



# State Budget Update & Discussion of State Fiscal Conditions

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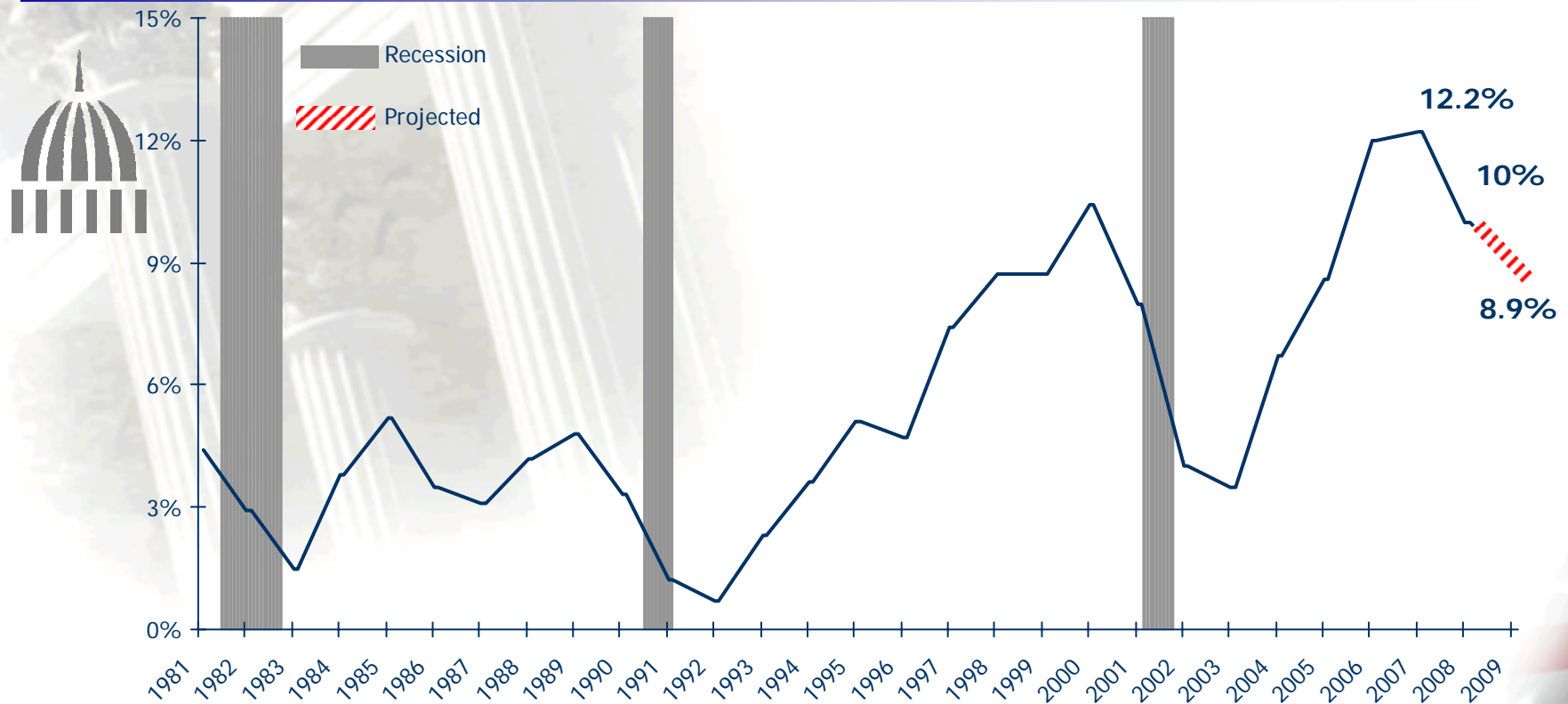


Presented by  
Corina Eckl  
Fiscal Affairs Program

National Conference of State Legislatures



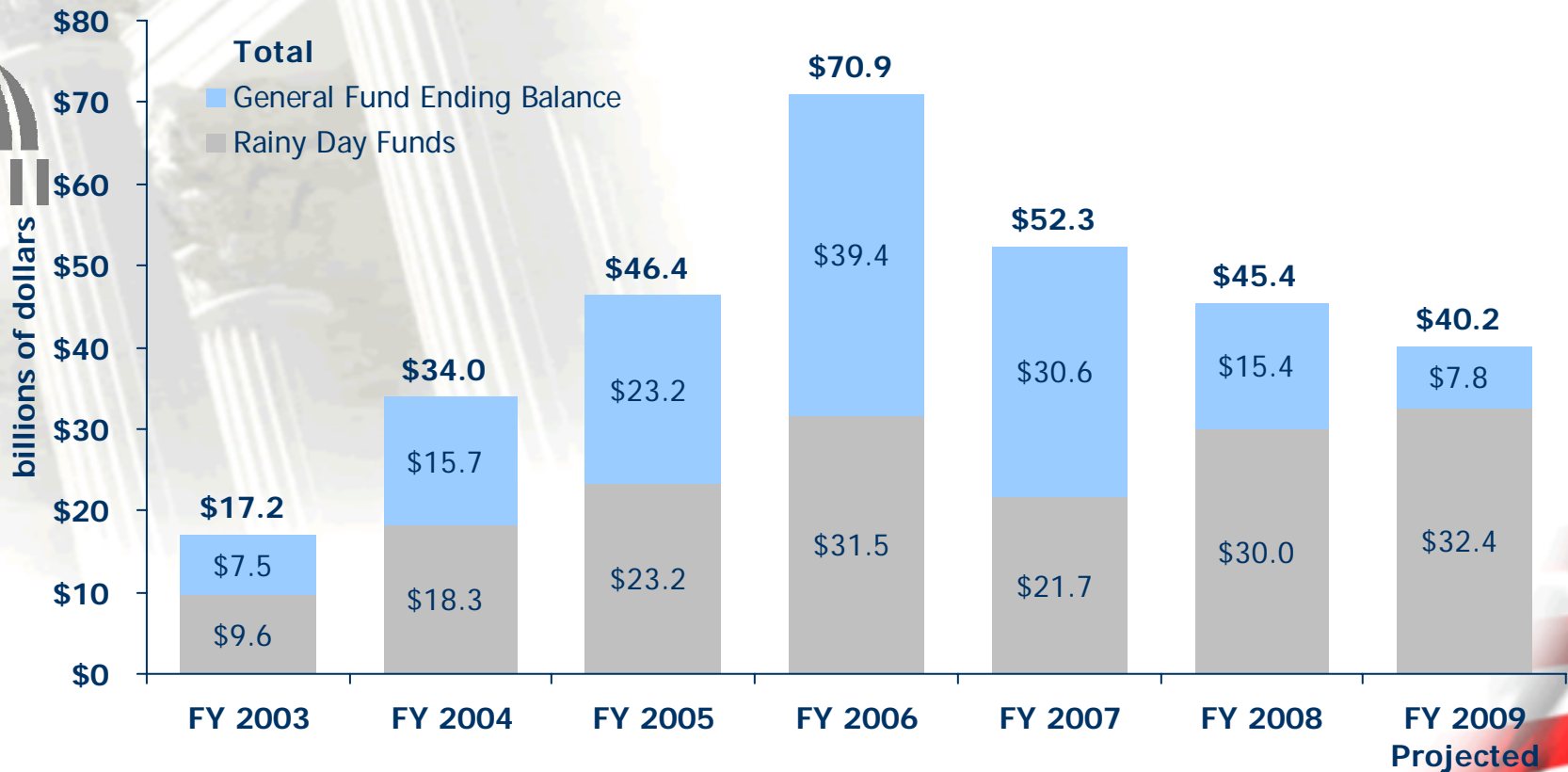
# State Year-End Balances as a Percentage of General Fund Spending



43 states reporting for FY 2007–FY 2009.

