

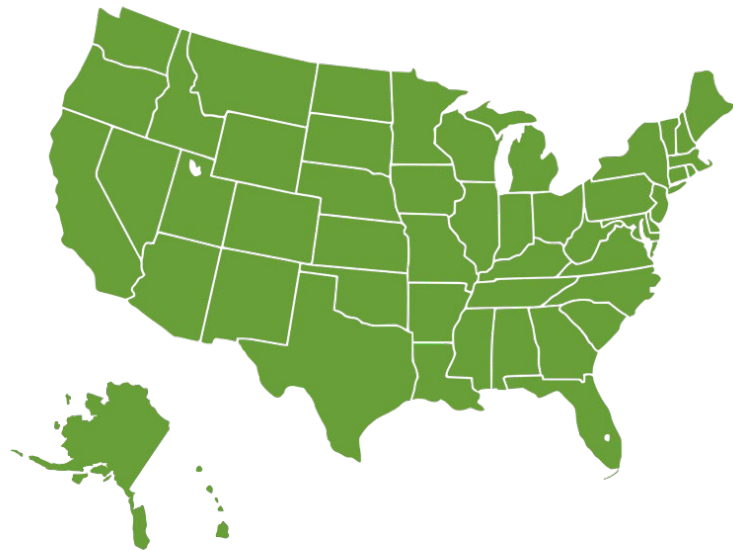


State Budget Update

CSG Midwestern Legislative Conference

July 22, 2024





- Introduction to NASBO
- State General Fund Revenue Update
- Trends in State Spending
- State Savings Levels
- Fiscal Outlook

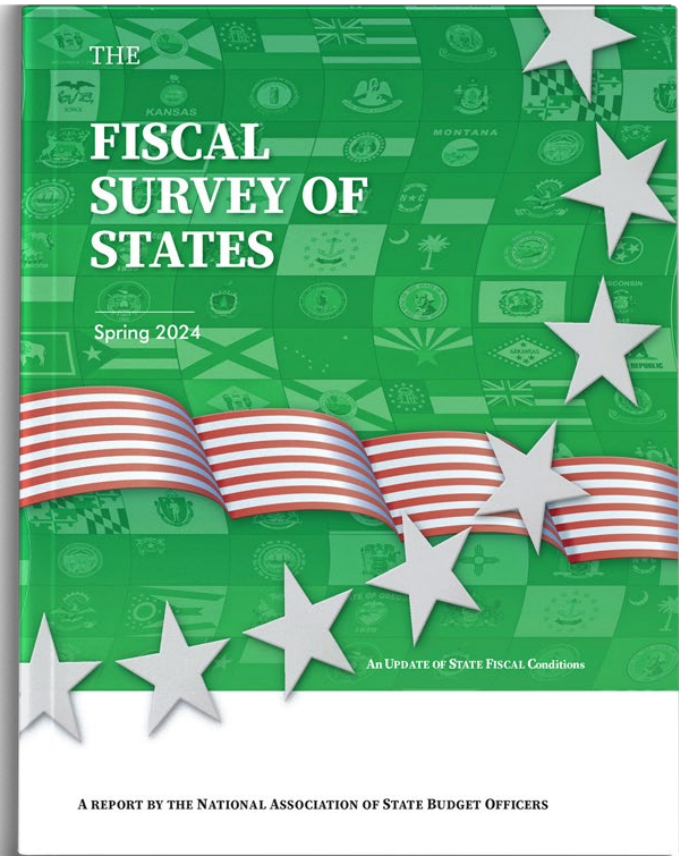


Who is NASBO?



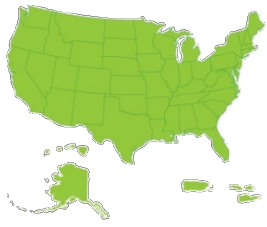
NASBO is an independent, nonpartisan, nonprofit research and educational organization. For nearly 80 years, NASBO has been the professional membership organization for budget and finance officers across all states, territories, and DC.

NASBO PUBLICATIONS:

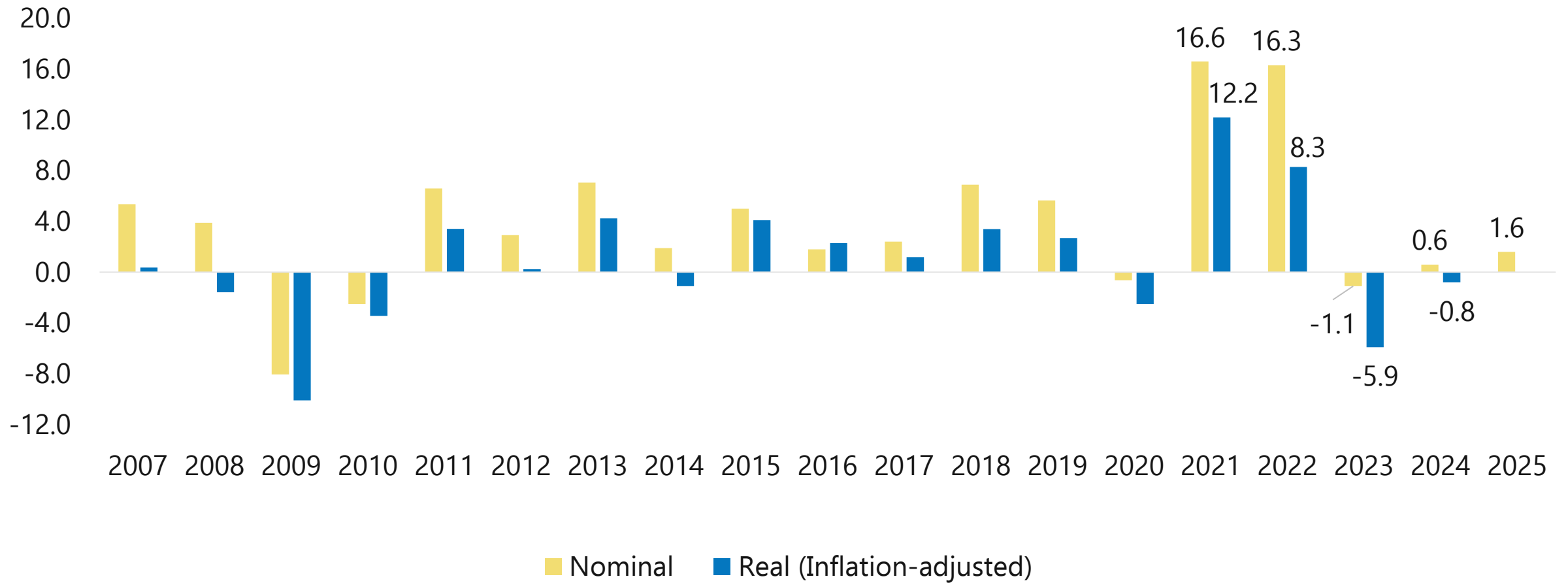


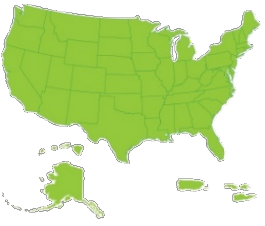
State General Fund Revenue Update



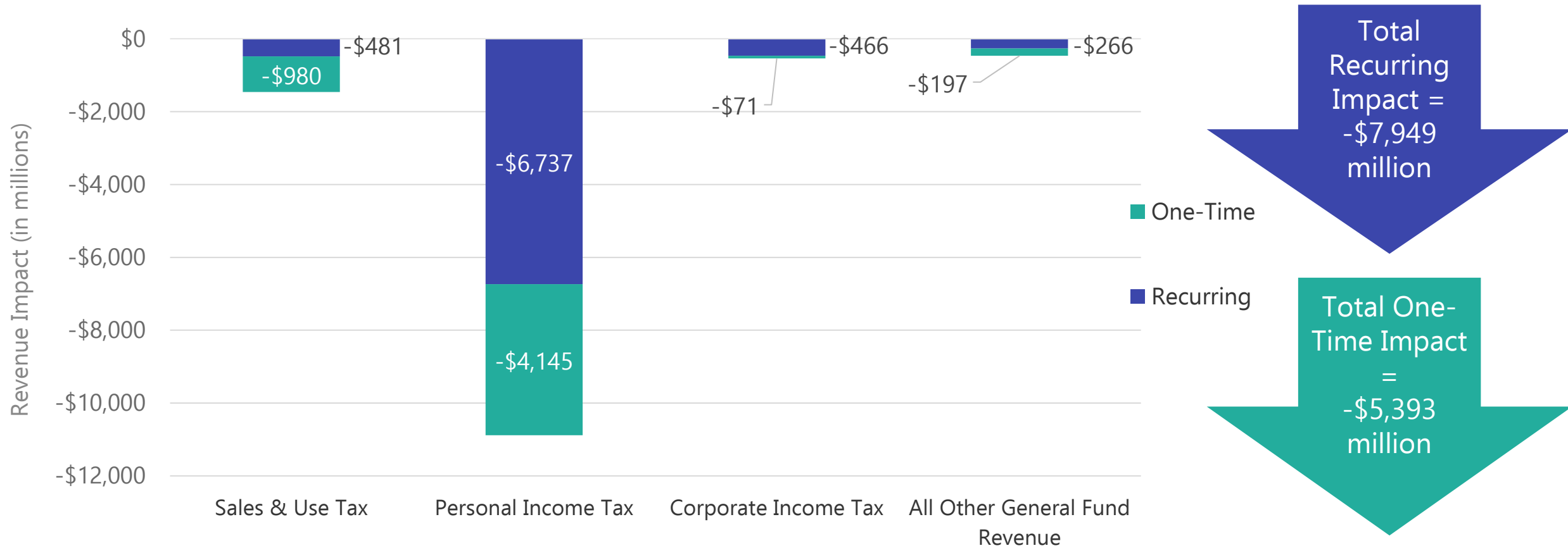


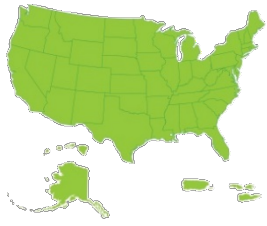
Annual General Fund Revenue Percentage Changes Fiscal 2007 to Fiscal 2025



