and USPHS Retirement Pay Exclusion		-1.6		-1.6
North Dakota	2 year tax credit was passed	11-22	-107.0		-107.0
	Exemption of Social Security	11-22	-7.3		-7.3
Ohio	Gain from sale of business subject to business income deduction or the 3% business tax rate	09-22	-194.0	-6.7	-200.7
	SALT limitation workaround tax provision	06-22	-75.0	-2.6	-77.6
	Credit for employers on wages paid to student employees enrolled in career-technical educational program	03-22	-2.0	0.0	-2.0
	Modifications to Ohio Opportunity Zone tax credit	09-22	-8.0	-0.3	-8.3
Pennsylvania	Adopt federal Section 179 & Like Kind Exchange rules	01-23	-15.6		-15.6
Rhode Island	Exempt all military pensions from personal income tax	01-23	-3.1		-3.1
	Child Tax Rebate \$250/child up to 3 children for single filers making \$100k or less (\$200k if married filing jointly)	01-23	-43.8		-43.8
	Expanded eligibility and increased amount of property tax relief credit for elderly and disabled individuals	01-22	-3.7		-3.7
	Increase pension income exemption from \$15,000 to \$20,000	01-23	-1.6		-1.6
South Carolina	Reduce top marginal tax bracket from 7% to 6.5% beginning with tax year 2022	01-22	-702.4		-702.4
	Military Retirement Income exempt beginning with tax year 2022	01-22	-8.0		-8.0
Utah	Rate cut	01-22	-168.1		-168.1
	Social security income tax credit	01-22	-15.0		-15.0
	Earned income tax credit	01-22	-13.4		-13.4
Virginia	Conformity		-30.2		-30.2
	Refundable EITC		-159.0		-159.0
	Increase Standard Deduction		-970.2		-970.2
	Military Pension Phase In		-145.0		-145.0
	Teacher Deduction		-1.3		-1.3
Wisconsin	Federalize Capital Loss Deduction (raising the annual maximum from \$500 to \$3000) and first applying to tax year 2023	01-23	-4.3		-4.3
	Child and dependent care credit equal to 50% of the federal credit (first effective tax year 2022)	01-22	-9.8		-9.8
Total Revenue Changes—Personal Income Tax			-\$8,318.8	-\$26.8	-\$8,345.6

*See Notes to Table A-1 at the end of the Appendix

TABLE A-1 (CONTINUED)

