

# 2001

SUMMER 2002

**STATE EXPENDITURE REPORT**

NATIONAL ASSOCIATION OF STATE BUDGET OFFICERS

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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.

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# PREFACE

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Since its inception 14 years ago, the State Expenditure Report has developed into a definitive baseline for the analysis of state spending. Expenditures reflected in this report represent more than 99 percent of total state spending.

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

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



## ACKNOWLEDGEMENTS

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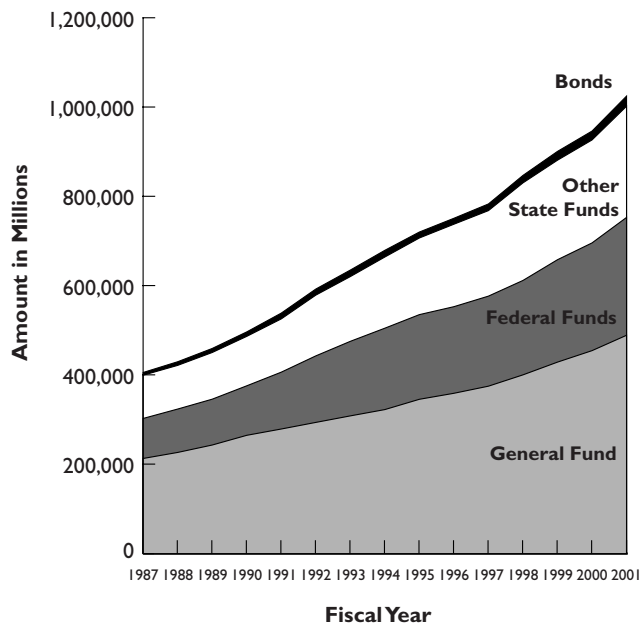
# **EXECUTIVE SUMMARY**

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## State Spending Trends, Fiscal 2001

Total state spending in fiscal 2001—both operating and capital expenditures—was approximately \$1 trillion, an 8.2 percent increase from fiscal 2000. Federal funds reflect a 9.4 percent increase, while state funds rose 7.6 percent. States estimates to date are that between fiscal 2001 and fiscal 2002 spending increased by 5.4 percent, to nearly \$1.1 trillion (see Tables 1 and 2). It should be noted that 23 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 2001



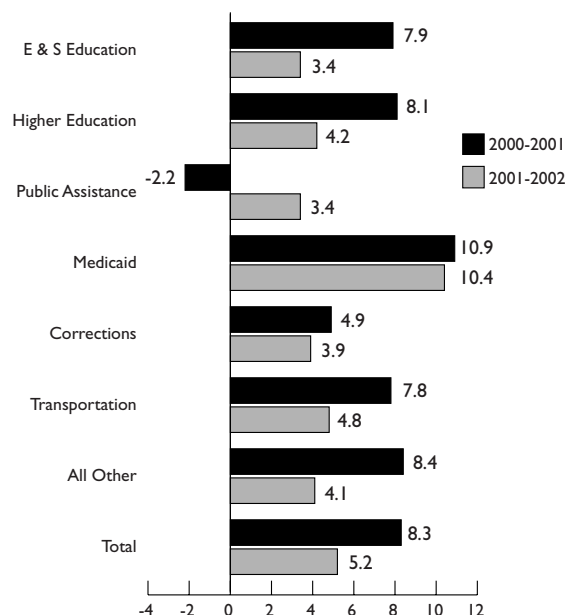
Elementary and secondary education is the largest state expenditure, accounting for 22.2 percent of total state spending and 35.4 percent of general fund spending in fiscal 2001. Medicaid is the fastest growing component of state spending: it grew by nearly 11 percent between fiscal 2000 and fiscal 2001 and commands 19.6 percent of total state expenditures. Due to welfare reform and declining caseloads, state expenditures for public assistance through cash payments continued to drop in fiscal 2001, falling by 2.2 percent from the previous year; states estimate that they rose by 3.4 percent in fiscal 2002. Details of state expenditures include:

- General funds accounted for 47.7 percent of total state spending in fiscal 2001, federal funds for 25.8 percent, other state funds for

24.3 percent, and bonds for 2.2 percent. Figure 1 reflects fiscal 1987 through 2001 state spending by fund source.

- Medicaid spending grew by 10.9 percent between fiscal 2000 and fiscal 2001, and states' current estimates are that it grew an additional 10.4 percent in fiscal 2002. Both increases are greater than percent changes in total state spending for those years.
- Elementary and secondary education spending grew at 7.6 percent and higher education spending at 8.1 percent between fiscal years 2000 and 2001. In fiscal 2001, expenditures for elementary and secondary education reflected more than one-third of all general fund spending.
- Between fiscal 2000 and fiscal 2001, state public assistance expenditures decreased by 2.2 percent. With a weakened economy, states estimate that they increased their total public assistance spending by 3.4 percent in fiscal 2002.
- Total corrections spending increased by 4.9 percent in fiscal 2001, and accounted for 7 percent of general fund expenditures.
- Transportation spending increased by 7.8 percent in fiscal 2001. However, it is important to note that only 7.2 percent of state transportation spending comes from the general fund; 28.4 percent comes from federal funds, 6.9 percent comes from bond funds, and 57.6 percent from other state funds.

**Figure 2**  
ALL FUNDS PERCENT CHANGES FROM PREVIOUS FISCAL YEAR  
FOR MAJOR SPENDING CATEGORIES, FISCAL 2001 AND 2002



## Components of State Expenditures

This report reflects three years of data: actual fiscal 2000, actual fiscal 2001, and estimated fiscal 2002. The text of this report focuses on actual fiscal 2001 and examines the seven main functional categories of state spending: elementary and secondary education, higher education, public assistance, Medicaid, corrections, transportation, and all other—which includes state functions not tracked individually 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. Capital spending is included with operating expenditures within each functional category, unless noted otherwise. Capital expenditures also have been collected separately in the following categories: corrections, environmental projects, higher education, housing, transportation and all other.

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 often is 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.

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 45 states must submit a balanced budget; in 41 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.

## Definitions

**General funds:** The 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 funds plus other state fund spending, excluding state spending from bonds.

Fiscal 2001 spending by fund source is broken down in Figure 3. Spending sourced from state general funds is stable, ranging from 48 percent of total in fiscal 2000 to 47.7 percent in fiscal 2001. The share of state spending from federal funds likewise is comparatively steady: 25.5 percent in fiscal 2000 and 25.8 percent in fiscal 2001.

**Figure 3**  
**TOTAL STATE EXPENDITURES BY FUNDING SOURCE,**  
**FISCAL 2001**

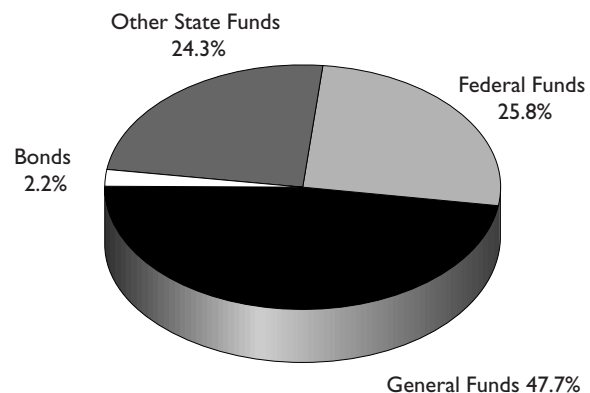
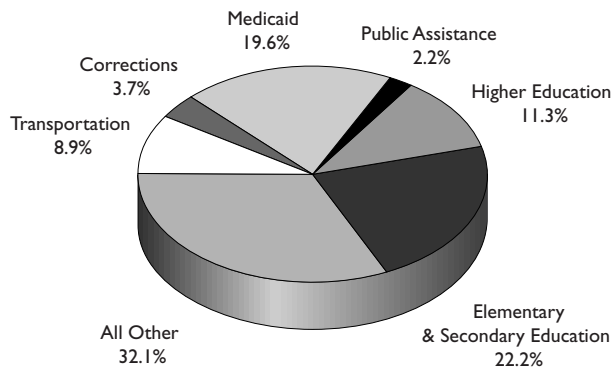
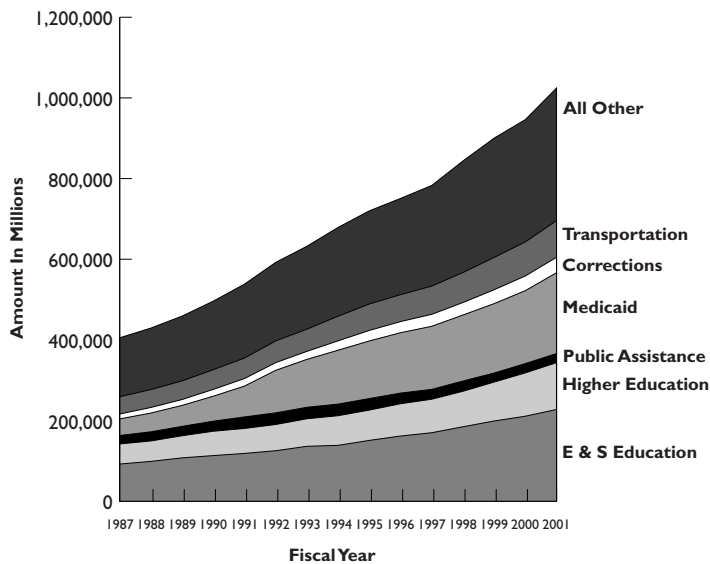


Figure 4 reflects total state expenditures by functional areas. For fiscal 2001, state spending shares are as follows: 22.2 percent for elementary and secondary education, 19.6 percent for Medicaid, 10.9 percent for higher education, 8.9 percent for transportation, 2.2 percent for public assistance, and 3.7 percent for corrections.