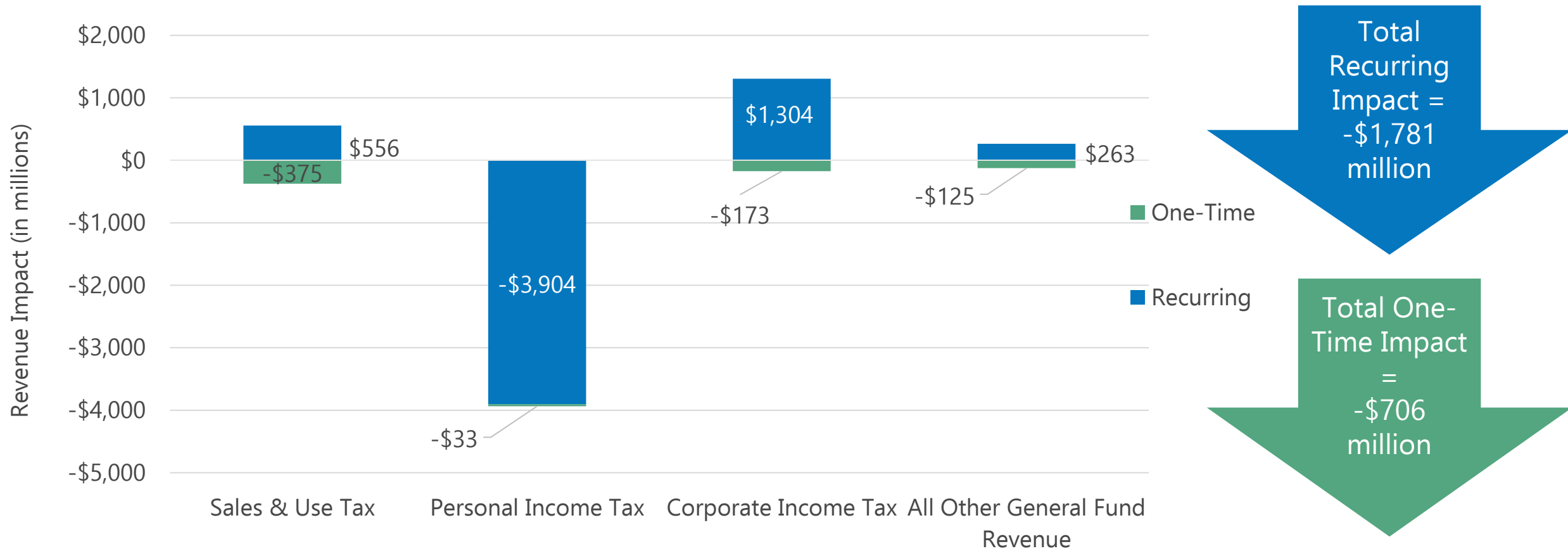


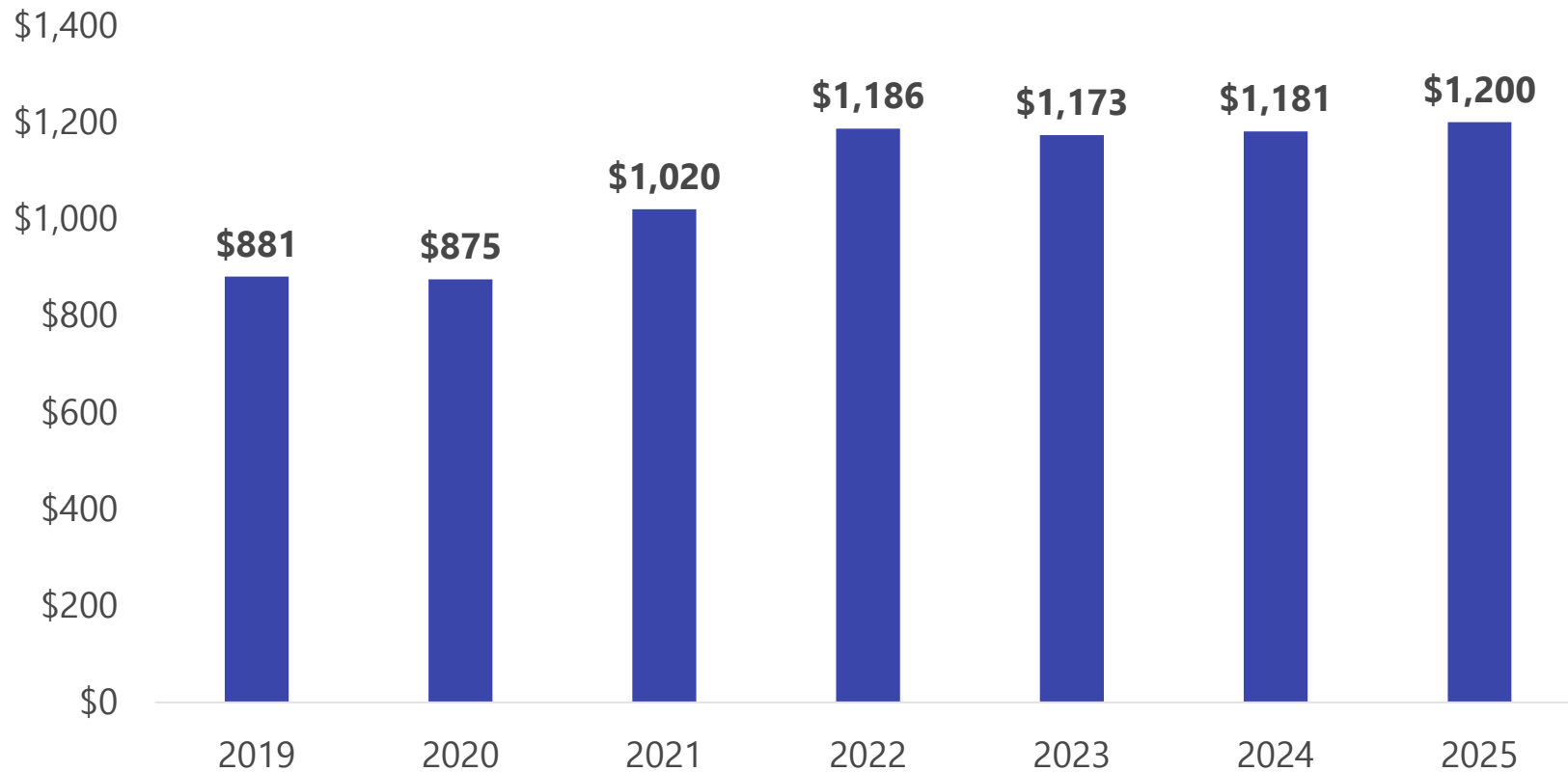
Net Tax Decreases Adopted in Fiscal 2024





Net Tax Decreases Proposed in Fiscal 2025

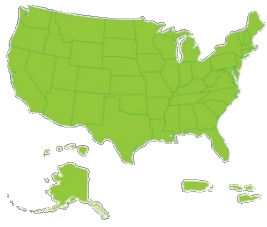




Annual General Fund Revenue (in Billions)