Enacted Revenue Changes by Type of Revenue, Fiscal 2023

State	Tax Change Description	Effective Date	Fiscal 2023 Revenue Impact (\$ in millions)		
			General Fund	Other State Fund	Total
CORPORATE INCOME TAXES					
Alabama	Income tax, to increase optional standard deduction amount and increase the adjusted gross income range allowable for maximum optional standard deduction and dependent exemption.	01–22		-\$17.2	-\$17.2
Arkansas	Accelerating Corporation Income Tax Reduction	01–23	-\$18.5		-18.5
California	Early Enactment of Lifting Credit/NOL Suspension	01–22	-3,325.0		-3,325.0
	Late PPP Conformity	01–22	-80.0		-80.0
	Restaurant Revitalization Grant Conformity	01–19	-47.5		-47.5
	Shuttered Venue Grant Conformity	01–19	-24.5		-24.5
Connecticut	Expand Employer Student Loan Tax Credit	01–22	-9.4		-9.4
Florida	Short Line Rail	07–22	-6.9		-6.9
	Community Contributions Tax Credit	07–22	-4.0		-4.0
	Strong Families Tax Credit	07–22	-5.0		-5.0
	New Worlds Reading Initiative	07–22	-10.0		-10.0
	Internal Revenue Code adoption	07–22	94.1		94.1
Idaho	HB 1		-25.7		-25.7
	HB 436		-27.3		-27.3
Indiana	Coal Gasification Credit	07–22	-15.0		-15.0
	Repeal of utility receipts tax (URT)	07–22	-212.8		-212.8
Iowa	Corporation rate reduction	01–23	-19.6		-19.6
Kansas	College Contribution Tax Credit	07–22	-1.0	0.0	-1.0
	Short Line Rail Credit	07–22	-4.4	0.0	-4.4
	Aviation Tax Credits	07–22	-4.4	0.0	-4.4
	Targeted Employment Credit	07–22	-3.0	0.0	-3.0
	Child Care/Housing Credits	07–22	-5.0	0.0	-5.0
Maine	Adjust revenue to conform to the United States Internal Revenue Code as of Dec 31, 2020.	07–22	10.1		10.1
	Adjust revenue to conform to federal Covid-related tax measures authorized in ARPA	07–22	-0.1		-0.1
Maryland	Subtraction modification against the State individual and corporate income tax for the amount of ordinary and necessary expenses, including a reasonable allowance for salaries or compensation, paid or incurred during the taxable year in carrying on a trade or business as a State licensed medical cannabis grower, processor, or dispensary or any other cannabis establishment licensed by the State.	07–22	-5.6		-5.6
Montana	Double-weight sales in the three-factor apportionment formula	07–21	3.2	0.0	3.2
Nebraska	Higher Fuel Blend Credits	01–23	-2.0	0.0	-2.0
New Hampshire	Decrease Business Enterprise Tax rate 0.55% from 0.675%	12–22	-1.2	-12.1	-13.3
	Decrease Business Profit Tax rate to 7.6% from 7.7%	12–22	-3.6		-3.6
	Business Taxes Credit Carry forward Provisions	12–22	-6.7	-4.3	-11.0
	Paycheck Protection Program (PPP) Business Tax Exemption	12–22	-35.6	-8.4	-44.0
	Business Enterprise Tax Threshold Increase to \$250K	01–22	-0.3	-2.8	-3.1
New York	Create an Additional Restaurant Return to Work Payment	04–22	-10.0	\$0.0	-10.0
Pennsylvania	Rate cut and base expansion	01–23	-\$126.6		-\$126.6

*See Notes to Table A-1 at the end of the Appendix

Table A-1 continues on next page.

TABLE A-1 (CONTINUED)

Enacted Revenue Changes by Type of Revenue, Fiscal 2023

State	Tax Change Description	Effective Date	Fiscal 2023 Revenue Impact (\$ in millions)		
			General Fund	Other State Fund	Total
CORPORATE INCOME TAXES					
Utah	Allows the sales of intangible property to be treated as business income	01–22	-\$2.9		-\$2.9
	Film incentive tax credit	01–22	-12.0		-\$12.0
	Rate cut	01–22	-14.4		-\$14.4
Virginia	Expansion of NAP Credit		-3.0		-\$3.0
	163(j) Deduction Increase		-15.3		-\$15.3
Washington	Equitable Access to Credit	06–22	-8.0		-\$8.0
Total Revenue Changes—Corporate Income Tax			-\$3,988.9	-\$32.1	-\$4,021.0
CIGARETTE TAXES					
California	Retail Vaping Tax	07–22		\$32.0	\$32.0
Indiana	Closed system vape cartridge tax changes from 25% to 15% of wholesale price	07–22	-\$2.1		-2.1
Kentucky	Change in cigarette vendor compensation	08–22	-3.4		-3.4
Total Revenue Changes—Cigarette Tax			-\$5.5	\$32.0	\$26.5
MOTOR FUEL TAXES					
Florida	Fuel Tax Holiday	07–22		-\$200.0	-\$200.0
Georgia	Gas tax exemption	03–22	-\$650.0		-650.0
New York	Establish a Temporary Fuel Tax Holiday	04–22	0.0	-297.0	-297.0
Total Revenue Changes—Motor Fuel Tax			-\$650.0	-\$497.0	-\$1,147.0
GAMING TAXES / LOTTERY REVENUE					
Maryland	Increases the lottery agent sales commission from 5.5% to 6% of gross lottery sales.	10–22	-\$9.9		-\$9.9
Ohio	Imposes a tax on sports gaming	01–23	0.0	7.0	7.0
Total Revenue Changes—Gaming / Lottery			-\$9.9	\$7.0	-\$2.9

*See Notes to Table A-1 at the end of the Appendix

TABLE A-1 (CONTINUED)

