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The Week in Public Finance: For State Budgets, What a Difference 6 Months Make.

Thanks in large part to a steady economy, states are finishing 2018 better than they expected.

After two straight years of lackluster revenue growth, state finances are on the upswing thanks in large part to a stable economy and a one-time boost from December's federal tax overhaul.

As fiscal 2018 comes to a close on June 30 in most states, total revenue growth for the year is estimated at 4.9 percent. That's the best year since 2015, according to the latest state fiscal survey from the National Association of State Budget Officers (NASBO).

The numbers bear that out: Only nine states have been forced to make mid-year budget cuts compared with a whopping 22 last year. Cuts totaled just $830 million in fiscal 2018; a year ago, states had to cut $3.5 billion to balance budgets. And 19 states have increased spending this year to the tune of $1.6 billion, which boosted total spending growth by 3.4 percent or to $835 billion.

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