



CCSSO

March 18, 2013

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National Association of State Budget Officers***



Dana Freedom

"Sure, we need more research in alchemy, necromancy, and sorcery, but where is the money going to come from?"



Major Challenges to State Budgets - Spring 2013

- **Improved revenue growth, but not enough to go around...**
- **Federal government**
- **Health care changes, implementation**
- **Dealing with long term liabilities**



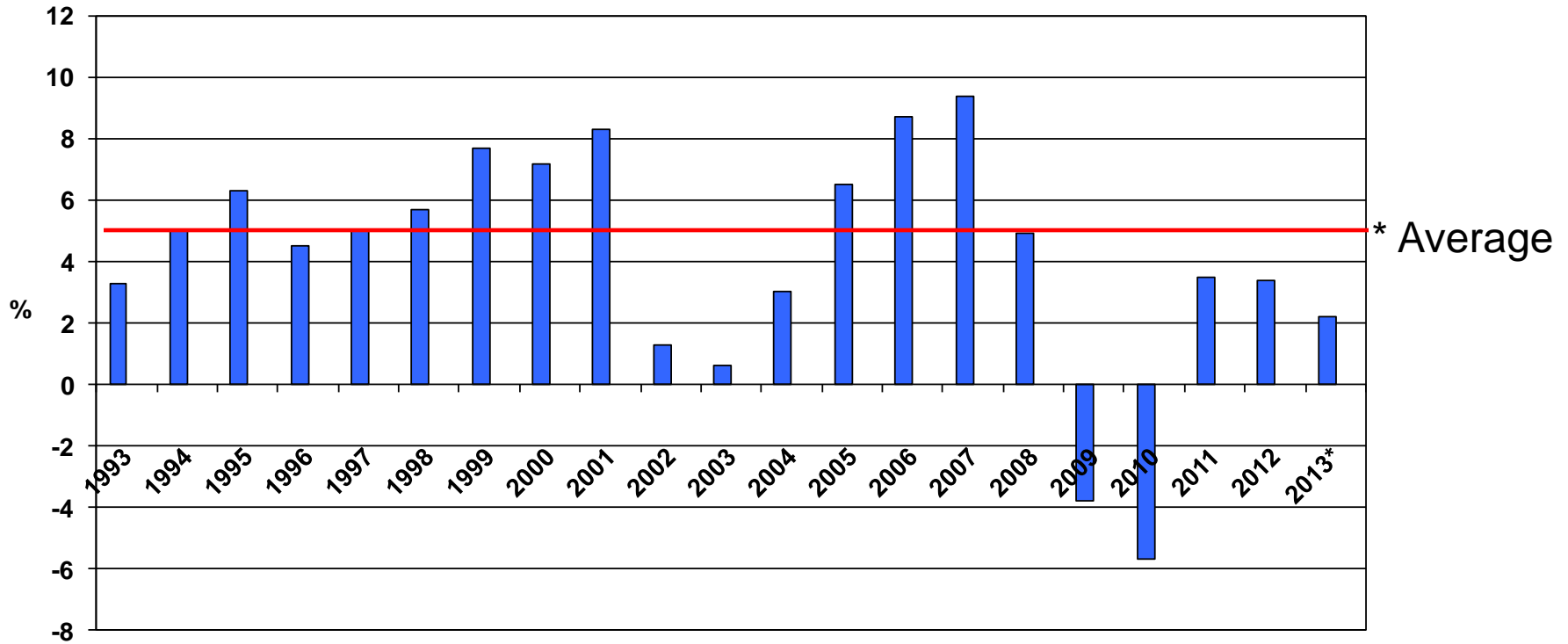
Federal Overhang...

