The State of State Budgets
Jackson Brainerd
2017 Executive Committee Task Force on
State and Local Taxation
Overview

- Expenditures exceeding revenues
- Mixed revenue performance
- Medicaid spending outpacing other budget categories
Projected Changes in State General Fund Revenues and Expenditures: FY 2017

Source: NCSL survey of legislative fiscal offices, summer 2016.
Revenue Outlook for FY 2017

- Unlikely to Meet Forecast: 14
- Expected to Meet Forecast: 29
- Likely to Exceed Forecast: 6
- Not Available: 2

Source: NCSL survey of legislative fiscal offices, fall 2016.
Projected Growth in State General Sales Tax and Personal Income Tax Collections: FY 2017

Source: NCSL survey of legislative fiscal offices, summer 2016.
General Sales and Use Tax Collections FY 2017

Source: NCSL survey of legislative fiscal offices, fall 2016.
Personal Income Tax Collections FY 2017

Source: NCSL survey of legislative fiscal offices, fall 2016.
Corporate Income Tax Collections FY 2017

Source: NCSL survey of legislative fiscal offices, fall 2016.
State Tax Revenue Since the Start of the Recession, Four Quarter Moving Average Adjusted for Inflation

Cumulative % change since start of recession

Years since start of recession

Sources: Rockefeller Institute of Government
Notes: 4-quarter average of inflation-adjusted tax revenue. Data are shown only until the start of the next recession.
Year-End-Balances FY 1981 to FY 2017 (projected)

Recession Length: 16 months
Recession Length: 8 months
Recession Length: 8 months
Recession Length: 18 months

Source: NCSL surveys of legislative fiscal offices.
State Year-End Balances

Fiscal Year

Year-end balance as a % of state spending

Source: NCSL surveys of legislative fiscal offices.
Percent Change in Total Appropriations in Major Budget Categories FY 2017 (projections)

- Medicaid: 4.0%
- K-12 Education: 2.9%
- Higher Education: 1.4%
- Corrections: 1.3%

Source: NCSL survey of legislative fiscal offices, summer 2016.
Other Top Fiscal Issues

- K-12 education and higher education funding.
- Transportation/infrastructure funding.
- Medicaid and healthcare funding.
- Retirement benefits and pensions.
- Balancing state budgets and addressing shortfalls.
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