**Figure 4**  
**TOTAL STATE EXPENDITURES BY FUNCTION,**  
**FISCAL 2001**



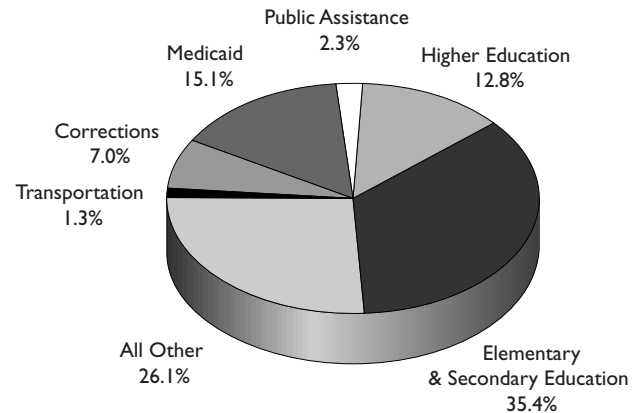
**Figure 5**  
**COMPOSITION OF TOTAL STATE EXPENDITURES BY FUNCTION,**  
**FISCAL 1987 TO 2001**



The shares of state spending for functional areas have shifted since 1987, when this report was initiated. For example, Medicaid surpassed higher education as the second largest state program in 1990 and has remained in this position throughout the 1990s. Of the functional areas of state spending, Medicaid, elementary and secondary education and corrections represent a larger share of total state spending in fiscal 2001 than they represented in 1987. Figure 5 charts these changes. Table 3 reflects shares of state spending on functional areas, by fund source, from 1992 to 2002. Also, Table 5, at the end of the Executive Summary, highlights the share of each state's budget represented by various programs in fiscal 2001 and shows the wide variation among states in their spending patterns.

## General Fund Expenditures

**Figure 6**  
**GENERAL FUND EXPENDITURES,**  
**FISCAL 2001**



Elementary and secondary education absorb the largest portion of the general fund. As Figure 6 shows, 35.4 percent of fiscal 2001 general fund spending went to elementary and secondary education. Higher education accounted for 12.8 percent and Medicaid accounted for 15.1 percent of general fund spending. Figure 7 reflects the percentage change for general fund spending in each of the functional categories.

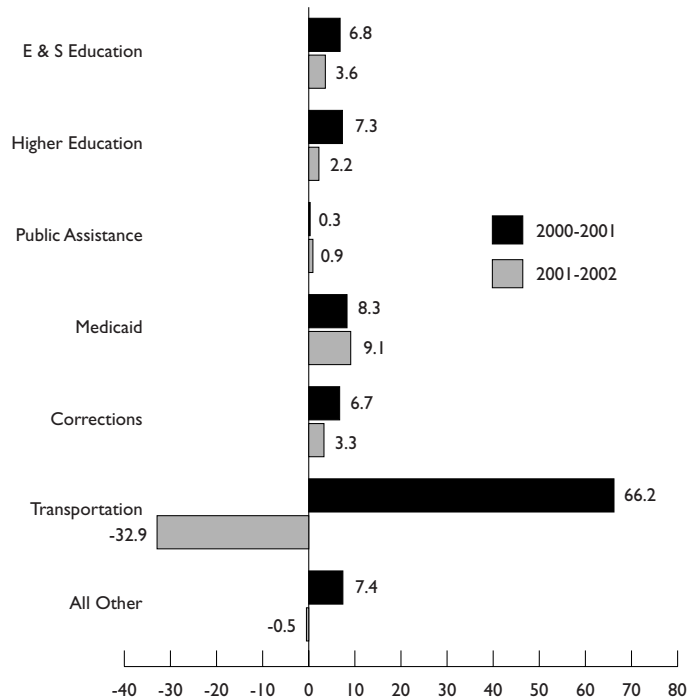
### Other State Funds Expenditures

At 21.1 percent, transportation accounts for the second largest portion of other state funds spending, second only to the “all other” category. For transportation, these funds largely represent receipts from gasoline taxes earmarked for highways. Both elementary and secondary and higher education functions also accounted for significant portions of the spending from other state funds: elementary and secondary education at 9 percent, and higher education at 14.1 percent.

### Federal Fund Expenditures

As reflected in Figure 8, Medicaid accounts for the largest portion of state spending from federal funds at 43.9 percent. Elementary and secondary education and transportation, at 9.6 and 9.8 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 7**  
**PERCENT CHANGE IN GENERAL FUND,**  
**FISCAL 2001 AND 2002**



**Figure 8**  
**FEDERAL FUND EXPENDITURES,**  
**FISCAL 2001**

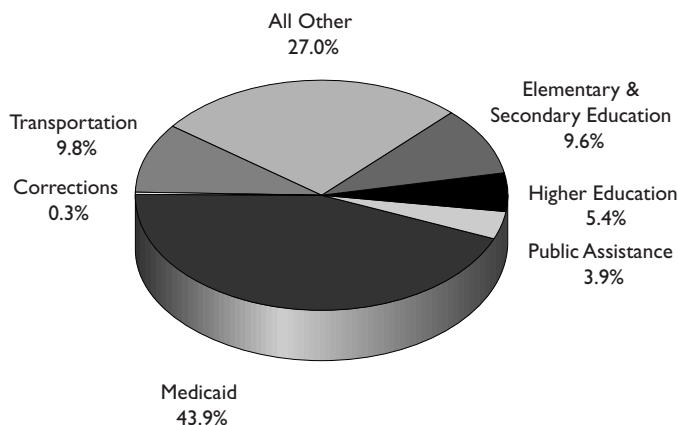


Table I

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

Region/State	Actual Fiscal 2000					Actual Fiscal 2001					Estimated Fiscal 2002				
	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
<b>NEW ENGLAND</b>															
Connecticut	\$11,201	\$3,061	\$2,606	\$1,294	\$18,162	\$11,883	\$3,338	\$2,501	\$1,231	\$18,953	\$11,899	\$3,304	\$2,163	\$1,217	\$18,583
Maine	2,317	1,495	986	49	4,847	2,572	1,540	1,102	55	5,269	2,760	2,003	1,590	100	6,453
Massachusetts	18,657	5,917	2,410	990	27,974	20,368	6,264	2,675	800	30,107	21,019	6,888	2,602	916	31,425
New Hampshire	1,047	974	1,323	52	3,396	1,071	1,000	1,317	37	3,425	1,160	1,070	1,417	43	3,690
Rhode Island	2,231	1,283	768	132	4,414	2,483	1,429	833	128	4,873	2,625	1,592	920	218	5,355
Vermont	859	831	504	37	2,231	867	866	891	41	2,665	881	960	1,008	40	2,889
<b>MID-ATLANTIC</b>															
Delaware	2,246	749	1,849	171	5,015	2,429	810	2,078	100	5,417	2,524	835	2,090	130	5,579
Maryland	9,031	3,780	5,055	449	18,315	10,238	4,344	5,483	416	20,481	10,677	4,914	5,730	638	21,959
New Jersey	19,458	5,596	3,748	868	29,670	20,811	6,458	3,934	1,064	32,267	21,785	7,797	3,004	1,150	33,736
New York	34,281	21,609	15,516	1,861	73,267	36,840	23,643	17,343	1,927	79,753	38,324	26,306	18,655	1,759	85,044
Pennsylvania	19,295	11,024	7,584	523	38,426	19,862	12,000	8,057	775	40,694	20,770	13,919	9,660	879	45,228
<b>GREAT LAKES</b>															
Illinois	17,164	7,405	9,577	940	35,086	17,601	8,188	10,294	1,574	37,657	18,356	8,273	11,234	1,839	39,702
Indiana	9,450	4,322	2,555	236	16,563	10,164	4,945	2,597	61	17,767	9,579	4,650	2,531	96	16,856
Michigan	9,405	7,963	17,158	451	34,977	9,860	8,950	18,469	673	37,952	9,307	10,325	18,046	603	38,281
Ohio	19,243	4,800	13,596	1,175	38,814	21,143	5,400	14,649	1,104	42,296	21,782	6,965	17,895	2,368	49,010
Wisconsin	11,270	5,037	9,879	0	26,186	11,078	5,050	11,964	0	28,092	11,534	5,481	6,229	0	23,244
<b>PLAINS</b>															
Iowa	4,721	2,769	4,085	0	11,575	4,887	2,982	4,419	0	12,288	4,682	3,073	4,934	0	12,689
Kansas	4,368	2,225	1,691	135	8,419	4,430	2,585	1,685	150	8,850	4,528	2,502	2,255	198	9,483
Minnesota	11,699	3,685	2,707	313	18,404	12,755	4,489	3,279	309	20,832	13,451	4,510	3,602	348	21,911
Missouri	7,320	4,422	4,003	323	16,068	7,583	4,675	4,045	350	16,653	7,849	5,664	5,237	497	19,247
Nebraska	2,344	1,503	1,953	0	5,800	2,479	1,586	1,993	0	6,058	2,715	1,756	2,083	0	6,554
North Dakota	773	917	527	39	2,256	819	888	576	14	2,297	865	994	649	10	2,518
South Dakota	764	783	558	4	2,109	793	923	632	5	2,353	851	995	658	5	2,509
<b>SOUTHEAST</b>															
Alabama	5,220	4,279	4,739	493	14,731	5,213	4,883	5,258	36	15,390	5,322	6,347	7,095	71	18,835
Arkansas	3,120	2,508	4,385	79	10,092	3,240	3,141	4,671	81	11,133	3,248	3,560	5,257	68	12,133
Florida	18,406	10,701	16,623	1,787	47,517	19,918	11,480	19,422	1,570	52,390	19,232	12,672	13,610	2,026	47,540
Georgia	13,948	9,328	1,012	568	24,856	13,985	8,864	1,327	713	24,889	13,722	10,930	1,764	1,347	27,763
Kentucky	6,539	4,772	4,445	0	15,756	6,931	5,118	4,800	0	16,849	7,415	5,277	5,125	0	17,817
Louisiana	5,829	4,287	4,529	219	14,864	6,204	4,712	4,929	116	15,961	6,426	5,792	5,147	129	17,494
Mississippi	3,403	2,895	2,840	258	9,396	3,457	3,041	2,922	306	9,726	3,401	3,361	3,410	228	10,400
North Carolina	14,094	6,942	4,601	200	25,837	13,446	7,574	5,249	689	26,958	15,002	7,066	4,363	605	27,036
South Carolina	5,168	4,121	3,671	448	13,408	5,423	4,449	4,029	549	14,450	5,552	4,828	4,351	632	15,363
Tennessee	6,807	5,664	3,482	40	15,993	7,293	6,501	3,454	186	17,434	7,929	7,057	3,670	162	18,818
Virginia	10,533	3,721	7,823	287	22,364	11,270	3,910	8,762	276	24,218	11,176	4,445	9,220	243	25,084
West Virginia	2,231	2,215	1,780	256	6,482	2,547	2,650	1,957	288	7,442	2,881	2,846	2,253	217	8,197
<b>SOUTHWEST</b>															
Arizona	6,012	3,545	5,558	251	15,366	7,371	3,751	5,936	293	17,351	6,328	4,276	5,827	328	16,759
New Mexico	3,381	2,753	2,763	373	9,270	3,620	3,437	3,140	597	10,794	3,937	3,188	2,731	1,226	11,082
Oklahoma	4,488	2,822	3,330	227	10,867	4,749	3,235	3,814	181	11,979	5,019	4,007	4,011	201	13,238
Texas*	27,322	14,399	7,669	N/A	49,390	29,003	15,274	8,079	N/A	52,356	30,571	15,309	8,703	N/A	54,583
<b>ROCKY MOUNTAIN</b>															
Colorado	5,292	2,470	3,366	535	11,663	5,694	2,634	3,936	439	12,703	6,087	2,785	4,419	326	13,617
Idaho	1,680	1,099	851	6	3,636	1,828	1,279	872	5	3,984	2,002	1,485	1,044	5	4,536
Montana	1,103	1,027	656	0	2,786	1,270	1,151	683	0	3,104	1,330	1,548	751	0	3,629
Utah	3,362	1,530	1,477	123	6,492	3,717	1,630	1,615	15	6,977	3,810	1,649	1,882	126	7,467
Wyoming	363	234	997	0	1,594	370	265	911	0	1,546	378	277	919	0	1,574
<b>FAR WEST</b>															
Alaska	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
California	66,494	37,303	15,787	2,583	122,167	78,053	41,273	13,972	4,357	137,655	78,380	46,516	19,941	4,589	149,426
Hawaii	3,201	1,017	2,440	291	6,949	3,365	1,087	2,512	313	7,277	3,624	1,088	2,104	373	7,189
Nevada	1,574	1,052	1,923	43	4,592	1,691	1,143	1,876	70	4,780	1,807	1,289	1,878	110	5,084
Oregon	5,264	3,160	8,133	0	16,557	5,112	3,453	8,468	0	17,033	5,538	3,741	9,174	0	18,453
Washington	10,220	5,323	5,166	778	21,487	10,827	5,732	5,682	820	23,061	11,220	6,399	4,294	957	22,870
<b>TOTAL*</b>	<b>\$454,198</b>	<b>\$241,317</b>	<b>\$230,684</b>	<b>\$19,887</b>	<b>\$946,086</b>	<b>\$488,613</b>	<b>\$264,020</b>	<b>\$249,092</b>	<b>\$22,714</b>	<b>\$1,024,439</b>	<b>\$501,260</b>	<b>\$292,514</b>	<b>\$257,135</b>	<b>\$27,023</b>	<b>\$1,077,932</b>
Puerto Rico	7,122	3,732	7,150	475	18,479	7,410	3,992	7,812	425	19,639	7,466	4,408	8,329	475	20,678