- **Sequester**
- **Debt ceiling**
- **Many program authorizations set to expire**
- **“Grand bargain” tax reform?**



GF Growth

General Fund Expenditure Growth (%)

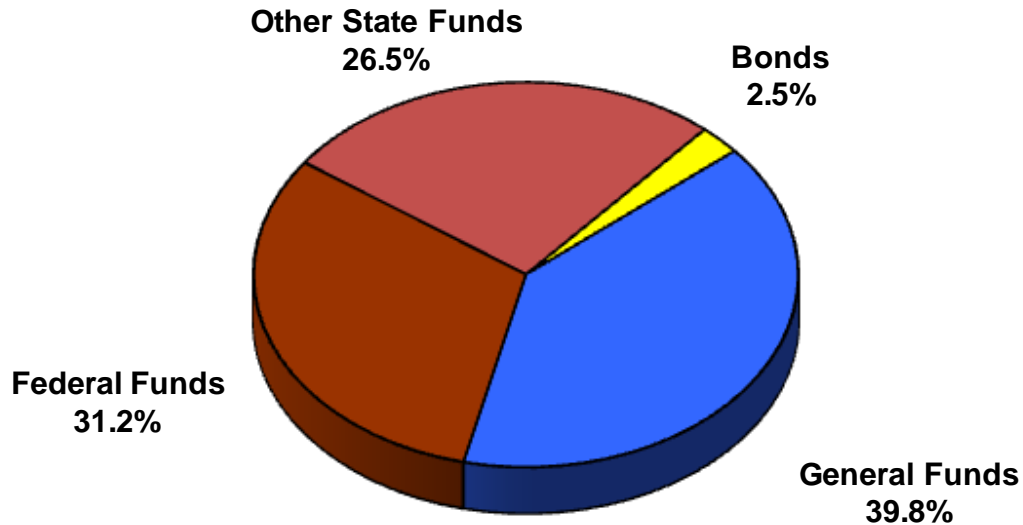


**35-year historical average rate of growth is 5.6 percent
Source: NASBO Fall 2012 Fiscal Survey of States*

**Fiscal '13 numbers are appropriated*

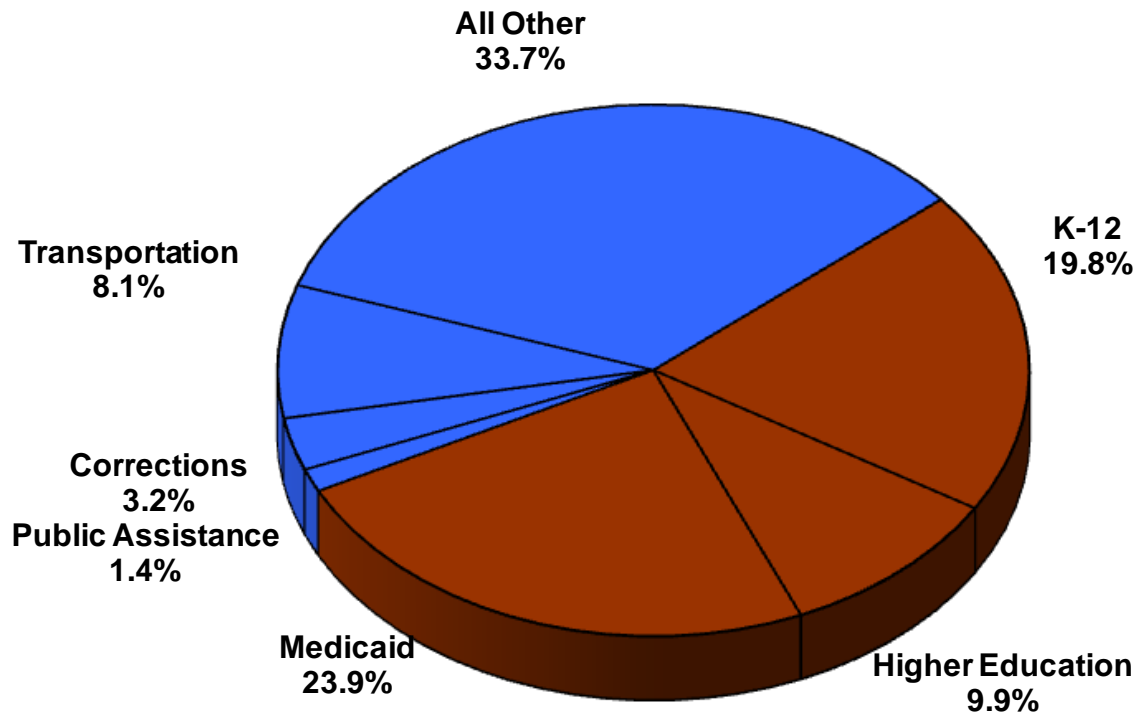
Spending by Funding Source (Percentage)