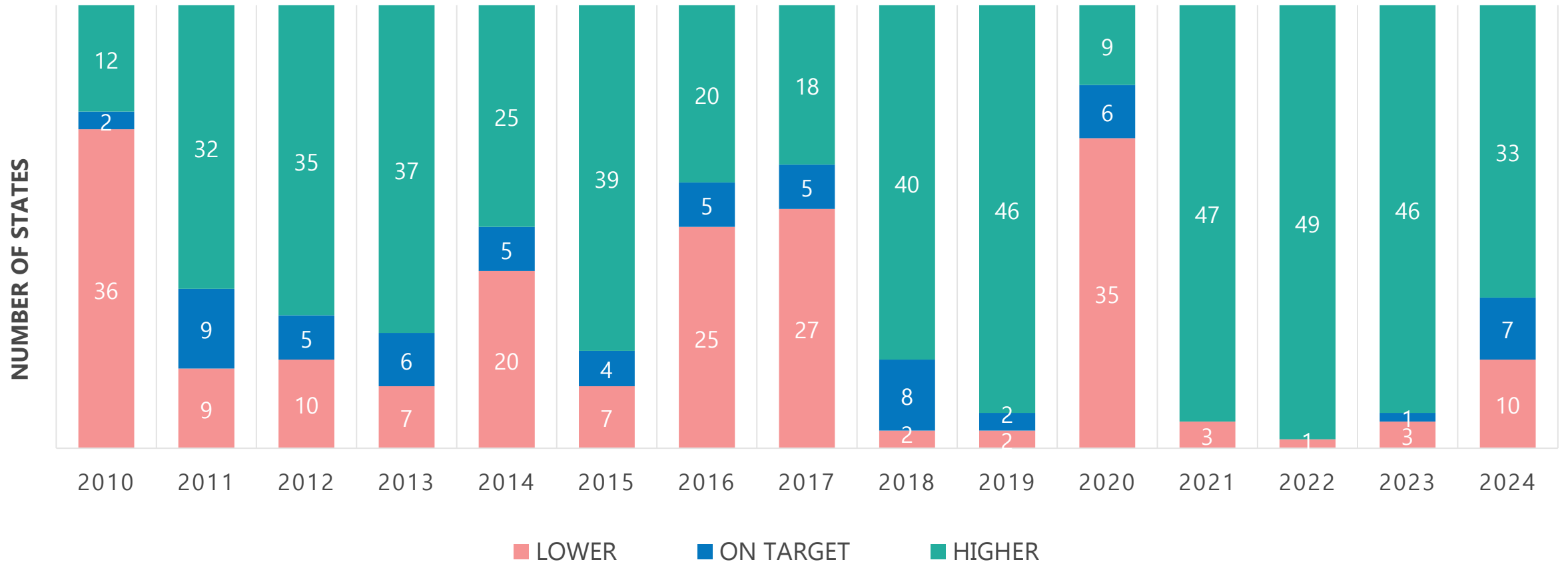
Fiscal 2019 to Fiscal 2025

Note: Fiscal 2024 figure is estimated as of spring 2024 and fiscal 2025 figure is projected based on governors' recommended budgets. Fiscal 2019 figure adjusted to account for change in reporting methodology for Ohio beginning in the Spring 2021 Fiscal Survey. Fiscal 2025 figure is adjusted to account for one state unable to report figures for that year.



General Fund Revenue Collections

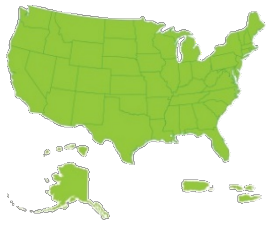
General Fund Revenue Collections Compared To Original Revenue Projections (By Fiscal Year)



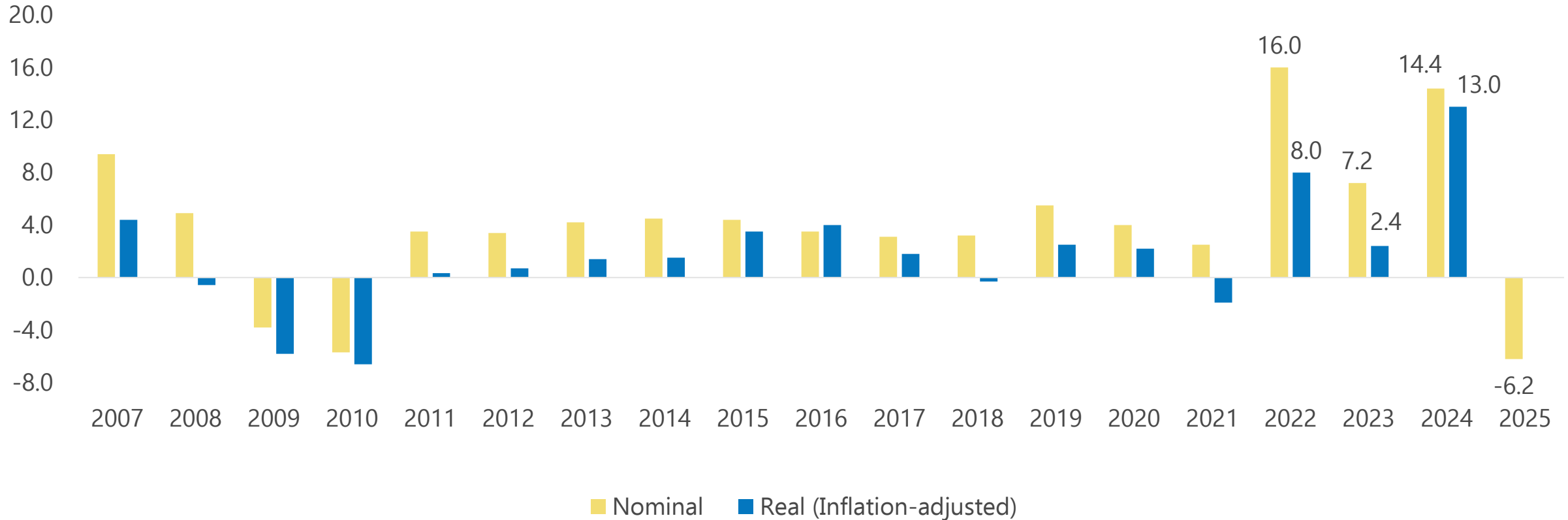
*Fiscal 2024 is ongoing and figures are subject to change.

