

## APPENDIX C. STATE PROFILES

This section contains a summary of each state’s key metrics and data for fiscal solvency, including total debt; pension liability and OPEB obligations; and underlying ratios for cash, budget, long-run, service-level, and trust fund solvencies. Each summary begins with a brief analysis of the state’s overall fiscal performance alongside the state’s relative rank and position for each dimension of solvency.

As noted in the study, the data and metrics can only provide a basic picture of a state’s fiscal condition. Relative ranking is not as meaningful as the underlying fiscal indicators for a state. The metrics provided here should be used in conjunction with other data and analysis of state economic conditions and fiscal and budgetary institutions.

### Key to the State Profiles

The state’s five fiscal categories have been mapped on a vertical line on page 2, along with its ranking for that measure. The markers represent the distance of that category from the US average. Markers that fall outside the range of +3.0 to –3.0 standard deviations are represented by up or down arrows.

The labels for each of the markers are stacked in descending order along the line. They are also color coded with the adjacent table of the state’s underlying ratios.

The key terms, explained on page 2, help lawmakers and others ask questions about the fiscal health of their state.

n/a = not applicable



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**12**

# ALABAMA

## SUMMARY

Based on FY 2015 unaudited financials, Alabama is ranked 12th among the states for fiscal health. The state has between 4.13 and 5.53 times the cash needed to cover short-term liabilities. Revenues exactly match expenses, with the state showing a slightly improved net position of \$1 per capita. On a long-run basis, a net asset ratio of -0.02 indicates that Alabama does not have any assets remaining after debts have been paid. Long-term liabilities are 32 percent of total assets, an increase over last year's ratio of 20 percent, driven by new reporting requirements to include pension liabilities on the balance sheet. On a guaranteed-to-be-paid basis, total unfunded pension liabilities are \$69.1 billion, or 37 percent of state personal income. OPEB is \$11.64 billion. Together, these unfunded liabilities are equal to 44 percent of state personal income.

## 2015 TOTAL LONG-TERM OBLIGATIONS

### STATE DEBT

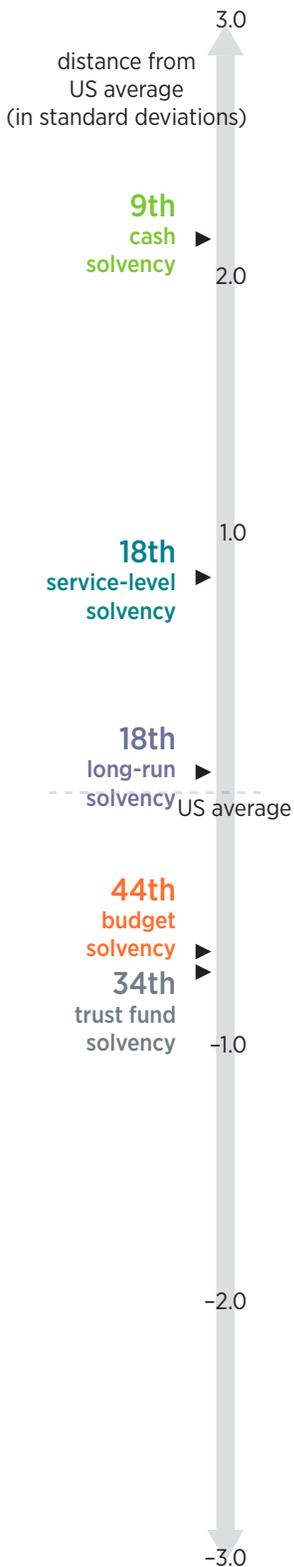
	General obligation bonds	Total primary government debt	State personal income	Ratio of debt to state personal income	Total primary debt per capita
<b>Alabama</b>	<b>n/a*</b>	<b>n/a*</b>	<b>\$184.78 billion</b>	<b>n/a*</b>	<b>n/a*</b>
National average	\$6.09 billion	\$12.71 billion	\$305.43 billion	3.7%	\$1,804

\* Alabama's Comprehensive Annual Financial Report (CAFR) for FY 2015 was not publicly available at the time of analysis, so this fiscal summary draws from the state's 2015 unaudited financial report. As a result, general obligation bond and debt figures are not yet reported.

### PENSION LIABILITY

	Unfunded pension liability	Funded ratio	Market value of unfunded liability	Market value of funded ratio
<b>Alabama</b>	<b>\$15.20 billion</b>	<b>67%</b>	<b>\$69.10 billion</b>	<b>31%</b>
National average	\$20.62 billion	74%	\$105.50 billion	36%

1. Florida
2. North Dakota
3. South Dakota
4. Utah
5. Wyoming
6. Nebraska
7. Oklahoma
8. Tennessee
9. Idaho
10. Montana
11. Missouri
- 12. Alabama**
13. Ohio
14. Nevada
15. North Carolina
16. Indiana
17. Alaska
18. Virginia
19. South Carolina
20. Arkansas
21. Oregon
22. Georgia
23. Texas
24. Minnesota
25. New Hampshire
26. Washington
27. Hawaii
28. Iowa
29. Wisconsin
30. Colorado
31. Delaware
32. Kansas
33. Arizona
34. Mississippi
35. Maine
36. Michigan
37. Connecticut
38. Rhode Island
39. New York
40. Vermont
41. New Mexico
42. West Virginia
43. California
44. Louisiana
45. Pennsylvania
46. Maryland
47. Kentucky
48. Massachusetts
49. Illinois
50. New Jersey



#### OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	Total unfunded OPEB	Funded ratio
<b>Alabama</b>	<b>\$11.64 billion</b>	<b>10%</b>
National average	\$12.97 billion	12%

#### UNDERLYING RATIOS

	Cash ratio	Quick ratio	Current ratio	Operating ratio	Surplus (or deficit) per capita	Net asset ratio	Long-term liability ratio	Long-term liability per capita
<b>Alabama</b>	<b>4.13</b>	<b>4.77</b>	<b>5.53</b>	<b>1.00</b>	<b>\$1</b>	<b>-0.02</b>	<b>0.32</b>	<b>\$2,137</b>
National average	2.68	3.66	3.93	1.04	\$150	-0.17	0.61	\$4,272

	Tax-to-income ratio	Revenue-to-income ratio	Expenses-to-income ratio	Pension-to-income ratio	OPEB-to-income ratio
<b>Alabama</b>	<b>0.05</b>	<b>0.12</b>	<b>0.12</b>	<b>0.37</b>	<b>0.06</b>
National average	0.06	0.13	0.13	0.35	0.04

#### KEY TERMS

- **Cash solvency** measures whether a state has enough cash to cover its short-term bills, which include accounts payable, vouchers, warrants, and short-term debt. (Alabama ranks 9th.)
- **Budget solvency** measures whether a state can cover its fiscal year spending out of current revenues. Did it run a shortfall during the year? (Alabama ranks 44th.)
- **Long-run solvency** measures whether a state has a hedge against large long-term liabilities. Are enough assets available to cushion the state from potential shocks or long-term fiscal risks? (Alabama ranks 18th.)
- **Service-level solvency** measures how high taxes, revenues, and spending are when compared to state personal income. Do states have enough “fiscal slack”? If spending commitments demand more revenues, are states in a good position to increase taxes without harming the economy? Is spending high or low relative to the tax base? (Alabama ranks 18th.)
- **Trust fund solvency** measures how much debt a state has. How large are unfunded pension liabilities and OPEB liabilities compared to the state personal income? (Alabama ranks 34th.)

For a complete explanation of the methodology used to calculate Alabama’s fiscal health rankings, see Eileen Norcross and Olivia Gonzalez, “Ranking the States by Fiscal Condition,” 2017 ed. (Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, July 2017).

RANK  
**17**

# ALASKA

## SUMMARY

On the basis of its solvency in five separate categories, Alaska ranks 17th among the US states for fiscal health. This year's rank reflects the state's reliance on oil revenues. The state has high levels of cash—between 24.7 and 25.7 times the amount of cash needed to cover short-term bills. However, most of this revenue is part of the Alaska Permanent Fund and is not readily available for spending. With the fall in oil prices between FY 2014 and FY 2015, Alaska's budgetary position weakened significantly. An operating ratio of 0.67 indicates that revenues only cover 67 percent of expenses. The state's net position dropped dramatically by \$5,734 per capita. On a long-run basis, Alaska performs better. After meeting its debts, Alaska's net assets are 78 percent of total assets, and long-term liabilities are 10 percent of total assets. Total debt amounts to 4.5 percent of personal income. On a guaranteed-to-be-paid basis, unfunded pension liabilities are \$30.08 billion, or 73 percent of personal income, which is much higher than the national average of 35 percent. These pension liabilities will decline over time since Alaska closed its defined benefit system to new hires in 2005.

## 2015 TOTAL LONG-TERM OBLIGATIONS

### STATE DEBT

	General obligation bonds	Total primary government debt	State personal income	Ratio of debt to state personal income	Total primary debt per capita
<b>Alaska</b>	<b>\$0.66 billion</b>	<b>\$1.87 billion</b>	<b>\$41.31 billion</b>	<b>4.5%</b>	<b>\$2,538</b>
National average	\$6.09 billion	\$12.71 billion	\$305.43 billion	3.7%	\$1,804

### PENSION LIABILITY

	Unfunded pension liability	Funded ratio	Market value of unfunded liability	Market value of funded liability ratio
<b>Alaska</b>	<b>\$6.12 billion</b>	<b>70%</b>	<b>\$30.08 billion</b>	<b>33%</b>
National average	\$20.62 billion	74%	\$105.50 billion	36%

1. Florida
2. North Dakota
3. South Dakota
4. Utah
5. Wyoming
6. Nebraska
7. Oklahoma
8. Tennessee
9. Idaho
10. Montana
11. Missouri
12. Alabama
13. Ohio
14. Nevada
15. North Carolina
16. Indiana
- 17. Alaska**
18. Virginia
19. South Carolina
20. Arkansas
21. Oregon
22. Georgia
23. Texas
24. Minnesota
25. New Hampshire
26. Washington
27. Hawaii
28. Iowa
29. Wisconsin
30. Colorado
31. Delaware
32. Kansas
33. Arizona
34. Mississippi
35. Maine
36. Michigan
37. Connecticut
38. Rhode Island
39. New York
40. Vermont
41. New Mexico
42. West Virginia
43. California
44. Louisiana
45. Pennsylvania
46. Maryland
47. Kentucky
48. Massachusetts
49. Illinois
50. New Jersey

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	Total unfunded OPEB	Funded ratio
<b>Alaska</b>	<b>\$3.67 billion</b>	<b>73%</b>
National average	\$12.97 billion	12%

UNDERLYING RATIOS

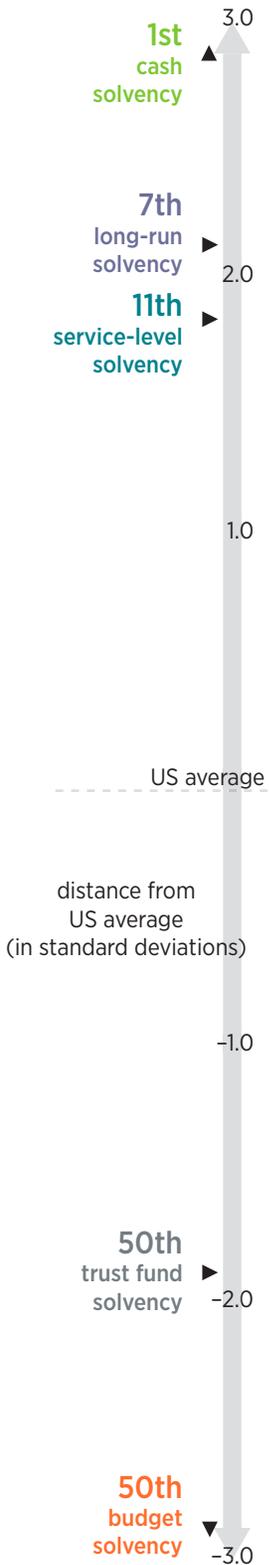
	Cash ratio	Quick ratio	Current ratio	Operating ratio	Surplus (or deficit) per capita	Net asset ratio	Long-term liability ratio	Long-term liability per capita
<b>Alaska</b>	<b>24.69</b>	<b>25.13</b>	<b>25.72</b>	<b>0.67</b>	<b>-\$5,734</b>	<b>0.78</b>	<b>0.10</b>	<b>\$11,473</b>
National average	2.68	3.66	3.93	1.04	\$150	-0.17	0.61	\$4,272

	Tax-to-income ratio	Revenue-to-income ratio	Expenses-to-income ratio	Pension-to-income ratio	OPEB-to-income ratio
<b>Alaska</b>	<b>0.01</b>	<b>0.21</b>	<b>0.31</b>	<b>0.73</b>	<b>0.09</b>
National average	0.06	0.13	0.13	0.35	0.04

KEY TERMS

- **Cash solvency** measures whether a state has enough cash to cover its short-term bills, which include accounts payable, vouchers, warrants, and short-term debt. (Alaska ranks 1st.)
- **Budget solvency** measures whether a state can cover its fiscal year spending using current revenues. Did it run a shortfall during the year? (Alaska ranks 50th.)
- **Long-run solvency** measures whether a state has a hedge against large long-term liabilities. Are enough assets available to cushion the state from potential shocks or long-term fiscal risks? (Alaska ranks 7th.)
- **Service-level solvency** measures how high taxes, revenues, and spending are when compared to state personal income. Do states have enough “fiscal slack”? If spending commitments demand more revenues, are states in a good position to increase taxes without harming the economy? Is spending high or low relative to the tax base? (Alaska ranks 11th.)
- **Trust fund solvency** measures how much debt a state has. How large are unfunded pension liabilities and OPEB liabilities compared to the state personal income? (Alaska ranks 50th.)

For a complete explanation of the methodology used to calculate Alaska’s fiscal health rankings, see Eileen Norcross and Olivia Gonzalez, “Ranking the States by Fiscal Condition,” 2017 ed. (Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, July 2017).



RANK  
**33**

# ARIZONA

## SUMMARY

On the basis of its solvency in five separate categories, Arizona ranks 33rd among the US states for fiscal health. On a short-run basis, Arizona has between 96 percent and 142 percent of the cash needed to cover short-term obligations; this is much lower than the US average of between 268 and 393 percent. Revenues exceed expenses by 5 percent, and Arizona's net position increased by \$245 per capita in FY 2015. After meeting its debts, net assets are 6 percent of total assets. Long-term liabilities are 36 percent of total assets, well below the US average. On a guaranteed-to-be-paid basis, unfunded pension liabilities are \$85.59 billion, or 32 percent of state income.

## 2015 TOTAL LONG-TERM OBLIGATIONS

### STATE DEBT

	General obligation bonds	Total primary government debt	State personal income	Ratio of debt to state personal income	Total primary debt per capita
<b>Arizona</b>	<b>\$0.00 billion</b>	<b>\$10.01 billion</b>	<b>\$266.76 billion</b>	<b>3.8%</b>	<b>\$1,465</b>
National average	\$6.09 billion	\$12.71 billion	\$305.43 billion	3.7%	\$1,804

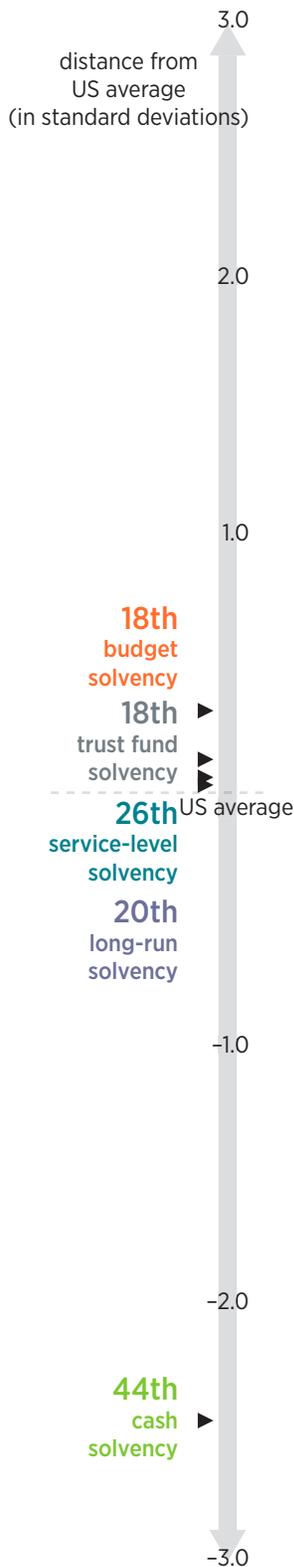
### PENSION LIABILITY

	Unfunded pension liability	Funded ratio	Market value of unfunded liability	Market value of funded liability ratio
<b>Arizona</b>	<b>\$17.99 billion</b>	<b>70%</b>	<b>\$85.59 billion</b>	<b>33%</b>
National average	\$20.62 billion	74%	\$105.50 billion	36%

### OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	Total unfunded OPEB	Funded ratio
<b>Arizona</b>	<b>\$0.12 billion</b>	<b>94%</b>
National average	\$12.97 billion	12%

1. Florida
2. North Dakota
3. South Dakota
4. Utah
5. Wyoming
6. Nebraska
7. Oklahoma
8. Tennessee
9. Idaho
10. Montana
11. Missouri
12. Alabama
13. Ohio
14. Nevada
15. North Carolina
16. Indiana
17. Alaska
18. Virginia
19. South Carolina
20. Arkansas
21. Oregon
22. Georgia
23. Texas
24. Minnesota
25. New Hampshire
26. Washington
27. Hawaii
28. Iowa
29. Wisconsin
30. Colorado
31. Delaware
32. Kansas
- 33. Arizona**
34. Mississippi
35. Maine
36. Michigan
37. Connecticut
38. Rhode Island
39. New York
40. Vermont
41. New Mexico
42. West Virginia
43. California
44. Louisiana
45. Pennsylvania
46. Maryland
47. Kentucky
48. Massachusetts
49. Illinois
50. New Jersey



## UNDERLYING RATIOS

	Cash ratio	Quick ratio	Current ratio	Operating ratio	Surplus (or deficit) per capita	Net asset ratio	Long-term liability ratio	Long-term liability per capita
<b>Arizona</b>	<b>0.96</b>	<b>1.23</b>	<b>1.42</b>	<b>1.05</b>	<b>\$245</b>	<b>0.06</b>	<b>0.36</b>	<b>\$2,267</b>
National average	2.68	3.66	3.93	1.04	\$150	-0.17	0.61	\$4,272

	Tax-to-income ratio	Revenue-to-income ratio	Expenses-to-income ratio	Pension-to-income ratio	OPEB-to-income ratio
<b>Arizona</b>	<b>0.05</b>	<b>0.13</b>	<b>0.12</b>	<b>0.32</b>	<b>0.00</b>
National average	0.06	0.13	0.13	0.35	0.04

## KEY TERMS

- **Cash solvency** measures whether a state has enough cash to cover its short-term bills, which include accounts payable, vouchers, warrants, and short-term debt. (Arizona ranks 44th.)
- **Budget solvency** measures whether a state can cover its fiscal year spending using current revenues. Did it run a shortfall during the year? (Arizona ranks 18th.)
- **Long-run solvency** measures whether a state has a hedge against large long-term liabilities. Are enough assets available to cushion the state from potential shocks or long-term fiscal risks? (Arizona ranks 20th.)
- **Service-level solvency** measures how high taxes, revenues, and spending are when compared to state personal income. Do states have enough “fiscal slack”? If spending commitments demand more revenues, are states in a good position to increase taxes without harming the economy? Is spending high or low relative to the tax base? (Arizona ranks 26th.)
- **Trust fund solvency** measures how much debt a state has. How large are unfunded pension liabilities and OPEB liabilities compared to the state personal income? (Arizona ranks 18th.)

*For a complete explanation of the methodology used to calculate Arizona’s fiscal health rankings, see Eileen Norcross and Olivia Gonzalez, “Ranking the States by Fiscal Condition,” 2017 ed. (Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, July 2017).*

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**20**

# ARKANSAS

## SUMMARY

On the basis of its solvency in five separate categories, Arkansas ranks 20th among the US states for its fiscal health. Its new rank makes Arkansas one of the biggest movers since last year's edition, primarily a result of improvements in the state's operating ratio and surplus per capita. Arkansas holds between 3.07 and 3.98 times the cash needed to cover short-term obligations, higher than the average for the states. Revenues exceed expenses by 4 percent, and the state's net position increased by \$287 per capita. On a long-run basis after meeting its debts, Arkansas's net assets are 10 percent of total assets. Total primary government debt is \$4.1 billion, or 3.5 percent of state income, slightly lower than the US average. Long-term liabilities are 33 percent of total assets, well below the US average. On a guaranteed-to-be-paid basis, unfunded pension liabilities are \$38.71 billion or 33 percent of state income, and OPEB is 2 percent of state income.

## 2015 TOTAL LONG-TERM OBLIGATIONS

### STATE DEBT

	General obligation bonds	Total primary government debt	State personal income	Ratio of debt to state personal income	Total primary debt per capita
<b>Arkansas</b>	<b>\$1.60 billion</b>	<b>\$4.10 billion</b>	<b>\$116.49 billion</b>	<b>3.5%</b>	<b>\$1,376</b>
National average	\$6.09 billion	\$12.71 billion	\$305.43 billion	3.7%	\$1,804

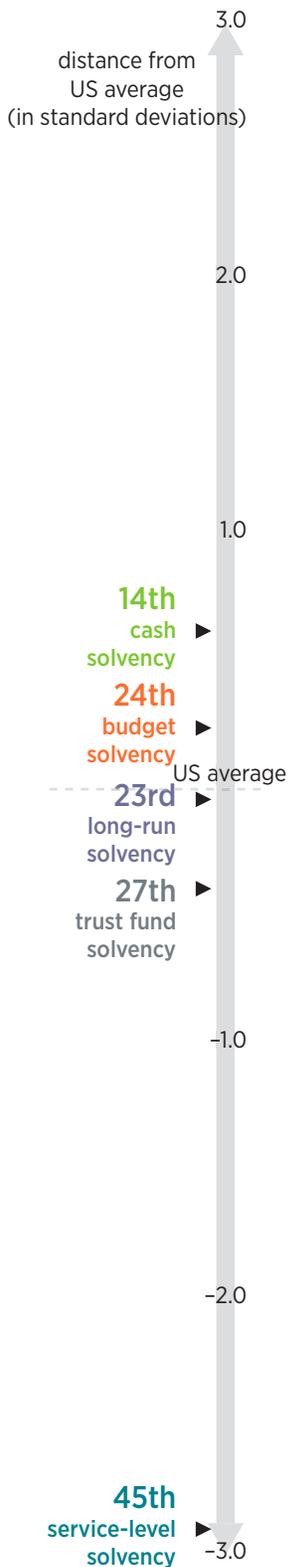
### PENSION LIABILITY

	Unfunded pension liability	Funded ratio	Market value of unfunded liability	Market value of funded liability ratio
<b>Arkansas</b>	<b>\$5.95 billion</b>	<b>80%</b>	<b>\$38.71 billion</b>	<b>38%</b>
National average	\$20.62 billion	74%	\$105.50 billion	36%

### OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	Total unfunded OPEB	Funded ratio
<b>Arkansas</b>	<b>\$1.90 billion</b>	<b>0%</b>
National average	\$12.97 billion	12%

1. Florida
2. North Dakota
3. South Dakota
4. Utah
5. Wyoming
6. Nebraska
7. Oklahoma
8. Tennessee
9. Idaho
10. Montana
11. Missouri
12. Alabama
13. Ohio
14. Nevada
15. North Carolina
16. Indiana
17. Alaska
18. Virginia
19. South Carolina
- 20. Arkansas**
21. Oregon
22. Georgia
23. Texas
24. Minnesota
25. New Hampshire
26. Washington
27. Hawaii
28. Iowa
29. Wisconsin
30. Colorado
31. Delaware
32. Kansas
33. Arizona
34. Mississippi
35. Maine
36. Michigan
37. Connecticut
38. Rhode Island
39. New York
40. Vermont
41. New Mexico
42. West Virginia
43. California
44. Louisiana
45. Pennsylvania
46. Maryland
47. Kentucky
48. Massachusetts
49. Illinois
50. New Jersey



## UNDERLYING RATIOS

	Cash ratio	Quick ratio	Current ratio	Operating ratio	Surplus (or deficit) per capita	Net asset ratio	Long-term liability ratio	Long-term liability per capita
<b>Arkansas</b>	<b>3.07</b>	<b>3.79</b>	<b>3.98</b>	<b>1.04</b>	<b>\$287</b>	<b>0.10</b>	<b>0.33</b>	<b>\$2,772</b>
National average	2.68	3.66	3.93	1.04	\$150	-0.17	0.61	\$4,272

	Tax-to-income ratio	Revenue-to-income ratio	Expenses-to-income ratio	Pension-to-income ratio	OPEB-to-income ratio
<b>Arkansas</b>	<b>0.07</b>	<b>0.18</b>	<b>0.17</b>	<b>0.33</b>	<b>0.02</b>
National average	0.06	0.13	0.13	0.35	0.04

## KEY TERMS

- **Cash solvency** measures whether a state has enough cash to cover its short-term bills, which include accounts payable, vouchers, warrants, and short-term debt. (Arkansas ranks 14th.)
- **Budget solvency** measures whether a state can cover its fiscal year spending using current revenues. Did it run a shortfall during the year? (Arkansas ranks 24th.)
- **Long-run solvency** measures whether a state has a hedge against large long-term liabilities. Are enough assets available to cushion the state from potential shocks or long-term fiscal risks? (Arkansas ranks 23rd.)
- **Service-level solvency** measures how high taxes, revenues, and spending are when compared to state personal income. Do states have enough “fiscal slack”? If spending commitments demand more revenues, are states in a good position to increase taxes without harming the economy? Is spending high or low relative to the tax base? (Arkansas ranks 45th.)
- **Trust fund solvency** measures how much debt a state has. How large are unfunded pension liabilities and OPEB liabilities compared to the state personal income? (Arkansas ranks 27th.)

For a complete explanation of the methodology used to calculate Arkansas’s fiscal health rankings, see Eileen Norcross and Olivia Gonzalez, “Ranking the States by Fiscal Condition,” 2017 ed. (Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, July 2017).

RANK  
**43**

# CALIFORNIA

## SUMMARY

On the basis of its fiscal solvency in five separate categories, California ranks 43rd among the US states for its fiscal health. California's performance across several categories is weak. The state has between 75 percent and 154 percent of the cash needed to cover short-term obligations; this is far lower than the average in the states. California's budgetary solvency is much stronger. Revenues exceed spending by 6 percent, and net position improved by \$403 per capita. On a long-run basis, California's net asset ratio of -0.62 indicates the state is reliant on debt to finance its operations. Long-term liabilities are 93 percent of total assets. On a guaranteed-to-be-paid basis, unfunded pension obligations and OPEB are 48 percent of state personal income.

## 2015 TOTAL LONG-TERM OBLIGATIONS

### STATE DEBT

	General obligation bonds	Total primary government debt	State personal income	Ratio of debt to state personal income	Total primary debt per capita
<b>California</b>	<b>\$80.51 billion</b>	<b>\$114.46 billion</b>	<b>\$2,061.34 billion</b>	<b>5.6%</b>	<b>\$2,923</b>
National average	\$6.09 billion	\$12.71 billion	\$305.43 billion	3.7%	\$1,804

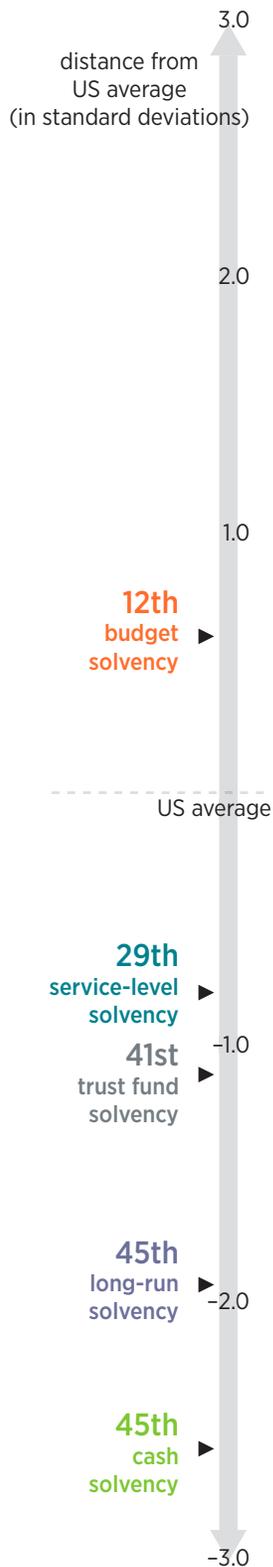
### PENSION LIABILITY

	Unfunded pension liability	Funded ratio	Market value of unfunded liability	Market value of funded liability ratio
<b>California</b>	<b>\$183.61 billion</b>	<b>74%</b>	<b>\$925.69 billion</b>	<b>37%</b>
National average	\$20.62 billion	74%	\$105.50 billion	36%

### OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	Total unfunded OPEB	Funded ratio
<b>California</b>	<b>\$73.20 billion</b>	<b>1%</b>
National average	\$12.97 billion	12%

1. Florida
2. North Dakota
3. South Dakota
4. Utah
5. Wyoming
6. Nebraska
7. Oklahoma
8. Tennessee
9. Idaho
10. Montana
11. Missouri
12. Alabama
13. Ohio
14. Nevada
15. North Carolina
16. Indiana
17. Alaska
18. Virginia
19. South Carolina
20. Arkansas
21. Oregon
22. Georgia
23. Texas
24. Minnesota
25. New Hampshire
26. Washington
27. Hawaii
28. Iowa
29. Wisconsin
30. Colorado
31. Delaware
32. Kansas
33. Arizona
34. Mississippi
35. Maine
36. Michigan
37. Connecticut
38. Rhode Island
39. New York
40. Vermont
41. New Mexico
42. West Virginia
- 43. California**
44. Louisiana
45. Pennsylvania
46. Maryland
47. Kentucky
48. Massachusetts
49. Illinois
50. New Jersey



## UNDERLYING RATIOS

	Cash ratio	Quick ratio	Current ratio	Operating ratio	Surplus (or deficit) per capita	Net asset ratio	Long-term liability ratio	Long-term liability per capita
<b>California</b>	<b>0.75</b>	<b>1.12</b>	<b>1.54</b>	<b>1.06</b>	<b>\$403</b>	<b>-0.62</b>	<b>0.93</b>	<b>\$5,476</b>
National average	2.68	3.66	3.93	1.04	\$150	-0.17	0.61	\$4,272

	Tax-to-income ratio	Revenue-to-income ratio	Expenses-to-income ratio	Pension-to-income ratio	OPEB-to-income ratio
<b>California</b>	<b>0.07</b>	<b>0.13</b>	<b>0.13</b>	<b>0.45</b>	<b>0.04</b>
National average	0.06	0.13	0.13	0.35	0.04

## KEY TERMS

- **Cash solvency** measures whether a state has enough cash to cover its short-term bills, which include accounts payable, vouchers, warrants, and short-term debt. (California ranks 45th.)
- **Budget solvency** measures whether a state can cover its fiscal year spending using current revenues. Did it run a shortfall during the year? (California ranks 12th.)
- **Long-run solvency** measures whether a state has a hedge against large long-term liabilities. Are enough assets available to cushion the state from potential shocks or long-term fiscal risks? (California ranks 45th.)
- **Service-level solvency** measures how high taxes, revenues, and spending are when compared to state personal income. Do states have enough “fiscal slack”? If spending commitments demand more revenues, are states in a good position to increase taxes without harming the economy? Is spending high or low relative to the tax base? (California ranks 29th.)
- **Trust fund solvency** measures how much debt a state has. How large are unfunded pension liabilities and OPEB liabilities compared to the state personal income? (California ranks 41st.)

For a complete explanation of the methodology used to calculate California’s fiscal health rankings, see Eileen Norcross and Olivia Gonzalez, “Ranking the States by Fiscal Condition,” 2017 ed. (Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, July 2017).

RANK  
**30**

# COLORADO

## SUMMARY

On the basis of its fiscal solvency in five separate categories, Colorado ranks 30th among the US states, a drop of eight places from last year's rankings. On a short-run basis, Colorado's cash position is below average. The state has between 1.25 and 2.02 times the cash needed to cover short-term obligations, well below the US average. Revenues exceed expenses by 3 percent, and Colorado's net position improved by \$145 per capita in FY 2015. Colorado's long-run fiscal position matches or exceeds the US averages. On a long-run basis, net assets are 1 percent of total assets after debts have been met. Long-run liabilities are 46 percent of total assets. On a guaranteed-to-be-paid basis, unfunded pension liabilities are \$93.72 billion, or 34 percent of state personal income, and OPEB is 1 percent of state personal income.

## 2015 TOTAL LONG-TERM OBLIGATIONS

### STATE DEBT

	General obligation bonds	Total primary government debt	State personal income	Ratio of debt to state personal income	Total primary debt per capita
<b>Colorado</b>	<b>\$0.00 billion</b>	<b>\$6.43 billion</b>	<b>\$275.11 billion</b>	<b>2.3%</b>	<b>\$1,178</b>
National average	\$6.09 billion	\$12.71 billion	\$305.43 billion	3.7%	\$1,804

### PENSION LIABILITY

	Unfunded pension liability	Funded ratio	Market value of unfunded liability	Market value of funded liability ratio
<b>Colorado</b>	<b>\$25.65 billion</b>	<b>62%</b>	<b>\$93.72 billion</b>	<b>31%</b>
National average	\$20.62 billion	74%	\$105.50 billion	36%

### OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	Total unfunded OPEB	Funded ratio
<b>Colorado</b>	<b>\$1.83 billion</b>	<b>16%</b>
National average	\$12.97 billion	12%

1. Florida
2. North Dakota
3. South Dakota
4. Utah
5. Wyoming
6. Nebraska
7. Oklahoma
8. Tennessee
9. Idaho
10. Montana
11. Missouri
12. Alabama
13. Ohio
14. Nevada
15. North Carolina
16. Indiana
17. Alaska
18. Virginia
19. South Carolina
20. Arkansas
21. Oregon
22. Georgia
23. Texas
24. Minnesota
25. New Hampshire
26. Washington
27. Hawaii
28. Iowa
29. Wisconsin
- 30. Colorado**
31. Delaware
32. Kansas
33. Arizona
34. Mississippi
35. Maine
36. Michigan
37. Connecticut
38. Rhode Island
39. New York
40. Vermont
41. New Mexico
42. West Virginia
43. California
44. Louisiana
45. Pennsylvania
46. Maryland
47. Kentucky
48. Massachusetts
49. Illinois
50. New Jersey



## UNDERLYING RATIOS

	Cash ratio	Quick ratio	Current ratio	Operating ratio	Surplus (or deficit) per capita	Net asset ratio	Long-term liability ratio	Long-term liability per capita
<b>Colorado</b>	<b>1.25</b>	<b>1.76</b>	<b>2.02</b>	<b>1.03</b>	<b>\$145</b>	<b>0.01</b>	<b>0.46</b>	<b>\$3,043</b>
National average	2.68	3.66	3.93	1.04	\$150	-0.17	0.61	\$4,272

	Tax-to-income ratio	Revenue-to-income ratio	Expenses-to-income ratio	Pension-to-income ratio	OPEB-to-income ratio
<b>Colorado</b>	<b>0.04</b>	<b>0.11</b>	<b>0.11</b>	<b>0.34</b>	<b>0.01</b>
National average	0.06	0.13	0.13	0.35	0.04

## KEY TERMS

- **Cash solvency** measures whether a state has enough cash to cover its short-term bills, which include accounts payable, vouchers, warrants, and short-term debt. (Colorado ranks 35th.)
- **Budget solvency** measures whether a state can cover its fiscal year spending using current revenues. Did it run a shortfall during the year? (Colorado ranks 33rd.)
- **Long-run solvency** measures whether a state has a hedge against large long-term liabilities. Are enough assets available to cushion the state from potential shocks or long-term fiscal risks? (Colorado ranks 31st.)
- **Service-level solvency** measures how high taxes, revenues, and spending are when compared to state personal income. Do states have enough “fiscal slack”? If spending commitments demand more revenues, are states in a good position to increase taxes without harming the economy? Is spending high or low relative to the tax base? (Colorado ranks 10th.)
- **Trust fund solvency** measures how much debt a state has. How large are unfunded pension liabilities and OPEB liabilities compared to the state personal income? (Colorado ranks 30th.)

*For a complete explanation of the methodology used to calculate Colorado’s fiscal health rankings, see Eileen Norcross and Olivia Gonzalez, “Ranking the States by Fiscal Condition,” 2017 ed. (Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, July 2017).*

RANK  
**37**

# CONNECTICUT

## SUMMARY

On the basis of its fiscal solvency in five separate categories, Connecticut ranks 37th for fiscal health among the US states—a significant jump from last year’s ranking of 50th. Connecticut’s fiscal health is greatly improved on a budgetary basis, but its metrics are still poor on a cash and long-run basis. The state has between 44 percent and 111 percent of the cash needed to cover short-term obligations. On a budgetary basis, Connecticut performs well, with revenues exceeding expenses by 11 percent and overall net position increasing by \$784 per capita. Connecticut’s absolute net position remains negative. A net asset ratio of -1.69 indicates the state is heavily reliant on debt. Long-term liabilities are 221 percent of total assets, or \$15,937 per capita. Of that amount, total primary government debt is \$22.4 billion or \$6,238 per capita. Unfunded pension obligations, on a guaranteed-to-be-paid basis, are \$94.75 billion, or 39 percent of state personal income, and OPEB is 9 percent of state personal income.