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

Source: National Association of State Budget Officers, 2001 State Expenditure Report, Summer 2002

Table 2

## ANNUAL PERCENTAGE CHANGE IN TOTAL STATE EXPENDITURES

Region/State	Fiscal 2000 to 2001			Fiscal 2001 to 2002		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
<b>NEW ENGLAND</b>						
Connecticut	4.2%	9.0%	4.4%	-2.2%	-1.0%	-2.0%
Maine	11.2	3.0	8.7	18.4	30.1	22.5
Massachusetts	9.4	5.9	7.6	2.5	10.0	4.4
New Hampshire	0.8	2.7	0.9	7.9	7.0	7.7
Rhode Island	10.6	11.4	10.4	6.9	11.4	9.9
Vermont	29.0	4.2	19.5	7.5	10.9	8.4
<b>MID-ATLANTIC</b>						
Delaware	10.1	8.1	8.0	2.4	3.1	3.0
Maryland	11.6	14.9	11.8	4.4	13.1	7.2
New Jersey	6.6	15.4	8.8	0.2	20.7	4.6
New York	8.8	9.4	8.9	5.2	11.3	6.6
Pennsylvania	3.9	8.9	5.9	9.0	16.0	11.1
<b>GREAT LAKES</b>						
Illinois	4.3	10.6	7.3	6.1	1.0	5.4
Indiana	6.3	14.4	7.3	-5.1	-6.0	-5.1
Michigan	6.6	12.4	8.5	-3.4	15.4	0.9
Ohio	9.0	12.5	9.0	10.9	29.0	15.9
Wisconsin	9.0	0.3	7.3	-22.9	8.5	-17.3
<b>PLAINS</b>						
Iowa	5.7	7.7	6.2	3.3	3.1	3.3
Kansas	0.9	16.2	5.1	10.9	-3.2	7.2
Minnesota	11.3	21.8	13.2	6.4	0.5	5.2
Missouri	2.7	5.7	3.6	12.5	21.2	15.6
Nebraska	4.1	5.5	4.4	7.3	10.7	8.2
North Dakota	7.3	-3.2	1.8	8.5	11.9	9.6
South Dakota	7.8	17.9	11.6	5.9	7.8	6.6
<b>SOUTHEAST</b>						
Alabama	5.1	14.1	4.5	18.6	30.0	22.4
Arkansas	5.4	25.2	10.3	7.5	13.3	9.0
Florida	12.3	7.3	10.3	-16.5	10.4	-9.3
Georgia	2.4	-5.0	0.1	1.1	23.3	11.5
Kentucky	6.8	7.3	6.9	6.9	3.1	5.7
Louisiana	7.5	9.9	7.4	4.0	22.9	9.6
Mississippi	2.2	5.0	3.5	6.8	10.5	6.9
North Carolina	0.0	9.1	4.3	3.6	-6.7	0.3
South Carolina	6.9	8.0	7.8	4.8	8.5	6.3
Tennessee	4.5	14.8	9.0	7.9	8.6	7.9
Virginia	9.1	5.1	8.3	1.8	13.7	3.6
West Virginia	12.3	19.6	14.8	14.0	7.4	10.1
<b>SOUTHWEST</b>						
Arizona	15.0	5.8	12.9	-8.7	14.0	-3.4
New Mexico	10.0	24.8	16.4	-1.4	-7.2	2.7
Oklahoma	9.5	14.6	10.2	5.5	23.9	10.5
Texas*	6.0	6.1	6.0	5.9	0.2	4.3
<b>ROCKY MOUNTAIN</b>						
Colorado	11.2	6.6	8.9	9.1	5.7	7.2
Idaho	6.7	16.4	9.6	12.8	16.1	13.9
Montana	11.0	12.1	11.4	6.6	34.5	16.9
Utah	10.2	6.5	7.5	6.8	1.2	7.0
Wyoming	-5.8	13.2	-3.0	1.2	4.5	1.8
<b>FAR WEST</b>						
Alaska	—	—	—	—	—	—
California	11.8	10.6	12.7	6.8	12.7	8.6
Hawaii	4.2	6.9	4.7	-2.5	0.1	-1.2
Nevada	2.0	8.7	4.1	3.3	12.8	6.4
Oregon	1.4	9.3	2.9	8.3	8.3	8.3
Washington	7.3	7.7	7.3	-6.0	11.6	-0.8
<b>TOTAL*</b>	<b>7.7%</b>	<b>9.4%</b>	<b>8.3%</b>	<b>2.8%</b>	<b>10.8%</b>	<b>5.2%</b>
Puerto Rico	6.7	7.0	6.3	3.8	10.4	5.3

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, 2001 State Expenditure Report, Summer 2002



Table 3

## COMPARISON OF SHARES OF STATE SPENDING WITH FUND SOURCES, FISCAL 1992 TO 2002

Fund Type & Year	Elementary & Secondary Education	Higher Education	Public Assistance	Medicaid	Corrections	Transportation	All Other	Total
<b>FY 1992:</b>								
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
<b>Total Funds</b>	<b>21.2</b>	<b>11.0</b>	<b>4.9</b>	<b>17.8</b>	<b>3.2</b>	<b>9.1</b>	<b>32.9</b>	<b>100.0</b>
<b>FY 1993:</b>								
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
<b>Total Funds</b>	<b>21.5</b>	<b>10.8</b>	<b>4.5</b>	<b>18.8</b>	<b>3.1</b>	<b>8.7</b>	<b>32.5</b>	<b>100.0</b>
<b>FY 1994:</b>								
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
<b>Total Funds</b>	<b>20.4</b>	<b>10.8</b>	<b>4.2</b>	<b>19.7</b>	<b>3.4</b>	<b>9.0</b>	<b>32.4</b>	<b>100.0</b>
<b>FY 1995:</b>								
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
<b>Total Funds</b>	<b>21.0</b>	<b>10.4</b>	<b>4.0</b>	<b>19.8</b>	<b>3.6</b>	<b>9.1</b>	<b>32.1</b>	<b>100.0</b>
<b>FY 1996:</b>								
General Funds	34.4	12.9	3.9	14.7	6.9	1.3	26.1	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
<b>Total Funds</b>	<b>21.5</b>	<b>10.7</b>	<b>3.5</b>	<b>19.9</b>	<b>3.7</b>	<b>8.9</b>	<b>31.8</b>	<b>100.0</b>
<b>FY 1997:</b>								
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
<b>Total Funds</b>	<b>21.7</b>	<b>10.7</b>	<b>3.1</b>	<b>20.0</b>	<b>3.7</b>	<b>9.0</b>	<b>31.8</b>	<b>100.0</b>
<b>FY 1998:</b>								
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
<b>Total Funds</b>	<b>22.0</b>	<b>10.3</b>	<b>2.9</b>	<b>19.6</b>	<b>3.7</b>	<b>8.8</b>	<b>32.8</b>	<b>100.0</b>
<b>FY 1999:</b>								
General Funds	35.7	12.4	2.7	14.4	7.0	0.9	26.7	100.0
Other State Funds	9.0	13.0	0.6	6.5	1.0	23.4	46.5	100.0
Federal Funds	10.2	5.2	4.3	42.9	0.4	9.3	27.7	100.0
Bond Funds	21.0	17.2	0.0	0.0	6.5	25.6	29.8	100.0
<b>Total Funds</b>	<b>22.3</b>	<b>10.8</b>	<b>2.6</b>	<b>19.5</b>	<b>3.9</b>	<b>9.1</b>	<b>31.8</b>	<b>100.0</b>
<b>FY 2000:</b>								
General Funds	35.7	12.8	2.4	15.0	7.1	0.9	26.2	100.0
Other State Funds	8.6	14.2	0.8	4.2	0.9	22.9	48.4	100.0
Federal Funds	10.3	5.3	4.2	42.8	0.4	9.3	27.7	100.0
Bond Funds	20.2	18.1	0.0	0.0	5.7	26.2	29.8	100.0
<b>Total Funds</b>	<b>22.3</b>	<b>11.4</b>	<b>2.4</b>	<b>19.1</b>	<b>3.8</b>	<b>8.9</b>	<b>32.0</b>	<b>100.0</b>
<b>FY 2001:</b>								
General Funds	35.4	12.8	2.3	15.1	7.0	1.3	26.1	100.0
Other State Funds	9.3	14.1	0.5	4.6	0.8	21.1	49.8	100.0
Federal Funds	9.5	5.4	3.9	43.7	0.3	9.8	26.8	100.0
Bond Funds	16.2	19.0	0.0	0.0	4.0	27.5	26.6	100.0
<b>Total Funds</b>	<b>22.2</b>	<b>11.3</b>	<b>2.2</b>	<b>19.6</b>	<b>3.7</b>	<b>8.9</b>	<b>32.1</b>	<b>100.0</b>
<b>FY 2002:</b>								
General Funds	35.8	12.7	2.2	16.0	7.1	0.9	25.3	100.0
Other State Funds	9.3	14.5	0.5	5.5	0.9	21.8	47.4	100.0
Federal Funds	9.5	5.0	3.7	43.4	0.3	9.4	28.7	100.0
Bond Funds	16.2	18.7	0.0	0.0	4.0	27.7	33.4	100.0
<b>Total Funds</b>	<b>21.8</b>	<b>11.2</b>	<b>2.2</b>	<b>20.5</b>	<b>3.7</b>	<b>8.9</b>	<b>31.7</b>	<b>100.0</b>
<b>FY 1992-02 Combined Total:</b>								
General Funds	34.8	12.9	3.6	14.4	6.6	0.9	26.7	100.0
Other State Funds	8.6	13.8	0.6	6.1	0.8	22.9	47.2	100.0
Federal Funds	10.0	3.7	5.6	42.8	0.2	9.4	28.3	100.0
Bond Funds	13.5	19.1	0.0	0.0	7.5	27.0	32.3	100.0
<b>Total Funds</b>	<b>21.6</b>	<b>10.9</b>	<b>3.3</b>	<b>19.5</b>	<b>3.6</b>	<b>8.9</b>	<b>32.2</b>	<b>100.0</b>