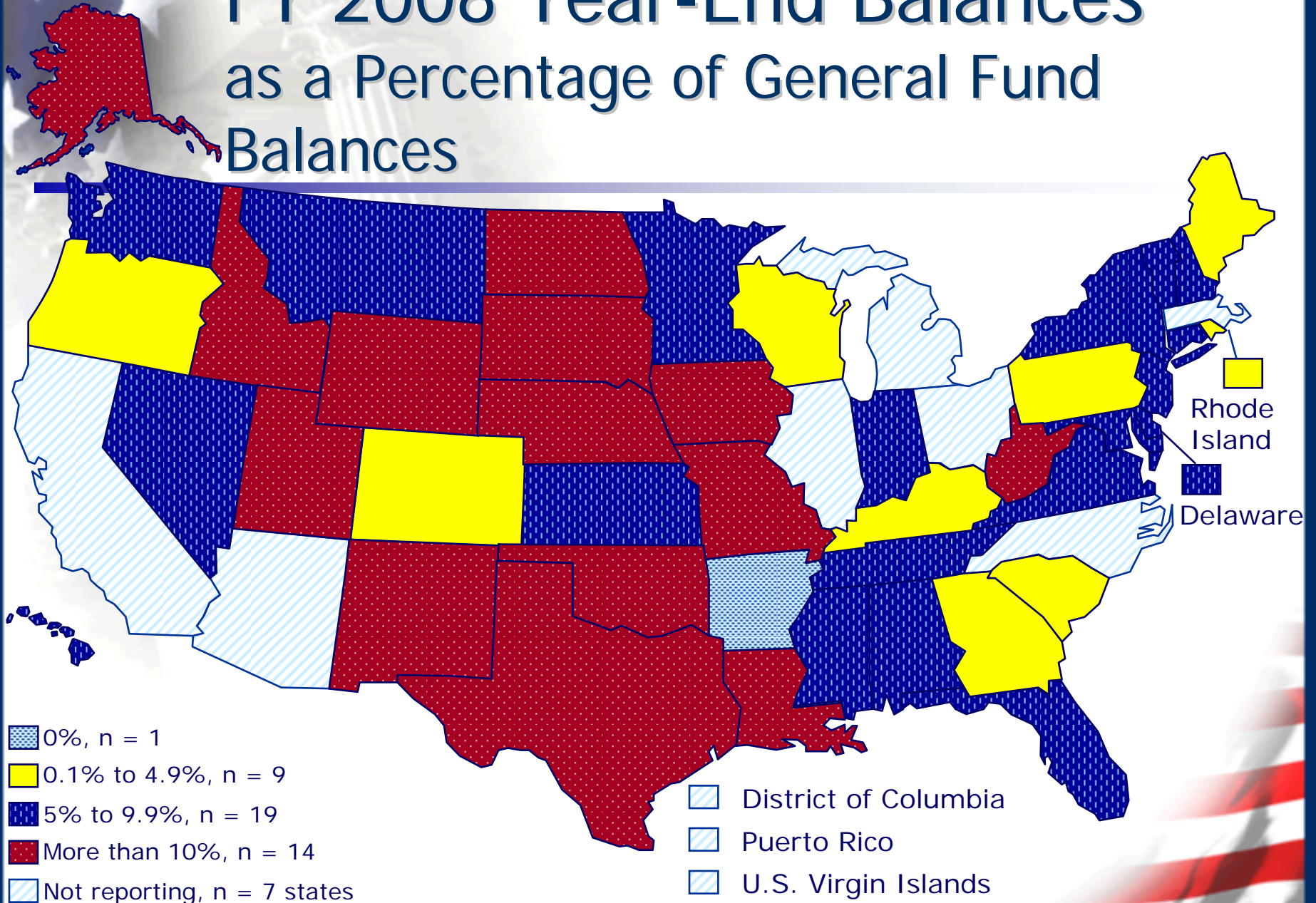
# State Balances Fluctuate

(billions of dollars)

