THE FISCAL SURVEY OF STATES

Fall 2016

An Update of State Fiscal Conditions

A report by the National Association of State Budget Officers

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

Price: $25.00

THE NATIONAL ASSOCIATION OF STATE BUDGET OFFICERS

Founded in 1945, NASBO is the instrument through which the states collectively advance state budget practices. The major functions of the organization consist of research, policy development, education, training, and technical assistance. These are achieved primarily through NASBO's publications, membership meetings, and training sessions. Association membership is composed of the heads of state finance departments, the states' chief budget officers, and their deputies. All other state budget office staff are associate members. Association membership is organized into four standing committees—Health and Human Services; Financial Management and Reporting; Education; and a Critical Issue Committee. NASBO is an independent professional and education association.

2016–2017 Executive Committee

Margaret Kelly, Minnesota, *President*

Michael Cohen, California, *President-Elect*

Tom Mullaney, Rhode Island, *Past President*

Teresa MacCartney, Georgia, *Member-at-Large*

Paul Potamianos, Connecticut, *Member-at-Large*

Melissa Gott, Maine, *Eastern Regional Director*

Brian Bailey, Indiana, *Midwestern Regional Director*

Phil Dean, Utah, *Western Regional Director*

Jill Geiger, Oklahoma, *Southern Regional Director*

Dan Villa, Montana, *Chair, Health and Human Services Committee*

Shelby Kerns, Idaho, *Chair, Fiscal Management and Reporting Committee*

David Thurman, Tennessee, *Chair, Education Committee*

John Roberts, Michigan, *Chair, Critical Issue Committee on Debt Management Practices*

John T. Hicks, *Executive Director and Secretary/Treasurer*

ACKNOWLEDGMENTS

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

Laneita Littleton, Alabama

Neil Steininger, Alaska

Taylor Pair, Arizona

Amanda DiPippa, Arkansas

Carla Castaneda, California

Nathan Hart, California

Susan Wekanda, California

Alexis Senger, Colorado

Michael Izadi, Connecticut

Matthew Pellowski, Connecticut

Bert Scoglietti, Delaware

Cornell Thomas, Jr., Florida

Bakia Parrish, Georgia

Terri Ohta, Hawaii

Shelby Kerns, Idaho

Adrian Liu, Illinois

Zac Jackson, Indiana

Joel Lunde, Iowa

Shawn Sullivan, Kansas

Julie Thomas, Kansas

Janice Tomes, Kentucky

Barry Dusse, Louisiana

Jeremy McDaniel, Louisiana

Melissa Winchenbach, Maine

Nathan Bowen, Maryland

Heath Fahle, Massachusetts

Catharine Hornby, Massachusetts

Colleen Gossman, Michigan

James Stelzner, Minnesota

Pam Davis, Mississippi

Judy Eggen, Missouri

Ryan Evans, Montana

Lyn Heaton, Nebraska

Tiffany Greenameyer, Nevada

Joe Bouchard, New Hampshire

Tariq Shabazz, New Jersey

Andrew Miner, New Mexico

Gregory Armstrong, New York

Thomas Cheek, North Carolina

Becky Keller, North Dakota

Sheila Peterson, North Dakota

Ben Boettcher, Ohio

Shelly Paulk, Oklahoma

Brian DeForest, Oregon

Kathleen Wallace, Pennsylvania

Steven Smalley, Rhode Island

David Seigler, South Carolina

Jim Terwilliger, South Dakota

Charles W. Brown, Tennessee

Bobby Wilkinson, Texas

Ken Matthews, Utah

Emily Byrne, Vermont

Mike Barton, Virginia

Karen Lux, Virginia

Pam Davidson, Washington

Mike McKown, West Virginia

Dan Subach, Wisconsin

Folbert Ware, Jr., Wyoming

TABLE OF CONTENTS

PREFACE

The Fiscal Survey of States is published twice annually by the National Association of State Budget Officers (NASBO). The series was started in 1979. The survey presents aggregate and individual data on the states' general fund receipts, expenditures, 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 also conducted annually.

The field survey on which this report is based was conducted by NASBO from August through October 2016. The surveys were completed by executive state budget officers in all 50 states.

Fiscal 2015 data represent actual figures, fiscal 2016 figures are preliminary actual, and fiscal 2017 data reflect state enacted budgets.

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. Thirty states operate on an annual budget cycle, while 20 states operate on a biennial (two-year) budget cycle.

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

EXECUTIVE SUMMARY

State general fund spending is expected to grow 4.3 percent in fiscal 2017, based on enacted budgets. However, fiscal conditions continue to vary considerably across states. For example, while 11 states increased general fund spending in fiscal 2017 by 6 percent or more, eight states enacted budgets that call for less spending in fiscal 2017 than in the prior year. While many states are focused on building up their rainy day funds for the next recession, others are tapping their reserves to respond to declining revenues. This variation is due to a number of factors, such as the negative impact of declining oil and gas prices on energy-producing states, differing tax and spending policies, regional economic disparities, and varied changes in population and other demographics.

Despite these variations, there is evidence that many states are seeing softening state tax collections. General fund revenue growth slowed considerably in fiscal 2016, after fairly robust growth in fiscal 2015. Revenues were less than budgeted in 25 states in fiscal 2016, the most since the Great Recession. This revenue slowdown was driven by a number of factors. All three of the largest sources of general fund revenue had a lackluster performance in fiscal 2016. Personal income tax collections were negatively affected by the weak stock market gains in calendar year 2015, and corporate income tax collections outright declined. Sales tax growth was also weak, tempered by low inflation and slower growth in consumption of taxable goods and services. In addition, energy-producing states continued to grapple with the impacts of declining oil and gas prices and declining coal production on their revenue collections. Most states are seeing these weaker revenue conditions carrying into fiscal 2017. At the time of data collection, 24 states reported general fund revenues for fiscal 2017 were coming in below forecast, while 16 states were on target and four states were above forecast.

States are also facing challenges on the spending side of the equation. Current services costs, such as pension obligations and health care (Medicaid) spending needs, continue to rise faster than inflation or state revenues. Many states are working to slow corrections spending, while others are trying to determine how they will fund growing K–12 enrollment and court-mandated reforms in their school finance formulas. State officials are also dealing with a pent-up need for investments in transportation and legacy technology systems.

While slower revenue growth in fiscal 2016 and fiscal 2017 is likely to translate into tighter state budgets, most states are still well-positioned financially. Over the past several years, states have focused on building up their reserves and ensuring structurally balanced budgets, and fiscal 2017 budgets continue that trend.

State Spending

Enacted fiscal 2017 budgets show aggregate general fund expenditures reaching $819.8 billion, an increase of 4.3 percent over fiscal 2016.[1] Forty-one states enacted budgets for the current fiscal year calling for higher spending levels compared to fiscal 2016, with eight states enacting spending declines; the median growth rate for fiscal 2017 is 3.6 percent. These figures are based on enacted budgets, and are likely to change based on actual expenditure data — particularly since weak revenue performance in some states may necessitate mid-year budget reductions.

Based on preliminary actual data submitted by states this fall, general fund spending growth slowed in fiscal 2016 — increasing 3.7 percent to $785.7 billion after growing 4.4 percent in fiscal 2015. Adjusting for inflation, 32 states spent less in fiscal 2016 than they did in fiscal 2008, before the Great Recession hit, and aggregate general fund spending in fiscal 2016 remains below the fiscal 2008 pre-recession peak in inflation-adjusted terms.[2]

The impact of the steep decline in oil and gas prices on energy-producing states contributed to the overall slowdown in state budget growth last fiscal year, and is continuing to have an effect this year. In fact, fiscal 2017 marks the second consecutive year of declining general fund expenditures in five states — all of which are dependent in part on severance tax revenues.

[1] When conducting the survey for this report, Illinois had only enacted a six-month budget for the current fiscal year. As a result, Illinois's enacted general fund expenditure figure for fiscal 2017 is considerably lower than prior year figures. To better allow for annual comparisons, NASBO is reusing Illinois's general fund expenditure amount for fiscal 2017 from the *Spring 2016 Fiscal Survey of States*, which was based on the Governor's proposed budget, for 50-state totals in this report.

[2] NASBO's *Spring 2016 Fiscal Survey of States* previously reported that estimated fiscal 2016 spending and revenues had exceeded pre-recession fiscal 2008 levels in real terms. However, this is no longer the case, as actual spending and revenue amounts came in below prior estimates, and the inflation rate for fiscal 2016 also increased since the spring report was released.

Budget Gaps, Mid-Year Budget Actions, and Enacted Appropriation Changes

Examining state budget gaps, mid-year budget adjustments, and enacted appropriation changes can help illustrate current state fiscal conditions, spending trends, and program priorities. In fiscal 2016, 19 states reported having to close budget gaps totaling $14.4 billion — three additional states had gaps of an unspecified amount. This compares to last fall, when 16 states reported closing $6.3 billion in budget gaps in fiscal 2015 — a year which most states ended with revenues above forecast.

The vast majority of states are required to balance their budgets, and few states are permitted to carry over a deficit.[3] Shortfalls that arise during the fiscal year are addressed primarily by reducing previously appropriated spending. In fiscal 2016, 19 states reported net mid-year budget decreases totaling $2.8 billion. However, in a few states, the mid-year reductions were not due to the presence of a budget gap; they were the result of budget adjustments due to lower than expected costs, timing of transfers or other technical changes, or creating resources for an upcoming fiscal year.

For fiscal 2017, states approved general fund appropriation increases totaling $25.8 billion, mainly directing additional funds to K–12 education and Medicaid — the two largest portions of state general fund spending. Thirty-nine states enacted spending increases for K–12, while eight states enacted decreases, resulting in a net increase of $9.4 billion. For Medicaid, 34 states enacted increases while 10 states enacted decreases, totaling $5.5 billion in new spending on the program in fiscal 2017. States also enacted net increases in general fund spending on all other program areas tracked in this report, including higher education, corrections, transportation and public assistance. Budget decreases do not always represent true spending cuts, but once again may sometimes reflect caseload changes, fund transfers, or other technical adjustments.

Also for fiscal 2017, 14 states have so far closed $6.8 billion in budget gaps, while 11 states reported existing shortfalls for the current fiscal year totaling $10.5 billion that still need to be addressed (one additional state reported an ongoing budget gap of an unspecified amount). Not surprisingly, most states that reported ongoing budget gaps this year are also seeing general fund revenues coming in below projections. It is likely that some of these fiscal 2017 gaps will be addressed through mid-year budget reductions in the months ahead. As states are developing their budgets for the next fiscal year (or biennium), 11 states are forecasting shortfalls for fiscal 2018 so far that will require budget management actions to address.

State Revenues

State general fund revenue growth slowed considerably in fiscal 2016, increasing just 1.8 percent to $780.6 billion, after rising 5.0 percent in fiscal 2015. With a median growth rate of 2.1 percent, 12 states saw revenue declines, 30 states had growth between 0 and 5 percent, seven states had growth between 5 and 10 percent, and just one state had growth above 10 percent in fiscal 2016. Twenty-five states reported fiscal 2016 preliminary actual revenues came in below original budget projections, while 20 states had revenues come in above forecast and five states were on target. Broken down by tax type, in the aggregate, personal income tax collections modestly outperformed original projections, while sales and corporate income tax collections came in below forecast.

Enacted budgets for fiscal 2017 project general fund revenues will total $808.6 billion, a 3.6 percent increase over fiscal 2016. The median projected growth rate for the current fiscal year is a bit lower at 3.1 percent. At this time, it seems likely that actual revenues will be lower than these projections, at least in the aggregate, with general fund collections coming in below forecast in 24 states, on target in 16 states, and above forecast in four states, based on states with data available for fiscal 2017.

Based on enacted budgets, personal income tax collections are expected to increase by 4.5 percent in fiscal 2017, after 3.1 percent growth fiscal 2016. Corporate income tax collections, which tend to be a more volatile revenue source, declined 4.3 percent in fiscal 2016, and are estimated to grow 5.5 percent in fiscal 2017. Sales tax collections, historically a more stable source of revenue, were relatively weak in fiscal 2016, growing by 2.7 percent, but are expected to increase 5.1 percent in fiscal 2017 based on enacted budgets.

[3] See NASBO, *Budget Processes in the States* (2015), Table 9.

State Revenue Actions

Eleven states enacted net increases in taxes and fees in fiscal 2017, while 20 states enacted net tax and fee decreases, resulting in a net increase of $1.3 billion. Tax hikes on general sales and cigarettes accounted for the majority of tax increases, while taxes on personal and corporate income reflected much of the reductions. The largest increases in taxes and fees include Louisiana's sales tax rate hike and elimination of several exemptions, California's replacement of its Managed Care Organization tax with a new enrollment tax, a cigarette tax increase in Pennsylvania, and Michigan's gas tax increase. The largest decreases include the continued phase-in of Ohio's personal income tax across-the-board reduction, and personal and corporate income tax cuts in North Carolina. In addition to tax and fee changes, states also enacted $866 million in new revenue measures in fiscal 2017. Revenue measures enhance or reduce general fund revenues but do not affect taxpayer liability.

Total Balances

Total balances include ending balances and the amounts in states' budget stabilization or "rainy day" funds. They are a crucial tool that states heavily rely on during fiscal downturns and to address shortfalls. Balances reflect the surplus funds and reserves that states may use to respond to unforeseen circumstances and to help smooth revenue volatility. After reaching $79.6 billion in fiscal 2015, an all-time high in nominal dollars thanks in part to unanticipated budget surpluses resulting from revenues outperforming projections in most states, total balances declined in fiscal 2016 to $73.3 billion. The drop in aggregate balance levels was largely driven by significant nominal declines in several energy-producing states. While total balances in the aggregate declined, the median total balance across states, as a percentage of general fund expenditures, increased from 8.7 percent in fiscal 2015 to 9.6 percent in fiscal 2016. For fiscal 2017, another decline in total state balances is expected, as 31 states project lower total balance levels based on their enacted budgets.

Rainy Day Fund Balances

State balances in rainy day funds continue to improve, even though the 50-state total balance level decreased in fiscal 2016. Thirty-one states increased their rainy day fund balances in fiscal 2015, 29 states in fiscal 2016, and 25 states project increases in fiscal 2017. Meanwhile, rainy day fund balances decreased in 11 states in each of the three fiscal years covered in this report. Some energy-producing states have tapped their reserves to help fund government services as their revenues have declined. Alaska, by far the state most reliant on severance tax revenues, saw its rainy day fund balance drop by nearly $9 billion in the two years from fiscal 2014 to fiscal 2016, and is projecting a more than $3 billion decline in fiscal 2017. Nevertheless, most states have strengthened their reserves since the Great Recession — from fiscal 2010 to fiscal 2016, 40 states increased their rainy day fund balances. During that same period, the median rainy day fund balance has gone from 2.0 percent as a share of general fund expenditures to 5.1 percent. The median rainy day fund balance in fiscal 2008, prior to the Great Recession, was 4.9 percent.

This edition of The Fiscal Survey of States reflects actual fiscal 2015, preliminary actual fiscal 2016, and appropriated fiscal 2017 figures, unless otherwise noted. The data were collected in the fall of 2016.

STATE EXPENDITURE DEVELOPMENTS

CHAPTER ONE

Overview

State budgets are projected to grow moderately in fiscal 2017 for the seventh consecutive year, increasing 4.3 percent in the aggregate, according to enacted budgets. Consistent year-over-year growth has helped states achieve relative budget stability. Aggregate general fund spending increased 3.7 percent in fiscal 2016, a somewhat slower rate of growth than the 4.4 percent increase in fiscal 2015.[4] While states' fiscal conditions continue to improve, there is significant variation in how individual states are faring.

Forty-one states enacted budgets for fiscal 2017 calling for higher general fund spending levels compared to fiscal 2016, in nominal terms. Additional spending in fiscal 2017 is limited, but states have enacted budgets providing increased funding for core services such as K–12 education, Medicaid and higher education. While modest growth continues for most states, budgetary challenges linger from the Great Recession for some states that have not been able to return to previous spending levels. Adjusting for inflation, 32 states spent less in fiscal 2016 than they did in fiscal 2008, prior to the Great Recession. Even without adjusting for inflation, nine states spent less from their general funds last year than they did in fiscal 2008 in nominal terms, including several energy-producing states.

State Spending from All Sources

This report captures only state general fund spending. General fund spending represents the primary component of discretionary expenditures of revenue derived from general sources which have not been earmarked for specific items. According to the most recent edition of NASBO's *State Expenditure Report*, estimated fiscal 2016 spending from all sources (general funds, federal funds, other state funds and bonds) is approximately $1.93 trillion. General funds represent the largest category of *total* state spending by fund source at 40.4 percent, followed by federal funds at 31.2 percent, other state funds at 26.3 percent, and bonds at 2.1 percent. The program area components of total state spending for estimated fiscal 2016 are: Medicaid, 29.0 percent; elementary and secondary education, 19.4 percent; higher education, 10.2 percent; transportation, 7.9 percent; corrections, 3.0 percent; public assistance, 1.4 percent; and all other expenditures, 29.2 percent.

For estimated fiscal 2016, components of general fund spending are elementary and secondary education, 35.1 percent; Medicaid, 20.3 percent; higher education, 9.7 percent; corrections, 6.6 percent; public assistance, 1.2 percent; transportation, 0.9 percent; and all other expenditures, 26.2 percent.

State General Fund Spending

State general fund spending is forecast to be $819.8 billion in fiscal 2017 according to enacted budgets.[5] This represents a 4.3 percent increase from the $785.7 billion spent in fiscal 2016. The fiscal 2017 spending increase will mark the seventh consecutive annual increase in general fund expenditures, following back-to-back declines in general fund spending in fiscal 2009 and fiscal 2010, when spending decreased by 3.8 percent and 5.7 percent respectively. *(See Table 1, Figure 1*) Forty-one states enacted budgets for the current fiscal year calling for higher spending levels compared to fiscal 2016; the median growth rate for fiscal 2017 is 3.6 percent.

Based on preliminary actual data submitted by states this fall, general fund spending growth slowed in fiscal 2016 — increasing 3.7 percent on average after growing 4.4 percent in fiscal 2015. Due to near-zero inflation in fiscal 2016, state general fund spending in real terms grew at roughly the same pace in fiscal 2015 and fiscal 2016. *(See Tables 3–5)*

[4] See the U.S. Bureau of Economic Analysis National Income and Product Account Tables. Table 3.9.4. Price Indexes for Government Consumption Expenditures and Gross Investment. Last revised on October 28, 2016. Line 33, state and local price index, is used for calculating inflation. Fiscal year inflation rates determined through quarterly averages.

[5] When conducting the survey for this report, Illinois had only enacted a six-month budget for the current fiscal year. As a result, Illinois's enacted general fund expenditure figure for fiscal 2017 is considerably lower than prior year figures. To better allow for annual comparisons, NASBO is reusing Illinois's general fund expenditure amount for fiscal 2017 from the *Spring 2016 Fiscal Survey of States*, which was based on the Governor's proposed budget, for 50-state totals in this report.

After seven years of budget growth, most states have surpassed their pre-recession spending levels in nominal terms, although eight states enacted fiscal 2017 budgets below fiscal 2008 levels; several of these states are facing negative budgetary impacts associated with the declining price in oil, which has reversed some of their progress made during the recovery from the Great Recession. For fiscal 2017, eight states enacted budgets with general fund expenditures below fiscal 2016 levels, 26 states had general fund expenditure growth between 0 and 5.0 percent, and 15 states had general fund spending growth greater than 5.0 percent. *(See Tables 2 and 6)*

TABLE 1

State Nominal and Real Annual Budget Increases, Fiscal 1979 to Fiscal 2017

	State General Fund	
Fiscal Year	Nominal Increase	Real Increase
2017	4.3%	
2016	3.7	3.3
2015	4.4	3.2
2014	4.5	2.4
2013	4.1	2.2
2012	3.4	0.9
2011	3.5	0.3
2010	-5.7	-6.5
2009	-3.8	-6.3
2008	4.9	-0.4
2007	9.4	4.4
2006	8.7	3.1
2005	6.5	0.5
2004	3.0	-0.7
2003	0.6	-2.4
2002	1.3	-0.9
2001	8.3	3.9
2000	7.2	2.4
1999	7.7	4.9
1998	5.7	3.7
1997	5.0	2.7
1996	4.5	2.2
1995	6.3	3.3
1994	5.0	2.8
1993	3.3	-0.1
1992	5.1	1.8
1991	4.5	0.0
1990	6.4	1.5
1989	8.7	4.8
1988	7.0	2.9
1987	6.3	2.6
1986	8.9	5.4
1985	10.2	6.0
1984	8.0	3.9
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
1979–2016 average	**5.5%**	**1.5%**

*Notes: * *The state and local government implicit price deflator cited by the Bureau of Economic Analysis National Income and Product Account Tables, Table 3.9.4., Line 33 (last updated on October 28, 2016), is used to measure inflation and calculate real changes in state expenditures. Fiscal Year real changes are based on quarterly averages. Fiscal 2016 figures are based on the change from fiscal 2015 actuals to fiscal 2016 preliminary actuals. Fiscal 2017 figures are based on the change from fiscal 2016 preliminary actual figures to fiscal 2017 enacted.*

FIGURE 1:
Annual Percentage Budget Changes, Fiscal 1979 to Fiscal 2017

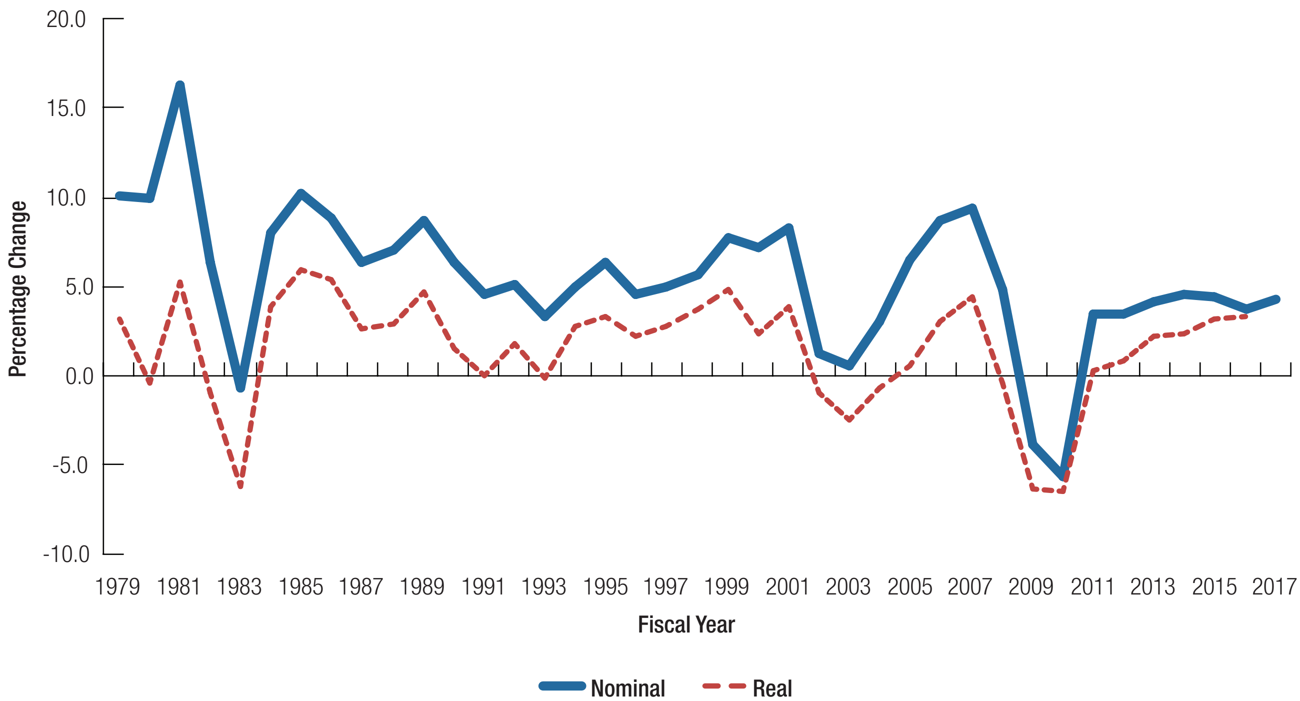

TABLE 2

State General Fund Expenditure Growth, Fiscal 2016 & 2017

Spending Growth	Fiscal 2016 (Preliminary Actual)	Fiscal 2017 (Enacted)
Less than 0%	8	8
0.0% to 5.0%	25	26
> 5.0% but < 10.0%	17	13
10% or more	0	2
Not yet determined*	0	1

*NOTE: Average spending growth for fiscal 2016 (preliminary actual) is 3.7 percent; average spending growth for fiscal 2017 (enacted) is 4.3 percent. See Table 6 for state-by-state data. *Illinois's projected annual spending growth rate for fiscal 2017 is not available as the state has only enacted a budget for the first six months of the fiscal year.*

TABLE 3

Fiscal 2015 General Fund, Actual (Millions)

State	Beginning Balance	Revenues	Adjustments	Total Resources	Expenditures	Adjustments	Ending Balance	Rainy Day Fund Balance
Alabama*	$52	$7,719	$180	$7,952	$7,770	-$33	$215	$412
Alaska*	0	2,257	71	2,328	6,014	-1,008	-2,679	10,442
Arizona*	577	8,933	71	9,581	9,269	0	312	455
Arkansas	0	5,058	0	5,058	5,058	0	0	0
California* **	5,590	111,789	-436	116,943	113,448	51	3,445	4,085
Colorado* **	436	9,803	65	10,303	9,594	0	709	709
Connecticut*	0	17,282	0	17,282	17,420	-24	-113	406
Delaware**	414	3,955	0	4,370	3,833	0	537	213
Florida	2,581	27,966	0	30,547	28,008	0	2,540	1,139
Georgia* **	1,071	20,435	74	21,579	20,050	0	1,529	1,431
Hawaii	665	6,577	0	7,242	6,413	0	828	90
Idaho*	44	3,057	-157	2,944	2,936	-37	45	244
Illinois*	74	32,907	3,470	36,451	30,763	5,067	621	276
Indiana*	1,036	15,145	15	16,196	14,935	374	887	1,254
Iowa*	0	6,820	647	7,467	7,056	0	411	698
Kansas	380	5,929	0	6,309	6,237	0	72	0
Kentucky*	81	10,028	324	10,433	10,108	104	221	77
Louisiana*	0	8,430	47	8,477	8,588	6	-117	470
Maine*	13	3,329	-100	3,242	3,166	51	26	119
Maryland*	148	15,923	161	16,231	15,995	-84	320	774
Massachusetts* **	1,451	38,237	0	39,687	38,116	0	1,571	1,252
Michigan*	306	10,661	-1,070	9,897	9,203	0	695	498
Minnesota* **	1,886	20,510	0	22,396	20,293	0	2,103	994
Mississippi	41	5,537	0	5,578	5,529	0	48	395
Missouri*	189	8,709	124	9,022	8,744	0	278	270
Montana*	424	2,200	1	2,625	2,171	-1	455	0
Nebraska*	674	4,305	-216	4,763	4,030	0	732	728
Nevada*	184	3,284	181	3,649	3,400	7	242	0
New Hampshire*	22	1,398	0	1,420	1,278	93	49	22
New Jersey*	296	32,839	476	33,611	32,794	0	817	0
New Mexico* **	638	6,286	15	6,939	6,326	0	613	613
New York* **	2,235	67,921	0	70,156	62,856	0	7,300	1,798
North Carolina	269	21,448	-786	20,931	20,666	0	265	852
North Dakota*	1,248	2,369	531	4,147	3,270	0	877	573
Ohio*	1,700	31,473	0	33,173	31,462	0	1,712	1,478
Oklahoma*	0	6,465	-13	6,452	6,403	0	49	385
Oregon*	247	8,462	-44	8,665	8,136	0	529	391
Pennsylvania*	81	30,592	-1,246	29,427	29,153	68	206	0
Rhode Island*	68	3,641	-80	3,629	3,454	7	168	185
South Carolina* **	1,163	6,960	0	8,124	6,815	127	1,182	447
South Dakota*	10	1,381	27	1,418	1,386	10	22	149
Tennessee*	384	13,019	51	13,454	12,330	251	873	492
Texas*	7,266	52,644	-2,260	57,650	49,308	0	8,342	8,460
Utah*	343	5,873	0	6,216	5,774	0	442	491
Vermont*	0	1,444	5	1,449	1,429	20	0	76
Virginia	835	18,082	0	18,917	18,240	0	677	468
Washington*	373	17,283	6	17,662	16,671	0	991	513
West Virginia*	412	4,196	45	4,653	4,234	0	420	869
Wisconsin*	517	14,541	672	15,730	15,504	91	136	280
Wyoming*	0	1,509	592	2,101	2,101	0	0	1,811
Total	**$36,423**	**$766,609**		**$804,473**	**$757,736**		**$41,597**	**$47,783**

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

TABLE 4

Fiscal 2016 State General Fund, Preliminary Actual (Millions)

State	Beginning Balance	Revenues	Adjustments	Total Resources	Expenditures	Adjustments	Ending Balance	Rainy Day Fund Balance
Alabama*	$215	$7,962	$36	$8,213	$7,817	$140	$255	$530
Alaska*	0	1,337	-44	1,293	5,440	-226	-3,921	6,607
Arizona*	312	9,164	264	9,740	9,515	0	224	461
Arkansas	0	5,190	0	5,190	5,190	0	0	0
California* **	3,445	117,001	0	120,446	115,571	0	4,875	7,329
Colorado* **	709	9,898	24	10,631	10,159	0	472	472
Connecticut*	0	17,781	0	17,781	17,921	30	-171	236
Delaware**	537	3,945	0	4,482	3,914	0	568	215
Florida	2,540	28,529	0	31,068	29,292	0	1,777	1,354
Georgia*	1,529	22,237	271	24,037	21,935	0	2,102	N/A
Hawaii	828	7,082	0	7,910	6,882	0	1,028	101
Idaho*	45	3,184	-151	3,078	3,072	-45	50	259
Illinois*	621	28,792	1,581	30,994	26,801	3,947	246	277
Indiana*	887	15,041	17	15,945	14,991	178	776	1,468
Iowa*	0	7,046	270	7,315	7,168	72	75	719
Kansas	72	6,074	7	6,152	6,115	0	37	0
Kentucky*	221	10,429	244	10,894	10,320	240	334	209
Louisiana*	-117	8,212	572	8,667	8,652	16	0	359
Maine*	26	3,366	20	3,412	3,272	69	71	122
Maryland*	320	16,198	22	16,541	16,642	-485	385	832
Massachusetts* **	1,571	40,445	0	42,015	40,573	0	1,442	1,288
Michigan*	695	10,884	-1,694	9,885	9,750	0	135	611
Minnesota* **	2,103	20,901	0	23,004	20,405	0	2,599	1,597
Mississippi*	48	5,622	35	5,706	5,699	0	7	350
Missouri*	278	8,787	117	9,182	9,029	0	153	291
Montana*	455	2,121	-4	2,573	2,318	0	255	0
Nebraska*	732	4,308	-313	4,727	4,196	0	532	731
Nevada*	242	3,681	80	4,003	3,596	9	398	0
New Hampshire*	49	1,531	31	1,610	1,383	97	130	53
New Jersey*	817	32,936	485	34,237	33,686	0	551	0
New Mexico* **	613	5,691	362	6,665	6,307	226	133	133
New York* **	7,300	69,676	0	76,976	68,042	0	8,934	1,798
North Carolina*	265	21,721	-75	21,910	21,735	0	176	1,102
North Dakota*	877	1,886	657	3,420	3,152	-122	391	573
Ohio*	1,712	33,931	0	35,642	34,449	0	1,193	2,005
Oklahoma*	49	5,934	132	6,115	6,115	0	0	241
Oregon*	529	9,261	-558	9,232	8,754	0	478	550
Pennsylvania*	206	31,538	-1,154	30,590	30,559	0	31	69
Rhode Island*	168	3,664	-108	3,724	3,549	8	167	192
South Carolina* **	1,182	7,271	77	8,530	7,181	218	1,131	459
South Dakota*	22	1,438	37	1,497	1,461	22	14	143
Tennessee*	873	13,208	-98	13,982	12,920	316	746	568
Texas*	8,342	50,783	-2,005	57,120	53,430	0	3,691	9,715
Utah	442	6,016	0	6,458	6,308	0	150	491
Vermont*	0	1,476	8	1,484	1,479	5	0	78
Virginia	677	18,691	0	19,367	19,102	0	265	237
Washington*	991	18,513	-62	19,442	18,190	0	1,252	509
West Virginia*	420	4,106	27	4,552	4,175	6	371	779
Wisconsin*	136	15,098	597	15,830	15,853	-337	314	281
Wyoming*	0	1,014	649	1,663	1,663	0	0	1,811
Total	**$43,978**	**$780,594**		**$824,928**	**$785,723**		**$34,822**	**$48,200**

