

STATE EXPENDITURE REPORT

Actual Fiscal 2015				Actual Fiscal 2016				Estimated Fiscal 2017					
Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	
9	\$5,919	\$3,901	\$2,976	\$30,215	\$17,921	\$6,216	\$4,013	\$3,692	\$31,842	\$17,653	\$6,153	\$4,099	\$2,954
15	2,421	2,028	115	7,729	3,272	2,536	2,131	101	8,040	3,347	2,603	2,187	114
33	10,014	16,315	3,437	58,349	29,793	11,047	16,937	3,508	61,285	29,788	11,490	17,497	3,189



FISCAL 2015-2017 STATE SPENDING

EXAMINING FISCAL 2015-2017 STATE SPENDING

28,902	14,365	19,195	2,481	64,943	23,791	15,743	14,014	799	54,347	29,308	16,387	19,664	1,851
15,346	10,305	3,691	0	29,342	15,168	12,448	3,790	0	31,406	16,006	12,580	3,536	8
9,649	20,717	22,508	309	53,183	10,096	20,872	23,236	209	54,413	10,130	22,874	21,453	8
30,831	13,994	17,762	2,509	65,096	33,591	12,450	18,918	2,491	67,450	34,502	12,528	18,657	2,509
15,334	11,063	19,686	0	46,083	15,341	10,759	19,630	0	45,730	15,858	10,993	20,141	2,509
7,050	6,295	8,832	28	22,205	7,247	6,328	9,506	13	23,094	7,260	6,664	9,208	
6,238	3,960	4,511	381	15,090	6,115	3,635	4,959	414	15,123	6,302	3,834	5,435	
20,293	9,888	4,844	767	35,792	20,152	10,317	5,451	878	36,798	21,678	10,868	6,194	
8,772	7,495	7,830	1	24,098	9,018	7,677	7,862	71	24,628	9,153	8,186	8,046	
4,030	2,923	4,027	0	10,980	4,196	2,989	4,425	0	11,610	4,329	3,030	4,507	
3,338	1,713	2,853	19	7,923	3,013	1,607	2,832	7	7,459	2,499	1,886	2,817	
1,387	1,356	1,188	60	3,991	1,462	1,371	1,248	91	4,172	1,548	1,419	1,242	
2,225	7,480	673		25,187	7,911	9,635	7,732	560	25,838	8,086	9,911	7,438	
2,225					5,178	7,398	11,327	58	23,961	5,235	7,697	11,606	
								1,659	72,319	30,315	26,777	23,453	
										22,146	13,677	11,459	

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Preface

Since its inception in 1987, the State Expenditure Report has developed into a definitive baseline for the analysis of state spending. This edition of the report includes data from actual fiscal 2015, actual fiscal 2016, and estimated fiscal 2017. Expenditures reflected in this report represent more than 99 percent of total state spending.

Expenditure data are detailed by program area so that trends in state spending can be evaluated. The funding sources for

state expenditures also are identified. Readers are cautioned that a more complete understanding of service levels within a given state would require comparisons of spending by both state and local governments, which is not the purpose of this report. In addition, the data are self-reported by the states. Additional information on the report's methodology is provided in the Appendix.

Acknowledgments

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Executive Summary

Overview

This edition of the *State Expenditure Report* includes data from estimated fiscal 2017, actual fiscal 2016, and actual fiscal 2015. The report includes 50-state data broken down by fund source and program area, as well as information on state general fund revenue collections.

Total estimated state spending from all fund sources in fiscal 2017 reached almost \$2.0 trillion, a 5.2 percent increase over fiscal 2016. Since this survey's inception, the 31-year average annual spending growth is 5.7 percent. Fiscal 2017 spending totals were impacted by Illinois, as spending in the state returned to more historical levels following the enactment of a full-year budget. Excluding Illinois, total state spending growth in fiscal 2017 was 4.6 percent. All eight geographic regions saw at least a slight rise in total state spending in fiscal 2017, with the strongest growth reported in the Far West and the Southeast. Additionally, both spending from states' own funds (general funds and other state funds, excluding bonds) and federal funds rose in fiscal 2017, increasing 4.9 percent and 5.3 percent respectively. The rise in spending from both state and federal funds was partly driven by increases in spending for the Medicaid program. Calendar year 2017 was the first time that the 31 states which expanded Medicaid under the *Affordable Care Act* began to pay matching funds (5 percent in 2017) for that component of the program. Both higher education and transportation experienced strong spending growth from states' own funds in estimated fiscal 2017.

Total state spending grew by 2.2 percent in fiscal 2016. State funds increased by 1.8 percent while federal funds rose 3.8 percent. The more modest 1.8 percent increase in spending from states' own funds was largely driven by low growth in revenues. Although total state spending growth began to slow in fiscal 2016, all program areas except for public assistance and the "all other" category saw at least a small increase in spending. In addition, fiscal 2016 spending totals were impacted by Illinois ending the year without a fully enacted general fund budget, which led to certain areas of the state's budget receiving less funding than historical levels. Excluding Illinois, total state spending increased 2.9 percent in fiscal 2016.

Regarding revenue, state tax collections moderately increased in fiscal 2017, rising 2.2 percent, after growing just 1.8 percent in fiscal 2016, well below the historical average of 5.4 percent.

The two largest sources of state tax collections (personal income and sales taxes) saw slow year-over-year growth in both fiscal 2017 and 2016, while corporate income taxes saw a significant decline for two straight years. Looking forward, state spending growth in the near future will likely remain modest as states contend with sluggish revenue collections and moderate growth in the national economy.

State Spending Trends

Total state spending has grown each year since fiscal 2012, when total spending declined for the only time in the 31-year history of the *State Expenditure Report*. Over 55 percent of that spending growth is attributable to the Medicaid program. Medicaid annual spending growth from all fund sources has averaged 8.1 percent over the past five years, while the rest of total state spending growth has averaged 2.2 percent annually.

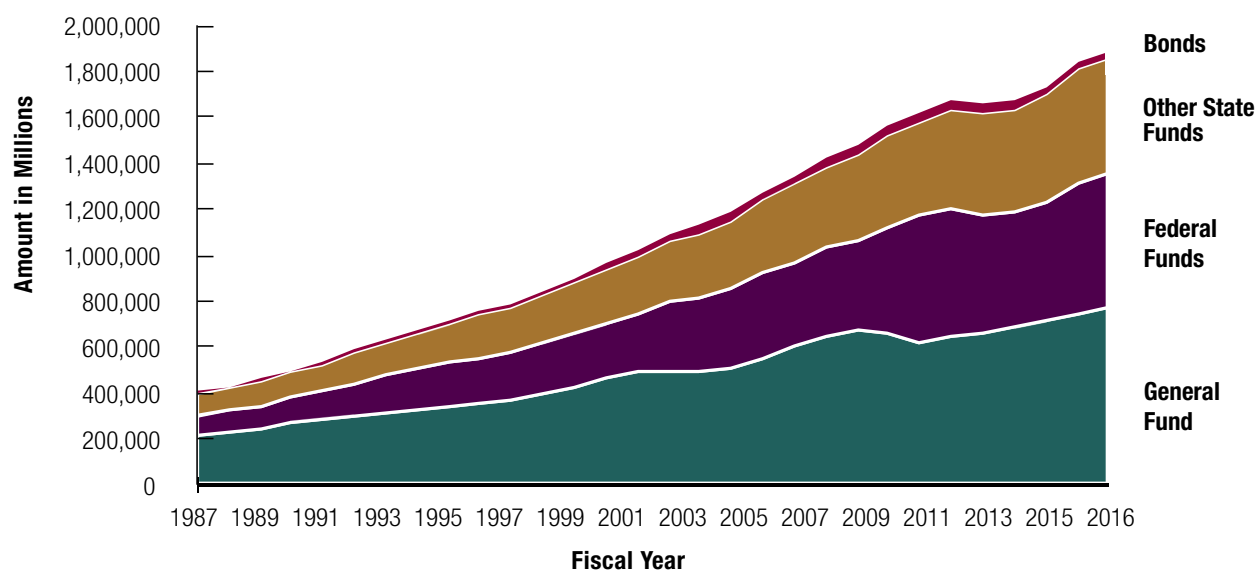
While Medicaid has largely driven total state spending growth over the last five years, total state expenditures grew in nearly all program areas in both fiscal 2016 and fiscal 2017. In fiscal 2017, it is estimated that all seven program areas experienced at least moderate growth, ranging from the public assistance category at 1.0 percent to Medicaid at 6.1 percent. In fiscal 2016, elementary and secondary education, higher education, Medicaid, corrections, and transportation all experienced growth, while public assistance and the "all other" category slightly declined.

Overall, total state expenditures (including general funds, other state funds, bonds and federal funds) declined 1.1 percent in fiscal 2012, increased 1.0 percent in fiscal 2013, rose 3.8 percent in fiscal 2014, increased 6.4 percent in fiscal 2015, rose 2.2 percent in fiscal 2016, and are estimated to have grown 5.2 percent in fiscal 2017.

Additionally, nearly all geographic regions experienced increased spending from state funds, federal funds, and total funds in both fiscal 2016 and fiscal 2017. In estimated fiscal 2017, the Far West and Southeast experienced the highest growth in total spending at 7.2 percent and 6.6 percent respectively.

Only the Great Lakes region had declines in spending from both state funds and total funds in fiscal 2016 largely due to the Illinois budget situation. As is to be expected, some regions saw stronger growth than others.

FIGURE 1:
TOTAL STATE SPENDING BY FUND SOURCE, FISCAL 1987 TO 2016



General Fund Spending Trends

General fund spending grew 4.0 percent in fiscal 2017 and 3.2 percent in fiscal 2016, with both years being below the historical average growth rate of 5.5 percent. Similar to total state expenditures, nearly all categories of general fund spending experienced gains in fiscal 2016 and fiscal 2017 with only the public assistance category declining in fiscal 2016 and transportation declining in fiscal 2017 (general funds make up a very small percentage of overall transportation spending). In estimated fiscal 2017, Medicaid experienced the highest percentage growth at 7.0 percent, followed by higher education at 5.3 percent, corrections at 4.0 percent, and elementary and secondary education at 3.8 percent. In fiscal 2016, Medicaid experienced the highest percentage growth at 4.0 percent, elementary and secondary education grew 3.4 percent, and higher education grew 1.8 percent.

Federal Funds Spending Trends

Total state spending growth has been heavily impacted by changes in the level of federal funds to states in recent years. The level of federal funds to states has seen numerous shifts during the most recent recession and subsequent recovery. After growing a relatively modest 2.9 percent in fiscal 2007 and 2.4 percent in fiscal 2008, federal fund spending increased 19.3

percent in fiscal 2009 and 21.4 percent in fiscal 2010. This unusual increase in federal funds to states was due to the infusion of spending from the *American Recovery and Reinvestment Act of 2009* (ARRA), also known as the Recovery Act or stimulus. The swift wind down of ARRA funds led federal fund spending to grow only 1.0 percent in fiscal 2011, decline 9.8 percent in fiscal 2012 and decrease an additional 2.6 percent in fiscal 2013. Federal funds began to increase again in fiscal 2014, rising 3.4 percent, almost entirely related to Medicaid as some states began to receive additional Medicaid funds through the ACA in January 2014. In fiscal 2015, federal funds to states rose 10.0 percent during the first full year of the optional Medicaid expansion under the ACA. However, in fiscal 2016 federal fund spending growth began to slow, increasing only 3.8 percent, partly due to Medicaid enrollment levels beginning to decelerate as states entered the second full-year of Medicaid expansion. In fiscal 2017, it is estimated that federal funds to states increased 5.3 percent. Over the last five years, federal funds to states have seen a slight decline when excluding Medicaid.

States' Own Funds Spending Trends

While the level of federal funding to states has fluctuated over the past several years, spending growth from states' own funding sources has been more stable as the national economy has gradually improved and states' revenues have slowly rebound-

ed from the national recession. Spending from state funds (including general funds and other state funds, but not federal funds or bonds) increased 4.6 percent in fiscal 2011, 3.8 percent in fiscal 2012, 2.6 percent in fiscal 2013, 4.1 percent in fiscal 2014, 4.9 percent in fiscal 2015, 1.8 percent in fiscal 2016, and an estimated 4.9 percent in fiscal 2017. Removing Illinois, state funds increased 2.7 percent in fiscal 2016 and an estimated 4.1 percent in fiscal 2017. In fiscal 2017, it is estimated that general funds comprised 40.3 percent of all state spending, with other state funds at 26.4 percent, bonds at 2.0, and federal funds to states consisting of 31.3 percent.

Additional state expenditure details and trends, broken down by functional spending category, include:

- Since the beginning of the recent economic downturn and continuing through the enactment of the *Affordable Care Act*, **Medicaid** has risen as a percentage of total state spending, growing from 20.5 percent in fiscal 2008 to an estimated 29.0 percent in fiscal 2017. At the same time, **elementary and secondary education** has gone from representing 22.0 percent of total state spending in fiscal 2008 to an estimated 19.4 percent in fiscal 2017. The reason for elementary and secondary education representing a smaller share of total state spending is not because nominal elementary and secondary spending has declined; instead it is a result of its growth rate being slower than the growth in total Medicaid spending. For example, in fiscal 2017 it is estimated that total elementary and secondary education spending grew 3.9 percent while total Medicaid spending grew 6.1 percent.
- When looking only at general fund spending, **elementary and secondary education** remains the largest category in fiscal 2017, representing 35.4 percent of general fund expenditures, with **Medicaid** second at 20.3 percent. Those two categories, combined with **higher education** at 9.9 percent, account for nearly two-thirds of general fund spending.
- **Elementary and secondary education** total expenditures increased by 3.9 percent in estimated fiscal 2017 and by 2.5 percent in fiscal 2016. State funds for K–12 increased 2.9 percent in fiscal 2016 and 4.0 percent in fiscal 2017, while federal funds grew 1.5 percent in fiscal 2016 and 4.3 percent in fiscal 2017. As the national economy and state revenues continue to grow modestly, states have worked to restore prior cuts made to K–12 education due to the most recent recession. Some states are also taking targeted steps to increase teacher compensation to improve recruitment and retention, while others are working to boost spending levels and improve funding equity in response to court mandates.
- Total expenditures for **higher education** increased by 4.3 percent in estimated fiscal 2017 and by 3.8 percent in fiscal 2016. State funds for higher education increased by 4.9 percent in fiscal 2016 and are estimated to have increased by 5.2 percent in fiscal 2017, while federal funds declined 0.6 percent in fiscal 2016 and increased by an estimated 0.9 percent in fiscal 2017. Over the years, the “Other State Funds” source (which includes tuition and fees for the vast majority of states) has grown as a percentage of higher education spending, comprising 50.0 percent of total state higher education expenditures in fiscal 2017.
- Total **public assistance** increased by 1.0 percent in estimated fiscal 2017 and declined by 0.6 percent in fiscal 2016. Public assistance represented 1.4 percent of total state expenditures in fiscal 2016. The public assistance chapter in this report contains data primarily on cash assistance provided through the Temporary Assistance for Needy Families (TANF) program and other cash assistance programs.
- In fiscal 2017, total estimated **Medicaid** state expenditures increased 6.1 percent, with state funds growing 7.8 percent and federal funds increasing 5.0 percent. In fiscal 2016, total **Medicaid** state expenditures increased 5.1 percent, with state funds growing 4.1 percent and federal funds increasing at a rate of 5.7 percent. While total Medicaid spending grew faster than all other areas of state spending in both fiscal 2016 and estimated fiscal 2017, the growth rate slowed from fiscal 2015 following the initial implementation of the *Affordable Care Act*. In fiscal 2017, federal funds made up 61.2 percent of total Medicaid spending. Finally, it is estimated that in fiscal 2017 Medicaid represented 56.7 percent of all federal funds to states.
- Total **corrections** expenditures increased by 4.1 percent in estimated fiscal 2017 and by 1.5 percent in fiscal 2016. Federal funds comprise only about 1 percent of corrections spending in states. Corrections accounted for 3.0 percent of total state expenditures in fiscal 2017 and 6.7 percent of general funds. In recent years, states have begun efforts to control costs through reducing recidivism rates, implementing changes to parole and probation systems, enhancing community supervision, offering increased treatment to address mental health and substance abuse disorders, and enacting sentencing reforms. Some of the recent growth in corrections spending can be attributed to efforts to increase pay for correctional officers, the rising cost of inmate health care, and the maintenance of its large physical plant.
- Total **transportation** spending, representing 8.1 percent of total state expenditures, increased by 5.4 percent in estimated fiscal 2017 and by 2.5 percent in fiscal 2016. In fiscal

2017, it is estimated that all fund sources for transportation increased with state fund spending rising 6.1 percent and federal funds 3.6. In fiscal 2016, state funds for transportation (excluding bonds) grew 2.6 percent while federal funds rose 4.8 percent; however, spending from bonds declined 6.2 percent. Other state funds, which are typically earmarked revenue sources such as fuel taxes, comprised 59.4 percent of total transportation spending in estimated fiscal 2017, with federal funds at 28.7 percent, bonds at 8.1 percent, and general funds only accounting for 3.8 percent. States have been responding to the diminishing buying power of fuel tax revenues resulting from more fuel-efficient vehicles. States are concerned that in the long term, the current structure of state and federal fuel tax revenue will not be able to meet transportation needs as most gas taxes are set at fixed rates and do not rise with inflation, and the growth in vehicle miles traveled has leveled off. Since 2013, over half the states have taken actions to raise their fuel tax revenues, including eight states in the 2017 legislative sessions. Many of the actions were the result of multi-year transportation plans and were combined with other revenue-raising actions. One of the more notable recent actions has been the institution of registration fees on electric and hybrid vehicles to ensure that all vehicles pay their fair share of the transportation system. Thirty-two states have constitutional restrictions that dedicate transportation funds for transportation purposes.

- The “**all other**” category of state spending increased 5.6 percent in estimated fiscal 2017, with state funds rising 3.8 percent and federal funds increasing 8.4 percent. In fiscal 2016, “all other” spending declined 1.0 percent as state funds (excluding bonds) declined 1.5 percent and federal funds increased 0.8 percent. “All other” represented 28.7 percent of total state expenditures in estimated fiscal 2017 and 25.8 percent of general fund expenditures; over the last ten years, the “all other” category has declined as a share of both total spending and general fund spending. The “all other” category includes the Children’s Health Insurance Program (CHIP), institutional and community care for the mentally ill and developmentally disabled, public health programs, Medicaid administration, some employer contributions to pensions and health benefits, economic development, environmental projects, state police, parks and recreation, housing, and general aid to local governments.
- **Capital** expenditures are made for new construction, infrastructure, major repairs and improvements, land purchases, and the acquisition of major equipment and existing structures. States increased capital spending by an estimated 5.7

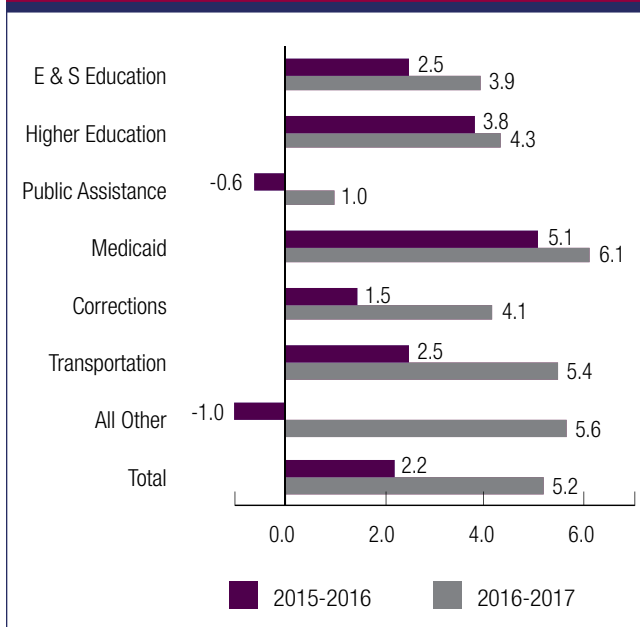
percent in fiscal 2017, 3.1 percent in fiscal 2016, and by 4.2 percent in fiscal 2015. The percentage spending increase in estimated fiscal 2017 was the largest since 2006 when total capital spending increased by 9.9 percent. Most of the relatively sharp increase in fiscal 2017 was in the transportation area reflecting the devotion of additional resources to address the significant need for maintenance and infrastructure spending. States primarily use dedicated sources to finance capital spending like the transportation fund, higher education tuition and fees, set-aside funding for capital projects, federal funds, and fund surpluses. State cash sources represent 43.8 percent of capital spending in fiscal 2017, while bonds are 28.4 percent and federal funds are 27.7 percent. Most of federal funds spent for capital purposes is for transportation (93.8 percent in fiscal 2017).

- State general fund **revenue** growth continued its slow growth, increasing by 2.2 percent in fiscal 2017, and 1.8 percent in fiscal 2016. In three out of the last four years, revenues have grown slowly or declined. Personal income taxes, representing about 45 percent of general fund revenues, saw a median growth rate of 2.9 percent in fiscal 2017 and 2.8 percent in fiscal 2016. The median growth rate for sales taxes, which represent about 31 percent of general fund revenues, was 2.5 percent in fiscal 2017 and 2.7 percent in fiscal 2016. Corporate income taxes declined in both fiscal 2017 and fiscal 2016, meaning that in six out of the last ten years median corporate tax receipts have declined. In both fiscal 2017 and fiscal 2016, many states were forced to lower their revenue projections from the ones used for their enacted budgets. The downward revisions have resulted from overly optimistic economic forecasts of GDP and income, declines in the price of tangible goods, low wage growth, volatility in capital gains, weaknesses in energy states, and other factors.

Explanation of Report Data: Components of State Expenditures

This report includes three years of state expenditure data: actual fiscal 2015, actual fiscal 2016, and estimated fiscal 2017. The report examines the seven main functional categories of state spending: elementary and secondary education, higher education, public assistance, Medicaid, corrections, transportation, and “all other.” (“All other” is a broad category that includes state functions not tracked individually in this report, such as hospitals, economic development, housing, environmental programs, health programs and the Children’s Health Insurance Program (CHIP), parks and recreation, natural resources, air

FIGURE 2:
ALL FUNDS PERCENT CHANGES FROM PREVIOUS FISCAL YEAR FOR MAJOR SPENDING CATEGORIES, FISCAL 2016 AND 2017



transportation, and water transport.) Capital spending is included with operating expenditures within each functional category, unless noted otherwise. Capital expenditures also have been collected separately in the following categories: transportation, higher education, corrections, environmental projects, housing, and “all other”. It should also be noted that 20 states use a biennial budget cycle, and in many cases funds are not expended evenly in the two-year cycle. This may affect total expenditures in some states from year to year.

State governments have specific functional responsibilities that vary among states depending on the role of local governments in providing services. For example, in many states, the funding of elementary and secondary education is constitutionally a state function but is operated at the local level, with significant local property taxes contributing to those budgets. Some states are exceptions, such as Hawaii where the state government fully funds elementary and secondary education. A more complete understanding of programs and service levels within a given state would require comparisons of spending by both state and local government, which is not the purpose of this report. In addition, because the data are self-reported by the states, some may be incomplete. These omissions can affect aggregate and regional tables.

While state balanced budget requirements are diverse, and governors are given significant powers to ensure a balanced

budget, states operate within stricter revenue/expenditure limitations than the federal government. An overwhelming majority of states require their governor to submit, and their legislature to pass, a balanced budget. States are required to make spending choices based on available resources and must either reduce spending, raise taxes, or use reserves when revenues come in below estimates. For the most part, states do not and cannot incur operating deficits, and manage their finances in ways to maintain or improve bond ratings.

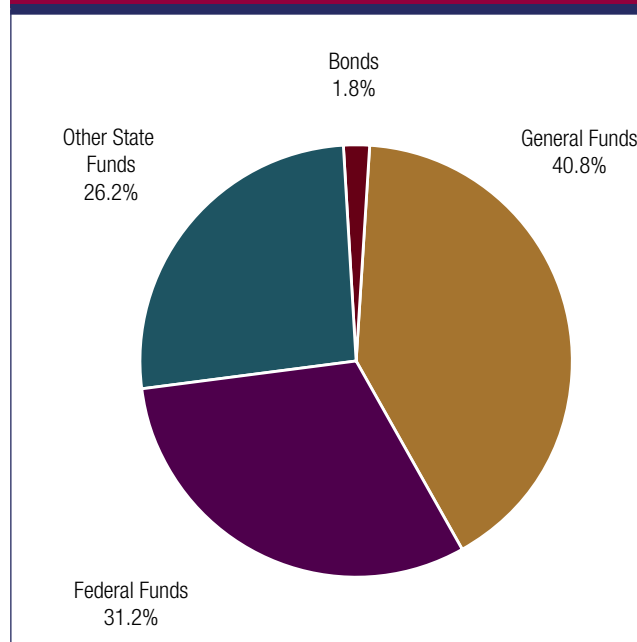
Explanation of Report Data: Definitions

General Fund: The predominant fund for financing a state’s operations. Revenues are received from broad-based state taxes. However, there are differences in how specific functions are financed from state to state.

Federal Funds: Funds received directly from the federal government.

Other State Funds: Expenditures from revenue sources that are restricted by law for governmental functions or activities. For example, a gasoline tax dedicated to a transportation fund would appear in the “Other State Funds” column. For higher education, other state funds can include tuition and fees. For Medicaid, other state funds include provider taxes, fees, donations, assessments, and local funds. Some states also have an

FIGURE 3:
TOTAL STATE EXPENDITURES BY FUNDING SOURCE, FISCAL 2016



education fund for elementary and secondary education separate from the general fund.

Bonds: Expenditures from the sale of bonds, generally for capital projects.

State Funds: General funds plus other state fund spending, excluding state spending from bonds.

Fiscal 2016 spending by fund source is detailed in Figure 3. In fiscal 2016, general funds represented 40.8 percent of total state spending, with federal funds at 31.2 percent, other state funds at 26.2 percent, and bonds at 1.8 percent. In fiscal 2017, it is estimated that general funds slightly declined to 40.3 percent of total state spending with federal funds representing 31.3 percent, other state funds 26.4 percent, and bonds 2.0 percent.

Figure 4 reflects total state expenditures by functional area. For fiscal 2016, total state spending shares are as follows: 28.7 percent for Medicaid; 19.6 percent for elementary and secondary education; 10.5 percent for higher education; 8.0 percent for transportation; 3.1 percent for corrections; 1.4 percent for public assistance; and 28.6 percent for all other.

The shares of state spending for the seven functional areas tracked in the *State Expenditure Report* have shifted since 1987, when the report was first published. For example, in total state spending, Medicaid surpassed higher education as the second largest state program in 1990, and in 2003 it became the largest, displacing elementary and secondary education. From 2003

to 2008, Medicaid and elementary and secondary education alternated as the largest share of total state spending. Since fiscal 2009, Medicaid has consistently been the largest spending category. In fiscal 2017, Medicaid continued to grow as a percentage of total state expenditures, representing 29.0 percent, while elementary and secondary education's share declined to

FIGURE 4:
TOTAL STATE EXPENDITURES BY FUNCTION,
FISCAL 2016

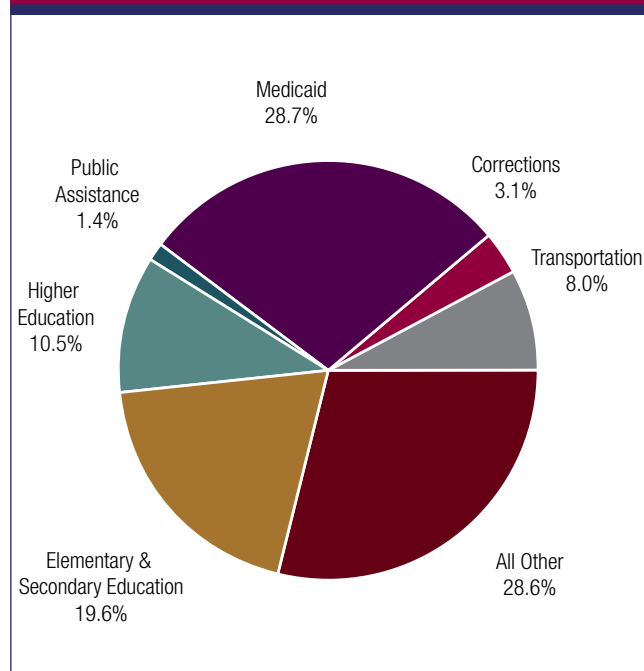
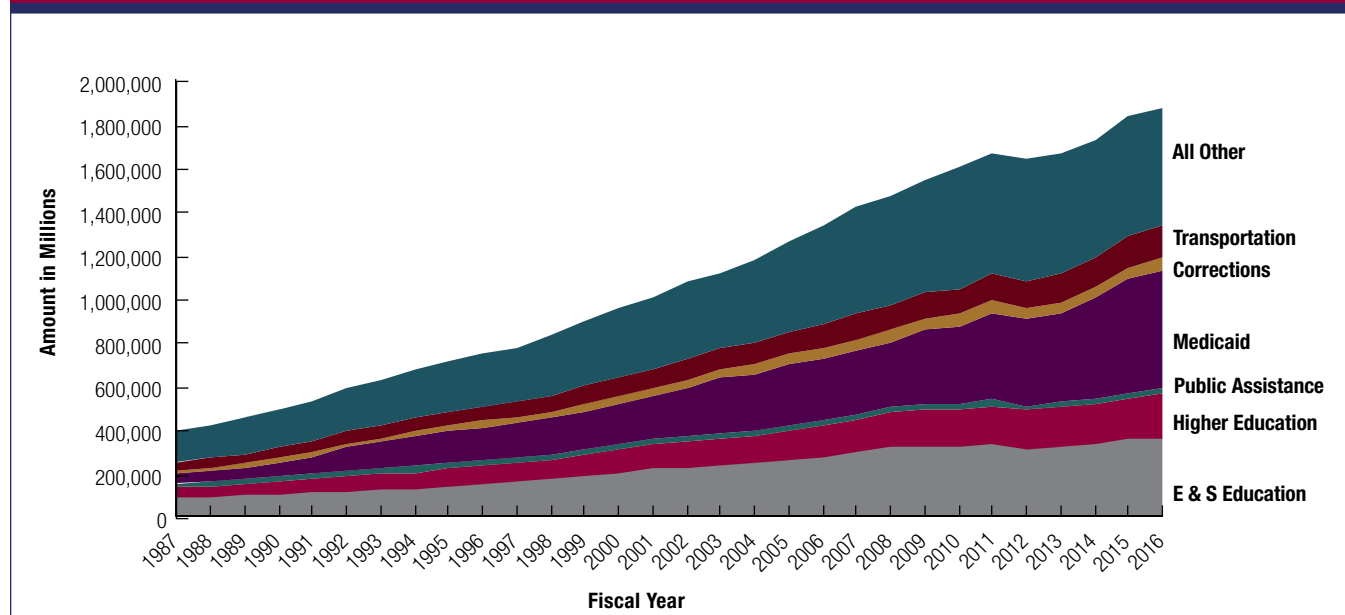


FIGURE 5:
COMPOSITION OF TOTAL STATE EXPENDITURES BY FUNCTION, FISCAL 1987 TO 2016



19.4 percent. Figure 5 documents the changes in state expenditures by category since 1987. Table 3 reflects shares of state spending in functional areas, by fund source, from 1995 to 2017. Also, Table 5, at the end of the Executive Summary, highlights the share of each state's budget represented by various programs in fiscal 2016 and shows the wide variation among states in their spending patterns.

General Fund Expenditures

Expenditures for elementary and secondary education continue to constitute the largest share of state general fund spending. As Figure 6 shows, in fiscal 2016, 35.5 percent of general fund spending went to elementary and secondary education. Medicaid accounted for 19.7 percent and higher education accounted for 9.7 percent of general fund spending.

Figure 7 reflects the percentage change for general fund spending in each of the functional categories. In fiscal 2016, public assistance was the only program area to experience a decline, while in estimated fiscal 2017 transportation had a slight decline following a sharp increase the prior year. Overall, general fund spending increased 3.2 percent in fiscal 2016 and is estimated to have increased 4.0 percent in fiscal 2017.

FIGURE 6:
GENERAL FUND EXPENDITURES, FISCAL 2016

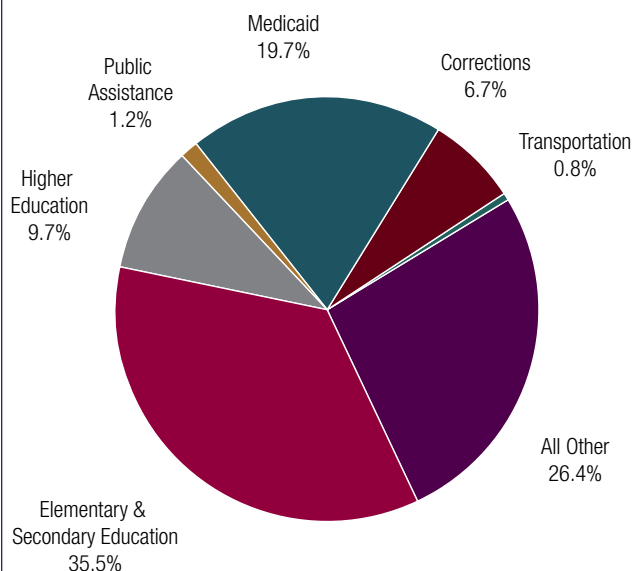


FIGURE 7:
PERCENT CHANGE IN GENERAL FUND, FISCAL 2016 AND 2017

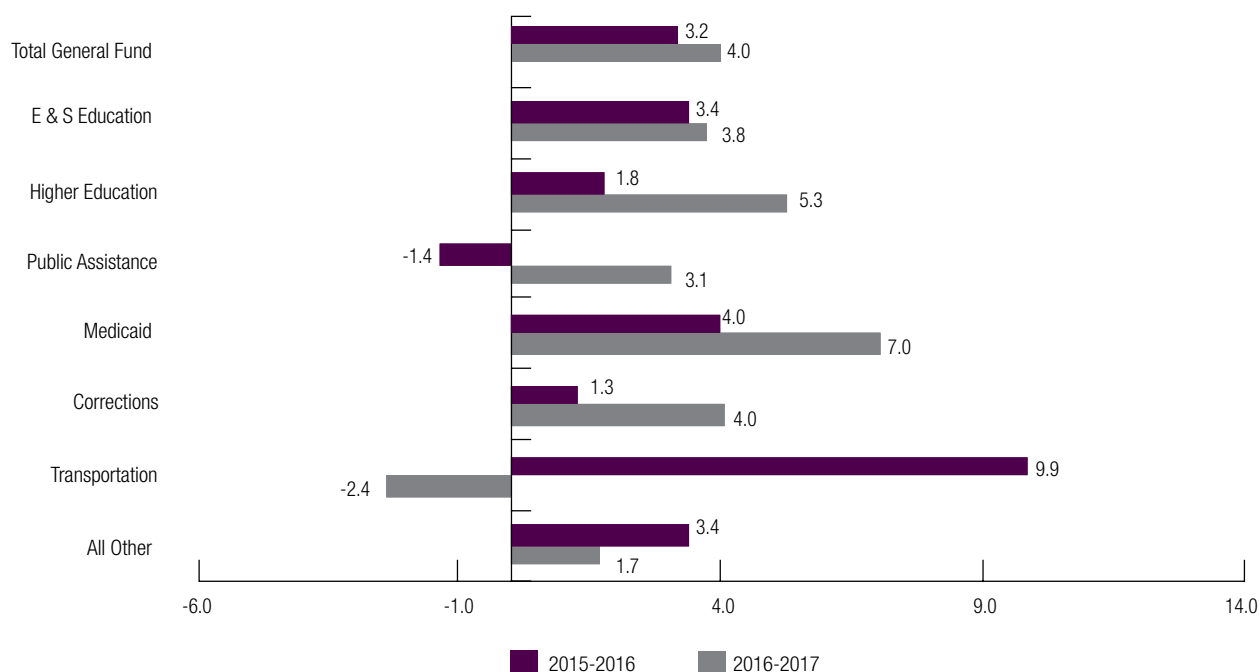


TABLE 1
TOTAL STATE EXPENDITURES—CAPITAL INCLUSIVE (\$ IN MILLIONS)

Region/State	Actual Fiscal 2015					Actual Fiscal 2016					Estimated Fiscal 2017				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$17,419	\$5,919	\$3,901	\$2,976	\$30,215	\$17,921	\$6,216	\$4,013	\$3,692	\$31,842	\$17,653	\$6,153	\$4,099	\$2,954	\$30,859
Maine	3,165	2,421	2,028	115	7,729	3,272	2,536	2,131	101	8,040	3,347	2,603	2,187	114	8,251
Massachusetts	28,583	10,014	16,315	3,437	58,349	29,793	11,047	16,937	3,508	61,285	29,788	11,490	17,497	3,189	61,964
New Hampshire	1,258	1,935	2,201	58	5,452	1,385	2,158	2,228	63	5,834	1,511	2,221	2,154	107	5,993
Rhode Island	3,454	2,895	2,044	90	8,483	3,548	2,877	2,080	122	8,627	3,686	3,185	2,330	104	9,305
Vermont	1,421	1,939	1,975	98	5,433	1,457	1,992	2,022	91	5,562	1,498	1,914	2,096	49	5,557
MID-ATLANTIC															
Delaware	3,832	2,063	3,523	351	9,769	3,914	2,151	3,694	477	10,236	4,106	2,171	4,000	398	10,675
Maryland	15,902	11,917	10,925	1,247	39,991	16,239	12,034	11,305	1,201	40,779	17,132	12,876	10,237	1,136	41,381
New Jersey	32,261	16,079	7,100	1,588	57,028	33,151	14,354	7,425	1,610	56,540	34,106	16,143	8,195	2,000	60,444
New York	62,856	45,743	31,768	3,524	143,891	68,042	49,476	29,441	3,748	150,707	68,080	52,985	31,518	4,431	157,014
Pennsylvania	29,152	25,325	17,596	831	72,904	30,128	27,073	18,636	517	76,354	31,766	29,406	19,108	513	80,793
GREAT LAKES															
Illinois	28,902	14,365	19,195	2,481	64,943	23,791	15,743	14,014	799	54,347	29,308	16,387	19,664	1,858	67,217
Indiana	15,346	10,305	3,691	0	29,342	15,168	12,448	3,790	0	31,406	16,006	12,580	3,536	0	32,122
Michigan	9,649	20,717	22,508	309	53,183	10,096	20,872	23,236	209	54,413	10,130	22,874	21,453	86	54,543
Ohio	30,831	13,994	17,762	2,509	65,096	33,591	12,450	18,918	2,491	67,450	34,502	12,528	18,657	2,586	68,273
Wisconsin	15,334	11,063	19,686	0	46,083	15,341	10,759	19,630	0	45,730	15,858	10,993	20,141	0	46,992
PLAINS															
Iowa	7,050	6,295	8,832	28	22,205	7,247	6,328	9,506	13	23,094	7,260	6,664	9,208	13	23,145
Kansas	6,238	3,960	4,511	381	15,090	6,115	3,635	4,959	414	15,123	6,302	3,834	5,435	393	15,964
Minnesota	20,293	9,888	4,844	767	35,792	20,152	10,317	5,451	878	36,798	21,678	10,868	6,194	652	39,392
Missouri	8,772	7,495	7,830	1	24,098	9,018	7,677	7,862	71	24,628	9,153	8,186	8,046	164	25,549
Nebraska	4,030	2,923	4,027	0	10,980	4,196	2,989	4,425	0	11,610	4,329	3,030	4,507	0	11,866
North Dakota	3,338	1,713	2,853	19	7,923	3,013	1,607	2,832	7	7,459	2,499	1,886	2,817	24	7,226
South Dakota	1,387	1,356	1,188	60	3,991	1,462	1,371	1,248	91	4,172	1,548	1,419	1,242	20	4,229
SOUTHEAST															
Alabama	7,649	9,385	7,480	673	25,187	7,911	9,635	7,732	560	25,838	8,086	9,911	7,438	739	26,174
Arkansas	5,061	7,095	11,478	171	23,805	5,178	7,398	11,327	58	23,961	5,235	7,697	11,606	0	24,538
Florida	27,600	23,888	17,894	1,661	71,043	28,813	25,306	16,541	1,659	72,319	30,315	26,777	23,453	1,740	82,285
Georgia	19,722	13,329	11,080	878	45,009	21,224	13,896	11,315	1,099	47,534	23,146	13,677	11,459	952	49,234
Kentucky	10,046	11,827	8,938	0	30,811	10,229	12,182	10,288	0	32,699	11,167	12,353	10,230	0	33,750
Louisiana	8,715	8,762	9,614	663	27,754	8,697	9,256	9,200	582	27,735	9,144	12,255	10,307	338	32,044
Mississippi	5,454	7,753	5,579	1,043	19,829	5,639	7,866	5,741	520	19,766	5,757	9,195	6,317	1,107	22,376
North Carolina	20,666	13,159	9,870	101	43,796	21,205	13,007	10,031	196	44,439	22,143	13,274	10,707	547	46,671
South Carolina	6,969	7,715	7,931	0	22,615	7,320	7,614	8,014	0	22,948	7,829	8,184	8,560	0	24,573
Tennessee	12,837	12,052	5,867	84	30,840	13,256	12,567	5,672	438	31,933	14,728	13,420	5,597	0	33,745
Virginia	18,598	9,706	17,658	1,089	47,051	19,672	9,838	18,477	1,102	49,089	20,227	10,308	18,805	962	50,302
West Virginia	4,237	4,306	7,328	77	15,948	4,195	4,506	7,394	77	16,172	4,225	4,406	7,298	77	16,006
SOUTHWEST															
Arizona	9,269	13,156	16,756	106	39,287	9,514	14,167	15,933	68	39,682	9,644	14,924	16,759	117	41,444
New Mexico	6,139	6,580	4,376	5	17,100	6,220	7,375	4,481	7	18,083	6,213	7,635	4,582	0	18,430
Oklahoma	6,822	7,372	8,018	176	22,388	6,555	7,656	8,233	275	22,719	6,043	7,144	9,685	406	23,278
Texas	49,416	42,237	19,311	1,634	112,598	53,968	45,913	21,119	1,754	122,754	54,974	46,870	22,471	2,077	126,392
ROCKY MOUNTAIN															
Colorado	9,553	8,761	16,125	0	34,439	10,426	9,517	16,784	0	36,727	10,488	9,121	14,337	0	33,946
Idaho	2,864	2,662	1,518	0	7,044	3,028	2,686	1,621	0	7,335	3,279	3,004	2,521	0	8,804
Montana	2,138	2,189	2,056	0	6,383	2,237	2,370	1,777	0	6,384	2,333	2,810	1,814	0	6,957
Utah	5,749	3,497	3,620	0	12,866	6,191	3,582	3,870	0	13,643	6,275	4,312	4,278	0	14,865
Wyoming	1,881	978	2,257	0	5,116	1,881	978	2,257	0	5,116	1,445	1,008	2,589	0	5,042
FAR WEST															
Alaska	5,982	2,945	4,337	172	13,436	5,474	3,277	1,274	7	10,032	4,461	3,830	1,799	0	10,090
California	113,448	90,049	41,702	5,145	250,344	114,465	90,690	42,100	3,644	250,899	121,421	96,195	46,343	6,573	270,532
Hawaii	6,413	2,257	3,434	769	12,873	6,882	2,563	3,430	961	13,836	7,486	2,571	3,927	682	14,666
Nevada	3,400	3,795	4,413	78	11,686	3,602	4,651	4,557	108	12,918	3,993	4,476	4,774	415	13,658
Oregon	7,453	10,023	19,732	129	37,337	8,992	10,317	17,815	142	37,266	8,954	10,189	20,759	101	40,003
Washington	16,671	11,501	10,428	1,482	40,082	18,171	11,807	10,742	1,059	41,779	19,357	12,034	11,621	1,316	44,328
TOTAL*	\$745,225	\$567,303	\$495,103	\$37,006	\$1,844,637	\$768,985	\$588,730	\$493,508	\$34,419	\$1,885,642	\$799,614	\$619,976	\$524,357	\$38,940	\$1,982,887
District of Columbia	7,102	3,030	860	872	11,864	7,566	3,204	947	835	12,552					

Note: See General Notes at the end of this chapter. Source: National Association of State Budget Officers, 2016 State Expenditure Report

TABLE 2
ANNUAL PERCENTAGE CHANGE IN TOTAL STATE EXPENDITURES

Region/State	Fiscal 2015 to 2016				Fiscal 2016 to 2017			
	General Funds	State Funds	Federal Funds	All Funds	General Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND								
Connecticut	2.9 %	2.9 %	5.0 %	5.4 %	-1.5 %	-0.8 %	-1.0 %	-3.1 %
Maine	3.4	4.0	4.8	4.0	2.3	2.4	2.6	2.6
Massachusetts	4.2	4.1	10.3	5.0	0.0	1.2	4.0	1.1
New Hampshire	10.1	4.5	11.5	7.0	9.1	1.4	2.9	2.7
Rhode Island	2.7	2.4	-0.6	1.7	3.9	6.9	10.7	7.9
Vermont	2.5	2.4	2.7	2.4	2.8	3.3	-3.9	-0.1
MID-ATLANTIC								
Delaware	2.1	3.4	4.3	4.8	4.9	6.5	0.9	4.3
Maryland	2.1	2.7	1.0	2.0	5.5	-0.6	7.0	1.5
New Jersey	2.8	3.1	-10.7	-0.9	2.9	4.3	12.5	6.9
New York	8.3	3.0	8.2	4.7	0.1	2.2	7.1	4.2
Pennsylvania	3.3	4.3	6.9	4.7	5.4	4.3	8.6	5.8
GREAT LAKES								
Illinois	-17.7	-21.4	9.6	-16.3	23.2	29.5	4.1	23.7
Indiana	-1.2	-0.4	20.8	7.0	5.5	3.1	1.1	2.3
Michigan	4.6	3.7	0.7	2.3	0.3	-5.2	9.6	0.2
Ohio	9.0	8.1	-11.0	3.6	2.7	1.2	0.6	1.2
Wisconsin	0.0	-0.1	-2.7	-0.8	3.4	2.9	2.2	2.8
PLAINS								
Iowa	2.8	5.5	0.5	4.0	0.2	-1.7	5.3	0.2
Kansas	-2.0	3.0	-8.2	0.2	3.1	6.0	5.5	5.6
Minnesota	-0.7	1.9	4.3	2.8	7.6	8.9	5.3	7.0
Missouri	2.8	1.7	2.4	2.2	1.5	1.9	6.6	3.7
Nebraska	4.1	7.0	2.3	5.7	3.2	2.5	1.4	2.2
North Dakota	-9.7	-5.6	-6.2	-5.9	-17.1	-9.1	17.4	-3.1
South Dakota	5.4	5.2	1.1	4.5	5.9	3.0	3.5	1.4
SOUTHEAST								
Alabama	3.4	3.4	2.7	2.6	2.2	-0.8	2.9	1.3
Arkansas	2.3	-0.2	4.3	0.7	1.1	2.0	4.0	2.4
Florida	4.4	-0.3	5.9	1.8	5.2	18.6	5.8	13.8
Georgia	7.6	5.6	4.3	5.6	9.1	6.3	-1.6	3.6
Kentucky	1.8	8.1	3.0	6.1	9.2	4.3	1.4	3.2
Louisiana	-0.2	-2.4	5.6	-0.1	5.1	8.7	32.4	15.5
Mississippi	3.4	3.1	1.5	-0.3	2.1	6.1	16.9	13.2
North Carolina	2.6	2.3	-1.2	1.5	4.4	5.2	2.1	5.0
South Carolina	5.0	2.9	-1.3	1.5	7.0	6.9	7.5	7.1
Tennessee	3.3	1.2	4.3	3.5	11.1	7.4	6.8	5.7
Virginia	5.8	5.2	1.4	4.3	2.8	2.3	4.8	2.5
West Virginia	-1.0	0.2	4.6	1.4	0.7	-0.6	-2.2	-1.0
SOUTHWEST								
Arizona	2.6	-2.2	7.7	1.0	1.4	3.8	5.3	4.4
New Mexico	1.3	1.8	12.1	5.7	-0.1	0.9	3.5	1.9
Oklahoma	-3.9	-0.4	3.9	1.5	-7.8	6.4	-6.7	2.5
Texas	9.2	9.3	8.7	9.0	1.9	3.1	2.1	3.0
ROCKY MOUNTAIN								
Colorado	9.1	6.0	8.6	6.6	0.6	-8.8	-4.2	-7.6
Idaho	5.7	6.1	0.9	4.1	8.3	24.8	11.8	20.0
Montana	4.6	-4.3	8.3	0.0	4.3	3.3	18.6	9.0
Utah	7.7	7.4	2.4	6.0	1.4	4.9	20.4	9.0
Wyoming	0.0	0.0	0.0	0.0	-23.2	-2.5	3.1	-1.4
FAR WEST								
Alaska	-8.5	-34.6	11.3	-25.3	-18.5	-7.2	16.9	0.6
California	0.9	0.9	0.7	0.2	6.1	7.2	6.1	7.8
Hawaii	7.3	4.7	13.6	7.5	8.8	10.7	0.3	6.0
Nevada	5.9	4.4	22.6	10.5	10.9	7.5	-3.8	5.7
Oregon	20.6	-1.4	2.9	-0.2	-0.4	10.8	-1.2	7.3
Washington	9.0	6.7	2.7	4.2	6.5	7.1	1.9	6.1
TOTAL*	3.2 %	1.8 %	3.8 %	2.2 %	4.0 %	4.9 %	5.3 %	5.2 %
MEDIAN	3.1	3.0	3.4	3	3	3.3	4.0	3.4

Note: State funds are defined as general funds and other state funds (bonds are excluded). *See General Notes for explanation. Source: National Association of State Budget Officers, 2016 State Expenditure Report

TABLE 3

COMPARISON OF SHARES OF STATE SPENDING WITH FUND SOURCES, FISCAL 1995 TO 2017

Fund Type & Year	Elementary & Secondary Education	Higher Education	Public Assistance	Medicaid	Corrections	Transportation	All Other	Total
FY 1995:								
General Funds	33.4	12.9	4.4	14.4	6.7	0.7	27.4	100.0
Other State Funds	9.5	13.3	0.5	6.9	0.8	23.8	45.2	100.0
Federal Funds	9.8	2.7	6.5	42.7	0.1	9.8	28.3	100.0
Bond Funds	4.9	20.8	0.0	0.0	10.2	26.3	37.7	100.0
Total Funds	21.0	10.4	4.0	19.8	3.6	9.1	32.1	100.0
FY 1996:								
General Funds	34.4	12.9	3.9	14.7	6.9	0.6	25.6	100.0
Other State Funds	9.2	13.7	0.4	6.8	0.8	22.9	46.2	100.0
Federal Funds	9.9	2.9	5.9	43.5	0.2	9.5	28.0	100.0
Bond Funds	15.2	21.4	0.0	0.0	6.5	26.1	30.8	100.0
Total Funds	21.5	10.7	3.5	19.9	3.7	8.0	31.8	100.0
FY 1997:								
General Funds	34.5	13.0	3.6	14.6	6.8	0.8	26.7	100.0
Other State Funds	10.1	13.8	0.4	6.4	0.9	23.0	44.6	100.0
Federal Funds	9.8	2.9	5.1	44.1	0.4	8.8	28.9	100.0
Bond Funds	12.5	20.2	0.0	0.0	6.6	26.5	34.2	100.0
Total Funds	21.7	10.7	3.1	20.0	3.7	9.0	31.8	100.0
FY 1998:								
General Funds	35.2	13.1	3.0	14.8	6.9	0.7	26.4	100.0
Other State Funds	9.4	11.3	1.0	6.3	0.8	22.2	49.1	100.0
Federal Funds	10.5	3.4	5.0	43.3	0.4	8.7	28.8	100.0
Bond Funds	12.4	18.4	0.0	0.0	6.0	33.4	29.8	100.0
Total Funds	22.0	10.3	2.9	19.6	3.7	8.8	32.8	100.0
FY 1999:								
General Funds	35.7	12.4	2.7	14.4	7.0	0.9	26.7	100.0
Other State Funds	9.0	13.0	0.6	6.5	1.0	23.4	46.5	100.0
Federal Funds	10.2	5.2	4.3	42.9	0.4	9.3	27.7	100.0
Bond Funds	21.0	17.2	0.0	0.0	6.5	25.6	29.8	100.0
Total Funds	22.3	10.8	2.6	19.5	3.9	9.1	31.8	100.0
FY 2000:								
General Funds	35.7	12.4	2.7	14.4	7.0	0.9	26.7	100.0
Other State Funds	9.0	13.0	0.6	6.5	1.0	23.4	46.5	100.0
Federal Funds	10.2	5.2	4.3	42.9	0.4	9.3	27.7	100.0
Bond Funds	21.0	17.2	0.0	0.0	6.5	25.6	29.8	100.0
Total Funds	22.3	10.8	2.6	19.5	3.9	9.1	31.8	100.0
FY 2001:								
General Funds	35.2	12.7	2.3	15.2	6.9	1.2	26.6	100.0
Other State Funds	9.2	15.0	0.2	5.9	0.9	21.1	47.0	100.0
Federal Funds	10.3	4.8	4.0	42.7	0.3	9.5	28.3	100.0
Bond Funds	18.9	17.5	0.0	0.0	4.0	31.3	28.4	100.0
Total Funds	22.2	11.3	2.2	19.7	3.7	8.8	32.1	100.0
FY 2002:								
General Funds	35.1	12.4	2.3	15.8	6.9	0.7	25.9	100.0
Other State Funds	8.9	13.8	0.3	6.6	0.9	19.4	49.8	100.0
Federal Funds	10.1	5.0	4.2	43.7	0.4	9.2	27.4	100.0
Bond Funds	12.7	20.4	0.0	0.0	3.4	25.0	38.5	100.0
Total Funds	21.3	10.9	2.3	20.7	3.6	8.3	32.9	100.0
FY 2003:								
General Funds	35.8	12.5	2.3	17.2	7.2	0.6	24.5	100.0
Other State Funds	9.2	14.3	0.3	7.5	0.9	20	47.9	100.0
Federal Funds	10.6	5.7	4.1	43.8	0.3	8.6	26.9	100.0
Bond Funds	28.3	16.9	0.0	0.0	2.5	19.1	33.1	100.0
Total Funds	21.8	11.1	2.2	22	3.5	8.2	31.2	100.0
FY 2004:								
General Funds	35.8	11.7	2.3	16.9	7.0	0.5	25.8	100.0
Other State Funds	8.5	13.6	0.2	7.4	0.7	19.9	49.8	100.0
Federal Funds	11.3	4.7	3.6	44.6	0.7	8.4	26.9	100.0
Bond Funds	20.9	21.2	0.0	0.0	2.6	26.8	28.4	100.0
Total Funds	21.4	10.4	2.2	22.1	3.5	8.3	32.2	100.0
FY 2005:								
General Funds	35.4	11.6	2.2	17.1	6.9	0.5	26.2	100.0
Other State Funds	8.5	14.1	0.1	8.3	0.7	19.5	48.9	100.0
Federal Funds	11.6	4.4	3.2	44.2	0.3	8.7	27.4	100.0
Bond Funds	17.0	25.3	0.0	0.0	2.8	25.5	29.4	100.0
Total Funds	21.4	10.4	1.8	22.3	3.3	8.2	32.4	100.0
FY 2006:								
General Funds	34.4	11.3	2.1	17.4	6.7	0.8	27.2	100.0
Other State Funds	8.1	14.2	0.1	7.3	0.7	18.5	51.1	100.0
Federal Funds	12.1	4.6	3.0	42.9	0.2	8.7	28.5	100.0
Bond Funds	17.9	24.0	0.0	0.0	3.4	26.1	28.6	100.0
Total Funds	21.2	10.5	1.8	21.4	3.3	8.1	33.7	100.0
FY 2007:								
General Funds	34.1	11.0	2.0	16.6	6.8	1.1	28.4	100.0
Other State Funds	9.4	14.5	0.1	7.3	0.7	17.7	50.3	100.0
Federal Funds	12.0	4.1	3.1	43.1	0.3	8.6	28.9	100.0
Bond Funds	12.4	18.1	0.0	0.0	3.2	32.4	33.8	100.0
Total Funds	21.5	10.2	1.7	20.9	3.4	8.1	34.2	100.0
FY 2008:								
General Funds	35.0	11.7	1.9	16.0	7.0	0.8	27.6	100.0
Other State Funds	10.2	15.2	0.1	7.3	0.7	17.5	49.0	100.0
Federal Funds	11.7	3.7	3.1	43.0	0.2	8.6	29.7	100.0
Bond Funds	9.6	19.2	0.0	0.0	2.7	30.5	37.9	100.0
Total Funds	22.0	10.7	1.7	20.5	3.5	7.8	33.9	100.0

Table 3 continues on next page.

TABLE 3 (CONTINUED)

COMPARISON OF SHARES OF STATE SPENDING WITH FUND SOURCES, FISCAL 1995 TO 2016

Fund Type & Year	Elementary & Secondary Education	Higher Education	Public Assistance	Medicaid	Corrections	Transportation	All Other	Total
FY 2009:								
General Funds	35.2	11.5	1.9	16.3	7.2	0.7	26.8	100.0
Other State Funds	10.1	15.2	0.1	6.8	0.6	16.4	50.8	100.0
Federal Funds	12.2	4.2	2.9	44.6	0.3	7.8	28.0	100.0
Bond Funds	15.0	20.9	0.0	0.0	3.0	30.0	31.0	100.0
Total Funds	21.5	10.5	1.7	21.9	3.4	7.5	33.4	100.0
FY 2010:								
General Funds	35.5	11.5	1.9	14.8	7.4	0.7	28.1	100.0
Other State Funds	9.8	16.7	0.1	7.6	0.7	16.1	49.0	100.0
Federal Funds	12.2	3.6	2.7	42.2	0.4	7.1	31.7	100.0
Bond Funds	8.3	20.3	0.0	0.0	3.0	34.6	33.8	100.0
Total Funds	20.4	10.2	1.7	22.2	3.2	7.5	34.7	100.0
FY 2011:								
General Funds	35.3	11.3	1.9	16.5	7.3	0.5	27.3	100.0
Other State Funds	8.7	18.0	0.1	9.8	0.6	15.8	47.1	100.0
Federal Funds	12.7	4.0	2.7	44.2	0.3	7.2	29.0	100.0
Bond Funds	12.3	16.8	0.0	0.0	1.6	33.9	35.4	100.0
Total Funds	20.3	10.7	1.6	23.8	3.1	7.4	33.1	100.0
FY 2012:								
General Funds	34.7	9.9	1.5	19.2	6.9	0.7	27.1	100.0
Other State Funds	7.8	18.1	0.1	8.8	1.2	15.5	48.5	100.0
Federal Funds	10.7	4.0	2.7	43.9	0.2	8.2	30.1	100.0
Bond Funds	8.3	16.0	0.0	0.0	1.9	35.0	38.8	100.0
Total Funds	19.5	10.4	1.5	23.6	3.2	7.7	34.0	100.0
FY 2013:								
General Funds	34.8	9.6	1.6	19.3	6.9	0.6	27.3	100.0
Other State Funds	9.0	18.1	0.3	10.2	1.0	15.8	45.7	100.0
Federal Funds	10.5	4.4	2.7	45.8	0.1	8.5	28.1	100.0
Bond Funds	6.5	14.8	0.0	0.0	1.6	38.3	38.7	100.0
Total Funds	20.0	10.4	1.5	24.3	3.2	7.8	32.7	100.0
FY 2014:								
General Funds	34.8	9.7	1.4	20.0	6.9	0.8	26.5	100.0
Other State Funds	8.5	17.8	0.4	10.5	1.0	16.6	45.3	100.0
Federal Funds	9.9	4.1	2.8	51.9	0.1	8.3	22.9	100.0
Bond Funds	7.0	14.1	0.0	0.0	1.6	36.5	40.6	100.0
Total Funds	19.8	10.3	1.5	26.5	3.2	8.0	30.7	100.0
FY 2015:								
General Funds	35.5	9.9	1.2	19.5	6.8	0.8	26.3	100.0
Other State Funds	8.8	18.5	0.5	10.7	0.9	17.6	43.0	100.0
Federal Funds	9.0	3.6	2.7	55.8	0.1	7.4	21.3	100.0
Bond Funds	7.1	14.7	0.0	0.0	1.5	34.8	41.9	100.0
Total Funds	19.6	10.4	1.5	27.9	3.1	8.0	29.6	100.0
FY 2016:								
General Funds	35.5	9.7	1.2	19.7	6.7	0.8	26.4	100.0
Other State Funds	8.8	20.0	0.5	11.2	1.0	18.0	40.5	100.0
Federal Funds	8.8	3.4	2.6	56.8	0.1	7.5	20.7	100.0
Bond Funds	5.8	14.0	0.0	0.0	1.4	35.1	43.6	100.0
Total Funds	19.6	10.5	1.4	28.7	3.1	8.0	28.6	100.0
FY 2017:								
General Funds	35.4	9.9	1.1	20.3	6.7	0.8	25.8	100.0
Other State Funds	8.7	19.7	0.4	11.6	1.0	18.1	40.4	100.0
Federal Funds	8.7	3.3	2.5	56.7	0.1	7.4	21.3	100.0
Bond Funds	3.7	10.8	0.0	0.0	1.7	33.2	50.5	100.0
Total Funds	19.4	10.4	1.4	29.0	3.0	8.1	28.7	100.0
FY 1995-17 Combined Total:								
General Funds	35.1	11.5	2.2	16.7	6.9	0.7	26.7	100.0
Other State Funds	9.0	15.5	0.3	7.9	0.8	19.2	47.1	100.0
Federal Funds	10.7	4.1	3.6	45.6	0.3	8.5	27.2	100.0
Bond Funds	13.0	18.3	0.0	0.0	3.6	30.1	35.0	100.0
Total Funds	21.0	10.6	2.1	22.4	3.4	8.2	32.2	100.0

Source: National Association of State Budget Officers, 2016 State Expenditure Report

Other State Funds Expenditures

Trailing only the “all other” category, higher education and transportation account for the next largest portions of other state funds spending for fiscal 2016, at 20.0 percent and 18.0 percent respectively. Other state funds are expenditures from revenue sources which are restricted by law for particular governmental functions or activities. For transportation, these funds largely represent receipts from gasoline taxes earmarked

for highways and other infrastructure projects, while for higher education, these funds include tuition and fees in most states (see Table 3).

Federal Fund Expenditures

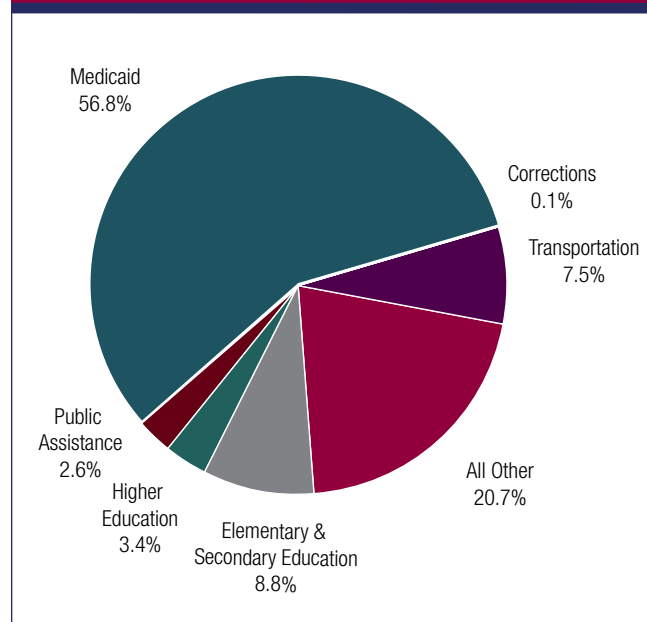
As reflected in Figure 8, Medicaid accounts for the largest portion of state spending from federal funds in fiscal 2016 at 56.8 percent. This continues a trend of Medicaid increasing as

a share of federal funds to states; fiscal 2014 was the first year in the history of the *State Expenditure Report* that Medicaid represented over half of all federal funds to states. Elementary and secondary education at 8.8 percent and transportation at 7.5 percent were the next largest categories of federal funds in fiscal 2016.

Regional Spending Trends

Table 4 shows growth rates for each region of the United States, separated by state funds (general fund plus other state funds, not including bond funds) and federal funds. The growth rate for all states increased 2.2 percent in fiscal 2016, with only the Great Lakes region experiencing a decline in spending; the Great Lakes region was impacted by Illinois not having a fully

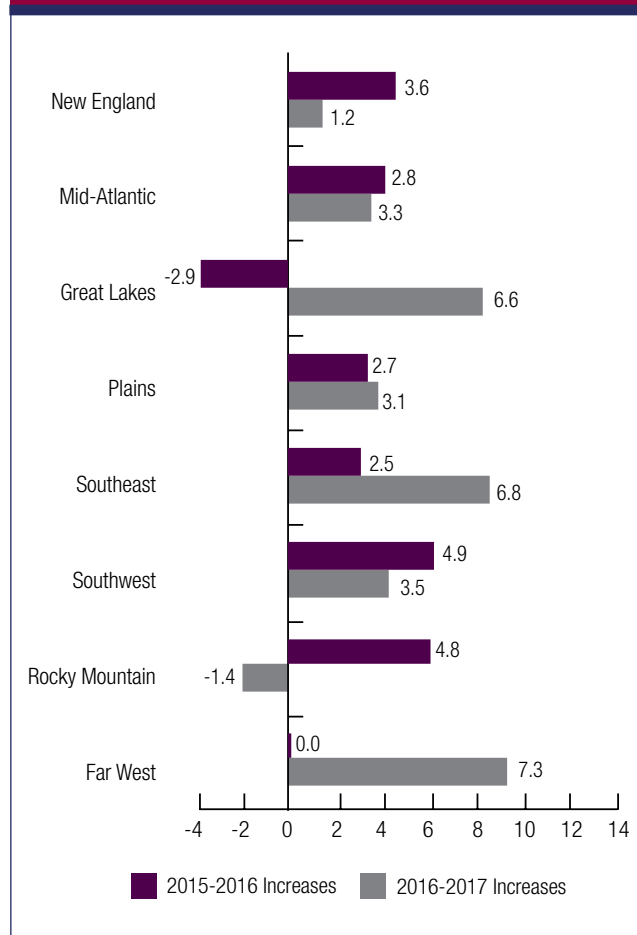
**FIGURE 8:
FEDERAL FUND EXPENDITURES, FISCAL 2016**



enacted general fund budget in fiscal 2016. In fiscal 2017, total estimated state spending increased 5.2 percent, with all eight regions recording at least moderate growth.

Figure 9 shows the percentage change in state spending from state funds for fiscal 2016 and estimated fiscal 2017. In fiscal

**FIGURE 9:
REGIONAL PERCENT CHANGE IN STATE FUNDS,
FISCAL 2016 AND 2017**



**TABLE 4
REGIONAL PERCENTAGE CHANGE IN TOTAL EXPENDITURES, FISCAL 2016 AND 2017**

Region	Fiscal 2015 to 2016			Fiscal 2016 to 2017		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	3.6 %	6.8 %	4.8 %	1.2 %	2.8 %	0.6 %
Mid-Atlantic	3.3	3.9	3.4	2.8	8.1	4.7
Great Lakes	-2.9	2.6	-2.0	6.6	4.3	6.2
Plains	2.7	0.9	2.3	3.1	5.8	3.7
Southeast	2.5	3.2	2.7	6.8	6.3	6.6
Southwest	4.9	8.3	6.2	3.5	1.9	3.1
Rocky Mountain	4.8	5.8	5.1	-1.4	5.9	0.6
Far West	0.0	2.3	0.3	7.3	4.9	7.2
ALL STATES	1.8 %	3.8 %	2.2 %	4.9 %	5.3 %	5.2 %

Source: National Association of State Budget Officers, 2016 State Expenditure Report

TABLE 5
STATE SPENDING BY FUNCTION AS A PERCENT OF TOTAL STATE EXPENDITURES, FISCAL 2016

Region/State	Elementary & Secondary Education	Higher Education	Public Assistance	Medicaid	Corrections	Transportation	All Other	Total
NEW ENGLAND								
Connecticut	14.9 %	10.0 %	1.2 %	22.7 %	2.3 %	9.9 %	39.0 %	100.0 %
Maine	17.2	3.9	2.0	33.0	2.3	8.8	32.7	100.0
Massachusetts	11.3	9.9	1.9	24.7	2.3	8.7	41.1	100.0
New Hampshire	19.6	2.4	1.2	33.6	2.0	8.0	33.2	100.0
Rhode Island	14.9	12.9	1.2	29.8	2.6	5.7	32.9	100.0
Vermont	31.9	1.7	1.7	29.5	2.7	9.7	22.9	100.0
MID-ATLANTIC								
Delaware	23.5	4.1	0.3	19.8	2.9	7.8	41.4	100.0
Maryland	18.1	14.4	3.2	24.3	3.9	11.2	25.1	100.0
New Jersey	24.3	8.1	0.6	25.0	2.8	8.7	30.6	100.0
New York	19.6	7.1	2.6	31.9	2.1	6.3	30.4	100.0
Pennsylvania	18.1	2.5	1.3	36.6	3.5	11.0	27.0	100.0
GREAT LAKES								
Illinois	17.2	1.6	0.2	29.5	2.0	11.7	37.8	100.0
Indiana	28.9	6.2	1.3	35.9	2.5	6.0	19.2	100.0
Michigan	25.2	4.1	0.4	31.1	4.0	7.0	28.2	100.0
Ohio	16.7	4.0	1.2	37.7	2.9	5.1	32.3	100.0
Wisconsin	15.7	14.6	0.2	20.1	2.7	6.0	40.6	100.0
PLAINS								
Iowa	15.7	25.7	0.4	22.8	1.9	8.2	25.3	100.0
Kansas	29.4	18.2	0.1	21.3	2.5	6.6	21.9	100.0
Minnesota	25.3	4.7	1.5	30.4	1.5	9.9	26.7	100.0
Missouri	23.0	4.8	0.5	37.2	2.7	7.7	24.1	100.0
Nebraska	14.2	23.9	0.4	17.1	2.9	8.3	33.2	100.0
North Dakota	15.4	17.2	0.1	15.4	1.5	24.5	26.0	100.0
South Dakota	14.4	20.0	0.5	20.6	2.6	15.9	25.9	100.0
SOUTHEAST								
Alabama	20.7	20.5	0.1	24.6	2.3	6.9	24.9	100.0
Arkansas	14.7	14.5	2.1	27.4	2.2	5.6	33.6	100.0
Florida	18.7	9.7	0.3	32.2	3.8	12.1	23.2	100.0
Georgia	24.5	18.8	0.1	20.9	3.5	7.4	24.9	100.0
Kentucky	16.3	24.1	0.5	30.3	2.0	8.6	18.3	100.0
Louisiana	19.2	10.2	0.5	29.0	3.0	5.8	32.4	100.0
Mississippi	16.7	19.3	4.8	26.1	1.8	6.5	24.9	100.0
North Carolina	23.6	13.5	0.4	31.0	4.6	10.8	16.2	100.0
South Carolina	19.1	19.7	0.3	27.3	2.6	8.8	22.2	100.0
Tennessee	17.7	14.4	0.2	34.4	2.9	5.2	25.3	100.0
Virginia	14.8	15.1	0.3	18.1	2.8	12.8	36.2	100.0
West Virginia	15.2	12.2	0.7	21.8	1.2	7.5	41.3	100.0
SOUTHWEST								
Arizona	15.0	15.8	0.6	29.0	2.8	8.4	28.3	100.0
New Mexico	17.4	16.9	0.7	29.9	1.8	4.8	28.5	100.0
Oklahoma	15.4	25.0	0.8	23.5	2.5	6.9	25.8	100.0
Texas	24.5	13.8	0.0	33.8	3.0	10.3	14.5	100.0
ROCKY MOUNTAIN								
Colorado	23.7	14.7	4.0	24.5	2.4	5.3	25.5	100.0
Idaho	25.3	8.4	0.2	26.4	3.8	9.6	26.3	100.0
Montana	15.8	10.7	0.4	20.3	3.4	11.1	38.3	100.0
Utah	25.6	13.6	0.7	18.7	3.4	8.5	29.6	100.0
Wyoming	15.8	7.6	0.0	11.4	2.7	9.0	53.5	100.0
FAR WEST								
Alaska	16.4	8.0	1.2	17.0	3.6	16.3	37.5	100.0
California	20.7	7.2	4.1	32.5	5.1	5.6	24.8	100.0
Hawaii	14.2	9.4	0.5	16.4	1.8	9.2	48.4	100.0
Nevada	18.8	6.6	0.3	25.0	2.3	6.2	40.8	100.0
Oregon	12.4	3.4	0.4	22.3	2.7	4.5	54.3	100.0
Washington	23.4	14.5	0.5	18.1	2.5	6.7	34.3	100.0
ALL STATES	19.6 %	10.5 %	1.4 %	28.7 %	3.1 %	8.0 %	28.6 %	100.0 %

Note: Percentages may not add to 100.

Source: National Association of State Budget Officers, 2016 State Expenditure Report

2016, only the Great Lakes region experienced a decline in state fund spending, once again driven by the budget situation in Illinois, while in fiscal 2017, only the Rocky Mountain region experienced a slight decrease in state funds.

Total state expenditure data can be found on Tables 1–5, along with related footnotes at the end of this chapter.

General Notes

In reviewing the tables, please note the following:

- Small dollar amounts, when rounded, cause an aberration in the percentage increase. In these instances, the actual dollar amounts should be consulted to determine the exact percentage increase.
- “State funds” refers to general funds plus other state fund spending. State spending from bonds is excluded.
- “Total funds” refers to funding from all sources—general fund, federal funds, other state funds, and bonds.
- The report methodology is detailed in the Appendix.

All States: Medicaid reflects provider taxes, fees, assessments, donations, and local funds in Other State Funds.

Alabama: Amounts shown in fiscal years 2015 and 2016 are based on actual expenditures during these years, regardless of the year appropriated. Fiscal 2017 amounts shown are equal to actual expenditures through 9 months (June 30, 2017) and then annualized for the year. The State of Alabama implemented a new ERP system in FY16. This affected the accuracy of some reports for the 13th Accounting period of FY15. Those issues have been resolved, but there will be some variance for FY15 reported expenditures between last year’s survey and this survey.

Illinois: Illinois ended Fiscal Year 2016 without a fully enacted General Funds budget in place. Certain areas of the budget did not receive funding at the same levels as seen historically, including state employee health insurance, some agency operational costs, certain social service programs, and higher education.

Ohio: Federal reimbursements for Medicaid expenditures funded from the General Revenue Fund (GRF) are deposited into the GRF. Federal reimbursements for Medicaid expenditures from non-GRF sources are deposited into the appropriate federal fund. Expenditures of federal funds are contained in the General Fund number to be consistent with Ohio accounting practices and with other portrayals of Ohio’s general fund. This amounts to \$11,667.5 million in fiscal 2016. This will tend to make Ohio’s GRF expenditures look higher and conversely make Ohio’s federal expenditures look lower relative to most other states that don’t follow this practice.

Also, inherent in Ohio’s budgetary accounting environment are significant overstatements of total state spending due to two phenomena. First, fiduciary fund expenditures represent the distribution of funds collected by the state on behalf of other entities. These are not operating, program, or subsidy expenditures of the state. Examples of this would be the collection and distribution of county and local permissive sales taxes or motor vehicle registration taxes. Fiduciary fund group expenditures totaled \$7,167.1 million in fiscal 2016. Second, “double counting” of revenue and expenditures related to intrastate transactions overstates overall state expenditure activity. Intra-state transactions totaled \$761.4 million in fiscal 2016. These accounting practices will tend to make Ohio’s “All-Other” expenditures look higher, on a dollar and percentage basis, and conversely make Ohio’s other categories look lower, on a percentage basis, relative to other states that don’t follow similar practices.

Tennessee: Tennessee collects personal income tax on income from dividends on stocks and interest on certain bonds. Tax revenue estimates do not include federal funds and other departmental revenues. However, federal funds and other departmental revenues are included in the budget as funding sources for the general fund, along with state tax revenues.

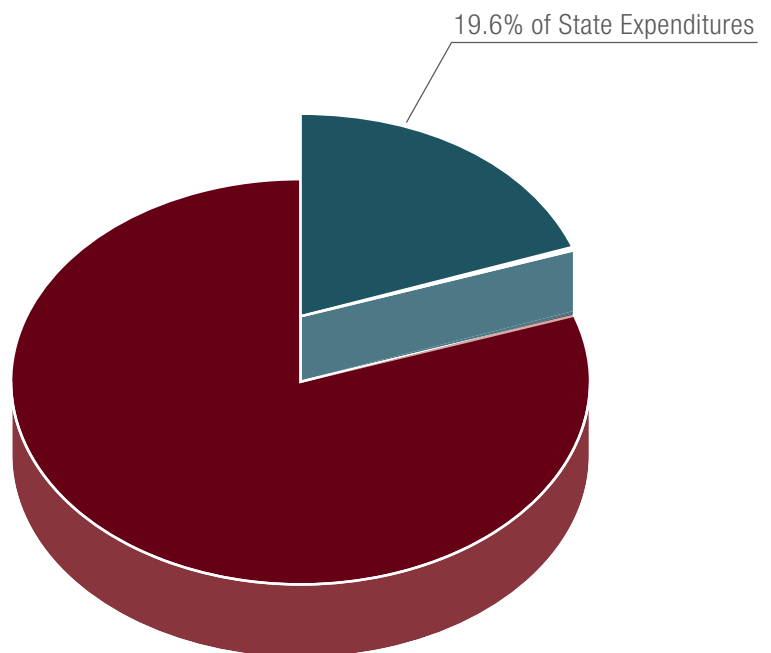
Wyoming: Part of Wyoming’s yearly variation in expenditure totals is due to the fact that the state budgets on a two-year cycle.

1

CHAPTER



ELEMENTARY & SECONDARY EDUCATION



Elementary and Secondary Education Expenditures

Overall state spending on elementary and secondary education totaled \$384.8 billion in fiscal 2017, an increase of 3.9 percent. State funding increased by 4.0 percent and federal funds grew 4.3 percent. The growth rate in fiscal 2016 for elementary and secondary education was 2.5 percent; state funding grew by 2.9 percent, and federal funds increased by 1.5 percent.

As the national economy and state revenues continue to grow modestly, elementary and secondary education continues to receive increased funding in state budgets. Some states are also taking targeted steps to increase teacher compensation to improve recruitment and retention. Other states are boosting spending levels and improving funding equity in response to court mandates. Early education is another area where states are investing greater resources. While average growth has been modest in recent years, K–12 spending changes in fiscal 2016 and fiscal 2017 vary by state due to differing economic and fiscal conditions, as well as demographic trends.

Elementary and secondary education continues to be the largest category of state general fund spending, comprising 35.4

percent of state general fund spending in fiscal 2017, 35.5 percent in fiscal 2016, and 35.5 percent in fiscal 2015. Up until fiscal 2009, elementary and secondary education represented the largest category of total state spending until it was surpassed by Medicaid spending. In fiscal 2017, K–12 comprised 19.4 percent of total state spending, down slightly from 19.6 percent in fiscal 2016.

The vast majority of states support K–12 education primarily through their general funds, though a few states segregate dedicated revenue sources into a separate education fund; examples include Michigan, New Hampshire and Wyoming. Other states with separate education funds combine their reporting in this survey with their general fund spending (Alabama and Utah). General funds comprised 73.7 percent of total state elementary and secondary education spending, federal funds comprised 14.0 percent, other state funds comprised 11.7 percent, and bonds comprised 0.5 percent (see Figure 10) in fiscal 2016.

Sources of Funding

State funding systems for education vary greatly. Over the years, some states have moved toward increasing their share of funding for elementary and secondary education by substituting state funds for local funds, often to reduce local governments' reliance on property taxes or to ensure equity in education funding across the state. Funds are distributed to schools both through general funds on a per-pupil basis and as categorical grants to support specific programs or needs. The federal share serves mainly as a source of supplemental funding for poor school districts and to help cover the cost of educating children with special needs, though the federal government has also provided competitive grants to states to encourage innovation and reforms at the state level.

According to the U.S. Census Bureau's latest report on public education finances, state governments contributed the largest share of elementary and secondary education revenue in fiscal 2015, with state funds comprising 47.1 percent of total revenue nationally, followed closely by local government revenue (mostly from property taxes), which represented 44.6 percent. The remaining 8.3 percent of public school revenue came from the federal government. The state-local funding split can vary considerably by state, depending on differences in state constitutional requirements, school finance systems, local revenue structures, and other factors.

FIGURE 10
STATE EXPENDITURES FOR ELEMENTARY AND SECONDARY EDUCATION BY FUND SOURCE, FISCAL 2016

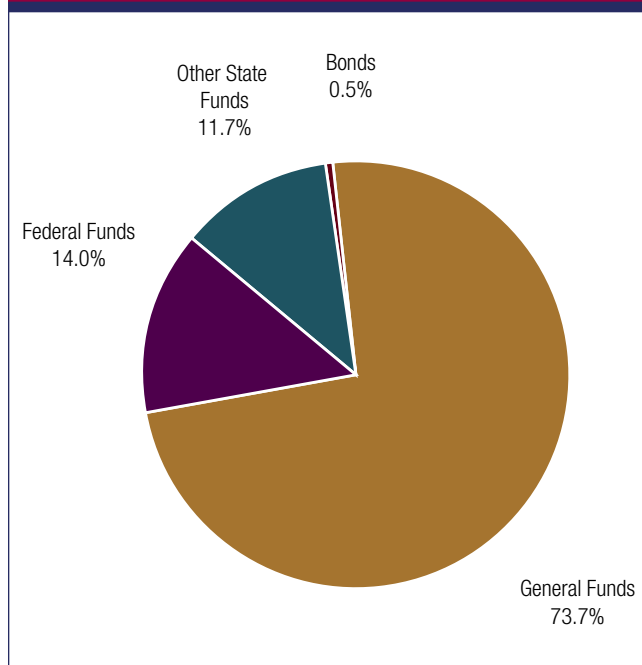


TABLE 6
REGIONAL PERCENTAGE CHANGE IN STATE ELEMENTARY AND SECONDARY EDUCATION
EXPENDITURES, FISCAL 2016 AND 2017

Region	Fiscal 2015 to 2016			Fiscal 2016 to 2017		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	2.7 %	2.3 %	4.8 %	0.6 %	2.3 %	-2.8 %
Mid-Atlantic	5.0	5.1	5.0	4.6	2.2	4.4
Great Lakes	2.6	2.0	2.2	4.5	2.6	4.2
Plains	2.6	1.5	2.5	4.0	4.6	4.0
Southeast	2.2	1.4	2.0	4.9	4.7	4.8
Southwest	4.4	0.7	3.8	1.7	4.3	2.1
Rocky Mountain	2.5	3.4	2.6	7.1	7.0	7.1
Far West	1.2	-2.2	-0.4	3.8	7.2	4.3
ALL STATES	2.9 %	1.5 %	2.5 %	4.0 %	4.3 %	3.9 %

Regional Expenditures

The following table shows percentage changes in expenditures for elementary and secondary education for fiscal 2015–2016 and fiscal 2016–2017 by region. In fiscal 2017, every region recorded an increase in spending from state funds, federal funds and all funds except for New England, which reported a decrease in spending from all funds due to a significant drop in bond fund spending; bond funds are excluded from the state fund growth figures, but included in the all fund figures here. In fiscal 2016, all but one region saw net increases in K–12 spending from state funds, federal funds and all funds; the Far West recorded a decrease in federal fund spending that contributed to a slight net decline in all fund spending.

Implementation of the Every Student Succeeds Act

In December 2015, Congress passed and President Obama signed into law the *Every Student Succeeds Act* (ESSA), finally reauthorizing the *Elementary and Secondary Education Act*, eight years after the expiration of *No Child Left Behind*. Overall, the new law rolled back the federal role in determining measures of effectiveness and accountability actions, deferring those policy decisions to the states. States submitted their ESSA plans to the U.S. Department of Education for review in

the spring or fall of 2017, and the federal government has begun to issue approvals. These consolidated plans primarily describe state approaches to school accountability and long-term goals for student achievement under the new law, which gives states more flexibility to measure school performance, fund programs, and improve low-performing schools. These plans were developed by the state education agency in consultation with the governor, lawmakers, state board of education, local school districts, and other key stakeholders.

Elementary and Secondary Education—Expenditure Exclusions

When comparing resources spent on elementary and secondary education, it is important to understand the types of programs states exclude from these figures. For this report, 16 states wholly or partially excluded employer contributions to teacher pensions and 18 states wholly or partially excluded contributions to health benefits. Additionally, most states wholly or partially excluded the following items: day care programs (43 states), school health care/immunization (44), Head Start (33), and libraries (29).

Summary expenditure data can be found in Tables 7 through 9, accompanied by explanatory notes. Table 10 lists programs excluded from the expenditure data.

TABLE 7
ELEMENTARY AND SECONDARY EDUCATION EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2015					Actual Fiscal 2016					Estimated Fiscal 2017				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$3,277	\$489	\$2	\$528	\$4,296	\$3,332	\$525	\$6	\$896	\$4,759	\$3,248	\$528	\$9	\$278	\$4,063
Maine	1,137	192	30	0	1,359	1,153	201	32	0	1,386	1,193	213	30	0	1,436
Massachusetts	4,993	980	769	0	6,742	5,128	981	805	0	6,914	5,210	986	749	0	6,945
New Hampshire	0	179	946	1	1,126	0	181	957	5	1,143	0	190	967	12	1,169
Rhode Island	1,003	197	33	0	1,233	1,065	191	33	0	1,289	1,113	208	35	0	1,356
Vermont	388	117	1,210	10	1,725	402	125	1,246	0	1,773	417	129	1,269	1	1,816
MID-ATLANTIC															
Delaware	1,278	209	747	98	2,332	1,337	200	763	102	2,402	1,415	195	795	133	2,538
Maryland	5,857	1,051	403	0	7,311	5,925	1,036	401	0	7,362	6,007	1,171	500	0	7,678
New Jersey	12,140	906	22	0	13,068	12,861	837	21	0	13,719	13,405	903	17	0	14,325
New York	20,534	3,433	3,348	15	27,330	22,254	3,906	3,299	17	29,476	23,261	3,763	3,460	50	30,534
Pennsylvania	10,287	2,439	850	0	13,576	10,766	2,467	622	0	13,855	11,432	2,602	624	0	14,658
GREAT LAKES															
Illinois	6,563	2,123	242	0	8,928	6,525	2,324	488	0	9,337	7,226	2,255	293	0	9,774
Indiana	7,705	968	142	0	8,815	7,880	1,042	149	0	9,071	8,039	1,042	157	0	9,238
Michigan*	72	1,686	11,669	0	13,427	98	1,661	11,952	0	13,711	227	1,839	12,155	0	14,221
Ohio*	7,617	1,871	1,098	378	10,964	7,966	1,856	1,231	230	11,283	8,253	1,901	1,250	239	11,643
Wisconsin	6,284	849	258	0	7,391	6,177	763	253	0	7,193	6,744	809	276	0	7,829
PLAINS															
Iowa*	3,006	447	73	0	3,526	3,094	458	72	0	3,624	3,223	485	83	0	3,791
Kansas	3,132	471	950	0	4,553	3,009	472	968	0	4,449	3,099	503	1,014	0	4,616
Minnesota	8,188	753	42	0	8,983	8,507	749	58	11	9,325	8,916	827	55	2	9,800
Missouri	3,141	958	1,409	0	5,508	3,236	978	1,461	0	5,675	3,297	1,013	1,504	0	5,814
Nebraska	1,209	322	59	0	1,590	1,248	340	60	0	1,648	1,268	324	54	0	1,646
North Dakota	891	131	69	0	1,091	823	140	184	0	1,147	879	133	154	0	1,166
South Dakota	405	169	6	0	580	432	164	5	0	601	522	168	6	0	696
SOUTHEAST															
Alabama*	4,109	964	185	0	5,258	4,157	1,008	189	0	5,354	4,373	1,424	191	0	5,988
Arkansas	2,181	534	761	0	3,476	2,229	540	760	0	3,529	2,245	539	763	0	3,547
Florida	10,229	1,838	1,297	0	13,364	10,639	1,774	1,141	0	13,554	10,958	1,735	1,359	0	14,052
Georgia	8,129	2,321	367	273	11,090	8,670	2,317	378	272	11,637	9,083	2,306	397	252	12,038
Kentucky	4,390	802	35	0	5,227	4,455	839	34	0	5,328	4,974	879	38	0	5,891
Louisiana	3,543	1,031	651	0	5,225	3,566	1,058	695	0	5,319	3,579	1,122	700	0	5,401
Mississippi	2,144	650	388	4	3,186	2,236	724	339	0	3,299	2,260	805	366	0	3,431
North Carolina	8,047	1,522	676	0	10,245	8,344	1,502	645	0	10,491	8,623	1,507	758	0	10,888
South Carolina	2,567	879	790	0	4,236	2,688	951	739	0	4,378	2,978	976	906	0	4,860
Tennessee	4,336	1,140	106	0	5,582	4,467	1,078	122	0	5,667	4,765	1,118	122	0	6,005
Virginia	5,471	906	939	0	7,316	5,593	962	702	0	7,257	5,745	1,040	809	0	7,594
West Virginia	1,958	402	129	23	2,512	1,894	424	121	23	2,462	1,907	347	91	23	2,368
SOUTHWEST															
Arizona	3,780	1,141	692	0	5,613	3,946	1,130	872	0	5,948	4,089	1,162	889	0	6,140
New Mexico	2,696	414	2	0	3,112	2,723	414	6	0	3,143	2,671	414	6	0	3,091
Oklahoma	2,132	603	863	0	3,598	2,095	593	816	0	3,504	1,599	674	1,167	0	3,440
Texas*	19,556	4,933	4,354	2	28,845	21,539	5,005	3,578	0	30,122	21,873	5,197	3,878	0	30,948
ROCKY MOUNTAIN															
Colorado*	3,357	591	4,675	0	8,623	3,478	628	4,598	0	8,704	3,764	602	4,703	0	9,069
Idaho	1,397	282	92	0	1,771	1,499	278	78	0	1,855	1,613	284	87	0	1,984
Montana	758	167	82	0	1,007	788	168	55	0	1,011	819	175	47	0	1,041
Utah	2,756	415	90	0	3,261	2,871	431	190	0	3,492	3,079	550	220	0	3,849
Wyoming	1	0	806	0	807	1	0	806	0	807	0	0	1,059	0	1,059
FAR WEST															
Alaska	1,405	214	33	0	1,652	1,383	208	52	0	1,643	1,356	239	57	0	1,652
California	46,212	6,519	-161	1,054	53,624	45,118	6,416	44	266	51,844	46,491	6,947	475	190	54,103
Hawaii	1,582	241	68	0	1,891	1,680	227	62	0	1,969	1,709	256	55	0	2,020
Nevada	1,304	256	316	0	1,876	1,389	267	771	0	2,427	1,471	291	523	0	2,285
Oregon	3,408	648	399	0	4,455	3,736	636	258	0	4,630	3,737	610	444	0	4,791
Washington*	7,647	828	374	250	9,099	8,679	757	182	171	9,789	9,234	783	228	280	10,525
TOTAL	\$264,202	\$51,181	\$43,386	\$2,636	\$361,405	\$273,081	\$51,932	\$43,299	\$1,993	\$370,305	\$283,389	\$54,169	\$45,794	\$1,460	\$384,812
District of Columbia	1,723	274	1	0	1,998	1,815	258	3	0	2,076					

Source: National Association of State Budget Officers, 2016 State Expenditure Report

TABLE 8
ELEMENTARY AND SECONDARY EDUCATION EXPENDITURES AS A
PERCENT OF TOTAL EXPENDITURES

Region/State	Fiscal 2015		Fiscal 2016		Fiscal 2017	
NEW ENGLAND						
Connecticut	14.2	%	14.9	%	13.2	%
Maine	17.6		17.2		17.4	
Massachusetts	11.6		11.3		11.2	
New Hampshire	20.7		19.6		19.5	
Rhode Island	14.5		14.9		14.6	
Vermont	31.8		31.9		32.7	
MID-ATLANTIC						
Delaware	23.9		23.5		23.8	
Maryland	18.3		18.1		18.6	
New Jersey	22.9		24.3		23.7	
New York	19.0		19.6		19.4	
Pennsylvania	18.6		18.1		18.1	
GREAT LAKES						
Illinois	13.7		17.2		14.5	
Indiana	30.0		28.9		28.8	
Michigan	25.2		25.2		26.1	
Ohio	16.8		16.7		17.1	
Wisconsin	16.0		15.7		16.7	
PLAINS						
Iowa	15.9		15.7		16.4	
Kansas	30.2		29.4		28.9	
Minnesota	25.1		25.3		24.9	
Missouri	22.9		23.0		22.8	
Nebraska	14.5		14.2		13.9	
North Dakota	13.8		15.4		16.1	
South Dakota	14.5		14.4		16.5	
SOUTHEAST						
Alabama	20.9		20.7		22.9	
Arkansas	14.6		14.7		14.5	
Florida	18.8		18.7		17.1	
Georgia	24.6		24.5		24.5	
Kentucky	17.0		16.3		17.5	
Louisiana	18.8		19.2		16.9	
Mississippi	16.1		16.7		15.3	
North Carolina	23.4		23.6		23.3	
South Carolina	18.7		19.1		19.8	
Tennessee	18.1		17.7		17.8	
Virginia	15.5		14.8		15.1	
West Virginia	15.8		15.2		14.8	
SOUTHWEST						
Arizona	14.3		15.0		14.8	
New Mexico	18.2		17.4		16.8	
Oklahoma	16.1		15.4		14.8	
Texas	25.6		24.5		24.5	
ROCKY MOUNTAIN						
Colorado	25.0		23.7		26.7	
Idaho	25.1		25.3		22.5	
Montana	15.8		15.8		15.0	
Utah	25.3		25.6		25.9	
Wyoming	15.8		15.8		21.0	
FAR WEST						
Alaska	12.3		16.4		16.4	
California	21.4		20.7		20.0	
Hawaii	14.7		14.2		13.8	
Nevada	16.1		18.8		16.7	
Oregon	11.9		12.4		12.0	
Washington	22.7		23.4		23.7	
ALL STATES	19.6	%	19.6	%	19.4	%

Source: National Association of State Budget Officers, 2016 State Expenditure Report

TABLE 9
ANNUAL PERCENTAGE CHANGE IN ELEMENTARY AND SECONDARY EDUCATION EXPENDITURES

Region/State	Fiscal 2015 to 2016			Fiscal 2016 to 2017		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	1.8 %	7.4 %	10.8 %	-2.4 %	0.6 %	-14.6 %
Maine	1.5	4.7	2.0	3.2	6.0	3.6
Massachusetts	3.0	0.1	2.6	0.4	0.5	0.4
New Hampshire	1.2	1.1	1.5	1.0	5.0	2.3
Rhode Island	6.0	-3.0	4.5	4.6	8.9	5.2
Vermont	3.1	6.8	2.8	2.3	3.2	2.4
MID-ATLANTIC						
Delaware	3.7	-4.3	3.0	5.2	-2.5	5.7
Maryland	1.1	-1.4	0.7	2.9	13.0	4.3
New Jersey	5.9	-7.6	5.0	4.2	7.9	4.4
New York	7.0	13.8	7.9	4.6	-3.7	3.6
Pennsylvania	2.3	1.1	2.1	5.9	5.5	5.8
GREAT LAKES						
Illinois	3.1	9.5	4.6	7.2	-3.0	4.7
Indiana	2.3	7.6	2.9	2.1	0.0	1.8
Michigan	2.6	-1.5	2.1	2.8	10.7	3.7
Ohio	5.5	-0.8	2.9	3.3	2.4	3.2
Wisconsin	-1.7	-10.1	-2.7	9.2	6.0	8.8
PLAINS						
Iowa	2.8	2.5	2.8	4.4	5.9	4.6
Kansas	-2.6	0.2	-2.3	3.4	6.6	3.8
Minnesota	4.1	-0.5	3.8	4.7	10.4	5.1
Missouri	3.2	2.1	3.0	2.2	3.6	2.4
Nebraska	3.2	5.6	3.6	1.1	-4.7	-0.1
North Dakota	4.9	6.9	5.1	2.6	-5.0	1.7
South Dakota	6.3	-3.0	3.6	20.8	2.4	15.8
SOUTHEAST						
Alabama	1.2	4.6	1.8	5.0	41.3	11.8
Arkansas	1.6	1.1	1.5	0.6	-0.2	0.5
Florida	2.2	-3.5	1.4	4.6	-2.2	3.7
Georgia*	6.5	-0.2	4.9	4.8	-0.5	3.4
Kentucky	1.4	4.6	1.9	11.7	4.8	10.6
Louisiana	1.6	2.6	1.8	0.4	6.0	1.5
Mississippi	1.7	11.4	3.5	2.0	11.2	4.0
North Carolina	3.0	-1.3	2.4	4.4	0.3	3.8
South Carolina	2.1	8.2	3.4	13.3	2.6	11.0
Tennessee	3.3	-5.4	1.5	6.5	3.7	6.0
Virginia	-1.8	6.2	-0.8	4.1	8.1	4.6
West Virginia	-3.4	5.5	-2.0	-0.8	-18.2	-3.8
SOUTHWEST						
Arizona	7.7	-1.0	6.0	3.3	2.8	3.2
New Mexico	1.1	0.0	1.0	-1.9	0.0	-1.7
Oklahoma	-2.8	-1.7	-2.6	-5.0	13.7	-1.8
Texas	5.0	1.5	4.4	2.5	3.8	2.7
ROCKY MOUNTAIN						
Colorado	0.5	6.3	0.9	4.8	-4.1	4.2
Idaho	5.9	-1.4	4.7	7.8	2.2	7.0
Montana	0.4	0.6	0.4	2.7	4.2	3.0
Utah	7.6	3.9	7.1	7.8	27.6	10.2
Wyoming	0.0	---	0.0	31.2	---	31.2
FAR WEST						
Alaska	-0.2	-2.8	-0.5	-1.5	14.9	0.5
California	-1.9	-1.6	-3.3	4.0	8.3	4.4
Hawaii	5.6	-5.8	4.1	1.3	12.8	2.6
Nevada	33.3	4.3	29.4	-7.7	9.0	-5.9
Oregon	4.9	-1.9	3.9	4.7	-4.1	3.5
Washington	10.5	-8.6	7.6	6.8	3.4	7.5
ALL STATES	2.9 %	1.5 %	2.5 %	4.0 %	4.3 %	3.9 %
MEDIAN	2.7	0.6	2.8	3.7	3.7	3.7

Note: State funds are defined as general funds and other state funds (bonds are excluded). Source: National Association of State Budget Officers, 2016 State Expenditure Report

TABLE 10
ITEMS EXCLUDED FROM ELEMENTARY AND SECONDARY EDUCATION EXPENDITURES

Region/State	Employer Contributions to Pensions	Employer Contributions to Health Benefits	Head Start	Libraries	Day Care Programs	School Health Care/ Immunization
NEW ENGLAND						
Connecticut	X	X		X	P	P
Maine			X		X	X
Massachusetts	X	X	X	X	X	X
New Hampshire			X	X	X	
Rhode Island			X	X	X	P
Vermont			X	X	X	X
MID-ATLANTIC						
Delaware					X	P
Maryland				X		P
New Jersey		P	X		X	P
New York	P	P	X		X	P
Pennsylvania				X	X	X
GREAT LAKES						
Illinois	P	P	X	X	P	X
Indiana	P	P	X	P	P	X
Michigan*	P	P	X		X	X
Ohio*	X	X		X	P	X
Wisconsin	X	X			P	X
PLAINS						
Iowa*	P	X	X	P	X	P
Kansas		X	X	X	X	X
Minnesota	P	P				X
Missouri	X	X	X	X		X
Nebraska	P	P	X	X	X	X
North Dakota			X	X	X	X
South Dakota					X	X
SOUTHEAST						
Alabama					X	P
Arkansas			P		P	P
Florida			X	X	X	X
Georgia			X	X		
Kentucky				X	X	
Louisiana				X	X	X
Mississippi			P		X	
North Carolina						X
South Carolina			P	P	X	X
Tennessee					P	P
Virginia					X	
West Virginia			X	X	X	X
SOUTHWEST						
Arizona			X		X	X
New Mexico						P
Oklahoma			X	X	X	X
Texas*			X	X	X	X
ROCKY MOUNTAIN						
Colorado*	P	X	X	P	X	P
Idaho			X		X	X
Montana	P	P	X	P	X	X
Utah			X		X	X
Wyoming						
FAR WEST						
Alaska				X	X	X
California			X		X	X
Hawaii	P	P	X		X	X
Nevada			X	X	X	X
Oregon			X	P	X	X
Washington	P	P	X	X	X	X
ALL STATES	16	18	33	29	43	44
District of Columbia				X		

Excluded=X Partially Excluded=P Not Applicable=N/A
Source: National Association of State Budget Officers, 2016 State Expenditure Report

Elementary and Secondary Education Notes

Small dollar amounts, when rounded, cause an aberration in the percentage increase. In these instances, the actual dollar amounts should be consulted to determine the exact percentage increase.

Alabama: Federal Funds received directly by local school systems are not reported at state budget level. Totals include capital expenditures.

Colorado: School personnel are paid at the school district level—state costs for employer contributions to employee pensions and health benefits only reflect Colorado Dept. of Education personnel. Funds library-related programs across the state.

Iowa: School personnel are paid at the school district level — state costs for employer contributions to employee pensions and health benefits only reflect State Department personnel. Funds for library-related programs only cover programs that are state-wide.

Michigan: Totals reflect K–12 education, the Michigan Department of Education (MDE), adult education, and pre-school.

Employer contributions to current employees' pensions and health benefits are reported for MDE and partially included for employees of K–12 schools. State funds partially offset employer-paid retirement obligations for employees of K–12 schools.

Ohio: Employer contributions to current employees' pensions are not directly appropriated, or fully funded, by the state; however, some of the unrestricted support provided to localities for elementary and secondary education is used to help cover these costs. There are no direct appropriations for employer contributions to health benefits, though it can be assumed that some of the unrestricted support provided for elementary and secondary education is used for these costs.

Texas: Funds generated at the local level and Federal Funds drawn down directly to the local governments are not reported as a part of the state's expenditures. General Fund and Other State Fund totals include TRS Funding.

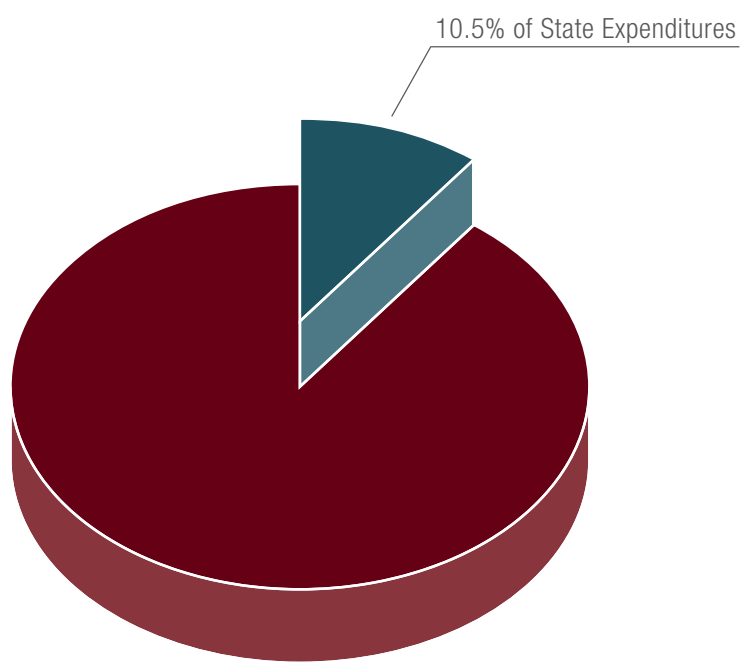
Washington: Figures for Elementary and Secondary Education include Capital expenditures.

2

CHAPTER



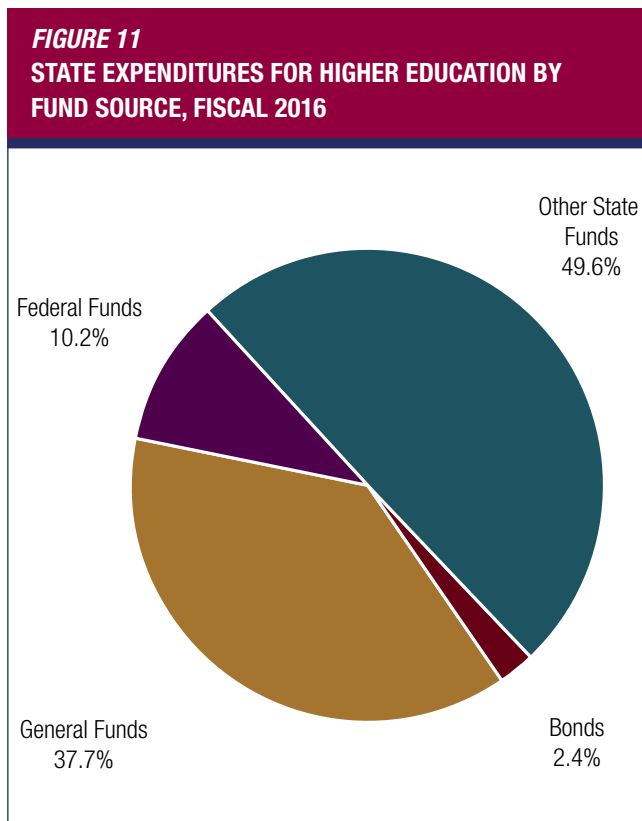
HIGHER EDUCATION EXPENDITURES



Higher Education Expenditures

State higher education spending reflects financial support of public university systems, community colleges, career and technical education institutions, and student financial aid. In fiscal 2017 states spent \$207.0 billion on higher education, an increase of 4.3 percent. The general fund portion grew by a substantial 5.2 percent in fiscal 2017. After a series of significant reductions beginning in fiscal 2009 through 2012, where higher education spending declined by \$13.9 billion, or 17.5 percent, the average annual general fund spending growth has been 4.8 percent.

In fiscal 2016, states spent \$198.4 billion on higher education, an increase of 3.8 percent. Higher education spending in fiscal 2016 represented 10.5 percent of total state spending, and 9.7 percent of general fund expenditures. In fiscal 2016, general funds increased by 1.8 percent while all state funds (general funds plus other state funds) increased by 4.9 percent; federal funds, on the other hand, declined 0.6 percent. General funds accounted for 37.7 percent of total state spending on higher education, other state funds 49.6 percent, federal funds 10.2 percent, and bonds 2.4 percent in fiscal 2016 (see Figure 11 and Table 12).



Regional Expenditures

Table 11 shows regional percentage changes in expenditures for higher education for fiscal 2015–2016 and fiscal 2016–2017. In both fiscal 2016 and fiscal 2017, nearly all regions saw net increases in both spending from state funds and total state spending on higher education. The Great Lakes region saw a substantial decline in state funds in fiscal 2016, followed by a large uptick in fiscal 2017; however, this volatility is explained by extreme spending fluctuations in Illinois as a result of the state’s budget impasse in fiscal 2016. Several regions saw reductions in federal fund spending for higher education in either one or both years.

Financing Issues

Higher education represents the third largest component of total state spending, and is also the third largest component of general fund spending. However, higher education expenditures have been shrinking as a share of general fund spending in recent decades, as spending in other program areas, particularly Medicaid, has been on the rise. For example, in fiscal 1995, higher education comprised 12.9 percent of general fund spending, while in fiscal 2017, higher education spending made up an estimated 9.9 percent of general fund expenditures. Over that same period, Medicaid went from representing 14.4 percent of general fund spending to 20.3 percent. Also over this period, general funds went from making up 58.2 percent of total state spending on higher education in fiscal 1995 to 38.1 percent in fiscal 2017. This has caused the “Other State Funds” source (which includes tuition and fees for the majority of states) to surpass the general fund as the largest funding source for state spending on higher education, making up 50.0 percent of total state higher education expenditures in fiscal 2017.

These trends reflect how an increasing share of the cost burden of higher education is being placed on students through higher tuition and fees. For decades, the cost of college has been rising at levels above the rate of inflation. According to The College Board, between 2006–07 and 2016–17, published in-state tuition and fees at public four-year institutions increased at an average annual rate of 3.5 percent per year, after adjusting for inflation. Notably, this growth rate is somewhat lower than the growth rates observed in previous decades — 3.9 percent between 1986–87 and 1996–97 and 4.2 percent between 1996–97 and 2006–07. Nevertheless, published in-state tuition and fees at four-year institutions increased roughly 41 percent over the last decade beyond inflation.

TABLE 11
REGIONAL PERCENTAGE CHANGE IN STATE HIGHER EDUCATION EXPENDITURES,
FISCAL 2016 AND 2017

Region	Fiscal 2015 to 2016			Fiscal 2016 to 2017		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	5.7 %	4.9 %	4.8 %	3.1 %	-0.3 %	0.9 %
Mid-Atlantic	1.0	2.3	-0.1	3.2	-0.4	2.4
Great Lakes	-8.6	-0.9	-9.3	14.4	0.2	12.0
Plains	5.0	-1.1	4.1	4.9	3.0	4.4
Southeast	5.4	-1.9	5.2	4.8	-1.1	3.6
Southwest	8.0	-2.0	6.0	6.2	-0.7	5.0
Rocky Mountain	7.0	2.7	6.8	1.1	-0.7	1.0
Far West	11.0	1.5	8.1	4.5	4.1	5.0
ALL STATES	4.9 %	-0.6 %	3.8 %	5.2 %	0.9 %	4.3 %

Because of the important role played by student financial aid, looking at changes in average net tuition and fees for in-state students can be a more meaningful measure of college affordability trends. Taking into account grant aid and federal education tax breaks, average net tuition and fees at public four-year institutions have increased 30 percent beyond inflation over the past decade, according to The College Board. Meanwhile, net tuition and fees at public two-year institutions have declined significantly over the last decade, with grant aid and tax benefits, on average, now exceeding published tuition and fees for these institutions (excluding room and board charges). This reflects the movement towards greater public investment in financial assistance for community college students.

States have been working to address issues around college affordability and access, especially as they also try to boost educational attainment and completion rates. A growing number of initiatives led by governors, state legislatures, and public higher education systems are aiming to increase the affordability of public higher education by curbing institution costs, restricting tuition increases, and bolstering student financial aid programs, along with adopting strategies to hold institutions accountable for results such as through outcomes-based funding models. NASBO's resource, *A Guidebook on State Budgeting for Higher Education*, published in December 2015, describes many of these strategies and

provides state budget officers and analysts with key resources and tools to help them make informed, strategic decisions about the allocation of state resources for higher education.

Capital Spending

State expenditures for higher education-related construction, renovation and other capital projects totaled \$11.6 billion in fiscal 2016, compared to \$12.4 billion in fiscal 2015, and are estimated to be \$11.3 billion in fiscal 2017 (see Table 49). State spending on capital projects has historically fluctuated from year-to-year due to the multi-year spending timeline of the projects.

Higher Education – Expenditure Exclusions

In calculating higher education expenditures for this report, 15 states wholly or partially excluded tuition and fees, and 19 states wholly or partially excluded student loan programs. Additionally, other items that are wholly or partially excluded include: university research grants (34 states); vocational education (19); assistance to private colleges or universities (26); and employer contributions to pensions (15) and health benefits (15). Table 15 lists programs excluded from the expenditure data by state. Summary expenditure data can be found in Tables 12 through 14, accompanied by explanatory notes.

TABLE 12
HIGHER EDUCATION EXPENDITURES—CAPITAL INCLUSIVE (\$ IN MILLIONS)

Region/State	Actual Fiscal 2015					Actual Fiscal 2016					Estimated Fiscal 2017				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$731	\$292	\$1,451	\$604	\$3,078	\$781	\$292	\$1,560	\$552	\$3,185	\$740	\$294	\$1,618	\$337	\$2,989
Maine	272	0	8	14	294	284	0	8	24	316	297	0	8	6	311
Massachusetts	1,154	8	4,573	5	5,740	1,190	12	4,880	5	6,087	1,164	9	5,129	22	6,324
New Hampshire	123	0	4	5	132	124	1	3	10	138	128	1	0	9	138
Rhode Island	188	5	855	43	1,091	181	15	886	27	1,109	199	15	922	37	1,173
Vermont	84	0	6	3	93	83	0	6	4	93	84	0	6	4	94
MID-ATLANTIC															
Delaware	232	56	118	13	419	236	51	118	16	421	241	47	115	16	419
Maryland	1,793	348	3,156	374	5,671	1,871	361	3,266	384	5,882	1,961	377	3,469	396	6,203
New Jersey	2,408	15	2,158	0	4,581	2,451	17	2,112	0	4,580	2,551	18	2,434	0	5,003
New York	3,287	327	6,393	811	10,818	2,991	334	6,672	696	10,693	2,876	318	6,745	632	10,571
Pennsylvania	1,635	0	107	278	2,020	1,619	0	158	126	1,903	1,659	0	121	67	1,847
GREAT LAKES															
Illinois*	1,922	192	54	228	2,396	605	194	48	0	847	1,852	224	312	44	2,432
Indiana	1,935	2	7	0	1,944	1,941	1	11	0	1,953	1,936	0	10	0	1,946
Michigan*	1,366	111	571	241	2,289	1,521	108	462	161	2,252	1,538	121	498	35	2,192
Ohio*	2,380	22	25	235	2,662	2,464	22	31	209	2,726	2,540	22	38	280	2,880
Wisconsin	1,746	1,705	3,226	0	6,677	1,653	1,689	3,355	0	6,697	1,700	1,652	3,411	0	6,763
PLAINS															
Iowa	857	572	4,166	0	5,595	862	520	4,552	0	5,934	843	496	4,756	0	6,095
Kansas	780	586	1,250	58	2,674	760	587	1,334	69	2,750	760	612	1,461	77	2,910
Minnesota	1,452	5	43	236	1,736	1,529	4	39	143	1,715	1,552	4	52	108	1,716
Missouri	905	1	257	1	1,164	910	1	228	32	1,171	901	1	240	83	1,225
Nebraska	714	338	1,535	0	2,587	745	365	1,661	0	2,771	756	336	1,782	0	2,874
North Dakota	540	114	631	19	1,304	523	117	635	7	1,282	501	193	870	24	1,588
South Dakota	219	64	415	46	744	256	68	421	90	835	235	70	450	19	774
SOUTHEAST															
Alabama*	1,466	1,224	2,510	0	5,200	1,493	1,175	2,634	0	5,302	1,566	1,057	2,623	0	5,246
Arkansas	777	9	2,789	0	3,575	772	9	2,691	0	3,472	772	9	2,891	0	3,672
Florida	3,661	104	3,200	31	6,996	3,839	90	3,088	12	7,029	4,032	114	3,346	45	7,537
Georgia	2,327	65	5,741	273	8,406	2,442	62	6,025	399	8,928	2,613	75	6,292	340	9,320
Kentucky	1,156	797	4,367	0	6,320	1,207	897	5,792	0	7,896	1,141	925	6,143	0	8,209
Louisiana	921	87	1,569	158	2,735	655	67	1,940	155	2,817	913	80	1,650	108	2,751
Mississippi	845	204	2,470	103	3,622	859	194	2,665	96	3,814	852	130	2,862	90	3,934
North Carolina	3,660	48	2,110	0	5,818	3,798	49	2,151	0	5,998	3,957	51	2,293	41	6,342
South Carolina	662	132	3,499	0	4,293	646	115	3,765	0	4,526	690	120	4,088	0	4,898
Tennessee	1,640	191	2,400	28	4,259	1,660	184	2,549	194	4,587	2,018	221	2,562	0	4,801
Virginia	1,721	1,198	3,613	700	7,232	1,785	1,142	3,796	666	7,389	1,963	1,164	3,838	445	7,410
West Virginia	500	27	1,539	54	2,120	397	26	1,495	54	1,972	383	20	1,473	54	1,930
SOUTHWEST															
Arizona	843	645	4,491	0	5,979	721	628	4,933	0	6,282	753	655	5,168	0	6,576
New Mexico	838	680	1,475	0	2,993	848	660	1,551	0	3,059	828	667	1,569	0	3,064
Oklahoma	862	736	3,647	75	5,320	845	754	4,016	75	5,690	810	780	3,981	100	5,671
Texas	6,961	3,962	4,927	0	15,850	7,588	3,860	5,477	0	16,925	8,384	3,759	6,088	0	18,231
ROCKY MOUNTAIN															
Colorado*	869	343	3,788	0	5,000	1,016	357	4,038	0	5,411	1,000	346	4,010	0	5,356
Idaho	346	6	238	0	590	358	4	253	0	615	394	14	454	0	862
Montana	222	42	397	0	661	242	41	399	0	682	233	42	409	0	684
Utah	1,007	11	730	0	1,748	1,062	11	786	0	1,859	1,110	8	805	0	1,923
Wyoming	379	1	7	0	387	379	1	7	0	387	203	1	15	0	219
FAR WEST															
Alaska	490	125	312	158	1,085	362	128	316	0	806	330	153	366	0	849
California	12,190	4,907	54	241	17,392	12,948	4,963	23	208	18,142	13,482	5,165	76	338	19,061
Hawaii	413	10	563	140	1,126	441	28	742	93	1,304	471	12	565	120	1,168
Nevada	493	3	285	5	786	531	3	315	8	857	542	3	307	8	860
Oregon*	267	41	115	0	423	920	42	253	58	1,273	856	41	574	29	1,500
Washington	1,327	7	3,923	252	5,509	1,507	5	4,317	240	6,069	1,536	5	4,595	302	6,438
TOTAL	\$73,566	\$20,368	\$91,768	\$5,432	\$191,134	\$74,901	\$20,254	\$98,463	\$4,813	\$198,431	\$78,846	\$20,427	\$103,490	\$4,216	\$206,979
District of Columbia	0	22	117	43	182	0	23	127	15	165					

Source: National Association of State Budget Officers, 2016 State Expenditure Report

TABLE 13
HIGHER EDUCATION EXPENDITURES AS A PERCENT OF
TOTAL EXPENDITURES

Region/State	Fiscal 2015		Fiscal 2016		Fiscal 2017
NEW ENGLAND					
Connecticut	10.2	%	10.0	%	9.7
Maine	3.8		3.9		3.8
Massachusetts	9.8		9.9		10.2
New Hampshire	2.4		2.4		2.3
Rhode Island	12.9		12.9		12.6
Vermont	1.7		1.7		1.7
MID-ATLANTIC					
Delaware	4.3		4.1		3.9
Maryland	14.2		14.4		15.0
New Jersey	8.0		8.1		8.3
New York	7.5		7.1		6.7
Pennsylvania	2.8		2.5		2.3
GREAT LAKES					
Illinois	3.7		1.6		3.6
Indiana	6.6		6.2		6.1
Michigan	4.3		4.1		4.0
Ohio	4.1		4.0		4.2
Wisconsin	14.5		14.6		14.4
PLAINS					
Iowa	25.2		25.7		26.3
Kansas	17.7		18.2		18.2
Minnesota	4.9		4.7		4.4
Missouri	4.8		4.8		4.8
Nebraska	23.6		23.9		24.2
North Dakota	16.5		17.2		22.0
South Dakota	18.6		20.0		18.3
SOUTHEAST					
Alabama	20.6		20.5		20.0
Arkansas	15.0		14.5		15.0
Florida	9.8		9.7		9.2
Georgia	18.7		18.8		18.9
Kentucky	20.5		24.1		24.3
Louisiana	9.9		10.2		8.6
Mississippi	18.3		19.3		17.6
North Carolina	13.3		13.5		13.6
South Carolina	19.0		19.7		19.9
Tennessee	13.8		14.4		14.2
Virginia	15.4		15.1		14.7
West Virginia	13.3		12.2		12.1
SOUTHWEST					
Arizona	15.2		15.8		15.9
New Mexico	17.5		16.9		16.6
Oklahoma	23.8		25.0		24.4
Texas	14.1		13.8		14.4
ROCKY MOUNTAIN					
Colorado	14.5		14.7		15.8
Idaho	8.4		8.4		9.8
Montana	10.4		10.7		9.8
Utah	13.6		13.6		12.9
Wyoming	7.6		7.6		4.3
FAR WEST					
Alaska	8.1		8.0		8.4
California	6.9		7.2		7.0
Hawaii	8.7		9.4		8.0
Nevada	6.7		6.6		6.3
Oregon	1.1		3.4		3.7
Washington	13.7		14.5		14.5
ALL STATES	10.4	%	10.5	%	10.4

Source: National Association of State Budget Officers, 2016 State Expenditure Report

TABLE 14
ANNUAL PERCENTAGE CHANGE IN HIGHER EDUCATION EXPENDITURES

Region/State	Fiscal 2015 to 2016			Fiscal 2016 to 2017		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	7.3 %	0.0 %	3.5 %	0.7 %	0.7 %	-6.2 %
Maine	4.3	---	7.5	4.5	---	-1.6
Massachusetts	6.0	50.0	6.0	3.7	-25.0	3.9
New Hampshire	0.0	---	4.5	0.8	0.0	0.0
Rhode Island	2.3	200.0	1.6	5.1	0.0	5.8
Vermont	-1.1	---	0.0	1.1	---	1.1
MID-ATLANTIC						
Delaware	1.1	-8.9	0.5	0.6	-7.8	-0.5
Maryland	3.8	3.7	3.7	5.7	4.4	5.5
New Jersey	-0.1	13.3	0.0	9.2	5.9	9.2
New York	-0.2	2.1	-1.2	-0.4	-4.8	-1.1
Pennsylvania	2.0	---	-5.8	0.2	---	-2.9
GREAT LAKES						
Illinois	-67.0	1.0	-64.6	231.4	15.5	187.1
Indiana	0.5	-50.0	0.5	-0.3	-100.0	-0.4
Michigan	2.4	-2.7	-1.6	2.7	12.0	-2.7
Ohio	3.7	0.0	2.4	3.3	0.0	5.6
Wisconsin	0.7	-0.9	0.3	2.1	-2.2	1.0
PLAINS						
Iowa	7.8	-9.1	6.1	3.4	-4.6	2.7
Kansas	3.2	0.2	2.8	6.1	4.3	5.8
Minnesota	4.9	-20.0	-1.2	2.3	0.0	0.1
Missouri	-2.1	0.0	0.6	0.3	0.0	4.6
Nebraska	7.0	8.0	7.1	5.5	-7.9	3.7
North Dakota	-1.1	2.6	-1.7	18.4	65.0	23.9
South Dakota	6.8	6.3	12.2	1.2	2.9	-7.3
SOUTHEAST						
Alabama	3.8	-4.0	2.0	1.5	-10.0	-1.1
Arkansas	-2.9	0.0	-2.9	5.8	0.0	5.8
Florida	1.0	-13.5	0.5	6.5	26.7	7.2
Georgia	4.9	-4.6	6.2	5.2	21.0	4.4
Kentucky	26.7	12.5	24.9	4.1	3.1	4.0
Louisiana	4.2	-23.0	3.0	-1.2	19.4	-2.3
Mississippi	6.3	-4.9	5.3	5.4	-33.0	3.1
North Carolina	3.1	2.1	3.1	5.1	4.1	5.7
South Carolina	6.0	-12.9	5.4	8.3	4.3	8.2
Tennessee	4.2	-3.7	7.7	8.8	20.1	4.7
Virginia	4.6	-4.7	2.2	3.9	1.9	0.3
West Virginia	-7.2	-3.7	-7.0	-1.9	-23.1	-2.1
SOUTHWEST						
Arizona	6.0	-2.6	5.1	4.7	4.3	4.7
New Mexico	3.7	-2.9	2.2	-0.1	1.1	0.2
Oklahoma	7.8	2.4	7.0	-1.4	3.4	-0.3
Texas	9.9	-2.6	6.8	10.8	-2.6	7.7
ROCKY MOUNTAIN						
Colorado	8.5	4.1	8.2	-0.9	-3.1	-1.0
Idaho	4.6	-33.3	4.2	38.8	250.0	40.2
Montana	3.6	-2.4	3.2	0.2	2.4	0.3
Utah	6.4	0.0	6.4	3.6	-27.3	3.4
Wyoming	0.0	0.0	0.0	-43.5	0.0	-43.4
FAR WEST						
Alaska	-15.5	2.4	-25.7	2.7	19.5	5.3
California	5.9	1.1	4.3	4.5	4.1	5.1
Hawaii	21.2	180.0	15.8	-12.4	-57.1	-10.4
Nevada	8.7	0.0	9.0	0.4	0.0	0.4
Oregon	207.1	2.4	200.9	21.9	-2.4	17.8
Washington	10.9	-28.6	10.2	5.3	0.0	6.1
ALL STATES	4.9 %	-0.6 %	3.8 %	5.2 %	0.9 %	4.3 %
MEDIAN	4.0	0.0	3.1	3.5	0.0	3.3

Note: State funds are defined as general funds and other state funds (bonds are excluded).
Source: National Association of State Budget Officers, 2016 State Expenditure Report

TABLE 15
ITEMS EXCLUDED FROM HIGHER EDUCATION EXPENDITURES

Region/State	Employer Contributions to Pensions	Employer Contributions to Health Benefits	Tuition and Fees	Student Loan Programs	University Research Grants	Vocational Education	Assistance To Private Colleges & Universities
NEW ENGLAND							
Connecticut					X	X	
Maine	P	P	P		P		X
Massachusetts	P	P	P	X		P	
New Hampshire	P	P	P	P	X		X
Rhode Island				P		P	P
Vermont	X	X	X		X	X	
MID-ATLANTIC							
Delaware			X		X	X	X
Maryland							
New Jersey					X	X	
New York	P	P			P	P	P
Pennsylvania	X	X		P	X	P	
GREAT LAKES							
Illinois	P	P	X	P	P		X
Indiana	P	P	X		X		X
Michigan*	P	X	X	X	P		
Ohio*	X	X	X	X	X	P	X
Wisconsin					X		
PLAINS							
Iowa							
Kansas							
Minnesota	P	P	X	X	X	X	X
Missouri	X	X	X		X	X	X
Nebraska					X		X
North Dakota						X	
South Dakota							X
SOUTHEAST							
Alabama							
Arkansas					P		
Florida			P		X		
Georgia				X	P		
Kentucky						P	
Louisiana					X		
Mississippi					P		X
North Carolina					X		
South Carolina							
Tennessee					X		
Virginia				X			
West Virginia				X	P	P	
SOUTHWEST							
Arizona			X				X
New Mexico							P
Oklahoma				P	P	P	P
Texas							
ROCKY MOUNTAIN							
Colorado*	P	P		X	X		X
Idaho				X	X		X
Montana				X	X		
Utah					X		X
Wyoming							X
FAR WEST							
Alaska							X
California			X		P	P	P
Hawaii	P	P		X	X	X	X
Nevada				X	X	X	X
Oregon	P	P	P	P	P	P	P
Washington				X	X		X
ALL STATES	15	15	15	19	34	19	26
District of Columbia							X

Excluded=X Partially Excluded=P Not Applicable=N/A

*See notes at the end of the chapter.

Source: National Association of State Budget Officers, 2016 State Expenditure Report

Higher Education Notes

Small dollar amounts, when rounded, cause an aberration in the percentage increase. In these instances, the actual dollar amounts should be consulted to determine the exact percentage increase.

Alabama: Bonds issued and expended directly by institutions are not reported at state budget level.

Colorado: HED colleges and universities pay pension and health benefits out of their allotments, which include but are not limited to, state general fund appropriations (as well as tuition and other sources). Tuition and fees are paid straight to institutions by the student, or on behalf of the student, and show up as cash funds to the institution in the state budget. Only a small part of research in E&G is funded by the state; for all practical purposes it is funded by outside grants. The College Opportunity Fund (COF) provides some (stipend) funds to students who attend private colleges and universities. However, this sum is very small relative to the total expenditure; as such, it is categorized as excluded for purposes of this survey.

Illinois: Illinois ended Fiscal Year 2016 without a fully enacted General Funds budget in place. Certain areas of the budget did not receive funding at the same levels as seen historically, including state employee health insurance, some agency operational costs, certain social service programs, and higher education.

Michigan: Decrease in overall totals is attributable to decreased capital expenditures. Operating expenditures increased in the periods reported. Federal fund support reflects expenditure of TANF revenue for student financial aid: \$91.6 million (FY 2015), \$93.8 million (FY 2016), and an estimated \$103.3 million (FY 2017). State funds are used to partially offset employer-paid retirement obligations.

Ohio: Employer contributions to current employees' pensions and employer contributions to employee health benefits are not direct expenditures of the state; however, some of the unrestricted support provided to higher education institutions can be assumed to have been used to help cover these costs. The majority of career-technical education/vocational education is funded through appropriations made to the Ohio Department of Education for career-technical/vocational education for students starting as early as the 7th grade. Ohio provides assistance to private colleges and universities through financial aid to students with the greatest need through the Ohio College Opportunity Grant (OCOG). Students attending private colleges and universities are eligible to receive OCOG.

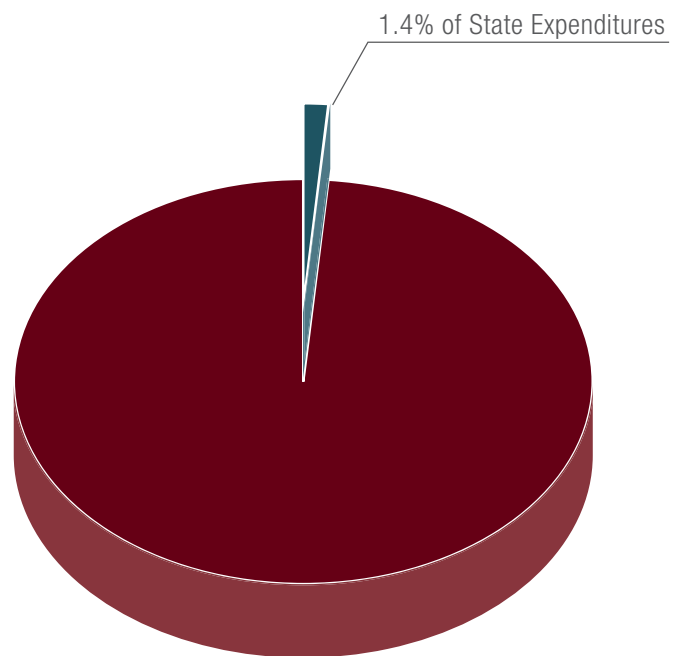
Oregon: Beginning in fiscal 2012, the Oregon University System operates as a "public corporation" and as such is no longer considered part of the state budget. The OUS continues to receive General Fund support from the state, as indicated in the survey results, but OF and FF expenditures now only reflect capital expenditures and debt.

3

CHAPTER



PUBLIC ASSISTANCE EXPENDITURES



Public Assistance Expenditures

This chapter contains data primarily on cash assistance provided through the Temporary Assistance for Needy Families (TANF) program and other cash assistance programs. Spending for these categories totaled \$27.0 billion in fiscal 2017 and represented 1.4 percent of total state expenditures. Public assistance spending from all funds increased by 1.0 percent from fiscal 2016 to fiscal 2017, with spending from state funds increasing by 1.2 percent and spending from federal funds increasing by 0.8 percent. Total spending on public assistance from all funds decreased by 0.6 percent from fiscal 2015 to fiscal 2016 to total \$26.7 billion. State funds decreased by 0.4 percent and federal funds declined by 0.7 percent. The primary sources of public assistance funding for fiscal 2016 are federal funds, providing 57.5 percent, followed by general funds at 33.3 percent and other states funds at 9.2 percent (see Figure 12).

Programs in the “other cash assistance” category, which includes optional state programs for Supplemental Security Income (SSI) and General Assistance, are not funded in all states, and when funded, are relatively small programs.

TANF

The Temporary Assistance for Needy Families (TANF) Program is a \$16.5 billion block grant to states, territories, and eligible tribes to provide assistance to low-income families and support a range of services to improve employment and other child and family outcomes. States have broad flexibility in how they spend their TANF and maintenance-of-effort (MOE) funds and they report their expenditures quarterly to the federal Administration for Children and Families (ACF).

TANF was reauthorized through September 2010 under the Deficit Reduction Act of 2005. Since then, Congress has continued funding the program through short-term extensions, often through continuing resolutions. The Consolidated Appropriations Act of 2017 extended funding for TANF through fiscal 2018.

The program includes specific definitions of work, work verification requirements, and penalties if states do not meet the requirements. Because of these changes, most states must significantly increase work participation rates. The Department of Health and Human Services, in consultation with the Department of Labor, is required to develop a database on proven and promising projects to move TANF recipients into work as part of the Consolidated Appropriations Act of 2017. Nation-

wide, in fiscal 2016, the overall work participation rate was 51.9 percent, while the two-parent rate was 70.8 percent.

This report primarily has information on the changes in the cash assistance benefit levels within the programs and does not reflect total TANF spending. Based on the most recent data from the federal Administration for Children and Families, states spent a total of \$31.7 billion in TANF and MOE funds in federal fiscal year 2015. Cash assistance payments under TANF comprise approximately 25 percent of total TANF spending. Families that have received federally funded assistance under TANF for five cumulative years are not eligible for federally funded assistance, though states have considerable flexibility in determining how time limits apply to individual families.

Since welfare reform was initially passed in 1996, states have focused on providing supportive services for families to achieve self-sufficiency. Since 1996, caseloads have declined significantly. The average monthly number of recipients fell from 12.8 million prior to the enactment of TANF to 2.5 million in March 2017, a decrease of over three-quarters.

Expenditure data on total cash assistance, TANF cash assistance, and other cash assistance can be found in Tables 16–26, accompanied by explanatory notes.

Fund Shares

The figure below provides fund shares for fiscal 2016.

FIGURE 12
STATE EXPENDITURES FOR TOTAL PUBLIC ASSISTANCE
BY FUND SOURCE, FISCAL 2016

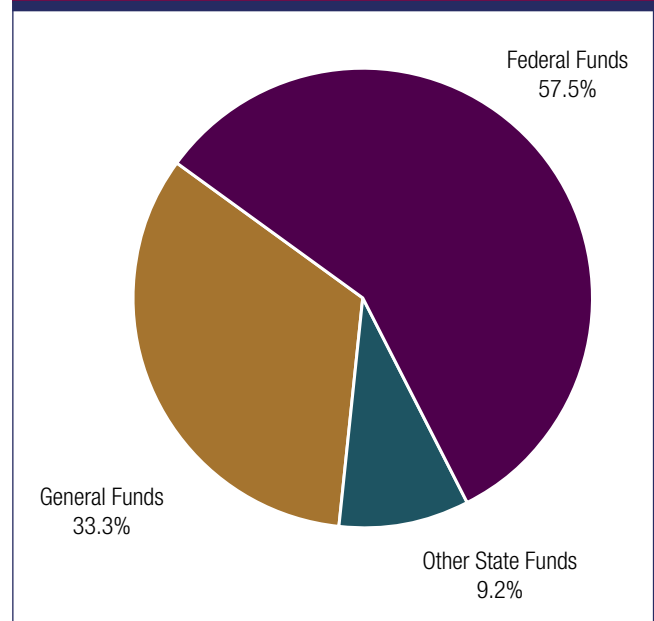


TABLE 16
REGIONAL PERCENTAGE CHANGE IN STATE TOTAL CASH ASSISTANCE EXPENDITURES,
FISCAL 2016 AND 2017

Region	Fiscal 2015 to 2016			Fiscal 2016 to 2017		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	-1.7 %	1.8 %	-1.3 %	-2.1 %	11.5 %	-0.6 %
Mid-Atlantic	-6.5	2.8	0.3	0.9	-9.2	-6.6
Great Lakes	-16.0	-0.8	-6.8	-3.3	7.1	3.4
Plains	6.4	-11.3	-1.3	-1.9	10.6	3.0
Southeast	-4.6	-3.0	-3.4	0.6	8.0	6.2
Southwest	29.3	-10.3	-4.4	0.0	2.1	1.7
Rocky Mountain	7.1	-0.1	0.1	13.3	-0.5	-0.1
Far West	3.2	-1.8	0.9	3.0	5.8	4.3
ALL STATES	-0.4 %	-0.7 %	-0.6 %	1.2 %	0.8 %	1.0 %

Regional Expenditures

The table above shows regional percentage changes in expenditures for total cash assistance for fiscal 2015–2016 and 2016–2017 by region.

Expenditures for Cash Assistance under Temporary Assistance for Needy Families (TANF) Program

State and federal funds for TANF cash assistance expenditures totaled \$15.1 billion in fiscal 2017, a decrease of 0.2 percent from 2016 to 2017 (see Table 23). State funds increased by 0.8 percent and federal funds decreased by 0.6 percent. For fiscal 2016, total spending for TANF cash assistance expenditures decreased by 0.6 percent to \$15.2 billion, with state funds increasing by 0.1 percent and federal spending decreasing by 1.0 percent. Cash assistance payments under TANF comprise approximately 25 percent of total TANF spending.

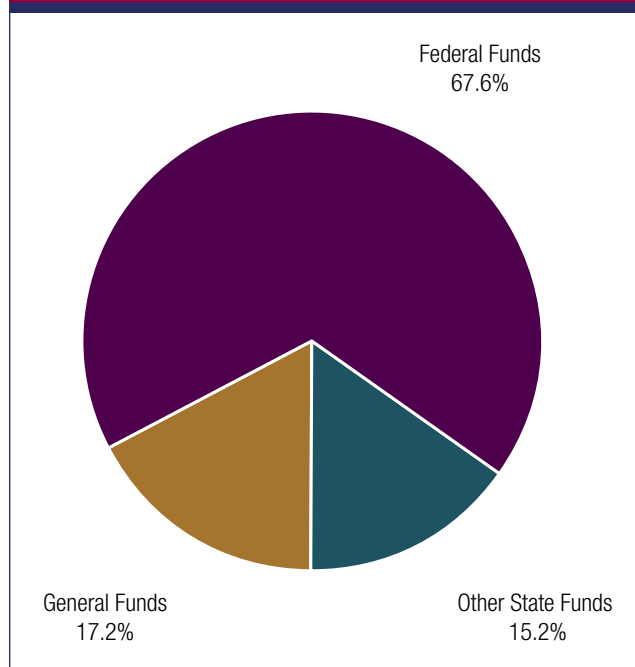
In addition to cash assistance, states have provided funding for programs to address childcare services, subsidized employment, training and education, transportation needs, transitional rental assistance, substance abuse, job readiness and job retention training, and domestic violence. As cash assistance has declined, these supportive services have gained greater importance in the program.

Expenditure data for TANF cash assistance can be found on Tables 21–23.

Fund Shares

The figure below provides fund shares for 2016.

FIGURE 13
STATE EXPENDITURES FOR TEMPORARY ASSISTANCE
FOR NEEDY FAMILIES BY FUND SOURCE, FISCAL 2016



Regional Expenditures

The following table shows percentage changes in expenditures for TANF cash assistance for fiscal 2015–2016 and 2016–2017 by region.

Expenditures for Other Cash Assistance

The second component of cash assistance for public welfare is other cash assistance, including state participation in the Supplemental Security Income (SSI) program, which pays benefits to disabled adults and children, General Assistance (GA), and emer-

gency assistance. Each state determines the structure of its own program, resulting in significant variations in programs and funding. Some have statewide uniform eligibility rules while others simply require some form of county participation. Thirty-five states spend some amount on other cash assistance.

Other cash assistance programs accounted for 0.6 percent of total state spending in fiscal 2017. States spent \$11.8 billion for other cash assistance, with 55.3 percent of that amount funded from state funds in fiscal 2017. Expenditure data for other cash assistance can be found on Tables 24–26.

TABLE 17
REGIONAL PERCENTAGE CHANGE IN STATE TANF EXPENDITURES,
FISCAL 2016 AND 2017

Region	Fiscal 2015 to 2016			Fiscal 2016 to 2017		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	-5.8 %	1.1 %	-5.1 %	-2.5 %	12.0 %	-0.9 %
Mid-Atlantic	-21.0	6.8	4.3	6.6	-17.3	-15.7
Great Lakes	-20.7	0.9	-7.1	-11.9	9.5	2.7
Plains	12.1	-11.4	-3.9	-12.8	10.1	1.5
Southeast	-5.9	-4.3	-4.5	5.0	11.6	10.5
Southwest	71.2	-9.4	-1.2	0.0	2.4	2.0
Rocky Mountain	6.9	3.3	3.7	16.1	7.2	8.3
Far West	6.5	-4.9	0.0	3.1	5.5	4.4
ALL STATES	0.1 %	-1.0 %	-0.6 %	0.8 %	-0.6 %	-0.2 %

TABLE 18
TOTAL PUBLIC ASSISTANCE EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2015				Actual Fiscal 2016				Estimated Fiscal 2017			
	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total
NEW ENGLAND												
Connecticut	\$388	\$0	\$0	\$388	\$388	\$0	\$0	\$388	\$387	\$0	\$0	\$387
Maine	42	29	91	162	45	29	90	164	43	42	93	178
Massachusetts	1,164	33	0	1,197	1,147	39	0	1,186	1,112	38	0	1,150
New Hampshire	53	19	0	72	51	19	0	70	49	22	0	71
Rhode Island	29	75	0	104	31	75	0	106	30	82	0	112
Vermont	38	67	5	110	22	65	6	93	26	69	2	97
MID-ATLANTIC												
Delaware	24	3	1	28	21	4	1	26	21	3	2	26
Maryland	73	1,268	7	1,348	57	1,220	11	1,288	65	1,255	14	1,334
New Jersey	246	164	0	410	184	139	0	323	180	63	0	243
New York	1,138	2,633	0	3,771	1,123	2,863	0	3,986	1,130	2,300	0	3,430
Pennsylvania	336	679	2	1,017	310	656	2	968	310	810	2	1,122
GREAT LAKES												
Illinois*	176	0	0	176	125	0	0	125	100	0	0	100
Indiana	66	337	0	403	65	328	0	393	62	348	0	410
Michigan*	139	51	48	238	93	66	46	205	130	62	17	209
Ohio	166	625	0	791	162	641	0	803	162	710	0	872
Wisconsin	82	42	15	139	81	12	9	102	82	1	9	92
PLAINS												
Iowa	63	26	10	99	57	24	11	92	47	42	10	99
Kansas	1	20	0	21	0	17	0	17	0	15	0	15
Minnesota	311	197	2	510	345	192	2	539	345	228	2	575
Missouri	35	86	32	153	36	52	31	119	36	32	32	100
Nebraska	16	30	0	46	19	31	0	50	19	35	0	54
North Dakota	0	1	3	4	0	2	3	5	1	1	2	4
South Dakota	9	11	0	20	9	11	0	20	9	11	0	20
SOUTHEAST												
Alabama	0	32	0	32	0	33	0	33	0	33	0	33
Arkansas*	152	295	32	479	158	324	26	508	150	294	38	482
Florida	148	59	0	207	141	66	0	207	139	61	0	200
Georgia*	0	36	0	36	0	37	0	37	0	48	0	48
Kentucky	74	116	0	190	52	113	0	165	64	99	0	163
Louisiana	0	133	0	133	0	148	0	148	0	148	0	148
Mississippi	34	964	4	1,002	33	908	4	945	28	1,063	5	1,096
North Carolina	61	54	61	176	60	48	61	169	58	44	58	160
South Carolina	22	80	0	102	21	56	1	78	19	62	1	82
Tennessee	14	69	0	83	14	52	0	66	14	99	0	113
Virginia	39	103	0	142	39	96	0	135	40	91	0	131
West Virginia	30	88	0	118	30	88	0	118	30	85	0	115
SOUTHWEST												
Arizona	0	218	0	218	0	220	0	220	0	222	0	222
New Mexico	1	110	0	111	1	122	0	123	1	131	0	132
Oklahoma	78	146	0	224	68	122	0	190	68	122	0	190
Texas	13	52	0	65	50	8	0	58	50	7	0	57
ROCKY MOUNTAIN												
Colorado	0	1,466	0	1,466	0	1,452	0	1,452	0	1,430	0	1,430
Idaho	10	4	0	14	13	3	0	16	16	1	0	17
Montana	11	18	0	29	10	18	0	28	12	27	0	39
Utah	19	55	2	76	22	68	0	90	23	75	0	98
Wyoming	0	0	0	0	0	0	0	0	0	0	0	0
FAR WEST												
Alaska	94	14	15	123	90	11	15	116	87	21	18	126
California	3,433	4,483	2,053	9,969	3,559	4,594	2,147	10,300	3,841	4,900	2,024	10,765
Hawaii	47	34	0	81	48	19	0	67	45	25	0	70
Nevada	25	26	0	51	25	19	0	44	25	23	0	48
Oregon	56	90	1	147	39	93	0	132	57	63	2	122
Washington	63	320	0	383	48	144	0	192	51	132	0	183
TOTAL	\$9,019	\$15,461	\$2,384	\$26,864	\$8,892	\$15,347	\$2,466	\$26,705	\$9,164	\$15,475	\$2,331	\$26,970
District of Columbia	46	18	0	64	43	16	0	59				

Note: This table reflects TANF and other cash assistance expenditures.
Source: National Association of State Budget Officers, 2016 State Expenditure Report

TABLE 19
TOTAL PUBLIC ASSISTANCE EXPENDITURES AS A PERCENT OF
TOTAL EXPENDITURES

Region/State	Fiscal 2015	Fiscal 2016	Fiscal 2017
NEW ENGLAND			
Connecticut	1.3 %	1.2 %	1.3 %
Maine	2.1	2.0	2.2
Massachusetts	2.1	1.9	1.9
New Hampshire	1.3	1.2	1.2
Rhode Island	1.2	1.2	1.2
Vermont	2.0	1.7	1.7
MID-ATLANTIC			
Delaware	0.3	0.3	0.2
Maryland	3.4	3.2	3.2
New Jersey	0.7	0.6	0.4
New York	2.6	2.6	2.2
Pennsylvania	1.4	1.3	1.4
GREAT LAKES			
Illinois	0.3	0.2	0.1
Indiana	1.4	1.3	1.3
Michigan	0.4	0.4	0.4
Ohio	1.2	1.2	1.3
Wisconsin	0.3	0.2	0.2
PLAINS			
Iowa	0.4	0.4	0.4
Kansas	0.1	0.1	0.1
Minnesota	1.4	1.5	1.5
Missouri	0.6	0.5	0.4
Nebraska	0.4	0.4	0.5
North Dakota	0.1	0.1	0.1
South Dakota	0.5	0.5	0.5
SOUTHEAST			
Alabama	0.1	0.1	0.1
Arkansas	2.0	2.1	2.0
Florida	0.3	0.3	0.2
Georgia	0.1	0.1	0.1
Kentucky	0.6	0.5	0.5
Louisiana	0.5	0.5	0.5
Mississippi	5.1	4.8	4.9
North Carolina	0.4	0.4	0.3
South Carolina	0.5	0.3	0.3
Tennessee	0.3	0.2	0.3
Virginia	0.3	0.3	0.3
West Virginia	0.7	0.7	0.7
SOUTHWEST			
Arizona	0.6	0.6	0.5
New Mexico	0.6	0.7	0.7
Oklahoma	1.0	0.8	0.8
Texas	0.1	0.0	0.0
ROCKY MOUNTAIN			
Colorado	4.3	4.0	4.2
Idaho	0.2	0.2	0.2
Montana	0.5	0.4	0.6
Utah	0.6	0.7	0.7
Wyoming	0.0	0.0	0.0
FAR WEST			
Alaska	0.9	1.2	1.2
California	4.0	4.1	4.0
Hawaii	0.6	0.5	0.5
Nevada	0.4	0.3	0.4
Oregon	0.4	0.4	0.3
Washington	1.0	0.5	0.4
ALL STATES	1.5 %	1.4 %	1.4 %

Note: This table reflects TANF and other cash assistance expenditures.
Source: National Association of State Budget Officers, 2016 State Expenditure Report

TABLE 20
ANNUAL PERCENTAGE CHANGE IN TOTAL PUBLIC ASSISTANCE EXPENDITURES

Region/State	Fiscal 2015 to 2016			Fiscal 2016 to 2017		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	0.0 %	---	0.0 %	-0.3 %	---	-0.3 %
Maine	1.5	0.0	1.2	0.7	44.8	8.5
Massachusetts	-1.5	18.2	-0.9	-3.1	-2.6	-3.0
New Hampshire	-3.8	0.0	-2.8	-3.9	15.8	1.4
Rhode Island	6.9	0.0	1.9	-3.2	9.3	5.7
Vermont	-34.9	-3.0	-15.5	0.0	6.2	4.3
MID-ATLANTIC						
Delaware	-12.0	33.3	-7.1	4.5	-25.0	0.0
Maryland	-15.0	-3.8	-4.5	16.2	2.9	3.6
New Jersey	-25.2	-15.2	-21.2	-2.2	-54.7	-24.8
New York	-1.3	8.7	5.7	0.6	-19.7	-13.9
Pennsylvania	-7.7	-3.4	-4.8	0.0	23.5	15.9
GREAT LAKES						
Illinois	-29.0	---	-29.0	-20.0	---	-20.0
Indiana	-1.5	-2.7	-2.5	-4.6	6.1	4.3
Michigan	-25.7	29.4	-13.9	5.8	-6.1	2.0
Ohio	-2.4	2.6	1.5	0.0	10.8	8.6
Wisconsin	-7.2	-71.4	-26.6	1.1	-91.7	-9.8
PLAINS						
Iowa	-6.8	-7.7	-7.1	-16.2	75.0	7.6
Kansas	-100.0	-15.0	-19.0	---	-11.8	-11.8
Minnesota	10.9	-2.5	5.7	0.0	18.8	6.7
Missouri	0.0	-39.5	-22.2	1.5	-38.5	-16.0
Nebraska	18.8	3.3	8.7	0.0	12.9	8.0
North Dakota	0.0	100.0	25.0	0.0	-50.0	-20.0
South Dakota	0.0	0.0	0.0	0.0	0.0	0.0
SOUTHEAST						
Alabama	---	3.1	3.1	---	0.0	0.0
Arkansas	0.0	9.8	6.1	2.2	-9.3	-5.1
Florida	-4.7	11.9	0.0	-1.4	-7.6	-3.4
Georgia	---	2.8	2.8	---	29.7	29.7
Kentucky	-29.7	-2.6	-13.2	23.1	-12.4	-1.2
Louisiana	---	11.3	11.3	---	0.0	0.0
Mississippi	-2.6	-5.8	-5.7	-10.8	17.1	16.0
North Carolina	-0.8	-11.1	-4.0	-4.1	-8.3	-5.3
South Carolina	0.0	-30.0	-23.5	-9.1	10.7	5.1
Tennessee	0.0	-24.6	-20.5	0.0	90.4	71.2
Virginia	0.0	-6.8	-4.9	2.6	-5.2	-3.0
West Virginia	0.0	0.0	0.0	0.0	-3.4	-2.5
SOUTHWEST						
Arizona	---	0.9	0.9	---	0.9	0.9
New Mexico	0.0	10.9	10.8	0.0	7.4	7.3
Oklahoma	-12.8	-16.4	-15.2	0.0	0.0	0.0
Texas	284.6	-84.6	-10.8	0.0	-12.5	-1.7
ROCKY MOUNTAIN						
Colorado	---	-1.0	-1.0	---	-1.5	-1.5
Idaho	30.0	-25.0	14.3	23.1	-66.7	6.3
Montana	-9.1	0.0	-3.4	20.0	50.0	39.3
Utah	4.8	23.6	18.4	4.5	10.3	8.9
Wyoming	---	---	---	---	---	---
FAR WEST						
Alaska	-3.7	-21.4	-5.7	0.0	90.9	8.6
California	4.0	2.5	3.3	2.8	6.7	4.5
Hawaii	2.1	-44.1	-17.3	-6.3	31.6	4.5
Nevada	0.0	-26.9	-13.7	0.0	21.1	9.1
Oregon	-31.6	3.3	-10.2	51.3	-32.3	-7.6
Washington	-23.8	-55.0	-49.9	6.3	---	-4.7
ALL STATES	-0.4 %	-0.7 %	-0.6 %	1.2 %	0.8 %	1.0 %
MEDIAN	-1.5	-1.0	-3.7	0.0	0.5	1.2

Notes: State funds are defined as general funds and other state funds (bonds are excluded). This table reflects TANF and other cash assistance expenditures.
Source: National Association of State Budget Officers, 2016 State Expenditure Report

TABLE 21
TEMPORARY ASSISTANCE TO NEEDY FAMILIES EXPENDITURES (TANF) (\$ IN MILLIONS)

Region/State	Actual Fiscal 2015				Actual Fiscal 2016				Estimated Fiscal 2017			
	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total
NEW ENGLAND												
Connecticut	\$267	\$0	\$0	\$267	\$267	\$0	\$0	\$267	\$267	\$0	\$0	\$267
Maine	22	21	91	134	22	26	89	137	17	33	92	142
Massachusetts	319	0	0	319	290	0	0	290	276	0	0	276
New Hampshire	39	19	0	58	35	19	0	54	33	22	0	55
Rhode Island	0	31	0	31	0	25	0	25	0	25	0	25
Vermont	14	20	5	39	8	22	2	32	8	23	2	33
MID-ATLANTIC												
Delaware	17	1	0	18	15	1	1	17	15	1	1	17
Maryland	27	114	1	142	12	111	5	128	22	101	7	130
New Jersey	64	64	0	128	31	60	0	91	35	16	0	51
New York	0	2,633	0	2,633	0	2,863	0	2,863	0	2,300	0	2,300
Pennsylvania	198	347	2	547	178	338	2	518	178	370	2	550
GREAT LAKES												
Illinois*	176	0	0	176	125	0	0	125	100	0	0	100
Indiana	29	173	0	202	28	169	0	197	25	189	0	214
Michigan	46	39	43	128	7	54	40	101	32	47	11	90
Ohio	152	625	0	777	152	641	0	793	152	710	0	862
Wisconsin	62	19	0	81	51	0	0	51	35	0	0	35
PLAINS												
Iowa	49	26	10	85	45	24	10	79	36	42	10	88
Kansas	1	20	0	21	0	17	0	17	0	15	0	15
Minnesota	83	197	0	280	110	192	0	302	94	228	0	322
Missouri	10	86	0	96	8	52	0	60	8	32	0	40
Nebraska	9	27	0	36	10	28	0	38	10	30	0	40
North Dakota	0	1	3	4	0	2	3	5	1	1	2	4
South Dakota	9	11	0	20	9	11	0	20	9	11	0	20
SOUTHEAST												
Alabama	0	32	0	32	0	33	0	33	0	33	0	33
Arkansas	17	52	1	70	19	64	0	83	24	56	3	83
Florida	130	32	0	162	130	25	0	155	128	31	0	159
Georgia*	0	36	0	36	0	37	0	37	0	48	0	48
Kentucky	74	116	0	190	52	113	0	165	64	99	0	163
Louisiana	0	133	0	133	0	148	0	148	0	148	0	148
Mississippi	34	964	4	1,002	33	908	4	945	28	1,063	5	1,096
North Carolina	0	53	0	53	0	47	0	47	0	43	0	43
South Carolina	2	29	0	31	3	25	1	29	3	23	1	27
Tennessee	14	69	0	83	14	52	0	66	14	99	0	113
Virginia	39	40	0	79	39	34	0	73	40	28	0	68
West Virginia	24	88	0	112	24	88	0	112	25	85	0	110
SOUTHWEST												
Arizona	0	218	0	218	0	220	0	220	0	222	0	222
New Mexico	0	110	0	110	0	122	0	122	0	131	0	131
Oklahoma	39	79	0	118	39	66	0	105	39	66	0	105
Texas	13	52	0	65	50	8	0	58	50	7	0	57
ROCKY MOUNTAIN												
Colorado	0	138	0	138	0	133	0	133	0	135	0	135
Idaho	3	4	0	7	4	3	0	7	6	1	0	7
Montana	11	18	0	29	10	18	0	28	12	27	0	39
Utah	13	55	2	70	17	68	0	85	18	75	0	93
Wyoming	0	0	0	0	0	0	0	0	0	0	0	0
FAR WEST												
Alaska	13	13	0	26	14	10	0	24	7	19	0	26
California	564	3,074	2,053	5,691	669	3,097	2,147	5,913	869	3,305	2,024	6,198
Hawaii	23	34	0	57	23	19	0	42	19	25	0	44
Nevada	25	26	0	51	25	19	0	44	25	23	0	48
Oregon	55	85	1	141	39	88	0	127	57	58	2	117
Washington	10	320	0	330	5	144	0	149	11	132	0	143
TOTAL	\$2,696	\$10,344	\$2,216	\$15,256	\$2,612	\$10,244	\$2,304	\$15,160	\$2,792	\$10,178	\$2,162	\$15,132
District of Columbia	42	18	0	60	39	16	0	55				

Source: National Association of State Budget Officers, 2016 State Expenditure Report

TABLE 22
TANF EXPENDITURES AS A PERCENT OF TOTAL EXPENDITURES

Region/State	Fiscal 2015	Fiscal 2016	Fiscal 2017
NEW ENGLAND			
Connecticut	0.9 %	0.8 %	0.9 %
Maine	1.7	1.7	1.7
Massachusetts	0.5	0.5	0.4
New Hampshire	1.1	0.9	0.9
Rhode Island	0.4	0.3	0.3
Vermont	0.7	0.6	0.6
MID-ATLANTIC			
Delaware	0.2	0.2	0.2
Maryland	0.4	0.3	0.3
New Jersey	0.2	0.2	0.1
New York	1.8	1.9	1.5
Pennsylvania	0.8	0.7	0.7
GREAT LAKES			
Illinois	0.3	0.2	0.1
Indiana	0.7	0.6	0.7
Michigan	0.2	0.2	0.2
Ohio	1.2	1.2	1.3
Wisconsin	0.2	0.1	0.1
PLAINS			
Iowa	0.4	0.3	0.4
Kansas	0.1	0.1	0.1
Minnesota	0.8	0.8	0.8
Missouri	0.4	0.2	0.2
Nebraska	0.3	0.3	0.3
North Dakota	0.1	0.1	0.1
South Dakota	0.5	0.5	0.5
SOUTHEAST			
Alabama	0.1	0.1	0.1
Arkansas	0.3	0.3	0.3
Florida	0.2	0.2	0.2
Georgia	0.1	0.1	0.1
Kentucky	0.6	0.5	0.5
Louisiana	0.5	0.5	0.5
Mississippi	5.1	4.8	4.9
North Carolina	0.1	0.1	0.1
South Carolina	0.1	0.1	0.1
Tennessee	0.3	0.2	0.3
Virginia	0.2	0.1	0.1
West Virginia	0.7	0.7	0.7
SOUTHWEST			
Arizona	0.6	0.6	0.5
New Mexico	0.6	0.7	0.7
Oklahoma	0.5	0.5	0.5
Texas	0.1	0.0	0.0
ROCKY MOUNTAIN			
Colorado	0.4	0.4	0.4
Idaho	0.1	0.1	0.1
Montana	0.5	0.4	0.6
Utah	0.5	0.6	0.6
Wyoming	0.0	0.0	0.0
FAR WEST			
Alaska	0.2	0.2	0.3
California	2.3	2.4	2.3
Hawaii	0.4	0.3	0.3
Nevada	0.4	0.3	0.4
Oregon	0.4	0.3	0.3
Washington	0.8	0.4	0.3
ALL STATES	0.8 %	0.8 %	0.8 %

Source: National Association of State Budget Officers, 2016 State Expenditure Report

TABLE 23
ANNUAL PERCENTAGE CHANGE IN TANF EXPENDITURES

Region/State	Fiscal 2015 to 2016			Fiscal 2016 to 2017		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	0.0 %	---	0.0 %	0.0 %	---	0.0 %
Maine	-1.8	23.8	2.2	-1.8	26.9	3.6
Massachusetts	-9.1	---	-9.1	-4.8	---	-4.8
New Hampshire	-10.3	0.0	-6.9	-5.7	15.8	1.9
Rhode Island	---	-19.4	-19.4	---	0.0	0.0
Vermont	-47.4	10.0	-17.9	0.0	4.5	3.1
MID-ATLANTIC						
Delaware	-5.9	0.0	-5.6	0.0	0.0	0.0
Maryland	-39.3	-2.6	-9.9	70.6	-9.0	1.6
New Jersey	-51.6	-6.3	-28.9	12.9	-73.3	-44.0
New York	---	8.7	8.7	---	-19.7	-19.7
Pennsylvania	-10.0	-2.6	-5.3	0.0	9.5	6.2
GREAT LAKES						
Illinois	-29.0	---	-29.0	-20.0	---	-20.0
Indiana	-3.4	-2.3	-2.5	-10.7	11.8	8.6
Michigan	-47.2	38.5	-21.1	-8.5	-13.0	-10.9
Ohio	0.0	2.6	2.1	0.0	10.8	8.7
Wisconsin	-17.7	-100.0	-37.0	-31.4	---	-31.4
PLAINS						
Iowa	-6.8	-7.7	-7.1	-16.4	75.0	11.4
Kansas	-100.0	-15.0	-19.0	---	-11.8	-11.8
Minnesota	32.5	-2.5	7.9	-14.5	18.8	6.6
Missouri	-20.0	-39.5	-37.5	0.0	-38.5	-33.3
Nebraska	11.1	3.7	5.6	0.0	7.1	5.3
North Dakota	0.0	100.0	25.0	0.0	-50.0	-20.0
South Dakota	0.0	0.0	0.0	0.0	0.0	0.0
SOUTHEAST						
Alabama	---	3.1	3.1	---	0.0	0.0
Arkansas	5.6	23.1	18.6	42.1	-12.5	0.0
Florida	0.0	-21.9	-4.3	-1.5	24.0	2.6
Georgia	---	2.8	2.8	---	29.7	29.7
Kentucky	-29.7	-2.6	-13.2	23.1	-12.4	-1.2
Louisiana	---	11.3	11.3	---	0.0	0.0
Mississippi	-2.6	-5.8	-5.7	-10.8	17.1	16.0
North Carolina	---	-11.3	-11.3	---	-8.5	-8.5
South Carolina	100.0	-13.8	-6.5	0.0	-8.0	-6.9
Tennessee	0.0	-24.6	-20.5	0.0	90.4	71.2
Virginia	0.0	-15.0	-7.6	2.6	-17.6	-6.8
West Virginia	0.0	0.0	0.0	4.2	-3.4	-1.8
SOUTHWEST						
Arizona	---	0.9	0.9	---	0.9	0.9
New Mexico	---	10.9	10.9	---	7.4	7.4
Oklahoma	0.0	-16.5	-11.0	0.0	0.0	0.0
Texas	284.6	-84.6	-10.8	0.0	-12.5	-1.7
ROCKY MOUNTAIN						
Colorado	---	-3.6	-3.6	---	1.5	1.5
Idaho	33.3	-25.0	0.0	50.0	-66.7	0.0
Montana	-9.1	0.0	-3.4	20.0	50.0	39.3
Utah	13.3	23.6	21.4	5.9	10.3	9.4
Wyoming	---	---	---	---	---	---
FAR WEST						
Alaska	7.7	-23.1	-7.7	-50.0	90.0	8.3
California	7.6	0.7	3.9	2.7	6.7	4.8
Hawaii	0.0	-44.1	-26.3	-17.4	31.6	4.8
Nevada	0.0	-26.9	-13.7	0.0	21.1	9.1
Oregon	-30.4	3.5	-9.9	51.3	-34.1	-7.9
Washington	-50.0	-55.0	-54.8	120.0	-8.3	-4.0
ALL STATES	0.1 %	-1.0 %	-0.6 %	0.8 %	-0.6 %	-0.2 %

Notes: State funds are defined as general funds and other state funds (bonds are excluded). Source: National Association of State Budget Officers, 2016 State Expenditure Report

TABLE 24
OTHER CASH ASSISTANCE EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2015				Actual Fiscal 2016				Estimated Fiscal 2017			
	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total
NEW ENGLAND												
Connecticut	\$121	\$0	\$0	\$121	\$121	\$0	\$0	\$121	\$120	\$0	\$0	\$120
Maine	20	8	0	28	23	3	1	27	26	9	1	36
Massachusetts	845	33	0	878	857	39	0	896	836	38	0	874
New Hampshire	14	0	0	14	16	0	0	16	16	0	0	16
Rhode Island	29	44	0	73	31	50	0	81	30	57	0	87
Vermont	24	47	0	71	14	43	4	61	18	46	0	64
MID-ATLANTIC												
Delaware	7	2	1	10	6	3	0	9	6	2	1	9
Maryland	46	1,154	6	1,206	45	1,109	6	1,160	43	1,154	7	1,204
New Jersey	182	100	0	282	153	79	0	232	145	47	0	192
New York	1,138	0	0	1,138	1,123	0	0	1,123	1,130	0	0	1,130
Pennsylvania	138	332	0	470	132	318	0	450	132	440	0	572
GREAT LAKES												
Illinois*	0	0	0	0	0	0	0	0	0	0	0	0
Indiana	37	164	0	201	37	159	0	196	37	159	0	196
Michigan*	93	12	5	110	86	12	6	104	98	15	6	119
Ohio	14	0	0	14	10	0	0	10	10	0	0	10
Wisconsin	20	24	15	59	30	12	9	51	48	1	9	58
PLAINS												
Iowa	14	0	0	14	12	0	1	13	11	0	0	11
Kansas	0	0	0	0	0	0	0	0	0	0	0	0
Minnesota	228	0	2	230	235	0	2	237	251	0	2	253
Missouri	25	0	32	57	28	0	31	59	28	0	32	60
Nebraska	7	3	0	10	9	3	0	12	8	4	0	12
North Dakota	0	0	0	0	0	0	0	0	0	0	0	0
South Dakota	0	0	0	0	0	0	0	0	0	0	0	0
SOUTHEAST												
Alabama	0	0	0	0	0	0	0	0	0	0	0	0
Arkansas	134	244	31	409	140	260	26	426	126	238	35	399
Florida	18	27	0	45	11	41	0	52	11	30	0	41
Georgia	0	0	0	0	0	0	0	0	0	0	0	0
Kentucky	0	0	0	0	0	0	0	0	0	0	0	0
Louisiana	0	0	0	0	0	0	0	0	0	0	0	0
Mississippi	0	0	0	0	0	0	0	0	0	0	0	0
North Carolina	61	1	61	123	60	1	61	122	58	1	58	117
South Carolina	20	51	0	71	18	31	0	49	16	39	0	55
Tennessee	0	0	0	0	0	0	0	0	0	0	0	0
Virginia	0	63	0	63	0	63	0	63	0	63	0	63
West Virginia	6	0	0	6	6	0	0	6	5	0	0	5
SOUTHWEST												
Arizona	0	0	0	0	0	0	0	0	0	0	0	0
New Mexico	1	0	0	1	1	0	0	1	1	0	0	1
Oklahoma	39	67	0	106	29	56	0	85	29	56	0	85
Texas	0	0	0	0	0	0	0	0	0	0	0	0
ROCKY MOUNTAIN												
Colorado	0	1,328	0	1,328	0	1,319	0	1,319	0	1,295	0	1,295
Idaho	7	0	0	7	9	0	0	9	10	0	0	10
Montana	0	0	0	0	0	0	0	0	0	0	0	0
Utah	6	0	0	6	5	0	0	5	5	0	0	5
Wyoming	0	0	0	0	0	0	0	0	0	0	0	0
FAR WEST												
Alaska	81	1	15	97	76	1	15	92	80	2	18	100
California	2,869	1,409	0	4,278	2,890	1,497	0	4,387	2,972	1,595	0	4,567
Hawaii	24	0	0	24	25	0	0	25	26	0	0	26
Nevada	0	0	0	0	0	0	0	0	0	0	0	0
Oregon	1	5	0	6	0	5	0	5	0	5	0	5
Washington	53	0	0	53	43	0	0	43	40	0	0	40
TOTAL	\$6,322	\$5,119	\$168	\$11,609	\$6,281	\$5,104	\$162	\$11,547	\$6,372	\$5,296	\$169	\$11,837
District of Columbia	4	0	0	4	4	0	0	4				

*See notes at the end of the chapter.

Source: National Association of State Budget Officers, 2016 State Expenditure Report

TABLE 25
OTHER CASH ASSISTANCE EXPENDITURES AS A PERCENT OF
TOTAL EXPENDITURES

Region/State	Fiscal 2015		Fiscal 2016		Fiscal 2017	
NEW ENGLAND						
Connecticut	0.4	%	0.4	%	0.4	%
Maine	0.4		0.3		0.4	
Massachusetts	1.5		1.5		1.4	
New Hampshire	0.3		0.3		0.3	
Rhode Island	0.9		0.9		0.9	
Vermont	1.3		1.1		1.2	
MID-ATLANTIC						
Delaware	0.1		0.1		0.1	
Maryland	3.0		2.8		2.9	
New Jersey	0.5		0.4		0.3	
New York	0.8		0.7		0.7	
Pennsylvania	0.6		0.6		0.7	
GREAT LAKES						
Illinois	0.0		0.0		0.0	
Indiana	0.7		0.6		0.6	
Michigan	0.2		0.2		0.2	
Ohio	0.0		0.0		0.0	
Wisconsin	0.1		0.1		0.1	
PLAINS						
Iowa	0.1		0.1		0.0	
Kansas	0.0		0.0		0.0	
Minnesota	0.6		0.6		0.6	
Missouri	0.2		0.2		0.2	
Nebraska	0.1		0.1		0.1	
North Dakota	0.0		0.0		0.0	
South Dakota	0.0		0.0		0.0	
SOUTHEAST						
Alabama	0.0		0.0		0.0	
Arkansas	1.7		1.8		1.6	
Florida	0.1		0.1		0.0	
Georgia	0.0		0.0		0.0	
Kentucky	0.0		0.0		0.0	
Louisiana	0.0		0.0		0.0	
Mississippi	0.0		0.0		0.0	
North Carolina	0.3		0.3		0.3	
South Carolina	0.3		0.2		0.2	
Tennessee	0.0		0.0		0.0	
Virginia	0.1		0.1		0.1	
West Virginia	0.0		0.0		0.0	
SOUTHWEST						
Arizona	0.0		0.0		0.0	
New Mexico	0.0		0.0		0.0	
Oklahoma	0.5		0.4		0.4	
Texas	0.0		0.0		0.0	
ROCKY MOUNTAIN						
Colorado	3.9		3.6		3.8	
Idaho	0.1		0.1		0.1	
Montana	0.0		0.0		0.0	
Utah	0.0		0.0		0.0	
Wyoming	0.0		0.0		0.0	
FAR WEST						
Alaska	0.7		0.9		1.0	
California	1.7		1.7		1.7	
Hawaii	0.2		0.2		0.2	
Nevada	0.0		0.0		0.0	
Oregon	0.0		0.0		0.0	
Washington	0.1		0.1		0.1	
ALL STATES	0.6	%	0.6	%	0.6	%

Source: National Association of State Budget Officers, 2016 State Expenditure Report

TABLE 26
ANNUAL PERCENTAGE CHANGE IN OTHER CASH ASSISTANCE EXPENDITURES

Region/State	Fiscal 2015 to 2016			Fiscal 2016 to 2017		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	0.0 %	--- %	0.0 %	-0.8 %	--- %	-0.8 %
Maine	20.0	-62.5	-3.6	12.5	200.0	33.3
Massachusetts	1.4	18.2	2.1	-2.5	-2.6	-2.5
New Hampshire	14.3	---	14.3	0.0	---	0.0
Rhode Island	6.9	13.6	11.0	-3.2	14.0	7.4
Vermont	-25.0	-8.5	-14.1	0.0	7.0	4.9
MID-ATLANTIC						
Delaware	-25.0	50.0	-10.0	16.7	-33.3	0.0
Maryland	-1.9	-3.9	-3.8	-2.0	4.1	3.8
New Jersey	-15.9	-21.0	-17.7	-5.2	-40.5	-17.2
New York	-1.3	---	-1.3	0.6	---	0.6
Pennsylvania	-4.3	-4.2	-4.3	0.0	38.4	27.1
GREAT LAKES						
Illinois	---	---	---	---	---	---
Indiana	0.0	-3.0	-2.5	0.0	0.0	0.0
Michigan	-6.1	0.0	-5.5	13.0	25.0	14.4
Ohio	-28.6	---	-28.6	0.0	---	0.0
Wisconsin	11.4	-50.0	-13.6	46.2	-91.7	13.7
PLAINS						
Iowa	-7.1	---	-7.1	-15.4	---	-15.4
Kansas	---	---	---	---	---	---
Minnesota	3.0	---	3.0	6.8	---	6.8
Missouri	3.5	---	3.5	1.7	---	1.7
Nebraska	28.6	0.0	20.0	-11.1	33.3	0.0
North Dakota	---	---	---	---	---	---
South Dakota	---	---	---	---	---	---
SOUTHEAST						
Alabama	---	---	---	---	---	---
Arkansas	0.6	6.6	4.2	-3.0	-8.5	-6.3
Florida	-38.9	51.9	15.6	0.0	-26.8	-21.2
Georgia	---	---	---	---	---	---
Kentucky	---	---	---	---	---	---
Louisiana	---	---	---	---	---	---
Mississippi	---	---	---	---	---	---
North Carolina	-0.8	0.0	-0.8	-4.1	0.0	-4.1
South Carolina	-10.0	-39.2	-31.0	-11.1	25.8	12.2
Tennessee	---	---	---	---	---	---
Virginia	---	0.0	0.0	---	0.0	0.0
West Virginia	0.0	---	0.0	-16.7	---	-16.7
SOUTHWEST						
Arizona	---	---	---	---	---	---
New Mexico	0.0	---	0.0	0.0	---	0.0
Oklahoma	-25.6	-16.4	-19.8	0.0	0.0	0.0
Texas	---	---	---	---	---	---
ROCKY MOUNTAIN						
Colorado	---	-0.7	-0.7	---	-1.8	-1.8
Idaho	28.6	---	28.6	11.1	---	11.1
Montana	---	---	---	---	---	---
Utah	-16.7	---	-16.7	0.0	---	0.0
Wyoming	---	---	---	---	---	---
FAR WEST						
Alaska	-5.2	0.0	-5.2	7.7	100.0	8.7
California	0.7	6.2	2.5	2.8	6.5	4.1
Hawaii	4.2	---	4.2	4.0	---	4.0
Nevada	---	---	---	---	---	---
Oregon	-100.0	0.0	-16.7	---	0.0	0.0
Washington	-18.9	---	-18.9	-7.0	---	-7.0
ALL STATES	-0.7 %	-0.3 %	-0.5 %	1.5 %	3.8 %	2.5 %

Notes: State funds are defined as general funds and other state funds (bonds are excluded).
Source: National Association of State Budget Officers, 2016 State Expenditure Report

Public Assistance Notes

Small dollar amounts, when rounded, cause an aberration in the percentage increase. In these instances, the actual dollar amounts should be consulted to determine the exact percentage increase.

Arkansas: DHS numbers for FY 15 and FY 16 were modified to reflect actual final funding and were previously based on estimates.

Georgia: TANF funds reflect only TANF funds used for cash assistance. An adjustment was made to FY 2015 Actual Federal Funds previously reported; \$36 million reflects actual expenditures as reported in the FY 2015 Budgetary Compliance Report.

Illinois: Illinois ended Fiscal Year 2016 without a fully enacted General Funds budget in place. Certain areas of the budget did not receive funding at the same levels as seen historically, including state employee health insurance, some agency operational costs, certain social service programs, and higher education.

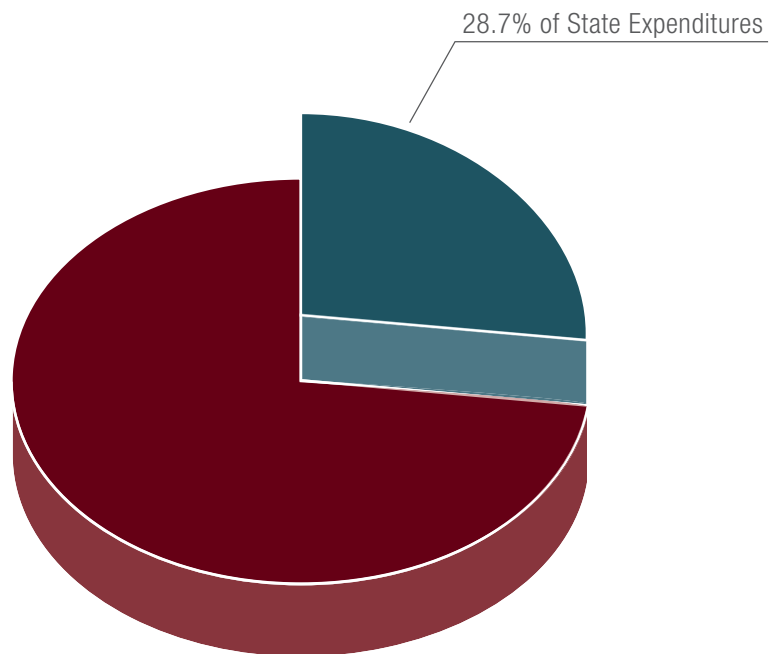
Michigan: The overall decrease in public assistance spending in FY 2016 reflects declining caseloads, largely attributable to 48-month lifetime limits. Shifts between general fund and federal fund support for TANF public assistance expenditures reflect year-to-year adjustments based on General Fund need in other budget areas. In addition, FY 2017 estimates reflect increased general fund to replace loss of tobacco settlement funding (other state funds) previously used as funding source. FY 2015 General Fund spending for Other Cash Assistance was revised to reflect post-book closing adjustments.

4

CHAPTER



MEDICAID EXPENDITURES



Medicaid Expenditures

Medicaid, a means-tested entitlement program financed by the states and the federal government, provides comprehensive and long-term medical care for more than 74 million low-income individuals. Fiscal 2017 was the first year in which the 31 states that adopted Medicaid expansion under the Affordable Care Act had to fund a state match for expansion related expenditures. The 5 percent state match requirement became effective January 1, 2017, or half of most states' fiscal 2017.

Total Medicaid benefits spending, which excludes administrative costs, for fiscal 2017 was \$574.3 billion, a total of 6.1 percent over the \$541.3 billion spent in fiscal 2016. Given the impact of Illinois' year over year circumstances and a wide variation among states (13 states had declines in spending from state funds), another useful measure is the median changes in spending. Fiscal 2017 Medicaid spending reflected a median increase of 3.5 percent over fiscal 2016. State funds increased by a median of 3.4 percent and federal fund spending grew 4.1 percent. The median general fund spending increase was 3.8 percent. For the 31 states that expanded Medicaid, the median fiscal 2017 increase was 6.1 percent with federal funds growing by 5.1 percent and state funds by 5.2 percent. For the other 19 states, the median fiscal 2017 spending increase was 3.0 percent with federal funds growing by 3.5 percent and state funds by 2.3 percent. The median general fund spending increase for the 31 expansion states was 3.9 percent and for the other 19 states, 1.9 percent.

Medicaid spending for fiscal 2016 reflected an increase of \$26.0 billion over the \$515.3 billion spent in fiscal 2015, a 5.1 percent increase. The median spending increase was 4.6 percent. State funds had a median increase of 3.2 percent and federal fund spending grew 5.5 percent. The median general fund spending increase was 3.2 percent. Federal fund spending grew at a median rate of 6.2 percent for the 31 expansion states and 4.4 percent for the other 19 states.

The timing of Medicaid expenditures may vary from year to year and may not reflect underlying program activity in a given year. Federal funds comprised 61.2 percent of total Medicaid spending, general funds 28.2 percent, and other state funds 10.6 percent, in fiscal 2017.

Medicaid spending accounted for 29.0 percent of total state spending in fiscal 2017, the single largest component of total state expenditures, and 20.3 percent of general fund expendi-

tures. In fiscal 2016, Medicaid was 28.7 percent of total state spending and 19.7 percent of general fund expenditures. While Medicaid is the largest area of total state spending, elementary and secondary education remains the largest category of state general fund spending.

Also included in Medicaid spending are Medicare Part D "clawback" payments, statutorily known as the phased down state contribution. Beginning in January 2006, prescription drug costs for individuals eligible for both Medicare and Medicaid were no longer part of the Medicaid program. Instead these costs are now included in Medicare Part D. States finance these benefits by providing a payment to the federal Medicare trust fund—commonly known as "clawback" payments. As shown in Appendix Table A-3, these "clawback" payments totaled \$9.2 billion in fiscal 2015, \$9.3 billion in fiscal 2016, and are estimated at \$10.5 billion for fiscal 2017.

Affordable Care Act. Beginning January 1, 2014, state Medicaid programs had the option to expand eligibility to cover non-pregnant, non-elderly individuals with incomes up to 138 percent of the federal poverty level. The costs for those newly eligible for coverage were fully federally funded in calendar years 2014, 2015, and 2016. Beginning January 1, 2017, states that expanded Medicaid began paying 5 percent of the costs for the newly eligible individuals, with that amount increasing to 6 percent in January 1, 2018, 7 percent in January 1, 2019, and 10 percent in January 1, 2020 and thereafter. As of October 2017, 31 states and the District of Columbia have expanded Medicaid and several other states are debating the issue.

According to NASBO's *Spring 2017 Fiscal Survey of States*, in fiscal 2016 states reported total spending for Medicaid expansion of \$78.7 billion, \$4.5 billion in state funds, and \$74.1 billion in federal funds. In fiscal 2017, states are estimated to spend \$87.1 billion in all funds, \$6.2 billion in state funds, and \$80.9 billion in federal funds. In governors' proposed budgets for fiscal 2018, projected spending for Medicaid expansion totals \$91.8 billion, \$8.5 billion in state funds, and \$83.3 billion in federal funds.

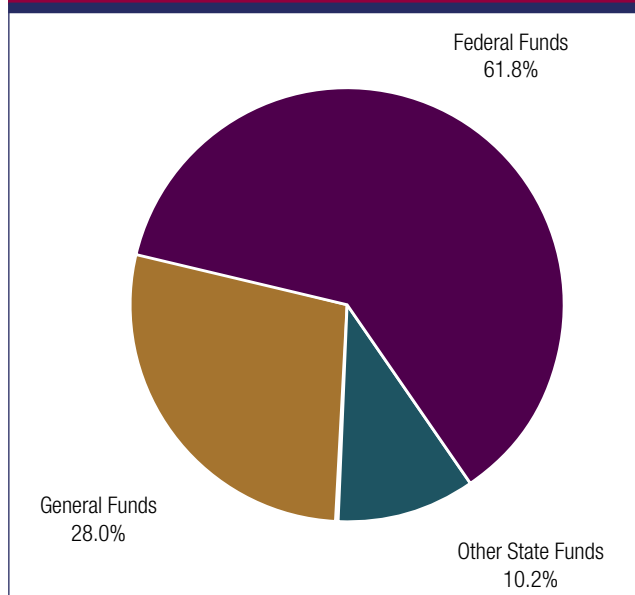
Medicaid Enrollment. Enrollment growth averaged 2.7 percent in fiscal 2017, down from the 3.9 percent enrollment growth in fiscal 2016, according to the Kaiser Family Foundation's annual Medicaid budget survey. The implementation of the ACA has greatly increased the number of individuals served in the Medicaid program in 2014 and thereafter. Since October 2013, enrollment increased by more than 29 percent, com-

pared with the July-September 2013 baseline based on the Centers for Medicare and Medicaid Services (CMS) July 2017 enrollment report. States that expanded Medicaid experienced enrollment gains of more than 37.9 percent, while states that did not expand Medicaid saw increases of 12.1 percent. According to the CMS Office of the Actuary, enrollment is projected to increase at an average annual rate of 1.5 percent and to reach 81.6 million people in 2025.

Medicaid Program Changes. The major driver of Medicaid spending growth is enrollment. Other cost drivers include rising costs of prescription drugs with thirty-seven states in fiscal 2017 and 36 states in fiscal 2018 reporting increased efforts at cost containment for prescription drugs, according to the Kaiser Family Foundation's annual Medicaid budget survey. States continue to use a variety of methods to expand the number of people served in home and community-based settings and are implementing housing related activities as part of long-term services and supports as well as working to address workforce shortages and turnover. States are also continuing to rely more on managed care. Other state actions include seeking program changes through waivers, addressing opioids and other substance use disorder treatments, and pursuing delivery system reforms.

Health Care Spending Forecasts. Medicaid spending, similar to overall health care spending, has historically increased faster than the economy as a whole. The Centers for Medicare and Medicaid Services' (CMS) Office of the Actuary released the 2016 Actuarial Report on the Financial Outlook for Medicaid in January 2017. The annual average growth rate of Medicaid expenditures from 2016 to 2025 is projected to be 5.7 percent, faster than the projection of average annual GDP growth, according to the analysis.

FIGURE 14
STATE EXPENDITURES FOR MEDICAID BY FUND SOURCE, FISCAL 2016



Fund Shares

The figure above provides fund shares for 2016.

Regional Expenditures

The following table shows percentage changes in expenditures for Medicaid for fiscal 2015-2016 and 2016-2017 by region. All regions reported increases in both state funds and federal funds for estimated fiscal 2016, while the Southwest region had a slight decline in fiscal 2017.

Additional expenditure data on Medicaid can be found on Tables 28-30, accompanied by explanatory notes.

TABLE 27
REGIONAL PERCENTAGE CHANGE IN STATE MEDICAID EXPENDITURES, FISCAL 2016 AND 2017

Region	Fiscal 2015 to 2016			Fiscal 2016 to 2017		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	4.3 %	9.4 %	7.1 %	1.0 %	3.4 %	2.3 %
Mid-Atlantic	2.5	8.8	6.3	5.1	10.0	8.2
Great Lakes	3.4	5.0	4.2	11.1	3.1	6.8
Plains	3.8	4.5	4.2	1.4	2.1	1.7
Southeast	2.0	4.6	3.7	5.4	7.0	6.4
Southwest	12.2	8.4	9.8	-1.1	-1.6	-1.4
Rocky Mountain	10.3	12.6	11.7	1.6	3.4	2.7
Far West	2.6	1.7	2.0	22.8	4.8	10.8
ALL STATES	4.1 %	5.7 %	5.1 %	7.8 %	5.0 %	6.1 %

TABLE 28
MEDICAID EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2015				Actual Fiscal 2016				Estimated Fiscal 2017			
	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total
NEW ENGLAND												
Connecticut	\$3,496	\$3,483	\$0	\$6,979	\$3,612	\$3,604	\$0	\$7,216	\$3,747	\$3,536	\$0	\$7,283
Maine*	752	1,510	273	2,535	776	1,605	274	2,655	751	1,638	267	2,656
Massachusetts	6,032	7,647	174	13,853	6,225	8,623	294	15,142	6,153	9,081	282	15,516
New Hampshire	515	936	166	1,617	523	1,197	238	1,958	584	1,300	241	2,125
Rhode Island	1,069	1,500	12	2,581	1,064	1,497	9	2,570	1,105	1,613	10	2,728
Vermont*	302	923	326	1,551	327	971	341	1,639	317	919	362	1,598
MID-ATLANTIC												
Delaware	682	1,193	14	1,889	689	1,281	58	2,028	740	1,251	64	2,055
Maryland	2,896	5,686	1,061	9,643	2,823	6,031	1,039	9,893	3,360	6,834	1,006	11,200
New Jersey	3,831	8,899	1,053	13,783	3,957	9,109	1,092	14,158	3,918	9,577	1,147	14,642
New York	11,161	29,393	5,115	45,669	11,552	31,226	5,317	48,095	11,710	33,672	5,796	51,178
Pennsylvania	8,556	13,295	3,165	25,016	8,727	15,961	3,220	27,908	9,257	18,663	3,423	31,343
GREAT LAKES												
Illinois	3,701	9,921	3,589	17,211	2,696	10,706	2,619	16,021	5,189	11,568	3,483	20,240
Indiana	2,009	6,476	677	9,162	2,027	8,553	691	11,271	2,097	8,701	762	11,560
Michigan*	2,594	11,528	1,930	16,052	2,692	12,220	2,016	16,928	2,799	12,393	2,022	17,214
Ohio*	14,861	7,541	1,925	24,327	16,996	6,017	2,428	25,441	17,437	5,940	2,284	25,661
Wisconsin	2,652	4,969	1,259	8,880	2,786	4,957	1,438	9,181	2,773	5,165	1,573	9,511
PLAINS												
Iowa	1,326	2,903	749	4,978	1,405	2,997	860	5,262	1,320	2,813	886	5,019
Kansas	1,318	1,817	145	3,280	1,175	1,815	227	3,217	1,148	1,801	251	3,200
Minnesota	4,488	6,075	154	10,717	4,531	6,444	219	11,194	4,580	6,391	162	11,133
Missouri	1,778	4,511	2,419	8,708	2,033	4,730	2,390	9,153	2,110	5,177	2,414	9,701
Nebraska	850	968	37	1,855	924	1,027	32	1,983	982	1,052	37	2,071
North Dakota	429	673	9	1,111	409	730	7	1,146	523	842	6	1,371
South Dakota	353	488	4	845	371	485	4	860	363	527	4	894
SOUTHEAST												
Alabama*	700	4,155	1,228	6,083	722	4,393	1,239	6,354	720	4,637	1,254	6,611
Arkansas*	898	4,765	591	6,254	969	5,077	510	6,556	1,033	5,535	598	7,166
Florida	4,869	12,955	4,726	22,550	5,607	13,539	4,127	23,273	6,485	15,018	4,255	25,758
Georgia*	2,959	6,563	335	9,857	2,980	6,623	321	9,924	3,240	6,652	329	10,221
Kentucky	1,501	7,517	504	9,522	1,578	7,805	510	9,893	1,708	7,695	491	9,894
Louisiana	1,677	4,763	1,215	7,655	2,017	5,220	793	8,030	1,948	7,283	1,053	10,284
Mississippi	657	3,555	664	4,876	747	3,801	605	5,153	683	3,975	603	5,261
North Carolina	3,594	8,752	1,435	13,781	3,493	8,771	1,507	13,771	3,515	9,022	1,634	14,171
South Carolina	1,056	4,359	806	6,221	1,020	4,396	843	6,259	1,103	4,615	838	6,556
Tennessee*	3,315	6,099	637	10,051	3,393	6,859	726	10,978	3,581	6,881	534	10,996
Virginia	4,114	4,123	0	8,237	4,550	4,317	3	8,870	4,768	4,610	3	9,381
West Virginia	520	2,610	400	3,530	520	2,610	400	3,530	525	2,618	405	3,548
SOUTHWEST												
Arizona	1,884	8,109	988	10,981	1,836	8,690	995	11,521	1,788	9,039	1,022	11,849
New Mexico	895	4,044	234	5,173	926	4,225	261	5,412	929	4,373	268	5,570
Oklahoma	1,503	3,113	751	5,367	1,495	3,151	694	5,340	1,491	3,143	693	5,327
Texas	11,728	21,403	3,388	36,519	12,825	23,696	4,953	41,474	13,845	22,558	3,684	40,087
ROCKY MOUNTAIN												
Colorado	2,313	4,584	849	7,746	2,482	5,382	1,121	8,985	2,533	5,064	1,032	8,629
Idaho	446	1,186	247	1,879	469	1,203	265	1,937	497	1,245	250	1,992
Montana	271	748	91	1,110	279	909	107	1,295	309	1,340	109	1,758
Utah	400	1,586	454	2,440	434	1,655	459	2,548	436	1,813	538	2,787
Wyoming	257	286	25	568	263	295	27	585	268	303	30	601
FAR WEST												
Alaska	665	886	4	1,555	634	1,066	2	1,702	602	1,387	6	1,995
California*	20,122	52,656	6,834	79,612	20,094	53,337	8,229	81,660	22,170	55,413	12,576	90,159
Hawaii	671	1,216	58	1,945	689	1,497	86	2,272	818	1,611	52	2,481
Nevada	564	2,249	163	2,976	530	2,476	220	3,226	600	2,805	266	3,671
Oregon	362	6,494	1,585	8,441	805	6,419	1,078	8,302	1,257	6,671	1,500	9,428
Washington	2,054	5,401	670	8,125	1,792	5,296	486	7,574	2,309	5,569	385	8,263
ALL STATES	\$145,646	\$316,512	\$53,138	\$515,296	\$151,469	\$334,494	\$55,380	\$541,343	\$162,124	\$351,329	\$60,890	\$574,343
District of Columbia	840	1,840	0	2,680	783	2,072	0	2,855				

Source: National Association of State Budget Officers, 2016 State Expenditure Report

TABLE 29
MEDICAID EXPENDITURES AS A PERCENT OF
TOTAL EXPENDITURES

Region/State	Fiscal 2015		Fiscal 2016		Fiscal 2017
NEW ENGLAND					
Connecticut	23.1	%	22.7	%	23.6
Maine	32.8		33.0		32.2
Massachusetts	23.7		24.7		25.0
New Hampshire	29.7		33.6		35.5
Rhode Island	30.4		29.8		29.3
Vermont	28.5		29.5		28.8
MID-ATLANTIC					
Delaware	19.3		19.8		19.3
Maryland	24.1		24.3		27.1
New Jersey	24.2		25.0		24.2
New York	31.7		31.9		32.6
Pennsylvania	34.3		36.6		38.8
GREAT LAKES					
Illinois	26.5		29.5		30.1
Indiana	31.2		35.9		36.0
Michigan	30.2		31.1		31.6
Ohio	37.4		37.7		37.6
Wisconsin	19.3		20.1		20.2
PLAINS					
Iowa	22.4		22.8		21.7
Kansas	21.7		21.3		20.0
Minnesota	29.9		30.4		28.3
Missouri	36.1		37.2		38.0
Nebraska	16.9		17.1		17.5
North Dakota	14.0		15.4		19.0
South Dakota	21.2		20.6		21.1
SOUTHEAST					
Alabama	24.2		24.6		25.3
Arkansas	26.3		27.4		29.2
Florida	31.7		32.2		31.3
Georgia	21.9		20.9		20.8
Kentucky	30.9		30.3		29.3
Louisiana	27.6		29.0		32.1
Mississippi	24.6		26.1		23.5
North Carolina	31.5		31.0		30.4
South Carolina	27.5		27.3		26.7
Tennessee	32.6		34.4		32.6
Virginia	17.5		18.1		18.6
West Virginia	22.1		21.8		22.2
SOUTHWEST					
Arizona	28.0		29.0		28.6
New Mexico	30.3		29.9		30.2
Oklahoma	24.0		23.5		22.9
Texas	32.4		33.8		31.7
ROCKY MOUNTAIN					
Colorado	22.5		24.5		25.4
Idaho	26.7		26.4		22.6
Montana	17.4		20.3		25.3
Utah	19.0		18.7		18.7
Wyoming	11.1		11.4		11.9
FAR WEST					
Alaska	11.6		17.0		19.8
California	31.8		32.5		33.3
Hawaii	15.1		16.4		16.9
Nevada	25.5		25.0		26.9
Oregon	22.6		22.3		23.6
Washington	20.3		18.1		18.6
ALL STATES	27.9	%	28.7	%	29.0

Source: National Association of State Budget Officers, 2016 State Expenditure Report

TABLE 30
ANNUAL PERCENTAGE CHANGE IN MEDICAID EXPENDITURES

Region/State	Fiscal 2015 to 2016			Fiscal 2016 to 2017		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	3.3 %	3.5 %	3.4 %	3.7 %	-1.9 %	0.9 %
Maine	2.4	6.3	4.7	-3.0	2.1	0.0
Massachusetts	5.0	12.8	9.3	-1.3	5.3	2.5
New Hampshire	11.7	27.9	21.1	8.4	8.6	8.5
Rhode Island	-0.7	-0.2	-0.4	3.9	7.7	6.1
Vermont	6.4	5.2	5.7	1.6	-5.4	-2.5
MID-ATLANTIC						
Delaware	7.3	7.4	7.4	7.6	-2.3	1.3
Maryland	-2.4	6.1	2.6	13.1	13.3	13.2
New Jersey	3.4	2.4	2.7	0.3	5.1	3.4
New York	3.6	6.2	5.3	3.8	7.8	6.4
Pennsylvania	1.9	20.1	11.6	6.1	16.9	12.3
GREAT LAKES						
Illinois	-27.1	7.9	-6.9	63.2	8.1	26.3
Indiana	1.2	32.1	23.0	5.2	1.7	2.6
Michigan	4.1	6.0	5.5	2.4	1.4	1.7
Ohio	15.7	-20.2	4.6	1.5	-1.3	0.9
Wisconsin	8.0	-0.2	3.4	2.9	4.2	3.6
PLAINS						
Iowa	9.2	3.2	5.7	-2.6	-6.1	-4.6
Kansas	-4.2	-0.1	-1.9	-0.2	-0.8	-0.5
Minnesota	2.3	6.1	4.5	-0.2	-0.8	-0.5
Missouri	5.4	4.9	5.1	2.3	9.5	6.0
Nebraska	7.8	6.1	6.9	6.6	2.4	4.4
North Dakota	-5.0	8.5	3.2	27.2	15.3	19.6
South Dakota	5.0	-0.6	1.8	-2.1	8.7	4.0
SOUTHEAST						
Alabama	1.7	5.7	4.5	0.7	5.6	4.0
Arkansas	-0.7	6.5	4.8	10.3	9.0	9.3
Florida	1.4	4.5	3.2	10.3	10.9	10.7
Georgia	0.2	0.9	0.7	8.1	0.4	3.0
Kentucky	4.1	3.8	3.9	5.3	-1.4	0.0
Louisiana	-2.8	9.6	4.9	6.8	39.5	28.1
Mississippi	2.3	6.9	5.7	-4.9	4.6	2.1
North Carolina	-0.6	0.2	-0.1	3.0	2.9	2.9
South Carolina	0.1	0.8	0.6	4.2	5.0	4.7
Tennessee	4.2	12.5	9.2	-0.1	0.3	0.2
Virginia	10.7	4.7	7.7	4.8	6.8	5.8
West Virginia	0.0	0.0	0.0	1.1	0.3	0.5
SOUTHWEST						
Arizona	-1.4	7.2	4.9	-0.7	4.0	2.8
New Mexico	5.1	4.5	4.6	0.8	3.5	2.9
Oklahoma	-2.9	1.2	-0.5	-0.2	-0.3	-0.2
Texas	17.6	10.7	13.6	-1.4	-4.8	-3.3
ROCKY MOUNTAIN						
Colorado	13.9	17.4	16.0	-1.1	-5.9	-4.0
Idaho	5.9	1.4	3.1	1.8	3.5	2.8
Montana	6.6	21.5	16.7	8.3	47.4	35.8
Utah	4.6	4.4	4.4	9.1	9.5	9.4
Wyoming	2.8	3.1	3.0	2.8	2.7	2.7
FAR WEST						
Alaska	-4.9	20.3	9.5	-4.4	30.1	17.2
California	5.1	1.3	2.6	22.7	3.9	10.4
Hawaii	6.3	23.1	16.8	12.3	7.6	9.2
Nevada	3.2	10.1	8.4	15.5	13.3	13.8
Oregon	-3.3	-1.2	-1.6	46.4	3.9	13.6
Washington	-16.4	-1.9	-6.8	18.3	5.2	9.1
ALL STATES	4.1 %	5.7 %	5.1 %	7.8 %	5.0 %	6.1 %
MEDIAN	3.2	5.5	4.6	3.4	4.1	3.5

Notes: State funds are defined as general funds and other state funds (bonds are excluded). Source: National Association of State Budget Officers, 2016 State Expenditure Report

Medicaid Notes

States were asked to report Medicaid expenditures as follows: General funds: all general funds appropriated to the Medicaid agency and any other agency which are used for direct Medicaid matching purposes under Title XIX. Other state funds: other funds and revenue sources used as Medicaid match, such as local funds and provider taxes, fees, donations, assessments (as defined by the Centers for Medicare and Medicaid Services). Federal Funds: all federal matching funds provided pursuant to Title XIX.

The states were asked to separately detail the amount of provider taxes, fees, donations, assessments and local funds reported as Other State Funds.

Alabama: Other State Funds includes Medicaid provider taxes in the amounts of: \$370M for FY15; \$391M for FY16; and \$378M for Estimated FY17.

Arkansas: DHS numbers for FY 15 and FY 16 were modified to reflect actual final funding and were previously based on estimates.

California: The major drivers of the change in other state funds for Medicaid, from FY 2016 to FY 2017, are increases in hospital quality assurance fee, managed care organization tax, and tobacco tax initiative funding for new supplemental payments to various providers and Medi-Cal program growth.

Georgia: State General Funds paid by other agencies to the state Medicaid agency are reflected as State General Funds rather than Other Funds.

Maine: Medicaid Other State Funds provider taxes are: fiscal 2015 \$172 million; fiscal 2016 \$172 million; and fiscal 2017, \$171 million.

Michigan: A correction is made for FY 2015 which increases general fund spending by \$88.4 million with offsetting decrease to other state funds. General fund support was decreased for the Children's Health Insurance Program (CHIP), reflecting increase in federal match for enhanced ACA known as Healthy Michigan Plan. Other State Funds include local funds of \$65 million and provider taxes of \$993 million for FY 2015, local

funds of \$68 million and provider revenues of \$1,138 for FY2016, and estimated local funds of \$64 million and provider revenues of \$1,141 for FY 2017. Public health and community and institutional care for mentally and developmentally disabled persons are partially reported in the Medicaid totals.

Ohio: Federal reimbursements for Medicaid expenditures funded from the General Revenue Fund (GRF) are deposited into the GRF. Federal reimbursements for Medicaid expenditures from non-GRF sources are deposited into the appropriate federal fund. Expenditures of federal funds are contained in the General Fund number to be consistent with Ohio accounting practices and with other portrayals of Ohio's general fund. This amounts to \$11,667.5 million in fiscal 2016. This will tend to make Ohio's GRF expenditures look higher and conversely make Ohio's federal expenditures look lower relative to most other states that don't follow this practice.

Tennessee: Premium revenue: fiscal 2015 totals \$322 million, fiscal 2016 totals \$323 million, and fiscal 2017 totals \$323 million. Certified Public Expenditures – Local fund from Hospitals: fiscal 2015 totals \$124 million, fiscal 2016 totals \$211 million, and fiscal 2017 totals \$200 million. Nursing Home Tax: fiscal 2015 totals \$107 million, fiscal 2016 totals \$107 million, and fiscal 2017 totals \$121 million. ICF/MR 6 percent Gross Receipts Tax: fiscal 2015 totals \$12 million, fiscal 2016 totals \$11 million, and fiscal 2017 totals \$11 million. Intergovernmental Transfers: fiscal 2015 totals \$100 million, fiscal 2016 totals \$100 million, and fiscal 2017 totals \$100 million.

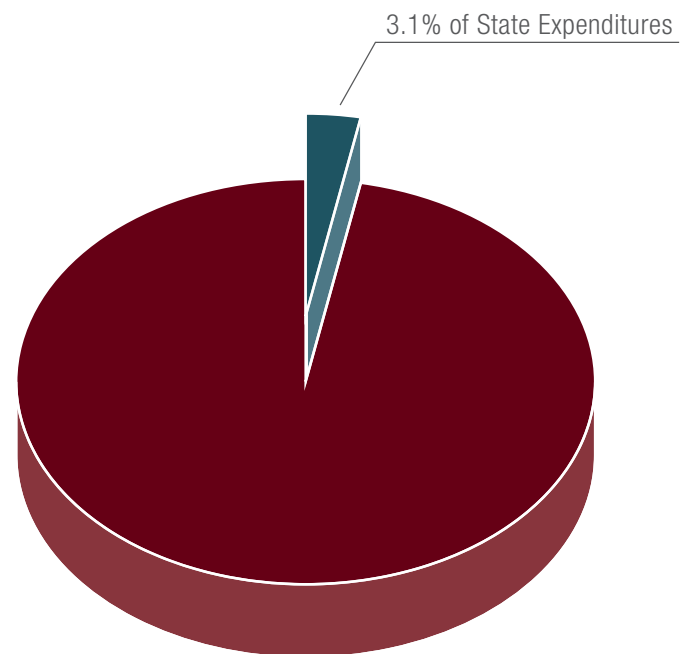
Vermont: The breakdown of local funds, etc. included in Other State Funds is as follows for fiscal 2015: provider tax \$145,336,588; employee assessment \$15,879,665; local match provided by schools \$20,649,819; tobacco litigation settlement funds \$33,031,032; other \$111,436,296. The breakdown is as follows for fiscal 2016: provider tax \$151,955,229; employee assessment \$17,896,335; local match provided by schools \$21,663,688; tobacco litigation settlement funds \$29,579,458, other \$120,144,959. The breakdown is as follows for estimated fiscal 2017: provider tax \$158,574,493; employee assessment \$19,159,000; local match provided by schools \$23,456,812; tobacco litigation settlement funds \$29,716,875, other \$131,557,871.

5

CHAPTER



CORRECTIONS EXPENDITURES



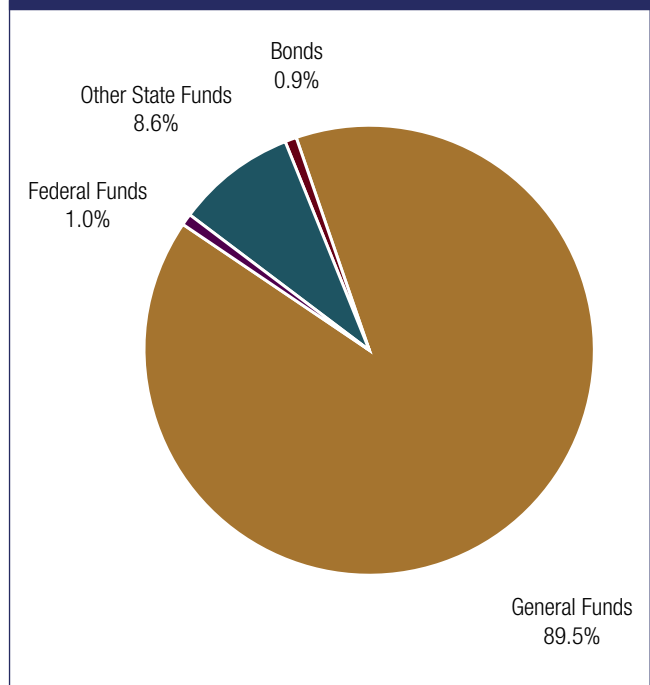
Corrections Expenditures

State spending on corrections reflects the costs to build and operate prison systems, community-based facilities, probation and parole systems, and may include spending on juvenile justice programs and other alternatives to incarceration. Total state spending on corrections in fiscal 2017 increased 4.1 percent over fiscal 2016, to \$60.1 billion. State general funds comprise over 89 percent of corrections spending. No other major area of state government spending is so heavily reliant upon the state general fund. General fund spending for corrections increased 4.0 percent in estimated fiscal 2017. A portion of the nationwide increased spending estimated for fiscal 2017 is derived from spending adjustments in Illinois compared to fiscal 2016, when the state ended the year without a fully enacted general fund budget in place. Adjusting for Illinois' circumstances, fiscal 2017 general fund spending increased by 3.3 percent. In fiscal 2016, total state spending for corrections totaled \$57.7 billion, compared to \$56.8 billion in fiscal 2015, a 1.5 percent increase in total spending and a 1.3 percent increase for general fund spending.

States held 18,248 fewer prisoners at yearend 2015 than in 2014, a decline of 1.4 percent, and over 67,000 fewer than 2009 (Bureau of Justice Statistics). Twenty-six states had a decrease in their prison population in 2015. Although populations have decreased, increased state spending on corrections can be attributed to several factors. First, several states have included additional funds for correctional officers' compensation in recent budgets, to improve the recruitment and retention of these vital security positions. Second, states continue to invest in criminal justice reforms to reduce correctional populations and improve outcomes. These reforms include alternatives to incarceration, earning sentence credits for good behavior, parole reforms, and increased treatment to address mental health and substance abuse disorders. While the number of prisoners is going down in a number of states, states may not capture significant savings until the population is reduced enough to close a prison unit or facility. The primary cost drivers in corrections are personnel costs, care and support for inmates including health care, contract costs for community-based programs, and maintenance of a large physical plant.

In fiscal 2016, corrections spending represented 3.1 percent of total state spending and 6.7 percent of general fund spending. General fund dollars account for \$51.6 billion, or 89.5 percent, of all fiscal 2016 state corrections spending. State funds (general funds and other state funds combined, but excluding bonds) accounted for 98.1 percent of total state corrections

FIGURE 15
STATE EXPENDITURES FOR CORRECTIONS BY FUND SOURCE, FISCAL 2016



spending in fiscal 2016. Federal funds accounted for 1.0 percent and bonds accounted for 0.9 percent.

Data on capital expenditures for corrections are displayed in Chapter Eight (Table 50).

Regional Expenditures

Table 31 shows changes in corrections expenditures by region between fiscal 2015 and fiscal 2016 and between fiscal 2016 and estimated fiscal 2017. In fiscal 2016, all regions except for the Great Lakes experienced an increase in total corrections spending, while in fiscal 2017 it is estimated that the Rocky Mountain region experienced a decline.

Corrections—Expenditures Exclusions

Some states exclude certain items when reporting corrections expenditures. Twenty-one states wholly or partially excluded juvenile delinquency counseling from their corrections figures and 18 states wholly or partially excluded spending on juvenile institutions. Some states wholly or partially excluded spending on drug abuse rehabilitation centers (19), institutions for the criminally insane (36), and aid to local governments for jails (21). For details, see Table 36.

TABLE 31
REGIONAL PERCENTAGE CHANGE IN STATE CORRECTIONS EXPENDITURES,
FISCAL 2016 AND 2017

Region	Fiscal 2015 to 2016			Fiscal 2016 to 2017		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	1.0 %	-10.0 %	0.2 %	-1.2 %	11.1 %	0.2 %
Mid-Atlantic	2.4	28.2	2.6	2.5	2.8	2.7
Great Lakes	-5.4	-15.6	-5.2	4.8	-27.2	4.3
Plains	1.3	8.7	1.6	2.5	28.0	2.5
Southeast	1.7	-32.2	0.5	5.0	34.1	5.8
Southwest	5.7	25.0	5.3	1.5	-6.7	1.5
Rocky Mountain	7.7	0.0	7.7	-5.0	33.3	-4.7
Far West	3.0	21.6	3.1	6.1	31.8	6.7
ALL STATES	1.7 %	-10.1 %	1.5 %	3.8 %	15.8 %	4.1 %

TABLE 32
CORRECTIONS EXPENDITURES—CAPITAL INCLUSIVE (\$ IN MILLIONS)

Region/State	Actual Fiscal 2015					Actual Fiscal 2016					Estimated Fiscal 2017				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$715	\$4	\$25	\$26	\$770	\$697	\$3	\$25	\$6	\$731	\$628	\$3	\$25	\$21	\$677
Maine	166	2	5	0	173	177	2	3	0	182	182	3	3	0	188
Massachusetts	1,368	1	5	0	1,374	1,390	2	7	0	1,399	1,402	1	6	0	1,409
New Hampshire	104	0	5	6	115	107	0	5	5	117	109	0	5	28	142
Rhode Island	196	2	13	0	211	208	1	15	0	224	214	2	20	0	236
Vermont	147	1	7	0	155	142	1	7	0	150	148	1	7	0	156
MID-ATLANTIC															
Delaware	283	0	5	3	291	290	1	5	3	299	305	0	5	4	314
Maryland	1,381	34	90	64	1,569	1,411	33	90	36	1,570	1,454	36	95	26	1,611
New Jersey	1,516	7	47	0	1,570	1,508	7	47	0	1,562	1,553	12	45	0	1,610
New York	2,809	27	46	208	3,090	2,859	51	60	238	3,208	2,809	47	61	271	3,188
Pennsylvania	2,400	17	117	0	2,534	2,516	17	118	0	2,651	2,677	17	120	0	2,814
GREAT LAKES															
Illinois	1,428	0	79	23	1,530	1,006	0	70	17	1,093	1,417	0	56	11	1,484
Indiana	724	4	48	0	776	744	3	49	0	796	744	3	59	0	806
Michigan*	2,062	93	54	0	2,209	2,037	77	54	0	2,168	1,941	56	51	0	2,048
Ohio*	1,742	11	81	42	1,876	1,819	10	68	70	1,967	1,880	7	61	77	2,025
Wisconsin	1,145	1	109	0	1,255	1,112	2	107	0	1,221	1,086	1	109	0	1,196
PLAINS															
Iowa	379	2	77	0	458	384	1	63	0	448	379	2	70	0	451
Kansas	334	5	20	5	364	347	8	24	4	383	359	10	25	4	398
Minnesota	520	3	13	6	542	529	3	15	13	560	565	9	15	4	593
Missouri	649	2	31	0	682	645	2	30	0	677	654	2	30	2	688
Nebraska	301	1	26	0	328	312	2	27	0	341	319	1	28	0	348
North Dakota	93	3	16	0	112	100	4	11	0	115	100	4	11	0	115
South Dakota	93	7	7	0	107	93	5	12	0	110	98	4	4	0	106
SOUTHEAST															
Alabama	481	22	102	0	605	478	25	94	0	597	521	31	106	0	658
Arkansas	438	0	57	0	495	450	0	66	0	516	447	0	67	0	514
Florida	2,517	58	99	0	2,674	2,553	56	111	0	2,720	2,646	88	133	0	2,867
Georgia	1,508	12	48	77	1,645	1,558	13	47	44	1,662	1,680	8	14	67	1,769
Kentucky	559	15	37	0	611	594	13	43	0	650	626	11	45	0	682
Louisiana	735	2	89	5	831	729	2	89	0	820	746	3	89	1	839
Mississippi	346	0	14	0	360	327	1	32	0	360	326	0	26	0	352
North Carolina	1,727	182	177	0	2,086	1,850	81	100	0	2,031	1,965	99	141	4	2,209
South Carolina	507	6	90	0	603	497	6	88	0	591	544	6	82	0	632
Tennessee	852	0	41	0	893	874	0	38	0	912	957	0	32	0	989
Virginia	1,226	14	68	19	1,327	1,264	14	71	17	1,366	1,295	37	72	24	1,428
West Virginia	225	0	6	0	231	195	0	6	0	201	191	0	11	0	202
SOUTHWEST															
Arizona	976	7	104	0	1,087	1,017	6	102	0	1,125	1,047	7	110	0	1,164
New Mexico	285	0	28	5	318	297	0	28	7	332	294	0	30	0	324
Oklahoma	453	2	41	0	496	376	2	185	0	563	425	1	150	0	576
Texas	3,335	15	88	31	3,469	3,487	22	120	3	3,632	3,539	20	102	10	3,671
ROCKY MOUNTAIN															
Colorado*	743	3	89	0	835	770	4	95	0	869	762	6	89	0	857
Idaho	237	4	36	0	277	241	3	36	0	280	256	4	47	0	307
Montana	191	1	16	0	208	199	1	14	0	214	200	1	13	0	214
Utah	352	4	5	0	361	453	4	1	0	458	384	5	27	0	416
Wyoming	131	0	9	0	140	131	0	9	0	140	70	0	4	0	74
FAR WEST															
Alaska	354	6	16	0	376	330	7	28	0	365	324	9	38	0	371
California	9,926	61	2,402	0	12,389	10,064	80	2,553	0	12,697	10,925	111	2,572	0	13,608
Hawaii	235	1	12	0	248	241	1	13	0	255	255	1	15	0	271
Nevada	244	1	29	16	290	253	1	30	10	294	262	2	29	12	305
Oregon	871	16	27	0	914	950	15	51	3	1,019	956	15	61	1	1,033
Washington	941	3	8	29	981	1,003	3	6	23	1,035	1,033	3	6	91	1,133
TOTAL	\$50,950	\$662	\$4,664	\$565	\$56,841	\$51,614	\$595	\$4,968	\$499	\$57,676	\$53,699	\$689	\$5,022	\$658	\$60,068
District of Columbia	231	0	1	9	241	240	0	0	6	246					

Source: National Association of State Budget Officers, 2016 State Expenditure Report

TABLE 33
CORRECTIONS EXPENDITURES AS A PERCENT OF
TOTAL EXPENDITURES

Region/State	Fiscal 2015	Fiscal 2016	Fiscal 2017
NEW ENGLAND			
Connecticut	2.5 %	2.3 %	2.2 %
Maine	2.2	2.3	2.3
Massachusetts	2.4	2.3	2.3
New Hampshire	2.1	2.0	2.4
Rhode Island	2.5	2.6	2.5
Vermont	2.9	2.7	2.8
MID-ATLANTIC			
Delaware	3.0	2.9	2.9
Maryland	3.9	3.9	3.9
New Jersey	2.8	2.8	2.7
New York	2.1	2.1	2.0
Pennsylvania	3.5	3.5	3.5
GREAT LAKES			
Illinois	2.4	2.0	2.2
Indiana	2.6	2.5	2.5
Michigan	4.2	4.0	3.8
Ohio	2.9	2.9	3.0
Wisconsin	2.7	2.7	2.5
PLAINS			
Iowa	2.1	1.9	1.9
Kansas	2.4	2.5	2.5
Minnesota	1.5	1.5	1.5
Missouri	2.8	2.7	2.7
Nebraska	3.0	2.9	2.9
North Dakota	1.4	1.5	1.6
South Dakota	2.7	2.6	2.5
SOUTHEAST			
Alabama	2.4	2.3	2.5
Arkansas	2.1	2.2	2.1
Florida	3.8	3.8	3.5
Georgia	3.7	3.5	3.6
Kentucky	2.0	2.0	2.0
Louisiana	3.0	3.0	2.6
Mississippi	1.8	1.8	1.6
North Carolina	4.8	4.6	4.7
South Carolina	2.7	2.6	2.6
Tennessee	2.9	2.9	2.9
Virginia	2.8	2.8	2.8
West Virginia	1.4	1.2	1.3
SOUTHWEST			
Arizona	2.8	2.8	2.8
New Mexico	1.9	1.8	1.8
Oklahoma	2.2	2.5	2.5
Texas	3.1	3.0	2.9
ROCKY MOUNTAIN			
Colorado	2.4	2.4	2.5
Idaho	3.9	3.8	3.5
Montana	3.3	3.4	3.1
Utah	2.8	3.4	2.8
Wyoming	2.7	2.7	1.5
FAR WEST			
Alaska	2.8	3.6	3.7
California	4.9	5.1	5.0
Hawaii	1.9	1.8	1.8
Nevada	2.5	2.3	2.2
Oregon	2.4	2.7	2.6
Washington	2.4	2.5	2.6
ALL STATES	3.1 %	3.1 %	3.0 %

Source: National Association of State Budget Officers, 2016 State Expenditure Report

TABLE 34
CORRECTIONS GENERAL FUND EXPENDITURES AS A PERCENT OF
TOTAL GENERAL FUND EXPENDITURES

Region/State	Fiscal 2015	Fiscal 2016	Fiscal 2017
NEW ENGLAND			
Connecticut	4.1 %	3.9 %	3.6 %
Maine	5.2	5.4	5.4
Massachusetts	4.8	4.7	4.7
New Hampshire	8.3	7.7	7.2
Rhode Island	5.7	5.9	5.8
Vermont	10.3	9.7	9.9
MID-ATLANTIC			
Delaware	7.4	7.4	7.4
Maryland	8.7	8.7	8.5
New Jersey	4.7	4.5	4.6
New York	4.5	4.2	4.1
Pennsylvania	8.2	8.4	8.4
GREAT LAKES			
Illinois	4.9	4.2	4.8
Indiana	4.7	4.9	4.6
Michigan	21.4	20.2	19.2
Ohio	5.7	5.4	5.4
Wisconsin	7.5	7.2	6.8
PLAINS			
Iowa	5.4	5.3	5.2
Kansas	5.4	5.7	5.7
Minnesota	2.6	2.6	2.6
Missouri	7.4	7.2	7.1
Nebraska	7.5	7.4	7.4
North Dakota	2.8	3.3	4.0
South Dakota	6.7	6.4	6.3
SOUTHEAST			
Alabama	6.3	6.0	6.4
Arkansas	8.7	8.7	8.5
Florida	9.1	8.9	8.7
Georgia	7.6	7.3	7.3
Kentucky	5.6	5.8	5.6
Louisiana	8.4	8.4	8.2
Mississippi	6.3	5.8	5.7
North Carolina	8.4	8.7	8.9
South Carolina	7.3	6.8	6.9
Tennessee	6.6	6.6	6.5
Virginia	6.6	6.4	6.4
West Virginia	5.3	4.6	4.5
SOUTHWEST			
Arizona	10.5	10.7	10.9
New Mexico	4.6	4.8	4.7
Oklahoma	6.6	5.7	7.0
Texas	6.7	6.5	6.4
ROCKY MOUNTAIN			
Colorado	7.8	7.4	7.3
Idaho	8.3	8.0	7.8
Montana	8.9	8.9	8.6
Utah	6.1	7.3	6.1
Wyoming	7.0	7.0	4.8
FAR WEST			
Alaska	5.9	6.0	7.3
California	8.7	8.8	9.0
Hawaii	3.7	3.5	3.4
Nevada	7.2	7.0	6.6
Oregon	11.7	10.6	10.7
Washington	5.6	5.5	5.3
ALL STATES	6.8 %	6.7 %	6.7 %

Source: National Association of State Budget Officers, 2016 State Expenditure Report

TABLE 35
ANNUAL PERCENTAGE CHANGE IN CORRECTIONS EXPENDITURES

Region/State	Fiscal 2015 to 2016			Fiscal 2016 to 2017		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	-2.4 %	-25.0 %	-5.1 %	-9.6 %	0.0 %	-7.4 %
Maine	5.3	0.0	5.2	2.8	50.0	3.3
Massachusetts	1.7	100.0	1.8	0.8	-50.0	0.7
New Hampshire	2.8	---	1.7	1.8	---	21.4
Rhode Island	6.7	-50.0	6.2	4.9	100.0	5.4
Vermont	-3.2	0.0	-3.2	4.0	0.0	4.0
MID-ATLANTIC						
Delaware	2.4	---	2.7	5.1	-100.0	5.0
Maryland	2.0	-2.9	0.1	3.2	9.1	2.6
New Jersey	-0.5	0.0	-0.5	2.8	71.4	3.1
New York	2.2	88.9	3.8	-1.7	-7.8	-0.6
Pennsylvania	4.6	0.0	4.6	6.2	0.0	6.1
GREAT LAKES						
Illinois	-28.6	---	-28.6	36.9	---	35.8
Indiana	2.7	-25.0	2.6	1.3	0.0	1.3
Michigan	-1.2	-17.2	-1.9	-4.7	-27.3	-5.5
Ohio	3.5	-9.1	4.9	2.9	-30.0	2.9
Wisconsin	-2.8	100.0	-2.7	-2.0	-50.0	-2.0
PLAINS						
Iowa	-2.0	-50.0	-2.2	0.4	100.0	0.7
Kansas	4.8	60.0	5.2	3.5	25.0	3.9
Minnesota	2.1	0.0	3.3	6.6	200.0	5.9
Missouri	-0.7	0.0	-0.7	1.3	0.0	1.6
Nebraska	3.7	100.0	4.0	2.4	-50.0	2.1
North Dakota	1.8	33.3	2.7	0.0	0.0	0.0
South Dakota	5.0	-28.6	2.8	-2.9	-20.0	-3.6
SOUTHEAST						
Alabama	-1.9	13.6	-1.3	9.6	24.0	10.2
Arkansas	4.2	---	4.2	-0.4	---	-0.4
Florida	1.8	-3.4	1.7	4.3	57.1	5.4
Georgia	3.1	8.3	1.0	5.5	-38.5	6.4
Kentucky	6.9	-13.3	6.4	5.3	-15.4	4.9
Louisiana	-0.7	0.0	-1.3	2.1	50.0	2.3
Mississippi	-0.3	---	0.0	-1.9	-100.0	-2.2
North Carolina	2.4	-55.5	-2.6	8.0	22.2	8.8
South Carolina	-2.0	0.0	-2.0	7.0	0.0	6.9
Tennessee	2.1	---	2.1	8.4	---	8.4
Virginia	3.2	0.0	2.9	2.4	164.3	4.5
West Virginia	-13.0	---	-13.0	0.5	---	0.5
SOUTHWEST						
Arizona	3.6	-14.3	3.5	3.4	16.7	3.5
New Mexico	3.8	---	4.4	-0.3	---	-2.4
Oklahoma	13.6	0.0	13.5	2.5	-50.0	2.3
Texas	5.4	46.7	4.7	0.9	-9.1	1.1
ROCKY MOUNTAIN						
Colorado	4.0	33.3	4.1	-1.6	50.0	-1.4
Idaho	1.5	-25.0	1.1	9.4	33.3	9.6
Montana	2.9	0.0	2.9	0.0	0.0	0.0
Utah	27.2	0.0	26.9	-9.5	25.0	-9.2
Wyoming	0.0	---	0.0	-47.1	---	-47.1
FAR WEST						
Alaska	-3.2	16.7	-2.9	1.1	28.6	1.6
California	2.3	31.1	2.5	7.0	38.8	7.2
Hawaii	2.8	0.0	2.8	6.3	0.0	6.3
Nevada	3.7	0.0	1.4	2.8	100.0	3.7
Oregon	11.5	-6.3	11.5	1.6	0.0	1.4
Washington	6.3	0.0	5.5	3.0	0.0	9.5
ALL STATES	1.7 %	-10.1 %	1.5 %	3.8 %	15.8 %	4.1 %
MEDIAN	2.4	0.0	2.5	2.4	0.0	2.8

Notes: State funds are defined as general funds and other state funds (bonds are excluded).
Source: National Association of State Budget Officers, 2016 State Expenditure Report

TABLE 36
ITEMS EXCLUDED FROM CORRECTIONS EXPENDITURES

Region/State	Employer Contributions to Pensions	Employer Contributions to Health Benefits	Juvenile Delinquency Counseling	Juvenile Institutions	Aid to Local Govts. for Jails	Drug Abuse Rehab. Centers	Institutions for the Criminally Insane
NEW ENGLAND							
Connecticut	X	X	P	P	X	P	
Maine							X
Massachusetts	X	X				P	
New Hampshire			X	X	X		
Rhode Island			X	X	X		X
Vermont			X	X	X	P	X
MID-ATLANTIC							
Delaware					X		
Maryland						X	X
New Jersey							X
New York	P	P	P	X	X		X
Pennsylvania							
GREAT LAKES							
Illinois	X	X					
Indiana					P	P	X
Michigan*			P			X	X
Ohio*						P	X
Wisconsin							
PLAINS							
Iowa				X			
Kansas							
Minnesota			P		X	P	X
Missouri	X	X	X	X		P	X
Nebraska					X	X	X
North Dakota							X
South Dakota					X		X
SOUTHEAST							
Alabama					X		X
Arkansas			X	X			X
Florida					X	P	X
Georgia							
Kentucky							X
Louisiana							
Mississippi			X	X			X
North Carolina					X		
South Carolina					X	X	X
Tennessee			X	X			P
Virginia							
West Virginia		X	X	X	X	X	X
SOUTHWEST							
Arizona			X	X	X		X
New Mexico			X	X	X		X
Oklahoma			X	X		X	X
Texas	X	P					X
ROCKY MOUNTAIN							
Colorado*			X	P			P
Idaho							X
Montana						P	X
Utah			X			X	X
Wyoming							
FAR WEST							
Alaska			P			X	X
California							X
Hawaii	P	P	X	X	X		X
Nevada			X	X	X		X
Oregon	P	P	P	P	P	P	P
Washington					X	X	X
ALL STATES	8	9	21	18	21	19	36
District of Columbia					N/A		N/A

Excluded=X Partially Excluded=P Not Applicable=N/A

Source: National Association of State Budget Officers, 2016 State Expenditure Report

Corrections Notes

Small dollar amounts, when rounded, cause an aberration in the percentage increase. In these instances, the actual dollar amounts should be consulted to determine the exact percentage increase.

Colorado: Juvenile delinquent counseling programs are funded in the Colorado Department of Human Services, Division of Youth Corrections (DYC). Funding for the Youthful Offender System (youths convicted as adults) is in the Colorado Dept. of Corrections. Regarding institutions for the criminally insane, San Carlos services significantly mentally ill inmates, but note that the Colorado Dept of Human Services Forensics Institute serves mentally ill people including those found not guilty by reason of insanity.

Michigan: Totals include adult inmate and juvenile justice program expenditures. Reduced spending for FY 2016 reflects decline in capital spending.

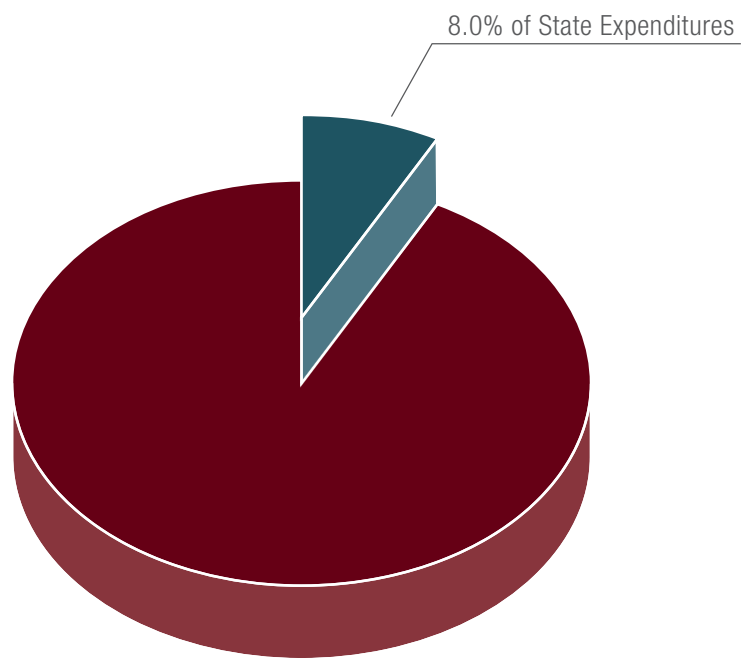
Ohio: While employer contributions to current employees' pensions and employer contributions to employee health benefits are included in the expenditure totals, agencies do not receive specific appropriations for these purposes. As of fiscal year 2016, drug recovery services within Department of Rehabilitation and Correction (DRC) institutions are provided by the Department of Mental Health and Addiction Services. However, DRC continues to fund drug abuse rehabilitation programs in community settings through per-bed or per-diem payments to Halfway Houses and Community Based Correctional Facilities.

6

CHAPTER



TRANSPORTATION EXPENDITURES



Transportation Expenditures

Transportation expenditures totaled \$159.9 billion in fiscal 2017, 8.1 percent of total state spending and an increase of 5.4 percent over the previous year. State funds (general funds and other state funds combined, excluding bonds) for transportation increased 6.1 percent in fiscal 2017, while federal funds rose 3.6 percent. In fiscal 2016, total state expenditures for transportation are estimated to have grown by 2.5 percent. State funds are estimated to have increased 2.6 percent, while federal funds grew 4.8 percent; bonds, on the other hand, experienced a slight decline.

Approximately 59.4 percent of fiscal 2017 transportation expenditures are funded from earmarked revenues placed in special transportation funds, captured in the “Other State Funds” category in this report. The largest earmarked revenue source is states’ motor fuel excise taxes. While “Other State Funds” account for the majority of transportation spending, federal funds also play a large role. In fiscal 2017, federal funds accounted for 28.7 percent of total transportation spending, with bonds (8.1 percent) and general funds (3.8 percent) comprising the remaining amount.

State Transportation Financing Issues

States have been responding to the diminishing buying power of fuel tax revenues resulting from more fuel-efficient vehicles. States are concerned that in the long-term, the current structure of state and federal fuel tax revenue will not be able to meet transportation needs as most gas taxes are set at fixed rates and do not rise with inflation, and the growth in vehicle miles traveled has leveled off. Since 2013, 26 states have taken actions to raise their fuel tax revenues; eight states in the 2017 legislative sessions. Many of the actions were the result of multi-year transportation plans and were combined with other revenue-raising actions. One of the more notable recent actions has been the institution of registration fees on electric and hybrid vehicles to ensure that all vehicles pay their fair share of the transportation system. Thirty-two states have constitutional restrictions that dedicate transportation funds for transportation purposes.

The combination of state actions to raise revenue and the very limited changes in federal transportation resources has result-

ed in the state share of transportation spending to rise from 67.1 percent in 2010 to 71.3 percent in 2017.

Federal Transportation Funding

On December 4, 2015, President Obama signed into law the *Fixing America’s Surface Transportation (FAST) Act*. The FAST Act marks the first federal transportation reauthorization since 2012. The legislation (P.L. 114-94) reauthorizes surface transportation spending for five years at a cost of approximately \$305 billion. The bill includes funding for highway and transit programs, including Amtrak, and is funded by the federal gas tax, which remains at 18.4 cents per gallon, and \$70 billion in offsets from other parts of the federal government.

Key provisions in the bill include: establishing a National Surface Transportation and Innovative Finance Bureau to help states with project delivery; streamlining the environmental review and permitting process; increasing dedicated bus funding by 89 percent over the reauthorization period; establishing a pilot program for communities to expand transit through the use of public-private partnerships; increasing the percentage of the National Priority Safety Program states can spend on traditional safety programs; creating a new formula grant program, the National Highway Freight Program, and a new competitive grant program, the Nationally Significant Freight and Highway Projects Program; converting the Surface Transportation Program to a block grant program; increasing the amount of Surface Transportation Program funding that is distributed to local governments from 50 percent to 55 percent over the five-year period; and requiring certain railroads to provide information on the identity, quantity, and location of crude oil movements to emergency responders.

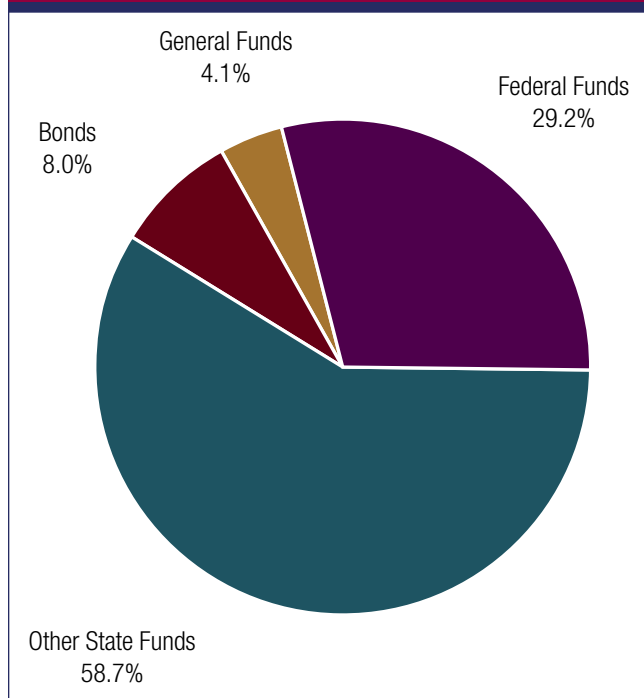
Fund Shares

The Figure 15 provides fund shares for fiscal 2016.

Regional Expenditures

Table 37 shows percentage changes in transportation expenditures by region between fiscal 2015 and fiscal 2016 and between fiscal 2016 and estimated fiscal 2017. In both years, most regions experienced growth in total spending on transportation.

FIGURE 16
STATE EXPENDITURES FOR TRANSPORTATION BY FUND
SOURCE, FISCAL 2016



Transportation—Expenditure Exclusions

Forty-three states wholly or partially exclude state police and highway patrols from the transportation expenditures contained within the report. Additionally, 38 states wholly or partially exclude port authority operations, 21 states exclude truck enforcement regulation programs, 24 states omit motor vehicle licensing, and 14 states exclude gasoline tax and fee collections. For details, see Table 41.

TABLE 37
REGIONAL PERCENTAGE CHANGE IN STATE TRANSPORTATION EXPENDITURES,
FISCAL 2016 AND 2017

Region	Fiscal 2015 to 2016			Fiscal 2016 to 2017		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	-0.2 %	-1.8 %	2.4 %	3.7 %	-0.8 %	3.1 %
Mid-Atlantic	4.2	4.0	3.5	5.4	21.4	12.8
Great Lakes	1.0	1.7	-1.0	2.6	1.5	2.5
Plains	-0.6	-4.8	-0.8	-4.4	13.4	-2.0
Southeast	7.5	7.8	8.2	9.5	-0.7	6.4
Southwest	14.1	25.9	17.8	-1.4	-6.5	-4.8
Rocky Mountain	8.3	-10.7	0.6	10.4	9.7	10.1
Far West	-9.9	-4.0	-11.5	17.6	3.0	9.7
ALL STATES	2.6 %	4.8 %	2.5 %	6.1 %	3.6 %	5.4 %

TABLE 38
TRANSPORTATION EXPENDITURES—CAPITAL INCLUSIVE (\$ IN MILLIONS)

Region/State	Actual Fiscal 2015					Actual Fiscal 2016					Estimated Fiscal 2017				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$0	\$719	\$1,419	\$668	\$2,806	\$0	\$774	\$1,422	\$963	\$3,159	\$0	\$774	\$1,447	\$1,273	\$3,494
Maine	0	226	350	80	656	0	222	423	60	705	0	225	439	92	756
Massachusetts	618	42	2,596	2,054	5,310	615	47	2,597	2,082	5,341	575	42	2,615	1,879	5,111
New Hampshire	1	291	215	4	511	1	267	196	5	469	1	247	269	14	531
Rhode Island	0	268	303	6	577	0	254	233	5	492	0	273	341	0	614
Vermont	0	336	252	5	593	0	284	256	1	541	0	272	266	0	538
MID-ATLANTIC															
Delaware	0	237	511	0	748	0	218	585	0	803	5	217	567	129	918
Maryland	0	832	3,488	0	4,320	0	810	3,738	0	4,548	0	1,202	3,912	0	5,114
New Jersey	1,442	1,488	954	1,197	5,081	1,413	1,459	879	1,174	4,925	1,595	2,021	1,123	2,000	6,739
New York	117	1,612	6,460	1,267	9,456	130	1,830	6,295	1,180	9,435	107	2,095	6,748	1,559	10,509
Pennsylvania	6	2,175	5,111	283	7,575	2	2,278	5,801	350	8,431	1	2,469	5,809	175	8,454
GREAT LAKES															
Illinois	5	92	5,650	1,194	6,941	0	108	5,533	723	6,364	0	90	5,393	770	6,253
Indiana	241	668	659	0	1,568	242	936	714	0	1,892	571	931	776	0	2,278
Michigan*	285	1,414	1,960	16	3,675	400	1,245	2,152	8	3,805	9	1,315	2,737	7	4,068
Ohio*	9	1,393	1,702	234	3,338	11	1,411	1,694	340	3,456	11	1,465	1,534	338	3,348
Wisconsin	100	841	1,981	0	2,922	97	784	1,869	0	2,750	107	752	1,909	0	2,768
PLAINS															
Iowa	0	514	1,367	0	1,881	0	537	1,347	0	1,884	0	515	1,221	0	1,736
Kansas	13	445	523	188	1,169	10	277	530	178	995	10	405	648	195	1,258
Minnesota	122	315	3,100	325	3,862	135	335	2,761	404	3,635	142	536	3,251	263	4,192
Missouri	14	76	1,883	0	1,973	18	91	1,779	0	1,888	20	82	1,923	0	2,025
Nebraska	1	336	505	0	842	1	367	597	0	965	1	340	551	0	892
North Dakota	703	295	670	0	1,668	544	246	1,036	0	1,826	45	285	595	0	925
South Dakota	1	331	228	0	560	1	348	315	0	664	1	332	263	0	596
SOUTHEAST															
Alabama	0	903	576	229	1,708	0	882	638	257	1,777	0	746	515	200	1,461
Arkansas	3	492	834	74	1,403	1	553	781	0	1,335	0	472	705	0	1,177
Florida	12	2,229	5,845	358	8,444	0	2,536	5,822	384	8,742	3	2,428	7,869	435	10,735
Georgia	802	1,143	523	23	2,491	1,270	1,641	415	186	3,512	1,833	1,593	90	108	3,624
Kentucky	14	866	2,087	0	2,967	6	883	1,908	0	2,797	13	900	1,502	0	2,415
Louisiana	53	721	532	244	1,550	38	831	577	171	1,617	3	738	627	124	1,492
Mississippi	32	543	608	19	1,202	0	544	643	96	1,283	0	595	929	127	1,651
North Carolina	0	1,376	3,166	14	4,556	0	1,336	3,320	131	4,787	0	1,330	3,574	431	5,335
South Carolina	75	699	614	0	1,388	289	642	1,092	0	2,023	120	855	1,179	0	2,154
Tennessee*	0	874	834	0	1,708	0	859	795	0	1,654	0	1,000	876	0	1,876
Virginia	12	1,357	4,407	2	5,778	68	1,269	4,944	22	6,303	40	1,252	4,892	123	6,307
West Virginia	4	993	28	0	1,025	12	1,176	20	0	1,208	6	1,151	17	0	1,174
SOUTHWEST															
Arizona	0	968	1,895	106	2,969	1	797	2,480	68	3,346	87	797	2,107	117	3,108
New Mexico	0	409	457	0	866	0	406	456	0	862	0	399	468	0	867
Oklahoma	0	753	764	0	1,517	0	890	677	0	1,567	0	698	740	119	1,557
Texas	189	3,372	5,529	1,239	10,329	226	4,832	6,236	1,405	12,699	287	4,578	6,247	935	12,047
ROCKY MOUNTAIN															
Colorado*	0	879	1,048	0	1,927	0	744	1,186	0	1,930	0	731	1,243	0	1,974
Idaho	0	259	398	0	657	0	212	494	0	706	0	357	750	0	1,107
Montana	9	434	305	0	748	10	410	288	0	708	10	382	279	0	671
Utah	0	315	828	0	1,143	0	306	853	0	1,159	2	443	998	0	1,443
Wyoming	158	131	169	0	458	158	131	169	0	458	22	64	181	0	267
FAR WEST															
Alaska	467	1,004	229	15	1,715	308	1,122	201	7	1,638	270	1,217	278	0	1,765
California	199	5,197	7,692	2,332	15,420	263	4,786	7,573	1,355	13,977	225	5,147	8,586	675	14,633
Hawaii	0	250	939	171	1,360	0	185	931	157	1,273	0	137	1,152	42	1,331
Nevada	0	309	280	40	629	0	451	283	65	799	0	368	545	379	1,292
Oregon	10	49	2,747	41	2,847	11	47	1,602	29	1,689	11	46	2,123	20	2,200
Washington	1	766	1,862	448	3,077	1	681	1,832	271	2,785	1	577	2,104	398	3,080
TOTAL	\$5,718	\$42,237	\$87,083	\$12,876	\$147,914	\$6,282	\$44,280	\$88,968	\$12,077	\$151,607	\$6,134	\$45,886	\$94,913	\$12,927	\$159,860
District of Columbia	422	202	66	226	916	457	132	92	204	885					

Source: National Association of State Budget Officers, 2016 State Expenditure Report

TABLE 39
TRANSPORTATION EXPENDITURES AS A PERCENT OF
TOTAL EXPENDITURES

Region/State	Fiscal 2015	Fiscal 2016	Fiscal 2017
NEW ENGLAND			
Connecticut	9.3 %	9.9 %	11.3 %
Maine	8.5	8.8	9.2
Massachusetts	9.1	8.7	8.2
New Hampshire	9.4	8.0	8.9
Rhode Island	6.8	5.7	6.6
Vermont	10.9	9.7	9.7
MID-ATLANTIC			
Delaware	7.7	7.8	8.6
Maryland	10.8	11.2	12.4
New Jersey	8.9	8.7	11.1
New York	6.6	6.3	6.7
Pennsylvania	10.4	11.0	10.5
GREAT LAKES			
Illinois	10.7	11.7	9.3
Indiana	5.3	6.0	7.1
Michigan	6.9	7.0	7.5
Ohio	5.1	5.1	4.9
Wisconsin	6.3	6.0	5.9
PLAINS			
Iowa	8.5	8.2	7.5
Kansas	7.7	6.6	7.9
Minnesota	10.8	9.9	10.6
Missouri	8.2	7.7	7.9
Nebraska	7.7	8.3	7.5
North Dakota	21.1	24.5	12.8
South Dakota	14.0	15.9	14.1
SOUTHEAST			
Alabama	6.8	6.9	5.6
Arkansas	5.9	5.6	4.8
Florida	11.9	12.1	13.0
Georgia	5.5	7.4	7.4
Kentucky	9.6	8.6	7.2
Louisiana	5.6	5.8	4.7
Mississippi	6.1	6.5	7.4
North Carolina	10.4	10.8	11.4
South Carolina	6.1	8.8	8.8
Tennessee	5.5	5.2	5.6
Virginia	12.3	12.8	12.5
West Virginia	6.4	7.5	7.3
SOUTHWEST			
Arizona	7.6	8.4	7.5
New Mexico	5.1	4.8	4.7
Oklahoma	6.8	6.9	6.7
Texas	9.2	10.3	9.5
ROCKY MOUNTAIN			
Colorado	5.6	5.3	5.8
Idaho	9.3	9.6	12.6
Montana	11.7	11.1	9.6
Utah	8.9	8.5	9.7
Wyoming	9.0	9.0	5.3
FAR WEST			
Alaska	12.8	16.3	17.5
California	6.2	5.6	5.4
Hawaii	10.6	9.2	9.1
Nevada	5.4	6.2	9.5
Oregon	7.6	4.5	5.5
Washington	7.7	6.7	6.9
ALL STATES	8.0 %	8.0 %	8.1 %

Source: National Association of State Budget Officers, 2016 State Expenditure Report

TABLE 40
ANNUAL PERCENTAGE CHANGE IN TRANSPORTATION EXPENDITURES

Region/State	Fiscal 2015 to 2016			Fiscal 2016 to 2017		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	0.2 %	7.6 %	12.6 %	1.8 %	0.0 %	10.6 %
Maine	20.9	-1.8	7.5	3.8	1.4	7.2
Massachusetts	-0.1	11.9	0.6	-0.7	-10.6	-4.3
New Hampshire	-8.8	-8.2	-8.2	37.1	-7.5	13.2
Rhode Island	-23.1	-5.2	-14.7	46.4	7.5	24.8
Vermont	1.6	-15.5	-8.8	3.9	-4.2	-0.6
MID-ATLANTIC						
Delaware	14.5	-8.0	7.4	-2.2	-0.5	14.3
Maryland	7.2	-2.6	5.3	4.7	48.4	12.4
New Jersey	-4.3	-1.9	-3.1	18.6	38.5	36.8
New York	-2.3	13.5	-0.2	6.7	14.5	11.4
Pennsylvania	13.4	4.7	11.3	0.1	8.4	0.3
GREAT LAKES						
Illinois	-2.2	17.4	-8.3	-2.5	-16.7	-1.7
Indiana	6.2	40.1	20.7	40.9	-0.5	20.4
Michigan	13.7	-12.0	3.5	7.6	5.6	6.9
Ohio	-0.4	1.3	3.5	-9.4	3.8	-3.1
Wisconsin	-5.5	-6.8	-5.9	2.5	-4.1	0.7
PLAINS						
Iowa	-1.5	4.5	0.2	-9.4	-4.1	-7.9
Kansas	0.7	-37.8	-14.9	21.9	46.2	26.4
Minnesota	-10.1	6.3	-5.9	17.2	60.0	15.3
Missouri	-5.3	19.7	-4.3	8.1	-9.9	7.3
Nebraska	18.2	9.2	14.6	-7.7	-7.4	-7.6
North Dakota	15.1	-16.6	9.5	-59.5	15.9	-49.3
South Dakota	38.0	5.1	18.6	-16.5	-4.6	-10.2
SOUTHEAST						
Alabama	10.8	-2.3	4.0	-19.3	-15.4	-17.8
Arkansas	-6.6	12.4	-4.8	-9.8	-14.6	-11.8
Florida	-0.6	13.8	3.5	35.2	-4.3	22.8
Georgia*	27.2	43.6	41.0	14.1	-2.9	3.2
Kentucky	-8.9	2.0	-5.7	-20.8	1.9	-13.7
Louisiana	5.1	15.3	4.3	2.4	-11.2	-7.7
Mississippi	0.5	0.2	6.7	44.5	9.4	28.7
North Carolina	4.9	-2.9	5.1	7.7	-0.4	11.4
South Carolina	100.4	-8.2	45.7	-5.9	33.2	6.5
Tennessee	-4.7	-1.7	-3.2	10.2	16.4	13.4
Virginia	13.4	-6.5	9.1	-1.6	-1.3	0.1
West Virginia	0.0	18.4	17.9	-28.1	-2.1	-2.8
SOUTHWEST						
Arizona	30.9	-17.7	12.7	-11.6	0.0	-7.1
New Mexico	-0.2	-0.7	-0.5	2.6	-1.7	0.6
Oklahoma	-11.4	18.2	3.3	9.3	-21.6	-0.6
Texas	13.0	43.3	22.9	1.1	-5.3	-5.1
ROCKY MOUNTAIN						
Colorado	13.2	-15.4	0.2	4.8	-1.7	2.3
Idaho	24.1	-18.1	7.5	51.8	68.4	56.8
Montana	-5.1	-5.5	-5.3	-3.0	-6.8	-5.2
Utah	3.0	-2.9	1.4	17.2	44.8	24.5
Wyoming	0.0	0.0	0.0	-37.9	-51.1	-41.7
FAR WEST						
Alaska	-26.9	11.8	-4.5	7.7	8.5	7.8
California	-0.7	-7.9	-9.4	12.4	7.5	4.7
Hawaii	-0.9	-26.0	-6.4	23.7	-25.9	4.6
Nevada	1.1	46.0	27.0	92.6	-18.4	61.7
Oregon	-41.5	-4.1	-40.7	32.3	-2.1	30.3
Washington	-1.6	-11.1	-9.5	14.8	-15.3	10.6
ALL STATES	2.6 %	4.8 %	2.5 %	6.1 %	3.6 %	5.4 %
MEDIAN	0.1	-1.2	2.3	4.3	-1.5	4.6

Notes: State funds are defined as general funds and other state funds (bonds are excluded). Source: National Association of State Budget Officers, 2016 State Expenditure Report

TABLE 41
ITEMS EXCLUDED FROM TRANSPORTATION EXPENDITURES

Region/State	Employer Contributions to Pensions	Employer Contributions to Health Benefits	Port Authority Operations	Gasoline Tax & Fee Collections	Truck Enforcement Reg. Programs	Train/Railroad Subsidy Programs	Road Assist. Subsidy Prog. for Local Govts.	Motor Vehicle Licensing	State Police/ Highway Patrol
NEW ENGLAND									
Connecticut			X	X	X			X	X
Maine					X			X	X
Massachusetts	P	P	X	X					
New Hampshire								X	X
Rhode Island			X				X	X	X
Vermont			X						X
MID-ATLANTIC									
Delaware			X						
Maryland									X
New Jersey			X						X
New York	P	P	N/A	X					X
Pennsylvania			P	P					X
GREAT LAKES									
Illinois		P	X					X	P
Indiana			X					X	X
Michigan			X						X
Ohio*			X		X		P	X	X
Wisconsin			X						
PLAINS									
Iowa			X						X
Kansas			X		X			X	X
Minnesota			X						
Missouri				X			X	X	X
Nebraska			X		P				X
North Dakota			X		X				X
South Dakota			X		X			X	X
SOUTHEAST									
Alabama			X		P	X		X	X
Arkansas			X			X		X	X
Florida			X	X	X			X	X
Georgia			X	X	X			X	X
Kentucky			X						X
Louisiana			X		P	X		X	X
Mississippi				X		X		X	X
North Carolina			X						
South Carolina			X			X			X
Tennessee				X	X			X	X
Virginia									
West Virginia			P	X	X	N/A	N/A		X
SOUTHWEST									
Arizona							P		X
New Mexico			X		X	X	X	X	X
Oklahoma	X		X	P	X			X	X
Texas	X	X	X		P	P	P	P	X
ROCKY MOUNTAIN									
Colorado*			X	X	X	X	X	X	X
Idaho					X				X
Montana			X						X
Utah						X	P	P	X
Wyoming									
FAR WEST									
Alaska			X	X		X	P		X
California			X						X
Hawaii			X		X	X	X	X	X
Nevada				X	X	X		X	X
Oregon			X						X
Washington			X		X				X
ALL STATES	4	4	38	14	21	13	11	24	43
District of Columbia				N/A			N/A	X	X

Excluded=X Partially Excluded=P Not Applicable=N/A

Source: National Association of State Budget Officers, 2016 State Expenditure Report

Transportation Notes

Small dollar amounts, when rounded, cause an aberration in the percentage increase. In these instances, the actual dollar amounts should be consulted to determine the exact percentage increase.

Colorado: Port authority operations, gasoline tax and fee collections, and motor vehicle licensing are at Dept. of Revenue. State police/highway patrol is funded at the Dept. of Public Safety.

Michigan: Increased general fund support in FY 2016 is reduced in FY 2017 to reflect partial year of increased fuel and registration revenues from road funding package.

Ohio: While employer contributions to current employees' pensions and employer contributions to employee health benefits are included in the expenditure totals, agencies do not receive specific appropriations for these purposes. The Ohio Department of Public Safety and the Ohio Public Utilities Commission are responsible for truck enforcement/regulatory programs. A portion of spending by the Ohio Public Works Commission to retire debt for local road and bridge projects is not included in road assistance subsidy programs for local government.

Tennessee: Bond estimates represent bond authorizations, while actual bonds represent bond proceeds utilized.



All Other Expenditures

The “All Other” category reflects a substantial amount of state spending not included in the categories described in previous chapters. “All Other” spending in states includes the Children’s Health Insurance Program (CHIP), institutional and community care for the mentally ill and developmentally disabled, public health programs, some employer contributions to pensions and health benefits, economic development, environmental projects, state police, parks and recreation, housing, and general aid to local governments (a list of the items *excluded* from the “All Other” category is displayed in Table 46).

The “All Other” category of expenditures totaled \$569.9 billion for fiscal 2017, or 28.7 percent of total state spending. The “All Other” category has decreased as a share of total state spending in recent years, peaking at 34.7 percent in fiscal 2010. Total spending in the “All Other” category increased by 5.6 percent in fiscal 2017 and declined by 1.0 percent in fiscal 2016. In fiscal 2017, state funds for “All Other” increased by 3.8 percent while federal funds increased 8.4 percent, and in fiscal 2016 state funds declined 1.5 percent while federal funds increased 0.8 percent. One reason why the “All Other” category experienced a decline in fiscal 2016 was that Illinois did not have a fully enacted budget and some programs included in the “All Other” category did not receive funding at the same levels seen historically in the state.

Children’s Health Insurance Program

Enacted as part of the *Balanced Budget Act of 1997*, the State Children’s Health Insurance Program (SCHIP) expanded health care coverage for previously uninsured children. The program is targeted toward children from families with incomes too high to qualify for Medicaid but too low to afford private insurance. In April 2015, the *Medicare Access and CHIP Reauthorization Act* extended the program for an additional two years through September 2017. As of October 2017, the program was awaiting reauthorization. According to the Centers for Medicare and Medicaid Services (CMS), approximately 8.9 million children were enrolled under CHIP during fiscal 2016. As shown in Appendix Table A-2, total spending for CHIP was \$11.8 billion in fiscal 2015, \$12.8 billion in fiscal 2016, and is estimated at \$14.0 billion in fiscal 2017.

Fund Shares

The figure below illustrates fund shares for fiscal 2016. General funds comprised the largest percentage of the “All Other” category at 37.6 percent in fiscal 2016, with other state funds representing 37.1 percent, federal funds 22.6 percent, and bonds 2.8 percent.

Regional Expenditures

Table 42 shows percentage changes for “All Other” expenditures for fiscal 2015-2016 and 2016-2017 by region. Several regions saw declines in either state or federal funds in fiscal 2016 and estimated fiscal 2017.

FIGURE 17
STATE EXPENDITURES FOR ALL OTHER PROGRAMS BY FUND SOURCE, FISCAL 2016

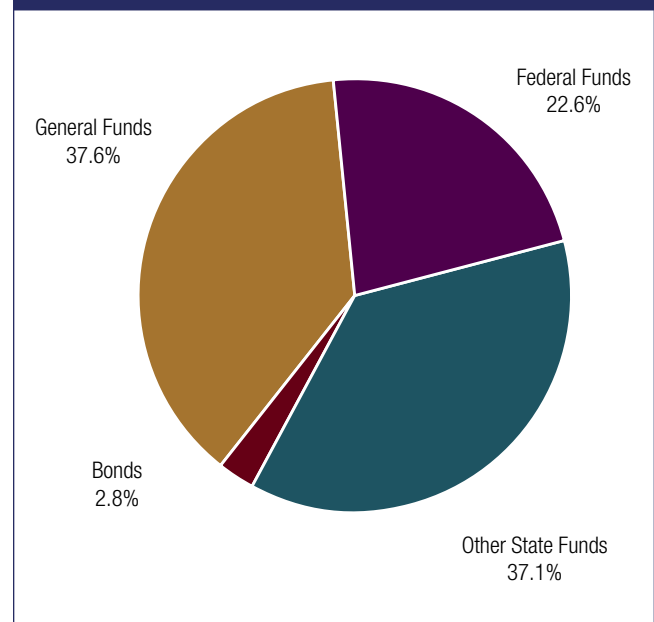


TABLE 42
REGIONAL PERCENTAGE CHANGE IN STATE ALL OTHER EXPENDITURES,
FISCAL 2016 AND 2017

Region	Fiscal 2015 to 2016			Fiscal 2016 to 2017		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	4.2 %	3.8 %	4.4 %	1.0 %	1.9 %	0.1 %
Mid-Atlantic	3.2	-8.9	0.6	-0.4	4.6	0.5
Great Lakes	-8.4	-2.5	-8.2	5.1	10.0	7.0
Plains	2.1	-4.4	0.8	5.5	12.9	7.2
Southeast	-0.1	0.0	-0.7	10.1	9.4	9.9
Southwest	-6.5	10.1	-0.6	10.0	15.4	13.8
Rocky Mountain	3.0	3.5	3.1	-13.4	11.9	-8.0
Far West	-3.6	8.1	-0.6	3.2	4.6	6.3
ALL STATES	-1.5 %	0.8 %	-1.0 %	3.8 %	8.4 %	5.6 %

TABLE 43
ALL OTHER EXPENDITURES—CAPITAL INCLUSIVE (\$ IN MILLIONS)

Region/State	Actual Fiscal 2015					Actual Fiscal 2016					Estimated Fiscal 2017				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$8,812	\$932	\$1,004	\$1,150	\$11,898	\$9,111	\$1,018	\$1,000	\$1,275	\$12,404	\$8,903	\$1,018	\$1,000	\$1,045	\$11,966
Maine*	796	462	1,271	21	2,550	837	477	1,301	17	2,632	881	482	1,347	16	2,726
Massachusetts	13,254	1,303	8,198	1,378	24,133	14,098	1,343	8,354	1,421	25,216	14,172	1,333	8,716	1,288	25,509
New Hampshire	462	510	865	42	1,879	579	493	829	38	1,939	640	461	672	44	1,817
Rhode Island	969	848	828	41	2,686	999	844	904	90	2,837	1,025	992	1,002	67	3,086
Vermont	462	495	169	80	1,206	481	546	160	86	1,273	506	524	184	44	1,258
MID-ATLANTIC															
Delaware	1,333	365	2,127	235	4,060	1,341	396	2,164	336	4,237	1,379	458	2,452	109	4,398
Maryland	3,902	2,698	2,720	809	10,129	4,152	2,543	2,760	781	10,236	4,285	2,001	1,241	714	8,241
New Jersey	10,678	4,600	2,866	391	18,535	10,777	2,786	3,274	436	17,273	10,904	3,549	3,429	0	17,882
New York	23,810	8,318	10,406	1,223	43,757	27,133	9,266	7,798	1,617	45,814	26,187	10,790	8,708	1,919	47,604
Pennsylvania	5,932	6,720	8,244	270	21,166	6,188	5,694	8,715	41	20,638	6,430	4,845	9,009	271	20,555
GREAT LAKES															
Illinois	15,107	2,038	9,581	1,036	27,762	12,834	2,410	5,255	59	20,558	13,524	2,250	10,127	1,033	26,934
Indiana	2,666	1,850	2,159	0	6,675	2,269	1,585	2,176	0	6,030	2,557	1,555	1,772	0	5,884
Michigan*	3,131	5,834	6,276	52	15,293	3,255	5,495	6,554	40	15,344	3,486	7,088	3,973	44	14,591
Ohio*	4,056	2,531	12,931	1,620	21,138	4,174	2,492	13,467	1,642	21,775	4,218	2,483	13,491	1,652	21,844
Wisconsin	3,326	2,656	12,839	0	18,821	3,435	2,552	12,598	0	18,585	3,365	2,613	12,853	0	18,831
PLAINS															
Iowa	1,419	1,831	2,390	28	5,668	1,445	1,791	2,601	13	5,850	1,448	2,311	2,182	13	5,954
Kansas	660	616	1,623	130	3,029	814	459	1,876	163	3,312	926	488	2,036	117	3,567
Minnesota	5,212	2,540	1,490	200	9,442	4,576	2,590	2,357	307	9,830	5,578	2,873	2,657	275	11,383
Missouri	2,250	1,861	1,799	0	5,910	2,140	1,823	1,943	39	5,945	2,135	1,879	1,903	79	5,996
Nebraska	941	927	1,866	0	3,734	948	857	2,047	0	3,852	986	943	2,055	0	3,984
North Dakota	682	496	1,455	0	2,633	614	368	956	0	1,938	450	428	1,179	0	2,057
South Dakota	307	286	528	14	1,135	300	290	491	1	1,082	320	307	515	1	1,143
SOUTHEAST															
Alabama	893	2,085	2,879	444	6,301	1,061	2,119	2,938	303	6,421	906	1,983	2,749	539	6,177
Arkansas	612	1,001	6,415	97	8,125	600	895	6,494	58	8,047	589	849	6,544	0	7,982
Florida	6,164	6,645	2,727	1,272	16,808	6,034	7,245	2,252	1,263	16,794	6,052	7,333	6,491	1,260	21,136
Georgia*	3,997	3,189	4,066	232	11,484	4,304	3,203	4,129	198	11,834	4,697	2,995	4,337	185	12,214
Kentucky	2,352	1,714	1,908	0	5,974	2,337	1,632	2,001	0	5,970	2,641	1,844	2,011	0	6,496
Louisiana	1,786	2,024	5,558	256	9,624	1,693	1,930	5,107	256	8,986	1,955	2,881	6,187	105	11,128
Mississippi	1,397	1,836	1,431	917	5,581	1,438	1,694	1,454	329	4,915	1,609	2,627	1,526	890	6,652
North Carolina	3,578	1,225	2,245	87	7,135	3,660	1,220	2,248	65	7,193	4,025	1,221	2,249	71	7,566
South Carolina	2,080	1,560	2,132	0	5,772	2,159	1,448	1,486	0	5,093	2,375	1,550	1,466	0	5,391
Tennessee	2,680	3,679	1,849	56	8,264	2,848	3,535	1,442	244	8,069	3,393	4,101	1,471	0	8,965
Virginia	6,015	2,004	8,631	368	17,018	6,373	2,038	8,962	397	17,770	6,376	2,115	9,191	369	18,051
West Virginia	1,000	186	5,226	0	6,412	1,147	182	5,352	0	6,681	1,183	185	5,301	0	6,669
SOUTHWEST															
Arizona	1,786	2,068	8,586	0	12,440	1,993	2,696	6,551	0	11,240	1,880	3,042	7,463	0	12,385
New Mexico	1,424	923	2,180	0	4,527	1,425	1,548	2,179	0	5,152	1,490	1,651	2,241	0	5,382
Oklahoma	1,794	2,019	1,952	101	5,866	1,676	2,144	1,845	200	5,865	1,650	1,726	2,954	187	6,517
Texas	7,634	8,500	1,025	362	17,521	8,253	8,490	755	346	17,844	6,996	10,751	2,472	1,132	21,351
ROCKY MOUNTAIN															
Colorado*	2,271	895	5,676	0	8,842	2,680	950	5,746	0	9,376	2,429	942	3,260	0	6,631
Idaho	428	921	507	0	1,856	448	983	495	0	1,926	503	1,099	933	0	2,535
Montana	676	779	1,165	0	2,620	709	824	913	0	2,446	750	843	957	0	2,550
Utah	1,215	1,111	1,511	0	3,837	1,349	1,107	1,581	0	4,037	1,241	1,418	1,690	0	4,349
Wyoming	955	560	1,241	0	2,756	949	551	1,239	0	2,739	882	640	1,300	0	2,822
FAR WEST															
Alaska	2,506	696	3,730	0	6,932	2,366	734	661	0	3,761	1,492	805	1,037	0	3,334
California	21,366	16,226	22,828	1,518	61,938	22,419	16,514	21,531	1,815	62,279	24,287	18,512	20,034	5,370	68,203
Hawaii	3,465	505	1,794	458	6,222	3,783	606	1,596	711	6,696	4,188	529	2,088	520	7,325
Nevada	770	951	3,340	17	5,078	874	1,434	2,938	25	5,271	1,093	984	3,104	16	5,197
Oregon	2,479	2,685	14,860	89	20,113	2,530	3,066	14,573	52	20,221	2,080	2,744	16,055	51	20,930
Washington	4,638	4,176	3,591	503	12,908	5,141	4,921	3,919	354	14,335	5,193	4,965	4,303	245	14,706
TOTAL	\$196,128	\$120,880	\$212,688	\$15,497	\$545,193	\$202,749	\$121,827	\$199,967	\$15,018	\$539,561	\$206,260	\$132,006	\$211,917	\$19,671	\$569,854
District of Columbia	3,840	674	675	594	5,783	4,228	703	725	610	6,266					

Source: National Association of State Budget Officers, 2016 State Expenditure Report

TABLE 44
ALL OTHER EXPENDITURES AS A PERCENT OF
TOTAL EXPENDITURES

Region/State	Fiscal 2015		Fiscal 2016		Fiscal 2017	
NEW ENGLAND						
Connecticut	39.4	%	39.0	%	38.8	%
Maine	33.0		32.7		33.0	
Massachusetts	41.4		41.1		41.2	
New Hampshire	34.5		33.2		30.3	
Rhode Island	31.7		32.9		33.2	
Vermont	22.2		22.9		22.6	
MID-ATLANTIC						
Delaware	41.6		41.4		41.2	
Maryland	25.3		25.1		19.9	
New Jersey	32.5		30.6		29.6	
New York	30.4		30.4		30.3	
Pennsylvania	29.0		27.0		25.4	
GREAT LAKES						
Illinois	42.7		37.8		40.1	
Indiana	22.7		19.2		18.3	
Michigan	28.8		28.2		26.8	
Ohio	32.5		32.3		32.0	
Wisconsin	40.8		40.6		40.1	
PLAINS						
Iowa	25.5		25.3		25.7	
Kansas	20.1		21.9		22.3	
Minnesota	26.4		26.7		28.9	
Missouri	24.5		24.1		23.5	
Nebraska	34.0		33.2		33.6	
North Dakota	33.2		26.0		28.5	
South Dakota	28.4		25.9		27.0	
SOUTHEAST						
Alabama	25.0		24.9		23.6	
Arkansas	34.1		33.6		32.5	
Florida	23.7		23.2		25.7	
Georgia	25.5		24.9		24.8	
Kentucky	19.4		18.3		19.2	
Louisiana	34.7		32.4		34.7	
Mississippi	28.1		24.9		29.7	
North Carolina	16.3		16.2		16.2	
South Carolina	25.5		22.2		21.9	
Tennessee	26.8		25.3		26.6	
Virginia	36.2		36.2		35.9	
West Virginia	40.2		41.3		41.7	
SOUTHWEST						
Arizona	31.7		28.3		29.9	
New Mexico	26.5		28.5		29.2	
Oklahoma	26.2		25.8		28.0	
Texas	15.6		14.5		16.9	
ROCKY MOUNTAIN						
Colorado	25.7		25.5		19.5	
Idaho	26.3		26.3		28.8	
Montana	41.0		38.3		36.7	
Utah	29.8		29.6		29.3	
Wyoming	53.9		53.5		56.0	
FAR WEST						
Alaska	51.6		37.5		33.0	
California	24.7		24.8		25.2	
Hawaii	48.3		48.4		49.9	
Nevada	43.5		40.8		38.1	
Oregon	53.9		54.3		52.3	
Washington	32.2		34.3		33.2	
ALL STATES	29.6	%	28.6	%	28.7	%

Source: National Association of State Budget Officers, 2016 State Expenditure Report

TABLE 45
ANNUAL PERCENTAGE CHANGE IN ALL OTHER EXPENDITURES

Region/State	Fiscal 2015 to 2016			Fiscal 2016 to 2017		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	3.0 %	9.2 %	4.3 %	-2.1 %	0.0 %	-3.5 %
Maine	3.4	3.2	3.2	4.2	1.0	3.6
Massachusetts	4.7	3.1	4.5	1.9	-0.7	1.2
New Hampshire	6.1	-3.3	3.2	-6.8	-6.5	-6.3
Rhode Island	5.9	-0.5	5.6	6.5	17.5	8.8
Vermont	1.6	10.3	5.6	7.6	-4.0	-1.2
MID-ATLANTIC						
Delaware	1.3	8.5	4.4	9.3	15.7	3.8
Maryland	4.4	-5.7	1.1	-20.1	-21.3	-19.5
New Jersey	3.7	-39.4	-6.8	2.0	27.4	3.5
New York	2.1	11.4	4.7	-0.1	16.4	3.9
Pennsylvania	5.1	-15.3	-2.5	3.6	-14.9	-0.4
GREAT LAKES						
Illinois	-26.7	18.3	-25.9	30.7	-6.6	31.0
Indiana	-7.9	-14.3	-9.7	-2.6	-1.9	-2.4
Michigan	4.3	-5.8	0.3	-24.0	29.0	-4.9
Ohio	3.9	-1.5	3.0	0.4	-0.4	0.3
Wisconsin	-0.8	-3.9	-1.3	1.2	2.4	1.3
PLAINS						
Iowa	6.2	-2.2	3.2	-10.3	29.0	1.8
Kansas	17.8	-25.5	9.3	10.1	6.3	7.7
Minnesota	3.4	2.0	4.1	18.8	10.9	15.8
Missouri	0.8	-2.0	0.6	-1.1	3.1	0.9
Nebraska	6.7	-7.6	3.2	1.5	10.0	3.4
North Dakota	-26.5	-25.8	-26.4	3.8	16.3	6.1
South Dakota	-5.3	1.4	-4.7	5.6	5.9	5.6
SOUTHEAST						
Alabama	6.0	1.6	1.9	-8.6	-6.4	-3.8
Arkansas	1.0	-10.6	-1.0	0.5	-5.1	-0.8
Florida	-6.8	9.0	-0.1	51.4	1.2	25.9
Georgia*	4.6	0.4	3.0	7.1	-6.5	3.2
Kentucky	1.8	-4.8	-0.1	7.2	13.0	8.8
Louisiana	-7.4	-4.6	-6.6	19.7	49.3	23.8
Mississippi	2.3	-7.7	-11.9	8.4	55.1	35.3
North Carolina	1.5	-0.4	0.8	6.2	0.1	5.2
South Carolina	-13.5	-7.2	-11.8	5.4	7.0	5.9
Tennessee	-5.3	-3.9	-2.4	13.4	16.0	11.1
Virginia	4.7	1.7	4.4	1.5	3.8	1.6
West Virginia	4.4	-2.2	4.2	-0.2	1.6	-0.2
SOUTHWEST						
Arizona	-17.6	30.4	-9.6	9.4	12.8	10.2
New Mexico	0.0	67.7	13.8	3.5	6.7	4.5
Oklahoma	-6.0	6.2	0.0	30.8	-19.5	11.1
Texas	4.0	-0.1	1.8	5.1	26.6	19.7
ROCKY MOUNTAIN						
Colorado	6.0	6.1	6.0	-32.5	-0.8	-29.3
Idaho	0.9	6.7	3.8	52.3	11.8	31.6
Montana	-11.9	5.8	-6.6	5.2	2.3	4.3
Utah	7.5	-0.4	5.2	0.0	28.1	7.7
Wyoming	-0.4	-1.6	-0.6	-0.3	16.2	3.0
FAR WEST						
Alaska	-51.5	5.5	-45.7	-16.5	9.7	-11.4
California	-0.6	1.8	0.6	0.8	12.1	9.5
Hawaii	2.3	20.0	7.6	16.7	-12.7	9.4
Nevada	-7.3	50.8	3.8	10.1	-31.4	-1.4
Oregon	-1.4	14.2	0.5	6.0	-10.5	3.5
Washington	10.1	17.8	11.1	4.8	0.9	2.6
ALL STATES	-1.5 %	0.8 %	-1.0 %	3.8 %	8.4 %	5.6 %
MEDIAN	2.0	0.2	1.4	4.0	3.4	3.5

Notes: State funds are defined as general funds and other state funds (bonds are excluded). Source: National Association of State Budget Officers, 2016 State Expenditure Report

TABLE 46
ITEMS EXCLUDED FROM ALL OTHER EXPENDITURES

Region/State	Employers Contribution to Pensions	Employer Contributions to Health Benefits	Child Health Insurance Program	Public Health	Community and Institutional for Mental Health	Community and Institutional for Dev. Disabled	Environmental Programs	Parks and Recreation	Housing	General Aid to Local Government
NEW ENGLAND										
Connecticut					P	P				
Maine										
Massachusetts										
New Hampshire										
Rhode Island									P	
Vermont				P	P	X				
MID-ATLANTIC										
Delaware										
Maryland										
New Jersey										
New York	P	P								
Pennsylvania										
GREAT LAKES										
Illinois										P
Indiana										
Michigan*				P	P	P				
Ohio*									P	
Wisconsin										
PLAINS										
Iowa									P	
Kansas									N/A	
Minnesota										
Missouri*									X	
Nebraska										
North Dakota										
South Dakota										X
SOUTHEAST										
Alabama									X	X
Arkansas										
Florida										
Georgia										
Kentucky										
Louisiana									X	
Mississippi									X	
North Carolina										
South Carolina										
Tennessee										X
Virginia										
West Virginia										
SOUTHWEST										
Arizona			X		X					
New Mexico										
Oklahoma									P	P
Texas										
ROCKY MOUNTAIN										
Colorado*										
Idaho									X	X
Montana										
Utah										
Wyoming										
FAR WEST										
Alaska										
California										
Hawaii	P	P								
Nevada			P							
Oregon										
Washington				P						X
ALL STATES	2	2	2	3	4	3	0	0	10	7
District of Columbia										N/A

Excluded=X Partially Excluded=P Not Applicable=N/A

Source: National Association of State Budget Officers, 2016 State Expenditure Report

All Other Expenditures Notes

Small dollar amounts, when rounded, cause an aberration in the percentage increase. In these instances, the actual dollar amounts should be consulted to determine the exact percentage increase.

Colorado: CHIP is included in “Medicaid” expenditures, all part of the Department of Health Care Policy and Financing.

Georgia: Capital expenditures for debt service are included under All Other State Expenditures.

Maine: Prizes paid to lottery winners were excluded as follows: fiscal 2015 \$167 million; fiscal 2016 \$180 million; and fiscal 2017, \$175 million.

Michigan: Public health and community and institutional care for mentally and developmentally disabled persons are partially reported in the Medicaid totals.

Ohio: While employer contributions to current employees’ pensions and employer contributions to employee health benefits are included in the expenditure totals, agencies do not receive specific appropriations for these purposes. Some expenditures in community and institutional care for the developmentally disabled are included in the Medicaid totals. Most of the expenditures of the Ohio Housing Finance Agency occur outside of the state financial system and are excluded from the housing totals.

8

CHAPTER



CAPITAL EXPENDITURES

Capital Expenditures

Capital expenditures are made for new construction, infrastructure, major repairs and improvements, land purchases and the acquisition of major equipment and existing structures. Minor repairs and routine maintenance are reported as operating expenses. The nature of capital spending often includes multi-year construction timetables and unforeseen or delayed project costs, state spending on capital projects has historically fluctuated from year to year. For greater detail on states' capital spending practices, see NASBO's report *Capital Budgeting in the States*, available at www.nasbo.org. The report contains information on defining capital and maintenance expenditures, the organization of the capital budget, capital budget development and execution, capital financing and debt management, and capital asset management.

The following chapter details capital expenditures for higher education, corrections, transportation, environmental projects, housing, and "all other". Tables 47-54 display capital expenditure data.

Total Capital Expenditures

States increased capital spending by an estimated 5.7 percent in fiscal 2017, 3.1 percent in fiscal 2016 and by 4.2 percent in fiscal 2015. The percentage spending increase in estimated fiscal 2017 was the largest since 2006 when total capital spending increased by 9.9 percent. Most of the relatively sharp increase in fiscal 2017 was in the transportation area reflecting

the devotion of additional resources to address the significant need for maintenance and infrastructure spending. Overall, state capital spending totaled \$98.2 billion in fiscal 2015, \$101.2 billion in fiscal 2016, and is estimated to total \$107.0 billion in fiscal 2017.

Capital Fund Sources

Approximately 70 percent of state spending on capital projects is on a pay-go basis. The other 30 percent is from debt financing. States primarily use dedicated sources like the transportation fund, higher education tuition and fees, set-aside funding for capital projects, federal funds, and fund surpluses, to finance capital spending. State cash sources represent 43.8 percent of capital spending in fiscal 2017, bonds are 28.4 percent, and federal funds are 27.7 percent. Most of federal funds spent for capital purposes is for transportation (93.8 percent in fiscal 2017).

Capital Funds by Use

Comprising 65.7 percent (\$70.2 billion) of all capital expenditures in fiscal 2017, **transportation** is the largest category of state capital expenditures, rising from 54.1 percent in fiscal 2009. Capital spending for transportation increased by 7.6 percent in fiscal 2017, and by 5.4 percent in fiscal 2016. Since 2009, transportation spending has increased by an annual average of 5.6 percent, reflecting states' significant efforts at addressing both the maintenance and expansion of its transportation systems.

FIGURE 18:
CAPITAL EXPENDITURES BY TYPE, FISCAL 1991 TO 2017

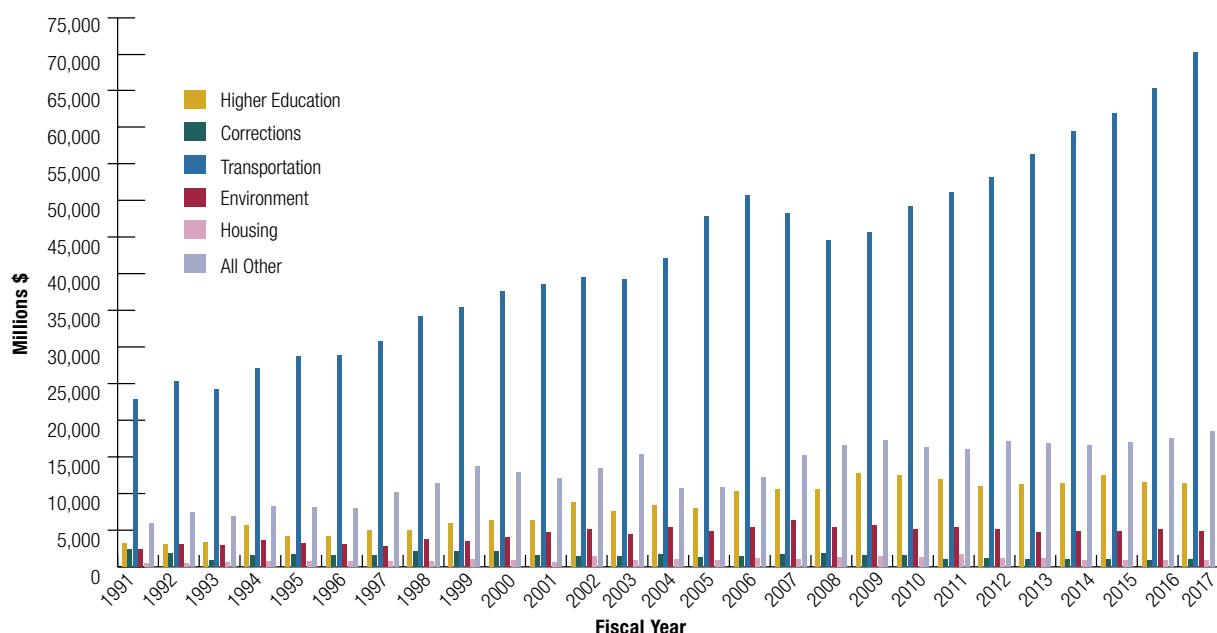
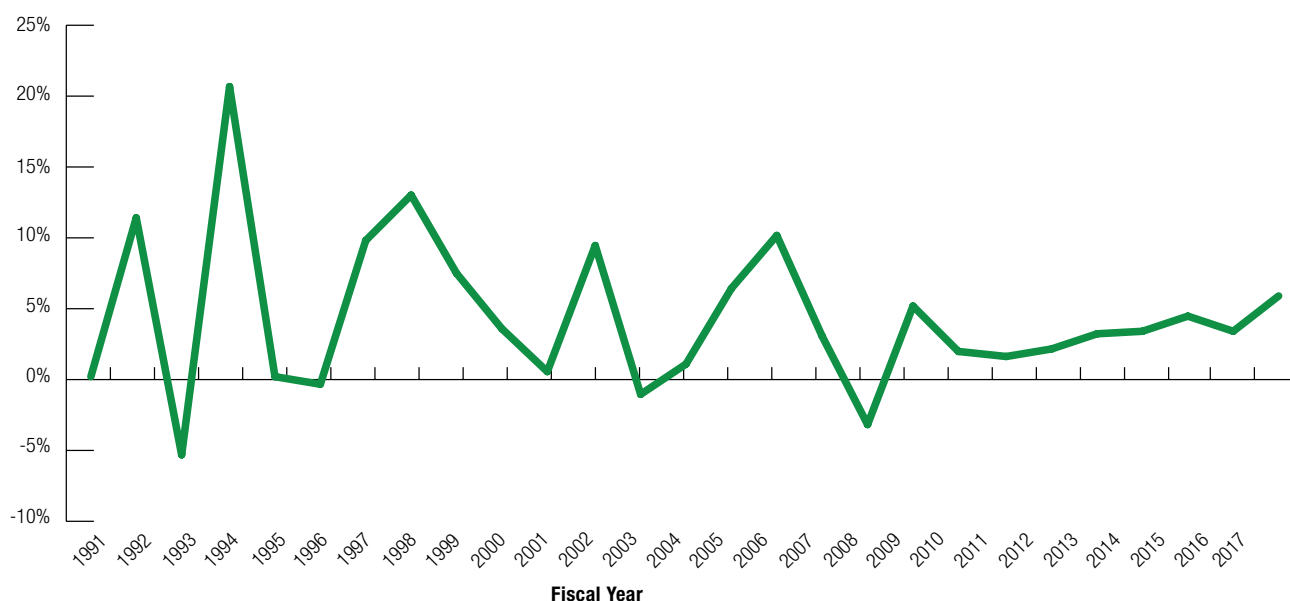


FIGURE 19:
ANNUAL PERCENTAGE CHANGE IN TOTAL CAPITAL EXPENDITURES



Higher education capital expenditures are estimated to decline by 2.0 percent in fiscal 2017, totaling \$11.3 billion, and accounted for 10.6 percent of total state capital outlays. In fiscal 2016, higher education capital spending declined by 7.0 percent.

State capital spending for **environmental** purposes in fiscal 2017 totaled \$4.9 billion, 4.6 percent of total capital spending in fiscal 2017, reflecting a decline of 3.9 percent from fiscal 2016. Environmental capital expenditures increased by 3.8 percent in fiscal 2016.

Corrections capital spending increased by 15.1 percent in fiscal 2017 after experiencing a decline of 7.4 percent in fiscal 2016. Corrections accounted for only 1.0 percent of total state capital expenditures. Capital spending for corrections reflects the year-to-year fluctuations as the largest changes in spending from a prior year are normally due to major institutional construction and renovation projects. From an historical trend view, capital spending for corrections peaked twenty years ago reflecting a surge of institutional expansions.

Housing capital expenditures account for just 0.9 percent of total fiscal 2017 capital spending, at approximately \$911 million. Housing capital spending increased by 7.8 percent in fiscal 2017, and decreased by 6.1 percent in fiscal 2016. About 25 percent of states report capital spending for housing and over 70 percent of the funding is from debt financing.

State spending for **“all other”** purposes totaled an estimated \$18.5 billion in fiscal 2017, or 17.3 percent of total capital

spending. This includes capital expenditures not classified into one of the other categories. Examples of expenditures in the “all other” category may include items such as state subsidies for public school facilities, behavioral health and hospital facilities, parks and tourism, large information technology systems, other state facilities, community and economic development projects, and other criminal justice facilities. In fiscal 2017, “all other” capital spending is estimated to increase by 5.8 percent.

FIGURE 20
TOTAL CAPITAL EXPENDITURES BY FUNDING SOURCE, FISCAL 2016

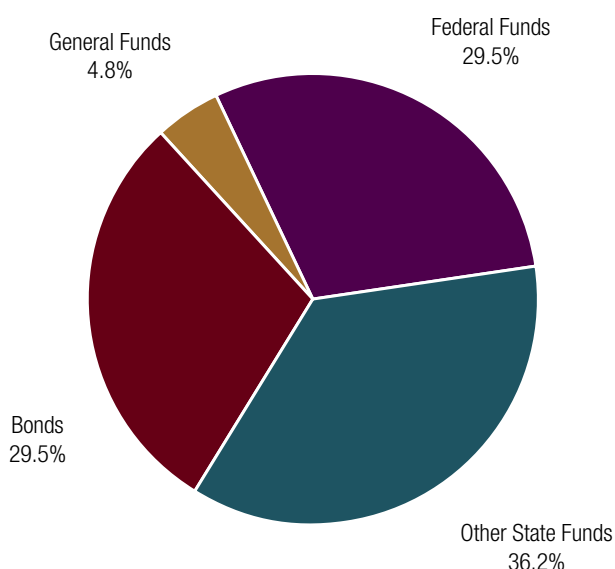


TABLE 47
CAPITAL EXPENDITURES BY PROGRAM AREA
(\$ IN MILLIONS)

Year	Higher Education	Corrections	Transportation	Environment	Housing	All Other	Total
1991	3,222	2,321	22,845	2,358	411	5,898	37,055
1992	3,075	1,882	25,245	3,027	515	7,476	41,221
1993	3,274	940	24,234	2,881	599	6,948	38,876
1994	5,681	1,564	27,041	3,594	761	8,232	46,872
1995	4,183	1,725	28,765	3,186	816	8,131	46,805
1996	4,133	1,618	28,869	3,065	802	8,003	46,491
1997	5,021	1,592	30,727	2,791	713	10,115	50,957
1998	5,029	2,117	34,239	3,816	711	11,446	57,488
1999	5,875	2,092	35,399	3,530	958	13,775	6,1631
2000	6,325	2,084	37,596	3,968	837	12,866	63,675
2001	6,369	1,575	38,555	4,736	630	12,027	63,892
2002	8,733	1,434	39,542	5,115	1,469	13,466	69,759
2003	7,594	1,384	39,184	4,434	923	15,293	68,812
2004	8,439	1,726	42,115	5,404	963	10,739	69,386
2005	7,946	1,357	47,790	4,883	912	10,832	73,720
2006	10,241	1,466	50,629	5,338	1,192	12,162	81,028
2007	10,570	1,743	48,184	6,406	1,090	15,235	83,228
2008	10,556	1,880	44,542	5,401	1,362	16,615	80,356
2009	12,803	1,558	45,644	5,700	1,406	17,277	84,388
2010	12,514	1,554	49,184	5,076	1,289	16,287	85,904
2011	11,954	1,019	51,113	5,332	1,661	15,971	87,050
2012	10,979	1,158	53,140	5,090	1,226	17,079	88,672
2013	11,224	978	56,269	4,761	1,110	16,899	91,241
2014	11,356	1,072	59,355	4,883	946	16,574	94,186
2015	12,441	1,010	61,894	4,885	900	17,024	98,153
2016	11,576	935	65,266	5,072	845	17,511	101,202
2017	11,342	1,076	70,244	4,875	911	18,521	106,963

TABLE 48
TOTAL CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2015					Actual Fiscal 2016					Estimated Fiscal 2017				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$0	\$434	\$17	\$2,975	\$3,426	\$0	\$487	\$23	\$3,692	\$4,202	\$0	\$491	\$14	\$2,954	\$3,459
Maine	7	157	87	67	318	11	165	145	57	378	12	168	130	94	404
Massachusetts	0	0	0	3,437	3,437	0	0	0	3,508	3,508	0	0	0	3,189	3,189
New Hampshire	0	35	291	57	383	0	36	267	62	365	0	16	247	107	370
Rhode Island	5	124	91	90	310	6	140	111	122	379	6	214	260	104	584
Vermont	0	224	40	98	362	0	212	38	91	341	0	221	41	49	311
MID-ATLANTIC															
Delaware	0	233	146	201	580	0	218	233	244	695	0	217	217	398	832
Maryland*	22	812	1,551	1,247	3,632	21	829	1,721	1,201	3,772	63	1,179	2,111	1,136	4,489
New Jersey	1,538	1,698	281	1,588	5,105	1,623	1,633	186	1,610	5,052	1,599	2,009	430	2,000	6,038
New York	0	1,826	2,198	3,524	7,548	0	2,037	3,196	3,748	8,981	0	2,326	3,399	4,431	10,156
Pennsylvania	0	0	0	831	831	0	0	0	517	517	0	0	0	513	513
GREAT LAKES															
Illinois	0	101	2,615	2,212	4,928	0	107	3,250	759	4,116	0	89	2,958	1,334	4,381
Indiana	361	0	49	0	410	287	0	108	0	395	290	0	46	0	336
Michigan*	278	1,364	148	314	2,104	263	1,196	195	207	1,861	242	1,242	529	86	2,099
Ohio	0	1,180	1,174	1,154	3,508	0	1,189	1,149	1,277	3,615	0	1,264	994	1,332	3,589
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PLAINS															
Iowa	3	365	720	2	1,090	0	390	677	10	1,077	0	379	530	8	917
Kansas	34	262	480	115	891	27	295	271	167	760	47	427	386	175	1,035
Minnesota	0	0	0	767	767	0	0	0	879	879	0	0	0	651	651
Missouri	103	26	44	1	174	13	15	85	71	184	34	9	63	164	270
Nebraska	21	325	690	0	1,035	30	342	827	0	1,199	26	356	790	0	1,171
North Dakota	241	252	550	19	1,062	133	216	659	7	1,015	138	257	463	24	882
South Dakota	3	36	62	60	161	47	3	42	91	183	8	28	77	20	133
SOUTHEAST															
Alabama*	4	383	165	673	1,225	4	272	173	560	1,009	3	381	203	739	1,326
Arkansas	2	503	926	75	1,505	0	555	893	0	1,448	0	471	1,327	0	1,798
Florida	442	2,537	6,517	1,661	11,157	300	2,893	6,368	1,659	11,220	384	2,727	8,706	1,740	13,557
Georgia*	217	735	323	878	2,153	408	1,167	305	1,099	2,979	672	953	90	952	2,667
Kentucky	0	0	577	0	577	0	0	822	0	822	0	0	774	0	774
Louisiana	90	652	477	663	1,882	86	706	504	543	1,839	17	586	349	299	1,251
Mississippi	21	324	482	1,043	1,869	26	325	537	520	1,408	34	379	708	1,107	2,227
North Carolina	10	1,183	1,511	187	2,891	17	1,114	1,784	101	3,015	26	1,194	1,898	547	3,665
South Carolina	36	7	362	98	503	75	64	288	221	648	124	44	545	616	1,329
Tennessee*	123	876	472	84	1,555	135	869	457	438	1,899	420	1,013	464	0	1,897
Virginia	0	9	127	791	928	21	17	129	780	947	40	28	152	637	856
West Virginia	46	484	832	54	1,416	31	583	268	54	936	26	573	263	55	917
SOUTHWEST															
Arizona	21	666	338	106	1,131	6	666	749	68	1,489	105	670	677	117	1,568
New Mexico	0	491	136	517	1,144	0	457	54	463	974	0	528	62	663	1,253
Oklahoma	3	700	840	116	1,659	3	666	1,075	170	1,914	0	0	0	0	0
Texas*	181	2,856	4,704	1,071	8,812	173	4,303	5,209	1,092	10,777	177	4,081	6,779	634	11,671
ROCKY MOUNTAIN															
Colorado	176	3	96	0	275	228	12	52	0	292	222	17	109	0	348
Idaho	17	227	138	0	382	31	181	247	0	459	25	330	495	0	850
Montana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utah	366	296	999	0	1,661	495	282	1,247	0	2,024	362	431	1,200	0	1,993
Wyoming	96	62	249	0	407	96	62	249	0	407	18	57	160	0	235
FAR WEST															
Alaska	681	1,119	187	172	2,159	183	1,275	68	7	1,533	124	1,334	145	0	1,603
California	112	2,832	788	1,572	5,304	66	2,524	536	1,441	4,567	347	1,887	418	1,036	3,688
Hawaii	0	283	238	769	1,290	0	223	209	961	1,393	27	140	241	682	1,090
Nevada	0	243	158	79	481	2	384	132	109	627	2	306	392	415	1,115
Oregon	0	10	0	129	140	0	4	0	142	146	0	11	0	101	112
Washington	0	801	1,303	1,482	3,586	0	771	1,126	1,059	2,956	0	624	1,423	1,316	3,363
TOTAL*	\$5,260	\$27,735	\$34,179	\$30,979	\$98,153	\$4,846	\$29,885	\$36,664	\$29,807	\$101,202	\$5,618	\$29,657	\$41,263	\$30,426	\$106,963
District of Columbia	0	229	181	872	1,282	0	165	203	837	1,205					

Source: National Association of State Budget Officers, 2016 State Expenditure Report

TABLE 49
HIGHER EDUCATION CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2015					Actual Fiscal 2016					Estimated Fiscal 2017				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$0	\$0	\$0	\$604	\$604	\$0	\$0	\$0	\$552	\$552	\$0	\$0	\$0	\$337	\$337
Maine	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Massachusetts	0	0	0	5	5	0	0	0	5	5	0	0	0	22	22
New Hampshire	0	4	0	5	9	0	1	0	10	11	0	0	0	9	9
Rhode Island	2	0	30	43	75	3	0	50	27	80	1	0	41	37	79
Vermont	0	0	0	3	3	0	0	0	4	4	0	0	0	4	4
MID-ATLANTIC															
Delaware	0	0	0	13	13	0	0	0	16	16	0	0	0	16	16
Maryland	0	0	0	406	406	0	0	0	439	439	0	2	0	420	422
New Jersey	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New York	0	0	138	811	949	0	0	283	696	979	0	0	165	632	797
Pennsylvania	0	0	0	278	278	0	0	0	126	126	0	0	0	67	67
GREAT LAKES															
Illinois	0	0	0	250	250	0	0	0	2	2	0	0	0	46	46
Indiana	136	0	0	0	136	46	0	27	0	73	46	0	0	0	46
Michigan*	149	0	0	247	396	160	0	0	161	321	157	0	0	35	192
Ohio	0	0	0	235	235	0	0	0	209	209	0	0	0	280	280
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PLAINS															
Iowa	0	0	28	0	28	0	0	39	0	39	0	0	69	0	69
Kansas	8	0	96	26	130	6	0	132	33	171	8	0	157	38	203
Minnesota	0	0	0	236	236	0	0	0	143	143	0	0	0	108	108
Missouri	5	0	0	1	6	4	0	0	32	36	23	0	0	83	106
Nebraska	15	0	232	0	247	25	0	274	0	299	23	1	275	0	299
North Dakota	128	0	62	19	209	100	0	52	7	159	90	5	71	24	190
South Dakota	0	0	20	46	66	1	0	0	90	91	1	0	34	19	54
SOUTHEAST															
Alabama*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Arkansas	0	0	18	0	18	0	0	18	0	18	0	0	7	0	7
Florida	2	0	381	31	414	0	0	286	12	298	11	0	417	45	473
Georgia	0	0	0	273	273	0	0	0	399	399	0	0	0	340	340
Kentucky	0	0	331	0	331	0	0	558	0	558	0	0	562	0	562
Louisiana	3	3	145	158	309	6	1	78	116	201	5	0	16	69	90
Mississippi	14	2	92	103	211	17	4	101	96	218	15	3	102	90	210
North Carolina	3	0	0	0	3	5	0	0	0	5	10	0	0	41	51
South Carolina	20	1	296	93	410	60	45	223	220	548	69	25	445	594	1,133
Tennessee	97	0	0	28	125	39	0	44	194	277	271	4	36	0	311
Virginia	0	0	76	654	730	20	0	77	614	711	39	0	80	401	520
West Virginia	0	0	621	54	675	0	3	154	54	211	1	0	150	55	206
SOUTHWEST															
Arizona	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Mexico	0	158	37	84	279	0	142	31	76	249	0	145	34	108	287
Oklahoma	0	0	180	75	255	0	0	333	75	408	0	0	0	0	0
Texas	153	105	2,655	0	2,913	144	85	2,529	0	2,758	159	68	2,421	0	2,648
ROCKY MOUNTAIN															
Colorado	101	0	12	0	113	159	0	14	0	173	130	0	72	0	202
Idaho	12	0	11	0	23	14	0	0	0	14	11	10	30	0	51
Montana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utah	110	0	0	0	110	108	0	0	0	108	112	0	0	0	112
Wyoming	22	0	80	0	102	22	0	80	0	102	5	0	0	0	5
FAR WEST															
Alaska	102	0	5	158	265	3	0	0	0	3	0	0	0	0	0
California	0	0	0	24	24	0	0	0	13	13	0	0	0	66	66
Hawaii	0	0	0	140	140	0	0	3	93	96	0	0	0	120	120
Nevada	0	0	3	5	8	0	0	6	8	14	0	0	26	8	34
Oregon	0	0	0	0	0	0	0	0	58	58	0	0	0	29	29
Washington	0	0	177	252	429	0	0	141	240	381	0	0	237	302	539
TOTAL	\$1,082	\$273	\$5,726	\$5,360	\$12,441	\$942	\$281	\$5,533	\$4,820	\$11,576	\$1,187	\$263	\$5,447	\$4,445	\$11,342
District of Columbia	0	0	0	43	43	0	0	0	15	15					

Source: National Association of State Budget Officers, 2016 State Expenditure Report

TABLE 50
CORRECTIONS CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2015					Actual Fiscal 2016					Estimated Fiscal 2017				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$0	\$0	\$0	\$26	\$26	\$0	\$0	\$0	\$6	\$6	\$0	\$0	\$0	\$21	\$21
Maine	6	0	0	0	6	7	0	0	0	7	8	0	0	0	8
Massachusetts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Hampshire	0	0	0	6	6	0	0	0	5	5	0	0	0	28	28
Rhode Island	1	0	3	0	4	0	0	3	0	3	0	0	6	0	6
Vermont	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
MID-ATLANTIC															
Delaware	0	0	0	3	3	0	0	0	3	3	0	0	0	4	4
Maryland	0	0	0	64	64	0	0	0	36	36	0	0	0	26	26
New Jersey	17	1	0	0	18	33	2	0	0	35	7	0	0	0	7
New York	0	0	12	208	220	0	0	22	238	260	0	0	32	271	303
Pennsylvania	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GREAT LAKES															
Illinois	0	0	0	23	23	0	0	0	16	16	0	0	0	11	11
Indiana	50	0	11	0	61	38	0	11	0	49	37	0	10	0	47
Michigan	41	0	0	0	41	20	0	0	0	20	19	0	0	0	19
Ohio	0	0	0	42	42	0	0	0	70	70	0	0	0	77	77
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PLAINS															
Iowa	0	0	21	0	21	0	0	8	0	8	0	0	2	0	2
Kansas	2	0	5	6	13	0	0	8	4	12	0	0	9	4	13
Minnesota	0	0	0	6	6	0	0	0	13	13	0	0	0	4	4
Missouri	0	0	0	0	0	0	0	0	0	0	0	0	0	2	2
Nebraska	1	0	1	0	2	0	0	3	0	3	1	0	5	0	6
North Dakota	3	0	1	0	4	0	0	1	0	1	0	0	3	0	3
South Dakota	1	0	1	0	2	3	0	0	0	3	1	0	0	0	1
SOUTHEAST															
Alabama	0	0	2	0	2	1	0	1	0	2	0	0	3	0	3
Arkansas	0	0	6	0	6	0	0	24	0	24	0	0	5	0	5
Florida	8	0	0	0	8	14	0	0	0	14	23	0	0	0	23
Georgia	0	0	0	77	77	0	0	0	44	44	0	0	0	67	67
Kentucky	0	0	6	0	6	0	0	9	0	9	0	0	5	0	5
Louisiana	0	0	0	5	5	5	0	0	0	5	5	0	0	1	6
Mississippi	1	0	0	0	1	4	0	0	0	4	10	0	1	0	11
North Carolina	0	0	0	0	0	1	0	14	0	15	7	6	0	4	17
South Carolina	6	0	0	1	7	4	0	1	0	5	5	0	1	0	6
Tennessee	5	0	24	0	29	0	0	19	0	19	0	0	14	0	14
Virginia	0	0	7	19	26	0	0	1	17	18	0	0	0	24	24
West Virginia	10	0	6	0	16	3	0	0	0	3	5	0	0	0	5
SOUTHWEST															
Arizona	3	0	5	0	8	0	0	5	0	5	0	0	7	0	7
New Mexico	0	0	2	10	12	0	0	2	6	8	0	0	2	9	11
Oklahoma	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Texas	23	0	0	31	54	24	0	29	3	56	14	0	31	5	50
ROCKY MOUNTAIN															
Colorado	26	0	18	0	44	12	0	0	0	12	15	0	0	0	15
Idaho	5	0	12	0	17	4	0	2	0	6	4	0	4	0	8
Montana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utah	0	0	0	0	0	80	0	0	0	80	0	0	0	0	0
Wyoming	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FAR WEST															
Alaska	5	0	0	0	5	1	0	0	0	1	3	0	0	0	3
California	80	0	0	0	80	19	0	0	0	19	104	0	0	0	104
Hawaii	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Nevada	0	0	0	16	16	0	0	0	10	10	0	0	0	12	12
Oregon	0	0	0	0	0	0	0	0	3	3	0	0	0	1	1
Washington	0	0	0	29	29	0	0	0	23	23	0	0	0	91	91
TOTAL	\$294	\$1	\$143	\$572	\$1,010	\$273	\$2	\$163	\$497	\$935	\$268	\$6	\$140	\$662	\$1,076
District of Columbia	0	0	1	9	10	0	0	0	6	6					

Source: National Association of State Budget Officers, 2016 State Expenditure Report

TABLE 51
TRANSPORTATION CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2015					Actual Fiscal 2016					Estimated Fiscal 2017				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$0	\$434	\$17	\$668	\$1,119	\$0	\$487	\$23	\$963	\$1,473	\$0	\$491	\$14	\$1,273	\$1,778
Maine	0	149	80	66	295	0	144	134	54	332	0	147	122	90	359
Massachusetts	0	0	0	2,054	2,054	0	0	0	2,082	2,082	0	0	0	1,879	1,879
New Hampshire	0	10	291	4	305	0	10	267	5	282	0	11	247	14	272
Rhode Island	0	116	7	6	129	0	131	7	5	143	0	133	112	0	245
Vermont	0	224	40	5	269	0	212	38	1	251	0	221	41	0	262
MID-ATLANTIC															
Delaware	0	233	146	0	379	0	218	233	0	451	0	217	217	129	563
Maryland	0	742	1,299	0	2,041	0	723	1,472	0	2,195	0	1,104	1,757	0	2,861
New Jersey	1,180	1,475	250	1,197	4,102	1,220	1,442	151	1,174	3,987	1,297	1,995	428	2,000	5,720
New York	0	1,541	1,616	1,267	4,424	0	1,781	1,557	1,180	4,518	0	2,013	1,782	1,559	5,354
Pennsylvania	0	0	0	283	283	0	0	0	350	350	0	0	0	175	175
GREAT LAKES															
Illinois	0	90	2,141	1,194	3,425	0	107	2,622	723	3,452	0	89	2,182	770	3,041
Indiana	0	0	13	0	13	0	0	13	0	13	0	0	13	0	13
Michigan	0	1,341	29	15	1,385	0	1,177	69	6	1,252	0	1,226	378	7	1,611
Ohio	0	1,170	1,003	234	2,407	0	1,185	1,002	340	2,527	0	1,260	876	338	2,474
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PLAINS															
Iowa	0	340	629	0	969	0	358	585	0	943	0	338	397	0	735
Kansas	9	245	366	57	677	9	277	115	103	504	10	405	204	107	726
Minnesota	0	0	0	325	325	0	0	0	404	404	0	0	0	263	263
Missouri	0	0	0	0	0	0	0	0	0	0	8	0	0	0	8
Nebraska	0	321	425	0	746	0	339	512	0	851	0	322	456	0	778
North Dakota	47	245	418	0	710	0	201	559	0	760	0	236	336	0	572
South Dakota	0	0	25	0	25	0	0	26	0	26	0	0	23	0	23
SOUTHEAST															
Alabama	0	383	99	229	711	0	272	131	257	660	0	381	172	200	753
Arkansas	2	492	834	75	1,403	0	553	781	0	1,334	0	471	1,256	0	1,727
Florida	12	2,229	5,147	358	7,746	0	2,536	5,135	384	8,055	3	2,428	7,124	435	9,990
Georgia	217	735	323	23	1,298	408	1,167	305	186	2,066	672	953	90	108	1,823
Kentucky	0	0	10	0	10	0	0	8	0	8	0	0	22	0	22
Louisiana	53	576	139	244	1,012	38	678	182	171	1,069	3	583	227	124	937
Mississippi	0	311	277	19	607	0	307	264	96	667	0	343	466	127	936
North Carolina	0	1,183	1,511	34	2,728	0	1,114	1,750	14	2,878	0	1,134	1,898	431	3,463
South Carolina	0	0	3	0	3	1	0	4	0	5	9	0	4	9	22
Tennessee	0	874	448	0	1,322	0	859	387	0	1,246	0	1,000	399	0	1,399
Virginia	0	0	27	2	29	0	0	45	22	67	0	0	51	123	174
West Virginia	1	422	163	0	586	3	572	26	0	601	2	560	28	0	590
SOUTHWEST															
Arizona	0	666	318	106	1,090	1	666	732	68	1,467	87	670	642	117	1,516
New Mexico	0	304	49	24	377	0	283	6	9	298	0	323	3	12	338
Oklahoma	0	664	494	0	1,158	0	631	578	0	1,209	0	0	0	0	0
Texas	1	2,728	1,735	1,040	5,504	0	4,200	2,276	1,015	7,491	0	3,999	2,987	505	7,491
ROCKY MOUNTAIN															
Colorado	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Idaho	0	227	79	0	306	0	181	130	0	311	0	320	356	0	676
Montana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utah	0	277	568	0	845	0	264	586	0	850	2	410	712	0	1,124
Wyoming	74	62	169	0	305	74	62	169	0	305	9	54	154	0	217
FAR WEST															
Alaska	182	1,002	70	15	1,269	71	1,121	37	7	1,236	52	1,215	95	0	1,362
California	0	2,783	615	1,304	4,702	0	2,514	452	1,133	4,099	0	1,828	1,237	-150	2,915
Hawaii	0	236	103	171	510	0	174	85	157	416	0	121	195	42	358
Nevada	0	242	147	40	429	0	383	125	65	573	0	297	362	379	1,038
Oregon	0	3	0	41	44	0	2	0	29	31	0	1	0	20	21
Washington	0	713	657	448	1,818	0	641	616	271	1,528	0	531	711	398	1,640
TOTAL	\$1,778	\$25,788	\$22,780	\$11,548	\$61,894	\$1,825	\$27,972	\$24,195	\$11,274	\$65,266	\$2,154	\$27,830	\$28,776	\$11,484	\$70,244
District of Columbia	0	197	66	226	489	0	128	92	204	424					

Source: National Association of State Budget Officers, 2016 State Expenditure Report

TABLE 52
ENVIRONMENTAL PROJECTS CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2015					Actual Fiscal 2016					Estimated Fiscal 2017				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$0	\$0	\$0	\$215	\$215	\$0	\$0	\$0	\$318	\$318	\$0	\$0	\$0	\$39	\$39
Maine	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Massachusetts	0	0	0	221	221	0	0	0	239	239	0	0	0	194	194
New Hampshire	0	0	0	12	12	0	0	0	11	11	0	0	0	6	6
Rhode Island	0	4	14	4	22	0	4	7	6	17	0	7	14	9	30
Vermont	0	0	0	12	12	0	0	0	11	11	0	0	0	11	11
MID-ATLANTIC															
Delaware	0	0	0	8	8	0	0	0	17	17	0	0	0	14	14
Maryland	1	49	217	163	430	1	51	213	161	426	1	53	309	65	428
New Jersey	80	170	14	147	411	98	155	14	204	471	56	0	1	0	57
New York	0	183	197	257	637	0	166	277	237	680	0	218	328	298	844
Pennsylvania	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GREAT LAKES															
Illinois	0	11	470	62	543	0	0	625	1	626	0	0	766	32	798
Indiana	13	0	2	0	15	33	0	2	0	35	29	0	2	0	31
Michigan	5	9	48	20	82	7	10	50	22	89	9	10	86	37	142
Ohio	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PLAINS															
Iowa	0	0	16	0	16	0	0	14	0	14	0	0	18	0	18
Kansas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Minnesota	0	0	0	23	23	0	0	0	17	17	0	0	0	4	4
Missouri	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Nebraska	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
North Dakota	6	1	56	0	63	4	3	33	0	40	7	3	27	0	37
South Dakota	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SOUTHEAST															
Alabama*	0	0	32	0	32	0	0	17	0	17	0	0	15	0	15
Arkansas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Florida	239	308	439	190	1,176	147	357	391	191	1,086	172	299	611	185	1,267
Georgia	0	0	0	68	68	0	0	0	10	10	0	0	0	15	15
Kentucky	0	0	11	0	11	0	0	18	0	18	0	0	19	0	19
Louisiana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mississippi	1	2	5	1	9	0	6	6	3	15	0	7	9	6	22
North Carolina	6	0	0	0	6	5	0	6	0	11	10	54	0	10	74
South Carolina	0	0	1	0	1	0	0	0	0	0	1	3	9	0	13
Tennessee	1	0	0	0	1	16	0	0	9	25	52	0	0	0	52
Virginia	0	3	11	5	19	0	11	4	21	36	1	5	2	13	21
West Virginia	0	32	7	0	39	0	0	1	0	1	0	0	0	0	0
SOUTHWEST															
Arizona	0	0	2	0	2	0	0	2	0	2	0	0	8	0	8
New Mexico	0	9	5	17	31	0	15	0	24	39	0	41	0	31	72
Oklahoma	1	1	32	39	73	2	3	22	80	107	0	0	0	0	0
Texas	4	0	13	0	17	5	0	12	0	17	4	0	13	0	17
ROCKY MOUNTAIN															
Colorado	0	1	0	0	1	3	9	4	0	16	0	12	3	0	15
Idaho	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Montana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utah	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Wyoming	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FAR WEST															
Alaska	40	57	26	0	123	18	75	12	0	105	18	68	7	0	93
California	0	0	0	0	0	0	0	6	0	6	0	0	0	0	0
Hawaii	0	0	0	14	14	0	0	0	17	17	0	0	0	14	14
Nevada	0	0	0	1	1	0	0	0	1	1	0	0	0	0	0
Oregon	0	0	0	23	23	0	1	0	34	35	0	0	0	27	27
Washington	0	57	283	188	528	0	95	254	148	497	0	68	251	159	478
TOTAL	\$397	\$897	\$1,901	\$1,690	\$4,885	\$339	\$961	\$1,990	\$1,782	\$5,072	\$360	\$848	\$2,498	\$1,169	\$4,875
District of Columbia	0	0	3	6	9	0	5	2	7	14					

Source: National Association of State Budget Officers, 2016 State Expenditure Report

TABLE 53
HOUSING CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2015					Actual Fiscal 2016					Estimated Fiscal 2017				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$0	\$0	\$0	\$145	\$145	\$0	\$0	\$0	\$146	\$146	\$0	\$0	\$0	\$144	\$144
Maine	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Massachusetts	0	0	0	190	190	0	0	0	185	185	0	0	0	195	195
New Hampshire	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Rhode Island	0	0	0	6	6	0	0	0	9	9	0	0	0	3	3
Vermont	0	0	0	0	0	0	0	0	1	1	0	0	0	2	2
MID-ATLANTIC															
Delaware	0	0	0	2	2	0	0	0	8	8	0	0	0	16	16
Maryland	19	15	35	65	134	15	35	35	48	133	51	16	44	7	118
New Jersey	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New York	0	0	0	82	82	0	0	0	84	84	0	0	35	96	131
Pennsylvania	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GREAT LAKES															
Illinois	0	0	0	16	16	0	0	0	0	0	0	0	0	0	0
Indiana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Michigan	0	0	55	10	65	0	0	55	7	62	0	0	40	7	47
Ohio	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PLAINS															
Iowa	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kansas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Minnesota	0	0	0	5	5	0	0	0	3	3	0	0	0	10	10
Missouri	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Nebraska	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
North Dakota	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
South Dakota	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SOUTHEAST															
Alabama	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Arkansas	0	0	1	0	1	0	0	6	0	6	0	0	0	0	0
Florida	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Georgia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kentucky	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Louisiana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mississippi	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
North Carolina	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
South Carolina	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tennessee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Virginia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
West Virginia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SOUTHWEST															
Arizona	9	0	0	0	9	0	0	0	0	0	10	0	0	0	10
New Mexico	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Oklahoma	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Texas*	0	23	4	0	27	0	18	2	74	94	0	14	4	124	142
ROCKY MOUNTAIN															
Colorado	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Idaho	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Montana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utah	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Wyoming	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FAR WEST															
Alaska	77	12	3	0	92	19	34	3	0	56	15	17	5	0	37
California	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hawaii	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Nevada	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Oregon	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Washington	0	0	2	124	126	0	0	1	57	58	0	0	1	55	56
TOTAL	\$105	\$50	\$100	\$645	\$900	\$34	\$87	\$102	\$622	\$845	\$76	\$47	\$129	\$659	\$911
District of Columbia	0	0	73	0	73	0	0	87	0	87					

Source: National Association of State Budget Officers, 2016 State Expenditure Report

TABLE 54
ALL OTHER CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2015					Actual Fiscal 2016					Estimated Fiscal 2017				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$0	\$0	\$0	\$1,317	\$1,317	\$0	\$0	\$0	\$1,707	\$1,707	\$0	\$0	\$0	\$1,140	\$1,140
Maine	1	8	7	1	17	4	21	11	3	39	4	21	8	4	37
Massachusetts	0	0	0	967	967	0	0	0	997	997	0	0	0	899	899
New Hampshire	0	21	0	30	51	0	25	0	31	56	0	5	0	50	55
Rhode Island*	2	4	37	31	74	3	5	44	75	127	5	74	87	55	221
Vermont	0	0	0	78	78	0	0	0	74	74	0	0	0	32	32
MID-ATLANTIC															
Delaware	0	0	0	175	175	0	0	0	200	200	0	0	0	219	219
Maryland	2	6	0	549	557	5	20	1	517	543	11	4	1	618	634
New Jersey	261	52	17	244	574	272	34	21	232	559	239	14	1	0	254
New York	0	102	235	899	1,236	0	90	1,057	1,313	2,460	0	95	1,057	1,575	2,727
Pennsylvania	0	0	0	270	270	0	0	0	41	41	0	0	0	271	271
GREAT LAKES															
Illinois	0	0	4	667	671	0	0	3	17	20	0	0	10	475	485
Indiana	162	0	23	0	185	170	0	55	0	225	178	0	21	0	199
Michigan	83	14	16	22	135	76	9	21	11	117	57	6	25	0	88
Ohio	0	10	172	643	825	0	4	147	658	809	0	4	118	637	759
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PLAINS															
Iowa	3	25	26	2	56	0	32	31	10	73	0	41	44	8	93
Kansas	15	17	13	26	71	12	18	16	27	73	29	22	16	26	93
Minnesota	0	0	0	172	172	0	0	0	299	299	0	0	0	262	262
Missouri	98	26	44	0	168	9	15	85	39	148	3	9	63	79	154
Nebraska	4	3	33	0	40	5	4	38	0	47	3	34	54	0	91
North Dakota	57	6	13	0	76	29	12	14	0	55	41	13	26	0	80
South Dakota	2	36	16	14	68	43	3	16	1	63	6	28	20	1	55
SOUTHEAST															
Alabama*	4	0	32	444	480	3	0	24	303	330	3	0	13	539	555
Arkansas	0	11	67	0	78	0	2	64	0	66	0	0	58	0	58
Florida	181	0	550	1,082	1,813	139	0	556	1,072	1,767	175	0	554	1,075	1,804
Georgia	0	0	0	437	437	0	0	0	460	460	0	0	0	422	422
Kentucky	0	0	219	0	219	0	0	229	0	229	0	0	166	0	166
Louisiana	34	73	193	256	556	37	27	244	256	564	4	3	106	105	218
Mississippi	6	9	107	920	1,042	5	8	166	325	504	9	26	130	884	1,049
North Carolina	2	0	0	153	155	6	0	14	87	107	0	0	0	62	62
South Carolina	10	6	62	4	82	10	19	60	1	90	40	16	86	13	155
Tennessee	20	2	0	56	78	80	10	7	235	332	97	9	15	0	121
Virginia	0	6	6	110	122	1	6	2	106	115	0	23	18	75	116
West Virginia	35	30	35	0	100	25	8	87	0	120	18	13	85	0	116
SOUTHWEST															
Arizona	9	0	13	0	22	5	0	10	0	15	8	0	20	0	28
New Mexico	0	20	43	382	445	0	17	15	348	380	0	19	23	503	545
Oklahoma	2	35	134	2	173	1	32	142	15	190	0	0	0	0	0
Texas	0	0	297	0	297	0	0	361	0	361	0	0	1,323	0	1,323
ROCKY MOUNTAIN															
Colorado	49	2	66	0	117	54	3	34	0	91	77	5	34	0	116
Idaho	0	0	37	0	37	13	0	115	0	128	10	0	105	0	115
Montana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utah	256	19	431	0	706	307	18	661	0	986	248	21	488	0	757
Wyoming	0	0	0	0	0	0	0	0	0	0	4	3	6	0	13
FAR WEST															
Alaska	275	47	82	0	404	72	45	16	0	133	37	35	37	0	109
California	32	49	173	244	498	47	10	78	295	430	243	59	-819	1,120	603
Hawaii	0	47	135	444	626	0	49	121	694	864	27	19	46	506	598
Nevada	0	1	8	17	26	2	1	1	25	29	2	9	4	16	31
Oregon	0	7	0	65	72	0	1	0	18	19	0	10	0	24	34
Washington	0	31	184	441	656	0	35	114	320	469	0	25	223	311	559
TOTAL*	\$1,605	\$725	\$3,530	\$11,164	\$17,024	\$1,435	\$583	\$4,681	\$10,812	\$17,511	\$1,578	\$665	\$4,272	\$12,006	\$18,521
District of Columbia	0	32	38	588	658	0	32	22	605	659					

Source: National Association of State Budget Officers, 2016 State Expenditure Report

Capital Spending Notes

Alabama: Higher education capital expenditures are not captured/available at state budget level. Environmental and All Other capital expenditures from Federal and Other State Funds are not reported separately; combined amounts are included in the Other State Funds.

Georgia: Capital expenditures for debt service are included under All Other State Expenditures.

Maryland: Capital expenditure figures reflect authorizations; meaningful data for expenditures by fiscal year are not available. Total for bonds is not net of de-authorizations. "Bond Funds" include GO and Academic Revenue Bonds. Bond

funds include new projects funded with de-authorizations of prior year appropriations.

Michigan: Higher education capital expenditures made from own-source funds (non-state funds) are excluded.

Tennessee: Bond estimates represent bond authorizations, while actual bonds represent bond proceeds utilized.

Texas: Regarding housing capital expenditures, other state funds capital expenditures include purchases of Mortgage Backed Securities or Loans Issued as reflected in the Audited Financial Statements. Federal capital expenditures include Federal Loans Issued as reflected in the Audited Financial Statements. No bond funds for FY15 due to TMP Program.

9

CHAPTER



REVENUE SOURCES IN THE GENERAL FUND

Revenue Sources in the General Fund

General fund revenue, the largest source of state expenditures and the most discretionary, totaled an estimated \$778.3 billion in fiscal 2017, a 2.2 percent increase over fiscal 2016. That follows a 1.8 percent increase in general fund revenue in fiscal 2016. The three main sources of general fund revenue — personal income taxes, sales and use taxes, and corporate income taxes — accounted for 82.5 percent of state general fund collections in estimated fiscal 2017. Specifically, personal income taxes accounted for 45.4 percent, sales and use taxes for 31.6 percent, and corporate income taxes for 5.5 percent of total general fund revenues in fiscal 2017. Other taxes and fees represented 17.0 percent of general fund revenues, while gaming taxes were 0.6 percent. The major sources of general fund revenues are displayed by state in Table 55, year-over-year revenue percentage changes can be found in Table 56.

Depending on the state, “other taxes and fees” may include cigarette and tobacco taxes, alcoholic beverage taxes, insurance premiums, severance taxes, licenses and fees for permits, inheritances taxes, and charges for state-provided services.

States use a variety of taxes and fees to finance programs, not all of which are reflected in the general fund. These include some gaming taxes, lottery proceeds, and motor vehicle fees, which often are earmarked for special purposes or specific funds, such as education or roads.

Table 57 illustrates the major items that are excluded from general fund revenue sources. For example, property taxes are a mainstay of local government finance and the majority of states do not impose a state property tax. However, many states help reduce the amount of property taxes local governments collect through their elementary and secondary education funding formulas, as well as other aid and subsidies to local governments.

State Tax Collection Trends

Over the past two years, state general fund revenues have experienced modest growth, increasing by a median rate of 2.4 percent in fiscal 2017 and 1.9 percent in fiscal 2016. In three out of the last four years, revenues have grown slowly or declined. Personal income taxes, the largest general fund revenue source, had a median growth rate of 2.9 percent in fiscal 2017 and 2.8 percent in fiscal 2016. The median growth rate for sales taxes, the second largest source of general fund

revenues, had a median growth rate of 2.5 percent in fiscal 2017 and 2.7 percent in fiscal 2016. Median corporate income tax collections declined in both fiscal 2017 and fiscal 2016, meaning that in six out of the last ten years corporate tax receipts have declined. Many factors have contributed to the slow growth in state tax collections. Personal income tax receipts for April have declined for two consecutive years. States have said that deferring non-wage income in anticipation of a federal income tax rate cut was an explanatory factor for April 2017, while weaker stock market performance in calendar year 2015 was the main reason for low April 2016 receipts. Additionally, in the last two fiscal years, general fund tax revenues have not kept pace with current dollar gross domestic product (GDP). Finally, low inflation, the decline in prices for many tangible goods, and the impact of low oil and natural gas prices on energy-producing states, have contributed to the lean revenue growth in the past two years.

In fiscal 2017, thirty-five states revised their revenue forecast downward, according to NASBO's *Spring 2017 Fiscal Survey of States* and updated data. The average downward revision was 2.0 percent, while four states saw a downward revision of greater than 4 percent. Fourteen states did revise their revenue forecast upward in fiscal 2017, with an average upward revision of 2.3 percent. When examining 50-state revenue totals, it is estimated that in fiscal 2017 personal income taxes experienced the largest gains at 3.0 percent, followed by sales taxes at 2.5 percent, and other taxes and fees at 2.1 percent. Both corporate income taxes and gaming taxes experienced declines in fiscal 2017, at 5.8 percent and 1.9 percent respectively. The overall slow revenue growth is expected to carry forward into fiscal 2018, with general fund revenues expected to increase 3.1 percent according to NASBO's *Spring 2017 Fiscal Survey of States*, well below the historical average of 5.4 percent.

According to NASBO's *Fall 2016 Fiscal Survey of States*, 25 states saw revenues come in below original projections in fiscal 2016, while in 5 states revenues were on target, and in 20 states revenues were above projections. When examining the various sources that comprise general fund revenues, sales taxes experienced the largest increase in fiscal 2016 at 2.6 percent, while personal income taxes grew 2.3 percent, and other taxes and fees increased 1.9 percent. Gaming taxes were relatively flat in fiscal 2016, declining 0.3 percent, while corporate income taxes decreased 5.8 percent.

TABLE 55
REVENUE SOURCES IN THE GENERAL FUND (\$ IN MILLIONS)

Region/state	Actual Fiscal 2015						Actual Fiscal 2016						Estimated Fiscal 2017					
	Sales Tax	Personal Income Tax	Corporate Income Tax	Gaming Tax	Other Taxes & Fees	Total	Sales Tax	Personal Income Tax	Corporate Income Tax	Gaming Tax	Other Taxes & Fees	Total	Sales Tax	Personal Income Tax	Corporate Income Tax	Gaming Tax	Other Taxes & Fees	Total
NEW ENGLAND																		
Connecticut	\$ 4,205	\$ 9,151	\$ 815	\$ 591	\$ 2,520	\$ 17,282	\$ 4,182	\$ 9,182	\$ 880	\$ 606	\$ 2,931	\$ 17,781	\$ 4,192	\$ 8,987	\$ 990	\$ 595	\$ 2,868	\$ 17,632
Maine*	1,244	1,522	169	0	139	3,074	1,319	1,543	137	0	143	3,142	1,391	1,514	164	0	141	3,210
Massachusetts	4,040	14,375	2,054	14	2,423	22,906	4,270	14,394	2,171	14	2,555	23,404	4,402	14,684	2,197	14	2,472	23,769
New Hampshire*	0	0	354	0	1,044	1,398	0	0	444	0	1,085	1,529	0	0	401	0	1,103	1,504
Rhode Island	963	1,228	148	1	1,301	3,641	972	1,217	135	1	1,339	3,664	1,001	1,267	125	1	1,282	3,676
Vermont	237	706	122	0	316	1,381	241	747	117	0	307	1,412	245	756	96	0	360	1,457
MID-ATLANTIC																		
Delaware	0	1,252	270	0	2,209	3,731	0	1,287	144	0	2,514	3,945	0	1,333	121	0	2,559	4,013
Maryland*	4,351	8,346	777	0	2,448	15,923	4,444	8,518	874	0	2,361	16,198	4,587	8,942	785	0	2,272	16,586
New Jersey	9,146	13,250	2,866	970	6,954	33,186	9,268	13,356	2,299	997	7,036	32,956	9,449	13,838	2,205	983	7,436	33,911
New York	12,139	43,709	6,265	18	2,753	64,884	12,485	47,055	5,647	17	3,262	68,466	12,966	47,565	4,761	16	2,838	68,146
Pennsylvania	9,493	12,107	2,811	96	6,086	30,593	9,795	12,506	2,842	100	5,659	30,902	9,986	12,897	2,766	121	6,632	32,402
GREAT LAKES																		
Illinois	8,423	18,604	2,691	510	2,332	32,560	8,541	15,779	1,973	484	3,016	29,793	8,638	15,412	1,501	481	3,390	29,422
Indiana	7,195	5,233	1,094	447	930	14,898	7,223	5,218	984	441	954	14,820	7,490	5,435	979	432	939	15,275
Michigan*	2,008	6,323	442	0	1,572	10,345	2,020	6,576	45	0	1,729	10,370	1,523	6,940	165	0	1,160	9,788
Ohio*	9,960	8,507	2	0	13,004	31,473	10,348	7,799	33	0	15,750	33,930	10,615	7,606	-1	0	15,958	34,178
Wisconsin	4,892	7,326	1,005	0	1,318	14,541	5,066	7,741	963	0	1,328	15,098	5,224	8,040	921	0	1,334	15,518
PLAINS																		
Iowa	2,230	3,452	433	0	705	6,820	2,322	3,536	377	0	686	6,921	2,336	3,668	370	0	731	7,106
Kansas	2,485	2,278	417	0	749	5,929	2,659	2,249	355	0	710	5,973	2,671	2,304	325	0	1,039	6,339
Minnesota*	5,131	10,403	1,455	49	3,301	20,339	5,233	10,739	1,473	56	3,389	20,890	5,347	11,188	1,142	62	3,314	21,053
Missouri	1,988	5,947	436	0	338	8,709	2,062	6,126	281	0	318	8,787	2,111	6,240	276	0	389	9,016
Nebraska	1,535	2,206	347	1	217	4,305	1,528	2,221	308	1	251	4,308	1,548	2,225	264	1	228	4,266
North Dakota	1,405	536	196	4	734	2,875	1,031	354	98	3	1,056	2,542	908	313	69	3	1,112	2,405
South Dakota	837	0	0	1	580	1,418	861	0	0	1	635	1,497	951	0	0	1	618	1,570
SOUTHEAST																		
Alabama*	2,037	3,234	492	2	2,135	7,900	2,056	3,390	333	1	2,138	7,918	2,132	3,450	373	2	2,243	8,200
Arkansas	2,198	3,189	493	50	541	6,471	2,290	3,148	487	58	471	6,454	2,338	3,215	434	61	503	6,550
Florida	21,063	0	2,236	275	4,107	27,681	21,998	0	2,272	232	3,824	28,325	23,037	0	2,324	139	4,059	29,559
Georgia	5,390	9,679	1,001	0	4,365	20,435	5,480	10,440	981	0	5,336	22,237	5,631	10,895	1,021	0	5,360	22,907
Kentucky	3,267	4,070	528	0	2,102	9,967	3,463	4,282	527	0	2,067	10,339	3,485	4,394	498	0	2,101	10,478
Louisiana	3,031	2,886	300	413	1,779	8,409	3,280	2,878	249	407	1,083	7,897	4,180	2,881	412	403	1,408	9,284
Mississippi	2,261	1,743	714	131	554	5,403	2,300	1,769	596	134	571	5,370	2,353	1,887	565	135	579	5,519
North Carolina	6,252	11,079	1,328	0	2,790	21,448	6,559	11,905	1,058	0	2,628	22,151	6,998	11,970	748	0	2,898	22,614
South Carolina	2,656	3,661	377	0	819	7,513	2,818	3,833	411	0	777	7,839	2,896	4,108	320	0	835	8,159
Tennessee	7,271	198	1,189	0	3,838	12,496	7,810	212	1,228	0	4,035	13,285	8,071	174	1,305	0	3,955	13,505
Virginia	3,235	12,329	832	0	1,340	17,736	3,296	12,556	765	0	1,424	18,040	3,387	12,914	794	0	1,466	18,561
West Virginia	1,254	1,810	201	0	989	4,254	1,270	1,861	173	0	1,002	4,306	1,285	1,914	137	0	851	4,187
SOUTHWEST																		
Arizona	4,192	3,761	663	0	965	9,582	4,299	3,957	550	0	679	9,484	4,452	4,119	421	0	531	9,521
New Mexico	2,167	1,340	255	70	2,404	6,236	2,022	1,327	119	63	2,181	5,712	1,919	1,331	70	59	2,425	5,803
Oklahoma	2,224	2,218	303	15	967	5,727	2,063	2,049	260	18	815	5,205	2,038	2,017	131	16	842	5,044
Texas	28,787	0	0	0	23,856	52,643	28,136	0	0	0	22,646	50,782	28,695	0	0	0	22,966	51,661
ROCKY MOUNTAIN																		
Colorado*	2,880	6,350	693	0	400	10,323	2,894	6,527	652	0	421	10,494	3,085	6,761	509	0	460	10,815
Idaho	1,219	1,471	215	0	152	3,057	1,303	1,513	187	0	181	3,184	1,382	1,651	214	0	201	3,448
Montana	64	1,176	173	60	728	2,200	64	1,185	118	61	694	2,121	60	1,168	134	60	719	2,141
Utah	1,715	3,158	374	0	558	5,805	1,779	3,370	338	0	503	5,990	1,851	3,586	321	0	512	6,270
Wyoming	544	0	0	0	965	1,509	432	0	0	0	569	1,001	405	0	0	0	608	1,013
FAR WEST																		
Alaska	0	0	231	9	2,016	2,257	0	0	31	10	1,491	1,533	0	0	251	11	1,385	1,646
California	23,682	76,169	9,417	1	2,520	111,789	24,871	78,735	10,460	1	1,594	115,661	24,494	83,161	10,210	1	673	118,539
Hawaii	2,993	1,988	52	0	1,544	6,577	3,206	2,116	93	0	1,668	7,083	3,239	2,192	77	0	1,844	7,352
Nevada*	1,034	0	0	723	1,541	3,297	1,077	0	0	733	1,939	3,749	1,130	0	0	761	2,070	3,961
Oregon	0	7,292	616	0	510	8,418	0	7,674	604	0	532	8,810	0	8,314	560	0	753	9,627
Washington*	8,793	0	0	0	8,490	17,283	9,563	0	0	0	9,016	18,579	10,159	0	0	0	9,571	19,730
ALL STATES	\$234,115	\$335,260	\$47,851	\$4,450	\$126,948	\$748,625	\$240,200	\$342,870	\$45,071	\$4,439	\$129,297	\$761,876	\$246,283	\$353,254	\$42,450	\$4,356	\$131,993	\$778,336
District of Columbia	1372	1868	448	0	4018	7706	1401	1908	556	0	4273	8138	1493	1892	570	0	4369	8324

TABLE 56
REVENUE SOURCES IN THE GENERAL FUND (YEAR-OVER-YEAR PERCENTAGE CHANGE)

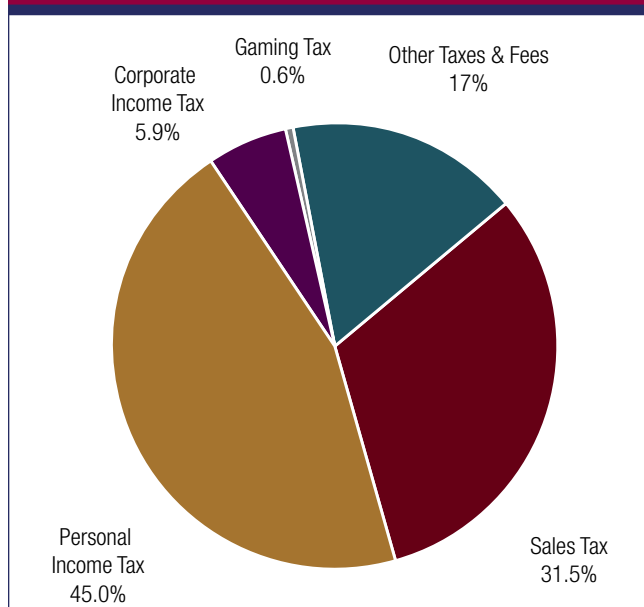
Region/state	Actual Fiscal 2016						Estimated Fiscal 2017					
	Sales Tax	Personal Income Tax	Corporate Income Tax	Gaming Tax	Other Taxes & Fees	Total	Sales Tax	Personal Income Tax	Corporate Income Tax	Gaming Tax	Other Taxes & Fees	Total
NEW ENGLAND												
Connecticut	-0.5%	0.3%	8.0%	2.5%	16.3%	2.9%	0.2%	-2.1%	12.5%	-1.8%	-2.1%	-0.8%
Maine*	6.0	1.4	-18.9		2.9	2.2	5.5	-1.9	19.7		-1.4	2.2
Massachusetts	5.7	0.1	5.7	0.0	5.4	2.2	3.1	2.0	1.2	0.0	-3.2	1.6
New Hampshire*			25.4		3.9	9.4			-9.7		1.7	-1.6
Rhode Island	0.9	-0.9	-8.8	0.0	2.9	0.6	3.0	4.1	-7.4	0.0	-4.3	0.3
Vermont	1.7	5.8	-4.1		-2.8	2.2	1.7	1.2	-17.9		17.3	3.2
MID-ATLANTIC												
Delaware		2.8	-46.7		13.8	5.7		3.6	-16.0		1.8	1.7
Maryland*	2.2	2.1	12.5		-3.5	1.7	3.2	5.0	-10.3		-3.8	2.4
New Jersey	1.3	0.8	-19.8	2.8	1.2	-0.7	2.0	3.6	-4.1	-1.4	5.7	2.9
New York	2.9	7.7	-9.9	-5.6	18.5	5.5	3.9	1.1	-15.7	-5.9	-13.0	-0.5
Pennsylvania	3.2	3.3	1.1	4.2	-7.0	1.0	1.9	3.1	-2.7	21.0	17.2	4.9
GREAT LAKES												
Illinois	1.4	-15.2	-26.7	-5.1	29.3	-8.5	1.1	-2.3	-23.9	-0.6	12.4	-1.2
Indiana	0.4	-0.3	-10.0	-1.3	2.6	-0.5	3.7	4.2	-0.5	-2.0	-1.6	3.1
Michigan*	0.6	4.0	-89.8		10.0	0.2	-24.6	5.5	266.7		-32.9	-5.6
Ohio*	3.9	-8.3	1222.1		21.1	7.8	2.6	-2.5	-103.0		1.3	0.7
Wisconsin	3.6	5.7	-4.2		0.8	3.8	3.1	3.9	-4.4		0.5	2.8
PLAINS												
Iowa	4.1	2.4	-12.9		-2.7	1.5	0.6	3.7	-1.8		6.6	2.7
Kansas	7.0	-1.3	-14.9		-5.2	0.7	0.5	2.4	-8.5		46.3	6.1
Minnesota*	2.0	3.2	1.2	14.3	2.7	2.7	2.2	4.2	-22.5	10.7	-2.2	0.8
Missouri	3.7	3.0	-35.6		-5.9	0.9	2.4	1.9	-1.8		22.3	2.6
Nebraska	-0.5	0.7	-11.2	0.0	15.4	0.1	1.3	0.2	-14.1	0.0	-9.1	-1.0
North Dakota	-26.6	-34.0	-50.0	-25.0	43.9	-11.6	-11.9	-11.6	-29.6	0.0	5.3	-5.4
South Dakota	2.9			0.0	9.5	5.6	10.5			0.0	-2.7	4.9
SOUTHEAST												
Alabama*	0.9	4.8	-32.3	-50.0	0.1	0.2	3.7	1.8	12.0	100.0	4.9	3.6
Arkansas	4.2	-1.3	-1.3	16.6	-13.1	-0.3	2.1	2.1	-10.9	5.1	6.8	1.5
Florida	4.4		1.6	-15.9	-6.9	2.3	4.7		2.3	-40.0	6.2	4.4
Georgia	1.7	7.9	-2.0		22.2	8.8	2.8	4.4	4.1		0.4	3.0
Kentucky	6.0	5.2	-0.3		-1.6	3.7	0.6	2.6	-5.5		1.6	1.3
Louisiana	8.2	-0.3	-17.1	-1.5	-39.1	-6.1	27.4	0.1	65.7	-1.1	30.0	17.6
Mississippi	1.7	1.5	-16.5	2.3	3.1	-0.6	2.3	6.7	-5.2	0.7	1.4	2.8
North Carolina	4.9	7.5	-20.3		-5.8	3.3	6.7	0.5	-29.3		10.3	2.1
South Carolina	6.1	4.7	9.0		-5.1	4.3	2.8	7.2	-22.1		7.5	4.1
Tennessee	7.4	7.1	3.3		5.1	6.3	3.3	-17.9	6.3		-2.0	1.7
Virginia	1.9	1.8	-8.1		6.3	1.7	2.8	2.9	3.8		3.0	2.9
West Virginia	1.3	2.8	-13.9		1.3	1.2	1.2	2.8	-20.8		-15.1	-2.8
SOUTHWEST												
Arizona	2.5	5.2	-17.1		-29.7	-1.0	3.5	4.1	-23.5		-21.8	0.4
New Mexico	-6.7	-0.9	-53.4	-10.4	-9.3	-8.4	-5.1	0.3	-40.9	-7.3	11.2	1.6
Oklahoma	-7.2	-7.6	-14.2	22.0	-15.7	-9.1	-1.2	-1.5	-49.7	-12.6	3.4	-3.1
Texas	-2.3				-5.1	-3.5	2.0				1.4	1.7
ROCKY MOUNTAIN												
Colorado*	0.5	2.8	-5.9		5.3	1.7	6.6	3.6	-21.9		9.3	3.1
Idaho	6.9	2.9	-13.0		19.1	4.2	6.1	9.1	14.4		11.0	8.3
Montana	0.5	0.8	-31.4	1.3	-4.7	-3.6	-6.4	-1.4	13.2	-1.0	3.6	0.9
Utah	3.7	6.7	-9.6		-9.9	3.2	4.0	6.4	-5.0		1.8	4.7
Wyoming	-20.6				-41.0	-33.7	-6.3				6.9	1.2
FAR WEST												
Alaska			-86.4	13.2	-26.1	-32.1			698.1	5.8	-7.1	7.4
California	5.0	3.4	11.1	0.0	-36.7	3.5	-1.5	5.6	-2.4	0.0	-57.8	2.5
Hawaii	7.1	6.4	78.8		8.0	7.7	1.0	3.6	-17.2		10.6	3.8
Nevada*	4.2			1.5	25.8	13.7	4.9			3.7	6.8	5.6
Oregon		5.2	-2.1		4.4	4.6		8.3	-7.2		41.6	9.3
Washington*	8.8				6.2	7.5	6.2				6.2	6.2
ALL STATES	2.6%	2.3%	-5.8%	-0.3%	1.9%	1.8%	2.5%	3.0%	-5.8%	-1.9%	2.1%	2.2%
MEDIAN	2.7	2.8	-9.9	0.0	1.9	1.7	2.5	2.9	-5.5	0.0	2.4	2.4

TABLE 57
ITEMS EXCLUDED FROM REVENUE SOURCES

Region/State	Sales and Compensating Use Taxes	Personal Income Taxes	Corporate Income Taxes	Gaming Taxes	Lottery Funds	Cigarette and Tobacco Taxes	Motor Fuel Taxes	Alcoholic Beverage Taxes	Insurance Premium Taxes	Property Taxes	Utility Taxes	Severance Taxes	Federal Funds	Licenses and Fees	Other
NEW ENGLAND															
Connecticut	P						X			X		X	P		
Maine*							P			P		X	X		
Massachusetts				X	X		P			X		X	X	X	
New Hampshire*	X	X										X			
Rhode Island							X			X		X	X		
Vermont	P			X	X	X	X			P	P	X	X		
MID-ATLANTIC															
Delaware	N/A			N/A			X			X		N/A	N/A		
Maryland*				X			P			X		X	X		
New Jersey	P		P	X		P		P	P	X	P	X	X	P	
New York	P		P		X	P	X		P	X	P	X	X	X	X
Pennsylvania	P			P	X	P	X		P	P		X	X	P	P
GREAT LAKES															
Illinois							X			X		X			
Indiana					X	P	X			X	P	X	X	P	
Michigan	P	P		X	X	P	X	P		X			P	P	P
Ohio*				X	X		X			X		X			
Wisconsin				X	X		X			X		X	X	X	
PLAINS															
Iowa				X		X	X			X			X	P	P
Kansas				P	P		X			P	X		X	P	P
Minnesota															
Missouri	P			X	X	X	X	P	P	X	X	X	P	P	P
Nebraska				P	X	P	X		P	X	P	P	X	P	P
North Dakota							X			X	X		X		
South Dakota		N/A	N/A	P			X			X	X		X		
SOUTHEAST															
Alabama					X	P	X	P		P			X	P	
Arkansas	P				X		P			X	X	P	X	P	
Florida		X			X	P	X			X	X		X	P	P
Georgia				X	X						X	X	X		
Kentucky				N/A			X						X	X	
Louisiana				P	X	P	X			X	X		X	P	P
Mississippi					X		P				X		X	X	
North Carolina				X	X		X			X		X	X		
South Carolina				X	X		X			X		X	X		
Tennessee				X	P					X					
Virginia				X	X	P				X	X	X		P	
West Virginia				N	P		X				X		X		
SOUTHWEST															
Arizona				X		P	X	P		X	X	X	X	P	P
New Mexico					X		X			X			X		
Oklahoma	P	P	P	P	X	P	P	P	P	X	X	P	X	P	P
Texas		X	X	X	X					X			X	P	
ROCKY MOUNTAIN															
Colorado				X	X		X			X	X	X	X	P	
Idaho				X	X	P	X	P		X	X	X	X	X	
Montana							X						X	P	
Utah				X	X		X			X			X		
Wyoming		X	X												
FAR WEST															
Alaska	X	X			X						X	X	X		
California	P	P		P	X	P	X			X	X	X	X	P	P
Hawaii	P			N/A	N/A	P	X		P	N/A	P	N/A	P	P	P
Nevada		X	X		X		X				X	X	X		
Oregon	N/A			S	S	P	X	P		X	X		X		
Washington		N/A	N/A	N/A	X	P	X					X	X	P	
ALL STATES	15	11	8	30	33	20	41	8	7	39	25	31	43	27	13
District of Columbia				X									X		

Excluded=X Partially Excluded=P Not Applicable=N/A

FIGURE 21
REVENUE SOURCES IN THE GENERAL FUND, FISCAL 2016



Revenue Sources in the General Fund Notes

Alabama: Regarding other taxes and fees, FY15 includes \$145M transfer from Alabama Trust Fund per Constitutional Amendment 856, FY16 includes \$50M in BP Settlement funds, and FY17 includes \$50M in BP Settlement funds.

Colorado: Revenue figures are changed from prior years to reflect the gross income prior to the transfer out of GF revenue for the State Education Fund. Prior year figures netted this sum out.

Maine: Maine historically reports Gaming Revenue in Other Taxes and Fees.

Maryland: Per statute, property taxes are not included in general fund revenues. However, the State has reverted part of the Transfer Tax to the general fund in recent years as part of the budget balancing plan.

Michigan: Actual FY 2015 and FY 2016 amounts reflect general fund general purpose revenue as contained in the State of Michigan Comprehensive Annual Financial Reports. Revenue figures have been adjusted to put them on a basis comparable to the consensus estimates. FY 2017 estimates are from May consensus revenue forecast.

Minnesota: totals exclude dedicated revenue.

Nevada: Revenues are shown before various tax credit programs. Total Tax Credit by fiscal year: FY 15 \$12.4; FY 16 \$55.2; and FY 17 \$147.1.

New Hampshire: In this edition of NASBO's *State Expenditure Report* the State of New Hampshire has isolated the General Fund revenue sources to only those which are not dedicated to their Education Trust Fund, in lieu of providing the combined General Funds source totals for both funds as has been past practice.

Ohio: Federal reimbursements for expenditures funded from the General Revenue Fund (GRF) are deposited into the GRF. Also, Ohio does not have a corporate income tax but instead has a commercial activities tax which is a business privilege tax.

Washington: Fiscal 2015 totals are based on the June 2016 revenue forecast document while fiscal 2016 and estimated fiscal 2017 are based on the June 2017 revenue forecast document.

APPENDIX

TABLE A-1
TOTAL STATE EXPENDITURES BY FUND SOURCE (EXCLUDES BONDS) (\$ IN MILLIONS)

Region/State	Actual Fiscal 2015			Actual Fiscal 2016			Estimated Fiscal 2017		
	State Funds	Federal Funds	State & Federal Funds	State Funds	Federal Funds	State & Federal Funds	State Funds	Federal Funds	State & Federal Funds
NEW ENGLAND									
Connecticut	\$21,320	\$5,919	\$27,239	\$21,934	\$6,216	\$28,150	\$21,752	\$6,153	\$27,905
Maine	5,193	2,421	7,614	5,403	2,536	7,939	5,534	2,603	8,137
Massachusetts	44,898	10,014	54,912	46,730	11,047	57,777	47,285	11,490	58,775
New Hampshire	3,459	1,935	5,394	3,613	2,158	5,771	3,665	2,221	5,886
Rhode Island	5,498	2,895	8,393	5,628	2,877	8,505	6,016	3,185	9,201
Vermont	3,396	1,939	5,335	3,479	1,992	5,471	3,594	1,914	5,508
MID-ATLANTIC									
Delaware	7,355	2,063	9,418	7,608	2,151	9,759	8,106	2,171	10,277
Maryland	26,827	11,917	38,744	27,544	12,034	39,578	27,369	12,876	40,245
New Jersey	39,361	16,079	55,440	40,576	14,354	54,930	42,301	16,143	58,444
New York	94,624	45,743	140,367	97,483	49,476	146,959	99,598	52,985	152,583
Pennsylvania	46,748	25,325	72,073	48,764	27,073	75,837	50,874	29,406	80,280
GREAT LAKES									
Illinois	48,097	14,365	62,462	37,805	15,743	53,548	48,972	16,387	65,359
Indiana	19,037	10,305	29,342	18,958	12,448	31,406	19,542	12,580	32,122
Michigan	32,157	20,717	52,874	33,332	20,872	54,204	31,583	22,874	54,457
Ohio	48,593	13,994	62,587	52,509	12,450	64,959	53,159	12,528	65,687
Wisconsin	35,020	11,063	46,083	34,971	10,759	45,730	35,999	10,993	46,992
PLAINS									
Iowa	15,882	6,295	22,177	16,753	6,328	23,081	16,468	6,664	23,132
Kansas	10,749	3,960	14,709	11,074	3,635	14,709	11,737	3,834	15,571
Minnesota	25,137	9,888	35,025	25,603	10,317	35,920	27,872	10,868	38,740
Missouri	16,602	7,495	24,097	16,880	7,677	24,557	17,199	8,186	25,385
Nebraska	8,057	2,923	10,980	8,621	2,989	11,610	8,836	3,030	11,866
North Dakota	6,191	1,713	7,904	5,845	1,607	7,452	5,316	1,886	7,202
South Dakota	2,575	1,356	3,931	2,710	1,371	4,081	2,790	1,419	4,209
SOUTHEAST									
Alabama	15,129	9,385	24,514	15,643	9,635	25,278	15,524	9,911	25,435
Arkansas	16,539	7,095	23,634	16,505	7,398	23,903	16,841	7,697	24,538
Florida	45,494	23,888	69,382	45,354	25,306	70,660	53,768	26,777	80,545
Georgia	30,802	13,329	44,131	32,539	13,896	46,435	34,605	13,677	48,282
Kentucky	18,984	11,827	30,811	20,517	12,182	32,699	21,397	12,353	33,750
Louisiana	18,329	8,762	27,091	17,897	9,256	27,153	19,451	12,255	31,706
Mississippi	11,033	7,753	18,786	11,380	7,866	19,246	12,074	9,195	21,269
North Carolina	30,536	13,159	43,695	31,236	13,007	44,243	32,850	13,274	46,124
South Carolina	14,900	7,715	22,615	15,334	7,614	22,948	16,389	8,184	24,573
Tennessee	18,704	12,052	30,756	18,928	12,567	31,495	20,325	13,420	33,745
Virginia	36,256	9,706	45,962	38,149	9,838	47,987	39,032	10,308	49,340
West Virginia	11,565	4,306	15,871	11,589	4,506	16,095	11,523	4,406	15,929
SOUTHWEST									
Arizona	26,025	13,156	39,181	25,447	14,167	39,614	26,403	14,924	41,327
New Mexico	10,515	6,580	17,095	10,701	7,375	18,076	10,795	7,635	18,430
Oklahoma	14,840	7,372	22,212	14,788	7,656	22,444	15,728	7,144	22,872
Texas	68,727	42,237	110,964	75,087	45,913	121,000	77,445	46,870	124,315
ROCKY MOUNTAIN									
Colorado	25,678	8,761	34,439	27,210	9,517	36,727	24,825	9,121	33,946
Idaho	4,382	2,662	7,044	4,649	2,686	7,335	5,800	3,004	8,804
Montana	4,194	2,189	6,383	4,014	2,370	6,384	4,147	2,810	6,957
Utah	9,369	3,497	12,866	10,061	3,582	13,643	10,553	4,312	14,865
Wyoming	4,138	978	5,116	4,138	978	5,116	4,034	1,008	5,042
FAR WEST									
Alaska	10,319	2,945	13,264	6,748	3,277	10,025	6,260	3,830	10,090
California	155,150	90,049	245,199	156,565	90,690	247,255	167,764	96,195	263,959
Hawaii	9,847	2,257	12,104	10,312	2,563	12,875	11,413	2,571	13,984
Nevada	7,813	3,795	11,608	8,159	4,651	12,810	8,767	4,476	13,243
Oregon	27,185	10,023	37,208	26,807	10,317	37,124	29,713	10,189	39,902
Washington	27,099	11,501	38,600	28,913	11,807	40,720	30,978	12,034	43,012
TOTAL	\$1,240,328	\$567,303	\$1,807,631	\$1,262,493	\$588,730	\$1,851,223	\$1,323,971	\$619,976	\$1,943,947

Note: State funds are defined as general funds and other state funds (bonds are excluded). Source: National Association of State Budget Officers, 2016 State Expenditure Report

TABLE A-2
CHILDREN'S HEALTH INSURANCE BLOCK GRANTS (\$ IN MILLIONS)

Region/State	Actual Fiscal 2015				Actual Fiscal 2016				Estimated Fiscal 2017			
	General Fund	Other State Funds	Federal Funds	Total	General Fund	Other State Funds	Federal Funds	Total	General Fund	Other State Funds	Federal Funds	Total
NEW ENGLAND												
Connecticut	\$ 29	\$ 0	\$ 0	\$ 29	\$ 6	\$ 0	\$ 27	\$ 33	\$ 5	\$ 0	\$ 34	\$ 39
Maine	3	0	9	12	1	0	11	12	0	0	13	13
Massachusetts*	204	0	378	582	87	0	609	696	107	0	557	663
New Hampshire	10	0	19	29	6	0	24	30	4	0	31	35
Rhode Island	21	0	38	59	11	0	55	66	7	0	57	64
Vermont	3	0	13	16	1	0	16	17	1	0	30	31
MID-ATLANTIC												
Delaware	1	7	17	25	0	4	25	29	0	3	29	32
Maryland*	97	15	191	303	34	19	238	291	36	1	273	310
New Jersey*	23	132	290	445	8	72	368	448	12	19	490	521
New York	0	411	608	1,019	0	381	866	1,247	0	223	1,105	1,328
Pennsylvania	82	33	227	342	16	37	275	328	11	33	387	431
GREAT LAKES												
Illinois	133	12	274	419	62	7	372	441	45	4	391	440
Indiana	0	36	118	154	0	1	153	154	0	1	153	154
Michigan	79	0	249	328	3	0	240	243	3	0	242	245
Ohio*	349	0	0	349	386	0	0	386	515	0	0	515
Wisconsin	44	28	150	222	18	7	184	209	4	10	219	233
PLAINS												
Iowa	45	0	102	147	20	0	126	146	10	0	119	129
Kansas	18	16	78	112	0	15	94	109	0	9	106	115
Minnesota	14	0	26	40	20	0	37	57	56	0	114	170
Missouri	31	14	103	148	8	8	56	72	14	8	71	93
Nebraska	19	7	56	82	5	7	63	74	2	7	66	75
North Dakota	3	0	6	9	1	0	6	7	1	0	7	8
South Dakota	8	0	16	24	4	0	23	27	3	0	27	30
SOUTHEAST												
Alabama	33	5	123	161	0	0	175	175	0	0	198	198
Arkansas	16	0	62	78	5	0	75	80	0	0	83	83
Florida	114	13	293	420	31	27	341	399	16	16	363	395
Georgia*	71	0	236	307	13	0	230	243	0	0	424	424
Kentucky	25	1	92	119	31	0	277	308	0	0	233	233
Louisiana	66	6	160	232	36	0	252	288	12	1	330	343
Mississippi	35	0	160	195	8	0	171	179	0	0	157	157
North Carolina	42	1	133	176	11	1	161	173	1	1	190	192
South Carolina	28	3	120	151	7	0	128	135	0	0	138	138
Tennessee*	58	2	179	239	60	3	393	456	69	3	161	233
Virginia	86	14	191	291	31	14	225	269	23	14	281	319
West Virginia	12	0	45	57	11	0	45	56	11	0	44	55
SOUTHWEST												
Arizona	2	0	7	9	0	0	2	2	0	0	32	32
New Mexico	23	0	86	109	7	0	121	128	0	0	110	110
Oklahoma	45	4	140	189	18	2	181	201	9	1	208	219
Texas	362	0	873	1,235	107	0	1,187	1,294	119	0	1,441	1,560
ROCKY MOUNTAIN												
Colorado*	41	50	156	247	26	26	223	275	20	13	281	314
Idaho	12	1	50	63	3	1	71	75	0	0	73	73
Montana	0	21	68	89	0	6	88	94	0	1	98	99
Utah	1	14	89	104	4	9	115	128	0	7	130	137
Wyoming	4	0	7	11	3	0	11	14	1	0	11	12
FAR WEST												
Alaska	8	0	15	22	5	0	23	28	5	0	34	39
California	659	0	1,418	2,077	468	0	1,872	2,340	277	0	2,312	2,589
Hawaii	20	0	34	54	7	0	45	52	6	0	58	64
Nevada	9	4	33	46	2	3	39	44	1	2	49	52
Oregon	40	10	148	198	13	0	163	176	4	0	195	199
Washington	18	1	33	52	10	1	54	65	10	1	79	90
TOTAL	\$3,045	\$862	\$7,919	\$11,826	\$1,612	\$651	\$10,536	\$12,799	\$1,420	\$378	\$12,234	\$14,033
District of Columbia	7	0	19	26	0	0	37	37	0	0	44	44

Children's Health Insurance Block Grants Notes

Colorado: CHIP is included in “Medicaid” expenditures, all part of the Department of Health Care Policy and Financing.

Georgia: FY 2017 estimated amount consists of \$424 million in Federal funds only; state match was not required for FY 2017. Other State Funds consist of: FY 2015 Actual: \$66,242 (Source: FY 2015 Budgetary Compliance Report); FY 2016 Actual: \$12,401 (Source: FY 2016 Budgetary Compliance Report); and FY 2017 Estimated: \$151,783 (Source: HB 43 Amended FY 2017 Appropriations Act).

Maryland: Based on fiscal 2016 most recent appropriation.

Massachusetts: Based on federal fiscal year October-September.

New Jersey: In 2017, the Federal Funds amount reflects an approximate \$33m increase due to a shift in support from Other State Funds, as a result of enhanced federal matching funds retroactive to prior fiscal years.

Ohio: Federal reimbursements for CHIP expenditures funded from the General Revenue Fund (GRF) are deposited into the GRF.

Tennessee: Tennessee began receiving funds for the Child Health Insurance Block Grant in fiscal 2007. Explanation for FY16 increase—Tennessee collected the enhanced CHIP match on some FY16 expenses which in prior years had been collected at the regular FMAP match rate.

TABLE A-3
MEDICARE PART D CLAWBACK PAYMENTS (\$ IN MILLIONS)

Region/State	Actual Fiscal 2015			Actual Fiscal 2016			Estimated Fiscal 2017		
	General Fund	Other State Funds	Total	General Fund	Other State Funds	Total	General Fund	Other State Funds	Total
NEW ENGLAND									
Connecticut	\$ 139	\$ 0	\$ 139	\$ 146	\$ 0	\$ 146	\$ 161	\$ 0	\$ 161
Maine	43	0	43	50	0	50	54	0	54
Massachusetts*	334	0	334	362	0	362	415	0	415
New Hampshire	35	0	35	38	0	38	40	0	40
Rhode Island	50	0	50	53	0	53	59	0	59
Vermont	26	0	26	29	0	29	32	0	32
MID-ATLANTIC									
Delaware	15	0	15	17	0	17	20	0	20
Maryland*	128	0	128	138	0	138	156	0	156
New Jersey	345	0	345	376	0	376	427	0	427
New York	846	0	846	972	0	972	1120	0	1120
Pennsylvania	535	0	535	585	0	585	658	0	658
GREAT LAKES									
Illinois	392	0	392	481	0	481	551	0	551
Indiana	134	0	134	140	0	140	163	0	163
Michigan	195	0	195	213	0	213	249	0	249
Ohio	290	0	290	306	0	306	384	0	384
Wisconsin	162	0	162	206	0	206	216	0	216
PLAINS									
Iowa	91	0	91	100	0	100	109	0	109
Kansas	0	55	55	0	58	58	0	64	64
Minnesota	178	0	178	179	0	179	207	0	207
Missouri	183	0	183	193	0	193	198	13	211
Nebraska	51	0	51	55	0	55	62	0	62
North Dakota	14	1	15	14	1	15	16	1	17
South Dakota	18	0	18	19	0	19	21	0	21
SOUTHEAST									
Alabama	53	11	64	55	11	66	41	31	72
Arkansas	38	4	42	41	4	45	46	5	51
Florida	456	0	456	464	0	464	500	0	500
Georgia*	124	0	124	128	0	128	142	0	142
Kentucky	0	86	86	8	82	90	0	96	96
Louisiana	119	0	119	142	0	142	117	0	117
Mississippi	48	0	48	49	0	49	53	0	53
North Carolina	250	0	250	260	0	260	295	0	295
South Carolina	78	1	79	82	2	84	92	3	95
Tennessee	170	0	170	189	0	189	218	0	218
Virginia	172	0	172	218	0	218	233	0	233
West Virginia	37	0	37	35	0	35	35	0	35
SOUTHWEST									
Arizona	66	16	82	70	18	88	82	20	102
New Mexico	31	0	31	37	0	37	44	0	44
Oklahoma	77	0	77	85	0	85	99	0	99
Texas	370	0	370	406	0	406	420	0	420
ROCKY MOUNTAIN									
Colorado	107	0	107	114	0	114	130	0	130
Idaho	23	0	23	26	0	26	27	0	27
Montana	16	0	16	18	0	18	21	0	21
Utah	31	0	31	34	0	34	39	0	39
Wyoming	11	0	11	12	0	12	14	0	14
FAR WEST									
Alaska	26	0	26	18	0	18	34	0	34
California	1516	0	1516	1669	0	1669	1915	0	1915
Hawaii	31	0	31	35	0	35	35	0	35
Nevada	24	1	25	26	1	27	31	1	32
Oregon	94	0	94	74	0	74	100	0	100
Washington	187	0	187	187	0	187	187	0	187
TOTAL	\$8,359	\$175	\$8,534	\$9,154	\$177	\$9,331	\$10,268	\$234	\$10,502
District of Columbia	14	0	14	16	0	16	18	0	18

Medicare Part D Clawback Notes

Georgia: Medicare Part D Clawback reflects State General Funds only; there are no Other State Funds to report. \$142 million reflected for FY 2017 General Funds is actual not estimated.

Maryland: For Medicare Part D Clawback fiscal 2016 estimate, used fiscal 2016 appropriation.

Massachusetts: State fiscal year July-June; June payment not reflected in gross expenditures (paid from revenue in following SFY).

Methodology

The Fiscal Year 2016 *State Expenditure Report* reflects three years of data: actual fiscal year 2015, actual fiscal year 2016, and estimated fiscal year 2017. The text of this report focuses on actual fiscal year 2016 data, with a secondary focus on estimated fiscal 2017. Expenditure data are detailed by program area and funding source so that trends in state spending can be evaluated. Readers are cautioned that a more complete understanding of service levels within a given state would require comparisons of spending by both state and local governments, which is not the purpose of this report. In addition, the data are self-reported by the states.

This report documents state expenditures in six functional categories: elementary and secondary education, higher education, public assistance including Temporary Assistance for Needy Families and other cash assistance, Medicaid, corrections, and transportation. All other expenditures make up a seventh category. The report includes expenditures from four fund sources, including general funds, federal funds, other state funds, and bonds. Data for each category typically include employer contributions to current employees' pensions and to employee health benefits for employees.

Elementary and secondary education spending, detailed in chapter one, includes state and federal fund expenditures only, and excludes local funds raised for education purposes. States also were asked to include, where applicable, state expenditures that support the state's Department of Education, transportation of school children, adult literacy programs, handicapped education programs, programs for other special populations (i.e., gifted and talented programs), anti-drug programs, and vocational education. States were asked to exclude spending for day care programs in the school system and spending for school health and immunization programs.

For higher education, states were requested to include expenditures made for capital construction, community colleges, vocational education, law, medical, veterinary, nursing and technical schools, and assistance to private colleges and universities, as well as tuition, fees and student loan programs. Higher education expenditures exclude federal research grants and endowments to universities. Higher education data can be found in chapter two.

Spending for public assistance, which is examined in chapter three, includes expenditures for cash assistance under the

Temporary Assistance for Needy Families (TANF) program and other cash assistance (i.e., state supplements to the Supplemental Security Income program, general or emergency assistance). States were asked to exclude administrative costs from reported expenditures.

Medicaid spending amounts, highlighted in chapter four, exclude administrative costs, but include spending from state funds, federal matching funds and other funds and revenue sources used as a Medicaid match such as provider taxes, fees, assessments, donations, and local funds. Medicare Part D clawback payments are included in a state's overall Medicaid expenditures, and are also listed separately in the Appendix.

For corrections, states were asked to include, where applicable, expenditures for capital construction, aid to local governments for jails, parole programs, prison industries, and community corrections, as well as expenditures made for juvenile correction programs. States were asked to exclude expenditures for drug abuse rehabilitation programs and institutions for the criminally insane. Corrections data can be found in chapter five.

Transportation figures, detailed in chapter six, include capital and operating expenditures for highways, mass transit, and airports. States were also asked to include expenditures for road assistance to local governments, the administration of the Department of Transportation, truck and train/railroad programs, motor vehicle licensing, and gas tax and fee collection. The data exclude spending for port authorities, state police and highway patrol.

The "all other" expenditure category includes all remaining programs not captured in the functional categories previously described, including the Children's Health Insurance Program and any debt service for other state programs (i.e., environmental projects, housing). States with lotteries were asked to exclude prizes paid to lottery winners. States were also asked to exclude expenditures for state-owned utilities and liquor stores. "All other" expenditure data can be found in chapter seven.

Capital spending is included with operating expenditures within each functional category, unless otherwise noted. Capital expenditures have also been collected separately in the following categories: corrections, environmental projects, higher education, housing, and transportation. Capital expenditure data can be found in Chapter Eight.

Chapter Nine illustrates the major sources of state revenue including sales taxes, personal income taxes, corporate income taxes, gaming taxes, and other taxes and fees. This chapter only contains information on general fund revenue.

Tables included in four of the functional categories reflect expenditures that states have excluded from their reported data. Each table underscores the observation that state-to-state expenditure comparisons in any functional category can be misleading. For example, one state may have included its juvenile institutions in its corrections budget, while another state may have included them in its human resources budget. Comparisons for one state over time, however, should prove accurate.

All years reported are state fiscal years unless otherwise indicated. In 46 states the fiscal year begins on July 1 and ends on June 30. The exceptions are as follows: in Texas, the fiscal year begins on September 1; in Alabama and Michigan the fiscal year begins on October 1; and in New York, the fiscal year begins on April 1. Additionally, the length of budget cycles varies among states, with more than half of the states budgeting annually and the remainder enacting biennial budgets.

Definitions

General Fund: predominant fund for financing a state's operations. Revenues are received from broad-based state taxes. There are differences in how specific functions are financed from state to state, however.

Federal Funds: funds received directly from the federal government.

Other State Funds: expenditures from revenue sources, which are restricted by law for particular governmental functions or activities. For example, a gasoline tax dedicated to a highway trust fund would appear in the "Other State Funds" column (Note: For Medicaid, other state funds include provider taxes, fees, donations, assessments and local funds).

Bonds: expenditures from the sale of bonds, generally for capital projects.

State Funds: general fund plus other state fund spending, excluding state spending from bonds.



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