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Budget Update & Top Fiscal Issues in the States

NCSL Fiscal Leaders Seminar
Newport Beach, California

National Conference of State Legislatures



Overview

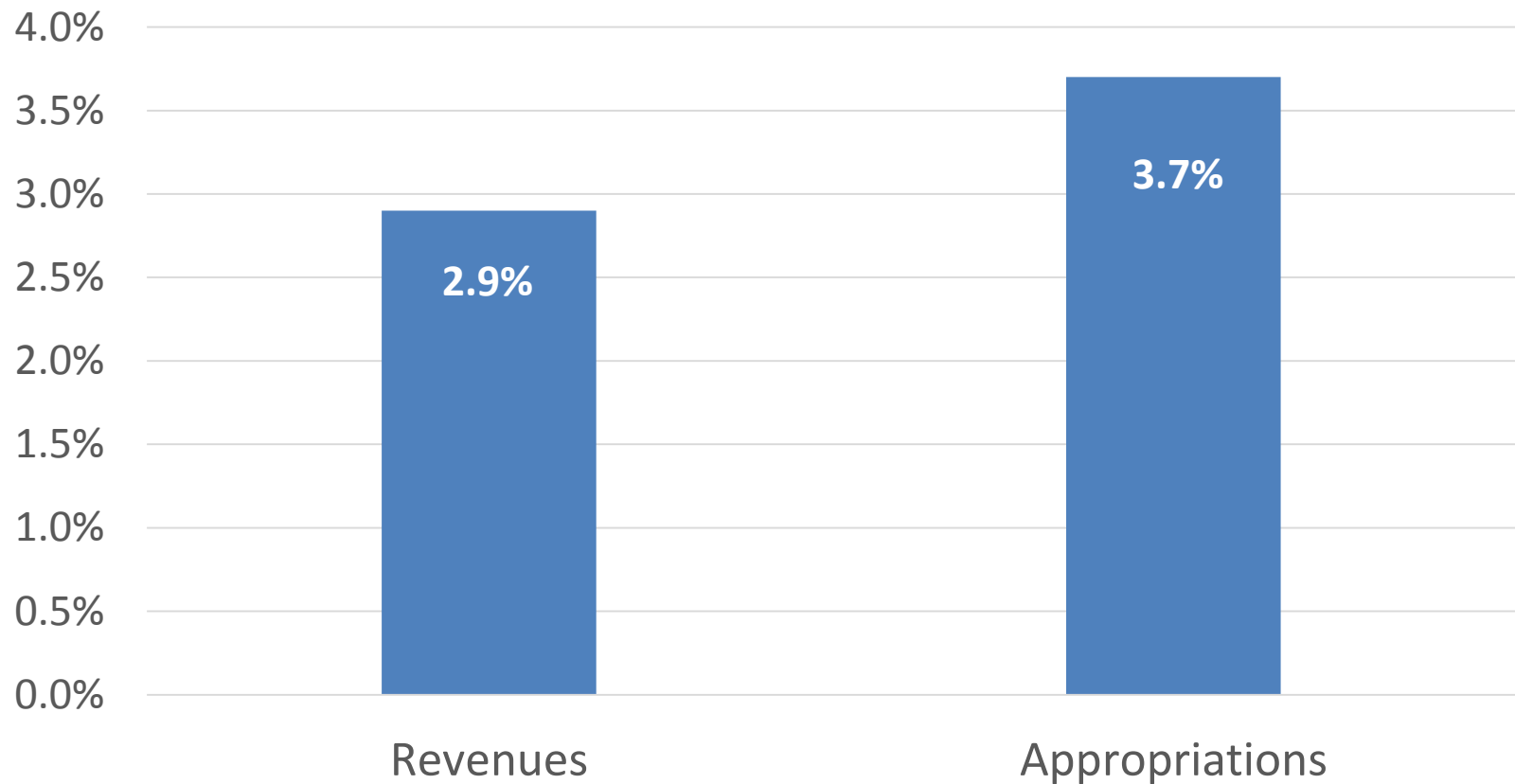
Expenditures
slightly above
revenues

Relatively
strong personal
income and
sales tax
collections
projected

Medicaid
spending
outpacing
other spending



Changes in State General Fund Revenues and Expenditures: FY 2017 (projected)