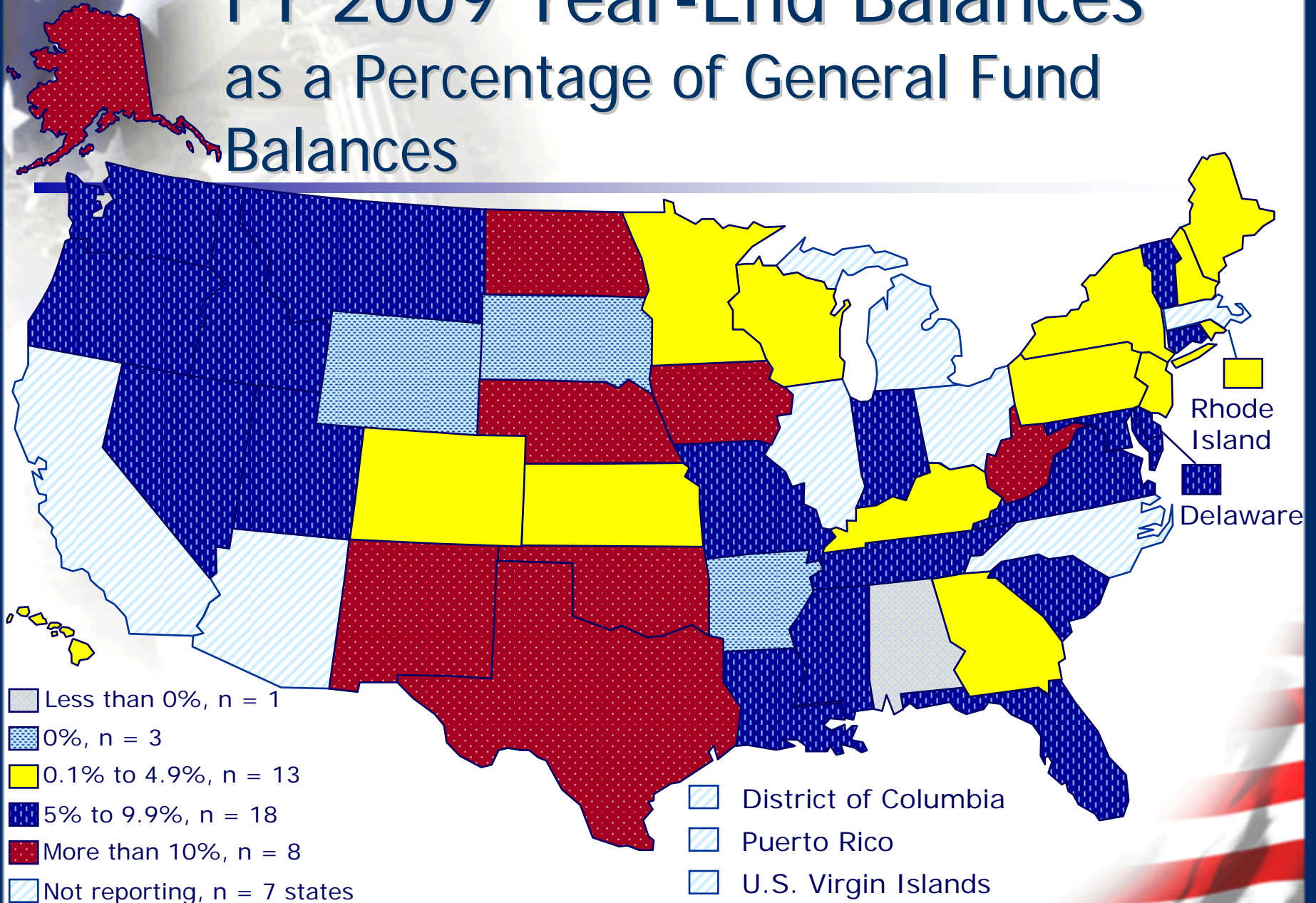


\* 43 states reporting for FY 2007 – FY 2009.