Source: National Association of State Budget Officers, 2001 State Expenditure Report, Summer 2002

## 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 2000-2001 growth rates for all funds for the New England, Plains, Southeast and Southwest states were below the national average, the Rocky Mountain region was on par with the national average while the Mid-Atlantic and Far West exceeded it.

**Table 4**  
**REGIONAL PERCENTAGE CHANGE IN TOTAL EXPENDITURES,**  
**FISCAL 2001 AND 2002**

Region	Fiscal 2000 to 2001			Fiscal 2001 to 2002		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	8.1	6.5	7.0	3.0	9.6	4.8
Mid-Atlantic	7.6	10.5	8.5	4.8	13.8	7.2
Great Lakes	7.1	10.2	8.0	-1.0	9.7	2.0
Plains	6.0	11.2	7.3	7.9	7.5	8.0
Southeast	6.8	8.0	7.0	0.5	11.8	4.1
Southwest	8.6	9.3	8.9	2.2	4.2	3.4
Rocky Mountain	9.1	9.4	8.2	8.3	11.3	8.9
Far West	9.4	10.1	10.5	4.9	12.0	7.0
<b>ALL STATES</b>	<b>7.7%</b>	<b>9.4%</b>	<b>8.3%</b>	<b>2.8%</b>	<b>10.8%</b>	<b>5.2%</b>

Source: National Association of State Budget Officers, 2001 State Expenditure Report, Summer 2002

Figure 9 shows the percentage change in state spending from state funds for 2000-2001 and 2001-2002. The Plains and Southeast regions experienced below average growth in 2000-2001, while the Rocky Mountain and Far West experienced above average growth. Total state expenditure data can be found in Tables 1-5, along with related footnotes at the end of this chapter.

**Figure 9**  
**REGIONAL PERCENT CHANGE IN STATE FUNDS,**  
**FISCAL 2001 AND 2002**

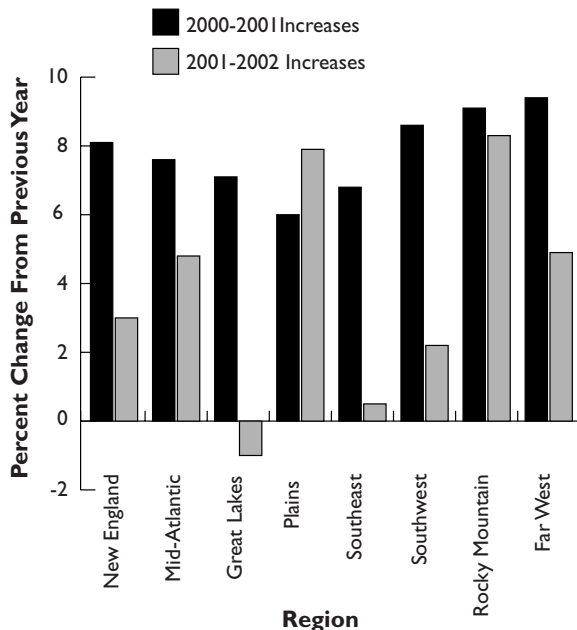


Table 5

## STATE SPENDING BY FUNCTION AS A PERCENT OF TOTAL STATE EXPENDITURES, FISCAL 2001

Fund Type & Year	Elementary & Secondary Education	Higher Education	Public Assistance	Medicaid	Corrections	Transportation	All Other	Total
<b>NEW ENGLAND</b>								
Connecticut	13.6%	9.3%	2.7%	26.2%	2.9%	6.4%	38.9%	100.0%
Maine	20.4	4.6	2.7	24.9	1.9	8.7	36.8	100.0
Massachusetts	16.7	4.5	2.0	16.5	3.1	9.5	47.6	100.0
New Hampshire	29.1	4.5	1.3	26.9	2.2	12.2	23.8	100.0
Rhode Island	15.8	10.2	5.2	25.4	3.3	6.9	33.2	100.0
Vermont	31.0	2.9	2.3	21.5	2.7	11.0	28.6	100.0
<b>MID-ATLANTIC</b>								
Delaware	23.4	5.2	1.3	10.5	3.7	8.3	47.6	100.0
Maryland	16.6	16.7	0.8	16.0	4.5	13.3	32.2	100.0
New Jersey	22.6	7.4	0.8	22.3	3.9	8.2	34.8	100.0
New York	20.5	7.2	3.3	25.3	3.3	5.5	34.9	100.0
Pennsylvania	18.8	5.4	2.4	28.3	3.9	10.9	30.3	100.0
<b>GREAT LAKES</b>								
Illinois	19.7	7.6	0.6	22.5	3.8	9.4	36.4	100.0
Indiana	26.1	8.6	0.7	18.7	3.5	13.8	28.6	100.0
Michigan	32.2	6.5	1.2	19.1	5.1	8.3	27.6	100.0
Ohio	18.8	6.7	0.8	19.8	4.4	7.8	41.8	100.0
Wisconsin	19.1	12.2	0.9	11.2	3.4	7.5	45.8	100.0
<b>PLAINS</b>								
Iowa	19.1	25.3	1.1	14.9	2.4	9.2	28.0	100.0
Kansas	29.0	17.7	0.7	14.7	3.8	9.5	24.6	100.0
Minnesota	24.1	10.1	2.2	18.2	2.0	10.8	32.7	100.0
Missouri	24.4	6.4	1.1	27.8	2.8	8.9	28.5	100.0
Nebraska	15.8	23.7	0.9	18.3	2.7	8.3	30.1	100.0
North Dakota	17.1	11.7	0.6	17.8	2.0	13.0	37.9	100.0
South Dakota	12.8	14.7	0.4	19.9	2.5	18.8	30.9	100.0
<b>SOUTHEAST</b>								
Alabama	24.0	24.0	0.6	19.4	2.2	7.2	22.6	100.0
Arkansas	18.2	15.4	2.7	16.6	1.9	7.7	37.5	100.0
Florida	18.5	9.0	0.4	17.0	3.2	12.7	39.2	100.0
Georgia	28.6	16.3	2.0	19.4	5.0	7.7	21.0	100.0
Kentucky	20.0	19.4	1.2	19.8	2.6	10.4	26.6	100.0
Louisiana	19.7	12.6	1.3	25.3	3.8	6.8	30.5	100.0
Mississippi	22.1	19.9	0.8	22.6	2.7	8.4	23.5	100.0
North Carolina	25.0	13.7	2.1	22.1	3.4	9.8	23.9	100.0
South Carolina	21.2	17.3	0.3	20.6	3.9	7.1	29.6	100.0
Tennessee	17.5	12.4	0.7	31.2	2.7	8.1	27.4	100.0
Virginia	18.0	14.1	0.5	12.5	4.5	11.1	39.2	100.0
West Virginia	23.6	17.0	2.6	21.3	1.4	15.3	18.9	100.0
<b>SOUTHWEST</b>								
Arizona	23.1	12.4	0.7	15.9	4.1	9.4	34.4	100.0
New Mexico	24.3	24.6	1.5	13.8	1.9	10.1	23.9	100.0
Oklahoma	23.8	17.1	1.2	16.7	3.6	8.8	28.8	100.0
Texas*	30.5	13.2	1.6	20.1	6.3	9.1	19.1	100.0
<b>ROCKY MOUNTAIN</b>								
Colorado	20.1	14.0	3.1	16.9	3.9	12.9	29.1	100.0
Idaho	27.5	9.4	1.4	17.8	4.1	12.2	27.6	100.0
Montana	19.3	10.0	1.1	15.4	3.3	14.0	36.9	100.0
Utah	26.9	12.7	1.3	12.4	3.9	11.8	31.0	100.0
Wyoming	36.3	15.1	1.2	16.4	4.5	26.6	0.0	100.0
<b>FAR WEST</b>								
Alaska	—	—	—	—	—	—	—	—
California	25.2	11.6	6.5	16.4	4.2	7.1	29.0	100.0
Hawaii	19.8	10.7	2.7	8.4	2.0	16.1	40.3	100.0
Nevada	17.7	11.0	0.8	15.4	3.7	9.7	41.7	100.0
Oregon	13.7	12.4	1.7	14.9	3.6	5.2	48.4	100.0
Washington	23.6	16.5	2.9	20.6	3.2	6.5	26.8	100.0
<b>ALL STATES</b>	<b>22.2%</b>	<b>11.3%</b>	<b>2.2%</b>	<b>19.6%</b>	<b>3.7%</b>	<b>8.9%</b>	<b>32.1%</b>	<b>100.0%</b>
Puerto Rico	11.4	5.4	0.3	4.2	2.3	5.6	70.8	100.0

Note: Percentages may not add to 100.