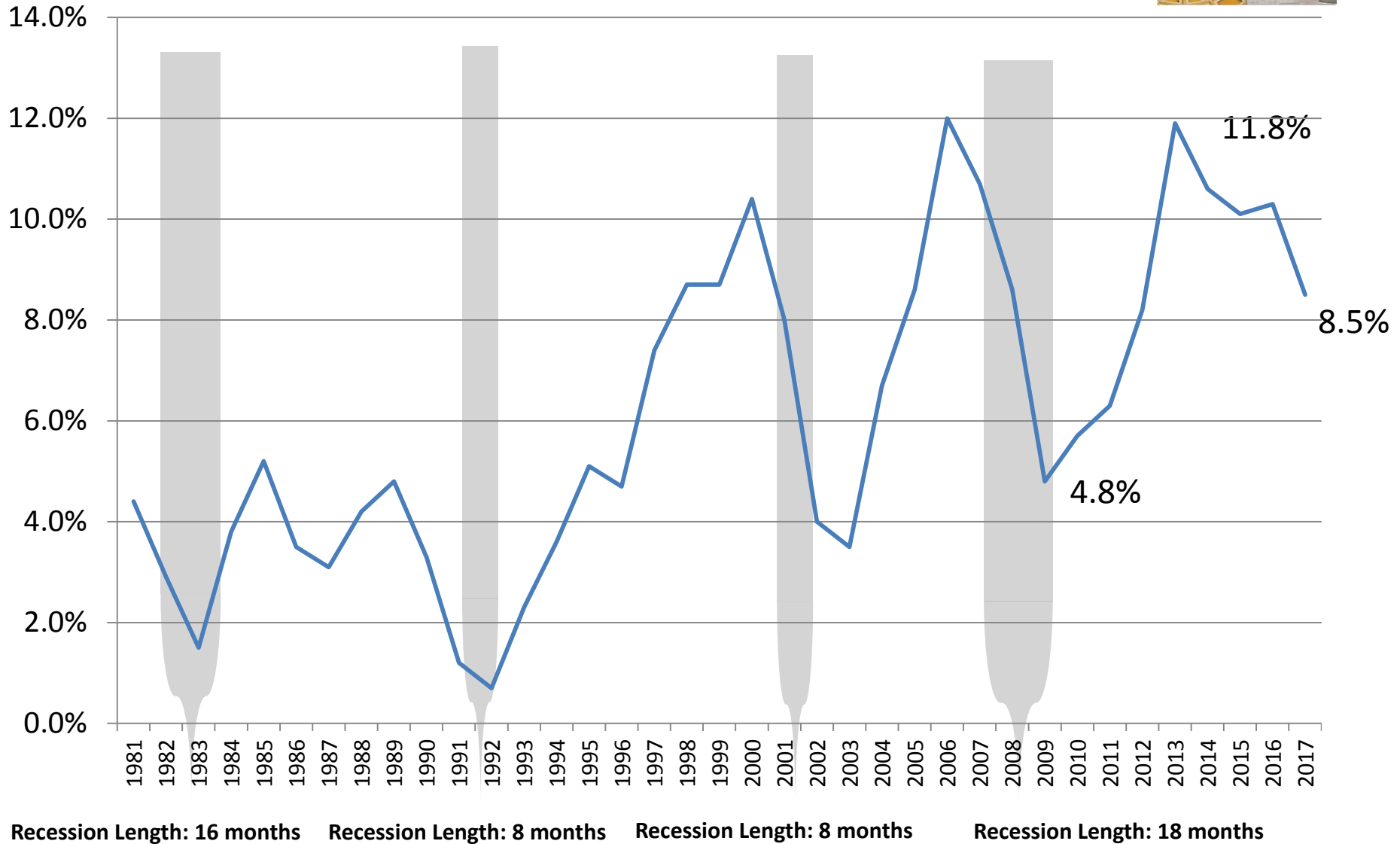


State Year-End Balances FY 1981 to FY 2017 (projected)



