

StateStats

States Got More Than a Rainy Day With COVID-19

To prepare for a possible recession, state lawmakers have been building up their budget stabilization—or rainy day—funds for nine years straight, reaching a record combined total of \$74.9 billion in fiscal year 2019, according to The Pew Charitable Trusts.

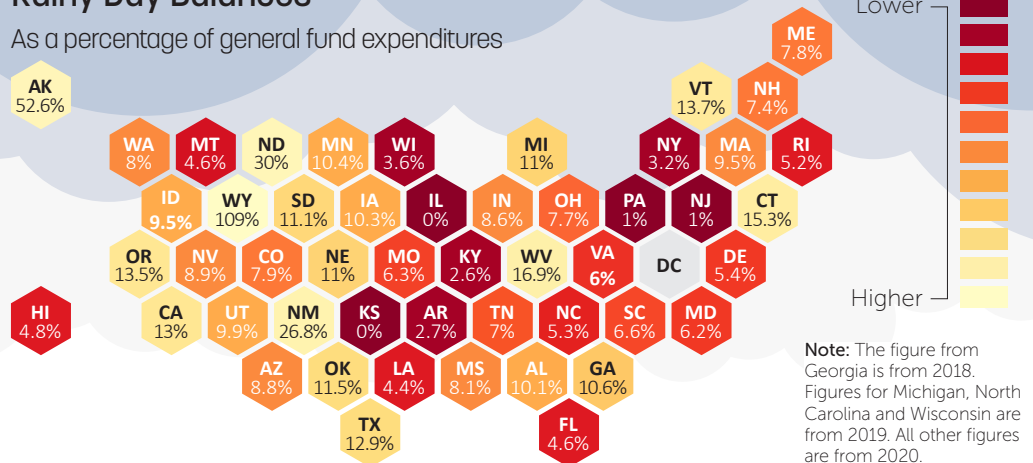
Rainy day funds can lessen the pressure fixed costs—like debt service, retirement system contributions, Medicaid and the Children’s Health Insurance Program—can have on a budget during economic downturns.

Funds were at an all-time high in early March and, on average, could be used to run government for almost 30 days, compared with just 17 days in 2007.

States were prepared for a rainstorm. But they got a tsunami instead.

Rainy Day Balances

As a percentage of general fund expenditures



Note: The figure from Georgia is from 2018. Figures for Michigan, North Carolina and Wisconsin are from 2019. All other figures are from 2020.

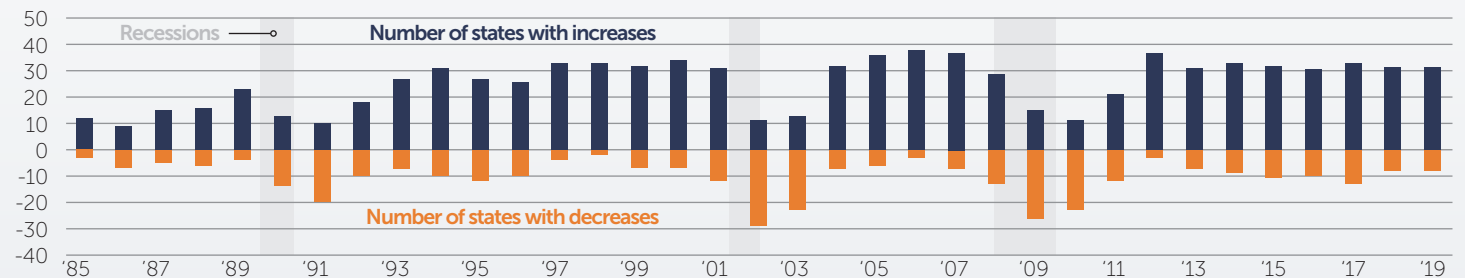
States That Have Dipped Into Their Rainy Day Funds

Since February 2020, as of May 1, 2020.

State	Amount
Arkansas	\$173.6 million
Arizona	\$55 million
Georgia	\$100 million
Maine	\$11 million

State	Amount
Maryland	\$150 million
Nebraska	\$83.6 million
Pennsylvania (pending as of April 2)	\$50 million
Washington	\$100 million

Rainy Day Balances by Fiscal Year



Sources: Tax Foundation, The Pew Charitable Trusts, NCSL, National Association of State Budget Officers