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

TABLE 5

Fiscal 2017 State General Fund, Enacted (Millions)

State	Beginning Balance	Revenues	Adjustments	Total Resources	Expenditures	Adjustments	Ending Balance	Rainy Day Fund Balance
Alabama	$255	$8,175	$0	$8,430	$8,175	$0	$255	$761
Alaska*	0	1,246	-60	1,187	4,302	63	-3,178	3,554
Arizona*	224	9,370	79	9,674	9,608	0	65	460
Arkansas	0	5,333	0	5,333	5,333	0	0	0
California* **	4,875	120,310	0	125,185	122,468	0	2,717	8,465
Colorado* **	472	10,360	46	10,878	10,511	0	366	366
Connecticut*	0	17,887	0	17,887	17,864	0	23	258
Delaware* **	568	4,048	0	4,616	4,104	0	512	215
Florida	1,777	30,085	0	31,861	30,447	0	1,414	1,384
Georgia*	2,102	22,523	0	24,625	22,523	0	2,102	N/A
Hawaii	1,028	7,355	0	8,383	7,723	0	660	310
Idaho*	50	3,343	-45	3,348	3,273	0	75	259
Illinois*	246	30,490	1,704	32,440	15,900	16,294	246	0
Indiana*	776	15,577	0	16,354	15,449	619	285	1,565
Iowa*	0	7,357	68	7,426	7,346	0	80	738
Kansas	37	6,326	0	6,363	6,358	0	6	0
Kentucky*	281	10,703	485	11,469	11,131	223	116	236
Louisiana	0	9,625	0	9,625	9,624	0	1	359
Maine*	71	3,352	6	3,429	3,358	15	56	122
Maryland*	385	17,000	17	17,402	17,236	-30	196	1,000
Massachusetts* **	1,443	41,389	0	42,831	41,611	0	1,220	1,296
Michigan*	135	11,259	-1,417	9,976	9,975	0	1	629
Minnesota* **	2,599	21,455	0	24,054	21,358	0	2,696	1,597
Mississippi*	7	5,602	187	5,795	5,795	0	0	348
Missouri*	153	9,323	113	9,589	9,435	0	155	294
Montana*	255	2,355	0	2,610	2,378	0	232	0
Nebraska*	532	4,567	-217	4,882	4,412	319	151	638
Nevada*	348	3,691	49	4,087	3,759	9	319	0
New Hampshire*	33	1,429	0	1,462	1,375	87	0	24
New Jersey*	551	34,343	-4	34,889	34,253	0	636	0
New Mexico* **	133	6,265	58	6,455	6,228	55	172	172
New York* **	8,934	68,976	0	77,910	71,841	0	6,069	1,798
North Carolina*	372	22,120	0	22,491	22,341	150	0	1,575
North Dakota*	391	1,713	673	2,776	3,013	-237	0	0
Ohio*	1,193	35,890	0	37,083	36,311	0	773	2,034
Oklahoma*	0	5,879	0	5,879	5,771	0	108	N/A
Oregon*	478	9,124	-22	9,580	9,321	0	260	771
Pennsylvania*	31	34,034	-1,325	32,740	32,728	3	9	70
Rhode Island*	123	3,675	-114	3,684	3,684	0	0	190
South Carolina* **	1,131	7,580	139	8,850	7,440	554	856	487
South Dakota*	14	1,598	0	1,612	1,598	14	0	157
Tennessee*	746	13,530	-112	14,163	13,662	487	14	668
Texas*	3,691	54,024	-1,481	56,233	52,578	0	3,655	10,155
Utah	150	6,278	0	6,429	6,428	0	0	491
Vermont*	0	1,555	0	1,555	1,549	5	0	81
Virginia	265	20,696	0	20,962	20,339	0	623	845
Washington*	1,252	18,922	-66	20,108	19,358	0	750	701
West Virginia*	371	4,187	0	4,559	4,252	14	293	742
Wisconsin*	314	15,656	539	16,508	17,058	-715	165	282
Wyoming*	0	1,042	542	1,584	1,584	0	0	1,590
Total* **	**$38,790**	**$808,618**		**$847,250**	**$819,754**		**$25,154**	**$47,685**

*NOTES: N/A indicates data are not available. *See Notes to Table 5 on page . **In these states, the ending balance includes the balance in the rainy day fund. ***The total expenditure amount for fiscal 2017 has been adjusted to allow for annual comparisons of aggregate data. Rather than using the $15.9 billion expenditure figure for Illinois in the 50-state total (which is based on the state's sixth month stopgap budget for the current fiscal year), NASBO has reused the fiscal 2017 general fund spending amount from the Spring 2016 Fiscal Survey for Illinois, which was based on the Governor's proposed budget for the entire fiscal year.*

TABLE 6

General Fund Nominal Percentage Expenditure Change, Fiscal 2016 and Fiscal 2017**

State	Fiscal 2016	Fiscal 2017
Alabama	0.6%	4.6%
Alaska	-9.5	-20.9
Arizona	2.7	1.0
Arkansas	2.6	2.8
California	1.9	6.0
Colorado	5.9	3.5
Connecticut	2.9	-0.3
Delaware	2.1	4.9
Florida	4.6	3.9
Georgia	9.4	2.7
Hawaii	7.3	12.2
Idaho	4.6	6.5
Illinois	-12.9	N/A
Indiana	0.4	3.1
Iowa	1.6	2.5
Kansas	-2.0	4.0
Kentucky	2.1	7.9
Louisiana	0.7	11.2
Maine	3.4	2.6
Maryland	4.0	3.6
Massachusetts	6.4	2.6
Michigan	5.9	2.3
Minnesota	0.6	4.7
Mississippi	3.1	1.7
Missouri	3.3	4.5
Montana	6.8	2.6
Nebraska	4.1	5.2
Nevada	5.8	4.5
New Hampshire	8.2	-0.6
New Jersey	2.7	1.7
New Mexico	-0.3	-1.2
New York	8.3	5.6
North Carolina	5.2	2.8
North Dakota	-3.6	-4.4
Ohio	9.5	5.4
Oklahoma	-4.5	-5.6
Oregon	7.6	6.5
Pennsylvania	4.8	7.1
Rhode Island	2.7	3.8
South Carolina	5.4	3.6
South Dakota	5.4	9.4
Tennessee	4.8	5.7
Texas	8.4	-1.6
Utah	9.2	1.9
Vermont	3.5	4.8
Virginia	4.7	6.5
Washington	9.1	6.4
West Virginia	-1.4	1.8
Wisconsin	2.3	7.6
Wyoming	-20.8	-4.7
Average	**3.7%**	**4.3%**
Median	3.4%	3.6%

***Fiscal 2016 reflects changes from fiscal 2015 expenditures (actual) to fiscal 2016 expenditures (preliminary actual). Fiscal 2017 reflects changes from fiscal 2016 expenditures (preliminary actual) to fiscal 2017 expenditures (enacted).*

Mid-Year Budget Actions, Enacted Appropriation Changes by Program Area and Budget Gaps

States enacted net mid-year budget adjustments in fiscal 2016 totaling $496 million — with 18 states enacting net mid-year increases of $3.3 billion and another 19 states enacting net mid-year reductions of $2.8 billion. One sign of state fiscal stress can be net mid-year budget cuts, as these actions are often taken when a state will not be able to meet previously set revenue collection forecasts. The number of states with net mid-year budget cuts is historically high outside of a recessionary period. *(See Figure 2)* It is also important to note though that mid-year budget reductions do not always reflect fiscal stress or even true spending cuts; for example, in New York, a sizable mid-year decrease in the "All Other" category primarily reflected a reduction in projected transfers to the state's Dedicated Special Infrastructure Fund. *(See Tables 7–9)* Still, there is a correlation between mid-year budget reductions and fiscal health; among the 19 states that enacted net mid-year budget cuts in fiscal 2016, 14 states also reported revenue collections for the year came in below forecast and most also reported having a fiscal 2016 budget gap to close.

In addition to mid-year budget actions, enacted appropriation changes by program area help identify changing spending patterns and priorities within the general fund. *(See Tables 10–12)* Thirty-nine states increased funding for K–12 education, the largest category of state general fund spending, while eight states enacted reductions, resulting in a net spending increase of $9.4 billion in fiscal 2017. Thirty-four states increased general fund spending for Medicaid, the second largest category of state general fund spending, while 10 enacted decreases, resulting in a net spending increase of $5.5 billion. And for higher education, the third largest general fund spending category, 36 states enacted general fund spending increases and nine states enacted decreases, resulting in a net funding boost of $1.7 billion. All major program areas experienced enacted spending increases in fiscal 2017. Similar to mid-year budget reductions, enacted appropriation decreases do not always represent true spending cuts, however, but once again may sometimes reflect caseload changes, fund transfers, or other technical adjustments. As an example, Michigan's reduction in general fund spending for transportation in fiscal 2017 reflects the passage of the state's road funding package, thereby eliminating the need for one-time general fund revenue support. Also, in the case of transportation in particular, general fund appropriation changes are not necessarily indicative of overall enacted state spending changes for transportation, since most states primarily rely on other fund sources to finance transportation. In fiscal 2016, general fund spending accounted for just 4.4 percent of total state expenditures on transportation.[6] NASBO's *State Expenditure Report*, which presents state spending trends from all fund sources, provides more comprehensive data on state transportation spending.

Some states enact spending reductions to close budget gaps. Nineteen states reported having to close budget gaps totaling $14.4 billion in fiscal 2016, and three additional states had gaps of an unspecified amount. This compares to last fall, when 16 states reported closing $6.3 billion in budget gaps in fiscal 2015 — a year which most states ended with revenues above forecast. So far, 14 states have closed $6.8 billion in budget gaps, while 11 states reported existing shortfalls for the current fiscal year totaling $10.5 billion that still need to be addressed (one additional state reported an ongoing budget gap of an unspecified amount). Not surprisingly, most states, though not all, reporting ongoing budget gaps this year are also seeing general fund revenues coming in below projections. It is likely that some of these fiscal 2017 gaps will be addressed through mid-year budget reductions in the months ahead. NASBO's *Spring 2017 Fiscal Survey of States* will provide initial data on mid-year budgetary actions by states for fiscal 2017. As states are developing their budgets for the next fiscal year (or biennium), 11 states so far are forecasting shortfalls for fiscal 2018 that will require budget management actions to address.

Whether to close a budget gap, fund a particular priority, or take proactive steps to maintain fiscal health, states use a number of budget management strategies. In fiscal 2017, over half of the states incorporated some spending cuts in their budgets: 21 states reported using targeted cuts to reduce expenditures, two states used across-the-board percentage reductions, and four states used some combination of the two. Twelve states reorganized agencies, seven states increased their transportation or motor vehicle related fees, and seven states increased user fees. These were among the more popular strategies used to manage budgets in fiscal 2016 as well. In addition, nine states turned to their rainy day funds in fiscal 2016, and six states have done so thus far in fiscal 2017. *(See Tables 13–14)*

[6] See NASBO, *State Expenditure Report: Fiscal 2014–2016 Data* (2016).

TABLE 7

States with Net Mid-Year Budget Cuts in Fiscal 2016

State	FY 2016 Size of Cuts ($ in Millions)	Programs or Expenditures Exempted from Cuts
Colorado	$107.5	
Connecticut	523.6	
Hawaii	52.2	Debt service, employee retirement and health benefits
Idaho*	33.6	
Indiana	36.3	Distributions to K–12 school corporations, funding for higher education, and Medicaid assistance.
Kansas	119.5	
Kentucky	52.0	K–12 Education, Medicaid, Higher Education, Veterans' affairs, Legislative and Judicial branches.
Louisiana	349.9	
Maine	3.4	
Massachusetts*	49.0	Local aid, direct care services, and non-executive agencies
Mississippi	54.1	Mid-year: Public Safety and programs with statutory exemptions, court orders or pending litigation. Public safety was not exempt from additional cuts.
Missouri	44.0	
Nebraska*	6.6	
New Mexico	0.5	Medicaid — Developmental Disability Services
New York*	729.0	
North Dakota*	122.4	
Oklahoma*	334.2	Department of Corrections was held harmless by appropriation of a supplemental in the amount of $27.6 million; Reduction to K–12 Education was offset by a supplemental appropriation of $51 million; additionally,any programs and/or agencies not receiving initial General Revenue Fund appropriations were not affected by the failure, with the exception of specific funding to the Department of Transportation.
West Virginia	140.0	Supreme Court, Juvenile Services, Debt Service, PEIA, Retirement Contributions, Hi Ed Grant Programs, various other smaller programs.
Wyoming*	52.4	
Total	**$2,810.2**	

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

FIGURE 2:

Budget Cuts Made After the Budget Passed Fiscal 1991 to 2016

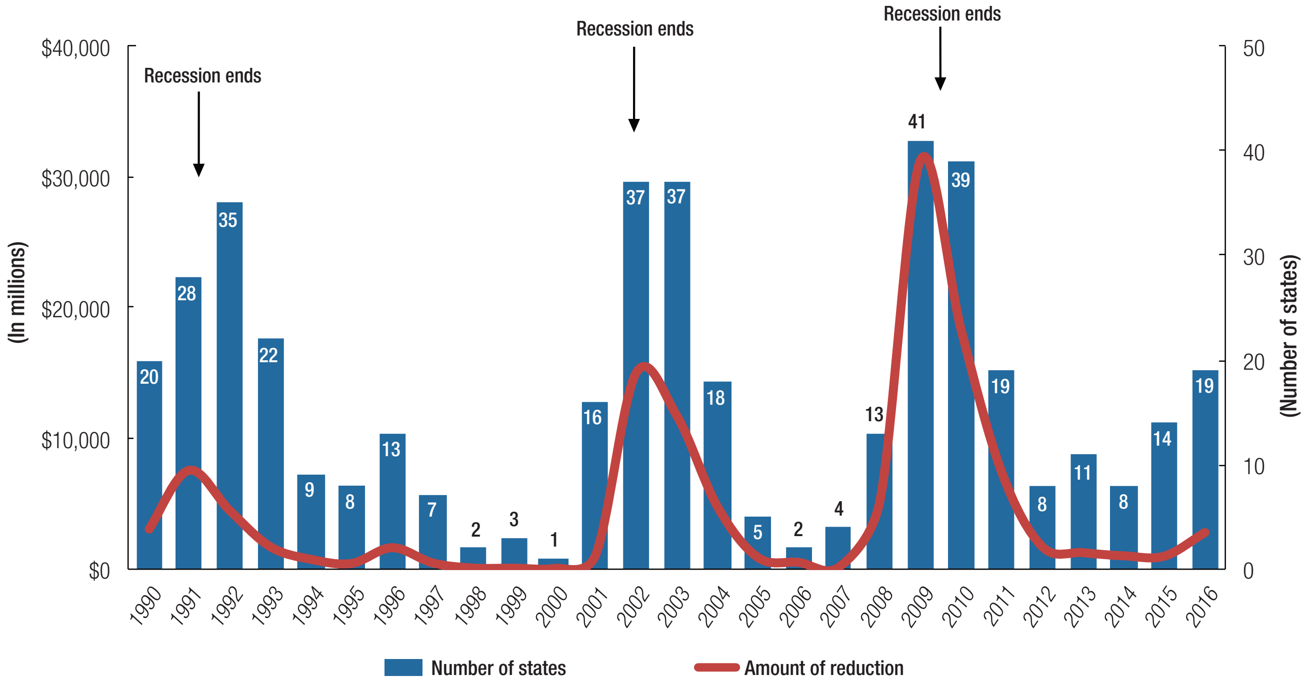

TABLE 8

Fiscal 2016 Mid-Year Budget Cuts By Program Area

State	K–12 Education	Higher Education	Public Assistance	Medicaid	Corrections	Transportation	Other
Alabama							
Alaska							
Arizona		X					
Arkansas							
California*							X
Colorado	X			X	X		
Connecticut	X	X	X	X	X		X
Delaware							
Florida							
Georgia*					X		
Hawaii	X	X			X		X
Idaho*	X			X	X		X
Illinois							
Indiana					X	X	X
Iowa							
Kansas	X	X			X		
Kentucky					X		X
Louisiana		X		X			X
Maine							X
Maryland							
Massachusetts*	X		X	X		X	X
Michigan							
Minnesota							X
Mississippi	X	X	X	X	X		X
Missouri	X			X		X	X
Montana							
Nebraska*	X			X			
Nevada							
New Hampshire							
New Jersey							
New Mexico	X	X	X				X
New York*		X		X			X
North Carolina							
North Dakota	X	X	X	X	X	X	X
Ohio							
Oklahoma	X	X				X	X
Oregon			X	X		X	
Pennsylvania							
Rhode Island	X	X					
South Carolina							
South Dakota	X		X		X		
Tennessee							
Texas							
Utah		X	X	X	X		
Vermont			X				
Virginia	X						
Washington			X				X
West Virginia	X	X	X	X	X	X	X
Wisconsin							
Wyoming*	X	X			X	X	X
Total	**17**	**14**	**11**	**13**	**14**	**8**	**19**

*NOTE: *See Notes to Table 8 on page 42. See Table 9 for state-by-state dollar values.*

TABLE 9

Fiscal 2016 Mid-Year Program Area Adjustments By Dollar Value (Millions)

State	K–12 Education	Higher Education	Public Assistance	Medicaid	Corrections	Transportation	Other	Total
Alabama	$0.0	$0.0	$0.0	$42.5	$1.7	$0.0	$79.1	$123.3
Alaska	0.0	0.0	0.0	0.0	1.1	1.6	240.2	242.9
Arizona	52.4	-0.6	0.0	0.0	0.0	0.0	329.3	381.1
Arkansas	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
California*	175.5	119.1	2.4	198.7	40.1	0.0	-333.8	202.0
Colorado	-93.5	0.0	0.0	-7.4	-16.8	0.0	10.3	-107.5
Connecticut*	-33.0	-9.4	-5.2	-78.8	-11.3	0.0	-385.9	-523.6
Delaware	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Florida	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Georgia	112.5	25.9	91.5	103.4	-1.9	758.7	119.3	1,209.4
Hawaii	-15.0	-6.2	0.0	0.0	-0.8	0.0	-30.2	-52.2
Idaho*	-5.5	0.0	0.0	-1.0	-1.8	0.0	-25.3	-33.6
Illinois	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Indiana	0.0	0.0	0.0	0.0	-6.0	-1.3	-29.0	-36.3
Iowa	0.0	0.0	0.0	67.0	1.9	0.0	3.5	72.4
Kansas	-117.9	-25.0	0.0	0.0	-8.7	0.0	32.1	-119.5
Kentucky	0.0	0.0	0.0	0.0	-4.0	0.0	-48.0	-52.0
Louisiana	4.1	-2.7	0.0	-259.5	8.2	0.0	-100.0	-349.9
Maine	0.0	0.0	0.0	0.5	2.5	0.0	-6.4	-3.4
Maryland	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Massachusetts*	-1.0	0.0	-2.9	-5.0	0.0	-6.5	-33.6	-49.0
Michigan*	0.0	0.0	20.4	78.8	13.4	0.0	163.1	275.7
Minnesota	0.3	0.2	0.0	0.0	4.3	0.0	-0.7	4.1
Mississippi	-12.1	-17.3	-1.4	-4.2	-6.4	0.0	-12.7	-54.1
Missouri	-0.3	0.0	0.0	-27.2	0.0	-1.1	-15.5	-44.0
Montana	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Nebraska*	-3.6	1.0	0.0	-24.5	4.4	0.0	16.1	-6.6
Nevada	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
New Hampshire	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
New Jersey	22.9	0.0	0.0	0.0	0.0	37.6	99.1	159.6
New Mexico	-16.5	-5.1	-0.2	18.0	5.6	0.0	-2.3	-0.5
New York*	1.0	-22.0	10.0	-2.0	3.0	0.0	-719.0	-729.0
North Carolina	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
North Dakota*	-36.7	-18.1	-14.1	-2.5	-4.3	-13.3	-33.4	-122.4
Ohio	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Oklahoma*	-58.2	-56.2	0.0	0.0	0.0	-30.8	-189.0	-334.2
Oregon*	0.5	14.8	-30.0	-6.0	43.6	-2.2	69.3	90.0
Pennsylvania	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rhode Island	-1.5	-15.3	0.0	9.3	2.2	0.0	25.9	20.6
South Carolina	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
South Dakota	-1.6	40.5	-3.5	1.0	-2.9	1.0	4.1	38.6
Tennessee	0.0	0.0	0.0	47.2	6.0	0.0	41.8	95.0
Texas	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Utah	3.9	-0.2	-0.3	-0.4	-1.9	0.0	24.3	25.4
Vermont	0.0	0.0	-4.1	12.2	0.0	0.0	0.3	8.4
Virginia	-39.9	0.0	9.2	167.5	0.9	0.0	200.2	337.9
Washington	29.0	6.0	-13.0	13.0	11.0	1.0	-38.0	9.0
West Virginia	-16.5	-13.5	-16.0	-31.5	-8.5	-0.2	-53.8	-140.0
Wisconsin	0.0	0.5	0.0	0.0	0.0	0.0	10.4	10.9
Wyoming*	-0.1	-0.2	0.0	0.0	-14.0	-1.0	-37.1	-52.4
Total	**-$50.9**	**$16.3**	**$42.8**	**$309.1**	**$60.6**	**$743.5**	**-$625.2**	**$496.2**

*NOTE: *See Notes to Table 9 on page 37.*

TABLE 10
Fiscal 2017 Enacted Budget Cuts by Program Area

State	K–12 Education	Higher Education	Public Assistance	Medicaid	Corrections	Transportation	Other
Alabama							
Alaska	X	X	X	X	X	X	X
Arizona							X
Arkansas							
California						X	
Colorado					X	X	X
Connecticut	X	X	X	X	X		
Delaware							
Florida			X				
Georgia							
Hawaii							
Idaho							
Illinois							
Indiana							
Iowa			X	X			
Kansas				X			
Kentucky							
Louisiana	X						
Maine			X	X			
Maryland							
Massachusetts					X	X	
Michigan*						X	
Minnesota							
Mississippi	X	X		X	X		
Missouri							
Montana							X
Nebraska			X				
Nevada							
New Hampshire	X			X			
New Jersey		X	X	X	X		
New Mexico		X			X		X
New York		X			X	X	X
North Carolina				X			
North Dakota	X	X	X	X	X	X	X
Ohio							
Oklahoma	X	X				X	X
Oregon							
Pennsylvania							
Rhode Island							
South Carolina						X	
South Dakota							
Tennessee							
Texas							
Utah					X		X
Vermont							
Virginia						X	
Washington			X				
West Virginia						X	X
Wisconsin							
Wyoming	X	X			X	X	X
Total	**8**	**9**	**9**	**10**	**11**	**12**	**11**

*NOTE: *See Notes to Table 10 on page 38. See Table 12 for state-by-state dollar values.*

TABLE 11

Fiscal 2017 Enacted Budget Increases by Program Area

State	K–12 Education	Higher Education	Public Assistance	Medicaid	Corrections	Transportation	Other
Alabama	X	X	X	X	X		X
Alaska							
Arizona	X	X	X	X	X		
Arkansas	X			X	X		X
California	X	X	X	X	X		X
Colorado	X	X		X			
Connecticut							X
Delaware	X	X	X	X	X		X
Florida	X	X		X	X	X	X
Georgia	X	X	X	X	X	X	X
Hawaii	X	X	X	X	X	X	X
Idaho	X	X	X	X	X		X
Illinois	X						
Indiana	X	X		X	X	X	X
Iowa	X	X			X		X
Kansas	X		X		X		X
Kentucky	X	X		X	X	X	X
Louisiana		X		X	X		X
Maine	X	X			X		X
Maryland	X	X	X	X	X		X
Massachusetts	X	X	X	X			X
Michigan		X	X	X	X		X
Minnesota	X	X		X	X	X	X
Mississippi							X
Missouri	X	X	X	X	X	X	X
Montana	X	X	X	X	X		
Nebraska	X	X		X	X		X
Nevada	X	X	X	X	X		X
New Hampshire		X			X		X
New Jersey	X					X	X
New Mexico	X		X	X			
New York	X		X	X			
North Carolina	X	X			X	X	X
North Dakota							
Ohio	X	X	X	X	X		X
Oklahoma							
Oregon							
Pennsylvania	X	X		X	X		X
Rhode Island	X	X		X	X		X
South Carolina	X	X	X	X	X		X
South Dakota	X	X	X	X	X		X
Tennessee	X	X		X	X		X
Texas							
Utah	X	X	X	X			
Vermont	X	X	X	X	X		X
Virginia	X	X	X	X	X		X
Washington	X	X		X	X	X	X
West Virginia	X	X	X	X	X		
Wisconsin	X	X					X
Wyoming							
Total	**39**	**36**	**23**	**34**	**34**	**10**	**36**

NOTE: See Table 12 for state-by-state dollar values.

TABLE 12

Fiscal 2017 Enacted Program Area Appropriation Changes by Dollar Value

State	K–12 Education	Higher Education	Public Assistance	Medicaid	Corrections	Transportation	Other	Total
Alabama	$217.5	$83.3	$6.3	$50.4	$11.5	$0.0	$18.0	$387.0
Alaska	-30.6	-32.2	-9.2	-54.1	-8.4	-59.1	-412.6	-606.1
Arizona	113.7	17.9	56.3	545.8	16.8	0.0	-511.9	238.6
Arkansas	23.7	0.0	0.0	88.0	40.6	0.0	26.9	179.2
California*	1,762.0	379.3	170.3	401.2	493.7	-80.1	3,972.6	7,099.0
Colorado	286.2	13.6	0.0	154.3	-4.6	-41.2	-55.9	352.3
Connecticut*	-75.5	-23.1	-8.2	-132.4	-96.9	0.0	38.5	-297.6
Delaware	74.6	4.4	0.5	70.0	11.3	0.0	14.7	175.6
Florida	296.7	200.0	-2.1	601.9	60.5	2.9	270.1	1,430.0
Georgia	409.0	166.3	155.8	178.1	64.5	824.0	34.2	1,831.9
Hawaii	34.7	6.0	21.1	29.5	6.9	1.5	352.1	451.8
Idaho	108.9	38.5	0.3	16.9	8.6	0.0	27.9	201.1
Illinois	700.8	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Indiana	177.0	17.2	0.0	214.7	9.7	428.9	17.8	865.3
Iowa	133.3	6.6	-1.4	-66.9	1.5	0.0	30.9	104.0
Kansas	83.1	0.0	0.3	-62.4	14.1	0.0	32.7	67.8
Kentucky*	532.0	16.0	0.0	175.0	25.0	10.0	26.0	784.0
Louisiana	-1.0	266.8	0.0	57.5	16.9	0.0	274.8	615.0
Maine	13.0	4.5	-4.9	-2.2	0.5	0.0	31.0	41.9
Maryland	119.8	120.0	2.0	63.1	57.2	0.0	439.3	801.4
Massachusetts*	94.6	14.5	70.2	581.9	-2.5	-5.8	312.2	1,065.2
Michigan*	0.0	15.9	23.1	207.9	48.0	-391.5	185.5	88.9
Minnesota	79.8	4.7	0.0	7.2	16.4	0.3	126.2	234.6
Mississippi	-1.0	-24.0	0.0	-67.0	-7.0	0.0	157.0	58.0
Missouri	97.6	63.3	3.4	363.6	16.8	18.1	109.0	671.8
Montana	13.0	5.7	1.6	24.0	0.3	0.0	-5.2	39.4
Nebraska	13.5	27.5	-3.8	50.0	7.2	0.0	52.1	146.5
Nevada	53.0	11.0	0.7	63.0	3.0	0.0	50.0	180.7
New Hampshire	-5.6	1.2	0.0	-7.7	4.3	0.0	22.4	14.6
New Jersey	511.5	-9.0	-29.4	-280.9	-24.4	167.0	228.8	563.6
New Mexico	8.9	-20.0	4.6	21.0	-8.2	0.0	-13.5	-7.2
New York*	1,179.0	-3.0	22.0	467.0	-35.0	-157.0	-1,722.0	-249.0
North Carolina	216.6	132.6	0.0	-130.7	60.4	100.9	327.7	707.5
North Dakota*	-82.4	-40.3	-14.1	-2.5	-6.5	-29.7	-61.5	-237.0
Ohio*	319.0	77.0	1.0	1,120.0	82.0	0.0	107.0	1,706.0
Oklahoma	-58.2	-153.4	0.0	0.0	0.0	-29.9	-119.2	-360.7
Oregon*	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pennsylvania	664.7	38.3	0.0	96.2	162.9	0.0	1,734.4	2,696.5
Rhode Island	45.1	0.1	0.0	20.3	11.5	0.0	54.7	131.7
South Carolina	273.5	1.4	15.9	134.6	23.3	-60.5	146.1	534.3
South Dakota	116.0	15.5	13.9	1.1	4.7	0.0	13.8	165.0
Tennessee	257.8	92.0	0.0	157.7	46.6	0.0	70.1	624.2
Texas	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Utah	204.2	42.1	0.4	29.0	-62.9	0.0	-91.9	120.9
Vermont	14.8	0.7	7.2	20.0	2.1	0.0	26.2	71.0
Virginia	318.0	181.2	6.9	144.8	32.6	-28.1	722.6	1,378.0
Washington	31.0	21.0	-27.0	119.0	7.0	2.0	86.0	239.0
West Virginia	23.1	4.4	34.6	14.2	1.6	-0.4	-22.8	54.7
Wisconsin	0.3	1.0	0.0	0.0	0.0	0.0	13.3	14.5
Wyoming	-1.4	-58.2	0.0	0.0	-17.5	-1.7	-169.7	-248.5
Total	**$9,365.2**	**$1,728.2**	**$518.4**	**$5,482.1**	**$1,096.2**	**$670.6**	**$6,966.5**	**$25,827.1**

*NOTE: *See Notes to Table 12 on page 38. Value of changes are compared to funding level of FY 2016 enacted budget.*

TABLE 13

Strategies Used to Manage Budget, Fiscal 2016

State	User Fees	Higher Education Related Fees	Court Related Fees	Transportation/ Motor Vehicle Related Fees	Business Related Fees	Layoffs	Furloughs	Early Retirement	Salary Reductions	Cuts to State Employee Benefits
Alabama*										
Alaska	X	X	X	X		X	X			
Arizona*										
Arkansas										
California*										
Colorado*										
Connecticut						X				
Delaware										
Florida										
Georgia										
Hawaii*										
Idaho				X						
Illinois						X				
Indiana										
Iowa										
Kansas	X		X		X					
Kentucky										
Louisiana	X	X		X		X		X		
Maine*										
Maryland								X		
Massachusetts								X		
Michigan										
Minnesota										
Mississippi										
Missouri										
Montana										
Nebraska*										
Nevada		X		X	X					
New Hampshire										
New Jersey										
New Mexico*										
New York*										
North Carolina		X	X	X						
North Dakota										
Ohio*										
Oklahoma										
Oregon			X							
Pennsylvania										
Rhode Island										
South Carolina										
South Dakota										
Tennessee*										
Texas										
Utah										
Vermont	X		X		X	X		X		
Virginia										
Washington										
West Virginia*										
Wisconsin										
Wyoming										
Total	**4**	**4**	**5**	**5**	**3**	**5**	**1**	**4**	**0**	**0**

NOTE: *See Notes to Table 13 on page 39.

