

How Fiscally Healthy Is Your State?

The Mercatus Center has released its [fiscal rankings](#) of each state in the nation. Find your state in the map above to see how highly (or lowly) it may have ranked:

Here's what the report's authors, Eileen Norcross and Olivia Gonzalez, had to say about the five states occupying the fiscal basement in 2015, Illinois, Kentucky, Massachusetts, New Jersey and Connecticut:

In FY 2015, Illinois, Kentucky, Massachusetts, and New Jersey remain in the bottom five performing states. Connecticut leaves the bottom five due to a very strong increase in revenues and a reduction in expenses in FY 2015 that boosted the state's budget solvency ranking from 50th to 3rd. But this factor by itself does not mean Connecticut is fiscally robust. Connecticut continues to have weak metrics in other areas, including very low levels of cash, high liabilities, and high levels of debt relative to assets. Maryland joins the bottom five at number 46. The state's cash position is weak, with cash covering between 55 percent and 148 percent of short-term obligations. Maryland's revenues exceeded expenses by 1 percent. On a long-run basis, Maryland's fiscal metrics point to the state's reliance on debt to finance its operations. Longterm liabilities are 94 percent of total assets. Noncurrent liabilities amount to \$39 billion and assets totaled \$41 billion in FY 2015. The largest noncurrent liabilities include \$16.5 billion in bonds and notes and \$24.0 billion in unfunded pension obligations...

The comments about Connecticut's lack of fiscal robustness, despite its large tax increase, are especially compelling in that we know, two years later than the data analyzed in the

report, that the state's large tax hike two years earlier has failed to generate sufficient revenue to keep it out of the fiscal doghouse. That's a significant result in that it provides confidence that Mercatus report's overall methodology for assessing each state's fiscal health is sound. Two years from now, we can reasonably expect that Connecticut will rejoin the fiscal basement dwellers.

You can find out more about how your state fared in this year's rankings in the [report](#).

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