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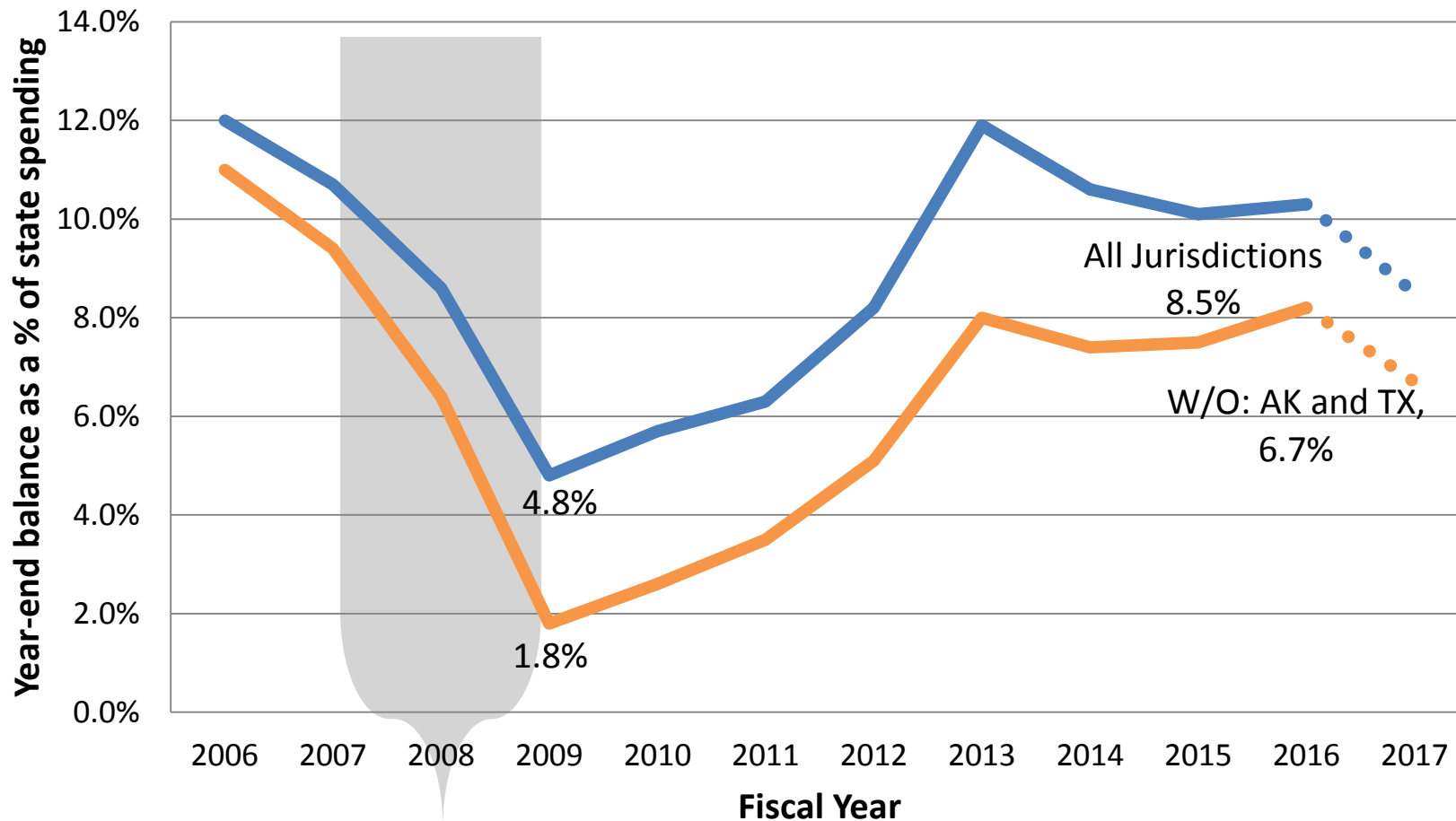
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Source: NCSL survey of state legislative fiscal offices, various years



