Over the past several years, states have focused largely on cutting expenses rather than increasing revenues as a way to end the year in the black. The depth of the recent recession left states so low on revenue that even historically “sacred” areas of state budgets—like health care and education—saw significant cuts. While enacted 2012 budgets contain a 2.9 percent year-over-year increase in general fund spending, it is still $20 billion, or 3.1 percent, less than the pre-recession high of $687 billion in the 2008 fiscal year, according to data from the National Association of State Budget Officers.

State Nominal General Fund Budget Increases, FY1979 - FY2012

Data Source: National Association of State Budget Officers [2]

By: Jennifer Burnett [1]

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