Table 13 continues on next page.

TABLE 13 (CONTINUED)

Strategies Used to Manage Budget, Fiscal 2016

State	Across-the-Board % Cuts	Targeted Cuts	Reduce Local Aid	Reorganize Agencies	Privatization	Rainy Day Fund	Lottery Expansion	Gaming/ Gambling Expansion	Other (Specify)
Alabama*		X		X					X
Alaska	X	X	X	X	X	X			
Arizona*				X					X
Arkansas	X	X		X					
California*		X							X
Colorado*									X
Connecticut	X	X				X	X		
Delaware		X							
Florida		X							
Georgia									
Hawaii*		X							X
Idaho									
Illinois		X		X					
Indiana	X								
Iowa									
Kansas	X	X							
Kentucky		X							
Louisiana		X	X	X		X			
Maine*			X	X					X
Maryland	X	X	X	X	X				
Massachusetts		X		X				X	X
Michigan		X							
Minnesota									
Mississippi	X	X				X			
Missouri		X			X				
Montana									
Nebraska*									X
Nevada									
New Hampshire									
New Jersey									
New Mexico*	X					X		X	
New York*		X	X	X				X	X
North Carolina									
North Dakota	X								
Ohio*		X							X
Oklahoma		X				X			
Oregon		X		X					
Pennsylvania									
Rhode Island		X							
South Carolina									
South Dakota						X			
Tennessee*									X
Texas		X		X					
Utah									
Vermont	X								
Virginia									
Washington		X				X			
West Virginia*	X	X				X			X
Wisconsin									
Wyoming		X							
Total	**11**	**26**	**5**	**12**	**3**	**9**	**1**	**3**	**12**

NOTE: *See Notes to Table 13 on page 39.

TABLE 14
Strategies Used to Manage Budget, Fiscal 2017

State	User Fees	Higher Education Related Fees	Court Related Fees	Transportation/ Motor Vehicle Related Fees	Business Related Fees	Layoffs	Furloughs	Early Retirement	Salary Reductions	Cuts to State Employee Benefits
Alabama*										
Alaska	X	X		X		X	X			
Arizona*										
Arkansas										
California*				X						
Colorado*										
Connecticut						X				X
Delaware										
Florida										
Georgia										
Hawaii*										
Idaho										
Illinois*						X				X
Indiana										
Iowa										
Kansas	X		X		X					
Kentucky										
Louisiana	X	X						X		
Maine*										
Maryland										
Massachusetts*										
Michigan										
Minnesota										
Mississippi	X		X							
Missouri										
Montana										
Nebraska*										
Nevada				X	X					
New Hampshire										
New Jersey										
New Mexico										
New York*										
North Carolina		X	X	X						
North Dakota*										
Ohio*										
Oklahoma				X						
Oregon			X							
Pennsylvania										
Rhode Island	X			X						
South Carolina										
South Dakota	X				X					
Tennessee*										
Texas										
Utah										
Vermont	X			X	X	X				
Virginia										
Washington										
West Virginia						X				
Wisconsin										
Wyoming										
Total	**7**	**3**	**4**	**7**	**4**	**5**	**1**	**1**	**0**	**2**

*NOTE: *See Notes to Table 14 on page 40.*

Table 14 continues on next page.

TABLE 14 (CONTINUED)

Strategies Used to Manage Budget, Fiscal 2017

State	Across-the-Board % Cuts	Targeted Cuts	Reduce Local Aid	Reorganize Agencies	Privatization	Rainy Day Fund	Lottery Expansion	Gaming/ Gambling Expansion	Other (Specify)
Alabama*		X							X
Alaska	X	X	X	X	X	X			
Arizona*				X					X
Arkansas									
California*		X							X
Colorado*									X
Connecticut	X	X		X	X		X		
Delaware		X							
Florida		X							
Georgia									
Hawaii*		X							X
Idaho									
Illinois*		X		X	X	X			X
Indiana	X								
Iowa									
Kansas		X							
Kentucky		X							
Louisiana		X		X					
Maine*			X	X					X
Maryland		X		X					
Massachusetts*		X		X					X
Michigan		X							
Minnesota									
Mississippi	X	X							
Missouri		X			X				
Montana									
Nebraska*									X
Nevada									
New Hampshire									
New Jersey									
New Mexico									
New York*		X	X	X					X
North Carolina									
North Dakota*	X					X			X
Ohio*		X							X
Oklahoma		X		X		X			
Oregon		X		X					
Pennsylvania				X	X		X	X	
Rhode Island		X							
South Carolina									
South Dakota									
Tennessee*									X
Texas									
Utah									
Vermont		X			X				
Virginia									
Washington		X				X			
West Virginia	X	X				X			
Wisconsin									
Wyoming		X							
Total	**6**	**25**	**3**	**12**	**6**	**6**	**2**	**1**	**13**

*NOTE: *See Notes to Table 14 on page 40.*

State Employment Changes

The state employment outlook has remained largely stable, with most states showing very small year-over-year increases or decreases in employment. For states where comparable data was available for all three fiscal years, the number of filled full-time equivalent (FTE) positions declined slightly by 0.4 percent in fiscal 2016. Filled FTE positions are expected to increase slightly by 0.2 percent for fiscal 2017. Twenty-three states expect to increase the number of full-time employees in fiscal 2017, nine states plan to reduce the number of positions, and six states project no change in state employment. Twelve states did not have data available for fiscal 2017, or were not able to report a figure that could be compared to the actual data available for fiscal 2015 and fiscal 2016. *(See Table 15)* Reporting and classification changes may also have contributed to reported annual increases and decreases for some states. The relatively flat growth in state employment evident in this data aligns with establishment survey data from the Bureau of Labor Statistics, which shows that state government payrolls (excluding education positions) declined 0.2 percent from October 2015 to October 2016, after adjusting for seasonal variation.[7]

Twenty-three states authorized across-the-board salary increases for employees in fiscal 2017. Additionally, 16 states provided for at least some merit increases in fiscal 2017. Other modifications to employee compensation in fiscal 2017 included one-time bonuses and longevity payments. *(See Table 16)*

[7] See U.S. Bureau of Labor Statistics, "Table B–1. Employees on nonfarm payrolls by industry sector and selected industry detail" (November 4, 2016).

TABLE 15

Number of Filled Full-Time Equivalent Positions Fiscal 2015 to Fiscal 2017, in All Funds

State	Fiscal 2015	Fiscal 2016	Fiscal 2017	Percent Change, 2015–2016	Percent Change, 2016–2017	Includes Higher Education Faculty	State-Administered Welfare System
Alabama*	34,078	33,623	N/A	-1.3%	N/A		X
Alaska*	16,016	15,410	15,364	-3.8	-0.3		X
Arizona	34,200	33,652	35,343	-1.6	5.0		X
Arkansas	27,961	27,443	26,382	-1.9	-3.9		X
California	360,859	350,680	353,292	-2.8	0.7	X	X
Colorado*	55,000	55,752	56,666	1.4	1.6	X	
Connecticut*	42,745	40,881	N/A	-4.4	N/A	X	X
Delaware*	31,790	31,886	32,048	0.3	0.5	X	X
Florida	114,376	113,563	113,307	-0.7	-0.2		X
Georgia*	58,262	57,397	N/A	-1.5	N/A	X	
Hawaii*	45,676	45,652	45,812	-0.1	0.4	X	X
Idaho	18,130	18,798	18,980	3.7	1.0	X	X
Illinois	50,843	50,327	52,937	-1.0	5.2		
Indiana	28,087	28,027	28,227	-0.2	0.7		X
Iowa	42,405	43,190	43,190	1.9	0.0	X	X
Kansas	39,880	40,102	39,944	0.6	-0.4	X	X
Kentucky	31,607	30,609	31,000	-3.2	1.3		
Louisiana*	52,955	52,456	N/A	-0.9	N/A	X	X
Maine	13,305	13,282	13,286	-0.2	0.0		X
Maryland	80,598	80,874	80,323	0.3	-0.7	X	X
Massachusetts*	87,839	86,258	N/A	-1.8	N/A	X	X
Michigan	44,797	44,430	44,600	-0.8	0.4		X
Minnesota*	36,883	36,939	N/A	0.2	N/A		
Mississippi*	29,780	28,994	N/A	-2.6	N/A		X
Missouri	53,629	53,204	54,777	-0.8	3.0		X
Montana	14,354	14,046	14,022	-2.1	-0.2		X
Nebraska*	16,379	16,445	N/A	0.4	N/A		X
Nevada	25,567	26,194	26,223	2.5	0.1	X	X
New Hampshire*	9,264	9,479	N/A	2.3	N/A		
New Jersey	66,213	64,447	65,786	-2.7	2.1		
New Mexico*	23,012	22,104	N/A	-3.9	N/A		X
New York	184,103	184,706	185,042	0.3	0.2	X	
North Carolina	248,933	249,341	249,341	0.2	0.0	X	
North Dakota	8,122	8,259	8,239	1.7	-0.3		
Ohio	50,030	50,179	50,179	0.3	0.0		
Oklahoma	36,190	36,504	37,436	0.9	2.6		
Oregon	37,923	38,772	38,772	2.2	0.0		X
Pennsylvania	73,579	73,521	74,160	-0.1	0.9		X
Rhode Island*	13,724	13,687	N/A	-0.3	N/A	X	X
South Carolina*	58,381	58,900	N/A	0.9	N/A	X	X
South Dakota	13,259	13,188	13,900	-0.5	5.4	X	
Tennessee	38,341	37,554	37,600	-2.1	0.1		X
Texas	223,106	225,815	216,863	1.2	-4.0	X	X
Utah	20,067	20,303	20,303	1.2	0.0		X
Vermont	8,716	8,723	8,825	0.1	1.2		X
Virginia	117,043	117,501	117,839	0.4	0.3	X	
Washington	110,537	111,202	112,183	0.6	0.9	X	X
West Virginia	37,438	37,358	37,575	-0.2	0.6	X	X
Wisconsin	64,219	63,600	64,689	-1.0	1.7		
Wyoming	7,588	7,588	7,266	0.0	-4.2	X	X
Total**	**2,474,486**	**2,465,682**	**2,471,721**	**-0.4%**	**0.2%**	**23**	**35**

*NOTES: NA indicates data are not available. Unless otherwise noted, fiscal 2014 reflects actual figures, fiscal 2015 reflects preliminary actuals and fiscal 2016 reflects appropriated figures. *See Notes to Table 15 on page 40. **Totals exclude states that were not able to provide comparable data for all three years.*

TABLE 16

State Employee Compensation Changes, Fiscal 2017

State	Across-the-Board (percent)	Merit (percent)	Other (percent)	Notes
Alabama	0.0	5.0		All employees who receive performance evaluations meeting the required rating for a merit raise can receive an increase of up to 5% if they have not reached the highest pay step of their salary range.
Alaska	0.0	3.25	0.0	
Arizona	0.0	0.0	0.0	
Arkansas				Governor may award Merit bonuses of up to 4.5% before the close of the FY17 based on available funding.
California	1.36	Depends on individual eligibility	3 – 5	Across-the-board percentage reflects the weighted average general salary increase received by a majority of state civil service employees. Other percentages reflects the range of general salary increases received by a minority of state civil service employees.
Colorado	0.0	0.0	7.0	A 7% increase was approved for the State Patrol Trooper classifications pursuant to §24–50–104, CRS.
Connecticut	0.0	0.0	0.0	State is in negotiations with all bargaining units except one to replace contracts that expired on June 30, 2016.
Delaware	1.50			Employees receive a 1.5% increase or $750/year increase, whichever is greater. The increase is effective 10/1/16.
Florida	0.0	0.0	See notes	The following special pay adjustments were provided: $2,000 for the Florida Forest Service; varying amounts for Crime Lab Analysts and Supervisors; and varying amounts for 14 positions within the Florida National Guard on full-time military duty.
Georgia		3.0		Additional funds for personal services for employees of the Executive, Judicial, and Legislative Branches to be used for merit based pay increases for high performing employees in Fiscal Year 2016 and salary adjustments to attract new employees with critical skills or keep successful performers in critical jobs.
Hawaii				
Idaho		3.0		
Illinois	0.0	2.0	0.0	Merit increase only applies to non-bargaining unit employees who have exceptional performance review in the past year.
Indiana				These decisions have not yet been made.
Iowa	See notes	See notes	0.0	Across-the-board increases: SPOC Members – 2% (7/1/16) and 1.25% (1/1/17); AFSCME, IUP, NonContract, Judicial Exempt, Judicial AFSCME, and legislative staff – 2.25% (7/1/16) and 1.25% (1/1/17); Judicial PPME – 1.75% (7/1/16); Judges, elected and appointed officials – 0% (FY17) Merit increases (for eligible employees only): 4.5% increase for SPOC Members (52% eligible),AFSCME (43% eligible), IUP (39% eligible), NonContract (56% eligible), Judicial Exempt (57% eligible), Judicial AF (89% eligible), and legislative staff (80% eligible); 1.75% increase for eligible Judicial PPME (94% eligible); 0% for Judges, elected and appointed officials"
Kansas				No general pay increase for state employees was recommended.
Kentucky	0.0			
Louisiana				

NOTE: *See Notes to Table 16 on page 41.

Table 16 continues on next page.

TABLE 16 (CONTINUED)

State Employee Compensation Changes, Fiscal 2017

State	Across-the-Board (percent)	Merit (percent)	Other (percent)	Notes
Maine	1–3	4.5	12–18	Across-the-board: Employees covered by collective bargaining agreements received a 1% or 3% increase depending on the bargaining unit for the employees position. Merit: All Employees not at the top step of their range are eligible for a merit increase of approximately 4.5%. Other: Resolve 2015, chapter 80 authorized a 12–18% increase for certain law enforcement positions. Public Law 2015, chapter 505 authorized a $2 and $4 an hour increase for certain mental health institution positions.
Maryland	0.0	1.8 – 3.8	0.0	Merit increases depend on length of service and range from about 1.8% to 3.8%.
Massachusetts	3.0			Unionized employees are eligible to receive step increases. Across-the-board is the average percent increase for FY17, inclusive of mid-year adjustments
Michigan	1 percent base wage increase for all employees; 1.5% lump sum payment for all employees, excluding enlisted state police personnel	Not available		Some classified employees will receive step increases; pay adjustments for satisfactory performance in amounts and at intervals provided for in compensation schedules for the employee's classification level. Other employees may be eligible for promotion to a higher classification grade and pay level. Career employees receive an annual longevity payment following completion of 6 years of continuous full-time service. The amount of the longevity payment varies depending on the number of years of full-time service and is increased in four-year increments.
Minnesota	2.5			2.5% across the board increase effective July 1, 2016 for FY2017. All employees eligible except managers who must meet performance standards to become eligible. Average step size for merit increases is 3.5%. Approximately 50% of all employees are at their salary range maximum rate and are ineligible for merit increases. The 50% of employees eligible for merit must meet performance standards. Average salary, average across the board increase, and average step/performance increase in FY 2017 for the employees in these bargaining units/plans: AFSCME 2,3,4,6,7; AFSCME 8; AFSCME 25; MAPE; MMA; MNA; MLEA; MGEC; SRSEA; Commissioner's Plan – includes Medical Specialist Addendum; Managerial Plan • Average weighted annual salary – $29.21/hr or $60,990/annual • Average weighted across-the-board increase – $0.71/hr or $1,482/annual • Average weighted step/performance increase – $0.91/hr or $1,900/annual
Mississippi				There was no compensation package adopted.
Missouri	2.0			
Montana			$0.50/hr	An across-the-board $0.50/hr increase effective January 1, 2017.
Nebraska	See notes			Employees covered by collective bargaining contracts as follows: NAPE/AFSCME contract: 2.4% State Law Enforcement (SLEBC) contract: Step increase into next step on payline with minimum of 3.4% increase State Education Dept. contract employees: 2.4% Non-contract employees as follows: Classified (and non-classified) supervisory/management (non-contract) staff of most other executive branch agencies: 2.4% Judicial Branch (non-classified): 2.4% Legislative Branch (non-classified): 2.4% on July 1st, with additional 1% increase on January 1st
Nevada	2.0			Merit: Classified employees receive an annual merit salary increase on their pay progression date if the last performance evaluation was standard or better and the employee has not reached the maximum step within the grade.

*NOTE: *See Notes to Table 16 on page 41.*

Table 16 continues on next page.

TABLE 16 (CONTINUED)

State Employee Compensation Changes, Fiscal 2017

State	Across-the-Board (percent)	Merit (percent)	Other (percent)	Notes
New Hampshire	2.0			Effective January 2017 an across the board salary increase has been authorized for all employees.
New Jersey	See notes			Contracts for about half of the state workforce unions, representing more than 85% of the unionized state workforce, remain unsettled. Due to this, state employees whose union contracts remain unsettled will not receive across-the-board (ATB) increases, while those whose union contracts have settled will receive ATB increases pursuant to their settled contracts. The average ATB increases for settled contracts is 1%. Collective bargaining negotiations are underway for the unsettled contracts. Increments remain frozen for all state employees whose union contracts remain unsettled; for the unions' contracts that have settled, the increments they receive will average 1.8% of their salaries.
New Mexico			See notes	Corrections Department $4.5 million to implement an occupationally based salary structure change and increase minimum pay bands for correctional officers to improve recruitment and retention efforts. Department of Public Safety $1.25 million to begin funding Phase III of the officer pay plan for recruitment and retention efforts.
New York*	1.5		See notes	This 1.5 percent Across-the-Board increase is only applicable to employees represented by the NYS Police Investigator's Association (NYSPIA, representing Investigators in the Division of State Police) and the NYS Police Benevolent Association (NYSPBA, representing State Troopers and Commissioned and Non-Commissioned Officers in the Division of State Police). NYSPIA and NYSPBA are the only two unions with collectively negotiated agreements in place beyond FY 2016. The State is in active negotiations with all other employee unions. See footnotes for more information.
North Carolina	2.0	1.0	See notes	The across-the-board 2% includes a 0.5% one-time bonus + 1.5% salary increase for most State and State-funded employees. The merit bonus is a general average 1% Statewide. (These percentages apply to all State employees, including higher education employees, except public school teachers and most Judicial Branch employees. Public school teachers received even higher average-percent salary increases as a result of changes to the Statewide Teacher Salary Schedule. Most Judicial Branch employees received an average 4.5% salary increase. Eligible assistant and deputy clerks, magistrates, highway patrol troopers, and school-based administrators received step increases. Funds were also appropriated to implement custody-level pay for correctional officers and to be allocated to SBI and Alcohol Law Enforcement agents at the discretion of the SBI Director.)
North Dakota		3.0		Performance-based increases between 2.0 and 4.0 percent, averaging 3.0 percent.
Ohio	2.5 – 5.0			
Oklahoma	0.0	0.0	0.0	
Oregon	2.75	4.5	3.4	A 2.25% and 2.75% COLA effective Dec. 2015 and Dec. 2016, respectively, is included in the AFSCME contract that was recently ratified. The CBA for SEIU includes a 1.48% COLA effective Dec. 2015, a 6.95% increase effective November 2016 and a second COLA of 2.75% effective December 2016. Additionally, SEIU represented employees will begin contributing 6% of gross salary and wages to the State's retirement plan in November 2016. Previously, all state employees had the 6% contribution "picked up" by the state; which remains in effect for all other bargaining units and unrepresented employees. A management package was announced for a first year COLA of 2.25% and a second year COLA of 2.75%. Merit increases are granted to employees that are below the top step of their salary range. The merit (longevity) increase is granted on the employee's "salary eligibility date", aka anniversary date, which is roughly based on an employee's hire date into their current position. The date varies by employee and can occur anytime during the fiscal year. Cost of health care coverages to the state and employees is anticipated to increase by 3.4% per coverage year.

*NOTE: *See Notes to Table 16 on page 41.*

Table 16 continues on next page.

TABLE 16 (CONTINUED)

State Employee Compensation Changes, Fiscal 2017

State	Across-the-Board (percent)	Merit (percent)	Other (percent)	Notes
Pennsylvania	2.1		1.1	Across the Board: Most state employees will receive a 2.75% general salary increase effective October 1, 2016. Other: Pay schedule merge for management employees only to take effect October 1, 2016.
Rhode Island	0.0	0.0	0.0	Ongoing negotiations with unions per wage reopener clause in current contract.
South Carolina	3.25			3.25% pay increase for classified and unclassified employees.
South Dakota	2.7		0.0 – 4.5	The movement towards job worth for select groups of employees received a percentage increase based on where they were currently within that career family. For employees not included in that component they received up to a 2.5% movement towards job worth if they were below the mid-point level.
Tennessee	3.0	4.0		Non-Executive Branch employees received a 3.0% across-the-board raise beginning July 1, 2016. A salary pool equivalent to a 4.0% raise was appropriated for merit pay for Executive Branch employees, effective January 1, 2016. In addition, $36.1 million was appropriated for market rate salary adjustments for selected job classifications.
Texas				
Utah	2.0			State employees received a 2% across the board salary increase.
Vermont	2.0	1.7		Merit reflects average statewide impact of granting step increases on classified pay schedule.
Virginia				Increases included in the 2017 appropriations.
Washington	1.8	2.5		Merit increases (also called step increases) are given annually to classified staff until they reach the top of the salary range for that job class.
West Virginia				Public School Teachers and Service Personnel receive yearly "step" increases based on years of service. State Employees receive $60 per year salary increment based on years of service.
Wisconsin	0.0	See notes		$6.0 million to be split amongst state agencies.
Wyoming				

*NOTE: *See Notes to Table 16 on page 41.*

CHAPTER 1 NOTES

Notes to Table 3
Fiscal 2015 State General Fund, Actual

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

Alabama Revenue adjustments include one-time transfer increases of $261.3M; Transfer decreases: Sales Tax transfers to PACT, –$23.6M and Rainy Day Repayment, –$57.5M); Expenditure adjustments include a repayment of $35.1M to the Rainy Day Account and reversions of –$67.6.

Alaska Revenues: Spring FY2016 Revenue Sources Book (Total Revenue)
Revenue Adjustments: SLA2015 Enacted Fiscal Summary (Revenue Carryforward)
Expenditures: SLA2015 Enacted Fiscal Summary (Pre-Transfer Authorization)
Ending Balance: SLA2015 Enacted Fiscal Summary (Transfer to SBR/CBR)
Rainy Day Balance: State of Alaska Fiscal Summary (Part 2)

Arizona Adjustments to revenue include revenues from budget transfers.

California Represents adjustments to the Beginning Fund Balance, consisting primarily of adjustments made to major taxes and K–12 spending. Ending balance excludes $1,606.4 million that was transferred to the Budget Stabilization Account (BSA) for "rainy day" purposes. The rainy day balance is made up of the Special Fund for Economic Uncertainties and the BSA; however, withdrawals from the BSA are subject to provisions of Proposition 2, 2014.

The ending balance is only the General Fund balance and excludes the Budget Stabilization Account (a rainy day reserve held in a separate fund). The excluded amount is $1,606.4 million in FY 2015. The total balance that includes the ending balance and all rainy day funds, including the Budget Stabilization Account amounts, is $5,051.2 million in FY 2015.

Colorado FY 2014–15 actuals include a $132.7M excess balance in the 6.5% GF statutory reserve. The statutory reserve is based on 6.5% of GF appropriations subject to the limit, per Section 24–75–201.1, CRS. This figure is derived from the Leg. Council forecast which was the basis for the General Assembly's appropriation for this year.

Connecticut Expenditure adjustments include –$24.4 million in miscellaneous adjustments. Reported rainy day fund balance includes ending balance.

Georgia FY15 beginning balance reflects General Fund balances as of June 30, 2014 for Revenue Shortfall Reserve, Guaranteed Revenue Debt Common Reserve Fund, and State Revenue Collections as reported on the Combined Balance Sheet of the Budgetary Compliance Report. Revenue Shortfall Reserve fund balance includes $192 million for the FY15 Appropriation of Mid-Year Adjustment for Education. Adjustments to Revenues include FY14 agency surplus returned and early remittance of FY15 surplus from state agencies.

Idaho Revenue adjustments include transfers to Constitutional Defense Fund – $2,050,000; Permanent Building Fund – $101,200; Wolf Depredation Control Fund – $400,000; Time Sensitive Emergency Fund – $225,800; Budget Stabilization Fund – $82,306,800; Strategic Initiatives Fund – $54,152,500; Opportunity Scholarship Fund – $241,900; and Deficiency Warrants – $17,981,900. Also included are miscellaneous adjustments $186,700 and canceled encumbrances (499,600). Expenditure adjustments include ($20,180,700) in supplementals/rescissions; ($17,107,000) in reversions; and $295,800 in cash adjustments.

Illinois Revenue adjustments include transfers in to the general fund. Expenditure adjustments include transfers out of the general fund and the change in accounts payable.

Indiana Revenue adjustments include funds from the S&P Settlement. Expenditure adjustments include reversions from distributions, capital, and reconciliations; the cost of a 13th check for pension recipients; transfer to the Major Moves 2020 trust fund; transfer to the tuition reserve fund; and state agency and university line item capital projects.

Iowa Revenue adjustments include an estimated $647.2 million of residual funds transferred to the General Fund after the Reserve Funds are filled to their statutorily set maximum amounts. The Ending balance of the General Fund is transferred in the current fiscal year to the Reserve Funds in the subsequent fiscal year. After the Reserve Funds are at their statutorily set maximum amounts, the remainder of the funds are transferred back to the General Fund in that subsequent fiscal year.

Kentucky	Revenue includes $61.9 million in Tobacco Settlement funds. Adjustment for Revenues includes $101.8 million that represents appropriation balances carried over from the prior fiscal year, and $222.5 million from fund transfers into the General Fund. Adjustment to Expenditures represents appropriation balances forwarded to the next fiscal year.
Louisiana	Revenues adjustments include $46.8 from various funds. Expenditure adjustments include $5.7 in other transfers out.
Maine	Revenue and Expenditure adjustments reflect Legislatively authorized transfers. Rainy Day Fund balance reflects the total of the Budget Stabilization Fund ($111M) and the Reserve for Operating Capital ($7.4M).
Maryland	Revenue adjustments include $17.6 million in transfers from tax credit reserves and $143.4 million in transfers from other funds. Expenditure adjustments represent $83.9 million in reversions to the unappropriated General Fund balance.
Massachusetts	Source: Commonwealth of Massachusetts Information Statement August 8, 2016; Pg A–12 Total Tax Revenue and Budgeted Expenditures and Other Uses FY15–FY17; Fiscal Year 2016 amounts are preliminary; Fiscal Year 2017 amounts are projected; Beginning and ending balances include the Stabilization Fund (Rainy Day Fund).
Michigan	Fiscal 2015 revenue adjustments include the impact of federal and state law changes (–$626.0 million); revenue sharing payments to local government units (–$468.0 million); deposits from restricted funds ($403.3 million); deposit to rainy day fund (–$94.0 million); and general fund dedicated for roads(–$285.0 million). Fiscal 2015 expenditures include $76.2 million in one-time spending financed from one-time revenue. Deposit to the rainy day fund and funds earmarked for roads are not included.
Minnesota	Ending balance includes cash flow account of $350 million, budget reserve account of $994.339 million, and stadium reserve of $32.634 million.
Missouri	Revenue adjustments include transfers from other funds into the general revenue fund. The enacted revenue estimate was insufficient to cover budgeted expenses. The above expenditures include expenditure restrictions.
Montana	Revenue Adjustments and Expenditure Adjustments reflect prior year activity.
Nebraska	Revenue adjustments are transfers between the General Fund and other funds. Per Nebraska law, includes a transfer of $96.7 million to the Cash Reserve Fund (Rainy Day Fund) of the amount the prior year's net General Fund receipts exceeded the official forecast. Among others, also includes a $138 million transfer from the General Fund to the Property Tax Credit Cash Fund.
Nevada	Revenue adjustments are restricted revenue, reversions, Rainy Day fund transfers and reserve transfers. Expenditure adjustments are restricted transfers.
New Hampshire	Expenditure Adjustments: $78.6 million was moved to the Education Trust Fund and $.9 million to the Fish and Game fund at year end. (Also adjustments totaling $ 20.5 for GAAP and Other were made.)
New Jersey	Revenue Adjustments represent Budget vs. GAAP entries; lapses and transfers to other funds.
New Mexico	Revenue includes $42.1 million from the Tobacco Permanent Fund, $7.7 million in revenue and reversions from the Appropriation Contingency Fund, and $15.0 million in transfers from the Operating Reserve to the Appropriation Contingency Fund.
New York	The ending balance includes approximately $1.8 billion in rainy day reserve funds, $50 million reserved to cover costs of potential retroactive labor settlements with certain unions, $74 million in a community projects fund, $500 million reserved for debt reduction, $21 million reserved for litigation risks, $190 million in undesignated fund balance to be used for gap-closing purposes in FY 2016, and approximately $4.7 billion in proceeds from monetary settlements.
North Dakota	Revenue adjustments are a $520.0 million dollar transfer from the property tax relief sustainability fund to the general fund and an $11 million transfer from the budget stabilization fund to the general fund.
Ohio	FY 2015 expenditures include expenditures against prior year encumbrances as well as $629.9 million in transfers out of the GRF.
Oklahoma	Revenue adjustment represents the difference in cash flow. There was no expenditure adjustment, since no deposit was made into the Rainy Day Fund.