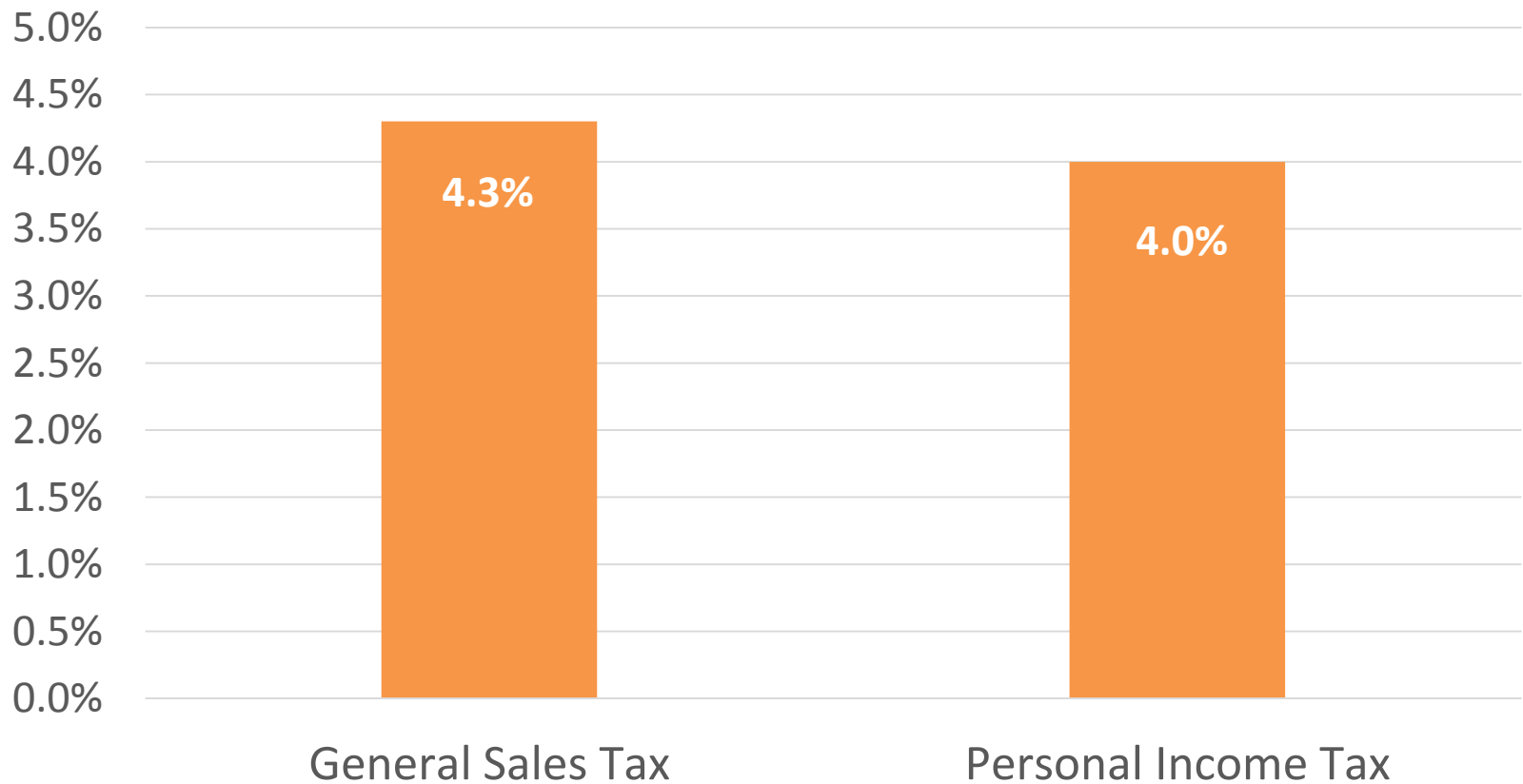
State Year-End Balances FY 2006 to FY 2017 (projected)