## 2015 TOTAL LONG-TERM OBLIGATIONS

### STATE DEBT

	General obligation bonds	Total primary government debt	State personal income	Ratio of debt to state personal income	Total primary debt per capita
<b>Connecticut</b>	<b>\$16.40 billion</b>	<b>\$22.40 billion</b>	<b>\$240.52 billion</b>	<b>9.3%</b>	<b>\$6,238</b>
National average	\$6.09 billion	\$12.71 billion	\$305.43 billion	3.7%	\$1,804

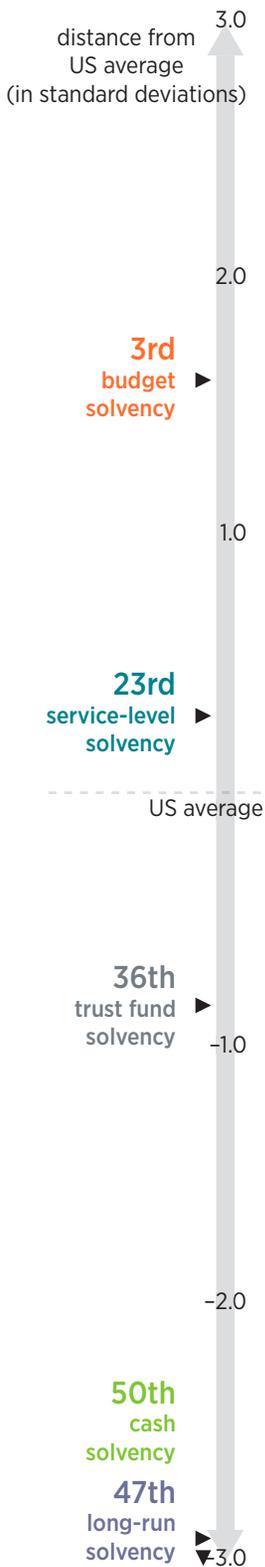
### PENSION LIABILITY

	Unfunded pension liability	Funded ratio	Market value of unfunded liability	Market value of funded liability ratio
<b>Connecticut</b>	<b>\$26.14 billion</b>	<b>53%</b>	<b>\$94.75 billion</b>	<b>24%</b>
National average	\$20.62 billion	74%	\$105.50 billion	36%

### OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	Total unfunded OPEB	Funded ratio
<b>Connecticut</b>	<b>\$21.98 billion</b>	<b>1%</b>
National average	\$12.97 billion	12%

1. Florida
2. North Dakota
3. South Dakota
4. Utah
5. Wyoming
6. Nebraska
7. Oklahoma
8. Tennessee
9. Idaho
10. Montana
11. Missouri
12. Alabama
13. Ohio
14. Nevada
15. North Carolina
16. Indiana
17. Alaska
18. Virginia
19. South Carolina
20. Arkansas
21. Oregon
22. Georgia
23. Texas
24. Minnesota
25. New Hampshire
26. Washington
27. Hawaii
28. Iowa
29. Wisconsin
30. Colorado
31. Delaware
32. Kansas
33. Arizona
34. Mississippi
35. Maine
36. Michigan
- 37. Connecticut**
38. Rhode Island
39. New York
40. Vermont
41. New Mexico
42. West Virginia
43. California
44. Louisiana
45. Pennsylvania
46. Maryland
47. Kentucky
48. Massachusetts
49. Illinois
50. New Jersey



## UNDERLYING RATIOS

	Cash ratio	Quick ratio	Current ratio	Operating ratio	Surplus (or deficit) per capita	Net asset ratio	Long-term liability ratio	Long-term liability per capita
<b>Connecticut</b>	<b>0.44</b>	<b>1.04</b>	<b>1.11</b>	<b>1.11</b>	<b>\$784</b>	<b>-1.69</b>	<b>2.21</b>	<b>\$15,937</b>
National average	2.68	3.66	3.93	1.04	\$150	-0.17	0.61	\$4,272

	Tax-to-income ratio	Revenue-to-income ratio	Expenses-to-income ratio	Pension-to-income ratio	OPEB-to-income ratio
<b>Connecticut</b>	<b>0.06</b>	<b>0.12</b>	<b>0.11</b>	<b>0.39</b>	<b>0.09</b>
National average	0.06	0.13	0.13	0.35	0.04

## KEY TERMS

- **Cash solvency** measures whether a state has enough cash to cover its short-term bills, which include accounts payable, vouchers, warrants, and short-term debt. (Connecticut ranks 50th.)
- **Budget solvency** measures whether a state can cover its fiscal year spending using current revenues. Did it run a shortfall during the year? (Connecticut ranks 3rd.)
- **Long-run solvency** measures whether a state has a hedge against large long-term liabilities. Are enough assets available to cushion the state from potential shocks or long-term fiscal risks? (Connecticut ranks 47th.)
- **Service-level solvency** measures how high taxes, revenues, and spending are when compared to state personal income. Do states have enough “fiscal slack”? If spending commitments demand more revenues, are states in a good position to increase taxes without harming the economy? Is spending high or low relative to the tax base? (Connecticut ranks 23rd.)
- **Trust fund solvency** measures how much debt a state has. How large are unfunded pension liabilities and OPEB liabilities compared to the state personal income? (Connecticut ranks 36th.)

For a complete explanation of the methodology used to calculate Connecticut’s fiscal health rankings, see Eileen Norcross and Olivia Gonzalez, “Ranking the States by Fiscal Condition,” 2017 ed. (Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, July 2017).

RANK  
**31**

# DELAWARE

## SUMMARY

On the basis of its fiscal solvency in five separate categories, Delaware is ranked 31st among the US states for its fiscal health, an increase of seven places in its ranking from the previous year. On a short-run basis, Delaware has between 2.30 and 3.36 times the cash needed to cover short-term obligations. Revenues exceed expenses by 1 percent. The state's net position increased by \$58 per capita. On a long-run basis, Delaware has a net asset ratio of -0.14 and long-term liabilities are 58 percent of total assets, resulting in a long-term liability per capita of \$7,018. On a guaranteed-to-be-paid basis, unfunded pension liabilities are \$10.06 billion, or 22 percent of state personal income, and OPEB is 13 percent of state personal income, which is among the highest in the states.

## 2015 TOTAL LONG-TERM OBLIGATIONS

### STATE DEBT

	General obligation bonds	Total primary government debt	State personal income	Ratio of debt to state personal income	Total primary debt per capita
<b>Delaware</b>	<b>\$2.07 billion</b>	<b>\$3.06 billion</b>	<b>\$45.09 billion</b>	<b>6.8%</b>	<b>\$3,233</b>
National average	\$6.09 billion	\$12.71 billion	\$305.43 billion	3.7%	\$1,804

### PENSION LIABILITY

	Unfunded pension liability	Funded ratio	Market value of unfunded liability	Market value of funded liability ratio
<b>Delaware</b>	<b>\$0.81 billion</b>	<b>92%</b>	<b>\$10.06 billion</b>	<b>48%</b>
National average	\$20.62 billion	74%	\$105.50 billion	36%

### OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	Total unfunded OPEB	Funded ratio
<b>Delaware</b>	<b>\$6.01 billion</b>	<b>5%</b>
National average	\$12.97 billion	12%

1. Florida
2. North Dakota
3. South Dakota
4. Utah
5. Wyoming
6. Nebraska
7. Oklahoma
8. Tennessee
9. Idaho
10. Montana
11. Missouri
12. Alabama
13. Ohio
14. Nevada
15. North Carolina
16. Indiana
17. Alaska
18. Virginia
19. South Carolina
20. Arkansas
21. Oregon
22. Georgia
23. Texas
24. Minnesota
25. New Hampshire
26. Washington
27. Hawaii
28. Iowa
29. Wisconsin
30. Colorado
- 31. Delaware**
32. Kansas
33. Arizona
34. Mississippi
35. Maine
36. Michigan
37. Connecticut
38. Rhode Island
39. New York
40. Vermont
41. New Mexico
42. West Virginia
43. California
44. Louisiana
45. Pennsylvania
46. Maryland
47. Kentucky
48. Massachusetts
49. Illinois
50. New Jersey

distance from US average (in standard deviations)

## UNDERLYING RATIOS

	Cash ratio	Quick ratio	Current ratio	Operating ratio	Surplus (or deficit) per capita	Net asset ratio	Long-term liability ratio	Long-term liability per capita
<b>Delaware</b>	<b>2.30</b>	<b>3.32</b>	<b>3.36</b>	<b>1.01</b>	<b>\$58</b>	<b>-0.14</b>	<b>0.58</b>	<b>\$7,018</b>
National average	2.68	3.66	3.93	1.04	\$150	-0.17	0.61	\$4,272

	Tax-to-income ratio	Revenue-to-income ratio	Expenses-to-income ratio	Pension-to-income ratio	OPEB-to-income ratio
<b>Delaware</b>	<b>0.09</b>	<b>0.18</b>	<b>0.18</b>	<b>0.22</b>	<b>0.13</b>
National average	0.06	0.13	0.13	0.35	0.04

## KEY TERMS

- **Cash solvency** measures whether a state has enough cash to cover its short-term bills, which include accounts payable, vouchers, warrants, and short-term debt. (Delaware ranks 18th.)
- **Budget solvency** measures whether a state can cover its fiscal year spending using current revenues. Did it run a shortfall during the year? (Delaware ranks 42nd.)
- **Long-run solvency** measures whether a state has a hedge against large long-term liabilities. Are enough assets available to cushion the state from potential shocks or long-term fiscal risks? (Delaware ranks 40th.)
- **Service-level solvency** measures how high taxes, revenues, and spending are when compared to state personal income. Do states have enough “fiscal slack”? If spending commitments demand more revenues, are states in a good position to increase taxes without harming the economy? Is spending high or low relative to the tax base? (Delaware ranks 47th.)
- **Trust fund solvency** measures how much debt a state has. How large are unfunded pension liabilities and OPEB liabilities compared to the state personal income? (Delaware ranks 9th.)

For a complete explanation of the methodology used to calculate Delaware’s fiscal health rankings, see Eileen Norcross and Olivia Gonzalez, “Ranking the States by Fiscal Condition,” 2017 ed. (Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, July 2017).

RANK  
**1**

# FLORIDA

## SUMMARY

On the basis of its fiscal solvency in five separate categories, Florida ranks 1st among the US states for its fiscal health. Florida performs well on all dimensions of solvency. On a short-run basis, Florida has between 8.19 and 10.01 times the cash needed to cover short-term obligations. Revenues exceed expenses by 7 percent, and net position improved by \$279 per capita. On a long-run basis, Florida's performance is also strong. Net assets are 10 percent of total assets, and long-term liabilities are 34 percent of total assets, or \$2,303 per capita, roughly half the average for the US states. Unfunded pension obligations, on a guaranteed-to-be-paid basis, are \$197.65 billion, or 22 percent of state personal income, and OPEB is 2 percent of personal income.

## 2015 TOTAL LONG-TERM OBLIGATIONS

### STATE DEBT

	General obligation bonds	Total primary government debt	State personal income	Ratio of debt to state personal income	Total primary debt per capita
<b>Florida</b>	<b>\$11.08 billion</b>	<b>\$24.56 billion</b>	<b>\$894.19 billion</b>	<b>2.7%</b>	<b>\$1,211</b>
National average	\$6.09 billion	\$12.71 billion	\$305.43 billion	3.7%	\$1,804

### PENSION LIABILITY

	Unfunded pension liability	Funded ratio	Market value of unfunded liability	Market value of funded liability ratio
<b>Florida</b>	<b>\$22.35 billion</b>	<b>86%</b>	<b>\$197.65 billion</b>	<b>42%</b>
National average	\$20.62 billion	74%	\$105.50 billion	36%

### OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	Total unfunded OPEB	Funded ratio
<b>Florida</b>	<b>\$15.44 billion</b>	<b>0%</b>
National average	\$12.97 billion	12%

1. **Florida**
2. North Dakota
3. South Dakota
4. Utah
5. Wyoming
6. Nebraska
7. Oklahoma
8. Tennessee
9. Idaho
10. Montana
11. Missouri
12. Alabama
13. Ohio
14. Nevada
15. North Carolina
16. Indiana
17. Alaska
18. Virginia
19. South Carolina
20. Arkansas
21. Oregon
22. Georgia
23. Texas
24. Minnesota
25. New Hampshire
26. Washington
27. Hawaii
28. Iowa
29. Wisconsin
30. Colorado
31. Delaware
32. Kansas
33. Arizona
34. Mississippi
35. Maine
36. Michigan
37. Connecticut
38. Rhode Island
39. New York
40. Vermont
41. New Mexico
42. West Virginia
43. California
44. Louisiana
45. Pennsylvania
46. Maryland
47. Kentucky
48. Massachusetts
49. Illinois
50. New Jersey

## UNDERLYING RATIOS

	Cash ratio	Quick ratio	Current ratio	Operating ratio	Surplus (or deficit) per capita	Net asset ratio	Long-term liability ratio	Long-term liability per capita
<b>Florida</b>	<b>8.19</b>	<b>9.99</b>	<b>10.01</b>	<b>1.07</b>	<b>\$279</b>	<b>0.10</b>	<b>0.34</b>	<b>\$2,303</b>
National average	2.68	3.66	3.93	1.04	\$150	-0.17	0.61	\$4,272

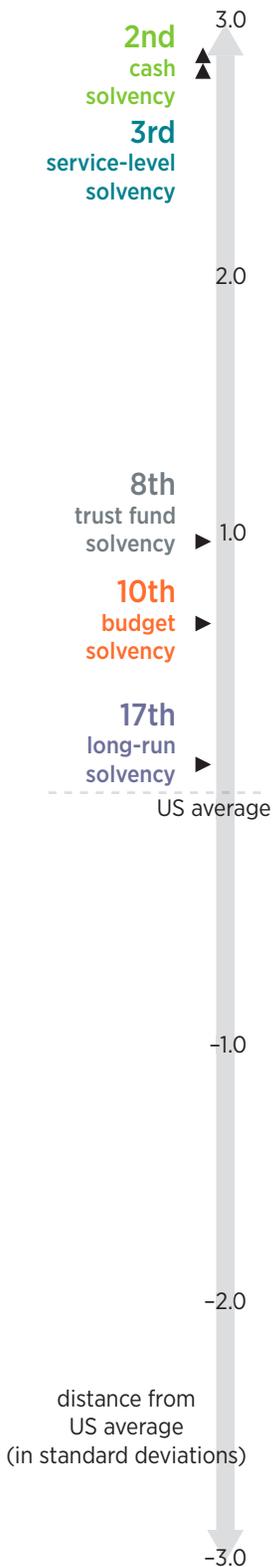
  

	Tax-to-income ratio	Revenue-to-income ratio	Expenses-to-income ratio	Pension-to-income ratio	OPEB-to-income ratio
<b>Florida</b>	<b>0.04</b>	<b>0.09</b>	<b>0.09</b>	<b>0.22</b>	<b>0.02</b>
National average	0.06	0.13	0.13	0.35	0.04

## KEY TERMS

- **Cash solvency** measures whether a state has enough cash to cover its short-term bills, which include accounts payable, vouchers, warrants, and short-term debt. (Florida ranks 2nd.)
- **Budget solvency** measures whether a state can cover its fiscal year spending using current revenues. Did it run a shortfall during the year? (Florida ranks 10th.)
- **Long-run solvency** measures whether a state has a hedge against large long-term liabilities. Are enough assets available to cushion the state from potential shocks or long-term fiscal risks? (Florida ranks 17th.)
- **Service-level solvency** measures how high taxes, revenues, and spending are when compared to state personal income. Do states have enough “fiscal slack”? If spending commitments demand more revenues, are states in a good position to increase taxes without harming the economy? Is spending high or low relative to the tax base? (Florida ranks 3rd.)
- **Trust fund solvency** measures how much debt a state has. How large are unfunded pension liabilities and OPEB liabilities compared to the state personal income? (Florida ranks 8th.)

For a complete explanation of the methodology used to calculate Florida’s fiscal health rankings, see Eileen Norcross and Olivia Gonzalez, “Ranking the States by Fiscal Condition,” 2017 ed. (Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, July 2017).



RANK  
**22**

# GEORGIA

## SUMMARY

On the basis of its fiscal solvency in five separate categories, Georgia ranks 22nd in the US states for its fiscal health. On a short-run basis, Georgia has between 1.86 and 2.96 times the cash needed to cover short-term obligations. Revenues exceed expenses by 5 percent, and net position improved by \$209 per capita in FY 2015. On a long-run basis, Georgia's fiscal position is better than the US average in all categories. Georgia has a negative net asset ratio of 0.06, and its long-term liabilities are 48 percent of total assets. Unfunded pension liabilities, on a guaranteed-to-be paid basis, are \$114.82 billion, or 28 percent of state personal income, and OPEB is 4 percent of state personal income.

## 2015 TOTAL LONG-TERM OBLIGATIONS

### STATE DEBT

	General obligation bonds	Total primary government debt	State personal income	Ratio of debt to state personal income	Total primary debt per capita
<b>Georgia</b>	<b>\$9.37 billion</b>	<b>\$14.10 billion</b>	<b>\$414.27 billion</b>	<b>3.4%</b>	<b>\$1,380</b>
National average	\$6.09 billion	\$12.71 billion	\$305.43 billion	3.7%	\$1,804

### PENSION LIABILITY

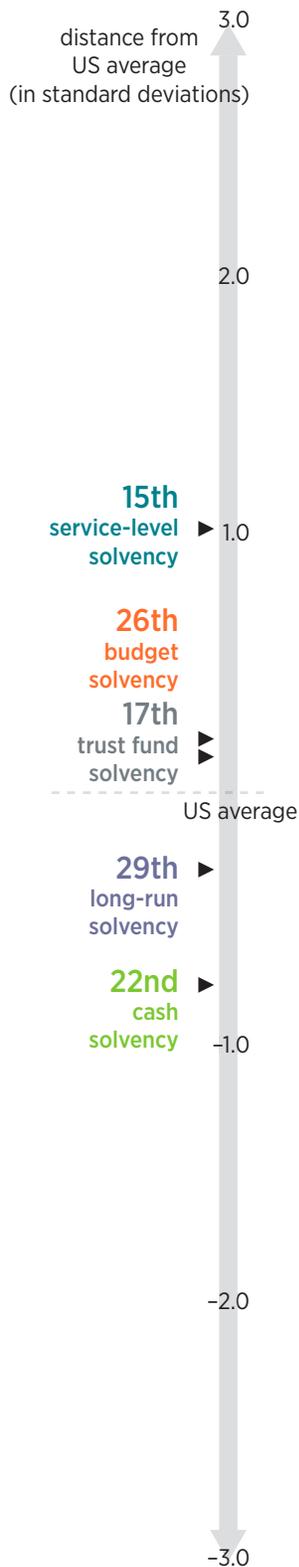
	Unfunded pension liability	Funded ratio	Market value of unfunded liability	Market value of funded liability ratio
<b>Georgia</b>	<b>\$18.45 billion</b>	<b>81%</b>	<b>\$114.82 billion</b>	<b>40%</b>
National average	\$20.62 billion	74%	\$105.50 billion	36%

### OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	Total unfunded OPEB	Funded ratio
<b>Georgia</b>	<b>\$16.32 billion</b>	<b>7%</b>
National average	\$12.97 billion	12%

1. Florida
2. North Dakota
3. South Dakota
4. Utah
5. Wyoming
6. Nebraska
7. Oklahoma
8. Tennessee
9. Idaho
10. Montana
11. Missouri
12. Alabama
13. Ohio
14. Nevada
15. North Carolina
16. Indiana
17. Alaska
18. Virginia
19. South Carolina
20. Arkansas
21. Oregon
- 22. Georgia**
23. Texas
24. Minnesota
25. New Hampshire
26. Washington
27. Hawaii
28. Iowa
29. Wisconsin
30. Colorado
31. Delaware
32. Kansas
33. Arizona
34. Mississippi
35. Maine
36. Michigan
37. Connecticut
38. Rhode Island
39. New York
40. Vermont
41. New Mexico
42. West Virginia
43. California
44. Louisiana
45. Pennsylvania
46. Maryland
47. Kentucky
48. Massachusetts
49. Illinois
50. New Jersey





## UNDERLYING RATIOS

	Cash ratio	Quick ratio	Current ratio	Operating ratio	Surplus (or deficit) per capita	Net asset ratio	Long-term liability ratio	Long-term liability per capita
<b>Georgia</b>	<b>1.86</b>	<b>2.86</b>	<b>2.96</b>	<b>1.05</b>	<b>\$209</b>	<b>-0.06</b>	<b>0.48</b>	<b>\$2,220</b>
National average	2.68	3.66	3.93	1.04	\$150	-0.17	0.61	\$4,272

	Tax-to-income ratio	Revenue-to-income ratio	Expenses-to-income ratio	Pension-to-income ratio	OPEB-to-income ratio
<b>Georgia</b>	<b>0.05</b>	<b>0.12</b>	<b>0.11</b>	<b>0.28</b>	<b>0.04</b>
National average	0.06	0.13	0.13	0.35	0.04

## KEY TERMS

- **Cash solvency** measures whether a state has enough cash to cover its short-term bills, which include accounts payable, vouchers, warrants, and short-term debt. (Georgia ranks 22nd.)
- **Budget solvency** measures whether a state can cover its fiscal year spending using current revenues. Did it run a shortfall during the year? (Georgia ranks 26th.)
- **Long-run solvency** measures whether a state has a hedge against large long-term liabilities. Are enough assets available to cushion the state from potential shocks or long-term fiscal risks? (Georgia ranks 29th.)
- **Service-level solvency** measures how high taxes, revenues, and spending are when compared to state personal income. Do states have enough “fiscal slack”? If spending commitments demand more revenues, are states in a good position to increase taxes without harming the economy? Is spending high or low relative to the tax base? (Georgia ranks 15th.)
- **Trust fund solvency** measures how much debt a state has. How large are unfunded pension liabilities and OPEB liabilities compared to the state personal income? (Georgia ranks 17th.)

*For a complete explanation of the methodology used to calculate Georgia’s fiscal health rankings, see Eileen Norcross and Olivia Gonzalez, “Ranking the States by Fiscal Condition,” 2017 ed. (Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, July 2017).*

RANK  
**27**

# HAWAII

## SUMMARY

On the basis of its fiscal solvency in five separate categories, Hawaii ranks 27th among the US states for fiscal health. Its new rank makes Hawaii one of the biggest movers since last year's edition, primarily a result of improvements in the state's cash position as well as moving from having a deficit to a surplus per capita. Hawaii's short-run position is close to the US average. Hawaii holds between 2.64 and 3.72 times the cash on hand to meet short-term obligations. Revenues exceed expenses by 2 percent, and net position increased by \$170 per capita in FY 2015. Hawaii performs below the US average on the long-run metrics. A negative net asset position of 0.19 and long-term liability ratio of 87 percent indicate that Hawaii has a relatively high level of long-term obligations at \$11,779 per capita. Total primary government debt is \$8.11 billion, or 11.9 percent of state personal income. On a guaranteed-to-be-paid basis, unfunded pension liabilities are \$33.38 billion or 49 percent of state personal income, and OPEB is 13 percent of state personal income.

## 2015 TOTAL LONG-TERM OBLIGATIONS

### STATE DEBT

	General obligation bonds	Total primary government debt	State personal income	Ratio of debt to state personal income	Total primary debt per capita
<b>Hawaii</b>	<b>\$5.96 billion</b>	<b>\$8.11 billion</b>	<b>\$68.37 billion</b>	<b>11.9%</b>	<b>\$5,666</b>
National average	\$6.09 billion	\$12.71 billion	\$305.43 billion	3.7%	\$1,804

### PENSION LIABILITY

	Unfunded pension liability	Funded ratio	Market value of unfunded liability	Market value of funded liability ratio
<b>Hawaii</b>	<b>\$8.77 billion</b>	<b>62%</b>	<b>\$33.38 billion</b>	<b>30%</b>
National average	\$20.62 billion	74%	\$105.50 billion	36%

1. Florida
2. North Dakota
3. South Dakota
4. Utah
5. Wyoming
6. Nebraska
7. Oklahoma
8. Tennessee
9. Idaho
10. Montana
11. Missouri
12. Alabama
13. Ohio
14. Nevada
15. North Carolina
16. Indiana
17. Alaska
18. Virginia
19. South Carolina
20. Arkansas
21. Oregon
22. Georgia
23. Texas
24. Minnesota
25. New Hampshire
26. Washington
- 27. Hawaii**
28. Iowa
29. Wisconsin
30. Colorado
31. Delaware
32. Kansas
33. Arizona
34. Mississippi
35. Maine
36. Michigan
37. Connecticut
38. Rhode Island
39. New York
40. Vermont
41. New Mexico
42. West Virginia
43. California
44. Louisiana
45. Pennsylvania
46. Maryland
47. Kentucky
48. Massachusetts
49. Illinois
50. New Jersey

distance from  
US average  
(in standard deviations)



#### OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	Total unfunded OPEB	Funded ratio
<b>Hawaii</b>	<b>\$9.07 billion</b>	<b>2%</b>
National average	\$12.97 billion	12%

### UNDERLYING RATIOS

	Cash ratio	Quick ratio	Current ratio	Operating ratio	Surplus (or deficit) per capita	Net asset ratio	Long-term liability ratio	Long-term liability per capita
<b>Hawaii</b>	<b>2.64</b>	<b>3.52</b>	<b>3.72</b>	<b>1.02</b>	<b>\$170</b>	<b>-0.19</b>	<b>0.87</b>	<b>\$11,779</b>
National average	2.68	3.66	3.93	1.04	\$150	-0.17	0.61	\$4,272

	Tax-to-income ratio	Revenue-to-income ratio	Expenses-to-income ratio	Pension-to-income ratio	OPEB-to-income ratio
<b>Hawaii</b>	<b>0.09</b>	<b>0.16</b>	<b>0.15</b>	<b>0.49</b>	<b>0.13</b>
National average	0.06	0.13	0.13	0.35	0.04

### KEY TERMS

- **Cash solvency** measures whether a state has enough cash to cover its short-term bills, which include accounts payable, vouchers, warrants, and short-term debt. (Hawaii ranks 16th.)
- **Budget solvency** measures whether a state can cover its fiscal year spending using current revenues. Did it run a shortfall during the year? (Hawaii ranks 34th.)
- **Long-run solvency** measures whether a state has a hedge against large long-term liabilities. Are enough assets available to cushion the state from potential shocks or long-term fiscal risks? (Hawaii ranks 42nd.)
- **Service-level solvency** measures how high taxes, revenues, and spending are when compared to state personal income. Do states have enough “fiscal slack”? If spending commitments demand more revenues, are states in a good position to increase taxes without harming the economy? Is spending high or low relative to the tax base? (Hawaii ranks 44th.)
- **Trust fund solvency** measures how much debt a state has. How large are unfunded pension liabilities and OPEB liabilities compared to the state personal income? (Hawaii ranks 42nd.)

*For a complete explanation of the methodology used to calculate Hawaii’s fiscal health rankings, see Eileen Norcross and Olivia Gonzalez, “Ranking the States by Fiscal Condition,” 2017 ed. (Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, July 2017).*

RANK  
**9**

# IDAHO

## SUMMARY

On the basis of its fiscal solvency in five separate categories, Idaho ranks 9th among the US states for its fiscal health. Idaho's fiscal performance is strong in both the short run and long run. On a short-run basis, Idaho has between 3.84 and 5.47 times the cash needed to cover short-term obligations. Revenues exceed expenses by 10 percent, and net position increased by \$467 per capita in FY 2015. After meeting its debts, net assets are 36 percent of total assets. Idaho's weakest ranking is for service-level solvency due to a higher-than-average level of revenues as a percent of state personal income. Long-term liabilities are 12 percent of total assets. Idaho carries a low level of debt at \$1.33 billion, or 2.1 percent of state personal income. Unfunded pension obligations, on a guaranteed-to-be-paid basis, are \$15.48 billion, or 25 percent of state personal income; this is lower than the average in the states of 35 percent.

## 2015 TOTAL LONG-TERM OBLIGATIONS

### STATE DEBT

	General obligation bonds	Total primary government debt	State personal income	Ratio of debt to state personal income	Total primary debt per capita
<b>Idaho</b>	<b>\$0.00 billion</b>	<b>\$1.33 billion</b>	<b>\$62.08 billion</b>	<b>2.1%</b>	<b>\$803</b>
National average	\$6.09 billion	\$12.71 billion	\$305.43 billion	3.7%	\$1,804

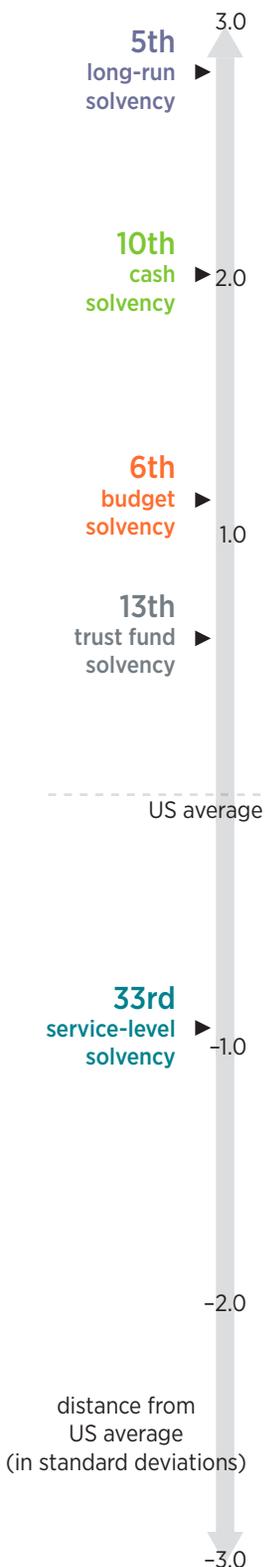
### PENSION LIABILITY

	Unfunded pension liability	Funded ratio	Market value of unfunded liability	Market value of funded liability ratio
<b>Idaho</b>	<b>\$1.49 billion</b>	<b>91%</b>	<b>\$15.48 billion</b>	<b>48%</b>
National average	\$20.62 billion	74%	\$105.50 billion	36%

### OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	Total unfunded OPEB	Funded ratio
<b>Idaho</b>	<b>\$0.11 billion</b>	<b>22%</b>
National average	\$12.97 billion	12%

1. Florida
2. North Dakota
3. South Dakota
4. Utah
5. Wyoming
6. Nebraska
7. Oklahoma
8. Tennessee
- 9. Idaho**
10. Montana
11. Missouri
12. Alabama
13. Ohio
14. Nevada
15. North Carolina
16. Indiana
17. Alaska
18. Virginia
19. South Carolina
20. Arkansas
21. Oregon
22. Georgia
23. Texas
24. Minnesota
25. New Hampshire
26. Washington
27. Hawaii
28. Iowa
29. Wisconsin
30. Colorado
31. Delaware
32. Kansas
33. Arizona
34. Mississippi
35. Maine
36. Michigan
37. Connecticut
38. Rhode Island
39. New York
40. Vermont
41. New Mexico
42. West Virginia
43. California
44. Louisiana
45. Pennsylvania
46. Maryland
47. Kentucky
48. Massachusetts
49. Illinois
50. New Jersey



## UNDERLYING RATIOS

	Cash ratio	Quick ratio	Current ratio	Operating ratio	Surplus (or deficit) per capita	Net asset ratio	Long-term liability ratio	Long-term liability per capita
<b>Idaho</b>	<b>3.84</b>	<b>4.89</b>	<b>5.47</b>	<b>1.10</b>	<b>\$467</b>	<b>0.36</b>	<b>0.12</b>	<b>\$1,114</b>
National average	2.68	3.66	3.93	1.04	\$150	-0.17	0.61	\$4,272

	Tax-to-income ratio	Revenue-to-income ratio	Expenses-to-income ratio	Pension-to-income ratio	OPEB-to-income ratio
<b>Idaho</b>	<b>0.06</b>	<b>0.14</b>	<b>0.13</b>	<b>0.25</b>	<b>0.00</b>
National average	0.06	0.13	0.13	0.35	0.04

## KEY TERMS

- **Cash solvency** measures whether a state has enough cash to cover its short-term bills, which include accounts payable, vouchers, warrants, and short-term debt. (Idaho ranks 10th.)
- **Budget solvency** measures whether a state can cover its fiscal year spending using current revenues. Did it run a shortfall during the year? (Idaho ranks 6th.)
- **Long-run solvency** measures whether a state has a hedge against large long-term liabilities. Are enough assets available to cushion the state from potential shocks or long-term fiscal risks? (Idaho ranks 5th.)
- **Service-level solvency** measures how high taxes, revenues, and spending are when compared to state personal income. Do states have enough “fiscal slack”? If spending commitments demand more revenues, are states in a good position to increase taxes without harming the economy? Is spending high or low relative to the tax base? (Idaho ranks 33rd.)
- **Trust fund solvency** measures how much debt a state has. How large are unfunded pension liabilities and OPEB liabilities compared to the state personal income? (Idaho ranks 13th.)

For a complete explanation of the methodology used to calculate Idaho’s fiscal health rankings, see Eileen Norcross and Olivia Gonzalez, “Ranking the States by Fiscal Condition,” 2017 ed. (Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, July 2017).

RANK  
**49**

# ILLINOIS

## SUMMARY

On the basis of its fiscal solvency in five separate categories, Illinois is ranked 49th among the US states for its fiscal health. Illinois performs poorly on both a short- and long-run basis. The state has between 52 percent and 134 percent of the cash needed to cover short-term obligations. Revenues cover 96 percent of expenses, and overall net position declined by \$28 per capita in FY 2015. On a long-run basis, a net asset ratio of -2.77 points to Illinois's heavy reliance on debt. Long-term liabilities are 317 percent of total assets, or \$12,118 per capita. On a guaranteed-to-be-paid basis, unfunded pension obligations are \$344.85 billion, or 54 percent of state personal income. OPEB is 8 percent of state personal income.

## 2015 TOTAL LONG-TERM OBLIGATIONS

### STATE DEBT

	General obligation bonds	Total primary government debt	State personal income	Ratio of debt to state personal income	Total primary debt per capita
<b>Illinois</b>	<b>\$27.42 billion</b>	<b>\$32.54 billion</b>	<b>\$636.28 billion</b>	<b>5.1%</b>	<b>\$2,530</b>
National average	\$6.09 billion	\$12.71 billion	\$305.43 billion	3.7%	\$1,804

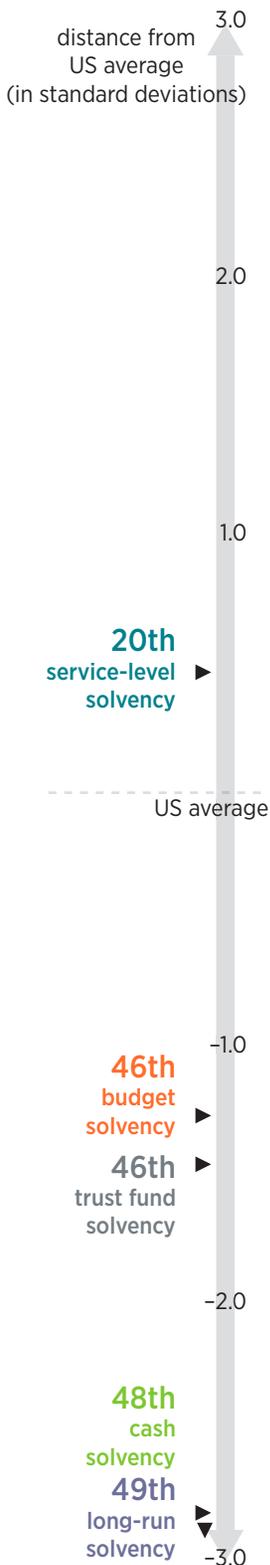
### PENSION LIABILITY

	Unfunded pension liability	Funded ratio	Market value of unfunded liability	Market value of funded liability ratio
<b>Illinois</b>	<b>\$116.49 billion</b>	<b>49%</b>	<b>\$344.85 billion</b>	<b>25%</b>
National average	\$20.62 billion	74%	\$105.50 billion	36%

### OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	Total unfunded OPEB	Funded ratio
<b>Illinois</b>	<b>\$52.43 billion</b>	<b>0%</b>
National average	\$12.97 billion	12%

1. Florida
2. North Dakota
3. South Dakota
4. Utah
5. Wyoming
6. Nebraska
7. Oklahoma
8. Tennessee
9. Idaho
10. Montana
11. Missouri
12. Alabama
13. Ohio
14. Nevada
15. North Carolina
16. Indiana
17. Alaska
18. Virginia
19. South Carolina
20. Arkansas
21. Oregon
22. Georgia
23. Texas
24. Minnesota
25. New Hampshire
26. Washington
27. Hawaii
28. Iowa
29. Wisconsin
30. Colorado
31. Delaware
32. Kansas
33. Arizona
34. Mississippi
35. Maine
36. Michigan
37. Connecticut
38. Rhode Island
39. New York
40. Vermont
41. New Mexico
42. West Virginia
43. California
44. Louisiana
45. Pennsylvania
46. Maryland
47. Kentucky
48. Massachusetts
- 49. Illinois**
50. New Jersey



## UNDERLYING RATIOS

	Cash ratio	Quick ratio	Current ratio	Operating ratio	Surplus (or deficit) per capita	Net asset ratio	Long-term liability ratio	Long-term liability per capita
<b>Illinois</b>	<b>0.52</b>	<b>0.96</b>	<b>1.34</b>	<b>0.96</b>	<b>-\$28</b>	<b>-2.77</b>	<b>3.17</b>	<b>\$12,118</b>
National average	2.68	3.66	3.93	1.04	\$150	-0.17	0.61	\$4,272

	Tax-to-income ratio	Revenue-to-income ratio	Expenses-to-income ratio	Pension-to-income ratio	OPEB-to-income ratio
<b>Illinois</b>	<b>0.06</b>	<b>0.11</b>	<b>0.12</b>	<b>0.54</b>	<b>0.08</b>
National average	0.06	0.13	0.13	0.35	0.04

## KEY TERMS

- **Cash solvency** measures whether a state has enough cash to cover its short-term bills, which include accounts payable, vouchers, warrants, and short-term debt. (Illinois ranks 48th.)
- **Budget solvency** measures whether a state can cover its fiscal year spending using current revenues. Did it run a shortfall during the year? (Illinois ranks 46th.)
- **Long-run solvency** measures whether a state has a hedge against large long-term liabilities. Are enough assets available to cushion the state from potential shocks or long-term fiscal risks? (Illinois ranks 49th.)
- **Service-level solvency** measures how high taxes, revenues, and spending are when compared to state personal income. Do states have enough “fiscal slack”? If spending commitments demand more revenues, are states in a good position to increase taxes without harming the economy? Is spending high or low relative to the tax base? (Illinois ranks 20th.)
- **Trust fund solvency** measures how much debt a state has. How large are unfunded pension liabilities and OPEB liabilities compared to the state personal income? (Illinois ranks 46th.)

