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NASBO: States Finalize Fiscal 2025 Budgets

As of July 3, 47 states have enacted a full-year budget for fiscal 2025. State fiscal conditions are continuing to return to a more normal budget environment in which new money is limited and revenue collections more closely align with expectations. According to NASBO's Spring 2024 Fiscal Survey of States, state general fund spending in fiscal 2025 is expected to slow following three consecutive years of robust increases, which were driven in part by sizable one-time expenditures of surplus funds. States are projecting modest revenue gains in fiscal 2025 following two consecutive years of essentially flat revenue growth, and tax collections for fiscal 2024 are performing close to states' revenue forecasts. While expenditure and revenue growth is expected to slow, a majority of governors are recommending further increases to rainy day funds. As states begin fiscal 2025, overall fiscal conditions remain strong as states invest in priorities, experience stable revenue outlooks, and maintain rainy day funds at or near all-time highs.

Thirty-four states, the territories, and the District of Columbia are enacting a new budget for fiscal 2025 (Kentucky, Virginia, and Wyoming are enacting a biennial budget for both fiscal 2025 and fiscal 2026). Last year, 16 states enacted biennial budgets covering both fiscal 2024 and fiscal 2025; in seven of those states, the governor released a supplemental or revised budget recommendation for fiscal 2025. Forty-six states begin their fiscal year on July 1 (New York begins its fiscal year on April 1, Texas on September 1, and Alabama and Michigan on October 1). Puerto Rico begins its fiscal year on July 1, while the District of Columbia, Guam, and the U.S. Virgin Islands begin their fiscal year on October 1.

Below is additional information on states that have yet to enact a full-year budget for fiscal 2025. Additionally, Table 12 of NASBO's *Budget Processes in the States* has information on procedures if no budget is enacted by the start of the fiscal year.

- **Massachusetts** – The legislature has yet to pass a budget for the full fiscal year; the governor signed a temporary budget for the month of July.
- **Michigan** – The legislature finalized the budget on June 27 and the governor is currently reviewing the budget bills. Michigan's fiscal year does not begin until October 1.
- **Pennsylvania** – The legislature has yet to reach a budget agreement.

Please click here for links to proposed and enacted budgets, as well as prior budget summaries.

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