

Bond Case Briefs

Municipal Finance Law Since 1971

NASBO Fiscal Survey of States.

Overview - Fall 2021

With data gathered from all 50 state budget offices, this semi-annual report provides a narrative analysis of the fiscal condition of the states and data summaries of state general fund revenues, expenditures, and balances. The spring edition details governors' proposed budgets; the fall edition details enacted budgets.

State general fund spending is projected to grow 9.3 percent in fiscal 2022 compared to fiscal 2021 levels, according to states' enacted budgets. This spending increase is driven by improving revenue outlooks for states as well as a host of one-time factors.

Other key highlights from the report:

- General fund spending grew **4.3 percent** in fiscal 2021 to total \$931.7 billion, above originally enacted levels but still slightly below governors' proposed budget levels pre-COVID-19.
- **47 states** reported fiscal 2021 general fund revenue collections came in above original budget projections.
- Fiscal 2021 general fund revenue grew **14.5 percent** over fiscal 2020 levels, with this increase partially driven by the impact of the tax deadline shift, inclusion of federal funds, borrowing, and other revenue sources in a few states, and a lower baseline in fiscal 2020.
- In the aggregate, combined fiscal 2020 and fiscal 2021 general fund revenues came in **2.2 percent** above pre-COVID-19 projections.
- Fiscal 2022 enacted budgets are based on general fund revenues that are **2.6 percent** below preliminary actual levels for fiscal 2021; revenue forecasts used to build enacted budgets were mostly developed earlier in calendar year 2021, before the most recent uptick in collections.
- **32 states** (out of 42 states able to report early in the fiscal year) indicated that fiscal 2022 collections were coming in ahead of budget forecasts, while 10 states said they were on target.
- States adopted a mix of increases and decreases in taxes and fees, resulting in a projected net revenue change in fiscal 2022 of **-\$2.9 billion** – including \$1.7 billion in general fund revenue reductions (representing less than 0.2 percent of total general fund revenues forecasted in enacted budgets for fiscal 2022).
- Rainy day fund balances reached a new record level of nearly **\$113 billion** in fiscal 2021 due mainly to stronger than anticipated revenue growth, with 35 states reporting increases. The median balance as a share of general fund spending is **9.4 percent**.
- Total balances increased in fiscal 2021, nearly doubling from fiscal 2020 levels, and **46 states** reported total year-end balances greater than 10 percent as a share of general fund spending.

[Report Summary](#)

[Full Report](#)