For a complete explanation of the methodology used to calculate Illinois’s fiscal health rankings, see Eileen Norcross and Olivia Gonzalez, “Ranking the States by Fiscal Condition,” 2017 ed. (Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, July 2017).

RANK  
**16**

# INDIANA

## SUMMARY

On the basis of its solvency in five separate categories, Indiana is ranked 16th among the US states for its fiscal health. On a short-run basis, Indiana has between 1.76 and 3.06 times the cash needed to cover short-term obligations. Revenues exceed expenses by 6 percent, and net position improved by \$285 per capita in FY 2015. On a long-run basis, Indiana's performance is better than average, with a net asset ratio of -0.11, but this measure of solvency is down significantly since the previous year. Long-term liabilities are 47 percent of state personal income, or \$1,971 per capita, a large increase from last year. Indiana's trust fund solvency is among the best in the country. On a guaranteed-to-be-paid basis, unfunded pension obligations are \$53.67 billion, or 20 percent of state personal income.

## 2015 TOTAL LONG-TERM OBLIGATIONS

### STATE DEBT

	General obligation bonds	Total primary government debt	State personal income	Ratio of debt to state personal income	Total primary debt per capita
<b>Indiana</b>	<b>\$0.00 billion</b>	<b>\$1.06 billion</b>	<b>\$271.43 billion</b>	<b>0.4%</b>	<b>\$160</b>
National average	\$6.09 billion	\$12.71 billion	\$305.43 billion	3.7%	\$1,804

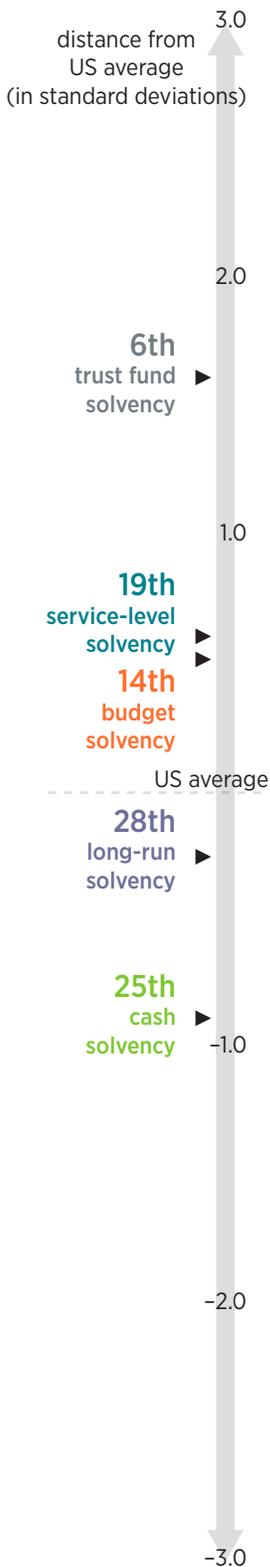
### PENSION LIABILITY

	Unfunded pension liability	Funded ratio	Market value of unfunded liability	Market value of funded liability ratio
<b>Indiana</b>	<b>\$15.95 billion</b>	<b>66%</b>	<b>\$53.67 billion</b>	<b>36%</b>
National average	\$20.62 billion	74%	\$105.50 billion	36%

### OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	Total unfunded OPEB	Funded ratio
<b>Indiana</b>	<b>\$0.30 billion</b>	<b>25%</b>
National average	\$12.97 billion	12%

1. Florida
2. North Dakota
3. South Dakota
4. Utah
5. Wyoming
6. Nebraska
7. Oklahoma
8. Tennessee
9. Idaho
10. Montana
11. Missouri
12. Alabama
13. Ohio
14. Nevada
15. North Carolina
- 16. Indiana**
17. Alaska
18. Virginia
19. South Carolina
20. Arkansas
21. Oregon
22. Georgia
23. Texas
24. Minnesota
25. New Hampshire
26. Washington
27. Hawaii
28. Iowa
29. Wisconsin
30. Colorado
31. Delaware
32. Kansas
33. Arizona
34. Mississippi
35. Maine
36. Michigan
37. Connecticut
38. Rhode Island
39. New York
40. Vermont
41. New Mexico
42. West Virginia
43. California
44. Louisiana
45. Pennsylvania
46. Maryland
47. Kentucky
48. Massachusetts
49. Illinois
50. New Jersey



## UNDERLYING RATIOS

	Cash ratio	Quick ratio	Current ratio	Operating ratio	Surplus (or deficit) per capita	Net asset ratio	Long-term liability ratio	Long-term liability per capita
<b>Indiana</b>	<b>1.76</b>	<b>2.55</b>	<b>3.06</b>	<b>1.06</b>	<b>\$285</b>	<b>-0.11</b>	<b>0.47</b>	<b>\$1,971</b>
National average	2.68	3.66	3.93	1.04	\$150	-0.17	0.61	\$4,272

	Tax-to-income ratio	Revenue-to-income ratio	Expenses-to-income ratio	Pension-to-income ratio	OPEB-to-income ratio
<b>Indiana</b>	<b>0.06</b>	<b>0.12</b>	<b>0.11</b>	<b>0.20</b>	<b>0.00</b>
National average	0.06	0.13	0.13	0.35	0.04

## KEY TERMS

- **Cash solvency** measures whether a state has enough cash to cover its short-term bills, which include accounts payable, vouchers, warrants, and short-term debt. (Indiana ranks 25th.)
- **Budget solvency** measures whether a state can cover its fiscal year spending using current revenues. Did it run a shortfall during the year? (Indiana ranks 14th.)
- **Long-run solvency** measures whether a state has a hedge against large long-term liabilities. Are enough assets available to cushion the state from potential shocks or long-term fiscal risks? (Indiana ranks 28th.)
- **Service-level solvency** measures how high taxes, revenues, and spending are when compared to state personal income. Do states have enough “fiscal slack”? If spending commitments demand more revenues, are states in a good position to increase taxes without harming the economy? Is spending high or low relative to the tax base? (Indiana ranks 19th.)
- **Trust fund solvency** measures how much debt a state has. How large are unfunded pension liabilities and OPEB liabilities compared to the state personal income? (Indiana ranks 6th.)

For a complete explanation of the methodology used to calculate Indiana’s fiscal health rankings, see Eileen Norcross and Olivia Gonzalez, “Ranking the States by Fiscal Condition,” 2017 ed. (Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, July 2017).

RANK  
**28**

# IOWA

## SUMMARY

On the basis of its fiscal solvency in five separate categories, Iowa ranks 28th among the US states for its fiscal health. On a short-run basis, Iowa has between 1.41 and 2.44 times the cash to cover short-term obligations. Revenues exceed expenses by 3 percent, and net position increased by \$179 per capita in FY 2015. On a long-run basis, Iowa's performance is stronger than other states. A net asset ratio of 0.17 indicates the state has assets remaining after paying its debts. Long-term liabilities are 21 percent of assets for a per capita long-term liability of \$1,592. On a guaranteed-to-be-paid basis, unfunded pension liabilities are \$43.7 billion, or 31 percent of state personal income.

## 2015 TOTAL LONG-TERM OBLIGATIONS

### STATE DEBT

	General obligation bonds	Total primary government debt	State personal income	Ratio of debt to state personal income	Total primary debt per capita
<b>Iowa</b>	<b>\$0.00 billion</b>	<b>\$3.68 billion</b>	<b>\$140.50 billion</b>	<b>2.6%</b>	<b>\$1,178</b>
National average	\$6.09 billion	\$12.71 billion	\$305.43 billion	3.7%	\$1,804

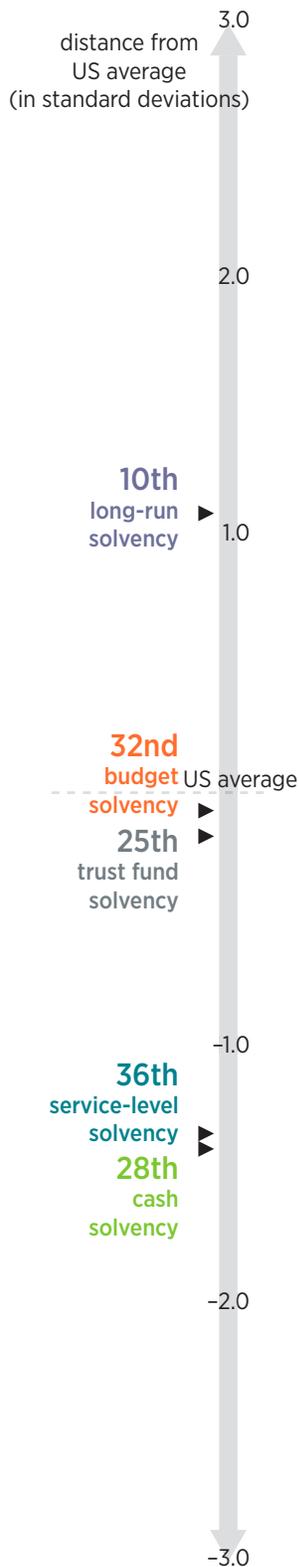
### PENSION LIABILITY

	Unfunded pension liability	Funded ratio	Market value of unfunded liability	Market value of funded liability ratio
<b>Iowa</b>	<b>\$6.16 billion</b>	<b>83%</b>	<b>\$43.70 billion</b>	<b>41%</b>
National average	\$20.62 billion	74%	\$105.50 billion	36%

### OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	Total unfunded OPEB	Funded ratio
<b>Iowa</b>	<b>\$0.63 billion</b>	<b>0%</b>
National average	\$12.97 billion	12%

1. Florida
2. North Dakota
3. South Dakota
4. Utah
5. Wyoming
6. Nebraska
7. Oklahoma
8. Tennessee
9. Idaho
10. Montana
11. Missouri
12. Alabama
13. Ohio
14. Nevada
15. North Carolina
16. Indiana
17. Alaska
18. Virginia
19. South Carolina
20. Arkansas
21. Oregon
22. Georgia
23. Texas
24. Minnesota
25. New Hampshire
26. Washington
27. Hawaii
- 28. Iowa**
29. Wisconsin
30. Colorado
31. Delaware
32. Kansas
33. Arizona
34. Mississippi
35. Maine
36. Michigan
37. Connecticut
38. Rhode Island
39. New York
40. Vermont
41. New Mexico
42. West Virginia
43. California
44. Louisiana
45. Pennsylvania
46. Maryland
47. Kentucky
48. Massachusetts
49. Illinois
50. New Jersey



## UNDERLYING RATIOS

	Cash ratio	Quick ratio	Current ratio	Operating ratio	Surplus (or deficit) per capita	Net asset ratio	Long-term liability ratio	Long-term liability per capita
<b>Iowa</b>	<b>1.41</b>	<b>2.34</b>	<b>2.44</b>	<b>1.03</b>	<b>\$179</b>	<b>0.17</b>	<b>0.21</b>	<b>\$1,592</b>
National average	2.68	3.66	3.93	1.04	\$150	-0.17	0.61	\$4,272

	Tax-to-income ratio	Revenue-to-income ratio	Expenses-to-income ratio	Pension-to-income ratio	OPEB-to-income ratio
<b>Iowa</b>	<b>0.05</b>	<b>0.15</b>	<b>0.15</b>	<b>0.31</b>	<b>0.00</b>
National average	0.06	0.13	0.13	0.35	0.04

## KEY TERMS

- **Cash solvency** measures whether a state has enough cash to cover its short-term bills, which include accounts payable, vouchers, warrants, and short-term debt. (Iowa ranks 28th.)
- **Budget solvency** measures whether a state can cover its fiscal year spending using current revenues. Did it run a shortfall during the year? (Iowa ranks 32nd.)
- **Long-run solvency** measures whether a state has a hedge against large long-term liabilities. Are enough assets available to cushion the state from potential shocks or long-term fiscal risks? (Iowa ranks 10th.)
- **Service-level solvency** measures how high taxes, revenues, and spending are when compared to state personal income. Do states have enough “fiscal slack”? If spending commitments demand more revenues, are states in a good position to increase taxes without harming the economy? Is spending high or low relative to the tax base? (Iowa ranks 36th.)
- **Trust fund solvency** measures how much debt a state has. How large are unfunded pension liabilities and OPEB liabilities compared to the state personal income? (Iowa ranks 25th.)

For a complete explanation of the methodology used to calculate Iowa’s fiscal health rankings, see Eileen Norcross and Olivia Gonzalez, “Ranking the States by Fiscal Condition,” 2017 ed. (Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, July 2017).

RANK  
**32**

# KANSAS

## SUMMARY

On the basis of its fiscal solvency in five separate categories, Kansas is ranked 32nd among the US states for its fiscal health. On a short-run basis, Kansas has between 1.22 and 2.35 times the cash needed to cover short-term obligations. Revenues cover 98 percent of expenses, and net position decreased by \$76 per capita in FY 2015. On a long-run basis, Kansas's performance is stronger. It is also better than the average among states. There are no net assets remaining after debts have been paid. Long-term liabilities are 35 percent of total assets, less than the average in the states of 61 percent. Kansas carries a low level of total primary government debt at \$3.7 billion, or 2.8 percent of personal income. On a guaranteed-to-be paid basis, unfunded pension liabilities are \$38.68 billion, or 29 percent of state personal income.

## 2015 TOTAL LONG-TERM OBLIGATIONS

### STATE DEBT

	General obligation bonds	Total primary government debt	State personal income	Ratio of debt to state personal income	Total primary debt per capita
<b>Kansas</b>	<b>\$0.00 billion</b>	<b>\$3.70 billion</b>	<b>\$133.59 billion</b>	<b>2.8%</b>	<b>\$1,270</b>
National average	\$6.09 billion	\$12.71 billion	\$305.43 billion	3.7%	\$1,804

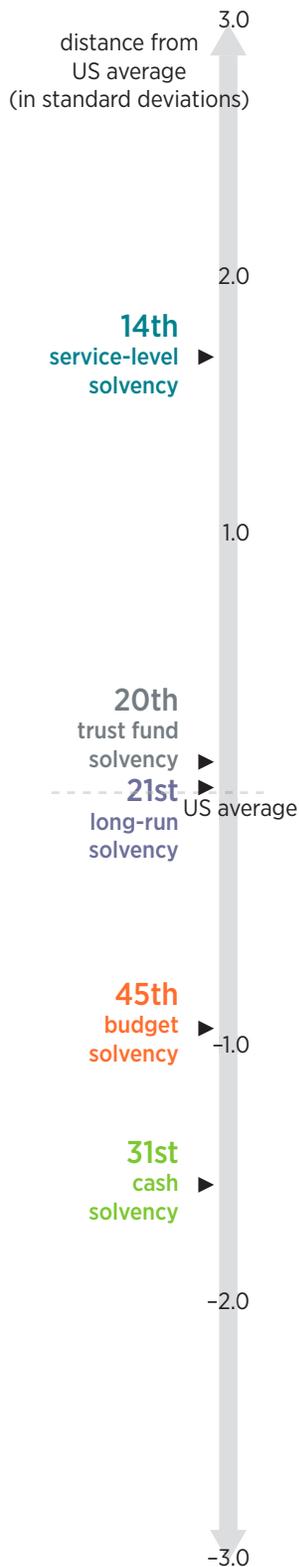
### PENSION LIABILITY

	Unfunded pension liability	Funded ratio	Market value of unfunded liability	Market value of funded liability ratio
<b>Kansas</b>	<b>\$8.54 billion</b>	<b>67%</b>	<b>\$38.68 billion</b>	<b>31%</b>
National average	\$20.62 billion	74%	\$105.50 billion	36%

### OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	Total unfunded OPEB	Funded ratio
<b>Kansas</b>	<b>\$0.21 billion</b>	<b>0%</b>
National average	\$12.97 billion	12%

1. Florida
2. North Dakota
3. South Dakota
4. Utah
5. Wyoming
6. Nebraska
7. Oklahoma
8. Tennessee
9. Idaho
10. Montana
11. Missouri
12. Alabama
13. Ohio
14. Nevada
15. North Carolina
16. Indiana
17. Alaska
18. Virginia
19. South Carolina
20. Arkansas
21. Oregon
22. Georgia
23. Texas
24. Minnesota
25. New Hampshire
26. Washington
27. Hawaii
28. Iowa
29. Wisconsin
30. Colorado
31. Delaware
- 32. Kansas**
33. Arizona
34. Mississippi
35. Maine
36. Michigan
37. Connecticut
38. Rhode Island
39. New York
40. Vermont
41. New Mexico
42. West Virginia
43. California
44. Louisiana
45. Pennsylvania
46. Maryland
47. Kentucky
48. Massachusetts
49. Illinois
50. New Jersey



## UNDERLYING RATIOS

	Cash ratio	Quick ratio	Current ratio	Operating ratio	Surplus (or deficit) per capita	Net asset ratio	Long-term liability ratio	Long-term liability per capita
<b>Kansas</b>	<b>1.22</b>	<b>2.32</b>	<b>2.35</b>	<b>0.98</b>	<b>-\$76</b>	<b>0.00</b>	<b>0.35</b>	<b>\$2,128</b>
National average	2.68	3.66	3.93	1.04	\$150	-0.17	0.61	\$4,272

	Tax-to-income ratio	Revenue-to-income ratio	Expenses-to-income ratio	Pension-to-income ratio	OPEB-to-income ratio
<b>Kansas</b>	<b>0.05</b>	<b>0.10</b>	<b>0.10</b>	<b>0.29</b>	<b>0.00</b>
National average	0.06	0.13	0.13	0.35	0.04

## KEY TERMS

- **Cash solvency** measures whether a state has enough cash to cover its short-term bills, which include accounts payable, vouchers, warrants, and short-term debt. (Kansas ranks 31st.)
- **Budget solvency** measures whether a state can cover its fiscal year spending using current revenues. Did it run a shortfall during the year? (Kansas ranks 45th.)
- **Long-run solvency** measures whether a state has a hedge against large long-term liabilities. Are enough assets available to cushion the state from potential shocks or long-term fiscal risks? (Kansas ranks 21st.)
- **Service-level solvency** measures how high taxes, revenues, and spending are when compared to state personal income. Do states have enough “fiscal slack”? If spending commitments demand more revenues, are states in a good position to increase taxes without harming the economy? Is spending high or low relative to the tax base? (Kansas ranks 14th.)
- **Trust fund solvency** measures how much debt a state has. How large are unfunded pension liabilities and OPEB liabilities compared to the state personal income? (Kansas ranks 20th.)

For a complete explanation of the methodology used to calculate Kansas’s fiscal health rankings, see Eileen Norcross and Olivia Gonzalez, “Ranking the States by Fiscal Condition,” 2017 ed. (Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, July 2017).

RANK  
**47**

# KENTUCKY

## SUMMARY

On the basis of its fiscal solvency in five separate categories, Kentucky ranks 47th among the US states for its fiscal health. On a short-run basis, Kentucky has between 84 percent and 223 percent of the cash needed to cover short-term obligations. Revenues exceed expenses by 2 percent, and net position improved by \$122 per capita in FY 2015. On a long-run basis, Kentucky performs poorly. A net asset ratio of -1.16 points to the use of debt and unfunded pension obligations. Long-term liabilities are 133 percent of total assets, producing a long-term liability per capita of \$9,249. On a guaranteed-to-be-paid basis, unfunded pension obligations are \$91.52 billion, or 53 percent of state personal income. OPEB is 3 percent of state personal income.

## 2015 TOTAL LONG-TERM OBLIGATIONS

### STATE DEBT

	General obligation bonds	Total primary government debt	State personal income	Ratio of debt to state personal income	Total primary debt per capita
<b>Kentucky</b>	<b>\$0.00 billion</b>	<b>\$7.71 billion</b>	<b>\$172.55 billion</b>	<b>4.5%</b>	<b>\$1,741</b>
National average	\$6.09 billion	\$12.71 billion	\$305.43 billion	3.7%	\$1,804

### PENSION LIABILITY

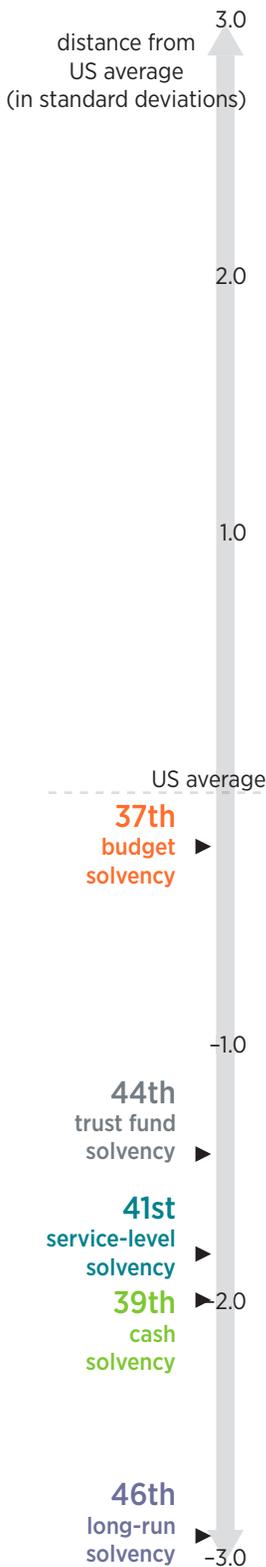
	Unfunded pension liability	Funded ratio	Market value of unfunded liability	Market value of funded liability ratio
<b>Kentucky</b>	<b>\$30.68 billion</b>	<b>49%</b>	<b>\$91.52 billion</b>	<b>24%</b>
National average	\$20.62 billion	74%	\$105.50 billion	36%

### OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	Total unfunded OPEB	Funded ratio
<b>Kentucky</b>	<b>\$5.93 billion</b>	<b>46%</b>
National average	\$12.97 billion	12%

1. Florida
2. North Dakota
3. South Dakota
4. Utah
5. Wyoming
6. Nebraska
7. Oklahoma
8. Tennessee
9. Idaho
10. Montana
11. Missouri
12. Alabama
13. Ohio
14. Nevada
15. North Carolina
16. Indiana
17. Alaska
18. Virginia
19. South Carolina
20. Arkansas
21. Oregon
22. Georgia
23. Texas
24. Minnesota
25. New Hampshire
26. Washington
27. Hawaii
28. Iowa
29. Wisconsin
30. Colorado
31. Delaware
32. Kansas
33. Arizona
34. Mississippi
35. Maine
36. Michigan
37. Connecticut
38. Rhode Island
39. New York
40. Vermont
41. New Mexico
42. West Virginia
43. California
44. Louisiana
45. Pennsylvania
46. Maryland
- 47. Kentucky**
48. Massachusetts
49. Illinois
50. New Jersey





## UNDERLYING RATIOS

	Cash ratio	Quick ratio	Current ratio	Operating ratio	Surplus (or deficit) per capita	Net asset ratio	Long-term liability ratio	Long-term liability per capita
<b>Kentucky</b>	<b>0.84</b>	<b>1.76</b>	<b>2.23</b>	<b>1.02</b>	<b>\$122</b>	<b>-1.16</b>	<b>1.33</b>	<b>\$9,249</b>
National average	2.68	3.66	3.93	1.04	\$150	-0.17	0.61	\$4,272

	Tax-to-income ratio	Revenue-to-income ratio	Expenses-to-income ratio	Pension-to-income ratio	OPEB-to-income ratio
<b>Kentucky</b>	<b>0.07</b>	<b>0.15</b>	<b>0.15</b>	<b>0.53</b>	<b>0.03</b>
National average	0.06	0.13	0.13	0.35	0.04

## KEY TERMS

- **Cash solvency** measures whether a state has enough cash to cover its short-term bills, which include accounts payable, vouchers, warrants, and short-term debt. (Kentucky ranks 39th.)
- **Budget solvency** measures whether a state can cover its fiscal year spending using current revenues. Did it run a shortfall during the year? (Kentucky ranks 37th.)
- **Long-run solvency** measures whether a state has a hedge against large long-term liabilities. Are enough assets available to cushion the state from potential shocks or long-term fiscal risks? (Kentucky ranks 46th.)
- **Service-level solvency** measures how high taxes, revenues, and spending are when compared to state personal income. Do states have enough “fiscal slack”? If spending commitments demand more revenues, are states in a good position to increase taxes without harming the economy? Is spending high or low relative to the tax base? (Kentucky ranks 41st.)
- **Trust fund solvency** measures how much debt a state has. How large are unfunded pension liabilities and OPEB liabilities compared to the state personal income? (Kentucky ranks 44th.)

For a complete explanation of the methodology used to calculate Kentucky’s fiscal health rankings, see Eileen Norcross and Olivia Gonzalez, “Ranking the States by Fiscal Condition,” 2017 ed. (Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, July 2017).

RANK  
**44**

# LOUISIANA

## SUMMARY

On the basis of its fiscal solvency in five separate categories, Louisiana ranks 44th among the US states for its fiscal health, down from 33rd in the previous year. On a short-run basis, Louisiana has between 1.62 and 2.81 times the cash needed to cover short-term obligations. Louisiana performs most poorly on a budgetary basis. Revenues cover 94 percent of expenses, and its net position is unchanged from the previous year. On a long-run basis, Louisiana has a negative net asset ratio of 0.20. Long-term liabilities are 65 percent of total assets, or \$4,197 per capita. Total primary government debt is \$12.6 billion, or 6.2 percent of state personal income, double the average in the states. Unfunded pension liabilities, on a guaranteed-to-be-paid basis, are \$83.86 billion, or 42 percent of state personal income. OPEB is 4 percent of state personal income.

## 2015 TOTAL LONG-TERM OBLIGATIONS

### STATE DEBT

	General obligation bonds	Total primary government debt	State personal income	Ratio of debt to state personal income	Total primary debt per capita
<b>Louisiana</b>	<b>\$4.67 billion</b>	<b>\$12.60 billion</b>	<b>\$202.05 billion</b>	<b>6.2%</b>	<b>\$2,698</b>
National average	\$6.09 billion	\$12.71 billion	\$305.43 billion	3.7%	\$1,804

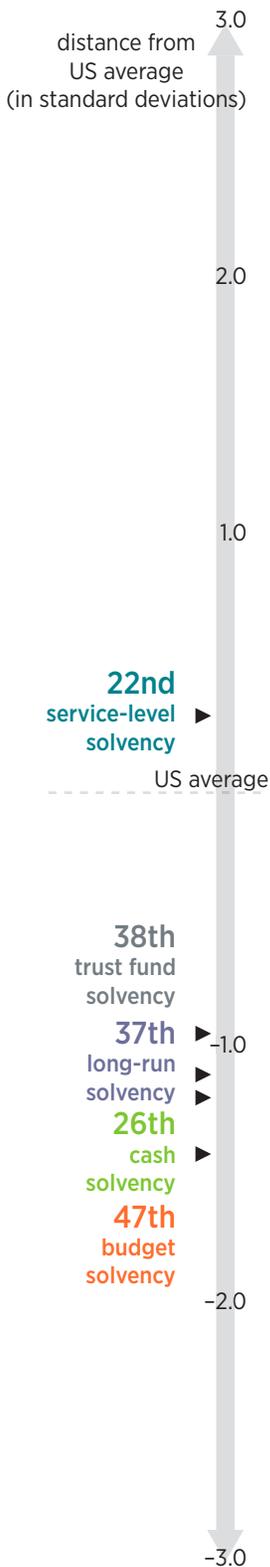
### PENSION LIABILITY

	Unfunded pension liability	Funded ratio	Market value of unfunded liability	Market value of funded liability ratio
<b>Louisiana</b>	<b>\$20.90 billion</b>	<b>65%</b>	<b>\$83.86 billion</b>	<b>32%</b>
National average	\$20.62 billion	74%	\$105.50 billion	36%

### OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	Total unfunded OPEB	Funded ratio
<b>Louisiana</b>	<b>\$7.36 billion</b>	<b>0%</b>
National average	\$12.97 billion	12%

1. Florida
2. North Dakota
3. South Dakota
4. Utah
5. Wyoming
6. Nebraska
7. Oklahoma
8. Tennessee
9. Idaho
10. Montana
11. Missouri
12. Alabama
13. Ohio
14. Nevada
15. North Carolina
16. Indiana
17. Alaska
18. Virginia
19. South Carolina
20. Arkansas
21. Oregon
22. Georgia
23. Texas
24. Minnesota
25. New Hampshire
26. Washington
27. Hawaii
28. Iowa
29. Wisconsin
30. Colorado
31. Delaware
32. Kansas
33. Arizona
34. Mississippi
35. Maine
36. Michigan
37. Connecticut
38. Rhode Island
39. New York
40. Vermont
41. New Mexico
42. West Virginia
43. California
- 44. Louisiana**
45. Pennsylvania
46. Maryland
47. Kentucky
48. Massachusetts
49. Illinois
50. New Jersey



## UNDERLYING RATIOS

	Cash ratio	Quick ratio	Current ratio	Operating ratio	Surplus (or deficit) per capita	Net asset ratio	Long-term liability ratio	Long-term liability per capita
<b>Louisiana</b>	<b>1.62</b>	<b>2.19</b>	<b>2.81</b>	<b>0.94</b>	<b>\$0</b>	<b>-0.20</b>	<b>0.65</b>	<b>\$4,197</b>
National average	2.68	3.66	3.93	1.04	\$150	-0.17	0.61	\$4,272

	Tax-to-income ratio	Revenue-to-income ratio	Expenses-to-income ratio	Pension-to-income ratio	OPEB-to-income ratio
<b>Louisiana</b>	<b>0.04</b>	<b>0.12</b>	<b>0.13</b>	<b>0.42</b>	<b>0.04</b>
National average	0.06	0.13	0.13	0.35	0.04

## KEY TERMS

- **Cash solvency** measures whether a state has enough cash to cover its short-term bills, which include accounts payable, vouchers, warrants, and short-term debt. (Louisiana ranks 26th.)
- **Budget solvency** measures whether a state can cover its fiscal year spending using current revenues. Did it run a shortfall during the year? (Louisiana ranks 47th.)
- **Long-run solvency** measures whether a state has a hedge against large long-term liabilities. Are enough assets available to cushion the state from potential shocks or long-term fiscal risks? (Louisiana ranks 37th.)
- **Service-level solvency** measures how high taxes, revenues, and spending are when compared to state personal income. Do states have enough “fiscal slack”? If spending commitments demand more revenues, are states in a good position to increase taxes without harming the economy? Is spending high or low relative to the tax base? (Louisiana ranks 22nd.)
- **Trust fund solvency** measures how much debt a state has. How large are unfunded pension liabilities and OPEB liabilities compared to the state personal income? (Louisiana ranks 38th.)

For a complete explanation of the methodology used to calculate Louisiana’s fiscal health rankings, see Eileen Norcross and Olivia Gonzalez, “Ranking the States by Fiscal Condition,” 2017 ed. (Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, July 2017).

RANK  
**35**

# MAINE

## SUMMARY

On the basis of its fiscal solvency in five separate categories, Maine is ranked 35th among the US states for its fiscal health, an improvement of eight places the previous fiscal year. On a short-run basis, Maine holds between 61 percent and 195 percent of the cash needed to cover short-term obligations. Revenues exceed expenses by 6 percent, and net position improved by \$368 per capita. On a long-run basis, Maine's net asset ratio is -0.26, and long-term liabilities are 52 percent of state personal income. Total primary government debt is relatively low at \$1.21 billion, or \$909 per capita. Unfunded pension obligations, on a guaranteed-to-be-paid basis, are \$16.6 billion, or 30 percent of state personal income. OPEB is 3 percent of state personal income.

## 2015 TOTAL LONG-TERM OBLIGATIONS

### STATE DEBT

	General obligation bonds	Total primary government debt	State personal income	Ratio of debt to state personal income	Total primary debt per capita
<b>Maine</b>	<b>\$0.43 billion</b>	<b>\$1.21 billion</b>	<b>\$55.94 billion</b>	<b>2.2%</b>	<b>\$909</b>
National average	\$6.09 billion	\$12.71 billion	\$305.43 billion	3.7%	\$1,804

### PENSION LIABILITY

	Unfunded pension liability	Funded ratio	Market value of unfunded liability	Market value of funded liability ratio
<b>Maine</b>	<b>\$2.53 billion</b>	<b>84%</b>	<b>\$16.60 billion</b>	<b>44%</b>
National average	\$20.62 billion	74%	\$105.50 billion	36%

### OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	Total unfunded OPEB	Funded ratio
<b>Maine</b>	<b>\$1.80 billion</b>	<b>7%</b>
National average	\$12.97 billion	12%

1. Florida
2. North Dakota
3. South Dakota
4. Utah
5. Wyoming
6. Nebraska
7. Oklahoma
8. Tennessee
9. Idaho
10. Montana
11. Missouri
12. Alabama
13. Ohio
14. Nevada
15. North Carolina
16. Indiana
17. Alaska
18. Virginia
19. South Carolina
20. Arkansas
21. Oregon
22. Georgia
23. Texas
24. Minnesota
25. New Hampshire
26. Washington
27. Hawaii
28. Iowa
29. Wisconsin
30. Colorado
31. Delaware
32. Kansas
33. Arizona
34. Mississippi
- 35. Maine**
36. Michigan
37. Connecticut
38. Rhode Island
39. New York
40. Vermont
41. New Mexico
42. West Virginia
43. California
44. Louisiana
45. Pennsylvania
46. Maryland
47. Kentucky
48. Massachusetts
49. Illinois
50. New Jersey

distance from  
US average  
(in standard deviations)

## UNDERLYING RATIOS

	Cash ratio	Quick ratio	Current ratio	Operating ratio	Surplus (or deficit) per capita	Net asset ratio	Long-term liability ratio	Long-term liability per capita
<b>Maine</b>	<b>0.61</b>	<b>1.29</b>	<b>1.95</b>	<b>1.06</b>	<b>\$368</b>	<b>-0.26</b>	<b>0.52</b>	<b>\$2,542</b>
National average	2.68	3.66	3.93	1.04	\$150	-0.17	0.61	\$4,272

	Tax-to-income ratio	Revenue-to-income ratio	Expenses-to-income ratio	Pension-to-income ratio	OPEB-to-income ratio
<b>Maine</b>	<b>0.07</b>	<b>0.14</b>	<b>0.13</b>	<b>0.30</b>	<b>0.03</b>
National average	0.06	0.13	0.13	0.35	0.04

## KEY TERMS

- **Cash solvency** measures whether a state has enough cash to cover its short-term bills, which include accounts payable, vouchers, warrants, and short-term debt. (Maine ranks 43rd.)
- **Budget solvency** measures whether a state can cover its fiscal year spending using current revenues. Did it run a shortfall during the year? (Maine ranks 13th.)
- **Long-run solvency** measures whether a state has a hedge against large long-term liabilities. Are enough assets available to cushion the state from potential shocks or long-term fiscal risks? (Maine ranks 34th.)
- **Service-level solvency** measures how high taxes, revenues, and spending are when compared to state personal income. Do states have enough “fiscal slack”? If spending commitments demand more revenues, are states in a good position to increase taxes without harming the economy? Is spending high or low relative to the tax base? (Maine ranks 35th.)
- **Trust fund solvency** measures how much debt a state has. How large are unfunded pension liabilities and OPEB liabilities compared to the state personal income? (Maine ranks 24th.)

For a complete explanation of the methodology used to calculate Maine’s fiscal health rankings, see Eileen Norcross and Olivia Gonzalez, “Ranking the States by Fiscal Condition,” 2017 ed. (Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, July 2017).