Recession Length: 18 months

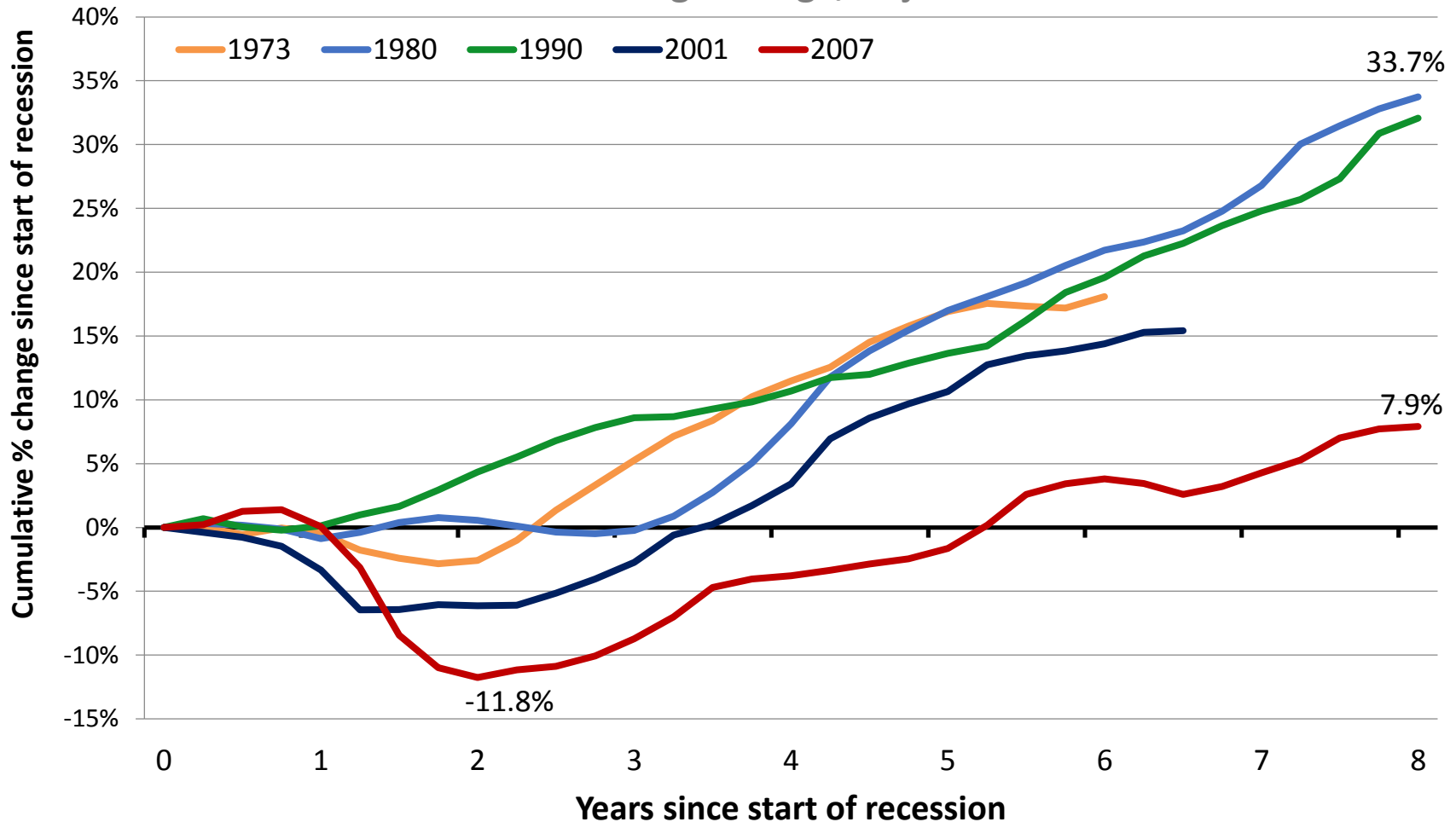


Projected Growth in State General Sales Tax and Personal Income Tax Collections: FY 2017





State Tax Revenue Since the Start of the Recession Four-Quarter Moving Average, Adjusted for Inflation



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.



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Quote of Note

“Revenue peaks are usually caused by a bubble, so why would we want to return to a peak?”

Jonathan Ball
Legislative Fiscal Analyst
Utah



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U.S. Recessions

Post World War II

- Post WW II: **11 recessions**
- Average duration (peak to trough): **11.1 months**
- The Great Recession: **18 months**
- Recessions of 1973-75 and 1981-82: **16 months**
- Shortest recession?



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U.S. Recessions

Post World War II

The shortest recession:

January 1980 to July 1980: **6 months**

Source: National Bureau of Economic Research



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U.S. Recessions

Post World War II

- Average expansion (trough to peak): **58.4 months**
- Current economic expansion: **88 months**
- Longest expansion?