Total State Expenditures By Funding Source, Estimated Fiscal 2012



Total State Expenditures

Total Expenditures by Function, Estimated Fiscal 2012

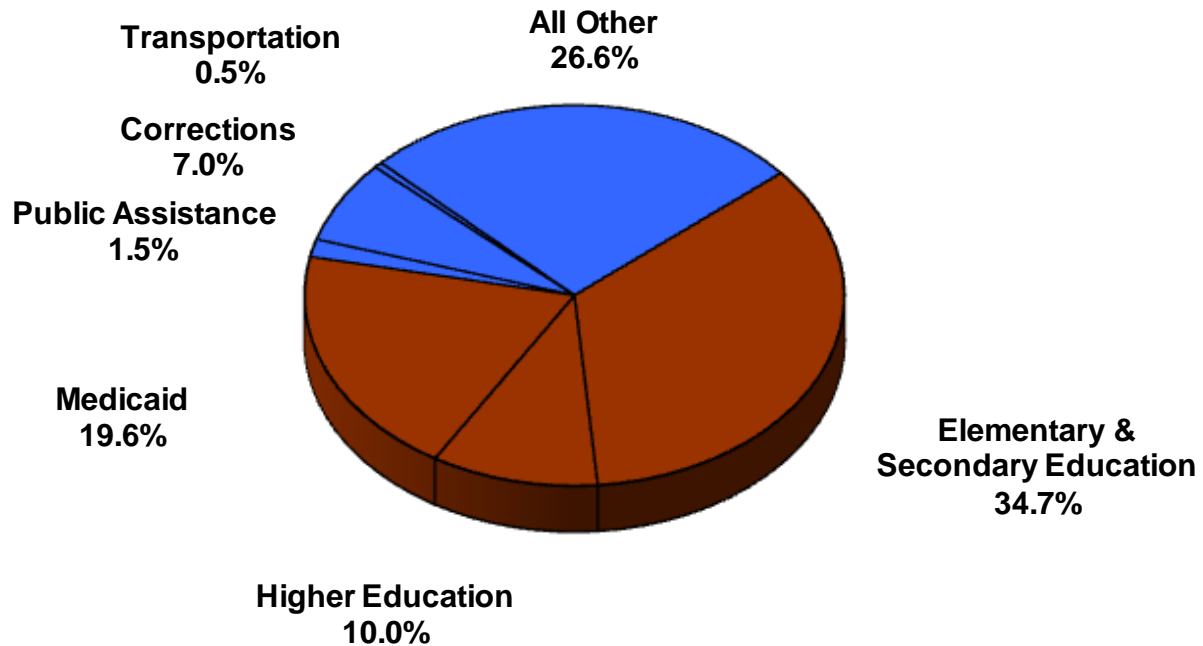


Source: NASBO State Expenditure Report



General Fund: Medicaid & Education 64.3%

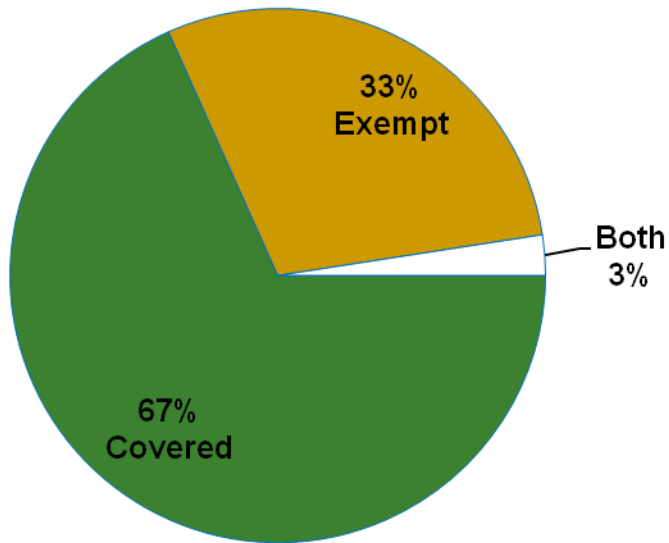
General Fund Expenditures by Function, Estimated Fiscal 2012