Enacted Revenue Changes by Type of Revenue, Fiscal 2023

State	Tax Change Description	Effective Date	Fiscal 2023 Revenue Impact (\$ in millions)		
			General Fund	Other State Fund	Total
OTHER TAXES AND REVENUE					
Alabama	1) reduce the minimum Business Privilege Tax (BPT) due for tax year 2023 from \$100 to \$50, and 2) eliminate the minimum BPT due beginning with tax year 2024 and thereafter.	01-23	-\$11.5		-\$11.5
Arkansas	Tax deduction for the expensing of certain property	01-23	-29.4		-29.4
California	Cannabis Tax Reform	07-22		-\$194.0	-194.0
	Managed Care Organization Tax	12-22	-285.2		-285.2
Connecticut	Exempt Natural Gas from Gross Receipts Tax	07-22	-1.3		-1.3
	Repeal Movie Theater Admissions Tax	01-22	-2.5		-2.5
	Repeal Ambulatory Surgical Centers Tax	07-22	-18.0		-18.0
	Increase Property Tax Credit from \$200 to \$300	01-22	-60.0		-60.0
	Restore Eligibility for Property Tax Credit	01-22	-53.0		-53.0
	Child Tax Credit — One time, \$250/Child for TY 2021	Passage	-125.0		-125.0
	Extend Mfg Apprenticeship Tax Credit to PET	07-22	-5.0		-5.0
	\$0.25 Gas Tax Holiday from 7/1/22 to 11/30/22	Passage		-150.0	-150.0
Georgia	Increase Reg. Fees for EVs from \$57 to \$120	07-22		1.3	1.3
	Rural hospital donations exemption	01-23	-14.0		-14.0
Idaho	Student scholarship donation exemption	07-22	-1.2		-1.2
	HB 729 (indirect cost recovery)		-23.0		-23.0
Iowa	Reduction in franchise tax rates	01-23	-1.9		-1.9
	Various other reductions	07-22	-5.0		-5.0
Kansas	Exemption Certain Health Plans from Insurance Premiums Tax	07-22	-1.0	0.0	-1.0
	Child Care/Housing Credits (Insurance Premiums)	07-22	-2.0	0.0	-2.0
	Child Care/Housing Credits (Bank Privilege Tax)	07-22	-8.0	0.0	-8.0
Kentucky	Freezing of motor vehicle property valuations	01-22	-65.1		-65.1
	New car sharing or rental excise tax of 6% of gross receipts	01-23	7.9		7.9
	Electric (\$120) and hybrid (\$60) annual fee	01-24	0.0	0.0	0.0
	Changes in the pari-mutuel horse racing tax	08-22	3.6		3.6
	Electric vehicle charging station excise tax of 3 cents per kilowatt hour	01-24			0.0
	Various Provisions	01-22	-4.1		-4.1
Mississippi	Taxation of Medical Marijuana	07-22	17.9		17.9
Missouri	Qualified Research Tax Credit	08-22	-10.0	0.0	-10.0
	TIME Zone Fund Tax Credit	08-22	-5.0	0.0	-5.0
Montana	Raise exemption on Business equipment (property tax)	07-21	-1.1	0.0	-1.1
	Sales tax on the retail price of recreational marijuana	07-21	21.5	59.1	80.6

*See Notes to Table A-1 at the end of the Appendix

Table A-1 continues on next page.

TABLE A-1 (CONTINUED)