Oregon Revenue adjustment is a statutory transfer to local governments for local property tax relief.

Pennsylvania Revenue adjustments include a $3 million adjustment to the beginning balance, $91 million in prior year lapses, and $1.3 billion of refunds. Expenditure adjustment reflects a transfer of $68.6 million (25% of ending balance) to the Rainy Day Fund.

Rhode Island Adjustments to revenues reflect a transfer of $111.3 million to the Budget Reserve Fund plus a reappropriation of $7.4 million, a transfer of $10.0 million from the Accelerated Depreciation Fund, and a repeal of the prior year transfer to the RI Employees Retirement System of $13.8 million. Adjustments to expenditures include reappropriations of $6.9 million to FY 2016.

South Carolina Ending Balance = 5% General Reserve ($319.5) + 2% Capital Reserve ($127.8) + Surplus Contingency Reserve ($136.7) + Agency Appropriation Balances Carried Forward to Next FY ($415.1); Expenditure Adjustments include FY13–14 Capital Reserve Funds transferred to State agencies and $12.0 loan to a State-funded university.

South Dakota The beginning balance of $9.9 million and adjustment to expenditures reflects the prior year's ending balance that is transferred to the rainy day fund. Adjustments to revenue of $26.5 million are from one-time receipts. The ending balance of $21.5 million is cash that is obligated to the Budget Reserve fund the following fiscal year. This $21.5 million is not included in the total rainy day fund balance of $149.2 million.

Tennessee Revenue adjustments include: $72.0 million transfer from debt service fund unexpended appropriations; –$35.5 million transfer to Rainy Day Fund; $14.7 million transfer to dedicated revenue reserves. Expenditure adjustments include: $148.3 million transfer to capital outlay projects fund; $13.1 million transfer to state office buildings and support facilities fund; $3.8 million transfer to debt service fund; $1.0 million transfer to reserves for dedicated revenue appropriations; $1.0 million transfer to Systems Development Fund; $84.1 million transfer to reserves for unexpended appropriations. Ending Balance includes: $478.8 million reserve for appropriations 2015–2016; $393.7 million unappropriated budget surplus at June 30, 2015.

Texas Revenue adjustment of –$2,260 includes –$1,130 transferred to the Rainy Day Fund and –$1,130 transferred to the State Highway Fund.

Utah Utah routinely reserves revenue from one year for appropriation in a future year. This is separate from the rainy day fund. At the beginning of FY 2015, Utah had a $112.8 million surplus plus $219.9 million that was intentionally reserved from FY 2014 revenue. In the fall 2015 survey, the $112.8 million was reported in the beginning balance column and the $219.9 million was included in the revenues column. We have decided to include the revenue reserved from the prior year as part of the FY 2015 beginning balance because the revenue was collected in the prior year, not during FY 2015.

Vermont Adjustments represent net transfer effect in/out of the General Fund.

Washington Revenue adjustments include fund transfers and other adjustments.

West Virginia Fiscal Year 2015 Beginning balance includes $378.2 million in Reappropriations, Unappropriated Surplus Balance of $18.3 million, and FY 2014 13th month expenditures of $15.9 million. Expenditures include Regular, Surplus and Reappropriated funds and $15.9 million of 31 day prior year expenditures. Revenue adjustments are prior year redeposits and special revenue expirations. Expenditure adjustment represents the amount transferred to the Rainy Day Fund. The ending balance is mostly the historically carried forward reappropriation amounts that will remain and be reappropriated to the next fiscal year, the 13th month expenditures & any unappropriated surplus balance.

Wisconsin Revenue adjustments include Tribal Gaming, $48.9 million; Other Revenue, $501 million; and Prior Year Designated Balance, $122.4 million. Expenditure adjustments include Designation for Continuing Balances, $91.3 million.

Wyoming Wyoming budgets on a biennial basis; to arrive at annual figures certain assumptions and estimates were required.

Notes to Table 4
Fiscal 2016 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 Revenue adjustments include one-time transfers (Transfer increases: Transocean Settlement, $20.0 M, BP Settlement, $50M; Transfer decreases: Gross Sales Tax Transfer, –33.9M); Expenditure adjustments include a transfer to Budget Stabilization Fund, 118.3M, and a transfer to Adv. and Tech. Fund, 21.8M.

Alaska Revenues: SLA2016 Enacted Fiscal Summary (Total Revenue)
Revenue Adjustments: SLA2016 Enacted Fiscal Summary (Revenue Carryforward)
Expenditures: SLA2016 Enacted Fiscal Summary (Pre-Transfer Authorization)
Ending Balance: SLA2016 Enacted Fiscal Summary (Transfer to SBR/CBR)
Rainy Day Balance: State of Alaska Fiscal Summary (Part 2)

Arizona Adjustments to revenue include revenues from budget transfers and revenues from a tax amnesty program.

California Ending balance excludes projected $1,814 million transfer to the Budget Stabilization Account for "rainy day" purposes. The rainy day balance is made up of the Special Fund/Reserves for Economic Uncertainties and the BSA; however, withdrawals from the BSA are subject to provisions of Proposition 2, 2014.

The ending balance is only the General Fund balance and excludes the Budget Stabilization Account (a rainy day reserve held in a separate fund). The excluded amounts are $1,606.4 million in FY 2015 and an additional $1,814 million in FY 2016. Adding these amounts to the FY 2016 ending balance, the projected total balance is $8,295.7 million in FY 2016.

Colorado The ending balance for FY 2015–16 is $49.0M short of the $520.7M required 6.5% GF reserve. This figure is derived from the Leg. Council forecast which was the basis for the General Assembly's appropriation for this year.

Connecticut Expenditure adjustments include $73.9 million in miscellaneous adjustments. Reported rainy day fund balance includes ending balance.

Georgia FY16 figures are preliminary and are subject to change pending final audit. Rainy Day Fund balance is pending final audit.

Idaho Revenue adjustments included transfers to Deficiency Warrant Fund – $324,000; Wolf Depredation Control Fund – $400,000; Opportunity Fund – $1,750,000; Fire Suppression Fund – $60,000,000; Secondary Aquifer Fund – $500,000; Economic Recovery Reserve Fund – $20,000,000; Forest and Range Protection $27,000,000; Idaho State Police Federal Fund – $16,400; Group Insurance Fund – $13,140,000; Legislative Legal Defense Fund – $8,000,000; Constitutional Defense Fund – $2,000,000; Budget Stabilization Fund – $15,623,410; Strategic Initiatives Fund – $10,965,585; and Opportunity Scholarship Fund $134,873. Transfers in from Consolidated Election Fund – $780,000. Also included are prior year reversions – $8,351,534; miscellaneous adjustments – ($595,788) and canceled or reverted prior year encumbrances – $384,880. Expenditure adjustments included ($33,645,398) in supplementals/rescissions; ($11,297,380) in end-of-year reversions; and cash adjustments 332,804.

Illinois Revenue adjustments include transfers in to the general fund. Expenditure adjustments include transfers out of the general fund and the change in accounts payable.

Indiana Revenue adjustments include a transfer from the Political Subdivision Risk Management Fund and the remaining tax amnesty balance not obligated for other projects. Expenditure adjustments include reversions from distributions, capital, and reconciliations; reversions of unspent prior year Medicaid appropriations; the cost of a 13th check for pension recipients; transfer to the Major Moves 2020 trust fund; transfer to the tuition reserve fund; transfer to the rainy day fund: and state agency and university line item capital projects.

Iowa Revenue adjustments include an estimated $367.3 million of residual funds transferred to the General Fund after the Reserve Funds are filled to their statutorily set maximum amounts. FY2016 Revenues are based upon the March 2016 Revenue Estimating Conference estimates. Revenue adjustments also include $–97.6 million due to the passage of HF2433, the Internal Revenue Code (IRC) coupling bill. Expenditure adjustments include the passage of $72.4 million for supplemental appropriations. The Ending balance of the General Fund is transferred in the current fiscal year to the Reserve Funds in the subsequent fiscal year. After the Reserve Funds are at their statutorily set maximum amounts, the remainder of the funds are transferred back to the General Fund in that subsequent fiscal year.

Kentucky Revenue includes $90.1 million in Tobacco Settlement funds. Adjustment for Revenues includes $104.2 million that represents appropriation balances carried over from the prior fiscal year, and $140.1 million from fund transfers into the General Fund. Adjustment to Expenditures represents appropriation balances forwarded to the next fiscal year.

Louisiana Revenues adjustments include $30.3 from various funds, $11.8 in carryforwards, $156.6 Budget Stabilization Fund, and $530.1 Mid-Year Deficit action. Expenditure adjustments — Preamble & Mid-Year Adjustments.

Maine Revenue and Expenditure adjustments reflect Legislatively authorized transfers. Rainy Day Fund balance reflects the total of the Budget Stabilization Fund ($112.4M) and the Reserve for Operating Capital ($9.9M).

Maryland Revenue adjustments include $18.3 million in transfers from tax credit reserves and $4.1 million in transfers from other funds. Expenditure adjustments represent $485.2 million in reversions to the unappropriated General Fund balance.

Massachusetts Source: Commonwealth of Massachusetts Information Statement August 8, 2016; Pg A–12 Total Tax Revenue and Budgeted Expenditures and Other Uses FY15–FY17; Fiscal Year 2016 amounts are preliminary; Fiscal Year 2017 amounts are projected; Beginning and ending balances include the Stabilization Fund (Rainy Day Fund).

Michigan Fiscal 2016 revenue adjustments include the impact of federal and state law changes (–$1,150.0 million); revenue sharing payments to local government units (–$468.5 million); deposits from restricted funds ($424.6 million); deposit to rainy day fund (–$95.0 million); general fund dedicated for roads (–$400.0 million); and deposit to Michigan Infrastructure Fund (–$5.0 million). Fiscal 2016 expenditures include $732.1 million in one-time spending financed from one-time revenue. Deposit to the rainy day fund and funds earmarked for roads are not included.

Minnesota Ending balance includes cash flow account of $350 million, budget reserve account of $1596.522 million, and stadium reserve of $21.196 million. This data is as of End of Session (i.e., projected).

Mississippi Revenue Adjustment: Transfer from the Working Cash Stabilization Revolving Fund as allowed by State statute.

Missouri Revenue adjustments include transfers from other funds into the general revenue fund. The above expenditures include expenditure restrictions due to an unplanned reduction in the tobacco Master Settlement Agreement funds.

Montana Revenue Adjustments and Expenditure Adjustments reflect prior year activity.

Nebraska Revenue adjustments are transfers between the General Fund and other funds. Per Nebraska law, includes a transfer of $84.6 million to the Cash Reserve Fund (Rainy Day Fund) of the amount the prior year's net General Fund receipts exceeded the official forecast. Among others, also includes a $202 million transfer (a $64 million increase) from the General Fund to the Property Tax Credit Cash Fund.

Nevada Revenue adjustments are restricted revenue, reversions, Rainy Day fund transfers and reserve transfers. Expenditure adjustments are restricted transfers.

New Hampshire Revenue Adjustments: A one-time recognition of revenue totaling $30.7 million was designated to the State's Rainy Day Fund as the result of a court settlement related to MTBE contamination in NH. Expenditure Adjustments: Preliminary adjustments are expected to result in $28.1 million being moved to the Education Trust Fund, $.7 million being moved to the Fish and Game Fund, and $30.7 million of the MBTE settlement revenue moved to the Rainy Day Fund. (Additional adjustments for GAAP and Other totaling $ 37.2 million are expected.)

New Jersey Revenue adjustments represent balances targeted to be lapsed.

New Mexico Includes $147.5 million from the Tax Stabilization Reserve, $100 million from a contingent liability for an FY15 audit, $20 million from the operating reserve, $9 million from the Appropriation and Contingency Fund, $1.4 million from the State Support Fund, $40.6 million from unrestricted of maintenance of effort funds and $43.2 million from the Tobacco Permanent Fund.

New York The ending balance includes approximately $1.8 billion in rainy day reserve funds, $15 million reserved to cover costs of potential retroactive labor settlements with certain unions, $63 million in a community projects fund, $500 million reserved for debt reduction, $21 million reserved for litigation risks, $237 million in undesignated fund balance to be used for gap-closing purposes in FY 2017, and approximately $6.3 billion in proceeds from monetary settlements.

North Carolina	The North Carolina 2015–17 biennial budget (Session Law 2015–241), reserved $75 million dollars from credit balance in 2016. The funds reserved in this subsection shall be transferred and deposited in the Medicaid Transformation Fund established in Section 12H.29 of this act. Funds deposited in the Medicaid Transformation Fund do not constitute an “appropriation made by law,” as that phrase is used in Section 7(1) of Article V of the North Carolina Constitution. Funds will continue to be set aside until appropriated by the General Assembly.
North Dakota	Revenue adjustments are a $657.0 million dollar transfer from the tax relief fund to the general fund. Expenditure adjustments include a $122.4 million reduction in legislatively authorized appropriations for FY 2016 due to a 4.05 percent allotment.
Ohio	FY 2016 expenditures include expenditures against prior year encumbrances as well as $855.8 million in transfers out of the GRF. Of the $855.8 million in transfers out, $736.1 million was for disposition of the FY 2015 surplus GRF balance, including $425.5 million in transfers to the Budget Stabilization (Rainy Day) Fund.
Oklahoma	Revenue amounts are based upon reconciled, but yet uncertified, FY–2016 collections; Revenue adjustment represents the difference in cash flow. No deposit was made into the Rainy Day Fund.
Oregon	Revenue adjustments include: transfer 2013–15 biennium ending GF balance to Rainy Day Fund (up to 1% of total biennial budget appropriation); cost of Tax Anticipation Notes; a statutory transfer to local governments for local property tax relief; and, refund of personal income tax collections/revenues that exceeded the 2015 “close of session” forecast (aka “kicker”). Expenditures represent preliminary actuals for the first fiscal year of the 2015–17 (Biennium) Legislatively Approved Budget.
Pennsylvania	Revenue adjustments include a $.5 million adjustment to the beginning balance, $200 million in prior year lapses, and $1.3 billion of refunds. The year-end transfer to the Rainy Day Fund (25% of the ending balance) was suspended for FY 2016.
Rhode Island	Adjustments to revenues reflect a transfer of $107.9 million to the Budget Reserve Fund plus a reappropriation of $7.8 million.
South Carolina	Revenue Adjustments: Nonrecurring transfers from Unclaimed Property and Litigation Settlement funds of $49.5 and $27.8, respectively. Expenditure Adjustments: Prior Yr 2% Capital Reserve ($127.7) transferred to state agencies, $40.0 to Farm Recovery Fund (2015 Severe Flood), $50.0 to State’s Infrastructure Bank.
South Dakota	The beginning balance of $21.5 million and adjustment to expenditures reflects the prior year’s ending balance that is transferred to the rainy day fund. Adjustments to revenue of $37.0 million are from one-time receipts which includes $27.4 million transferred from the budget reserve fund. The ending balance of $14.1 million is cash that is obligated to the Budget Reserve fund the following fiscal year. This $14.1 million is not included in the total rainy day fund balance of $143.3 million.
Tennessee	Revenue adjustments include: $108.1 million transfer from debt service fund unexpended appropriations; –$130.0 million transfer to Highway Fund; –$76.5 million transfer to Rainy Day Fund. Expenditure adjustments include: $135.4 million transfer to capital outlay projects fund; $176.1 million transfer to state office buildings and support facilities fund; $3.8 million transfer to debt service fund; and $1.0 million transfer to reserves for dedicated revenue appropriations. Ending balance includes $745.5 million unappropriated budget surplus at June 30, 2016.
Texas	Revenue adjustment of –$2,005m includes –$439.5m reserved for transfer to the Rainy Day Fund and –$439.5m reserved for transfer to the State Highway Fund. In addition, The Comptroller adjustment to the general fund dedicated account balances is –$1,126m.
Vermont	Adjustments represent net transfer effect in/out of the General Fund.
Washington	Revenue adjustments include fund transfers and other adjustments.
West Virginia	Fiscal Year 2016 Beginning balance includes $368.2 million in Reappropriations, Unappropriated Surplus Balance of $12.8 million, $0.2 million of cash balance adjustments, and FY 2015 13th month expenditures of $38.4 million. Expenditures include Regular funds and surplus funds and $38.4 million of 31 day prior year expenditures. Revenue adjustments are prior year redeposits and special revenue expirations. Expenditure adjustment represents the amount transferred to the Rainy Day Fund. The ending balance is mostly the historically carried forward reappropriation amounts that will remain and be reappropriated to the next fiscal year, the 13th month expenditures & any unappropriated surplus balance.

Wisconsin Revenue adjustments include Tribal Gaming, $25.8 million; Prior Year Designated Balance, $91.3 million; and Other Revenue, $479.7 million. Expenditure adjustments include Transfers to Transportation fund, $38.0 million; Lapses, –$376.2 million; and Compensation Reserve, $1.0 million.

Wyoming Wyoming budgets on a biennial basis; to arrive at annual figures certain assumptions and estimates were required.

Notes to Table 5
Fiscal 2017 State General Fund, Appropriated

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

Alaska Revenues: SLA2016 Enacted Fiscal Summary (Total Revenue)
Revenue Adjustments: SLA2016 Enacted Fiscal Summary (Revenue Carryforward)
Expenditures: SLA2016 Enacted Fiscal Summary (Pre-Transfer Authorization)
Ending Balance: SLA2016 Enacted Fiscal Summary (Transfer to SBR/CBR)
Rainy Day Balance: State of Alaska Fiscal Summary (Part 2)

Arizona Adjustments to revenue include revenues from budget transfers.

California Ending balance excludes projected $3,294 million transfer to the Budget Stabilization Account for "rainy day" purposes. The rainy day balance is made up of the Special Fund/Reserves for Economic Uncertainties and the BSA; however, withdrawals from the BSA are subject to provisions of Proposition 2, 2014.

The ending balance is only the General Fund balance and excludes the Budget Stabilization Account (a rainy day reserve held in a separate fund). The excluded amounts are $1,606.4 million in FY 2015, $1,814 million in FY 2016, and $3,294 million in FY 2017. Adding these amounts to the FY 2017 ending balance, the projected total balance is $9,431 million in FY 2017.

Colorado This figure is $268.5M short of the $634.9M required reserve. This figure is derived from the Leg. Council forecast which was the basis for the General Assembly's appropriation for this year.

Connecticut Reported rainy day fund balance includes ending balance.

Delaware Figures based on enacted FY 2017 General Fund appropriations and revenue estimates contained in SJR 15 of the 148th General Assembly. Revenue adjustments from the June 2016 DEFAC Fiscal Year 2017 revenue forecast include a $17.5 million increase to the General Fund by reducing the annual earmark for Farmland Preservation and Open Space programs, and an additional $5.0 million increase to the General Fund by directing the Energy Efficiency Investment Fund annual funding be deposited to the General Fund.

Georgia FY17 beginning balance is based on preliminary ending balance for FY16. Revenues reflect FY17 Estimated State General Fund Receipts. Georgia is required by its constitution to maintain a balanced report. Ending fund balance for FY17 reflects the Governor's balanced report. Georgia does not project future Rainy Day Fund balances, but expects the reserve to continue to grow in future years.

Idaho Revenue adjustments included transfers to Wolf Depredation Control Fund – $400,000; STEM Action Center Fund – $2,000,000; Fire Suppression Fund – $34,500,000; Priest Lake Outlet Subaccount – $100,400; Higher Education Stabilization Fund – $5,000,000; and Broadband Infrastructure Grant fund – $2,700,000.

Illinois Revenue adjustments include transfers in to the general fund. Expenditures reflect only appropriations enacted or continuing appropriations as of beginning of fiscal year. Expenditure adjustments include transfers out of the general fund and the change in accounts payable, and spending through court orders and consent decrees.

Indiana Expenditure adjustments include reversions from distributions, capital, and reconciliations; transfer to the Major Moves 2020 trust fund; transfer to the rainy day fund: excess reserves transfer for state and local road and bridge preservation; and state agency and university line item capital projects.

Iowa Revenue adjustments include an estimated $45.6 million of residual funds transferred to the General Fund after the Reserve Funds are filled to their statutorily set maximum amounts. FY2017 Revenues are based upon the March 2016 REC estimate. Also included in revenue adjustments is $22.6 million of adjustments for the passage of legislative changes during the 2016 Legislative Session. The Ending balance of the General Fund is transferred in the current fiscal year to the Reserve Funds in the subsequent fiscal year. After the Reserve Funds are at their statutorily set maximum amounts, the remainder of the funds are transferred back to the General Fund in that subsequent fiscal year.

Kentucky Revenue includes $87 million in Tobacco Settlement funds. Adjustment for Revenues includes $222.5 million that represents appropriation balances carried over from the prior fiscal year, and $262.6 million from fund transfers into the General Fund. Adjustment to Expenditures represents appropriation balances forwarded to the next fiscal year.

Maine Revenue and Expenditure adjustments reflect Legislatively authorized transfers. Rainy Day Fund balance reflects the total of the Budget Stabilization Fund ($112.4M) and the Reserve for Operating Capital ($9.9M).

Maryland Revenue adjustments include $17.1 million in transfers from tax credit reserves. Expenditure adjustments represent $30.2 million in reversions to the unappropriated General Fund balance.

Massachusetts Source: Commonwealth of Massachusetts Information Statement August 8, 2016; Pg A–12 Total Tax Revenue and Budgeted Expenditures and Other Uses FY15–FY17; Fiscal Year 2016 amounts are preliminary; Fiscal Year 2017 amounts are projected; Beginning and ending balances include the Stabilization Fund (Rainy Day Fund). The Secretary for Administration and Finance expects to implement measures to ensure that the Commonwealth's budget will achieve statutory balance. Those measures include, but are not limited to, reducing allotments, maintaining payroll caps and other hiring limitations and otherwise imposing spending controls.

Michigan Fiscal 2017 revenue adjustments include the impact of federal and state law changes (–$1,120.0 million); revenue sharing payments to local government units (–$471.1 million); deposits from restricted funds ($204.2 million); and payment of tax vouchers (–$30.5 million). Fiscal 2017 expenditures include $306.3 million in one-time spending financed from one-time revenue.

Minnesota Ending balance includes cash flow account of $350 million, budget reserve account of $1596.522 million, and stadium reserve of $21.196 million.

Mississippi Revenue Adjustment: Anticipated revenue resulting from enacted legislation requiring certain special funds of certain agencies be deposited into the State's general fund plus an anticipated transfer into the general fund.

Missouri Revenue adjustments include transfers from other funds into the general revenue fund. The above expenditures include expenditure restrictions.

Montana FY 2017 Enacted reflects legislative action as of April, 2015.

Nebraska Revenue adjustments are transfers between the General Fund and other funds. Among others, includes a $202 million transfer from the General Fund to the Property Tax Credit Cash Fund. Expenditure adjustments include a net $314.4 million reserved for authorized reappropriations and carryover obligations from FY 2016 and $5 million reserved for potential deficit appropriations.

Nevada Revenue adjustments are restricted revenue, reversions, Rainy Day fund transfers and reserve transfers. Expenditure adjustments are restricted transfers.

New Hampshire Expenditure Adjustments: The Enacted Budget for FY 2017 anticipates $85.7 million being moved to the Education Trust Fund, and $.6 million being moved to the Fish and Game Fund at year end.

New Jersey Revenue adjustments represent transfers to other funds.

New Mexico Includes $9 million from the Appropriation Contingency Fund and $49 million in transfers from the Tobacco Permanent Fund. The figures reported reflected the enacted budget, as requested. Since the budget was adopted, general fund revenue projections have been revised downward.

New York The ending balance includes approximately $1.8 billion in rainy day reserve funds, $150 million reserved to cover costs of potential retroactive labor settlements with certain unions, $53 million in a community projects fund, $500 million reserved for debt reduction, $21 million reserved for litigation risks, and approximately $3.5 billion in proceeds from monetary settlements.

North Carolina	The North Carolina 2015–17 biennial budget (Session Law 2015–241), reserved $150 million dollars from credit balance in 2017. The funds reserved in this subsection shall be transferred and deposited in the Medicaid Transformation Fund established in Section 12H.29 of this act. Funds deposited in the Medicaid Transformation Fund do not constitute an "appropriation made by law," as that phrase is used in Section 7(1) of Article V of the North Carolina Constitution. Funds will continue to be set aside until appropriated by the General Assembly.
North Dakota	Revenue adjustments are a $572.5 transfer from the budget stabilization fund, and a $100 million transfer from other special fund sources. Expenditure adjustments include a $359.4 million reduction in legislatively authorized appropriations due to 4.05 and 2.5 percent allotments for the 2015–17 biennium.
Ohio	Ohio is a biennial budget state so FY 2017 revenues and appropriations were originally estimated in July 2015. After the first year of the state's budget, the Office of Budget and Management revises revenue and expenditure projections to reflect the most up-to-date assumptions. The figures provided incorporate the July 2016 revisions. FY 2017 expenditures include expenditures against prior year encumbrances as well as $417.9 million in anticipated transfers out of the GRF.
Oklahoma	Revenue and expenditure adjustments cannot be calculated at this time; nor can we calculate the final balance of the Rainy Day Fund at year-end.
Oregon	Revenue adjustment is a statutory transfer to local governments for local property tax relief. Expenditures represent remaining 2015–17 (Biennium) Legislatively Approved Budget less first fiscal year preliminary actuals (2016).
Pennsylvania	Revenue adjustment is $1.325 billion of refunds. Expenditure adjustment reflects a transfer of $3 million (25% of ending balance) to the Rainy Day Fund.
Rhode Island	Adjustments to revenues reflect a transfer of $113.9 million to the Budget Reserve Fund.
South Carolina	Revenue Adjustments: Nonrecurring transfer from Litigation Settlement fund of $139.3. Expenditure Adjustments: Prior Yr 2% Capital Reserve Fund ($139.2) transferred to state agencies, Nonrecurring FY16 Y/End surplus appropriations of $414.2.
South Dakota	The beginning balance of $14.1 million and adjustment to expenditures reflects the prior year's ending balance which is transferred to the rainy day fund.
Tennessee	Revenue adjustments include: –$100.0 million transfer to Rainy Day Fund; –$12.0 million transfer to Highway Fund. Expenditure adjustments include: $397.6 million transfer to capital outlay projects fund; $84.9 million transfer to state office buildings and support facilities fund; $3.8 million transfer to debt service fund; $1.0 million transfer to reserves for dedicated revenue appropriations. Ending balance includes $14.3 million undesignated balance.
Texas	Revenue adjustment of –$1,480.8m includes –$740.4m reserved for transfer to the Rainy Day Fund and –$740.4m reserved for transfer to the State Highway Fund.
Vermont	Adjustments represent net transfer effect in/out of the General Fund.
Washington	Revenue adjustments include fund transfers and other adjustments.
West Virginia	Fiscal Year 2017 Beginning balance includes $283.0 million in Reappropriations, Unappropriated Surplus Balance of $28.8 million, $0.7 million of cash balance adjustments, and FY 2016 13th month expenditures of $58.9 million. Expenditures include Regular funds and surplus funds and $58.9 million of 31 day prior year expenditures. Revenue adjustments are prior year redeposits and special revenue expirations. Expenditure adjustment represents the amount transferred to the Rainy Day Fund. The ending balance is mostly the historically carried forward reappropriation amounts that will remain and be reappropriated to the next fiscal year, the 13th month expenditures & any unappropriated surplus balance.
Wisconsin	Revenue adjustments include Tribal Gaming, $24.7 million; and Other Revenue, $514.0 million. Expenditure adjustments include Transfers to Transportation fund, $39.5 million; Lapses, –$726.4 million; Sum Sufficient Re-estimates, –$46.9 million; and Compensation Reserves, $18.6 million.
Wyoming	Wyoming budgets on a biennial basis; to arrive at annual figures certain assumptions and estimates were required.

Notes to Table 7
Fiscal 2016 Net Mid-Year Budget Cuts

Idaho	These adjustments reflect the reduction of unneeded spending authority, not budget cuts.
Massachusetts	Source: 9C Filing Letter January 8, 2016 http://www.mass.gov/anf/docs/anf/fy16/fy16-9c-01-governor-filing-letter.pdf
Nebraska	The FY 2016 mid-year reductions to Medicaid and the Children's Health Insurance Program reflect a base adjustment due to lower than expected actual costs rather than a reduction in the level of services provided or in rates paid to providers.
New York	Decline in the All Other category refers primarily to a reduction in projected transfers to the Dedicated Special Infrastructure Fund ($450 million).
North Dakota	ND's budget is based on a biennial period. This adjustment amount includes half of the 4.05 percent appropriation allotment for the biennium.
Oklahoma	Reductions to agencies receiving General Revenue Fund appropriations were over-estimated, resulting in $140 million remaining to be returned to agencies or distributed by the Legislature, whose actions are undetermined at this time.
Wyoming	The State of Wyoming does not allow deficit spending. The Governor addressed this through budget reductions.

Notes to Table 8
Fiscal 2016 Mid-Year Program Area Cuts

California	The "Other" mid-year spending decrease includes $0.5b Medicaid estimated savings. This amount reflects a caseload adjustment rather than a spending cut.
Georgia	Programs were not required to provide budgetary cuts for the mid-year.
Idaho	These adjustments reflect the reduction of unneeded spending authority, not budget cuts.
Massachusetts	Source: 9C Filing Letter January 8, 2016 http://www.mass.gov/anf/docs/anf/fy16/fy16-9c-01-governor-filing-letter.pdf
Nebraska	The FY 2016 mid-year reductions to Medicaid and the Children's Health Insurance Program reflect a base adjustment due to lower than expected actual costs rather than a reduction in the level of services provided or in rates paid to providers.
New York	Decline in the All Other category refers primarily to a reduction in projected transfers to the Dedicated Special Infrastructure Fund ($450 million).
Wyoming	The State of Wyoming does not allow deficit spending. The Governor addressed this through budget reductions.

Notes to Table 9
Fiscal 2016 Mid-Year Program Area Adjustments by Dollar Value

California	The "Other" mid-year spending decrease includes $0.5b Medicaid estimated savings. This amount reflects a caseload adjustment rather than a spending cut.
Connecticut	The Medicaid appropriation in the Department of Social Services (DSS) is "net funded" while other Medicaid expenditures remain gross funded.
Idaho	These adjustments reflect the reduction of unneeded spending authority, not budget cuts.
Massachusetts	Source: 9C Filing Letter January 8, 2016 http://www.mass.gov/anf/docs/anf/fy16/fy16-9c-01-governor-filing-letter.pdf

Michigan Fiscal 2016 mid-year budget adjustments reflect changes in general fund spending from the originally enacted fiscal 2016 budget. Many mid-year adjustments reflect technical changes in spending and are not "cuts" per se. For example, general fund spending reductions may create corresponding increase in other revenue sources without increasing the overall budget or reflect revised caseload estimates.

Nebraska The FY 2016 mid-year reductions to Medicaid and the Children's Health Insurance Program reflect a base adjustment due to lower than expected actual costs rather than a reduction in the level of services provided or in rates paid to providers.