Source: National Association of State Budget Officers, 2001 State Expenditure Report, Summer 2002

## General Notes

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### 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.*
- *Due to the way that it treats bonds and reported them for this report, the total bond expenditure figures in each table exclude Texas.*

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

**Indiana:** Fiscal 2002 General Fund numbers reflect the Governor's Deficit Management Plan.

**Kentucky:** Expenditures from the Tobacco Master Settlement Agreement-Phase I are included within Kentucky's General Fund expenditures. There are statutory earmarks for the use of these funds, but they are included as a part of the General Fund.

**Montana:** Principal and interest payments on bonds are included in total expenditures.

**New York:** Fiscal 2002 total state expenditures include \$569 million in federal pass-through aid to New York City for World Trade Center costs. If these funds were excluded, the percentage change in total expenditures between fiscal 2001 and fiscal 2002 would be 5.9 percent. While New York budgets most employer contributions to employees' benefits centrally, contributions have been estimated for each expenditure category and distributed accordingly. The portions of employer contributions to employees' benefits not distributed by expenditure category have been included in the All Other Expenditures category.

**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 \$3,830.2 million fiscal 2000 and \$4,550.7 million in fiscal 2001. This has an impact on percentage of total general fund expenditure calculations as well as on comparisons of Ohio's federal funding levels. Beginning in fiscal 2002, the appropriation for the federal TANF block grant is moved from the General Fund to a federal revenue fund.

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 \$5,015.9 million in fiscal 2000 and \$5,441.7 million in fiscal 2001.

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 \$851.3 million in fiscal 2000 and \$840.0 million in fiscal 2001. 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 2002 are estimates.

**Oregon:** Oregon does not track “Bond Funds” expenditures. There are expenditures that are funded by bonds and certificates of participation, but they are included in Other State Funds totals. Oregon is a biennial budget state. Expenditures have been estimated at 48 percent for the first year of the biennium and 52 percent for the second year of a biennium.

**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.

**Texas:** Due to the way bonds are issued and tracked, it is virtually impossible to accurately report the expenditure of bond funds in each fiscal year. As a result, the amount of new money bond issuances for each fiscal year is reported instead. To the extent that agencies may have used bond funds as a method of finance, these amounts will be included in the “Other” funds category. As a result

of the state's reporting methodology for bonds, total expenditures for Texas can be derived by adding General Revenue, Federal Funds, and Other Funds. Amounts reported under Bonds are not included in this total.

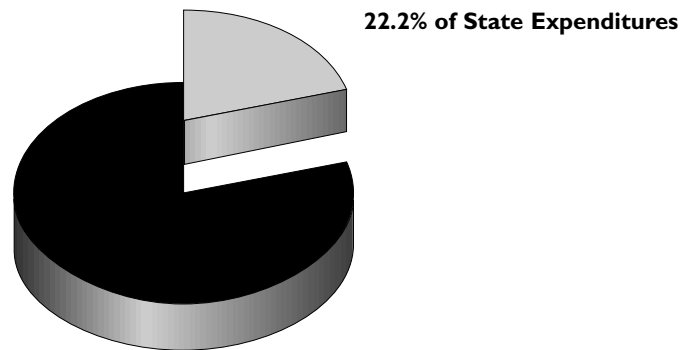
**Wisconsin:** Wisconsin generally assigns debt service appropriations to the agency benefiting from the capital expenditure. These amounts are not reported separately as bond

fund expenditures but rather are included in ordinary operating expenditures.

**Wyoming:** The State of Wyoming budgets on a biennial basis. To complete the survey using annual figures, certain assumptions and estimates were required. Caution is advised when drawing conclusions or making projections using this information.

# CHAPTER ONE ELEMENTARY & SECONDARY EDUCATION

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Elementary and secondary education is the largest functional category of state spending—22.2 percent of the total—amounting to \$226.8 billion in fiscal 2001. Total elementary and secondary education spending increased 7.6 percent between fiscal 2000 and fiscal 2001 and accounted for 35.4 percent of state general fund spending. Between fiscal 2000 and fiscal 2001, nine states had double-digit percentage increases in their total elementary and secondary education spending, and despite the slow economy and budget cuts that affected nearly every other category of state spending, elementary and secondary education largely were exempt from the budgetary pain: final figures for fiscal 2002 are expected to reflect double-digit increases in 11 states.

Besides maintaining basic educational services, states dedicate substantial funds to teacher training, reduction of classroom size, technology training, and toward ensuring accountability. Physical infrastructure also is a major issue for states: they must provide adequate funds for construction, renovation and repairs.

The No Child Left Behind Act of 2002 became law in January, reflecting new federal interaction with states' elementary and secondary education efforts. Among its requirements are that states provide public school choice and supplemental services for students in failing schools; integrate scientifically-based reading research into comprehensive reading instruction for young children; set and monitor annual progress based on baseline 2001-2002 data; issue annual report cards on school performance and statewide test results by 2002-2003; implement annual standards-based assessments in reading and math for grades 3-8 by 2005-2006; and assure that all classes are taught by qualified teachers by 2005-2006.

## Sources of Funding

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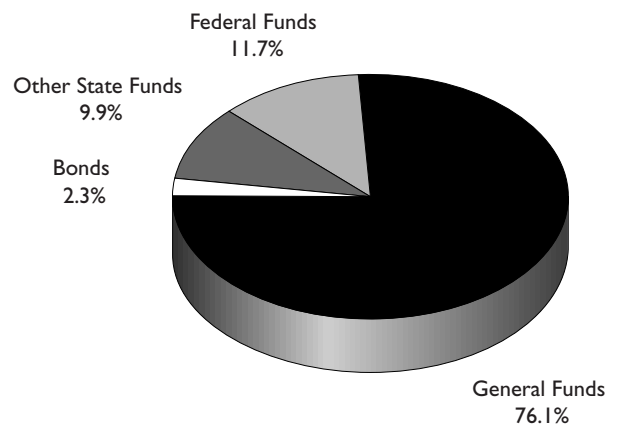
General funds and other state funds comprise 86 percent of all state education expenditures. A number of states have moved toward increasing their share of funding for elementary and secondary education by substituting state funds for local funds, often in order to reduce the reliance on local property 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.

## Fund Shares

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Relative fund shares for 2001 are shown in the figure below.

**Figure 10**  
**STATE EXPENDITURES FOR ELEMENTARY AND SECONDARY EDUCATION BY FUND SOURCE, FISCAL 2001**



## Regional Expenditures

The following table shows percentage changes in expenditures for elementary and secondary education for fiscal 2000-2001 and 2001-2002. For 2001, states in the New England and the Far West were well above the national average, while the Plains and the Southeast were well below the national average.

**Table 6**  
**REGIONAL PERCENTAGE CHANGE IN STATE ELEMENTARY AND SECONDARY EDUCATION EXPENDITURES, FISCAL 2001 AND 2002**

Region	Fiscal 2000 to 2001			Fiscal 2001 to 2002		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	13.8%	6.6%	9.8%	4.6%	18.2%	6.3%
Mid-Atlantic	7.1	8.2	7.2	7.1	13.4	7.8
Great Lakes	8.0	6.3	8.1	5.7	9.7	6.5
Plains	5.1	8.3	5.4	3.5	16.3	5.1
Southeast	5.7	4.5	5.7	1.3	11.4	3.2
Southwest	11.4	11.7	12.5	-3.7	-58.9	-9.9
Rocky Mountain	6.5	6.6	6.5	8.3	5.0	7.9
Far West	7.0	6.5	8.9	5.8	20.2	3.2
<b>ALL STATES</b>	<b>7.5%</b>	<b>7.0%</b>	<b>7.9%</b>	<b>3.8%</b>	<b>4.4%</b>	<b>3.4%</b>