Enacted Revenue Changes by Type of Revenue, Fiscal 2023

State	Tax Change Description	Effective Date	Fiscal 2023 Revenue Impact (\$ in millions)		
			General Fund	Other State Fund	Total
OTHER TAXES AND REVENUE					
Nevada	MINING GROSS REVENUE TAX — GOLD AND SILVER. This is an annual tax on each business entity engaged in the business of extracting gold or silver in this State whose Nevada gross revenue in a taxable year exceeds \$20 million. The tax rate is 0.75% of all taxable revenue in excess of \$20 million, but not more than \$150 million; and 1.1% of all Nevada gross revenue in excess of \$150 million.	07–22	\$84.0		\$84.0
	UNCLAIMED PROPERTY. The State Controller will transfer after the close of FY 2021 \$1,000,000 from the Abandoned Property Trust Account (Unclaimed Property) to the Grant Matching Account for the purpose of providing grants or satisfying matching requirements for nongovernmental organizational grants by the Office of Federal Assistance in the Office of the Governor. For FY 2023 and all subsequent years, the first \$1.0 million of revenue from Unclaimed Property that is generated after the required transfer of the first \$7.6 million to the Millennium Scholarship Trust Fund must be transferred to the Grant Matching Account.	07–22	-1.0		-1.0
New Hampshire	Interest & Dividends Tax, 5 Year phase out	01–23	-6.3		-6.3
New Jersey	Adult Use Cannabis	07–21	3.2		3.2
New Mexico	Tax Changes	07–22	-191.9		-191.9
New York	Exempt Certain Water Vessels from the Petroleum Business Tax	09–22	0.0	-\$1.0	-1.0
	Exempt Certain Water Vessels from the Petroleum Business Tax	09–22	0.0	-1.0	-1.0
	Create a Peer-to-Peer Car Sharing Tax	09–22	3.0	0.0	3.0
Pennsylvania	Changes to tax credits (can go to PIT or corporate taxpayers)	01–23	-126.2		-126.2
Tennessee	Eeliminates professional privilege tax on physicians	06–23	-9.7		-9.7
Utah	Mineral exploration severance tax credit	01–22	-3.6	-3.6	-7.2
Washington	Data Centers Tax Preference	06–22	-5.9		-5.9
	Clean Tech. Tax Deferral	07–22	-3.1		-3.1
	SR 520 Sales Tax Deferral	07–22	-11.2		-11.2
	Uniform Unclaimed Property	01–23	35.4		35.4
	Drug Forfeiture Collections	07–23	-1.1		-1.1
	B&O Tax Credits	06–22	-13.0		-13.0
Total Revenue Changes—Other Taxes			-\$928.9	-\$289.2	-\$1,218.0

*See Notes to Table A-1 at the end of the Appendix

TABLE A-1 (CONTINUED)

Enacted Revenue Changes by Type of Revenue, Fiscal 2023

State	Tax Change Description	Effective Date	Fiscal 2023 Revenue Impact (\$ in millions)		
			General Fund	Other State Fund	Total
FEES					
California*	Alcohol License Fee Increase Concurrent with the Consumer Price Index	01–23		\$1.9	\$1.9
	Managed Care Fund Fee Increase	07–22		21.4	21.4
	Health Statistics Special Fund Fee Adjustment	07–22		1.7	1.7
	Genetic Disease and Screening Program: Newborn Screening Fee and Prenatal Screening Fee	Newborn Screening Fee: 07–22		36.8	36.8
		Prenatal Screening Fee: 9–22			
	Licensing and Certification Program: Los Angeles County Supplemental Fee Adjustment; Statewide Fee Adjustment	07–22		39.4	39.4
	Childhood Lead Poisoning Prevention Fund Fee Adjustment	07–22		14.0	14.0
	Food Safety Fund Fee Adjustment	07–22		1.5	1.5
Kentucky	Motor carrier certification fee	01–23		0.3	0.3
Montana	Changes fee structure from tiered rates linked to nameplate capacity to a flat rate AIS fees	07–21	\$1.1	0.0	1.1
New Jersey	Motor Vehicle License Renewal Holiday	07–22	-19.7		-19.7
	Application & Renewal Fees for Nursing & Respiratory Care Holiday	07–22	-4.7		-4.7
	Marriage License Fees Holiday	07–22	-1.2		-1.2
	Park Entrance Fees Holiday	07–22	-2.7		-2.7
Rhode Island	Reinstate Hospital Licensing Fee at 5.42% of hospital FY 2021 revenues	07–22	179.1		179.1
	Waive \$8 fee for license plate reissuance	10–22	-2.9		-2.9
Tennessee	One-year waiver for motor vehicle registration fees	06–22	-121.6		-121.6
Utah	Business fee reduction	07–22	-5.3		-5.3
Vermont	Established fees for cannabis establishments regulated by the Cannabis Control Board			1.0	1.0
Washington	Liquor License Fees	04–22	-2.1		-2.1
	Derelict Vessel Removal	06–22	-4.3		-4.3
	Reentry and Rehabilitation	06–22	1.1		1.1
	Motion Picture Program	06–22	-11.5		-11.5
	Tacoma Narrows Toll Bridge	06–22	-13.0		-13.0
	Transportation Resources	07–22	-18.8		-18.8
Total Revenue Changes—Fees			-\$26.5	\$117.9	\$91.4