Trends in State Spending





Annual General Fund Expenditure Percentage Changes Fiscal 2007 to Fiscal 2025

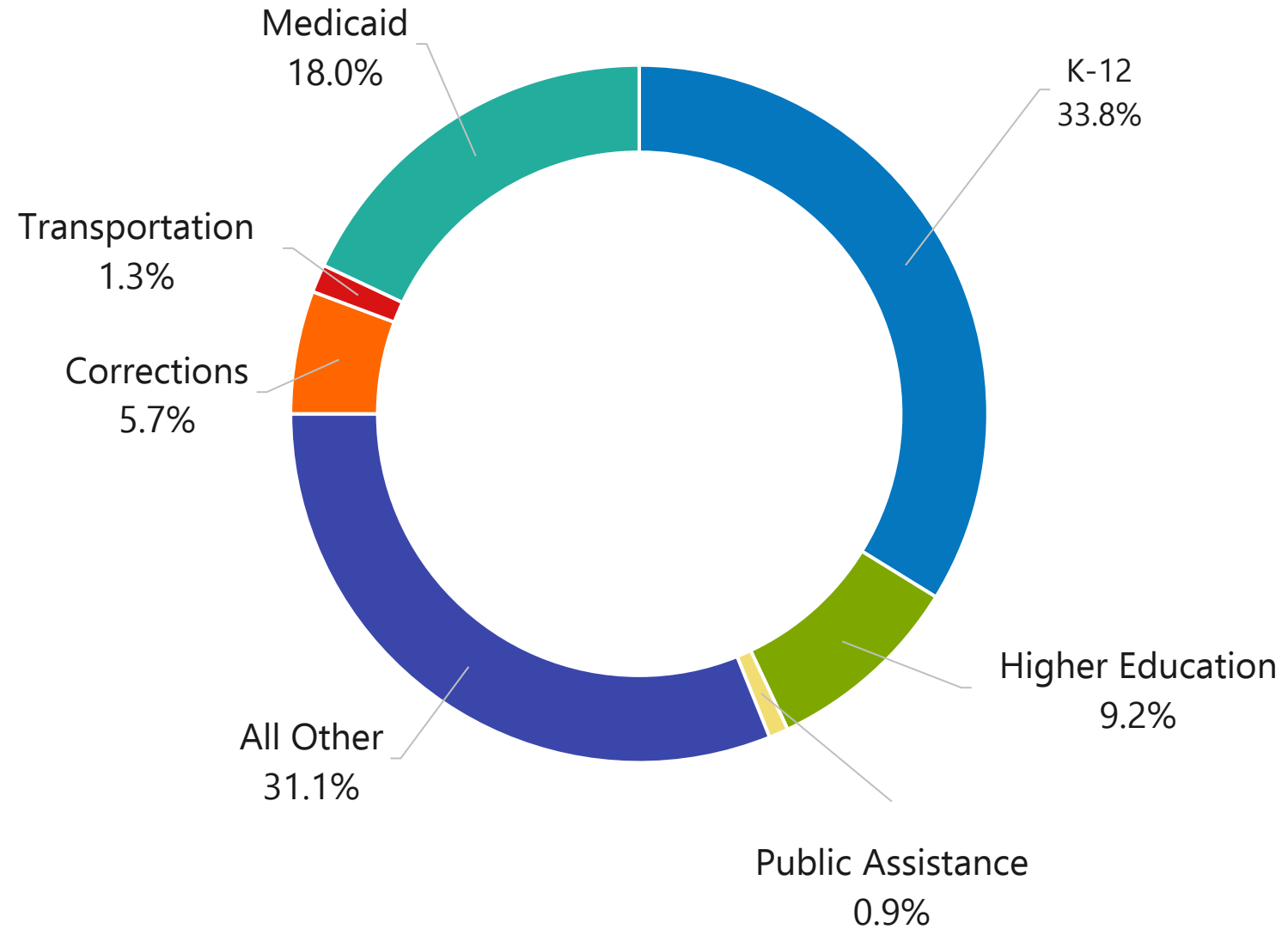


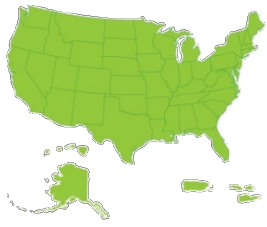
Note: Fiscal 2024 figure is estimated based on data reported in spring 2024; fiscal 2025 figure is based on governors' recommended budgets.