## 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, 41 states wholly or partially included employer contributions for teacher pensions and 35 states wholly or partially included contributions for health benefits. Among the states reporting, items that are excluded or partially excluded are: day care programs (39), school health care (36), Head Start (30), and libraries (21). Summary expenditure data can be found in 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 2000					Actual Fiscal 2001					Estimated Fiscal 2002				
	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
<b>NEW ENGLAND</b>															
Connecticut	\$1,825	\$259	\$5	\$404	\$2,493	\$2,170	\$272	\$3	\$134	\$2,579	\$2,725	\$272	\$3	\$136	\$3,136
Maine	847	112	1	1	961	953	118	1	1	1,073	940	161	2	10	1,113
Massachusetts	4,124	523	11	5	4,663	4,456	554	11	0	5,021	4,209	700	11	0	4,920
New Hampshire	51	96	825	4	976	58	107	826	6	997	69	117	888	9	1,083
Rhode Island	616	94	1	1	712	669	101	1	1	772	706	114	2	10	832
Vermont*	280	75	98	5	458	273	83	462	9	827	287	96	497	12	892
<b>MID-ATLANTIC</b>															
Delaware	698	80	301	38	1,117	807	87	323	52	1,269	920	90	345	50	1,405
Maryland	2,709	492	2	0	3,203	2,783	539	77	0	3,399	2,926	569	89	0	3,584
New Jersey	6,202	448	15	0	6,665	6,773	499	15	0	7,287	7,440	686	17	0	8,143
New York	11,849	2,001	1,408	0	15,258	12,767	2,128	1,427	0	16,322	13,517	2,173	1,655	0	17,345
Pennsylvania*	6,194	1,053	2	0	7,249	6,480	1,155	2	0	7,637	6,763	1,480	4	0	8,247
<b>GREAT LAKES</b>															
Illinois	5,583	1,346	102	297	7,328	5,482	1,374	193	361	7,410	6,159	1,382	113	565	8,219
Indiana	3,869	407	57	0	4,333	4,138	433	74	0	4,645	3,893	415	65	0	4,373
Michigan*	469	899	9,576	0	10,944	428	957	10,836	0	12,221	242	1,192	11,098	0	12,532
Ohio*	5,050	899	936	164	7,049	5,495	998	1,174	265	7,932	6,904	1,179	992	224	9,299
Wisconsin	4,648	384	62	0	5,094	4,891	419	57	0	5,367	5,107	420	72	0	5,599
<b>PLAINS</b>															
Iowa	1,929	288	75	0	2,292	1,997	298	51	0	2,346	1,995	343	56	0	2,394
Kansas	2,221	245	20	0	2,486	2,268	261	39	0	2,568	2,331	271	33	0	2,635
Minnesota	4,018	494	30	19	4,561	4,378	597	35	15	5,025	4,464	618	48	20	5,150
Missouri	2,251	533	1,076	0	3,860	2,373	537	1,149	0	4,059	2,447	784	1,208	0	4,439
Nebraska	760	165	43	0	968	735	179	46	0	960	850	193	84	0	1,127
North Dakota	283	77	31	0	391	281	80	32	0	393	292	61	40	0	393
South Dakota	287	0	1	0	288	300	0	1	0	301	314	0	3	0	317
<b>SOUTHEAST</b>															
Alabama	2,817	504	358	0	3,679	2,769	524	393	0	3,686	2,854	786	471	0	4,111
Arkansas	1,494	251	220	0	1,965	1,549	258	221	0	2,028	1,571	298	249	0	2,118
Florida	7,054	1,210	368	756	9,388	7,480	1,241	482	481	9,684	7,115	1,307	578	699	9,699
Georgia	5,112	905	268	93	6,378	5,638	974	401	104	7,117	5,916	944	277	634	7,771
Kentucky	2,859	425	10	0	3,294	2,940	412	11	0	3,363	2,982	477	13	0	3,472
Louisiana	2,300	587	166	0	3,053	2,379	585	179	0	3,143	2,437	741	347	0	3,525
Mississippi	1,350	375	306	5	2,036	1,398	390	358	0	2,146	1,455	444	351	0	2,250
North Carolina	5,451	587	57	0	6,095	5,672	618	60	395	6,745	5,816	607	32	55	6,510
South Carolina	1,742	367	510	250	2,869	1,875	357	584	250	3,066	1,940	409	582	150	3,081
Tennessee	2,467	464	13	0	2,944	2,537	498	20	0	3,055	2,634	533	19	0	3,186
Virginia	3,763	283	5	0	4,051	4,015	342	6	0	4,363	3,800	337	3	0	4,140
West Virginia	1,381	213	40	52	1,686	1,415	247	33	58	1,753	1,457	297	60	72	1,886
<b>SOUTHWEST</b>															
Arizona	2,401	447	78	0	2,926	3,463	459	94	0	4,016	2,628	436	98	0	3,162
New Mexico	1,548	302	441	269	2,560	1,637	286	182	521	2,626	1,787	272	107	812	2,978
Oklahoma	1,771	316	488	0	2,575	1,942	342	562	0	2,846	1,992	435	606	0	3,033
Texas**	12,018	1,992	551	N/A	14,561	12,927	2,327	697	N/A	15,951	12,740	261	750	N/A	13,751
<b>ROCKY MOUNTAIN</b>															
Colorado	2,035	242	56	0	2,333	2,143	267	140	0	2,550	2,286	271	261	0	2,818
Idaho	841	109	89	0	1,039	896	121	78	0	1,095	934	130	77	0	1,141
Montana*	486	85	2	0	573	513	83	2	0	598	571	106	3	0	680
Utah	1,506	226	17	0	1,749	1,626	236	15	0	1,877	1,712	237	54	0	2,003
Wyoming	54	65	461	0	580	52	68	441	0	561	54	70	443	0	567
<b>FAR WEST</b>															
Alaska	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
California	26,607	3,401	51	1,655	31,714	28,498	3,610	59	2,547	34,714	30,017	4,317	64	917	35,315
Hawaii	903	120	31	0	1,054	1,282	129	28	0	1,439	1,321	128	40	0	1,489
Nevada	544	115	119	0	778	590	129	129	0	848	622	192	146	0	960
Oregon	2,219	0	231	0	2,450	2,055	0	287	0	2,342	2,227	0	311	0	2,538
Washington	4,604	372	169	0	5,145	4,843	400	199	0	5,442	4,879	493	540	0	5,912
<b>TOTAL</b>	<b>\$162,090</b>	<b>\$24,933</b>	<b>\$19,783</b>	<b>\$4,018</b>	<b>\$210,824</b>	<b>\$173,089</b>	<b>\$26,679</b>	<b>\$22,496</b>	<b>\$5,200</b>	<b>\$227,464</b>	<b>\$179,247</b>	<b>\$27,844</b>	<b>\$23,807</b>	<b>\$4,375</b>	<b>\$235,273</b>
Puerto Rico	1,475	674	82	4	2,235	1,574	570	92	5	2,241	1,534	792	103	4	2,433

Source: National Association of State Budget Officers, 2001 State Expenditure Report, Summer 2002

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

Region/State	Fiscal 2000	Fiscal 2001	Fiscal 2002
<b>NEW ENGLAND</b>			
Connecticut	13.7%	13.6%	16.9%
Maine	19.8	20.4	17.2
Massachusetts	16.7	16.7	15.7
New Hampshire	28.7	29.1	29.3
Rhode Island	16.1	15.8	15.5
Vermont	20.5	31.0	30.9
<b>MID-ATLANTIC</b>			
Delaware	22.3	23.4	25.2
Maryland	17.5	16.6	16.3
New Jersey	22.5	22.6	24.1
New York	20.8	20.5	20.4
Pennsylvania	18.9	18.8	18.2
<b>GREAT LAKES</b>			
Illinois	20.9	19.7	20.7
Indiana	26.2	26.1	25.9
Michigan	31.3	32.2	32.7
Ohio	18.2	18.8	19.0
Wisconsin	19.5	19.1	24.1
<b>PLAINS</b>			
Iowa	19.8	19.1	18.9
Kansas	29.5	29.0	27.8
Minnesota	24.8	24.1	23.5
Missouri	24.0	24.4	23.1
Nebraska	16.7	15.8	17.2
North Dakota	17.3	17.1	15.6
South Dakota	13.7	12.8	12.6
<b>SOUTHEAST</b>			
Alabama	25.0	24.0	21.8
Arkansas	19.5	18.2	17.5
Florida	19.8	18.5	20.4
Georgia	25.7	28.6	28.0
Kentucky	20.9	20.0	19.5
Louisiana	20.5	19.7	20.1
Mississippi	21.7	22.1	21.6
North Carolina	23.6	25.0	24.1
South Carolina	21.4	21.2	20.1
Tennessee	18.4	17.5	16.9
Virginia	18.1	18.0	16.5
West Virginia	26.0	23.6	23.0
<b>SOUTHWEST</b>			
Arizona	19.0	23.1	18.9
New Mexico	27.6	24.3	26.9
Oklahoma	23.7	23.8	22.9
Texas*	29.5	30.5	25.2
<b>ROCKY MOUNTAIN</b>			
Colorado	20.0	20.1	20.7
Idaho	28.6	27.5	25.2
Montana	20.6	19.3	18.7
Utah	26.9	26.9	26.8
Wyoming	36.4	36.3	36.0
<b>FAR WEST</b>			
Alaska	—	—	—
California	26.0	25.2	23.6
Hawaii	15.2	19.8	20.7
Nevada	16.9	17.7	18.9
Oregon	14.8	13.7	13.8
Washington	23.9	23.6	25.9
<b>ALL STATES</b>	<b>22.3%</b>	<b>22.2%</b>	<b>21.8%</b>
Puerto Rico	12.1	11.4	11.8

Source: National Association of State Budget Officers, 2001 State Expenditure Report, Summer 2002

**Table 9**

**ANNUAL PERCENTAGE CHANGE IN ELEMENTARY AND SECONDARY EDUCATION EXPENDITURES**

Region/State	Fiscal 2000 to 2001			Fiscal 2001 to 2002		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
<b>NEW ENGLAND</b>						
Connecticut	18.7%	5.0%	3.4%	25.5%	0.0%	21.6%
Maine	12.5	5.4	11.7	-1.3	36.4	3.7
Massachusetts	8.0	5.9	7.7	-5.5	26.4	-2.0
New Hampshire	0.9	11.5	2.2	8.3	9.3	8.6
Rhode Island	8.6	7.4	8.4	5.7	12.9	7.8
Vermont	94.4	10.7	80.6	6.7	15.7	7.9
<b>MID-ATLANTIC</b>						
Delaware	13.1	8.8	13.6	11.9	3.4	10.7
Maryland	5.5	9.6	6.1	5.4	5.6	5.4
New Jersey	9.2	11.4	9.3	9.9	37.5	11.7
New York	7.1	6.3	7.0	6.9	2.1	6.3
Pennsylvania	4.6	9.7	5.4	4.4	28.1	8.0
<b>GREAT LAKES</b>						
Illinois	-0.2	2.1	1.1	10.5	0.6	10.9
Indiana	7.3	6.4	7.2	-6.0	-4.2	-5.9
Michigan	12.1	6.5	11.7	0.7	24.6	2.5
Ohio	11.4	11.0	12.5	18.4	18.1	17.2
Wisconsin	5.1	9.1	5.4	4.7	0.2	4.3
<b>PLAINS</b>						
Iowa	2.2	3.5	2.4	0.1	15.1	2.0
Kansas	2.9	6.5	3.3	2.5	3.8	2.6
Minnesota	9.0	20.9	10.2	2.2	3.5	2.5
Missouri	5.9	0.8	5.2	3.8	46.0	9.4
Nebraska	-2.7	8.5	-0.8	19.6	7.8	17.4
North Dakota	-0.3	3.9	0.5	6.1	-23.8	0.0
South Dakota	4.5	—	4.5	5.3	—	5.3
<b>SOUTHEAST</b>						
Alabama	-0.4	4.0	0.2	5.2	50.0	11.5
Arkansas	3.3	2.8	3.2	2.8	15.5	4.4
Florida	7.3	2.6	3.2	-3.4	5.3	0.2
Georgia	12.2	7.6	11.6	2.6	-3.1	9.2
Kentucky	2.9	-3.1	2.1	1.5	15.8	3.2
Louisiana	3.7	-0.3	2.9	8.8	26.7	12.2
Mississippi	6.0	4.0	5.4	2.8	13.8	4.8
North Carolina	4.1	5.3	10.7	2.0	-1.8	-3.5
South Carolina	9.2	-2.7	6.9	2.6	14.6	0.5
Tennessee	3.1	7.3	3.8	3.8	7.0	4.3
Virginia	6.7	20.8	7.7	-5.4	-1.5	-5.1
West Virginia	1.9	16.0	4.0	4.8	20.2	7.6
<b>SOUTHWEST</b>						
Arizona	43.5	2.7	37.3	-23.4	-5.0	-21.3
New Mexico	-8.5	-5.3	2.6	4.1	-4.9	13.4
Oklahoma	10.8	8.2	10.5	3.8	27.2	6.6
Texas*	8.4	16.8	9.5	-1.0	-88.8	-13.8
<b>ROCKY MOUNTAIN</b>						
Colorado	9.2	10.3	9.3	11.6	1.5	10.5
Idaho	4.7	11.0	5.4	3.8	7.4	4.2
Montana	5.5	-2.4	4.4	11.5	27.7	13.7
Utah	7.7	4.4	7.3	7.6	0.4	6.7
Wyoming	-4.3	4.6	-3.3	0.8	2.9	1.1
<b>FAR WEST</b>						
Alaska	—	—	—	—	—	—
California	7.1	6.1	9.5	5.3	19.6	1.7
Hawaii	40.3	7.5	36.5	3.9	-0.8	3.5
Nevada	8.4	12.2	9.0	6.8	48.8	13.2
Oregon	-4.4	—	-4.4	8.4	—	8.4
Washington	5.6	7.5	5.8	7.5	23.3	8.6
<b>ALL STATES</b>						
	<b>7.5%</b>	<b>7.0%</b>	<b>7.9%</b>	<b>3.8%</b>	<b>4.4%</b>	<b>3.4%</b>
Puerto Rico	7.0	-15.4	0.3	-1.7	38.9	8.6