New York Decline in the All Other category refers primarily to a reduction in projected transfers to the Dedicated Special Infrastructure Fund ($450 million).

North Dakota ND's budget is based on a biennial period. This adjustment amount includes half of the 4.05 percent appropriation allotment for the biennium. The Department of Public Instruction will receive $35.9 million from the foundation aid stabilization fund to offset general fund losses for school aid, transportation, and special education.

Oklahoma Reductions to agencies receiving General Revenue Fund appropriations were over-estimated, resulting in $140 million remaining to be returned to agencies or distributed by the Legislature, whose actions are undetermined at this time.

Oregon 2016 Mid-year adjustments were made during the February 2016 legislative session and represent the entire 2015–17 biennium and are not restricted to a single fiscal year.

Wyoming The State of Wyoming does not allow deficit spending. The Governor addressed this through budget reductions.

Notes to Table 10
Fiscal 2017 Enacted Budget Cuts by Program Area

Michigan The reported decrease of $391.5 million for transportation reflects passage of the 2015 road funding package thereby eliminating one-time general fund revenue support for fiscal 2017.

Notes to Table 12
Fiscal 2017 Enacted Program Area Adjustments by Dollar Value

California For K–12 Education, the 2016 Spring NASBO Survey reflected an Early Education Block Grant proposal which shifted approx. $900 million in contracted child care programs to early instructional programs directly funded by LEAs, which is included for purposes of NASBO. The Proposal was rejected by the Legislature and is excluded in the BA. As a result, the amount was added back to exclusions in 2016 Fall survey. The Medicaid appropriation change is lower than the previous submission due to approval of a new enrollment based tax on managed care organizations. The revenue from this tax is deposited in a special fund and supports the non-federal share of Medicaid expenditures that would otherwise be funded by the state's General Fund. For Other spending changes, this includes $1b for Infrastructure Development, $0.5b Deferred Maintenance, $0.5b Affordable Housing programs, and $0.5b for Developmental Services.

Connecticut The Medicaid appropriation in the Department of Social Services (DSS) is "net funded" while other Medicaid expenditures remain gross funded.

Kentucky Of the additional $532 million in K–12 spending in fiscal year 2017, $488 million is related to teachers' pensions. The fiscal year 2017 budget also includes an estimated increase of $158 million from the General Fund for state employee pensions. About $60 million is for a higher actuarially determined contribution and $98 million is for contributions in excess of the ADC to further pay down a part of the unfunded liability. These amounts are primarily included in the "All Other" spending category, which reflects that most of that category had budgeted spending reductions.

Massachusetts Compares FY16 Final General Appropriations Act to the FY17 General Appropriations Act, inclusive of legislative overrides for both documents. K–12 Education includes school aid (Chapter 70 funding). Corrections includes Department of Correction and Sheriffs. Higher Education reduces the FY16 amount by $31 M to account for tuition retention at the University of Massachusetts. The FY16 amounts for Transportation and All Other are reduced by $215 M to account for Early Retirement Incentive Program savings. Calculations exclude Inter-fund transfers.

Michigan	Fiscal 2017 budget adjustments reflect enacted changes in general fund spending from the original fiscal 2016 appropriations, adjusted for enacted supplemental funding as of 7/11/2016. Fiscal 2017 general fund budget adjustments for k–12 education are not reported since general fund and restricted School Aid Fund revenues are used interchangeably. The reported decrease of $391.5 million for transportation reflects passage of the 2015 road funding package thereby eliminating one-time general fund revenue support for fiscal 2017.
New York	Decline in the All Other category refers primarily to a decline in the projected transfers from the General Fund to General Reserves. These transfers were projected at $4.55 billion at the FY 2016 Enacted, but declined to $2.77 billion by the FY 2017 Enacted.
North Dakota	ND's budget is based on a biennial period. This adjustment amount includes half of the 4.05 percent allotment and $114.6 million for the entire 2.5 percent allotment for the biennium. The Department of Public Instruction will receive $80.2 million from the foundation aid stabilization fund to offset general fund losses for school aid, transportation, and special education.
Ohio	Ohio is a biennial budget state and the budget for FYs 2016 and 2017 was enacted in June 2015. The FY 2017 appropriations are as of August 2016 and reflect the original enacted budget plus other legislative changes that occurred in FY 2016. The appropriation growth in the Medicaid category includes federal reimbursements for expenditures funded from the GRF.
Oregon	All enacted revenues and expenditures for FY 2017 are part of the total 2015–17 biennium. Individual appropriations are not restricted from one fiscal year to the next within the biennium.

Notes to Table 13
Strategies Used to Manage Budget, Fiscal 2016

Alabama	Other — Cigarette Tax Increase
Arizona	Other — Continuation of the hiring freeze; Lean Government strategies
California	Other — Strategy to address retiree health care costs and unfunded liability
Colorado	Other — The GA passed legislation to allow changes to what was formulaic statutory mechanisms for HUTF and capital for two years.
Hawaii	Other — prior year fund balance
Maine	Other — Increase the attrition rate from 1.6% to 3%; eliminate vacant positions
Nebraska	Other — The Governor is working closely with his appointed agency directors to identify strategies for improving the efficiency and effectiveness of the state programs under their direct control. These efforts will lead to an improvement in the level of customer service provided to Nebraskans at a lower overall cost.
New Mexico	FY16 change due to new gaming compacts (Laws 2015, Chapter 101, Section 13)
New York	Other gap-closing measures in FY 2016 included the use of $190 million in General Fund surplus resources available from FY 2015, revenue generated from new financial monetary settlements, and savings related to capital projects and debt management.
Ohio	Targeted cuts reflect prioritization of budget decisions. Other – Medicaid cost containment
Tennessee	Other — Agency Reserves, Carryforwards, and Overappropriation Increase
West Virginia	Other — Use one time surplus from General Revenue & Lottery Funds from previous fiscal years. Also use one time excess cash in various Special Revenue accounts.

Notes to Table 14
Strategies Used to Manage Budget, Fiscal 2017

Alabama	Other – Settlement Proceeds
Arizona	Other – Lean Government strategies
California	Other – Strategy to address retiree health care costs and unfunded liability
Colorado	Other – The GA passed legislation to allow changes to what was formulaic statutory mechanisms for HUTF and capital for two years.
Hawaii	Other – prior year fund balance
Illinois	Other — Forgiveness of FY2015 interfund borrowing, temporary relief to debt structuring restrictions to more efficiently refinance outstanding bonds, and a new hospital assessment arrangement to generate a larger share of ACA funding for the state.
Maine	Other — Increase the attrition rate from 1.6% to 3%; eliminate vacant positions
Massachusetts	FY17 budget management strategies include but are not limited to, targeted cuts, payroll caps, procurement savings, and a hiring freeze.
Nebraska	FY 2017 budget management strategies are still under consideration. Other — The Governor is working closely with his appointed agency directors to identify strategies for improving the efficiency and effectiveness of the state programs under their direct control. These efforts will lead to an improvement in the level of customer service provided to Nebraskans at a lower overall cost.
New York	Other gap-closing measures in FY 2017 included the use of $237 million in General Fund surplus resources available from FY 2016, revenue generated from new financial monetary settlements, and savings related to capital projects and debt management.
North Dakota	Other — Transfer from other special funds
Ohio	Targeted cuts reflect prioritization of budget decisions. Other – Medicaid cost containment
Tennessee	Base Budget Reductions

Notes to Table 15
Number of Filled Full-Time Equivalent Positions Fiscal 2015 to Fiscal 2017, in All Funds

Alabama	Unable to estimate the number of filled FTE positions for the current fiscal year.
Alaska	The State of Alaska does not track full-time equivalent positions, the numbers reported for FY2015 and FY2016 are estimated based on filled position months. Number reported for FY2017 is based on count of budgeted position months.
Colorado	Figures for all three years are derived from appropriations reports.
Connecticut	For fiscal 2017, 45,537 FTE positions are appropriated in the budget. This figure is not comparable to prior year figures that reflect filled positions.
Delaware	Position authorization for Delaware Technical and Community College is included in the figures reported. Position authorization for the University of Delaware and for Delaware State University are not included.
Georgia	Full-time equivalent positions for the Technical College System of Georgia are included in the count for FY 2015 and FY 2016. However, positions for the Board of Regents of the University System of Georgia are not included in the count.
Hawaii	All numbers reflect appropriation.

Louisiana Excluding higher education, the estimated number of FTE positions for fiscal 2017 is 32,798.

Massachusetts Totals include FTEs funded by federal grants, trust, and capital accounts.

Minnesota Figures include executive branch, constitutional officers, judiciary and legislature (not higher education).

Mississippi The information requested could not be provided as requested. The information available for the current year appropriation would be positions (filled + vacant) rather than employees as indicated.

Nebraska Appropriations bills do not limit authorized FTE to a specific number.

New Hampshire For fiscal 2017, 10,530 FTE positions are appropriated in the budget. This figure is not comparable to prior year figures that reflect filled positions.

New Mexico For fiscal 2017, 26,166 FTE positions are appropriated/authorized. This figure is not comparable to prior-year figures that report filled FTE positions.

Rhode Island For fiscal 2017, 14,953 FTE positions are appropriated in the budget. This figure is not comparable to prior year figures.

South Carolina For fiscal 2017, 67,611 FTE positions are authorized in the budget. This figure is not comparable to prior year figures that reflect filled positions.

Notes to Table 16
State Employee Compensation Changes, Fiscal 2016

New York

Across-the-Board Increases and General Contract Provisions:

NYSPIA and NYSPBA agreed to seven year deals covering the period April 1, 2011 to March 31, 2018. These agreements provided a 2 percent general salary increase for each of FY 2015 and FY 2016, in their entirety, and a 1.5 percent general salary increase for each of FY 2017 and FY 2018, in their entirety. NYSPIA and NYSPBA represented employees also received $1,250 increases to Hazardous Duty Pay and Expanded Duty Pay, respectively, effective April 1, 2014.

Most of the State's other unions* last agreed to 5–year deals which expired on or around the close of FY 2016 (July 1, 2016 for UUP). These agreements provided a 2 percent general salary increase for each of FY 2015 and FY 2016, in their entirety. Contingent layoff protection was provided in exchange for: (i) no increases for the first three years of the deal; (ii) significant health insurance offsets (premium shift and benefit design changes); and (iii) a deficit reduction program (for most unions). The general salary increase pattern was extended to Management/Confidential (M/C) employees**.

Two State unions — the Public Employees Federation (PEF, representing professional and technical personnel) and the Police Benevolent Association of NYS (PBANYS, representing Agency law enforcement officers) last agreed to 4 years deals, which provided a 2 percent general salary increase in FY 2015, in its entirety. However, PEF recently agreed to a retroactive one-year deal to bring it in line with the other unions* (this deal provided the same 2 percent general salary increase for FY 2016, in its entirety), while negotiations with PBANYS continue.

Lump Sum Payments:

Two lump sum payments — $775 in FY 2014 and $225 in FY 2015 for employees represented by CSEA, PBANYS, NYSCOPBA and Council 82. PEF– and DC–37-represented employees did not receive these lump sum payments, but will be repaid the entire value of the deficit reduction program at the end of their contract period (other union-represented employees will only be repaid a portion their reductions taken under the deficit reduction program). UUP-represented employees may receive lump sum payments in the form of Chancellor's Power of State University of New York (SUNY) Awards and Presidential Discretionary Awards.

**Other unions include:* the Civil Service Employees Association (CSEA); United University Professions (UUP); the New York State Correctional Officers and Police Benevolent Association (NYSCOPBA); Council 82; District Council 37 (DC–37 Housing); and the Graduate Student Employees Union (GSEU).

***M/C Employees:* Additionally, the FY 2016 enacted budget provided 'parity increases' over the four year period FY 2016 to FY 2019 for previously authorized increases which were withheld in FY 2010 and FY 2011. Cumulatively, these increases total 7.18 percent, as follows: 2% on July 1, 2015, 2% on April 1, 2016, 2% on April 1, 2017; and 1% on April 1, 2018.

(1) Step or Anniversary Increases: Step Increases. Unionized civilian (non-uniformed) employees who have a year of service in the grade for their title receive step increases, generally at 1/7 the value of the range for their position.

Longevity Increases:

• Civilian employees with five or more years at job rate receive a lump sum payment of $1,250 annually.
• Civilian employees with 10 or more years at job rate receive an annual $2,500 lump sum payment.
• Uniformed employees are eligible for longevity payments as they reach designated years of service.

STATE REVENUE DEVELOPMENTS

CHAPTER TWO

Overview

State general fund revenue growth is expected to remain modest in fiscal 2017, after increasing just 1.8 percent in fiscal 2016. Enacted budgets for fiscal 2017 project general fund revenues will total $808.6 billion, a 3.6 percent increase over fiscal 2016. The median projected growth rate for the current fiscal year is a bit lower, at 3.1 percent. At this time, it seems likely that actual revenues will be lower than these projections, at least in the aggregate, with general fund collections coming in below forecast in 24 states, on target in 16 states, and above forecast in just four states.

All three major general fund sources are expected to see moderate increases, based on fiscal 2017 enacted budgets, with sales tax collections growing 5.1 percent, personal income tax collections growing 4.5 percent in fiscal 2017, and corporate income tax collections growing 5.5 percent, compared to fiscal 2016 preliminary actual data.

States enacted a mix of tax and fee increases and decreases in fiscal 2017. States enacted net tax increases on sales, cigarettes and tobacco products, motor fuel, other taxes, and fees, while on net they reduced personal and corporate income taxes. There was also a slight increase in alcoholic beverage taxes.

Revenues

According to states' enacted budgets, aggregate general fund revenues are projected to reach $808.6 billion in fiscal 2017, $28 billion or 3.6 percent greater than the preliminary actual amount of $780.6 billion collected in fiscal 2016. Eight states project revenue to decline, twenty-nine states expect fiscal 2017 revenues to grow between 0 and 5 percent, eight states expect revenue to grow between 5 and 10 percent, and five states project revenue growth of 10 percent or more; the median expected growth rate is 3.1 percent.

Based on preliminary actual data, 12 states saw revenues decline, 30 states saw general fund revenues grow between 0 and 5 percent in fiscal 2016, seven states had growth between 5 and 10 percent, and just one state had growth above 10 percent.

State general fund revenues saw fairly robust growth in fiscal 2015, increasing 5.0 percent to $766.6 billion, thanks in part to the strong performance of the stock market in calendar year 2014. The weak market gains in calendar year 2015 and overall slower growth in the economy and inflation, coupled with the continued decline in oil and gas prices and coal production and their negative impact on energy-producing states, contributed to the general fund revenue slowdown in fiscal 2016. Looking at the nominal change in state general revenues from fiscal 2015 to fiscal 2017, seven states — six of which are significant energy producers — are projecting net declines over the two year period. *(See Tables 17–19)*

Estimated Collections in Fiscal 2016 and Projected Collections in Fiscal 2017

General fund revenue collections from all sources including sales, personal income, corporate income and all other taxes and fees underperformed projections in half the states in fiscal 2016. Twenty-five states reported that fiscal 2016 revenue collections ended the fiscal year lower than originally forecasted, while 20 states reported that total general fund revenues ended fiscal 2016 with collections above projections, and five states said that revenue collections were on target for the year. For fiscal 2017, 24 states are already reporting that collections to date are coming in below projections used to enact the budget. This is the highest number of states expecting revenue shortfalls at this time in the fiscal year since fiscal 2010, based on prior fall editions of NASBO's *Fiscal Survey of States*. While 16 states reported that collections are on target and just four states see collections coming in above estimates used to enact the budget. Data was collected early in fiscal 2017, and therefore these comparisons are subject to change as updated revenue collection figures become available. Also, not all states were able to compare collections to original projections at the time of data collection. *(See Tables 20 and 21)*

Sales, Personal Income and Corporate Income Tax Collections

Revenue collections of sales, personal income, and corporate income taxes combined, which together make up approximately 80 percent of states' general fund revenue, are projected to grow 4.8 percent in fiscal 2017, after growing just 2.4 percent in fiscal 2016. All three major revenue sources saw robust growth in fiscal 2015, with sales taxes increasing 5.0 percent, personal income taxes growing 7.1 percent, and corporate income taxes rising 6.2 percent. However, revenue growth slowed down considerably in fiscal 2016, with sales taxes increasing 2.7 percent, personal income taxes growing 3.1 percent, and corporate income taxes declining 4.3 percent. Based on enacted budgets for fiscal 2017, revenue growth is expected to pick up again, with sales taxes projected to grow 5.1 percent, personal income taxes 4.5 percent, and corporate income taxes 5.5 percent. Other general revenue sources, particularly severance taxes, are expected to grow more slowly, which would explain why the projected growth rate of general fund revenues from all sources, based on enacted budgets, is lower than the rates of the three major tax types measured separately in this report. Additionally, these projections may be revised downward, as a number of states are seeing tax collections coming in below forecast, as discussed above. *(See Tables 22 and 23)*

TABLE 17

State Nominal and Real Annual Revenue Increases, Fiscal 1979 to Fiscal 2017

	State General Fund	
Fiscal Year	Nominal Increase	Real Increase
2017	3.6%	
2016	1.8	1.4
2015	5.0	3.8
2014	1.9	-0.2
2013	7.1	5.5
2012	2.9	0.4
2011	6.6	3.4
2010	-2.5	-3.3
2009	-8.0	-10.5
2008	3.9	-1.4
2007	5.4	0.4
2006	9.1	3.6
2005	7.8	1.8
2004	5.4	1.7
2003	8.0	5.0
2002	-6.8	-9.1
2001	4.5	0.1
2000	2.0	-2.7
1999	19.2	16.3
1998	-0.6	-2.6
1997	5.0	2.7
1996	5.9	3.6
1995	5.3	2.3
1994	5.5	3.3
1993	5.8	2.4
1992	6.6	3.3
1991	4.7	0.2
1990	3.4	-1.5
1989	10.1	6.1
1988	6.5	2.4
1987	8.2	4.5
1986	6.3	2.8
1985	8.8	4.5
1984	12.5	8.4
1983	3.7	-1.9
1982	12.6	5.3
1981	7.9	-3.2
1980	9.8	-0.6
1979	7.8	0.9
1979-2016 average	**5.5%**	**1.6%**

*Notes: *The state and local government implicit price deflator cited by the Bureau of Economic Analysis National Income and Product Account Tables, Table 3.9.4., Line 33 (last updated on October 28, 2016), is used to measure inflation and calculate real changes in state revenues. Fiscal Year real changes are based on quarterly averages. Fiscal 2016 figures are based on the change from fiscal 2015 actuals to fiscal 2016 preliminary actuals. Fiscal 2017 figures are based on the change from fiscal 2016 preliminary actual figures to fiscal 2017 enacted.*

TABLE 18

State General Fund Revenue Growth, Fiscal 2016 and Fiscal 2017

Spending Growth	Fiscal 2016 (Preliminary Actual)	Fiscal 2017 (Enacted)
0% or less	12	8
> 0.0% but < 5.0%	30	29
> 5.0% but < 10.0%	7	8
10% or more	1	5

Note: Average revenue growth for fiscal 2016 (preliminary actual) is 1.8 percent; average revenue growth for fiscal 2017 (enacted) is 3.6 percent. See Table 19 for state-by-state data.

TABLE 19

General Fund Nominal Percentage Revenue Change, Fiscal 2016 and Fiscal 2017**

State	Fiscal 2016	Fiscal 2017
Alabama	3.1%	2.7%
Alaska	-40.8	-6.8
Arizona	2.6	2.2
Arkansas	2.6	2.8
California	4.7	2.8
Colorado	1.0	4.7
Connecticut	2.9	0.6
Delaware	-0.3	2.6
Florida	2.0	5.5
Georgia	8.8	1.3
Hawaii	7.7	3.9
Idaho	4.2	5.0
Illinois	-12.5	5.9
Indiana	-0.7	3.6
Iowa	3.3	4.4
Kansas	2.4	4.2
Kentucky	4.0	2.6
Louisiana	-2.6	17.2
Maine	1.1	-0.4
Maryland	1.7	5.0
Massachusetts	5.8	2.3
Michigan	2.1	3.4
Minnesota	1.9	2.7
Mississippi	1.6	-0.4
Missouri	0.9	6.1
Montana	-3.6	11.0
Nebraska	0.1	6.0
Nevada	12.1	0.3
New Hampshire	9.5	-6.6
New Jersey	0.3	4.3
New Mexico	-9.5	10.1
New York	2.6	-1.0
North Carolina	1.3	1.8
North Dakota	-20.4	-9.2
Ohio	7.8	5.8
Oklahoma	-8.2	-0.9
Oregon	9.4	-1.5
Pennsylvania	3.1	7.9
Rhode Island	0.6	0.3
South Carolina	4.5	4.2
South Dakota	4.1	11.1
Tennessee	1.4	2.4
Texas	-3.5	6.4
Utah	2.4	4.4
Vermont	2.2	5.3
Virginia	3.4	10.7
Washington	7.1	2.2
West Virginia	-2.2	2.0
Wisconsin	3.8	3.7
Wyoming	-32.8	2.8
Average	**1.8%**	**3.6%**
Median	2.1%	3.1%

***Fiscal 2016 reflects changes from fiscal 2015 revenues (actual) to fiscal 2016 revenues (preliminary actual). Fiscal 2017 reflects changes from fiscal 2016 revenues (preliminary actual) to fiscal 2017 revenues (enacted).*

TABLE 20

General Fund Revenue Collections Compared to Projections, Fiscal 2016 and Fiscal 2017

	Fiscal 2016			Fiscal 2017		
State	**On Target**	**Lower**	**Higher**	**On Target**	**Lower**	**Higher**
Alabama			X			
Alaska		X		X		
Arizona			X		X	
Arkansas			X			X
California			X			
Colorado		X		X		
Connecticut		X		X		
Delaware			X		X	
Florida		X			X	
Georgia			X			
Hawaii			X		X	
Idaho	X			X		
Illinois	X			X		
Indiana		X			X	
Iowa		X		X		
Kansas		X			X	
Kentucky			X	X		
Louisiana		X		X		
Maine			X			X
Maryland		X			X	
Massachusetts*		X			X	
Michigan*		X				
Minnesota			X		X	
Mississippi		X			X	
Missouri		X			X	
Montana		X			X	
Nebraska		X			X	
Nevada	X					
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			
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	**5**	**25**	**20**	**16**	**24**	**4**

*NOTES: Fiscal 2016 reflects whether general fund revenues from all sources came in higher, lower, or on target with original projections used when the fiscal 2016 budget was adopted. Fiscal 2017 reflects whether Fiscal 2017 collections thus far have been coming in higher, lower, or on target with projections. Not all states were able to report on fiscal 2017 collections. *See Notes to Table 20 on page 57.*

TABLE 21

Fiscal 2016 Tax Collections Compared With Projections Used in Adopting Fiscal 2016 Budgets (Millions)**

State	Sales Tax: Original Estimate	Sales Tax: Current Estimate	Personal Income Tax: Original Estimate	Personal Income Tax: Current Estimate	Corporate Income Tax: Original Estimate	Corporate Income Tax: Current Estimate
Alabama	$2,217	$2,238	$3,419	$3,487	$393	$364
Alaska	N/A	N/A	N/A	N/A	275	110
Arizona	4,271	4,299	3,669	3,957	526	550
Arkansas	2,305	2,290	3,132	3,148	469	487
California	25,240	25,028	77,700	79,962	10,342	10,309
Colorado*	2,814	2,653	6,555	6,527	751	652
Connecticut	4,121	4,182	9,834	9,182	902	880
Delaware	N/A	N/A	1,297	1,287	154	143
Florida	22,088	21,998	N/A	N/A	2,235	2,272
Georgia	5,594	5,477	9,884	10,440	996	981
Hawaii	3,180	3,206	1,915	2,116	100	94
Idaho	1,270	1,303	1,489	1,513	213	187
Illinois	8,140	8,063	12,335	12,890	2,275	1,972
Indiana	7,505	7,223	5,122	5,218	985	984
Iowa	2,877	2,808	4,437	4,424	610	506
Kansas	2,655	2,659	2,325	2,249	390	355
Kentucky	3,217	3,463	4,136	4,282	434	527
Louisiana	2,828	2,965	2,977	2,983	385	359
Maine	1,179	1,319	1,549	1,543	150	138
Maryland	4,450	4,445	8,779	8,518	867	875
Massachusetts	6,010	6,049	14,728	14,390	2,165	2,315
Michigan*	7,822	7,310	8,940	9,401	161	-109
Minnesota	5,328	5,215	10,736	10,717	1,299	1,472
Mississippi	2,095	2,062	1,830	1,769	693	596
Missouri	2,032	2,062	6,024	6,126	340	281
Montana	66	64	1,230	1,185	180	118
Nebraska	1,614	1,528	2,299	2,221	329	308
Nevada	1,057	1,037	N/A	N/A	N/A	N/A
New Hampshire	N/A	N/A	N/A	N/A	354	392
New Jersey	9,253	9,397	13,930	13,408	2,862	2,487
New Mexico	2,809	2,531	1,360	1,318	225	120
New York	12,649	12,485	47,075	47,055	5,897	5,647
North Carolina	6,744	6,560	11,303	11,905	1,085	1,058
North Dakota	1,378	925	371	354	186	98
Ohio*	10,373	10,348	8,017	7,799	1,281	1,255
Oklahoma	2,134	1,894	2,076	2,049	250	260
Oregon	N/A	N/A	7,660	7,737	540	603
Pennsylvania	9,825	9,795	12,708	12,506	2,832	2,842
Rhode Island	970	972	1,216	1,217	136	135
South Carolina	2,764	2,819	3,251	3,311	308	362
South Dakota	869	861	N/A	N/A	N/A	N/A
Tennessee	7,894	8,270	268	323	1,938	2,288
Texas	29,144	28,137	N/A	N/A	N/A	N/A
Utah	1,775	1,790	3,361	3,369	352	340
Vermont	378	371	740	747	82	117
Virginia	3,304	3,296	12,941	12,556	828	765
Washington	9,287	9,506	N/A	N/A	N/A	N/A
West Virginia	1,334	1,281	1,956	1,846	178	146
Wisconsin	5,054	5,066	7,859	7,741	994	963
Wyoming	534	467	N/A	N/A	N/A	N/A
Total	**$250,445**	**$247,712**	**$342,430**	**$344,773**	**$48,942**	**$47,601**

*NOTES: N/A indicates data are not available because, in most cases, these states do not have that type of tax. *See Notes to Table 21 on page X . **Unless otherwise noted, original estimates reflect the figures used when the fiscal 2016 budget was adopted, and current estimates reflect preliminary actual tax collections.*

TABLE 22

Comparison of Tax Collections in Fiscal 2015, Fiscal 2016, and Enacted Fiscal 2017**

	Sales Tax			Personal Income Tax			Corporate Income Tax		
State	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2015	Fiscal 2016	Fiscal 2017
Alabama	$2,163	$2,238	$2,303	$3,332	$3,487	$3,522	$492	$364	$422
Alaska	N/A	N/A	N/A	N/A	N/A	N/A	231	110	129
Arizona	4,191	4,299	4,529	3,761	3,957	4,021	663	550	500
Arkansas	2,198	2,290	2,396	3,189	3,148	3,221	493	487	462
California	23,682	25,028	25,727	76,169	79,962	83,393	9,417	10,309	10,992
Colorado*	2,619	2,653	2,950	6,350	6,527	6,822	693	652	604
Connecticut	4,167	4,182	4,430	8,187	9,182	10,357	687	880	1,833
Delaware	N/A	N/A	N/A	1,252	1,287	1,334	269	143	157
Florida	21,063	21,998	23,243	N/A	N/A	N/A	2,236	2,272	2,164
Georgia	5,390	5,477	5,659	9,679	10,440	10,716	1,001	981	1,023
Hawaii	2,993	3,206	3,373	1,988	2,116	2,130	52	94	81
Idaho	1,219	1,303	1,345	1,471	1,513	1,606	215	187	222
Illinois	8,030	8,063	8,170	15,433	12,890	12,970	2,686	1,972	2,088
Indiana	7,195	7,223	7,840	5,233	5,218	5,283	1,094	984	994
Iowa	2,753	2,808	2,850	4,207	4,424	4,742	576	506	532
Kansas	2,485	2,659	2,755	2,278	2,249	2,377	417	355	396
Kentucky	3,267	3,463	3,540	4,070	4,282	4,411	528	527	579
Louisiana	2,701	2,965	3,775	2,886	2,983	3,088	300	359	510
Maine	1,244	1,319	1,233	1,522	1,543	1,640	169	138	166
Maryland	4,351	4,445	4,674	8,346	8,518	9,271	777	875	1,088
Massachusetts*	5,774	6,049	6,365	14,449	14,390	14,987	2,172	2,315	2,179
Michigan*	7,247	7,310	7,530	8,980	9,401	9,752	442	-109	218
Minnesota*	5,131	5,215	5,611	10,403	10,717	11,331	1,455	1,472	1,277
Mississippi	2,034	2,062	2,113	1,743	1,769	1,887	714	596	565
Missouri	1,988	2,062	2,102	5,948	6,126	6,521	436	281	381
Montana	64	64	60	1,176	1,185	1,307	173	118	157
Nebraska	1,535	1,528	1,607	2,206	2,221	2,427	347	308	310
Nevada	995	1,037	1,115	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	352	392	361
New Jersey	9,146	9,397	9,784	13,250	13,408	13,982	2,866	2,487	2,643
New Mexico	2,656	2,531	2,665	1,340	1,318	1,401	255	120	223
New York	12,137	12,485	12,962	43,710	47,055	49,464	6,265	5,647	5,750
North Carolina	6,252	6,560	6,971	11,079	11,905	11,618	1,328	1,058	912
North Dakota	1,266	925	1,490	536	354	393	196	98	186
Ohio*	9,960	10,348	10,808	8,507	7,799	8,260	854	1,255	1,287
Oklahoma	2,020	1,894	1,936	2,161	2,049	1,887	304	260	296
Oregon	N/A	N/A	N/A	7,330	7,737	8,153	622	603	539
Pennsylvania	9,493	9,795	10,205	12,107	12,506	13,052	2,812	2,842	2,982
Rhode Island	963	972	1,017	1,228	1,217	1,249	148	135	165
South Carolina	2,660	2,819	2,875	3,159	3,311	3,537	327	362	337
South Dakota	837	861	1,007	N/A	N/A	N/A	N/A	N/A	N/A
Tennessee*	7,706	8,270	8,273	303	323	296	2,165	2,288	2,133
Texas	28,787	28,137	30,546	N/A	N/A	N/A	N/A	N/A	N/A
Utah	1,715	1,790	1,858	3,158	3,369	3,534	374	340	371
Vermont	365	371	392	706	747	794	122	117	93
Virginia	3,235	3,296	3,501	12,329	12,556	13,230	832	765	765
Washington	8,793	9,506	9,807	N/A	N/A	N/A	N/A	N/A	N/A
West Virginia	1,289	1,281	1,341	1,932	1,846	1,944	190	146	137
Wisconsin	4,892	5,066	5,224	7,326	7,741	8,238	1,005	963	1,016
Wyoming	544	467	471	N/A	N/A	N/A	N/A	N/A	N/A
Total* **	**$241,193**	**$247,712**	**$260,424**	**$334,415**	**$344,773**	**$360,150**	**$49,751**	**$47,601**	**$50,226**