General Funds Expenditures

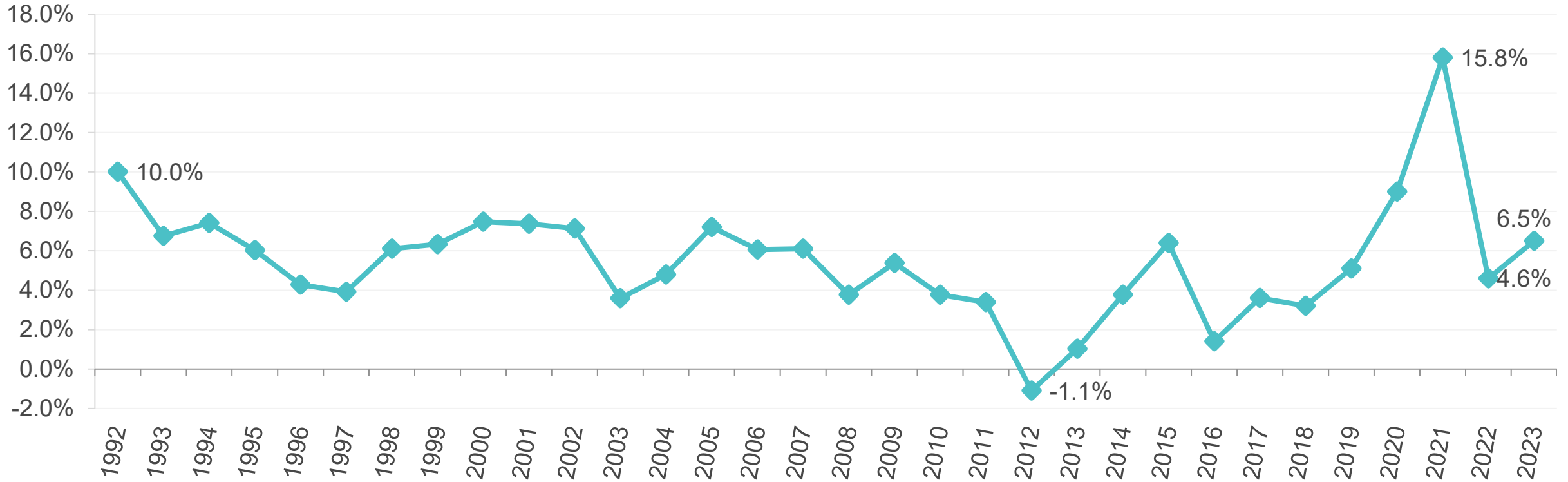
By Function

Estimated FY 2023

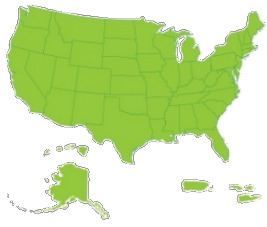




Annual Total State Expenditure Percentage Changes Fiscal 1992 to Fiscal 2023

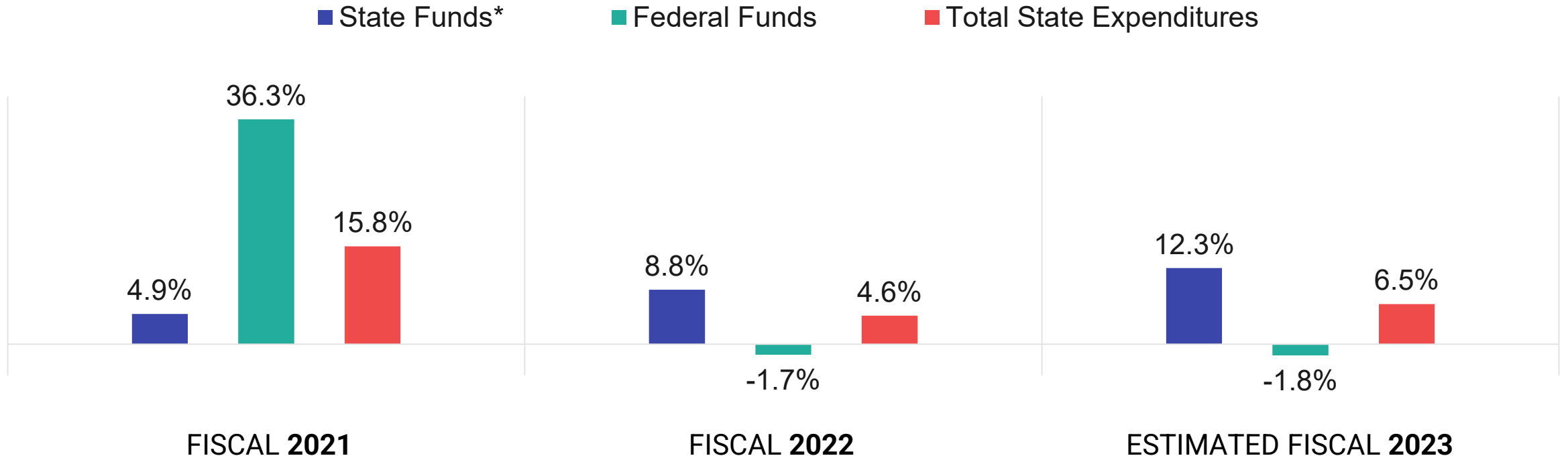


**Total state expenditures include spending from general funds, other state funds, bonds, and federal funds to states.*



Year-over-year Percentage Spending Growth

By Fund Source

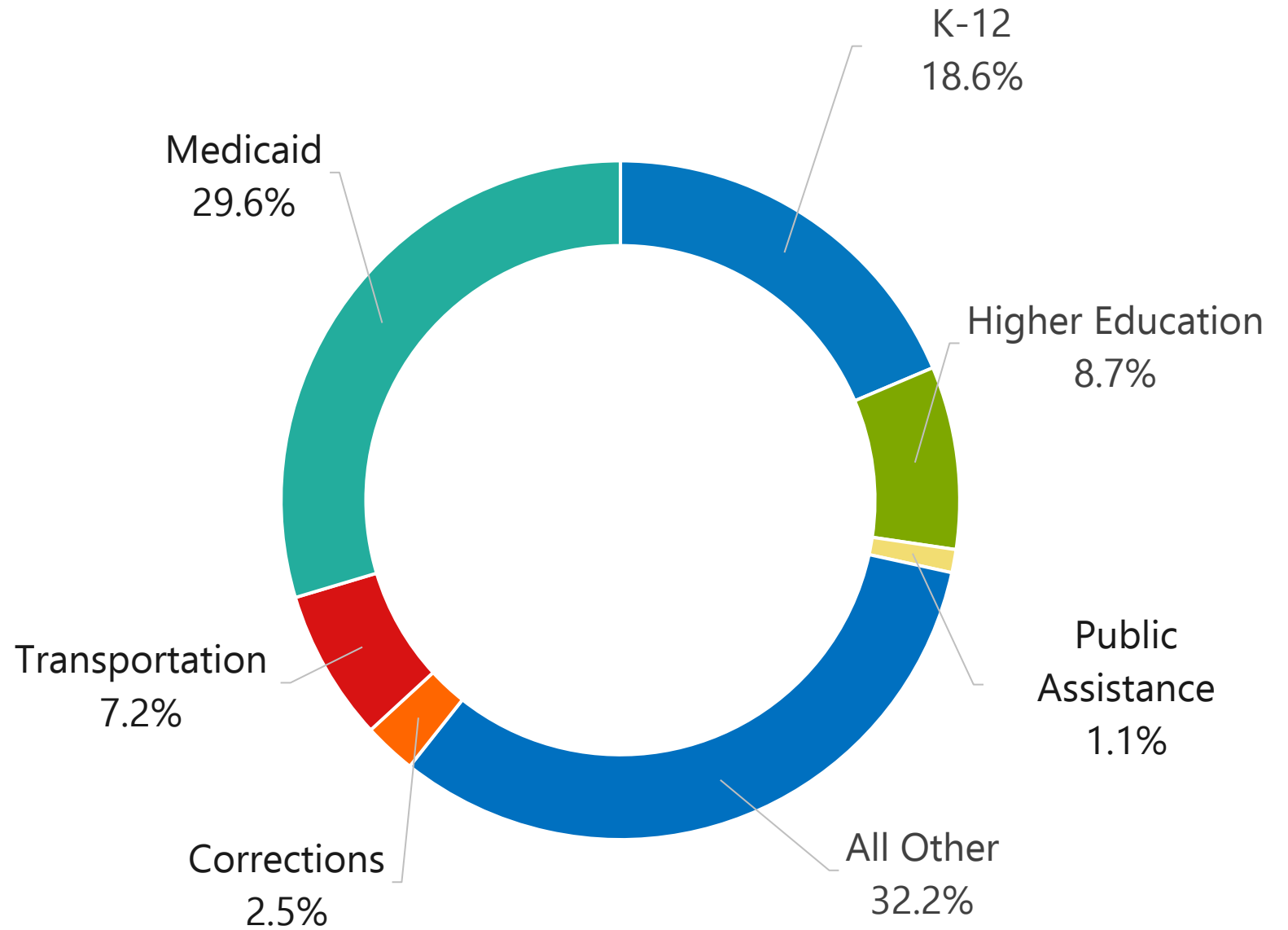


**State funds are general funds and other state funds combined, excluding bonds. Total state expenditures are all federal and state funds.*

