

Bond Case Briefs

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NASBO Fiscal Survey of States - Fall 2022

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.

Overview - Fall 2022

Enacted budgets for fiscal 2023 provide for general fund spending of **\$1.16 trillion**, a 6.7 percent increase over fiscal 2022. This follows fiscal 2022, when states recorded spending growth of **18.3 percent**, the highest annual increase in spending recorded in the Fiscal Survey of States since its inception in 1979. Adjusted for inflation, general fund spending in fiscal 2022 increased **9.6 percent**.

Other key highlights from the report:

- General fund revenue grew **14.5 percent** year-over-year to total **\$1.17 trillion** in fiscal 2022, following a **16.6 percent** increase in fiscal 2021.
- **49 states** reported fiscal 2022 general fund revenue collections exceeded enacted budget forecasts, with collections in the aggregate exceeding original projections by **20.5 percent**.
- Revenue projections in fiscal 2023 enacted budgets are **3.1 percent** below preliminary actual collections for fiscal 2022, but more recent revenue data suggest that revenue will continue to grow in fiscal 2023, with **33 states** reporting collections exceeding budget forecasts.
- States enacted net tax cuts in fiscal 2022 totaling **\$16.2 billion** for all state funds and **\$15.5 billion** for general funds (**1.4 percent** as a share of forecasted general fund revenue).
- Rainy day fund balances continued to grow in fiscal 2022 after increasing 58 percent in fiscal 2021, and the median balance as a share of general fund spending is projected to be **11.9 percent** in fiscal 2023.
- Total balances have seen tremendous growth recently, roughly tripling in size over the past two years after revenues far exceeded enacted budget forecasts in fiscal 2021 and fiscal 2022. At the end of fiscal 2022, they totaled **\$343 billion**.

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