RANK  
**46**

# MARYLAND

## SUMMARY

On the basis of its fiscal solvency in five separate categories, Maryland is ranked 46th among the US states for its fiscal health. On a short-run basis, Maryland holds between 55 percent and 148 percent of the cash needed to cover short-term obligations. Revenues exceed expenses by 1 percent, and net position improved by \$88 per capita in FY 2015. On a long-run basis, Maryland's net asset ratio is -0.5, pointing to the use of debt or unfunded obligations. Long-term liabilities are 94 percent of total assets or \$6,554 per capita, which is higher than the average in the states. Total primary government debt is \$17.55 billion, or 5.2 percent of state personal income. On a guaranteed-to-be-paid basis, unfunded pension obligations are \$88.41 billion, or 26 percent of personal income. OPEB is 3 percent of personal income, which is better than the average in the states.

## 2015 TOTAL LONG-TERM OBLIGATIONS

### STATE DEBT

	General obligation bonds	Total primary government debt	State personal income	Ratio of debt to state personal income	Total primary debt per capita
<b>Maryland</b>	<b>\$8.68 billion</b>	<b>\$17.55 billion</b>	<b>\$337.17 billion</b>	<b>5.2%</b>	<b>\$2,921</b>
National average	\$6.09 billion	\$12.71 billion	\$305.43 billion	3.7%	\$1,804

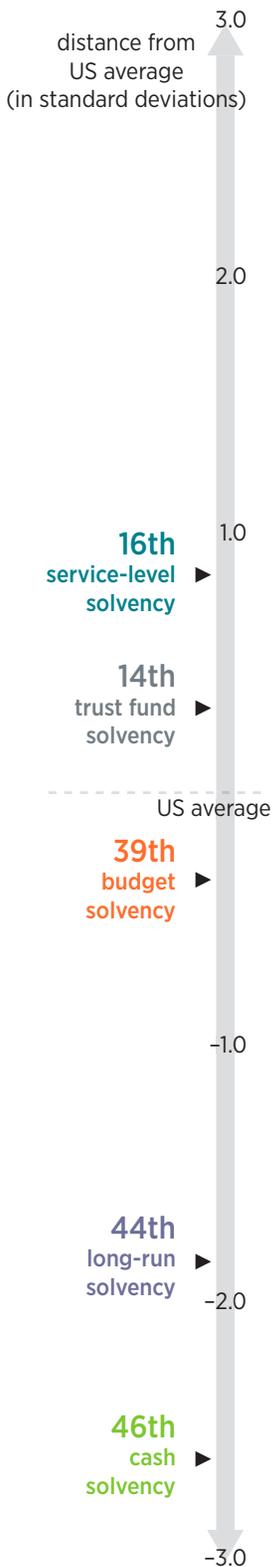
### PENSION LIABILITY

	Unfunded pension liability	Funded ratio	Market value of unfunded liability	Market value of funded liability ratio
<b>Maryland</b>	<b>\$20.11 billion</b>	<b>70%</b>	<b>\$88.41 billion</b>	<b>34%</b>
National average	\$20.62 billion	74%	\$105.50 billion	36%

### OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	Total unfunded OPEB	Funded ratio
<b>Maryland</b>	<b>\$9.36 billion</b>	<b>3%</b>
National average	\$12.97 billion	12%

1. Florida
2. North Dakota
3. South Dakota
4. Utah
5. Wyoming
6. Nebraska
7. Oklahoma
8. Tennessee
9. Idaho
10. Montana
11. Missouri
12. Alabama
13. Ohio
14. Nevada
15. North Carolina
16. Indiana
17. Alaska
18. Virginia
19. South Carolina
20. Arkansas
21. Oregon
22. Georgia
23. Texas
24. Minnesota
25. New Hampshire
26. Washington
27. Hawaii
28. Iowa
29. Wisconsin
30. Colorado
31. Delaware
32. Kansas
33. Arizona
34. Mississippi
35. Maine
36. Michigan
37. Connecticut
38. Rhode Island
39. New York
40. Vermont
41. New Mexico
42. West Virginia
43. California
44. Louisiana
45. Pennsylvania
- 46. Maryland**
47. Kentucky
48. Massachusetts
49. Illinois
50. New Jersey



## UNDERLYING RATIOS

	Cash ratio	Quick ratio	Current ratio	Operating ratio	Surplus (or deficit) per capita	Net asset ratio	Long-term liability ratio	Long-term liability per capita
<b>Maryland</b>	<b>0.55</b>	<b>1.33</b>	<b>1.48</b>	<b>1.01</b>	<b>\$88</b>	<b>-0.50</b>	<b>0.94</b>	<b>\$6,554</b>
National average	2.68	3.66	3.93	1.04	\$150	-0.17	0.61	\$4,272

	Tax-to-income ratio	Revenue-to-income ratio	Expenses-to-income ratio	Pension-to-income ratio	OPEB-to-income ratio
<b>Maryland</b>	<b>0.06</b>	<b>0.11</b>	<b>0.11</b>	<b>0.26</b>	<b>0.03</b>
National average	0.06	0.13	0.13	0.35	0.04

## KEY TERMS

- **Cash solvency** measures whether a state has enough cash to cover its short-term bills, which include accounts payable, vouchers, warrants, and short-term debt. (Maryland ranks 46th.)
- **Budget solvency** measures whether a state can cover its fiscal year spending using current revenues. Did it run a shortfall during the year? (Maryland ranks 39th.)
- **Long-run solvency** measures whether a state has a hedge against large long-term liabilities. Are enough assets available to cushion the state from potential shocks or long-term fiscal risks? (Maryland ranks 44th.)
- **Service-level solvency** measures how high taxes, revenues, and spending are when compared to state personal income. Do states have enough “fiscal slack”? If spending commitments demand more revenues, are states in a good position to increase taxes without harming the economy? Is spending high or low relative to the tax base? (Maryland ranks 16th.)
- **Trust fund solvency** measures how much debt a state has. How large are unfunded pension liabilities and OPEB liabilities compared to the state personal income? (Maryland ranks 14th.)

For a complete explanation of the methodology used to calculate Maryland’s fiscal health rankings, see Eileen Norcross and Olivia Gonzalez, “Ranking the States by Fiscal Condition,” 2017 ed. (Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, July 2017).

# RANK 48 MASSACHUSETTS

## SUMMARY

On the basis of its fiscal solvency in five separate categories, Massachusetts is ranked 48th among the US states for its fiscal health. On a short-run basis, Massachusetts holds between 45 percent and 111 percent of the cash needed to cover short-term obligations. Revenues cover 96 percent of expenses, and net position decreased by \$319 per capita in FY 2015. On a long-run basis, a net asset ratio of -1.84 points to a heavy reliance on debt and large unfunded obligations. Long-term liabilities are 239 percent of total assets, for a per capita long-term liability of \$9,919. Total primary government debt is \$28.43 billion, or 6.9 percent of personal income, nearly twice the average in the states. The best score for Massachusetts was for trust fund solvency. On a guaranteed-to-be-paid basis, unfunded pension obligations are \$115.75 billion, or 28 percent of state personal income. OPEB is 4 percent of state personal income.

## 2015 TOTAL LONG-TERM OBLIGATIONS

### STATE DEBT

	General obligation bonds	Total primary government debt	State personal income	Ratio of debt to state personal income	Total primary debt per capita
<b>Massachusetts</b>	<b>\$20.80 billion</b>	<b>\$28.43 billion</b>	<b>\$414.72 billion</b>	<b>6.9%</b>	<b>\$4,184</b>
National average	\$6.09 billion	\$12.71 billion	\$305.43 billion	3.7%	\$1,804

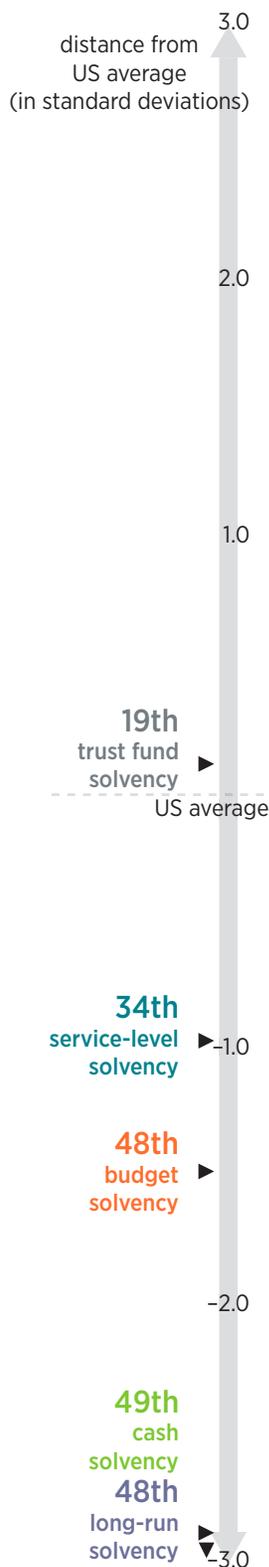
### PENSION LIABILITY

	Unfunded pension liability	Funded ratio	Market value of unfunded liability	Market value of funded liability ratio
<b>Massachusetts</b>	<b>\$31.13 billion</b>	<b>60%</b>	<b>\$115.75 billion</b>	<b>29%</b>
National average	\$20.62 billion	74%	\$105.50 billion	36%

### OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	Total unfunded OPEB	Funded ratio
<b>Massachusetts</b>	<b>\$15.89 billion</b>	<b>4%</b>
National average	\$12.97 billion	12%

1. Florida
2. North Dakota
3. South Dakota
4. Utah
5. Wyoming
6. Nebraska
7. Oklahoma
8. Tennessee
9. Idaho
10. Montana
11. Missouri
12. Alabama
13. Ohio
14. Nevada
15. North Carolina
16. Indiana
17. Alaska
18. Virginia
19. South Carolina
20. Arkansas
21. Oregon
22. Georgia
23. Texas
24. Minnesota
25. New Hampshire
26. Washington
27. Hawaii
28. Iowa
29. Wisconsin
30. Colorado
31. Delaware
32. Kansas
33. Arizona
34. Mississippi
35. Maine
36. Michigan
37. Connecticut
38. Rhode Island
39. New York
40. Vermont
41. New Mexico
42. West Virginia
43. California
44. Louisiana
45. Pennsylvania
46. Maryland
47. Kentucky
- 48. Massachusetts**
49. Illinois
50. New Jersey



## UNDERLYING RATIOS

	Cash ratio	Quick ratio	Current ratio	Operating ratio	Surplus (or deficit) per capita	Net asset ratio	Long-term liability ratio	Long-term liability per capita
<b>Massachusetts</b>	<b>0.45</b>	<b>1.10</b>	<b>1.11</b>	<b>0.96</b>	<b>-\$319</b>	<b>-1.84</b>	<b>2.39</b>	<b>\$9,919</b>
National average	2.68	3.66	3.93	1.04	\$150	-0.17	0.61	\$4,272

	Tax-to-income ratio	Revenue-to-income ratio	Expenses-to-income ratio	Pension-to-income ratio	OPEB-to-income ratio
<b>Massachusetts</b>	<b>0.06</b>	<b>0.13</b>	<b>0.14</b>	<b>0.28</b>	<b>0.04</b>
National average	0.06	0.13	0.13	0.35	0.04

## KEY TERMS

- **Cash solvency** measures whether a state has enough cash to cover its short-term bills, which include accounts payable, vouchers, warrants, and short-term debt. (Massachusetts ranks 49th.)
- **Budget solvency** measures whether a state can cover its fiscal year spending using current revenues. Did it run a shortfall during the year? (Massachusetts ranks 48th.)
- **Long-run solvency** measures whether a state has a hedge against large long-term liabilities. Are enough assets available to cushion the state from potential shocks or long-term fiscal risks? (Massachusetts ranks 48th.)
- **Service-level solvency** measures how high taxes, revenues, and spending are when compared to state personal income. Do states have enough “fiscal slack”? If spending commitments demand more revenues, are states in a good position to increase taxes without harming the economy? Is spending high or low relative to the tax base? (Massachusetts ranks 34th.)
- **Trust fund solvency** measures how much debt a state has. How large are unfunded pension liabilities and OPEB liabilities compared to the state personal income? (Massachusetts ranks 19th.)

For a complete explanation of the methodology used to calculate Massachusetts’s fiscal health rankings, see Eileen Norcross and Olivia Gonzalez, “Ranking the States by Fiscal Condition,” 2017 ed. (Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, July 2017).

RANK  
**36**

# MICHIGAN

## SUMMARY

On the basis of its solvency in five separate categories, Michigan is ranked 36th among the US states for its fiscal health. On short-run basis, Michigan has between 1.01 and 2.28 times the cash needed to cover short-term obligations. Revenues exceed expenses by 2 percent, and net position improved by \$138 per capita in FY 2015. On a long-run basis, Michigan has a net asset ratio of -0.08. Long-term liabilities are 43 percent of total assets. Total primary government debt is \$7.1 billion, or 1.7 percent of state personal income; this is among the lowest in the states. Unfunded pension obligations, on a guaranteed-to-be-paid basis, are \$147.04 billion, or 35 percent of state personal income. OPEB is 5 percent of state personal income.

## 2015 TOTAL LONG-TERM OBLIGATIONS

### STATE DEBT

	General obligation bonds	Total primary government debt	State personal income	Ratio of debt to state personal income	Total primary debt per capita
<b>Michigan</b>	<b>\$1.73 billion</b>	<b>\$7.10 billion</b>	<b>\$421.04 billion</b>	<b>1.7%</b>	<b>\$715</b>
National average	\$6.09 billion	\$12.71 billion	\$305.43 billion	3.7%	\$1,804

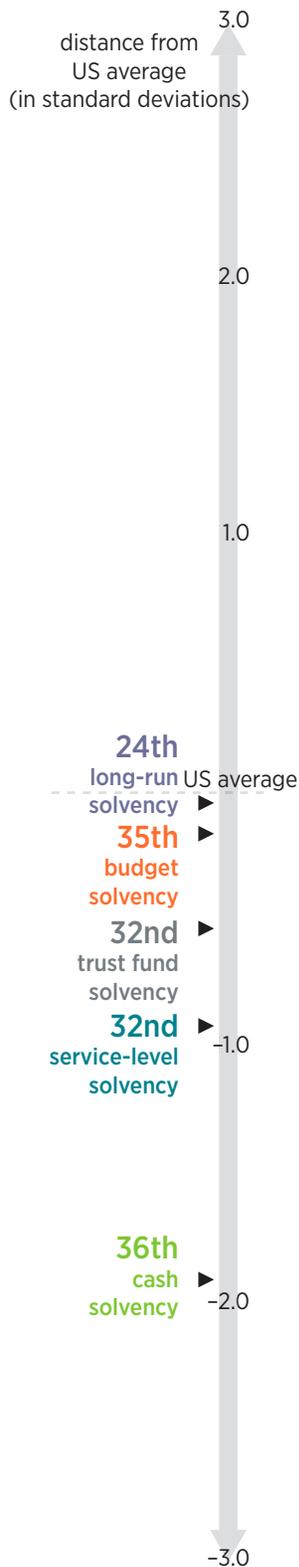
### PENSION LIABILITY

	Unfunded pension liability	Funded ratio	Market value of unfunded liability	Market value of funded liability ratio
<b>Michigan</b>	<b>\$36.00 billion</b>	<b>62%</b>	<b>\$147.04 billion</b>	<b>29%</b>
National average	\$20.62 billion	74%	\$105.50 billion	36%

### OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	Total unfunded OPEB	Funded ratio
<b>Michigan</b>	<b>\$19.60 billion</b>	<b>17%</b>
National average	\$12.97 billion	12%

1. Florida
2. North Dakota
3. South Dakota
4. Utah
5. Wyoming
6. Nebraska
7. Oklahoma
8. Tennessee
9. Idaho
10. Montana
11. Missouri
12. Alabama
13. Ohio
14. Nevada
15. North Carolina
16. Indiana
17. Alaska
18. Virginia
19. South Carolina
20. Arkansas
21. Oregon
22. Georgia
23. Texas
24. Minnesota
25. New Hampshire
26. Washington
27. Hawaii
28. Iowa
29. Wisconsin
30. Colorado
31. Delaware
32. Kansas
33. Arizona
34. Mississippi
35. Maine
- 36. Michigan**
37. Connecticut
38. Rhode Island
39. New York
40. Vermont
41. New Mexico
42. West Virginia
43. California
44. Louisiana
45. Pennsylvania
46. Maryland
47. Kentucky
48. Massachusetts
49. Illinois
50. New Jersey



## UNDERLYING RATIOS

	Cash ratio	Quick ratio	Current ratio	Operating ratio	Surplus (or deficit) per capita	Net asset ratio	Long-term liability ratio	Long-term liability per capita
<b>Michigan</b>	<b>1.01</b>	<b>1.71</b>	<b>2.28</b>	<b>1.02</b>	<b>\$138</b>	<b>-0.08</b>	<b>0.43</b>	<b>\$1,790</b>
National average	2.68	3.66	3.93	1.04	\$150	0.17	0.61	\$4,272

	Tax-to-income ratio	Revenue-to-income ratio	Expenses-to-income ratio	Pension-to-income ratio	OPEB-to-income ratio
<b>Michigan</b>	<b>0.06</b>	<b>0.13</b>	<b>0.13</b>	<b>0.35</b>	<b>0.05</b>
National average	0.06	0.13	0.13	0.35	0.04

## KEY TERMS

- **Cash solvency** measures whether a state has enough cash to cover its short-term bills, which include accounts payable, vouchers, warrants, and short-term debt. (Michigan ranks 36th.)
- **Budget solvency** measures whether a state can cover its fiscal year spending using current revenues. Did it run a shortfall during the year? (Michigan ranks 35th.)
- **Long-run solvency** measures whether a state has a hedge against large long-term liabilities. Are enough assets available to cushion the state from potential shocks or long-term fiscal risks? (Michigan ranks 24th.)
- **Service-level solvency** measures how high taxes, revenues, and spending are when compared to state personal income. Do states have enough “fiscal slack”? If spending commitments demand more revenues, are states in a good position to increase taxes without harming the economy? Is spending high or low relative to the tax base? (Michigan ranks 32nd.)
- **Trust fund solvency** measures how much debt a state has. How large are unfunded pension liabilities and OPEB liabilities compared to the state personal income? (Michigan ranks 32nd.)

For a complete explanation of the methodology used to calculate Michigan’s fiscal health rankings, see Eileen Norcross and Olivia Gonzalez, “Ranking the States by Fiscal Condition,” 2017 ed. (Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, July 2017).

RANK  
**24**

# MINNESOTA

## SUMMARY

On the basis of its fiscal solvency in five separate categories, Minnesota ranks 24th among the US states for its fiscal health. Minnesota's short-run position is better than the average among states. Minnesota has between 2.04 and 2.73 times the cash needed to cover short-term obligations. Revenues exceed expenses by 5 percent, and net position improved by \$365 per capita in FY 2015. On a long-run basis, Minnesota has a net asset ratio of 0.05, indicating that there are assets remaining after debts have been met. Long-term liabilities are 35 percent of total assets. Total primary government debt is \$9.11 billion, or 3.3 percent of state personal income. Unfunded pension liabilities, on a guaranteed-to-be paid basis, are \$100.11 billion, or 36 percent of state personal income.

## 2015 TOTAL LONG-TERM OBLIGATIONS

### STATE DEBT

	General obligation bonds	Total primary government debt	State personal income	Ratio of debt to state personal income	Total primary debt per capita
<b>Minnesota</b>	<b>\$6.89 billion</b>	<b>\$9.11 billion</b>	<b>\$277.48 billion</b>	<b>3.3%</b>	<b>\$1,659</b>
National average	\$6.09 billion	\$12.71 billion	\$305.43 billion	3.7%	\$1,804

### PENSION LIABILITY

	Unfunded pension liability	Funded ratio	Market value of unfunded liability	Market value of funded liability ratio
<b>Minnesota</b>	<b>\$15.54 billion</b>	<b>79%</b>	<b>\$100.11 billion</b>	<b>37%</b>
National average	\$20.62 billion	74%	\$105.50 billion	36%

### OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	Total unfunded OPEB	Funded ratio
<b>Minnesota</b>	<b>\$0.67 billion</b>	<b>0%</b>
National average	\$12.97 billion	12%

1. Florida
2. North Dakota
3. South Dakota
4. Utah
5. Wyoming
6. Nebraska
7. Oklahoma
8. Tennessee
9. Idaho
10. Montana
11. Missouri
12. Alabama
13. Ohio
14. Nevada
15. North Carolina
16. Indiana
17. Alaska
18. Virginia
19. South Carolina
20. Arkansas
21. Oregon
22. Georgia
23. Texas
- 24. Minnesota**
25. New Hampshire
26. Washington
27. Hawaii
28. Iowa
29. Wisconsin
30. Colorado
31. Delaware
32. Kansas
33. Arizona
34. Mississippi
35. Maine
36. Michigan
37. Connecticut
38. Rhode Island
39. New York
40. Vermont
41. New Mexico
42. West Virginia
43. California
44. Louisiana
45. Pennsylvania
46. Maryland
47. Kentucky
48. Massachusetts
49. Illinois
50. New Jersey

distance from  
US average  
(in standard deviations)

## UNDERLYING RATIOS

	Cash ratio	Quick ratio	Current ratio	Operating ratio	Surplus (or deficit) per capita	Net asset ratio	Long-term liability ratio	Long-term liability per capita
<b>Minnesota</b>	<b>2.04</b>	<b>2.71</b>	<b>2.73</b>	<b>1.05</b>	<b>\$365</b>	<b>0.05</b>	<b>0.35</b>	<b>\$2,333</b>
National average	2.68	3.66	3.93	1.04	\$150	-0.17	0.61	\$4,272

	Tax-to-income ratio	Revenue-to-income ratio	Expenses-to-income ratio	Pension-to-income ratio	OPEB-to-income ratio
<b>Minnesota</b>	<b>0.08</b>	<b>0.14</b>	<b>0.13</b>	<b>0.36</b>	<b>0.00</b>
National average	0.06	0.13	0.13	0.35	0.04

## KEY TERMS

- **Cash solvency** measures whether a state has enough cash to cover its short-term bills, which include accounts payable, vouchers, warrants, and short-term debt. (Minnesota ranks 24th.)
- **Budget solvency** measures whether a state can cover its fiscal year spending using current revenues. Did it run a shortfall during the year? (Minnesota ranks 15th.)
- **Long-run solvency** measures whether a state has a hedge against large long-term liabilities. Are enough assets available to cushion the state from potential shocks or long-term fiscal risks? (Minnesota ranks 22nd.)
- **Service-level solvency** measures how high taxes, revenues, and spending are when compared to state personal income. Do states have enough “fiscal slack”? If spending commitments demand more revenues, are states in a good position to increase taxes without harming the economy? Is spending high or low relative to the tax base? (Minnesota ranks 40th.)
- **Trust fund solvency** measures how much debt a state has. How large are unfunded pension liabilities and OPEB liabilities compared to the state personal income? (Minnesota ranks 33rd.)

For a complete explanation of the methodology used to calculate Minnesota’s fiscal health rankings, see Eileen Norcross and Olivia Gonzalez, “Ranking the States by Fiscal Condition,” 2017 ed. (Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, July 2017).

RANK  
**34**

# MISSISSIPPI

## SUMMARY

On the basis of its fiscal solvency in five separate categories, Mississippi is ranked 34th among the US states for its fiscal health. On a short-run basis, Mississippi has between 2.20 and 2.80 times the cash needed to cover short-term obligations. Revenues exceed expenses by 2 percent, and net position improved by \$135 per capita in FY 2015. On a long-run basis, Mississippi has a net asset ratio of -0.06. Long-term liabilities are 36 percent of total assets. Total primary government debt is \$5.53 billion, or 5.2 percent of state personal income, higher than the average in the states of 3.7 percent. Mississippi's weakest ranking is for trust fund solvency; in this category, Mississippi ranks among the lowest of the states. Unfunded pension obligations, on a guaranteed-to-be-paid basis, are \$61.15 billion, or 58 percent of state personal income. OPEB is 1 percent of state personal income.

## 2015 TOTAL LONG-TERM OBLIGATIONS

### STATE DEBT

	General obligation bonds	Total primary government debt	State personal income	Ratio of debt to state personal income	Total primary debt per capita
<b>Mississippi</b>	<b>\$4.38 billion</b>	<b>\$5.53 billion</b>	<b>\$106.07 billion</b>	<b>5.2%</b>	<b>\$1,847</b>
National average	\$6.09 billion	\$12.71 billion	\$305.43 billion	3.7%	\$1,804

### PENSION LIABILITY

	Unfunded pension liability	Funded ratio	Market value of unfunded liability	Market value of funded liability ratio
<b>Mississippi</b>	<b>\$16.32 billion</b>	<b>60%</b>	<b>\$61.15 billion</b>	<b>29%</b>
National average	\$20.62 billion	74%	\$105.50 billion	36%

### OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	Total unfunded OPEB	Funded ratio
<b>Mississippi</b>	<b>\$0.73 billion</b>	<b>0%</b>
National average	\$12.97 billion	12%

1. Florida
2. North Dakota
3. South Dakota
4. Utah
5. Wyoming
6. Nebraska
7. Oklahoma
8. Tennessee
9. Idaho
10. Montana
11. Missouri
12. Alabama
13. Ohio
14. Nevada
15. North Carolina
16. Indiana
17. Alaska
18. Virginia
19. South Carolina
20. Arkansas
21. Oregon
22. Georgia
23. Texas
24. Minnesota
25. New Hampshire
26. Washington
27. Hawaii
28. Iowa
29. Wisconsin
30. Colorado
31. Delaware
32. Kansas
33. Arizona
- 34. Mississippi**
35. Maine
36. Michigan
37. Connecticut
38. Rhode Island
39. New York
40. Vermont
41. New Mexico
42. West Virginia
43. California
44. Louisiana
45. Pennsylvania
46. Maryland
47. Kentucky
48. Massachusetts
49. Illinois
50. New Jersey

## UNDERLYING RATIOS

	Cash ratio	Quick ratio	Current ratio	Operating ratio	Surplus (or deficit) per capita	Net asset ratio	Long-term liability ratio	Long-term liability per capita
<b>Mississippi</b>	<b>2.20</b>	<b>2.52</b>	<b>2.80</b>	<b>1.02</b>	<b>\$135</b>	<b>-0.06</b>	<b>0.36</b>	<b>\$2,799</b>
National average	2.68	3.66	3.93	1.04	\$150	-0.17	0.61	\$4,272

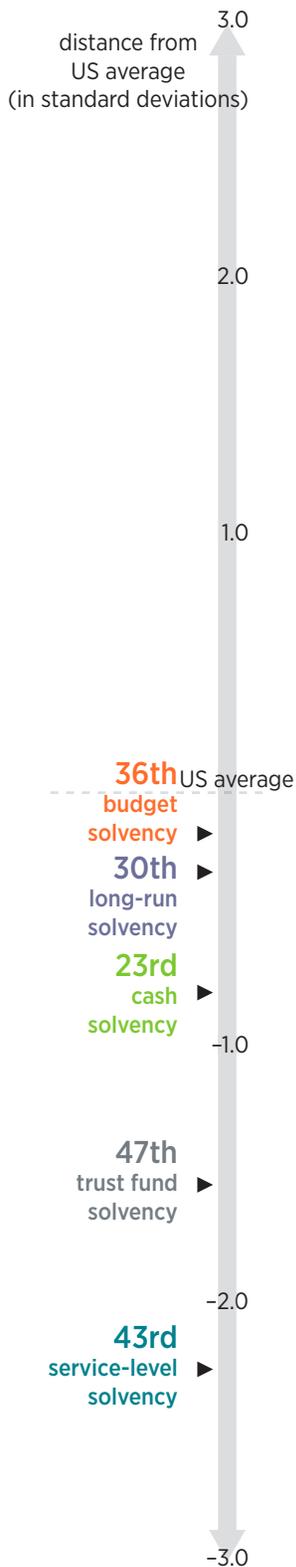
  

	Tax-to-income ratio	Revenue-to-income ratio	Expenses-to-income ratio	Pension-to-income ratio	OPEB-to-income ratio
<b>Mississippi</b>	<b>0.07</b>	<b>0.16</b>	<b>0.16</b>	<b>0.58</b>	<b>0.01</b>
National average	0.06	0.13	0.13	0.35	0.04

## KEY TERMS

- **Cash solvency** measures whether a state has enough cash to cover its short-term bills, which include accounts payable, vouchers, warrants, and short-term debt. (Mississippi ranks 23rd.)
- **Budget solvency** measures whether a state can cover its fiscal year spending using current revenues. Did it run a shortfall during the year? (Mississippi ranks 36th.)
- **Long-run solvency** measures whether a state has a hedge against large long-term liabilities. Are enough assets available to cushion the state from potential shocks or long-term fiscal risks? (Mississippi ranks 30th.)
- **Service-level solvency** measures how high taxes, revenues, and spending are when compared to state personal income. Do states have enough “fiscal slack”? If spending commitments demand more revenues, are states in a good position to increase taxes without harming the economy? Is spending high or low relative to the tax base? (Mississippi ranks 43rd.)
- **Trust fund solvency** measures how much debt a state has. How large are unfunded pension liabilities and OPEB liabilities compared to the state personal income? (Mississippi ranks 47th.)

For a complete explanation of the methodology used to calculate Mississippi’s fiscal health rankings, see Eileen Norcross and Olivia Gonzalez, “Ranking the States by Fiscal Condition,” 2017 ed. (Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, July 2017).



RANK  
**11**

# MISSOURI

## SUMMARY

On the basis of its fiscal solvency in five separate categories, Missouri ranks 11th among the US states for its fiscal health. On a short-run basis, Missouri has between 2.63 and 5.22 times the cash needed to cover short-term obligations. Missouri's budget solvency was significantly improved over the previous year. Revenues exceeded expenses by 5 percent, and net position improved by \$211 per capita in FY 2015. On a long-run basis, Missouri has a net asset ratio of -0.02, and long-term liabilities are 27 percent of total assets, or \$1,816 lower than the average in the states of \$4,272. Total primary government debt is low at \$3.63 billion, or 1.4 percent of state personal income. Unfunded pension obligations, on a guaranteed-to-be-paid basis, are \$90.61 billion, or 35 percent of personal income. OPEB is 1 percent of personal income.

## 2015 TOTAL LONG-TERM OBLIGATIONS

### STATE DEBT

	General obligation bonds	Total primary government debt	State personal income	Ratio of debt to state personal income	Total primary debt per capita
<b>Missouri</b>	<b>\$0.27 billion</b>	<b>\$3.63 billion</b>	<b>\$260.12 billion</b>	<b>1.4%</b>	<b>\$596</b>
National average	\$6.09 billion	\$12.71 billion	\$305.43 billion	3.7%	\$1,804

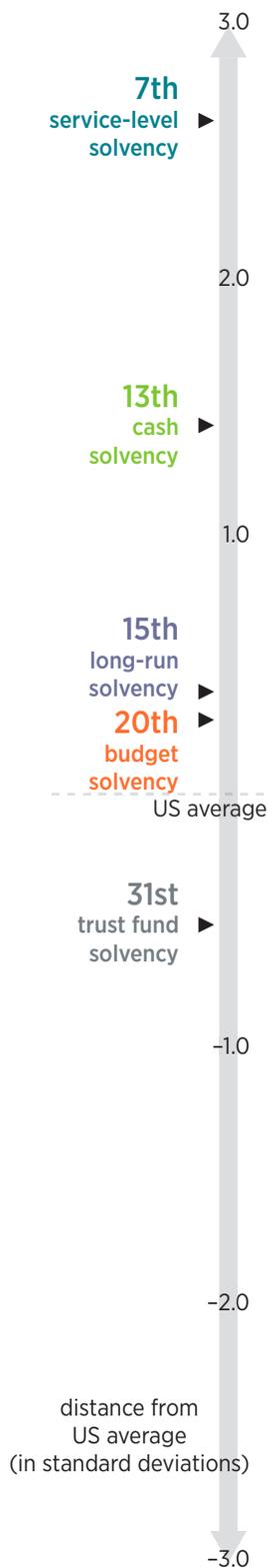
### PENSION LIABILITY

	Unfunded pension liability	Funded ratio	Market value of unfunded liability	Market value of funded liability ratio
<b>Missouri</b>	<b>\$12.80 billion</b>	<b>81%</b>	<b>\$90.61 billion</b>	<b>38%</b>
National average	\$20.62 billion	74%	\$105.50 billion	36%

### OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	Total unfunded OPEB	Funded ratio
<b>Missouri</b>	<b>\$3.33 billion</b>	<b>4%</b>
National average	\$12.97 billion	12%

1. Florida
2. North Dakota
3. South Dakota
4. Utah
5. Wyoming
6. Nebraska
7. Oklahoma
8. Tennessee
9. Idaho
10. Montana
- 11. Missouri**
12. Alabama
13. Ohio
14. Nevada
15. North Carolina
16. Indiana
17. Alaska
18. Virginia
19. South Carolina
20. Arkansas
21. Oregon
22. Georgia
23. Texas
24. Minnesota
25. New Hampshire
26. Washington
27. Hawaii
28. Iowa
29. Wisconsin
30. Colorado
31. Delaware
32. Kansas
33. Arizona
34. Mississippi
35. Maine
36. Michigan
37. Connecticut
38. Rhode Island
39. New York
40. Vermont
41. New Mexico
42. West Virginia
43. California
44. Louisiana
45. Pennsylvania
46. Maryland
47. Kentucky
48. Massachusetts
49. Illinois
50. New Jersey



## UNDERLYING RATIOS

	Cash ratio	Quick ratio	Current ratio	Operating ratio	Surplus (or deficit) per capita	Net asset ratio	Long-term liability ratio	Long-term liability per capita
<b>Missouri</b>	<b>2.63</b>	<b>5.17</b>	<b>5.22</b>	<b>1.05</b>	<b>\$211</b>	<b>-0.02</b>	<b>0.27</b>	<b>\$1,816</b>
National average	2.68	3.66	3.93	1.04	\$150	-0.17	0.61	\$4,272

	Tax-to-income ratio	Revenue-to-income ratio	Expenses-to-income ratio	Pension-to-income ratio	OPEB-to-income ratio
<b>Missouri</b>	<b>0.04</b>	<b>0.10</b>	<b>0.10</b>	<b>0.35</b>	<b>0.01</b>
National average	0.06	0.13	0.13	0.35	0.04

## KEY TERMS

- **Cash solvency** measures whether a state has enough cash to cover its short-term bills, which include accounts payable, vouchers, warrants, and short-term debt. (Missouri ranks 13th.)
- **Budget solvency** measures whether a state can cover its fiscal year spending using current revenues. Did it run a shortfall during the year? (Missouri ranks 20th.)
- **Long-run solvency** measures whether a state has a hedge against large long-term liabilities. Are enough assets available to cushion the state from potential shocks or long-term fiscal risks? (Missouri ranks 15th.)
- **Service-level solvency** measures how high taxes, revenues, and spending are when compared to state personal income. Do states have enough “fiscal slack”? If spending commitments demand more revenues, are states in a good position to increase taxes without harming the economy? Is spending high or low relative to the tax base? (Missouri ranks 7th.)
- **Trust fund solvency** measures how much debt a state has. How large are unfunded pension liabilities and OPEB liabilities compared to the state personal income? (Missouri ranks 31st.)

For a complete explanation of the methodology used to calculate Missouri’s fiscal health rankings, see Eileen Norcross and Olivia Gonzalez, “Ranking the States by Fiscal Condition,” 2017 ed. (Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, July 2017).

RANK  
**10**

# MONTANA

## SUMMARY

On the basis of its fiscal solvency in five separate categories, Montana is ranked 10th among the US states for its fiscal health. On a short-run basis, Montana has between 4.85 and 6.31 times the cash needed to cover short-term obligations. Revenues exceed expenses by 8 percent, and net position improved by \$425 per capita in FY 2015. On a long-run basis, net assets are 22 percent of total assets after debts have been paid. Long-term liabilities are 21 percent of total assets, or \$2,336 per capita. Total primary government debt is low at \$260 million, or \$249 per capita. Montana's weakest ranking is for trust fund solvency. Unfunded pension obligations, on a guaranteed-to-be-paid basis, are \$18.46 billion, or 43 percent of state personal income. OPEB is 1 percent of state personal income.