Total State Expenditures

By Function

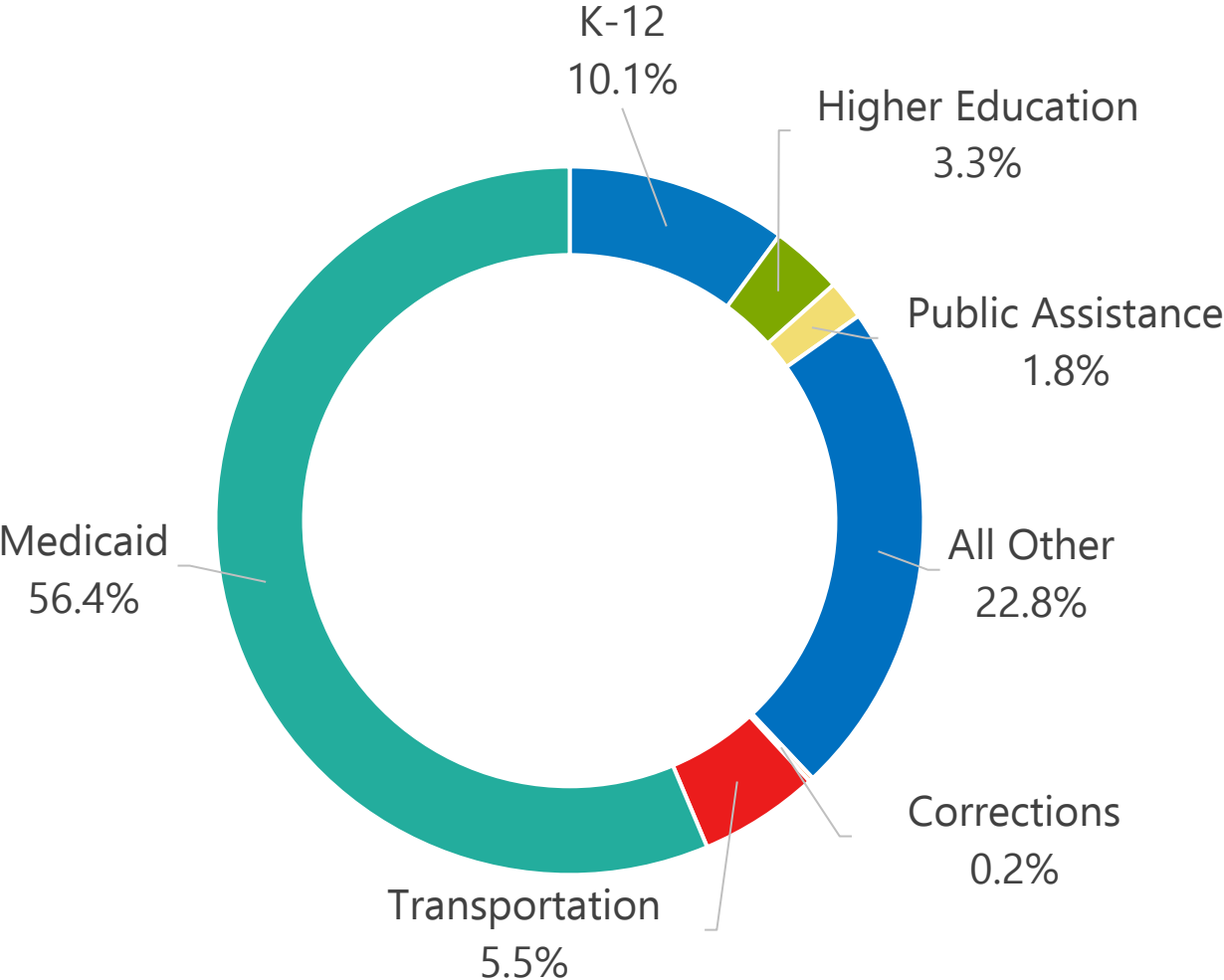
Estimated FY 2023



FEDERAL FUNDS EXPENDITURES

By Function

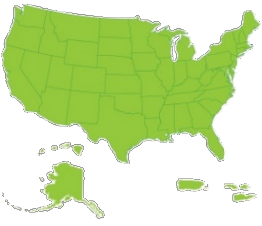
Estimated FY 2023



Source: NASBO State Expenditure Report

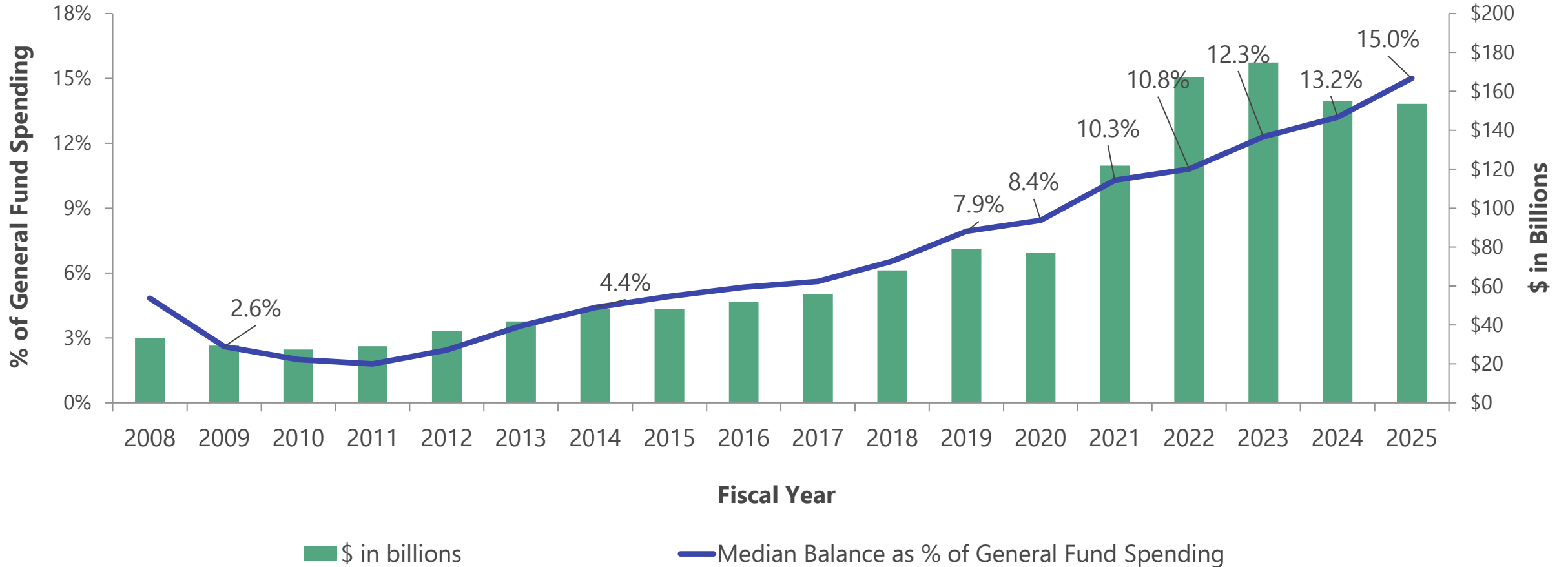
State Savings Levels



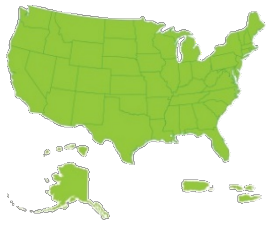


State Rainy Day Funds Fiscal 2000 to Fiscal 2025

Rainy Day Fund Balances in Dollars and as a Percentage of General Fund Expenditures

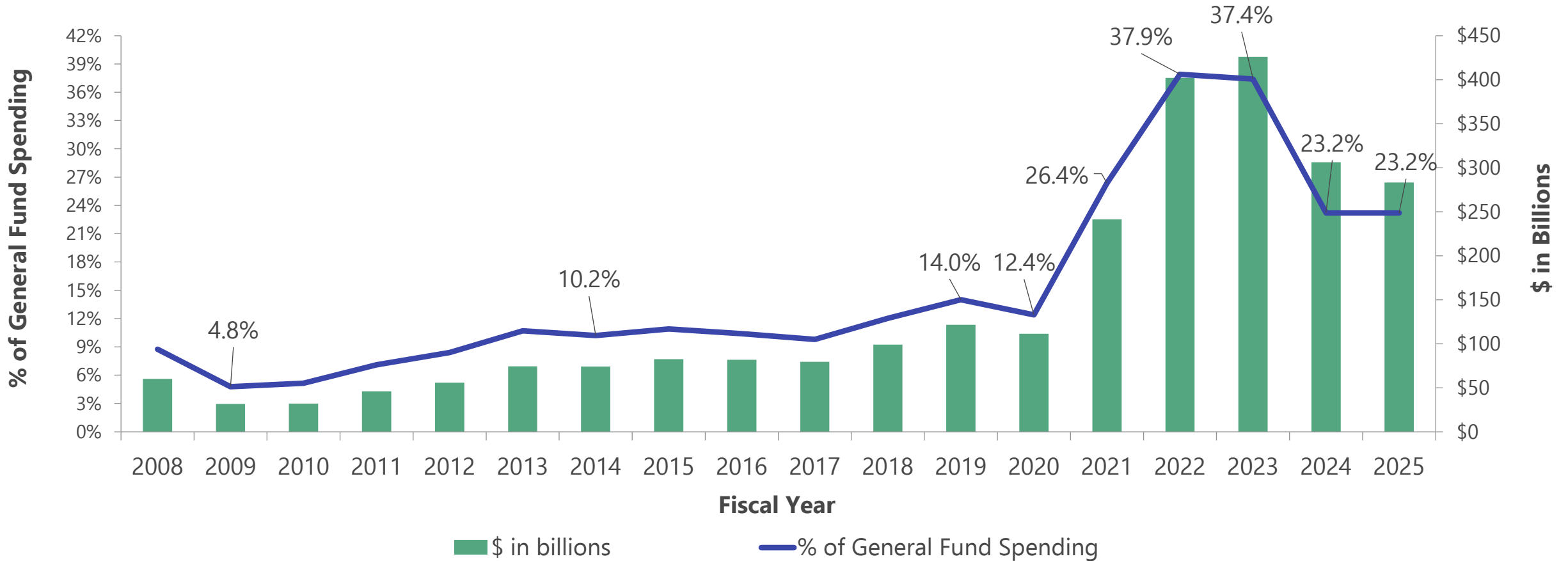


Note: Fiscal 2024 figure is based on estimated data; fiscal 2025 figure is based on governors' recommended budgets. Total \$ in billions amounts for fiscal 2024 and fiscal 2025 are adjusted to account for several states that were unable to report balances data for one or both years.



State Total Balances Fiscal 2008 to Fiscal 2025

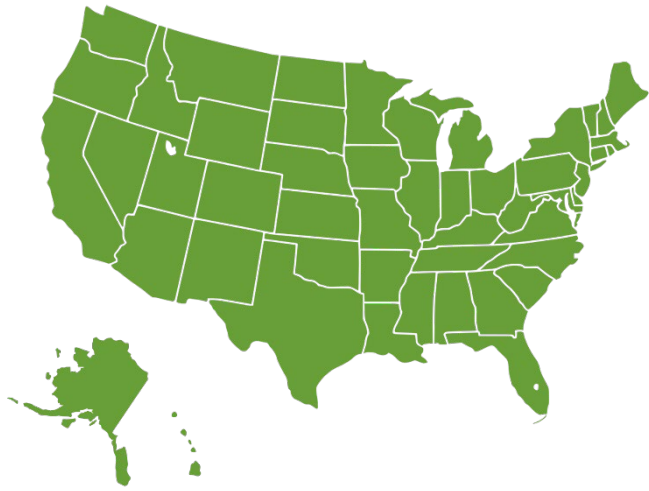
Total Balances in Dollars and as a Percentage of General Fund Expenditures



Note: Fiscal 2024 figure is based on estimated data; fiscal 2025 figure is based on governors' recommended budgets. Total \$ in billions amounts for fiscal 2024 and fiscal 2025 are adjusted to account for several states that were unable to report balances data for one or both years.

State Fiscal Outlook





Fiscal Outlook

Budget Pressures: Medicaid, education, housing, tax relief, employee compensation

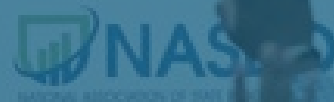
Revenue Pressures: Impact of tax cuts as well as slowing inflation and economic growth on revenues

States are well prepared for a “rainy day”

General fund revenues closer to projections with less surplus revenue

Wind down of pandemic-era federal funding

A return to normal budgeting with little to no new revenue, hard choices, and the need to prioritize



**Thank
you**