Note: State funds are defined as general funds and other state funds (bonds are excluded).  
 Source: National Association of State Budget Officers, 2001 State Expenditure Report, Summer 2002

**Table 10**

**ITEMS EXCLUDED FROM ELEMENTARY & SECONDARY EDUCATION EXPENDITURES**

Region/State	Employer Contributions to Pensions	Employer Contributions to Health Benefits	Head Start	Libraries	Day Care Programs	School Health Care/ Immunization
<b>NEW ENGLAND</b>						
Connecticut	X	X		X	X	P
Maine						
Massachusetts	X	X	P	P	P	P
New Hampshire			X	X	X	
Rhode Island			X	X	X	
Vermont			X	X	X	X
<b>MID-ATLANTIC</b>						
Delaware						
Maryland						
New Jersey		P			X	P
New York						
Pennsylvania			X	X	X	X
<b>GREAT LAKES</b>						
Illinois		P		P	X	X
Indiana	P	P	X			X
Michigan			X	X	X	X
Ohio				X	X	X
Wisconsin					X	X
<b>PLAINS</b>						
Iowa			X			
Kansas		P	X	X	X	X
Minnesota		X				P
Missouri	X	X	X	X	X	X
Nebraska			X	X	X	X
North Dakota			X	X	X	X
South Dakota						X
<b>SOUTHEAST</b>						
Alabama			X	X	X	X
Arkansas	P	P	X		X	X
Florida	P	P	X		X	X
Georgia		X			X	X
Kentucky		X		X	X	
Louisiana			X	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
<b>SOUTHWEST</b>						
Arizona			X		X	X
New Mexico			P		P	P
Oklahoma			X		X	X
Texas*			P		P	
<b>ROCKY MOUNTAIN</b>						
Colorado	P	P		P	P	
Idaho			X		X	X
Montana			X	P	X	
Utah			X		X	X
Wyoming					X	P
<b>FAR WEST</b>						
Alaska						
California			X		X	X
Hawaii			X		X	X
Nevada			X		X	X
Oregon					X	X
Washington	P	P	P	X	X	X
<b>ALL STATES</b>	<b>8</b>	<b>14</b>	<b>30</b>	<b>21</b>	<b>39</b>	<b>36</b>
Puerto Rico			X		X	

Excluded=X

Partially Excluded=P

Not Applicable=N/A

Source: National Association of State Budget Officers, 2001 State Expenditure Report, Summer 2002

## **Elementary and Secondary Education Notes**

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*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.*

**Michigan:** Figures reflect K-12 education, the Michigan Department of Education, adult education and pre-school.

**Montana:** In fiscal 2002 state reimbursements increase to \$70 million as the school share of vehicle fees and taxes, corporate income taxes, video gaming taxes, and alcoholic beverage taxes are replaced with direct payments from the state.

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

**Pennsylvania:** Figures reflect funding in support of K-12 education and the operation of the Pennsylvania Department of Education.

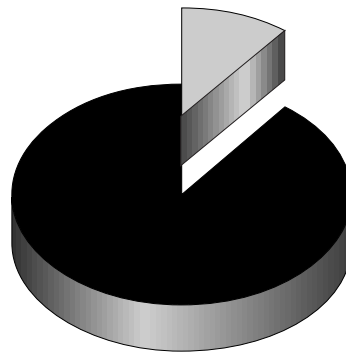
**Texas:** Amounts reported for public education only include health care expenditures for retired teachers. Texas recently approved a new statewide health insurance program for active teachers, but this program will not be implemented until fiscal 2002.

**Vermont:** The significant expenditure increase for Elementary and Secondary Education in "Other State Funds" for fiscal 2001 and fiscal 2002 is due to Vermont's statewide property tax law, whereby taxes formerly collected and expended at the local level for elementary and secondary education, are now considered (as a result of the new law) a state tax and in effect, collected by the state and redistributed to the locals based on a formula. There is some netting that goes on between the state and local governments, but the result is an increase in fiscal 2001 of \$355 million and in 2002 of \$368 million.

# CHAPTER TWO

# HIGHER EDUCATION

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11.3% of State Expenditures

Higher education expenditures reflect state support of state university systems, community colleges, and vocational education institutions. In 2001 states spent \$116 billion on higher education, accounting for 11.3 percent of total state spending. Of state higher education spending, general funds account for 53.7 percent of the total, other state funds 30.2 percent, federal funds 12.3 percent, and bonds 3.7 percent (see Table 12 and Figure 11). Forty states include tuition and fees and 33 states include student loan programs in the state expenditures reported here (see Table 15).

Between 2000 and 2001, total state spending on higher education grew 8.1 percent—just less than the growth in total state spending for the same period—with state funds growing by 7.1 percent and federal funds by 11.5 percent. States estimate that higher education expenditure growth between 2001 and 2002 is 4.2 percent, with state funds increasing by 3.7 percent and federal funds by 3.1 percent.

## **Capital Spending**

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In 2001 many states committed substantially more capital spending to construction and renovation on public college and university campuses. The additional funds for higher education capital projects—33 percent more than fiscal 2000 levels—were in large part due to the strong state economies and budget surpluses that states enjoyed then. Also contributing to the increase was states' ability to obtain low interest rates on construction related debt.

## **Financing Issues**

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Higher education spending is tied closely to the economy. As one of the only functional categories within state budgets that still is discretionary, higher education is vulnerable to funding cuts during an economic downturn. Because in many states higher education institutions have the discretion to decide on what reductions or adjustments to make, and because they have the ability to raise tuition when state funding goes down, higher education is often the first category of state spending to be cut when the fiscal picture dims. Indeed, according to The College Board between 2000 and 2001—a time of increasing fiscal strain for the states—average tuition and fees at four year public institutions of higher education increased by 7.7 percent. In constant dollar terms, The College Board says that since 1971, average tuition and fees have increased by 131.4 percent. With states making widespread cuts to their fiscal 2002 budgets, including funds for higher education, publicly supported colleges and universities in many states raised tuition and fees again, and

the average tuition increase between 2001 and 2002 may be extraordinary.

## **Performance and Accountability**

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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 public funds they receive, many states now have programs that in part fund public campuses based on various performance criteria. In some states, public institutions are required to report on outcome and other measures; 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.

## **Community Colleges**

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Public two-year colleges serve an increasing variety of students at a relatively low cost. Community colleges broaden access to higher education, provide training for displaced workers, teach job skills for individuals receiving public assistance, and are important players in community economic development efforts. Additionally, community colleges are the frontline providers of job and language training to new immigrants, and the leading trainers of current workers seeking enhanced skills to better compete in the knowledge-based economy. The national average public community college tuition is roughly half that of public four-year institutions and their scheduling and requirements often more flexible, making community colleges more affordable and appealing to a wider population than four-year institutions are. Nearly 75 percent of all undergraduates classified as "nontraditional" based on their age, financial status, or when they enrolled in college, according to the U.S. Department of Education. Thus, it may not be surprising that, according to the Chronicle of Higher Education, enrollment at public two-year colleges is roughly 80 percent of enrollment at public four-year colleges.

## **Distance Learning**

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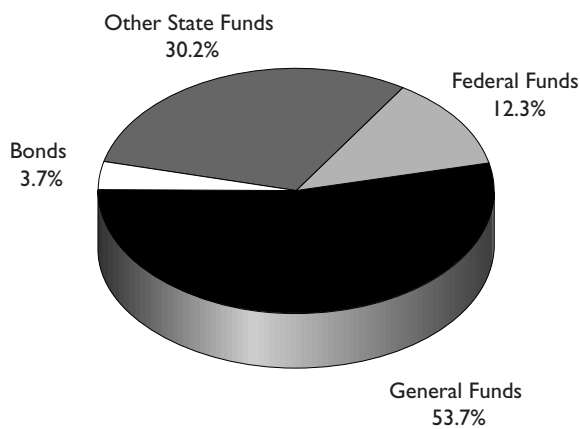
Distance learning has become a common feature offered by postsecondary institutions, and research indicates that it will become even more common in the future. Through the use of Internet-

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.

According to the National Center for Education Statistics, 79 percent of all public four-year and 72 percent of all public two-year higher education institutions offered distance learning services during the 1997-1998 school year (the year for which the most recent data are available).

The trend to increase distance learning opportunities, particularly at public institutions, raises several fiscal questions for states, colleges and universities, and students. Some view distance learning as a cost savings approach to providing postsecondary education, but the costs in developing, implementing, and delivering the courses can also be substantial. Many institutions do not receive appropriations for these projects, but reallocate funds within their existing budgets instead.