## 2015 TOTAL LONG-TERM OBLIGATIONS

### STATE DEBT

	General obligation bonds	Total primary government debt	State personal income	Ratio of debt to state personal income	Total primary debt per capita
<b>Montana</b>	<b>\$0.13 billion</b>	<b>\$0.26 billion</b>	<b>\$42.65 billion</b>	<b>0.6%</b>	<b>\$249</b>
National average	\$6.09 billion	\$12.71 billion	\$305.43 billion	3.7%	\$1,804

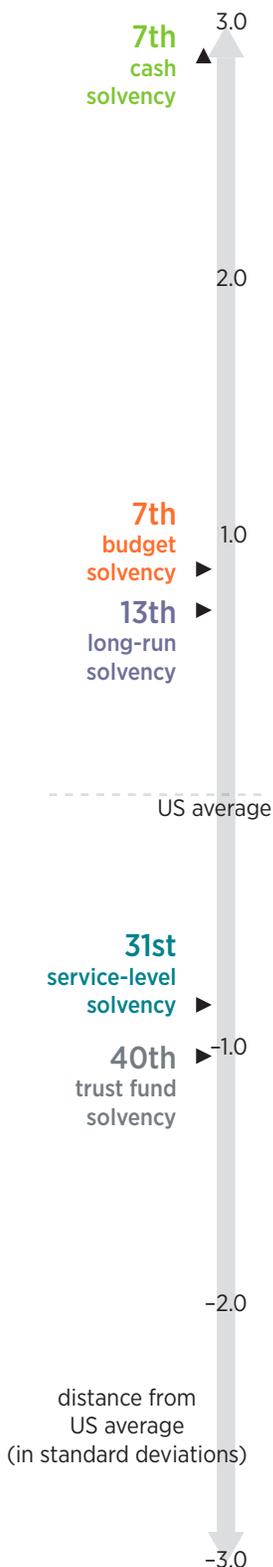
### PENSION LIABILITY

	Unfunded pension liability	Funded ratio	Market value of unfunded liability	Market value of funded liability ratio
<b>Montana</b>	<b>\$3.70 billion</b>	<b>73%</b>	<b>\$18.46 billion</b>	<b>35%</b>
National average	\$20.62 billion	74%	\$105.50 billion	36%

### OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	Total unfunded OPEB	Funded ratio
<b>Montana</b>	<b>\$0.47 billion</b>	<b>0%</b>
National average	\$12.97 billion	12%

1. Florida
2. North Dakota
3. South Dakota
4. Utah
5. Wyoming
6. Nebraska
7. Oklahoma
8. Tennessee
9. Idaho
- 10. Montana**
11. Missouri
12. Alabama
13. Ohio
14. Nevada
15. North Carolina
16. Indiana
17. Alaska
18. Virginia
19. South Carolina
20. Arkansas
21. Oregon
22. Georgia
23. Texas
24. Minnesota
25. New Hampshire
26. Washington
27. Hawaii
28. Iowa
29. Wisconsin
30. Colorado
31. Delaware
32. Kansas
33. Arizona
34. Mississippi
35. Maine
36. Michigan
37. Connecticut
38. Rhode Island
39. New York
40. Vermont
41. New Mexico
42. West Virginia
43. California
44. Louisiana
45. Pennsylvania
46. Maryland
47. Kentucky
48. Massachusetts
49. Illinois
50. New Jersey



## UNDERLYING RATIOS

	Cash ratio	Quick ratio	Current ratio	Operating ratio	Surplus (or deficit) per capita	Net asset ratio	Long-term liability ratio	Long-term liability per capita
<b>Montana</b>	<b>4.85</b>	<b>5.79</b>	<b>6.31</b>	<b>1.08</b>	<b>\$425</b>	<b>0.22</b>	<b>0.21</b>	<b>\$2,336</b>
National average	2.68	3.66	3.93	1.04	\$150	-0.17	0.61	\$4,272

	Tax-to-income ratio	Revenue-to-income ratio	Expenses-to-income ratio	Pension-to-income ratio	OPEB-to-income ratio
<b>Montana</b>	<b>0.06</b>	<b>0.14</b>	<b>0.13</b>	<b>0.43</b>	<b>0.01</b>
National average	0.06	0.13	0.13	0.35	0.04

## KEY TERMS

- **Cash solvency** measures whether a state has enough cash to cover its short-term bills, which include accounts payable, vouchers, warrants, and short-term debt. (Montana ranks 7th.)
- **Budget solvency** measures whether a state can cover its fiscal year spending using current revenues. Did it run a shortfall during the year? (Montana ranks 7th.)
- **Long-run solvency** measures whether a state has a hedge against large long-term liabilities. Are enough assets available to cushion the state from potential shocks or long-term fiscal risks? (Montana ranks 13th.)
- **Service-level solvency** measures how high taxes, revenues, and spending are when compared to state personal income. Do states have enough “fiscal slack”? If spending commitments demand more revenues, are states in a good position to increase taxes without harming the economy? Is spending high or low relative to the tax base? (Montana ranks 31st.)
- **Trust fund solvency** measures how much debt a state has. How large are unfunded pension liabilities, OPEB liabilities, and state debt compared to the state personal income? (Montana ranks 40th.)

For a complete explanation of the methodology used to calculate Montana’s fiscal health rankings, see Eileen Norcross and Olivia Gonzalez, “Ranking the States by Fiscal Condition,” 2017 ed. (Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, July 2017).

RANK  
**6**

# NEBRASKA

## SUMMARY

On the basis of its fiscal solvency in five separate categories, Nebraska is ranked 6th among the US states for its fiscal health. On a short-run basis, Nebraska holds between 3.59 and 4.77 times the cash needed to cover short-run obligations. Revenues exceed expenses by 3 percent, and net position improved by \$158 per capita in FY 2015. Nebraska's long-term position is especially favorable. On a long-run basis, net assets are 28 percent of total assets after debts have been paid. Long-term liabilities are 5 percent of total assets, or \$379 per capita. Nebraska carries very little debt at \$20 million, or \$8 per capita. Unfunded pension obligations, on a guaranteed-to-be-paid basis, are \$16.21 billion, or 18 percent of state personal income.

## 2015 TOTAL LONG-TERM OBLIGATIONS

### STATE DEBT

	General obligation bonds	Total primary government debt	State personal income	Ratio of debt to state personal income	Total primary debt per capita
<b>Nebraska</b>	<b>\$0.00 billion</b>	<b>\$0.02 billion</b>	<b>\$91.04 billion</b>	<b>0.0%</b>	<b>\$8</b>
National average	\$6.09 billion	\$12.71 billion	\$305.43 billion	3.7%	\$1,804

### PENSION LIABILITY

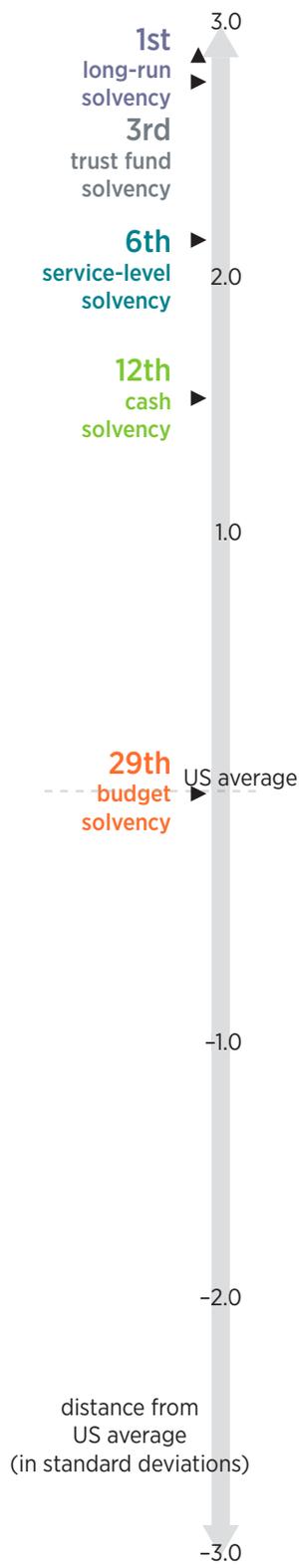
	Unfunded pension liability	Funded ratio	Market value of unfunded liability	Market value of funded liability ratio
<b>Nebraska</b>	<b>\$1.29 billion</b>	<b>90%</b>	<b>\$16.21 billion</b>	<b>42%</b>
National average	\$20.62 billion	74%	\$105.50 billion	36%

### OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	Total unfunded OPEB	Funded ratio
<b>Nebraska</b>	<b>n/a*</b>	<b>n/a*</b>
National average	\$12.97 billion	12%

\* Nebraska does not report an OPEB liability.

1. Florida
2. North Dakota
3. South Dakota
4. Utah
5. Wyoming
- 6. Nebraska**
7. Oklahoma
8. Tennessee
9. Idaho
10. Montana
11. Missouri
12. Alabama
13. Ohio
14. Nevada
15. North Carolina
16. Indiana
17. Alaska
18. Virginia
19. South Carolina
20. Arkansas
21. Oregon
22. Georgia
23. Texas
24. Minnesota
25. New Hampshire
26. Washington
27. Hawaii
28. Iowa
29. Wisconsin
30. Colorado
31. Delaware
32. Kansas
33. Arizona
34. Mississippi
35. Maine
36. Michigan
37. Connecticut
38. Rhode Island
39. New York
40. Vermont
41. New Mexico
42. West Virginia
43. California
44. Louisiana
45. Pennsylvania
46. Maryland
47. Kentucky
48. Massachusetts
49. Illinois
50. New Jersey



## UNDERLYING RATIOS

	Cash ratio	Quick ratio	Current ratio	Operating ratio	Surplus (or deficit) per capita	Net asset ratio	Long-term liability ratio	Long-term liability per capita
<b>Nebraska</b>	<b>3.59</b>	<b>4.66</b>	<b>4.77</b>	<b>1.03</b>	<b>\$158</b>	<b>0.28</b>	<b>0.05</b>	<b>\$379</b>
National average	2.68	3.66	3.93	1.04	\$150	-0.17	0.61	\$4,272

	Tax-to-income ratio	Revenue-to-income ratio	Expenses-to-income ratio	Pension-to-income ratio	OPEB-to-income ratio
<b>Nebraska</b>	<b>0.05</b>	<b>0.09</b>	<b>0.09</b>	<b>0.18</b>	<b>n/a*</b>
National average	0.06	0.13	0.13	0.35	0.04

\* Nebraska does not report an OPEB liability.

## KEY TERMS

- **Cash solvency** measures whether a state has enough cash to cover its short-term bills, which include accounts payable, vouchers, warrants, and short-term debt. (Nebraska ranks 12th.)
- **Budget solvency** measures whether a state can cover its fiscal year spending using current revenues. Did it run a shortfall during the year? (Nebraska ranks 29th.)
- **Long-run solvency** measures whether a state has a hedge against large long-term liabilities. Are enough assets available to cushion the state from potential shocks or long-term fiscal risks? (Nebraska ranks 1st.)
- **Service-level solvency** measures how high taxes, revenues, and spending are when compared to state personal income. Do states have enough “fiscal slack”? If spending commitments demand more revenues, are states in a good position to increase taxes without harming the economy? Is spending high or low relative to the tax base? (Nebraska ranks 6th.)
- **Trust fund solvency** measures how much debt a state has. How large are unfunded pension liabilities and OPEB liabilities compared to the state personal income? (Nebraska ranks 3rd.)

*For a complete explanation of the methodology used to calculate Nebraska’s fiscal health rankings, see Eileen Norcross and Olivia Gonzalez, “Ranking the States by Fiscal Condition,” 2017 ed. (Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, July 2017).*

RANK  
**14**

# NEVADA

## SUMMARY

On the basis of its fiscal solvency in five separate categories, Nevada is ranked 14th among the US states for its fiscal health. On a short-run basis, Nevada has between 1.98 and 3.39 times the cash needed to cover short-term obligations. Revenues exceed expenses by 6 percent, and net position improved by \$204 per capita in FY 2015. On a long-run basis, Nevada's net asset ratio is -0.04. Long-term liabilities are 47 percent of total assets, or \$1,967 per capita. Total primary government debt is \$3.51 billion, or 2.9 percent of state personal income, lower than the average in the states. Nevada's trust fund solvency is ranked among the lowest in the country. Unfunded pension obligations, on a guaranteed-to-be-paid basis, are \$65.87 billion, or 54 percent of state personal income. OPEB is 1 percent of state personal income.

## 2015 TOTAL LONG-TERM OBLIGATIONS

### STATE DEBT

	General obligation bonds	Total primary government debt	State personal income	Ratio of debt to state personal income	Total primary debt per capita
<b>Nevada</b>	<b>\$1.61 billion</b>	<b>\$3.51 billion</b>	<b>\$121.97 billion</b>	<b>2.9%</b>	<b>\$1,215</b>
National average	\$6.09 billion	\$12.71 billion	\$305.43 billion	3.7%	\$1,804

### PENSION LIABILITY

	Unfunded pension liability	Funded ratio	Market value of unfunded liability	Market value of funded liability ratio
<b>Nevada</b>	<b>\$12.35 billion</b>	<b>73%</b>	<b>\$65.87 billion</b>	<b>34%</b>
National average	\$20.62 billion	74%	\$105.50 billion	36%

### OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	Total unfunded OPEB	Funded ratio
<b>Nevada</b>	<b>\$1.27 billion</b>	<b>0%</b>
National average	\$12.97 billion	12%

1. Florida
2. North Dakota
3. South Dakota
4. Utah
5. Wyoming
6. Nebraska
7. Oklahoma
8. Tennessee
9. Idaho
10. Montana
11. Missouri
12. Alabama
13. Ohio
- 14. Nevada**
15. North Carolina
16. Indiana
17. Alaska
18. Virginia
19. South Carolina
20. Arkansas
21. Oregon
22. Georgia
23. Texas
24. Minnesota
25. New Hampshire
26. Washington
27. Hawaii
28. Iowa
29. Wisconsin
30. Colorado
31. Delaware
32. Kansas
33. Arizona
34. Mississippi
35. Maine
36. Michigan
37. Connecticut
38. Rhode Island
39. New York
40. Vermont
41. New Mexico
42. West Virginia
43. California
44. Louisiana
45. Pennsylvania
46. Maryland
47. Kentucky
48. Massachusetts
49. Illinois
50. New Jersey

## UNDERLYING RATIOS

	Cash ratio	Quick ratio	Current ratio	Operating ratio	Surplus (or deficit) per capita	Net asset ratio	Long-term liability ratio	Long-term liability per capita
<b>Nevada</b>	<b>1.98</b>	<b>3.35</b>	<b>3.39</b>	<b>1.06</b>	<b>\$204</b>	<b>-0.04</b>	<b>0.47</b>	<b>\$1,967</b>
National average	2.68	3.66	3.93	1.04	\$150	-0.17	0.61	\$4,272

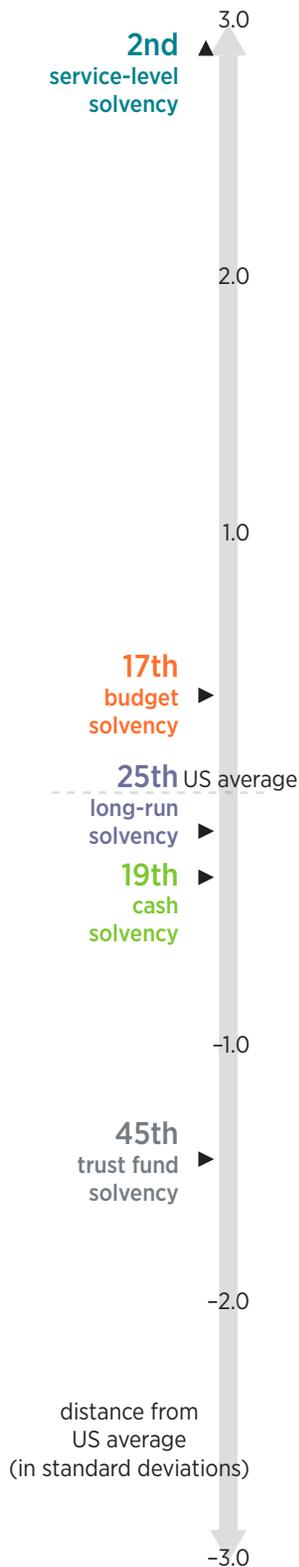
  

	Tax-to-income ratio	Revenue-to-income ratio	Expenses-to-income ratio	Pension-to-income ratio	OPEB-to-income ratio
<b>Nevada</b>	<b>0.04</b>	<b>0.08</b>	<b>0.08</b>	<b>0.54</b>	<b>0.01</b>
National average	0.06	0.13	0.13	0.35	0.04

## KEY TERMS

- **Cash solvency** measures whether a state has enough cash to cover its short-term bills, which include accounts payable, vouchers, warrants, and short-term debt. (Nevada ranks 19th.)
- **Budget solvency** measures whether a state can cover its fiscal year spending using current revenues. Did it run a shortfall during the year? (Nevada ranks 17th.)
- **Long-run solvency** measures whether a state has a hedge against large long-term liabilities. Are enough assets available to cushion the state from potential shocks or long-term fiscal risks? (Nevada ranks 25th.)
- **Service-level solvency** measures how high taxes, revenues, and spending are when compared to state personal income. Do states have enough “fiscal slack”? If spending commitments demand more revenues, are states in a good position to increase taxes without harming the economy? Is spending high or low relative to the tax base? (Nevada ranks 2nd.)
- **Trust fund solvency** measures how much debt a state has. How large are unfunded pension liabilities and OPEB liabilities compared to the state personal income? (Nevada ranks 45th.)

For a complete explanation of the methodology used to calculate Nevada’s fiscal health rankings, see Eileen Norcross and Olivia Gonzalez, “Ranking the States by Fiscal Condition,” 2017 ed. (Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, July 2017).



# RANK 25 NEW HAMPSHIRE

## SUMMARY

On the basis of its fiscal solvency in five separate categories, New Hampshire is ranked 25th among the US states for its fiscal health. On a short-run basis, New Hampshire's position is weak. The state has between 62 percent and 251 percent of the cash needed to cover short-term obligations. Revenues exceed expenses by 1 percent, and net position improved by \$47 per capita in FY 2015. New Hampshire's long-run position is stronger. On a long-run basis, New Hampshire has a net asset ratio of -0.09. Long-term liabilities are 54 percent of state personal income. Total primary government debt is \$1.61 billion, or \$1,213 per capita. New Hampshire's best rankings were for service-level solvency, where New Hampshire ranks 1st, and for trust fund solvency, where the state ranks 10th. Unfunded pension obligations, on a guaranteed-to-be-paid basis, are \$16.8 billion, or 23 percent of state personal income. OPEB is 3 percent of state personal income.

## 2015 TOTAL LONG-TERM OBLIGATIONS

### STATE DEBT

	General obligation bonds	Total primary government debt	State personal income	Ratio of debt to state personal income	Total primary debt per capita
<b>New Hampshire</b>	<b>\$0.99 billion</b>	<b>\$1.61 billion</b>	<b>\$72.95 billion</b>	<b>2.2%</b>	<b>\$1,213</b>
National average	\$6.09 billion	\$12.71 billion	\$305.43 billion	3.7%	\$1,804

### PENSION LIABILITY

	Unfunded pension liability	Funded ratio	Market value of unfunded liability	Market value of funded liability ratio
<b>New Hampshire</b>	<b>\$5.06 billion</b>	<b>59%</b>	<b>\$16.80 billion</b>	<b>30%</b>
National average	\$20.62 billion	74%	\$105.50 billion	36%

### OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	Total unfunded OPEB	Funded ratio
<b>New Hampshire</b>	<b>\$2.14 billion</b>	<b>0%</b>
National average	\$12.97 billion	12%

1. Florida
2. North Dakota
3. South Dakota
4. Utah
5. Wyoming
6. Nebraska
7. Oklahoma
8. Tennessee
9. Idaho
10. Montana
11. Missouri
12. Alabama
13. Ohio
14. Nevada
15. North Carolina
16. Indiana
17. Alaska
18. Virginia
19. South Carolina
20. Arkansas
21. Oregon
22. Georgia
23. Texas
24. Minnesota
- 25. New Hampshire**
26. Washington
27. Hawaii
28. Iowa
29. Wisconsin
30. Colorado
31. Delaware
32. Kansas
33. Arizona
34. Mississippi
35. Maine
36. Michigan
37. Connecticut
38. Rhode Island
39. New York
40. Vermont
41. New Mexico
42. West Virginia
43. California
44. Louisiana
45. Pennsylvania
46. Maryland
47. Kentucky
48. Massachusetts
49. Illinois
50. New Jersey

## UNDERLYING RATIOS

	Cash ratio	Quick ratio	Current ratio	Operating ratio	Surplus (or deficit) per capita	Net asset ratio	Long-term liability ratio	Long-term liability per capita
<b>New Hampshire</b>	<b>0.62</b>	<b>1.36</b>	<b>2.51</b>	<b>1.01</b>	<b>\$47</b>	<b>-0.09</b>	<b>0.54</b>	<b>\$2,529</b>
National average	2.68	3.66	3.93	1.04	\$150	-0.17	0.61	\$4,272

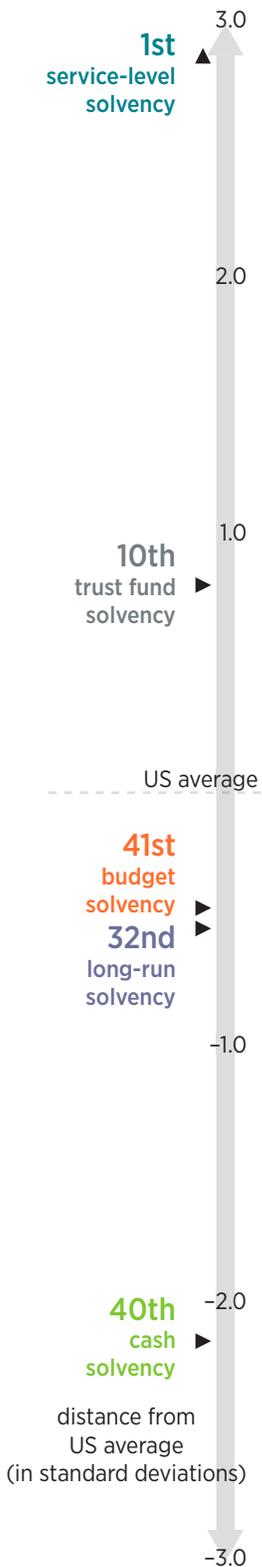
  

	Tax-to-income ratio	Revenue-to-income ratio	Expenses-to-income ratio	Pension-to-income ratio	OPEB-to-income ratio
<b>New Hampshire</b>	<b>0.03</b>	<b>0.09</b>	<b>0.09</b>	<b>0.23</b>	<b>0.03</b>
National average	0.06	0.13	0.13	0.35	0.04

## KEY TERMS

- **Cash solvency** measures whether a state has enough cash to cover its short-term bills, which include accounts payable, vouchers, warrants, and short-term debt. (New Hampshire ranks 40th.)
- **Budget solvency** measures whether a state can cover its fiscal year spending using current revenues. Did it run a shortfall during the year? (New Hampshire ranks 41st.)
- **Long-run solvency** measures whether a state has a hedge against large long-term liabilities. Are enough assets available to cushion the state from potential shocks or long-term fiscal risks? (New Hampshire ranks 32nd.)
- **Service-level solvency** measures how high taxes, revenues, and spending are when compared to state personal income. Do states have enough “fiscal slack”? If spending commitments demand more revenues, are states in a good position to increase taxes without harming the economy? Is spending high or low relative to the tax base? (New Hampshire ranks 1st.)
- **Trust fund solvency** measures how much debt a state has. How large are unfunded pension liabilities and OPEB liabilities compared to the state personal income? (New Hampshire ranks 10th.)

For a complete explanation of the methodology used to calculate New Hampshire’s fiscal health rankings, see Eileen Norcross and Olivia Gonzalez, “Ranking the States by Fiscal Condition,” 2017 ed. (Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, July 2017).



RANK  
**50**

# NEW JERSEY

## SUMMARY

On the basis of its fiscal solvency in five separate categories, New Jersey is ranked 50th among the US states for its fiscal health. On a short-run basis, New Jersey has between 84 percent and 211 percent of the cash needed to cover short-term obligations. Revenues cover 91 percent of expenses, and net position decreased by \$678 per capita in FY 2015. On a long-run basis, New Jersey's metrics are dire. A net asset ratio of -2.92 points to a heavy reliance on debt and large unfunded obligations. Long-term liabilities are 360 percent of total assets, or \$16,821 per capita, which is the highest among the states. Total primary government debt is \$44.23 billion, or 8.3 percent of state personal income, far above the average for the US states. Unfunded pension liabilities, on a guaranteed-to-be-paid basis, are \$224 billion, or 42 percent of state personal income. OPEB is 15 percent of state personal income, the highest ratio in the states.

## 2015 TOTAL LONG-TERM OBLIGATIONS

### STATE DEBT

	General obligation bonds	Total primary government debt	State personal income	Ratio of debt to state personal income	Total primary debt per capita
<b>New Jersey</b>	<b>\$2.37 billion</b>	<b>\$44.23 billion</b>	<b>\$535.60 billion</b>	<b>8.3%</b>	<b>\$4,937</b>
National average	\$6.09 billion	\$12.71 billion	\$305.43 billion	3.7%	\$1,804

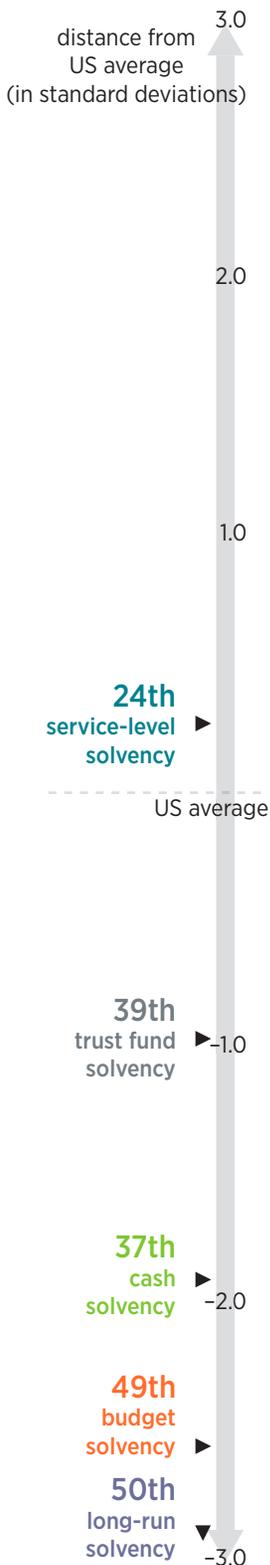
### PENSION LIABILITY

	Unfunded pension liability	Funded ratio	Market value of unfunded liability	Market value of funded liability ratio
<b>New Jersey</b>	<b>\$58.93 billion</b>	<b>60%</b>	<b>\$224.00 billion</b>	<b>28%</b>
National average	\$20.62 billion	74%	\$105.50 billion	36%

### OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	Total unfunded OPEB	Funded ratio
<b>New Jersey</b>	<b>\$81.45 billion</b>	<b>0%</b>
National average	\$12.97 billion	12%

1. Florida
2. North Dakota
3. South Dakota
4. Utah
5. Wyoming
6. Nebraska
7. Oklahoma
8. Tennessee
9. Idaho
10. Montana
11. Missouri
12. Alabama
13. Ohio
14. Nevada
15. North Carolina
16. Indiana
17. Alaska
18. Virginia
19. South Carolina
20. Arkansas
21. Oregon
22. Georgia
23. Texas
24. Minnesota
25. New Hampshire
26. Washington
27. Hawaii
28. Iowa
29. Wisconsin
30. Colorado
31. Delaware
32. Kansas
33. Arizona
34. Mississippi
35. Maine
36. Michigan
37. Connecticut
38. Rhode Island
39. New York
40. Vermont
41. New Mexico
42. West Virginia
43. California
44. Louisiana
45. Pennsylvania
46. Maryland
47. Kentucky
48. Massachusetts
49. Illinois
- 50. New Jersey**



## UNDERLYING RATIOS

	Cash ratio	Quick ratio	Current ratio	Operating ratio	Surplus (or deficit) per capita	Net asset ratio	Long-term liability ratio	Long-term liability per capita
<b>New Jersey</b>	<b>0.84</b>	<b>2.10</b>	<b>2.11</b>	<b>0.91</b>	<b>-\$678</b>	<b>-2.92</b>	<b>3.60</b>	<b>\$16,821</b>
National average	2.68	3.66	3.93	1.04	\$150	-0.17	0.61	\$4,272

	Tax-to-income ratio	Revenue-to-income ratio	Expenses-to-income ratio	Pension-to-income ratio	OPEB-to-income ratio
<b>New Jersey</b>	<b>0.06</b>	<b>0.11</b>	<b>0.12</b>	<b>0.42</b>	<b>0.15</b>
National average	0.06	0.13	0.13	0.35	0.04

## KEY TERMS

- **Cash solvency** measures whether a state has enough cash to cover its short-term bills, which include accounts payable, vouchers, warrants, and short-term debt. (New Jersey ranks 37th.)
- **Budget solvency** measures whether a state can cover its fiscal year spending using current revenues. Did it run a shortfall during the year? (New Jersey ranks 49th.)
- **Long-run solvency** measures whether a state has a hedge against large long-term liabilities. Are enough assets available to cushion the state from potential shocks or long-term fiscal risks? (New Jersey ranks 50th.)
- **Service-level solvency** measures how high taxes, revenues, and spending are when compared to state personal income. Do states have enough “fiscal slack”? If spending commitments demand more revenues, are states in a good position to increase taxes without harming the economy? Is spending high or low relative to the tax base? (New Jersey ranks 24th.)
- **Trust fund solvency** measures how much debt a state has. How large are unfunded pension liabilities and OPEB liabilities compared to the state personal income? (New Jersey ranks 39th.)

For a complete explanation of the methodology used to calculate New Jersey’s fiscal health rankings, see Eileen Norcross and Olivia Gonzalez, “Ranking the States by Fiscal Condition,” 2017 ed. (Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, July 2017).

RANK  
**41**

# NEW MEXICO

## SUMMARY

On the basis of its fiscal solvency in five separate categories, New Mexico is ranked 41st among the US states for its fiscal health. On a short-run basis, New Mexico has between 1.46 and 2.41 times the cash needed to cover short-term obligations. Revenues exceed expenses by 4 percent, and net position improved by \$383 per capita in FY 2015. On a long-run basis, net assets are 53 percent of total assets after debts have been paid. Long-term liabilities are 20 percent of total assets, which is better than the US average. Total primary government debt is \$2.9 billion, or 3.6 percent of state personal income, close to the average across the states. New Mexico's strong position in long-term liabilities is offset by its trust fund solvency, which ranks 49th. Unfunded pension liabilities, on a guaranteed-to-be-paid basis, are \$51.62 billion, or 64 percent of state personal income. OPEB is 4 percent of state personal income.

## 2015 TOTAL LONG-TERM OBLIGATIONS

### STATE DEBT

	General obligation bonds	Total primary government debt	State personal income	Ratio of debt to state personal income	Total primary debt per capita
<b>New Mexico</b>	<b>\$0.33 billion</b>	<b>\$2.90 billion</b>	<b>\$80.20 billion</b>	<b>3.6%</b>	<b>\$1,388</b>
National average	\$6.09 billion	\$12.71 billion	\$305.43 billion	3.7%	\$1,804

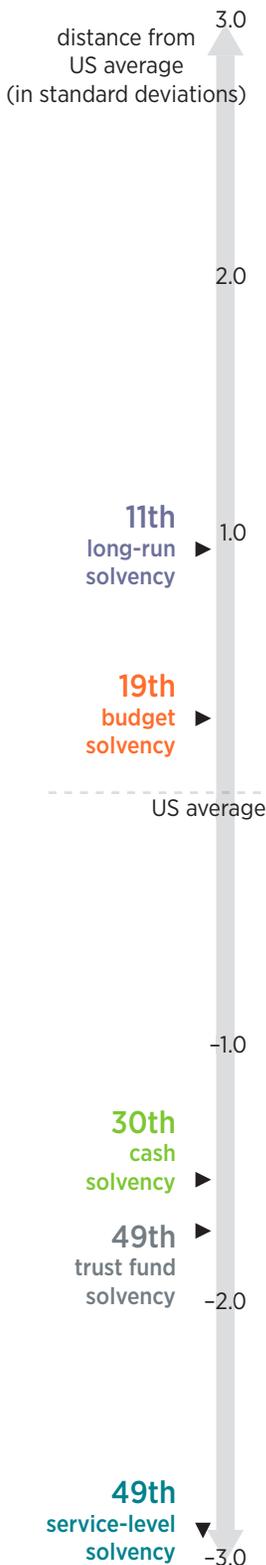
### PENSION LIABILITY

	Unfunded pension liability	Funded ratio	Market value of unfunded liability	Market value of funded liability ratio
<b>New Mexico</b>	<b>\$11.30 billion</b>	<b>70%</b>	<b>\$51.62 billion</b>	<b>33%</b>
National average	\$20.62 billion	74%	\$105.50 billion	36%

### OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	Total unfunded OPEB	Funded ratio
<b>New Mexico</b>	<b>\$3.36 billion</b>	<b>10%</b>
National average	\$12.97 billion	12%

1. Florida
2. North Dakota
3. South Dakota
4. Utah
5. Wyoming
6. Nebraska
7. Oklahoma
8. Tennessee
9. Idaho
10. Montana
11. Missouri
12. Alabama
13. Ohio
14. Nevada
15. North Carolina
16. Indiana
17. Alaska
18. Virginia
19. South Carolina
20. Arkansas
21. Oregon
22. Georgia
23. Texas
24. Minnesota
25. New Hampshire
26. Washington
27. Hawaii
28. Iowa
29. Wisconsin
30. Colorado
31. Delaware
32. Kansas
33. Arizona
34. Mississippi
35. Maine
36. Michigan
37. Connecticut
38. Rhode Island
39. New York
40. Vermont
- 41. New Mexico**
42. West Virginia
43. California
44. Louisiana
45. Pennsylvania
46. Maryland
47. Kentucky
48. Massachusetts
49. Illinois
50. New Jersey



## UNDERLYING RATIOS

	Cash ratio	Quick ratio	Current ratio	Operating ratio	Surplus (or deficit) per capita	Net asset ratio	Long-term liability ratio	Long-term liability per capita
<b>New Mexico</b>	<b>1.46</b>	<b>1.99</b>	<b>2.41</b>	<b>1.04</b>	<b>\$383</b>	<b>0.53</b>	<b>0.20</b>	<b>\$3,551</b>
National average	2.68	3.66	3.93	1.04	\$150	-0.17	0.61	\$4,272

	Tax-to-income ratio	Revenue-to-income ratio	Expenses-to-income ratio	Pension-to-income ratio	OPEB-to-income ratio
<b>New Mexico</b>	<b>0.08</b>	<b>0.24</b>	<b>0.23</b>	<b>0.64</b>	<b>0.04</b>
National average	0.06	0.13	0.13	0.35	0.04

## KEY TERMS

- **Cash solvency** measures whether a state has enough cash to cover its short-term bills, which include accounts payable, vouchers, warrants, and short-term debt. (New Mexico ranks 30th.)
- **Budget solvency** measures whether a state can cover its fiscal year spending using current revenues. Did it run a shortfall during the year? (New Mexico ranks 19th.)
- **Long-run solvency** measures whether a state has a hedge against large long-term liabilities. Are enough assets available to cushion the state from potential shocks or long-term fiscal risks? (New Mexico ranks 11th.)
- **Service-level solvency** measures how high taxes, revenues, and spending are when compared to state personal income. Do states have enough “fiscal slack”? If spending commitments demand more revenues, are states in a good position to increase taxes without harming the economy? Is spending high or low relative to the tax base? (New Mexico ranks 49th.)
- **Trust fund solvency** measures how much debt a state has. How large are unfunded pension liabilities and OPEB liabilities compared to the state personal income? (New Mexico ranks 49th.)

For a complete explanation of the methodology used to calculate New Mexico’s fiscal health rankings, see Eileen Norcross and Olivia Gonzalez, “Ranking the States by Fiscal Condition,” 2017 ed. (Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, July 2017).

RANK  
**39**

# NEW YORK

## SUMMARY

On the basis of its fiscal solvency in five separate categories, New York is ranked 39th among the US states for its fiscal health. On a cash basis, New York has between 79 percent and 176 percent of the cash needed to meet short-term obligations. Revenues exceed expenses by 4 percent, and net position improved by \$320 per capita in FY 2015. On a long-run basis, New York has a net asset ratio of -0.24. Long-term liabilities are 56 percent of total assets, or \$4,355 per capita. Total primary government debt is \$57.39 billion, or 5 percent of state personal income. Unfunded pension obligations, on a guaranteed-to-be-paid basis, are \$321.07 billion, or 28 percent of personal income. OPEB is 7 percent of state personal income.