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U.S. Recessions

Post World War II

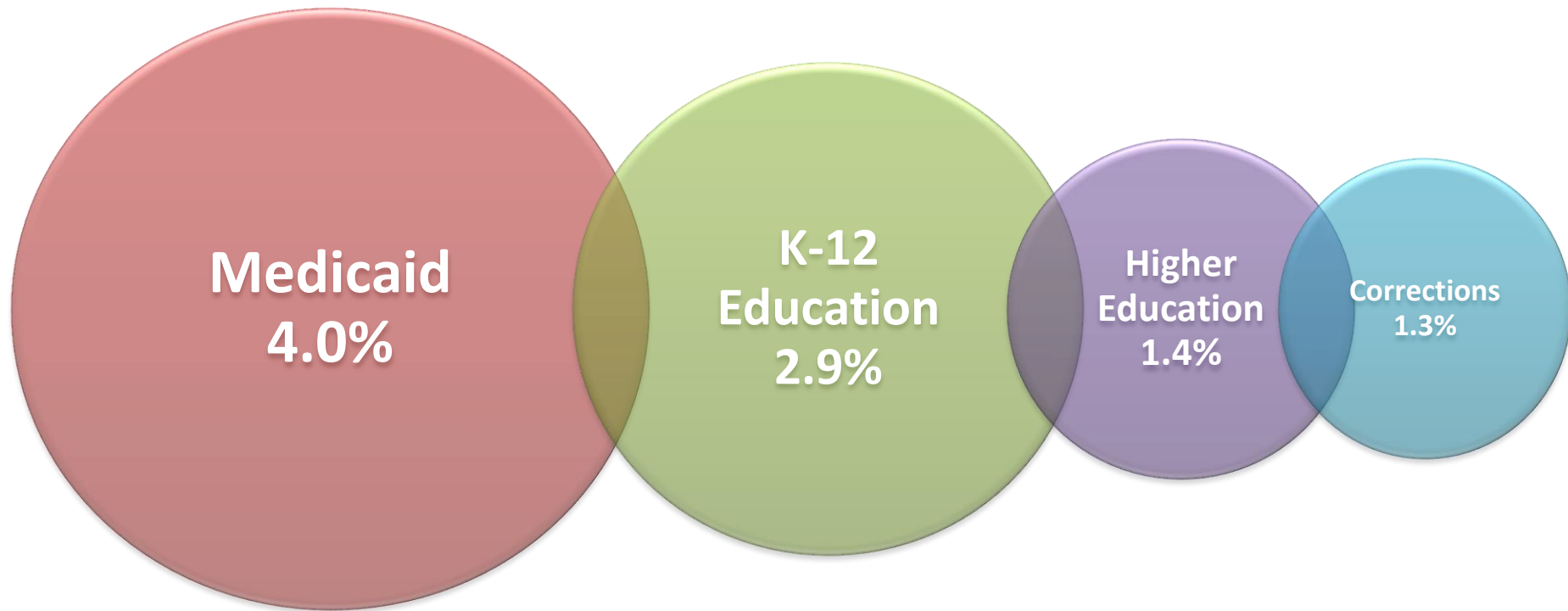
The longest expansion:

March 1991 to March 2001: **120 months**

Source: National Bureau of Economic Research



Percent Change in Total Appropriations for Major Budget Categories in FY 2017(projected)