*NOTES: N/A indicates data are not available because, in most cases, these states do not have that type of tax.*See Notes to Table 22 on page 57. **Unless otherwise noted, fiscal 2015 figures reflect actual tax collections, fiscal 2016 figures reflect preliminary actual tax collections, and fiscal 2017 figures reflect the estimates used in enacted budgets.*

TABLE 23

Percentage Changes in Tax Collections in Fiscal 2015, Fiscal 2016, and Enacted Fiscal 2017**

	Sales Tax			Personal Income Tax			Corporate Income Tax		
State	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2015	Fiscal 2016	Fiscal 2017
Alabama	4.2%	3.5%	2.9%	4.1%	4.6%	1.0%	30.1%	-26.0%	15.9%
Alaska	N/A	N/A	N/A	N/A	N/A	N/A	-43.3	-52.6	18.0
Arizona	5.1	2.6	5.3	8.6	5.2	1.6	15.3	-17.1	-9.1
Arkansas	1.1	4.2	4.6	2.5	-1.3	2.3	12.0	-1.3	-5.0
California	6.4	5.7	2.8	13.6	5.0	4.3	3.6	9.5	6.6
Colorado	8.4	1.3	11.2	11.5	2.8	4.5	-3.9	-5.8	-7.3
Connecticut	1.6	0.4	5.9	-6.1	12.1	12.8	-12.1	28.1	108.2
Delaware	N/A	N/A	N/A	5.4	2.8	3.7	164.2	-46.9	9.9
Florida	6.9	4.4	5.7	N/A	N/A	N/A	9.5	1.6	-4.7
Georgia	5.2	1.6	3.3	8.0	7.9	2.6	6.0	-1.9	4.3
Hawaii	5.9	7.1	5.2	13.9	6.4	0.7	-40.0	78.8	-13.7
Idaho	6.4	6.9	3.2	10.7	2.9	6.1	14.4	-13.2	18.8
Illinois	4.6	0.4	1.3	-7.3	-16.5	0.6	-15.1	-26.6	5.9
Indiana	3.9	0.4	8.5	6.8	-0.3	1.2	3.7	-10.0	1.1
Iowa	4.2	2.0	1.5	5.8	5.2	7.2	4.9	-12.1	5.0
Kansas	1.6	7.0	3.6	2.7	-1.3	5.7	4.5	-15.0	11.6
Kentucky	4.3	6.0	2.2	8.5	5.2	3.0	11.2	-0.3	10.0
Louisiana	3.1	9.8	27.3	4.9	3.4	3.5	-8.9	19.7	42.1
Maine	7.5	6.1	-6.5	8.2	1.4	6.3	-7.7	-18.6	20.7
Maryland	5.0	2.2	5.2	7.4	2.1	8.8	2.1	12.5	24.5
Massachusetts	5.1	4.8	5.2	9.4	-0.4	4.2	6.0	6.6	-5.8
Michigan	-1.5	0.9	3.0	12.0	4.7	3.7	221.4	-124.6	299.6
Minnesota	1.8	1.6	7.6	7.7	3.0	5.7	13.9	1.1	-13.3
Mississippi	4.1	1.4	2.5	4.6	1.5	6.6	5.5	-16.5	-5.2
Missouri	3.3	3.7	1.9	10.1	3.0	6.4	10.0	-35.6	35.7
Montana	0.5	0.5	-6.2	10.6	0.8	10.3	17.1	-31.4	32.4
Nebraska	0.7	-0.5	5.2	7.0	0.7	9.3	13.0	-11.2	0.7
Nevada	2.8	4.2	7.6	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	2.2	11.2	-8.0
New Jersey	3.4	2.7	4.1	7.6	1.2	4.3	24.7	-13.2	6.3
New Mexico	5.6	-4.7	5.3	6.8	-1.6	6.3	29.3	-52.8	85.8
New York	3.0	2.9	3.8	1.7	7.7	5.1	3.6	-9.9	1.8
North Carolina	12.3	4.9	6.3	7.8	7.5	-2.4	-2.2	-20.3	-13.9
North Dakota	4.4	-26.9	61.0	4.1	-33.9	10.9	-18.2	-50.2	90.4
Ohio	8.7	3.9	4.4	5.5	-8.3	5.9	7.5	47.0	2.5
Oklahoma	3.1	-6.2	2.2	6.5	-5.2	-7.9	-1.0	-14.4	14.0
Oregon	N/A	N/A	N/A	10.6	5.5	5.4	25.7	-3.0	-10.7
Pennsylvania	4.0	3.2	4.2	5.9	3.3	4.4	12.4	1.1	4.9
Rhode Island	5.2	0.9	4.6	10.0	-0.8	2.6	29.6	-8.9	21.9
South Carolina	5.7	6.0	2.0	8.1	4.8	6.8	13.5	10.6	-7.0
South Dakota	1.6	2.9	16.9	N/A	N/A	N/A	N/A	N/A	N/A
Tennessee	5.8	7.3	0.0	26.8	6.5	-8.4	16.5	5.7	-6.7
Texas	5.1	-2.3	8.6	N/A	N/A	N/A	N/A	N/A	N/A
Utah	3.5	4.4	3.8	9.3	6.7	4.9	19.3	-9.1	9.2
Vermont	3.1	1.7	5.8	5.2	5.8	6.3	28.6	-4.0	-20.9
Virginia	5.5	1.9	6.2	9.6	1.8	5.4	9.8	-8.1	0.0
Washington	6.8	8.1	3.2	N/A	N/A	N/A	N/A	N/A	N/A
West Virginia	5.5	-0.6	4.7	9.1	-4.5	5.3	-6.4	-23.4	-5.7
Wisconsin	5.7	3.6	3.1	3.7	5.7	6.4	3.9	-4.2	5.5
Wyoming	4.4	-14.2	0.9	N/A	N/A	N/A	N/A	N/A	N/A
Total	**5.0%**	**2.7%**	**5.1%**	**7.1%**	**3.1%**	**4.5%**	**6.2%**	**-4.3%**	**5.5%**
Median	**4.4%**	**2.8%**	**4.3%**	**7.7%**	**2.9%**	**5.0%**	**7.5%**	**-9.1%**	**4.9%**

*NOTES: NA indicates data are not available because, in most cases, these states do not have that type of tax. *See Notes to Table 23 on page 57. **Unless otherwise noted, fiscal 2015 figures reflect actual tax collections, fiscal 2016 figures reflect preliminary actual tax collections, and fiscal 2017 figures reflect the estimates used in enacted budgets.*

Enacted Fiscal 2017 Revenue Changes

States enacted a mix of tax increases and decreases in their fiscal 2017 budgets, resulting in a projected net increase of $1.3 billion, similar to last year. *(See Table 24 and Figure 3)* Overall, 11 states enacted net tax and fee increases, while 20 states enacted net decreases in fiscal 2017. The largest increases in taxes and fees include Louisiana's sales tax rate hike and elimination of several exemptions, California's replacement of its Managed Care Organization tax with a new enrollment tax, a cigarette tax increase in Pennsylvania, and Michigan's gas tax increase. The largest decreases include the continued phase-in of Ohio's personal income tax across-the-board reduction, personal and corporate income tax cuts in North Carolina, and a reduction in corporate income taxes due to California's replacement of its Managed Care Organization tax. *(See Tables 25 and A–1)* In addition to these revenue changes, states also enacted $866 million in new revenue measures in fiscal 2017. These measures can enhance or reduce state revenue but do not affect taxpayer liability. Generally, states enact revenue measures to increase revenues and may rely on enforcement of existing laws, additional audits and compliance efforts, and increasing fines for late filings. Revenue measures may also reflect fund transfers/diversions, such as revenue being redirected from the general fund to another state fund for a specific purpose. *(See Table A–2)*

It should be noted that NASBO updated its data collection survey in Fall 2015 to explicitly ask states to report all enacted tax and fee changes (including but not limited to the general fund). Prior to this change, the question was open to interpretation, and while some states included tax changes to other state fund sources, many limited reporting to changes impacting the general fund only. While for the most part this report focuses exclusively on state general fund spending and revenues, in this case, NASBO chose to also collect data on revenue changes impacting other state funds to capture important revenue actions in areas such as motor fuel taxation (most states tend to rely on other state funds primarily to finance transportation). For each reported revenue change or measure, NASBO asked states to indicate whether the action impacts the general fund and/or another state fund. Tables A–1 and A–2 in the appendix of this report provide this detail.

Net tax increases on sales ($1,878 million), cigarettes and tobacco product ($812 million), motor fuel ($337 million), other taxes ($270 million), and fees ($791 million) all contributed in a significant way to the aggregate increase in taxes and fees enacted in fiscal 2017. A small increase in alcoholic beverage taxes ($19 million) was also enacted. Partially offsetting these increases, states enacted sizable net decreases in personal income taxes (–$2,284 million) and corporate income taxes (–$489 million).

Sales Taxes—Eight states enacted sales tax increases and 11 enacted decreases. The result is a net revenue increase of $1,878 million. Tax changes in Louisiana dominated the net change in this tax category, while increases in Connecticut, Maine, North Carolina, Pennsylvania, and South Dakota also contributed to the total increase. All changes reported impact the general fund, though a few also have an impact on another state fund.

Personal Income Taxes—Fifteen states enacted personal income tax decreases, while just two states enacted increases, resulting in a net decrease of $2,284 million. Ohio's across-the-board rate reduction and continued tax break for small businesses accounted for about half the net decrease, while tax decreases in North Carolina, Massachusetts and Maine were also significant contributors to the net decrease. All changes reported impact the general fund, though a few also have an impact on another state fund.

Corporate Income Taxes—Three states enacted corporate income tax increases while 12 enacted decreases for a net decrease of $489 million. California's reduction in corporate tax revenues resulting from replacing the Managed Care Organization Tax and North Carolina's decrease in the corporate income tax rate accounted for most of the decrease. All changes reported impact the general fund, except for a couple minor changes in Utah.

Cigarette and Tobacco Taxes—Four states enacted tax increases on cigarettes and tobacco products, resulting in an increase of $812 million. Pennsylvania's per cigarette tax increase accounts for just over half of the total increase. All changes reported impact the general fund, though a few also have an impact on another state fund.

Motor Fuel Taxes—Three states enacted motor fuel tax increases, resulting in a $337 million total increase in fiscal 2017. Michigan's gas tax increase represented the bulk of the total increase in this tax type. Motor fuel taxes are often directed to a separate state fund for transportation; other than the net $1 million increase in New York, the revenue changes reported in this category do not impact states' general funds.

Alcohol Taxes—One state enacted a small increase, while one state enacted a slight decrease, for a net increase of $19 million. Both changes reported impact the general fund.

Other Taxes—Five states enacted other tax increases, while eight states enacted decreases for a net increase of $270 million. Various tax changes in Louisiana, Michigan and Pennsylvania accounted for the majority of the net increase. Excluding changes with no general fund impact, the net increase lowers slightly to $248 million.

Fees—Seven states enacted fee increases, while three states enacted decreases, resulting in a net increase of $791 million. California's replacement of the Managed Care Organization Tax with a new enrollment tax drove most of the total increase in fees; the other changes reported in this category were all relatively modest. Excluding changes with no general fund impact, the net fee increase shrinks to $53 million.

TABLE 24

Enacted State Revenue Changes, Fiscal 1979 to Fiscal 2017

Fiscal Year	Revenue Change (Billions)
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 1988–2017 data provided by the National Association of State Budget Officers.

FIGURE 3:

Enacted State Revenue Changes, Fiscal 1979 to Fiscal 2017

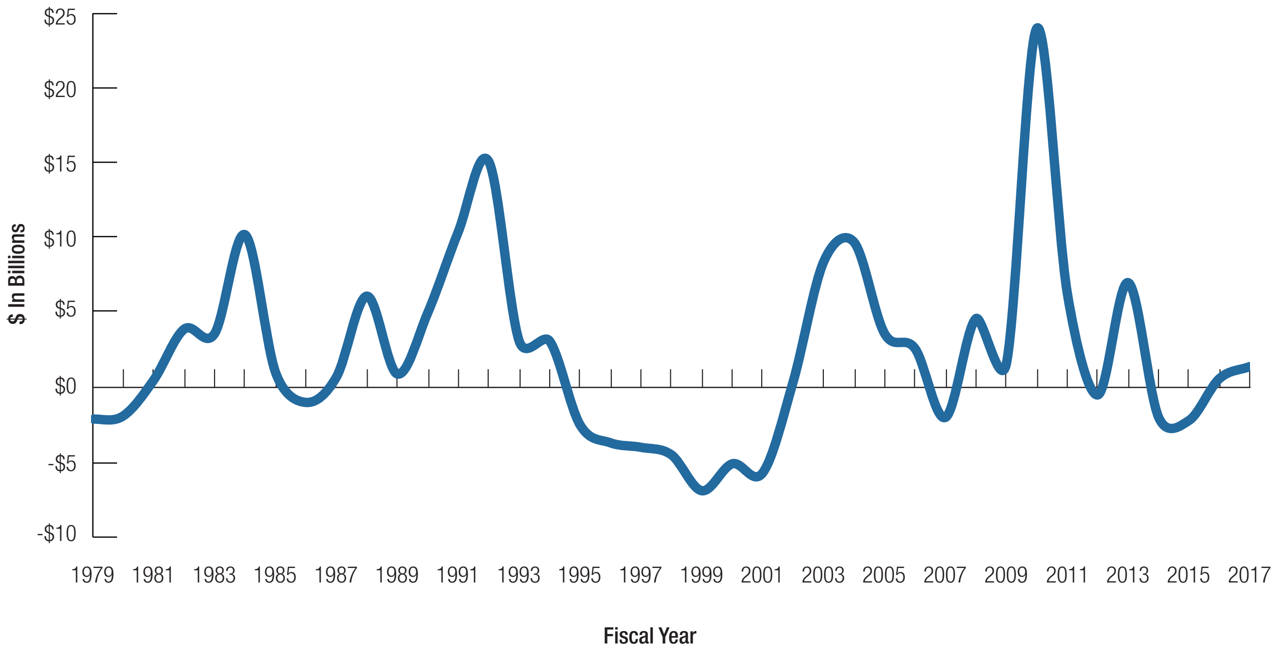

TABLE 25

Enacted Fiscal 2017 Revenue Actions by Type of Revenue and Net Increase or Decrease (Millions)

State	Sales	Personal Income	Corporate Income	Cigarette	Motor Fuel	Alcohol	Other Taxes	Fees	Total
Alabama									$0.0
Alaska								$2.7	$2.7
Arizona	-10.3	-20.7					-3.0		-34.0
Arkansas									0.0
California			-280.0				-90.0	770.6	400.6
Colorado									0.0
Connecticut	276.1	-3.0					-5.1		268.0
Delaware									0.0
Florida	-24.6		-3.2						-27.8
Georgia		-50.0	-46.2						-96.2
Hawaii									0.0
Idaho									0.0
Illinois									0.0
Indiana	-11.3	-2.0							-13.3
Iowa									0.0
Kansas	-1.0						-1.0		-2.0
Kentucky	-0.8								-0.8
Louisiana	1,174.2	17.0	97.2	48.2		19.6	258.1	19.5	1,633.8
Maine	149.9	-175.2							-25.3
Maryland			-7.5					-12.2	-19.7
Massachusetts		-226.0							-226.0
Michigan			80.0		316.8		147.7		544.5
Minnesota	-1.0	-23.4						2.7	-21.7
Mississippi									0.0
Missouri									0.0
Montana									0.0
Nebraska	-2.5	-14.2	-1.7		19.1				0.7
Nevada									0.0
New Hampshire									0.0
New Jersey									0.0
New Mexico									0.0
New York	-4.0	-80.0	-15.0		1.0	-1.0		-55.0	-154.0
North Carolina*	153.4	-469.0	-270.0				-17.5		-603.1
North Dakota*		-51.0	-26.5						-77.5
Ohio	-37.9	-1,136.1		170.0			-15.6		-1,019.6
Oklahoma								17.4	17.4
Oregon									0.0
Pennsylvania	102.4	15.8		495.7			113.5		727.4
Rhode Island		-9.0	-1.6				6.0	-1.3	-5.9
South Carolina		-12.0	-0.3						-12.3
South Dakota	106.8							8.2	115.0
Tennessee*	-2.3	-45.0	-11.8						-59.1
Texas									0.0
Utah			-3.7				-1.2		-4.9
Vermont							3.8	38.2	42.0
Virginia	3.1		1.5						4.6
Washington									0.0
West Virginia	14.0			98.5			-126.0		-13.5
Wisconsin	-6.4								-6.4
Wyoming									0.0
Total	**$1,877.8**	**-$2,283.8**	**-$488.8**	**$812.4**	**$336.9**	**$18.6**	**$269.7**	**$790.8**	**$1,333.6**

*NOTE: See Appendix Table A–1 for details on specific revenue changes.*See Notes to Table 25 on page 57.*

CHAPTER 2 NOTES

Notes to Table 20
General Fund Revenue Collections Compared to Projections, Fiscal 2016 and Fiscal 2017

Massachusetts Responses based on data as of 9/13/16.

Michigan Fiscal 2016 ended 9/30/16; "lower" is based on data through May 2016

Rhode Island The FY 2017 revenue collections compared to projections are not yet available from the Department of Revenue.

Notes to Table 21
Fiscal 2015 Tax Collections Compared With Projections Used in Adopting Fiscal 2016 Budgets

Colorado Sales tax collections include special sales taxes on retail marijuana sales. The preliminary actuals for personal income taxes in FY 2016 exclude the diversion of income taxes required to pay severance tax refunds under SB 16–218.

Michigan Corporate Income Tax Collections include net revenue from the Corporate Income Tax, the Michigan Business tax, and the Single Business Tax. Preliminary Actuals FY 2016 are based on May 2016 revenue estimates for the fiscal year ending September 30, 2016.

Ohio The FY 2016 revenue estimates presented were updated in January 2016 to reflect the passage of additional tax law changes.

Notes to Table 22
Comparison of Tax Collections in Fiscal 2015, Fiscal 2016, and Enacted Fiscal 2017

Colorado Sales tax collections include special sales taxes on retail marijuana sales. The preliminary actuals for personal income taxes in FY 2016 exclude the diversion of income taxes required to pay severance tax refunds under SB 16–218.

Massachusetts Source: Commonwealth of Massachusetts Information Statement August 8, 2016; Pg A–12

Michigan Corporate Income Tax Collections include net revenue from the Corporate Income Tax, the Michigan Business tax, and the Single Business Tax. Preliminary Actuals FY 2016 are based on May 2016 revenue estimates for the fiscal year ending September 30, 2016.

Minnesota Sources: FY15 – 2015 Nov Forecast FBA; FY16 budget estimates – 2015 EOS FBA; FY16 preliminary actuals – Economic Update; FY17 budget estimates – 2015 EOS FBA

Ohio The FY 2016 revenue estimates presented were updated in January 2016 to reflect the passage of additional tax law changes. The FY 2017 revenue estimates were updated in July 2016 to reflect both law changes and baseline revisions to the original FY 2017 forecast (completed in July 2015).

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

Notes to Table 25
Enacted Fiscal 2017 Revenue Actions by Type of Revenue and Net Increase or Decrease

North Carolina In previous surveys, only the fiscal impacts of tax changes enacted during the session ending during the beginning of the fiscal year were included in the survey. This survey includes the fiscal impact of phased or delayed tax changes enacted in prior sessions.

North Dakota Decrease amounts reflect 1/2 of the total impact of tax changes approved for the 2015–17 biennium.

Tennessee Sales tax changes also affect the Local Government Fund.

TOTAL BALANCES

CHAPTER THREE

Overview

Maintaining adequate balance levels helps states to mitigate disruptions to state services during an economic downturn. Total balances include both ending balances and the amounts in states' budget stabilization funds (rainy day funds and reserves), and reflect the funds that states may use to respond to unforeseen circumstances and to help smooth revenue volatility. For example, rainy day funds may be needed to ensure that budgets can be balanced when revenues do not meet expectations in the latter part of the fiscal year, when budget cuts and revenue increases do not have enough time to take effect. State officials often try to avoid drawing down balance levels at the beginning of a downturn, and many states have limitations on the amount that can be drawn from rainy day funds in one year. In total, 48 states have at least one budget stabilization fund, which may be budget reserve funds, revenue stabilization accounts, or cash flow accounts. About three-fifths of the states have maximum limits on the size of their budget reserve funds.[8] In recent years, states have focused on rebuilding their reserve levels to prepare for the next downturn, with some states creating or revising rainy day fund deposit requirements and other policies to strengthen these funds.

Total Balances

Since fiscal 2009 and fiscal 2010, when states' total balance levels declined due to the severe drop in revenues and rise in expenditure demands resulting from the Great Recession, states have made significant progress rebuilding budget reserves. In fiscal 2015, total balances reached $79.6 billion, or 10.6 percent of general fund expenditures,[9] after revenues outpaced projections in most states, leading to larger ending balances at the end of the fiscal year. This marked an all-time high in nominal dollars, though not as a share of spending. The median balance level in fiscal 2015 was 8.7 percent; looking at medians can help reduce the influence of a few outlier states that hold very large total balance levels (in dollar terms and/or as a percentage of their spending levels). In fiscal 2016, total balance levels fell in the aggregate to $73.3 billion or 9.4 percent of total general fund expenditures, though the median balance level increased to 9.6 percent of general fund spending. Total balance levels for all 50 states combined declined in fiscal 2016 in part because several energy states, particularly Alaska, tapped their reserves in response to falling oil and gas prices. Revenues coming in below projections in many other states also led to lower ending balances. *(See Table 26, Figure 4)* In fiscal 2017, 31 states are projecting declines in their total balance levels — mostly due to lower ending balances than they came out of fiscal 2016 with — while 15 are projecting increases.

Balance levels vary considerably across states. In fiscal 2015, 38 states had total balance levels above 5 percent as a share of general fund spending — and 22 of these states had total balances above 10 percent. In fiscal 2016, 36 states had total balance levels exceeding 5 percent of expenditures, with 24 of these states holding balances greater than 10 percent, while 11 states had balances between 1 and 5 percent, and three states had balances below 1 percent. In fiscal 2017, 33 states project that they will end the year with total balances exceeding 5 percent, with 13 of these states projecting balance levels above 10 percent. Meanwhile, 12 states are forecasting balance levels between 1 and 5 percent and four states are projecting balances of less than 1 percent.[10] States with low balance levels may be impeded in their ability to respond to unforeseen circumstances that occur during the fiscal year, such as an unexpected spending need or revenue shortfall. *(See Table 28, Table 30, and Figures 6–8)*

Rainy Day Funds

State balances exclusively in rainy day funds — budget stabilization funds set aside to respond to unforeseen circumstances — tend to be more stable than total balance levels, as ending balances fluctuate from year to year due to a variety of

[8] For more details on states' budget stabilization or rainy day funds, see NASBO's *Budget Processes in the States* report (Spring 2016), Table 14.

[9] Measures of balances as a percent of general fund expenditures in this report are based on general fund spending data reported in NASBO's *State Expenditure Report.*

[10] Oklahoma is excluded from the fiscal 2017 figures, as the state was unable to provide complete data for this year.

factors. Rainy day funds are also a reflection of deliberate state policy choices by elected officials. In recent years, governors and state lawmakers have focused on rebuilding their states' rainy day funds. Similar to total balance levels, rainy day fund balances, in the aggregate, grew steadily in the several years following the Great Recession, have remained relatively flat in actual dollars and as a percent of expenditures in fiscal 2015 and fiscal 2016, and are expected to continue this stable trend in fiscal 2017. From fiscal 2011 to fiscal 2016, the median rainy day fund balance has grown from 2.0 percent as a share of general fund expenditures to 5.1 percent. The median rainy day fund balance in fiscal 2008, prior to the Great Recession, was 4.9 percent. *(See Table 27 and Figure 5)*

Most states have been working to increase their reserves. In nominal dollar terms, thirty-one states increased rainy day fund balance levels in fiscal 2015 and 29 states increased them in fiscal 2016, while 25 states plan to deposit additional funds in fiscal 2017 based on enacted budgets. Meanwhile, rainy day fund balances declined or are projected to decline in 11 states in each of the three fiscal years covered in this report. Rainy day fund levels, as a share of expenditures, vary across states. This variation is related to differing fiscal conditions, rainy day fund structures, policy decisions, revenue volatility levels and other factors. Among states that have rainy day funds and were able to provide data for this survey, seven states projected rainy day fund balances of 10 percent or more in fiscal 2016, while three states expected balances below 1 percent. Nineteen states projected balances between 1 and 5 percent, and 17 states expected balances between 5 and 10 percent. *(See Table 29 and Table 31)*

TABLE 26
Total Balances, Fiscal 2000 to Fiscal 2016

Fiscal Year	Total Balance (Billions)	Total Balance (Percentage of Expenditures)	Median Balance (Percentage of Expenditures)
2016*	$73.3	9.4%	9.6%
2015	79.6	10.6	8.7
2014	72.0	10.0	7.0
2013	72.2	10.6	9.2
2012	55.8	8.4	7.3
2011	45.6	7.1	6.2
2010	32.5	5.2	4.4
2009	30.4	4.8	4.8
2008	59.1	8.8	8.3
2007	67.9	10.4	11.1
2006	69.0	11.5	11.8
2005	50.4	9.1	8.2
2004	28.5	5.6	5.6
2003	16.5	3.3	2.8
2002	18.4	3.7	2.9
2001	38.5	7.9	7.5
2000	48.1	10.6	8.9
Average	**—**	**8.1%**	**7.3%**

*NOTE: *Figures for fiscal 2016 are preliminary actual. Calculations as percentage of expenditures are based on NASBO* State Expenditure Report *historical general fund spending data. Historical total balance data shown in this table may differ from figures published in previous editions of* The Fiscal Survey of States, *as figures for some years were updated based on a review of original source data.*

TABLE 27

Rainy Day Fund Balances, Fiscal 2000 to Fiscal 2016

Fiscal Year	Total RDF Balance (Billions)	Total RDF Balance (Percentage of Expenditures)	Median RDF Balance (Percentage of Expenditures)
2016*	$48.2	6.5%	5.1%
2015	47.8	6.5	5.2
2014	47.7	6.8	4.5
2013	41.3	6.1	3.6
2012	34.3	5.3	2.6
2011	24.7	3.9	2.0
2010	21.0	3.5	2.0
2009	29.0	4.5	2.8
2008	32.9	4.9	4.9
2007	29.9	4.7	4.6
2006	31.4	5.3	4.6
2005	25.4	4.7	2.7
2004	12.1	2.4	1.9
2003	7.9	1.6	0.7
2002	7.2	1.5	2.0
2001	21.7	4.5	4.6
2000	27.9	6.3	4.5
Average	**—**	**4.6%**	**3.4%**

*NOTE: *Figures for fiscal 2016 are preliminary actual and exclude Georgia. Calculations as percentage of expenditures are based on NASBO* State Expenditure Report *historical general fund spending data.*

FIGURE 4:
Total Balances as a Percentage of Expenditures Fiscal 2000 to Fiscal 2016

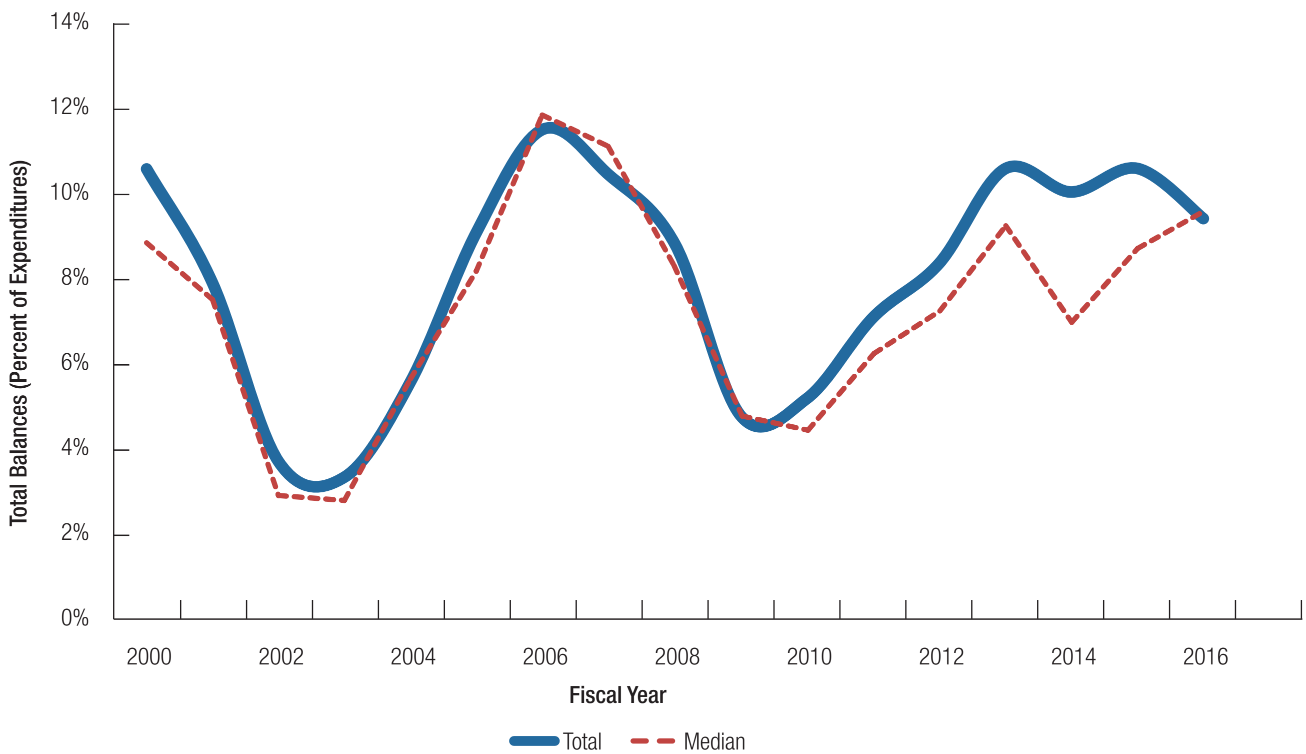

FIGURE 5:
Rainy Day Fund Balances as a Percentage of Expenditures Fiscal 2000 to Fiscal 2016

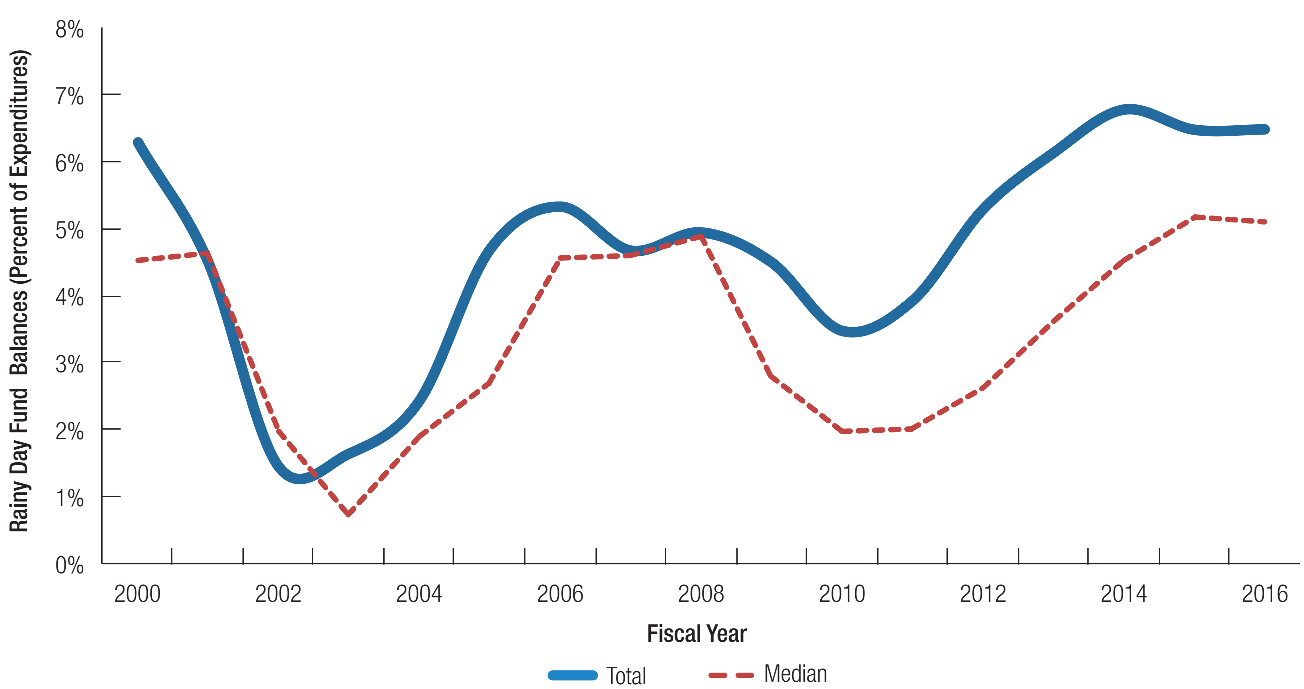

TABLE 28

Total Balances as a Percentage of Expenditures, Fiscal 2015 to Fiscal 2017

	Number of States		
Percentage	Fiscal 2015 (Actual)	Fiscal 2016 (Preliminary Actual)	Fiscal 2017 (Appropriated)
Less than 1%	2	3	4
> 1% but < 5%	10	11	12
> 5% but < 10%	16	12	20
10% or more	22	24	13

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

TABLE 29

Rainy Day Fund Balances as a Percentage of Expenditures, Fiscal 2015 to Fiscal 2017

	Number of States		
Percentage	Fiscal 2015 (Actual)	Fiscal 2016 (Preliminary Actual)	Fiscal 2017 (Enacted)
N/A	3	4	5
Less than 1%	5	3	5
> 1% but < 5%	19	19	17
> 5% but < 10%	16	17	16
10% or more	7	7	7

NOTE: See Table 31 for state-by-state data.