## 2015 TOTAL LONG-TERM OBLIGATIONS

### STATE DEBT

	General obligation bonds	Total primary government debt	State personal income	Ratio of debt to state personal income	Total primary debt per capita
<b>New York</b>	<b>\$3.19 billion</b>	<b>\$57.39 billion</b>	<b>\$1,142.49 billion</b>	<b>5.0%</b>	<b>\$2,899</b>
National average	\$6.09 billion	\$12.71 billion	\$305.43 billion	3.7%	\$1,804

### PENSION LIABILITY

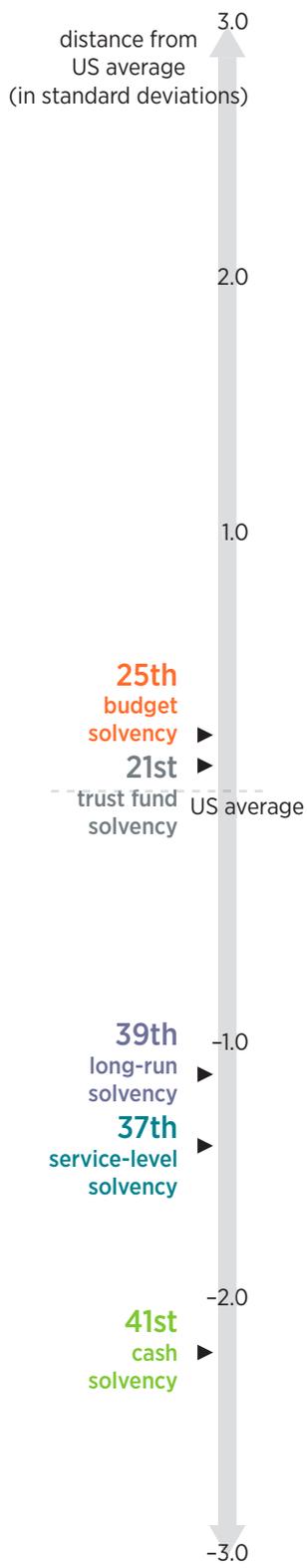
	Unfunded pension liability	Funded ratio	Market value of unfunded liability	Market value of funded liability ratio
<b>New York</b>	<b>\$6.10 billion</b>	<b>98%</b>	<b>\$321.07 billion</b>	<b>49%</b>
National average	\$20.62 billion	74%	\$105.50 billion	36%

### OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	Total unfunded OPEB	Funded ratio
<b>New York</b>	<b>\$78.78 billion</b>	<b>0%</b>
National average	\$12.97 billion	12%

1. Florida
2. North Dakota
3. South Dakota
4. Utah
5. Wyoming
6. Nebraska
7. Oklahoma
8. Tennessee
9. Idaho
10. Montana
11. Missouri
12. Alabama
13. Ohio
14. Nevada
15. North Carolina
16. Indiana
17. Alaska
18. Virginia
19. South Carolina
20. Arkansas
21. Oregon
22. Georgia
23. Texas
24. Minnesota
25. New Hampshire
26. Washington
27. Hawaii
28. Iowa
29. Wisconsin
30. Colorado
31. Delaware
32. Kansas
33. Arizona
34. Mississippi
35. Maine
36. Michigan
37. Connecticut
38. Rhode Island
- 39. New York**
40. Vermont
41. New Mexico
42. West Virginia
43. California
44. Louisiana
45. Pennsylvania
46. Maryland
47. Kentucky
48. Massachusetts
49. Illinois
50. New Jersey





## UNDERLYING RATIOS

	Cash ratio	Quick ratio	Current ratio	Operating ratio	Surplus (or deficit) per capita	Net asset ratio	Long-term liability ratio	Long-term liability per capita
<b>New York</b>	<b>0.79</b>	<b>1.75</b>	<b>1.76</b>	<b>1.04</b>	<b>\$320</b>	<b>-0.24</b>	<b>0.56</b>	<b>\$4,355</b>
National average	2.68	3.66	3.93	1.04	\$150	-0.17	0.61	\$4,272

	Tax-to-income ratio	Revenue-to-income ratio	Expenses-to-income ratio	Pension-to-income ratio	OPEB-to-income ratio
<b>New York</b>	<b>0.06</b>	<b>0.14</b>	<b>0.14</b>	<b>0.28</b>	<b>0.07</b>
National average	0.06	0.13	0.13	0.35	0.04

## KEY TERMS

- **Cash solvency** measures whether a state has enough cash to cover its short-term bills, which include accounts payable, vouchers, warrants, and short-term debt. (New York ranks 41st.)
- **Budget solvency** measures whether a state can cover its fiscal year spending using current revenues. Did it run a shortfall during the year? (New York ranks 25th.)
- **Long-run solvency** measures whether a state has a hedge against large long-term liabilities. Are enough assets available to cushion the state from potential shocks or long-term fiscal risks? (New York ranks 39th.)
- **Service-level solvency** measures how high taxes, revenues, and spending are when compared to state personal income. Do states have enough “fiscal slack”? If spending commitments demand more revenues, are states in a good position to increase taxes without harming the economy? Is spending high or low relative to the tax base? (New York ranks 37th.)
- **Trust fund solvency** measures how much debt a state has. How large are unfunded pension liabilities, OPEB liabilities, and state debt compared to the state personal income? (New York ranks 21st.)

For a complete explanation of the methodology used to calculate New York’s fiscal health rankings, see Eileen Norcross and Olivia Gonzalez, “Ranking the States by Fiscal Condition,” 2017 ed. (Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, July 2017).

# RANK 15 NORTH CAROLINA

## SUMMARY

On the basis of its fiscal solvency in five separate categories, North Carolina is ranked 15th among the US states for fiscal health. On a short-run basis, North Carolina has between 1.28 and 2.46 times the cash needed to cover short-term obligations, which is the state's only metric that is worse than the national average. Revenues exceed expenses by 12 percent, and net position improved by \$493 per capita in FY 2015. North Carolina's long-run position is stronger than the average for the states. On a long-run basis, North Carolina's fiscal position is significantly improved. It has a net operating ratio of 0.03. Long-term liabilities are 17 percent of total assets, or \$1,028 per capita, which is far lower than the average across the states of \$4,272 per capita. North Carolina has a low level of debt at \$8.5 billion, or \$846 per capita. Unfunded pension obligations, on a guaranteed-to-be-paid basis, are \$89.86 billion, or 22 percent of state personal income. OPEB is 7 percent of state personal income.

## 2015 TOTAL LONG-TERM OBLIGATIONS

### STATE DEBT

	General obligation bonds	Total primary government debt	State personal income	Ratio of debt to state personal income	Total primary debt per capita
<b>North Carolina</b>	<b>\$3.47 billion</b>	<b>\$8.50 billion</b>	<b>\$408.36 billion</b>	<b>2.1%</b>	<b>\$846</b>
National average	\$6.09 billion	\$12.71 billion	\$305.43 billion	3.7%	\$1,804

### PENSION LIABILITY

	Unfunded pension liability	Funded ratio	Market value of unfunded liability	Market value of funded liability ratio
<b>North Carolina</b>	<b>\$3.10 billion</b>	<b>97%</b>	<b>\$89.86 billion</b>	<b>50%</b>
National average	\$20.62 billion	74%	\$105.50 billion	36%

### OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	Total unfunded OPEB	Funded ratio
<b>North Carolina</b>	<b>\$26.67 billion</b>	<b>5%</b>
National average	\$12.97 billion	12%

1. Florida
2. North Dakota
3. South Dakota
4. Utah
5. Wyoming
6. Nebraska
7. Oklahoma
8. Tennessee
9. Idaho
10. Montana
11. Missouri
12. Alabama
13. Ohio
14. Nevada
- 15. North Carolina**
16. Indiana
17. Alaska
18. Virginia
19. South Carolina
20. Arkansas
21. Oregon
22. Georgia
23. Texas
24. Minnesota
25. New Hampshire
26. Washington
27. Hawaii
28. Iowa
29. Wisconsin
30. Colorado
31. Delaware
32. Kansas
33. Arizona
34. Mississippi
35. Maine
36. Michigan
37. Connecticut
38. Rhode Island
39. New York
40. Vermont
41. New Mexico
42. West Virginia
43. California
44. Louisiana
45. Pennsylvania
46. Maryland
47. Kentucky
48. Massachusetts
49. Illinois
50. New Jersey



## UNDERLYING RATIOS

	Cash ratio	Quick ratio	Current ratio	Operating ratio	Surplus (or deficit) per capita	Net asset ratio	Long-term liability ratio	Long-term liability per capita
<b>North Carolina</b>	<b>1.28</b>	<b>2.26</b>	<b>2.46</b>	<b>1.12</b>	<b>\$493</b>	<b>0.03</b>	<b>0.17</b>	<b>\$1,028</b>
National average	2.68	3.66	3.93	1.04	\$150	-0.17	0.61	\$4,272

	Tax-to-income ratio	Revenue-to-income ratio	Expenses-to-income ratio	Pension-to-income ratio	OPEB-to-income ratio
<b>North Carolina</b>	<b>0.06</b>	<b>0.12</b>	<b>0.10</b>	<b>0.22</b>	<b>0.07</b>
National average	0.06	0.13	0.13	0.35	0.04

## KEY TERMS

- **Cash solvency** measures whether a state has enough cash to cover its short-term bills, which include accounts payable, vouchers, warrants, and short-term debt. (North Carolina ranks 29th.)
- **Budget solvency** measures whether a state can cover its fiscal year spending using current revenues. Did it run a shortfall during the year? (North Carolina ranks 5th.)
- **Long-run solvency** measures whether a state has a hedge against large long-term liabilities. Are enough assets available to cushion the state from potential shocks or long-term fiscal risks? (North Carolina ranks 8th.)
- **Service-level solvency** measures how high taxes, revenues, and spending are when compared to state personal income. Do states have enough “fiscal slack”? If spending commitments demand more revenues, are states in a good position to increase taxes without harming the economy? Is spending high or low relative to the tax base? (North Carolina ranks 17th.)
- **Trust fund solvency** measures how much debt a state has. How large are unfunded pension liabilities and OPEB liabilities compared to the state personal income? (North Carolina ranks 7th.)

For a complete explanation of the methodology used to calculate North Carolina’s fiscal health rankings, see Eileen Norcross and Olivia Gonzalez, “Ranking the States by Fiscal Condition,” 2017 ed. (Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, July 2017).

RANK  
**2**

# NORTH DAKOTA

## SUMMARY

On the basis of its fiscal solvency in five separate categories, North Dakota is ranked 2nd among the US states for its fiscal health. North Dakota maintained this high ranking despite the adverse effects of decreased oil prices on the state's finances. On a short-run basis, North Dakota has between 4.91 and 7.48 times the cash needed to cover short-term obligations. Revenues exceed expenses by 27 percent, and net position improved by \$2,810 per capita in FY 2015. On a long-run basis, net assets are 58 percent of total assets after debts have been paid. Long-term liabilities are 13 percent of total assets, or \$4,418 per capita. Total primary government debt is \$1.73 billion, or 4.2 percent of state personal income. Unfunded pension obligations, on a guaranteed-to-be-paid basis, are \$9.75 billion, or 24 percent of state personal income. North Dakota's service-level solvency metrics highlight the state's high level of taxes, revenues, and spending relative to state income—the state may be building up unsustainable levels of spending.

## 2015 TOTAL LONG-TERM OBLIGATIONS

### STATE DEBT

	General obligation bonds	Total primary government debt	State personal income	Ratio of debt to state personal income	Total primary debt per capita
<b>North Dakota</b>	<b>\$0.00 billion</b>	<b>\$1.73 billion</b>	<b>\$41.17 billion</b>	<b>4.2%</b>	<b>\$2,279</b>
National average	\$6.09 billion	\$12.71 billion	\$305.43 billion	3.7%	\$1,804

### PENSION LIABILITY

	Unfunded pension liability	Funded ratio	Market value of unfunded liability	Market value of funded liability ratio
<b>North Dakota</b>	<b>\$2.30 billion</b>	<b>65%</b>	<b>\$9.75 billion</b>	<b>31%</b>
National average	\$20.62 billion	74%	\$105.50 billion	36%

1. Florida
- 2. North Dakota**
3. South Dakota
4. Utah
5. Wyoming
6. Nebraska
7. Oklahoma
8. Tennessee
9. Idaho
10. Montana
11. Missouri
12. Alabama
13. Ohio
14. Nevada
15. North Carolina
16. Indiana
17. Alaska
18. Virginia
19. South Carolina
20. Arkansas
21. Oregon
22. Georgia
23. Texas
24. Minnesota
25. New Hampshire
26. Washington
27. Hawaii
28. Iowa
29. Wisconsin
30. Colorado
31. Delaware
32. Kansas
33. Arizona
34. Mississippi
35. Maine
36. Michigan
37. Connecticut
38. Rhode Island
39. New York
40. Vermont
41. New Mexico
42. West Virginia
43. California
44. Louisiana
45. Pennsylvania
46. Maryland
47. Kentucky
48. Massachusetts
49. Illinois
50. New Jersey

## OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	Total unfunded OPEB	Funded ratio
<b>North Dakota</b>	<b>\$0.01 billion</b>	<b>0%</b>
National average	\$12.97 billion	12%

## UNDERLYING RATIOS

	Cash ratio	Quick ratio	Current ratio	Operating ratio	Surplus (or deficit) per capita	Net asset ratio	Long-term liability ratio	Long-term liability per capita
<b>North Dakota</b>	<b>4.91</b>	<b>7.43</b>	<b>7.48</b>	<b>1.27</b>	<b>\$2,810</b>	<b>0.58</b>	<b>0.13</b>	<b>\$4,418</b>
National average	2.68	3.66	3.93	1.04	\$150	-0.17	0.61	\$4,272

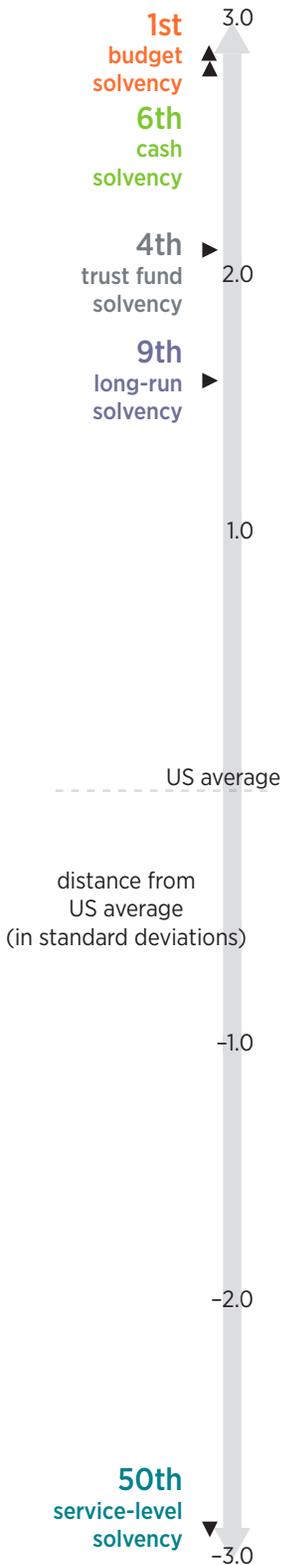
  

	Tax-to-income ratio	Revenue-to-income ratio	Expenses-to-income ratio	Pension-to-income ratio	OPEB-to-income ratio
<b>North Dakota</b>	<b>0.13</b>	<b>0.24</b>	<b>0.19</b>	<b>0.24</b>	<b>0.00</b>
National average	0.06	0.13	0.13	0.35	0.04

## KEY TERMS

- **Cash solvency** measures whether a state has enough cash to cover its short-term bills, which include accounts payable, vouchers, warrants, and short-term debt. (North Dakota ranks 6th.)
- **Budget solvency** measures whether a state can cover its fiscal year spending using current revenues. Did it run a shortfall during the year? (North Dakota ranks 1st.)
- **Long-run solvency** measures whether a state has a hedge against large long-term liabilities. Are enough assets available to cushion the state from potential shocks or long-term fiscal risks? (North Dakota ranks 9th.)
- **Service-level solvency** measures how high taxes, revenues, and spending are when compared to state personal income. Do states have enough “fiscal slack”? If spending commitments demand more revenues, are states in a good position to increase taxes without harming the economy? Is spending high or low relative to the tax base? (North Dakota ranks 50th.)
- **Trust fund solvency** measures how much debt a state has. How large are unfunded pension liabilities and OPEB liabilities compared to the state personal income? (North Dakota ranks 4th.)

For a complete explanation of the methodology used to calculate North Dakota’s fiscal health rankings, see Eileen Norcross and Olivia Gonzalez, “Ranking the States by Fiscal Condition,” 2017 ed. (Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, July 2017).



RANK  
**13**

# OHIO

## SUMMARY

On the basis of its fiscal solvency in five separate categories, Ohio is ranked 13th among the US states for its fiscal health. On a short-run basis, Ohio has between 4.03 and 5.42 times the cash needed to cover short-term obligations. Revenues exceed expenses by 1 percent, and net position improved by \$87 per capita in FY 2015. On a long-run basis, net assets are 7 percent of total assets. Long-term liabilities are 55 percent of total assets, or \$3,620 per capita. Total primary government debt is \$17.71 billion, or 3.5 percent of state personal income. Trust fund solvency is among the lowest in the United States. Unfunded pension obligations, on a guaranteed-to-be-paid basis, are \$312.10 billion, or 62 percent of state personal income, and OPEB is 3 percent of state personal income.

## 2015 TOTAL LONG-TERM OBLIGATIONS

### STATE DEBT

	General obligation bonds	Total primary government debt	State personal income	Ratio of debt to state personal income	Total primary debt per capita
<b>Ohio</b>	<b>\$9.15 billion</b>	<b>\$17.71 billion</b>	<b>\$504.99 billion</b>	<b>3.5%</b>	<b>\$1,525</b>
National average	\$6.09 billion	\$12.71 billion	\$305.43 billion	3.7%	\$1,804

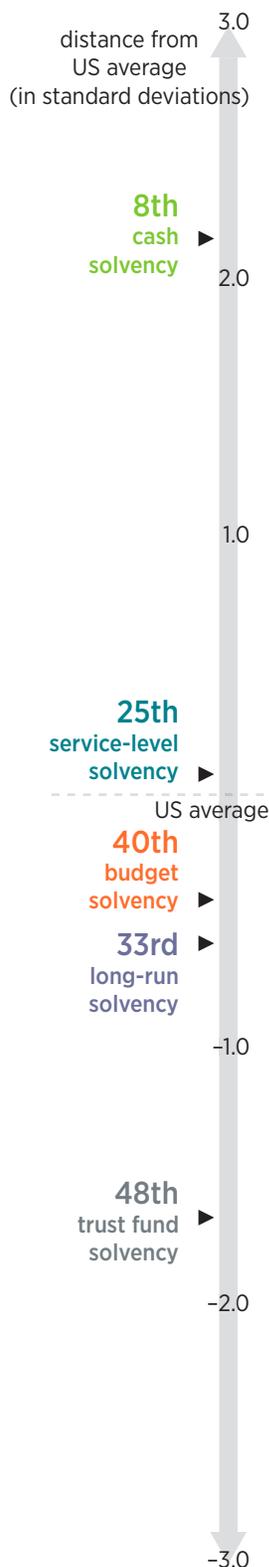
### PENSION LIABILITY

	Unfunded pension liability	Funded ratio	Market value of unfunded liability	Market value of funded liability ratio
<b>Ohio</b>	<b>\$55.18 billion</b>	<b>76%</b>	<b>\$312.10 billion</b>	<b>36%</b>
National average	\$20.62 billion	74%	\$105.50 billion	36%

### OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	Total unfunded OPEB	Funded ratio
<b>Ohio</b>	<b>\$15.33 billion</b>	<b>53%</b>
National average	\$12.97 billion	12%

1. Florida
2. North Dakota
3. South Dakota
4. Utah
5. Wyoming
6. Nebraska
7. Oklahoma
8. Tennessee
9. Idaho
10. Montana
11. Missouri
12. Alabama
- 13. Ohio**
14. Nevada
15. North Carolina
16. Indiana
17. Alaska
18. Virginia
19. South Carolina
20. Arkansas
21. Oregon
22. Georgia
23. Texas
24. Minnesota
25. New Hampshire
26. Washington
27. Hawaii
28. Iowa
29. Wisconsin
30. Colorado
31. Delaware
32. Kansas
33. Arizona
34. Mississippi
35. Maine
36. Michigan
37. Connecticut
38. Rhode Island
39. New York
40. Vermont
41. New Mexico
42. West Virginia
43. California
44. Louisiana
45. Pennsylvania
46. Maryland
47. Kentucky
48. Massachusetts
49. Illinois
50. New Jersey



## UNDERLYING RATIOS

	Cash ratio	Quick ratio	Current ratio	Operating ratio	Surplus (or deficit) per capita	Net asset ratio	Long-term liability ratio	Long-term liability per capita
<b>Ohio</b>	<b>4.03</b>	<b>5.07</b>	<b>5.42</b>	<b>1.01</b>	<b>\$87</b>	<b>0.07</b>	<b>0.55</b>	<b>\$3,620</b>
National average	2.68	3.66	3.93	1.04	\$150	-0.17	0.61	\$4,272

	Tax-to-income ratio	Revenue-to-income ratio	Expenses-to-income ratio	Pension-to-income ratio	OPEB-to-income ratio
<b>Ohio</b>	<b>0.05</b>	<b>0.12</b>	<b>0.12</b>	<b>0.62</b>	<b>0.03</b>
National average	0.06	0.13	0.13	0.35	0.04

## KEY TERMS

- **Cash solvency** measures whether a state has enough cash to cover its short-term bills, which include accounts payable, vouchers, warrants, and short-term debt. (Ohio ranks 8th.)
- **Budget solvency** measures whether a state can cover its fiscal year spending using current revenues. Did it run a shortfall during the year? (Ohio ranks 40th.)
- **Long-run solvency** measures whether a state has a hedge against large long-term liabilities. Are enough assets available to cushion the state from potential shocks or long-term fiscal risks? (Ohio ranks 33rd.)
- **Service-level solvency** measures how high taxes, revenues, and spending are when compared to state personal income. Do states have enough “fiscal slack”? If spending commitments demand more revenues, are states in a good position to increase taxes without harming the economy? Is spending high or low relative to the tax base? (Ohio ranks 25th.)
- **Trust fund solvency** measures how much debt a state has. How large are unfunded pension liabilities and OPEB liabilities compared to the state personal income? (Ohio ranks 48th.)

For a complete explanation of the methodology used to calculate Ohio’s fiscal health rankings, see Eileen Norcross and Olivia Gonzalez, “Ranking the States by Fiscal Condition,” 2017 ed. (Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, July 2017).

RANK  
**7**

# OKLAHOMA

## SUMMARY

On the basis of its fiscal solvency in five separate categories, Oklahoma is ranked 7th among the US states for its fiscal health. On a short-run basis, Oklahoma has between 3.14 and 3.83 times the cash needed to cover short-term obligations. Revenues exceed expenses by 7 percent, and net position improved by \$338 per capita in FY 2015. On a long-run basis, net assets are 36 percent of total assets after debts have been paid. Long-term liabilities are 10 percent of total assets, or \$610 per capita. Total primary government debt is \$2.22 billion, or 1.3 percent of state personal income. Oklahoma's trust fund solvency is the strongest among the states. Unfunded pension obligations, on a guaranteed-to-be-paid basis, are \$48.99 billion, or 28 percent of state personal income.

## 2015 TOTAL LONG-TERM OBLIGATIONS

### STATE DEBT

	General obligation bonds	Total primary government debt	State personal income	Ratio of debt to state personal income	Total primary debt per capita
<b>Oklahoma</b>	<b>\$0.11 billion</b>	<b>\$2.22 billion</b>	<b>\$173.19 billion</b>	<b>1.3%</b>	<b>\$568</b>
National average	\$6.09 billion	\$12.71 billion	\$305.43 billion	3.7%	\$1,804

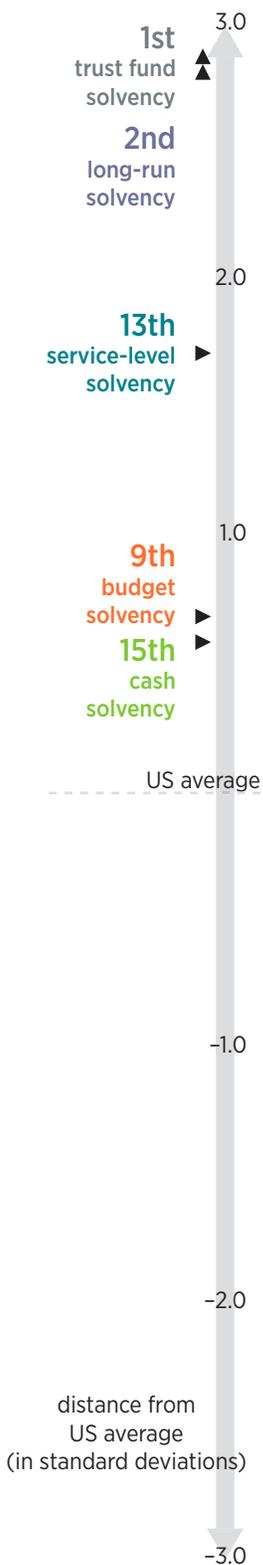
### PENSION LIABILITY

	Unfunded pension liability	Funded ratio	Market value of unfunded liability	Market value of funded liability ratio
<b>Oklahoma</b>	<b>\$8.79 billion</b>	<b>76%</b>	<b>\$48.99 billion</b>	<b>36%</b>
National average	\$20.62 billion	74%	\$105.50 billion	36%

### OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	Total unfunded OPEB	Funded ratio
<b>Oklahoma</b>	<b>\$0.00 billion</b>	<b>0%</b>
National average	\$12.97 billion	12%

1. Florida
2. North Dakota
3. South Dakota
4. Utah
5. Wyoming
6. Nebraska
- 7. Oklahoma**
8. Tennessee
9. Idaho
10. Montana
11. Missouri
12. Alabama
13. Ohio
14. Nevada
15. North Carolina
16. Indiana
17. Alaska
18. Virginia
19. South Carolina
20. Arkansas
21. Oregon
22. Georgia
23. Texas
24. Minnesota
25. New Hampshire
26. Washington
27. Hawaii
28. Iowa
29. Wisconsin
30. Colorado
31. Delaware
32. Kansas
33. Arizona
34. Mississippi
35. Maine
36. Michigan
37. Connecticut
38. Rhode Island
39. New York
40. Vermont
41. New Mexico
42. West Virginia
43. California
44. Louisiana
45. Pennsylvania
46. Maryland
47. Kentucky
48. Massachusetts
49. Illinois
50. New Jersey



## UNDERLYING RATIOS

	Cash ratio	Quick ratio	Current ratio	Operating ratio	Surplus (or deficit) per capita	Net asset ratio	Long-term liability ratio	Long-term liability per capita
<b>Oklahoma</b>	<b>3.14</b>	<b>3.77</b>	<b>3.83</b>	<b>1.07</b>	<b>\$338</b>	<b>0.36</b>	<b>0.10</b>	<b>\$610</b>
National average	2.68	3.66	3.93	1.04	\$150	-0.17	0.61	\$4,272

	Tax-to-income ratio	Revenue-to-income ratio	Expenses-to-income ratio	Pension-to-income ratio	OPEB-to-income ratio
<b>Oklahoma</b>	<b>0.05</b>	<b>0.11</b>	<b>0.10</b>	<b>0.28</b>	<b>0.00</b>
National average	0.06	0.13	0.13	0.35	0.04

## KEY TERMS

- **Cash solvency** measures whether a state has enough cash to cover its short-term bills, which include accounts payable, vouchers, warrants, and short-term debt. (Oklahoma ranks 15th.)
- **Budget solvency** measures whether a state can cover its fiscal year spending using current revenues. Did it run a shortfall during the year? (Oklahoma ranks 9th.)
- **Long-run solvency** measures whether a state has a hedge against large long-term liabilities. Are enough assets available to cushion the state from potential shocks or long-term fiscal risks? (Oklahoma ranks 2nd.)
- **Service-level solvency** measures how high taxes, revenues, and spending are when compared to state personal income. Do states have enough “fiscal slack”? If spending commitments demand more revenues, are states in a good position to increase taxes without harming the economy? Is spending high or low relative to the tax base? (Oklahoma ranks 13th.)
- **Trust fund solvency** measures how much debt a state has. How large are unfunded pension liabilities and OPEB liabilities compared to the state personal income? (Oklahoma ranks 1st.)

For a complete explanation of the methodology used to calculate Oklahoma’s fiscal health rankings, see Eileen Norcross and Olivia Gonzalez, “Ranking the States by Fiscal Condition,” 2017 ed. (Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, July 2017).

RANK  
**21**

# OREGON

## SUMMARY

On the basis of its fiscal solvency in five separate categories, Oregon is ranked 21st among the US states for its fiscal health. On a short-run basis, Oregon has between 2.71 and 3.59 times the cash needed to cover short-term obligations. Revenues exceed expenses by 8 percent. On a long-run basis, net assets are 13 percent of total assets. In FY 2015, Oregon's net position declined by \$9.14 per capita partly due to the reporting of unfunded pension obligations. Long-term liabilities are 39 percent of total assets, or \$3,112 per capita. Total primary government debt is \$11.29 billion, or 6.5 percent of state personal income. Oregon's trust fund solvency is among the weakest in the country. Unfunded pension obligations, on a guaranteed-to-be-paid basis, are \$97.6 billion, or 56 percent of state personal income.

## 2015 TOTAL LONG-TERM OBLIGATIONS

### STATE DEBT

	General obligation bonds	Total primary government debt	State personal income	Ratio of debt to state personal income	Total primary debt per capita
<b>Oregon</b>	<b>\$7.12 billion</b>	<b>\$11.29 billion</b>	<b>\$173.17 billion</b>	<b>6.5%</b>	<b>\$2,801</b>
National average	\$6.09 billion	\$12.71 billion	\$305.43 billion	3.7%	\$1,804

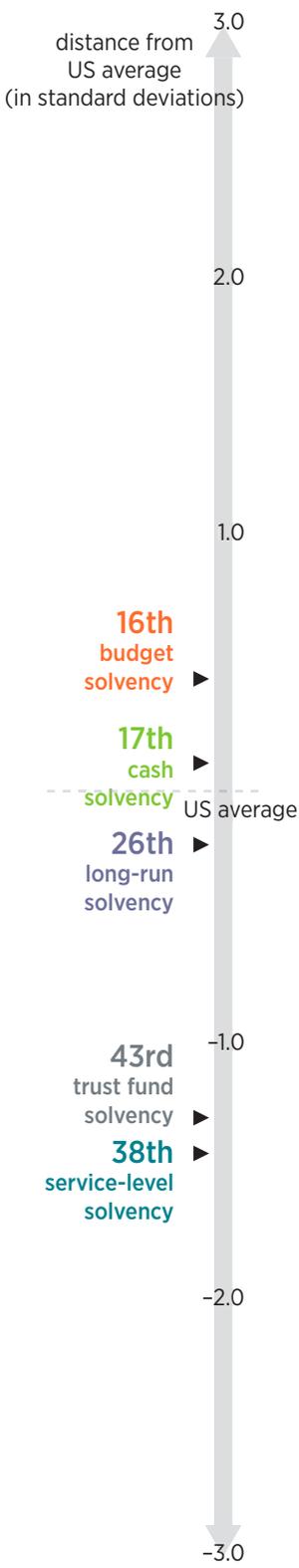
### PENSION LIABILITY

	Unfunded pension liability	Funded ratio	Market value of unfunded liability	Market value of funded liability ratio
<b>Oregon</b>	<b>\$17.76 billion</b>	<b>76%</b>	<b>\$97.60 billion</b>	<b>36%</b>
National average	\$20.62 billion	74%	\$105.50 billion	36%

### OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	Total unfunded OPEB	Funded ratio
<b>Oregon</b>	<b>\$0.14 billion</b>	<b>75%</b>
National average	\$12.97 billion	12%

1. Florida
2. North Dakota
3. South Dakota
4. Utah
5. Wyoming
6. Nebraska
7. Oklahoma
8. Tennessee
9. Idaho
10. Montana
11. Missouri
12. Alabama
13. Ohio
14. Nevada
15. North Carolina
16. Indiana
17. Alaska
18. Virginia
19. South Carolina
20. Arkansas
- 21. Oregon**
22. Georgia
23. Texas
24. Minnesota
25. New Hampshire
26. Washington
27. Hawaii
28. Iowa
29. Wisconsin
30. Colorado
31. Delaware
32. Kansas
33. Arizona
34. Mississippi
35. Maine
36. Michigan
37. Connecticut
38. Rhode Island
39. New York
40. Vermont
41. New Mexico
42. West Virginia
43. California
44. Louisiana
45. Pennsylvania
46. Maryland
47. Kentucky
48. Massachusetts
49. Illinois
50. New Jersey



## UNDERLYING RATIOS

	Cash ratio	Quick ratio	Current ratio	Operating ratio	Surplus (or deficit) per capita	Net asset ratio	Long-term liability ratio	Long-term liability per capita
<b>Oregon</b>	<b>2.71</b>	<b>3.35</b>	<b>3.59</b>	<b>1.08</b>	<b>-\$9.14</b>	<b>0.13</b>	<b>0.39</b>	<b>\$3,112</b>
National average	2.68	3.66	3.93	1.04	\$150	-0.17	0.61	\$4,272

	Tax-to-income ratio	Revenue-to-income ratio	Expenses-to-income ratio	Pension-to-income ratio	OPEB-to-income ratio
<b>Oregon</b>	<b>0.06</b>	<b>0.15</b>	<b>0.14</b>	<b>0.56</b>	<b>0.00</b>
National average	0.06	0.13	0.13	0.35	0.04

## KEY TERMS

- **Cash solvency** measures whether a state has enough cash to cover its short-term bills, which include accounts payable, vouchers, warrants, and short-term debt. (Oregon ranks 17th.)
- **Budget solvency** measures whether a state can cover its fiscal year spending using current revenues. Did it run a shortfall during the year? (Oregon ranks 16th.)
- **Long-run solvency** measures whether a state has a hedge against large long-term liabilities. Are enough assets available to cushion the state from potential shocks or long-term fiscal risks? (Oregon ranks 26th.)
- **Service-level solvency** measures how high taxes, revenues, and spending are when compared to state personal income. Do states have enough “fiscal slack”? If spending commitments demand more revenues, are states in a good position to increase taxes without harming the economy? Is spending high or low relative to the tax base? (Oregon ranks 38th.)
- **Trust fund solvency** measures how much debt a state has. How large are unfunded pension liabilities and OPEB liabilities compared to the state personal income? (Oregon ranks 43rd.)

*For a complete explanation of the methodology used to calculate Oregon’s fiscal health rankings, see Eileen Norcross and Olivia Gonzalez, “Ranking the States by Fiscal Condition,” 2017 ed. (Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, July 2017).*

# RANK 45 PENNSYLVANIA

## SUMMARY

On the basis of its fiscal solvency in five separate categories, Pennsylvania is ranked 45th among the US states for its fiscal health. On a short-run basis, Pennsylvania has between 71 percent and 136 percent of the cash needed to cover short-term obligations, which is among the lowest in the country. Revenues exceed expenses by 2 percent, and net position improved by \$111 per capita in FY 2015. On a long-run basis, Pennsylvania's negative net asset ratio of 0.27 points to the use of debt and large unfunded obligations. Long-term liabilities are 59 percent of total assets. Unfunded pension liabilities, on a guaranteed-to-be-paid basis, are \$201.17 billion, or 32 percent of state personal income. OPEB is 3 percent of personal income.

## 2015 TOTAL LONG-TERM OBLIGATIONS

### STATE DEBT

	General obligation bonds	Total primary government debt	State personal income	Ratio of debt to state personal income	Total primary debt per capita
<b>Pennsylvania</b>	<b>\$12.98 billion</b>	<b>\$17.56 billion</b>	<b>\$629.71 billion</b>	<b>2.8%</b>	<b>\$1,372</b>
National average	\$6.09 billion	\$12.71 billion	\$305.43 billion	3.7%	\$1,804

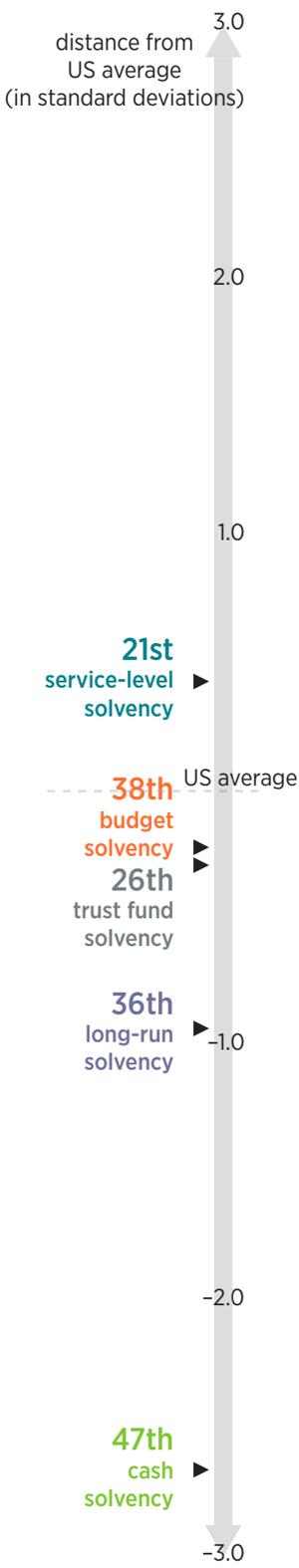
### PENSION LIABILITY

	Unfunded pension liability	Funded ratio	Market value of unfunded liability	Market value of funded liability ratio
<b>Pennsylvania</b>	<b>\$56.77 billion</b>	<b>60%</b>	<b>\$201.17 billion</b>	<b>30%</b>
National average	\$20.62 billion	74%	\$105.50 billion	36%

### OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	Total unfunded OPEB	Funded ratio
<b>Pennsylvania</b>	<b>\$20.59 billion</b>	<b>1%</b>
National average	\$12.97 billion	12%

1. Florida
2. North Dakota
3. South Dakota
4. Utah
5. Wyoming
6. Nebraska
7. Oklahoma
8. Tennessee
9. Idaho
10. Montana
11. Missouri
12. Alabama
13. Ohio
14. Nevada
15. North Carolina
16. Indiana
17. Alaska
18. Virginia
19. South Carolina
20. Arkansas
21. Oregon
22. Georgia
23. Texas
24. Minnesota
25. New Hampshire
26. Washington
27. Hawaii
28. Iowa
29. Wisconsin
30. Colorado
31. Delaware
32. Kansas
33. Arizona
34. Mississippi
35. Maine
36. Michigan
37. Connecticut
38. Rhode Island
39. New York
40. Vermont
41. New Mexico
42. West Virginia
43. California
44. Louisiana
- 45. Pennsylvania**
46. Maryland
47. Kentucky
48. Massachusetts
49. Illinois
50. New Jersey



## UNDERLYING RATIOS

	Cash ratio	Quick ratio	Current ratio	Operating ratio	Surplus (or deficit) per capita	Net asset ratio	Long-term liability ratio	Long-term liability per capita
<b>Pennsylvania</b>	<b>0.71</b>	<b>1.07</b>	<b>1.36</b>	<b>1.02</b>	<b>\$111</b>	<b>-0.27</b>	<b>0.59</b>	<b>\$2,922</b>
National average	2.68	3.66	3.93	1.04	\$150	-0.17	0.61	\$4,272

	Tax-to-income ratio	Revenue-to-income ratio	Expenses-to-income ratio	Pension-to-income ratio	OPEB-to-income ratio
<b>Pennsylvania</b>	<b>0.06</b>	<b>0.12</b>	<b>0.12</b>	<b>0.32</b>	<b>0.03</b>
National average	0.06	0.13	0.13	0.35	0.04

## KEY TERMS

- **Cash solvency** measures whether a state has enough cash to cover its short-term bills, which include accounts payable, vouchers, warrants, and short-term debt. (Pennsylvania ranks 47th.)
- **Budget solvency** measures whether a state can cover its fiscal year spending using current revenues. Did it run a shortfall during the year? (Pennsylvania ranks 38th.)
- **Long-run solvency** measures whether a state has a hedge against large long-term liabilities. Are enough assets available to cushion the state from potential shocks or long-term fiscal risks? (Pennsylvania ranks 36th.)
- **Service-level solvency** measures how high taxes, revenues, and spending are when compared to state personal income. Do states have enough “fiscal slack”? If spending commitments demand more revenues, are states in a good position to increase taxes without harming the economy? Is spending high or low relative to the tax base? (Pennsylvania ranks 21st.)
- **Trust fund solvency** measures how much debt a state has. How large are unfunded pension liabilities and OPEB liabilities compared to the state personal income? (Pennsylvania ranks 26th.)