*See Notes to Table A-1 at the end of the Appendix

TABLE A-2

Enacted Revenue Measures, Fiscal 2023

State	Description	Effective Date	Fiscal 2023 Revenue Impact (\$ in millions)		
			General Fund	Other State Fund	Total
SALES TAXES					
Kansas	Changes Sales/Use Tax Filing Frequencies	07-22	-\$155.1	-\$29.9	-\$185.0
Maryland	Alters the distribution of certain sales and use tax revenues to the Blueprint for Maryland's Future Fund (BMFF). By June 2023, the Comptroller must distribute \$800 million in income tax revenues to BMFF.	06-22	-800.0		-800.0
North Carolina	Transfer to Highway Fund		-193.1	193.1	0.0
PERSONAL INCOME TAXES					
Kansas	Diverts \$16.5 million to Job Creation Program Fund	07-22	-16.5	0.0	-16.5
New Mexico	Tax Rebates	07-22	-338.7		-338.7
Pennsylvania	Transfer to Election Integrity Account	07-22	-45.0	45.0	0.0
South Carolina	One-time tax rebate	07-22	-1,000.0		-1,000.0
ALCOHOLIC BEVERAGES TAXES					
Maryland	Redirects specified alcohol tax revenue to the Maryland Alcohol Manufacturing Promotion Fund.	07-22	-1.6		-1.6
GAMING TAX / LOTTERY REVENUE					
Pennsylvania	Keep Table Games taxes in GF (was to go to property tax relief fund eff. 7/22)	07-22	145.0	-145.0	0.0
Pennsylvania	Transfer to Tourism and Sports Marketing Account	07-22	-5.0	5.0	0.0
Virginia	Sports Betting		16.0		16.0
OTHER TAXES AND REVENUES					
Alabama	Reduces the State General Fund's (SGF) allocation of certain insurance license fees by \$1.5 million annually, and reallocates this \$1.5 million annually to the Center for Risk and Insurance Research Fund.	10-22	-1.5		-1.5
Connecticut	Treasurer's Changes Unclaimed Property Program	01-22	-1.6		-1.6
	Preclude Use of SSDI Benefits for Cost of Care	07-22	-1.5		-1.5
	Limit State Recoveries of Public Assistance	07-22	-8.5		-8.5
	Limit State Recoveries — Costs of Incarceration	Passage	-5.4		-5.4
	Transfer HCBS Revenue from FY 2022 to FY 2023	Passage	83.2		83.2
	Revenue Attributable to Expenditure Changes	Passage	13.1		13.1
	Transfer to Tobacco & Health Trust Fund	07-22	-12.0		-12.0
	Reduce ARPA Revenue in FY 22 & FY 23 (\$314.9M in FY23)	Passage	-880.0		-880.0
	Transfer FY 2022 Surplus for Child Tax Credit	Passage	125.0		125.0
	Transfer from Social Equity & Innovation Account	Passage	5.0		5.0
Move Greenhouse Gas Fees to CHEAPR Account	07-22	-5.0		-5.0	
Connecticut	Captive Insurers Initiative	07-22	7.5		7.5
FEES					
Kansas	Moves certain judicial fees to the SGF	07-22	17.3	0.0	17.3
Total			-\$3,058.4	\$68.2	-\$2,990.2