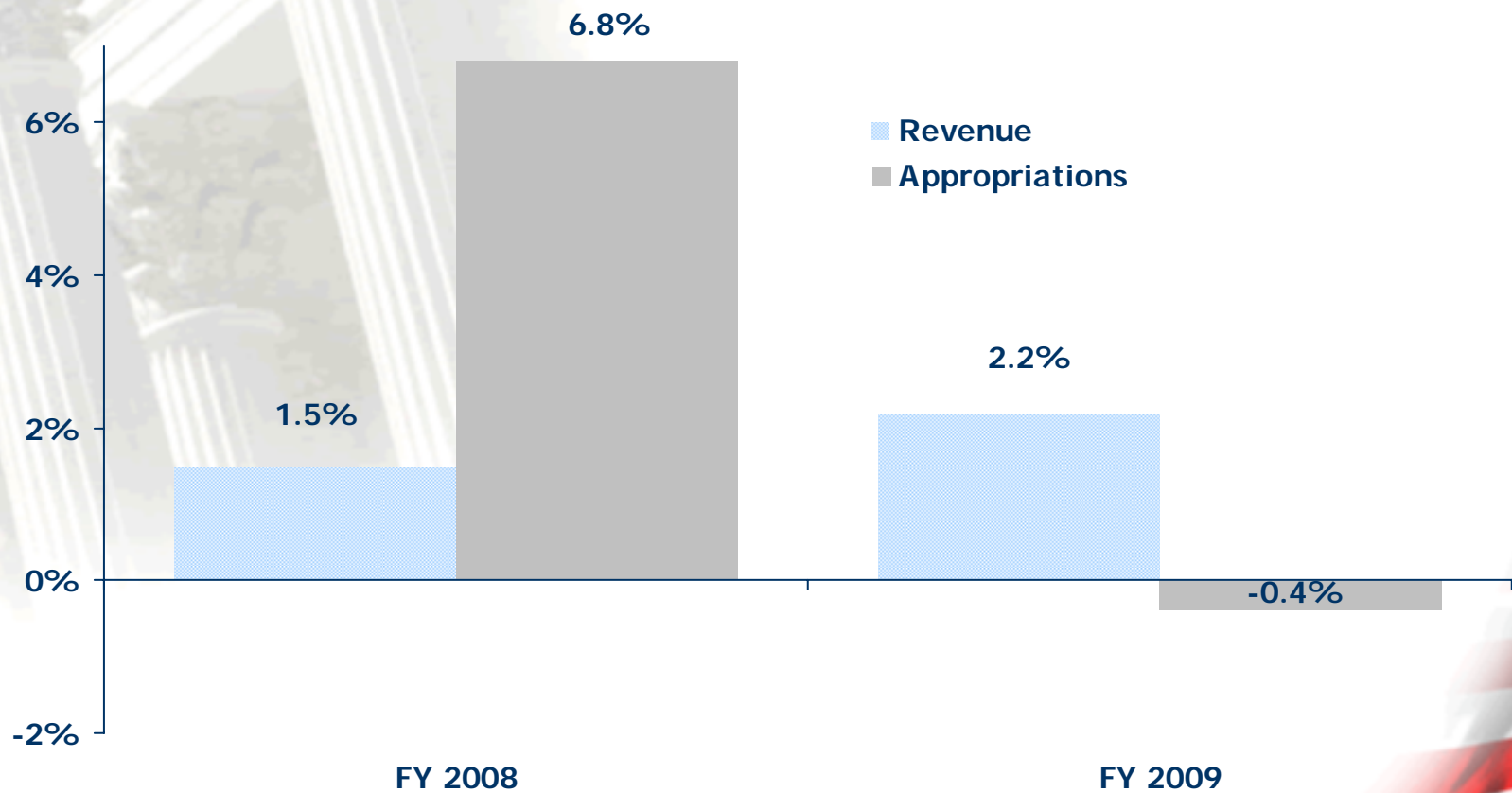
# FY 2008 Year-End Balances as a Percentage of General Fund Balances