*For a complete explanation of the methodology used to calculate Pennsylvania’s fiscal health rankings, see Eileen Norcross and Olivia Gonzalez, “Ranking the States by Fiscal Condition,” 2017 ed. (Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, July 2017).*

# RANK 38 RHODE ISLAND

## SUMMARY

On the basis of its fiscal solvency in five separate categories, Rhode Island is ranked 38th among the US states for its fiscal health, which is an improvement over the previous fiscal year. On a short-run basis, Rhode Island has between 78 percent and 187 percent of the cash needed to cover short-term liabilities, which is well below the average among the states. Revenues exceed expenses by 6 percent, and net position improved by \$448 per capita in FY 2015. On a long-run basis, Rhode Island has a negative net asset ratio of 0.53, pointing to the use of debt financing and unfunded pension obligations. Long-term liabilities are 89 percent of total assets, or \$5,377 per capita. Total primary government debt is \$2.63 billion, or 5 percent of state personal income. Unfunded pension obligations, on a guaranteed-to-be-paid basis, are \$17.67 billion, or 33 percent of state personal income. OPEB is 1 percent of state personal income.

## 2015 TOTAL LONG-TERM OBLIGATIONS

### STATE DEBT

	General obligation bonds	Total primary government debt	State personal income	Ratio of debt to state personal income	Total primary debt per capita
<b>Rhode Island</b>	<b>\$1.02 billion</b>	<b>\$2.63 billion</b>	<b>\$52.91 billion</b>	<b>5.0%</b>	<b>\$2,485</b>
National average	\$6.09 billion	\$12.71 billion	\$305.43 billion	3.7%	\$1,804

### PENSION LIABILITY

	Unfunded pension liability	Funded ratio	Market value of unfunded liability	Market value of funded liability ratio
<b>Rhode Island</b>	<b>\$4.81 billion</b>	<b>62%</b>	<b>\$17.67 billion</b>	<b>31%</b>
National average	\$20.62 billion	74%	\$105.50 billion	36%

### OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	Total unfunded OPEB	Funded ratio
<b>Rhode Island</b>	<b>\$0.71 billion</b>	<b>8%</b>
National average	\$12.97 billion	12%

1. Florida
2. North Dakota
3. South Dakota
4. Utah
5. Wyoming
6. Nebraska
7. Oklahoma
8. Tennessee
9. Idaho
10. Montana
11. Missouri
12. Alabama
13. Ohio
14. Nevada
15. North Carolina
16. Indiana
17. Alaska
18. Virginia
19. South Carolina
20. Arkansas
21. Oregon
22. Georgia
23. Texas
24. Minnesota
25. New Hampshire
26. Washington
27. Hawaii
28. Iowa
29. Wisconsin
30. Colorado
31. Delaware
32. Kansas
33. Arizona
34. Mississippi
35. Maine
36. Michigan
37. Connecticut
- 38. Rhode Island**
39. New York
40. Vermont
41. New Mexico
42. West Virginia
43. California
44. Louisiana
45. Pennsylvania
46. Maryland
47. Kentucky
48. Massachusetts
49. Illinois
50. New Jersey

distance from  
US average  
(in standard deviations)

## UNDERLYING RATIOS

	Cash ratio	Quick ratio	Current ratio	Operating ratio	Surplus (or deficit) per capita	Net asset ratio	Long-term liability ratio	Long-term liability per capita
<b>Rhode Island</b>	<b>0.78</b>	<b>1.46</b>	<b>1.87</b>	<b>1.06</b>	<b>\$448</b>	<b>-0.53</b>	<b>0.89</b>	<b>\$5,377</b>
National average	2.68	3.66	3.93	1.04	\$150	-0.17	0.61	\$4,272

	Tax-to-income ratio	Revenue-to-income ratio	Expenses-to-income ratio	Pension-to-income ratio	OPEB-to-income ratio
<b>Rhode Island</b>	<b>0.06</b>	<b>0.15</b>	<b>0.14</b>	<b>0.33</b>	<b>0.01</b>
National average	0.06	0.13	0.13	0.35	0.04

## KEY TERMS

- **Cash solvency** measures whether a state has enough cash to cover its short-term bills, which include accounts payable, vouchers, warrants, and short-term debt. (Rhode Island ranks 42nd.)
- **Budget solvency** measures whether a state can cover its fiscal year spending using current revenues. Did it run a shortfall during the year? (Rhode Island ranks 8th.)
- **Long-run solvency** measures whether a state has a hedge against large long-term liabilities. Are enough assets available to cushion the state from potential shocks or long-term fiscal risks? (Rhode Island ranks 43rd.)
- **Service-level solvency** measures how high taxes, revenues, and spending are when compared to state personal income. Do states have enough “fiscal slack”? If spending commitments demand more revenues, are states in a good position to increase taxes without harming the economy? Is spending high or low relative to the tax base? (Rhode Island ranks 39th.)
- **Trust fund solvency** measures how much debt a state has. How large are unfunded pension liabilities and OPEB liabilities compared to the state personal income? (Rhode Island ranks 28th.)

For a complete explanation of the methodology used to calculate Rhode Island's fiscal health rankings, see Eileen Norcross and Olivia Gonzalez, “Ranking the States by Fiscal Condition,” 2017 ed. (Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, July 2017).

# RANK 19 SOUTH CAROLINA

## SUMMARY

On the basis of its fiscal solvency in five separate categories, South Carolina is ranked 19th among the US states for its fiscal health. On a short-run basis, South Carolina has between 2.26 and 3.32 times the cash needed to cover short-term liabilities. Revenues exceed expenses by 5 percent, and net position improved by \$228 per capita in FY 2015. On a long-run basis, net assets are 13 percent of total assets. Long-term liabilities are 28 percent of total assets, or \$1,509 per capita, which is lower than the average across the states of \$4,272 per capita. Total primary government debt is \$3.11 billion, or \$635 per capita. Unfunded pension obligations, on a guaranteed-to-be-paid basis, are \$70.35 billion, or 38 percent of state personal income. OPEB is 5 percent of state personal income.

## 2015 TOTAL LONG-TERM OBLIGATIONS

### STATE DEBT

	General obligation bonds	Total primary government debt	State personal income	Ratio of debt to state personal income	Total primary debt per capita
<b>South Carolina</b>	<b>\$1.13 billion</b>	<b>\$3.11 billion</b>	<b>\$186.29 billion</b>	<b>1.7%</b>	<b>\$635</b>
National average	\$6.09 billion	\$12.71 billion	\$305.43 billion	3.7%	\$1,804

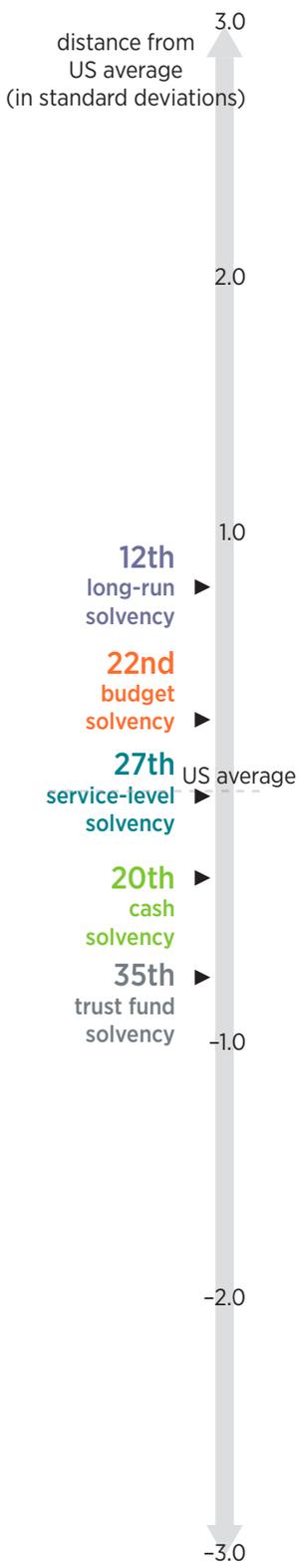
### PENSION LIABILITY

	Unfunded pension liability	Funded ratio	Market value of unfunded liability	Market value of funded liability ratio
<b>South Carolina</b>	<b>\$18.83 billion</b>	<b>63%</b>	<b>\$70.35 billion</b>	<b>31%</b>
National average	\$20.62 billion	74%	\$105.50 billion	36%

### OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	Total unfunded OPEB	Funded ratio
<b>South Carolina</b>	<b>\$9.34 billion</b>	<b>8%</b>
National average	\$12.97 billion	12%

1. Florida
2. North Dakota
3. South Dakota
4. Utah
5. Wyoming
6. Nebraska
7. Oklahoma
8. Tennessee
9. Idaho
10. Montana
11. Missouri
12. Alabama
13. Ohio
14. Nevada
15. North Carolina
16. Indiana
17. Alaska
18. Virginia
- 19. South Carolina**
20. Arkansas
21. Oregon
22. Georgia
23. Texas
24. Minnesota
25. New Hampshire
26. Washington
27. Hawaii
28. Iowa
29. Wisconsin
30. Colorado
31. Delaware
32. Kansas
33. Arizona
34. Mississippi
35. Maine
36. Michigan
37. Connecticut
38. Rhode Island
39. New York
40. Vermont
41. New Mexico
42. West Virginia
43. California
44. Louisiana
45. Pennsylvania
46. Maryland
47. Kentucky
48. Massachusetts
49. Illinois
50. New Jersey



## UNDERLYING RATIOS

	Cash ratio	Quick ratio	Current ratio	Operating ratio	Surplus (or deficit) per capita	Net asset ratio	Long-term liability ratio	Long-term liability per capita
<b>South Carolina</b>	<b>2.26</b>	<b>3.04</b>	<b>3.32</b>	<b>1.05</b>	<b>\$228</b>	<b>0.13</b>	<b>0.28</b>	<b>\$1,509</b>
National average	2.68	3.66	3.93	1.04	\$150	-0.17	0.61	\$4,272

	Tax-to-income ratio	Revenue-to-income ratio	Expenses-to-income ratio	Pension-to-income ratio	OPEB-to-income ratio
<b>South Carolina</b>	<b>0.05</b>	<b>0.13</b>	<b>0.12</b>	<b>0.38</b>	<b>0.05</b>
National average	0.06	0.13	0.13	0.35	0.04

## KEY TERMS

- **Cash solvency** measures whether a state has enough cash to cover its short-term bills, which include accounts payable, vouchers, warrants, and short-term debt. (South Carolina ranks 20th.)
- **Budget solvency** measures whether a state can cover its fiscal year spending using current revenues. Did it run a shortfall during the year? (South Carolina ranks 22nd.)
- **Long-run solvency** measures whether a state has a hedge against large long-term liabilities. Are enough assets available to cushion the state from potential shocks or long-term fiscal risks? (South Carolina ranks 12th.)
- **Service-level solvency** measures how high taxes, revenues, and spending are when compared to state personal income. Do states have enough “fiscal slack”? If spending commitments demand more revenues, are states in a good position to increase taxes without harming the economy? Is spending high or low relative to the tax base? (South Carolina ranks 27th.)
- **Trust fund solvency** measures how much debt a state has. How large are unfunded pension liabilities and OPEB liabilities compared to the state personal income? (South Carolina ranks 35th.)

*For a complete explanation of the methodology used to calculate South Carolina’s fiscal health rankings, see Eileen Norcross and Olivia Gonzalez, “Ranking the States by Fiscal Condition,” 2017 ed. (Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, July 2017).*

RANK  
**3**

# SOUTH DAKOTA

## SUMMARY

On the basis of its fiscal solvency in five separate categories, South Dakota is ranked 3rd among the US states for its fiscal health. South Dakota's fiscal rankings are high in all categories. On short-run basis, South Dakota has between 6.14 and 8.51 times the cash needed to cover short-term liabilities. Revenues exceed expenses by 4 percent, and net position improved by \$647 per capita in FY 2015. On a long-run basis, net assets are 34 percent of total assets after debts have been paid. Long-term liabilities are 10 percent of total assets, or \$803 per capita. Total primary government debt is \$560 million, or 1.4 percent of state income. Unfunded pension obligations, on a guaranteed-to-be-paid basis, are \$9.8 billion, or 25 percent of personal income.

## 2015 TOTAL LONG-TERM OBLIGATIONS

### STATE DEBT

	General obligation bonds	Total primary government debt	State personal income	Ratio of debt to state personal income	Total primary debt per capita
<b>South Dakota</b>	<b>\$0.00 billion</b>	<b>\$0.56 billion</b>	<b>\$38.64 billion</b>	<b>1.4%</b>	<b>\$647</b>
National average	\$6.09 billion	\$12.71 billion	\$305.43 billion	3.7%	\$1,804

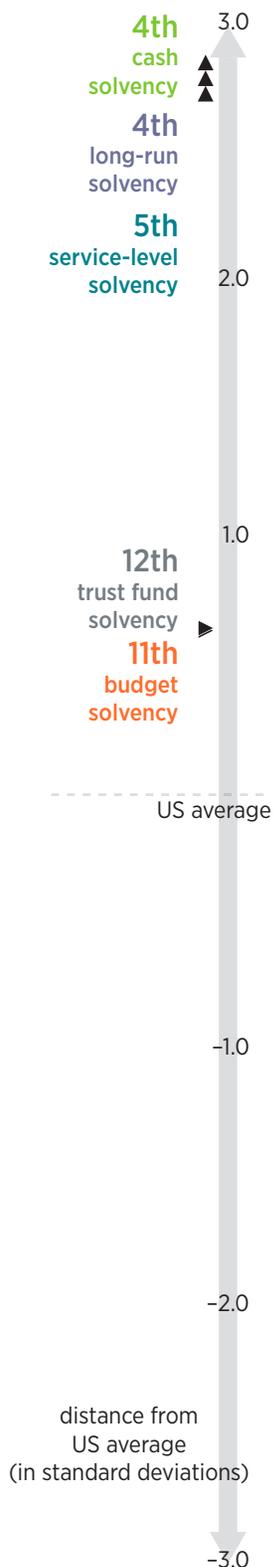
### PENSION LIABILITY

	Unfunded pension liability	Funded ratio	Market value of unfunded liability	Market value of funded liability ratio
<b>South Dakota</b>	<b>\$0.00 billion</b>	<b>100%</b>	<b>\$9.80 billion</b>	<b>51%</b>
National average	\$20.62 billion	74%	\$105.50 billion	36%

### OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	Total unfunded OPEB	Funded ratio
<b>South Dakota</b>	<b>\$0.00 billion</b>	<b>0%</b>
National average	\$12.97 billion	12%

1. Florida
2. North Dakota
- 3. South Dakota**
4. Utah
5. Wyoming
6. Nebraska
7. Oklahoma
8. Tennessee
9. Idaho
10. Montana
11. Missouri
12. Alabama
13. Ohio
14. Nevada
15. North Carolina
16. Indiana
17. Alaska
18. Virginia
19. South Carolina
20. Arkansas
21. Oregon
22. Georgia
23. Texas
24. Minnesota
25. New Hampshire
26. Washington
27. Hawaii
28. Iowa
29. Wisconsin
30. Colorado
31. Delaware
32. Kansas
33. Arizona
34. Mississippi
35. Maine
36. Michigan
37. Connecticut
38. Rhode Island
39. New York
40. Vermont
41. New Mexico
42. West Virginia
43. California
44. Louisiana
45. Pennsylvania
46. Maryland
47. Kentucky
48. Massachusetts
49. Illinois
50. New Jersey



## UNDERLYING RATIOS

	Cash ratio	Quick ratio	Current ratio	Operating ratio	Surplus (or deficit) per capita	Net asset ratio	Long-term liability ratio	Long-term liability per capita
<b>South Dakota</b>	<b>6.14</b>	<b>8.36</b>	<b>8.51</b>	<b>1.04</b>	<b>\$647</b>	<b>0.34</b>	<b>0.10</b>	<b>\$803</b>
National average	2.68	3.66	3.93	1.04	\$150	-0.17	0.61	\$4,272

	Tax-to-income ratio	Revenue-to-income ratio	Expenses-to-income ratio	Pension-to-income ratio	OPEB-to-income ratio
<b>South Dakota</b>	<b>0.04</b>	<b>0.10</b>	<b>0.10</b>	<b>0.25</b>	<b>n/a*</b>
National average	0.06	0.13	0.13	0.35	0.04

\* South Dakota has an OPEB plan, but it is self-funding and, as a result, has no liability.

## KEY TERMS

- **Cash solvency** measures whether a state has enough cash to cover its short-term bills, which include accounts payable, vouchers, warrants, and short-term debt. (South Dakota ranks 4th.)
- **Budget solvency** measures whether a state can cover its fiscal year spending using current revenues. Did it run a shortfall during the year? (South Dakota ranks 11th.)
- **Long-run solvency** measures whether a state has a hedge against large long-term liabilities. Are enough assets available to cushion the state from potential shocks or long-term fiscal risks? (South Dakota ranks 4th.)
- **Service-level solvency** measures how high taxes, revenues, and spending are when compared to state personal income. Do states have enough “fiscal slack”? If spending commitments demand more revenues, are states in a good position to increase taxes without harming the economy? Is spending high or low relative to the tax base? (South Dakota ranks 5th.)
- **Trust fund solvency** measures how much debt a state has. How large are unfunded pension liabilities and OPEB liabilities compared to the state personal income? (South Dakota ranks 12th.)

*For a complete explanation of the methodology used to calculate South Dakota’s fiscal health rankings, see Eileen Norcross and Olivia Gonzalez, “Ranking the States by Fiscal Condition,” 2017 ed. (Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, July 2017).*

RANK  
**8**

# TENNESSEE

## SUMMARY

On the basis of its fiscal solvency in five separate categories, Tennessee is ranked 8th among the US states for its fiscal health. On a short-run basis, Tennessee has between 3.72 and 5.29 times the cash needed to cover short-term obligations. Revenues exceed expenses by 5 percent, and net position improved by \$213 per capita in FY 2015. Tennessee's long-run rankings are among the highest in the country. Net assets are 12 percent of total assets after debts have been paid. Long-term liabilities are 10 percent of total assets, or \$585 per capita. Total primary government debt is \$2.18 billion, or 0.8 percent of state personal income, which is among the lowest in the states. Unfunded pension liabilities, on a guaranteed-to-be-paid basis, are \$44.62 billion, or 16 percent of state personal income. OPEB is 1 percent of state personal income.

## 2015 TOTAL LONG-TERM OBLIGATIONS

### STATE DEBT

	General obligation bonds	Total primary government debt	State personal income	Ratio of debt to state personal income	Total primary debt per capita
<b>Tennessee</b>	<b>\$1.96 billion</b>	<b>\$2.18 billion</b>	<b>\$277.71 billion</b>	<b>0.8%</b>	<b>\$330</b>
National average	\$6.09 billion	\$12.71 billion	\$305.43 billion	3.7%	\$1,804

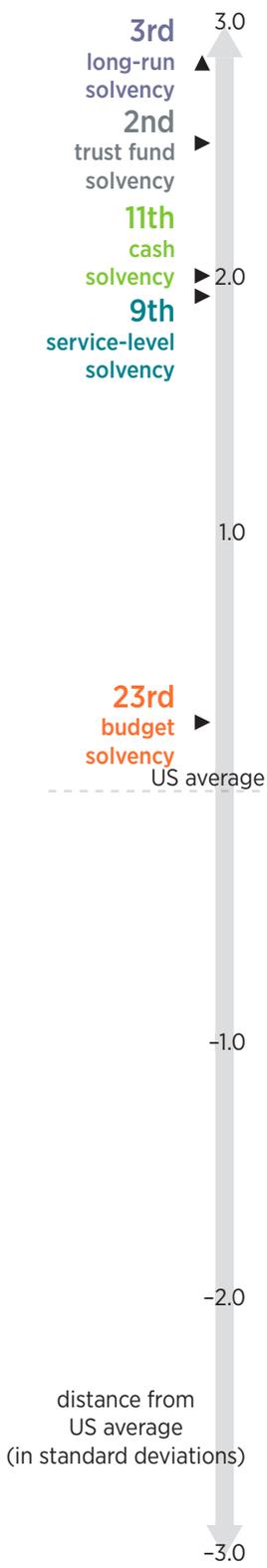
### PENSION LIABILITY

	Unfunded pension liability	Funded ratio	Market value of unfunded liability	Market value of funded liability ratio
<b>Tennessee</b>	<b>\$0.50 billion</b>	<b>99%</b>	<b>\$44.62 billion</b>	<b>49%</b>
National average	\$20.62 billion	74%	\$105.50 billion	36%

### OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	Total unfunded OPEB	Funded ratio
<b>Tennessee</b>	<b>\$1.44 billion</b>	<b>0%</b>
National average	\$12.97 billion	12%

1. Florida
2. North Dakota
3. South Dakota
4. Utah
5. Wyoming
6. Nebraska
7. Oklahoma
- 8. Tennessee**
9. Idaho
10. Montana
11. Missouri
12. Alabama
13. Ohio
14. Nevada
15. North Carolina
16. Indiana
17. Alaska
18. Virginia
19. South Carolina
20. Arkansas
21. Oregon
22. Georgia
23. Texas
24. Minnesota
25. New Hampshire
26. Washington
27. Hawaii
28. Iowa
29. Wisconsin
30. Colorado
31. Delaware
32. Kansas
33. Arizona
34. Mississippi
35. Maine
36. Michigan
37. Connecticut
38. Rhode Island
39. New York
40. Vermont
41. New Mexico
42. West Virginia
43. California
44. Louisiana
45. Pennsylvania
46. Maryland
47. Kentucky
48. Massachusetts
49. Illinois
50. New Jersey



## UNDERLYING RATIOS

	Cash ratio	Quick ratio	Current ratio	Operating ratio	Surplus (or deficit) per capita	Net asset ratio	Long-term liability ratio	Long-term liability per capita
<b>Tennessee</b>	<b>3.72</b>	<b>5.21</b>	<b>5.29</b>	<b>1.05</b>	<b>\$213</b>	<b>0.12</b>	<b>0.10</b>	<b>\$585</b>
National average	2.68	3.66	3.93	1.04	\$150	-0.17	0.61	\$4,272

	Tax-to-income ratio	Revenue-to-income ratio	Expenses-to-income ratio	Pension-to-income ratio	OPEB-to-income ratio
<b>Tennessee</b>	<b>0.05</b>	<b>0.11</b>	<b>0.10</b>	<b>0.16</b>	<b>0.01</b>
National average	0.06	0.13	0.13	0.35	0.04

## KEY TERMS

- **Cash solvency** measures whether a state has enough cash to cover its short-term bills, which include accounts payable, vouchers, warrants, and short-term debt. (Tennessee ranks 11th.)
- **Budget solvency** measures whether a state can cover its fiscal year spending using current revenues. Did it run a shortfall during the year? (Tennessee ranks 23rd.)
- **Long-run solvency** measures whether a state has a hedge against large long-term liabilities. Are enough assets available to cushion the state from potential shocks or long-term fiscal risks? (Tennessee ranks 3rd.)
- **Service-level solvency** measures how high taxes, revenues, and spending are when compared to state personal income. Do states have enough “fiscal slack”? If spending commitments demand more revenues, are states in a good position to increase taxes without harming the economy? Is spending high or low relative to the tax base? (Tennessee ranks 9th.)
- **Trust fund solvency** measures how much debt a state has. How large are unfunded pension liabilities and OPEB liabilities compared to the state personal income? (Tennessee ranks 2nd.)

*For a complete explanation of the methodology used to calculate Tennessee’s fiscal health rankings, see Eileen Norcross and Olivia Gonzalez, “Ranking the States by Fiscal Condition,” 2017 ed. (Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, July 2017).*

RANK  
**23**

# TEXAS

## SUMMARY

On the basis of its fiscal solvency in five separate categories, Texas ranks 23rd among the US states for its fiscal health. On a short-run basis, Texas has between 1.48 and 2.31 times the cash needed to cover short-term obligations. Revenues exceed expenses by 3 percent, and net position improved by \$167 per capita in FY 2015. Texas's fiscal performance is better on a long-run basis. Its net assets are 24 percent of total assets after debts have been paid. Long-run liabilities are 33 percent of total assets, or \$3,259 per capita. Total primary government debt is \$46.97 billion, or 3.7 percent of state personal income. Unfunded pension obligations, on a guaranteed-to-be-paid basis, are \$342.07 billion, or 27 percent of state personal income. OPEB is 6 percent of state personal income.

## 2015 TOTAL LONG-TERM OBLIGATIONS

### STATE DEBT

	General obligation bonds	Total primary government debt	State personal income	Ratio of debt to state personal income	Total primary debt per capita
<b>Texas</b>	<b>\$18.13 billion</b>	<b>\$46.97 billion</b>	<b>\$1,284.26 billion</b>	<b>3.7%</b>	<b>\$1,710</b>
National average	\$6.09 billion	\$12.71 billion	\$305.43 billion	3.7%	\$1,804

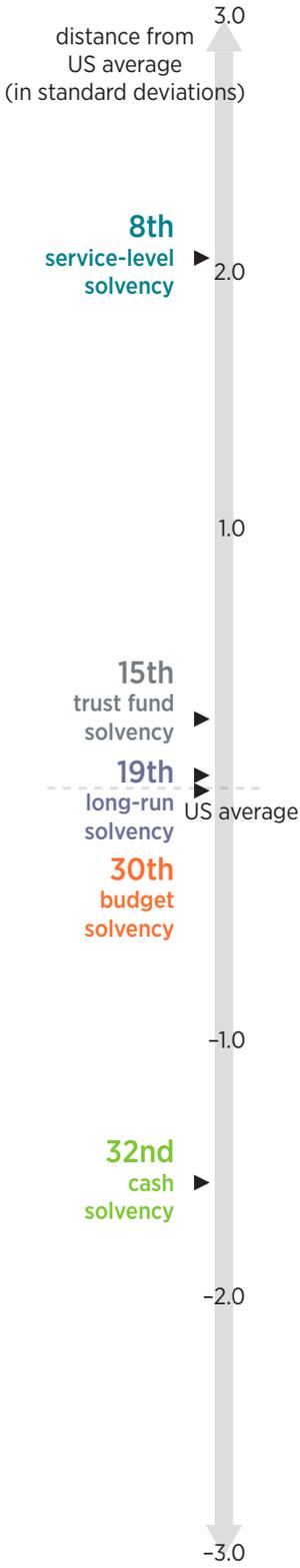
### PENSION LIABILITY

	Unfunded pension liability	Funded ratio	Market value of unfunded liability	Market value of funded liability ratio
<b>Texas</b>	<b>\$48.99 billion</b>	<b>81%</b>	<b>\$342.07 billion</b>	<b>38%</b>
National average	\$20.62 billion	74%	\$105.50 billion	36%

### OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	Total unfunded OPEB	Funded ratio
<b>Texas</b>	<b>\$79.34 billion</b>	<b>1%</b>
National average	\$12.97 billion	12%

1. Florida
2. North Dakota
3. South Dakota
4. Utah
5. Wyoming
6. Nebraska
7. Oklahoma
8. Tennessee
9. Idaho
10. Montana
11. Missouri
12. Alabama
13. Ohio
14. Nevada
15. North Carolina
16. Indiana
17. Alaska
18. Virginia
19. South Carolina
20. Arkansas
21. Oregon
22. Georgia
- 23. Texas**
24. Minnesota
25. New Hampshire
26. Washington
27. Hawaii
28. Iowa
29. Wisconsin
30. Colorado
31. Delaware
32. Kansas
33. Arizona
34. Mississippi
35. Maine
36. Michigan
37. Connecticut
38. Rhode Island
39. New York
40. Vermont
41. New Mexico
42. West Virginia
43. California
44. Louisiana
45. Pennsylvania
46. Maryland
47. Kentucky
48. Massachusetts
49. Illinois
50. New Jersey



## UNDERLYING RATIOS

	Cash ratio	Quick ratio	Current ratio	Operating ratio	Surplus (or deficit) per capita	Net asset ratio	Long-term liability ratio	Long-term liability per capita
<b>Texas</b>	<b>1.48</b>	<b>1.99</b>	<b>2.31</b>	<b>1.03</b>	<b>\$167</b>	<b>0.24</b>	<b>0.33</b>	<b>\$3,259</b>
National average	2.68	3.66	3.93	1.04	\$150	-0.17	0.61	\$4,272

	Tax-to-income ratio	Revenue-to-income ratio	Expenses-to-income ratio	Pension-to-income ratio	OPEB-to-income ratio
<b>Texas</b>	<b>0.04</b>	<b>0.11</b>	<b>0.10</b>	<b>0.27</b>	<b>0.06</b>
National average	0.06	0.13	0.13	0.35	0.04

## KEY TERMS

- **Cash solvency** measures whether a state has enough cash to cover its short-term bills, which include accounts payable, vouchers, warrants, and short-term debt. (Texas ranks 32nd.)
- **Budget solvency** measures whether a state can cover its fiscal year spending using current revenues. Did it run a shortfall during the year? (Texas ranks 30th.)
- **Long-run solvency** measures whether a state has a hedge against large long-term liabilities. Are enough assets available to cushion the state from potential shocks or long-term fiscal risks? (Texas ranks 19th.)
- **Service-level solvency** measures how high taxes, revenues, and spending are when compared to state personal income. Do states have enough “fiscal slack”? If spending commitments demand more revenues, are states in a good position to increase taxes without harming the economy? Is spending high or low relative to the tax base? (Texas ranks 8th.)
- **Trust fund solvency** measures how much debt a state has. How large are unfunded pension liabilities and OPEB liabilities compared to the state personal income? (Texas ranks 15th.)

For a complete explanation of the methodology used to calculate Texas’s fiscal health rankings, see Eileen Norcross and Olivia Gonzalez, “Ranking the States by Fiscal Condition,” 2017 ed. (Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, July 2017).

RANK  
**4**

**UTAH**

**SUMMARY**

On the basis of its fiscal solvency in five separate categories, Utah is ranked 4th among the US states for its fiscal health. On a short-run basis, Utah has between 4.05 and 10.07 times the cash needed to cover short-term obligations. Revenues exceed expenses by 13 percent, and net position improved by \$481 per capita in FY 2015. On a long-run basis, net assets are 26 percent of total assets after debts have been paid. Long-term liabilities are 23 percent of total assets, or \$2,336 per capita. Total primary government debt is \$5.93 billion, or 5.1 percent of state personal income. Utah’s lowest ranking is for trust fund solvency. Unfunded pension liabilities, on a guaranteed-to-be-paid-basis, are \$35.66 billion, or 30 percent of state personal income.

**2015 TOTAL LONG-TERM OBLIGATIONS**

**STATE DEBT**

	General obligation bonds	Total primary government debt	State personal income	Ratio of debt to state personal income	Total primary debt per capita
<b>Utah</b>	<b>\$2.95 billion</b>	<b>\$5.93 billion</b>	<b>\$116.99 billion</b>	<b>5.1%</b>	<b>\$1,979</b>
National average	\$6.09 billion	\$12.71 billion	\$305.43 billion	3.7%	\$1,804

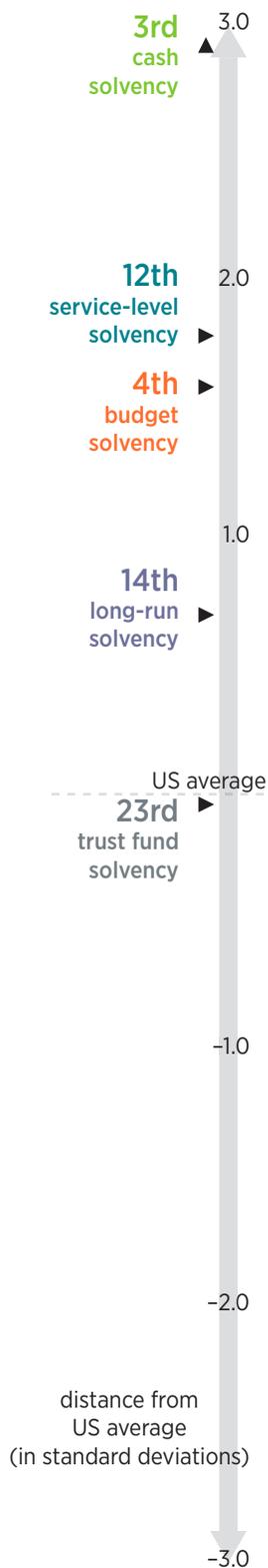
**PENSION LIABILITY**

	Unfunded pension liability	Funded ratio	Market value of unfunded liability	Market value of funded liability ratio
<b>Utah</b>	<b>\$4.02 billion</b>	<b>87%</b>	<b>\$35.66 billion</b>	<b>43%</b>
National average	\$20.62 billion	74%	\$105.50 billion	36%

**OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

	Total unfunded OPEB	Funded ratio
<b>Utah</b>	<b>\$0.18 billion</b>	<b>54%</b>
National average	\$12.97 billion	12%

1. Florida
2. North Dakota
3. South Dakota
- 4. Utah**
5. Wyoming
6. Nebraska
7. Oklahoma
8. Tennessee
9. Idaho
10. Montana
11. Missouri
12. Alabama
13. Ohio
14. Nevada
15. North Carolina
16. Indiana
17. Alaska
18. Virginia
19. South Carolina
20. Arkansas
21. Oregon
22. Georgia
23. Texas
24. Minnesota
25. New Hampshire
26. Washington
27. Hawaii
28. Iowa
29. Wisconsin
30. Colorado
31. Delaware
32. Kansas
33. Arizona
34. Mississippi
35. Maine
36. Michigan
37. Connecticut
38. Rhode Island
39. New York
40. Vermont
41. New Mexico
42. West Virginia
43. California
44. Louisiana
45. Pennsylvania
46. Maryland
47. Kentucky
48. Massachusetts
49. Illinois
50. New Jersey



## UNDERLYING RATIOS

	Cash ratio	Quick ratio	Current ratio	Operating ratio	Surplus (or deficit) per capita	Net asset ratio	Long-term liability ratio	Long-term liability per capita
<b>Utah</b>	<b>4.05</b>	<b>9.77</b>	<b>10.07</b>	<b>1.13</b>	<b>\$481</b>	<b>0.26</b>	<b>0.23</b>	<b>\$2,336</b>
National average	2.68	3.66	3.93	1.04	\$150	-0.17	0.61	\$4,272

	Tax-to-income ratio	Revenue-to-income ratio	Expenses-to-income ratio	Pension-to-income ratio	OPEB-to-income ratio
<b>Utah</b>	<b>0.06</b>	<b>0.11</b>	<b>0.10</b>	<b>0.30</b>	<b>0.00</b>
National average	0.06	0.13	0.13	0.35	0.04

## KEY TERMS

- **Cash solvency** measures whether a state has enough cash to cover its short-term bills, which include accounts payable, vouchers, warrants, and short-term debt. (Utah ranks 3rd.)
- **Budget solvency** measures whether a state can cover its fiscal year spending using current revenues. Did it run a shortfall during the year? (Utah ranks 4th.)
- **Long-run solvency** measures whether a state has a hedge against large long-term liabilities. Are enough assets available to cushion the state from potential shocks or long-term fiscal risks? (Utah ranks 14th.)
- **Service-level solvency** measures how high taxes, revenues, and spending are when compared to state personal income. Do states have enough “fiscal slack”? If spending commitments demand more revenues, are states in a good position to increase taxes without harming the economy? Is spending high or low relative to the tax base? (Utah ranks 12th.)
- **Trust fund solvency** measures how much debt a state has. How large are unfunded pension liabilities and OPEB liabilities compared to the state personal income? (Utah ranks 23rd.)