TABLE A-3

Mid-Year Revenue Changes by Type of Revenue, Fiscal 2022

State	Tax Change Description	Effective Date	Fiscal 2022 Revenue Impact (\$ in millions)		
			General Fund	Other State Fund	Total
SALES & USE TAXES					
Arkansas	To exempt certain electronic devices during the sales tax holiday	06–21	-\$1.3		-\$1.3
	Used Motor Vehicle Sales Tax Adjustment	01–22	-6.5		-6.5
	Sales tax exemptions for items sold for use in printing	07–21	-2.6		-2.6
	Expand "instructional materials" for purposes of sales tax exemption	07–21	-4.4		-4.4
	Sales tax exemption for water used in poultry farming	07–21	-1.8		-1.8
Connecticut	Exempt Clothing <\$100 (4/10/22 to 4/16/22)	Passage	-2.5		-2.5
New Mexico	Manufacturing Services Gross Receipts	01–22	-3.0		-3.0
New York	Manufacturer's coupons used by the consumer	12–21	5.0	0.3	5.3
Total Revenue Changes—Sales & Use Tax			-\$17.1	\$0.3	-\$16.9
PERSONAL INCOME TAXES					
Alabama	Income tax, to increase optional standard deduction amount and increase the adjusted gross income range allowable for maximum optional standard deduction and dependent exemption.	01–22		-\$12.9	-\$12.9
Arkansas	Exempt Unemployment benefits for tax years 2020 and 2021	Tax Year 2020	-\$3.1		-3.1
	To reduce personal and corporate income taxes	01–22	-135.3		-135.3
California	Early Enactment of Credit/NOL Suspension	01–22	-95.0		-95.0
	Late PPP Conformity	01–22	-80.0		-80.0
	Restaurant Revitalization Grant Conformity	01–19	-42.5		-42.5
	Shuttered Venue Grant Conformity	01–19	-22.5		-22.5
New Mexico	Tax Changes	01–21 and 01–22	-73.7		-73.7
North Dakota	2 year tax credit was passed	11–22	-103.1		-103.1
	Exemption of Social Security	11–22	-7.3		-7.3
Rhode Island	Expanded eligibility and increased amount of property tax relief credit for elderly and disabled individuals	01–22	-1.8		-1.8
South Carolina	Comprehensive tax cut of 2022	01–22	-15.1		-15.1
Utah	Rate cut	01–22	-8.9		-8.9
Virginia	Conformity		-144.1		-144.1
	Housing Tax Credit		15.0		15.0
Wisconsin	Exemption for Restaurant Revitalization Grants (first applies to tax year 2021)	01–21	-15.6		-15.6
Total Revenue Changes—Personal Income Tax			-\$732.9	-\$12.9	-\$745.8

*See Notes to Table A-3 at the end of the Appendix

Table A-3 continues on next page.

TABLE A-3 (CONTINUED)

Mid-Year Revenue Changes by Type of Revenue, Fiscal 2022

State	Tax Change Description	Effective Date	Fiscal 2022 Revenue Impact (\$ in millions)		
			General Fund	Other State Fund	Total
CORPORATE INCOME TAXES					
Arkansas	Exempt certain forgiven small business loans	01–20	-\$179.0		-\$179.0
	Impose a tax on pass-through entities	01–22	2.1		2.1
	Income tax credit for railroad track maintenance expenses	01–21	-4.9		-4.9
California	Early Enactment of Credit/NOL Suspension	01–22	-1,805.0		-1,805.0
	Late PPP Conformity	01–22	-80.0		-80.0
	Restaurant Revitalization Grant Conformity	01–19	-42.5		-42.5
	Shuttered Venue Grant Conformity	01–19	-22.5		-22.5
Utah	Rate cut	01–22	-2.6		-2.6
Total Revenue Changes—Corporate Income Tax			-\$2,134.4	\$0.0	-\$2,134.4
MOTOR FUEL TAX					
Connecticut	\$0.25 Gas Tax Holiday from 4/1/22 to 6/30/22	04–22		-\$90.0	-\$90.0
Maryland	30-day gas tax holiday	03–22		-100.0	-100.0
Total Revenue Changes—Motor Fuel Tax			\$0.0	-\$190.0	-\$190.0
OTHER TAXES AND REVENUES					
Kentucky	Freezing of motor vehicle property valuations	01–22	-\$34.8		-\$34.8
New Jersey	Adult Use Cannabis	07–21	2.8		2.8
New Mexico	Sustainable Building Tax Credit	06–21	-2.2		-2.2
	Omnibus Tax Bill	07–21	-1.0		-1.0
	Alcohol Deliveries	07–21	-5.1		-5.1
Total Revenue Changes—Other			-\$40.3	\$0.0	-\$40.3
FEES					
California	Managed Care Fund Fee Decrease	07–22		-\$15.6	-\$15.6
Rhode Island*	Decrease Hospital Licensing Fee from 5.725% to 5.656% of hospital FY 2020 revenues	07–21	\$1.7		1.7
Total Revenue Changes—Fees			\$1.7	-\$15.6	-\$13.9