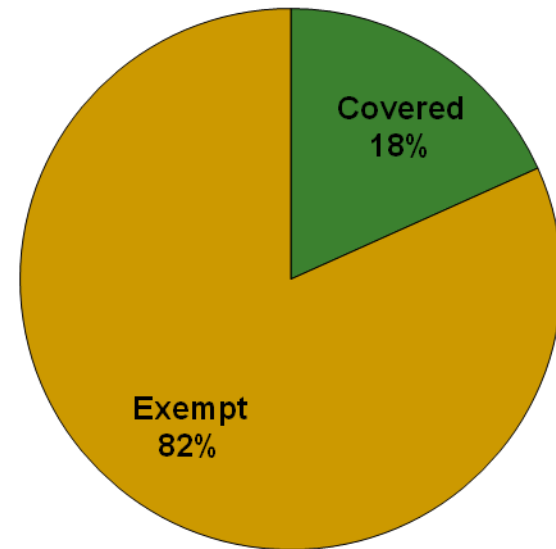
Source: NASBO State Expenditure Report

Impact of Sequestration on State Budgets in 2013

Coverage Status by Grant Program



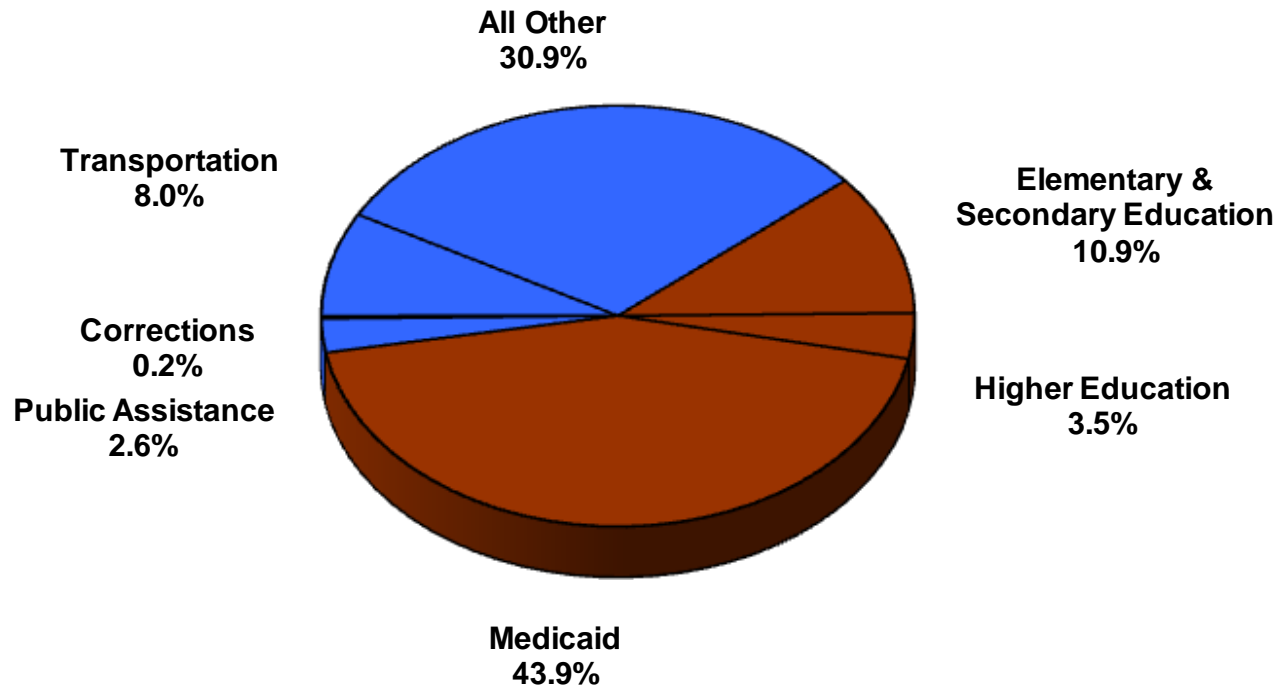
Coverage Status by Funding Amount



Source: Federal Funds Information for States (FFIS), as presented at NASBO Fall 2012 Meeting (Note: Above figures only include programs that are part of FFIS VIP Series.)

State Spending from Federal Funds

Federal Funds Spending, Estimated Fiscal 2012



Source: NASBO State Expenditure Report



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