FIGURE 6:
State Total Balance Levels, Fiscal 2015

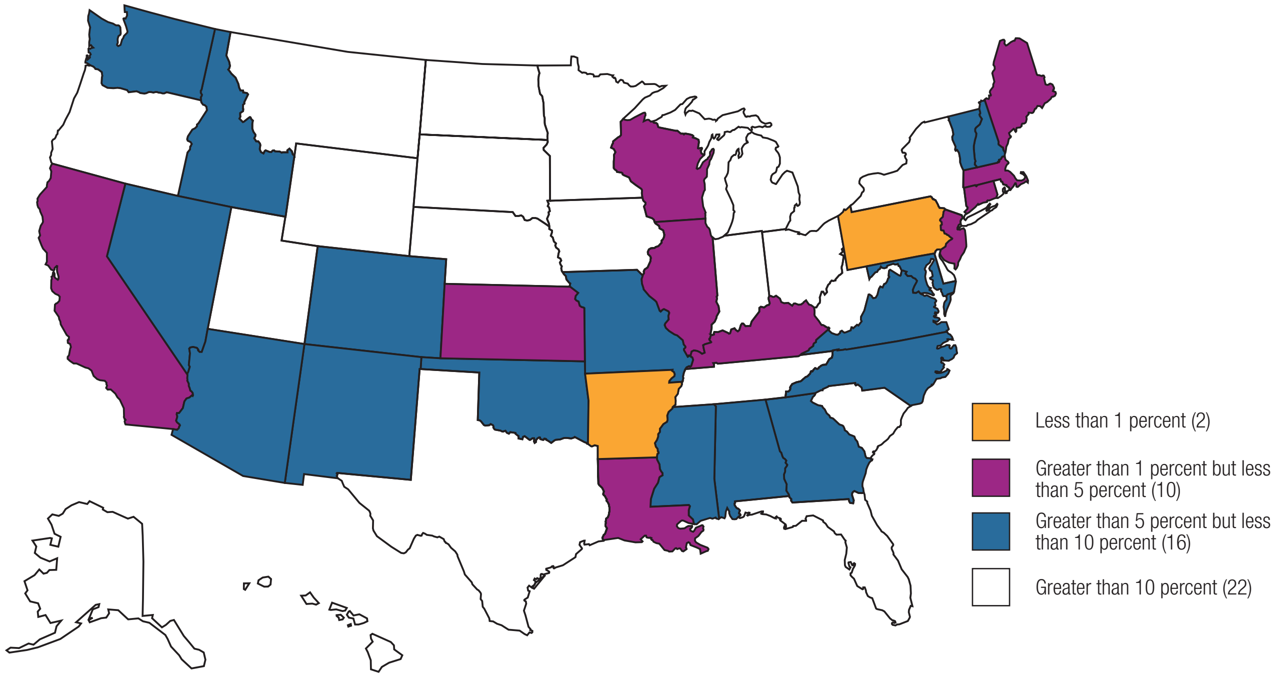

FIGURE 7:
State Total Balance Levels, Fiscal 2016

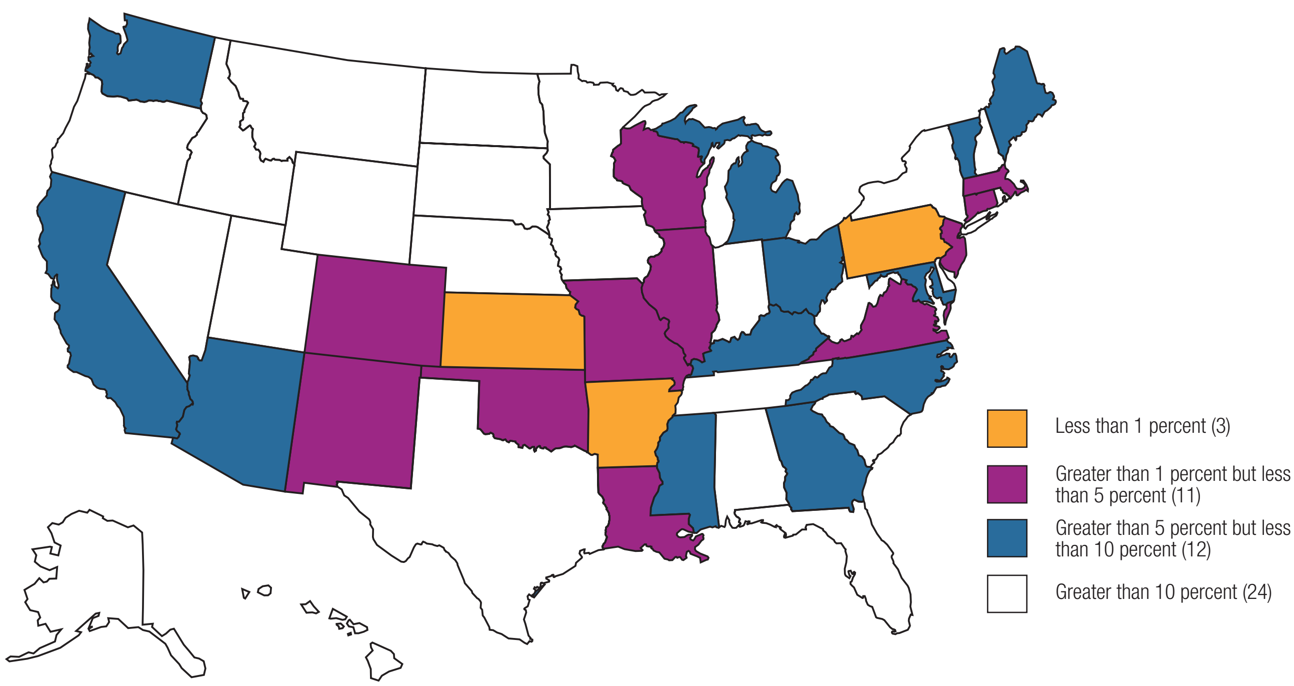

FIGURE 8:
State Total Balance Levels, Fiscal 2017

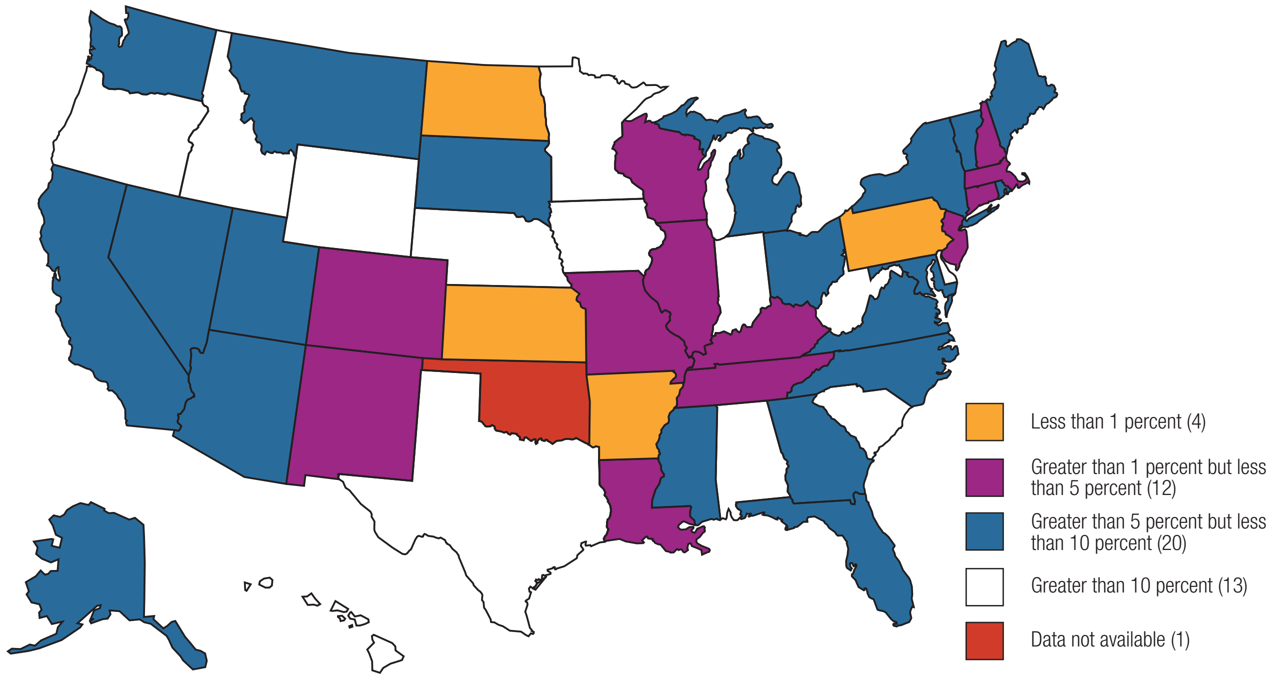

TABLE 30

Total Balances and Total Balances as a Percentage of Expenditures, Fiscal 2015 to Fiscal 2017

	Total Balances ($ in Millions)			Total Balances as a Percent of Expenditures		
State	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2015	Fiscal 2016	Fiscal 2017
Alabama	$627	$786	$1,016	8.1%	10.0%	12.4%
Alaska	7,763	2,686	376	129.1	49.4	8.7
Arizona	767	685	525	8.3	7.2	5.5
Arkansas	0	0	0	0.0	0.0	0.0
California* **	5,051	8,296	9,431	4.5	7.2	7.7
Colorado**	709	472	366	7.4	4.6	3.5
Connecticut*	406	236	258	2.3	1.3	1.4
Delaware**	537	568	512	14.0	14.5	12.5
Florida	3,679	3,130	2,799	13.1	10.7	9.2
Georgia* **	1,529	2,102	2,102	7.6	9.6	9.3
Hawaii	918	1,129	970	14.3	16.4	12.6
Idaho	289	310	335	9.8	10.1	10.2
Illinois	897	523	246	2.9	1.9	1.5
Indiana	2,141	2,244	1,851	14.3	15.0	12.0
Iowa	1,109	794	818	15.7	11.1	11.1
Kansas	72	37	6	1.1	0.6	0.1
Kentucky	298	543	351	2.9	5.3	3.2
Louisiana	353	359	360	4.1	4.1	3.7
Maine	144	193	178	4.6	5.9	5.3
Maryland	1,094	1,217	1,196	6.8	7.3	6.9
Massachusetts**	1,571	1,442	1,220	4.1	3.6	2.9
Michigan	1,193	746	630	13.0	7.7	6.3
Minnesota**	2,103	2,599	2,696	10.4	12.7	12.6
Mississippi	443	356	348	8.0	6.3	6.0
Missouri	547	444	448	6.3	4.9	4.7
Montana	455	255	232	21.0	11.0	9.8
Nebraska	1,460	1,262	788	36.2	30.1	17.9
Nevada	242	398	319	7.1	11.1	8.5
New Hampshire	71	183	24	5.6	13.2	1.8
New Jersey	817	551	636	2.5	1.6	1.9
New Mexico**	613	133	172	9.7	2.1	2.8
New York**	7,300	8,934	6,069	11.6	13.1	8.4
North Carolina	1,116	1,277	1,575	5.4	5.9	7.1
North Dakota	1,450	963	0	44.3	30.6	0.0
Ohio	3,190	3,198	2,807	10.1	9.3	7.7
Oklahoma*	434	241	N/A	6.8	3.9	N/A
Oregon	920	1,028	1,030	11.3	11.7	11.1
Pennsylvania	206	100	79	0.7	0.3	0.2
Rhode Island	353	359	190	10.2	10.1	5.2
South Carolina**	1,182	1,131	856	17.3	15.8	11.5
South Dakota	171	157	157	12.3	10.8	9.8
Tennessee	1,364	1,314	682	11.1	10.2	5.0
Texas	16,802	13,406	13,810	34.1	25.1	26.3
Utah	933	641	491	16.2	10.2	7.6
Vermont	76	78	81	5.3	5.3	5.2
Virginia	1,144	503	1,468	6.3	2.6	7.2
Washington	1,504	1,761	1,451	9.0	9.7	7.5
West Virginia	1,289	1,150	1,035	30.4	27.5	24.3
Wisconsin	416	595	447	2.7	3.8	2.6
Wyoming	1,811	1,811	1,590	86.2	108.9	100.4
Total* **	**$79,556**	**$73,323**	**$65,027**			

*NOTES: Total balances include both the ending balance and Rainy Day Funds. Fiscal 2015 are actual figures, fiscal 2016 are preliminary actual figures, and fiscal 2017 are enacted figures. N/A indicates data not available or not applicable. *See notes to Table 30 on page 69. **Ending Balance includes Rainy Day Fund. ***Total for fiscal 2017 excludes Oklahoma, which was unable to provide complete data for this year.*

TABLE 31

Rainy Day Fund Balances and Rainy Day Fund Balances as a Percentage of Expenditures, Fiscal 2015 to Fiscal 2017

	Rainy Day Fund Balances ($ in Millions)**			Rainy Day Fund Balances as a Percent of Expenditures		
State	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2015	Fiscal 2016	Fiscal 2017
Alabama	$412	$530	$761	5.3%	6.8%	9.3%
Alaska	10,442	6,607	3,554	173.6	121.5	82.6
Arizona	455	461	460	4.9	4.8	4.8
Arkansas	N/A	N/A	N/A	N/A	N/A	N/A
California	4,085	7,329	8,465	3.6	6.3	6.9
Colorado	709	472	366	7.4	4.6	3.5
Connecticut*	406	236	258	2.3	1.3	1.4
Delaware	213	215	215	5.5	5.5	5.2
Florida	1,139	1,354	1,384	4.1	4.6	4.5
Georgia*	1,431	N/A	N/A	7.1	N/A	N/A
Hawaii	90	101	310	1.4	1.5	4.0
Idaho	244	259	259	8.3	8.4	7.9
Illinois	276	277	0	0.9	1.0	0.0
Indiana	1,254	1,468	1,565	8.4	9.8	10.1
Iowa	698	719	738	9.9	10.0	10.0
Kansas	N/A	N/A	N/A	N/A	N/A	N/A
Kentucky	77	209	236	0.8	2.0	2.1
Louisiana	470	359	359	5.5	4.1	3.7
Maine	119	122	122	3.7	3.7	3.6
Maryland	774	832	1,000	4.8	5.0	5.8
Massachusetts	1,252	1,288	1,296	3.3	3.2	3.1
Michigan	498	611	629	5.4	6.3	6.3
Minnesota	994	1,597	1,597	4.9	7.8	7.5
Mississippi	395	350	348	7.1	6.1	6.0
Missouri	270	291	294	3.1	3.2	3.1
Montana	N/A	N/A	N/A	N/A	N/A	N/A
Nebraska	728	731	638	18.1	17.4	14.5
Nevada	0	0	0	0.0	0.0	0.0
New Hampshire	22	53	24	1.7	3.8	1.8
New Jersey	0	0	0	0.0	0.0	0.0
New Mexico	613	133	172	9.7	2.1	2.8
New York	1,798	1,798	1,798	2.9	2.6	2.5
North Carolina	852	1,102	1,575	4.1	5.1	7.1
North Dakota	573	573	0	17.5	18.2	0.0
Ohio	1,478	2,005	2,034	4.7	5.8	5.6
Oklahoma*	385	241	N/A	6.0	3.9	N/A
Oregon	391	550	771	4.8	6.3	8.3
Pennsylvania	0	69	70	0.0	0.2	0.2
Rhode Island	185	192	190	5.4	5.4	5.2
South Carolina	447	459	487	6.6	6.4	6.5
South Dakota	149	143	157	10.8	9.8	9.8
Tennessee	492	568	668	4.0	4.4	4.9
Texas	8,460	9,715	10,155	17.2	18.2	19.3
Utah	491	491	491	8.5	7.8	7.6
Vermont	76	78	81	5.3	5.3	5.2
Virginia	468	237	845	2.6	1.2	4.2
Washington	513	509	701	3.1	2.8	3.6
West Virginia	869	779	742	20.5	18.7	17.5
Wisconsin	280	281	282	1.8	1.8	1.7
Wyoming	1,811	1,811	1,590	86.2	108.9	100.4
Total**	**$47,783**	**$48,200**	**$47,685**			

*NOTES: N/A indicates data not available or not applicable. Fiscal 2015 are actual figures, fiscal 2016 are preliminary actual figures, and fiscal 2017 are appropriated figures. *See Notes to Table 31 on page 69. **Total for fiscal 2016 excludes Georgia. Total for fiscal 2017 excludes Georgia and Oklahoma.*

CHAPTER 3 NOTES

Notes to Table 30
Total Balances and Total Balances as a Percentage of Expenditures, Fiscal 2015 to Fiscal 2017

California The ending balance is only the General Fund balance and excludes the Budget Stabilization Account (a rainy day reserve held in a separate fund). The excluded amount is $1,606.4 million in FY 2015, $1,606.4 plus $1,814 million for FY 2016, and $1606.4 million plus $1,814 million plus $3,294 million in FY 2017. The total balance that includes the ending balance and all rainy day funds, including the Budget Stabilization Account amounts, is $5,051.2 million in FY 2015, $8,295.7 million in FY 2016, and $9,431 million in FY 2017.

Connecticut For all three fiscal years, the rainy day fund balance includes the ending balance. Therefore, the total balance is equal to the rainy day fund balance.

Georgia Rainy Day Fund balance for FY16 is pending final audit. Ending fund balance for FY17 reflects the Governor's balanced report. Georgia does not project future Rainy Day Fund balances, but expects the reserve to continue to grow in future years.

Oklahoma Final balance in the Rainy Day Fund at year-end for FY 2017 cannot be calculated at this time.

Notes to Table 31
Rainy Day Fund Balances and Rainy Day Fund Balances as a Percentage of Expenditures, Fiscal 2015 to Fiscal 2017

Connecticut For all three fiscal years, the rainy day fund balance includes the ending balance.

Georgia Rainy Day Fund balance for FY16 is pending final audit. Georgia does not project future Rainy Day Fund balances, but expects the reserve to continue to grow in future years.

Oklahoma Final balance in the Rainy Day Fund at year-end for FY 2017 cannot be calculated at this time.

OTHER STATE BUDGETING CHANGES

CHAPTER FOUR

Enacted Changes to Budgeting and Financial Management Practices

For fiscal 2017, nine states reported changes to their budgeting and financial management practices. This is lower than the 19 states reporting changes last year, likely due in part to the fact that for most biennial budget states, fiscal 2017 is the second year of their biennium.[11] Several states mentioned that they were in the process of implementing or reviewing proposals for new budget systems. One state called for an audit of the state's pension systems, while another state pursued equal cost-sharing between the employee and employer for retiree health benefits. One state passed legislation requiring more performance-based budgeting, while another state is implementing an executive branch-led continuous improvement process without formal legislation. Additionally, one state set up a committee to review state spending for opportunities to promote greater efficiency and cost-effectiveness. Finally, one state created a new stabilization fund to reduce the use of volatile revenue sources for general fund spending, instead setting aside some of these revenues in reserves. *(See Table 32)*

Enacted Changes in Aid to Local Governments, Fiscal 2017

Twenty-six states reported that enacted budgets contain changes in state aid to local governments and/or other changes that will affect local government operations in fiscal 2017. Eleven states increased funding for local governments in their fiscal 2017 budgets through revenue sharing payments and expanded general aid programs. Ten states also reported increased aid to K–12 school districts and community colleges, and at least one state implemented a new school finance formula. Some states also increased aid and revenue sharing specifically for transportation, transit and other infrastructure spending, while others increased aid for public safety programs. Several states provided additional support for property tax relief, while a couple states provided additional funds for specific grant programs. Roughly half a dozen states reported reductions in aid to local governments, in most cases due to declining collections from the revenue source for such payments (e.g., revenue sharing payments based on severance tax revenues). A couple states reported changes to their local aid formulas, while one state granted additional flexibility to municipalities to manage their finances. *(See Table 33)*

Similar to the state level, local government fiscal conditions have improved modestly in recent years, but cities and counties continue to face budgetary challenges, including pent-up infrastructure needs, pension and retiree health care costs, and constrained revenue growth. City finances continue to show signs of improvement, with general fund revenues growing 3.7 percent (adjusted for inflation) in 2015 and expected to grow 0.5 percent in 2016.[12] As of 2016, local revenues had not yet reached pre-recession (2006) levels, after adjusting for inflation. Local government budgets for 2016 show sales tax receipts growing 2.0 percent, income tax receipts increasing 3.5 percent, and property tax receipts growing 2.6 percent.[13] All three tax types registered faster growth rates in 2015, mirroring the revenue conditions observed at the state level.

[11] NASBO, *Budget Processes in the States* (2015), Table 1.

[12] National League of Cities, *City Fiscal Conditions 2016* (2016).

[13] Ibid.

TABLE 32

Enacted Changes to Budgeting and Financial Management Practices

Alabama	**Budget System** — Implementing a change to the automated budget system to enhance integration into the financial system and production of a budget document.
California	**Workforce Policy** — Through the collective bargaining process, pursuing equal cost-sharing between the employee and employer to prefund retiree health benefits, extend the period to qualify for retiree health benefits for new employees, and reducing the employer subsidy for retiree health benefits.
Delaware	**Spending/Revenue Review** — Governor Markell signed Executive Order Number 52 creating the Delaware Expenditure Review Committee. The Committee was charged with reviewing state government for opportunities to create efficiencies and provide services in a more cost-effective manner. The Committee was comprised of appointees from the Governor and all four caucuses of the General Assembly and brought together representatives of the business community, unions, government and the non-profit sector. Formed on September 25, 2015, the Committee submitted its final report at the end of January, 2016.
Kansas	**Budget Process** — 2016 HB 2739 approves a timeline and requirements for more performance based budgeting.
Kentucky	**Spending/Revenue Review** — The enacted budget for the 2016–18 biennium, passed in the 2016 legislative session, provides for a comprehensive audit and examination of all Kentucky state government pension systems. That will take place during fiscal year 2017.
Montana	**Budget System** — A new budget system (IBARS) is being implemented.
Nebraska	**Other** — While not enacted through legislation, the Governor has implemented monthly operational and financial metric reporting by agencies and operationalized a continuous improvement process.
Oklahoma	**Other** — HB2763, effective November 1, 2016, creates the Revenue Stabilization Fund to reduce the use of volatile revenue streams in funding the state's General Revenue Fund and generate reserves for use when such revenues decline. The bill institutes a five-year average calculation process to set aside peak revenues above the averages from unreliable corporate tax and gross production tax collections, making the savings available to stabilize Oklahoma budgets during future economic downturns. The Legislature also passed and Governor Fallin signed HB3206 which creates a process for certification of monies remaining in the state's Cash Flow Reserve Fund at the end of each fiscal year that were not necessary for that year's cash flow needs, making them available for Legislative appropriation in the upcoming fiscal year.
Rhode Island	**Budget System** — Out to bid for new budget system.

TABLE 33
Enacted Changes in Aid to Local Governments, Fiscal 2017

Alaska	Direct Appropriations to retirement accounts in FY2016 for municipalities and school districts is estimated to be $215.9 Million, a decrease of $40.8 million over FY2015 levels.
Arizona	The budget includes $6 million to aid local governments.
California	Mandates: Increased state-reimbursable mandates budget by $1.7 million (or 3.9 percent) over previous year to account for inflation and full payment of a newly determined mandate. Schools and Community Colleges (K–14): $1.4 billion in discretionary funding was provided to school districts and community colleges in fiscal year 2016–17. Of this amount, approximately $800 million will count as reimbursement for the costs of state-mandated programs. These payments represent 29.8% of the outstanding mandate balance. Corrections — the 2017 Budget includes: – An additional $5 million ongoing General Fund for Trial Court Security over the 2016 Budget. – A reduction of $6 million General Fund to the grant program to local law enforcement agencies aimed at strengthening the relationship between law enforcement and the communities they serve. – $15 million one-time General Fund for a pilot Law Enforcement Assisted Diversion (LEAD) grant program. – $5.5 million one-time General Fund for the City of Salinas for counter-violence and gang activity prevention. – $10 million one-time General Fund for Regional Crime Task Force Grants. – $10.2 million one-time General Fund for construction, renovation, or relocation of police department facilities. – An additional $1 million General Fund for the increase in offender on Post Release Community Supervision.
Colorado	In FY 2016–17, the Department of Local Affairs estimates that its aid to local governments will decrease by approximately $106 million over the previous year—a 61% decrease in funding. This reflects an anticipated reduction in severance tax collections in FY 2015–16 (collections in FY 2015–16 are distributed to local governments in FY 2016–17) and fewer dollars distributed in Conservation Trust Fund dollars. In FY 2015–16, Conservation Trust Fund (CTF) revenue included a $6.9 million increase in funds as a result of the larger than normal lottery collections from a large powerball game. In FY 2016–17, CTF anticipates its distributions to be closer to its annual distribution amount of $50 million. The Department of Local Affairs does not expect any financial impact to local government financial operations in FY 2016–17 due to state level changes.
Connecticut	Despite an overall General Fund growth rate of -1.1% from FY 16 to FY 17, on an all sources (appropriated, bonded, and revenue intercept) basis FY 17 municipal aid increased by $47.7 million, which is less than 1% from FY 16. For FY 17, municipalities cannot tax motor vehicles at more than 37 mills. This may result in a shift in tax burden to other forms of property (real and personal). The state provided a grant through municipal revenue sharing which may partially offset any potential tax loss, or mitigate the shift in the property tax burden.
Hawaii	Act 233, SLH 2016, extends the allocation of $103 million to the Counties to FY17 and $93 million for each fiscal year thereafter.

Indiana	In FY17, local units of government will receive a one-time transfer of $192.6 million for road and bridge preservation.
Iowa	For FY2017, the final installment of $25 million for the Business Property Tax Credit was included in the enacted budget, bringing the total appropriation to the credit to $125 million. The credit is used to reduce the final property tax bill for all commercial, industrial, and railroad property and the appropriation is to reimburse local governments for the cost of the credit.
Kentucky	The Kentucky legislature made significant changes to the revenue sharing of coal severance tax receipts with coal-producing counties and coal-impact counties and cities. The amount directed to coal-producing counties in the fiscal year 2017 budget is a lump-sum, rather than a percentage share of severance tax revenues. A portion is dedicated to a new program, the Kentucky Coal Fields Endowment fund, which will be a source for economic development, water/sewer infrastructure, information technology access, and public health and safety projects. Another portion of a lump-sum amount will be allocated by formula to coal-producing counties for industrial development projects determined by local elected officials. The share of coal severance taxes directed to coal-impact counties and cities rises from 15 percent to 50 percent of net coal severance tax revenues. These funds are used for city/county governmental operations.
Maine	Caps revenue sharing for fiscal years 2015–16 (reduction of $93.9M), 2016–17 (reduction of $93.1M), 2017–18 (reduction of $97.1M), and 2018–19 (reduction of $101.2M) to 2% of revenue from the income tax, sales tax and a portion of the service provider tax. Returns to 5% after fiscal year 2018–19. Increases the Maine Resident Homestead Property Tax exemption from $10,000 to $15,000 for property tax years beginning 04/01/16, and from $10,000 to $20,000 for property tax years beginning on or after 04/01/2017. The State reimburses the municipality for a portion of the property tax lost as a result of this increase.
Maryland	State aid to Local governments totaled $7.4 billion, an increase of $235.2 million or 3.3% compared to the prior year. Major increases include: $147.5 million increase in K–12 education, $18.2 million in aid to local community colleges, $8.8 million in public safety, and $8.1 million in transportation grants.
Massachusetts*	Increase unrestricted local aid by 4.3% or approximately $42 million and increase school aid by an additional $73 M (Chapter 70 funding). The Governor's municipal modernization legislation updates or eliminates obsolete state laws, promotes independence at the local level, and provides municipalities with greater flexibility. Initiatives include elimination of required reports on county government matters, liberalized use of stabilization funds, reserve funds, or revolving funds, streamlined state oversight of local property assessments, and update and simplification of debt statutes.
Michigan	Effective for fiscal 2017, beginning October 1, 2016, constitutionally-required revenue sharing payments to cities, villages, and townships are increased by $12.1 million, a 1.6% increase, based on estimated sales tax collections. Revenue sharing payments to counties receive an adjustment of $2.6 million, providing a 1.0% increase to maximum funding allowed under statutory provisions to 78 eligible counties. Grant assistance of $5 million is available to financially distressed cities, villages, or townships.
Missouri	A $2 per day increase for the reimbursement to counties for prisoner per diem was appropriated for FY 17. However, due to budget shortfalls, $.50 of that increase has been released and the remainder is restricted.
Nebraska	TEEOSA (formula) State Aid to Schools: $5.6 million, 0.6% increase for FY2017 Highway and Street Construction: $16.2 million, 4.3% increase for FY2017

Special Education Aid: $3.0 million, 1.4% increase for FY2017
Community College Aid: $1.9 million, 2.0% increase for FY2017
County Juvenile Justice Aid: $0.5 million, 7.9% increase for FY2017
Natural Resources Development Fund Aid to Natural Resources Districts: No increase

New Jersey

An increase in Consolidated Municipal Property Tax Relief Act funding by $29 million (4.9%) to $623.1 million. This program provides general State Aid to municipalities.