*See Notes to Table A-3 at the end of the Appendix

TABLE A-4

Mid-Year Revenue Measures, Fiscal 2022

State	Description	Effective Date	Fiscal 2022 Revenue Impact (\$ in millions)		
			General Fund	Other State Fund	Total
SALES & USE TAXES					
Maryland	Modified distribution to education special fund to accrue to the General Fund for the month of June 2022.	06-22	\$46.9		\$46.9
Virginia	Move AST		-202.8		-202.8
PERSONAL INCOME TAXES					
Kansas	Diverts \$5.0 million to Job Creation Program Fund	04-22	-\$5.0	0.0	-\$5.0
Maryland	One-time distribution from income tax revenues to the Rental Housing Fund.	06-22	-30.0		-30.0
Wisconsin*	Withholding reduction to reflect tax rate reductions and indexing changes (effective Jan 1, 2022)	01-22	-709.8		-709.8
CORPORATE INCOME TAXES					
Arkansas	Arkansas Wood Energy Products and Forest Maintenance income tax credit	Tax Year 2021	-\$5.0		-\$5.0
GAMING TAX / LOTTERY REVENUE					
Virginia	Sports Betting		\$13.3		\$13.3
OTHER TAXES AND REVENUES					
Arkansas	Extension of 4.5 mills gas assessment to be deposited as general revenue	07-21	\$1.8		\$1.8
Connecticut	Transfer HCBS Revenue from FY 2022 to FY 2023	Passage	-83.2		-83.2
	Reduce ARPA Revenue in FY 22 & FY 23 (\$314.9M in FY23)	Passage	-559.9		-559.9
	Transfer to UConn Medical Malpractice Account	Passage	-20.0		-20.0
	Transfer FY 2022 Surplus for Child Tax Credit	Passage	-125.0		-125.0
New Mexico	Fire Protection Fund Changes	07-21	-19.1		-19.1
FEES					
New Mexico	No Behavioral Health Cost Sharing	07-22	\$22.0		\$22.0
Total			-\$1,675.8	\$0.0	-\$1,675.8

*See Notes to Table A-4 at the end of the Appendix

NOTES TO APPENDIX

Notes to Table A-1: Enacted Revenue Changes by Type of Revenue, Fiscal 2023

- California** Alcohol License Fee Increase Concurrent with the Consumer Price Index: The proposed fee increase applies to the majority of existing alcohol license application and renewal fees in the Alcoholic Beverage Control Act. The fee increase for the various license types is concurrent with the increase in the Consumer Price Index from August 2018 to August 2020. The increase will fund program enhancements and will become effective January 1, 2023.
- Nebraska** Individual income tax credits are provided relative to the amount of local property tax collected for community college assessments.

Notes to Table A-3: Mid-Year Revenue Changes by Type of Revenue, Fiscal 2022

- Rhode Island** The FY 2022 hospital licensing fee is based on a percentage of net patient-services revenue for hospital fiscal year 2020. A mid-year adjustment was made in the rate for FY 2022 because the hospital fiscal year 2020 revenue estimates increased. In order to hold state revenues roughly at the existing estimates, a small rate decrease was enacted in the FY 2022 revised budget, though it resulted in a small net revenue increase of \$1.7 million.

Notes to Table A-4: Mid-Year Revenue Measures, Fiscal 2022

- Wisconsin** Subsequent to the enactment of the budget, the state reduced individual income tax withholding to reflect tax rate reductions and indexing changes since 2014. This change was effective on January 1, 2022, and will result in an estimated one-time \$709.8 million revenue loss to the state in fiscal year 2022. The revenue reduction from this withholding change is reflected in current fiscal year 2022 figures provided in this survey.