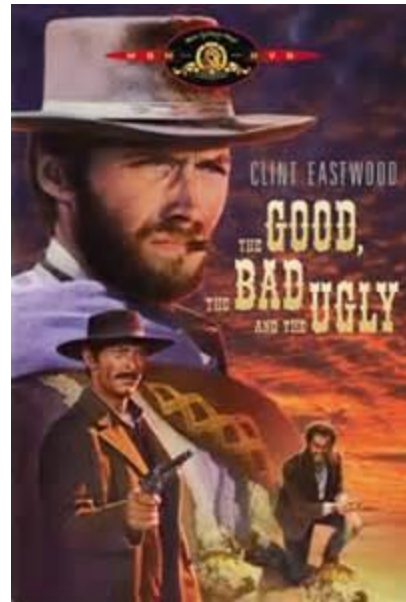


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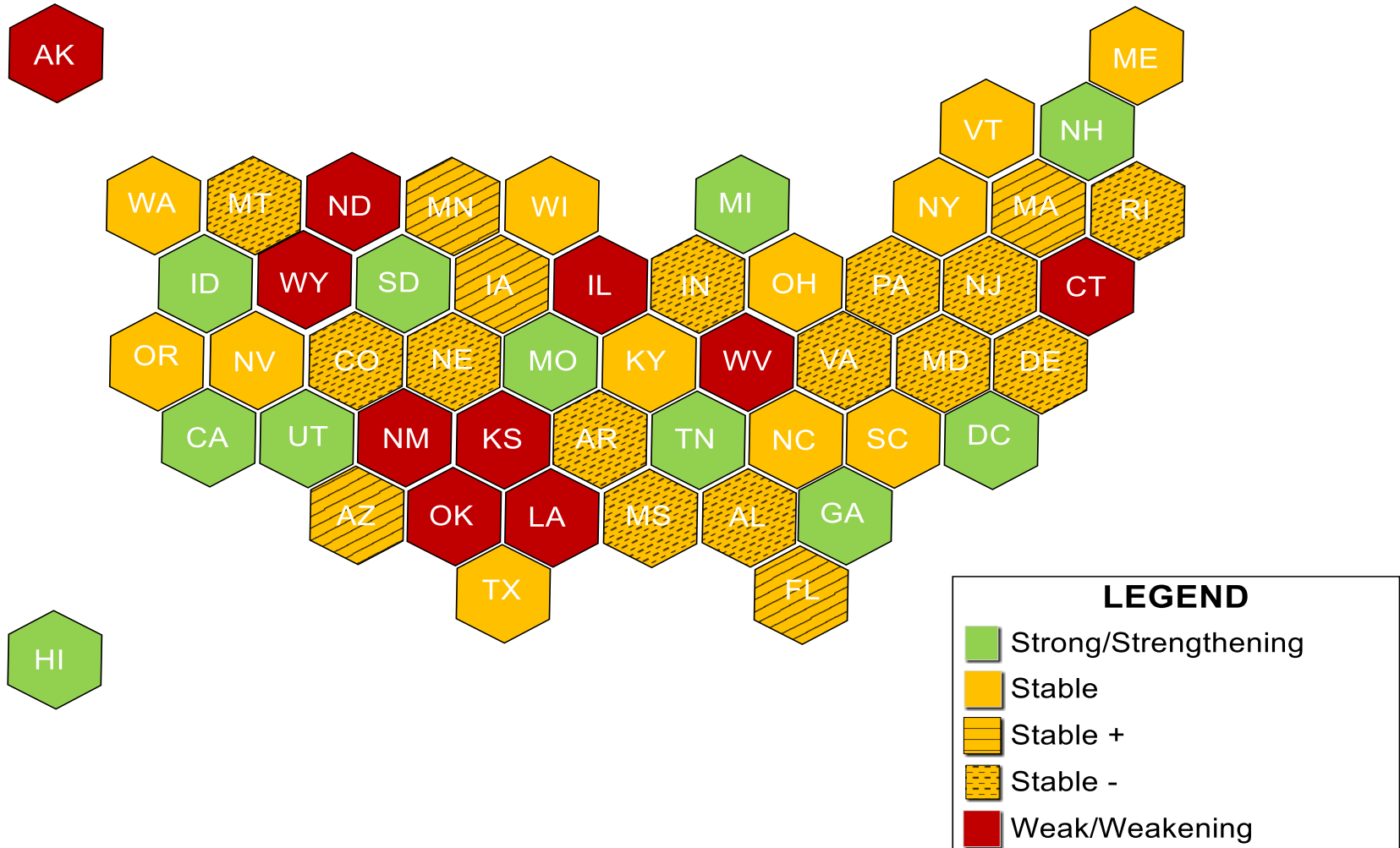


The current state fiscal situation and what it means for top fiscal issues





State Fiscal Situation





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For more information

Resources

Fiscal Affairs Homepage:

<http://www.ncsl.org/fiscal>