*For a complete explanation of the methodology used to calculate Utah’s fiscal health rankings, see Eileen Norcross and Olivia Gonzalez, “Ranking the States by Fiscal Condition,” 2017 ed. (Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, July 2017).*

RANK  
**40**

# VERMONT

## SUMMARY

On the basis of its fiscal solvency in five separate categories, Vermont is ranked 40th in the US states for its fiscal health. On a short-run basis, Vermont has between 1.28 and 2.22 times the cash needed to cover short-term obligations. Revenues exceed expenses by 4 percent, and net position improved by \$358 per capita in FY 2015. On a long-run basis, Vermont has a negative net asset ratio of 0.28, pointing to the use of debt financing and to pension and OPEB obligations. Long-term liabilities are 62 percent of total assets, or \$4,282 per capita. Total primary government debt is \$630 million, or 2.1 percent of state personal income. Vermont's best ranking is for trust fund solvency. Unfunded pension obligations, on a guaranteed-to-be-paid basis, are \$8.14 billion, or 27 percent of state personal income. OPEB is 7 percent of state personal income.

## 2015 TOTAL LONG-TERM OBLIGATIONS

### STATE DEBT

	General obligation bonds	Total primary government debt	State personal income	Ratio of debt to state personal income	Total primary debt per capita
<b>Vermont</b>	<b>\$0.59 billion</b>	<b>\$0.63 billion</b>	<b>\$29.97 billion</b>	<b>2.1%</b>	<b>\$1,004</b>
National average	\$6.09 billion	\$12.71 billion	\$305.43 billion	3.7%	\$1,804

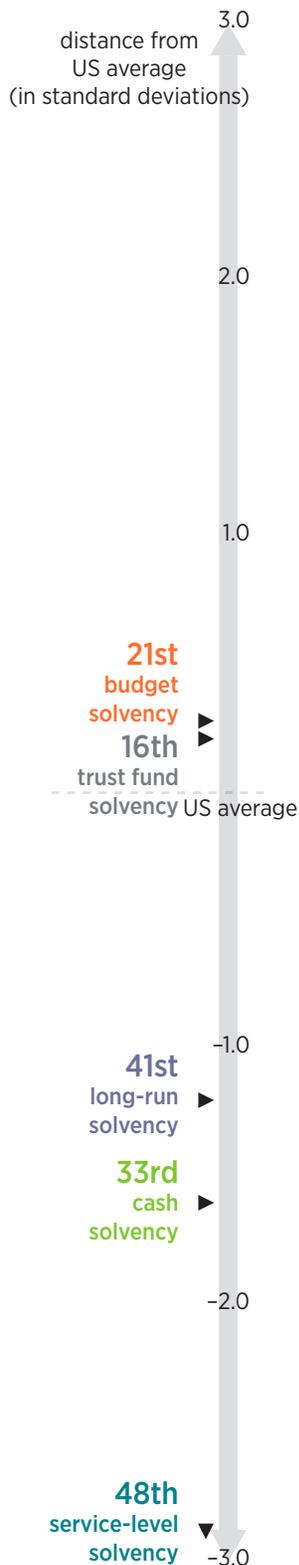
### PENSION LIABILITY

	Unfunded pension liability	Funded ratio	Market value of unfunded liability	Market value of funded liability ratio
<b>Vermont</b>	<b>\$1.80 billion</b>	<b>67%</b>	<b>\$8.14 billion</b>	<b>31%</b>
National average	\$20.62 billion	74%	\$105.50 billion	36%

### OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	Total unfunded OPEB	Funded ratio
<b>Vermont</b>	<b>\$2.10 billion</b>	<b>0%</b>
National average	\$12.97 billion	12%

1. Florida
2. North Dakota
3. South Dakota
4. Utah
5. Wyoming
6. Nebraska
7. Oklahoma
8. Tennessee
9. Idaho
10. Montana
11. Missouri
12. Alabama
13. Ohio
14. Nevada
15. North Carolina
16. Indiana
17. Alaska
18. Virginia
19. South Carolina
20. Arkansas
21. Oregon
22. Georgia
23. Texas
24. Minnesota
25. New Hampshire
26. Washington
27. Hawaii
28. Iowa
29. Wisconsin
30. Colorado
31. Delaware
32. Kansas
33. Arizona
34. Mississippi
35. Maine
36. Michigan
37. Connecticut
38. Rhode Island
39. New York
- 40. Vermont**
41. New Mexico
42. West Virginia
43. California
44. Louisiana
45. Pennsylvania
46. Maryland
47. Kentucky
48. Massachusetts
49. Illinois
50. New Jersey



## UNDERLYING RATIOS

	Cash ratio	Quick ratio	Current ratio	Operating ratio	Surplus (or deficit) per capita	Net asset ratio	Long-term liability ratio	Long-term liability per capita
<b>Vermont</b>	<b>1.28</b>	<b>2.18</b>	<b>2.22</b>	<b>1.04</b>	<b>\$358</b>	<b>-0.28</b>	<b>0.62</b>	<b>\$4,282</b>
National average	2.68	3.66	3.93	1.04	\$150	-0.17	0.61	\$4,272

	Tax-to-income ratio	Revenue-to-income ratio	Expenses-to-income ratio	Pension-to-income ratio	OPEB-to-income ratio
<b>Vermont</b>	<b>0.10</b>	<b>0.20</b>	<b>0.19</b>	<b>0.27</b>	<b>0.07</b>
National average	0.06	0.13	0.13	0.35	0.04

## KEY TERMS

- **Cash solvency** measures whether a state has enough cash to cover its short-term bills, which include accounts payable, vouchers, warrants, and short-term debt. (Vermont ranks 33rd.)
- **Budget solvency** measures whether a state can cover its fiscal year spending using current revenues. Did it run a shortfall during the year? (Vermont ranks 21st.)
- **Long-run solvency** measures whether a state has a hedge against large long-term liabilities. Are enough assets available to cushion the state from potential shocks or long-term fiscal risks? (Vermont ranks 41st.)
- **Service-level solvency** measures how high taxes, revenues, and spending are when compared to state personal income. Do states have enough “fiscal slack”? If spending commitments demand more revenues, are states in a good position to increase taxes without harming the economy? Is spending high or low relative to the tax base? (Vermont ranks 48th.)
- **Trust fund solvency** measures how much debt a state has. How large are unfunded pension liabilities and OPEB liabilities compared to the state personal income? (Vermont ranks 16th.)

*For a complete explanation of the methodology used to calculate Vermont’s fiscal health rankings, see Eileen Norcross and Olivia Gonzalez, “Ranking the States by Fiscal Condition,” 2017 ed. (Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, July 2017).*

RANK  
**18**

# VIRGINIA

## SUMMARY

On the basis of its fiscal solvency in five separate categories, Virginia is ranked 18th among the US states for its fiscal health. On a short-run basis, Virginia has between 1.68 and 2.46 times the cash needed to cover short-term obligations. Revenues exceed expenses by 3 percent, and net position improved by \$140 per capita in FY 2015. Virginia's fiscal performance is stronger on a long-run basis. Virginia has a net asset ratio of -0.06. Long-term liabilities are 34 percent of total assets, or \$1,752 per capita. Total primary government debt is low at \$7.14 billion, or 1.6 percent of state personal income. Unfunded pension obligations, on a guaranteed-to-be-paid basis, are \$101.56 billion, or 23 percent of state personal income. OPEB is 1 percent of state personal income.

## 2015 TOTAL LONG-TERM OBLIGATIONS

### STATE DEBT

	General obligation bonds	Total primary government debt	State personal income	Ratio of debt to state personal income	Total primary debt per capita
<b>Virginia</b>	<b>\$0.68 billion</b>	<b>\$7.14 billion</b>	<b>\$437.11 billion</b>	<b>1.6%</b>	<b>\$851</b>
National average	\$6.09 billion	\$12.71 billion	\$305.43 billion	3.7%	\$1,804

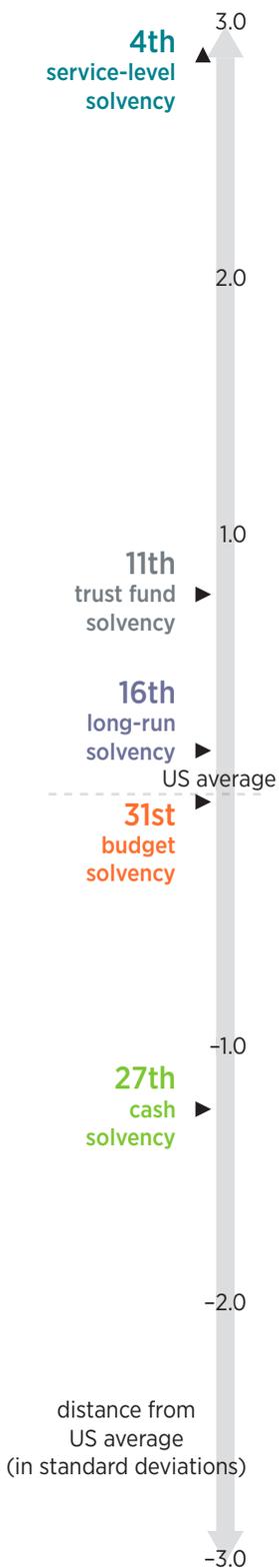
### PENSION LIABILITY

	Unfunded pension liability	Funded ratio	Market value of unfunded liability	Market value of funded liability ratio
<b>Virginia</b>	<b>\$23.88 billion</b>	<b>73%</b>	<b>\$101.56 billion</b>	<b>39%</b>
National average	\$20.62 billion	74%	\$105.50 billion	36%

### OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	Total unfunded OPEB	Funded ratio
<b>Virginia</b>	<b>\$5.10 billion</b>	<b>23%</b>
National average	\$12.97 billion	12%

1. Florida
2. North Dakota
3. South Dakota
4. Utah
5. Wyoming
6. Nebraska
7. Oklahoma
8. Tennessee
9. Idaho
10. Montana
11. Missouri
12. Alabama
13. Ohio
14. Nevada
15. North Carolina
16. Indiana
17. Alaska
- 18. Virginia**
19. South Carolina
20. Arkansas
21. Oregon
22. Georgia
23. Texas
24. Minnesota
25. New Hampshire
26. Washington
27. Hawaii
28. Iowa
29. Wisconsin
30. Colorado
31. Delaware
32. Kansas
33. Arizona
34. Mississippi
35. Maine
36. Michigan
37. Connecticut
38. Rhode Island
39. New York
40. Vermont
41. New Mexico
42. West Virginia
43. California
44. Louisiana
45. Pennsylvania
46. Maryland
47. Kentucky
48. Massachusetts
49. Illinois
50. New Jersey



## UNDERLYING RATIOS

	Cash ratio	Quick ratio	Current ratio	Operating ratio	Surplus (or deficit) per capita	Net asset ratio	Long-term liability ratio	Long-term liability per capita
Virginia	1.68	2.39	2.46	1.03	\$140	-0.06	0.34	\$1,752
National average	2.68	3.66	3.93	1.04	\$150	-0.17	0.61	\$4,272

	Tax-to-income ratio	Revenue-to-income ratio	Expenses-to-income ratio	Pension-to-income ratio	OPEB-to-income ratio
Virginia	0.05	0.09	0.09	0.23	0.01
National average	0.06	0.13	0.13	0.35	0.04

## KEY TERMS

- **Cash solvency** measures whether a state has enough cash to cover its short-term bills, which include accounts payable, vouchers, warrants, and short-term debt. (Virginia ranks 27th.)
- **Budget solvency** measures whether a state can cover its fiscal year spending using current revenues. Did it run a shortfall during the year? (Virginia ranks 31st.)
- **Long-run solvency** measures whether a state has a hedge against large long-term liabilities. Are enough assets available to cushion the state from potential shocks or long-term fiscal risks? (Virginia ranks 16th.)
- **Service-level solvency** measures how high taxes, revenues, and spending are when compared to state personal income. Do states have enough “fiscal slack”? If spending commitments demand more revenues, are states in a good position to increase taxes without harming the economy? Is spending high or low relative to the tax base? (Virginia ranks 4th.)
- **Trust fund solvency** measures how much debt a state has. How large are unfunded pension liabilities and OPEB liabilities compared to the state personal income? (Virginia ranks 11th.)

For a complete explanation of the methodology used to calculate Virginia’s fiscal health rankings, see Eileen Norcross and Olivia Gonzalez, “Ranking the States by Fiscal Condition,” 2017 ed. (Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, July 2017).

RANK  
**26**

# WASHINGTON

## SUMMARY

On the basis of its fiscal solvency in five separate categories, Washington is ranked 26th among the US states for its fiscal health. In the short-run, Washington has between 1.73 and 3.59 times the cash needed to cover short-term obligations. Revenues exceed expenses by 1 percent, and net position improved by \$42 per capita in FY 2015. On a long-run basis, Washington has no net assets remaining after debts have been met. Long-term liabilities are 68 percent of total assets, or \$8,445 per capita, which is nearly two times the average in the states. Total primary government debt is \$24.82 billion, or 6.8 percent of state personal income. Unfunded pension obligations are \$103.4 billion, or 28 percent of state personal income. OPEB is 3 percent of state personal income.

## 2015 TOTAL LONG-TERM OBLIGATIONS

### STATE DEBT

	General obligation bonds	Total primary government debt	State personal income	Ratio of debt to state personal income	Total primary debt per capita
<b>Washington</b>	<b>\$19.87 billion</b>	<b>\$24.82 billion</b>	<b>\$366.79 billion</b>	<b>6.8%</b>	<b>\$3,461</b>
National average	\$6.09 billion	\$12.71 billion	\$305.43 billion	3.7%	\$1,804

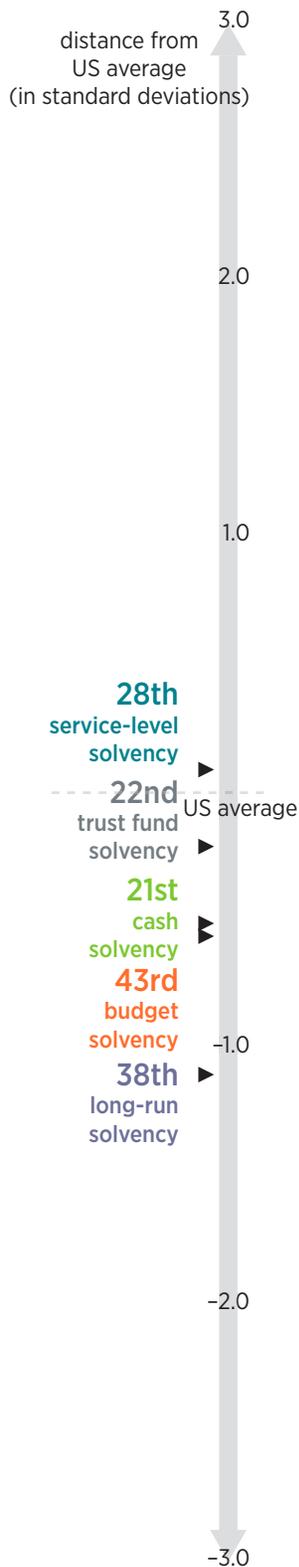
### PENSION LIABILITY

	Unfunded pension liability	Funded ratio	Market value of unfunded liability	Market value of funded liability ratio
<b>Washington</b>	<b>\$12.12 billion</b>	<b>86%</b>	<b>\$103.40 billion</b>	<b>41%</b>
National average	\$20.62 billion	74%	\$105.50 billion	36%

### OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	Total unfunded OPEB	Funded ratio
<b>Washington</b>	<b>\$10.88 billion</b>	<b>0%</b>
National average	\$12.97 billion	12%

1. Florida
2. North Dakota
3. South Dakota
4. Utah
5. Wyoming
6. Nebraska
7. Oklahoma
8. Tennessee
9. Idaho
10. Montana
11. Missouri
12. Alabama
13. Ohio
14. Nevada
15. North Carolina
16. Indiana
17. Alaska
18. Virginia
19. South Carolina
20. Arkansas
21. Oregon
22. Georgia
23. Texas
24. Minnesota
25. New Hampshire
- 26. Washington**
27. Hawaii
28. Iowa
29. Wisconsin
30. Colorado
31. Delaware
32. Kansas
33. Arizona
34. Mississippi
35. Maine
36. Michigan
37. Connecticut
38. Rhode Island
39. New York
40. Vermont
41. New Mexico
42. West Virginia
43. California
44. Louisiana
45. Pennsylvania
46. Maryland
47. Kentucky
48. Massachusetts
49. Illinois
50. New Jersey



## UNDERLYING RATIOS

	Cash ratio	Quick ratio	Current ratio	Operating ratio	Surplus (or deficit) per capita	Net asset ratio	Long-term liability ratio	Long-term liability per capita
<b>Washington</b>	<b>1.73</b>	<b>2.88</b>	<b>3.59</b>	<b>1.01</b>	<b>\$42</b>	<b>0.00</b>	<b>0.68</b>	<b>\$8,445</b>
National average	2.68	3.66	3.93	1.04	\$150	-0.17	0.61	\$4,272

	Tax-to-income ratio	Revenue-to-income ratio	Expenses-to-income ratio	Pension-to-income ratio	OPEB-to-income ratio
<b>Washington</b>	<b>0.05</b>	<b>0.13</b>	<b>0.13</b>	<b>0.28</b>	<b>0.03</b>
National average	0.06	0.13	0.13	0.35	0.04

## KEY TERMS

- **Cash solvency** measures whether a state has enough cash to cover its short-term bills, which include accounts payable, vouchers, warrants, and short-term debt. (Washington ranks 21st.)
- **Budget solvency** measures whether a state can cover its fiscal year spending using current revenues. Did it run a shortfall during the year? (Washington ranks 43rd.)
- **Long-run solvency** measures whether a state has a hedge against large long-term liabilities. Are enough assets available to cushion the state from potential shocks or long-term fiscal risks? (Washington ranks 38th.)
- **Service-level solvency** measures how high taxes, revenues, and spending are when compared to state personal income. Do states have enough “fiscal slack”? If spending commitments demand more revenues, are states in a good position to increase taxes without harming the economy? Is spending high or low relative to the tax base? (Washington ranks 28th.)
- **Trust fund solvency** measures how much debt a state has. How large are unfunded pension liabilities and OPEB liabilities compared to the state personal income? (Washington ranks 22nd.)

*For a complete explanation of the methodology used to calculate Washington’s fiscal health rankings, see Eileen Norcross and Olivia Gonzalez, “Ranking the States by Fiscal Condition,” 2017 ed. (Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, July 2017).*

# RANK 42 WEST VIRGINIA

## SUMMARY

On the basis of its fiscal solvency in five separate categories, West Virginia is ranked 42nd among the US states for fiscal health. On a short-run basis, West Virginia has between 1.45 and 1.95 times the cash needed to cover short-term obligations. Revenues exceed expenses by 3 percent, and net position improved by \$221 per capita in FY 2015. In the long run, West Virginia's net asset ratio is -0.13, and long-term liabilities are 43 percent of total assets, or \$4,223 per capita. Total primary government debt is \$2.08 billion, or 3.1 percent of state personal income. West Virginia has a relatively high level of revenues and expenses as a percent of state personal income. Unfunded pension liabilities, on a guaranteed-to-be-paid basis, are \$22.78 billion, or 33 percent of state personal income. OPEB is 4 percent of state personal income.

## 2015 TOTAL LONG-TERM OBLIGATIONS

### STATE DEBT

	General obligation bonds	Total primary government debt	State personal income	Ratio of debt to state personal income	Total primary debt per capita
<b>West Virginia</b>	<b>\$0.41 billion</b>	<b>\$2.08 billion</b>	<b>\$68.33 billion</b>	<b>3.1%</b>	<b>\$1,130</b>
National average	\$6.09 billion	\$12.71 billion	\$305.43 billion	3.7%	\$1,804

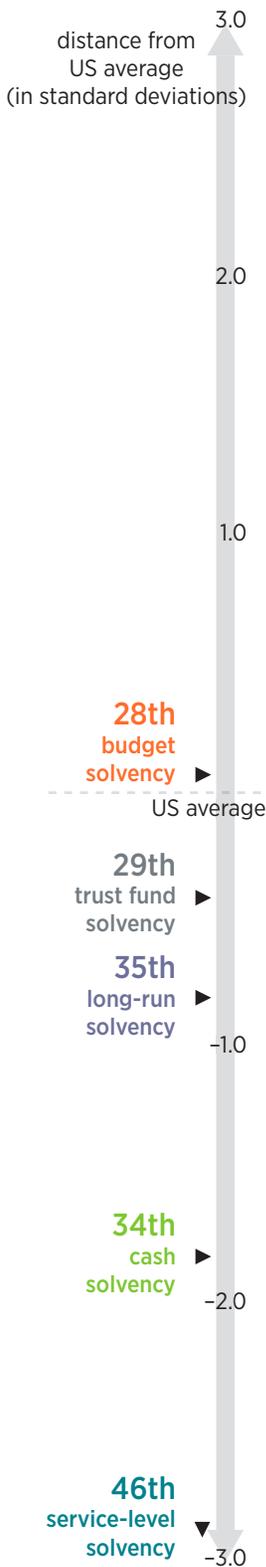
### PENSION LIABILITY

	Unfunded pension liability	Funded ratio	Market value of unfunded liability	Market value of funded liability ratio
<b>West Virginia</b>	<b>\$5.55 billion</b>	<b>67%</b>	<b>\$22.78 billion</b>	<b>33%</b>
National average	\$20.62 billion	74%	\$105.50 billion	36%

### OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	Total unfunded OPEB	Funded ratio
<b>West Virginia</b>	<b>\$2.73 billion</b>	<b>20%</b>
National average	\$12.97 billion	12%

1. Florida
2. North Dakota
3. South Dakota
4. Utah
5. Wyoming
6. Nebraska
7. Oklahoma
8. Tennessee
9. Idaho
10. Montana
11. Missouri
12. Alabama
13. Ohio
14. Nevada
15. North Carolina
16. Indiana
17. Alaska
18. Virginia
19. South Carolina
20. Arkansas
21. Oregon
22. Georgia
23. Texas
24. Minnesota
25. New Hampshire
26. Washington
27. Hawaii
28. Iowa
29. Wisconsin
30. Colorado
31. Delaware
32. Kansas
33. Arizona
34. Mississippi
35. Maine
36. Michigan
37. Connecticut
38. Rhode Island
39. New York
40. Vermont
41. New Mexico
- 42. West Virginia**
43. California
44. Louisiana
45. Pennsylvania
46. Maryland
47. Kentucky
48. Massachusetts
49. Illinois
50. New Jersey



## UNDERLYING RATIOS

	Cash ratio	Quick ratio	Current ratio	Operating ratio	Surplus (or deficit) per capita	Net asset ratio	Long-term liability ratio	Long-term liability per capita
<b>West Virginia</b>	<b>1.45</b>	<b>1.72</b>	<b>1.95</b>	<b>1.03</b>	<b>\$221</b>	<b>-0.13</b>	<b>0.43</b>	<b>\$4,223</b>
National average	2.68	3.66	3.93	1.04	\$150	0.17	0.61	\$4,272

	Tax-to-income ratio	Revenue-to-income ratio	Expenses-to-income ratio	Pension-to-income ratio	OPEB-to-income ratio
<b>West Virginia</b>	<b>0.08</b>	<b>0.18</b>	<b>0.17</b>	<b>0.33</b>	<b>0.04</b>
National average	0.06	0.13	0.13	0.35	0.04

## KEY TERMS

- **Cash solvency** measures whether a state has enough cash to cover its short-term bills, which include accounts payable, vouchers, warrants, and short-term debt. (West Virginia ranks 34th.)
- **Budget solvency** measures whether a state can cover its fiscal year spending using current revenues. Did it run a shortfall during the year? (West Virginia ranks 28th.)
- **Long-run solvency** measures whether a state has a hedge against large long-term liabilities. Are enough assets available to cushion the state from potential shocks or long-term fiscal risks? (West Virginia ranks 35th.)
- **Service-level solvency** measures how high taxes, revenues, and spending are when compared to state personal income. Do states have enough “fiscal slack”? If spending commitments demand more revenues, are states in a good position to increase taxes without harming the economy? Is spending high or low relative to the tax base? (West Virginia ranks 46th.)
- **Trust fund solvency** measures how much debt a state has. How large are unfunded pension liabilities and OPEB liabilities compared to the state personal income? (West Virginia ranks 29th.)

For a complete explanation of the methodology used to calculate West Virginia’s fiscal health rankings, see Eileen Norcross and Olivia Gonzalez, “Ranking the States by Fiscal Condition,” 2017 ed. (Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, July 2017).

RANK  
**29**

# WISCONSIN

## SUMMARY

On the basis of its fiscal solvency in five separate categories, Wisconsin is ranked 29th among the US states for its fiscal health. On a short-run basis, Wisconsin has between 97 percent and 196 percent of the cash needed to cover short-term obligations. Revenues exceed expenses by 4 percent, and net position improved by \$227 per capita in FY 2015. On a long-run basis, Wisconsin has a slightly negative net asset ratio of 0.02. Long-term liabilities are 36 percent of total assets, or \$2,693 per capita. Total primary government debt is \$13.69 billion, or 5.2 percent of state personal income. Wisconsin's ranking for trust fund solvency is among the highest in the country. Unfunded pension obligations, on a guaranteed-to-be-paid-basis, are \$47.74 billion, or 18 percent of state personal income. OPEB is 0.34 percent of state personal income.

## 2015 TOTAL LONG-TERM OBLIGATIONS

### STATE DEBT

	General obligation bonds	Total primary government debt	State personal income	Ratio of debt to state personal income	Total primary debt per capita
<b>Wisconsin</b>	<b>\$7.45 billion</b>	<b>\$13.69 billion</b>	<b>\$263.30 billion</b>	<b>5.2%</b>	<b>\$2,373</b>
National average	\$6.09 billion	\$12.71 billion	\$305.43 billion	3.7%	\$1,804

### PENSION LIABILITY

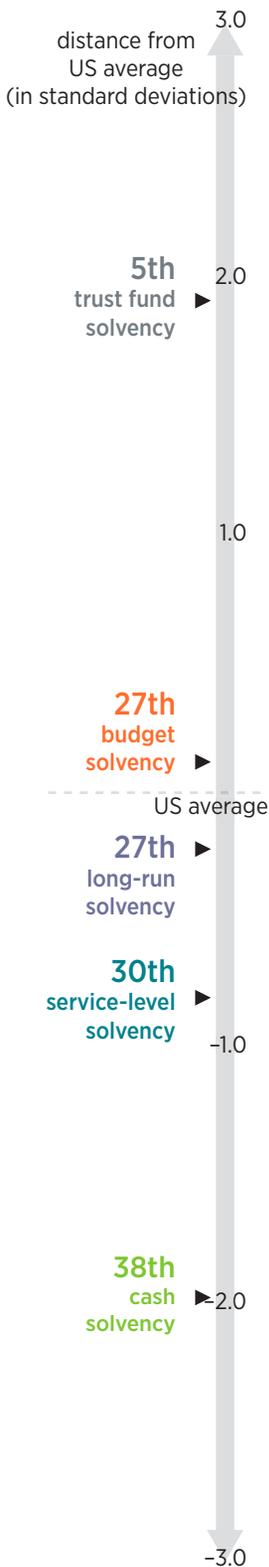
	Unfunded pension liability	Funded ratio	Market value of unfunded liability	Market value of funded liability ratio
<b>Wisconsin</b>	<b>\$0.02 billion</b>	<b>100%</b>	<b>\$47.74 billion</b>	<b>66%</b>
National average	\$20.62 billion	74%	\$105.50 billion	36%

### OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	Total unfunded OPEB	Funded ratio
<b>Wisconsin</b>	<b>\$0.89 billion</b>	<b>0%</b>
National average	\$12.97 billion	12%

1. Florida
2. North Dakota
3. South Dakota
4. Utah
5. Wyoming
6. Nebraska
7. Oklahoma
8. Tennessee
9. Idaho
10. Montana
11. Missouri
12. Alabama
13. Ohio
14. Nevada
15. North Carolina
16. Indiana
17. Alaska
18. Virginia
19. South Carolina
20. Arkansas
21. Oregon
22. Georgia
23. Texas
24. Minnesota
25. New Hampshire
26. Washington
27. Hawaii
28. Iowa
- 29. Wisconsin**
30. Colorado
31. Delaware
32. Kansas
33. Arizona
34. Mississippi
35. Maine
36. Michigan
37. Connecticut
38. Rhode Island
39. New York
40. Vermont
41. New Mexico
42. West Virginia
43. California
44. Louisiana
45. Pennsylvania
46. Maryland
47. Kentucky
48. Massachusetts
49. Illinois
50. New Jersey





## UNDERLYING RATIOS

	Cash ratio	Quick ratio	Current ratio	Operating ratio	Surplus (or deficit) per capita	Net asset ratio	Long-term liability ratio	Long-term liability per capita
<b>Wisconsin</b>	<b>0.97</b>	<b>1.91</b>	<b>1.96</b>	<b>1.04</b>	<b>\$227</b>	<b>-0.02</b>	<b>0.36</b>	<b>\$2,693</b>
National average	2.68	3.66	3.93	1.04	\$150	-0.17	0.61	\$4,272

	Tax-to-income ratio	Revenue-to-income ratio	Expenses-to-income ratio	Pension-to-income ratio	OPEB-to-income ratio
<b>Wisconsin</b>	<b>0.06</b>	<b>0.14</b>	<b>0.13</b>	<b>0.18</b>	<b>0.00</b>
National average	0.06	0.13	0.13	0.35	0.04

## KEY TERMS

- **Cash solvency** measures whether a state has enough cash to cover its short-term bills, which include accounts payable, vouchers, warrants, and short-term debt. (Wisconsin ranks 38th.)
- **Budget solvency** measures whether a state can cover its fiscal year spending using current revenues. Did it run a shortfall during the year? (Wisconsin ranks 27th.)
- **Long-run solvency** measures whether a state has a hedge against large long-term liabilities. Are enough assets available to cushion the state from potential shocks or long-term fiscal risks? (Wisconsin ranks 27th.)
- **Service-level solvency** measures how high taxes, revenues, and spending are when compared to state personal income. Do states have enough “fiscal slack”? If spending commitments demand more revenues, are states in a good position to increase taxes without harming the economy? Is spending high or low relative to the tax base? (Wisconsin ranks 30th.)
- **Trust fund solvency** measures how much debt a state has. How large are unfunded pension liabilities and OPEB liabilities compared to the state personal income? (Wisconsin ranks 5th.)

*For a complete explanation of the methodology used to calculate Wisconsin’s fiscal health rankings, see Eileen Norcross and Olivia Gonzalez, “Ranking the States by Fiscal Condition,” 2017 ed. (Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, July 2017).*

RANK  
**5**

# WYOMING

## SUMMARY

On the basis of its fiscal solvency in five separate categories, Wyoming is ranked 5th among the US states for fiscal health. On a short-run basis, Wyoming has between 6.44 and 7.13 times the cash needed to cover short-term obligations. Revenues exceed expenses by 11 percent, and net position improved by \$858 per capita in FY 2015. On a long-run basis, net assets are 72 percent of total assets. Long-term liabilities are 10 percent of total assets, or \$4,136 per capita. Total primary government debt is \$3 billion, or \$45 per capita. Wyoming's favorable ranking for long-run solvency is offset by its low ranking for trust fund solvency. Unfunded pension obligations, on a guaranteed-to-be-paid basis, are \$12.92 billion, or 40 percent of state personal income. OPEB is 1 percent of state personal income.

## 2015 TOTAL LONG-TERM OBLIGATIONS

### STATE DEBT

	General obligation bonds	Total primary government debt	State personal income	Ratio of debt to state personal income	Total primary debt per capita
<b>Wyoming</b>	<b>\$0.00 billion</b>	<b>\$0.03 billion</b>	<b>\$32.42 billion</b>	<b>0.1%</b>	<b>\$45</b>
National average	\$6.09 billion	\$12.71 billion	\$305.43 billion	3.7%	\$1,804

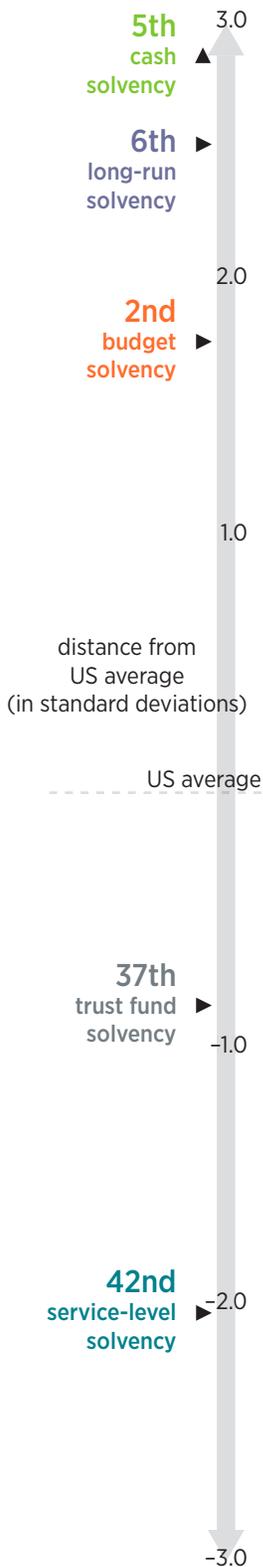
### PENSION LIABILITY

	Unfunded pension liability	Funded ratio	Market value of unfunded liability	Market value of funded liability ratio
<b>Wyoming</b>	<b>\$2.09 billion</b>	<b>79%</b>	<b>\$12.92 billion</b>	<b>38%</b>
National average	\$20.62 billion	74%	\$105.50 billion	36%

### OTHER POSTEMPLOYMENT BENEFITS (OPEB)

	Total unfunded OPEB	Funded ratio
<b>Wyoming</b>	<b>\$0.24 billion</b>	<b>0%</b>
National average	\$12.97 billion	12%

1. Florida
2. North Dakota
3. South Dakota
4. Utah
- 5. Wyoming**
6. Nebraska
7. Oklahoma
8. Tennessee
9. Idaho
10. Montana
11. Missouri
12. Alabama
13. Ohio
14. Nevada
15. North Carolina
16. Indiana
17. Alaska
18. Virginia
19. South Carolina
20. Arkansas
21. Oregon
22. Georgia
23. Texas
24. Minnesota
25. New Hampshire
26. Washington
27. Hawaii
28. Iowa
29. Wisconsin
30. Colorado
31. Delaware
32. Kansas
33. Arizona
34. Mississippi
35. Maine
36. Michigan
37. Connecticut
38. Rhode Island
39. New York
40. Vermont
41. New Mexico
42. West Virginia
43. California
44. Louisiana
45. Pennsylvania
46. Maryland
47. Kentucky
48. Massachusetts
49. Illinois
50. New Jersey



## UNDERLYING RATIOS

	Cash ratio	Quick ratio	Current ratio	Operating ratio	Surplus (or deficit) per capita	Net asset ratio	Long-term liability ratio	Long-term liability per capita
<b>Wyoming</b>	<b>6.44</b>	<b>6.88</b>	<b>7.13</b>	<b>1.11</b>	<b>\$858</b>	<b>0.72</b>	<b>0.10</b>	<b>\$4,136</b>
National average	2.68	3.66	3.93	1.04	\$150	-0.17	0.61	\$4,272

	Tax-to-income ratio	Revenue-to-income ratio	Expenses-to-income ratio	Pension-to-income ratio	OPEB-to-income ratio
<b>Wyoming</b>	<b>0.08</b>	<b>0.16</b>	<b>0.14</b>	<b>0.40</b>	<b>0.01</b>
National average	0.06	0.13	0.13	0.35	0.04

## KEY TERMS

- **Cash solvency** measures whether a state has enough cash to cover its short-term bills, which include accounts payable, vouchers, warrants, and short-term debt. (Wyoming ranks 5th.)
- **Budget solvency** measures whether a state can cover its fiscal year spending using current revenues. Did it run a shortfall during the year? (Wyoming ranks 2nd.)
- **Long-run solvency** measures whether a state has a hedge against large long-term liabilities. Are enough assets available to cushion the state from potential shocks or long-term fiscal risks? (Wyoming ranks 6th.)
- **Service-level solvency** measures how high taxes, revenues, and spending are when compared to state personal income. Do states have enough “fiscal slack”? If spending commitments demand more revenues, are states in a good position to increase taxes without harming the economy? Is spending high or low relative to the tax base? (Wyoming ranks 42nd.)
- **Trust fund solvency** measures how much debt a state has. How large are unfunded pension liabilities and OPEB liabilities compared to the state personal income? (Wyoming ranks 37th.)

For a complete explanation of the methodology used to calculate Wyoming’s fiscal health rankings, see Eileen Norcross and Olivia Gonzalez, “Ranking the States by Fiscal Condition,” 2017 ed. (Mercatus Research, Mercatus Center at George Mason University, Arlington, VA, July 2017).