Changes in other local aid programs include an increase in Employee Benefits on behalf of Local Governments by $34.1 million (26.4%) to $163.1 million, an increase in County College Aid by $2.2 million (1%) to $222.9 million, an increase in Transportation Trust Fund – Local Project Aid by $1.8 million (0.6%) to $280.4 million, a decrease in Aid to County Psychiatric Hospitals by $8.5 million (7.5%) to $105.2 million, and the removal of Supplementary County Highway Aid.

Budget language governing the distribution schedule for two forms of general State Aid to municipalities was revised to authorize the advancement of aid if necessary to assist a municipality's fiscal stability.

New York

The 2016–17 Enacted Budget will have an estimated $2.0 billion positive impact on municipalities in local fiscal years ending in 2017—the first full-annual local fiscal year affected in the Budget.

Major Budget program changes and one-year impact for local fiscal years ending in 2017 are as follows:

- Increased school aid funding for the 2016–17 school year ($1.4 billion)
- Smart School disbursements ($350.0 million)
- Additional water infrastructure funds ($100.0 million)
- New Community Schools Funding ($75.0 million)
- New Competitive School Grants ($28.0 million)
- Creation of a new Municipal Consolidation Competition ($20.0 million)
- Increased power plant retirement mitigation funding ($6.4 million)
- Funding for certain mental hygiene programs ($4.3 million)

Enacted Budget actions, in total, will result in a positive local impact of $2.0 billion for local fiscal years ending in 2017 — the first full-annual local fiscal year affected by the FY 2017 Enacted Budget. The fiscal summary of the impact on local governments for local fiscal year 2017 is as follows:

- School Districts: The Enacted Budget will provide a statewide school aid increase of $1.507 billion for the 2017 school year. School districts outside of New York City are expected to benefit by $880.0 million in 2017 from this increase, in addition to a portion of $28.0 million in new competitive school grants and a portion of $75.0 million in funding for community schools. An estimated $210.0 million in Smart Schools capital funding will also be disbursed to such school districts in 2017.
- New York City: Enacted Budget actions will have a net positive $663.5 million impact on the City of New York in City Fiscal Year 2017. This is primarily due to a $523.9 million school aid increase and an estimated $140.0 million in Smart Schools capital disbursements. The City of New York will also be eligible to receive a portion of $28.0 million in new competitive school grants and a portion of $75.0 million in funding for community schools.

- Counties: In 2017, county governments will experience a $4.4 million net positive impact from Enacted Budget actions, primarily due to $4.3 million in legislative additions related to a Veteran Peer-to-Peer program and Crisis Intervention and Diversion Programs.
- Other Municipalities: Other cities, towns, and villages will experience an overall $1.6 million positive impact in local fiscal years ending in 2017, primarily due to $0.9 million from increased power plant retirement mitigation funding and $0.7 million in new or restored municipal aid programs.

Other Budget Actions Affecting Local Governments

Downtown Revitalization Initiative: The Enacted Budget provides $100 million for a new initiative to fund transformative housing, economic development, transportation, and community projects that will attract and retain residents, visitors, and businesses to downtown neighborhoods. Ten communities that are currently experiencing population loss and/or economic decline, as selected by each respective Regional Economic Development Committee, will submit revitalization plans for their downtown area, developed in collaboration with policy and planning experts.

Municipal Consolidation Competition: The Enacted Budget creates a new $20 million Municipal Consolidation Competition to incentivize consolidations, dissolutions, mergers, or other permanent changes in municipal governing structures, as well as shared services, efficiencies, and other actions that will reduce property tax burdens on a permanent basis.

North Dakota

The state school aid program was increased by $164.5 million, or 9.4%, for the 2015–17 biennium. The state aid distribution fund, which provides for a percentage of sales taxes to be allocated to cities and counties, was expected to increase by $21.9 million at the end of the 2015 legislative assembly. However, due to low sales and motor vehicle tax collections, the fund is now expected to decrease by $59 million, or 21.2 percent for the biennium. Transportation grants to cities, counties and townships were increased by $100 million, or 25%, for the biennium. Oil tax allocations to political subdivisions are projected to decrease by $136.7 million, or -20.6%, for the 2015–17 biennium.

A $19.3 million general fund appropriation was provided for the state to assume the county share of certain social services expenses and to relieve local property owners from these expenses.

Ohio

Continued phase out of tangible personal property and utility tangible personal property tax replacement payments based on local revenue generating capacity.

Oregon

GF/LF funding for K–12 schools increased by $723 million (11%) for the 2015–17 biennium compared to the previous biennium. State support for community colleges was increased by $85 million (18.3%). Local community college districts will determine how the funds are expended. A formula was modified regarding how much state GF is transferred to certain counties for property tax relief. The formula change reduced the transfer by $53.5 million (60% reduction).

Rhode Island

The FY 2017 budget contains financing to fully fund the Payment in Lieu of Taxes program, which is $1.9 million more than the FY 2016 enacted budget.

The FY 2017 budget includes $200,000 to develop an online website for collection and public dissemination of municipal fiscal data and reports. The budget also extends the property tax revaluation schedule cycle from nine years to 15 years for municipalities, resulting in efficiencies and cost savings.

South Carolina Full funding of local government fund was suspended (4.5% general fund revenue of the most recent completed fiscal year required by Statute): $313 million. Amount funded: $223 million (or $10.6 million over prior year).

South Dakota In FY2017, the Legislature adopted a new funding formula for K–12 education. The new funding formula sets a target teacher salary as well as student to teacher ratios for each school district depending on enrollment size. The previous funding formula provided funding on a per student basis. The new funding formula was paid for with a 0.5% sales tax increase that was effective on June 1, 2016, which provides approximately $67 million in new funding to K–12 education, $36 million of property tax relief, and $3 million to the state's technical institutes. In FY2017, the Legislature allocated a portion of the existing alcohol beverage taxes, shifting 25% of the total alcohol beverage taxes from the state general fund to county governments, or an estimated $3.8 million.

At least 85% of additional funds that are received by the K–12 school districts as a result of the new funding formula are required to be used for certified teacher salary increases in FY2017. As part of the new funding formula, school districts will be limited in the amount of cash reserves that can be held at the individual school district.

Tennessee The income tax rate on dividend income was reduced from 6.0% to 5.0%. The tax was shared with local governments based on the location of the taxpayer. The local government share of the reduction is estimated to be $15.7 million in FY 2016–2017.

West Virginia Share of State Coal Severance Tax going to producing counties rises from 4% to 5% for a net gain to counties of $1.9 million.

Wisconsin Modify Utility Aid to local governments for decommissioned or closed power plants payment formula, which will increase payments by an estimated $0.5 million or 0.6%. Additionally, as reported in previous NASBO surveys, the School Levy Credit is increased by $105.6 million or 14.1% in state fiscal year 2017, but recognized in fiscal year 2016 for local governments. Increase in the general school aids by $108.1 million in fiscal year 2017.

CHAPTER 4 NOTES

Notes to Table 33
Enacted Changes in Aid to Local Governments, Fiscal 2017

Massachusetts Source is the FY17 General Appropriations Act summary presentation. The municipal modernization legislation is Chapter 218 of the Acts of 2016.

APPENDIX

TABLE A–1

Enacted Revenue Changes by Type of Revenue, Fiscal 2017

State	Tax Change Description	Effective Date	Fiscal 2017 Revenue Changes ($ in Millions)	General Fund	Other State Fund
	SALES TAXES				
Arizona	Various TPT exemptions, incl. enhanced Mfg electricity credit	07–16	-$10.3	X	
Connecticut	Enforce Room & Occupancy Tax on Airbnb rentals; Reduce Special Transportation Fund Diversion; Modify Municipal Revenue Sharing Account Diversion; Enhanced Sales Tax Collection Initiative	07–16; 10–16	276.1	X	
Florida	Back to School Holiday (22.9), Exemption of Manufacturing Machinery and Equipment (1.7)	07–16	-24.6	X	
Indiana	Teacher Tax Credit & Dependent Exemption. The teacher tax credit results in a decrease of $6.9M, while the dependent exemption results in a decrease of $4.4M. Note: Changes with an effective date of July 2015 were made for FY16 and FY17 in the enacted budget from April 2015.	07–15; 07–16	-11.3	X	
Kansas	Various sales tax exemptions	07–16	-1.0	X	X
Kentucky	Expansion of time period for an economic development incentive program (House Bill 535).	08–16	-0.8	X	
Louisiana	Increases sales taxes by 1 percentage point and eliminates several exemptions; reductions in vendor compensations.	04–16	1,174.24	X	X
Maine	Makes permanent the current sales tax rate, meals tax rate and lodging tax rates that were scheduled to sunset on 07/30/15. Increases the lodging rate effective 01/01/16. Removes the sales tax exemption from certain items such as soft drinks, desserts, and snack items. Extends the sales and use tax to consumer purchases of various new services effective 01/01/16. Increases the service provider tax rate effective 01/01/16, expands the tax base to basic cable and satellite television services.	01–16	149.9		
Minnesota	For retail sales of a modular home as defined in section 297A.668, subdivision 8, paragraph (b), for residential uses, the sales tax under subdivisions 1 and 1a is imposed on 65 percent of the modular home manufacturer's sales price of the modular home.	06–16	-1.0	X	
Nebraska	Sales tax exemptions for purchases by non-profit substance abuse treatment centers, purchases by county agricultural societies, purchases of exhibit pieces by museums, purchases of energy sources used in the drying of grain in commercial agricultural facilities, purchases by zoos and aquariums	07–16	-2.5	X	
New York	Exempt Commercial Fuel Cell Systems from the Sales Tax	06–16	-4.0	X	X
North Carolina	Expand sales tax base to include installation, repair, and maintenance services sold by non-retailers.	01–17	22.4	X	
	Expand sales tax base to include most installation, repair, and maintenance services provided by retailers. Impact is the full-year impact minus the partial-year impact in FY 2015–16.	03–16	131.0	X	
Ohio	Continued a three-day sales tax holiday for the purchase of back to school supplies and clothing meeting specified criteria. Exemption of sales tax for digital advertising services. Exemption of sales tax on certain repair related rental cars. Exemption for meat sanitation sales.		-37.9	X	X
Pennsylvania	Expand the SUT to cover digital downloads. Also, the vendor discount is limited to $25/month.	08–16	102.4	X	
South Dakota	0.5% Increase in State Sales and Use Tax Rate	06–16	106.8	X	
Tennessee	Provides certain tax credits for qualified data centers	07–16	-3.9	X	X
	Increase in sales tax resulting from income tax rate reduction.	01–16	1.6	X	X
Virginia	Limit interest allowed for refunds	Not specified	3.1	X	X
West Virginia	Expand base to include durable medical equipment purchases by health care providers	07–16	14.0	X	
Wisconsin	Sales tax exemption for building materials used in the construction of facilities utilized by local governments or non-profit entities.	01–16	-6.4	X	
	Total Revenue Changes—Sales Tax		**$1,877.8**		

Table A–1 continues on next page.

TABLE A–1 (CONTINUED)

Enacted Revenue Changes by Type of Revenue, Fiscal 2017

State	Tax Change Description	Effective Date	Fiscal 2017 Revenue Changes ($ in Millions)	General Fund	Other State Fund
	PERSONAL INCOME TAXES				
Arizona	Various PIT deductions incl. enhanced charitable donations credit and 100% conformity with federal bonus depreciation	07–16	-$20.7	X	
Connecticut	Extend Angel Investor Tax Credit	07–16	-3.0	X	
Georgia	Income tax credit for donations to rural health care organizations. Fiscal analysis projects a revenue decrease equal to the annual maximum credits available of $50 million in FY 2017.	07–16	-50.0	X	
Indiana	Cap Increase for SGO Tax Credit. Note: Changes with an effective date of July 2015 were made for FY16 and FY17 in the enacted budget from April 2015.	07–15	-2.0	X	
Louisiana	Reduction in the Citizen's Assessment tax credit. This reduction is permanent.	01–16	17.0	X	
Maine	Makes changes to income modifications, deduction and exemptions, tax rates and brackets, and eliminates certain credits, including the phase out of refundable sales tax credits.	01–16	-175.2		
Massachusetts	EITC Increase from 15% to 23% of federal credit; not enacted in the budget but impacts FY17	07–16	-74.0	X	
	Full year impact of income tax reduction from 5.15% to 5.10%; not enacted in the budget but impacts FY17	07–16	-152.0	X	
Minnesota	To the extent included in federal taxable income, compensation received from a pension or other retirement pay from the federal government for service in the military, as computed under United States Code, title 10, sections 1401 to 1414, 1447 to 1455, and 12733. The subtraction must not include any amount used to claim the credit allowed under section 290.0677.	12–15	-22.6	X	
	An individual is allowed a credit against the tax imposed by this chapter equal to $2,000 for each birth for which a certificate of birth resulting in stillbirth has been issued under section 144.2151. The credit under this section is allowed only in the taxable year in which the stillbirth occurred and if the child would have been a dependent of the taxpayer as defined in section 152 of the Internal Revenue Code.	12–15	-0.8	X	
Nebraska	Nonrefundable income tax credit for investment in improvements to "historically significant" real property (excluding single-family housing); annual increase in the revenue impact of the indexing of income tax brackets for inflation	07–16	-14.2	X	
New York	Convert the STAR Benefit into a Tax Credit for New Homeowners	01–16	-98.0	X	X
	Extend Tax Shelter Reporting Requirements for Four Years	04–16	18.0	X	X
North Carolina	Phase in an increase in the standard deduction from $15,000 to $17,500 (MFJ). The impact includes the full-year impact of a previously enacted increase in the tax year 2016 standard deduction to $15,500 (MFJ), minus the partial-year impact in FY 2015–16. The impact also includes the full fiscal-year impact of a retroactive increase for tax year 2016 to $16,500 and a partial-year impact for an increase to $17,500 in tax year 2017.	07–16	-225.0	X	
	The impact includes a partial-year impact of a decrease in the income tax rate from 5.75% to 5.499%.	01–17	-244.0	X	
North Dakota	HB1014 increases the Housing Incentive Fund tax credit by $15.0 million. SB2349 reduces the income tax rates by $87.0 million.	01–15	-51.0	X	
Ohio	Across the board reduction in personal income tax rates of 6.3 percent. Exempted the first $250,000 in business income for those reporting business income under the personal income tax. Increased revenue by means testing the retirement credit exemption and senior credit.		-1,136.1	X	X
Pennsylvania	Pennsylvania lottery winnings are to be taxed at 3.07%.	01–16	15.8	X	
Rhode Island	Increase the allowable percentage of the federal earned income tax credit to 15.0 percent effective TY17 (-2.7). Exempt first $15k of taxable pensions and annuities effective TY17 (-6.3).	07–16	-9.0	X	
South Carolina	IRS Tax Conformity, Solar Power Tax Credits, ABLE Savings program	01–17	-12.0	X	
Tennessee	Reduced tax rate from 6.0% to 5.0%. See Footnotes Worksheet.	01–16	-45.0	X	X
	Total Revenue Changes—Personal Income Tax		**-$2,283.8**		

Table A–1 continues on next page.

TABLE A–1 (CONTINUED)

Enacted Revenue Changes by Type of Revenue, Fiscal 2017

State	Tax Change Description	Effective Date	Fiscal 2017 Revenue Changes ($ in Millions)	General Fund	Other State Fund
	CORPORATE INCOME TAXES				
California	Reduction in corporate tax revenues due to Replacement of the Managed Care Organization Tax	07–16	-$280.0	X	
Florida	Adoption of IRC Section 179 expensing	07–16	-3.2	X	
Georgia	Change in Georgia tax code which impacts small business expensing of investments for tax purposes.	02–16	-46.2	X	
Louisiana	Modification in the refundability of the inventory tax credit, reduction in the interest payments on overpayments, changes to the corporate franchise tax base.	Various	97.2	X	
Maryland	Tax credit for qualifying aerospace, electronics, or defense contracts.	07–16	-7.5	X	X
Michigan	Eliminates a tax credit claimed by auto insurance companies	01–17	80.0	X	
Nebraska	Nonrefundable income tax credit for investment in improvements to "historically significant" real property (excluding single-family housing)	07–16	-1.7	X	
New York	Make Special Additional Mortgage Recording Tax (SAMRT) Credit Refundable	04–16	-15.0	X	
North Carolina	The impact includes a partial-year impact of a decrease in the corporate income tax rate from 5% to 4% in tax year 2016 and a partial-year impact of a decrease in the income tax rate from 4% to 3% in tax year 2017, plus the fiscal-year impact of a three-year phase-in of sales-only apportionment.	01–17	-270.0	X	
North Dakota	HB1014 increases the Housing Incentive Fund tax credit by $15.0 million. SB2349 reduces the income tax rates by $21.0 million. SB2292 provides alternative methods of apportioning corporate income effectively reducing tax liabilities by $15.0 million. SB2329 expands the renaissance zone tax credit limit by $2.0 million.	01–15	-26.5	X	
Rhode Island	Reduce annual corporate minimum tax from $450 to $400 effective TY17 (-1.6).	07–16	-1.6	X	
South Carolina	Retail Facilities Revitalization Act (repeal suspended)	01–17	-0.3		
Tennessee	Changes formula for making estimated payments.	01–16	-11.8	X	
Utah	It allows an optional sales factor weighted taxpayer (taxpayer with 50% of their economic activities within NAICS Code 334 Computer and Electronic Product Manufacturing) to elect their method of apportionment on a year by year basis.	01–16	-2.6		X
Utah	Increases the enterprise zone population caps population for a county (from 50,000 to 70,000) or a municipality (from 15,000 to 20,000). Raising the caps will allow Box Elder and Tooele Counties to qualify as enterprise zones, even with additional population growth.	01–16	-1.1		X
Virginia	Expiration of coalfield employment enhancement credit	01–16	1.5	X	
	Total Revenue Changes—Corporate Income Tax		**-$488.8**		
	CIGARETTE TAXES				
Louisiana	Increase in the tax on cigarettes by 22 cents per pack, and reductions in discounts to tobacco dealers.	04–16	$48.2	X	X
Ohio	Increase cigarette and other tobacco products tax by $.35 per pack.		170.0	X	X
Pennsylvania	An increase in the Cigarette Tax rate equivalent to $0.05/cigarette ($1/pack of 20 cigarettes).	08–16	431.1	X	
	Pipe tobacco, chewing tobacco, snuff, and any other tobacco products for chewing, ingesting or smoking, except cigars, will be subject to a $0.55/oz tax, with a minimum tax/package of $0.66. Electronic cigarettes including both liquid product and delivery device will be subject to a 40% tax on the wholesale price.	10–16	64.6	X	
West Virginia	Increased Cigarette Tax rate from 55 cents per pack to $1.20 per pack, increased OTP from 7% to 12% and added tax on e-cigarette liquid at 8.5 cents per milliliter	07–16	98.5	X	
	Total Revenue Changes—Cigarette Tax		**$812.4**		

Table A–1 continues on next page.

TABLE A–1 (CONTINUED)
Enacted Revenue Changes by Type of Revenue, Fiscal 2017

State	Tax Change Description	Effective Date	Fiscal 2017 Revenue Changes ($ in Millions)	General Fund	Other State Fund
	MOTOR FUEL TAXES				
Michigan	Increases gas tax 7.3 cents/gallon and diesel tax 11.3 cents/gallon	01–17	$316.8		X
Nebraska	Gas tax increase dedicated to highway, street and bridge enhancements and repair	07–16	19.1		X
New York	Expand Motor Fuel Wholesaler Registration Requirements	04–16	3.0	X	X
	Extend the Alternative Fuels Tax Exemptions for Five Years	09–16	-2.0	X	X
Ohio	Alternative price authorized in calculating taxable value of propane under the Petroleum Activity Tax.	07–15	-2.1	X	
Rhode Island	Increase gasoline tax by 1 cent per gallon. Increases will be every other year and tied to inflation.	07–15	4.4		X
South Dakota	Increase of $0.06/gallon for motor fuel and ethyl alcohol tax is effective April 1, 2015. These revenues are dedicated to the State Highway Fund.	04–15	41.3		X
Utah	Five cent increase in gas tax	01–16	24.0		X
Washington	Fuel tax		170.0		X
	Total Revenue Changes—Motor Fuel Tax		**$336.9**		

State	Tax Change Description	Effective Date	Fiscal 2017 Revenue Changes ($ in Millions)	General Fund	Other State Fund
	ALCOHOLIC BEVERAGES TAXES				
Louisiana	Increases in the alcoholic beverage taxes, all across the board, including beer, and high alcohol content beverages. In addition, there are reductions in the discounts to dealers.	04–16	$19.6	X	
New York	Establish Additional Alcohol Beverage Tax Tasting Exemptions and Production Credits	01–16	-1.0	X	
	Total Revenue Changes—Alcoholic Beverages Tax		**$18.6**		

Table A–1 continues on next page.

TABLE A–1 (CONTINUED)

Enacted Revenue Changes by Type of Revenue, Fiscal 2017

State	Tax Change Description	Effective Date	Fiscal 2017 Revenue Changes ($ in Millions)	General Fund	Other State Fund
	OTHER TAXES				
Arizona	Acceleration of Insurance Premium Tax rate reduction schedule to 6 years from 11 years.	07–16	-$3.0	X	
California	Reduction in insurance taxes due to Replacement of the Managed Care Organization Tax	07–16	-90.0	X	
Connecticut	Revenue loss associated with expenditure reductions	07–16	-5.1	X	
Kansas	Delay of e-cigarette tax from 7–1–16 to 7–1–17	01–17	-1.0	X	
Louisiana	Reinstatement of the auto rental excise tax, increase in premium insurance tax to health maintenance organizations.	various	258.1	X	X
Michigan	Increases vehicle registration tax by 20%	01–17	147.7		X
North Carolina	The impact includes the net impact of: phasing in sales-only apportionment of a capital stock tax, converting some business purchases from the sales tax to a reduced-rate tax on machinery, and adding a few minor sales tax exemptions.	07–16	-17.5	X	
Ohio	Expanded the motion picture tax credit cap to $40,000,000 per year. Exempted certain integrated supply chain transactions from the Commercial Activity Tax. Alternative price authorized in calculating taxable value of propane under the Petroleum Activity Tax.		-15.6	X	X
Pennsylvania	Bank shares tax rate changes from 0.89% to 0.95%.	01–17	23.5	X	
	The 12% tax on casinos' gross table games revenue is increased to 14%.	08–16	16.8	X	
	Tax amnesty program.		100.0	X	
	Changes to various tax credit programs.		-26.8	X	
Rhode Island	Increase in revenues from a fraud initiative (5.0). Revenue from sale of state fleet motor vehicles (1.0).	07–16	6.0	X	
Utah	Amends the calculation of oil and gas severance tax by specifying that exempt royalties are to be subtracted in the calculation of value. This change increases the percentage of oil and gas value that is taxed at 3% instead of 5%	01–16	-1.2	X	
Vermont	Technical tax law changes for Rooms tax	07–16	1.0	X	X
	Change of collections from quarterly to monthly	07–16	2.8	X	
West Virginia	Eliminated tax on behavioral health care (-$16 million) and eliminated temporary severance taxes on coal, natural gas and timber with a new timber tax dedicated to Division of Forestry (-$110 million)	07–16	-126.0		X
	Total Revenue Changes—Other Tax		**$269.7**		

Table A–1 continues on next page.

TABLE A–1 (CONTINUED)

Enacted Revenue Changes by Type of Revenue, Fiscal 2017

State	Tax Change Description	Effective Date	Fiscal 2017 Revenue Changes ($ in Millions)	General Fund	Other State Fund
	FEES				
Alaska	Increase in fees related to sport fishing, hunting, and trapping licenses.		$2.7		X
California	Replacement of the Managed Care Organization Tax (This number is the difference between the 2016–17 estimated revenue from the new enrollment tax ($2,380,298,000) and the 2015–16 estimated revenue from the previous tax ($1,609,742,000))	07–16	770.6		X
Louisiana	Increase the per bed per day fee charged to nursing facilities and a provider fee for emergency ground ambulance providers.	07–16	19.5		X
Maryland	Various fees such as licenses and permits across several agencies.	Various, no later than 7/16	-12.2	X	X
Minnesota	DHS MA Recoveries – Sec. 15. Minnesota Statutes 2014, section 256B.15.	01–14	-2.2	X	
	Increase Inpatient Psychiatric Beds within Direct Care & Treatment	10–16	3.9	X	
	State Operated Services Operating Adjustment		1.1	X	
New York	Increase Regulatory Fee to Support Racehorse Health and Safety	04–16	1.0		X
	Extend Monticello Video Lottery Terminal (VLT) Commission Rate for One Year	04–16	-3.0		X
	Reduce Highway Use Tax Decal and Registration Fees	04–16	-59.0		X
	Extend Waste Tire Fee	04–16	6.0		X
Oklahoma	Reissuance of state vehicle license plates with a new license plate, assessing an additional $5 fee from July 1, 2016 through June 30, 2017	08–16	17.4	X	X
Rhode Island	Reduction in beach fees and local shares (-1.3).	07–16	-1.3	X	
South Dakota	Various user fees and security registration fees		8.2	X	X
Vermont	20.8M GF increase on annual mutual fund registration; 9.9M for Transportation fund increase from transportation fee increases; other smaller fee changes related to public safety, agriculture, and education for General Fund and other special funds	07–16	38.2	X	X
	Total Revenue Changes—Fees		**$790.8**		

TABLE A–2
Enactedd Revenue Measures, Fiscal 2017

State	Description	Effective Date	Fiscal 2017 Revenue Changes ($ in Millions)	General Fund	Other State Fund
Connecticut	Other — Keno		$4.5	X	
Delaware	Corporate Income — Delaware Competes Act — Changes apportionment factors for Corporate Tax calculation over time to exclusively sales, simplifies business tax compliance for smaller businesses.	Various	-8.2	X	
Florida	Corporate Income — Delay of payment due dates to align with IRC changes		-13.6		
Idaho	Corporate Income — Federal conformity	07–16	-28.7	X	
Indiana	Sales — Gasoline Use Tax redirect & Sales Tax redirect	07–16	13.1	X	
Kansas	Alcoholic beverages — Increased delinquent debt collection	07–16	2.2	X	X
	Corporate Income — Increased delinquent debt collection	07–16	6	X	
	Personal Income — Increased delinquent debt collection	07–16	13.5	X	
	Sales — Increased delinquent debt collection	07–16	20	X	
Nebraska	Sales — Redirect ("turnback") sales tax on sales made in a distinct area around certain Convention Center and Sports Arena facilities from the General Fund to assist in paying for the facility construction	01–17	-1.4	X	
Ohio	Other — Increase share of Commercial Activity Tax (CAT) deposited in GRF from 50% to 75%.		445.3	X	X
	Sales — Temporarily increase percentage of total GRF tax receipts deposited in the Public Library Fund from 1.66% to 1.70%. The loss in revenue is split between the non-auto sales and kilowatt hour taxes.		-9.2	X	X
Oklahoma	Corporate Income — Enhanced recovery and fraud detection initiative (+$3M); Capping Investment/New Jobs Tax Credit (+$11.7M)	7/1/16; 11/1/16	14.7	X	X
	Other — Gross Production Taxes: Enhanced recovery and fraud detection initiative (+$20.5M); Amending the definition and capping the credit for "Economically At-Risk Oil or Gas Lease" (+$120.4M)	7/1/16; 8/26/16	140.9	X	X
	Personal Income — Requires employer withholding reconciliation (+$5M); Enhanced recovery and fraud detection initiative (+$3.6M); Capping the Investment/New Jobs Tax Credit (+$2.4M); Earned Inc Tax Credit made non-refundable (+$28.9M); Eliminates Inc Tax double deduction (+$97.3M)	7/1/16; 7/1/16; 11/1/16; 11/1/16; 11/1/16	137.2	X	X
	Sales — Reduced sales tax statute of limitations from three years to two years (+$8.4M); Enhanced recovery and fraud detection initiative (+$26.8M)	8/26/16; 7/1/16	35.2	X	X
Rhode Island	Corporate Income— Additional collection of revenues due to a transfer pricing audit project of business corporations tax filers from past years (6.7)	07–16	6.7	X	
	Fees — Delay license plate reissuance to 4/17 (-2.0).	07–16	-2	X	
	Other — Increased enforcement of retaliatory assessments on foreign insurers subject to gross premiums tax (1.1).	07–16	1.1	X	
	Sales — Hire 2 new Revenue Agents for Field Audits, which will enhance enforcement of current tax policy (1.0)	07–16	1	X	
South Carolina	Appellate Court Fees to be retained by the agency.	07–16	0.2	X	X
	Motor Vehicle Sales Tax transferred to Highway Fund		-65.7	X	X
South Dakota	Fees — Insurance Company Tax Credit for education scholarships decreases estimated collections by $2.0 million and a reallocation of the alcohol beverage tax decreases collections due to the general fund by $3.8 million.	07–16	-5.8	X	

Table A–2 continues on next page.

TABLE A–2
Enacted Revenue Measures, Fiscal 2017

State	Description	Effective Date	Fiscal 2017 Revenue Changes ($ in Millions)	General Fund	Other State Fund
West Virginia	Corporate Income — Ended transfer of corporate tax revenues to the West Virginia Port Authority	07–16	4.3	X	
	Personal Income — Eliminated temporary dedication of $95.4 million in annual personal income tax revenues to the Old Workers' Compensation Debt Fund. Allocated $30 million per year to OPEB debt and remainder to General Fund	07–16	65.4	X	
Wisconsin	Sales — Add auditors beginning July of 2015.	07–15	23	X	
	Personal Income — Add auditors beginning July of 2015.	07–15	7.5	X	
	Corporate Income — Add auditors beginning July of 2015.	07–15	51.5	X	
	Fees — Expanded statewide debt collection efforts.	07–15	7.4	X	
Total			**$866.1**		

NASBO

NATIONAL ASSOCIATION OF STATE BUDGET OFFICERS

THE FISCAL SURVEY OF STATES FALL 2016