

## Overview

*Over the course of the past several months, governors in 34 states have released their fiscal 2013 budget proposals (16 states enacted biennium budgets last year covering both fiscal 2012 and fiscal 2013). This document provides summaries of these budget proposals and links for further information about specific states.*

Governors have released their budget proposals for the upcoming fiscal year during a period of transition and uncertainty. In a number of ways fiscal conditions have improved. State revenues have now grown for seven consecutive quarters and fiscal 2012 general fund spending is projected to increase for a second year in a row following two consecutive years of declines. However, both general fund revenue and spending in fiscal 2012 are expected to remain approximately \$20 billion below fiscal 2008 levels. Additionally, states continue to face rising health care costs and uncertainty surrounding both future federal funding levels and the national economic outlook.

Amid this backdrop, governors have proposed fiscal 2013 budgets that in most instances call for increased general fund spending; however the proposed spending is at growth levels below the historical average and in some instances remains below pre-recession levels. While resources remain constrained, slowly improving economic conditions have given governors an opportunity to fund some of their top priorities and to examine what previous spending cuts could possibly be restored. One area in which a number of governors have proposed increased spending is in elementary and secondary education. For the most part governors have also proposed increased spending for Medicaid, although much of that is due to program requirements and increases in enrollment and healthcare costs. Other areas of state spending have been more mixed, with some governors proposing increases in areas such as corrections, higher education, and public assistance, while other governors have proposed cutbacks. On the revenue side, in an attempt to encourage job growth, a number of governors have proposed reforms to corporate income taxes and in some instance reductions in personal income taxes. Finally, governors have called for such things as pension reform, closing state facilities, and streamlining state

government operations as they continue to deal with the ramifications of the recent economic downturn.

Below, please find summaries detailing governors' fiscal 2013 budget proposals. Also included are links to proposed budgets, supporting documents, state of the state speeches, and previously enacted biennium budgets.

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