# FY 2009 Year-End Balances as a Percentage of General Fund Balances

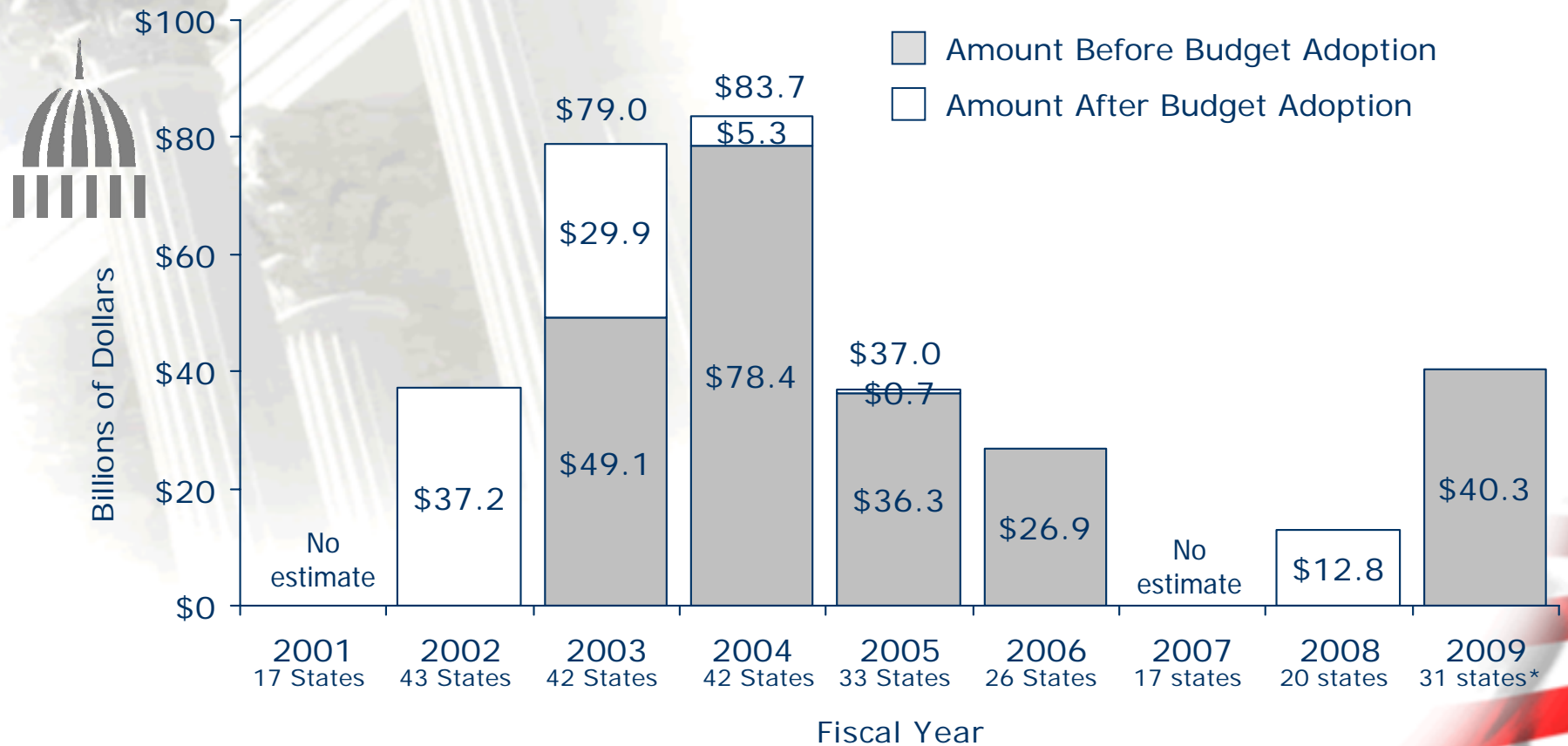


# Projected Percentage Changes in Revenue and Appropriations



\* 43 states reporting.

# State Budget Gaps FY 2001-FY 2009 (projected)



Source: NCSL survey of legislative fiscal offices, various years. (\*) Also includes data for Puerto Rico.



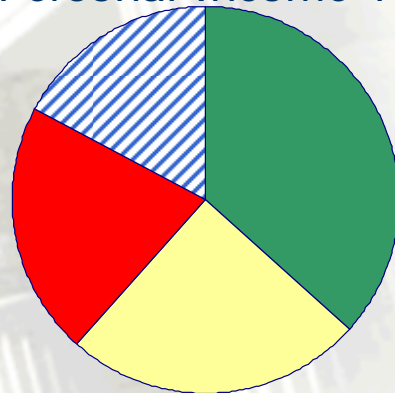


# FY 2008 Tax Collections

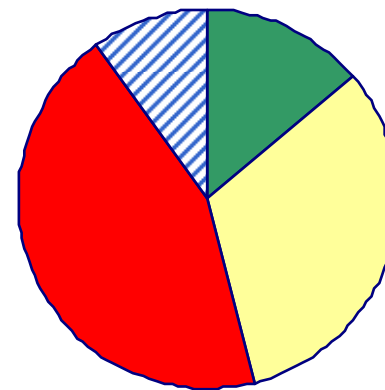
(Compared with the Latest Estimate)



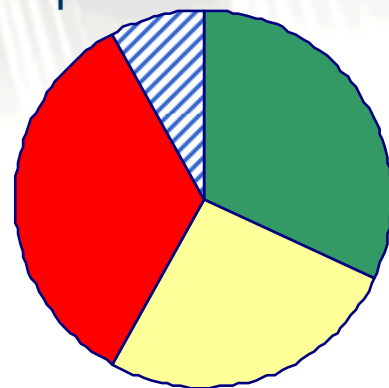
Personal Income Tax



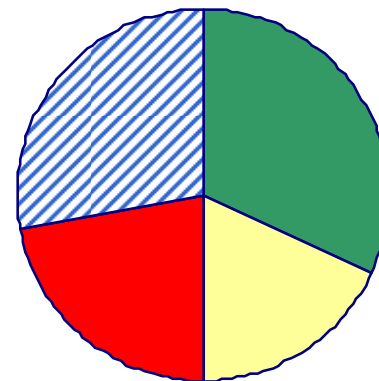
General Sales Tax



Corporate Income Tax



Other Taxes



- Above Estimate
- On Target
- Below Estimate
- Not applicable


Source: NCSL survey of state legislative fiscal offices, June 2008.



# Actions to Balance FY 2009 Budget: Spending Actions

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- Across-the-board budget cuts (10 states)
  - Targeted program cuts
    - Higher education (12 states)
    - K-12 education (11 states)
    - Medicaid (10 states)
    - Corrections (nine states)
    - Aid to local government (eight states)
    - TANF (three states)
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# Actions to Balance FY 2009 Budget: Employee Actions

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- Layoffs (four states)
  - Travel ban (six states)
  - Reduced benefits (six states)
  - Hiring freeze (nine states)
  - Less-than-full contributions to retirement funds (four states)
  - Salary freeze (three states)
  - Early retirement program (one state)
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# Actions to Balance FY 2009 Budget: Tax or Fee Increase

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- Tax Increase (seven states)
- Fee Increase (eight states)



# Actions to Balance FY 2009 Budget: Tapped Rainy Day Funds or Other Funds

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- Rainy Day Funds (six states)
- Other Funds (14 states)



# Actions to Balance FY 2009 Budget: Borrowed from Special Funds or Tapped Tobacco Funds

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- Borrowed from Special Funds (three states)
- Tapped Tobacco Funds (nine states)



# Actions to Balance FY 2009 Budget: Miscellaneous

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- Delayed capital projects (seven states)
  - Shifted Pay-as-You-Go to Debt (six states)
  - Expanded gambling (four states)
  - Tax amnesty (two states)
  - Purchase freeze (three states)
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For More Information

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