

Why a spending cap?

1. Restrain the growth of the state budget over time
 2. Save during the good times so we have a backstop for the tough times.
- Spending Cap aka: TEL (Tax and Expenditure Limit)

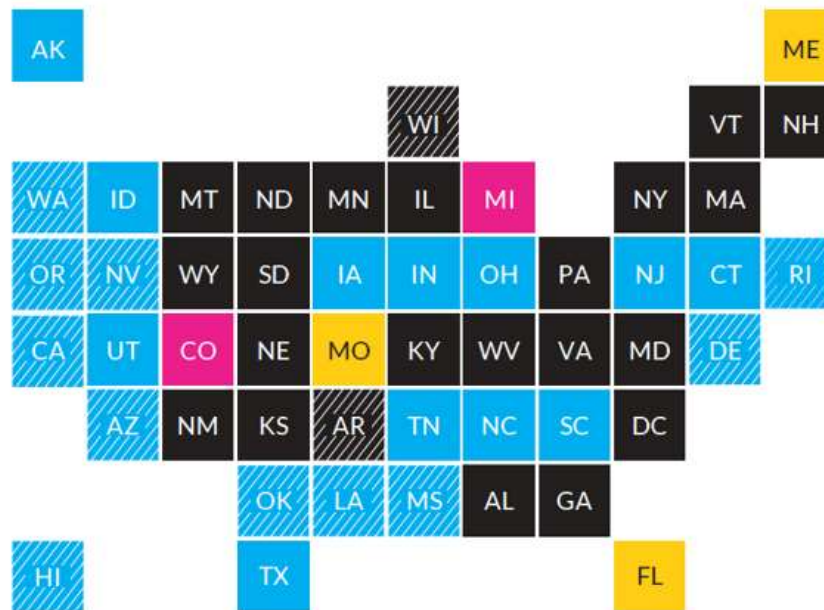
Five Decision Points:

1. Starting Point
2. Growth rate
3. What is included under the cap
4. What is excluded outside the cap
5. What do we do with excess revenue

What are other states doing?

State Tax and Expenditure Limits, 2015

None
 Appropriation limit
 Revenue limit
 Appropriation and revenue limit
 Solid fill, simple majority to raise revenues
 Textured fill, supermajority to raise revenues



Source: National Association of State Budget Officers, *Budget Processes in the States* (Washington, DC: National Association of State Budget Officers, 2015). Data on Delaware are from Bert Waisanen, "State Tax and Expenditure Limits" (Washington, DC: National Conference of State Legislatures, 2010).

Note: This figure excludes Illinois' temporary appropriations limit, which was only in effect from 2012 to 2015.

Looking Back:

