

1999

JUNE 2000

STATE EXPENDITURE REPORT

NATIONAL ASSOCIATION OF STATE BUDGET OFFICERS

1999

STATE EXPENDITURE REPORT

JUNE 2000

NATIONAL ASSOCIATION OF STATE BUDGET OFFICERS



THE NATIONAL ASSOCIATION OF STATE BUDGET OFFICERS, founded in 1945, is the principal organization for the professional development of its members; for improving the capabilities of staff and information available to state budget officers; and for the development of the national fiscal and executive management policies of the National Governors' Association. It is a self-governing affiliate of the National Governors' Association. The National Association of State Budget Officers is composed of the heads of state finance departments, the states' chief budget officers, and their deputies. All other state budget office staff are associate members. Association membership is organized into four standing committees: Health, Human Services, and Justice; Financial Management, Systems, and Data Reporting; Tax, Commerce, Physical Resources, and Transportation; and Training, Education, and Human Resources Management.

1999-2000 Executive Committee

Sheila Peterson, North Dakota, President

Robert A. Bittenbender, Pennsylvania, Past President

Robert Powell, North Carolina, President-Elect

Mark Brown, Indiana, Member-at-Large

Bill Newton, Alabama, Member-at-Large

John Noonan, Connecticut, Eastern Regional Director

Scott Pattison, Virginia, Southern Regional Director

Peggy Ingison, Minnesota, Midwestern Regional Director

Maureen Morris, Washington, Western Regional Director

Gerry A. Oligmueller, Nebraska, Health, Human Services, and Justice

Theresa McHugh, Oregon, Financial Management, Systems,
and Data Reporting

Jack Nicholas, Maine, Tax, Commerce, Physical Resources,
and Transportation

Tom Betlach, Arizona, Training, Education,
and Human Resources Management

Gloria Timmer, Executive Director

ISSN 1074-7710

ISBN 1-887253-07-6

Copyright (c) June 2000 by the National Association of State Budget Officers. Published in the United States of America.

All Rights Reserved.

National Association of State Budget Officers

444 North Capitol Street, NW, Suite 642

Washington, DC 20001-1511

Tel: (202) 624-5382 Fax: (202) 624-7745

www.nasbo.org

Price:\$35.00

TABLE OF CONTENTS

| | |
|---|-----|
| Preface | vii |
| Executive Summary | 1 |
| General Notes | 12 |
| Elementary & Secondary Education | 15 |
| Elementary & Secondary Education Notes | 26 |
| Higher Education | 27 |
| Higher Education Notes | 35 |
| Public Assistance | 37 |
| Aid to Families with Dependent Children/Temporary Assistance for Needy Families | 41 |
| Other Cash Assistance | 45 |
| Public Assistance Notes | 56 |
| Medicaid | 57 |
| Medicaid Notes | 64 |
| Corrections | 67 |
| Correction Notes | 76 |
| Transportation | 77 |
| Transportation Notes | 87 |
| All Other Expenditures | 89 |
| All Other Expenditure Notes | 96 |
| Capital Expenditures | 97 |
| Capital Spending Notes | 106 |
| Revenue Sources in the General Fund | 107 |
| Revenue Sources in the General Fund Notes | 113 |
| Appendix: Methodology | 116 |

TABLES

| | |
|---|----|
| 1. Total State Expenditures – Capital Inclusive | 6 |
| 2. Annual Percentage Change in Total State Expenditures | 7 |
| 3. Comparison of Shares of State Spending With Fund Sources, Fiscal 1988 to 2000 | 8 |
| 4. Regional Percentage Change in Expenditures, Fiscal 1999 and 2000 | 10 |
| 5. State Spending by Function As a Percent of Total State Expenditures, Fiscal 1999 | 11 |
| 6. Regional Percentage Change in State Elementary and Secondary Education Expenditures, Fiscal 1999 and 2000 | 21 |
| 7. Elementary and Secondary Education Expenditures | 22 |
| 8. Elementary and Secondary Education Expenditures As a Percent of Total Expenditures | 23 |

TABLE OF CONTENTS (CONTINUED)

9. Annual Percentage Change in Elementary and Secondary Education Expenditures 24

10. Items Excluded from Elementary and Secondary Education Expenditures 25

11. Regional Percentage Change in State Higher Education
Expenditures, Fiscal 1999 to 2000 30

12. Higher Education Expenditures – Capital Inclusive 31

13. Higher Education Expenditures As a Percent of Total Expenditures 32

14. Annual Percentage Change in Higher Education Expenditures 33

15. Items Excluded from Higher Education Expenditures 34

16. Regional Percentage Change in State Total Public Assistance
Expenditures, Fiscal 1999 and 2000 39

17. Regional Percentage Change in State TANF Expenditures, Fiscal 1999 and 2000 43

18. Total Public Assistance Expenditures 47

19. Total Public Assistance Expenditures As a Percent of Total State Expenditures 48

20. Annual Percentage Change in Total Public Assistance Expenditures 49

21. Temporary Assistance to Needy Families Expenditures (TANF)
Expenditures For Cash Assistance 50

22. TANF Cash Assistance Expenditures As a Percent of Total State Expenditures 51

23. Annual Percentage Change in TANF Cash Assistance Expenditures 52

24. Other Cash Assistance Expenditures 53

25. Other Cash Assistance Expenditures As a Percent of Total Expenditures 54

26. Annual Percentage Change in Other Cash Assistance Expenditures 55

27. Regional Percentage Change in State Medicaid Expenditures, Fiscal 1999 and 2000 60

28. Medicaid Expenditures 61

29. Medicaid Expenditures As a Percent of Total Expenditures 62

30. Annual Percentage Change in Medicaid Expenditures 63

31. Regional Percentage Change in State Correction Expenditures, Fiscal 1999 68

32. Corrections Expenditures – Capital Inclusive 71

33. Corrections Expenditures As a Percent of Total Expenditures 72

34. Corrections General Fund Expenditures As a Percent of
Total General Fund Expenditures 73

35. Annual Percentage Change in Correction Expenditures 74

36. Items Excluded from Correction Expenditures 75

37. Regional Percentage Change in State Transportation Expenditures, Fiscal 1999 and 2000 82

38. Transportation Expenditures – Capital Inclusive 83

39. Transportation Expenditures As a Percent of Total Expenditures 84

40. Annual Percentage Change in Transportation Expenditures 85

41. Items Excluded from Transportation Expenditures 86

TABLE OF CONTENTS (CONTINUED)

| | |
|--|-----|
| 42. Regional Percentage Change in State All Other Expenditures, Fiscal 1999 and 2000 | 90 |
| 43. All Other Expenditures – Capital Inclusive | 91 |
| 44. All Other Expenditures As a Percent of Total Expenditures | 92 |
| 45. Annual Percentage Change in All Other Expenditures | 93 |
| 46. Items Excluded from All Other Expenditures | 94 |
| 47. Total Capital Expenditures | 100 |
| 48. Higher Education Capital Expenditures | 101 |
| 49. Corrections Capital Expenditures | 102 |
| 50. Transportation Capital Expenditures | 103 |
| 51. Environmental Projects Capital Expenditures | 104 |
| 52. Housing Capital Expenditures | 105 |
| 53. All Other Capital Expenditures | 106 |
| 54. Revenue Sources in the General Fund | 111 |
| 55. Items Excluded from Revenue Sources | 112 |
| A-1. Total State Expenditures By Fund Source (Excludes Bonds) | 118 |

FIGURES

| | |
|--|----|
| 1. Total State Spending by Fund Source, Fiscal Year 1987 and 1999 | 2 |
| 2. All Funds Percent Changes From Previous Fiscal Year For Major Spending Categories, Fiscal Year 1999 and 2000 | 3 |
| 3. Total State Expenditures By Funding Source, Fiscal 1999 | 5 |
| 4. Total State Expenditures By Function, Fiscal 1999 | 5 |
| 5. Composition of Total State Expenditures By Function, Fiscal 1987 to 1999 | 5 |
| 6. General Fund Expenditures, Fiscal 1999 | 9 |
| 7. Percent Change in General Fund, Fiscal 1999 to 2000 | 9 |
| 8. Federal Fund Expenditures, Fiscal 1999 | 10 |
| 9. Regional Percent Change in State Funds, Fiscal 1999 and 2000 | 10 |
| 10. School Finance Litigation Activity in the States (and year filed) | 16 |
| 11. State Expenditures for Elementary and Secondary Education by Fund Source, Fiscal 1999 | 20 |
| 12. State Expenditures for Higher Education by Fund Source, Fiscal 1999 | 30 |
| 13. State Expenditures for Total Public Assistance by Fund Source, Fiscal 1999 | 39 |
| 14. State Expenditures for Temporary Assistance for Needy Families by Fund Source, Fiscal 1999 | 43 |
| 15. Actual and Projected Total Medicaid Spending, 1970 to 2000 | 58 |
| 16. Actual and Projected State Medicaid Spending, 1970 to 2000 | 58 |
| 17. State Expenditures for Medicaid by Fund Source, Fiscal 1999 | 59 |

TABLE OF CONTENTS (CONTINUED)

18. State Expenditures For Corrections by Fund Source, Fiscal 1999 69

19. State Expenditures for Transportation by Fund Source, Fiscal 1999 82

20. State Expenditures for All Other Programs by Fund Source, Fiscal 1999 90

21. Revenue Sources in the General Fund 110

PREFACE

Since its inception twelve years ago, the State Expenditure Report has developed into a definitive baseline for the analysis of state spending. Expenditures reflected in this report represent over 99 percent of total state spending.

Expenditure data is provided by program area so that trends in state spending can be evaluated. The funding sources for state expenditures are also identified. In addition to state data sources, data were drawn from other organizations to highlight emerging policy issues.

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 government, which is not the purpose of this report. In addition, the data is self-reported by the states. Further information on report methodology is provided in the Appendix.

Web sites that are related to each expenditure category can be found within appropriate sections of the report and provide a good starting point for finding further information. Some key sites are listed below:

- National Association of State Budget Officers
www.nasbo.org
- National Governors' Association
www.nga.org
- Library of Congress—"Thomas"
<http://thomas.loc.gov>
- Budget of the U.S. Government
http://access.gpo.gov/su_docd/budget
- Congressional Budget Office
www.cbo.gov
- Senate Budget Committee
www.senate.gov/~budget
- House Budget Committee
www.house.gov/budget
- The White House (links to all federal departments and agencies)
www.whitehouse.gov
- Supreme Court Decisions
<http://supct.law.cornell.edu:8080/supct/>
- The Bureau of the Census
www.census.gov

ACKNOWLEDGEMENTS

The State Expenditure Report was produced by NASBO staff Paul Korfonta, Nick Samuels, Patrick Casados, Stacey Mazer, Jill Schamberger, and Greg Von Behren. In addition, the report represents substantial work by staff in state budget offices throughout the United States. NASBO would like to thank these individuals for their assistance in providing state data for this report:

| | |
|----------------------|-------------------------|
| Karen Wurtz (AL) | Dave Krabbenhoft (ND) |
| Jan McCarty (AK) | Patrick McCormally (NE) |
| Kristine Ward (AZ) | Joseph Bouchard (NH) |
| Rick Zelznak (AZ) | Michael Ferrara (NJ) |
| Martha Henry (AR) | Jeff Riggs (NM) |
| Jeff Palmertree (CA) | Rebecca Ward (NV) |
| Kelly Fox (CO) | Dennis Quinn (NY) |
| Mary Foran (CT) | Lezlee Thaeler (OH) |
| Tom Kirkpatrick (DE) | Bill Moore (OK) |
| Janice Hatter (FL) | Nancy Tarr (OK) |
| Ron Nawrocki (GA) | George Dunford (OR) |
| Keith Shimada (HI) | R. Brian Wilbur (PA) |
| Randy Bauer (IA) | Luis A. Coss (PR) |
| Lynne Barney (IA) | Ana Ortiz (PR) |
| Hugh Ceaser (IA) | Barbara Muzeni (RI) |
| Larry Schlicht (ID) | Les Boles (SC) |
| Larry Smith (IL) | Donna Williams (SC) |
| Sarah Bowers (IN) | Candice Kollman (SD) |
| Joan Essex (IN) | Susan Irby (TN) |
| Louis Chabira (KS) | Wayne Roberts (TX) |
| Duane Goosen (KS) | Scott Green (UT) |
| John Hicks (KY) | Steve Jardine (UT) |
| Robin Hote (LA) | Otto Trautz (VT) |
| Kate Gallivan (MA) | Michael T. Barton (VA) |
| Jay Ladin (MD) | Ric Brown (VA) |
| Keith Todd (ME) | Pam Davidson (WA) |
| Mary Lynn Fay (MI) | Dan Caucutt (WI) |
| Nancy Rooney (MN) | Dawn Currier (WI) |
| Mark R. Reading (MO) | Rebecca Hayes (WV) |
| Deb Collier (MS) | Brian Michaels (WV) |
| Curtis Nichols (MT) | Jeff Urry (WY) |
| Julie Carpenter (NC) | |
| Sheila Peterson (ND) | |
| Pam Sharp (ND) | |
| Arvy Smith (ND) | |
| Celeste Kubasta (ND) | |
| Karen Borr (ND) | |

EXECUTIVE SUMMARY

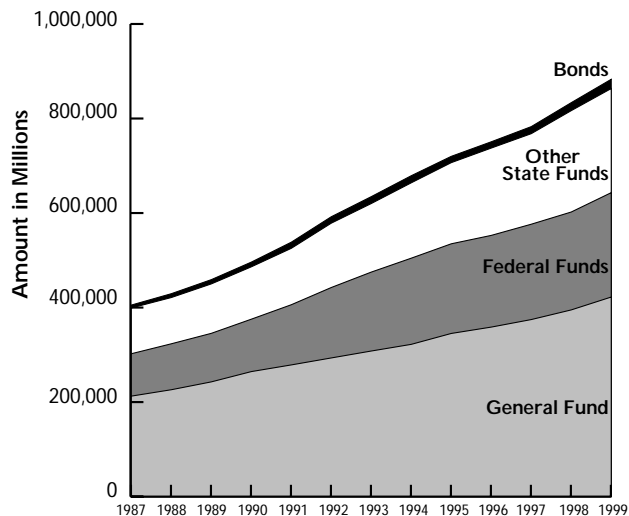
Economic Outlook, Spring 2000

States ended fiscal year 1999 in a position of financial strength. However, due to recent fluctuations in the stock market and signs of inflationary pressures, analysts are predicting more moderate economic growth in the near future as compared to the past year's robust growth. According to the most recent NASBO *Fiscal Survey of States*, states completed fiscal year 1999 with general fund balances that will aid in weathering the next economic downturn, although fewer states reported budget surpluses than the previous year. States have been building up rainy day funds to help prevent major disruptions in services to citizens when the economy's growth rate eventually slows from its current rapid pace.

State Expenditures

Total state spending in 1999, which captures both operating and capital expenditures, was approximately \$881.4 billion, up 6.5 percent over 1998. Federal funds reflect a 6.7 percent increase, while state funds reflect a 6.1 percent increase. From 1999 to 2000, states estimate that spending will increase 9.1 percent, to \$961.8 billion, while federal funds are projected to increase 10.3 percent. (See Tables 1 and 2). It should be noted that twenty-three states use a biennial budget cycle. In most cases, funds are not expended evenly in the two-year cycle. This may affect total expenditures in some states from year-to-year.

Figure 1
TOTAL STATE SPENDING BY FUND SOURCE,
FISCAL 1987 TO 1999



State Spending Trends

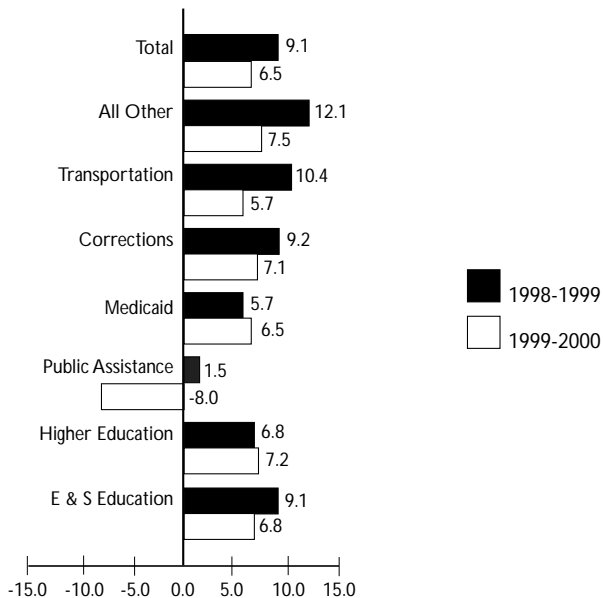
This report examines spending in the functional areas of state budgets: elementary and secondary education, higher education, public assistance, Medicaid, corrections, and transportation. Since 1995, elementary and secondary education has gained a larger share of state expenditures. One of the largest state expenditures, Medicaid commands a significant share of state spending, 19.6 percent. Medicaid spending increases leveled off for a period of time; however, according to the Congressional Budget Office, the program is expected to experience renewed growth over the next few years. State expenditures for public assistance through cash payments continued to drop in 1999 due to welfare reform efforts and declining caseloads. It is important to note, however, that this function represents just 2.5 percent of spending. Another cost driver for states is construction and operating costs for new prison facilities.

State spending in fiscal year 1999 increased 6.5 percent. Some of the significant findings are as follows:

- **The share of total state spending financed by federal funds was 25.1 percent in fiscal year 1998 and 25.2 percent in fiscal year 1999.** Figure 1 reflects fiscal 1987 through 1999 state spending by fund source.
- **Elementary and secondary education spending grew at 9.1 percent and higher education spending at 6.8 percent between fiscal year 1999 and 2000.** The growth rate for elementary and secondary education is greater than the growth rate for total state spending in 1999.
- **Medicaid's share of state spending has grown from just less than 11 percent of state spending in 1988 to 19.6 percent in 1999, a slight increase from the previous year.** During the 1990s, Medicaid remained the second largest state spending category, second only to elementary and secondary education spending.
- **The percent change for public assistance expenditures between 1998 and 1999 reflects a decrease of 8.7 percent.** Some of the factors cited to explain the decline include state welfare reform efforts, the improved economy, and a decreased caseload.
- **Total corrections spending increased 2.2 percent from 1998 to 1999.** Corrections as a share of state spending has only increased 0.1 percent between fiscal year 1999 and 2000.

- **Transportation spending in 1999 increased 5.7 percent. However, it is important to note that only 4 percent of state spending on transportation comes from the general fund;** the majority of transportation spending comes from the state funds (63.1 percent) and federal funds (26.7%).

Figure 2
ALL FUNDS PERCENT CHANGES FROM PREVIOUS YEAR FOR
MAJOR SPENDING CATEGORIES, FISCAL 1999 TO 2000



Outlook for the States

Expenditures are on target and many states' revenues exceed projections. For the most part, states have benefited from the growing economy, increased revenue collections, and decreased demand for some social services. Although the national economy continues to bolster states' fiscal conditions, other factors affect state budgets including federal budget uncertainty, federal mandates, court ordered expenditures, and policy changes. The appropriate source of funding and balance of responsibilities between states and the federal government continues to be debated.

The federal budget and federal legislation affects states in three areas: jointly funded state-federal programs, federal entitlement programs administered by states, and federal tax changes that affect state tax systems. As changes in the respective responsibilities of states and the federal government are implemented throughout

the nation, states will face numerous challenges in addressing their own fiscal needs and any requirements imposed by the federal government.

Federal Policy Changes

The Balanced Budget Act of 1997 created the State Children's Health Insurance Program which provides over \$24 billion in federal grants over the next five years for states to design comprehensive health insurance programs for uninsured, low-income children. The law allows states to use this new source of funds to expand insurance coverage under their existing Medicaid program, or create a new state children's health insurance program (S-CHIP), or a combination of both.

In 1996, The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) replaced the 60-year old Aid to Families with Dependent Children (AFDC) and several related programs and replaced them with the Temporary Assistance for Needy Families (TANF) block grant. It also moved state reimbursement from a system based on strict federal rules of eligibility and entitlement to a single state block grant based on historical funding levels. The new law gave states greater flexibility in creating programs that move welfare recipients into the workplace. A strong economy and aggressive state efforts to move recipients toward self sufficiency has brought about a decline in welfare caseloads that has far exceeded expectations.

Tobacco Settlement

States began taking legal action against the tobacco industry in 1994 in an effort to reduce youth smoking, secure public disclosure of tobacco documents, and recover state health care costs. The suits were filed on claims including consumer protection, fraud, racketeering, antitrust violations, and health care costs.

On November 23, 1998, the attorneys general of forty-six states, the District of Columbia, and five commonwealths and territories entered into a settlement agreement with the following tobacco manufacturers—Brown & Williamson Tobacco Corporation, the Liggett Group, Lorillard Tobacco Company, Philip Morris Incorporated, and R.J. Reynolds Tobacco Company. Another fifteen companies have since signed the agreement. The remaining four states, Florida, Minnesota, Mississippi, and Texas had successfully settled their own lawsuits, worth \$40 billion, with the tobacco industry prior to the multi-state settlement.

The settlement is worth \$206 billion over the next twenty-five years. Of the \$206 billion, \$195.9 billion is to be divided among the states based on a formula derived by the attorneys general. Starting in 1998, certain “up-front” payments were credited to an escrow account as provided by the agreement. An annual payment, that was made on April 15, 2000 and will be made on each April 15 thereafter, will total \$183.2 billion through 2025. The agreement is subject to a number of reductions, adjustments, and offsets. For example, a memorandum from the Independent Auditor indicates that there was a 14 percent volume adjustment and a 3 percent inflation adjustment to the April 15, 2000 annual payment.

The remainder of funds will be used for various items including the National Public Education Fund, the Attorney General Enforcement Fund and payments to the National Association of Attorneys General. In Governors’ recommendations for fiscal year 2000, plans for the use of tobacco settlement funds involve health and smoking cessation programs.

Total State Expenditures

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. Governors in forty-five states must submit a balanced budget; in forty-one states, the legislature must pass a balanced budget. States are required to make spending choices within available resources and must reduce spending when revenues come in under estimates. For the most part, states cannot incur a deficit, and must monitor their debt financing in order to avoid jeopardizing their bond ratings.

Components of State Expenditures and Organization of Report

The *1999 State Expenditure Report* reflects three years of data: actual fiscal year 1998, actual fiscal year 1999, and estimated fiscal year 2000. The text of this report focuses on actual fiscal year 1999 data.

For purposes of this report, the categories of state spending include elementary and secondary education, higher education, public assistance, Medicaid, corrections, and transportation. The “All Other” category includes state functions not individually tracked in this report such as hospitals, economic development, housing, environmental programs, health programs (including the state child health insurance program), parks and recreation, natural resources,

air transportation, and water transport and terminals. Chapters One through Seven discuss state expenditures in the following categories, respectively: elementary and secondary education, higher education, public assistance, Medicaid, corrections, transportation, and all other. Table 5 shows the proportion of each state’s budget spent on these categories.

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. The major sources of state revenue, including sales taxes, personal income taxes, corporate income taxes, gaming taxes, and other taxes and fees, are illustrated in Chapter Nine.

The Appendix contains Table A-1 which details total state expenditures by fund source and excludes bonds. In this table, general fund and other state funds are combined into one total called “state funds”. Further information on the report methodology is also provided in the Appendix.

State governments have specific functional responsibilities that vary among states depending on the role of local governments in providing services. For example, elementary and secondary education is often considered a primarily local function with states’ financial support, nearing, on average, half of total spending in this area. However, there 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.

Definitions

General funds: 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 that 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. 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.

The fund source breakdown for fiscal year 1999 state spending is provided in Figure 3. State general funds have remained stable, from 47.9 percent in 1997, to 47.7 percent in 1998, to 47.7 percent in 1999. The share of state spending from federal funds has slowed, and decreased slightly, from 25.8 percent in 1998 to 25.2 percent in 1999.

Figure 3
TOTAL STATE EXPENDITURES BY FUNDING SOURCE, FISCAL 1999

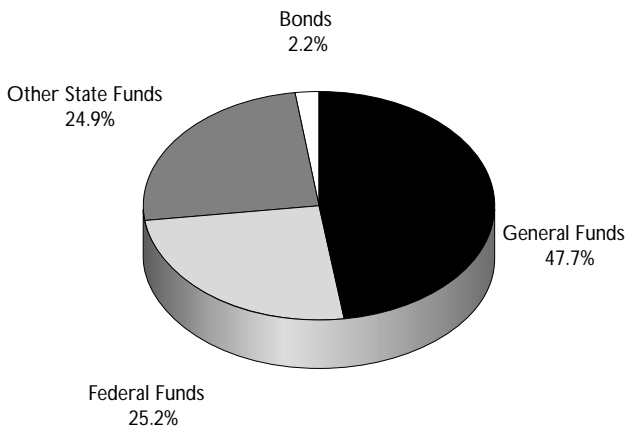


Figure 4 reflects total state expenditures by functional areas. For fiscal year 1999, state spending shares are as follows: 22.1 percent for elementary and secondary education, 19.6 percent for Medicaid, 10.4 percent for higher education, 8.7 percent for transportation, 2.5 percent for public assistance, and 3.7 percent for corrections.

Figure 4
TOTAL EXPENDITURES BY FUNCTION, FISCAL 1999

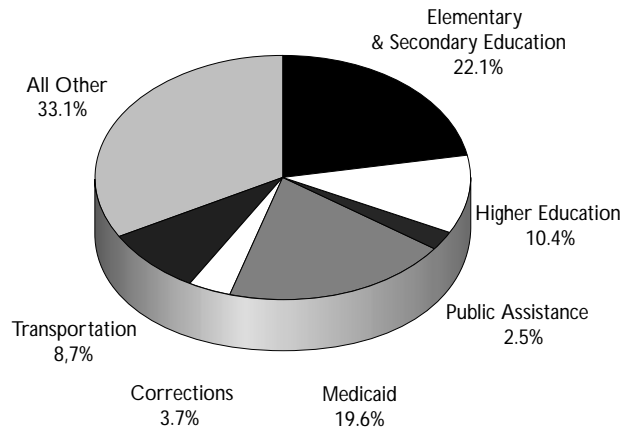
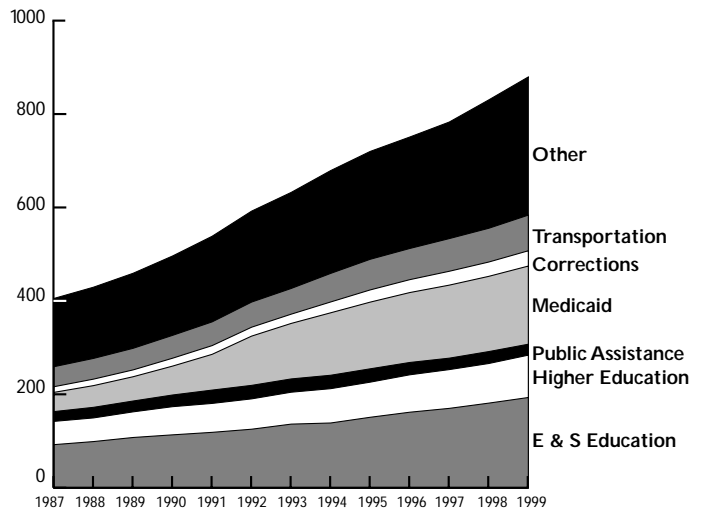


Figure 5
COMPOSITION OF TOTAL STATE EXPENDITURES BY FUNCTION, FISCAL 1987 TO 1999



The shares of state spending for functional areas have shifted since 1987. For example, Medicaid surpassed higher education as the second largest state program in 1990 and has remained in this position throughout the 1990s. Of all the functional areas, only Medicaid and corrections represent a larger share of total state spending in 1999 than they represented in 1987, when this survey began. Figure 5 above charts these changes.

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

| Region/State | Actual Fiscal 1998 | | | | | Actual Fiscal 1999 | | | | | Estimated Fiscal 2000 | | | | |
|-----------------------|--------------------|------------------|-------------------|-----------------|------------------|--------------------|------------------|-------------------|-----------------|------------------|-----------------------|------------------|-------------------|-----------------|------------------|
| | 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 | \$9,650 | \$1,259 | \$2,047 | \$987 | \$13,943 | \$10,223 | \$1,351 | \$2,053 | \$1,145 | \$14,772 | \$10,599 | \$1,057 | \$1,922 | \$1,137 | \$14,715 |
| Maine | 1,898 | 1,325 | 878 | 69 | 4,170 | 2,154 | 1,356 | 897 | 72 | 4,479 | 2,345 | 1,595 | 1,216 | 94 | 5,250 |
| Massachusetts | 15,218 | 5,622 | 1,222 | 1,000 | 23,062 | 16,214 | 5,456 | 1,597 | 1,000 | 24,267 | 17,130 | 5,620 | 1,932 | 1,000 | 25,682 |
| New Hampshire | 916 | 833 | 599 | 59 | 2,407 | 941 | 923 | 630 | 55 | 2,549 | 1,000 | 937 | 1,405 | 67 | 3,409 |
| Rhode Island | 1,774 | 1,028 | 881 | 35 | 3,718 | 1,945 | 1,120 | 904 | 73 | 4,042 | 2,135 | 1,339 | 1,035 | 107 | 4,616 |
| Vermont | 733 | 648 | 365 | 51 | 1,797 | 772 | 722 | 488 | 38 | 2,020 | 833 | 852 | 556 | 41 | 2,282 |
| MID-ATLANTIC | | | | | | | | | | | | | | | |
| Delaware | 1,900 | 540 | 1,704 | 93 | 4,237 | 2,153 | 682 | 1,733 | 133 | 4,701 | 2,306 | 712 | 1,864 | 118 | 5,000 |
| Maryland | 7,859 | 3,450 | 4,237 | 420 | 15,966 | 8,544 | 3,533 | 4,596 | 443 | 17,116 | 8,940 | 3,853 | 4,761 | 624 | 18,178 |
| New Jersey | 16,753 | 5,110 | 2,548 | 791 | 25,202 | 18,070 | 5,371 | 2,649 | 698 | 26,788 | 19,424 | 6,176 | 2,872 | 895 | 29,367 |
| New York | 31,444 | 21,923 | 16,799 | 1,530 | 71,696 | 35,220 | 20,937 | 16,419 | 1,906 | 74,482 | 35,771 | 22,827 | 17,910 | 1,861 | 78,369 |
| Pennsylvania | 17,230 | 9,385 | 7,007 | 458 | 34,080 | 18,263 | 10,679 | 7,261 | 660 | 36,863 | 19,279 | 11,899 | 7,596 | 915 | 39,689 |
| GREAT LAKES | | | | | | | | | | | | | | | |
| Illinois | 14,496 | 6,324 | 8,231 | 506 | 29,557 | 15,701 | 6,675 | 8,525 | 515 | 31,416 | 17,062 | 8,450 | 15,722 | 4,484 | 45,718 |
| Indiana | 6,706 | 3,643 | 4,385 | 162 | 14,896 | 6,925 | 4,115 | 3,789 | 185 | 15,014 | 7,867 | 4,844 | 4,068 | 88 | 16,867 |
| Michigan | 8,686 | 7,097 | 16,364 | 160 | 32,307 | 9,302 | 8,471 | 15,091 | 316 | 33,180 | 9,230 | 9,503 | 15,897 | 285 | 34,915 |
| Ohio | 17,649 | 4,220 | 12,078 | 1,068 | 35,015 | 18,016 | 4,413 | 12,658 | 1,123 | 36,210 | 19,339 | 6,124 | 16,899 | 1,109 | 43,471 |
| Wisconsin | 9,756 | 3,843 | 7,553 | 0 | 21,152 | 9,846 | 4,349 | 8,602 | 0 | 22,797 | 10,612 | 5,076 | 4,923 | 0 | 20,611 |
| PLAINS | | | | | | | | | | | | | | | |
| Iowa | 4,359 | 2,291 | 3,252 | 0 | 9,902 | 4,529 | 2,516 | 3,604 | 0 | 10,649 | 4,778 | 2,761 | 4,070 | 0 | 11,609 |
| Kansas | 3,801 | 1,830 | 1,978 | 63 | 7,672 | 4,196 | 2,089 | 1,940 | 81 | 8,306 | 4,430 | 2,002 | 1,856 | 104 | 8,392 |
| Minnesota | 10,436 | 3,411 | 2,418 | 327 | 16,592 | 11,178 | 3,444 | 2,663 | 307 | 17,592 | 11,958 | 3,924 | 2,705 | 310 | 18,897 |
| Missouri | 6,579 | 3,352 | 3,942 | 40 | 13,913 | 7,063 | 3,899 | 4,202 | 64 | 15,228 | 7,088 | 4,633 | 4,871 | 82 | 16,674 |
| Nebraska | 1,932 | 1,224 | 1,628 | 0 | 4,784 | 2,235 | 1,355 | 1,768 | 0 | 5,358 | 2,345 | 1,216 | 1,169 | 0 | 4,730 |
| North Dakota | 709 | 809 | 509 | 7 | 2,034 | 776 | 810 | 534 | 3 | 2,123 | 772 | 806 | 570 | 43 | 2,191 |
| South Dakota | 703 | 771 | 483 | 1 | 1,958 | 731 | 706 | 520 | 2 | 1,959 | 751 | 822 | 560 | 1 | 2,134 |
| SOUTHEAST | | | | | | | | | | | | | | | |
| Alabama | 4,688 | 4,801 | 3,427 | 98 | 13,014 | 4,919 | 5,152 | 3,418 | 186 | 13,675 | 5,238 | 5,810 | 5,377 | 300 | 16,725 |
| Arkansas | 2,839 | 2,136 | 3,828 | 114 | 8,917 | 2,980 | 2,050 | 4,336 | 97 | 9,463 | 3,175 | 2,284 | 4,799 | 110 | 10,368 |
| Florida | 16,960 | 8,810 | 14,668 | 2,279 | 42,717 | 17,759 | 9,349 | 16,914 | 2,191 | 46,213 | 18,705 | 9,891 | 18,753 | 1,304 | 48,653 |
| Georgia | 11,102 | 5,924 | 4,264 | 344 | 21,634 | 11,996 | 6,414 | 4,531 | 1,277 | 24,218 | 12,184 | 6,336 | 3,935 | 547 | 23,002 |
| Kentucky | 5,958 | 3,906 | 3,501 | 0 | 13,365 | 6,537 | 4,220 | 3,878 | 0 | 14,635 | 6,638 | 4,679 | 4,395 | 0 | 15,712 |
| Louisiana | 5,771 | 4,120 | 4,610 | 82 | 14,583 | 5,810 | 4,204 | 4,855 | 115 | 14,984 | 5,916 | 4,612 | 5,569 | 76 | 16,173 |
| Mississippi | 2,946 | 2,670 | 2,346 | 53 | 8,015 | 3,119 | 2,643 | 2,378 | 9 | 8,149 | 3,461 | 3,452 | 3,015 | 204 | 10,132 |
| North Carolina | 11,496 | 5,929 | 3,994 | 700 | 22,119 | 13,019 | 6,122 | 4,219 | 450 | 23,810 | 13,973 | 5,951 | 3,839 | 650 | 24,413 |
| South Carolina | 4,969 | 3,757 | 4,077 | 131 | 12,934 | 4,729 | 3,443 | 2,717 | 232 | 11,121 | 4,945 | 3,532 | 4,528 | 325 | 13,330 |
| Tennessee | 6,013 | 5,374 | 3,097 | 61 | 14,545 | 6,557 | 5,793 | 3,029 | 353 | 15,722 | 6,025 | 6,250 | 3,069 | 124 | 16,468 |
| Virginia | 8,504 | 3,269 | 6,811 | 481 | 19,065 | 9,565 | 3,504 | 8,097 | 369 | 21,535 | 10,288 | 3,704 | 8,665 | 411 | 23,068 |
| West Virginia | 2,014 | 1,983 | 1,548 | 198 | 5,743 | 2,106 | 1,980 | 1,814 | 167 | 6,067 | 2,192 | 2,210 | 1,409 | 273 | 6,084 |
| SOUTHWEST | | | | | | | | | | | | | | | |
| Arizona | 5,275 | 3,314 | 4,424 | 199 | 13,212 | 5,906 | 3,785 | 4,752 | 360 | 14,803 | 5,918 | 3,895 | 4,952 | 548 | 15,313 |
| New Mexico | 3,074 | 1,716 | 2,123 | 216 | 7,129 | 3,184 | 1,959 | 2,398 | 262 | 7,803 | 2,660 | 2,075 | 2,699 | 360 | 7,794 |
| Oklahoma | 4,087 | 2,516 | 2,622 | 55 | 9,280 | 4,411 | 3,094 | 2,442 | 53 | 10,000 | 4,525 | 3,335 | 3,437 | 90 | 11,387 |
| Texas | 23,741 | 12,154 | 6,654 | 88 | 42,637 | 24,511 | 13,098 | 6,977 | 114 | 44,700 | 27,389 | 14,118 | 7,982 | 152 | 49,641 |
| ROCKY MOUNTAIN | | | | | | | | | | | | | | | |
| Colorado | 3,426 | 1,519 | 1,088 | 0 | 6,033 | 3,191 | 1,732 | 1,600 | 0 | 6,523 | 3,348 | 1,295 | 454 | 0 | 5,097 |
| Idaho | 1,447 | 885 | 737 | 5 | 3,074 | 1,611 | 1,018 | 738 | 5 | 3,372 | 1,685 | 1,194 | 927 | 5 | 3,811 |
| Montana | 1,021 | 847 | 564 | 0 | 2,432 | 1,037 | 954 | 624 | 0 | 2,615 | 1,105 | 1,148 | 704 | 0 | 2,957 |
| Utah | 3,042 | 1,292 | 1,387 | 664 | 6,385 | 3,248 | 1,479 | 1,527 | 289 | 6,543 | 3,367 | 1,489 | 1,511 | 123 | 6,490 |
| Wyoming | 518 | 476 | 968 | 2 | 1,964 | 502 | 536 | 1,116 | 1 | 2,155 | 558 | 540 | 1,055 | 0 | 2,153 |
| FAR WEST | | | | | | | | | | | | | | | |
| Alaska | 2,302 | 1,036 | 947 | 0 | 4,285 | 2,313 | 1,350 | 1,229 | 200 | 5,092 | 2,255 | 1,724 | 1,186 | 0 | 5,165 |
| California | 52,874 | 31,649 | 14,202 | 1,452 | 100,177 | 57,827 | 34,375 | 14,736 | 2,697 | 109,635 | 65,856 | 38,632 | 16,263 | 3,462 | 124,213 |
| Hawaii | 3,214 | 976 | 1,886 | 683 | 6,759 | 3,251 | 1,015 | 1,911 | 319 | 6,496 | 3,168 | 1,094 | 2,189 | 373 | 6,824 |
| Nevada | 1,488 | 789 | 3,707 | 53 | 6,037 | 1,554 | 928 | 4,394 | 71 | 6,947 | 1,568 | 959 | 4,566 | 79 | 7,172 |
| Oregon | 4,448 | 2,229 | 5,964 | 0 | 12,641 | 4,125 | 2,457 | 6,309 | 0 | 12,891 | 4,860 | 2,748 | 6,911 | 0 | 14,519 |
| Washington | 9,332 | 4,479 | 4,708 | 510 | 19,029 | 9,759 | 4,738 | 5,194 | 666 | 20,357 | 10,236 | 5,315 | 5,825 | 963 | 22,339 |
| TOTAL | \$393,736 | \$208,494 | \$209,260 | \$16,295 | \$827,785 | \$420,513 | \$222,364 | \$219,256 | \$19,302 | \$881,435 | \$448,232 | \$245,300 | \$244,393 | \$23,844 | \$961,769 |
| Puerto Rico | 5,980 | 3,307 | 8,535 | 500 | 18,322 | 6,713 | 3,631 | 8,359 | 475 | 19,178 | 7,083 | 3,820 | 8,555 | 475 | 19,933 |

Note: See General Notes at the end of this chapter.

Source: National Association of State Budget Officers, 1999 State Expenditure Report, June 2000

Table 2
ANNUAL PERCENTAGE CHANGE IN TOTAL STATE EXPENDITURES

| Region/State | Fiscal 1998 to 1999 | | | Fiscal 1999 to 2000 | | |
|-----------------------|---------------------|---------------|-------------|---------------------|---------------|-------------|
| | State Funds | Federal Funds | All Funds | State Funds | Federal Funds | All Funds |
| NEW ENGLAND | | | | | | |
| Connecticut | 4.9% | 7.3% | 5.9% | 2.0% | -21.8% | -0.4% |
| Maine | 9.9 | 2.3 | 7.4 | 16.7 | 17.6 | 17.2 |
| Massachusetts* | 8.3 | -3.0 | 5.2 | 7.0 | 3.0 | 5.8 |
| New Hampshire | 3.7 | 10.8 | 5.9 | 53.1 | 1.5 | 33.7 |
| Rhode Island | 7.3 | 8.9 | 8.7 | 11.3 | 19.6 | 14.2 |
| Vermont | 14.8 | 11.4 | 12.4 | 10.2 | 18.0 | 13.0 |
| MID-ATLANTIC | | | | | | |
| Delaware | 7.8 | 26.3 | 11.0 | 7.3 | 4.4 | 6.4 |
| Maryland | 8.6 | 2.4 | 7.2 | 4.3 | 9.1 | 6.2 |
| New Jersey* | 7.3 | 5.1 | 6.3 | 7.6 | 15.0 | 9.6 |
| New York | 7.0 | -4.5 | 3.9 | 4.0 | 9.0 | 5.2 |
| Pennsylvania | 5.3 | 13.8 | 8.2 | 5.3 | 11.4 | 7.7 |
| GREAT LAKES | | | | | | |
| Illinois* | 6.6 | 5.6 | 6.3 | 35.3 | 26.6 | 45.5 |
| Indiana | -3.4 | 13.0 | 0.8 | 11.4 | 17.7 | 12.3 |
| Michigan* | -2.6 | 19.4 | 2.7 | 3.0 | 12.2 | 5.2 |
| Ohio* | 3.2 | 4.6 | 3.4 | 18.1 | 38.8 | 20.1 |
| Wisconsin | 6.6 | 13.2 | 7.8 | -15.8 | 16.7 | -9.6 |
| PLAINS | | | | | | |
| Iowa | 6.9 | 9.8 | 7.5 | 8.8 | 9.7 | 9.0 |
| Kansas* | 6.2 | 14.2 | 8.3 | 2.4 | -4.2 | 1.0 |
| Minnesota | 7.7 | 1.0 | 6.0 | 5.9 | 13.9 | 7.4 |
| Missouri* | 7.1 | 16.3 | 9.5 | 6.2 | 18.8 | 9.5 |
| Nebraska | 12.4 | 10.7 | 12.0 | -12.2 | -10.3 | -11.7 |
| North Dakota | 7.6 | 0.1 | 4.4 | 2.4 | -0.5 | 3.2 |
| South Dakota | 5.5 | -8.4 | 0.1 | 4.8 | 16.4 | 8.9 |
| SOUTHEAST | | | | | | |
| Alabama | 2.7 | 7.3 | 5.1 | 27.3 | 12.8 | 22.3 |
| Arkansas | 9.7 | -4.0 | 6.1 | 9.0 | 11.4 | 9.6 |
| Florida | 9.6 | 6.1 | 8.2 | 8.0 | 5.8 | 5.3 |
| Georgia | 7.6 | 8.3 | 11.9 | -2.5 | -1.2 | -5.0 |
| Kentucky | 10.1 | 8.0 | 9.5 | 5.9 | 10.9 | 7.4 |
| Louisiana | 2.7 | 2.0 | 2.7 | 7.7 | 9.7 | 7.9 |
| Mississippi | 3.9 | -1.0 | 1.7 | 17.8 | 30.6 | 24.3 |
| North Carolina | 11.3 | 3.3 | 7.6 | 3.3 | -2.8 | 2.5 |
| South Carolina | -17.7 | -8.4 | -14.0 | 27.2 | 2.6 | 19.9 |
| Tennessee* | 5.1 | 7.8 | 8.1 | 5.4 | 7.9 | 4.7 |
| Virginia | 15.3 | 7.2 | 13.0 | 7.3 | 5.7 | 7.1 |
| West Virginia | 10.1 | -0.2 | 5.6 | -8.1 | 11.6 | 0.3 |
| SOUTHWEST | | | | | | |
| Arizona | 9.9 | 14.2 | 12.0 | 2.0 | 2.9 | 3.4 |
| New Mexico | 7.4 | 14.2 | 9.5 | -4.0 | 5.9 | -0.1 |
| Oklahoma | 2.1 | 23.0 | 7.8 | 16.2 | 7.8 | 13.9 |
| Texas | 3.6 | 7.8 | 4.8 | 12.3 | 7.8 | 11.1 |
| ROCKY MOUNTAIN | | | | | | |
| Colorado | 6.1 | 14.0 | 8.1 | -20.6 | -25.2 | -21.9 |
| Idaho | 7.6 | 15.0 | 9.7 | 11.2 | 17.3 | 13.0 |
| Montana | 4.8 | 12.6 | 7.5 | 8.9 | 20.3 | 13.1 |
| Utah | 7.8 | 14.5 | 2.5 | 2.2 | 0.7 | -0.8 |
| Wyoming | 8.9 | 12.6 | 9.7 | -0.3 | 0.7 | -0.1 |
| FAR WEST | | | | | | |
| Alaska | 9.0 | 30.3 | 18.8 | -2.9 | 27.7 | 1.4 |
| California | 8.2 | 8.6 | 9.4 | 13.2 | 12.4 | 13.3 |
| Hawaii | 1.2 | 4.0 | -3.9 | 3.8 | 7.8 | 5.0 |
| Nevada | — | — | — | 3.1 | 3.3 | 3.2 |
| Oregon* | 0.2 | 10.2 | 2.0 | 12.8 | 11.8 | 12.6 |
| Washington | 6.5 | 5.8 | 7.0 | 7.4 | 12.2 | 9.7 |
| TOTAL | 6.1% | 6.7% | 6.5% | 8.3% | 10.3% | 9.1% |
| Puerto Rico | 3.8 | 9.8 | 4.7 | 3.8 | 5.2 | 3.9 |

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, 1999 State Expenditure Report, June 2000

Table 3
COMPARISON OF SHARES OF STATE SPENDING WITH FUND SOURCES, FISCAL 1988 TO 2000

| Fund Type & Year | Elementary & Secondary Education | Higher Education | Public Assistance | Medicaid | Corrections | Transportation | All Other | Total |
|-----------------------------------|----------------------------------|------------------|-------------------|-------------|-------------|----------------|-------------|--------------|
| FY 1988: | | | | | | | | |
| General Funds | 34.5 | 15.5 | 5.1 | 8.7 | 5.2 | 1.3 | 29.7 | 100.0 |
| Other State Funds | 10.0 | 11.8 | 0.4 | 0.6 | 0.9 | 28.3 | 48.0 | 100.0 |
| Federal Funds | 11.4 | 3.4 | 11.1 | 27.0 | 0.1 | 12.4 | 34.6 | 100.0 |
| Bond Funds | 0.4 | 8.2 | 0.0 | 0.0 | 14.6 | 20.4 | 56.4 | 100.0 |
| Total Funds | 23.0 | 11.8 | 5.3 | 10.8 | 3.2 | 10.3 | 35.5 | 100.0 |
| FY 1989: | | | | | | | | |
| General Funds | 34.6 | 15.2 | 5.0 | 9.0 | 5.3 | 1.3 | 29.7 | 100.0 |
| Other State Funds | 9.9 | 12.8 | 0.5 | 0.7 | 1.0 | 26.9 | 48.2 | 100.0 |
| Federal Funds | 11.3 | 3.4 | 10.4 | 28.7 | 0.1 | 12.8 | 33.4 | 100.0 |
| Bond Funds | 19.5 | 11.1 | 0.0 | 0.0 | 6.5 | 21.0 | 41.9 | 100.0 |
| Total Funds | 23.4 | 12.0 | 5.1 | 11.3 | 3.2 | 10.1 | 35.0 | 100.0 |
| FY 1990: | | | | | | | | |
| General Funds | 33.5 | 14.6 | 4.9 | 9.5 | 5.5 | 1.3 | 30.8 | 100.0 |
| Other State Funds | 10.6 | 15.3 | 0.5 | 1.4 | 0.8 | 25.7 | 45.7 | 100.0 |
| Federal Funds | 11.5 | 3.2 | 10.4 | 31.8 | 0.1 | 12.8 | 30.2 | 100.0 |
| Bond Funds | 1.7 | 10.0 | 0.0 | 0.0 | 14.5 | 30.1 | 43.7 | 100.0 |
| Total Funds | 22.8 | 12.2 | 5.0 | 12.5 | 3.4 | 9.9 | 34.2 | 100.0 |
| FY 1991: | | | | | | | | |
| General Funds | 33.4 | 14.1 | 5.3 | 10.5 | 5.7 | 1.1 | 29.9 | 100.0 |
| Other State Funds | 8.4 | 14.0 | 0.6 | 2.5 | 0.7 | 26.0 | 47.7 | 100.0 |
| Federal Funds | 10.8 | 3.6 | 10.3 | 34.7 | 0.1 | 10.2 | 30.4 | 100.0 |
| Bond Funds | 13.7 | 11.0 | 0.0 | 0.0 | 13.9 | 28.7 | 32.6 | 100.0 |
| Total Funds | 22.0 | 11.5 | 5.3 | 14.2 | 3.5 | 9.4 | 34.0 | 100.0 |
| FY 1992: | | | | | | | | |
| General Funds | 34.0 | 13.5 | 5.1 | 12.1 | 5.6 | 0.8 | 28.8 | 100.0 |
| Other State Funds | 7.2 | 14.4 | 0.5 | 6.5 | 0.6 | 23.9 | 47.0 | 100.0 |
| Federal Funds | 10.3 | 2.6 | 8.9 | 40.9 | 0.1 | 9.5 | 27.7 | 100.0 |
| Bond Funds | 3.3 | 14.4 | 0.0 | 0.0 | 11.9 | 34.6 | 35.8 | 100.0 |
| Total Funds | 21.2 | 11.0 | 4.9 | 17.8 | 3.2 | 9.1 | 32.9 | 100.0 |
| FY 1993: | | | | | | | | |
| General Funds | 34.8 | 13.1 | 5.1 | 13.3 | 5.7 | 0.9 | 27.2 | 100.0 |
| Other State Funds | 6.5 | 15.1 | 0.5 | 7.1 | 0.6 | 23.1 | 47.2 | 100.0 |
| Federal Funds | 10.2 | 2.6 | 7.3 | 40.8 | 0.1 | 9.5 | 29.6 | 100.0 |
| Bond Funds | 21.1 | 14.6 | 0.0 | 0.0 | 9.4 | 22.3 | 32.6 | 100.0 |
| Total Funds | 21.5 | 10.8 | 4.5 | 18.8 | 3.1 | 8.7 | 32.5 | 100.0 |
| FY 1994: | | | | | | | | |
| General Funds | 33.9 | 13.0 | 4.9 | 14.2 | 6.2 | 0.9 | 27.0 | 100.0 |
| Other State Funds | 6.7 | 14.3 | 0.4 | 6.5 | 0.7 | 23.8 | 47.6 | 100.0 |
| Federal Funds | 9.8 | 2.7 | 6.7 | 42.5 | 0.1 | 9.5 | 28.6 | 100.0 |
| Bond Funds | 5.7 | 26.7 | 0.0 | 0.0 | 12.1 | 20.6 | 34.9 | 100.0 |
| Total Funds | 20.4 | 10.8 | 4.2 | 19.7 | 3.4 | 9.0 | 32.4 | 100.0 |
| 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 | 0.7 | 27.1 | 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 | 8.7 | 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 | 34.9 | 13.1 | 2.7 | 14.6 | 6.8 | 0.7 | 27.1 | 100.0 |
| Other State Funds | 9.4 | 11.3 | 0.6 | 6.3 | 0.8 | 22.1 | 49.5 | 100.0 |
| Federal Funds | 10.3 | 3.5 | 4.2 | 43.6 | 0.4 | 9.2 | 28.8 | 100.0 |
| Bond Funds | 21.0 | 19.4 | 0.0 | 0.0 | 6.5 | 25.0 | 28.2 | 100.0 |
| Total Funds | 22.1 | 10.4 | 2.5 | 19.6 | 3.7 | 8.7 | 33.1 | 100.0 |
| FY 2000: | | | | | | | | |
| General Funds | 35.5 | 13.0 | 2.5 | 14.6 | 6.9 | 0.7 | 26.8 | 100.0 |
| Other State Funds | 9.0 | 11.0 | 0.5 | 5.6 | 0.8 | 21.5 | 51.5 | 100.0 |
| Federal Funds | 10.7 | 3.3 | 4.0 | 42.0 | 0.4 | 9.4 | 30.1 | 100.0 |
| Bond Funds | 19.8 | 18.2 | 0.0 | 0.0 | 6.9 | 25.3 | 29.8 | 100.0 |
| Total Funds | 22.1 | 10.1 | 2.3 | 18.9 | 3.7 | 8.8 | 34.0 | 100.0 |
| FY 1988-00 Combined Total: | | | | | | | | |
| General Funds | 34.3 | 13.6 | 4.3 | 12.7 | 6.2 | 0.9 | 28.0 | 100.0 |
| Other State Funds | 8.9 | 13.2 | 0.5 | 4.9 | 0.8 | 24.1 | 47.5 | 100.0 |
| Federal Funds | 10.5 | 3.1 | 7.4 | 38.9 | 0.2 | 10.2 | 29.8 | 100.0 |
| Bond Funds | 11.6 | 16.5 | 0.0 | 0.0 | 9.6 | 26.2 | 36.0 | 100.0 |
| Total Funds | 21.9 | 11.0 | 4.1 | 17.1 | 3.5 | 9.2 | 33.2 | 100.0 |

Source: National Association of State Budget Officers, 1999 State Expenditure Report, June 2000

Table 3 reflects shares of state spending on functional areas, by fund source, from 1988 to 2000. Also, Table 5, at the end of the Executive Summary, highlights the share of each state's budget represented by various programs in fiscal 1999 and shows the wide variation among states in their spending patterns.

General Fund Expenditures

Figure 6
GENERAL FUND EXPENDITURES, FISCAL 1999

Elementary and secondary education absorb the largest portion of the general fund. As Figure 6 shows 34.9 percent of 1999 general fund spending was directed toward elementary and secondary education. Higher education accounted for 13.1 percent of general fund spending while Medicaid accounted for 14.6 percent of general fund spending. Figure 7 reflects the percentage change for general fund spending in each of the functional categories.

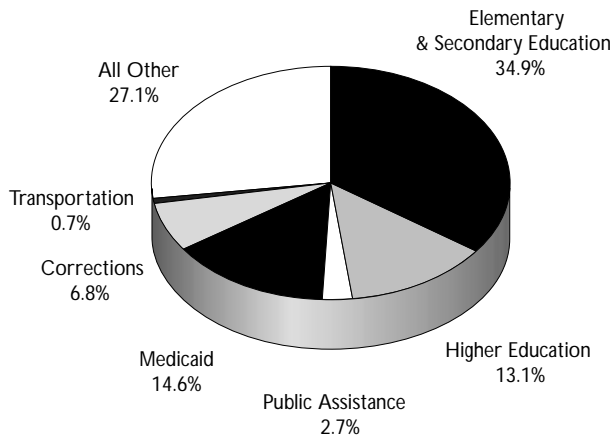
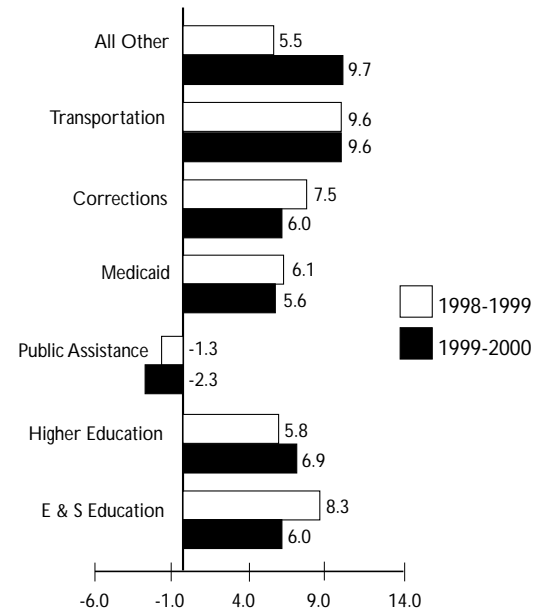


Figure 7
PERCENT CHANGE IN GENERAL FUND, FISCAL 1999 TO 2000



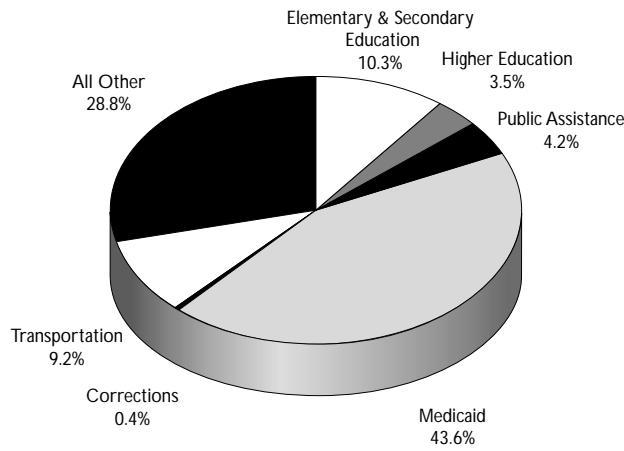
Other State Funds Expenditures

Transportation accounted for the second largest portion of other state funds spending, 22.1 percent, second only to the "all other" functional area. These funds for transportation largely represent receipts from gasoline taxes earmarked for highways. Both education functions also accounted for significant portions of the spending from other state funds: elementary and secondary education at 9.8 percent, and higher education at 13.6 percent.

Federal Fund Expenditures

As reflected in Figure 8, Medicaid accounts for the largest portion of state spending from federal funds at 43.6 percent. Elementary and secondary education and transportation, at 10.3 and 9.2 percent respectively, follow. Medicaid's share of spending from federal funds increased steadily from 1988 through 1992, when it began leveling off in the 40 to 44 percent range (see Table 3). Expansions to the Medicaid program, increasing caseloads, and the increased use of provider taxes and voluntary contributions to secure matching federal funds all help to explain these increases.

Figure 8
FEDERAL FUND EXPENDITURES, FISCAL 1999



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 1998-1999 growth rates for all funds for New England, Great Lakes and Mid Atlantic states are below the national average, with growth rates for the Southeast, Plains, Rocky Mountain and Southwest states exceeding the national average. For state funds, growth rates in most regions are similar to the trends for all funds. The growth and decline of federal funds by region varies considerably.

Table 4
REGIONAL PERCENTAGE CHANGE IN TOTAL EXPENDITURES, FISCAL 1999 AND 2000

| Region | Fiscal 1998 to 1999 | | | Fiscal 1999 to 2000 | | |
|-------------------|---------------------|---------------|-------------|---------------------|---------------|------------|
| | State Funds | Federal Funds | All Funds | State Funds | Federal Funds | All Funds |
| New England | 7.3% | 2.0% | 6.2% | 8.5% | 4.3% | 7.3% |
| Mid-Atlantic | 6.9 | 2.0 | 5.8 | 5.1 | 10.4 | 6.7 |
| Great Lakes | 2.4 | 11.5 | 4.3 | 12.1 | 21.3 | 16.6 |
| Plains | 7.5 | 8.3 | 7.7 | 4.3 | 9.1 | 5.6 |
| Southeast | 7.1 | 4.2 | 6.6 | 7.9 | 7.0 | 6.9 |
| Southwest | 5.0 | 11.4 | 7.0 | 9.1 | 6.8 | 8.8 |
| Rocky Mountain | 7.0 | 13.9 | 6.6 | -3.2 | -0.9 | -3.3 |
| Far West | 7.2 | 9.0 | 8.4 | 10.9 | 12.5 | 11.7 |
| ALL STATES | 6.1% | 6.7% | 6.5% | 8.3% | 10.3% | 9.1 |

Source: National Association of State Budget Officers, 1999 State Expenditure Report, June 2000

Figure 9 shows the percentage change in state spending from state funds for 1998-99 and 1999-2000. The Great Lakes region in particular has experienced above average growth in 1999-2000.

Total state expenditure data can be found on Tables 1-5, along with related footnotes at the end of this chapter. Chapter Eight contains tables reflecting total capital spending data reported by the states, and Chapter Nine contains the major general revenue sources reported by the states.

Figure 9
REGIONAL PERCENT CHANGE IN STATE FUNDS, FISCAL 1999 AND 2000

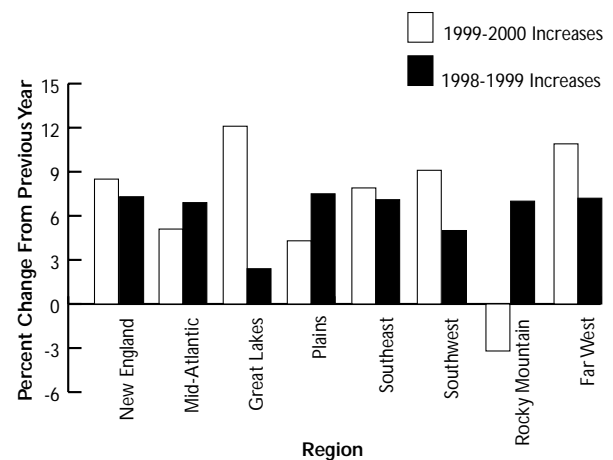


Table 5
STATE SPENDING BY FUNCTION AS A PERCENT OF TOTAL STATE EXPENDITURES, FISCAL 1999

| Region/State | Elementary & Secondary Education | Higher Education | Cash Assistance | Medicaid | Corrections | Transportation | All Other | Total |
|-----------------------|--|---------------------|--------------------|--------------|-------------|----------------|--------------|--------------|
| NEW ENGLAND | | | | | | | | |
| Connecticut | 15.2% | 8.6% | 3.8% | 19.0% | 2.8% | 7.5% | 43.1% | 100.0 |
| Maine | 20.4 | 4.3 | 4.3 | 24.7 | 1.9 | 8.8 | 35.6 | 100.0 |
| Massachusetts | 15.1 | 5.2 | 2.7 | 20.1 | 3.1 | 11.0 | 42.8 | 100.0 |
| New Hampshire | 8.6 | 5.4 | 2.4 | 30.2 | 2.7 | 14.3 | 36.4 | 100.0 |
| Rhode Island | 16.2 | 10.6 | 3.6 | 26.5 | 3.3 | 8.1 | 31.7 | 100.0 |
| Vermont | 20.1 | 3.1 | 3.3 | 21.7 | 3.0 | 11.9 | 36.9 | 100.0 |
| MID-ATLANTIC | | | | | | | | |
| Delaware | 21.9 | 5.7 | 1.3 | 9.5 | 3.8 | 8.0 | 49.8 | 100.0 |
| Maryland | 17.9 | 15.2 | 1.4 | 16.6 | 4.9 | 13.6 | 30.4 | 100.0 |
| New Jersey | 23.7 | 8.3 | 1.7 | 21.8 | 3.7 | 7.5 | 33.2 | 100.0 |
| New York | 19.3 | 6.5 | 4.3 | 32.2 | 3.9 | 3.7 | 30.1 | 100.0 |
| Pennsylvania | 19.1 | 6.2 | 2.7 | 27.4 | 3.7 | 10.6 | 30.3 | 100.0 |
| GREAT LAKES | | | | | | | | |
| Illinois | 20.8 | 8.0 | 1.8 | 21.1 | 3.7 | 8.3 | 36.4 | 100.0 |
| Indiana | 27.5 | 9.8 | 1.8 | 18.5 | 3.9 | 8.6 | 29.9 | 100.0 |
| Michigan | 31.5 | 5.9 | 1.6 | 18.9 | 4.9 | 8.2 | 29.1 | 100.0 |
| Ohio | 18.4 | 7.1 | 1.3 | 20.9 | 4.6 | 9.1 | 38.6 | 100.0 |
| Wisconsin | 21.2 | 12.9 | 0.9 | 11.4 | 3.4 | 8.1 | 42.2 | 100.0 |
| PLAINS | | | | | | | | |
| Iowa | 20.4 | 25.4 | 1.1 | 13.2 | 2.4 | 9.2 | 28.4 | 100.0 |
| Kansas | 28.5 | 16.6 | 0.6 | 14.7 | 3.4 | 11.3 | 24.9 | 100.0 |
| Minnesota | 24.1 | 10.7 | 1.9 | 17.8 | 2.3 | 9.4 | 33.8 | 100.0 |
| Missouri | 24.0 | 7.3 | 1.4 | 18.4 | 3.0 | 7.8 | 38.0 | 100.0 |
| Nebraska | 18.0 | 22.2 | 1.0 | 16.9 | 2.5 | 9.6 | 29.8 | 100.0 |
| North Dakota | 17.2 | 11.9 | 0.9 | 16.8 | 1.7 | 13.3 | 38.1 | 100.0 |
| South Dakota | 14.6 | 16.7 | 1.5 | 19.9 | 2.6 | 15.4 | 29.4 | 100.0 |
| SOUTHEAST | | | | | | | | |
| Alabama | 24.5 | 11.9 | 0.3 | 18.9 | 1.6 | 15.9 | 27.0 | 100.0 |
| Arkansas | 19.7 | 16.4 | 2.8 | 16.1 | 2.0 | 6.6 | 36.5 | 100.0 |
| Florida | 18.9 | 9.8 | 0.6 | 15.0 | 3.6 | 12.0 | 40.1 | 100.0 |
| Georgia | 24.8 | 18.7 | 0.8 | 15.9 | 3.5 | 7.7 | 28.7 | 100.0 |
| Kentucky | 22.0 | 18.7 | 1.3 | 18.9 | 2.6 | 10.6 | 26.0 | 100.0 |
| Louisiana | 20.2 | 13.4 | 0.5 | 21.8 | 3.4 | 3.1 | 37.7 | 100.0 |
| Mississippi | 22.8 | 15.0 | 0.8 | 23.6 | 2.7 | 11.3 | 23.7 | 100.0 |
| North Carolina | 25.4 | 13.2 | 2.3 | 20.7 | 3.9 | 10.3 | 24.2 | 100.0 |
| South Carolina | 21.3 | 7.2 | 0.5 | 21.6 | 3.2 | 3.9 | 42.3 | 100.0 |
| Tennessee | 18.1 | 13.1 | 0.7 | 25.3 | 2.6 | 6.0 | 34.1 | 100.0 |
| Virginia | 17.9 | 13.8 | 0.7 | 11.4 | 4.3 | 13.7 | 38.3 | 100.0 |
| West Virginia | 27.2 | 18.2 | 0.6 | 22.3 | 1.4 | 13.8 | 16.4 | 100.0 |
| SOUTHWEST | | | | | | | | |
| Arizona | 18.5 | 13.2 | 0.9 | 13.9 | 5.0 | 10.9 | 37.6 | 100.0 |
| New Mexico | 24.6 | 18.9 | 4.6 | 13.8 | 2.2 | 9.0 | 26.9 | 100.0 |
| Oklahoma | 24.7 | 13.4 | 1.0 | 14.8 | 3.6 | 9.6 | 32.8 | 100.0 |
| Texas | 27.6 | 12.1 | 0.6 | 23.2 | 5.8 | 8.8 | 21.9 | 100.0 |
| ROCKY MOUNTAIN | | | | | | | | |
| Colorado | 34.3 | 7.8 | 5.4 | 27.9 | 0.1 | 13.6 | 10.8 | 100.0 |
| Idaho | 29.0 | 10.0 | 0.8 | 15.1 | 4.1 | 11.6 | 29.4 | 100.0 |
| Montana | 20.8 | 10.6 | 1.2 | 15.1 | 3.4 | 15.5 | 33.4 | 100.0 |
| Utah | 31.3 | 10.9 | 1.4 | 10.9 | 3.7 | 14.7 | 27.1 | 100.0 |
| Wyoming | 23.3 | 8.4 | 0.5 | 8.1 | 2.1 | 18.3 | 39.3 | 100.0 |
| FAR WEST | | | | | | | | |
| Alaska | 17.5 | 10.3 | 2.8 | 8.0 | 3.5 | 21.9 | 36.1 | 100.0 |
| California | 24.6 | 7.9 | 7.4 | 16.9 | 4.0 | 6.5 | 32.7 | 100.0 |
| Hawaii | 19.1 | 10.1 | 3.0 | 9.4 | 2.4 | 11.7 | 44.3 | 100.0 |
| Nevada | 11.1 | 6.9 | 0.5 | 7.8 | 3.1 | 6.1 | 64.5 | 100.0 |
| Oregon | 18.4 | 11.5 | 2.1 | 15.9 | 4.3 | 6.8 | 42.5 | 100.0 |
| Washington | 25.0 | 15.8 | 2.4 | 16.9 | 3.4 | 7.1 | 29.4 | 100.0 |
| ALL STATES | 22.1% | 10.4% | 2.5% | 19.6% | 3.7% | 8.7% | 33.1% | 100.0 |
| Puerto Rico | 11.0 | 4.9 | 7.0 | 7.5 | 2.2 | 8.7 | 58.7 | 100.0 |

Note: Percentages may not add to 100.
Source: National Association of State Budget Officers, 1999 State Expenditure Report, June 2000

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.

Kansas: In all three fiscal years, retirement benefits are no longer reported in the state budget partly to avoid double counting the employer contribution component of retirement finance and partly through a redefinition of what expenditures should be considered reportable.

Illinois: Fiscal year 2000 amounts represent appropriations by the General Assembly and approved by the Governor; they do not indicate projected spending during the fiscal year.

Massachusetts: “General Funds” encompasses Massachusetts’s three major funds—General, Highway and Local Aid Funds. Massachusetts uses all three funds in the manner that most states, which typically have far fewer dedicated funds, use just their General Fund. Some fiscal 1998 data has been revised to reflect higher federal reimbursements than previously reported and an adjustment to general funds expenditures.

Michigan: The fiscal 1998 actual figures reported here differ from the ones reported in the December 1999 Fiscal Survey of States. Those expenditure figures reflected adjustments for contingency appropriations and projected lapses at the time the Fiscal Survey was completed. The figures cited here are more recent. Fiscal 1999 expenditures are estimates.

Missouri: General revenue includes refund required by Missouri Constitution for revenues received in excess of revenue limit: fiscal year 1998, \$178.8 million; fiscal year 1999, \$98.9 million. Federal and other funds for fiscal year 2000 represent appropriations available to state agencies. These appropriations establish ceilings on what agencies may spend. These appropriations are often established at

higher levels to provide agencies with appropriation authority in the event that revenues are available for various programs. Final expenditures will be substantially lower. Other funds include federal reimbursements received by the Department of Highways and Transportation and the Department of Conservation, which have constitutionally created funds. Tables showing each category as a percentage of total expenditures fluctuate due to the state’s biennial capital improvements budget, which in large measure is charged to the first year of the biennium (even numbered fiscal years).

New Jersey: General Funds include the Property Tax Relief Fund into which all revenues from the New Jersey State Income Tax are deposited and expended.

Ohio: Certain federal reimbursements and block grants for certain human services programs (Medicaid, TANF, etc.) are deposited into the state’s General Revenue Fund. Expenditures of these federal funds are contained in the General Fund number in this report to be consistent with other portrayals of Ohio’s general fund. This amounts to \$3,290.8 million in fiscal 1998 and \$3,428.4 million in fiscal 1999. This has an impact on percentage of total general fund expenditure calculations as well as on comparisons of Ohio’s federal funding levels.

Also, inherent in Ohio’s budgetary accounting environment are significant overstatements of total 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 for the state. These expenditures total \$4,524.6 million in fiscal 1998 and \$4,898 million in fiscal 1999.

Additionally, “double counting” of revenue and expenditures related to intrastate transactions overstates overall state expenditure activity. The overstatement is primarily found in general services and intergovernmental service funds. Expenditure activity from these funds totals \$741.1 million in fiscal 1998 and \$752.9 million in fiscal 1999. This results in Ohio’s “All Other” expenditures as a percentage of the total being overstated, and consequently other areas being understated.

Ohio appropriates capital appropriations on a biennial basis rather than an annual basis, therefore, the amounts shown for fiscal 2000 are estimates.

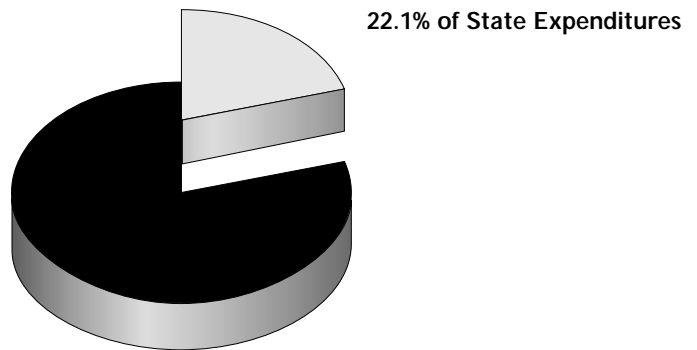
Footnotes for fiscal 1999 are also applicable to fiscal 2000 estimates, but amounts cannot be provided at this time.

Oregon: Because the state operates on a biennial basis, certain expenditure groups were estimated based on a 48 percent (first year) to 52 percent (second year) split. The state does not separately report bond funds or capital expenditures.

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.

CHAPTER ONE ELEMENTARY & SECONDARY EDUCATION



Elementary and secondary education constitutes the largest state expenditure category with \$194.5 billion in total expenditures for 1999. Its growth outpaced that of total state expenditures; overall state expenditures between 1998 to 1999 increased 6.5 percent, while elementary and secondary education spending increased 6.8 percent.

Elementary and secondary education on average constitutes 22.1 percent of total state spending and nearly 35 percent of state general fund spending. Between 1998 and 1999, eleven states had double-digit percentage increases, ranging from 11 percent to nearly 25 percent. Governors' in many states are making elementary and secondary education their highest priority, indicating continued strength in spending for fiscal year 2001.

States' focus on elementary and secondary education includes increased efforts to ensure accountability, provide teacher training, reduce classroom size and provide more technology training. States are also grappling with the need to provide adequate funds for school construction and renovation and the relative roles of state and local governments in providing the funds needed for school repairs.

The following areas are the focus of many states' efforts to improve elementary and secondary education:

- Establishing assessment and accountability standards to set clear expectations for learning.
- Creating or revising school financial structures, including funding for facilities.
- Providing some opportunities for public school choice, often through intra-district enrollment or charter schools.
- Improving teacher quality through professional development.
- Expanding early childhood development education programs.
- Expanding technology capacities.
- Promoting extra learning opportunities such as summer reading programs.

At the federal level, the President's fiscal year 2001 budget contains proposals to increase resources for elementary and secondary education. These include funds to reduce class size, hire more teachers and an expansion of a school construction initiative that subsidizes the issuance of bonds. The reauthorization of the Elementary and Secondary Education Act will also focus federal attention on education.

School Litigation

Courts continue to play a role in setting funding policies for education. Since 1971, most states have been subject to lawsuits seeking to reform their funding systems for education. These cases are litigated on the basis of state rather than federal constitutional language and generally either seek greater equity in funding among school districts or a guaranteed level of "adequate" funding for education. Eighteen state supreme courts have found the finance systems unconstitutional and many states are still actively involved in litigation. Even in states where litigation has not occurred or has not succeeded, the prospect of law suits has prompted revisions of state funding policy.

In addition to challenges focusing on school operating budgets, in at least thirty-seven states school construction and renovation of facilities are the focus for legal challenges. The listing on the next pages provide details regarding litigation.

Figure 10

SCHOOL FINANCE LITIGATION ACTIVITY IN THE STATES (AND YEAR FILED)

Litigation in Process and Unsettled Lawsuits

Alaska (1997) Superior Court judge ruled that the state's rural schools receive inequitable and inadequate funding for facilities. The judge also agreed with the plaintiffs' claim that the system discriminated against Native Americans.

Arkansas (1994) Chancery court ruled system unconstitutional, but the decision was not a "final ruling". The court has yet to rule whether funding system changes enacted by the state resolve the inequities.

Colorado (1998) Eleven rural districts filed a lawsuit charging the state's system for funding school construction is unconstitutional. Plaintiffs claim that the state inadequately funds capital expenditures.

Connecticut (1998) Families of 7 school children, with the backing of 12 cities and towns, filed a lawsuit claiming that a proviso that sets funding caps designed to limit spending creates inequities.

Florida (1994) Plaintiffs claim that the district discriminates against minority students by not equitably and adequately distributing resources. Dismissed by Appellate Court, and remanded to the District Court.

Idaho (1995) State Supreme Court declared the “equity” is not an issue in Idaho because the constitutional language focuses on “thoroughness”. Case was remanded to District Court.

Illinois (1995) The ACLU case claims that the state and East St. Louis school district fail to provide an adequate education for the city’s children. State Supreme Court decision affirmed circuit court decision rejecting the plaintiff’s claims.

Kansas (1999) Fourteen districts filed a lawsuit in District court in Wichita on civil rights grounds, claiming the states’ school aid system discriminates against minority and disabled students.

Minnesota (1996) Lawsuit claims that resources are not available to provide an “adequate” education based on state academic standards and performance requirements. Lawsuit was withdrawn by plaintiffs.

New Jersey (1998) Twenty rural school districts filed a lawsuit claiming that the state does not provide them with enough money for a “thorough and efficient education.” The case was divided into two groups. Group I has been directed to the Office of Administrative Law. Group II is under review by state education commissioner.

(1998) Twenty-five middle-income districts sued the state claiming the funding system creates wide disparities in local property tax rates. The case was dismissed by Superior Court.

New York (1993) Issues involve adequacy and equity of funding in NYC. Trial began in October 1999.

North Carolina (1994) Plaintiffs claim system is inequitable and inadequate. State Supreme Court issued opinion on interpretation of constitutional language related to education (July 1997), and remanded case to Superior Court. Superior Court trial began in September 1999.

Oregon (1994 & 1997) Appeals Court reversed a County Circuit Court decision, which ruled the funding system unconstitutional. Plaintiffs have petitioned for review with the State Supreme Court.

Pennsylvania (1998) Philadelphia school district claims the state aid system discriminates against the district’s students. Lower court dismissed the case. Federal Court of Appeals reinstated lawsuit.

Rhode Island (1999) Twelve suburban and rural districts filed a lawsuit claiming the state’s attempt to equalize school funding placed an unfair tax burden on these districts.

South Carolina (1993) State Supreme Court clarified constitutional language and ordered a trial court to determine whether the state is providing an adequate education.

West Virginia (1994) In April 1997, a specially appointed judge updated a 1982 State Supreme Court ruling on educational equity. Trial reconvened in December 1999.

Wisconsin (1995) Coalition of more than 100 school districts claim funding formula is inequitable. County Court judge upheld funding system as constitutional in August 1997. State Supreme Court to hear case in February 2000.

Recent Decisions and State Responses

Alabama Trial court ruled education system unconstitutional in 1993. The state later appealed the lower court’s “remedy” decision. In a December 1997 ruling, the State Supreme Court affirmed the 1993 liability ruling and gave the state a “reasonable time” to fix the schools before further legal intervention.

Alaska In February 1997, State Supreme Court upheld the school funding law that gives a greater share of state money to regional school districts than to municipal school districts.

Arizona State Supreme Court ruled system unconstitutional in 1994; The Court ruled that the finance system created vast disparities in districts’ ability to afford school construction, building maintenance, and equipment. In 1999, the legislature revised a plan to allow districts to issue bonds if they want to go above and beyond the state’s facility standards. In July 1999, the State Supreme Court accepted the revised plan.

Louisiana In 1992, a group of school districts filed a lawsuit claiming the state does not provide adequate funding. The Court of Appeals dismissed the case twice in 1997 and 1998. The State Supreme Court affirmed this decision in 1999.

New Hampshire In December of 1997, the State Supreme Court ruled the New Hampshire school finance system unconstitutional, stating that relying on local property taxes to fund nearly 90 percent of the cost of education places a disproportionate burden on residents in property-poor towns. The ruling directs the legislature to set a standard for an “adequate” education that towns will be required to provide, but does not prevent towns from funding programs above this level. The case was filed in 1991. In October 1999, the State Supreme Court struck down the state’s school finance plan that was enacted in April 1999.

Figure 10 (continued)

Ohio In March of 1997, the Ohio State Supreme Court ruled the funding system unconstitutional, declaring that it violated the state's education clause, which mandates a "thorough and efficient" education. In September 1999, Governor Bob Taft submitted a plan to the State Supreme Court to spend \$10.2 billion over 12 years on school construction.

Pennsylvania In 1991, a coalition of 216 rural school district claim that the school funding system is inequitable. In 1999, the State Supreme Court dismissed the case on the grounds the school funding belongs in the legislature.

Vermont In February of 1997 the Vermont Supreme Court ruled the funding system unconstitutional. The Court states that the public school finance system, with its substantial dependence on local property taxes and resultant wide disparities in available revenue deprives children of an equal educational opportunity in violation of the Vermont Constitution. The legislature passed a new school finance, education reform, and tax reform plan (Act 60) during the 1997 session. Several lawsuits have been filed against Act 60, and most are still pending.

Wyoming A 1995 Supreme Court decision ruled the funding system unconstitutional and required state leaders to define a basic education ("the education basket"), cost-out these services and programs, and design a more equitable funding formula. In fall of 1997, the Wyoming Education Association and 31 of the 49 school districts filed a lawsuit claiming that the new school funding plan would not provide adequate funding to ensure that all students received an equal educational opportunity. In January 2000, a district judge ruled the state's funding formula for major school construction and maintenance projects is unconstitutional. However, the judge upheld the cost-based funding system.

Final Court Decisions and State Solutions

Kansas In 1994, the State Supreme Court upheld changes to the funding formula made in 1992. The court upheld the funding formula, but directed the state to reexamine the district low-enrollment provision of the funding formula.

Kentucky During the 1990 legislative session, the General Assembly enacted HB 940, a broad sweeping education reform plan that also revamped the school finance formula.

Massachusetts In mid-1993, the Massachusetts State Supreme Court ruled the state violated its constitution by neglecting its responsibility to provide an adequate education for all students. Just

prior to the court's decision, the legislature had enacted a new funding system, which the court accepted as a remedy to the financial inadequacies.

Minnesota In 1993, the State Supreme Court reversed a 1991 lower court decision and upheld the state's education funding system. After the lower court ruling, the legislature responded by revising the three finance system components found to be unconstitutional.

Missouri In January 1993, a circuit court judge ruled the state's school finance formula failed to provide equal education opportunity for children and lacked adequate funding. The state enacted an education reform plan, the Outstanding Schools Act. The State Supreme Court upheld the main section of the plan in December 1996.

Montana In 1989, the State Supreme Court found the school funding system unconstitutional. During the 1993 session, the legislature passed a radically revised finance system that requires all districts to spend between 80 and 100% of an "optimum" funding level.

New Jersey In 1990, the State Supreme Court ruled the funding system unconstitutional. In May 1998, the State Supreme court issued their final ruling which supported the governor's plan to implement "whole-school reform," expand preschool programs and address school construction.

Tennessee The Tennessee Supreme Court struck down the school funding system stating that it short-changed small, rural districts and did not provide equal education opportunities to all students. The Education Improvement Act of 1992 included a number of education reform initiatives and a new funding formula, the Basic Education Program.

Texas A 1989 State Supreme Court decision declared Texas' method of funding public education unconstitutional. The Texas legislature passed Bill 7 which requires the 110 wealthiest districts to choose from among five option to lower their property value and share it with neighboring districts. In the fall of 1998, a trial judge indicated that he has the authority to retain jurisdiction over the new funding formula, but would wait until after the 1999 legislative session to entertain further arguments against the state. The judge give one of the plaintiff groups 60 days after the session to pursue their claims against the funding system, but no formal action has taken place.

Maryland Three cases were consolidated and settled through court-mediated negotiations in mid-November, 1996. Two cases filed by the ACLU claimed that the state has not provided an adequate education for Baltimore students. The other case, filed by the MD Disability Law Center in federal court claimed that the state has not properly educated special education students.

Missouri The State Supreme Court unanimously upheld the main sections of the state's 1993 Outstanding Schools Act, which responded to a 1993 lower court decision that ruled the funding system unconstitutional.

Source: Education Commission of the States, March 2000

Sources of Funding

States fund on average approximately 48 percent of total school costs, while local governments contribute approximately 45 percent and the federal government contributes the remaining 7 percent. Local government contributions are primarily from local property taxes while state contributions are primarily raised through income and sales taxes. State funds for education as a percentage of total funding range from 89.5 percent in Hawaii to 7 percent in New Hampshire.

A number of states have moved toward increasing their share of funding for elementary and secondary education by substituting state funds for local funds, often in order to reduce the reliance on local property taxes. Funds are distributed to schools as both general funds on a per-pupil basis and as categorical grants to support specific programs or needs. The federal share is a source of supplemental funding for poor school districts and also helps pay the cost of educating handicapped children.

Distributing state funds to school districts

The average amount of state funds provided on a per pupil basis varies greatly from one state to another. States may use a variety of methods to provide aid to school districts. The most common methods are by flat grants, foundation programs, guaranteed tax base programs, percentage equalization programs, full state funding, and pupil weights.

The National Governors' Association, in "Financing America's Public Schools," suggests that policymakers consider the following issues when redesigning a school finance system:

- Guarantee districts a minimum level of funding per student supplemented by additional funds raised by the district.
- Use funding formulas to drive education reform rather than merely allocating money to school districts.
- More closely link school funding formulas with school finance, governance and program reforms to improve student performance.
- Provide local school districts with greater flexibility on how funds are spent and hold them accountable for the expenditure of the funds.
- Provide financial assistance for school construction.

Charter Schools

Some states are moving quickly to set up charter schools while other states and school districts are debating their merits. The charter school movement developed out of a belief that schools formed by teachers, parents, school boards, and community members will provide new models of schooling and incentives that will improve the current system of public education.

A contract specifies how each charter school will operate and what must be done in order for it to receive funding. The charter school is accountable for improving student performance and achieving the goals of the charter. In several states, charter schools are not subject to most regulations that otherwise apply to public schools; however, in other states, charter laws are more restrictive. Research on the impact of charter schools remains inconclusive, with some researchers maintaining that it is difficult to measure the overall impact school choice has had on students or the education system.

Since the first charter school opened in St. Paul, Minnesota, in September 1992, the charter school movement has grown substantially. Currently, thirty-two states and the District of Columbia have charter schools, and the U.S. Department of Education estimates that 1735 to 1790 charter schools were in operation during the 1999-2000 school year. Charter schools face substantial challenges in financing and business operations as many state charter school laws do not provide start-up or capital funds and provide limited operational resources.

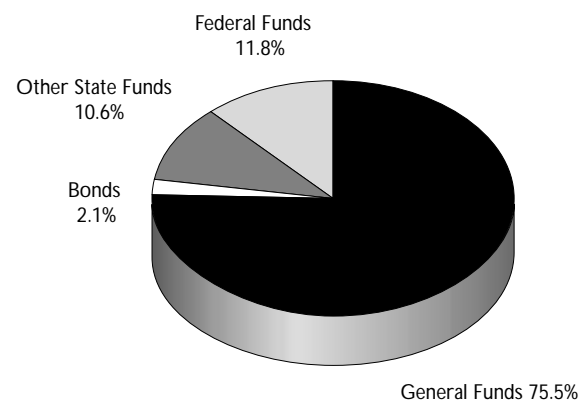
Selected Web Resources

- U.S. Department of Education
www.ed.gov
- Education Commission of the States
www.ecs.org
- National Education Association
www.nea.org
- U.S. Charter Schools Home Page
www.uscharterschools.org
- Council of Great City Schools
www.cgcs.org

Fund Shares

Relative fund shares for 1999 are shown in the figure below.

Figure 11
STATE EXPENDITURES FOR ELEMENTARY AND SECONDARY EDUCATION BY FUND SOURCE, FISCAL 1999



Regional Expenditures

The table on the next page shows percentage changes in expenditures for elementary and secondary education for fiscal 1998-1999 and 1999-2000. For 1999, states in the New England and Rocky Mountains are well above the national average, while the Great Lakes and Southwest states are below the national average.

Table 6
REGIONAL PERCENTAGE CHANGE IN STATE ELEMENTARY
AND SECONDARY EDUCATION EXPENDITURES,
FISCAL 1999 AND 2000

| Region | Fiscal 1998 to 1999 | | | Fiscal 1999 to 2000 | | |
|-------------------|---------------------|---------------|-------------|---------------------|---------------|-------------|
| | State Funds | Federal Funds | All Funds | State Funds | Federal Funds | All Funds |
| New England | 10.1% | 10.5% | 10.9% | 14.6% | 15.7% | 15.1% |
| Mid-Atlantic | 7.2 | 6.3 | 7.1 | 4.7 | 14.9 | 5.8 |
| Great Lakes | 6.0 | 5.5 | 6.4 | 6.5 | 22.5 | 9.9 |
| Plains | 8.2 | 4.3 | 7.8 | 5.2 | 17.6 | 6.6 |
| Southeast | 6.4 | 4.0 | 6.1 | 6.1 | 13.5 | 7.0 |
| Southwest | 4.6 | 1.2 | 4.1 | 12.6 | 9.1 | 12.2 |
| Rocky Mountain | 7.5 | 12.9 | 8.1 | 3.7 | 7.0 | 4.1 |
| Far West | 2.5 | 4.4 | 7.6 | 13.9 | 10.5 | 12.5 |
| ALL STATES | 5.8% | 4.8% | 6.8% | 8.2% | 14.2% | 9.1% |

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 include in these figures. For this report, thirty-seven states wholly or partially included employer contributions for teacher pensions and thirty-six states wholly or partially included contributions for health benefits. Among the states reporting, items that are excluded or partially excluded are: day care programs (43), school health care (42), Head Start (33), and libraries (22).

Summary expenditure data can be found on Tables 7-9, 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 1998 | | | | | Actual Fiscal 1999 | | | | | Estimated Fiscal 2000 | | | | |
|-----------------------|--------------------|------------------|-------------------------|----------------|------------------|--------------------|------------------|-------------------------|----------------|------------------|-----------------------|------------------|-------------------------|----------------|------------------|
| | 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 | \$1,557 | \$213 | \$10 | \$223 | \$2,003 | \$1,684 | \$237 | \$15 | \$313 | \$2,249 | \$1,767 | \$268 | \$4 | \$392 | \$2,431 |
| Maine | 785 | 92 | 1 | 1 | 879 | 813 | 95 | 1 | 5 | 914 | 852 | 105 | 1 | 1 | 959 |
| Massachusetts* | 2,831 | 420 | 23 | 6 | 3,280 | 3,159 | 474 | 24 | 0 | 3,657 | 3,194 | 562 | 13 | 0 | 3,769 |
| New Hampshire* | 74 | 83 | 50 | 4 | 211 | 58 | 90 | 65 | 5 | 218 | 54 | 85 | 825 | 6 | 970 |
| Rhode Island* | 521 | 80 | 1 | 0 | 602 | 565 | 84 | 1 | 5 | 655 | 616 | 113 | 2 | 0 | 731 |
| Vermont | 250 | 56 | 2 | 17 | 325 | 255 | 63 | 84 | 4 | 406 | 274 | 74 | 106 | 5 | 459 |
| MID-ATLANTIC | | | | | | | | | | | | | | | |
| Delaware | 626 | 66 | 266 | 22 | 980 | 654 | 70 | 271 | 36 | 1,031 | 687 | 74 | 280 | 30 | 1,071 |
| Maryland | 2,465 | 403 | 2 | 0 | 2,870 | 2,630 | 441 | 1 | 0 | 3,072 | 2,719 | 443 | 2 | 0 | 3,164 |
| New Jersey* | 5,342 | 367 | 11 | 0 | 5,720 | 5,936 | 404 | 11 | 0 | 6,351 | 6,156 | 501 | 14 | 0 | 6,671 |
| New York | 10,060 | 1,656 | 1,650 | 0 | 13,366 | 10,975 | 1,821 | 1,584 | 0 | 14,380 | 11,985 | 1,898 | 1,416 | 0 | 15,299 |
| Pennsylvania* | 5,884 | 917 | 2 | 0 | 6,803 | 6,134 | 889 | 2 | 0 | 7,025 | 6,250 | 1,250 | 2 | 0 | 7,502 |
| GREAT LAKES | | | | | | | | | | | | | | | |
| Illinois | 4,683 | 970 | 234 | 4 | 5,891 | 5,177 | 984 | 276 | 91 | 6,528 | 5,577 | 1,328 | 378 | 669 | 7,952 |
| Indiana | 2,281 | 344 | 1,185 | 0 | 3,810 | 2,500 | 380 | 1,247 | 0 | 4,127 | 2,632 | 380 | 1,373 | 0 | 4,385 |
| Michigan* | 407 | 809 | 8,924 | 0 | 10,140 | 462 | 862 | 9,123 | 0 | 10,447 | 458 | 1,049 | 9,653 | 0 | 11,160 |
| Ohio* | 4,290 | 807 | 876 | 95 | 6,068 | 4,721 | 852 | 938 | 149 | 6,660 | 5,140 | 1,066 | 844 | 144 | 7,194 |
| Wisconsin | 4,176 | 326 | 229 | 0 | 4,731 | 4,333 | 357 | 139 | 0 | 4,829 | 4,698 | 385 | 56 | 0 | 5,139 |
| PLAINS | | | | | | | | | | | | | | | |
| Iowa | 1,761 | 244 | 87 | 0 | 2,092 | 1,825 | 260 | 84 | 0 | 2,169 | 1,932 | 296 | 71 | 0 | 2,299 |
| Kansas | 1,866 | 215 | 32 | 0 | 2,113 | 2,099 | 225 | 42 | 0 | 2,366 | 2,252 | 243 | 17 | 0 | 2,512 |
| Minnesota | 3,370 | 456 | 30 | 10 | 3,866 | 3,733 | 454 | 27 | 17 | 4,231 | 4,023 | 550 | 28 | 15 | 4,616 |
| Missouri | 2,157 | 455 | 920 | 0 | 3,532 | 2,214 | 481 | 967 | 0 | 3,662 | 2,259 | 596 | 1,028 | 0 | 3,883 |
| Nebraska | 608 | 153 | 40 | 0 | 801 | 753 | 168 | 45 | 0 | 966 | 772 | 182 | 26 | 0 | 980 |
| North Dakota | 264 | 65 | 29 | 0 | 358 | 268 | 68 | 30 | 0 | 366 | 284 | 81 | 30 | 0 | 395 |
| South Dakota | 271 | 0 | 0 | 0 | 271 | 286 | 0 | 0 | 0 | 286 | 287 | 0 | 3 | 0 | 290 |
| SOUTHEAST | | | | | | | | | | | | | | | |
| Alabama* | 2,534 | 444 | 77 | 38 | 3,093 | 2,694 | 458 | 85 | 113 | 3,350 | 2,816 | 604 | 91 | 250 | 3,761 |
| Arkansas | 1,371 | 216 | 182 | 0 | 1,769 | 1,431 | 215 | 217 | 0 | 1,863 | 1,511 | 216 | 216 | 0 | 1,943 |
| Florida | 6,363 | 933 | 411 | 650 | 8,357 | 6,747 | 978 | 345 | 674 | 8,744 | 7,179 | 1,105 | 387 | 455 | 9,126 |
| Georgia | 4,506 | 657 | 365 | 47 | 5,575 | 4,820 | 702 | 331 | 147 | 6,000 | 5,018 | 785 | 279 | 93 | 6,175 |
| Kentucky | 2,621 | 355 | 21 | 0 | 2,997 | 2,784 | 406 | 28 | 0 | 3,218 | 2,924 | 446 | 25 | 0 | 3,395 |
| Louisiana | 2,141 | 552 | 222 | 0 | 2,915 | 2,250 | 552 | 225 | 0 | 3,027 | 2,344 | 699 | 183 | 0 | 3,226 |
| Mississippi* | 1,146 | 356 | 248 | 0 | 1,750 | 1,211 | 367 | 284 | 0 | 1,862 | 1,357 | 405 | 313 | 0 | 2,075 |
| North Carolina | 4,693 | 490 | 48 | 450 | 5,681 | 5,038 | 510 | 54 | 450 | 6,052 | 5,503 | 490 | 41 | 450 | 6,484 |
| South Carolina | 1,472 | 327 | 462 | 0 | 2,261 | 1,552 | 326 | 489 | 0 | 2,367 | 1,738 | 324 | 530 | 250 | 2,842 |
| Tennessee | 2,297 | 421 | 12 | 0 | 2,730 | 2,405 | 422 | 12 | 0 | 2,839 | 2,510 | 479 | 13 | 0 | 3,002 |
| Virginia | 3,113 | 225 | 37 | 0 | 3,375 | 3,577 | 263 | 12 | 0 | 3,852 | 3,889 | 290 | 8 | 0 | 4,187 |
| West Virginia | 1,326 | 212 | 28 | 162 | 1,728 | 1,351 | 196 | 30 | 75 | 1,652 | 1,380 | 278 | 44 | 62 | 1,764 |
| SOUTHWEST | | | | | | | | | | | | | | | |
| Arizona | 2,116 | 389 | 48 | 0 | 2,553 | 2,242 | 411 | 87 | 0 | 2,740 | 2,350 | 397 | 85 | 0 | 2,832 |
| New Mexico* | 1,424 | 183 | 54 | 122 | 1,783 | 1,536 | 199 | 58 | 124 | 1,917 | 1,646 | 202 | 68 | 158 | 2,074 |
| Oklahoma | 1,630 | 276 | 434 | 4 | 2,344 | 1,716 | 294 | 458 | 0 | 2,468 | 1,791 | 320 | 575 | 0 | 2,686 |
| Texas | 9,677 | 1,995 | 367 | 0 | 12,039 | 9,916 | 1,974 | 465 | 0 | 12,355 | 11,551 | 2,220 | 486 | 0 | 14,257 |
| ROCKY MOUNTAIN | | | | | | | | | | | | | | | |
| Colorado | 1,826 | 198 | 44 | 0 | 2,068 | 1,914 | 228 | 98 | 0 | 2,240 | 2,034 | 245 | 69 | 0 | 2,348 |
| Idaho | 722 | 88 | 65 | 0 | 875 | 816 | 94 | 68 | 0 | 978 | 842 | 108 | 100 | 0 | 1,050 |
| Montana* | 482 | 68 | 2 | 0 | 552 | 469 | 73 | 2 | 0 | 544 | 483 | 86 | 2 | 0 | 571 |
| Utah | 1,432 | 191 | 291 | 0 | 1,914 | 1,491 | 223 | 333 | 0 | 2,047 | 1,535 | 226 | 336 | 0 | 2,097 |
| Wyoming | 38 | 51 | 341 | 0 | 430 | 99 | 55 | 348 | 0 | 502 | 99 | 55 | 348 | 0 | 502 |
| FAR WEST | | | | | | | | | | | | | | | |
| Alaska | 735 | 105 | 22 | 0 | 862 | 744 | 111 | 35 | 0 | 890 | 797 | 122 | 45 | 0 | 964 |
| California | 20,679 | 3,169 | 648 | 156 | 24,652 | 20,965 | 3,367 | 757 | 1,849 | 26,938 | 24,629 | 3,735 | 835 | 1,747 | 30,946 |
| Hawaii | 951 | 108 | 25 | 0 | 1,084 | 1,085 | 127 | 28 | 0 | 1,240 | 1,071 | 114 | 38 | 0 | 1,223 |
| Nevada | 489 | 68 | 156 | 0 | 713 | 507 | 68 | 197 | 0 | 772 | 552 | 68 | 183 | 0 | 803 |
| Oregon | 2,059 | 282 | 244 | 0 | 2,585 | 1,852 | 212 | 303 | 0 | 2,367 | 2,150 | 279 | 278 | 0 | 2,707 |
| Washington | 4,316 | 312 | 136 | 13 | 4,777 | 4,508 | 337 | 250 | 3 | 5,098 | 4,644 | 349 | 342 | 0 | 5,335 |
| TOTAL | \$138,688 | \$21,868 | \$19,594 | \$2,024 | \$182,174 | \$146,954 | \$22,927 | \$20,576 | \$4,060 | \$194,517 | \$159,211 | \$26,176 | \$22,092 | \$4,727 | \$212,206 |
| Puerto Rico | 1,375 | 533 | 110 | 36 | 2,054 | 1,504 | 570 | 30 | 3 | 2,107 | 1,501 | 596 | 338 | 3 | 2,438 |

Source: National Association of State Budget Officers, 1999 State Expenditure Report, June 2000

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

| Region/State | Fiscal 1998 | Fiscal 1999 | Fiscal 2000 |
|-----------------------|----------------|----------------|----------------|
| NEW ENGLAND | | | |
| Connecticut | 14.4% | 15.2% | 16.5% |
| Maine | 21.1 | 20.4 | 18.3 |
| Massachusetts | 14.2 | 15.1 | 14.7 |
| New Hampshire | 8.8 | 8.6 | 28.5 |
| Rhode Island | 16.2 | 16.2 | 15.8 |
| Vermont | 18.1 | 20.1 | 20.1 |
| MID-ATLANTIC | | | |
| Delaware | 23.1 | 21.9 | 21.4 |
| Maryland | 18.0 | 17.9 | 17.4 |
| New Jersey | 22.7 | 23.7 | 22.7 |
| New York | 18.6 | 19.3 | 19.5 |
| Pennsylvania | 20.0 | 19.1 | 18.9 |
| GREAT LAKES | | | |
| Illinois | 19.9 | 20.8 | 17.4 |
| Indiana | 25.6 | 27.5 | 26.0 |
| Michigan | 31.4 | 31.5 | 32.0 |
| Ohio | 17.3 | 18.4 | 16.5 |
| Wisconsin | 22.4 | 21.2 | 24.9 |
| PLAINS | | | |
| Iowa | 21.1 | 20.4 | 19.8 |
| Kansas | 27.5 | 28.5 | 29.9 |
| Minnesota | 23.3 | 24.1 | 24.4 |
| Missouri | 25.4 | 24.0 | 23.3 |
| Nebraska | 16.7 | 18.0 | 20.7 |
| North Dakota | 17.6 | 17.2 | 18.0 |
| South Dakota | 13.8 | 14.6 | 13.6 |
| SOUTHEAST | | | |
| Alabama | 23.8 | 24.5 | 22.5 |
| Arkansas | 19.8 | 19.7 | 18.7 |
| Florida | 19.6 | 18.9 | 18.8 |
| Georgia | 25.8 | 24.8 | 26.8 |
| Kentucky | 22.4 | 22.0 | 21.6 |
| Louisiana | 20.0 | 20.2 | 19.9 |
| Mississippi | 21.8 | 22.8 | 20.5 |
| North Carolina | 25.7 | 25.4 | 26.6 |
| South Carolina | 17.5 | 21.3 | 21.3 |
| Tennessee | 18.8 | 18.1 | 18.2 |
| Virginia | 17.7 | 17.9 | 18.2 |
| West Virginia | 30.1 | 27.2 | 29.0 |
| SOUTHWEST | | | |
| Arizona | 19.3 | 18.5 | 18.5 |
| New Mexico | 25.0 | 24.6 | 26.6 |
| Oklahoma | 25.3 | 24.7 | 23.6 |
| Texas | 28.2 | 27.6 | 28.7 |
| ROCKY MOUNTAIN | | | |
| Colorado | 34.3 | 34.3 | 46.1 |
| Idaho | 28.5 | 29.0 | 27.6 |
| Montana | 22.7 | 20.8 | 19.3 |
| Utah | 30.0 | 31.3 | 32.3 |
| Wyoming | 21.9 | 23.3 | 23.3 |
| FAR WEST | | | |
| Alaska | 20.1 | 17.5 | 18.7 |
| California | 24.6 | 24.6 | 24.9 |
| Hawaii | 16.0 | 19.1 | 17.9 |
| Nevada | 11.8 | 11.1 | 11.2 |
| Oregon | 20.4 | 18.4 | 18.6 |
| Washington | 25.1 | 25.0 | 23.9 |
| ALL STATES | 22.0% | 22.1% | 22.1% |
| Puerto Rico | 11.2 | 11.0 | 12.2 |

Source: National Association of State Budget Officers, 1999 State Expenditure Report, June 2000

Table 9
ANNUAL PERCENTAGE CHANGE IN ELEMENTARY
AND SECONDARY EDUCATION EXPENDITURES

| Region/State | Fiscal 1998 to 1999 | | | Fiscal 1999 to 2000 | | |
|-----------------------|---------------------|---------------|-------------|---------------------|---------------|-------------|
| | State Funds | Federal Funds | All Funds | State Funds | Federal Funds | All Funds |
| NEW ENGLAND | | | | | | |
| Connecticut | 8.4% | 11.3% | 12.3% | 4.2% | 13.1% | 8.1% |
| Maine | 3.6 | 3.3 | 4.0 | 4.8 | 10.5 | 4.9 |
| Massachusetts | 11.5 | 12.9 | 11.5 | 0.8 | 18.6 | 3.1 |
| New Hampshire | -0.8 | 8.4 | 3.3 | 614.6 | -5.6 | 345.0 |
| Rhode Island | 8.4 | 5.0 | 8.8 | 9.2 | 34.5 | 11.6 |
| Vermont | 34.5 | 12.5 | 24.9 | 12.1 | 17.5 | 13.1 |
| MID-ATLANTIC | | | | | | |
| Delaware | 3.7 | 6.1 | 5.2 | 4.5 | 5.7 | 3.9 |
| Maryland | 6.6 | 9.4 | 7.0 | 3.4 | 0.5 | 3.0 |
| New Jersey | 11.1 | 10.1 | 11.0 | 3.7 | 24.0 | 5.0 |
| New York | 7.3 | 10.0 | 7.6 | 6.7 | 4.2 | 6.4 |
| Pennsylvania | 4.2 | -3.1 | 3.3 | 1.9 | 40.6 | 6.8 |
| GREAT LAKES | | | | | | |
| Illinois | 10.9 | 1.4 | 10.8 | 9.2 | 35.0 | 21.8 |
| Indiana | 8.1 | 10.5 | 8.3 | 6.9 | 0.0 | 6.3 |
| Michigan | 2.7 | 6.6 | 3.0 | 5.5 | 21.7 | 6.8 |
| Ohio | 9.5 | 5.6 | 9.8 | 5.7 | 25.1 | 8.0 |
| Wisconsin | 1.5 | 9.5 | 2.1 | 6.3 | 7.8 | 6.4 |
| PLAINS | | | | | | |
| Iowa | 3.3 | 6.6 | 3.7 | 4.9 | 13.8 | 6.0 |
| Kansas | 12.8 | 4.7 | 12.0 | 6.0 | 8.0 | 6.2 |
| Minnesota | 10.6 | -0.4 | 9.4 | 7.7 | 21.1 | 9.1 |
| Missouri | 3.4 | 5.7 | 3.7 | 3.3 | 23.9 | 6.0 |
| Nebraska | 23.1 | 9.8 | 20.6 | 0.0 | 8.3 | 1.4 |
| North Dakota | 1.7 | 4.6 | 2.2 | 5.4 | 19.1 | 7.9 |
| South Dakota | 5.5 | — | 5.5 | 1.4 | — | 1.4 |
| SOUTHEAST | | | | | | |
| Alabama | 6.4 | 3.2 | 8.3 | 4.6 | 31.9 | 12.3 |
| Arkansas | 6.1 | -0.5 | 5.3 | 4.8 | 0.5 | 4.3 |
| Florida | 4.7 | 4.8 | 4.6 | 6.7 | 13.0 | 4.4 |
| Georgia | 5.7 | 6.8 | 7.6 | 2.8 | 11.8 | 2.9 |
| Kentucky | 6.4 | 14.4 | 7.4 | 4.9 | 9.9 | 5.5 |
| Louisiana | 4.7 | 0.0 | 3.8 | 2.1 | 26.6 | 6.6 |
| Mississippi | 7.2 | 3.1 | 6.4 | 11.7 | 10.4 | 11.4 |
| North Carolina | 7.4 | 4.1 | 6.5 | 8.9 | -3.9 | 7.1 |
| South Carolina | 5.5 | -0.3 | 4.7 | 11.1 | -0.6 | 20.1 |
| Tennessee | 4.7 | 0.2 | 4.0 | 4.4 | 13.5 | 5.7 |
| Virginia | 13.9 | 16.9 | 14.1 | 8.6 | 10.3 | 8.7 |
| West Virginia | 2.0 | -7.5 | -4.4 | 3.1 | 41.8 | 6.8 |
| SOUTHWEST | | | | | | |
| Arizona | 7.6 | 5.7 | 7.3 | 4.6 | -3.4 | 3.4 |
| New Mexico | 7.8 | 8.7 | 7.5 | 7.5 | 1.5 | 8.2 |
| Oklahoma | 5.3 | 6.5 | 5.3 | 8.8 | 8.8 | 8.8 |
| Texas | 3.4 | -1.1 | 2.6 | 16.0 | 12.5 | 15.4 |
| ROCKY MOUNTAIN | | | | | | |
| Colorado | 7.6 | 15.2 | 8.3 | 4.5 | 7.5 | 4.8 |
| Idaho* | 12.3 | 6.8 | 11.8 | 6.6 | 14.9 | 7.4 |
| Montana | -2.7 | 7.4 | -1.4 | 3.0 | 17.8 | 5.0 |
| Utah | 5.9 | 16.8 | 6.9 | 2.6 | 1.3 | 2.4 |
| Wyoming* | 17.9 | 7.8 | 16.7 | 0.0 | 0.0 | 0.0 |
| FAR WEST | | | | | | |
| Alaska | 2.9 | 5.7 | 3.2 | 8.1 | 9.9 | 8.3 |
| California | 1.9 | 6.2 | 9.3 | 17.2 | 10.9 | 14.9 |
| Hawaii | 14.0 | 17.6 | 14.4 | -0.4 | -10.2 | -1.4 |
| Nevada | — | — | — | 4.4 | 0.0 | 4.0 |
| Oregon | -6.4 | -24.8 | -8.4 | 12.6 | 31.6 | 14.3 |
| Washington | 6.9 | 8.0 | 6.7 | 4.8 | 3.6 | 4.6 |
| ALL STATES | 5.8% | 4.8% | 6.8% | 8.2 | %14.2% | 9.1% |
| Puerto Rico | 3.3 | 6.9 | 2.6 | 19.9 | 4.6 | 15.7 |

Note: State funds are defined as general funds and other state funds (bonds are excluded).

Source: National Association of State Budget Officers, 1999 State Expenditure Report, June 2000

Table 10
ITEMS EXCLUDED FROM ELEMENTARY & SECONDARY

| 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 | X | X |
| Maine | | | | | | |
| Massachusetts* | X | X | P | P | P | P |
| New Hampshire* | | | P | P | P | |
| Rhode Island* | | | X | X | X | X |
| Vermont | | | X | X | X | X |
| MID-ATLANTIC | | | | | | |
| Delaware | | | | | | |
| Maryland | X | | X | X | X | P |
| New Jersey | | P | | | X | P |
| New York | | | | | X | X |
| Pennsylvania* | P | X | X | X | X | X |
| GREAT LAKES | | | | | | |
| Illinois* | | P | | | X | X |
| Indiana | X | | X | | P | |
| Michigan* | | | X | X | X | X |
| Ohio | | | | X | X | X |
| Wisconsin | | | | | X | X |
| PLAINS | | | | | | |
| Iowa | P | P | X | | X | X |
| Kansas | | P | X | P | X | X |
| Minnesota | | | | | | |
| Missouri | X | X | X | X | X | X |
| Nebraska | | | X | X | X | X |
| North Dakota | | | X | X | X | X |
| South Dakota | | | | X | X | X |
| SOUTHEAST | | | | | | |
| Alabama | | | X | X | X | X |
| Arkansas | P | P | X | | X | X |
| Florida | P | P | X | | X | X |
| Georgia | | | | | X | X |
| Kentucky | | | X | X | X | |
| Louisiana | | | X | | X | X |
| Mississippi | | | | | | |
| North Carolina | | | | | X | X |
| South Carolina | | | X | X | | X |
| Tennessee | | | | | P | P |
| Virginia | | | X | | X | |
| West Virginia | | | X | X | X | X |
| SOUTHWEST | | | | | | |
| Arizona | | | X | | X | X |
| New Mexico | | | | | P | P |
| Oklahoma | | | X | | X | X |
| Texas | X | X | | | | X |
| ROCKY MOUNTAIN | | | | | | |
| Colorado | P | P | X | P | | P |
| Idaho | | | X | | X | X |
| Montana | | | X | | X | X |
| Utah | | | X | | X | X |
| Wyoming | | | X | X | X | X |
| FAR WEST | | | | | | |
| Alaska | | | X | | X | X |
| California | | | X | | X | X |
| Hawaii | | | X | | X | X |
| Nevada | P | P | P | P | P | P |
| Oregon | | | | | X | X |
| Washington | P | P | P | X | X | X |
| ALL STATES | 13 | 14 | 33 | 22 | 43 | 42 |
| Puerto Rico | | | X | | X | P |

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

Source: National Association of State Budget Officers, 1999 State Expenditure Report, June 2000

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: Bond fund figures are estimates and do not include local bond fund expenditures.

Massachusetts: The state appropriation for school libraries is in the form of a recommended spending level that the localities may adopt or not and is included. The balance of funding for school libraries is from the localities and is excluded.

Michigan: Figures reflect K-12 education and the Michigan Department of Education.

Mississippi: Amounts shown are capital inclusive. Capital expenditures total \$3.3 million in fiscal 1998, \$1.9 million in fiscal 1999, and \$7.3 million in fiscal 2000.

Montana: Fiscal 1998 includes a one-time distribution of \$12.5 million for technology, books, and building maintenance. Enrollments decline 1.3 percent per year in fiscal 1999 and fiscal 2000.

New Hampshire: The increase in fiscal 2000 projected expenditures reflects outlays from the state's Education Trust Fund, which was established to provide adequacy grants to support statewide school funding.

New Jersey: Day care programs are funded in the Department of Human Services.

New Mexico: Figures reflect grants such as Title I, special education, Indian education, and others. School nutrition programs are not included.

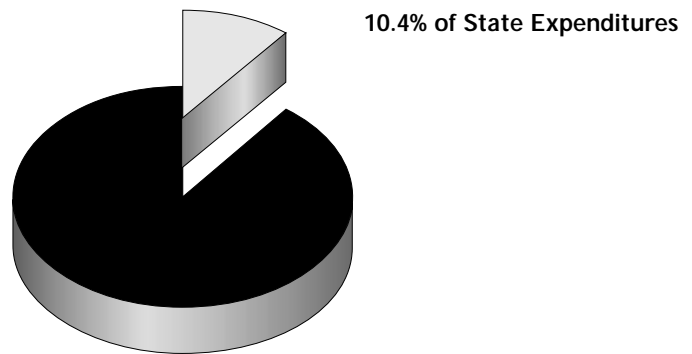
Ohio: See General Notes for Ohio for discussion of double counting issues that affect percentage of total expenditure amounts.

Pennsylvania: Figures include a state contribution to the employer's share of social security and pension costs for local education agencies, mainly local school district teachers.

Rhode Island: Head Start and day care programs are under the Department of Human Services. Libraries are included in the Department of Administration, and school health care/immunization are under the Department of Health.

CHAPTER TWO

HIGHER EDUCATION



Higher education spending generally reflects state support of community colleges, vocational education institutions, and state university systems. In 1999, states estimate they spent \$91.4 billion on higher education. While higher education spending accounts for 10.4 percent of state budgets, it represents less than half of the amount spent on elementary and secondary education. The primary funding source for higher education is general funds, providing 60.2 percent to the total funding (See Table 12). Forty-four states wholly or partially include tuition and fees and forty-one states include student loan programs in the state expenditures reported here (See Table 15).

States report higher education spending growth between 1998 and 1999 to be 7.2 percent—slightly more than the growth in total state spending for the same period. Growth in higher education spending between 1999 and 2000 is estimated to increase by 6.8 percent—this reflects an anticipated 6.5 percent increase in state funds and a 4.6 percent increase in federal funds.

Financing Issues

In large part due to strong state economies, spending on higher education increased this year. The caveat for higher education, however, is that the pattern continues to prove that state spending is closely tied to economic cycles and fluctuates widely as tax revenues rise or fall with changing economic conditions. Because higher education is one of the few remaining areas within state budgets for which spending is strictly discretionary, and because in most states higher education institutions have discretion to decide how reductions or adjustments will be implemented, funding remains vulnerable to these outside factors.

To manage their budgets, including financing inflation and funding rising compensation for faculty and staff, higher education officials have relied on a combination of tuition increases and expenditure cuts. However, the most common response to the increased costs has been, and continues to be, tuition increases. According to the American Association of State Colleges and Universities, tuition and fees for undergraduates at public four-year colleges and universities increased 3.4 percent from fall 1998 to fall 1999. While this rate of increase is the lowest rate in more than a decade, an increasing reliance on tuition as a revenue source could have financial implications for students in the future.

Performance and Accountability

There is a growing trend by state policymakers and the public to ensure greater quality, productivity, and effectiveness among postsecondary institutions. To hold colleges and universities accountable for the funds they receive from the state, thirty states now have programs that in part fund public campuses based on performance. Many public institutions are required to report on outcome and other measures, and two other methods which link performance to budgeting are performance funding, with allocations linked directly to performance, and performance budgeting, where performance is one of the factors considered in the allocation process. These methods are often added to the traditional considerations of current costs, student enrollments, and inflationary increases. The increased use of these methods by states demonstrates a growing belief that performance and accountability should play a role in allocating state resources to public education.

In addition, many states have proposed changes in tuition policies to move the decision making process away from institutions and boards and towards legislatures, indexes or a combination of the two. It is the view of many state lawmakers and governors that campuses should run more efficiently and productively.

Community Colleges

Policymakers are increasingly looking at two-year colleges with greater interest because of the variety of students they can serve and their relative low cost. Community colleges provide access to increasing numbers of students, retraining for displaced workers, training for those leaving the welfare rolls, and play pivotal roles in economic development efforts. Furthermore, community colleges often bear the responsibility for providing employment and language skills to growing immigrant communities, and for retraining current workers who must meet changing skill requirements in a more knowledge-based economy. Full-time tuition at community colleges, on average, is less than half of the average tuition at a public four-year institution, making it affordable to a wider population than four-year institutions.

Enrollments in community colleges reached 10.2 million students in 1997 and, from all indications, enrollment will continue to grow. With this increased demand for community college services come questions regarding access and costs. In most states, state funds provide the largest share of public two-year institutions' total operating revenue. Although state support has grown during the 1990s, community college leaders assert that these increases do not compensate for the enrollment growth that they have

experienced. To compensate for the budget gaps, many states and community colleges have been forced to raise tuition. This, in turn, can price-out some students. States will be faced with budgetary challenges in helping to accommodate the increased utilization of community colleges.

Technology and Distance Education

Distance education is becoming a common feature offered by a growing number of post-secondary institutions, and research indicates that it will become more common in the future. Through the use of many technologies, including Internet-based technologies and two-way interactive video, institutions are providing alternative opportunities to individuals with time and place constraints, such as working parents, students with disabilities, and workers seeking additional training for advancement.

A National Center for Education Statistics (NCES) study reported that 34 percent of all higher education institutions offered distance education course during the 1997-1998 school year and enrolled more than 1.6 million students. An estimated 54,000 different distance education courses were offered, most of which were college-level, credit granting courses. Distance education is more likely to be conducted by public institutions—78 percent of public four year institutions and 62 percent of public two year institutions offered distance education courses.

The trend to increase distance education opportunities, particularly at public institutions, raises fiscal questions for states and colleges and universities. While distance education can be viewed as a cost savings approach to providing postsecondary education, the costs in developing, implementing, and delivering distance education courses can also be substantial. The NCES study found that the additional costs or cost savings were not passed on to the students using this technology; about three-quarters of institutions charged the same tuition for the distance education courses as for comparable on-campus courses. Furthermore, most institutions did not add special fees to their distance education courses. Overall, 57 percent of institutions are charging both comparable tuition and comparable fees for distance education and on-campus courses.

States and institutions will face many questions and challenges as the demand increases for distance learning opportunities. In addition to meeting the fiscal challenges of developing and implementing distance learning opportunities, they will also have to answer other questions regarding equity of access to

postsecondary education, accreditation and quality assurance, and pressures on existing organizational structures and arrangements.

Capital Spending

In 1999 many states committed more spending to construction and renovation on public college and university campuses. The additional funds for capital spending are in large part due to strong state economies and budget surpluses. Also contributing to the increase is the ability of states to obtain low interest rates on construction related debt. While the additional funds for construction projects are welcomed, some college administrators are concerned about the costs and available funding to maintain existing facilities. One state noted that 4 percent of their state appropriation must be reserved for maintenance.

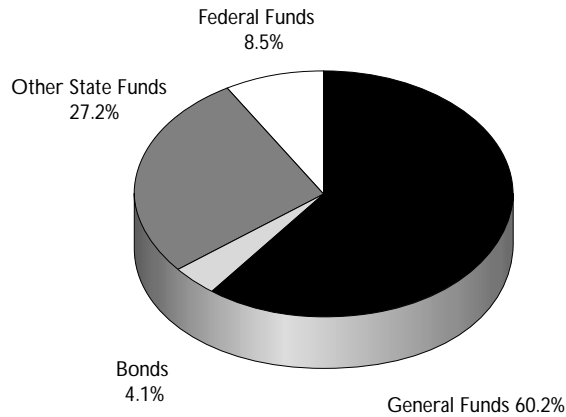
Selected Web Resources

- American Association of State Colleges and Universities
www.aascu.org
- National Association of State University and Land-Grant Colleges
www.nasulgc.org
- American Council on Education
www.acenet.edu
- Education Commission of the States Secretariat
www.ecs.org
- Washington Higher Education
www.whes.org
- The Institute for Higher Education Policy
www.ihp.com
- American Association of Community Colleges
www.aacc.nche.edu
- U.S. Department of Education
www.ed.gov

Fund Shares

Fund shares for 1999 are provided in the figure below.

Figure 12
STATE EXPENDITURES FOR HIGHER EDUCATION BY FUND SOURCE, FISCAL 1999



Higher Education - Expenditure Exclusions

Table 15 lists programs that are excluded from the higher education figures reported. For example, eleven states partially or wholly excluded tuition and fees from their spending figures, twenty-nine partially or wholly excluded university research grants, and twenty-one partially or wholly excluded assistance to private colleges and universities.

Expenditure data on higher education and a listing of programs excluded from the expenditure figures can be found on Tables 12-15, accompanied by explanatory notes. Capital expenditure data for higher education can be found in Chapter Eight.

Regional Expenditures

The following table shows percentage changes in expenditures for higher education for fiscal 1998-99 and 1999-2000. For 1999, the Rocky Mountain states are well above the average and the Mid-Atlantic, Great Lakes, Plains and Southwest states are below average.

Table 11
REGIONAL PERCENTAGE CHANGE IN STATE HIGHER EDUCATION EXPENDITURES, FISCAL 1999 AND 2000

| Region | Fiscal 1998 to 1999 | | | Fiscal 1999 to 2000 | | |
|-------------------|---------------------|---------------|-------------|---------------------|---------------|-------------|
| | State Funds | Federal Funds | All Funds | State Funds | Federal Funds | All Funds |
| New England | 11.3% | -8.9% | 9.3% | 4.6% | 5.5% | 5.4% |
| Mid-Atlantic | 7.1 | 9.4 | 6.7 | 4.8 | 5.1 | 5.1 |
| Great Lakes | 5.1 | 6.6 | 4.3 | 7.0 | 13.1 | 11.6 |
| Plains | 6.9 | 3.9 | 6.6 | 3.6 | 7.8 | 3.9 |
| Southeast | 7.0 | 9.4 | 9.7 | 6.5 | 1.9 | 3.7 |
| Southwest | -1.5 | 15.5 | 0.7 | 12.1 | 3.4 | 11.4 |
| Rocky Mountain | 19.3 | 64.3 | 18.2 | -9.6 | 17.4 | -7.4 |
| Far West | 7.8 | 11.8 | 8.2 | 8.5 | 4.8 | 10.9 |
| ALL STATES | 6.3% | 9.3% | 7.2% | 6.5% | 4.6% | 6.8% |

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

| Region/ State | Actual Fiscal 1998 | | | | | Actual Fiscal 1999 | | | | | Estimated Fiscal 2000 | | | | |
|-----------------------|--------------------|------------------|-------------------------|----------------|-----------------|--------------------|------------------|-------------------------|----------------|-----------------|-----------------------|------------------|-------------------------|----------------|-----------------|
| | 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 | \$460 | \$47 | \$577 | \$82 | \$1,166 | \$494 | \$44 | \$640 | \$88 | \$1,266 | \$526 | \$47 | \$674 | \$90 | \$1,337 |
| Maine | 175 | 0 | 1 | 1 | 177 | 187 | 0 | 1 | 4 | 192 | 203 | 0 | 1 | 12 | 216 |
| Massachusetts* | 897 | 221 | 13 | 0 | 1,131 | 1,002 | 200 | 71 | 0 | 1,273 | 1,032 | 206 | 73 | 0 | 1,311 |
| New Hampshire | 86 | 10 | 32 | 22 | 150 | 91 | 9 | 33 | 5 | 138 | 94 | 9 | 33 | 8 | 144 |
| Rhode Island* | 152 | 3 | 237 | 0 | 392 | 161 | 3 | 251 | 13 | 428 | 160 | 8 | 270 | 23 | 461 |
| Vermont | 56 | 0 | 0 | 2 | 58 | 59 | 0 | 0 | 3 | 62 | 63 | 0 | 0 | 10 | 73 |
| MID-ATLANTIC | | | | | | | | | | | | | | | |
| Delaware | 175 | 17 | 34 | 18 | 244 | 197 | 17 | 34 | 18 | 266 | 210 | 18 | 34 | 17 | 279 |
| Maryland | 877 | 349 | 1,108 | 129 | 2,463 | 941 | 377 | 1,192 | 88 | 2,598 | 1,045 | 423 | 1,314 | 113 | 2,895 |
| New Jersey* | 1,436 | 16 | 486 | 3 | 1,941 | 1,670 | 14 | 514 | 14 | 2,212 | 1,768 | 17 | 535 | 14 | 2,334 |
| New York | 2,479 | 157 | 1,821 | 168 | 4,625 | 2,607 | 177 | 1,902 | 171 | 4,857 | 2,505 | 179 | 2,055 | 175 | 4,914 |
| Pennsylvania | 1,573 | 376 | 114 | 109 | 2,172 | 1,642 | 416 | 117 | 102 | 2,277 | 1,747 | 415 | 123 | 131 | 2,416 |
| GREAT LAKES | | | | | | | | | | | | | | | |
| Illinois | 2,068 | 10 | 179 | 73 | 2,330 | 2,231 | 6 | 169 | 102 | 2,508 | 2,369 | 10 | 241 | 596 | 3,216 |
| Indiana | 1,279 | 3 | 3 | 64 | 1,349 | 1,369 | 3 | 10 | 88 | 1,470 | 1,433 | 3 | 0 | 88 | 1,524 |
| Michigan | 1,866 | 3 | 0 | 98 | 1,967 | 1,922 | 4 | 0 | 46 | 1,972 | 2,014 | 4 | 142 | 95 | 2,255 |
| Ohio* | 2,209 | 12 | 2 | 330 | 2,553 | 2,301 | 5 | 4 | 264 | 2,574 | 2,439 | 6 | 2 | 250 | 2,697 |
| Wisconsin | 1,076 | 515 | 1,192 | 0 | 2,783 | 1,106 | 561 | 1,264 | 0 | 2,931 | 1,144 | 632 | 1,320 | 0 | 3,096 |
| PLAINS | | | | | | | | | | | | | | | |
| Iowa | 822 | 239 | 1,426 | 0 | 2,487 | 861 | 253 | 1,587 | 0 | 2,701 | 904 | 298 | 1,655 | 0 | 2,857 |
| Kansas | 579 | 228 | 604 | 5 | 1,416 | 612 | 234 | 526 | 6 | 1,378 | 644 | 226 | 658 | 7 | 1,535 |
| Minnesota | 1,626 | 40 | 20 | 90 | 1,776 | 1,745 | 42 | 12 | 87 | 1,886 | 1,785 | 41 | 27 | 90 | 1,943 |
| Missouri | 758 | 1 | 170 | 0 | 929 | 965 | 1 | 141 | 0 | 1,107 | 934 | 5 | 190 | 0 | 1,129 |
| Nebraska | 431 | 113 | 607 | 0 | 1,151 | 455 | 120 | 614 | 0 | 1,189 | 482 | 129 | 530 | 0 | 1,141 |
| North Dakota | 147 | 0 | 88 | 6 | 241 | 160 | 0 | 90 | 3 | 253 | 166 | 1 | 90 | 5 | 262 |
| South Dakota | 113 | 47 | 137 | 1 | 298 | 117 | 44 | 165 | 2 | 328 | 121 | 48 | 151 | 1 | 321 |
| SOUTHEAST | | | | | | | | | | | | | | | |
| Alabama* | 979 | 491 | 38 | 12 | 1,520 | 1,035 | 525 | 43 | 30 | 1,633 | 1,095 | 519 | 38 | 50 | 1,702 |
| Arkansas | 451 | 3 | 828 | 65 | 1,347 | 492 | 1 | 1,003 | 53 | 1,549 | 529 | 1 | 1,230 | 66 | 1,826 |
| Florida | 2,588 | 137 | 1,017 | 322 | 4,064 | 2,745 | 145 | 1,152 | 493 | 4,535 | 3,038 | 141 | 1,188 | 307 | 4,674 |
| Georgia | 1,726 | 938 | 1,080 | 5 | 3,749 | 1,866 | 1,097 | 1,134 | 437 | 4,534 | 1,862 | 1,071 | 1,178 | 203 | 4,314 |
| Kentucky | 834 | 230 | 1,270 | 0 | 2,334 | 1,057 | 261 | 1,417 | 0 | 2,735 | 1,015 | 297 | 1,552 | 0 | 2,864 |
| Louisiana | 828 | 97 | 715 | 73 | 1,713 | 863 | 120 | 915 | 103 | 2,001 | 928 | 136 | 1,013 | 70 | 2,147 |
| Mississippi | 507 | 67 | 746 | 32 | 1,352 | 558 | 57 | 598 | 7 | 1,220 | 634 | 62 | 752 | 0 | 1,448 |
| North Carolina | 2,191 | 52 | 978 | 0 | 3,221 | 2,209 | 37 | 900 | 0 | 3,146 | 2,328 | 33 | 898 | 0 | 3,259 |
| South Carolina | 693 | 11 | 38 | 89 | 831 | 724 | 0 | 30 | 50 | 804 | 775 | 0 | 52 | 75 | 902 |
| Tennessee | 911 | 92 | 728 | 25 | 1,756 | 973 | 90 | 802 | 196 | 2,061 | 998 | 109 | 767 | 27 | 1,901 |
| Virginia | 1,174 | 299 | 1,121 | 218 | 2,812 | 1,321 | 318 | 1,152 | 171 | 2,962 | 1,429 | 329 | 1,200 | 174 | 3,132 |
| West Virginia | 373 | 223 | 451 | 29 | 1,076 | 373 | 236 | 461 | 36 | 1,106 | 396 | 243 | 475 | 37 | 1,151 |
| SOUTHWEST | | | | | | | | | | | | | | | |
| Arizona | 815 | 284 | 773 | 0 | 1,872 | 890 | 293 | 776 | 0 | 1,959 | 890 | 299 | 846 | 0 | 2,035 |
| New Mexico | 465 | 246 | 571 | 95 | 1,377 | 495 | 291 | 552 | 136 | 1,474 | 534 | 320 | 634 | 199 | 1,687 |
| Oklahoma | 784 | 235 | 490 | 13 | 1,522 | 887 | 315 | 92 | 48 | 1,342 | 887 | 314 | 537 | 24 | 1,762 |
| Texas | 4,866 | 102 | 356 | 0 | 5,324 | 4,937 | 102 | 355 | 0 | 5,394 | 5,389 | 102 | 358 | 0 | 5,849 |
| ROCKY MOUNTAIN | | | | | | | | | | | | | | | |
| Colorado | 167 | 3 | 131 | 0 | 301 | 159 | 0 | 351 | 0 | 510 | 149 | 2 | 90 | 0 | 241 |
| Idaho | 227 | 3 | 74 | 1 | 305 | 246 | 3 | 87 | 0 | 336 | 259 | 2 | 103 | 1 | 365 |
| Montana* | 114 | 14 | 115 | 0 | 243 | 116 | 36 | 124 | 0 | 276 | 125 | 42 | 130 | 0 | 297 |
| Utah | 479 | 5 | 164 | 35 | 683 | 524 | 5 | 173 | 11 | 713 | 546 | 5 | 181 | 43 | 775 |
| Wyoming | 130 | 3 | 41 | 0 | 174 | 132 | 2 | 47 | 1 | 182 | 140 | 3 | 47 | 0 | 190 |
| FAR WEST | | | | | | | | | | | | | | | |
| Alaska | 173 | 45 | 185 | 0 | 403 | 169 | 50 | 251 | 54 | 524 | 177 | 64 | 242 | 0 | 483 |
| California | 6,402 | 433 | 838 | 472 | 8,145 | 7,000 | 464 | 813 | 416 | 8,693 | 7,759 | 441 | 863 | 816 | 9,879 |
| Hawaii | 353 | 12 | 165 | 29 | 559 | 376 | 19 | 214 | 44 | 653 | 359 | 12 | 224 | 69 | 664 |
| Nevada | 302 | 5 | 105 | 23 | 435 | 310 | 8 | 116 | 46 | 480 | 309 | 2 | 145 | 44 | 500 |
| Oregon | 517 | 34 | 839 | 0 | 1,390 | 518 | 49 | 917 | 0 | 1,484 | 629 | 46 | 1,007 | 0 | 1,682 |
| Washington | 1,072 | 655 | 985 | 265 | 2,977 | 1,135 | 734 | 1,052 | 301 | 3,222 | 1,228 | 823 | 1,027 | 410 | 3,488 |
| TOTAL | \$51,461 | \$7,126 | \$23,693 | \$3,004 | \$85,284 | \$55,005 | \$7,788 | \$24,864 | \$3,737 | \$91,394 | \$58,195 | \$8,143 | \$26,895 | \$4,340 | \$97,573 |
| Puerto Rico | 496 | 153 | 240 | 0 | 889 | 520 | 153 | 260 | 0 | 933 | 567 | 161 | 245 | 4 | 977 |

Source: National Association of State Budget Officers, 1999 State Expenditure Report, June 2000

Table 13
HIGHER EDUCATION EXPENDITURES AS A
PERCENT OF TOTAL EXPENDITURES

| Region/State | Fiscal 1998 | Fiscal 1999 | Fiscal 2000 |
|-----------------------|----------------|----------------|----------------|
| NEW ENGLAND | | | |
| Connecticut | 8.4% | 8.6% | 9.1% |
| Maine | 4.2 | 4.3 | 4.1 |
| Massachusetts | 4.9 | 5.2 | 5.1 |
| New Hampshire | 6.2 | 5.4 | 4.2 |
| Rhode Island | 10.5 | 10.6 | 10.0 |
| Vermont | 3.2 | 3.1 | 3.2 |
| MID-ATLANTIC | | | |
| Delaware | 5.8 | 5.7 | 5.6 |
| Maryland | 15.4 | 15.2 | 15.9 |
| New Jersey | 7.7 | 8.3 | 7.9 |
| New York | 6.5 | 6.5 | 6.3 |
| Pennsylvania | 6.4 | 6.2 | 6.1 |
| GREAT LAKES | | | |
| Illinois | 7.9 | 8.0 | 7.0 |
| Indiana | 9.1 | 9.8 | 9.0 |
| Michigan | 6.1 | 5.9 | 6.5 |
| Ohio | 7.3 | 7.1 | 6.2 |
| Wisconsin | 13.2 | 12.9 | 15.0 |
| PLAINS | | | |
| Iowa | 25.1 | 25.4 | 24.6 |
| Kansas | 18.5 | 16.6 | 18.3 |
| Minnesota | 10.7 | 10.7 | 10.3 |
| Missouri | 6.7 | 7.3 | 6.8 |
| Nebraska | 24.1 | 22.2 | 24.1 |
| North Dakota | 11.8 | 11.9 | 12.0 |
| South Dakota | 15.2 | 16.7 | 15.0 |
| SOUTHEAST | | | |
| Alabama | 11.7 | 11.9 | 10.2 |
| Arkansas | 15.1 | 16.4 | 17.6 |
| Florida | 9.5 | 9.8 | 9.6 |
| Georgia | 17.3 | 18.7 | 18.8 |
| Kentucky | 17.5 | 18.7 | 18.2 |
| Louisiana | 11.7 | 13.4 | 13.3 |
| Mississippi | 16.9 | 15.0 | 14.3 |
| North Carolina | 14.6 | 13.2 | 13.3 |
| South Carolina | 6.4 | 7.2 | 6.8 |
| Tennessee | 12.1 | 13.1 | 11.5 |
| Virginia | 14.7 | 13.8 | 13.6 |
| West Virginia | 18.7 | 18.2 | 18.9 |
| SOUTHWEST | | | |
| Arizona | 14.2 | 13.2 | 13.3 |
| New Mexico | 19.3 | 18.9 | 21.6 |
| Oklahoma | 16.4 | 13.4 | 15.5 |
| Texas | 2.5 | 12.1 | 11.8 |
| ROCKY MOUNTAIN | | | |
| Colorado | 5.0 | 7.8 | 4.7 |
| Idaho | 9.9 | 10.0 | 9.6 |
| Montana | 10.0 | 10.6 | 10.0 |
| Utah | 10.7 | 10.9 | 11.9 |
| Wyoming | 8.9 | 8.4 | 8.8 |
| FAR WEST | | | |
| Alaska | 9.4 | 10.3 | 9.4 |
| California | 8.1 | 7.9 | 8.0 |
| Hawaii | 8.3 | 10.1 | 9.7 |
| Nevada | 7.2 | 6.9 | 7.0 |
| Oregon | 11.0 | 11.5 | 11.6 |
| Washington | 15.6 | 15.8 | 15.6 |
| ALL STATES | | | |
| | 10.3% | 10.4% | 10.1% |
| Puerto Rico | 4.9 | 4.9 | 4.9 |

Source: National Association of State Budget Officers, 1999 State Expenditure Report, June 2000

Table 14
ANNUAL PERCENTAGE CHANGE IN
HIGHER EDUCATION EXPENDITURES

| Region/State | Fiscal 1998 to 1999 | | | Fiscal 1999 to 2000 | | |
|-----------------------|---------------------|---------------|-------------|---------------------|---------------|-------------|
| | State Funds | Federal Funds | All Funds | State Funds | Federal Funds | All Funds |
| NEW ENGLAND | | | | | | |
| Connecticut | 9.4% | -6.4% | 8.6% | 5.8% | 6.8% | 5.6% |
| Maine | 6.8 | — | 8.5 | 8.5 | — | 12.5 |
| Massachusetts | 17.9 | -9.5 | 12.6 | 3.0 | 3.0 | 3.0 |
| New Hampshire | 5.1 | -10.0 | -8.0 | 2.4 | 0.0 | 4.3 |
| Rhode Island | 5.9 | 0.0 | 9.2 | 4.4 | 166.7 | 7.7 |
| Vermont | 5.4 | — | 6.9 | 6.8 | — | 17.7 |
| MID-ATLANTIC | | | | | | |
| Delaware | 10.5 | 0.0 | 9.0 | 5.6 | 5.9 | 4.9 |
| Maryland | 7.5 | 8.0 | 5.5 | 10.6 | 12.2 | 11.4 |
| New Jersey | 13.6 | -12.5 | 14.0 | 5.4 | 21.4 | 5.5 |
| New York | 4.9 | 12.7 | 5.0 | 1.1 | 1.1 | 1.2 |
| Pennsylvania | 4.3 | 10.6 | 4.8 | 6.3 | -0.2 | 6.1 |
| GREAT LAKES | | | | | | |
| Illinois | 6.8 | -40.0 | 7.6 | 8.8 | 66.7 | 28.2 |
| Indiana | 7.6 | 0.0 | 9.0 | 3.9 | 0.0 | 3.7 |
| Michigan | 3.0 | 33.3 | 0.3 | 12.2 | 0.0 | 14.4 |
| Ohio | 4.3 | -58.3 | 0.8 | 5.9 | 20.0 | 4.8 |
| Wisconsin | 4.5 | 8.9 | 5.3 | 4.0 | 12.7 | 5.6 |
| PLAINS | | | | | | |
| Iowa | 8.9 | 5.9 | 8.6 | 4.5 | 17.8 | 5.8 |
| Kansas | -3.8 | 2.6 | -2.7 | 14.4 | -3.4 | 11.4 |
| Minnesota | 6.7 | 5.0 | 6.2 | 3.1 | -2.4 | 3.0 |
| Missouri | 19.2 | 0.0 | 19.2 | 1.6 | 400.0 | 2.0 |
| Nebraska | 3.0 | 6.2 | 3.3 | -5.3 | 7.5 | -4.0 |
| North Dakota | 6.4 | — | 5.0 | 2.4 | — | 3.6 |
| South Dakota | 12.8 | -6.4 | 10.1 | -3.5 | 9.1 | -2.1 |
| SOUTHEAST | | | | | | |
| Alabama | 6.0 | 6.9 | 7.4 | 5.1 | -1.1 | 4.2 |
| Arkansas | 16.9 | -66.7 | 15.0 | 17.7 | 0.0 | 17.9 |
| Florida | 8.1 | 5.8 | 11.6 | 8.4 | -2.8 | 3.1 |
| Georgia | 6.9 | 17.0 | 20.9 | 1.3 | -2.4 | -4.9 |
| Kentucky | 17.6 | 13.5 | 17.2 | 3.8 | 13.8 | 4.7 |
| Louisiana | 15.2 | 23.7 | 16.8 | 9.2 | 13.3 | 7.3 |
| Mississippi | -7.7 | -14.9 | -9.8 | 19.9 | 8.8 | 18.7 |
| North Carolina | -1.9 | -28.8 | -2.3 | 3.8 | -10.8 | 3.6 |
| South Carolina | 3.1 | -100.0 | -3.2 | 9.7 | — | 12.2 |
| Tennessee | 8.3 | -2.2 | 17.4 | -0.6 | 21.1 | -7.8 |
| Virginia | 7.8 | 6.4 | 5.3 | 6.3 | 3.5 | 5.7 |
| West Virginia | 1.2 | 5.8 | 2.8 | 4.4 | 3.0 | 4.1 |
| SOUTHWEST | | | | | | |
| Arizona | 4.9 | 3.2 | 4.6 | 4.2 | 2.0 | 3.9 |
| New Mexico | 1.1 | 18.3 | 7.0 | 11.6 | 10.0 | 14.5 |
| Oklahoma | -23.2 | 34.0 | -11.8 | 45.5 | -0.3 | 31.3 |
| Texas | 1.3 | 0.0 | 1.3 | 8.6 | 0.0 | 8.4 |
| ROCKY MOUNTAIN | | | | | | |
| Colorado | 71.1 | -100.0 | 69.4 | -53.1 | — | -52.7 |
| Idaho | 10.6 | 0.0 | 10.2 | 8.7 | -33.3 | 8.6 |
| Montana | 4.8 | 157.1 | 13.6 | 6.3 | 16.7 | 7.6 |
| Utah | 8.4 | 0.0 | 4.4 | 4.3 | 0.0 | 8.7 |
| Wyoming | 4.7 | -33.3 | 4.6 | 4.5 | 50.0 | 4.4 |
| FAR WEST | | | | | | |
| Alaska | 17.3 | 11.1 | 30.0 | -0.2 | 28.0 | -7.8 |
| California | 7.9 | 7.2 | 6.7 | 10.4 | -5.0 | 13.6 |
| Hawaii | 13.9 | 58.3 | 16.8 | -1.2 | -36.8 | 1.7 |
| Nevada | — | 60.0 | — | 6.6 | -75.0 | 4.2 |
| Oregon | 5.8 | 44.1 | 6.8 | 14.0 | -6.1 | 13.3 |
| Washington | 6.3 | 12.1 | 8.2 | 3.1 | 12.1 | 8.3 |
| ALL STATES | 6.3% | 9.3% | 7.2% | 6.5% | 4.6% | 6.8% |
| Puerto Rico | 6.0 | 0.0 | 4.9 | 4.1 | 5.2 | 4.7 |

Note: State funds are defined as general funds and other state funds (bonds are excluded).
Source: National Association of State Budget Officers, 1999 State Expenditure Report, June 2000

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 | P | P | | | X | | |
| Maine | P | X | X | P | | | X |
| Massachusetts | X | X | P | X | X | X | X |
| New Hampshire | P | P | P | P | X | | X |
| Rhode Island* | | | | | P | X | P |
| Vermont | X | X | | | X | X | X |
| MID-ATLANTIC | | | | | | | |
| Delaware | | | P | P | | | X |
| Maryland | | | | X | | X | |
| New Jersey* | | | | | X | X | |
| New York | | | | | X | X | |
| Pennsylvania | X | X | X | | X | | |
| GREAT LAKES | | | | | | | |
| Illinois | | P | P | | X | | |
| Indiana | | | X | | X | X | X |
| Michigan | X | X | X | X | P | X | |
| Ohio | | | X | P | P | X | |
| Wisconsin | | | | | | | |
| PLAINS | | | | | | | |
| Iowa | | | | | | | |
| Kansas | | | | | | | P |
| Minnesota | | | | X | | | |
| Missouri | X | X | X | | X | X | |
| Nebraska | | | | | X | | |
| North Dakota | | | | P | X | X | |
| South Dakota | | | | | | X | X |
| SOUTHEAST | | | | | | | |
| Alabama | | | | | | | |
| Arkansas | | | | | | | X |
| Florida | P | P | | | P | P | |
| Georgia | | | | | | | |
| Kentucky | | | | | | P | |
| Louisiana | | | | | X | | |
| Mississippi | | | | | | | X |
| North Carolina | | | | | X | | |
| South Carolina | | | | X | | | |
| Tennessee | | | | | X | | |
| Virginia | | | | X | | | |
| West Virginia | | | | X | P | P | |
| SOUTHWEST | | | | | | | |
| Arizona | | | | | | | P |
| New Mexico | | | | | | | X |
| Oklahoma | | | | | | | X |
| Texas | X | P | | P | | | |
| ROCKY MOUNTAIN | | | | | | | |
| Colorado | | | | | X | | |
| Idaho | | | | X | X | | X |
| Montana | | | | P | X | | X |
| Utah | | | | | X | | X |
| Wyoming | | | | X | X | | X |
| FAR WEST | | | | | | | |
| Alaska | | | | | | X | X |
| California | | | | | X | | |
| Hawaii | | | | | X | | X |
| Nevada | | | P | P | X | P | X |
| Oregon | | | | | X | | |
| Washington | | | | | | | |
| ALL STATES | 10 | 11 | 11 | 17 | 29 | 17 | 21 |
| Puerto Rico | | | | | | X | X |

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

Source: National Association of State Budget Officers, 1999 State Expenditure Report, June 2000

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: Bond fund figures are estimates and do not include local bond fund expenditures.

Massachusetts: Federal fund expenditures are non-budgeted fund expenditures. All higher education campuses are now required to reserve 4 percent of their state appropriation for maintenance.

Montana: Federal funds increase \$21 million beginning in fiscal 1999 due to accounting change for Guaranteed Student Loan program.

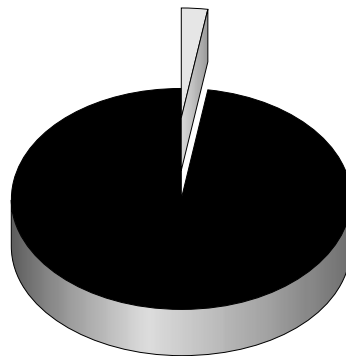
New Jersey: Other State Funds include tuition and fees even though these funds do not flow through the State's centralized accounting system. Vocational Education is in Elementary and Secondary Education.

Ohio: See General Notes for Ohio for discussion of double counting issues that affect percentage of total expenditure amounts.

Rhode Island: University Research grants include research funded through indirect cost recovery charges only. Scholarship assistance to students attending private colleges and universities includes federal pass through funds forwarded to private institutions.

CHAPTER THREE

PUBLIC ASSISTANCE



2.5% of State Expenditures

This report contains data on cash assistance provided through the Temporary Assistance for Needy Families (TANF) and other programs. Spending for these categories totaled \$22.2 billion in 1999 and represented 2.5 percent of total state expenditures. State spending for total cash assistance decreased by 8.7 percent from 1998 to 1999. This decrease reflects welfare reform efforts and a strong economy, which have led to a decline in TANF cases and, subsequently, a decline in cash assistance payments.

The primary source of public assistance funding is general funds, providing 51.5 percent, followed by federal funds at 42.3 percent (See Figure 13).

In general, states reported TANF expenditures for cash assistance. However, one state reported total TANF expenditures, and another state included costs for the food stamp program.

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.

Welfare Reform

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996, signed on August 22, 1996, replaced the 60-year-old Aid to Families with Dependent Children with the Temporary Assistance for Needy Families (TANF) program. PRWORA significantly reformed the nation's welfare system into one that requires work in exchange for time-limited cash assistance. The new law shifted state reimbursement from a system based on strict federal rules of eligibility and entitlement to a single state block grant based on historical funding levels. PRWORA gives states more flexibility and responsibility in the design and operation of welfare programs. Within limitations, states have the authority to decide how to best serve the needs and improve the employment prospects of their needy citizens.

Since the creation of the TANF program in 1996, welfare caseloads have declined in every state. According to the latest U.S. Department of Health and Human Services (HHS) figures, welfare rolls dropped 44 percent nationwide between August 1996 and June 1999. Further, caseloads in twenty-eight states declined by more than 45 percent in that timeframe.

Strong national and state economies and state welfare reform efforts appear to have contributed to these significant caseload declines. The nation's unemployment rate for 1999 was 4.1 percent,

and in many parts of the country employers are finding it difficult to hire sufficient numbers of qualified low-skilled workers. Many welfare recipients are able to take advantage of these increased job opportunities. States can use the flexibility of the TANF block grant to provide work supports and incentives.

The combination of falling caseloads and fixed funding presents states with increased options as well as planning challenges. The flexibility of TANF funds provides states with increased opportunities to help needy families overcome barriers to work and remain employed. States are also faced with the challenge of serving persons who continue to receive time-limited cash assistance, many of whom face multiple barriers to employment. In addition, states are challenged to establish appropriate levels for "rainy day" funds to address potential caseload increases if the economy falters.

Expenditure data on total cash assistance, AFDC/TANF cash assistance, and other cash assistance can be found on Tables 18-26, accompanied by explanatory notes.

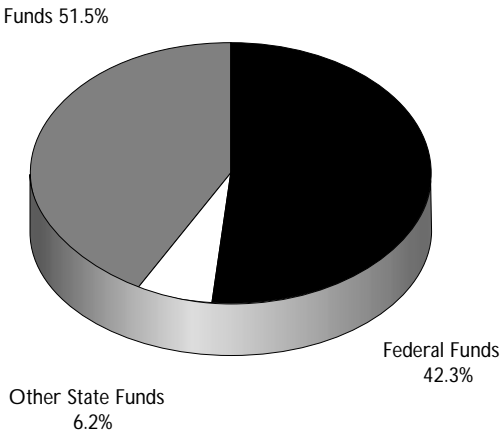
Selected Web Resources

- Administration for Children and Families
www.acf.dhhs.gov
- National Governors' Association
www.nga.org
- American Public Human Services Association
www.aphsa.org
- Welfare Information Network
www.welfareinfo.org
- The Center for Law and Social Policy
www.clasp.org
- The Urban Institute's New Federalism Project
www.newfederalism.urban.org
- Center on Budget and Policy Priorities
www.cbpp.org

Fund Shares

The figure below provides fund shares for 1999.

Figure 13
STATE EXPENDITURES FOR TOTAL PUBLIC ASSISTANCE
BY FUND SOURCE, FISCAL 1999



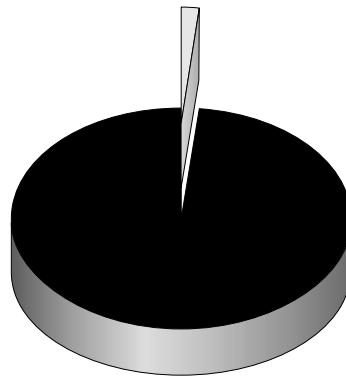
Regional Expenditures

The following table shows percentage changes in expenditures for total cash assistance for fiscal 1998-99 and 1999-2000.

Table 16
REGIONAL PERCENTAGE CHANGE IN STATE TOTAL PUBLIC
ASSISTANCE EXPENDITURES, FISCAL 1999 AND 2000

| Region | Fiscal 1998 to 1999 | | | Fiscal 1999 to 2000 | | |
|-------------------|---------------------|---------------|--------------|---------------------|---------------|-------------|
| | State Funds | Federal Funds | All Funds | State Funds | Federal Funds | All Funds |
| New England | -11.8% | -6.3% | -9.6% | 2.6% | -6.9% | -1.2% |
| Mid-Atlantic | -26.4 | -33.4 | -29.3 | -5.9 | -11.9 | -8.2 |
| Great Lakes | -11.2 | -33.3 | -18.6 | -4.1 | 31.2 | 5.6 |
| Plains | -15.2 | -5.3 | -9.8 | -1.4 | 24.2 | 13.2 |
| Southeast | 3.8 | -19.6 | -8.9 | -2.5 | 13.0 | 5.0 |
| Southwest | -7.0 | -0.2 | -2.5 | -6.4 | 10.2 | 4.7 |
| Rocky Mountain | -3.3 | -5.3 | -4.6 | -0.6 | -43.7 | -28.9 |
| Far West | 10.8 | 17.9 | 13.6 | 1.5 | 12.2 | 6.0 |
| ALL STATES | -6.9% | -9.5% | -8.0% | -1.5% | 5.5% | 1.5% |

CASH ASSISTANCE UNDER THE TEMPORARY ASSISTANCE FOR NEEDY FAMILIES PROGRAM



1.7% of State Expenditures

This section references cash assistance provided through the Temporary Assistance for Needy Families (TANF) program. Welfare reform legislation passed in 1996 replaced the Aid to Families with Dependent Children (AFDC) program with TANF. Since that time, states have experienced significant drops in their welfare caseloads and their spending on cash assistance. Funding levels, however, remain relatively constant because the block grant nature of the TANF program guarantees certain levels of federal funding. As the need for cash assistance expenditures declines, states are free to use the TANF funds for other services to assist families in making the transition from welfare to work and assist low-income families in general.

The nation has experienced a significant decline in the number of cases receiving cash assistance since August 1996 when the Personal Responsibility and Work Opportunity and Reconciliation Act of 1996 (PRWORA) was enacted. Prior to the enactment of PRWORA, there were 12.2 million welfare recipients. As of June 1999, the caseload was 6.9 million recipients, a 44 percent decrease. Welfare caseloads have declined in every state, and in twenty-eight states the caseloads declined by more than 45 percent during that time.

Spending on cash assistance has dropped with the declining caseloads. State and federal funds for TANF cash assistance expenditures decreased by 12 percent from 1998 to 1999 (see Table 23), and data from the U.S. Department of Health and Human Services (HHS) shows that the portion of TANF funds spent on cash and work based assistance has dropped from 74 percent of all TANF/AFDC expenditures in 1997 to 60 percent of all TANF expenditures in 1999.

Furthermore, few states have increased their cash assistance benefit levels. In fiscal year 1999, six states increased cash benefit levels between 2.2 and 8 percent.

Under AFDC, declining caseloads would have resulted in automatic declines in federal and state spending. Yet while caseloads and cash assistance expenditures have declined, the amount of federal TANF funding remains constant and the amount of state funding has decreased only slightly. PRWORA specified that the annual TANF block grant allocations to states would be based on 1994 federal funding levels. A total of \$16.5 billion was authorized annually for TANF through federal fiscal year 2002.

In order for states to receive their full allotment of the TANF block grant, they must meet a maintenance of effort (MOE) requirement and therefore do not realize proportionate savings from the

declining caseloads. Under the MOE requirement, states must continue to spend state funds at a level equal to at least 80 percent of state spending for AFDC-related programs in 1994. A state's MOE may be reduced to 75 percent if the state meets applicable TANF participation rates, thus possibly lowering the amount of state spending. In fiscal year 1999, all states met the 75 percent MOE level, and twenty-five states reported spending at or above the 80 percent level.

If states fail to meet their MOE requirements, the amount of that state's block grant will be reduced on a dollar for dollar basis. Furthermore, the state must make up the MOE shortfall with state funds or suffer a penalty reduction. The replacement of federal TANF dollars with state dollars may further depress any savings on the part of the state from lower caseload levels.

Taking advantage of the financial resources available because of declining welfare caseloads, many states are expending federal TANF funds and their MOE funds on a variety of services and benefits. States have provided funding for programs to address child care services, training and education, transportation needs, transitional rental assistance, substance abuse, job readiness and job retention training, and domestic violence.

For example, HHS reports that states transferred a cumulative total of \$2.43 billion in TANF funds to the Child Care Development Fund (CCDF) during fiscal year 1999. In addition, states spent \$1.99 billion of TANF funds on child care services—\$1.38 billion in state MOE funds and \$604 million in federal funds, bringing the total amount of state and federal funds available for child care to \$4.43 billion.

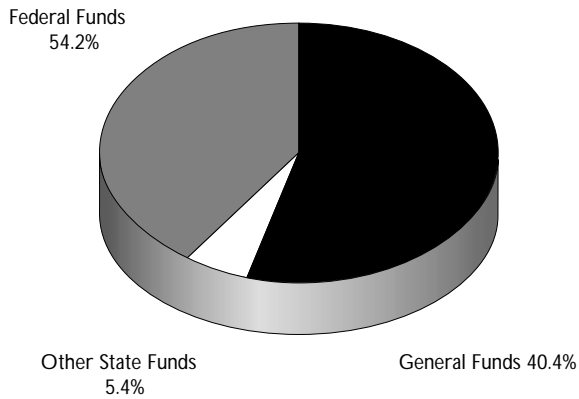
States reported spending \$1.75 billion in federal and state funds on work activities in fiscal year 1999—an increase over fiscal year 1998. According to HHS data, states also reported spending \$3 billion for programs including emergency assistance, domestic violence services, child welfare, staff training, and fraud control.

For this report, states reported that total state spending for cash assistance under TANF was \$14.6 billion in 1999, a decrease of 12 percent from 1998. TANF cash assistance represented 1.7 percent of total state expenditures in 1999. Expenditure data for TANF cash assistance can be found on Tables 21-23.

Fund Shares

The figure below provides fund shares for 1999.

Figure 14
STATE EXPENDITURES FOR TEMPORARY ASSISTANCE
FOR NEEDY FAMILIES BY FUND SOURCE, FISCAL 1999



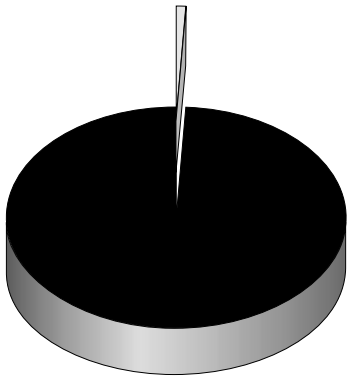
Regional Expenditures

The following table shows percentage changes in expenditures for TANF cash assistance for fiscal 1998-99 and 1999-2000.

Table 17
REGIONAL PERCENTAGE CHANGE IN STATE TANF
EXPENDITURES, FISCAL 1999 AND 2000

| Region | Fiscal 1998 to 1999 | | | Fiscal 1999 to 2000 | | |
|-------------------|---------------------|---------------|---------------|---------------------|---------------|-------------|
| | State Funds | Federal Funds | All Funds | State Funds | Federal Funds | All Funds |
| New England | -19.8% | -7.2% | -13.6% | 3.3% | -10.2% | -3.8% |
| Mid-Atlantic | -36.4 | -39.2 | -38.0 | -0.2 | -20.3 | -11.5 |
| Great Lakes | -13.0 | -36.5 | -21.9 | -5.4 | 32.1 | 6.1 |
| Plains | -20.3 | -5.1 | -10.8 | -4.7 | 24.3 | 14.6 |
| Southeast | 0.6 | -22.9 | -12.9 | -5.6 | 13.7 | 4.2 |
| Southwest | -9.8 | 0.5 | -3.5 | -7.4 | 3.9 | -0.2 |
| Rocky Mountain | -8.3 | -8.1 | -8.2 | -6.8 | -0.6 | -2.8 |
| Far West | 13.2 | 24.1 | 19.3 | -8.8 | 13.4 | 4.1 |
| ALL STATES | -10.9% | -11.2% | -11.1% | -5.0% | 5.9% | 0.9% |

OTHER CASH ASSISTANCE



0.9% of State Expenditures

The second component of cash assistance for public welfare reported here is other cash assistance, including state participation in the Supplemental Security Income (SSI) program, General Assistance (GA), and emergency assistance. For example, in 1999 twenty-eight states provided and administered supplemental payments to certain categories of SSI recipients. Each state determines the structure of its own program, resulting in significant variations in programs and funding. Thirty-five states, including the District of Columbia, have some form of GA program in which state government is involved. Some have statewide uniform eligibility rules while others simply require some form of county participation.

Other cash assistance programs accounted for only 0.9 percent of total state spending in 1999. States spent \$7.6 billion for other cash assistance, with 73.2 percent funded from state general funds. Two states (New York and California) accounted for 67 percent of total general fund spending on other cash assistance.

Expenditure data for other cash assistance can be found on Tables 24-26.

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

| Region/ State | Actual Fiscal 1998 | | | | Actual Fiscal 1999 | | | | Estimated Fiscal 2000 | | | |
|-----------------------|--------------------|------------------|-------------------------|-----------------|--------------------|------------------|-------------------------|-----------------|-----------------------|------------------|-------------------------|-----------------|
| | 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 | \$411 | \$267 | \$0 | \$678 | \$299 | \$267 | \$0 | \$566 | 298 | 267 | 0 | 565 |
| Maine | 46 | 72 | 69 | 187 | 49 | 71 | 72 | 192 | 53 | 84 | 83 | 220 |
| Massachusetts* | 477 | 262 | 0 | 739 | 449 | 218 | 0 | 667 | 457 | 157 | 0 | 614 |
| New Hampshire | 22 | 19 | 11 | 52 | 23 | 27 | 11 | 61 | 23 | 27 | 11 | 61 |
| Rhode Island* | 72 | 76 | 0 | 148 | 72 | 72 | 0 | 144 | 74 | 67 | 0 | 141 |
| Vermont | 38 | 35 | 1 | 74 | 36 | 30 | 1 | 67 | 35 | 36 | 4 | 75 |
| MID-ATLANTIC | | | | | | | | | | | | |
| Delaware | 33 | 30 | 0 | 63 | 29 | 32 | 1 | 62 | 29 | 30 | 0 | 59 |
| Maryland | 102 | 130 | 40 | 272 | 98 | 118 | 23 | 239 | 86 | 105 | 20 | 211 |
| New Jersey | 310 | 232 | 0 | 542 | 312 | 154 | 0 | 466 | 249 | 156 | 0 | 405 |
| New York | 1,803 | 1,948 | 1,430 | 5,181 | 1,426 | 1,031 | 777 | 3,234 | 1,330 | 815 | 718 | 2,863 |
| Pennsylvania* | 442 | 560 | 27 | 1,029 | 387 | 597 | 27 | 1,011 | 440 | 597 | 27 | 1,064 |
| GREAT LAKES | | | | | | | | | | | | |
| Illinois | 299 | 422 | 0 | 721 | 302 | 276 | 0 | 578 | 243 | 192 | 0 | 435 |
| Indiana | 103 | 133 | 17 | 253 | 105 | 146 | 16 | 267 | 114 | 405 | 7 | 526 |
| Michigan* | 385 | 228 | 72 | 685 | 360 | 95 | 61 | 516 | 325 | 71 | 74 | 470 |
| Ohio* | 582 | 0 | 0 | 582 | 454 | 0 | 0 | 454 | 448 | 0 | 0 | 448 |
| Wisconsin | 198 | 54 | 0 | 252 | 173 | 41 | 0 | 214 | 200 | 64 | 0 | 264 |
| PLAINS | | | | | | | | | | | | |
| Iowa | 30 | 81 | 22 | 133 | 32 | 67 | 23 | 122 | 35 | 78 | 16 | 129 |
| Kansas | 41 | 12 | 6 | 59 | 36 | 10 | 3 | 49 | 35 | 13 | 0 | 48 |
| Minnesota | 181 | 186 | 0 | 367 | 140 | 187 | 0 | 327 | 126 | 304 | 0 | 430 |
| Missouri | 74 | 146 | 14 | 234 | 61 | 130 | 15 | 206 | 58 | 121 | 16 | 195 |
| Nebraska | 25 | 32 | 0 | 57 | 25 | 31 | 0 | 56 | 35 | 29 | 0 | 64 |
| North Dakota* | 2 | 16 | 3 | 21 | 0 | 18 | 1 | 19 | 7 | 12 | 4 | 23 |
| South Dakota | 10 | 15 | 0 | 25 | 9 | 19 | 1 | 29 | 8 | 17 | 1 | 26 |
| SOUTHEAST | | | | | | | | | | | | |
| Alabama | 3 | 28 | 10 | 41 | 2 | 24 | 10 | 36 | 2 | 22 | 8 | 32 |
| Arkansas | 102 | 125 | 10 | 237 | 112 | 147 | 5 | 264 | 113 | 214 | 13 | 340 |
| Florida* | 273 | 99 | 29 | 401 | 278 | 0 | 15 | 293 | 258 | 0 | 0 | 258 |
| Georgia | 58 | 183 | 0 | 241 | 54 | 130 | 0 | 184 | 48 | 165 | 0 | 213 |
| Kentucky | 63 | 137 | 0 | 200 | 75 | 112 | 0 | 187 | 75 | 145 | 5 | 225 |
| Louisiana | 43 | 49 | 0 | 92 | 58 | 23 | 0 | 81 | 54 | 21 | 0 | 75 |
| Mississippi | 6 | 54 | 0 | 60 | 11 | 57 | 0 | 68 | 13 | 15 | 0 | 28 |
| North Carolina | 119 | 292 | 118 | 529 | 120 | 284 | 150 | 554 | 127 | 299 | 159 | 585 |
| South Carolina | 20 | 48 | 0 | 68 | 29 | 25 | 0 | 54 | 24 | 22 | 0 | 46 |
| Tennessee | 32 | 69 | 7 | 108 | 28 | 77 | 4 | 109 | 28 | 90 | 6 | 124 |
| Virginia | 77 | 85 | 0 | 162 | 67 | 78 | 0 | 145 | 58 | 76 | 0 | 134 |
| West Virginia | 33 | 33 | 5 | 71 | 28 | 10 | 0 | 38 | 29 | 24 | 0 | 53 |
| SOUTHWEST | | | | | | | | | | | | |
| Arizona | 47 | 111 | 0 | 158 | 43 | 86 | 0 | 129 | 45 | 83 | 0 | 128 |
| New Mexico | 31 | 244 | 6 | 281 | 47 | 314 | 0 | 361 | 46 | 343 | 1 | 390 |
| Oklahoma* | 67 | 47 | 0 | 114 | 56 | 40 | 0 | 96 | 39 | 55 | 0 | 94 |
| Texas | 146 | 167 | 4 | 317 | 134 | 128 | 0 | 262 | 131 | 145 | 0 | 276 |
| ROCKY MOUNTAIN | | | | | | | | | | | | |
| Colorado* | 25 | 261 | 106 | 392 | 15 | 233 | 105 | 353 | 17 | 87 | 102 | 206 |
| Idaho | 13 | 5 | 0 | 18 | 12 | 15 | 0 | 27 | 11 | 18 | 0 | 29 |
| Montana* | 10 | 25 | 0 | 35 | 10 | 21 | 0 | 31 | 10 | 20 | 1 | 31 |
| Utah | 20 | 66 | 0 | 86 | 26 | 68 | 0 | 94 | 26 | 64 | 0 | 90 |
| Wyoming | 8 | 1 | 0 | 9 | 8 | 2 | 0 | 10 | 8 | 2 | 0 | 10 |
| FAR WEST | | | | | | | | | | | | |
| Alaska | 88 | 39 | 32 | 159 | 87 | 28 | 28 | 143 | 86 | 33 | 30 | 149 |
| California | 4,128 | 2,784 | 0 | 6,912 | 4,733 | 3,421 | 0 | 8,154 | 4,861 | 3,798 | 0 | 8,659 |
| Hawaii | 126 | 72 | 0 | 198 | 114 | 79 | 0 | 193 | 105 | 76 | 0 | 181 |
| Nevada | 11 | 28 | 0 | 39 | 10 | 22 | 0 | 32 | 16 | 15 | 0 | 31 |
| Oregon* | 90 | 145 | 9 | 244 | 83 | 165 | 17 | 265 | 77 | 155 | 23 | 255 |
| Washington | 387 | 224 | 0 | 611 | 324 | 165 | 0 | 489 | 277 | 276 | 0 | 553 |
| TOTAL | \$11,712 | \$10,377 | \$2,048 | \$24,137 | \$11,441 | \$9,391 | \$1,366 | \$22,198 | \$11,292 | \$9,910 | \$1,329 | \$22,531 |
| Puerto Rico | 70 | 1,198 | 0 | 1,268 | 70 | 1,264 | 0 | 1,334 | 69 | 1,290 | 0 | 1,359 |

Note: This table reflects TANF and other cash assistance expenditures.
Source: National Association of State Budget Officers, 1999 State Expenditure Report, June 2000

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

| Region/State | Fiscal 1998 | Fiscal 1999 | Fiscal 2000 |
|-----------------------|----------------|----------------|----------------|
| NEW ENGLAND | | | |
| Connecticut | 4.9% | 3.8% | 3.8% |
| Maine | 4.5 | 4.3 | 4.2 |
| Massachusetts | 3.2 | 2.7 | 2.4 |
| New Hampshire | 2.2 | 2.4 | 1.8 |
| Rhode Island | 4.0 | 3.6 | 3.1 |
| Vermont | 4.1 | 3.3 | 3.3 |
| MID-ATLANTIC | | | |
| Delaware | 1.5 | 1.3 | 1.2 |
| Maryland | 1.7 | 1.4 | 1.2 |
| New Jersey | 2.2 | 1.7 | 1.4 |
| New York | 7.2 | 4.3 | 3.7 |
| Pennsylvania | 3.0 | 2.7 | 2.7 |
| GREAT LAKES | | | |
| Illinois | 2.4 | 1.8 | 1.0 |
| Indiana | 1.7 | 1.8 | 3.1 |
| Michigan | 2.1 | 1.6 | 1.3 |
| Ohio | 1.7 | 1.3 | 1.0 |
| Wisconsin | 1.2 | 0.9 | 1.3 |
| PLAINS | | | |
| Iowa | 1.3 | 1.1 | 1.1 |
| Kansas | 0.8 | 0.6 | 0.6 |
| Minnesota | 2.2 | 1.9 | 2.3 |
| Missouri | 1.7 | 1.4 | 1.2 |
| Nebraska | 1.2 | 1.0 | 1.4 |
| North Dakota | 1.0 | 0.9 | 1.0 |
| South Dakota | 1.3 | 1.5 | 1.2 |
| SOUTHEAST | | | |
| Alabama | 0.3 | 0.3 | 0.2 |
| Arkansas | 2.7 | 2.8 | 3.3 |
| Florida | 0.9 | 0.6 | 0.5 |
| Georgia | 1.1 | 0.8 | 0.9 |
| Kentucky | 1.5 | 1.3 | 1.4 |
| Louisiana | 0.6 | 0.5 | 0.5 |
| Mississippi | 0.7 | 0.8 | 0.3 |
| North Carolina | 2.4 | 2.3 | 2.4 |
| South Carolina | 0.5 | 0.5 | 0.3 |
| Tennessee | 0.7 | 0.7 | 0.8 |
| Virginia | 0.8 | 0.7 | 0.6 |
| West Virginia | 1.2 | 0.6 | 0.9 |
| SOUTHWEST | | | |
| Arizona | 1.2 | 0.9 | 0.8 |
| New Mexico | 3.9 | 4.6 | 5.0 |
| Oklahoma | 1.2 | 1.0 | 0.8 |
| Texas | 0.7 | 0.6 | 0.6 |
| ROCKY MOUNTAIN | | | |
| Colorado | 6.5 | 5.4 | 4.0 |
| Idaho | 0.6 | 0.8 | 0.8 |
| Montana | 1.4 | 1.2 | 1.0 |
| Utah | 1.3 | 1.4 | 1.4 |
| Wyoming | 0.5 | 0.5 | 0.5 |
| FAR WEST | | | |
| Alaska | 3.7 | 2.8 | 2.9 |
| California | 6.9 | 7.4 | 7.0 |
| Hawaii | 2.9 | 3.0 | 2.7 |
| Nevada | 0.6 | 0.5 | — |
| Oregon | 1.9 | 2.1 | 1.8 |
| Washington | 3.2 | 2.4 | 2.5 |
| ALL STATES | 2.9% | 2.5% | 2.3% |
| Puerto Rico | 6.9 | 7.0 | 6.8 |

Note: This table reflects TANF and other cash assistance expenditures.

Table 20
ANNUAL PERCENTAGE CHANGE IN TOTAL CASH ASSISTANCE EXPENDITURES

| Region/State | Fiscal 1998 to 1999 | | | Fiscal 1999 to 2000 | | |
|-----------------------|---------------------|---------------|--------------|---------------------|---------------|-------------|
| | State Funds | Federal Funds | All Funds | State Funds | Federal Funds | All Funds |
| NEW ENGLAND | | | | | | |
| Connecticut | -27.3% | 0.0% | -16.5% | -0.3% | 0.0% | -0.2% |
| Maine | 5.2 | -1.4 | 2.7 | 12.4 | 18.3 | 14.6 |
| Massachusetts | -5.9 | -16.8 | -9.7 | 1.8 | -28.0 | -7.9 |
| New Hampshire | 3.0 | 42.1 | 17.3 | 0.0 | 0.0 | 0.0 |
| Rhode Island | 0.0 | -5.3 | -2.7 | 2.8 | -6.9 | -2.1 |
| Vermont | -5.1 | -14.3 | -9.5 | 5.4 | 20.0 | 11.9 |
| MID-ATLANTIC | | | | | | |
| Delaware | -9.1 | 6.7 | -1.6 | -3.3 | -6.3 | -4.8 |
| Maryland | -14.8 | -9.2 | -12.1 | -12.4 | -11.0 | -11.7 |
| New Jersey | 0.6 | -33.6 | -14.0 | -20.2 | 1.3 | -13.1 |
| New York | -31.9 | -47.1 | -37.6 | -7.0 | -21.0 | -11.5 |
| Pennsylvania | -11.7 | 6.6 | -1.7 | 12.8 | 0.0 | 5.2 |
| GREAT LAKES | | | | | | |
| Illinois | 1.0 | -34.6 | -19.8 | -19.5 | -30.4 | -24.7 |
| Indiana | 0.8 | 9.8 | 5.5 | 0.0 | 177.4 | 97.0 |
| Michigan | -7.9 | -58.3 | -24.7 | -5.2 | -25.3 | -8.9 |
| Ohio | -22.0 | — | -22.0 | -1.3 | — | -1.3 |
| Wisconsin | -12.6 | -24.1 | -15.1 | 15.6 | 56.1 | 23.4 |
| PLAINS | | | | | | |
| Iowa | 5.8 | -17.3 | -8.3 | -7.3 | 16.4 | 5.7 |
| Kansas | -17.0 | -16.7 | -16.9 | -10.3 | 30.0 | -2.0 |
| Minnesota | -22.7 | 0.5 | -10.9 | -10.0 | 62.6 | 31.5 |
| Missouri | -13.6 | -11.0 | -12.0 | -2.6 | -6.9 | -5.3 |
| Nebraska | 0.0 | -3.1 | -1.8 | 40.0 | -6.5 | 14.3 |
| North Dakota | -80.0 | 12.5 | -9.5 | 816.0 | -33.3 | 21.1 |
| South Dakota | 0.0 | 26.7 | 16.0 | -10.0 | -10.5 | -10.3 |
| SOUTHEAST | | | | | | |
| Alabama | -7.7 | -14.3 | -12.2 | -16.7 | -8.3 | -11.1 |
| Arkansas | 4.5 | 17.6 | 11.4 | 7.7 | 45.6 | 28.8 |
| Florida | -3.0 | -100.0 | -26.9 | -11.9 | — | -11.9 |
| Georgia | -6.9 | -29.0 | -23.7 | -11.1 | 26.9 | 15.8 |
| Kentucky | 19.0 | -18.2 | -6.5 | 6.7 | 29.5 | 20.3 |
| Louisiana | 34.9 | -53.1 | -12.0 | -6.9 | -8.7 | -7.4 |
| Mississippi | 83.3 | 5.6 | 13.3 | 18.2 | -73.7 | -58.8 |
| North Carolina | 13.9 | -2.7 | 4.7 | 5.9 | 5.3 | 5.6 |
| South Carolina | 45.0 | -47.9 | -20.6 | -17.2 | -12.0 | -14.8 |
| Tennessee | -17.9 | 11.6 | 0.9 | 6.3 | 16.9 | 13.8 |
| Virginia | -13.0 | -8.2 | -10.5 | -13.4 | -2.6 | -7.6 |
| West Virginia | -26.3 | -69.7 | -46.5 | 3.6 | 140.0 | 39.5 |
| SOUTHWEST | | | | | | |
| Arizona | -8.5 | -22.5 | -18.4 | 4.7 | -3.5 | -0.8 |
| New Mexico | 27.0 | 28.7 | 28.5 | 0.0 | 9.2 | 8.0 |
| Oklahoma | -16.4 | -14.9 | -15.8 | -30.4 | 37.5 | -2.1 |
| Texas | -10.7 | -23.4 | -17.4 | -2.2 | 13.3 | 5.3 |
| ROCKY MOUNTAIN | | | | | | |
| Colorado | -8.4 | -10.7 | -9.9 | -0.8 | -62.7 | -41.6 |
| Idaho | -7.7 | 200.0 | 50.0 | -8.3 | 20.0 | 7.4 |
| Montana | 0.0 | -16.0 | -11.4 | 10.0 | -4.8 | 0.0 |
| Utah | 30.0 | 3.0 | 9.3 | 0.0 | -5.9 | -4.3 |
| Wyoming | 0.0 | 100.0 | 11.1 | 0.0 | 0.0 | 0.0 |
| FAR WEST | | | | | | |
| Alaska | -4.2 | -28.2 | -10.1 | 0.9 | 17.9 | 4.2 |
| California | 14.7 | 22.9 | 18.0 | 2.7 | 11.0 | 6.2 |
| Hawaii | -9.5 | 9.7 | -2.5 | -7.9 | -3.8 | -6.2 |
| Nevada | — | — | — | 60.0 | -31.8 | -3.1 |
| Oregon | 1.0 | 13.8 | 8.6 | 0.0 | -6.1 | -3.8 |
| Washington | -16.3 | -26.3 | -20.0 | -14.5 | — | 13.1 |
| ALL STATES | -6.9% | -9.5% | -8.0% | -1.5% | -2.7% | 1.5% |
| Puerto Rico | 0.0 | 5.5 | 5.2 | -1.4 | 2.1 | 1.9 |

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, 1999 State Expenditure Report, June 2000

Table 21
TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) EXPENDITURES FOR CASH ASSISTANCE (\$ IN MILLIONS)

| Region/State | Actual Fiscal 1998 | | | | Actual Fiscal 1999 | | | | Estimated Fiscal 2000 | | | |
|-----------------------|--------------------|----------------|-------------------|-----------------|--------------------|----------------|-------------------|-----------------|-----------------------|----------------|-------------------|-----------------|
| | 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 | \$293 | \$267 | \$0 | \$560 | \$185 | \$267 | \$0 | \$452 | \$185 | \$267 | \$0 | \$452 |
| Maine | 21 | 40 | 66 | 127 | 21 | 42 | 70 | 133 | 24 | 47 | 80 | 151 |
| Massachusetts* | 218 | 222 | 0 | 440 | 187 | 174 | 0 | 361 | 191 | 107 | 0 | 298 |
| New Hampshire | 16 | 19 | 5 | 40 | 17 | 26 | 5 | 48 | 17 | 26 | 5 | 48 |
| Rhode Island* | 44 | 76 | 0 | 120 | 42 | 72 | 0 | 114 | 43 | 67 | 0 | 110 |
| Vermont | 24 | 30 | 1 | 55 | 24 | 26 | 1 | 51 | 21 | 31 | 4 | 56 |
| MID-ATLANTIC | | | | | | | | | | | | |
| Delaware | 8 | 18 | 0 | 26 | 6 | 15 | 1 | 22 | 4 | 13 | 0 | 17 |
| Maryland | 74 | 126 | 35 | 235 | 83 | 93 | 23 | 199 | 77 | 63 | 20 | 160 |
| New Jersey | 120 | 199 | 0 | 319 | 128 | 112 | 0 | 240 | 64 | 116 | 0 | 180 |
| New York | 757 | 1,834 | 757 | 3,348 | 429 | 978 | 422 | 1,829 | 434 | 775 | 429 | 1,638 |
| Pennsylvania* | 187 | 437 | 0 | 624 | 141 | 392 | 0 | 533 | 202 | 300 | 0 | 502 |
| GREAT LAKES | | | | | | | | | | | | |
| Illinois | 253 | 417 | 0 | 670 | 257 | 271 | 0 | 528 | 198 | 187 | 0 | 385 |
| Indiana | 103 | 133 | 17 | 253 | 105 | 146 | 16 | 267 | 114 | 405 | 7 | 526 |
| Michigan* | 274 | 226 | 66 | 566 | 250 | 92 | 57 | 399 | 212 | 67 | 70 | 349 |
| Ohio* | 563 | 0 | 0 | 563 | 439 | 0 | 0 | 439 | 433 | 0 | 0 | 433 |
| Wisconsin | 66 | 38 | 0 | 104 | 43 | 8 | 0 | 51 | 70 | 24 | 0 | 94 |
| PLAINS | | | | | | | | | | | | |
| Iowa | 30 | 81 | 22 | 133 | 32 | 67 | 23 | 122 | 35 | 78 | 16 | 129 |
| Kansas | 37 | 12 | 6 | 55 | 35 | 10 | 0 | 45 | 31 | 13 | 0 | 44 |
| Minnesota | 117 | 186 | 0 | 303 | 81 | 187 | 0 | 268 | 66 | 304 | 0 | 370 |
| Missouri | 44 | 145 | 0 | 189 | 31 | 129 | 0 | 160 | 25 | 120 | 0 | 145 |
| Nebraska | 20 | 32 | 0 | 52 | 19 | 31 | 0 | 50 | 28 | 29 | 0 | 57 |
| North Dakota* | 2 | 15 | 3 | 20 | 0 | 18 | 1 | 19 | 7 | 12 | 4 | 23 |
| South Dakota | 10 | 15 | 0 | 25 | 9 | 19 | 1 | 29 | 8 | 17 | 1 | 26 |
| SOUTHEAST | | | | | | | | | | | | |
| Alabama | 3 | 28 | 10 | 41 | 2 | 24 | 9 | 35 | 2 | 22 | 7 | 31 |
| Arkansas | 14 | 32 | 3 | 49 | 16 | 42 | 0 | 58 | 13 | 96 | 0 | 109 |
| Florida* | 273 | 99 | 29 | 401 | 278 | 0 | 15 | 293 | 258 | 0 | 0 | 258 |
| Georgia | 58 | 183 | 0 | 241 | 54 | 130 | 0 | 184 | 48 | 165 | 0 | 213 |
| Kentucky | 63 | 137 | 0 | 200 | 75 | 112 | 0 | 187 | 75 | 145 | 5 | 225 |
| Louisiana | 43 | 49 | 0 | 92 | 58 | 23 | 0 | 81 | 54 | 21 | 0 | 75 |
| Mississippi | 6 | 51 | 0 | 57 | 11 | 55 | 0 | 66 | 13 | 13 | 0 | 26 |
| North Carolina | 70 | 292 | 69 | 431 | 63 | 284 | 93 | 440 | 66 | 299 | 98 | 463 |
| South Carolina | 17 | 48 | 0 | 65 | 14 | 25 | 0 | 39 | 10 | 22 | 0 | 32 |
| Tennessee | 32 | 69 | 7 | 108 | 28 | 77 | 4 | 109 | 28 | 90 | 6 | 124 |
| Virginia | 68 | 63 | 0 | 131 | 61 | 54 | 0 | 115 | 52 | 54 | 0 | 106 |
| West Virginia | 32 | 32 | 5 | 69 | 26 | 9 | 0 | 35 | 27 | 22 | 0 | 49 |
| SOUTHWEST | | | | | | | | | | | | |
| Arizona | 42 | 109 | 0 | 151 | 37 | 83 | 0 | 120 | 40 | 79 | 0 | 119 |
| New Mexico | 27 | 86 | 5 | 118 | 40 | 160 | 0 | 200 | 40 | 148 | 1 | 189 |
| Oklahoma | 30 | 47 | 0 | 77 | 18 | 40 | 0 | 58 | 0 | 55 | 0 | 55 |
| Texas | 146 | 167 | 4 | 317 | 134 | 128 | 0 | 262 | 131 | 145 | 0 | 276 |
| ROCKY MOUNTAIN | | | | | | | | | | | | |
| Colorado | 16 | 80 | 39 | 135 | 4 | 69 | 35 | 108 | 6 | 69 | 28 | 103 |
| Idaho | 8 | 0 | 0 | 8 | 8 | 0 | 0 | 8 | 8 | 2 | 0 | 10 |
| Montana* | 10 | 25 | 0 | 35 | 10 | 21 | 0 | 31 | 10 | 20 | 1 | 31 |
| Utah | 15 | 66 | 0 | 81 | 23 | 66 | 0 | 89 | 21 | 64 | 0 | 85 |
| Wyoming | 8 | 1 | 0 | 9 | 8 | 2 | 0 | 10 | 8 | 2 | 0 | 10 |
| FAR WEST | | | | | | | | | | | | |
| Alaska | 43 | 38 | 9 | 90 | 40 | 27 | 7 | 74 | 37 | 32 | 8 | 77 |
| California | 1,649 | 2,206 | 0 | 3,855 | 2,020 | 2,906 | 0 | 4,926 | 1,850 | 3,261 | 0 | 5,111 |
| Hawaii | 32 | 72 | 0 | 104 | 19 | 79 | 0 | 98 | 13 | 76 | 0 | 89 |
| Nevada | 6 | 28 | 0 | 34 | 5 | 22 | 0 | 27 | 11 | 15 | 0 | 26 |
| Oregon* | 75 | 145 | 5 | 225 | 66 | 165 | 12 | 243 | 71 | 155 | 8 | 234 |
| Washington | 300 | 221 | 0 | 521 | 229 | 163 | 0 | 392 | 189 | 273 | 0 | 462 |
| TOTAL | \$6,367 | \$8,942 | \$1,163 | \$16,472 | \$5,911 | \$7,941 | \$795 | \$14,647 | \$5,570 | \$8,413 | \$798 | \$14,781 |
| Puerto Rico | 38 | 89 | 0 | 127 | 39 | 89 | 0 | 128 | 39 | 89 | 0 | 128 |

Source: National Association of State Budget Officers, 1999 State Expenditure Report, June 2000

Table 22
TANF CASH ASSISTANCE EXPENDITURES AS A PERCENT
OF TOTAL EXPENDITURES

| Region/State | Fiscal 1998 | Fiscal 1999 | Fiscal 2000 |
|-----------------------|----------------|----------------|----------------|
| NEW ENGLAND | | | |
| Connecticut | 4.0% | 3.1% | 3.1% |
| Maine | 3.0 | 3.0 | 2.9 |
| Massachusetts | 1.9 | 1.5 | 1.2 |
| New Hampshire | 1.7 | 1.9 | 1.4 |
| Rhode Island | 3.2 | 2.8 | 2.4 |
| Vermont | 3.1 | 2.5 | 2.5 |
| MID-ATLANTIC | | | |
| Delaware | 0.6 | 0.5 | 0.3 |
| Maryland | 1.5 | 1.2 | 0.9 |
| New Jersey | 1.3 | 0.9 | 0.6 |
| New York | 4.7 | 2.5 | 2.1 |
| Pennsylvania | 1.8 | 1.4 | 1.3 |
| GREAT LAKES | | | |
| Illinois | 2.3 | 1.7 | 0.8 |
| Indiana | 1.7 | 1.8 | 3.1 |
| Michigan | 1.8 | 1.2 | 1.0 |
| Ohio | 1.6 | 1.2 | 1.0 |
| Wisconsin | 0.5 | 0.2 | 0.5 |
| PLAINS | | | |
| Iowa | 1.3 | 1.1 | 1.1 |
| Kansas | 0.7 | 0.5 | 0.5 |
| Minnesota | 1.8 | 1.5 | 2.0 |
| Missouri | 1.4 | 1.1 | 0.9 |
| Nebraska | 1.1 | 0.9 | 1.2 |
| North Dakota | 1.0 | 0.9 | 1.0 |
| South Dakota | 1.3 | 1.5 | 1.2 |
| SOUTHEAST | | | |
| Alabama | 0.3 | 0.3 | 0.2 |
| Arkansas | 0.5 | 0.6 | 1.1 |
| Florida | 0.9 | 0.6 | 0.5 |
| Georgia | 1.1 | 0.8 | 0.9 |
| Kentucky | 1.5 | 1.3 | 1.4 |
| Louisiana | 0.6 | 0.5 | 0.5 |
| Mississippi | 0.7 | 0.8 | 0.3 |
| North Carolina | 1.9 | 1.8 | 1.9 |
| South Carolina | 0.5 | 0.4 | 0.2 |
| Tennessee | 0.7 | 0.7 | 0.8 |
| Virginia | 0.7 | 0.5 | 0.5 |
| West Virginia | 1.2 | 0.6 | 0.8 |
| SOUTHWEST | | | |
| Arizona | 1.1 | 0.8 | 0.8 |
| New Mexico | 1.7 | 2.6 | 2.4 |
| Oklahoma | 0.8 | 0.6 | 0.5 |
| Texas | 0.7 | 0.6 | 0.6 |
| ROCKY MOUNTAIN | | | |
| Colorado | 2.2 | 1.7 | 2.0 |
| Idaho | 0.3 | 0.2 | 0.3 |
| Montana | 1.4 | 1.2 | 1.0 |
| Utah | 1.3 | 1.4 | 1.3 |
| Wyoming | 0.5 | 0.5 | 0.5 |
| FAR WEST | | | |
| Alaska | 2.1 | 1.5 | 1.5 |
| California | 3.8 | 4.5 | 4.1 |
| Hawaii | 1.5 | 1.5 | 1.3 |
| Nevada | 0.6 | 0.4 | 0.4 |
| Oregon | 1.8 | 1.9 | 1.6 |
| Washington | 2.7 | 1.9 | 2.1 |
| ALL STATES | 2.0% | 1.7% | 1.5% |
| Puerto Rico | 0.7 | 0.7 | 0.6 |

Source: National Association of State Budget Officers, 1999 State Expenditure Report, June 2000

Table 23
ANNUAL PERCENTAGE CHANGE IN TANF CASH ASSISTANCE EXPENDITURES

| Region/State | Fiscal 1998 to 1999 | | | Fiscal 1999 to 2000 | | |
|-----------------------|---------------------|---------------|---------------|---------------------|---------------|-------------|
| | State Funds | Federal Funds | All Funds | State Funds | Federal Funds | All Funds |
| NEW ENGLAND | | | | | | |
| Connecticut | -36.9% | 0.0% | -19.3% | 0.0% | 0.0% | 0.0% |
| Maine | 4.6 | 5.0 | 4.7 | 14.3 | 11.9 | 13.5 |
| Massachusetts | -14.2 | -21.6 | -18.0 | 2.1 | -38.5 | -17.5 |
| New Hampshire | 4.8 | 36.8 | 20.0 | 0.0 | 0.0 | 0.0 |
| Rhode Island | -4.5 | -5.3 | -5.0 | 2.4 | -6.9 | -3.5 |
| Vermont | 0.0 | -13.3 | -7.3 | 0.0 | 19.2 | 9.8 |
| MID-ATLANTIC | | | | | | |
| Delaware | -12.5 | -16.7 | -15.4 | -42.9 | -13.3 | -22.7 |
| Maryland | -2.8 | -26.2 | -15.3 | -8.5 | -32.3 | -19.6 |
| New Jersey | 6.7 | -43.7 | -24.8 | -50.0 | 3.6 | -25.0 |
| New York | -43.8 | -46.7 | -45.4 | 1.4 | -20.8 | -10.4 |
| Pennsylvania | -24.6 | -10.3 | -14.6 | 43.3 | -23.5 | -5.8 |
| GREAT LAKES | | | | | | |
| Illinois | 1.6 | -35.0 | -21.2 | -23.0 | -31.0 | -27.1 |
| Indiana | 0.8 | 9.8 | 5.5 | 0.0 | 177.4 | 97.0 |
| Michigan | -9.7 | -59.3 | -29.5 | -8.1 | -27.2 | -12.5 |
| Ohio | -22.0 | — | -22.0 | -1.4 | — | -1.4 |
| Wisconsin | -34.8 | -78.9 | -51.0 | 62.8 | 200.0 | 84.3 |
| PLAINS | | | | | | |
| Iowa | 5.8 | -17.3 | -8.3 | -7.3 | 16.4 | 5.7 |
| Kansas | -18.6 | -16.7 | -18.2 | -11.4 | 30.0 | -2.2 |
| Minnesota | -30.8 | 0.5 | -11.6 | -18.5 | 62.6 | 38.1 |
| Missouri | -29.5 | -11.0 | -15.3 | -19.4 | -7.0 | -9.4 |
| Nebraska | -5.0 | -3.1 | -3.8 | 47.4 | -6.5 | 14.0 |
| North Dakota | -80.0 | 20.0 | -5.0 | 816.0 | -33.3 | 21.1 |
| South Dakota | 0.0 | 26.7 | 16.0 | -10.0 | -10.5 | -10.3 |
| SOUTHEAST | | | | | | |
| Alabama | -15.4 | -14.3 | -14.6 | -18.2 | -8.3 | -11.4 |
| Arkansas | -5.9 | 31.3 | 18.4 | -18.8 | 128.6 | 87.9 |
| Florida | -3.0 | -100.0 | -26.9 | -11.9 | — | -11.9 |
| Georgia | -6.9 | -29.0 | -23.7 | -11.1 | 26.9 | 15.8 |
| Kentucky | 19.0 | -18.2 | -6.5 | 6.7 | 29.5 | 20.3 |
| Louisiana | 34.9 | -53.1 | -12.0 | -6.9 | -8.7 | -7.4 |
| Mississippi | 83.3 | 7.8 | 15.8 | 18.2 | -76.4 | -60.6 |
| North Carolina | 12.2 | -2.7 | 2.1 | 5.1 | 5.3 | 5.2 |
| South Carolina | -17.6 | -47.9 | -40.0 | -28.6 | -12.0 | -17.9 |
| Tennessee | -17.9 | 11.6 | 0.9 | 6.3 | 16.9 | 13.8 |
| Virginia | -10.3 | -14.3 | -12.2 | -14.8 | 0.0 | -7.8 |
| West Virginia | -29.7 | -71.9 | -49.3 | 3.8 | 144.4 | 40.0 |
| SOUTHWEST | | | | | | |
| Arizona | -11.9 | -23.9 | -20.5 | 8.1 | -4.8 | -0.8 |
| New Mexico | 25.0 | 86.0 | 69.5 | 2.5 | -7.5 | -5.5 |
| Oklahoma | -40.0 | -14.9 | -24.7 | -100.0 | 37.5 | -5.2 |
| Texas | -10.7 | -23.4 | -17.4 | -2.2 | 13.3 | 5.3 |
| ROCKY MOUNTAIN | | | | | | |
| Colorado | -29.1 | -13.8 | -20.0 | -12.8 | 0.0 | -4.6 |
| Idaho | 0.0 | — | 0.0 | 0.0 | — | 25.0 |
| Montana | 0.0 | -16.0 | -11.4 | 10.0 | -4.8 | 0.0 |
| Utah | 53.3 | 0.0 | 9.9 | -8.7 | -3.0 | -4.5 |
| Wyoming | 0.0 | 100.0 | 11.1 | 0.0 | 0.0 | 0.0 |
| FAR WEST | | | | | | |
| Alaska | -9.6 | -28.9 | -17.8 | -4.3 | 18.5 | 4.1 |
| California | 22.5 | 31.7 | 27.8 | -8.4 | 12.2 | 3.8 |
| Hawaii | -40.6 | 9.7 | -5.8 | -31.6 | -3.8 | -9.2 |
| Nevada | — | — | — | 120.0 | -31.8 | -3.7 |
| Oregon | -2.5 | 13.8 | 8.0 | 1.3 | -6.1 | -3.7 |
| Washington | -23.7 | -26.2 | -24.8 | -17.5 | 67.5 | 17.9 |
| ALL STATES | -10.9% | -11.2% | -11.1% | -5.0% | 5.9% | 0.9% |
| Puerto Rico | 2.6 | 0.0 | 0.8 | 0.0 | 0.0 | 0.0 |

Note: State funds are defined as general funds and other state funds (bonds are excluded).

Source: National Association of State Budget Officers, 1999 State Expenditure Report, June 2000

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

| Region/State | Actual Fiscal 1998 | | | | Actual Fiscal 1999 | | | | Estimated Fiscal 2000 | | | |
|-----------------------|--------------------|----------------|-------------------|----------------|--------------------|----------------|-------------------|----------------|-----------------------|----------------|-------------------|----------------|
| | 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 | \$118 | \$0 | \$0 | \$118 | \$114 | \$0 | \$0 | \$114 | \$113 | \$0 | \$0 | \$113 |
| Maine | 25 | 32 | 3 | 60 | 28 | 30 | 2 | 60 | 29 | 36 | 3 | 68 |
| Massachusetts | 259 | 40 | 0 | 299 | 262 | 44 | 0 | 306 | 266 | 49 | 0 | 315 |
| New Hampshire | 6 | 1 | 5 | 12 | 6 | 1 | 5 | 12 | 6 | 1 | 5 | 12 |
| Rhode Island | 28 | 0 | 0 | 28 | 30 | 0 | 0 | 30 | 31 | 0 | 0 | 31 |
| Vermont | 14 | 6 | 0 | 20 | 13 | 4 | 0 | 17 | 14 | 5 | 0 | 19 |
| MID-ATLANTIC | | | | | | | | | | | | |
| Delaware | 25 | 12 | 0 | 37 | 24 | 17 | 0 | 41 | 25 | 17 | 0 | 42 |
| Maryland | 28 | 4 | 5 | 37 | 15 | 25 | 0 | 40 | 8 | 41 | 0 | 49 |
| New Jersey | 190 | 34 | 0 | 224 | 184 | 42 | 0 | 226 | 185 | 40 | 0 | 225 |
| New York | 1,046 | 114 | 673 | 1,833 | 997 | 52 | 355 | 1,404 | 896 | 40 | 289 | 1,225 |
| Pennsylvania | 255 | 123 | 27 | 405 | 246 | 205 | 27 | 478 | 238 | 297 | 27 | 562 |
| GREAT LAKES | | | | | | | | | | | | |
| Illinois | 46 | 5 | 0 | 51 | 45 | 5 | 0 | 50 | 46 | 5 | 0 | 51 |
| Indiana | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Michigan | 111 | 2 | 6 | 119 | 110 | 3 | 5 | 118 | 113 | 4 | 4 | 121 |
| Ohio | 19 | 0 | 0 | 19 | 15 | 0 | 0 | 15 | 15 | 0 | 0 | 15 |
| Wisconsin | 132 | 16 | 0 | 148 | 130 | 33 | 0 | 163 | 130 | 40 | 0 | 170 |
| PLAINS | | | | | | | | | | | | |
| Iowa | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Kansas | 4 | 0 | 0 | 4 | 1 | 0 | 3 | 4 | 4 | 0 | 0 | 4 |
| Minnesota | 64 | 0 | 0 | 64 | 59 | 0 | 0 | 59 | 60 | 0 | 0 | 60 |
| Missouri | 30 | 1 | 14 | 45 | 31 | 1 | 15 | 47 | 33 | 1 | 16 | 50 |
| Nebraska | 6 | 0 | 0 | 6 | 6 | 0 | 0 | 6 | 7 | 0 | 0 | 7 |
| 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 | 1 | 1 | 0 | 0 | 1 | 1 | 0 | 0 | 1 | 1 |
| Arkansas | 88 | 93 | 7 | 188 | 96 | 105 | 5 | 206 | 100 | 117 | 13 | 230 |
| Florida | 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 |
| 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 | 3 | 0 | 3 | 0 | 2 | 0 | 2 | 0 | 2 | 0 | 2 |
| North Carolina | 49 | 0 | 49 | 98 | 57 | 0 | 57 | 114 | 61 | 0 | 61 | 122 |
| South Carolina | 4 | 0 | 0 | 4 | 15 | 0 | 0 | 15 | 14 | 0 | 0 | 14 |
| Tennessee | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Virginia | 9 | 22 | 0 | 31 | 6 | 24 | 0 | 30 | 6 | 22 | 0 | 28 |
| West Virginia | 1 | 1 | 0 | 2 | 2 | 2 | 0 | 4 | 2 | 2 | 0 | 4 |
| SOUTHWEST | | | | | | | | | | | | |
| Arizona | 6 | 2 | 0 | 8 | 5 | 4 | 0 | 9 | 6 | 4 | 0 | 10 |
| New Mexico | 4 | 158 | 1 | 163 | 7 | 154 | 0 | 161 | 6 | 195 | 0 | 201 |
| Oklahoma | 38 | 0 | 0 | 38 | 39 | 0 | 0 | 39 | 39 | 0 | 0 | 39 |
| Texas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ROCKY MOUNTAIN | | | | | | | | | | | | |
| Colorado | 10 | 181 | 67 | 258 | 11 | 164 | 70 | 245 | 12 | 18 | 74 | 104 |
| Idaho | 5 | 5 | 0 | 10 | 5 | 15 | 0 | 20 | 3 | 16 | 0 | 19 |
| Montana | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Utah | 5 | 0 | 0 | 5 | 3 | 2 | 0 | 5 | 5 | 0 | 0 | 5 |
| Wyoming | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FAR WEST | | | | | | | | | | | | |
| Alaska | 45 | 1 | 23 | 69 | 47 | 1 | 21 | 69 | 49 | 1 | 22 | 72 |
| California | 2,479 | 578 | 0 | 3,057 | 2,713 | 515 | 0 | 3,228 | 3,011 | 536 | 0 | 3,547 |
| Hawaii | 94 | 0 | 0 | 94 | 95 | 0 | 0 | 95 | 92 | 0 | 0 | 92 |
| Nevada | 4 | 0 | 0 | 4 | 5 | 0 | 0 | 5 | 5 | 0 | 0 | 5 |
| Oregon* | 15 | 0 | 4 | 19 | 16 | 0 | 5 | 21 | 6 | 0 | 15 | 21 |
| Washington | 86 | 3 | 0 | 89 | 95 | 3 | 0 | 98 | 88 | 3 | 0 | 91 |
| TOTAL | \$5,348 | \$1,437 | \$885 | \$7,670 | \$5,533 | \$1,453 | \$571 | \$7,557 | \$5,724 | \$1,492 | \$530 | \$7,746 |
| Puerto Rico | 32 | 1,109 | 0 | 1,141 | 31 | 1,175 | 0 | 1,206 | 30 | 1,201 | 0 | 1,231 |

Source: National Association of State Budget Officers, 1999 State Expenditure Report, June 2000

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

| Region/State | Fiscal 1998 | Fiscal 1999 | Fiscal 2000 |
|-----------------------|----------------|----------------|----------------|
| NEW ENGLAND | | | |
| Connecticut | 0.8% | 0.8% | 0.8% |
| Maine | 1.4 | 1.3 | 1.3 |
| Massachusetts | 1.3 | 1.3 | 1.2 |
| New Hampshire | 0.5 | 0.5 | 0.4 |
| Rhode Island | 0.8 | 0.7 | 0.7 |
| Vermont | 1.1 | 0.8 | 0.8 |
| MID-ATLANTIC | | | |
| Delaware | 0.9 | 0.9 | 0.8 |
| Maryland | 0.2 | 0.2 | 0.3 |
| New Jersey | 0.9 | 0.8 | 0.8 |
| New York | 2.6 | 1.9 | 1.6 |
| Pennsylvania | 1.2 | 1.3 | 1.4 |
| GREAT LAKES | | | |
| Illinois | 0.2 | 0.2 | 0.1 |
| Indiana | 0.0 | 0.0 | 0.0 |
| Michigan | 0.4 | 0.4 | 0.3 |
| Ohio | 0.1 | 0.0 | 0.0 |
| Wisconsin | 0.7 | 0.7 | 0.8 |
| PLAINS | | | |
| Iowa | 0.0 | 0.0 | 0.0 |
| Kansas | 0.1 | 0.0 | 0.0 |
| Minnesota | 0.4 | 0.3 | 0.3 |
| Missouri | 0.3 | 0.3 | 0.3 |
| 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 | 2.1 | 2.2 | 2.2 |
| Florida | 0.0 | 0.0 | 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 | 0.4 | 0.5 | 0.5 |
| South Carolina | 0.0 | 0.1 | 0.1 |
| Tennessee | 0.0 | 0.0 | 0.0 |
| Virginia | 0.2 | 0.1 | 0.1 |
| West Virginia | 0.0 | 0.1 | 0.1 |
| SOUTHWEST | | | |
| Arizona | 0.1 | 0.1 | 0.1 |
| New Mexico | 2.3 | 2.1 | 2.6 |
| Oklahoma | 0.4 | 0.4 | 0.3 |
| Texas | 0.0 | 0.0 | 0.0 |
| ROCKY MOUNTAIN | | | |
| Colorado | 4.3 | 3.8 | 2.0 |
| Idaho | 0.3 | 0.6 | 0.5 |
| Montana | 0.0 | 0.0 | 0.0 |
| Utah | 0.1 | 0.1 | 0.1 |
| Wyoming | 0.0 | 0.0 | 0.0 |
| FAR WEST | | | |
| Alaska | 1.6 | 1.4 | 1.4 |
| California | 3.1 | 2.9 | 2.9 |
| Hawaii | 1.4 | 1.5 | 1.3 |
| Nevada | 0.1 | 0.1 | 0.1 |
| Oregon | 0.2 | 0.2 | 0.1 |
| Washington | 0.5 | 0.5 | 0.4 |
| ALL STATES | 0.9% | 0.9% | 0.8% |
| Puerto Rico | 6.2 | 6.3 | 6.2 |

Source: National Association of State Budget Officers, 1999 State Expenditure Report, June 2000

Table 26
ANNUAL PERCENTAGE CHANGE IN OTHER CASH ASSISTANCE EXPENDITURES

| Region/State | Fiscal 1998 to 1999 | | | Fiscal 1999 to 2000 | | |
|-----------------------|---------------------|---------------|--------------|---------------------|---------------|-------------|
| | State Funds | Federal Funds | All Funds | State Funds | Federal Funds | All Funds |
| NEW ENGLAND | | | | | | |
| Connecticut | -3.4% | —% | -3.4% | -0.9% | —% | -0.9% |
| Maine | 7.1 | -6.3 | 0.0 | 6.7 | 20.0 | 13.3 |
| Massachusetts | 1.2 | 10.0 | 2.3 | 1.5 | 11.4 | 2.9 |
| New Hampshire | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Rhode Island | 7.1 | — | 7.1 | 3.3 | — | 3.3 |
| Vermont | -7.1 | -33.3 | -15.0 | 7.7 | 25.0 | 11.8 |
| MID-ATLANTIC | | | | | | |
| Delaware | -4.0 | 41.7 | 10.8 | 4.2 | 0.0 | 2.4 |
| Maryland | -54.5 | 525.0 | 8.1 | -46.7 | 64.0 | 22.5 |
| New Jersey | -3.2 | 23.5 | 0.9 | 0.5 | -4.8 | -0.4 |
| New York | -21.3 | -54.4 | -23.4 | -12.4 | -23.1 | -12.7 |
| Pennsylvania | -3.2 | 66.7 | 18.0 | -2.9 | 44.9 | 17.6 |
| GREAT LAKES | | | | | | |
| Illinois | -2.2 | 0.0 | -2.0 | 2.2 | 0.0 | 2.0 |
| Indiana | — | — | — | — | — | — |
| Michigan | -1.7 | 50.0 | -0.8 | 1.7 | 33.3 | 2.5 |
| Ohio | -21.1 | — | -21.1 | 0.0 | — | 0.0 |
| Wisconsin | -1.5 | 106.3 | 10.1 | 0.0 | 21.2 | 4.3 |
| PLAINS | | | | | | |
| Iowa | — | — | — | — | — | — |
| Kansas | 0.0 | — | 0.0 | 0.0 | — | 0.0 |
| Minnesota | -7.8 | — | -7.8 | 1.7 | — | 1.7 |
| Missouri | 4.5 | 0.0 | 4.4 | 6.5 | 0.0 | 6.4 |
| Nebraska | 0.0 | — | 0.0 | 16.7 | — | 16.7 |
| North Dakota | — | — | — | — | — | — |
| South Dakota | — | — | — | — | — | — |
| SOUTHEAST | | | | | | |
| Alabama | 0.0 | — | 0.0 | 0.0 | — | 0.0 |
| Arkansas | 6.3 | 12.9 | 9.6 | 11.9 | 11.4 | 11.7 |
| Florida | — | — | — | — | — | — |
| Georgia | — | — | — | — | — | — |
| Kentucky | — | — | — | — | — | — |
| Louisiana | — | — | — | — | — | — |
| Mississippi | — | -33.3 | -33.3 | — | 0.0 | 0.0 |
| North Carolina | 16.3 | — | 16.3 | 7.0 | — | 7.0 |
| South Carolina | 275.0 | — | 275.0 | -6.7 | — | -6.7 |
| Tennessee | — | — | — | — | — | — |
| Virginia | -33.3 | 9.1 | -3.2 | 0.0 | -8.3 | -6.7 |
| West Virginia | 100.0 | 100.0 | 100.0 | 0.0 | 0.0 | 0.0 |
| SOUTHWEST | | | | | | |
| Arizona | -16.7 | 100.0 | 12.5 | 20.0 | 0.0 | 11.1 |
| New Mexico | 40.0 | -2.5 | -1.2 | -14.3 | 26.6 | 24.8 |
| Oklahoma | 2.6 | — | 2.6 | 0.0 | — | 0.0 |
| Texas | — | — | — | — | — | — |
| ROCKY MOUNTAIN | | | | | | |
| Colorado | 5.2 | -9.4 | -5.0 | 6.2 | -89.0 | -57.6 |
| Idaho | 0.0 | 200.0 | 100.0 | -40.0 | 6.7 | -5.0 |
| Montana | — | — | — | — | — | — |
| Utah | -40.0 | — | 0.0 | 66.7 | -100.0 | 0.0 |
| Wyoming | — | — | — | — | — | — |
| FAR WEST | | | | | | |
| Alaska | 0.0 | 0.0 | 0.0 | 4.4 | 0.0 | 4.3 |
| California | 9.4 | -10.9 | 5.6 | 11.0 | 4.1 | 9.9 |
| Hawaii | 1.1 | — | 1.1 | -3.2 | — | -3.2 |
| Nevada | — | — | — | 0.0 | — | 0.0 |
| Oregon | 10.5 | — | 10.5 | 0.0 | — | 0.0 |
| Washington | 10.5 | 0.0 | 10.1 | -7.4 | 0.0 | -7.1 |
| ALL STATES | -2.1% | 1.1% | -1.5% | 2.5% | 2.7% | 2.5% |
| Puerto Rico | -3.1 | 6.0 | 5.7 | -3.2 | 2.2 | 2.1 |

Note: State funds are defined as general funds and other state funds (bonds are excluded).
Source: National Association of State Budget Officers, 1999 State Expenditure Report, June 2000

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.

Colorado: The fiscal 2000 estimate is based on expenditures through March 2000. The federal funds appropriation for fiscal 1999 is \$134 million. It is anticipated that expenditures will be less than appropriated.

Florida: The overall reduction in expenditures over the three years is due to the declining caseload. In fiscal 1998-99 and thereafter, the Florida Legislature appropriated more funds in general revenue rather than federal funds so that the state could preserve the maintenance of effort. In fiscal 1999-2000, the Legislature directed that Child Support Enforcement collections ("other funds") be deposited in general revenue for use in cash assistance payments.

Massachusetts: "Other Cash Assistance" includes SSI state supplement and EAEDC and Emergency Assistance benefits. In fiscal 1999 and fiscal 2000, but not in fiscal 1998, federal reimbursements for EAEDC are included in federal rather than in state spending.

Michigan: TANF Maintenance of Effort (MOE) requirements specify that Michigan must spend a specific amount in state funds in order to draw down the annual federal block grant amount. Therefore, despite a caseload reduction of more than 32,000 between fiscal 1998 and fiscal 1999, the MOE requirement has remained the same, prompting the state to maintain most general fund spending on public assistance in order to draw down the entire TANF grant and to avoid other penalties. "Other Cash Assistance" figures do not include expenditures for day care, a large part of Michigan's public assistance program. Day care expenditures for the survey years are estimated at the following levels: \$331 million for fiscal 1998, \$400 million for fiscal 1999, \$435 million for fiscal 2000.

Montana: Figures reflect TANF cash assistance only; non-cash assistance expenditures made from TANF and TANF match funds are excluded.

North Dakota: Other State Funds include \$.3 million and \$2.3 million in county foster care funds for fiscal years 1998 and 2000, respectively. The large variances are due to a change in what TANF funding is used for as a result of the recent change in federal law regarding funding qualifying as maintenance of effort. The remaining

Other State Funds are federal reimbursements for county administration expenditures retained by the state in the swap arrangement whereby the counties agree to pay all administrative costs while the state picks up all the non-federal share of TANF grants.

Ohio: Federal funds deposited to the state General Fund and shown as General Fund expenditures for AFDC and TANF amount to \$435.5 million in fiscal 1998 and \$451.6 million in fiscal 1999. Amounts shown for TANF represent all TANF costs, not just cash assistance. TANF Cash assistance was \$562.8 million in fiscal 1998 and \$439.4 million in fiscal 1999. Also, see General Notes for Ohio on this issue and for discussion of double counting issues that affect percentage of total expenditure amounts.

Oklahoma: The final ruling by the Agency for Children and Families on use of prior year TANF Block Grant balances says that it can only be spent for cash assistance and administration of cash assistance. We expect our TANF caseload to be low enough that it will fall within the prior year block grant balance. "Other Cash Assistance" includes Assistance to the Aged, Blind, and Disabled (AABD) payments.

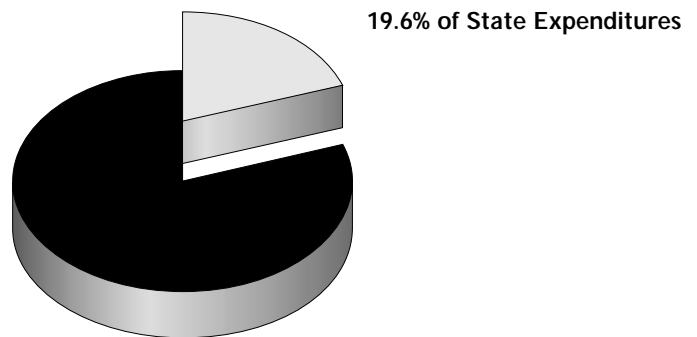
Oregon: All expenditures for Cash Assistance are agency-reported.

Pennsylvania: Pennsylvania used 80 percent maintenance of effort (MOE) for TANF programs in fiscal 1998 and at the beginning of fiscal 1999. Fiscal 2000 is based on reducing the MOE to 75 percent. This change will be retroactive to October 1, 1998.

Rhode Island: Totals for fiscal 1999 and 2000 include federal food stamps.

CHAPTER FOUR

MEDICAID



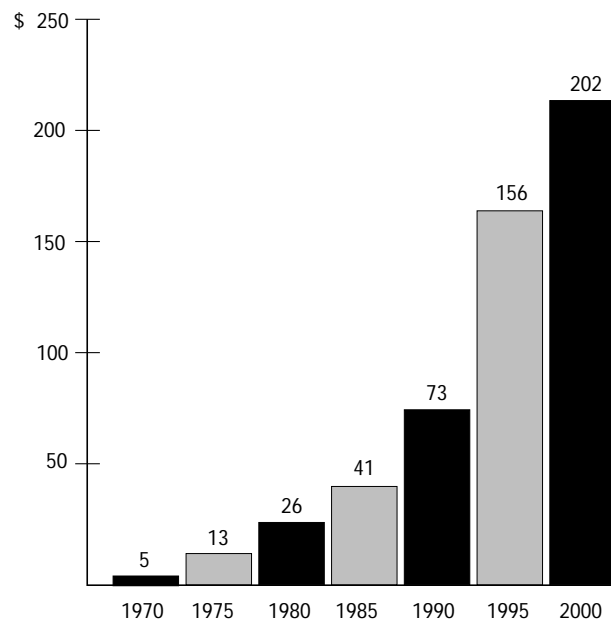
Medicaid continues to be an important budget issue for states

Medicaid spending, representing 19.6 percent of total state expenditures in fiscal year 1999, is the second largest category of state budgets. The growth of the program continues to be an important budget issue for states. Medicaid is a means tested program that provides medical care for the poor. The rules for the program are mandated by the federal government and administered by states. The program is jointly funded by the states and the federal government with states providing matching funds based on a federal rate that varies depending on state per capita personal income. While participation in the Medicaid program is voluntary, states have elected to do so because of the federal financial participation.

States must provide Medicaid coverage to certain population groups (members of families with children and pregnant women, and persons who are aged, blind, or disabled) and have the option of covering other populations. Certain basic medical services must be provided while additional services may be covered if the state chooses. These basic services include inpatient hospital care, nursing homes, state facilities for the mentally retarded, home health care, physician services, outpatient hospital care, and prescription drugs.

Total Medicaid spending in fiscal year 1999, excluding administrative costs, totaled approximately \$172.4 billion, or 6.5 percent more than the 1998 level. Medicaid expenditures have increased as a percent of total state expenditures, rising from 10.8 percent in 1988 to 19.6 percent in 1999. Figures 15 and 16 provide actual and projected Medicaid costs for total spending and for state spending from 1970 to 2000. In addition to Medicaid, state spending on other health services accounts for another 6.9 percent of general fund spending.

Figure 15
ACTUAL AND PROJECTED TOTAL MEDICAID SPENDING,
1970 TO 2000 (\$ IN BILLIONS)



Figures 15, based on projections by the Congressional Budget Office (CBO) in January 2000, assumes a 57 percent federal share of total Medicaid costs. Figures for 1990 and prior years are from the Federal Funds Information for States Issue Brief 94-14, Recent Trends in Medicaid Spending.

Figure 16
ACTUAL AND PROJECTED STATE MEDICAID SPENDING,
1970 TO 2000 (\$ IN BILLIONS)

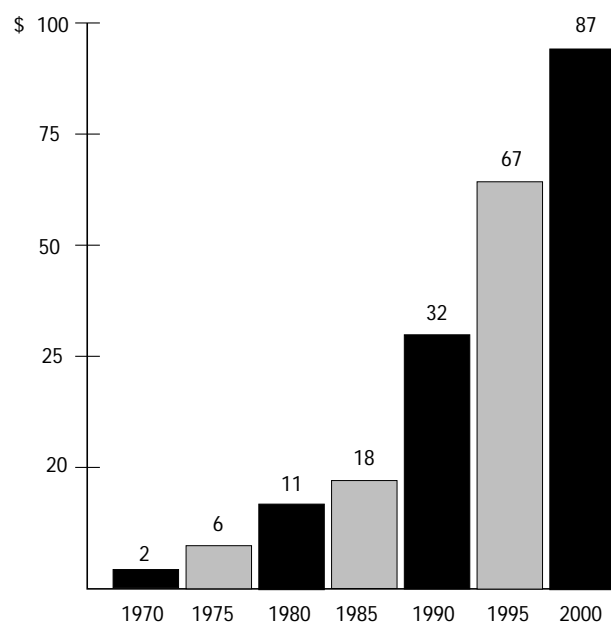


Figure 16, also based on projections by the CBO in January 2000, assumes a 57 percent federal share of total Medicaid costs. Figures for 1990 and prior years are from the Federal Funds Information for States Issue Brief 94-14, Recent Trends in Medicaid Spending.

Medicaid expenditures projected to grow

Medicaid's increase from year to year has stabilized in recent years primarily because federally-enacted program expansions are fully phased in and because states, concluding that they could no longer afford this sustained growth, proceeded with a variety of cost containment measures. These measures included limiting eligibility, reducing the amount of services covered, and integrating acute and long-term care services. Other factors contributing to the stabilization included Congressional limits on the disproportionate share hospital program, the improving economy and lower medical inflation.

After growth rates in Medicaid of 3 and 4 percent a year in 1996 and 1997, the rates increased to 6 percent in 1998. According to CBO, Medicaid is estimated to increase by close to 7 percent in fiscal year 2000, 7.8 percent in fiscal year 2001 with an average of more than 8 percent a year thereafter. According to CBO, this renewed growth may be a result of increased spending on pharmaceutical products and non-institutional long-term care and because states finished implementing cost containment measures. Also, outreach efforts for the State Children's Health Insurance Program resulted in higher Medicaid utilization among children.

The increased use of noninstitutional long-term care and the rise in pharmaceutical costs are anticipated to continue to increase costs in future years. Pharmaceutical cost increases reflect both increases in the costs of prescriptions as well as in the volume. The total number of prescriptions filled, for example, increased from 1.9 billion in 1993 to 2.5 billion in 1998. Reasons cited for the rise in pharmaceutical usage are the aging of the population, direct consumer advertising, and movement into managed care plans.

A variety of program and demographic reasons may contribute to the growth in Medicaid. For example, the number of disabled people receiving long-term care services may increase due to recent judicial interpretations of the Americans with Disabilities Act. Furthermore, to keep managed care plans in the Medicaid market, states may face pressure to increase their capitation rates, thus diminishing the savings that come from using managed care. State actions to increase reimbursement rates and expand eligibility,

especially for pregnant women and other adults, may also contribute to spending increases in future years. Finally, the demographics of an increasingly large elderly population will therefore have a dramatic impact on future spending, and controlling it will continue to be a priority issue for states. By 2020, it is expected that there will be twice as many Americans over the age of 65 needing some type of long term care service, increasing from 7 million today to over 14 million.

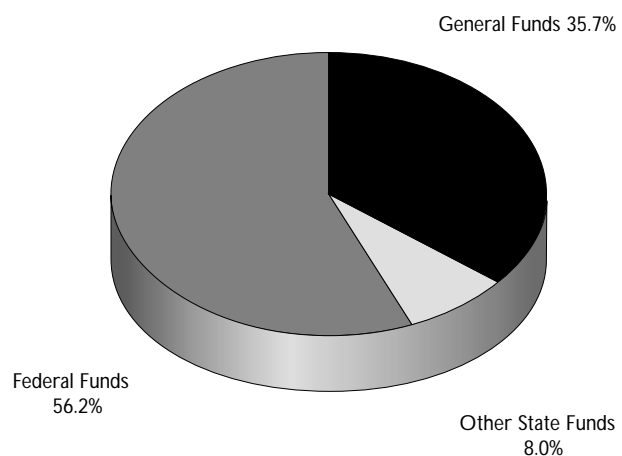
Selected Web Resources

- Health Care Financing Administration
www.hcfa.gov
- Center for Health Care Strategies
www.chcs.org
- The Medicaid Clearinghouse
www.handsnet.org/medicaid
- Kaiser Commission on the Future of Medicaid
www.kff.org/medicaid
- The Urban Institute
www.urban.org

Fund Shares

The figure below provides fund shares for 1999.

Figure 17
STATE EXPENDITURES FOR MEDICAID BY FUND SOURCE, FISCAL 1999



Regional Expenditures

The following table shows percentage changes in expenditures for Medicaid for fiscal 1998-99 and 1999-00. For 1999, the Rocky Mountain and Far West regions are well above the national average and the Great Lakes and Mid-Atlantic regions are well below the national average.

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 1999 AND 2000

| Region | Fiscal 1998 to 1999 | | | Fiscal 1999 to 2000 | | |
|-------------------|---------------------|---------------|-------------|---------------------|---------------|-------------|
| | State Funds | Federal Funds | All Funds | State Funds | Federal Funds | All Funds |
| New England | 4.1% | 11.2% | 6.7% | 6.5% | 4.9% | 5.9% |
| Mid-Atlantic | 2.9 | 6.4 | 4.8 | 3.0 | 4.0 | 3.5 |
| Great Lakes | 1.8 | 7.2 | 4.2 | 7.7 | 10.4 | 8.9 |
| Plains | 7.9 | 8.9 | 8.5 | 8.1 | 9.1 | 8.7 |
| Southeast | 10.4 | 4.9 | 6.8 | 3.0 | 4.9 | 4.2 |
| Southwest | 5.6 | 6.9 | 6.4 | 4.6 | 1.2 | 2.4 |
| Rocky Mountain | 12.7 | 9.8 | 11.0 | 3.4 | 3.9 | 3.7 |
| Far West | 9.0 | 11.2 | 10.3 | 4.6 | 11.8 | 8.8 |
| ALL STATES | 5.5% | 7.3% | 6.5% | 4.8% | 6.3% | 5.7% |

Table 28
MEDICAID EXPENDITURES (\$ IN MILLIONS)

| Region/State | Actual Fiscal 1998 | | | | Actual Fiscal 1999 | | | | Estimated Fiscal 2000 | | | |
|-----------------------|--------------------|-----------------|-------------------|------------------|--------------------|-----------------|-------------------|------------------|-----------------------|------------------|-------------------|------------------|
| | 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 | 2,469 | \$0 | \$245 | \$2,714 | \$2,589 | \$0 | \$214 | \$2,803 | \$2,760 | \$0 | \$210 | \$2,970 |
| Maine* | 240 | 708 | 128 | 1,076 | 363 | 744 | 0 | 1,107 | 377 | 747 | 0 | 1,124 |
| Massachusetts | 2,183 | 2,147 | 136 | 4,466 | 2,299 | 2,436 | 137 | 4,872 | 2,426 | 2,552 | 198 | 5,176 |
| New Hampshire | 248 | 370 | 121 | 739 | 252 | 385 | 133 | 770 | 278 | 401 | 123 | 802 |
| Rhode Island* | 391 | 447 | 134 | 972 | 427 | 518 | 128 | 1,073 | 449 | 545 | 131 | 1,125 |
| Vermont | 107 | 246 | 44 | 397 | 117 | 272 | 49 | 438 | 133 | 322 | 62 | 517 |
| MID-ATLANTIC | | | | | | | | | | | | |
| Delaware | 190 | 211 | 12 | 413 | 205 | 226 | 16 | 447 | 215 | 236 | 18 | 469 |
| Maryland | 1,253 | 1,258 | 0 | 2,511 | 1,417 | 1,431 | 0 | 2,848 | 1,547 | 1,556 | 0 | 3,103 |
| New Jersey* | 2,482 | 2,736 | 456 | 5,674 | 2,581 | 2,800 | 470 | 5,851 | 2,665 | 3,011 | 451 | 6,127 |
| New York* | 5,457 | 13,180 | 5,022 | 23,659 | 5,563 | 13,614 | 4,811 | 23,988 | 5,617 | 14,123 | 5,086 | 24,826 |
| Pennsylvania* | 3,524 | 4,706 | 765 | 8,995 | 3,788 | 5,437 | 859 | 10,084 | 3,992 | 5,530 | 705 | 10,227 |
| GREAT LAKES | | | | | | | | | | | | |
| Illinois* | 2,812 | 3,220 | 774 | 6,806 | 2,457 | 3,431 | 728 | 6,616 | 2,988 | 3,583 | 725 | 7,296 |
| Indiana | 943 | 1,535 | 35 | 2,513 | 1,034 | 1,687 | 52 | 2,773 | 1,185 | 2,000 | 45 | 3,230 |
| Michigan* | 1,632 | 3,081 | 1,027 | 5,740 | 1,842 | 3,309 | 1,104 | 6,255 | 1,863 | 3,511 | 1,075 | 6,449 |
| Ohio* | 5,421 | 1,489 | 296 | 7,206 | 5,656 | 1,630 | 288 | 7,574 | 6,018 | 2,058 | 289 | 8,365 |
| Wisconsin | 905 | 1,607 | 0 | 2,512 | 928 | 1,663 | 0 | 2,591 | 988 | 1,789 | 1 | 2,778 |
| PLAINS | | | | | | | | | | | | |
| Iowa | 379 | 823 | 151 | 1,353 | 389 | 849 | 166 | 1,404 | 422 | 917 | 141 | 1,480 |
| Kansas | 373 | 624 | 49 | 1,046 | 455 | 730 | 32 | 1,217 | 471 | 752 | 29 | 1,252 |
| Minnesota | 1,476 | 1,541 | 0 | 3,017 | 1,548 | 1,586 | 0 | 3,134 | 1,811 | 1,759 | 0 | 3,570 |
| Missouri | 492 | 1,686 | 347 | 2,525 | 560 | 1,875 | 368 | 2,803 | 612 | 2,193 | 330 | 3,135 |
| Nebraska* | 273 | 510 | 0 | 783 | 304 | 601 | 0 | 905 | 313 | 543 | 0 | 856 |
| North Dakota* | 91 | 231 | 6 | 328 | 106 | 250 | 0 | 356 | 115 | 266 | 0 | 381 |
| South Dakota | 112 | 246 | 0 | 358 | 116 | 274 | 0 | 390 | 126 | 298 | 0 | 424 |
| SOUTHEAST | | | | | | | | | | | | |
| Alabama* | 298 | 1,674 | 460 | 2,432 | 337 | 1,780 | 464 | 2,581 | 320 | 1,822 | 482 | 2,624 |
| Arkansas* | 307 | 1,061 | 91 | 1,459 | 314 | 1,109 | 99 | 1,522 | 348 | 1,195 | 100 | 1,643 |
| Florida* | 2,359 | 3,741 | 512 | 6,612 | 2,365 | 3,916 | 643 | 6,924 | 2,480 | 4,207 | 651 | 7,338 |
| Georgia | 1,338 | 2,284 | 114 | 3,736 | 1,398 | 2,330 | 112 | 3,840 | 1,414 | 2,367 | 123 | 3,904 |
| Kentucky | 621 | 1,812 | 143 | 2,576 | 613 | 1,943 | 210 | 2,766 | 640 | 2,096 | 222 | 2,958 |
| Louisiana* | 784 | 2,228 | 152 | 3,164 | 814 | 2,305 | 154 | 3,273 | 774 | 2,340 | 212 | 3,326 |
| Mississippi* | 215 | 1,327 | 240 | 1,782 | 204 | 1,426 | 290 | 1,920 | 195 | 1,688 | 326 | 2,209 |
| North Carolina | 1,099 | 2,925 | 222 | 4,246 | 1,302 | 2,989 | 644 | 4,935 | 1,348 | 2,947 | 419 | 4,714 |
| South Carolina | 510 | 1,602 | 180 | 2,292 | 536 | 1,674 | 197 | 2,407 | 668 | 1,870 | 161 | 2,699 |
| Tennessee* | 1,058 | 2,497 | 37 | 3,592 | 1,190 | 2,718 | 71 | 3,979 | 1,365 | 2,732 | 51 | 4,148 |
| Virginia | 1,140 | 1,203 | 0 | 2,343 | 1,190 | 1,268 | 0 | 2,458 | 1,230 | 1,329 | 0 | 2,559 |
| West Virginia | 156 | 975 | 188 | 1,319 | 164 | 1,011 | 179 | 1,354 | 190 | 1,082 | 178 | 1,450 |
| SOUTHWEST | | | | | | | | | | | | |
| Arizona | 429 | 1,259 | 211 | 1,899 | 462 | 1,378 | 221 | 2,061 | 482 | 1,441 | 221 | 2,144 |
| New Mexico | 244 | 768 | 53 | 1,065 | 232 | 795 | 50 | 1,077 | 242 | 838 | 73 | 1,153 |
| Oklahoma | 397 | 838 | 91 | 1,326 | 434 | 937 | 112 | 1,483 | 433 | 937 | 112 | 1,482 |
| Texas | 3,278 | 6,124 | 402 | 9,804 | 3,489 | 6,502 | 390 | 10,381 | 3,754 | 6,511 | 319 | 10,584 |
| ROCKY MOUNTAIN | | | | | | | | | | | | |
| Colorado | 750 | 826 | 21 | 1,597 | 853 | 918 | 47 | 1,818 | 862 | 923 | 61 | 1,846 |
| Idaho | 124 | 286 | 0 | 410 | 153 | 357 | 0 | 510 | 162 | 395 | 5 | 562 |
| Montana* | 107 | 280 | 0 | 387 | 97 | 290 | 9 | 396 | 101 | 317 | 8 | 426 |
| Utah | 130 | 477 | 75 | 682 | 134 | 498 | 81 | 713 | 142 | 511 | 80 | 733 |
| Wyoming | 56 | 122 | 0 | 178 | 50 | 124 | 0 | 174 | 52 | 126 | 0 | 178 |
| FAR WEST | | | | | | | | | | | | |
| Alaska | 152 | 143 | 2 | 297 | 133 | 269 | 3 | 405 | 139 | 299 | 2 | 440 |
| California | 6,759 | 9,893 | 0 | 16,652 | 7,471 | 11,016 | 0 | 18,487 | 7,639 | 12,261 | 0 | 19,900 |
| Hawaii | 310 | 284 | 0 | 594 | 311 | 299 | 0 | 610 | 305 | 324 | 0 | 629 |
| Nevada | 200 | 254 | 51 | 505 | 216 | 271 | 52 | 539 | 248 | 303 | 52 | 603 |
| Oregon* | 636 | 1,100 | 69 | 1,805 | 660 | 1,241 | 145 | 2,046 | 902 | 1,520 | 100 | 2,522 |
| Washington | 1,394 | 1,738 | 168 | 3,300 | 1,473 | 1,822 | 150 | 3,445 | 1,518 | 1,977 | 194 | 3,689 |
| ALL STATES | \$58,304 | \$90,323 | \$13,230 | \$161,857 | \$61,591 | \$96,934 | \$13,878 | \$172,403 | \$65,324 | \$103,050 | \$13,771 | \$182,145 |
| Puerto Rico | 394 | 167 | 1,074 | 1,635 | 335 | 172 | 926 | 1,433 | 386 | 178 | 1,202 | 1,766 |

Source: National Association of State Budget Officers, 1999 State Expenditure Report, June 2000

Table 29
MEDICAID EXPENDITURES AS A PERCENT OF TOTAL EXPENDITURES

| Region/State | Fiscal 1998 | Fiscal 1999 | Fiscal 2000 |
|-----------------------|----------------|----------------|----------------|
| NEW ENGLAND | | | |
| Connecticut | 19.5% | 19.0% | 20.2% |
| Maine | 25.8 | 24.7 | 21.4 |
| Massachusetts | 19.4 | 20.1 | 20.2 |
| New Hampshire | 30.7 | 30.2 | 23.5 |
| Rhode Island | 26.1 | 26.5 | 24.4 |
| Vermont | 22.1 | 21.7 | 22.7 |
| MID-ATLANTIC | | | |
| Delaware | 9.7 | 9.5 | 9.4 |
| Maryland | 15.7 | 16.6 | 17.1 |
| New Jersey | 22.5 | 21.8 | 20.9 |
| New York | 33.0 | 32.2 | 31.7 |
| Pennsylvania | 26.4 | 27.4 | 25.8 |
| GREAT LAKES | | | |
| Illinois | 23.0 | 21.1 | 16.0 |
| Indiana | 16.9 | 18.5 | 19.1 |
| Michigan | 17.8 | 18.9 | 18.5 |
| Ohio | 20.6 | 20.9 | 19.2 |
| Wisconsin | 11.9 | 11.4 | 13.5 |
| PLAINS | | | |
| Iowa | 13.7 | 13.2 | 12.7 |
| Kansas | 13.6 | 14.7 | 14.9 |
| Minnesota | 18.2 | 17.8 | 18.9 |
| Missouri | 18.1 | 18.4 | 18.8 |
| Nebraska | 16.4 | 16.9 | 18.1 |
| North Dakota | 16.1 | 16.8 | 17.4 |
| South Dakota | 18.3 | 19.9 | 19.9 |
| SOUTHEAST | | | |
| Alabama | 18.7 | 18.9 | 15.7 |
| Arkansas | 16.4 | 16.1 | 15.8 |
| Florida | 15.5 | 15.0 | 15.1 |
| Georgia | 17.3 | 15.9 | 17.0 |
| Kentucky | 19.3 | 18.9 | 18.8 |
| Louisiana | 21.7 | 21.8 | 20.6 |
| Mississippi | 22.2 | 23.6 | 21.8 |
| North Carolina | 19.2 | 20.7 | 19.3 |
| South Carolina | 17.7 | 21.6 | 20.2 |
| Tennessee | 24.7 | 25.3 | 25.2 |
| Virginia | 12.3 | 11.4 | 11.1 |
| West Virginia | 23.0 | 22.3 | 23.8 |
| SOUTHWEST | | | |
| Arizona | 14.4 | 13.9 | 14.0 |
| New Mexico | 14.9 | 13.8 | 14.8 |
| Oklahoma | 14.3 | 14.8 | 13.0 |
| Texas | 23.0 | 23.2 | 21.3 |
| ROCKY MOUNTAIN | | | |
| Colorado | 26.5 | 27.9 | 36.2 |
| Idaho | 13.3 | 15.1 | 14.7 |
| Montana | 15.9 | 15.1 | 14.4 |
| Utah | 10.7 | 10.9 | 11.3 |
| Wyoming | 9.1 | 8.1 | 8.3 |
| FAR WEST | | | |
| Alaska | 6.9 | 8.0 | 8.5 |
| California | 16.6 | 16.9 | 16.0 |
| Hawaii | 8.8 | 9.4 | 9.2 |
| Nevada | 8.4 | 7.8 | 8.4 |
| Oregon | 14.3 | 15.9 | 17.4 |
| Washington | 17.3 | 16.9 | 16.5 |
| ALL STATES | 19.6% | 19.6% | 18.9% |
| Puerto Rico | 8.9 | 7.5 | 8.9 |

Source: National Association of State Budget Officers, 1999 State Expenditure Report, June 2000

Table 30
ANNUAL PERCENTAGE CHANGE IN MEDICAID EXPENDITURES

| Region/State | Fiscal 1998 to 1999 | | | Fiscal 1999 to 2000 | | |
|-----------------------|---------------------|---------------|-------------|---------------------|---------------|-------------|
| | State Funds | Federal Funds | All Funds | State Funds | Federal Funds | All Funds |
| NEW ENGLAND | | | | | | |
| Connecticut | 3.3% | —% | 3.3% | 6.0% | —% | 6.0% |
| Maine | -1.4 | 5.1 | 2.9 | 3.9 | 0.4 | 1.5 |
| Massachusetts | 5.0 | 13.5 | 9.1 | 7.7 | 4.8 | 6.2 |
| New Hampshire | 4.3 | 4.1 | 4.2 | 4.2 | 4.2 | 4.2 |
| Rhode Island | 5.7 | 15.9 | 10.4 | 4.5 | 5.2 | 4.8 |
| Vermont | 9.9 | 10.6 | 10.3 | 17.5 | 18.4 | 18.0 |
| MID-ATLANTIC | | | | | | |
| Delaware | 9.4 | 7.1 | 8.2 | 5.4 | 4.4 | 4.9 |
| Maryland | 13.1 | 13.8 | 13.4 | 9.2 | 8.7 | 9.0 |
| New Jersey | 3.8 | 2.3 | 3.1 | 2.1 | 7.5 | 4.7 |
| New York | -1.0 | 3.3 | 1.4 | 3.2 | 3.7 | 3.5 |
| Pennsylvania | 8.3 | 15.5 | 12.1 | 1.1 | 1.7 | 1.4 |
| GREAT LAKES | | | | | | |
| Illinois | -11.2 | 6.6 | -2.8 | 16.6 | 4.4 | 10.3 |
| Indiana | 11.0 | 9.9 | 10.3 | 13.3 | 18.6 | 16.5 |
| Michigan | 10.8 | 7.4 | 9.0 | -0.3 | 6.1 | 3.1 |
| Ohio | 4.0 | 9.5 | 5.1 | 6.1 | 26.3 | 10.4 |
| Wisconsin | 2.5 | 3.5 | 3.1 | 6.6 | 7.6 | 7.2 |
| PLAINS | | | | | | |
| Iowa | 4.7 | 3.2 | 3.8 | 1.4 | 8.0 | 5.4 |
| Kansas | 15.4 | 17.0 | 16.3 | 2.7 | 3.0 | 2.9 |
| Minnesota | 4.9 | 2.9 | 3.9 | 17.0 | 10.9 | 13.9 |
| Missouri | 10.6 | 11.2 | 11.0 | 1.5 | 17.0 | 11.8 |
| Nebraska | 11.4 | 17.8 | 15.6 | 3.0 | -9.7 | -5.4 |
| North Dakota | 9.3 | 8.2 | 8.5 | 8.5 | 6.4 | 7.0 |
| South Dakota | 3.6 | 11.4 | 8.9 | 8.6 | 8.8 | 8.7 |
| SOUTHEAST | | | | | | |
| Alabama | 5.7 | 6.3 | 6.1 | 0.1 | 2.4 | 1.7 |
| Arkansas | 3.8 | 4.5 | 4.3 | 8.5 | 7.8 | 8.0 |
| Florida | 4.8 | 4.7 | 4.7 | 4.1 | 7.4 | 6.0 |
| Georgia | 4.0 | 2.0 | 2.8 | 1.8 | 1.6 | 1.7 |
| Kentucky | 7.7 | 7.2 | 7.4 | 4.7 | 7.9 | 6.9 |
| Louisiana | 3.4 | 3.5 | 3.4 | 1.9 | 1.5 | 1.6 |
| Mississippi | 8.6 | 7.5 | 7.7 | 5.5 | 18.4 | 15.1 |
| North Carolina | 47.3 | 2.2 | 16.2 | -9.2 | -1.4 | -4.5 |
| South Carolina | 6.2 | 4.5 | 5.0 | 13.1 | 11.7 | 12.1 |
| Tennessee | 15.2 | 8.9 | 10.8 | 12.3 | 0.5 | 4.2 |
| Virginia | 4.4 | 5.4 | 4.9 | 3.4 | 4.8 | 4.1 |
| West Virginia | 0.3 | 3.7 | 2.7 | 7.3 | 7.0 | 7.1 |
| SOUTHWEST | | | | | | |
| Arizona | 6.7 | 9.5 | 8.5 | 2.9 | 4.6 | 4.0 |
| New Mexico | -5.1 | 3.5 | 1.1 | 11.7 | 5.4 | 7.1 |
| Oklahoma | 11.9 | 11.8 | 11.8 | -0.2 | 0.0 | -0.1 |
| Texas | 5.4 | 6.2 | 5.9 | 5.0 | 0.1 | 2.0 |
| ROCKY MOUNTAIN | | | | | | |
| Colorado | 16.7 | 11.1 | 13.8 | 2.6 | 0.5 | 1.5 |
| Idaho | 23.4 | 24.8 | 24.4 | 9.2 | 10.6 | 10.2 |
| Montana | -0.9 | 3.6 | 2.3 | 2.8 | 9.3 | 7.6 |
| Utah | 4.9 | 4.4 | 4.5 | 3.3 | 2.6 | 2.8 |
| Wyoming | -10.7 | 1.6 | -2.2 | 4.0 | 1.6 | 2.3 |
| FAR WEST | | | | | | |
| Alaska | -11.7 | 88.1 | 36.4 | 3.7 | 11.2 | 8.6 |
| California | 10.5 | 11.4 | 11.0 | 2.2 | 11.3 | 7.6 |
| Hawaii | 0.3 | 5.3 | 2.7 | -1.9 | 8.4 | 3.1 |
| Nevada | — | — | — | 11.9 | 11.8 | 11.9 |
| Oregon | 14.2 | 12.8 | 13.4 | 24.5 | 22.5 | 23.3 |
| Washington | 3.9 | 4.8 | 4.4 | 5.5 | 8.5 | 7.1 |
| ALL STATES | 5.5% | 7.3% | 6.5% | 4.8% | 6.3% | 5.7% |
| Puerto Rico | -14.1 | 3.0 | -12.4 | 25.9 | 3.5 | 23.2 |

Note: State funds are defined as general funds and other state funds (bonds are excluded).
Source: National Association of State Budget Officers, 1999 State Expenditure Report, June 2000

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 Health Care Finance Administration). Federal Funds: all federal matching funds provided pursuant to Title XIX.

As noted above, the figures reported as Other State Funds reflect the amounts reported as provider taxes, fees, donations, assessments and local funds by states. State Medicaid agencies report these amounts to the Health Care Financing Administration (HCFA) on form 37, as defined by the Medicaid Voluntary Contribution and Provider-specific Tax Amendments of 1991 (PL 102-234). However, some state budget offices are unable to align their financial reporting to separate these costs for the NASBO State Expenditure Report. Thus this report does not capture 100 percent of state provider taxes, fees, donations, assessments and local funds. 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.

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

Alabama: For fiscal year 2000, "Other State Funds" includes the following: local funds \$429.9 million, provider taxes \$35.7 million, and assessments \$16.7 million.

Arkansas: Arkansas instituted a "soda pop" tax through legislation enacted in December, 1992, with revenues dedicated solely for the Medicaid Program. Approximately \$42 million annually is collected and budgeted from this tax. Other fees assessed to support the Medicaid Program include ambulance license fees, averaging \$140,000 annual collections, and nursing home licensing fees, averaging \$70,000 annual collections.

Local funds are provided to reimburse the state for Medicaid expenditures through community mental health centers and the public schools. Financial figures are not available as to the actual amount attributed to local funds, as reflected in the Other State Funds expenditures.

Florida: For fiscal year 1998, Other State Funds include the following: provider assessments \$356.9 million, estate recovery \$18.8 million, local county funds \$102.7 million, pharmacy rebates \$56.1 million, and state fraud recoupment, \$14.6 million. For fiscal year 1999, other state funds include the following: provider assessments \$400.9 million, estate recovery \$3.5 million, local county funds \$92.4 million, pharmacy rebates \$74.3 million, tobacco settlement \$53.8 million, and state fraud recoupment \$17.6 million. For fiscal year 2000, Other State Funds include the following: provider assessments \$371.7 million, estate recovery \$5.6 million, local county funds \$92.4 million, pharmacy rebates \$96.1 million, tobacco settlement \$67.9 million, state fraud recoupment \$17.6 million.

Illinois: The larger general fund amount in fiscal 1998 reflects one-time expenditures.

Louisiana: Louisiana's Medicaid program utilizes four other sources to match federal financial participation. (1) Interagency Transfers: This item is comprised of state match from either agency over collections of Medicaid claims or Disproportionate Share Payments in prior fiscal years or transfers from other state agencies to match expenditures on specific items. In fiscal 1998, these transfers total \$83.3 million; in fiscal 1999, \$15.7 million; and, in fiscal 2000, \$11.6 million. (2) Fees and Self-Generated Revenues: This revenue source derives from the state share of recoveries and recoupments. In fiscal 1998, this source totaled \$5.5 million; in fiscal 1999, \$20.8 million; and, in fiscal 2000, \$5.0 million. (3) Statutory Dedications: Louisiana has two statutorily dedicated funds—the Louisiana Medical Assistance Trust Fund based on provider fee receipts on nursing homes, ICF/MRs, and prescriptions and the Louisiana Fund based on monies received from the Master Settlement Agreement reached with the Tobacco Companies. The Louisiana Fund was first included in the budget for Fiscal Year 2000. In fiscal 1998, the statutory dedications produced \$63.5 million; in fiscal 1999, \$107.7 million; and, in fiscal 2000, \$185.8 million—\$97.5 million from the LA Medical Assistance Trust Fund and \$88.3 million from the LA Fund. (4) Certified Match from Local Entities: Louisiana does not actually collect these funds; instead, local public providers will certify the matching funds and the State will reimburse the federal financial participation. The certified match account totaled \$22.6 million in both fiscal 1999 and fiscal 2000. The local funds amounted to \$9.5 million in both fiscal 1999 and fiscal 2000.

Maine: Fiscal 2000 figures do not include funds for the emergency supplemental.

Michigan: The decrease in reported State Funds for Medicaid between fiscal 1999 and fiscal 2000 is due to an increase in Michigan's Federal Medical Assistance Percentage rate (FMAP). The rate in fiscal 1998 is 53.58 percent, in fiscal 1999 52.72 percent, and in fiscal 2000 56.18 percent. Public health, community and institutional mental health, and community and institutional for the developmentally disabled are partially reported in the Medicaid totals.

Mississippi: Amounts shown are capital inclusive. Capital expenditures total \$0.7 million in fiscal 1998, \$1.3 million in fiscal 1999, and \$3.2 million in fiscal 2000.

Montana: Revenues from nursing home bed tax are deposited in the state general fund.

Nebraska: Fiscal 1999 figures reflect the second year of the biennium and include \$17 million in general fund spending authority and \$35 million in federal fund spending authority carried over from the previous year. Fiscal 2000 is the first year of the next biennium, and amounts reflect appropriations of state funds and estimates of federal funds. Both the governor and legislature have approved increases in Medicaid spending for fiscal 2000. These amounts will be reflected in actual fiscal 2000 figures.

New Jersey: State licensing agencies levy fees and assessments on medical or health related professions. These provider fees or assessments are reported in the NASBO Survey. Except for the following three exceptions, these assessments are not included in the Medicaid expenditures nor claimed for federal match.

The largest single assessment is a 0.53 percent surcharge on hospital receipts to fund various health and medical programs. The principal use is to provide Medicaid benefits for pregnant women and children between 133 percent and 185 percent of the federal Poverty level. Expenditures were \$19.2 million in fiscal 1998, \$18.6 million in fiscal 1999, and the estimate for fiscal 2000 is \$19.4 million. There is also an expenditure of \$1.5 million per year to supplement Medicaid community care expenditures. Both of these programs claim federal Medicaid matching funds.

Also, beginning in fiscal 1999 public and private ICF/MR providers have been assessed a tax on Medicaid-occupied ICF/MR beds. The fiscal 1999 combined assessments were \$10.3 million, and the estimated fiscal 2000 combined assessments are \$10.5 million.

These provider taxes are used to claim federal Medicaid matching funds.

Provider fees and assessments that are not used for federal claims total \$58.0 million in fiscal 1998, \$55.9 million in fiscal 1999, and are estimated to be \$54.1 million in fiscal 2000. These are reported in the NASBO Survey, but are not included in the Medicaid expenditures nor claimed for federal match.

Regarding local funds (county financial support of "peer group" county owned and operated nursing facilities counted as part of the Title XIX state match): fiscal 1998 totals \$40.0 million, fiscal 1999 totals \$37.8 million, and fiscal 2000 totals an estimated \$36.3 million. Also regarding local funds, (county financial support of Medicaid patients in county run psychiatric hospitals): fiscal 1998 totals \$47.2 million, fiscal 1999 totals \$47.3 million and fiscal 2000 totals an estimated \$49.0 million. For school-based medical, therapy, and health services for Medicaid-eligible Special Education students: fiscal 1998 totals \$33.7 million, fiscal 1999 totals \$30.3 million, and fiscal 2000 totals an estimated \$30.7 million.

New York: Fiscal 1998 figures include a fifty-third Medicaid cycle payment as well as reductions in local costs resulting from federal participation for former Home Relief costs, beginning in October 1997. For fiscal year 1998, other state funds include \$4,203 million of local funds and \$816.6 million of provider taxes and assessments. For fiscal year 1999, other state funds include \$3,911.8 million of local funds and provider taxes and assessments of \$898.8 million. For fiscal year 2000, other state funds include \$4,229.9 million of local funds provider taxes and assessments of \$856.1 million.

North Dakota: Other State Funds are all county funds. Effective January 1, 1998, counties agreed to pay all county administrative costs for Medicaid while the state picks up all the non-federal share of Medicaid grants. In 1998, Other State Funds are the county share of Medicaid grants for the first six months of the year. In 1999 and 2000, the Other State Funds are the county share of foster care payments which were not part of the swap.

Ohio: Federal funds deposited to the state General Fund and shown as General Fund expenditures for Medicaid amount to \$2,954.1 million in fiscal 1998 and \$3,045.1 million in fiscal 1999. See General Notes for Ohio on this issue. Also, interagency transfers of \$533.6 million in fiscal 1998 and \$579.9 million in fiscal 1999 tend to overstate the size of Ohio's Medicaid program. Also, see General Notes for discussion of double counting issues which affect percentage of total expenditure amounts.

Dollars that are generated at the local level that are then used to draw down federal match are not included in Ohio's numbers for purposes of making the numbers reported here consistent with other reports for Ohio General Fund and All Fund spending.

Oregon: Other state funds include client resources, drug rebates, Department of Education match funds, cigarette taxes dedicated to the Medicaid program and other funds.

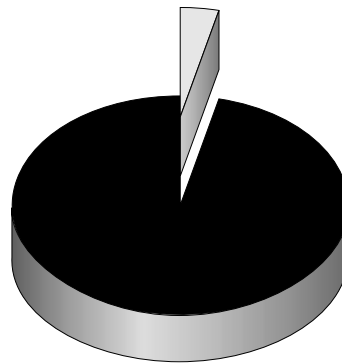
Pennsylvania: Regarding intergovernmental transfer (IGT) funds: fiscal 1998 totals \$736 million, fiscal 1999 totals \$833 million and fiscal 2000 totals \$645 million. State expenditures for Medicaid match are not accounted for separately from the state's overall medical assistance program. Therefore, Pennsylvania's state match has been derived based upon federal reimbursement rates for individual programs. These numbers include some payments on behalf of General Assistance clients who do not qualify under Title 19. Some state and local funds are used to match federal funds in health, aging and for school districts providing administrative services for Medicaid. The funds for health & aging are included in this report. Local funds include the 10 percent local match for Medicaid clients in county operated nursing homes as required by Pennsylvania law. Likewise, match is provided by local school districts for health services provided to Medicaid eligible children.

Rhode Island: Local funds apply to local match for special education only (locals bear no other Medicaid expenditures in the state's centralized Medicaid system).

Tennessee: Regarding premium revenue: fiscal 1998 totals \$36.5 million, fiscal 1999 totals \$43.5 million, and fiscal 2000 totals \$45.0 million. Regarding Certified Public Expenditures—Local funds from hospitals: fiscal 1998 totals \$145.6 million, fiscal 1999 totals \$184.8 million, and fiscal 2000 totals \$171.5 million. Regarding Nursing Home Tax: fiscal 1998 totals \$103.3 million, fiscal 1999 totals \$102.6 million, and fiscal 2000 totals \$102.6 million. Regarding the ICF/MR 6 percent Gross Receipts Tax: fiscal 1998 totals \$15.6 million, fiscal 1999 totals \$14.8 million, and fiscal 2000 totals \$14.8 million.

CHAPTER FIVE

STATE CORRECTIONS EXPENDITURES



3.7% of State Expenditures

Total fiscal 1999 state spending for corrections is estimated to total \$32.5 billion, a 7.1 percent increase from last year and the largest increase since 1995 when spending increased by more than 17 percent. Between fiscal 1992, the first year NASBO collected corrections expenditure data, and fiscal 1999, corrections spending increased an average of 7.9 percent. State corrections spending reflects the costs to build and operate prison systems and may include spending on juvenile justice programs and alternatives to incarceration such as probation and parole.

Overall, spending for corrections has remained relatively constant at 3.7 percent of total expenditures and 6.8 percent of all state general fund spending over the last six years. State spending for corrections primarily has been in the form of general fund dollars, averaging 88 percent of all corrections spending since fiscal 1992. State general fund shares for corrections in fiscal 1999 are 88.2 percent, or \$28.6 billion. Since 1992, the federal shares of state's corrections spending has averaged less than 1.6 percent, and totaled \$836 million in state corrections spending in fiscal 1999.

Many states also face major demands for increased construction and operating costs for existing facilities. State capital expenditure data for corrections can be found in Chapter Eight and indicate that in fiscal 1999 nearly \$2 billion will be spent on capital construction for corrections, most of it (nearly \$1.3 billion) financed by bond proceeds. While capital spending for corrections increased by only 1.5 percent in 1999, it is expected to increase by 24.7 percent in fiscal 2000.

Regional Expenditures

The following table shows percentage changes in expenditures for corrections for fiscal 1998 to 1999 and 1999 to 2000. Between fiscal 1998 and fiscal 1999, the New England and Far West regions showed the largest increases of 12.8 percent and 11.6 percent, respectively.

Table 31
REGIONAL PERCENTAGE CHANGE IN STATE CORRECTIONS EXPENDITURES, FISCAL 1999 AND 2000

| Region | Fiscal 1998 to 1999 | | | Fiscal 1999 to 2000 | | |
|-------------------|---------------------|---------------|-------------|---------------------|---------------|-------------|
| | State Funds | Federal Funds | All Funds | State Funds | Federal Funds | All Funds |
| New England | 8.8% | 57.1% | 12.8% | 9.8% | 127.3% | 11.4% |
| Mid-Atlantic | 5.0 | 40.3 | 7.9 | 3.7 | 61.2 | 3.8 |
| Great Lakes | 7.6 | 118.8 | 8.8 | 11.7 | 34.3 | 18.5 |
| Plains | 0.5 | 9.5 | 1.4 | 8.1 | 28.3 | 8.1 |
| Southeast | 5.8 | 6.8 | 4.9 | 7.9 | 0.7 | 7.5 |
| Southwest | 2.7 | 23.5 | 4.0 | 8.0 | 14.0 | 9.0 |
| Rocky Mountain | -14.9 | 37.5 | -13.2 | 5.4 | 54.5 | 4.6 |
| Far West | 12.3 | -11.5 | 11.6 | 7.4 | 23.9 | 8.3 |
| ALL STATES | 6.2% | 14.1% | 7.1% | 7.8% | 29.8% | 9.2% |

In contrast, the Rocky Mountain region experienced a decrease in state corrections expenditures of 13.2 percent, while the Plains and Southwest regions had the lowest increases in corrections spending (1.4 percent and 4.0 percent, respectively) and were well below the national average in fiscal 1999 corrections spending.

Corrections Expenditures Exclusions

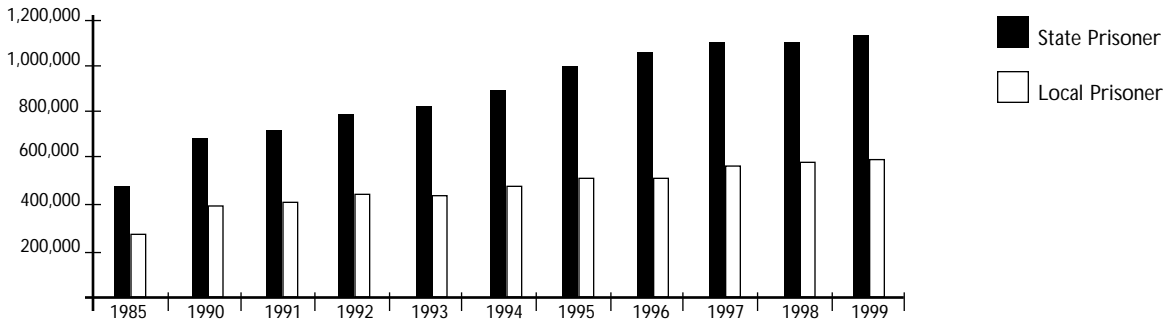
For this report, twenty-five states wholly or partially excluded juvenile delinquency counseling from their corrections figures and sixteen states wholly or partially excluded spending on juvenile institutions. Twenty-three states wholly or partially excluded spending on drug abuse rehabilitation centers, twenty-five states excluded spending for local jails, and thirty-four excluded spending for institutions for the criminally insane.

Corrections expenditure data and a table listing programs excluded from the expenditure figures can be found on Tables 32-36, accompanied by explanatory notes. Also see Chapter Eight for details on corrections capital expenditure data.

Inmate Population Continues to Rise as Crime Decreases

Despite a drop in crime for the eighth straight year, state prison populations continue to climb and each year states continue to spend more on prisons. The FBI's uniform crime statistics show that the crime rate overall was down in 1999 from 1998 in all regions of the country, from the biggest cities to the quietest hamlets. Violent crimes, such as murders, rapes, aggravated assaults and robberies, as well as property crimes, such as burglaries, thefts, motor vehicle thefts and arsons, were down 7 percent overall. Crime dropped by 7 percent in the Northeast, 8 percent in the Midwest, 4 percent in the South and 7 percent in the West.

NUMBER OF PERSONS HELD IN STATE AND LOCAL PRISONS



Source: US Department of Justice

Despite those figures, the number of inmates in custody continues to rise. Between 1990 and 1999, the rate of incarceration increased from 1 in every 218 U.S. residents to 1 in every 147. In the year ending June 30, 1999, the number of inmates held in local jails rose by 13,481, in state jails by 34,238, and in Federal prisons by 10,614 since 1990.

At midyear 1999, 1,860,520 persons were incarcerated in the nation's prisons and jails, a 3.2 percent increase from 1998. Between 1998 and 1999, the number of persons held in state prisons grew from 1,111,643 to 1,136,582, a 3.1 percent rise. That increase was half the nine-year average increase of 6.1 percent. Inmates held in local jails increased by 2.3 percent from last year, totaling 605,943 in 1999.

States with the highest number of inmates per 100,000 residents in the first six months of 1999 include: Louisiana (763, a 7.6 percent increase from 1998); Texas (704, a 0.5 percent increase); Oklahoma (653, a 3.8 percent increase); Mississippi (613, a 12.1 percent increase); and South Carolina (550, a 1.2 percent increase). States with the lowest number of inmates per 100,000 residents include Minnesota (121, a 3.4 percent increase from 1998); Maine (128, a 5.7 percent increase); North Dakota (130, a 3.1 percent increase); Vermont (193, a 13.5 percent increase); and New Hampshire (188, a 2.7 percent increase).

Western and Midwestern states led the nation in percentage growth in incarceration rates between 1998 and 1999, with seven of the ten highest growth rates in the nation. These states include North Dakota (19.5 percent), Montana (18.3 percent), Hawaii (13.6 percent), West Virginia (13.1 percent), and Alaska (12.7 percent). This year, four states realized declines in incarceration rates and one, Virginia, showed no growth, as compared to last year. Those states were the District of Columbia (-10.9 percent), Idaho (-3.6 percent), Wyoming (-3.0 percent), and Virginia (0.0 percent).

Adult Corrections Health Care Expenditures

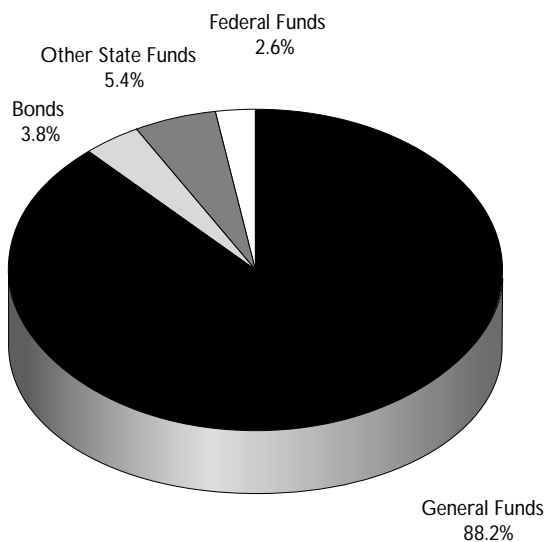
According to NASBO's 1997 Health Care Expenditure Report, in fiscal 1997 state health care spending in adult corrections totaled \$2.73 billion, with the states contributing \$2.69 billion or 98 percent of the costs. In terms of the total amount spent in fiscal 1997 on adult corrections health care, state spending ranged from a high of \$437.3 million in California, to a low of \$1.7 million in North Dakota. States spending the greatest amounts were California (\$437.3 million), Texas (\$303.9 million), New York (\$238.2 million), Florida (\$206.2 million), and Pennsylvania (\$119.5 million).

However, in terms of health care expenditures per inmate, Michigan (\$4,611), Connecticut (\$4,068), Alaska (\$3,876), Utah (\$3,635) and Massachusetts (\$3,595) are the top five. States spending the least included Louisiana (\$895), Alabama (\$1,019), Oklahoma (\$1,104), Iowa (\$1,311), and Indiana (\$1,368).

Although many factors contribute to the amount of state health expenditures in adult corrections, the health of those incarcerated is a significant contributing factor. This is especially true with regards to inmates infected with the human immunodeficiency virus (HIV) who require costly and extensive treatment. According to the U.S. Department of Justice (DOJ), a total of 22,518 state inmates were HIV positive in 1997, a rate five times higher than that in the general U.S. population. In 1996, there were 538 AIDS-related deaths in state prisons, down from 907. For every 100,000 state prison inmates in 1997, forty-eight died of AIDS-related causes.

In terms of the number of HIV positive inmates, New York (7,500) had the highest followed by Florida (2,325), Texas (2,126), California (1,328), and Georgia (861). In terms of the number of HIV positive inmates as a percent of the total inmate population, New York (10.8 percent), Connecticut (5.1 percent), Massachusetts (3.7 percent), Florida (3.6 percent), and Maryland (3.5 percent) had the highest rates in the nation.

Figure 18
STATE EXPENDITURES FOR CORRECTIONS BY FUND SOURCE,
FISCAL 1999



On a regional basis, nearly half the state prison inmates known to be HIV positive were in the Northeast, with 6.4 percent, followed by the South, with 2.0 percent. Nine states (Alaska, Idaho, Kansas, Montana, North Dakota, Vermont, West Virginia, and Wyoming) reported 10 or fewer cases of HIV positive inmates. Between 1996 and 1997, fifteen states reported a decreased number of HIV positive inmates. The largest decrease was reported in New York: 7500 in 1997, down from 8,500 in 1996.

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

| Region/ State | Actual Fiscal 1998 | | | | | Actual Fiscal 1999 | | | | | Estimated Fiscal 2000 | | | | |
|-----------------------|--------------------|------------------|-------------------------|--------------|-----------------|--------------------|------------------|-------------------------|----------------|-----------------|-----------------------|------------------|-------------------------|----------------|-----------------|
| | 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 | \$392 | \$2 | \$0 | \$1 | \$395 | \$415 | \$3 | \$0 | \$1 | \$419 | \$470 | \$2 | \$0 | \$4 | \$476 |
| Maine* | 73 | 2 | 1 | 0 | 76 | 80 | 2 | 3 | 0 | 85 | 85 | 12 | 40 | 1 | 138 |
| Massachusetts* | 642 | 0 | 0 | 4 | 646 | 712 | 1 | 3 | 37 | 753 | 752 | 3 | 4 | 36 | 795 |
| New Hampshire | 48 | 1 | 2 | 0 | 51 | 49 | 1 | 4 | 16 | 70 | 56 | 1 | 4 | 17 | 78 |
| Rhode Island* | 125 | 2 | 2 | 0 | 129 | 127 | 4 | 2 | 0 | 133 | 121 | 7 | 4 | 0 | 132 |
| Vermont | 50 | 0 | 2 | 0 | 52 | 59 | 0 | 1 | 1 | 61 | 61 | 0 | 1 | 13 | 75 |
| MID-ATLANTIC | | | | | | | | | | | | | | | |
| Delaware | 120 | 8 | 2 | 20 | 150 | 142 | 6 | 2 | 30 | 180 | 162 | 3 | 2 | 24 | 191 |
| Maryland | 647 | 16 | 48 | 29 | 740 | 696 | 18 | 55 | 71 | 840 | 723 | 16 | 56 | 53 | 848 |
| New Jersey* | 912 | 14 | 13 | 0 | 939 | 956 | 19 | 26 | 0 | 1,001 | 1,039 | 14 | 25 | 0 | 1,078 |
| New York | 2,349 | 71 | 19 | 230 | 2,669 | 2,404 | 109 | 20 | 336 | 2,869 | 2,362 | 198 | 23 | 259 | 2,842 |
| Pennsylvania | 1,149 | 25 | 53 | 83 | 1,310 | 1,227 | 36 | 49 | 67 | 1,379 | 1,337 | 72 | 53 | 87 | 1,549 |
| GREAT LAKES | | | | | | | | | | | | | | | |
| Illinois | 925 | 0 | 59 | 34 | 1,018 | 1,038 | 0 | 61 | 50 | 1,149 | 1,128 | 0 | 119 | 534 | 1,781 |
| Indiana | 428 | 0 | 74 | 98 | 600 | 443 | 0 | 51 | 97 | 591 | 546 | 0 | 45 | 0 | 591 |
| Michigan* | 1,306 | 12 | 87 | 36 | 1,441 | 1,408 | 30 | 93 | 86 | 1,617 | 1,541 | 54 | 100 | 87 | 1,782 |
| Ohio* | 1,293 | 17 | 148 | 123 | 1,581 | 1,377 | 33 | 151 | 109 | 1,670 | 1,540 | 37 | 182 | 140 | 1,899 |
| Wisconsin | 557 | 3 | 121 | 0 | 681 | 620 | 7 | 137 | 0 | 764 | 673 | 3 | 136 | 0 | 812 |
| PLAINS | | | | | | | | | | | | | | | |
| Iowa | 198 | 3 | 28 | 0 | 229 | 219 | 5 | 36 | 0 | 260 | 241 | 8 | 42 | 0 | 291 |
| Kansas | 222 | 5 | 20 | 0 | 247 | 248 | 8 | 27 | 1 | 284 | 263 | 12 | 28 | 1 | 304 |
| Minnesota | 317 | 11 | 12 | 31 | 371 | 340 | 9 | 12 | 45 | 406 | 359 | 7 | 16 | 30 | 412 |
| Missouri | 520 | 3 | 36 | 2 | 561 | 429 | 3 | 32 | 0 | 464 | 444 | 6 | 43 | 8 | 501 |
| Nebraska | 86 | 9 | 26 | 0 | 121 | 102 | 10 | 21 | 0 | 133 | 136 | 14 | 9 | 0 | 159 |
| North Dakota | 21 | 8 | 4 | 1 | 34 | 24 | 7 | 5 | 0 | 36 | 31 | 6 | 5 | 2 | 44 |
| South Dakota | 41 | 3 | 3 | 0 | 47 | 41 | 4 | 5 | 0 | 50 | 44 | 6 | 5 | 0 | 55 |
| SOUTHEAST | | | | | | | | | | | | | | | |
| Alabama | 163 | 2 | 33 | 0 | 198 | 167 | 5 | 42 | 0 | 214 | 176 | 4 | 49 | 0 | 229 |
| Arkansas* | 146 | 0 | 30 | 0 | 176 | 149 | 0 | 39 | 0 | 188 | 162 | 1 | 51 | 0 | 214 |
| Florida | 1,455 | 67 | 63 | 0 | 1,585 | 1,556 | 58 | 42 | 0 | 1,656 | 1,567 | 34 | 80 | 0 | 1,681 |
| Georgia | 699 | 5 | 34 | 2 | 740 | 776 | 8 | 34 | 27 | 845 | 879 | 24 | 17 | 19 | 939 |
| Kentucky | 299 | 17 | 33 | 0 | 349 | 307 | 17 | 51 | 0 | 375 | 343 | 26 | 66 | 0 | 435 |
| Louisiana | 431 | 2 | 26 | 0 | 459 | 465 | 4 | 33 | 0 | 502 | 532 | 7 | 37 | 0 | 576 |
| Mississippi | 192 | 2 | 8 | 0 | 202 | 215 | 2 | 7 | 0 | 224 | 240 | 1 | 8 | 0 | 249 |
| North Carolina | 825 | 0 | 26 | 0 | 851 | 888 | 4 | 26 | 0 | 918 | 891 | 1 | 7 | 0 | 899 |
| South Carolina | 382 | 5 | 80 | 3 | 470 | 298 | 14 | 42 | 0 | 354 | 329 | 18 | 50 | 0 | 397 |
| Tennessee | 356 | 8 | 44 | 0 | 408 | 375 | 11 | 29 | 0 | 415 | 429 | 8 | 43 | 0 | 480 |
| Virginia | 758 | 25 | 9 | 91 | 883 | 850 | 19 | 42 | 17 | 928 | 918 | 19 | 67 | 13 | 1,017 |
| West Virginia | 62 | 0 | 5 | 1 | 68 | 77 | 0 | 7 | 0 | 84 | 81 | 0 | 11 | 0 | 92 |
| SOUTHWEST | | | | | | | | | | | | | | | |
| Arizona | 577 | 34 | 155 | 0 | 766 | 586 | 52 | 97 | 0 | 735 | 633 | 50 | 61 | 0 | 744 |
| New Mexico | 141 | 2 | 16 | 0 | 159 | 149 | 1 | 18 | 2 | 170 | 154 | 2 | 16 | 4 | 176 |
| Oklahoma | 281 | 0 | 53 | 0 | 334 | 322 | 3 | 39 | 0 | 364 | 349 | 9 | 43 | 0 | 401 |
| Texas | 2,202 | 62 | 91 | 88 | 2,443 | 2,302 | 65 | 99 | 114 | 2,580 | 2,529 | 77 | 115 | 152 | 2,873 |
| ROCKY MOUNTAIN | | | | | | | | | | | | | | | |
| Colorado | 140 | 0 | 2 | 0 | 142 | 7 | 0 | 1 | 0 | 8 | 5 | 0 | 0 | 0 | 5 |
| Idaho | 101 | 5 | 25 | 3 | 134 | 108 | 6 | 22 | 3 | 139 | 112 | 9 | 25 | 3 | 149 |
| Montana | 75 | 1 | 6 | 0 | 82 | 82 | 1 | 6 | 0 | 89 | 90 | 1 | 6 | 0 | 97 |
| Utah | 192 | 2 | 9 | 4 | 207 | 211 | 3 | 20 | 9 | 243 | 226 | 5 | 20 | 0 | 251 |
| Wyoming | 37 | 0 | 3 | 0 | 40 | 42 | 1 | 3 | 0 | 46 | 42 | 2 | 3 | 0 | 47 |
| FAR WEST | | | | | | | | | | | | | | | |
| Alaska | 155 | 3 | 6 | 0 | 164 | 161 | 7 | 7 | 1 | 176 | 166 | 8 | 15 | 0 | 189 |
| California | 3,758 | 245 | 10 | 33 | 4,046 | 4,185 | 201 | 16 | 12 | 4,414 | 4,521 | 242 | 17 | 14 | 4,794 |
| Hawaii | 112 | 1 | 7 | 6 | 126 | 145 | 2 | 7 | 3 | 157 | 134 | 0 | 14 | 2 | 150 |
| Nevada | 156 | 5 | 22 | 16 | 199 | 161 | 5 | 33 | 16 | 215 | 159 | 10 | 54 | 18 | 241 |
| Oregon | 416 | 5 | 31 | 0 | 452 | 390 | 15 | 145 | 0 | 550 | 463 | 17 | 132 | 0 | 612 |
| Washington | 489 | 20 | 21 | 33 | 563 | 513 | 17 | 59 | 95 | 684 | 559 | 29 | 21 | 113 | 722 |
| TOTAL | \$27,021 | \$733 | \$1,608 | \$972 | \$30,334 | \$28,643 | \$836 | \$1,762 | \$1,246 | \$32,487 | \$30,803 | \$1,085 | \$1,970 | \$1,634 | \$35,492 |
| Puerto Rico | 352 | 8 | 113 | 50 | 523 | 400 | 5 | 11 | 14 | 430 | 412 | 9 | 67 | 0 | 488 |

Source: National Association of State Budget Officers, 1999 State Expenditure Report, June 2000

Table 33
CORRECTIONS EXPENDITURES AS A PERCENT
OF TOTAL EXPENDITURES

| Region/State | Fiscal 1998 | Fiscal 1999 | Fiscal 2000 |
|-----------------------|----------------|----------------|----------------|
| NEW ENGLAND | | | |
| Connecticut | 2.8% | 2.8% | 3.2% |
| Maine | 1.8 | 1.9 | 2.6 |
| Massachusetts | 2.8 | 3.1 | 3.1 |
| New Hampshire | 2.1 | 2.7 | 2.3 |
| Rhode Island | 3.5 | 3.3 | 2.9 |
| Vermont | 2.9 | 3.0 | 3.3 |
| MID-ATLANTIC | | | |
| Delaware | 3.5 | 3.8 | 3.8 |
| Maryland | 4.6 | 4.9 | 4.7 |
| New Jersey | 3.7 | 3.7 | 3.7 |
| New York | 3.7 | 3.9 | 3.6 |
| Pennsylvania | 3.8 | 3.7 | 3.9 |
| GREAT LAKES | | | |
| Illinois | 3.4 | 3.7 | 3.9 |
| Indiana | 4.0 | 3.9 | 3.5 |
| Michigan | 4.5 | 4.9 | 5.1 |
| Ohio | 4.5 | 4.6 | 4.4 |
| Wisconsin | 3.2 | 3.4 | 3.9 |
| PLAINS | | | |
| Iowa | 2.3 | 2.4 | 2.5 |
| Kansas | 3.2 | 3.4 | 3.6 |
| Minnesota | 2.2 | 2.3 | 2.2 |
| Missouri | 4.0 | 3.0 | 3.0 |
| Nebraska | 2.5 | 2.5 | 3.4 |
| North Dakota | 1.7 | 1.7 | 2.0 |
| South Dakota | 2.4 | 2.6 | 2.6 |
| SOUTHEAST | | | |
| Alabama | 1.5 | 1.6 | 1.4 |
| Arkansas | 2.0 | 2.0 | 2.1 |
| Florida | 3.7 | 3.6 | 3.5 |
| Georgia | 3.4 | 3.5 | 4.1 |
| Kentucky | 2.6 | 2.6 | 2.8 |
| Louisiana | 3.1 | 3.4 | 3.6 |
| Mississippi | 2.5 | 2.7 | 2.5 |
| North Carolina | 3.8 | 3.9 | 3.7 |
| South Carolina | 3.6 | 3.2 | 3.0 |
| Tennessee | 2.8 | 2.6 | 2.9 |
| Virginia | 4.6 | 4.3 | 4.4 |
| West Virginia | 1.2 | 1.4 | 1.5 |
| SOUTHWEST | | | |
| Arizona | 5.8 | 5.0 | 4.9 |
| New Mexico | 2.2 | 2.2 | 2.3 |
| Oklahoma | 3.6 | 3.6 | 3.5 |
| Texas | 5.7 | 5.8 | 5.8 |
| ROCKY MOUNTAIN | | | |
| Colorado | 2.4 | 0.1 | 0.1 |
| Idaho | 4.4 | 4.1 | 3.9 |
| Montana | 3.4 | 3.4 | 3.3 |
| Utah | 3.2 | 3.7 | 3.9 |
| Wyoming | 2.0 | 2.1 | 2.2 |
| FAR WEST | | | |
| Alaska | 3.8 | 3.5 | 3.7 |
| California | 4.0 | 4.0 | 3.9 |
| Hawaii | 1.9 | 2.4 | 2.2 |
| Nevada | 3.3 | 3.1 | 3.4 |
| Oregon | 3.6 | 4.3 | 4.2 |
| Washington | 3.0 | 3.4 | 3.2 |
| ALL STATES | 3.7% | 3.7% | 3.7% |
| Puerto Rico | 2.9 | 2.2 | 2.4 |

Source: National Association of State Budget Officers, 1999 State Expenditure Report, June 2000

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

| Region/State | Fiscal 1998 | Fiscal 1999 | Fiscal 2000 |
|-----------------------|----------------|----------------|----------------|
| NEW ENGLAND | | | |
| Connecticut | 4.1% | 4.1% | 4.4% |
| Maine | 3.8 | 3.7 | 3.6 |
| Massachusetts | 4.2 | 4.4 | 4.4 |
| New Hampshire | 5.2 | 5.2 | 5.6 |
| Rhode Island | 7.0 | 6.5 | 5.7 |
| Vermont | 6.8 | 7.6 | 7.3 |
| MID-ATLANTIC | | | |
| Delaware | 6.3 | 6.6 | 7.0 |
| Maryland | 8.2 | 8.1 | 8.1 |
| New Jersey | 5.4 | 5.3 | 5.3 |
| New York | 7.5 | 6.8 | 6.6 |
| Pennsylvania | 6.7 | 6.7 | 6.9 |
| GREAT LAKES | | | |
| Illinois | 6.4 | 6.6 | 6.6 |
| Indiana | 6.4 | 6.4 | 6.9 |
| Michigan | 15.0 | 15.1 | 16.7 |
| Ohio | 7.3 | 7.6 | 8.0 |
| Wisconsin | 5.7 | 6.3 | 6.3 |
| PLAINS | | | |
| Iowa | 4.5 | 4.8 | 5.0 |
| Kansas | 5.8 | 5.9 | 5.9 |
| Minnesota | 3.0 | 3.0 | 3.0 |
| Missouri | 7.9 | 6.1 | 6.3 |
| Nebraska | 4.5 | 4.6 | 5.8 |
| North Dakota | 3.0 | 3.1 | 4.0 |
| South Dakota | 5.8 | 5.6 | 5.9 |
| SOUTHEAST | | | |
| Alabama | 3.5 | 3.4 | 3.4 |
| Arkansas | 5.1 | 5.0 | 5.1 |
| Florida | 8.6 | 8.8 | 8.4 |
| Georgia | 6.3 | 6.5 | 7.2 |
| Kentucky | 5.0 | 4.7 | 5.2 |
| Louisiana | 7.5 | 8.0 | 9.0 |
| Mississippi | 6.5 | 6.9 | 6.9 |
| North Carolina | 7.2 | 6.8 | 6.4 |
| South Carolina | 7.7 | 6.3 | 6.7 |
| Tennessee | 5.9 | 5.7 | 6.1 |
| Virginia | 8.9 | 8.9 | 8.9 |
| West Virginia | 3.1 | 3.7 | 3.7 |
| SOUTHWEST | | | |
| Arizona | 10.9 | 9.9 | 10.7 |
| New Mexico | 4.6 | 4.7 | 5.8 |
| Oklahoma | 3.6 | 7.3 | 7.7 |
| Texas | 9.3 | 9.4 | 9.2 |
| ROCKY MOUNTAIN | | | |
| Colorado | 4.1 | 0.2 | 0.1 |
| Idaho | 7.0 | 6.7 | 6.6 |
| Montana | 7.3 | 7.9 | 8.1 |
| Utah | 6.3 | 6.5 | 6.7 |
| Wyoming | 7.1 | 8.4 | 7.5 |
| FAR WEST | | | |
| Alaska | 6.7 | 7.0 | 7.4 |
| California | 7.1 | 7.2 | 6.9 |
| Hawaii | 3.5 | 4.5 | 4.2 |
| Nevada | 10.5 | 10.4 | 10.1 |
| Oregon | 9.4 | 9.5 | 9.5 |
| Washington | 5.2 | 5.3 | 5.5 |
| ALL STATES | 6.9% | 6.8% | 6.9% |
| Puerto Rico | 5.9 | 6.0 | 5.8 |

Source: National Association of State Budget Officers, 1999 State Expenditure Report, June 2000

Table 35
ANNUAL PERCENTAGE CHANGE IN CORRECTION EXPENDITURES

| Region/State | Fiscal 1998 to 1999 | | | Fiscal 1999 to 2000 | | |
|-----------------------|---------------------|---------------|-------------|---------------------|---------------|-------------|
| | State Funds | Federal Funds | All Funds | State Funds | Federal Funds | All Funds |
| NEW ENGLAND | | | | | | |
| Connecticut | 5.9% | 50.0% | 6.1% | 13.3% | -33.3% | 13.6% |
| Maine | 12.2 | 0.0 | 11.8 | 50.6 | 500.0 | 62.4 |
| Massachusetts | 11.4 | — | 16.6 | 5.7 | 200.0 | 5.6 |
| New Hampshire | 6.0 | 0.0 | 37.3 | 13.2 | 0.0 | 11.4 |
| Rhode Island | 1.6 | 100.0 | 3.1 | -3.1 | 75.0 | -0.8 |
| Vermont | 15.4 | — | 17.3 | 3.3 | — | 23.0 |
| MID-ATLANTIC | | | | | | |
| Delaware | 18.0 | -25.0 | 20.0 | 13.9 | -50.0 | 6.1 |
| Maryland | 8.1 | 12.5 | 13.5 | 3.7 | -11.1 | 1.0 |
| New Jersey | 6.2 | 35.7 | 6.6 | 8.4 | -26.3 | 7.7 |
| New York | 2.4 | 53.5 | 7.5 | -1.6 | 81.7 | -0.9 |
| Pennsylvania | 6.2 | 44.0 | 5.3 | 8.9 | 100.0 | 12.3 |
| GREAT LAKES | | | | | | |
| Illinois | 11.7 | — | 12.9 | 13.5 | — | 55.0 |
| Indiana | -1.6 | — | -1.5 | 19.6 | — | 0.0 |
| Michigan | 7.8 | 150.0 | 12.2 | 9.3 | 80.0 | 10.2 |
| Ohio | 6.0 | 94.1 | 5.6 | 12.7 | 12.1 | 13.7 |
| Wisconsin | 11.7 | 133.3 | 12.2 | 6.9 | -57.1 | 6.3 |
| PLAINS | | | | | | |
| Iowa | 12.8 | 66.7 | 13.5 | 11.0 | 60.0 | 11.9 |
| Kansas | 13.6 | 60.0 | 15.0 | 5.8 | 50.0 | 7.0 |
| Minnesota | 7.0 | -18.2 | 9.4 | 6.5 | -22.2 | 1.5 |
| Missouri | -17.1 | 0.0 | -17.3 | 5.6 | 100.0 | 8.0 |
| Nebraska | 9.8 | 11.1 | 9.9 | 17.9 | 40.0 | 19.5 |
| North Dakota | 16.0 | -12.5 | 5.9 | 24.1 | -14.3 | 22.2 |
| South Dakota | 4.5 | 33.3 | 6.4 | 6.5 | 50.0 | 10.0 |
| SOUTHEAST | | | | | | |
| Alabama | 6.6 | 150.0 | 8.1 | 7.7 | -20.0 | 7.0 |
| Arkansas | 6.8 | — | 6.8 | 13.3 | — | 13.8 |
| Florida | 5.3 | -13.4 | 4.5 | 3.1 | -41.4 | 1.5 |
| Georgia | 10.5 | 60.0 | 14.2 | 10.6 | 200.0 | 11.1 |
| Kentucky | 7.8 | 0.0 | 7.4 | 14.2 | 52.9 | 16.0 |
| Louisiana | 9.0 | 100.0 | 9.4 | 14.3 | 75.0 | 14.7 |
| Mississippi | 11.0 | 0.0 | 10.9 | 11.7 | -50.0 | 11.2 |
| North Carolina | 7.4 | — | 7.9 | -1.8 | -75.0 | -2.1 |
| South Carolina | -26.4 | 180.0 | -24.7 | 11.5 | 28.6 | 12.1 |
| Tennessee | 1.0 | 37.5 | 1.7 | 16.8 | -27.3 | 15.7 |
| Virginia | 16.3 | -24.0 | 5.1 | 10.4 | 0.0 | 9.6 |
| West Virginia | 25.4 | — | 23.5 | 9.5 | — | 9.5 |
| SOUTHWEST | | | | | | |
| Arizona | -6.7 | 52.9 | -4.0 | 1.6 | -3.8 | 1.2 |
| New Mexico | 6.4 | -50.0 | 6.9 | 1.8 | 100.0 | 3.5 |
| Oklahoma | 8.1 | — | 9.0 | 8.6 | 200.0 | 10.2 |
| Texas | 4.7 | 4.8 | 5.6 | 10.1 | 18.5 | 11.4 |
| ROCKY MOUNTAIN | | | | | | |
| Colorado | -94.4 | — | -94.4 | -37.5 | — | -37.5 |
| Idaho* | 3.2 | 20.0 | 3.7 | 5.4 | 50.0 | 7.2 |
| Montana | 8.6 | 0.0 | 8.5 | 9.1 | 0.0 | 9.0 |
| Utah | 14.9 | 50.0 | 17.4 | 6.5 | 66.7 | 3.3 |
| Wyoming | 12.5 | — | 15.0 | 0.0 | 100.0 | 2.2 |
| FAR WEST | | | | | | |
| Alaska | 4.3 | 133.3 | 7.3 | 7.7 | 14.3 | 7.4 |
| California | 11.5 | -18.0 | 9.1 | 8.0 | 20.4 | 8.6 |
| Hawaii | 27.7 | 100.0 | 24.6 | -2.6 | -100.0 | -4.5 |
| Nevada | — | — | — | 9.8 | 100.0 | 12.1 |
| Oregon | 19.7 | 200.0 | 21.7 | 11.2 | 13.3 | 11.3 |
| Washington | 12.2 | -15.0 | 21.5 | 1.4 | 70.6 | 5.6 |
| ALL STATES | 6.2% | 14.1% | 7.1% | 7.8% | 29.8% | 9.2% |
| Puerto Rico | -11.6 | -37.5 | -17.8 | 16.5 | 80.0 | 13.5 |

Note: State funds are defined as general funds and other state funds (bonds are excluded).
Source: National Association of State Budget Officers, 1999 State Expenditure Report, June 2000

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 | X | X | X | | X |
| Maine | | | | | | | X |
| Massachusetts* | X | X | X | X | | P | |
| New Hampshire | | | X | X | X | | |
| Rhode Island* | | | X | X | X | | X |
| Vermont | | | X | | X | X | X |
| MID-ATLANTIC | | | | | | | |
| Delaware | | | X | X | X | | X |
| Maryland | | | X | X | | X | |
| New Jersey* | | | X | X | P | | X |
| New York | | | | | | X | X |
| Pennsylvania | | | | | | | |
| GREAT LAKES | | | | | | | |
| Illinois | | P | | | X | | |
| Indiana | | | | | X | | |
| Michigan* | | | P | | | X | X |
| Ohio | | | | | | P | P |
| Wisconsin | | | | | X | | X |
| PLAINS | | | | | | | |
| Iowa | | | X | X | X | X | |
| Kansas | | | | | | P | P |
| Minnesota | | | P | | | | X |
| Missouri | X | X | X | X | X | | X |
| Nebraska | | | X | | | X | X |
| North Dakota | | | | | X | X | X |
| South Dakota | | | | | X | X | X |
| SOUTHEAST | | | | | | | |
| Alabama | | | | | X | X | X |
| Arkansas* | | | X | X | | | X |
| Florida | | | X | | X | P | X |
| Georgia | | | X | X | | | |
| Kentucky | | | | | | | |
| Louisiana | | | | | | X | X |
| Mississippi | | | X | X | | | X |
| North Carolina | | | | | X | | |
| South Carolina | | | | | X | X | X |
| Tennessee | | | X | X | | | P |
| Virginia | | | | | | | |
| West Virginia | | | | | | | |
| SOUTHWEST | | | | | | | |
| Arizona | | | | | X | | |
| New Mexico | | | X | X | X | | |
| Oklahoma | | | X | X | X | X | X |
| Texas | X | X | | | X | X | |
| ROCKY MOUNTAIN | | | | | | | |
| Colorado | | | X | | | | |
| Idaho | | | | | | X | X |
| Montana | | | X | | X | | P |
| Utah | | | X | | | X | X |
| Wyoming | | | X | X | | X | X |
| FAR WEST | | | | | | | |
| Alaska | | | | | | X | X |
| California | | | | | | | X |
| Hawaii | P | P | | | X | | X |
| Nevada | | | X | | X | P | X |
| Oregon | | | | | | | X |
| Washington | | | | | X | X | X |
| ALL STATES | 5 | 6 | 25 | 16 | 25 | 23 | 34 |

Puerto Rico

P

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

Source: National Association of State Budget Officers, 1999 State Expenditure Report, June 2000

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.

Arkansas: Cost reimbursements to county jails are included.

Massachusetts: Expenditures are inclusive of state spending for county corrections, of which the state pays approximately 96 percent. Accordingly, general fund spending for fiscal 1998 has been adjusted by \$300 million, which had not been previously reported.

Maine: Other State Funds include \$1.5 million in FY 99 and \$36.5 million in FY 00 that were General Fund appropriations to the Department of Administrative and Financial Services. These funds were authorized to be transferred to Other Special Revenue and expended for correctional facilities.

Michigan: Figures include adult inmate and juvenile justice expenditures.

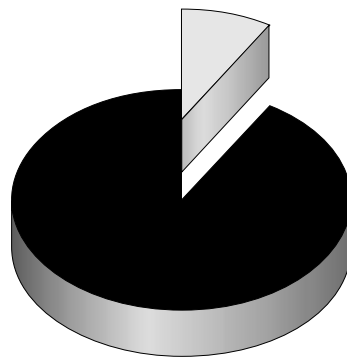
New Jersey: Juvenile delinquency programs and juvenile institutions are in the Department of Law and Public Safety. The State purchases jail space from the counties; this is included in the Corrections expenditures. Institutions for the Criminally insane are in the Department of Human Services.

Ohio: See General Notes for Ohio for discussion of double counting issues that affect percentage of total expenditure amounts.

Rhode Island: Institutes for the criminally insane are funded through the Department of Mental Health, Retardation, and Hospitals. Juvenile delinquency counseling programs and juvenile institutions are funded through the Department of Children, Youth and Families.

CHAPTER SIX

TRANSPORTATION



8.7% of State Expenditures

Transportation represents 8.7 percent of total state expenditures. In 1999, states spent \$76.8 billion on transportation, a 5.7 percent increase from the 1998 level of \$72.7 billion. Figures for capital spending on transportation by states show actual 1999 expenditures of \$35 billion.

State transportation expenditures are primarily funded from earmarked revenues placed in special transportation (highway) trust funds, captured in the "Other State Funds" category. The major earmarked revenue source is the gasoline tax. Listed below are state gasoline excise tax rates. It is important to note that some states also apply sales tax for the purchase of gasoline; the two should be considered in combination when assessing the tax burden by state. Also, many gas tax rates change frequently. The tax rates below are as of January 2000.

STATE GASOLINE TAX RATES
(as of January 2000)

| | | | |
|---------------|------|----------------|-------|
| Alabama | 18.0 | Montana | 27.0 |
| Alaska | 8.0 | Nebraska | 23.9 |
| Arizona | 18.0 | Nevada | 24.75 |
| Arkansas | 19.5 | New Hampshire | 19.5 |
| California | 18.0 | New Jersey | 10.5 |
| Colorado | 22.0 | New Mexico | 18.5 |
| Connecticut | 32.0 | New York | 28.7 |
| Delaware | 23.0 | North Carolina | 22.0 |
| Florida | 13.1 | North Dakota | 21.0 |
| Georgia | 7.5 | Ohio | 22.0 |
| Hawaii | 16.0 | Oklahoma | 17.0 |
| Idaho | 25.0 | Oregon | 24.0 |
| Illinois | 19.0 | Pennsylvania | 25.9 |
| Indiana | 15.0 | Rhode Island | 29.0 |
| Iowa | 20.0 | South Carolina | 16.0 |
| Kansas | 20.0 | South Dakota | 22.0 |
| Kentucky | 16.4 | Tennessee | 20.0 |
| Louisiana | 20.0 | Texas | 20.0 |
| Maine | 19.0 | Utah | 24.5 |
| Maryland | 23.5 | Vermont | 20.0 |
| Massachusetts | 21.0 | Virginia | 17.5 |
| Michigan | 19.0 | Washington | 23.0 |
| Minnesota | 20.0 | West Virginia | 25.35 |
| Mississippi | 18.4 | Wisconsin | 25.4 |
| Missouri | 17.0 | Wyoming | 14.0 |

Source: U.S. Dept. of Transportation, Federal Highway Administration, Office of Highway Policy Information, Monthly Motor Fuel Reported By States

Although it continues to be a stable source of revenue, motor fuel taxes are not anticipated to increase, unless drastic changes in federal motor fuel tax rates occur as part of Transportation Equity Act for the 21st Century (TEA-21). An example of a drastic change to the federal motor fuel tax rate that may increase state gas tax rates would be a substantial reduction or repeal of all or a portion of the federal gas tax rate. Currently, eleven states have variable rate motor fuel taxes and are adjusted at specific intervals to sustain funding levels. Other states require a change in legislation to adjust fuel tax rates.

Enactment of TEA-21

In June 1998, President Clinton signed into law the Transportation Equity Act for the 21st Century (TEA-21). In July 1998, the TEA-21 Restoration Act was enacted to provide technical corrections to the original law.

TEA-21 authorized \$215 billion in budget authority for highway, transit, research and motor carrier programs over six years (1998-2003). This includes \$175 billion in highway programs, of which \$165 billion is guaranteed funding, and provides \$2.2 billion for highway safety and \$650 million for motor carrier safety grants.

TEA-21 is a major revision of the former Intermodal Surface Transportation and Efficiency Act of 1991 (ISTEA) and is the result of months of negotiations and compromises between Congress, the executive branch and the states. Prior to TEA-21, transportation funds were appropriated annually as part of the federal discretionary budget. Also, payments from the federal highway trust fund to the states were determined by separate formulas under individual programs and administered by the U.S. Department of Transportation. Under this funding scheme, the disparity between those states that collected more in motor fuel taxes than they received in federal funding, dubbed "donor" states, and states that received more federal funding than they collected in fuel taxes, termed "donee" states, was considerable. This created criticism because many states received as little as 63 percent of what they contributed to federal gas taxes in federal transportation funding.

To address this issue, a new provision of TEA-21 was created to establish a 90 percent minimum level of transportation funding for each state. This was designed to eliminate the wide disparity between the "donor" and "donee" states under ISTEA. It guaranteed "donor" states a minimum level of transportation funding by establishing budgetary "firewalls" between highway and transit programs and other discretionary programs. In addition to the "firewalls," TEA-21 also removed the ability of Congress to shift

reductions in total transportation spending to other federal discretionary programs. The result of these changes is an average increase or more than 40 percent in transportation funding.

In addition to higher overall funding levels, TEA-21 provides a guaranteed funding "floor" of \$198 billion for future highway spending (\$162.7 billion) and transit programs (\$36 billion). The \$36 billion funding guarantee for transit is fixed and will not vary over time. Actual funding levels may ultimately exceed \$36 billion, as they will be directly tied to actual federal gas tax receipts. There will still be "non-guaranteed" programs, such as AMTRAK, that will compete for funding in the federal budget.

One Year Anniversary of TEA-21

The Department of Transportation (DOT) has distributed TEA-21 funds totaling \$29.5 billion in fiscal 1998 and \$35.1 billion in fiscal 1999. The money was spent on highways, transit, and highway safety. TEA-21 guaranteed that \$27.4 billion would be available in fiscal 1998 and \$32 billion in fiscal 1999.

Aviation Reauthorization

In April, 2000 President Clinton signed into law the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century (AIR 21) that will increase authorizations by more than \$10 billion to a level of \$40 billion over the three-year period from 2001-2003. The funds will be used for airport improvement programs to enhance facilities and equipment, airport operations and research. Of the funding, \$33 billion is guaranteed from the Aviation Trust Fund. A total of \$6.7 billion is subject to appropriations from the general fund. The bill also authorizes airports to increase maximum passenger facility charges from \$3 to \$4.50 to be used for airport improvements. Total funding levels are listed below including a state-by-state breakdown for airport improvement programs.

AIR 21 FUNDING LEVELS (\$ IN BILLIONS)

| | FY 2000 | FY 2001 | FY 2002 | FY 2003 |
|-----------------------------|---------|---------|---------|---------|
| Airport Improvement Program | 1.9 | 3.2 | 3.3 | 3.4 |
| Facilities and Equipment | 2 | 2.66 | 2.91 | 2.98 |
| Operations | 5.89 | 6.59 | 6.88 | 7.36 |
| Research | 0.156 | 0.237 | 0.249 | 0.255 |

Source: American Association of State Highway And Transportation Officials, April 7, 2000.

AIRPORT IMPROVEMENT FUNDING BY STATE

| STATE | 2000 | 2001 | 2002 | 2003 | Change 2000 to 2001 |
|----------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| Alabama | \$21,843 | \$36,872 | \$38,024 | \$39,177 | \$15,030 |
| Alaska | 93,037 | 157,054 | 161,962 | 166,870 | 64,017 |
| Arizona | 41,578 | 70,187 | 72,380 | 74,573 | 28,609 |
| Arkansas | 22,521 | 38,018 | 39,206 | 40,394 | 15,496 |
| California | 164,607 | 277,870 | 286,553 | 295,237 | 113,263 |
| Colorado | 63,455 | 107,118 | 110,465 | 113,813 | 43,663 |
| Connecticut | 5,247 | 8,857 | 9,133 | 9,410 | 3,610 |
| Delaware | 355 | 599 | 618 | 636 | 244 |
| District of Columbia | 114 | 192 | 198 | 204 | 78 |
| Florida | 87,554 | 14,799 | 152,418 | 157,036 | 60,245 |
| Georgia | 41,776 | 70,521 | 72,725 | 74,929 | 28,745 |
| Hawaii | 24,626 | 41,570 | 42,870 | 44,169 | 16,945 |
| Idaho | 23,695 | 39,998 | 41,248 | 42,498 | 16,304 |
| Illinois | 88,144 | 148,795 | 153,445 | 158,095 | 60,651 |
| Indiana | 35,554 | 60,019 | 61,894 | 63,770 | 24,464 |
| Iowa | 25,970 | 43,840 | 45,210 | 46,580 | 17,870 |
| Kansas | 11,662 | 19,686 | 20,301 | 20,916 | 8,024 |
| Kentucky | 56,579 | 95,511 | 98,496 | 101,480 | 38,932 |
| Louisiana | 38,562 | 65,096 | 67,130 | 69,165 | 26,534 |
| Maine | 6,496 | 10,965 | 11,308 | 11,651 | 4,470 |
| Maryland | 12,850 | 21,691 | 22,369 | 23,047 | 8,842 |
| Massachusetts | 22,369 | 37,760 | 38,940 | 40,120 | 15,391 |
| Michigan | 61,002 | 102,976 | 106,194 | 109,412 | 41,974 |
| Minnesota | 30,517 | 51,515 | 53,125 | 54,735 | 20,998 |
| Mississippi | 16,469 | 27,801 | 28,669 | 29,538 | 11,332 |
| Missouri | 37,888 | 63,959 | 65,958 | 67,956 | 26,071 |
| Montana | 20,060 | 33,863 | 34,921 | 35,979 | 13,803 |
| Nebraska | 19,726 | 33,300 | 34,340 | 35,381 | 13,573 |
| Nevada | 43,041 | 72,656 | 74,927 | 77,197 | 29,616 |
| New Hampshire | 5,792 | 9,777 | 10,083 | 10,388 | 3,985 |
| New Jersey | 17,224 | 29,076 | 29,984 | 30,893 | 11,852 |
| New Mexico | 12,059 | 20,357 | 20,993 | 21,629 | 8,298 |
| New York | 76,553 | 129,227 | 133,266 | 137,304 | 52,675 |
| North Carolina | 55,563 | 93,794 | 96,726 | 99,657 | 38,232 |
| North Dakota | 8,884 | 14,997 | 15,466 | 15,935 | 6,113 |
| Ohio | 57,216 | 96,586 | 99,604 | 102,622 | 39,370 |
| Oklahoma | 12,302 | 20,767 | 21,416 | 22,065 | 8,465 |
| Oregon | 20,214 | 34,123 | 35,190 | 36,256 | 13,909 |
| Pennsylvania | 62,335 | 105,227 | 108,516 | 111,804 | 42,892 |
| Rhode Island | 13,682 | 23,096 | 23,818 | 24,539 | 9,414 |
| South Carolina | 26,599 | 44,902 | 46,305 | 47,708 | 18,303 |
| South Dakota | 9,050 | 15,278 | 15,755 | 16,233 | 6,227 |
| Tennessee | 51,396 | 86,761 | 89,472 | 92,184 | 35,365 |
| Texas | 144,882 | 244,574 | 252,216 | 259,859 | 99,691 |
| Utah | 16,042 | 27,080 | 27,926 | 28,773 | 11,038 |
| Vermont | 2,384 | 4,024 | 4,150 | 4,275 | 1,640 |
| Virginia | 35,622 | 60,134 | 62,013 | 63,892 | 24,511 |
| Washington | 57,112 | 96,410 | 99,423 | 102,436 | 39,298 |
| West Virginia | 11,527 | 19,459 | 20,067 | 20,675 | 7,932 |
| Wisconsin | 38,228 | 64,533 | 66,550 | 68,567 | 26,305 |
| Wyoming | 10,255 | 17,311 | 17,852 | 18,393 | 7,056 |
| Puerto Rico | 11,845 | 19,996 | 20,621 | 21,246 | 8,151 |
| Virgin Islands | 6,686 | 11,287 | 11,640 | 11,992 | 4,601 |
| Territories | 14,889 | 25,134 | 25,919 | 26,705 | 10,245 |
| Unallocated | 0 | 0 | 0 | 0 | 0 |
| Total | \$1,895,638 | \$3,200,000 | \$3,300,000 | \$3,400,000 | \$1,304,362 |

Source: Federal Funds Information for States

TEA-21 VS. FY 1998 PAYMENTS BY STATES TO THE HIGHWAY TRUST FUND AND FEDERAL-AID APPORTIONMENTS AND ALLOCATIONS FROM THE HIGHWAY TRUST FUND (DOLLARS IN THOUSANDS)

| STATE | FY 1998 Payments into the Highway Account of the Fund | FY 1998 Apportionments And Allocations from the fund | FY 1998 Ratio | FY 1998 Donor/Donee | TEA-21 1998-2003 Average Apportionment * | TEA-21 Minimum Guaranteed Return Ratio** |
|----------------------|--|---|------------------|------------------------|--|--|
| Alabama | 593,144 | 474,373 | 0.80 | Donor | 539,058 | .94 |
| Alaska | 50,546 | 293,518 | 5.81 | Donee | 315,421 | 6.52 |
| Arizona | 506,320 | 366,554 | 0.72 | Donor | 434,052 | .91 |
| Arkansas | 402,494 | 306,798 | 0.76 | Donor | 353,145 | .91 |
| California | 2,872,266 | 2,254,699 | 0.78 | Donor | 2,476,561 | .91 |
| Colorado | 343,503 | 300,736 | 0.88 | Donor | 309,833 | .94 |
| Connecticut | 296,289 | 347,058 | 1.17 | Donee | 402,016 | 1.42 |
| Delaware | 79,315 | 101,561 | 1.28 | Donee | 117,124 | 1.54 |
| District of Columbia | 34,725 | 96,724 | 2.79 | Donee | 104,731 | 3.2 |
| Florida | 1,474,794 | 1,055,949 | 0.72 | Donor | 1,262,600 | .91 |
| Georgia | 1,089,701 | 805,729 | 0.74 | Donor | 943,887 | .91 |
| Hawaii | 72,645 | 117,807 | 1.62 | Donee | 137,047 | 1.97 |
| Idaho | 169,787 | 215,407 | 1.27 | Donee | 205,147 | 1.26 |
| Illinois | 912,383 | 776,165 | 0.85 | Donor | 895,272 | 1.02 |
| Indiana | 726,233 | 541,973 | 0.75 | Donor | 634,862 | .91 |
| Iowa | 320,786 | 280,336 | 0.87 | Donor | 318,198 | 1.04 |
| Kansas | 328,458 | 268,182 | 0.82 | Donor | 310,183 | .99 |
| Kentucky | 551,260 | 398,330 | 0.72 | Donor | 472,160 | .91 |
| Louisiana | 490,244 | 367,164 | 0.75 | Donor | 428,239 | .91 |
| Maine | 155,240 | 130,535 | 0.84 | Donor | 140,985 | .94 |
| Maryland | 503,179 | 353,299 | 0.70 | Donor | 428,158 | .91 |
| Massachusetts | 536,141 | 426,958 | 0.80 | Donor | 497,557 | .96 |
| Michigan | 1,005,790 | 722,839 | 0.72 | Donor | 863,564 | .91 |
| Minnesota | 352,575 | 362,521 | 1.03 | Donee | 396,890 | 1.18 |
| Mississippi | 383,999 | 284,156 | 0.74 | Donor | 329,633 | .91 |
| Missouri | 759,721 | 539,709 | 0.71 | Donor | 653,838 | .91 |
| Montana | 133,014 | 248,352 | 1.87 | Donee | 262,840 | 2.06 |
| Nebraska | 214,298 | 177,861 | 0.83 | Donor | 205,636 | 1.00 |
| Nevada | 193,230 | 179,686 | 0.93 | Donor | 191,872 | 1.04 |
| New Hampshire | 138,770 | 118,644 | 0.85 | Donor | 137,097 | 1.03 |
| New Jersey | 822,744 | 592,754 | 0.72 | Donor | 703,871 | .91 |
| New Mexico | 238,405 | 233,235 | 0.98 | Donor | 261,653 | 1.15 |
| New York | 1,171,703 | 1,195,520 | 1.02 | Donee | 1,366,699 | 1.22 |
| North Carolina | 865,261 | 657,909 | 0.76 | Donor | 749,574 | .91 |
| North Dakota | 96,882 | 183,059 | 1.89 | Donee | 173,467 | 1.87 |
| Ohio | 1,071,233 | 795,089 | 0.74 | Donor | 934,480 | .91 |
| Oklahoma | 472,832 | 351,232 | 0.74 | Donor | 410,294 | .91 |
| Oregon | 360,794 | 297,727 | 0.83 | Donor | 327,713 | .93 |
| Pennsylvania | 1,133,518 | 1,166,826 | 1.03 | Donee | 1,337,282 | 1.22 |
| Rhode Island | 77,739 | 135,626 | 1.74 | Donee | 158,557 | 2.12 |
| South Carolina | 511,540 | 365,515 | 0.71 | Donor | 439,820 | .91 |
| South Dakota | 94,170 | 176,954 | 1.88 | Donee | 193,213 | 2.10 |
| Tennessee | 708,091 | 533,445 | 0.75 | Donor | 611,026 | .91 |
| Texas | 2,335,122 | 1,644,394 | 0.70 | Donor | 2,005,464 | .91 |
| Utah | 247,854 | 192,429 | 0.78 | Donor | 212,494 | .91 |
| Vermont | 77,821 | 112,317 | 1.44 | Donee | 121,062 | 1.62 |
| Virginia | 801,023 | 618,151 | 0.77 | Donor | 690,126 | .91 |
| Washington | 545,247 | 442,849 | 0.81 | Donor | 474,779 | .91 |
| West Virginia | 219,203 | 264,793 | 1.21 | Donee | 299,632 | 1.43 |
| Wisconsin | 514,292 | 464,455 | 0.90 | Donor | 527,216 | 1.07 |
| Wyoming | 135,325 | 172,423 | 1.27 | Donee | 184,847 | 1.42 |
| Puerto Rico | - | 54,588 | - | Donee | - | - |
| Virgin Islands | - | 13,394 | - | Donee | - | - |
| Territories | - | 37,765 | - | Donee | - | - |
| Total | \$28,191,649 | \$23,616,072 | 0.84 | | 26,950,873 | |

Note: These numbers do not include tax receipts transferred to the Mass Transit account.

Source: Highway Statistics 1998, Federal Highway Administration, U.S. Department of Transportation.

*Represents the average estimated allocation as per TEA-21 for 1998 thru 2003. ** Represents the minimum contribution to allocation ratio as per TEA-21.

Selected Web Resources

- U.S. Department of Transportation
www.dot.gov
- Federal Highway Administration
www.fhwa.dot.gov/tea21
- American Association of State Highway & Transportation Officials
www.aashto.org/main
- House Committee on Transportation and Infrastructure
www.house.gov/transportation
- National Transportation Library
www.bts.gov/smart

Regional Expenditures

The following table shows percentage changes in expenditures for transportation for fiscal 1998-99 and 1999-00. For 1999, the Far West and Southwest states were well above the national average. Also, the Great Lakes percentage change was strikingly well above the national average for fiscal year 1999-2000. The state of Illinois has included funds that will be used for a major highway improvement program that extends from 1999-2003. The Mid-Atlantic and Rocky Mountain states were well below national average.

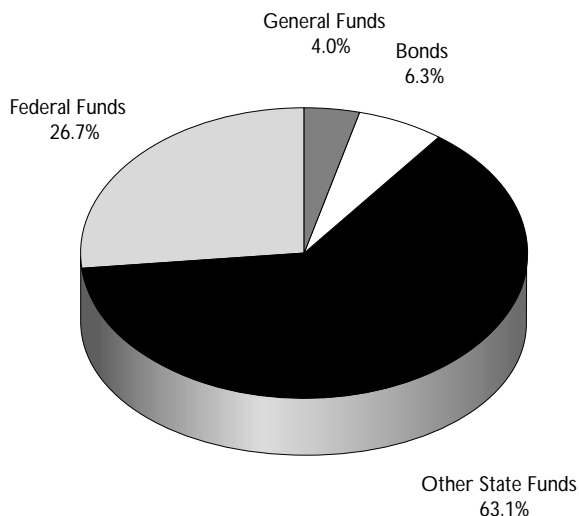
Table 37
Regional Percentage Change in State Transportation Expenditures, Fiscal 1999 and 2000

| Region | Fiscal 1998 to 1999 | | | Fiscal 1999 to 2000 | | |
|-------------------|---------------------|---------------|-------------|---------------------|---------------|--------------|
| | State Funds | Federal Funds | All Funds | State Funds | Federal Funds | All Funds |
| New England | 15.2% | -4.3% | 7.3% | 14.3% | 5.8% | 9.8% |
| Mid-Atlantic | 1.3 | -30.2 | -5.2 | -2.5 | 19.5 | 6.1 |
| Great Lakes | 2.7 | 13.0 | 5.0 | 29.2 | 29.1 | 33.9 |
| Plains | 5.1 | 13.0 | 6.8 | 5.8 | 11.6 | 7.1 |
| Southeast | 8.1 | 13.3 | 6.7 | -4.7 | 4.2 | -3.2 |
| Southwest | 3.5 | 33.1 | 14.7 | 14.8 | 25.5 | 20.3 |
| Rocky Mountain | 2.3 | 30.6 | -2.4 | -28.2 | -17.1 | -27.8 |
| Far West | 2.8 | 55.4 | 12.9 | 24.2 | 11.7 | 20.8 |
| ALL STATES | 4.8% | 13.4% | 5.7% | 8.3% | 12.3% | 10.4% |

Fund Shares

The figure below provides fund shares for 1999.

Figure 19
STATE EXPENDITURES FOR TRANSPORT BY FUND SOURCE, FISCAL 1999



Transportation—Expenditure Exclusions

Of the states reporting in this survey, eighteen wholly or partially excluded gas tax and fee collections from their transportation expenditure figures. Thirty-five states wholly or partially excluded port authority operations, twenty-two wholly or partially excluded motor vehicle licensing, and forty-two wholly or partially excluded state police/highway patrol.

Expenditure data on transportation can be found on Tables 37-41, accompanied by explanatory notes. Table 41 lists programs excluded from the expenditure figures. Details on capital expenditures for transportation can be found in Chapter Eight.

Table 38

TRANSPORTATION EXPENDITURES—CAPITAL INCLUSIVE (\$ IN MILLIONS)

| Region/ State | Actual Fiscal 1998 | | | | | Actual Fiscal 1999 | | | | | Estimated Fiscal 2000 | | | | |
|-----------------------|--------------------|------------------|-------------------------|----------------|-----------------|--------------------|------------------|-------------------------|----------------|-----------------|-----------------------|------------------|-------------------------|----------------|-----------------|
| | 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 | \$416 | \$440 | \$169 | \$1,025 | \$0 | \$505 | \$440 | \$166 | \$1,111 | \$0 | \$473 | \$436 | \$188 | \$1,097 |
| Maine | 7 | 124 | 198 | 43 | 372 | 4 | 130 | 220 | 41 | 395 | 10 | 182 | 321 | 32 | 545 |
| Massachusetts* | 611 | 875 | 682 | 462 | 2,630 | 638 | 580 | 941 | 508 | 2,667 | 772 | 579 | 1,081 | 513 | 2,945 |
| New Hampshire | 3 | 99 | 225 | 3 | 330 | 2 | 125 | 231 | 7 | 365 | 2 | 128 | 230 | 6 | 366 |
| Rhode Island* | 2 | 91 | 83 | 16 | 192 | 0 | 185 | 112 | 32 | 329 | 0 | 205 | 117 | 34 | 356 |
| Vermont | 0 | 107 | 105 | 1 | 213 | 0 | 113 | 127 | 1 | 241 | 0 | 166 | 135 | 1 | 302 |
| MID-ATLANTIC | | | | | | | | | | | | | | | |
| Delaware | 0 | 96 | 243 | 9 | 348 | 0 | 107 | 242 | 29 | 378 | 0 | 118 | 267 | 20 | 405 |
| Maryland | 0 | 441 | 1,712 | 0 | 2,153 | 0 | 420 | 1,901 | 0 | 2,321 | 0 | 583 | 1,744 | 175 | 2,502 |
| New Jersey* | 725 | 610 | 166 | 451 | 1,952 | 875 | 580 | 168 | 385 | 2,008 | 865 | 605 | 138 | 565 | 2,173 |
| New York | 390 | 931 | 1,965 | 590 | 3,876 | 383 | 23 | 1,555 | 780 | 2,741 | 365 | 23 | 1,460 | 925 | 2,773 |
| Pennsylvania* | 286 | 819 | 2,401 | 132 | 3,638 | 288 | 892 | 2,579 | 142 | 3,901 | 307 | 1,087 | 2,646 | 146 | 4,186 |
| GREAT LAKES | | | | | | | | | | | | | | | |
| Illinois | 40 | 144 | 2,452 | 57 | 2,693 | 49 | 97 | 2,425 | 40 | 2,611 | 91 | 462 | 5,037 | 749 | 6,339 |
| Indiana | 37 | 427 | 1,012 | 0 | 1,476 | 36 | 315 | 940 | 0 | 1,291 | 89 | 439 | 714 | 0 | 1,242 |
| Michigan | 3 | 682 | 1,758 | 26 | 2,469 | 18 | 741 | 1,938 | 36 | 2,733 | 20 | 940 | 1,881 | 9 | 2,850 |
| Ohio* | 38 | 659 | 1,984 | 304 | 2,985 | 44 | 886 | 2,013 | 343 | 3,286 | 56 | 901 | 2,046 | 340 | 3,343 |
| Wisconsin | 0 | 377 | 1,200 | 0 | 1,577 | 0 | 547 | 1,294 | 0 | 1,841 | 0 | 596 | 1,378 | 0 | 1,974 |
| PLAINS | | | | | | | | | | | | | | | |
| Iowa | 13 | 227 | 679 | 0 | 919 | 14 | 283 | 678 | 0 | 975 | 15 | 296 | 711 | 0 | 1,022 |
| Kansas | 97 | 195 | 559 | 58 | 909 | 99 | 307 | 462 | 74 | 942 | 101 | 253 | 342 | 96 | 792 |
| Minnesota | 67 | 124 | 1,293 | 9 | 1,493 | 74 | 128 | 1,440 | 13 | 1,655 | 77 | 238 | 1,481 | 10 | 1,806 |
| Missouri | 10 | 30 | 1,061 | 0 | 1,101 | 18 | 32 | 1,143 | 0 | 1,193 | 19 | 19 | 1,381 | 0 | 1,419 |
| Nebraska | 1 | 2 | 434 | 0 | 437 | 1 | 2 | 510 | 0 | 513 | 1 | 2 | 554 | 0 | 557 |
| North Dakota | 0 | 181 | 124 | 0 | 305 | 0 | 158 | 125 | 0 | 283 | 0 | 180 | 133 | 0 | 313 |
| South Dakota | 0 | 188 | 138 | 0 | 326 | 0 | 160 | 141 | 0 | 301 | 1 | 206 | 162 | 0 | 369 |
| SOUTHEAST | | | | | | | | | | | | | | | |
| Alabama | 0 | 1,181 | 724 | 48 | 1,953 | 0 | 1,400 | 732 | 44 | 2,176 | 0 | 848 | 478 | 0 | 1,326 |
| Arkansas | 1 | 0 | 700 | 0 | 701 | 1 | 0 | 619 | 0 | 620 | 1 | 0 | 700 | 0 | 701 |
| Florida* | 0 | 674 | 3,702 | 982 | 5,358 | 0 | 695 | 4,155 | 697 | 5,547 | 0 | 949 | 3,322 | 218 | 4,489 |
| Georgia | 47 | 598 | 800 | 180 | 1,625 | 33 | 739 | 907 | 178 | 1,857 | 9 | 850 | 747 | 118 | 1,724 |
| Kentucky | 6 | 335 | 995 | 0 | 1,336 | 6 | 386 | 1,156 | 0 | 1,548 | 10 | 390 | 1,277 | 0 | 1,677 |
| Louisiana | 24 | 81 | 312 | 9 | 426 | 15 | 85 | 347 | 12 | 459 | 15 | 106 | 379 | 6 | 506 |
| Mississippi | 25 | 230 | 586 | 0 | 841 | 25 | 271 | 628 | 0 | 924 | 10 | 355 | 734 | 200 | 1,299 |
| North Carolina | 11 | 668 | 1,592 | 250 | 2,521 | 11 | 739 | 1,701 | 0 | 2,451 | 21 | 775 | 1,697 | 0 | 2,493 |
| South Carolina | 0 | 0 | 287 | 0 | 287 | 0 | 0 | 433 | 0 | 433 | 0 | 0 | 556 | 0 | 556 |
| Tennessee* | 0 | 458 | 472 | 0 | 930 | 0 | 511 | 350 | 90 | 951 | 0 | 625 | 368 | 84 | 1,077 |
| Virginia | 0 | 457 | 2,117 | 87 | 2,661 | 3 | 548 | 2,312 | 90 | 2,953 | 0 | 596 | 2,452 | 122 | 3,170 |
| West Virginia | 4 | 305 | 497 | 6 | 812 | 2 | 274 | 507 | 56 | 839 | 6 | 394 | 502 | 174 | 1,076 |
| SOUTHWEST | | | | | | | | | | | | | | | |
| Arizona | 2 | 275 | 914 | 199 | 1,390 | 1 | 384 | 873 | 360 | 1,618 | 0 | 405 | 1,072 | 548 | 2,025 |
| New Mexico | 0 | 273 | 370 | 0 | 643 | 0 | 359 | 344 | 0 | 703 | 0 | 371 | 367 | 0 | 738 |
| Oklahoma | 36 | 232 | 573 | 0 | 841 | 49 | 281 | 633 | 1 | 964 | 50 | 471 | 847 | 0 | 1,368 |
| Texas | 30 | 1,083 | 2,309 | 0 | 3,422 | 17 | 1,456 | 2,464 | 0 | 3,937 | 44 | 1,865 | 2,651 | 0 | 4,560 |
| ROCKY MOUNTAIN | | | | | | | | | | | | | | | |
| Colorado | 0 | 219 | 566 | 0 | 785 | 0 | 285 | 604 | 0 | 889 | 0 | 0 | 0 | 0 | 0 |
| Idaho | 0 | 128 | 269 | 0 | 397 | 0 | 141 | 250 | 0 | 391 | 0 | 209 | 339 | 0 | 548 |
| Montana | 8 | 178 | 167 | 0 | 353 | 8 | 220 | 178 | 0 | 406 | 8 | 282 | 182 | 0 | 472 |
| Utah | 81 | 149 | 412 | 600 | 1,242 | 111 | 227 | 387 | 240 | 965 | 124 | 202 | 391 | 68 | 785 |
| Wyoming | 0 | 134 | 209 | 0 | 343 | 0 | 182 | 213 | 0 | 395 | 0 | 182 | 213 | 0 | 395 |
| FAR WEST | | | | | | | | | | | | | | | |
| Alaska | 164 | 243 | 225 | 0 | 632 | 182 | 487 | 414 | 34 | 1,117 | 196 | 768 | 290 | 0 | 1,254 |
| California | 0 | 1,827 | 4,068 | 648 | 6,543 | 27 | 2,999 | 3,723 | 376 | 7,125 | 38 | 3,109 | 5,452 | 451 | 9,050 |
| Hawaii | 0 | 122 | 565 | 51 | 738 | 0 | 80 | 654 | 29 | 763 | 0 | 71 | 527 | 89 | 687 |
| Nevada | 0 | 132 | 202 | 0 | 334 | 0 | 166 | 261 | 0 | 427 | 0 | 185 | 253 | 0 | 438 |
| Oregon* | 0 | 7 | 779 | 0 | 786 | 0 | 12 | 859 | 0 | 871 | 2 | 32 | 981 | 0 | 1,015 |
| Washington | 5 | 257 | 1,045 | 58 | 1,365 | 5 | 278 | 1,128 | 28 | 1,439 | 6 | 326 | 1,261 | 143 | 1,736 |
| TOTAL | \$2,774 | \$18,091 | \$46,371 | \$5,448 | \$72,684 | \$3,039 | \$20,521 | \$48,457 | \$4,832 | \$76,849 | \$3,331 | \$23,047 | \$52,433 | \$6,030 | \$84,841 |
| Puerto Rico | 67 | 117 | 1,249 | 64 | 1,497 | 67 | 226 | 1,324 | 61 | 1,678 | 73 | 417 | 1,203 | 78 | 1,771 |

Source: National Association of State Budget Officers, 1999 State Expenditure Report, June 2000

Table 39
TRANSPORTATION EXPENDITURES AS A PERCENT
OF TOTAL EXPENDITURES

| Region/State | Fiscal 1998 | Fiscal 1999 | Fiscal 2000 |
|-----------------------|----------------|----------------|----------------|
| NEW ENGLAND | | | |
| Connecticut | 7.4% | 7.5% | 7.5% |
| Maine | 8.9 | 8.8 | 10.4 |
| Massachusetts | 11.4 | 11.0 | 11.5 |
| New Hampshire | 13.7 | 14.3 | 10.7 |
| Rhode Island | 5.2 | 8.1 | 7.7 |
| Vermont | 11.9 | 11.9 | 13.2 |
| MID-ATLANTIC | | | |
| Delaware | 8.2 | 8.0 | 8.1 |
| Maryland | 13.5 | 13.6 | 13.8 |
| New Jersey | 7.7 | 7.5 | 7.4 |
| New York | 5.4 | 3.7 | 3.5 |
| Pennsylvania | 10.7 | 10.6 | 10.5 |
| GREAT LAKES | | | |
| Illinois | 9.1 | 8.3 | 13.9 |
| Indiana | 9.9 | 8.6 | 7.4 |
| Michigan | 7.6 | 8.2 | 8.2 |
| Ohio | 8.5 | 9.1 | 7.7 |
| Wisconsin | 7.5 | 8.1 | 9.6 |
| PLAINS | | | |
| Iowa | 9.3 | 9.2 | 8.8 |
| Kansas | 11.8 | 11.3 | 9.4 |
| Minnesota | 9.0 | 9.4 | 9.6 |
| Missouri | 7.9 | 7.8 | 8.5 |
| Nebraska | 9.1 | 9.6 | 11.8 |
| North Dakota | 15.0 | 13.3 | 14.3 |
| South Dakota | 16.6 | 15.4 | 17.3 |
| SOUTHEAST | | | |
| Alabama | 15.0 | 15.9 | 7.9 |
| Arkansas | 7.9 | 6.6 | 6.8 |
| Florida | 12.5 | 12.0 | 9.2 |
| Georgia | 7.5 | 7.7 | 7.5 |
| Kentucky | 10.0 | 10.6 | 10.7 |
| Louisiana | 2.9 | 3.1 | 3.1 |
| Mississippi | 10.5 | 11.3 | 12.8 |
| North Carolina | 11.4 | 10.3 | 10.2 |
| South Carolina | 2.2 | 3.9 | 4.2 |
| Tennessee | 6.4 | 6.0 | 6.5 |
| Virginia | 14.0 | 13.7 | 13.7 |
| West Virginia | 14.1 | 13.8 | 17.7 |
| SOUTHWEST | | | |
| Arizona | 10.5 | 10.9 | 13.2 |
| New Mexico | 9.0 | 9.0 | 9.5 |
| Oklahoma | 9.1 | 9.6 | 12.0 |
| Texas | 8.0 | 8.8 | 9.2 |
| ROCKY MOUNTAIN | | | |
| Colorado | 13.0 | 13.6 | 0.0 |
| Idaho | 12.9 | 11.6 | 14.4 |
| Montana | 14.5 | 15.5 | 16.0 |
| Utah | 19.5 | 14.7 | 12.1 |
| Wyoming | 17.5 | 18.3 | 18.3 |
| FAR WEST | | | |
| Alaska | 14.7 | 21.9 | 24.3 |
| California | 6.5 | 6.5 | 7.3 |
| Hawaii | 10.9 | 11.7 | 10.1 |
| Nevada | 5.5 | 6.1 | 6.1 |
| Oregon | 6.2 | 6.8 | 7.0 |
| Washington | 7.2 | 7.1 | 7.8 |
| ALL STATES | 8.8 | 8.7 | 8.8% |
| Puerto Rico | 8.2 | 8.7 | 8.9 |

Source: National Association of State Budget Officers, 1999 State Expenditure Report, June 2000

Table 40
ANNUAL PERCENTAGE CHANGE IN TRANSPORTATION EXPENDITURES

| Region/State | Fiscal 1998 to 1999 | | | Fiscal 1999 to 2000 | | |
|-----------------------|---------------------|---------------|-------------|---------------------|---------------|--------------|
| | State Funds | Federal Funds | All Funds | State Funds | Federal Funds | All Funds |
| NEW ENGLAND | | | | | | |
| Connecticut | 0.0% | 21.4% | 8.4% | -0.9% | -6.3% | -1.3% |
| Maine | 9.3 | 4.8 | 6.2 | 47.8 | 40.0 | 38.0 |
| Massachusetts | 22.1 | -33.7 | 1.4 | 17.4 | -0.2 | 10.4 |
| New Hampshire | 2.2 | 26.3 | 10.6 | -0.4 | 2.4 | 0.3 |
| Rhode Island | 31.8 | 103.3 | 71.4 | 4.5 | 10.8 | 8.2 |
| Vermont | 21.0 | 5.6 | 13.1 | 6.3 | 46.9 | 25.3 |
| MID-ATLANTIC | | | | | | |
| Delaware | -0.4 | 11.5 | 8.6 | 10.3 | 10.3 | 7.1 |
| Maryland | 11.0 | -4.8 | 7.8 | -8.3 | 38.8 | 7.8 |
| New Jersey | 17.1 | -4.9 | 2.9 | -3.8 | 4.3 | 8.2 |
| New York | -17.7 | -97.5 | -29.3 | -5.8 | 0.0 | 1.2 |
| Pennsylvania | 6.7 | 8.9 | 7.2 | 3.0 | 21.9 | 7.3 |
| GREAT LAKES | | | | | | |
| Illinois | -0.7 | -32.6 | -3.0 | 107.3 | 376.3 | 142.8 |
| Indiana | -7.0 | -26.2 | -12.5 | -17.7 | 39.4 | -3.8 |
| Michigan | 11.1 | 8.7 | 10.7 | -2.8 | 26.9 | 4.3 |
| Ohio | 1.7 | 34.4 | 10.1 | 2.2 | 1.7 | 1.7 |
| Wisconsin | 7.8 | 45.1 | 16.7 | 6.5 | 9.0 | 7.2 |
| PLAINS | | | | | | |
| Iowa | 0.0 | 24.7 | 6.1 | 4.9 | 4.6 | 4.8 |
| Kansas | -14.5 | 57.4 | 3.6 | -21.0 | -17.6 | -15.9 |
| Minnesota | 11.3 | 3.2 | 10.9 | 2.9 | 85.9 | 9.1 |
| Missouri | 8.4 | 6.7 | 8.4 | 20.6 | -40.6 | 18.9 |
| Nebraska | 17.5 | 0.0 | 17.4 | 8.6 | 0.0 | 8.6 |
| North Dakota | 0.8 | -12.7 | -7.2 | 6.4 | 13.9 | 10.6 |
| South Dakota | 2.2 | -14.9 | -7.7 | 15.6 | 28.8 | 22.6 |
| SOUTHEAST | | | | | | |
| Alabama | 1.1 | 18.5 | 11.4 | -34.7 | -39.4 | -39.1 |
| Arkansas | -11.6 | — | -11.6 | 13.1 | — | 13.1 |
| Florida | 12.2 | 3.1 | 3.5 | -20.0 | 36.5 | -19.1 |
| Georgia | 11.0 | 23.6 | 14.3 | -19.6 | 15.0 | -7.2 |
| Kentucky | 16.1 | 15.2 | 15.9 | 10.8 | 1.0 | 8.3 |
| Louisiana | 7.7 | 4.9 | 7.7 | 8.8 | 24.7 | 10.2 |
| Mississippi | 6.9 | 17.8 | 9.9 | 13.9 | 31.0 | 40.6 |
| North Carolina | 6.8 | 10.6 | -2.8 | 0.4 | 4.9 | 1.7 |
| South Carolina | 50.9 | — | 50.9 | 28.4 | — | 28.4 |
| Tennessee | -25.8 | 11.6 | 2.3 | 5.1 | 22.3 | 13.2 |
| Virginia | 9.4 | 19.9 | 11.0 | 5.9 | 8.8 | 7.3 |
| West Virginia | 1.6 | -10.2 | 3.3 | -0.2 | 43.8 | 28.2 |
| SOUTHWEST | | | | | | |
| Arizona | -4.6 | 39.6 | 16.4 | 22.7 | 5.5 | 25.2 |
| New Mexico | -7.0 | 31.5 | 9.3 | 6.7 | 3.3 | 5.0 |
| Oklahoma | 12.0 | 21.1 | 14.6 | 31.5 | 67.6 | 41.9 |
| Texas | 6.1 | 34.4 | 15.0 | 8.6 | 28.1 | 15.8 |
| ROCKY MOUNTAIN | | | | | | |
| Colorado | 6.7 | 30.1 | 13.2 | -100.0 | -100.0 | -100.0 |
| Idaho | -7.1 | 10.2 | -1.5 | 35.6 | 48.2 | 40.2 |
| Montana | 6.3 | 23.6 | 15.0 | 2.2 | 28.2 | 16.3 |
| Utah | 1.0 | 52.3 | -22.3 | 3.4 | -11.0 | -18.7 |
| Wyoming | 1.9 | 35.8 | 15.2 | 0.0 | 0.0 | 0.0 |
| FAR WEST | | | | | | |
| Alaska | 53.2 | 100.4 | 76.7 | -18.5 | 57.7 | 12.3 |
| California | -7.8 | 64.1 | 8.9 | 46.4 | 3.7 | 27.0 |
| Hawaii | 15.8 | -34.4 | 3.4 | -19.4 | -11.3 | -10.0 |
| Nevada | — | — | — | -3.1 | 11.4 | 2.6 |
| Oregon | 10.3 | 71.4 | 10.8 | 14.4 | 166.7 | 16.5 |
| Washington | 7.9 | 8.2 | 5.4 | 11.8 | 17.3 | 20.6 |
| ALL STATES | 4.8% | 13.4% | 5.7% | 8.3% | 12.3% | 10.4% |
| Puerto Rico | 5.7 | 93.2 | 12.1 | -8.3 | 84.5 | 5.5 |

Note: State funds are defined as general funds and other state funds (bonds are excluded).

Source: National Association of State Budget Officers, 1999 State Expenditure Report, June 2000

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 |
| Maine | | | | P | X | | | X | X |
| Massachusetts | X | X | P | | X | | | X | X |
| New Hampshire | | | | | | | | X | X |
| Rhode Island* | | | X | P | P | | | X | X |
| Vermont | | | X | | | | | | X |
| MID-ATLANTIC | | | | | | | | | |
| Delaware | | | X | | X | | | X | X |
| Maryland | | | | | P | | | | X |
| New Jersey | | | X | P | | | | | X |
| New York | | | N/A | X | | | | | X |
| Pennsylvania* | | | | P | | | | | X |
| GREAT LAKES | | | | | | | | | |
| Illinois | | P | X | | | | | X | X |
| Indiana | | | | X | X | | X | X | X |
| Michigan | | | X | | | | | | X |
| Ohio | | | | | | | | | |
| Wisconsin | | | | | | | | | |
| PLAINS | | | | | | | | | |
| Iowa | | | X | | | | | | X |
| Kansas | | | X | X | X | | | X | X |
| Minnesota | | | P | | | | | | |
| Missouri | | | | X | X | | X | X | X |
| Nebraska | | | X | X | | | X | | X |
| North Dakota | | | X | | | | | | X |
| South Dakota | | | X | X | X | X | | X | X |
| SOUTHEAST | | | | | | | | | |
| Alabama | | | X | | P | X | X | X | X |
| Arkansas | | | X | | | X | | | |
| Florida | | | X | X | | X | | X | X |
| Georgia | | | X | | P | X | | X | X |
| Kentucky | | | X | | | | | | X |
| Louisiana | | | X | | | X | X | X | X |
| Mississippi | | | X | | | | | X | X |
| North Carolina | | | X | | | | | | |
| South Carolina | | | X | | X | X | X | X | X |
| Tennessee | | | | X | X | | | X | X |
| Virginia | | | | | | | | | |
| West Virginia | | | | | | | | | X |
| SOUTHWEST | | | | | | | | | |
| Arizona | | | | | | | | | |
| New Mexico | | | X | | X | | | X | X |
| Oklahoma | | | X | | | | | | X |
| Texas | X | X | X | X | P | P | P | | X |
| ROCKY MOUNTAIN | | | | | | | | | |
| Colorado | | | X | X | X | X | X | X | X |
| Idaho | | | | | X | | | | X |
| Montana | | | X | | | | | | X |
| Utah | | | | | | X | P | | X |
| Wyoming | | | X | | | X | | | |
| FAR WEST | | | | | | | | | |
| Alaska | | | X | X | | X | X | X | X |
| California | | | X | | | | | | X |
| Hawaii | | | X | X | | X | X | X | X |
| Nevada | | | X | X | X | X | | X | X |
| Oregon* | | | X | | | | | | X |
| Washington | | | X | | | | | | X |
| ALL STATES | 2 | 3 | 35 | 18 | 18 | 14 | 11 | 22 | 42 |

Puerto Rico

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

Source: Association of State Budget Officers, 1999 State Expenditure Report, June 2000

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.

Florida: Bond sales are based on the requirements of the department's production schedule. Bond sales for right-of-way acquisition can change during the fiscal year year.

Massachusetts: As of fiscal 1998, the Commonwealth also issues bond anticipation notes and grant anticipation notes as needed to meet the cash flow requirements of a multi-billion dollar highway and harbor tunnel project. They are included in "Other State Funds" in keeping with internal accounting practice. "Other State Funds" increased substantially in fiscal 1999 and is projected to increase further in fiscal 2000 due to federal funding cutbacks under TEA-21.

New Jersey: Most, but not all, of the gasoline tax receipts are dedicated to transportation programs. State Police are in the Department of Law and Public Safety.

Ohio: See General Notes for Ohio for discussion of double counting issues that affect percentage of total expenditure amounts.

Oregon: State police/highway patrol are included in the All Other category.

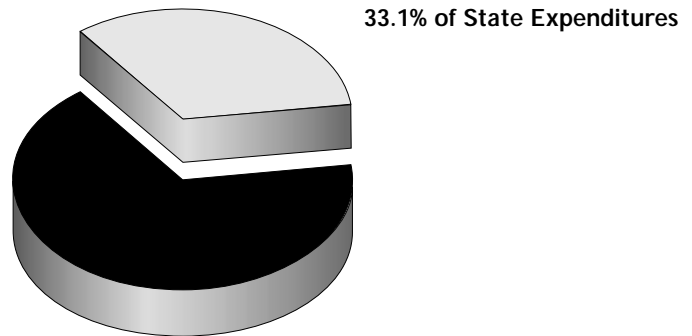
Pennsylvania: Excludes State Police, Treasury and the Department of Revenue refund/collection expenses that are shown under all other state expenditures. The Department of Revenue collects gasoline taxes.

Rhode Island: Gasoline tax and fee collections are partially excluded. They are not fully dedicated to the Department of Transportation. Port authority operations are excluded, they are included in the Economic Development Corporation. Motor vehicle licensing is excluded, it is included in the Department of Administration. State police are excluded.

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

CHAPTER SEVEN

ALL OTHER EXPENDITURES



To capture total state expenditures, NASBO collected data on state expenditures not included in the functional areas covered in the previous chapters. Depending on the state, this category could include spending for the State Child Health Insurance Program (S-CHIP), institutional and community care for mentally ill and developmentally disabled persons, public health programs, employer contributions to pensions and health benefits, economic development, environmental projects, state police, parks and recreation, housing, and general aid to local government. A list of items excluded from All Other Expenditures is shown in Table 46.

In the aggregate, such spending accounts for an estimated 33.1 percent of all state expenditures in 1999, totaling \$291.8 billion. For these types of functions, state spending increased 7.5 percent from 1998 to 1999. Data for All Other expenditures can be found on Tables 43 accompanied by explanatory notes.

State Child Health Insurance Program

The Balanced Budget Act of 1997 created the State Child Health Insurance Program (S-CHIP) that provides federal grants for states to design comprehensive health insurance programs for uninsured, low-income children.

Congress authorized funding of the S-CHIP program through 2007, specifying the following amounts: \$4.3 billion for each of the years 1998-2001, \$3.2 billion for each of the years 2002-2004, \$4.1 billion for each of the years 2005-2006, and \$5.0 billion for 2007. States had access to these new funds starting October 1, 1997, and as of January 1, 2000, each of the states and territories had an approved S-CHIP plan in place. Nearly 2 million children were enrolled in S-CHIP in fiscal year 1999.

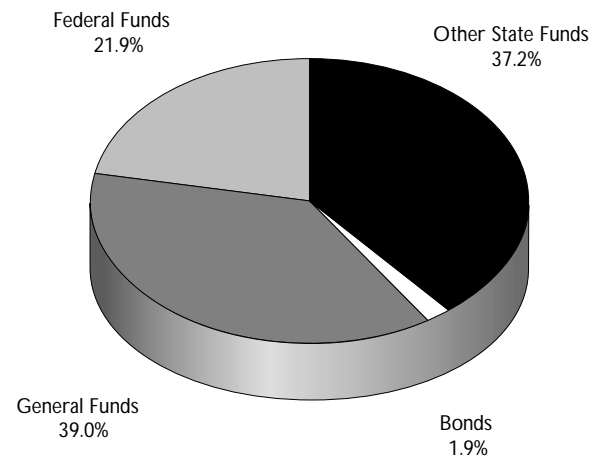
Prior to the passage of the S-CHIP program, Medicaid was the predominant way that states provided public funding for children's health insurance. Under the S-CHIP program, states may use this new source of funds to expand insurance coverage under their existing Medicaid program, create a new state children's health insurance program, or a combination of both. Expenditures for this

program have been reported within the total for All Other Expenditures. In fiscal year 1998, 14 states reported expenditures for the S-CHIP program, and 38 states reported expenditures in fiscal year 1999. The number of states reporting expenditures during the first year of the program was significantly less than the second year due to normal start-up issues such as outreach to recipients and policy decisions that had to be made by state officials.

Fund Shares

The figure below provides fund shares for 1999.

Figure 20
STATE EXPENDITURES FOR ALL OTHER PROGRAMS BY FUND SOURCE, FISCAL 1999



Regional Expenditures

The following table shows percentage changes for all other expenditures for fiscal 1998-99 and 1999-2000. For 1999, the Mid Atlantic and Southwest states are well above the national average and the New England and Great Lakes states are well below the national average.

Table 42
REGIONAL PERCENTAGE CHANGE IN STATE ALL OTHER EXPENDITURES, FISCAL 1999 AND 2000

| Region | Fiscal 1998 to 1999 | | | Fiscal 1999 to 2000 | | |
|-------------------|---------------------|---------------|-------------|---------------------|---------------|--------------|
| | State Funds | Federal Funds | All Funds | State Funds | Federal Funds | All Funds |
| New England | 6.9% | -5.8% | 4.5% | 6.8% | 0.7% | 5.2% |
| Mid-Atlantic | 14.5 | 10.7 | 14.0 | 9.0 | 27.4 | 12.2 |
| Great Lakes | -0.6 | 25.4 | 3.5 | 16.0 | 32.6 | 22.2 |
| Plains | 9.4 | 10.1 | 9.4 | 2.3 | 4.0 | 3.0 |
| Southeast | 6.7 | 1.1 | 6.2 | 14.7 | 9.6 | 12.7 |
| Southwest | 10.6 | 18.1 | 12.2 | 4.2 | 7.0 | 5.2 |
| Rocky Mountain | 5.0 | 14.5 | 7.5 | -2.2 | 9.1 | 0.5 |
| Far West | 10.5 | -0.7 | 6.4 | 9.9 | 14.4 | 11.6 |
| ALL STATES | 7.7% | 6.7% | 7.5% | 10.6% | 15.5% | 12.1% |

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

| Region/ State | Actual Fiscal 1998 | | | | | Actual Fiscal 1999 | | | | | Estimated Fiscal 2000 | | | | |
|-----------------------|--------------------|------------------|-------------------------|----------------|------------------|--------------------|------------------|-------------------------|----------------|------------------|-----------------------|------------------|-------------------------|----------------|------------------|
| | 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 | \$4,361 | \$313 | \$775 | \$512 | \$5,961 | \$4,743 | \$295 | \$745 | \$577 | \$6,360 | \$4,777 | \$0 | \$597 | \$464 | \$5,838 |
| Maine | 574 | 326 | 482 | 25 | 1,407 | 658 | 314 | 601 | 21 | 1,594 | 765 | 467 | 770 | 49 | 2,051 |
| Massachusetts | 7,576 | 1,698 | 368 | 528 | 10,170 | 7,956 | 1,547 | 422 | 455 | 10,380 | 8,496 | 1,561 | 565 | 451 | 11,073 |
| New Hampshire | 437 | 251 | 160 | 30 | 878 | 466 | 286 | 154 | 22 | 928 | 494 | 286 | 180 | 30 | 990 |
| Rhode Island* | 511 | 331 | 424 | 19 | 1,285 | 594 | 255 | 410 | 23 | 1,282 | 716 | 395 | 512 | 50 | 1,673 |
| Vermont | 233 | 203 | 211 | 31 | 678 | 246 | 244 | 226 | 30 | 746 | 267 | 254 | 249 | 12 | 782 |
| MID-ATLANTIC | | | | | | | | | | | | | | | |
| Delaware | 755 | 111 | 1,146 | 24 | 2,036 | 926 | 224 | 1,168 | 21 | 2,339 | 1,003 | 234 | 1,263 | 27 | 2,527 |
| Maryland | 2,516 | 853 | 1,328 | 263 | 4,960 | 2,762 | 729 | 1,424 | 285 | 5,200 | 2,822 | 727 | 1,627 | 282 | 5,458 |
| New Jersey | 5,546 | 1,136 | 1,416 | 336 | 8,434 | 5,740 | 1,400 | 1,461 | 299 | 8,900 | 6,682 | 1,873 | 1,710 | 316 | 10,581 |
| New York* | 8,906 | 3,981 | 4,893 | 541 | 18,321 | 11,863 | 4,163 | 5,771 | 619 | 22,416 | 11,607 | 5,592 | 7,154 | 502 | 24,855 |
| Pennsylvania* | 4,372 | 1,982 | 3,645 | 134 | 10,133 | 4,797 | 2,412 | 3,628 | 349 | 11,186 | 5,206 | 2,948 | 4,040 | 551 | 12,745 |
| GREAT LAKES | | | | | | | | | | | | | | | |
| Illinois | 3,670 | 1,558 | 4,533 | 339 | 10,100 | 4,447 | 1,881 | 4,866 | 232 | 11,426 | 4,666 | 2,876 | 9,223 | 1,937 | 18,702 |
| Indiana | 1,635 | 1,201 | 2,059 | 0 | 4,895 | 1,438 | 1,584 | 1,473 | 0 | 4,495 | 1,868 | 1,617 | 1,884 | 0 | 5,369 |
| Michigan* | 3,088 | 2,281 | 4,496 | 0 | 9,865 | 3,291 | 3,430 | 2,771 | 148 | 9,640 | 3,010 | 3,876 | 2,973 | 94 | 9,953 |
| Ohio | 3,816 | 1,237 | 8,773 | 217 | 14,043 | 3,464 | 1,008 | 9,264 | 259 | 13,995 | 3,698 | 2,055 | 13,536 | 235 | 19,524 |
| Wisconsin | 2,844 | 962 | 4,810 | 0 | 8,616 | 2,685 | 1,173 | 5,768 | 0 | 9,626 | 2,910 | 1,607 | 2,033 | 0 | 6,550 |
| PLAINS | | | | | | | | | | | | | | | |
| Iowa | 1,158 | 676 | 860 | 0 | 2,694 | 1,191 | 800 | 1,029 | 0 | 3,020 | 1,228 | 869 | 1,434 | 0 | 3,531 |
| Kansas | 623 | 551 | 708 | 0 | 1,882 | 647 | 575 | 848 | 0 | 2,070 | 664 | 503 | 782 | 0 | 1,949 |
| Minnesota | 3,400 | 1,053 | 1,064 | 187 | 5,704 | 3,599 | 1,038 | 1,172 | 145 | 5,954 | 3,778 | 1,025 | 1,153 | 165 | 6,121 |
| Missouri* | 2,568 | 1,031 | 1,394 | 38 | 5,031 | 2,816 | 1,377 | 1,536 | 64 | 5,799 | 2,762 | 1,693 | 1,883 | 74 | 6,412 |
| Nebraska | 509 | 406 | 522 | 0 | 1,437 | 597 | 424 | 578 | 0 | 1,896 | 608 | 317 | 50 | 0 | 975 |
| North Dakota | 183 | 308 | 255 | 0 | 746 | 219 | 308 | 282 | 0 | 809 | 170 | 260 | 308 | 36 | 774 |
| South Dakota | 156 | 271 | 204 | 0 | 631 | 161 | 206 | 208 | 0 | 575 | 165 | 249 | 239 | 0 | 653 |
| SOUTHEAST | | | | | | | | | | | | | | | |
| Alabama | 710 | 981 | 2,086 | 0 | 3,777 | 685 | 961 | 2,042 | 0 | 3,688 | 828 | 1,991 | 4,231 | 0 | 7,050 |
| Arkansas* | 463 | 732 | 1,987 | 49 | 3,231 | 481 | 578 | 2,355 | 43 | 3,457 | 513 | 658 | 2,490 | 44 | 3,705 |
| Florida* | 3,922 | 3,159 | 8,934 | 325 | 16,340 | 4,068 | 3,557 | 10,563 | 327 | 18,515 | 4,182 | 3,455 | 13,125 | 324 | 21,086 |
| Georgia | 2,729 | 1,260 | 1,871 | 111 | 5,971 | 3,049 | 1,408 | 2,014 | 488 | 6,959 | 2,953 | 1,075 | 1,591 | 114 | 5,733 |
| Kentucky | 1,515 | 1,021 | 1,039 | 0 | 3,575 | 1,695 | 1,095 | 1,016 | 0 | 3,806 | 1,630 | 1,279 | 1,249 | 0 | 4,158 |
| Louisiana | 1,520 | 1,112 | 3,183 | 0 | 5,815 | 1,347 | 1,115 | 3,182 | 0 | 5,644 | 1,270 | 1,303 | 3,745 | 0 | 6,318 |
| Mississippi | 854 | 634 | 518 | 21 | 2,027 | 895 | 463 | 571 | 2 | 1,931 | 1,011 | 925 | 881 | 4 | 2,821 |
| North Carolina | 2,558 | 1,502 | 1,010 | 0 | 5,070 | 3,451 | 1,559 | 745 | 0 | 5,755 | 3,755 | 1,406 | 618 | 200 | 5,979 |
| South Carolina | 1,892 | 1,764 | 3,031 | 39 | 6,726 | 1,590 | 1,404 | 1,526 | 182 | 4,702 | 1,411 | 1,298 | 3,179 | 0 | 5,888 |
| Tennessee | 1,358 | 1,830 | 1,796 | 36 | 5,020 | 1,966 | 1,966 | 1,761 | 66 | 5,369 | 1,694 | 2,206 | 1,821 | 13 | 5,734 |
| Virginia | 2,243 | 975 | 3,527 | 85 | 6,830 | 2,558 | 1,010 | 4,578 | 92 | 8,238 | 2,765 | 1,064 | 4,938 | 101 | 8,868 |
| West Virginia | 61 | 235 | 376 | 0 | 672 | 112 | 254 | 630 | 0 | 996 | 111 | 190 | 199 | 0 | 500 |
| SOUTHWEST | | | | | | | | | | | | | | | |
| Arizona | 1,289 | 962 | 2,322 | 0 | 4,573 | 1,683 | 1,181 | 2,698 | 0 | 5,562 | 1,518 | 1,220 | 2,666 | 0 | 5,404 |
| New Mexico | 768 | 0 | 1,053 | 0 | 1,821 | 725 | 0 | 1,376 | 0 | 2,101 | 38 | 0 | 1,541 | 0 | 1,579 |
| Oklahoma | 892 | 887 | 981 | 38 | 2,798 | 947 | 1,225 | 1,108 | 4 | 3,284 | 976 | 1,230 | 1,322 | 66 | 3,594 |
| Texas | 3,542 | 2,621 | 3,125 | 0 | 9,288 | 3,716 | 2,871 | 3,204 | 0 | 9,791 | 3,991 | 3,198 | 4,053 | 0 | 11,242 |
| ROCKY MOUNTAIN | | | | | | | | | | | | | | | |
| Colorado | 517 | 12 | 218 | 0 | 747 | 242 | 68 | 395 | 0 | 705 | 281 | 38 | 132 | 0 | 451 |
| Idaho | 261 | 371 | 305 | 2 | 939 | 276 | 403 | 312 | 2 | 993 | 299 | 452 | 355 | 2 | 1,108 |
| Montana* | 225 | 281 | 274 | 0 | 780 | 255 | 313 | 305 | 0 | 873 | 288 | 400 | 375 | 0 | 1,063 |
| Utah | 707 | 402 | 437 | 25 | 1,571 | 752 | 456 | 533 | 29 | 1,770 | 768 | 477 | 504 | 12 | 1,761 |
| Wyoming | 249 | 165 | 374 | 1 | 789 | 171 | 170 | 505 | 1 | 847 | 218 | 172 | 443 | 0 | 833 |
| FAR WEST | | | | | | | | | | | | | | | |
| Alaska | 835 | 458 | 476 | 0 | 1,769 | 837 | 397 | 492 | 111 | 1,837 | 695 | 431 | 562 | 0 | 1,688 |
| California | 11,148 | 13,299 | 8,638 | 143 | 33,228 | 13,445 | 12,907 | 9,427 | 45 | 35,824 | 16,409 | 15,048 | 9,096 | 434 | 40,987 |
| Hawaii* | 1,361 | 377 | 1,123 | 597 | 3,458 | 1,220 | 408 | 1,008 | 244 | 2,880 | 1,194 | 498 | 1,386 | 213 | 3,291 |
| Nevada | 330 | 298 | 3,171 | 13 | 3,812 | 350 | 388 | 3,735 | 10 | 4,483 | 285 | 376 | 3,879 | 17 | 4,557 |
| Oregon | 730 | 656 | 3,992 | 0 | 5,378 | 622 | 763 | 4,098 | 0 | 5,483 | 638 | 700 | 4,390 | 0 | 5,728 |
| Washington | 1,670 | 1,273 | 2,354 | 141 | 5,438 | 1,802 | 1,385 | 2,555 | 240 | 5,982 | 2,005 | 1,535 | 2,981 | 297 | 6,818 |
| TOTAL | \$103,786 | \$59,987 | \$102,727 | \$4,850 | \$271,350 | \$113,856 | \$63,978 | \$108,539 | \$5,435 | \$291,808 | \$120,088 | \$73,909 | \$125,917 | \$7,116 | \$327,030 |
| Puerto Rico | 3,226 | 1,131 | 5,749 | 350 | 10,456 | 3,817 | 1,242 | 5,808 | 397 | 11,264 | 4,075 | 1,170 | 5,500 | 390 | 11,135 |

Source: National Association of State Budget Officers, 1999 State Expenditure Report, June 2000

Table 44
ALL OTHER EXPENDITURES AS A PERCENT
OF TOTAL EXPENDITURES

| Region/State | Fiscal 1998 | Fiscal 1999 | Fiscal 2000 |
|-----------------------|----------------|----------------|----------------|
| NEW ENGLAND | | | |
| Connecticut | 42.8% | 43.1% | 39.7% |
| Maine | 33.7 | 35.6 | 39.1 |
| Massachusetts | 44.1 | 42.8 | 43.1 |
| New Hampshire | 36.5 | 36.4 | 29.0 |
| Rhode Island | 34.6 | 31.7 | 36.2 |
| Vermont | 37.7 | 36.9 | 34.3 |
| MID-ATLANTIC | | | |
| Delaware | 48.1 | 49.8 | 50.5 |
| Maryland | 31.1 | 30.4 | 30.0 |
| New Jersey | 33.5 | 33.2 | 36.0 |
| New York | 25.6 | 30.1 | 31.7 |
| Pennsylvania | 29.7 | 30.3 | 32.1 |
| GREAT LAKES | | | |
| Illinois | 34.2 | 36.4 | 40.9 |
| Indiana | 32.9 | 29.9 | 31.8 |
| Michigan | 30.5 | 29.1 | 28.5 |
| Ohio | 40.1 | 38.6 | 44.9 |
| Wisconsin | 40.7 | 42.2 | 31.8 |
| PLAINS | | | |
| Iowa | 27.2 | 28.4 | 30.4 |
| Kansas | 24.5 | 24.9 | 23.2 |
| Minnesota | 34.4 | 33.8 | 32.4 |
| Missouri | 36.2 | 38.0 | 38.5 |
| Nebraska | 30.0 | 29.8 | 20.6 |
| North Dakota | 36.7 | 38.1 | 35.3 |
| South Dakota | 32.2 | 29.4 | 30.6 |
| SOUTHEAST | | | |
| Alabama | 29.0 | 27.0 | 42.2 |
| Arkansas | 36.2 | 36.5 | 35.7 |
| Florida | 38.3 | 40.1 | 43.3 |
| Georgia | 27.6 | 28.7 | 24.9 |
| Kentucky | 26.7 | 26.0 | 26.5 |
| Louisiana | 39.9 | 37.7 | 39.1 |
| Mississippi | 25.3 | 23.7 | 27.8 |
| North Carolina | 22.9 | 24.2 | 24.5 |
| South Carolina | 52.0 | 42.3 | 44.2 |
| Tennessee | 34.5 | 34.1 | 34.8 |
| Virginia | 35.8 | 38.3 | 38.4 |
| West Virginia | 11.7 | 16.4 | 8.2 |
| SOUTHWEST | | | |
| Arizona | 34.6 | 37.6 | 35.3 |
| New Mexico | 25.5 | 26.9 | 20.3 |
| Oklahoma | 30.2 | 32.8 | 31.6 |
| Texas | 21.8 | 21.9 | 22.6 |
| ROCKY MOUNTAIN | | | |
| Colorado | 12.4 | 10.8 | 8.8 |
| Idaho | 30.5 | 29.4 | 29.1 |
| Montana | 32.1 | 33.4 | 35.9 |
| Utah | 24.6 | 27.1 | 27.1 |
| Wyoming | 40.2 | 39.3 | 38.7 |
| FAR WEST | | | |
| Alaska | 41.3 | 36.1 | 32.7 |
| California | 33.2 | 32.7 | 33.0 |
| Hawaii | 51.2 | 44.3 | 48.2 |
| Nevada | 63.1 | 64.5 | 63.5 |
| Oregon | 42.5 | 42.5 | 39.5 |
| Washington | 28.6 | 29.4 | 30.5 |
| ALL STATES | 32.8 | 33.1 | 34.0% |
| Puerto Rico | 57.1 | 58.7 | 55.9 |

Source: National Association of State Budget Officers, 1999 State Expenditure Report, June 2000

Table 45
ANNUAL PERCENTAGE CHANGE IN ALL OTHER EXPENDITURES

| Region/ State | Fiscal 1998 to 1999 | | | Fiscal 1999 to 2000 | | |
|-----------------------|---------------------|------------------|--------------|---------------------|------------------|--------------|
| | State Funds | Federal Funds | All Funds | State Funds | Federal Funds | All Funds |
| NEW ENGLAND | | | | | | |
| Connecticut | 6.9% | -5.8% | 6.7% | -2.1% | -100.0% | -8.2% |
| Maine | 19.2 | -3.7 | 13.3 | 21.9 | 48.7 | 28.7 |
| Massachusetts | 5.5 | -8.9 | 2.1 | 8.2 | 0.9 | 6.7 |
| New Hampshire | 3.9 | 13.9 | 5.7 | 8.7 | 0.0 | 6.7 |
| Rhode Island | 7.4 | -23.0 | -0.2 | 22.3 | 54.9 | 30.5 |
| Vermont | 6.3 | 20.2 | 10.0 | 9.3 | 4.1 | 4.8 |
| MID-ATLANTIC | | | | | | |
| Delaware | 10.2 | 101.8 | 14.9 | 8.2 | 4.5 | 8.0 |
| Maryland | 8.9 | -14.5 | 4.8 | 6.3 | -0.3 | 5.0 |
| New Jersey | 3.4 | 23.2 | 5.5 | 16.5 | 33.8 | 18.9 |
| New York | 27.8 | 4.6 | 22.4 | 6.4 | 34.3 | 10.9 |
| Pennsylvania | 5.1 | 21.7 | 10.4 | 9.7 | 22.2 | 13.9 |
| GREAT LAKES | | | | | | |
| Illinois | 13.5 | 20.7 | 13.1 | 49.1 | 52.9 | 63.7 |
| Indiana | -21.2 | 31.9 | -8.2 | 28.9 | 2.1 | 19.4 |
| Michigan | -20.1 | 50.4 | -2.3 | -1.3 | 13.0 | 3.2 |
| Ohio | 1.1 | -18.5 | -0.3 | 35.4 | 103.9 | 39.5 |
| Wisconsin | 10.4 | 21.9 | 11.7 | -41.5 | 37.0 | -32.0 |
| PLAINS | | | | | | |
| Iowa | 10.0 | 18.3 | 12.1 | 19.9 | 8.6 | 16.9 |
| Kansas | 12.3 | 4.4 | 10.0 | -3.3 | -12.5 | -5.8 |
| Minnesota | 6.9 | -1.4 | 4.4 | 3.4 | -1.3 | 2.8 |
| Missouri | 9.8 | 33.6 | 15.1 | 6.7 | 22.9 | 10.7 |
| Nebraska | 14.0 | 4.4 | 11.3 | -44.0 | -25.2 | -39.0 |
| North Dakota | 14.4 | 0.0 | 8.4 | -4.6 | -15.6 | -4.3 |
| South Dakota | 2.5 | -24.0 | -8.9 | 9.5 | 20.9 | 13.6 |
| SOUTHEAST | | | | | | |
| Alabama | -2.5 | -2.0 | -2.4 | 85.5 | 107.2 | 91.2 |
| Arkansas | 15.8 | -21.0 | 7.0 | 5.9 | 13.8 | 7.2 |
| Florida | 13.8 | 12.6 | 13.3 | 18.3 | -2.9 | 13.9 |
| Georgia | 10.1 | 11.7 | 16.5 | -10.3 | -23.7 | -17.6 |
| Kentucky | 6.1 | 7.2 | 6.5 | 6.2 | 16.8 | 9.2 |
| Louisiana | -3.7 | 0.3 | -2.9 | 10.7 | 16.9 | 11.9 |
| Mississippi | 6.9 | -27.0 | -4.7 | 29.1 | 99.8 | 46.1 |
| North Carolina | 17.6 | 3.8 | 13.5 | 4.2 | -9.8 | 3.9 |
| South Carolina | -36.7 | -20.4 | -30.1 | 47.3 | -7.5 | 25.2 |
| Tennessee | 5.8 | 7.4 | 7.0 | 5.3 | 12.2 | 6.8 |
| Virginia | 23.7 | 3.6 | 20.6 | 7.9 | 5.3 | 7.6 |
| West Virginia | 69.8 | 8.1 | 48.2 | -58.2 | -25.2 | -49.8 |
| SOUTHWEST | | | | | | |
| Arizona | 21.3 | 22.8 | 21.6 | -4.5 | 3.3 | -2.8 |
| New Mexico | 15.4 | — | 15.4 | -24.8 | — | -24.8 |
| Oklahoma | 9.7 | 38.1 | 17.4 | 11.8 | 0.4 | 9.4 |
| Texas | 3.8 | 9.5 | 5.4 | 16.2 | 11.4 | 14.8 |
| ROCKY MOUNTAIN | | | | | | |
| Colorado | -13.3 | 466.7 | -5.6 | -35.2 | -44.1 | -36.0 |
| Idaho | 3.9 | 8.6 | 5.8 | 11.2 | 12.2 | 11.6 |
| Montana | 12.2 | 11.4 | 11.9 | 18.4 | 27.8 | 21.8 |
| Utah | 12.3 | 13.4 | 12.7 | -1.0 | 4.6 | -0.5 |
| Wyoming | 8.5 | 3.0 | 7.4 | -2.2 | 1.2 | -1.7 |
| FAR WEST | | | | | | |
| Alaska | 1.4 | -13.3 | 3.8 | -5.4 | 8.6 | -8.1 |
| California | 15.6 | -2.9 | 7.8 | 11.5 | 16.6 | 14.4 |
| Hawaii | -10.3 | 8.2 | -16.7 | 15.8 | 22.1 | 14.3 |
| Nevada | — | — | — | 1.9 | -3.1 | 1.7 |
| Oregon | 0.0 | 16.3 | 2.0 | 6.5 | -8.3 | 4.5 |
| Washington | 8.3 | 8.8 | 10.0 | 14.4 | 10.8 | 14.0 |
| ALL STATES | 7.7 | 6.7 | 7.5 | 10.6 | 15.5 | 12.1 |
| Puerto Rico | 7.2 | 9.8 | 7.7 | -0.5 | -5.8 | -1.1 |

Note: State funds are defined as general funds and other state funds (bonds are excluded).
Source: National Association of State Budget Officers, 1999 State Expenditure Report, June 2000

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 | Environ- mental Programs | Parks and Recreation | Housing | General Aid to Local Government |
|-----------------------|--|---|--------------------------------------|------------------|---|---|--------------------------------|----------------------------|----------|---------------------------------------|
| NEW ENGLAND | | | | | | | | | | |
| Connecticut | | | | | | | | | | |
| Maine | | | | | | | | | | |
| Massachusetts | | | | | | | P | P | P | |
| New Hampshire | | | | | | | | | | |
| Rhode Island | | | | | | | | | | |
| Vermont | | | | | | | | | | |
| MID-ATLANTIC | | | | | | | | | | |
| Delaware | | | | | | | | | | |
| Maryland | | | | | | | | | | |
| New Jersey | | | | | | | | | | |
| New York* | P | P | | | | | | | | |
| Pennsylvania | | | | | | | | | P | |
| GREAT LAKES | | | | | | | | | | |
| Illinois | | P | | | | | | | X | P |
| Indiana | | | | | | | | | | |
| Michigan* | | | | P | P | P | | | | |
| Ohio | | | | | | | | | | |
| Wisconsin | | | | | | | | | | |
| PLAINS | | | | | | | | | | |
| Iowa | | | | | | | | | | |
| Kansas | | | | | | | | | | |
| Minnesota | | | | | | | | | | |
| Missouri | | | | | | | | | | |
| Nebraska | | | | | | | | | | |
| North Dakota | | | | | | | | | | |
| South Dakota | | | | | | | | | | X |
| SOUTHEAST | | | | | | | | | | |
| Alabama | | | | | | | | | P | P |
| Arkansas* | | | X | | | | | | | |
| Florida | | | | | | | | | | |
| Georgia | | | | | | | | | | |
| Kentucky | | | | | | | | | | |
| Louisiana | | | | | | | | | | |
| Mississippi | | | | | | | | | | |
| North Carolina | | | | | | | | | | |
| South Carolina | | | | | | | | | | P |
| Tennessee | | | X | | | | | | | X |
| Virginia | | | | | | | | | | |
| West Virginia | | | | | | | | | X | |
| SOUTHWEST | | | | | | | | | | |
| Arizona | | | | | P | P | | | | X |
| New Mexico | | | | | | | | | | |
| Oklahoma | | | | | | | | | | |
| Texas | | | | | | | | | | X |
| ROCKY MOUNTAIN | | | | | | | | | | |
| Colorado | | | | | | | | | X | |
| Idaho | | | | | | | | | X | X |
| Montana | | | | | | | | | | |
| Utah | | | | | | | | | | |
| Wyoming | | | X | | | | | | | |
| FAR WEST | | | | | | | | | | |
| Alaska | | | | | | | | | | |
| California | | | | | | | | | | |
| Hawaii* | P | P | X | | | | | | | |
| Nevada | | | | | | | | | X | X |
| Oregon | | | | | | | | | | |
| Washington | | | | | | | | | | |
| ALL STATES | 2 | 3 | 4 | 1 | 2 | 2 | 1 | 1 | 8 | 9 |

Puerto Rico

Excluded=X

Partially Excluded=P

Not Applicable=N/A

Source: National Association of State Budget Officers, 1999 State Expenditure Report, June 2000

All Other Expenditure 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: Arkansas has the ARKids First Program to provide for health insurance for uninsured children. The Department of Human Services is seeking a waiver with HCFA for approval that will move a portion of the ARKids First population into CHIPS.

Florida: The decline in "other" bond dollars from fiscal 1999 to fiscal 2000 is the result of a decline in the K-12 area in the Public Education Capital Outlay (PECO) program appropriation resulting primarily from a slowing of the increase in gross receipts taxes. General Revenue and other trust funds were used to cover this deficit for public schools, with the result that available PECO bond funds were mostly directed toward higher education to hold those systems harmless.

Hawaii: Pension and health fund benefits: For the general fund (except for Elementary and Secondary Education and Higher Education), one lump sum is appropriated and reported in "All Other State Expenditures." For non-general funds, employer contributions are shown in each functional area.

Michigan: Public health, community and institutional mental health, and community and institutional for the developmentally disabled are partially reported in the Medicaid totals.

Missouri: Except for the Department of Transportation all fringe benefits are appropriated and paid centrally and are therefore included in all other expenditures.

Montana: General fund expenditures increase \$13.5 million in fiscal 2000 for reimbursements to local governments to offset losses from state enacted property tax relief. Fiscal 2000 expenditures increase \$23 million federal funds and \$6 million from state funds for capital projects. A blanket appropriation for proceeds of forfeitures on mining reclamation bonds of \$28.5 million state funds in fiscal 2000 is added.

New York: Employer contributions to employees' benefits were estimated and distributed among the expenditure categories. The portions of employer contributions to benefits not distributed have been included in the "All Other Expenditures" category. New York budgets most employer contributions to employees' benefits centrally.

Pennsylvania: Housing excludes activities of the Housing Finance Agency.

Rhode Island: The Child Health Insurance Program is included in the Department of Human Services. Public health is included in the Department of Health. Community and institutional for mental health, and community and institutional for the developmentally disabled are included in the Department of Mental Health, Retardation and Hospitals. Environmental programs, and parks and recreation are included in the Department of Environmental Management. Housing and general aid to local government are included in the Department of Administration. General aid to local government does not include school aid. Debt service expenditures are reflected as part of each department's expenditures by source of funds and were not segregated or consolidated under all other state expenditures.

CHAPTER EIGHT

CAPITAL EXPENDITURES

Capital expenditures are expenditures made for major repairs and improvements, new construction, land purchases, and the purchase of major equipment and existing structures. Minor repairs and routine maintenance are reported as operating expenditures. States often find it difficult to report capital expenditures. Given the long-term nature of capital projects, the amount of money appropriated when a project is undertaken will usually not be the amount expended in a single year. For additional information, see 1999 Capital Budgeting in the States: Paths to Success, in the publications section of the NASBO website, www.nasbo.org.

This chapter includes capital expenditures for higher education, corrections, transportation, environmental projects, and housing. Capital expenditures not included in these categories due to differences in states' reporting capabilities, or expenditure for items not easily classified are included in the "All Other" category. Fiscal year 2000 figures represent state estimates. See Tables 47-53 for capital expenditure data.

Total Capital Expenditures

Between fiscal year 1998 and fiscal year 1999, state capital spending increased by more than 8.4 percent, totaling \$58.7 billion. Between fiscal years 1992 and 1999, capital spending increased an average of 6.0 percent. Current estimates of state capital spending on infrastructure for fiscal year 2000 are \$68.2 billion, a 16.0 percent increase from 1999.

Because of the nature of capital spending, such as long-term construction time frames and unforeseen or delayed project costs, increases in state spending on capital projects are generally followed by a significant slowdown or decrease. This "catch up" spending pattern was evident as capital spending increases between fiscal year 1990 and fiscal year 1994 totaled nearly 30 percent. That was followed by a decrease of 3.1 percent in capital spending in fiscal years 1995 and 1996. However, between fiscal years 1996 and 1999, total capital spending increased by 29 percent. If fiscal 2000 estimates hold true, that number would increase to 42.6 percent.

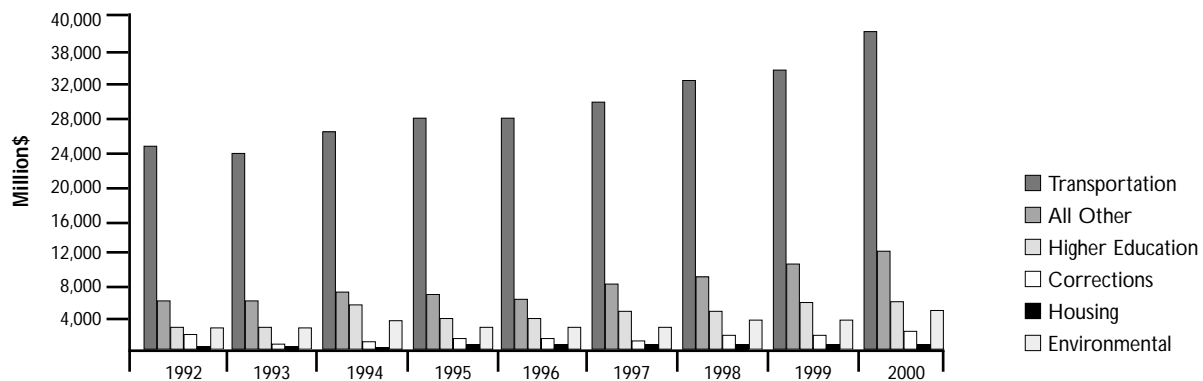
Capital Funds Sources

State spending on capital projects has traditionally come from non-general fund sources, namely bonds (28.8 percent in fiscal year 1999) and other funds (38.9 percent in fiscal year 1999), mainly fees and fund surpluses. In fact, since 1992, bonds and other funds comprised an average of over 67 percent of capital fund sources, while federal funds averaged only 26.7 percent, followed by general funds with 5.8 percent.

Capital Funds by Use

By far, the single largest state capital expenditure is **transportation**, comprising nearly 60 percent (\$35.1 billion) of all capital expenditures in fiscal year 1999. Between fiscal year 1998 and fiscal year 1999, capital spending in transportation grew by 4.9 percent. Since fiscal year 1992, transportation expenditures have increased an average of 4.8 percent. If fiscal 2000 figures hold true, transportation-related capital spending will increase by 13.6 percent, with federal funds and state bonds funding the greatest share of the increase.

CAPITAL EXPENDITURES BY TYPE, FISCAL 1992 TO 2000



Source: National Association of State Budget Officers, State Expenditure Reports, 1992-1999

Higher education, which comprised 10.3 percent (\$6.0 billion) of all capital expenditures in fiscal year 1999, grew by more than 22 percent from last year. Since fiscal year 1992, average capital spending in higher education has grown annually by nearly 14 percent, the highest rate of growth of all capital spending in the states.

Corrections, which comprised nearly 3.4 percent (\$1.99 billion) of all capital expenditures in fiscal year 1999, increased by 1.7 percent between fiscal year 1998 and fiscal year 1999. Between fiscal years 1992 and 1999, average annual capital spending in corrections has grown by 8.3 percent.

States' capital spending for **environmental** purposes, which comprised 6.8 percent (\$3.99 billion) of all capital expenditures in fiscal year 1999, grew by 6.4 percent from last year. Since fiscal year 1992, capital spending for environmental purposes has grown on an annual basis by 5.6 percent, the lowest rate of growth of all capital spending in the states. However, if fiscal 2000 figures hold true, environmental spending in capital could increase by more than 25 percent to total \$5 billion.

Housing capital expenditures, which comprised just over 1.0 percent (\$612 million) of all capital expenditures in fiscal year 1999, has averaged more than 5.8 percent annual growth between fiscal year 1992 and fiscal year 1999. Housing capital expenditures increased 14.6 percent from 1998 to 1999.

States capital spending for **all other** purposes, which comprised 18.6 percent (\$10.9 billion) of all capital expenditures in fiscal year 1999, grew by 16.6 percent from last year. Since fiscal year 1992, capital spending for all other purposes has grown on an annual basis by nearly 8.5 percent.

The following table shows percentage changes for total capital expenditures combined from fiscal year 1990 to fiscal year 1999.

**TOTAL CAPITAL EXPENDITURE,
FISCAL 1990 TO 2000 (MILLION\$)**

| | General Funds | Federal Funds | Other Funds | Bond Funds | Total | Annual Percentage Increase |
|--|---------------|---------------|-------------|------------|--------|----------------------------|
| 1990 | 2,992 | 9,525 | 12,653 | 9,294 | 34,464 | |
| 1991 | 2,160 | 9,213 | 14,501 | 11,288 | 37,162 | 7.8% |
| 1992 | 1,585 | 10,399 | 14,786 | 12,662 | 39,432 | 6.1% |
| 1993 | 1,498 | 11,471 | 13,926 | 10,165 | 37,060 | -6.0% |
| 1994 | 2,572 | 12,353 | 16,602 | 13,701 | 45,228 | 22.0% |
| 1995 | 2,295 | 13,176 | 17,270 | 11,977 | 44,718 | -1.1% |
| 1996 | 2,263 | 12,217 | 18,204 | 11,154 | 43,838 | -2.0% |
| 1997 | 3,084 | 11,982 | 19,274 | 13,484 | 47,824 | 9.1% |
| 1998 | 4,353 | 12,884 | 20,798 | 15,034 | 53,635 | 12.2% |
| 1999 | 4,672 | 13,186 | 22,559 | 16,773 | 57,655 | 7.5% |
| 2000 | 4,543 | 15,171 | 25,397 | 19,682 | 65,551 | 13.7% |
| 1990-1999 Average percentage rate of growth | | | | | | 6.2% |

Source: National Association of State Budget Officers, State Expenditure Reports, 1992-1999

Table 47
TOTAL CAPITAL EXPENDITURES (\$ IN MILLIONS)

| Region/ State | Actual Fiscal 1998 | | | | | Actual Fiscal 1999 | | | | | Estimated Fiscal 2000 | | | | |
|-----------------------|--------------------|------------------|-------------------------|-----------------|-----------------|--------------------|------------------|-------------------------|-----------------|-----------------|-----------------------|------------------|-------------------------|-----------------|-----------------|
| | 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 | \$416 | \$10 | \$987 | \$1,413 | \$0 | \$505 | \$10 | \$1,145 | \$1,660 | \$0 | \$473 | \$12 | \$1,137 | \$1,621 |
| Maine | 13 | 93 | 27 | 27 | 160 | 6 | 100 | 38 | 31 | 174 | 27 | 139 | 128 | 33 | 327 |
| Massachusetts* | 202 | 887 | 708 | 1,000 | 2,798 | 18 | 586 | 1,102 | 1,000 | 2,705 | 75 | 585 | 1,210 | 1,000 | 2,870 |
| New Hampshire | 0 | 7 | 114 | 59 | 180 | 0 | 14 | 130 | 55 | 199 | 0 | 14 | 130 | 67 | 211 |
| Rhode Island* | 71 | 27 | 85 | 35 | 218 | 81 | 108 | 94 | 73 | 356 | 101 | 111 | 167 | 107 | 486 |
| Vermont | 0 | 0 | 0 | 51 | 51 | 0 | 0 | 0 | 38 | 38 | 10 | 0 | 3 | 41 | 54 |
| MID-ATLANTIC | | | | | | | | | | | | | | | |
| Delaware | 62 | 113 | 240 | 93 | 508 | 77 | 112 | 197 | 133 | 519 | 86 | 112 | 198 | 140 | 536 |
| Maryland | 84 | 447 | 636 | 420 | 1,587 | 210 | 402 | 714 | 443 | 1,770 | 308 | 571 | 689 | 624 | 2,192 |
| New Jersey | 497 | 609 | 144 | 791 | 2,041 | 678 | 559 | 146 | 698 | 2,080 | 837 | 605 | 115 | 895 | 2,451 |
| New York* | 0 | 1,129 | 905 | 1,530 | 3,564 | 0 | 1,233 | 924 | 1,906 | 4,063 | 0 | 1,312 | 1,003 | 1,861 | 4,176 |
| Pennsylvania* | 0 | 0 | 0 | 458 | 458 | 0 | 0 | 0 | 660 | 660 | 0 | 0 | 0 | 915 | 915 |
| GREAT LAKES | | | | | | | | | | | | | | | |
| Illinois | 50 | 0 | 1,131 | 352 | 1,533 | 42 | 0 | 1,052 | 482 | 1,577 | 87 | 0 | 3,197 | 3,932 | 7,216 |
| Indiana | 180 | 336 | 509 | 98 | 1,123 | 269 | 270 | 401 | 195 | 1,135 | 272 | 389 | 565 | 0 | 1,226 |
| Michigan* | 330 | 844 | 1,412 | 160 | 2,746 | 443 | 890 | 1,588 | 316 | 3,237 | 352 | 1,116 | 1,408 | 285 | 3,161 |
| Ohio | 11 | 660 | 420 | 973 | 2,064 | 20 | 886 | 424 | 974 | 2,304 | 16 | 901 | 418 | 965 | 2,301 |
| Wisconsin | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PLAINS | | | | | | | | | | | | | | | |
| Iowa | 2 | 0 | 99 | 0 | 101 | 0 | 0 | 123 | 0 | 124 | 0 | 0 | 213 | 0 | 213 |
| Kansas | 101 | 200 | 204 | 16 | 521 | 102 | 210 | 166 | 34 | 512 | 102 | 117 | 202 | 48 | 469 |
| Minnesota* | 364 | 112 | 504 | 327 | 1,306 | 299 | 104 | 585 | 307 | 1,295 | 51 | 181 | 625 | 310 | 1,168 |
| Missouri* | 220 | 22 | 1,159 | 40 | 1,441 | 202 | 37 | 1,234 | 64 | 1,537 | 101 | 25 | 1,711 | 90 | 1,926 |
| Nebraska | 28 | 2 | 504 | 0 | 534 | 35 | 1 | 531 | 0 | 568 | 55 | 0 | 549 | 0 | 604 |
| North Dakota | 15 | 154 | 70 | 7 | 246 | 16 | 146 | 72 | 3 | 238 | 17 | 157 | 72 | 43 | 289 |
| South Dakota | 8 | 190 | 100 | 1 | 298 | 7 | 158 | 114 | 2 | 281 | 8 | 203 | 107 | 1 | 319 |
| SOUTHEAST | | | | | | | | | | | | | | | |
| Alabama* | 4 | 303 | 201 | 7 | 515 | 1 | 400 | 155 | 4 | 561 | 2 | 1,175 | 768 | 0 | 1,945 |
| Arkansas | 2 | 0 | 66 | 65 | 133 | 2 | 2 | 90 | 53 | 148 | 0 | 2 | 160 | 172 | 334 |
| Florida* | 398 | 934 | 4,684 | 2,279 | 8,296 | 276 | 960 | 5,096 | 2,191 | 8,522 | 258 | 1,158 | 4,341 | 1,304 | 7,062 |
| Georgia | 36 | 593 | 445 | 344 | 1,418 | 81 | 709 | 596 | 1,277 | 2,663 | 18 | 761 | 559 | 547 | 1,885 |
| Kentucky | 0 | 0 | 221 | 0 | 221 | 0 | 0 | 401 | 0 | 401 | 0 | 0 | 324 | 0 | 324 |
| Louisiana | 125 | 469 | 378 | 212 | 1,183 | 17 | 429 | 529 | 363 | 1,339 | 52 | 451 | 643 | 201 | 1,346 |
| Mississippi | 0 | 0 | 507 | 32 | 540 | 0 | 0 | 522 | 7 | 529 | 0 | 0 | 505 | 200 | 705 |
| North Carolina* | 327 | 0 | 174 | 700 | 1,201 | 337 | 0 | 4 | 450 | 791 | 227 | 0 | 0 | 650 | 877 |
| South Carolina | 46 | 15 | 349 | 131 | 541 | 39 | 24 | 64 | 232 | 360 | 41 | 72 | 185 | 170 | 468 |
| Tennessee* | 0 | 472 | 486 | 61 | 1,019 | 18 | 523 | 380 | 353 | 1,273 | 15 | 636 | 376 | 124 | 1,150 |
| Virginia | 60 | 4 | 111 | 378 | 553 | 80 | 4 | 105 | 255 | 444 | 106 | 6 | 112 | 270 | 494 |
| West Virginia | 21 | 331 | 302 | 36 | 690 | 28 | 295 | 309 | 92 | 724 | 14 | 409 | 280 | 211 | 914 |
| SOUTHWEST | | | | | | | | | | | | | | | |
| Arizona | 268 | 292 | 612 | 199 | 1,371 | 449 | 386 | 374 | 360 | 1,569 | 367 | 406 | 403 | 548 | 1,724 |
| New Mexico | 19 | 219 | 119 | 364 | 721 | 4 | 262 | 154 | 320 | 739 | 3 | 217 | 126 | 483 | 829 |
| Oklahoma | 41 | 278 | 468 | 46 | 832 | 67 | 309 | 654 | 53 | 1,083 | 60 | 520 | 968 | 66 | 1,614 |
| Texas* | NA | NA | NA | NA | 606 | NA | NA | NA | NA | 466 | NA | NA | NA | NA | 758 |
| ROCKY MOUNTAIN | | | | | | | | | | | | | | | |
| Colorado | 417 | 519 | 784 | 0 | 1,720 | 238 | 353 | 999 | 0 | 1,590 | 170 | 38 | 132 | 0 | 339 |
| Idaho | 0 | 106 | 95 | 5 | 206 | 0 | 113 | 65 | 5 | 183 | 0 | 179 | 107 | 5 | 291 |
| Montana | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Utah | 160 | 213 | 287 | 664 | 1,324 | 215 | 232 | 333 | 286 | 1,065 | 217 | 201 | 299 | 123 | 839 |
| Wyoming | 0 | 112 | 80 | 2 | 194 | 0 | 171 | 70 | 1 | 242 | 0 | 177 | 77 | 4 | 259 |
| FAR WEST | | | | | | | | | | | | | | | |
| Alaska | 100 | 348 | 168 | 0 | 616 | 86 | 586 | 331 | 200 | 1,203 | 83 | 849 | 204 | 0 | 1,135 |
| California | 56 | 1,062 | 424 | 924 | 2,466 | 177 | 1,197 | 595 | 779 | 2,748 | 406 | 1,497 | 1,147 | 1,038 | 4,088 |
| Hawaii | 0 | 124 | 185 | 683 | 992 | 0 | 89 | 202 | 319 | 610 | 0 | 181 | 170 | 373 | 724 |
| Nevada | 39 | 115 | 97 | 53 | 305 | 53 | 160 | 146 | 71 | 430 | 2 | 155 | 171 | 79 | 407 |
| Oregon* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Washington | 0 | 305 | 836 | 510 | 1,651 | 0 | 322 | 1,043 | 666 | 2,031 | 0 | 458 | 1,507 | 963 | 2,928 |
| TOTAL | \$4,357 | \$13,060 | \$21,063 | \$15,113 | \$54,200 | \$4,673 | \$13,848 | \$22,862 | \$16,896 | \$58,745 | \$4,545 | \$16,557 | \$26,285 | \$20,023 | \$68,168 |
| Puerto Rico | 3 | 318 | 2,467 | 500 | 3,288 | 1 | 421 | 2,509 | 475 | 3,406 | 0 | 594 | 2,862 | 475 | 3,931 |

Source: National Association of State Budget Officers, 1999 State Expenditure Report, June 2000

Table 48
HIGHER EDUCATION CAPITAL EXPENDITURES (\$ IN MILLIONS)

| Region/ State | Actual Fiscal 1998 | | | | | Actual Fiscal 1999 | | | | | Estimated Fiscal 2000 | | | | |
|-----------------------|--------------------|------------------|-------------------------|----------------|----------------|--------------------|------------------|-------------------------|----------------|----------------|-----------------------|------------------|-------------------------|----------------|----------------|
| | 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 | \$82 | \$82 | \$0 | \$0 | \$0 | \$88 | \$88 | \$0 | \$0 | \$0 | \$90 | \$90 |
| Maine | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Massachusetts | 41 | 0 | 8 | 0 | 49 | 0 | 0 | 69 | 0 | 69 | 0 | 0 | 71 | 0 | 71 |
| New Hampshire | 0 | 0 | 0 | 22 | 22 | 0 | 0 | 0 | 5 | 5 | 0 | 0 | 0 | 8 | 8 |
| Rhode Island | 12 | 0 | 6 | 0 | 18 | 12 | 0 | 4 | 13 | 29 | 0 | 0 | 17 | 23 | 40 |
| Vermont | 0 | 0 | 0 | 2 | 2 | 0 | 0 | 0 | 3 | 3 | 0 | 0 | 0 | 10 | 10 |
| MID-ATLANTIC | | | | | | | | | | | | | | | |
| Delaware | 4 | 0 | 1 | 18 | 23 | 6 | 0 | 1 | 18 | 25 | 5 | 0 | 2 | 15 | 22 |
| Maryland | 0 | 0 | 30 | 129 | 159 | 12 | 0 | 32 | 88 | 132 | 25 | 0 | 25 | 113 | 163 |
| New Jersey | 6 | 0 | 0 | 3 | 9 | 9 | 0 | 0 | 14 | 23 | 12 | 0 | 0 | 14 | 26 |
| New York | 0 | 0 | 54 | 168 | 222 | 0 | 0 | 60 | 171 | 231 | 0 | 0 | 61 | 175 | 236 |
| Pennsylvania | 0 | 0 | 0 | 109 | 109 | 0 | 0 | 0 | 102 | 102 | 0 | 0 | 0 | 131 | 131 |
| GREAT LAKES | | | | | | | | | | | | | | | |
| Illinois | 4 | 0 | 0 | 73 | 77 | 5 | 0 | 0 | 102 | 107 | 0 | 0 | 0 | 596 | 596 |
| Indiana | 60 | 0 | 0 | 0 | 60 | 80 | 0 | 0 | 0 | 80 | 80 | 0 | 0 | 0 | 80 |
| Michigan | 34 | 0 | 0 | 98 | 132 | 40 | 0 | 0 | 46 | 86 | 38 | 0 | 0 | 95 | 133 |
| Ohio | 0 | 0 | 0 | 330 | 330 | 0 | 0 | 0 | 264 | 264 | 0 | 0 | 0 | 250 | 250 |
| Wisconsin | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PLAINS | | | | | | | | | | | | | | | |
| Iowa | 0 | 0 | 52 | 0 | 52 | 0 | 0 | 47 | 0 | 47 | 0 | 0 | 32 | 0 | 32 |
| Kansas | 1 | 0 | 23 | 5 | 29 | 1 | 0 | 34 | 6 | 41 | 0 | 0 | 41 | 7 | 48 |
| Minnesota | 87 | 6 | 0 | 90 | 183 | 35 | 5 | 0 | 87 | 127 | 19 | 5 | 1 | 90 | 115 |
| Missouri | 30 | 0 | 16 | 0 | 46 | 129 | 0 | 11 | 0 | 140 | 48 | 0 | 38 | 0 | 86 |
| Nebraska | 16 | 0 | 82 | 0 | 98 | 15 | 0 | 41 | 0 | 56 | 14 | 0 | 26 | 0 | 40 |
| North Dakota | 5 | 0 | 2 | 6 | 13 | 10 | 0 | 5 | 3 | 18 | 11 | 1 | 11 | 5 | 28 |
| South Dakota | 3 | 5 | 17 | 1 | 26 | 2 | 1 | 35 | 2 | 40 | 3 | 1 | 16 | 1 | 21 |
| SOUTHEAST | | | | | | | | | | | | | | | |
| Alabama | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Arkansas | 0 | 0 | 6 | 65 | 71 | 0 | 0 | 14 | 53 | 67 | 0 | 0 | 79 | 66 | 145 |
| Florida | 17 | 0 | 48 | 322 | 387 | 21 | 0 | 66 | 493 | 580 | 52 | 0 | 32 | 307 | 391 |
| Georgia | 7 | 0 | 9 | 5 | 21 | 10 | 0 | 14 | 437 | 461 | 2 | 0 | 65 | 203 | 270 |
| Kentucky | 0 | 0 | 69 | 0 | 69 | 0 | 0 | 117 | 0 | 117 | 0 | 0 | 90 | 0 | 90 |
| Louisiana | 36 | 17 | 51 | 73 | 177 | 4 | 0 | 220 | 103 | 327 | 2 | 0 | 257 | 70 | 329 |
| Mississippi | 0 | 0 | 0 | 32 | 32 | 0 | 0 | 0 | 7 | 7 | 0 | 0 | 0 | 0 | 0 |
| North Carolina | 188 | 0 | 162 | 0 | 350 | 189 | 0 | 0 | 0 | 189 | 104 | 0 | 0 | 0 | 104 |
| South Carolina | 1 | 1 | 35 | 64 | 101 | 1 | 0 | 30 | 76 | 107 | 8 | 5 | 118 | 127 | 258 |
| Tennessee | 0 | 6 | 1 | 25 | 32 | 6 | 0 | 10 | 196 | 212 | 7 | 0 | 0 | 27 | 34 |
| Virginia | 39 | 1 | 68 | 217 | 325 | 49 | 0 | 73 | 169 | 291 | 60 | 2 | 77 | 173 | 312 |
| West Virginia | 0 | 0 | 48 | 29 | 77 | 0 | 0 | 51 | 36 | 87 | 0 | 0 | 52 | 37 | 89 |
| SOUTHWEST | | | | | | | | | | | | | | | |
| Arizona | 16 | 0 | 0 | 0 | 16 | 40 | 0 | 0 | 0 | 40 | 10 | 0 | 0 | 0 | 10 |
| New Mexico | 0 | 0 | 0 | 70 | 70 | 0 | 0 | 0 | 28 | 28 | 0 | 0 | 0 | 58 | 58 |
| Oklahoma | 0 | 0 | 71 | 8 | 79 | 3 | 0 | 59 | 48 | 110 | 0 | 0 | 208 | 0 | 208 |
| Texas | 225 | 0 | 0 | 0 | 225 | 225 | 0 | 0 | 0 | 225 | 225 | 0 | 0 | 0 | 225 |
| ROCKY MOUNTAIN | | | | | | | | | | | | | | | |
| Colorado | 167 | 3 | 131 | 0 | 301 | 159 | 0 | 351 | 0 | 510 | 149 | 2 | 90 | 0 | 241 |
| Idaho | 0 | 0 | 13 | 1 | 14 | 0 | 0 | 16 | 0 | 16 | 0 | 0 | 14 | 1 | 15 |
| Montana | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Utah | 9 | 0 | 0 | 35 | 44 | 20 | 0 | 0 | 11 | 31 | 18 | 0 | 0 | 43 | 61 |
| Wyoming | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 2 | 0 | 0 | 0 | 4 | 4 |
| FAR WEST | | | | | | | | | | | | | | | |
| Alaska | 7 | 0 | 2 | 0 | 9 | 1 | 0 | 7 | 54 | 62 | 1 | 0 | 4 | 0 | 5 |
| California | 0 | 0 | 0 | 471 | 471 | 0 | 0 | 16 | 419 | 435 | 0 | 0 | 0 | 815 | 815 |
| Hawaii | 0 | 0 | 1 | 29 | 30 | 0 | 0 | 0 | 44 | 44 | 0 | 2 | 2 | 69 | 73 |
| Nevada | 17 | 3 | 1 | 23 | 44 | 34 | 5 | 2 | 46 | 87 | 2 | 0 | 18 | 44 | 64 |
| Oregon | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Washington | 0 | 1 | 24 | 265 | 290 | 0 | 1 | 25 | 301 | 327 | 0 | 4 | 38 | 416 | 458 |
| TOTAL | \$1,032 | \$43 | \$1,031 | \$2,870 | \$4,976 | \$1,118 | \$12 | \$1,411 | \$3,534 | \$6,075 | \$895 | \$22 | \$1,485 | \$4,083 | \$6,485 |
| Puerto Rico | 0 | 0 | 54 | 0 | 54 | 0 | 0 | 71 | 0 | 71 | 0 | 0 | 71 | 4 | 75 |

Source: National Association of State Budget Officers, 1999 State Expenditure Report, June 2000

Table 49
CORRECTIONS CAPITAL EXPENDITURES (\$ IN MILLIONS)

| Region/ State | Actual Fiscal 1998 | | | | | Actual Fiscal 1999 | | | | | Estimated Fiscal 2000 | | | | |
|-----------------------|--------------------|------------------|-------------------------|--------------|----------------|--------------------|------------------|-------------------------|----------------|----------------|-----------------------|------------------|-------------------------|----------------|----------------|
| | 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 | \$1 | \$0 | \$0 | \$0 | \$1 | \$1 | \$0 | \$0 | \$0 | \$4 | \$4 |
| Maine | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 0 | 2 | 0 | 0 | 37 | 0 | 37 |
| Massachusetts | 0 | 0 | 0 | 4 | 4 | 0 | 0 | 0 | 37 | 37 | 0 | 0 | 0 | 36 | 36 |
| New Hampshire | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 16 | 16 | 0 | 0 | 0 | 17 | 17 |
| Rhode Island | 12 | 0 | 0 | 0 | 12 | 13 | 0 | 2 | 0 | 15 | 2 | 2 | 4 | 0 | 8 |
| Vermont | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 10 | 0 | 0 | 3 | 13 |
| MID-ATLANTIC | | | | | | | | | | | | | | | |
| Delaware | 12 | 14 | 0 | 20 | 46 | 13 | 6 | 1 | 30 | 50 | 10 | 5 | 1 | 21 | 37 |
| Maryland | 0 | 12 | 0 | 29 | 41 | 0 | 0 | 0 | 71 | 71 | 4 | 11 | 10 | 53 | 78 |
| New Jersey | 3 | 0 | 0 | 12 | 15 | 9 | 0 | 0 | 1 | 10 | 25 | 1 | 0 | 15 | 41 |
| New York | 0 | 30 | 4 | 230 | 264 | 0 | 30 | 3 | 336 | 369 | 0 | 88 | 4 | 259 | 351 |
| Pennsylvania | 0 | 0 | 0 | 83 | 83 | 0 | 0 | 0 | 67 | 67 | 0 | 0 | 0 | 87 | 87 |
| GREAT LAKES | | | | | | | | | | | | | | | |
| Illinois | 21 | 0 | 0 | 34 | 55 | 11 | 0 | 0 | 50 | 61 | 9 | 0 | 0 | 534 | 543 |
| Indiana | 24 | 0 | 41 | 98 | 163 | 19 | 0 | 23 | 97 | 139 | 51 | 0 | 13 | 0 | 64 |
| Michigan | 11 | 0 | 0 | 36 | 47 | 6 | 9 | 0 | 86 | 101 | 3 | 28 | 0 | 87 | 118 |
| Ohio | 0 | 0 | 0 | 123 | 123 | 0 | 0 | 0 | 109 | 109 | 0 | 0 | 0 | 140 | 140 |
| 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 | 8 | 0 | 8 | 0 | 0 | 22 | 0 | 22 |
| Kansas | 6 | 4 | 7 | 0 | 17 | 7 | 0 | 7 | 0 | 14 | 7 | 0 | 10 | 0 | 17 |
| Minnesota | 5 | 0 | 1 | 31 | 37 | 14 | 4 | 1 | 45 | 64 | 3 | 4 | 0 | 30 | 37 |
| Missouri | 155 | 0 | 0 | 2 | 157 | 31 | 0 | 0 | 0 | 31 | 5 | 0 | 1 | 8 | 14 |
| Nebraska | 3 | 0 | 8 | 0 | 11 | 7 | 0 | 2 | 0 | 9 | 27 | 0 | 0 | 0 | 27 |
| North Dakota | 1 | 5 | 0 | 1 | 7 | 1 | 1 | 1 | 0 | 3 | 2 | 1 | 0 | 2 | 5 |
| South Dakota | 3 | 0 | 0 | 0 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SOUTHEAST | | | | | | | | | | | | | | | |
| Alabama | 1 | 0 | 1 | 0 | 2 | 0 | 0 | 6 | 0 | 6 | 1 | 0 | 3 | 0 | 4 |
| Arkansas | 0 | 0 | 9 | 0 | 9 | 0 | 0 | 14 | 0 | 14 | 0 | 0 | 19 | 0 | 19 |
| Florida | 28 | 66 | 1 | 0 | 95 | 62 | 56 | 0 | 0 | 118 | 30 | 35 | 4 | 0 | 69 |
| Georgia | 1 | 0 | 0 | 2 | 3 | 22 | 0 | 0 | 27 | 49 | 1 | 18 | 0 | 19 | 38 |
| Kentucky | 0 | 0 | 11 | 0 | 11 | 0 | 0 | 24 | 0 | 24 | 0 | 0 | 21 | 0 | 21 |
| Louisiana | 6 | 41 | 0 | 7 | 54 | 0 | 0 | 50 | 19 | 69 | 0 | 5 | 11 | 10 | 26 |
| Mississippi | 0 | 0 | 7 | 0 | 7 | 0 | 0 | 5 | 0 | 5 | 0 | 0 | 5 | 0 | 5 |
| North Carolina | 1 | 0 | 0 | 0 | 1 | 3 | 0 | 0 | 0 | 3 | 0 | 0 | 0 | 0 | 0 |
| South Carolina | 10 | 1 | 1 | 3 | 15 | 13 | 12 | 1 | 2 | 28 | 4 | 10 | 1 | 19 | 34 |
| Tennessee | 0 | 8 | 12 | 0 | 20 | 0 | 10 | 12 | 0 | 22 | 0 | 8 | 6 | 0 | 14 |
| Virginia | 11 | 1 | 1 | 91 | 104 | 2 | 0 | 9 | 17 | 28 | 2 | 0 | 10 | 13 | 25 |
| West Virginia | 0 | 0 | 0 | 1 | 1 | 0 | 0 | 1 | 0 | 1 | 0 | 0 | 2 | 0 | 2 |
| SOUTHWEST | | | | | | | | | | | | | | | |
| Arizona | 66 | 14 | 104 | 0 | 184 | 12 | 2 | 47 | 0 | 61 | 0 | 0 | 22 | 0 | 22 |
| New Mexico | 0 | 0 | 0 | 3 | 3 | 0 | 0 | 0 | 5 | 5 | 1 | 6 | 0 | 2 | 9 |
| Oklahoma | 6 | 0 | 1 | 0 | 7 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Texas | 2 | 11 | 0 | 79 | 92 | 2 | 3 | 1 | 112 | 118 | 4 | 18 | 0 | 150 | 172 |
| ROCKY MOUNTAIN | | | | | | | | | | | | | | | |
| Colorado | 140 | 0 | 2 | 0 | 142 | 7 | 0 | 1 | 0 | 8 | 5 | 0 | 0 | 0 | 5 |
| Idaho | 0 | 0 | 4 | 3 | 7 | 0 | 0 | 2 | 3 | 5 | 0 | 0 | 2 | 3 | 5 |
| Montana | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Utah | 0 | 0 | 0 | 4 | 4 | 9 | 4 | 0 | 9 | 22 | 4 | 4 | 0 | 0 | 8 |
| Wyoming | 0 | 0 | 5 | 0 | 5 | 0 | 1 | 4 | 0 | 5 | 0 | 3 | 1 | 0 | 4 |
| FAR WEST | | | | | | | | | | | | | | | |
| Alaska | 2 | 0 | 0 | 0 | 2 | 0 | 1 | 0 | 1 | 2 | 1 | 1 | 0 | 0 | 2 |
| California | 11 | 0 | 0 | 11 | 22 | 38 | 0 | 0 | 7 | 45 | 125 | 0 | 0 | 5 | 130 |
| Hawaii | 0 | 0 | 0 | 6 | 6 | 0 | 1 | 0 | 3 | 4 | 0 | 0 | 0 | 2 | 2 |
| Nevada | 12 | 2 | 1 | 16 | 31 | 11 | 2 | 1 | 16 | 30 | 0 | 6 | 0 | 18 | 24 |
| Oregon | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Washington | 0 | 4 | 7 | 33 | 44 | 0 | 7 | 38 | 95 | 140 | 0 | 1 | 33 | 113 | 147 |
| TOTAL | \$553 | \$213 | \$228 | \$963 | \$1,957 | \$312 | \$149 | \$266 | \$1,263 | \$1,990 | \$336 | \$255 | \$242 | \$1,650 | \$2,483 |
| Puerto Rico | 0 | 1 | 111 | 50 | 162 | 0 | 0 | 8 | 14 | 22 | 0 | 0 | 64 | 0 | 64 |

Source: National Association of State Budget Officers, 1999 State Expenditure Report, June 2000

Table 50
TRANSPORTATION CAPITAL EXPENDITURES (\$ IN MILLIONS)

| Region/ State | Actual Fiscal 1998 | | | | | Actual Fiscal 1999 | | | | | Estimated Fiscal 2000 | | | | |
|-----------------------|--------------------|------------------|-------------------------|----------------|-----------------|--------------------|------------------|-------------------------|----------------|-----------------|-----------------------|------------------|-------------------------|----------------|-----------------|
| | 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 | \$416 | \$10 | \$169 | \$595 | \$0 | \$505 | \$10 | \$166 | \$681 | \$0 | \$473 | \$12 | \$188 | \$673 |
| Maine | 2 | 86 | 19 | 24 | 131 | 0 | 94 | 27 | 27 | 148 | 6 | 133 | 68 | 23 | 230 |
| Massachusetts | 93 | 875 | 681 | 462 | 2,111 | 0 | 580 | 941 | 508 | 2,029 | 50 | 579 | 1,081 | 513 | 2,223 |
| New Hampshire | 0 | 4 | 114 | 3 | 121 | 0 | 12 | 130 | 7 | 149 | 0 | 12 | 130 | 6 | 148 |
| Rhode Island | 1 | 26 | 38 | 16 | 81 | 0 | 105 | 52 | 32 | 189 | 0 | 103 | 53 | 34 | 190 |
| Vermont | 0 | 0 | 0 | 1 | 1 | 0 | 0 | 0 | 1 | 1 | 0 | 0 | 3 | 1 | 4 |
| MID-ATLANTIC | | | | | | | | | | | | | | | |
| Delaware | 0 | 96 | 125 | 9 | 230 | 0 | 107 | 127 | 29 | 263 | 0 | 106 | 151 | 14 | 271 |
| Maryland | 0 | 430 | 412 | 0 | 842 | 0 | 399 | 513 | 0 | 912 | 0 | 559 | 328 | 175 | 1,062 |
| New Jersey | 380 | 599 | 144 | 451 | 1,574 | 464 | 553 | 146 | 385 | 1,548 | 478 | 584 | 115 | 565 | 1,742 |
| New York | 0 | 909 | 638 | 590 | 2,137 | 0 | 1,085 | 619 | 780 | 2,484 | 0 | 1,095 | 562 | 925 | 2,582 |
| Pennsylvania* | 0 | 0 | 0 | 132 | 132 | 0 | 0 | 0 | 142 | 142 | 0 | 0 | 0 | 146 | 146 |
| GREAT LAKES | | | | | | | | | | | | | | | |
| Illinois | 0 | 0 | 1,116 | 57 | 1,173 | 0 | 0 | 1,042 | 40 | 1,082 | 0 | 0 | 3,172 | 749 | 3,921 |
| Indiana | 36 | 336 | 272 | 0 | 644 | 38 | 270 | 280 | 0 | 588 | 6 | 389 | 454 | 0 | 849 |
| Michigan | 3 | 669 | 1,231 | 26 | 1,929 | 18 | 723 | 1,406 | 36 | 2,183 | 20 | 909 | 1,266 | 9 | 2,204 |
| Ohio | 7 | 659 | 414 | 304 | 1,384 | 10 | 886 | 421 | 343 | 1,660 | 6 | 901 | 416 | 340 | 1,663 |
| Wisconsin | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PLAINS | | | | | | | | | | | | | | | |
| Iowa | 0 | 0 | 2 | 0 | 2 | 0 | 0 | 4 | 0 | 4 | 0 | 0 | 7 | 0 | 7 |
| Kansas | 86 | 186 | 131 | 11 | 414 | 88 | 196 | 105 | 28 | 417 | 89 | 114 | 131 | 41 | 375 |
| Minnesota | 6 | 84 | 461 | 9 | 560 | 3 | 80 | 528 | 13 | 624 | 0 | 144 | 557 | 10 | 711 |
| Missouri | 0 | 0 | 1,061 | 0 | 1,061 | 0 | 0 | 1,143 | 0 | 1,143 | 0 | 0 | 1,381 | 0 | 1,381 |
| Nebraska | 0 | 0 | 406 | 0 | 406 | 0 | 0 | 480 | 0 | 480 | 0 | 0 | 524 | 0 | 524 |
| North Dakota | 0 | 144 | 61 | 0 | 205 | 0 | 133 | 58 | 0 | 191 | 0 | 153 | 42 | 0 | 195 |
| South Dakota | 0 | 175 | 66 | 0 | 241 | 0 | 151 | 63 | 0 | 214 | 0 | 194 | 75 | 0 | 269 |
| SOUTHEAST | | | | | | | | | | | | | | | |
| Alabama | 0 | 296 | 193 | 7 | 496 | 0 | 400 | 149 | 4 | 553 | 0 | 554 | 145 | 0 | 699 |
| Arkansas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Florida | 0 | 674 | 3,064 | 982 | 4,720 | 0 | 695 | 3,478 | 697 | 4,870 | 0 | 949 | 2,634 | 218 | 3,801 |
| Georgia | 0 | 571 | 412 | 180 | 1,163 | 23 | 658 | 554 | 178 | 1,413 | 3 | 700 | 447 | 118 | 1,268 |
| Kentucky | 0 | 0 | 6 | 0 | 6 | 0 | 0 | 10 | 0 | 10 | 0 | 0 | 8 | 0 | 8 |
| Louisiana | 23 | 323 | 280 | 13 | 639 | 1 | 357 | 252 | 33 | 643 | 0 | 409 | 308 | 13 | 730 |
| Mississippi | 0 | 0 | 500 | 0 | 500 | 0 | 0 | 517 | 0 | 517 | 0 | 0 | 500 | 200 | 700 |
| North Carolina | 0 | 0 | 12 | 250 | 262 | 0 | 0 | 4 | 0 | 4 | 0 | 0 | 0 | 0 | 0 |
| South Carolina | 0 | 0 | 287 | 43 | 330 | 0 | 0 | 0 | 138 | 138 | 12 | 0 | 3 | 5 | 20 |
| Tennessee | 0 | 458 | 472 | 0 | 930 | 0 | 511 | 350 | 90 | 951 | 0 | 625 | 368 | 84 | 1,077 |
| Virginia | 0 | 0 | 23 | 30 | 53 | 0 | 0 | 16 | 34 | 50 | 0 | 0 | 16 | 35 | 51 |
| West Virginia | 2 | 302 | 211 | 6 | 521 | 0 | 271 | 211 | 56 | 538 | 3 | 388 | 179 | 174 | 744 |
| SOUTHWEST | | | | | | | | | | | | | | | |
| Arizona | 2 | 246 | 440 | 199 | 887 | 0 | 339 | 254 | 360 | 953 | 0 | 363 | 290 | 548 | 1,201 |
| New Mexico | 0 | 219 | 91 | 81 | 391 | 0 | 262 | 149 | 125 | 536 | 0 | 211 | 122 | 345 | 678 |
| Oklahoma | 28 | 232 | 350 | 0 | 610 | 42 | 281 | 409 | 1 | 733 | 42 | 471 | 623 | 0 | 1,136 |
| Texas* | 0 | 0 | 69 | 0 | 69 | 0 | 0 | 134 | 0 | 134 | 0 | 0 | 95 | 0 | 95 |
| ROCKY MOUNTAIN | | | | | | | | | | | | | | | |
| Colorado | 0 | 507 | 566 | 0 | 1,073 | 0 | 285 | 604 | 0 | 889 | 0 | 0 | 0 | 0 | 0 |
| Idaho | 0 | 106 | 74 | 0 | 180 | 0 | 113 | 41 | 0 | 154 | 0 | 179 | 83 | 0 | 262 |
| Montana | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Utah | 80 | 113 | 261 | 600 | 1,054 | 110 | 197 | 227 | 240 | 774 | 122 | 172 | 235 | 68 | 597 |
| Wyoming | 0 | 112 | 76 | 0 | 188 | 0 | 170 | 65 | 0 | 235 | 0 | 174 | 76 | 0 | 250 |
| FAR WEST | | | | | | | | | | | | | | | |
| Alaska | 35 | 242 | 33 | 0 | 310 | 53 | 486 | 211 | 34 | 784 | 68 | 766 | 82 | 0 | 916 |
| California | 0 | 1,019 | 398 | 417 | 1,834 | 0 | 1,167 | 492 | 111 | 1,770 | 18 | 1,494 | 1,027 | 166 | 2,705 |
| Hawaii | 0 | 120 | 63 | 51 | 234 | 0 | 77 | 62 | 29 | 168 | 0 | 70 | 51 | 89 | 210 |
| Nevada | 0 | 109 | 95 | 0 | 204 | 0 | 152 | 143 | 0 | 295 | 0 | 145 | 145 | 0 | 290 |
| Oregon | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Washington | 0 | 248 | 517 | 58 | 823 | 0 | 263 | 583 | 28 | 874 | 0 | 316 | 659 | 143 | 1,118 |
| TOTAL | \$784 | \$11,591 | \$15,895 | \$5,181 | \$33,451 | \$850 | \$12,563 | \$17,010 | \$4,695 | \$35,118 | \$923 | \$14,434 | \$18,624 | \$5,945 | \$39,926 |
| Puerto Rico | 0 | 114 | 740 | 64 | 918 | 0 | 222 | 747 | 61 | 1,030 | 0 | 415 | 575 | 78 | 1,068 |

Source: National Association of State Budget Officers, 1999 State Expenditure Report, June 2000

Table 51
ENVIRONMENTAL PROJECTS CAPITAL EXPENDITURES (\$ IN MILLIONS)

| Region/ State | Actual Fiscal 1998 | | | | | Actual Fiscal 1999 | | | | | Estimated Fiscal 2000 | | | | |
|-----------------------|--------------------|------------------|-------------------------|----------------|----------------|--------------------|------------------|-------------------------|----------------|----------------|-----------------------|------------------|-------------------------|----------------|----------------|
| | 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 | \$135 | \$135 | \$0 | \$0 | \$0 | \$138 | \$138 | \$0 | \$0 | \$0 | \$202 | \$202 |
| Maine | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 1 |
| Massachusetts | 50 | 0 | 0 | 101 | 151 | 18 | 0 | 13 | 129 | 160 | 25 | 0 | 39 | 135 | 199 |
| New Hampshire | 0 | 0 | 0 | 6 | 6 | 0 | 0 | 0 | 6 | 6 | 0 | 0 | 0 | 6 | 6 |
| Rhode Island | 3 | 1 | 26 | 13 | 43 | 3 | 2 | 28 | 11 | 44 | 0 | 4 | 7 | 18 | 29 |
| Vermont | 0 | 0 | 0 | 9 | 9 | 0 | 0 | 0 | 9 | 9 | 0 | 0 | 0 | 13 | 13 |
| MID-ATLANTIC | | | | | | | | | | | | | | | |
| Delaware | 1 | 1 | 15 | 3 | 20 | 2 | 0 | 39 | 3 | 44 | 2 | 1 | 24 | 3 | 30 |
| Maryland | 12 | 1 | 147 | 28 | 188 | 25 | 0 | 114 | 32 | 171 | 16 | 0 | 283 | 40 | 339 |
| New Jersey | 73 | 10 | 0 | 276 | 359 | 77 | 6 | 0 | 262 | 345 | 192 | 20 | 0 | 265 | 477 |
| New York | 0 | 178 | 91 | 149 | 418 | 0 | 72 | 128 | 225 | 425 | 0 | 72 | 176 | 205 | 453 |
| Pennsylvania | 0 | 0 | 0 | 11 | 11 | 0 | 0 | 0 | 19 | 19 | 0 | 0 | 0 | 36 | 36 |
| GREAT LAKES | | | | | | | | | | | | | | | |
| Illinois | 0 | 0 | 0 | 54 | 54 | 1 | 0 | 0 | 50 | 51 | 4 | 0 | 0 | 322 | 326 |
| Indiana | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Michigan | 38 | 101 | 156 | 0 | 295 | 37 | 102 | 158 | 147 | 444 | 37 | 99 | 127 | 93 | 356 |
| Ohio | 1 | 0 | 5 | 96 | 102 | 1 | 0 | 3 | 104 | 108 | 1 | 0 | 0 | 122 | 123 |
| Wisconsin | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PLAINS | | | | | | | | | | | | | | | |
| Iowa | 0 | 0 | 12 | 0 | 12 | 0 | 0 | 14 | 0 | 14 | 0 | 0 | 31 | 0 | 31 |
| Kansas | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Minnesota | 125 | 2 | 23 | 28 | 178 | 62 | 3 | 28 | 16 | 109 | 9 | 7 | 43 | 20 | 79 |
| Missouri | 0 | 0 | 0 | 35 | 35 | 0 | 0 | 0 | 64 | 64 | 0 | 0 | 0 | 82 | 82 |
| Nebraska | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| North Dakota | 1 | 1 | 2 | 0 | 4 | 0 | 2 | 0 | 0 | 2 | 0 | 2 | 3 | 36 | 41 |
| 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 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Florida | 65 | 194 | 418 | 300 | 977 | 80 | 209 | 475 | 300 | 1,064 | 56 | 175 | 625 | 300 | 1,156 |
| Georgia | 0 | 22 | 18 | 20 | 60 | 0 | 31 | 23 | 20 | 74 | 0 | 31 | 42 | 0 | 73 |
| Kentucky | 0 | 0 | 3 | 0 | 3 | 0 | 0 | 2 | 0 | 2 | 0 | 0 | 5 | 0 | 5 |
| Louisiana | 0 | 18 | 0 | 0 | 18 | 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 | 45 | 0 | 0 | 0 | 45 | 36 | 0 | 0 | 0 | 36 | 28 | 0 | 0 | 0 | 28 |
| South Carolina | 1 | 1 | 4 | 11 | 17 | 0 | 1 | 3 | 0 | 4 | 1 | 2 | 3 | 0 | 6 |
| Tennessee | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 1 | 0 | 2 |
| Virginia | 0 | 2 | 4 | 25 | 31 | 1 | 2 | 6 | 20 | 29 | 2 | 2 | 8 | 27 | 39 |
| West Virginia | 0 | 24 | 8 | 0 | 32 | 0 | 18 | 8 | 0 | 26 | 0 | 18 | 7 | 0 | 25 |
| SOUTHWEST | | | | | | | | | | | | | | | |
| Arizona | 32 | 10 | 60 | 0 | 102 | 34 | 24 | 69 | 0 | 127 | 32 | 22 | 82 | 0 | 136 |
| New Mexico | 0 | 0 | 19 | 13 | 32 | 0 | 0 | 0 | 6 | 6 | 0 | 0 | 0 | 4 | 4 |
| Oklahoma | 3 | 35 | 3 | 1 | 42 | 4 | 5 | 48 | 1 | 58 | 1 | 3 | 82 | 0 | 86 |
| Texas | 6 | 0 | 22 | 30 | 58 | 6 | 0 | 22 | 30 | 58 | 8 | 10 | 26 | 36 | 80 |
| ROCKY MOUNTAIN | | | | | | | | | | | | | | | |
| Colorado | 8 | 1 | 45 | 0 | 54 | 3 | 0 | 37 | 0 | 40 | 3 | 15 | 20 | 0 | 38 |
| 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 | 31 | 19 | 0 | 50 | 0 | 28 | 21 | 0 | 49 | 0 | 23 | 19 | 0 | 42 |
| Wyoming | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FAR WEST | | | | | | | | | | | | | | | |
| Alaska | 17 | 17 | 34 | 0 | 68 | 0 | 13 | 42 | 12 | 67 | 4 | 37 | 46 | 0 | 87 |
| California | 26 | 3 | 26 | 14 | 69 | 96 | 0 | 31 | 14 | 141 | 204 | 3 | 26 | 5 | 238 |
| Hawaii | 0 | 0 | 0 | 18 | 18 | 0 | 0 | 0 | 9 | 9 | 0 | 19 | 0 | 6 | 25 |
| Nevada | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 2 |
| Oregon | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Washington | 0 | 39 | 9 | 8 | 56 | 0 | 39 | 7 | 5 | 51 | 0 | 62 | 22 | 22 | 106 |
| TOTAL | \$507 | \$692 | \$1,169 | \$1,384 | \$3,752 | \$486 | \$557 | \$1,319 | \$1,632 | \$3,994 | \$626 | \$627 | \$1,749 | \$1,999 | \$5,001 |
| Puerto Rico | 0 | 0 | 23 | 47 | 70 | 0 | 0 | 20 | 60 | 80 | 0 | 0 | 0 | 40 | 40 |

Source: National Association of State Budget Officers, 1999 State Expenditure Report, June 2000

Table 52
HOUSING CAPITAL EXPENDITURES (\$ IN MILLIONS)

| Region/ State | Actual Fiscal 1998 | | | | | Actual Fiscal 1999 | | | | | Estimated Fiscal 2000 | | | | |
|-----------------------|--------------------|------------------|-------------------------|--------------|--------------|--------------------|------------------|-------------------------|--------------|--------------|-----------------------|------------------|-------------------------|--------------|--------------|
| | 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 | \$14 | \$14 | \$0 | \$0 | \$0 | \$15 | \$15 |
| Maine | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Massachusetts* | 10 | 0 | 0 | 70 | 80 | 0 | 0 | 11 | 72 | 83 | 0 | 0 | 6 | 71 | 77 |
| New Hampshire | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Rhode Island | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Vermont | 0 | 0 | 0 | 4 | 4 | 0 | 0 | 0 | 3 | 3 | 0 | 0 | 0 | 2 | 2 |
| MID-ATLANTIC | | | | | | | | | | | | | | | |
| Delaware | 4 | 2 | 0 | 0 | 6 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Maryland | 13 | 0 | 16 | 17 | 46 | 18 | 0 | 15 | 15 | 48 | 18 | 0 | 15 | 16 | 49 |
| New Jersey | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| New York | 0 | 12 | 2 | 45 | 59 | 0 | 6 | 0 | 105 | 111 | 0 | 10 | 3 | 90 | 103 |
| Pennsylvania | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| GREAT LAKES | | | | | | | | | | | | | | | |
| Illinois | 0 | 0 | 0 | 0 | 0 | 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 | 52 | 14 | 0 | 66 | 0 | 54 | 14 | 0 | 68 | 0 | 74 | 14 | 0 | 88 |
| 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 | 6 | 0 | 0 | 0 | 6 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 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 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Florida* | 0 | 0 | 124 | 0 | 124 | 0 | 0 | 167 | 0 | 167 | 0 | 0 | 144 | 0 | 144 |
| Georgia | 6 | 0 | 0 | 0 | 6 | 6 | 20 | 0 | 0 | 26 | 6 | 13 | 0 | 0 | 19 |
| 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 | 0 | 22 | 8 | 0 | 30 | 0 | 21 | 4 | 0 | 25 | 0 | 21 | 9 | 0 | 30 |
| 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 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 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 | 3 | 0 | -2 | 0 | 1 | 1 | 1 | 0 | 0 | 2 | 1 | 1 | 0 | 0 | 2 |
| Wyoming | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| FAR WEST | | | | | | | | | | | | | | | |
| Alaska | 0 | 14 | 24 | 0 | 38 | 0 | 13 | 0 | 15 | 28 | 0 | 10 | 23 | 0 | 33 |
| California | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Hawaii | 0 | 0 | 0 | 12 | 12 | 0 | 0 | 0 | 10 | 10 | 0 | 0 | 0 | 11 | 11 |
| 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 | 0 | 30 | 30 | 0 | 0 | 0 | 27 | 27 | 0 | 0 | 5 | 56 | 61 |
| TOTAL | \$42 | \$102 | \$186 | \$204 | \$534 | \$25 | \$115 | \$211 | \$261 | \$612 | \$25 | \$129 | \$219 | \$261 | \$634 |
| Puerto Rico | 0 | 100 | 75 | 3 | 178 | 1 | 100 | 3 | 56 | 160 | 0 | 100 | 3 | 76 | 179 |

Source: National Association of State Budget Officers, 1999 State Expenditure Report, June 2000

Table 53
ALL OTHER CAPITAL EXPENDITURES (\$ IN MILLIONS)

| Region/ State | Actual Fiscal 1998 | | | | | Actual Fiscal 1999 | | | | | Estimated Fiscal 2000 | | | | |
|-----------------------|--------------------|------------------|-------------------------|----------------|----------------|--------------------|------------------|-------------------------|----------------|-----------------|-----------------------|------------------|-------------------------|----------------|-----------------|
| | 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 | \$574 | \$574 | \$0 | \$0 | \$0 | \$738 | \$738 | \$0 | \$0 | \$0 | \$639 | \$639 |
| Maine | 11 | 8 | 8 | 3 | 30 | 6 | 5 | 10 | 4 | 25 | 21 | 5 | 22 | 9 | 57 |
| Massachusetts | 8 | 13 | 19 | 363 | 403 | 0 | 6 | 69 | 254 | 329 | 0 | 6 | 15 | 245 | 266 |
| New Hampshire | 0 | 2 | 0 | 28 | 30 | 0 | 2 | 0 | 22 | 24 | 0 | 2 | 0 | 30 | 32 |
| Rhode Island | 44 | 0 | 15 | 5 | 64 | 54 | 1 | 9 | 17 | 81 | 99 | 2 | 86 | 31 | 218 |
| Vermont | 0 | 0 | 0 | 35 | 35 | 0 | 0 | 0 | 22 | 22 | 0 | 0 | 0 | 12 | 12 |
| MID-ATLANTIC | | | | | | | | | | | | | | | |
| Delaware | 41 | 0 | 99 | 43 | 183 | 56 | 0 | 29 | 54 | 139 | 69 | 0 | 20 | 87 | 176 |
| Maryland | 59 | 4 | 31 | 218 | 312 | 155 | 3 | 41 | 237 | 436 | 245 | 1 | 28 | 227 | 501 |
| New Jersey | 35 | 0 | 0 | 49 | 84 | 120 | 0 | 0 | 36 | 156 | 130 | 0 | 0 | 36 | 166 |
| New York | 0 | 1 | 116 | 347 | 464 | 0 | 39 | 114 | 288 | 441 | 0 | 47 | 198 | 207 | 452 |
| Pennsylvania | 0 | 0 | 0 | 123 | 123 | 0 | 0 | 0 | 330 | 330 | 0 | 0 | 0 | 515 | 515 |
| GREAT LAKES | | | | | | | | | | | | | | | |
| Illinois | 26 | 0 | 16 | 135 | 177 | 25 | 0 | 10 | 241 | 276 | 74 | 0 | 25 | 1,732 | 1,831 |
| Indiana | 60 | 0 | 196 | 0 | 256 | 132 | 0 | 98 | 0 | 230 | 135 | 0 | 98 | 0 | 233 |
| Michigan | 244 | 22 | 11 | 0 | 277 | 342 | 2 | 10 | 0 | 354 | 254 | 6 | 1 | 0 | 261 |
| Ohio | 3 | 0 | 1 | 121 | 125 | 10 | 0 | 1 | 155 | 166 | 10 | 0 | 2 | 113 | 125 |
| Wisconsin | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PLAINS | | | | | | | | | | | | | | | |
| Iowa | 2 | 0 | 33 | 0 | 35 | 0 | 0 | 52 | 0 | 52 | 0 | 0 | 121 | 0 | 121 |
| Kansas | 8 | 10 | 43 | 0 | 61 | 6 | 14 | 20 | 0 | 40 | 6 | 3 | 20 | 0 | 29 |
| Minnesota | 135 | 20 | 19 | 169 | 343 | 186 | 12 | 28 | 146 | 372 | 21 | 21 | 24 | 160 | 226 |
| Missouri | 35 | 22 | 82 | 3 | 142 | 42 | 37 | 80 | 0 | 159 | 47 | 25 | 291 | 0 | 363 |
| Nebraska | 9 | 2 | 8 | 0 | 19 | 13 | 1 | 9 | 0 | 23 | 14 | 0 | 0 | 0 | 14 |
| North Dakota | 9 | 3 | 6 | 0 | 18 | 5 | 9 | 8 | 0 | 22 | 5 | 1 | 15 | 0 | 21 |
| South Dakota | 2 | 10 | 16 | 0 | 28 | 4 | 6 | 15 | 0 | 25 | 5 | 8 | 16 | 0 | 29 |
| SOUTHEAST | | | | | | | | | | | | | | | |
| Alabama | 3 | 7 | 7 | 0 | 17 | 1 | 1 | 1 | 0 | 3 | 1 | 621 | 621 | 0 | 1,243 |
| Arkansas | 2 | 0 | 51 | 0 | 53 | 2 | 2 | 62 | 0 | 66 | 0 | 2 | 62 | 106 | 170 |
| Florida | 289 | 0 | 1,029 | 675 | 1,993 | 113 | 0 | 910 | 701 | 1,724 | 120 | 0 | 902 | 479 | 1,501 |
| Georgia | 22 | 0 | 7 | 138 | 167 | 20 | 0 | 6 | 615 | 641 | 6 | 0 | 4 | 208 | 218 |
| Kentucky | 0 | 0 | 133 | 0 | 133 | 0 | 0 | 249 | 0 | 249 | 0 | 0 | 200 | 0 | 200 |
| Louisiana | 60 | 71 | 47 | 118 | 296 | 13 | 72 | 7 | 208 | 300 | 49 | 36 | 68 | 108 | 261 |
| Mississippi | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| North Carolina | 94 | 0 | 0 | 450 | 544 | 110 | 0 | 0 | 450 | 560 | 96 | 0 | 0 | 650 | 746 |
| South Carolina | 35 | 12 | 23 | 11 | 81 | 25 | 12 | 31 | 16 | 84 | 17 | 56 | 60 | 19 | 152 |
| Tennessee | 0 | 1 | 1 | 36 | 38 | 12 | 2 | 8 | 66 | 88 | 7 | 3 | 1 | 13 | 24 |
| Virginia | 11 | 0 | 15 | 15 | 41 | 28 | 2 | 1 | 15 | 46 | 42 | 2 | 1 | 23 | 68 |
| West Virginia | 19 | 5 | 35 | 0 | 59 | 27 | 6 | 39 | 0 | 72 | 11 | 4 | 40 | 0 | 55 |
| SOUTHWEST | | | | | | | | | | | | | | | |
| Arizona | 152 | 0 | 0 | 0 | 152 | 363 | 0 | 0 | 0 | 363 | 325 | 0 | 0 | 0 | 325 |
| New Mexico | 18 | 0 | 10 | 197 | 225 | 4 | 0 | 5 | 156 | 165 | 2 | 0 | 4 | 74 | 80 |
| Oklahoma | 3 | 11 | 42 | 38 | 94 | 18 | 22 | 138 | 4 | 182 | 17 | 47 | 55 | 66 | 185 |
| Texas* | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA | 0 | 0 | 185 | 0 | 185 |
| ROCKY MOUNTAIN | | | | | | | | | | | | | | | |
| Colorado | 101 | 8 | 40 | 0 | 149 | 69 | 68 | 7 | 0 | 144 | 12 | 21 | 21 | 0 | 54 |
| Idaho | 0 | 0 | 4 | 2 | 6 | 0 | 0 | 6 | 2 | 8 | 0 | 0 | 8 | 2 | 10 |
| Montana | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Utah | 68 | 68 | 9 | 25 | 170 | 76 | 2 | 85 | 26 | 189 | 73 | 2 | 45 | 12 | 132 |
| Wyoming | 0 | 0 | 0 | 2 | 2 | 0 | 0 | 0 | 1 | 1 | 0 | 0 | 0 | 0 | 0 |
| FAR WEST | | | | | | | | | | | | | | | |
| Alaska | 40 | 74 | 75 | 0 | 189 | 31 | 74 | 72 | 85 | 262 | 9 | 35 | 49 | 0 | 93 |
| California | 20 | 39 | 0 | 11 | 70 | 43 | 30 | 56 | 228 | 357 | 60 | 0 | 94 | 46 | 200 |
| Hawaii | 0 | 4 | 121 | 567 | 692 | 0 | 11 | 140 | 225 | 376 | 0 | 90 | 117 | 196 | 403 |
| Nevada | 10 | 2 | 1 | 13 | 26 | 7 | 1 | 0 | 10 | 18 | 0 | 4 | 7 | 16 | 27 |
| Oregon* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Washington | 0 | 14 | 279 | 116 | 409 | 0 | 12 | 390 | 210 | 612 | 0 | 75 | 750 | 214 | 1,039 |
| TOTAL | \$1,678 | \$433 | \$2,648 | \$4,630 | \$9,389 | \$2,118 | \$454 | \$2,816 | \$5,562 | \$10,950 | \$1,982 | \$1,125 | \$4,276 | \$6,274 | \$13,657 |
| Puerto Rico | 3 | 103 | 1,464 | 336 | 1,906 | 0 | 99 | 1,660 | 284 | 2,043 | 0 | 79 | 2,149 | 277 | 2,505 |

Source: National Association of State Budget Officers, 1999 State Expenditure Report, June 2000

Capital Spending Notes

Alabama: "All Other" capital expenditures from federal funds and other state funds cannot be broken down separately. Figures for these categories each reflect one-half of the combined amounts.

Florida: The increase in capital expenditures for housing from fiscal 1998 to fiscal 1999 is the result of the growth in the collections of documentary stamp taxes.

Massachusetts: The Commonwealth maintains an administrative cap on annual general obligation capital spending. The limit in fiscal 1998 through fiscal 2000 is \$1 billion per year. Spending under the cap is in accordance with a five-year capital spending plan that is divided among eight strategic program areas, including transportation, infrastructure, and the environment. Also, since fiscal 1997, about \$850 million in general fund and surplus revenues have been transferred to capital projects funds to finance nonrecurring projects in lieu of long-term debt. These funds are included in "Other State Funds." Federal funds received directly by local housing authorities for capital housing projects are excluded.

Michigan: Higher education capital expenditures made from nonstate funds are excluded.

Minnesota: The 1998 Legislature enacted a capital projects bill which provided \$500.7 million in direct general fund appropriations, rather than traditional longer term bond financing. These capital project expenditures are included in the general fund totals by expenditure category. They have also been included in the "Total Funds" and the "Capital Expenditures Only" areas. These capital expenditures total \$300.0 million in fiscal 1998 and \$200.7 million in fiscal 1999.

Missouri: The state's biennial capital improvements budget in large measure is charged to the first year of the biennium (even numbered fiscal years).

New York: Other environmental spending that is not disbursed by either the Department of Environmental Conservation or the Office of Parks, Recreation and Historic Preservation is included in the All Other expenditure figures.

North Carolina: Capital and bond expenditures are reflected when "approved," not actually expended.

Oregon: Capital expenditure information is included in total expenditures and is not separately available.

Pennsylvania: While Federal funds for transportation capital expenditures are anticipated, they are not included due to the difficulty in estimating the varying reimbursement and match requirements.

Rhode Island: For fiscal 2000, all debt service is in the Department of Administration and no longer identified within the individual agencies.

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

Texas: Totals reflect the total amounts appropriated for capital expenditures. Separate figures by fund category cannot be identified. Transportation capital expenditures exclude highway construction.

CHAPTER NINE
REVENUE SOURCES
IN THE GENERAL FUND

States' general fund revenue is estimated to total \$423.8 billion in 1999. The major sources of states' general fund revenue are shown in Table 54. Sales and compensating use taxes represent 34 percent of total general revenue, personal income taxes represent nearly 40 percent, and corporate income taxes represent 9 percent. The other sources illustrated in the table are gaming taxes at nearly 0.9 percent and other taxes and fees at 17 percent. Together, sales taxes, personal income taxes, and corporate income taxes represent approximately 82 percent of the general fund.

Although the sales tax, the personal income tax, and the corporate income tax are the most significant sources of general fund revenue, states use a wide variety of revenues for their general funds. These items include gaming taxes and lottery funds. Lottery funds are also an example of funds that are often earmarked for specific purposes. Other sources, such as motor vehicle taxes, are often earmarked in special funds.

Other taxes and fees in the general fund may include cigarette taxes, alcoholic beverage taxes, insurance premiums, severance taxes, licenses and fees for permits, inheritance taxes, and charges for services.

Table 55 illustrates the major items that are excluded from general fund revenue sources. Property taxes, for example, are a mainstay of finance for local governments, though the majority of states exclude property taxes from both their general funds and from their revenue base. States may, however, use aid to local governments or other subsidies to help reduce the amount of property taxes required at the local level.

Trends in Tax Actions. Reflecting the general fiscal health of the states, Governors' enacted a \$5.2 billion tax and fee reduction for fiscal year 2000. In fact, fiscal year 2000 represents the sixth consecutive year that states would reduce taxes and fees, totaling \$27.3 billion over the six-year period. In contrast, net state tax reductions occurred only twice during the 1980s, totaling just over \$3 billion. Most of the proposed fiscal year 2000 tax reductions focus on reducing the personal and corporate income, sales, and property taxes. Currently, nine states do not have broad-based personal income taxes—Alaska, Florida, Nevada, New Hampshire, South Dakota, Tennessee, Texas, Washington, and Wyoming.

An issue that is likely to affect state tax systems in the future is the growth of sales over the Internet. As more and more transactions occur online and are exempt from sales taxes, the sales tax collections on which states rely will erode.

Revenue Collections. Similar to the federal government, states have experienced revenue collections exceeding original estimates, especially for personal income tax collections. Based on the Congressional Budget Office's analysis of federal revenue collections, some of the same factors may be affecting state revenue collections. These factors include capital gains realization, unexpected growth in partnership income, and the impact of large bonuses.

Figure 21
REVENUE SOURCES IN THE GENERAL FUND

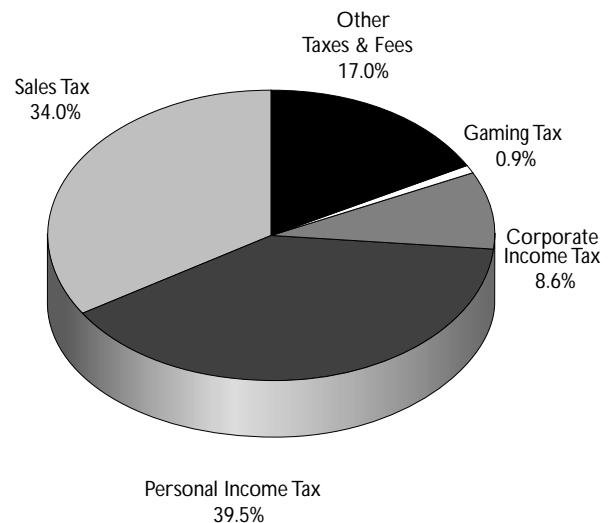


Table 54
REVENUE SOURCES IN THE GENERAL FUND (\$ IN MILLIONS)

| Region/State | Actual Fiscal 1998 | | | | | | Actual Fiscal 1999 | | | | | | Estimated Fiscal 2000 | | | | | |
|-----------------------|--------------------|----------------|---------------|--------------|---------------|----------------|--------------------|----------------|---------------|--------------|---------------|----------------|-----------------------|----------------|---------------|--------------|---------------|----------------|
| | Personal | | Corporate | Other | | Total | Personal | | Corporate | Other | | Total | Personal | | Corporate | Other | | Total |
| | Sales Tax | Income Tax | Income Tax | Gaming Tax | Taxes & Fees | | Sales Tax | Income Tax | Income Tax | Gaming Tax | Taxes & Fees | | Sales Tax | Income Tax | Income Tax | Gaming Tax | Taxes & Fees | |
| NEW ENGLAND | | | | | | | | | | | | | | | | | | |
| Connecticut | 2,772 | 3,596 | 664 | 525 | 2,585 | 10,142 | 2,932 | 3,821 | 620 | 569 | 2,675 | 10,616 | 3,050 | 4,040 | 549 | 578 | 2,569 | 10,786 |
| Maine | 834 | 763 | 107 | 1 | 269 | 1,975 | 814 | 1,005 | 145 | 1 | 272 | 2,237 | 814 | 982 | 134 | 1 | 261 | 2,191 |
| Massachusetts* | 2,876 | 7,182 | 964 | 15 | 2,587 | 13,624 | 3,269 | 8,037 | 1,009 | 8 | 2,762 | 15,084 | 3,529 | 8,713 | 1,029 | 9 | 2,617 | 15,897 |
| New Hampshire | 0 | 0 | 239 | 3 | 731 | 973 | 0 | 0 | 258 | 3 | 778 | 1,039 | 0 | 0 | 245 | 4 | 1,611 | 1,860 |
| Rhode Island* | 531 | 723 | 72 | 121 | 548 | 1,994 | 565 | 762 | 67 | 139 | 522 | 2,055 | 608 | 787 | 68 | 155 | 589 | 2,207 |
| Vermont* | 202 | 366 | 51 | N/A | 231 | 849 | 206 | 384 | 46 | 0 | 206 | 841 | 209 | 389 | 42 | 0 | 192 | 831 |
| MID-ATLANTIC | | | | | | | | | | | | | | | | | | |
| Delaware | 0 | 761 | 85 | 0 | 1,200 | 2,046 | 0 | 771 | 93 | 0 | 1,327 | 2,191 | 0 | 742 | 97 | 0 | 1,374 | 2,213 |
| Maryland | 2,161 | 4,156 | 268 | 0 | 1,465 | 8,051 | 2,299 | 4,296 | 306 | 0 | 1,623 | 8,524 | 2,447 | 4,666 | 317 | 0 | 1,663 | 9,092 |
| New Jersey* | 4,766 | 5,591 | 1,232 | 658 | 4,794 | 17,041 | 5,054 | 6,324 | 1,403 | 668 | 4,715 | 18,164 | 5,575 | 7,035 | 1,396 | 731 | 4,632 | 19,369 |
| New York | 5,442 | 17,759 | 5,047 | 39 | 4,247 | 32,534 | 5,697 | 20,080 | 4,857 | 37 | 2,648 | 33,319 | 6,044 | 20,783 | 4,575 | 36 | 2,360 | 33,798 |
| Pennsylvania* | 6,152 | 6,236 | 1,703 | N/A | 4,032 | 18,123 | 6,606 | 6,684 | 1,725 | N/A | 4,213 | 19,227 | 6,985 | 6,996 | 1,740 | N/A | 4,118 | 19,839 |
| GREAT LAKES | | | | | | | | | | | | | | | | | | |
| Illinois | 5,274 | 6,847 | 1,136 | 737 | 2,666 | 16,660 | 5,609 | 7,226 | 1,122 | 787 | 3,212 | 17,956 | 5,975 | 7,550 | 1,050 | 877 | 3,600 | 19,052 |
| Indiana | 3,251 | 3,477 | 1,016 | 0 | 720 | 8,463 | 3,396 | 3,699 | 1,044 | 0 | 744 | 8,883 | 3,575 | 3,823 | 1,058 | 0 | 722 | 9,178 |
| Michigan* | 862 | 4,604 | 2,323 | 7 | 969 | 8,764 | 988 | 5,056 | 2,284 | 7 | 1,128 | 9,463 | 1,059 | 5,183 | 2,263 | 7 | 1,160 | 9,671 |
| Ohio | 5,266 | 6,213 | 1,197 | 0 | 2,172 | 14,847 | 5,545 | 6,417 | 1,084 | 0 | 2,591 | 15,637 | 5,705 | 6,917 | 1,074 | 0 | 2,138 | 15,835 |
| Wisconsin | 3,047 | 5,047 | 627 | 2 | 977 | 9,701 | 3,285 | 5,162 | 635 | 2 | 1,029 | 10,114 | 3,443 | 5,795 | 646 | 0 | 1,264 | 11,148 |
| PLAINS | | | | | | | | | | | | | | | | | | |
| Iowa | 1,515 | 2,288 | 291 | 60 | 677 | 4,831 | 1,620 | 2,234 | 322 | 60 | 644 | 4,880 | 1,685 | 2,332 | 316 | 60 | 667 | 5,060 |
| Kansas | 1,537 | 1,742 | 282 | 0 | 463 | 4,024 | 1,596 | 1,695 | 227 | 0 | 460 | 3,978 | 1,665 | 1,820 | 235 | 0 | 445 | 4,165 |
| Minnesota* | 3,252 | 4,747 | 752 | 65 | 1,442 | 10,258 | 3,432 | 5,321 | 777 | 66 | 271 | 9,867 | 3,694 | 5,304 | 746 | 62 | 1,593 | 11,399 |
| Missouri* | 1,706 | 3,765 | 449 | 0 | 730 | 6,650 | 1,666 | 4,083 | 439 | 0 | 724 | 6,912 | 1,749 | 4,173 | 405 | 0 | 648 | 6,975 |
| Nebraska | 804 | 982 | 142 | 0 | 178 | 2,106 | 745 | 1,078 | 135 | 0 | 166 | 2,124 | 890 | 1,141 | 144 | 0 | 167 | 2,342 |
| North Dakota | 320 | 178 | 66 | 12 | 169 | 743 | 345 | 181 | 58 | 11 | 146 | 740 | 354 | 188 | 54 | 12 | 145 | 752 |
| South Dakota | 389 | 0 | 0 | 89 | 240 | 718 | 406 | 0 | 0 | 91 | 254 | 751 | 427 | 0 | 0 | 91 | 249 | 767 |
| SOUTHEAST | | | | | | | | | | | | | | | | | | |
| Alabama | 1,454 | 1,745 | 225 | 4 | 1,287 | 4,715 | 1,530 | 1,855 | 213 | 4 | 1,338 | 4,940 | 1,595 | 1,967 | 226 | 4 | 1,410 | 5,202 |
| Arkansas* | 1,466 | 1,570 | 272 | 7 | 232 | 3,546 | 1,532 | 1,665 | 254 | 6 | 235 | 3,692 | 1,617 | 1,691 | 309 | 6 | 225 | 3,848 |
| Florida | 11,841 | 0 | 1,396 | 26 | 3,689 | 16,952 | 12,707 | 0 | 1,472 | 14 | 3,676 | 17,869 | 13,498 | 0 | 1,518 | 11 | 3,566 | 18,592 |
| Georgia | 3,860 | 5,334 | 749 | N/A | 1,823 | 11,766 | 4,297 | 5,701 | 800 | N/A | 1,513 | 12,311 | 4,155 | 5,678 | 817 | N/A | 1,543 | 12,193 |
| Kentucky | 2,155 | 334 | 2,418 | 0 | 1,244 | 6,151 | 2,086 | 312 | 2,532 | 0 | 1,316 | 6,246 | 2,188 | 316 | 2,679 | 0 | 1,454 | 6,637 |
| Louisiana | 2,244 | 1,460 | 360 | 330 | 1,394 | 5,788 | 2,269 | 1,536 | 286 | 349 | 1,275 | 5,715 | 2,273 | 1,591 | 288 | 313 | 1,334 | 5,799 |
| Mississippi | 1,228 | 882 | 286 | 127 | 527 | 3,049 | 1,311 | 974 | 298 | 142 | 556 | 3,281 | 1,389 | 1,050 | 293 | 155 | 547 | 3,433 |
| North Carolina | 3,255 | 6,029 | 696 | 0 | 1,747 | 11,727 | 3,376 | 6,607 | 849 | 0 | 1,903 | 12,734 | 3,374 | 7,121 | 829 | 0 | 1,951 | 13,276 |
| South Carolina | 1,742 | 2,088 | 194 | 0 | 823 | 4,846 | 1,890 | 1,986 | 215 | 0 | 840 | 4,931 | 1,967 | 2,415 | 234 | 0 | 706 | 5,322 |
| Tennessee | 3,890 | 104 | 490 | 0 | 1,480 | 5,963 | 4,124 | 105 | 447 | 0 | 1,494 | 6,169 | 4,281 | 108 | 540 | 0 | 1,690 | 6,618 |
| Virginia | 1,919 | 5,405 | 451 | 0 | 998 | 8,774 | 2,065 | 6,088 | 420 | 0 | 1,129 | 9,703 | 2,206 | 6,758 | 475 | 0 | 1,153 | 10,592 |
| West Virginia | 794 | 866 | 140 | 0 | 703 | 2,503 | 829 | 920 | 168 | 0 | 701 | 2,618 | 844 | 940 | 153 | 0 | 727 | 2,664 |
| SOUTHWEST | | | | | | | | | | | | | | | | | | |
| Arizona | 2,368 | 1,863 | 528 | 0 | 500 | 5,258 | 2,577 | 2,098 | 545 | 0 | 420 | 5,640 | 2,787 | 2,300 | 552 | 0 | 305 | 5,943 |
| New Mexico | 1,340 | 809 | 180 | 0 | 829 | 3,158 | 1,366 | 825 | 161 | 32 | 769 | 3,153 | 1,395 | 878 | 140 | 19 | 875 | 3,307 |
| Oklahoma | 1,189 | 1,704 | 183 | 15 | 786 | 3,877 | 1,234 | 1,851 | 174 | 12 | 757 | 4,028 | 1,238 | 1,837 | 166 | 12 | NA | 3,253 |
| Texas | 14,706 | 0 | 1,938 | 0 | 8,885 | 25,529 | 15,524 | 0 | 2,078 | 0 | 10,274 | 27,876 | 15,938 | 0 | 1,988 | 0 | 8,605 | 26,531 |
| ROCKY MOUNTAIN | | | | | | | | | | | | | | | | | | |
| Colorado | 1,546 | 3,052 | 263 | 22 | 519 | 5,401 | 1,704 | 3,327 | 276 | 27 | 460 | 5,794 | 1,868 | 3,538 | 305 | 17 | 368 | 6,096 |
| Idaho | 497 | 776 | 117 | 0 | 92 | 1,482 | 589 | 842 | 95 | 0 | 98 | 1,624 | 618 | 892 | 102 | 0 | 101 | 1,713 |
| Montana | NA | 444 | 70 | 12 | 508 | 1,034 | NA | 483 | 80 | 13 | 518 | 1,094 | NA | 476 | 95 | 13 | 544 | 1,128 |
| Utah | 1,252 | 1,378 | 189 | 0 | 241 | 3,060 | 1,316 | 1,464 | 184 | 0 | 226 | 3,191 | 1,366 | 1,560 | 187 | 0 | 225 | 3,338 |
| Wyoming | 235 | 0 | 0 | 0 | 275 | 510 | 235 | 0 | 0 | 0 | 269 | 504 | 241 | 0 | 0 | 0 | 257 | 498 |
| FAR WEST | | | | | | | | | | | | | | | | | | |
| Alaska | N/A | N/A | 254 | N/A | 0 | 254 | N/A | N/A | 199 | N/A | 0 | 199 | N/A | N/A | 227 | N/A | 0 | 227 |
| California | 17,583 | 27,925 | 5,837 | 46 | 3,407 | 54,798 | 18,957 | 30,891 | 5,724 | 24 | 3,339 | 58,935 | 20,236 | 34,461 | 6,092 | 1 | 4,029 | 64,819 |
| Hawaii | 1,420 | 1,083 | 46 | 0 | 682 | 3,232 | 1,442 | 1,069 | 43 | 0 | 733 | 3,286 | 1,492 | 1,013 | 47 | 0 | 621 | 3,173 |
| Nevada | 525 | 0 | 0 | 492 | 432 | 1,449 | 580 | 0 | 0 | 534 | 387 | 1,501 | 598 | 0 | 0 | 552 | 416 | 1,566 |
| Oregon* | 0 | 4,221 | 275 | 0 | 301 | 4,797 | 0 | 3,702 | 314 | 0 | 312 | 4,328 | 0 | 4,327 | 395 | 0 | 346 | 5,068 |
| Washington | 4,989 | 0 | 0 | 0 | 4,653 | 9,641 | 5,283 | 0 | 0 | 0 | 4,697 | 9,980 | 5,609 | 0 | 0 | 0 | 4,560 | 10,169 |
| ALL STATES | 136,456 | 156,093 | 36,267 | 3,415 | 72,146 | 404,376 | 144,152 | 167,535 | 36,348 | 3,609 | 72,175 | 423,819 | 152,252 | 180,277 | 36,838 | 3,726 | 72,338 | 445,430 |
| Puerto Rico | 468 | 2,027 | 1,527 | 113 | 2,016 | 6,151 | 529 | 2,285 | 1,545 | 123 | 2,504 | 6,986 | 594 | 2,484 | 1,647 | 117 | 2,490 | 7,332 |

Table 55
ITEMS EXCLUDED FROM REVENUE SOURCES

| Region/ State | Sales and Compensating Use Taxes | Personal Income Taxes | Corporate Income Taxes | Gaming Taxes | Lottery Funds | Cigarette & 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 | | | | | | | X | | | X | | X | | | |
| Maine | | | | | | | P | | | | | X | P | | |
| Massachusetts | P | | | | P | P | P | | | X | | X | X | | |
| New Hampshire | X | X | | | | | | | | X | | X | | | |
| Rhode Island | | | | | | | P | | | X | | X | X | | |
| Vermont | | | | X | | | | | | P | | | | | |
| MID-ATLANTIC | | | | | | | | | | | | | | | |
| Delaware | N/A | | | N/A | | | X | | | X | | N/A | X | | |
| Maryland | P | | P | X | P | | P | | | X | | X | P | P | |
| New Jersey | | | | | | P | P | | | X | P | X | X | P | P |
| New York | | | | | X | | P | | | X | | X | X | | X |
| Pennsylvania | P | | | P | X | P | X | | P | X | | X | X | P | P |
| GREAT LAKES | | | | | | | | | | | | | | | |
| Illinois | P | P | P | P | P | P | X | | P | X | P | X | P | P | P |
| Indiana | | | | X | X | | X | | | X | X | X | X | X | X |
| Michigan | P | P | | P | X | P | X | P | | P | | X | P | P | P |
| Ohio | P | P | P | X | X | | X | P | P | X | P | X | P | P | P |
| Wisconsin | | | | X | X | | X | | | X | | X | P | P | P |
| PLAINS | | | | | | | | | | | | | | | |
| Iowa | | | | P | X | | X | | | P | X | X | X | P | P |
| Kansas | P | | | X | X | | X | | | P | X | X | X | P | |
| Minnesota | | | | | X | | | | | X | X | P | | | |
| Missouri | | | | X | X | X | X | | | X | | X | X | P | P |
| Nebraska | | | | | X | | X | | | X | X | X | X | X | X |
| North Dakota | | | | | | | X | | | X | X | | X | | |
| South Dakota | | X | X | | | | X | | | X | X | | X | | |
| SOUTHEAST | | | | | | | | | | | | | | | |
| Alabama | | | | | NA | | X | | | | | | X | | |
| Arkansas | | | | | X | | | | | X | | | | | |
| Florida | P | X | | P | X | P | X | P | P | P | X | P | X | P | P |
| Georgia | | | | | | | | | | | | | X | | |
| Kentucky | | | | | | | X | | | | | | X | P | P |
| Louisiana | P | | | P | X | | X | | P | X | P | P | X | P | P |
| Mississippi | P | | | P | | | P | P | P | P | P | P | | | P |
| North Carolina | | | | X | X | | | | | X | X | X | | | |
| South Carolina | | | | | | | | | | X | | | | | |
| Tennessee | | | | X | X | | | | | X | | | | | |
| Virginia | P | | | X | X | P | X | | | X | X | X | X | P | |
| West Virginia | | | | | P | | X | | | | X | | X | | |
| SOUTHWEST | | | | | | | | | | | | | | | |
| Arizona | P | | | X | P | P | X | P | | | P | P | X | P | P |
| New Mexico | | | | | X | | X | | | | | | X | | |
| Oklahoma | | | | | | | | | | X | | | X | | |
| Texas | | X | | | | | P | | | X | | | X | | |
| ROCKY MOUNTAIN | | | | | | | | | | | | | | | |
| Colorado | | | | | | | | | | | | | | | |
| Idaho | | | | X | X | | X | | | X | X | X | X | X | |
| Montana | X | | | | | | | | | | | | | | |
| Utah | | | | X | X | | | | | P | | | | | |
| Wyoming | | X | X | X | X | | | | | X | X | | | | |
| FAR WEST | | | | | | | | | | | | | | | |
| Alaska | X | X | | X | X | | | | | | X | | X | | |
| California | P | | | P | X | P | X | | | X | X | X | X | P | P |
| Hawaii | | | | X | X | | X | | | X | | | | | |
| Nevada | | X | X | | X | | | | | | | | | | |
| Oregon | X | | | X | X | P | X | P | | X | X | P | X | P | |
| Washington | | X | X | X | | | | | | | | X | | | |
| ALL STATES | 18 | 11 | 7 | 27 | 31 | 11 | 34 | 6 | 6 | 38 | 22 | 28 | 34 | 20 | 16 |
| Puerto Rico | | | | | | P | | | X | X | | X | | | |

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

Source: National Association of State Budget Officers, 1999 State Expenditure Report, June 2000

Revenue Sources in the General Fund Notes

Arkansas: The amount for sales tax reflects the state's use tax; gaming taxes reflect the state's racing revenue. Other Taxes and Fees included a one-eighth cent conservation tax.

Massachusetts: For the purposes of this survey, general fund revenues include those from the highway and local aid funds as well as the general fund. Severance taxes are not levied in Massachusetts and property taxes are levied and expended by the cities and towns only. About 70 percent of cigarette tax is dedicated to health care-related minor funds. Small percentages of motor fuels and certain sales taxes are dedicated to environmental minor funds and to certain convention center development, respectively. Gaming taxes are those on racing, raffles/bazaars, two discrete lottery games and boxing, and are general fund revenue. Most lottery revenue is allocated to the cities and towns.

Michigan: Actual amounts are based on the fiscal 1998 and fiscal 1999 State of Michigan Comprehensive Financial Reports. Revenue figures have been adjusted to put them on a basis comparable to the consensus revenue estimates. Fiscal 2000 estimates are the January 2000 consensus revenue estimates. Estimates are after any tax cuts or balance sheet items.

Minnesota: Reflects total general fund non-dedicated revenue. Excludes general fund dedicated revenue, interfund transfers in, prior year adjustments and balance forward from previous fiscal year. Other Taxes and Fees includes a one-time sales tax rebate of \$1,292 million in fiscal 1999 and \$8 million in fiscal 2000.

Missouri: General revenue resources include other taxes and fees and local use tax funds sent to the state for refund for fiscal 1998 (\$38.7 million) and fiscal 1999 (\$79.1 million).

New Jersey: Gaming taxes and fees are in the Casino Revenue Fund and the Casino Control Fund, which is not part of the General Fund. The amounts total \$368.5 million in fiscal 1998, \$378.5 million in fiscal 1999, and \$393.8 million in fiscal 2000.

Oregon: Oregon has no general sales tax. Gaming taxes (lottery receipts) are "other state funds", not general fund revenues.

Pennsylvania: Other taxes and fees include non-tax revenues such as interest earnings, transfers from other funds and miscellaneous revenues.

Rhode Island: Gaming taxes include racing and athletics taxes as well as all lottery transfers to general revenue. In fiscal 1998, the

value of 8 cents of the total 28 cents gas tax was included in general revenue. In fiscal 1999, 4.5 cents of the total 28 cents gas tax was included, and in fiscal 2000, 3.5 cents of gas tax is included in general revenue. In each fiscal year 1998, 1999, and 2000, all gas tax proceeds not included in general revenue are specifically dedicated to transportation funding.

Vermont: The decrease in estimated fiscal year 1999 revenues results from a portion of corporate and other taxes being dedicated to the state's education fund effective July 1, 1998.

APPENDIX

Methodology

The 1999 State Expenditure Report reflects three years of data: actual fiscal year 1998, actual fiscal year 1999, and estimated fiscal year 2000. The text of this report focuses on actual fiscal year 1999 data.

This survey reports state expenditures in six functional categories: elementary and secondary education, higher education, public assistance including Aid to Families with Dependent Children/Temporary Assistance for Needy Families, 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 includes employer contributions to current employees' pensions and to employee health benefits for employees.

Elementary and secondary education spending includes state and federal fund expenditures only, and excludes local funds raised for education purposes. States were also 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 and fees and student loan programs. Higher education expenditures exclude federal research grants and endowments to universities.

Spending for public assistance 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 also exclude administrative costs, while including spending from state funds, federal matching funds and other funds and revenue sources used as Medicaid match such as provider taxes, fees, assessments, donations, and local funds.

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.

Transportation figures include capital and operating expenditures for highways, mass transit, and airports. States were also asked to include expenditures for road assistance for 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 excludes 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 State 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.

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.

Readers are cautioned against comparing federal fund figures presented here with those on Federal aid which may be referred to in other documents, particularly those from the U.S. Bureau of the Census; many states have not established comprehensive statewide reporting of Federal funds and as a result the numbers in this report may understate Federal funds for any one function.

An important part of the report are tables included in four of the functional categories which 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 forty-six states, the fiscal year begins on July 1 and ends on June 30. The exceptions are as follows: in Alabama and Michigan the fiscal year begins on October 1; in Texas, the fiscal year begins on September 1; and in New York, the fiscal year begins on April 1. Additionally, the length of budget cycles vary 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.

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

| Region/State | Actual Fiscal 1998 | | | Actual Fiscal 1999 | | | Estimated Fiscal 2000 | | |
|-----------------------|--------------------|------------------|-----------------------|--------------------|------------------|-----------------------|-----------------------|------------------|-----------------------|
| | State Funds | Federal Funds | State & Federal Funds | State Funds | Federal Funds | State & Federal Funds | State Funds | Federal Funds | State & Federal Funds |
| NEW ENGLAND | | | | | | | | | |
| Connecticut | \$11,697 | \$1,259 | \$12,956 | \$12,276 | \$1,351 | \$13,627 | \$12,521 | \$1,057 | \$13,578 |
| Maine | 2,776 | 1,325 | 4,101 | 3,051 | 1,356 | 4,407 | 3,561 | 1,595 | 5,156 |
| Massachusetts | 16,440 | 5,622 | 22,062 | 17,811 | 5,456 | 23,267 | 19,062 | 5,620 | 24,682 |
| New Hampshire | 1,515 | 833 | 2,348 | 1,571 | 923 | 2,494 | 2,405 | 937 | 3,342 |
| Rhode Island | 2,655 | 1,028 | 3,683 | 2,849 | 1,120 | 3,969 | 3,170 | 1,339 | 4,509 |
| Vermont | 1,098 | 648 | 1,746 | 1,260 | 722 | 1,982 | 1,389 | 852 | 2,241 |
| MID-ATLANTIC | | | | | | | | | |
| Delaware | 3,604 | 540 | 4,144 | 3,886 | 682 | 4,568 | 4,170 | 712 | 4,882 |
| Maryland | 12,096 | 3,450 | 15,546 | 13,140 | 3,533 | 16,673 | 13,701 | 3,853 | 17,554 |
| New Jersey | 19,301 | 5,110 | 24,411 | 20,719 | 5,371 | 26,090 | 22,296 | 6,176 | 28,472 |
| New York | 48,243 | 21,923 | 70,166 | 51,639 | 20,937 | 72,576 | 53,681 | 22,827 | 76,508 |
| Pennsylvania | 24,237 | 9,385 | 33,622 | 25,524 | 10,679 | 36,203 | 26,875 | 11,899 | 38,774 |
| GREAT LAKES | | | | | | | | | |
| Illinois | 22,727 | 6,324 | 29,051 | 24,226 | 6,675 | 30,901 | 32,784 | 8,450 | 41,234 |
| Indiana | 11,091 | 3,643 | 14,734 | 10,714 | 4,115 | 14,829 | 11,935 | 4,844 | 16,779 |
| Michigan | 25,050 | 7,097 | 32,147 | 24,393 | 8,471 | 32,864 | 25,127 | 9,503 | 34,630 |
| Ohio | 29,727 | 4,220 | 33,947 | 30,674 | 4,413 | 35,087 | 36,238 | 6,124 | 42,362 |
| Wisconsin | 17,309 | 3,843 | 21,152 | 18,448 | 4,349 | 22,797 | 15,535 | 5,076 | 20,611 |
| PLAINS | | | | | | | | | |
| Iowa | 7,611 | 2,291 | 9,902 | 8,133 | 2,516 | 10,649 | 8,848 | 2,761 | 11,609 |
| Kansas | 5,779 | 1,830 | 7,609 | 6,136 | 2,089 | 8,225 | 6,286 | 2,002 | 8,288 |
| Minnesota | 12,854 | 3,411 | 16,265 | 13,841 | 3,444 | 17,285 | 14,663 | 3,924 | 18,587 |
| Missouri | 10,521 | 3,352 | 13,873 | 11,265 | 3,899 | 15,164 | 11,959 | 4,633 | 16,592 |
| Nebraska | 3,560 | 1,224 | 4,784 | 4,003 | 1,355 | 5,358 | 3,514 | 1,216 | 4,730 |
| North Dakota | 1,218 | 809 | 2,027 | 1,310 | 810 | 2,120 | 1,342 | 806 | 2,148 |
| South Dakota | 1,186 | 771 | 1,957 | 1,251 | 706 | 1,957 | 1,311 | 822 | 2,133 |
| SOUTHEAST | | | | | | | | | |
| Alabama | 8,115 | 4,801 | 12,916 | 8,337 | 5,152 | 13,489 | 10,615 | 5,810 | 16,425 |
| Arkansas | 6,667 | 2,136 | 8,803 | 7,316 | 2,050 | 9,366 | 7,974 | 2,284 | 10,258 |
| Florida | 31,628 | 8,810 | 40,438 | 34,673 | 9,349 | 44,022 | 37,458 | 9,891 | 47,349 |
| Georgia | 15,366 | 5,924 | 21,290 | 16,527 | 6,414 | 22,941 | 16,119 | 6,336 | 22,455 |
| Kentucky | 9,459 | 3,906 | 13,365 | 10,415 | 4,220 | 14,635 | 11,033 | 4,679 | 15,712 |
| Louisiana | 10,381 | 4,120 | 14,501 | 10,665 | 4,204 | 14,869 | 11,485 | 4,612 | 16,097 |
| Mississippi | 5,292 | 2,670 | 7,962 | 5,497 | 2,643 | 8,140 | 6,476 | 3,452 | 9,928 |
| North Carolina | 15,490 | 5,929 | 21,419 | 17,238 | 6,122 | 23,360 | 17,812 | 5,951 | 23,763 |
| South Carolina | 9,046 | 3,757 | 12,803 | 7,446 | 3,443 | 10,889 | 9,473 | 3,532 | 13,005 |
| Tennessee | 9,110 | 5,374 | 14,484 | 9,576 | 5,793 | 15,369 | 10,094 | 6,250 | 16,344 |
| Virginia | 15,315 | 3,269 | 18,584 | 17,662 | 3,504 | 21,166 | 18,953 | 3,704 | 22,657 |
| West Virginia | 3,562 | 1,983 | 5,545 | 3,920 | 1,980 | 5,900 | 3,601 | 2,210 | 5,811 |
| SOUTHWEST | | | | | | | | | |
| Arizona | 9,699 | 3,314 | 13,013 | 10,658 | 3,785 | 14,443 | 10,870 | 3,895 | 14,765 |
| New Mexico | 5,197 | 1,716 | 6,913 | 5,582 | 1,959 | 7,541 | 5,359 | 2,075 | 7,434 |
| Oklahoma | 6,709 | 2,516 | 9,225 | 6,853 | 3,094 | 9,947 | 7,962 | 3,335 | 11,297 |
| Texas | 30,395 | 12,154 | 42,549 | 31,488 | 13,098 | 44,586 | 35,371 | 14,118 | 49,489 |
| ROCKY MOUNTAIN | | | | | | | | | |
| Colorado | 4,514 | 1,519 | 6,033 | 4,791 | 1,732 | 6,523 | 3,802 | 1,295 | 5,097 |
| Idaho | 2,184 | 885 | 3,069 | 2,349 | 1,018 | 3,367 | 2,612 | 1,194 | 3,806 |
| Montana | 1,585 | 847 | 2,432 | 1,661 | 954 | 2,615 | 1,809 | 1,148 | 2,957 |
| Utah | 4,429 | 1,292 | 5,721 | 4,775 | 1,479 | 6,254 | 4,878 | 1,489 | 6,367 |
| Wyoming | 1,486 | 476 | 1,962 | 1,618 | 536 | 2,154 | 1,613 | 540 | 2,153 |
| FAR WEST | | | | | | | | | |
| Alaska | 3,249 | 1,036 | 4,285 | 3,542 | 1,350 | 4,892 | 3,441 | 1,724 | 5,165 |
| California | 67,076 | 31,649 | 98,725 | 72,563 | 34,375 | 106,938 | 82,119 | 38,632 | 120,751 |
| Hawaii | 5,100 | 976 | 6,076 | 5,162 | 1,015 | 6,177 | 5,357 | 1,094 | 6,451 |
| Nevada | 5,195 | 789 | 5,984 | 5,948 | 928 | 6,876 | 6,134 | 959 | 7,093 |
| Oregon | 10,412 | 2,229 | 12,641 | 10,434 | 2,457 | 12,891 | 11,771 | 2,748 | 14,519 |
| Washington | 14,040 | 4,479 | 18,519 | 14,953 | 4,738 | 19,691 | 16,061 | 5,315 | 21,376 |
| TOTAL | \$602,996 | \$208,494 | \$811,490 | \$639,769 | \$222,364 | \$862,133 | \$692,625 | \$245,300 | \$937,925 |
| Puerto Rico | 14,515 | 3,307 | 17,822 | 15,072 | 3,631 | 18,703 | 15,638 | 3,820 | 19,458 |

Note: State funds are defined as general funds and other state funds (bonds are excluded).
Source: National Association of State Budget Officers, 1999
State Expenditure Report, June 2000