

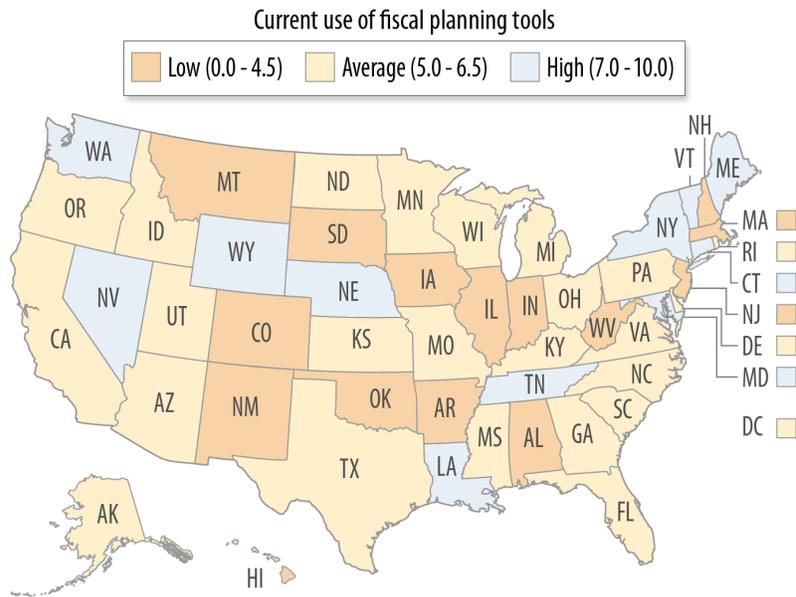
# National Results

The spending, tax, and other policy decisions that comprise the budget affect a state long beyond the budget year. A CBPP survey identified the degree to which states use the most effective tools to chart their fiscal course accurately and make mid-course corrections when needed.

## Room for Improvement Across the Country

Sound budget planning is not a regional practice: in all parts of the country, some states do a good job, while others need considerable improvement. Nor is it a partisan practice: the ability to look ahead does not dictate particular tax or spending policies.

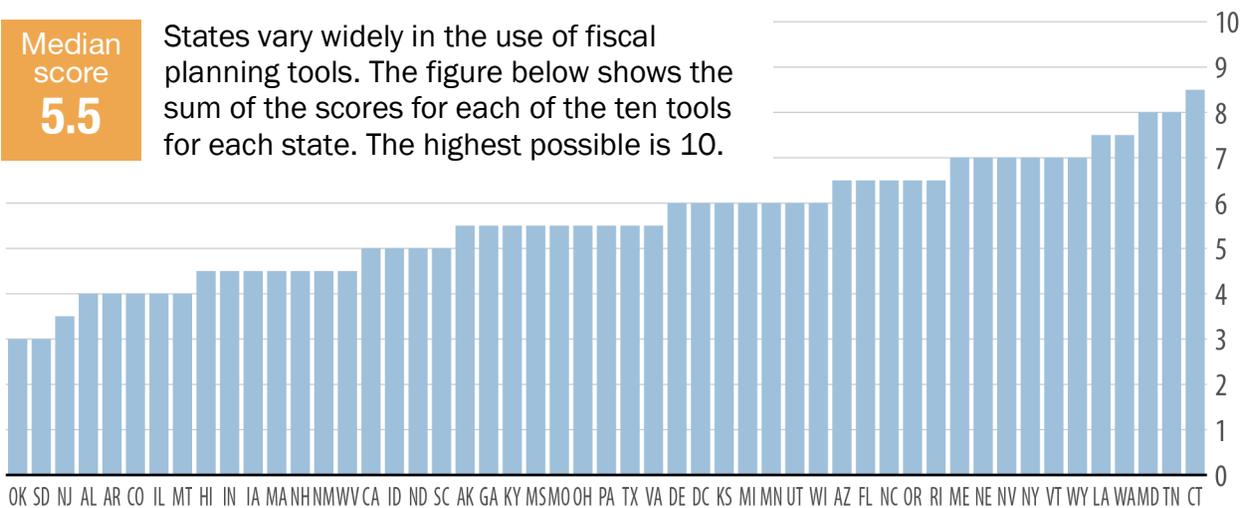
Planning ahead can improve a state's business climate, ability to cope with downturns, and government efficiency.



## How the States Compare

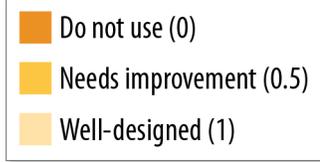
Median score  
**5.5**

States vary widely in the use of fiscal planning tools. The figure below shows the sum of the scores for each of the ten tools for each state. The highest possible is 10.



## Which Tools Do the States Use?

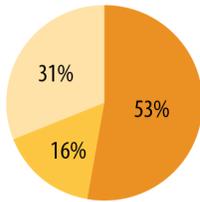
The degree to which states use each of the ten tools varies considerably as well.



### A map for the future

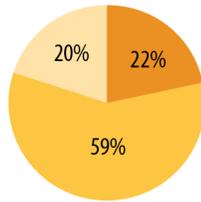
#### Multi-year forecasts of revenues and spending

Detailed and accessible projections of revenues and spending for at least five years into the future.



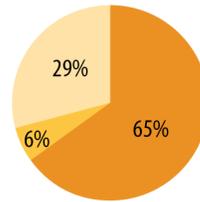
#### Fiscal Notes with Multi-Year Projections

Fiscal notes that regularly include estimated savings or costs for the current year and for at least five years into the future.



#### Current services baselines

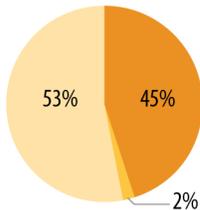
An estimate of how much it will cost a state to continue to deliver the same quantity and quality of services to residents it is delivering currently.



### Professional and credible projections

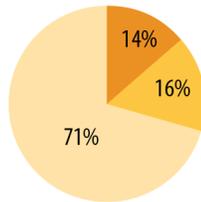
#### Independent consensus revenue forecast

A formal mechanism to create consensus among the executive and legislative branches on a revenue forecast for upcoming years.



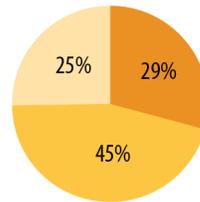
#### Legislative fiscal office

The budget and other bills that require increased spending and revenues are reviewed and analyzed by a non-partisan fiscal agency.



#### Pension oversight

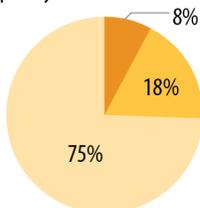
Regular accessible reviews of methods used to determine future pension funding by independent authorities.



### Ways to stay on course

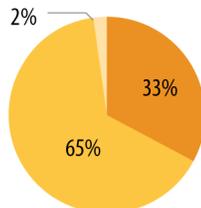
#### Well-designed rainy day funds

A reserve fund designated for situations where state revenues drop or expenditures increase unexpectedly that is funded adequately.



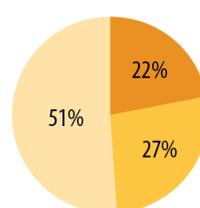
#### Oversight of tax expenditures

Published information on the costs of tax expenditures and expiration dates after a set number of years.



#### Pension funding and debt level reviews

Adequate pension contributions and oversight of investments as well as guidelines for the amount of debt that can be incurred.



#### Budget status reports

Regular reports on revenue and spending projections in order to determine if the budget is on track.