**Figure 11**  
**STATE EXPENDITURES FOR HIGHER EDUCATION BY FUND SOURCE, FISCAL 2001**



**Table 11**  
**REGIONAL PERCENTAGE CHANGE IN STATE HIGHER EDUCATION EXPENDITURES, FISCAL 2001 AND 2002**

Region	Fiscal 2000 to 2001			Fiscal 2001 to 2002		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	6.3%	8.5%	4.6%	1.0%	1.0%	1.4%
Mid-Atlantic	10.5	32.6	12.6	7.4	8.6	6.4
Great Lakes	4.3	41.3	5.4	0.5	-6.2	2.6
Plains	6.2	5.1	6.3	2.6	8.8	2.9
Southeast	5.1	7.4	7.2	2.0	4.1	2.8
Southwest	6.4	26.5	7.9	2.3	-11.7	1.9
Rocky Mountain	-1.6	1.4	-2.7	8.2	26.8	8.5
Far West	14.1	8.5	11.7	7.8	4.8	7.4
<b>ALL STATES</b>	<b>7.1%</b>	<b>11.5%</b>	<b>8.1%</b>	<b>3.7%</b>	<b>3.1%</b>	<b>4.2%</b>



Table 12

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

Region/State	Actual Fiscal 2000					Actual Fiscal 2001					Estimated Fiscal 2002				
	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
<b>NEW ENGLAND</b>															
Connecticut	\$567	\$80	\$938	\$98	\$1,683	\$580	\$80	\$1,009	\$87	\$1,756	\$569	\$83	\$1,093	\$89	\$1,834
Maine	204	0	1	0	205	239	0	1	0	240	221	0	1	0	222
Massachusetts	1,003	236	75	47	1,361	1,105	209	8	42	1,364	1,033	207	27	50	1,317
New Hampshire	98	8	34	8	148	102	6	35	12	155	105	8	43	10	166
Rhode Island	160	5	263	15	443	173	6	299	19	497	185	6	308	29	528
Vermont	65	0	0	4	69	70	0	0	6	76	71	0	0	9	80
<b>MID-ATLANTIC</b>															
Delaware	212	19	39	4	274	219	18	42	3	282	220	16	45	4	285
Maryland	1,068	403	1,305	113	2,889	1,371	433	1,465	155	3,424	1,575	480	1,544	118	3,717
New Jersey	1,663	15	568	2	2,248	1,761	16	624	0	2,401	1,973	20	623	0	2,616
New York	2,531	117	2,172	241	5,061	2,869	246	2,269	341	5,725	3,087	258	2,351	263	5,959
Pennsylvania*	1,739	44	137	61	1,981	1,860	80	157	96	2,193	1,903	87	253	105	2,348
<b>GREAT LAKES</b>															
Illinois	2,345	5	139	115	2,604	2,473	191	33	160	2,857	2,609	130	48	193	2,980
Indiana*	1,396	3	7	191	1,597	1,451	3	18	61	1,533	1,320	7	13	96	1,436
Michigan*	2,029	17	145	195	2,386	2,100	17	143	188	2,448	2,132	20	160	150	2,462
Ohio*	2,432	5	1	268	2,706	2,518	6	2	294	2,820	2,444	9	3	607	3,063
Wisconsin	1,145	600	1,367	0	3,112	1,264	673	1,477	0	3,414	1,263	669	1,540	0	3,472
<b>PLAINS</b>															
Iowa	861	269	1,752	0	2,882	930	290	1,886	0	3,106	873	304	1,947	0	3,124
Kansas	638	241	567	26	1,472	673	241	630	26	1,570	707	250	653	27	1,637
Minnesota	1,793	39	24	117	1,973	1,888	42	29	137	2,096	1,995	40	36	125	2,196
Missouri	927	2	161	0	1,090	926	2	137	0	1,065	881	5	174	0	1,060
Nebraska	479	166	667	0	1,312	540	176	721	0	1,437	540	209	752	0	1,501
North Dakota	159	1	80	3	243	176	0	81	11	268	183	0	90	5	278
South Dakota	125	47	152	4	328	126	53	162	5	346	131	67	176	5	379
<b>SOUTHEAST</b>															
Alabama	1,100	599	1,928	0	3,627	1,088	644	1,965	0	3,697	1,115	595	2,064	0	3,774
Arkansas	526	1	1,049	31	1,607	542	2	1,148	24	1,716	552	4	1,256	10	1,822
Florida	2,956	168	852	302	4,278	3,156	163	992	402	4,713	2,473	168	1,115	609	4,365
Georgia	1,933	1,277	333	202	3,745	2,104	1,354	279	308	4,045	2,072	1,345	274	295	3,986
Kentucky	974	333	1,622	0	2,929	1,175	375	1,725	0	3,275	1,152	432	1,895	0	3,479
Louisiana	916	128	975	71	2,090	980	126	852	48	2,006	1,016	159	1,167	29	2,371
Mississippi	696	87	907	99	1,789	696	103	934	202	1,935	617	128	1,124	131	2,000
North Carolina	2,365	37	949	0	3,351	2,392	38	1,022	250	3,702	2,222	40	1,079	300	3,641
South Carolina	804	350	1,169	57	2,380	845	345	1,185	129	2,504	895	369	1,197	234	2,695
Tennessee	993	76	877	27	1,973	1,061	117	919	67	2,164	1,092	138	984	9	2,223
Virginia	1,540	343	1,165	149	3,197	1,653	381	1,247	135	3,416	1,711	423	1,393	152	3,679
West Virginia	359	254	512	32	1,157	372	274	584	38	1,268	377	282	663	39	1,361
<b>SOUTHWEST</b>															
Arizona	892	341	845	0	2,078	917	349	890	0	2,156	900	357	921	0	2,178
New Mexico*	549	279	984	4	1,816	574	487	1,589	0	2,650	582	352	1,067	108	2,109
Oklahoma	846	136	926	18	1,926	842	145	1,018	45	2,050	892	144	1,087	44	2,167
Texas*	4,551	111	2,295	N/A	6,957	4,507	116	2,312	N/A	6,935	5,067	116	2,419	N/A	7,602
<b>ROCKY MOUNTAIN</b>															
Colorado	875	16	1,060	0	1,951	908	17	853	0	1,778	964	23	973	0	1,960
Idaho	259	2	81	1	343	272	2	100	1	375	301	3	171	1	476
Montana*	125	37	130	0	292	133	42	136	0	311	139	53	136	0	328
Utah*	579	10	201	43	833	691	6	192	0	889	662	5	222	0	889
Wyoming	189	5	73	0	267	171	4	58	0	233	173	6	60	0	239
<b>FAR WEST</b>															
Alaska	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
California	8,021	5,016	687	618	14,342	9,149	5,467	727	593	15,936	9,934	5,718	773	815	17,240
Hawaii	281	10	196	75	562	478	11	210	82	781	428	10	225	69	732
Nevada	309	16	150	43	518	320	18	145	43	526	354	20	146	60	580
Oregon	620	60	1,125	0	1,805	588	57	1,462	0	2,107	637	62	1,584	0	2,283
Washington	1,222	799	1,167	321	3,509	1,322	852	1,322	308	3,804	1,366	905	1,498	267	4,036
<b>TOTAL</b>	<b>\$58,119</b>	<b>\$12,813</b>	<b>\$32,852</b>	<b>\$3,605</b>	<b>\$107,389</b>	<b>\$62,350</b>	<b>\$14,283</b>	<b>\$35,094</b>	<b>\$4,318</b>	<b>\$116,045</b>	<b>\$63,713</b>	<b>\$14,732</b>	<b>\$37,373</b>	<b>\$5,057</b>	<b>\$120,875</b>
Puerto Rico	567	154	237	4	962	635	154	267	0	1,056	686	154	290	5	1,135

Source: National Association of State Budget Officers, 2001 State Expenditure Report, Summer 2002

**Table 13**  
**HIGHER EDUCATION EXPENDITURES AS A PERCENT OF**  
**TOTAL EXPENDITURES**

Region/State	Fiscal 2000	Fiscal 2001	Fiscal 2002
<b>NEW ENGLAND</b>			
Connecticut	9.3%	9.3%	9.9%
Maine	4.2	4.6	3.4
Massachusetts	4.9	4.5	4.2
New Hampshire	4.4	4.5	4.5
Rhode Island	10.0	10.2	9.9
Vermont	3.1	2.9	2.8
<b>MID-ATLANTIC</b>			
Delaware	5.5	5.2	5.1
Maryland	15.8	16.7	16.9
New Jersey	7.6	7.4	7.8
New York	6.9	7.2	7.0
Pennsylvania	5.2	5.4	5.2
<b>GREAT LAKES</b>			
Illinois	7.4	7.6	7.5
Indiana	9.6	8.6	8.5
Michigan	6.8	6.5	6.4
Ohio	7.0	6.7	6.2
Wisconsin	11.9	12.2	14.9
<b>PLAINS</b>			
Iowa	24.9	25.3	24.6
Kansas	17.5	17.7	17.3
Minnesota	10.7	10.1	10.0
Missouri	6.8	6.4	5.5
Nebraska	22.6	23.7	22.9
North Dakota	10.8	11.7	11.0
South Dakota	15.6	14.7	15.1
<b>SOUTHEAST</b>			
Alabama	24.6	24.0	20.0
Arkansas	15.9	15.4	15.0
Florida	9.0	9.0	9.2
Georgia	15.1	16.3	14.4
Kentucky	18.6	19.4	19.5
Louisiana	14.1	12.6	13.6
Mississippi	19.0	19.9	19.2
North Carolina	13.0	13.7	13.5
South Carolina	17.8	17.3	17.5
Tennessee	12.3	12.4	11.8
Virginia	14.3	14.1	14.7
West Virginia	17.8	17.0	16.6
<b>SOUTHWEST</b>			
Arizona	13.5	12.4	13.0
New Mexico	19.6	24.6	19.0
Oklahoma	17.7	17.1	16.4
Texas*	14.1	13.2	13.9
<b>ROCKY MOUNTAIN</b>			
Colorado	16.7	14.0	14.4
Idaho	9.4	9.4	10.5
Montana	10.5	10.0	9.0
Utah	12.8	12.7	11.9
Wyoming	16.8	15.1	15.2
<b>FAR WEST</b>			
Alaska	—	—	—
California	11.7	11.6	11.5
Hawaii	8.1	10.7	10.2
Nevada	11.3	11.0	11.4
Oregon	10.9	12.4	12.4
Washington	16.3	16.5	17.6
<b>ALL STATES</b>			
	11.4%	11.3%	11.2%
Puerto Rico	5.2	5.4	5.5

Source: National Association of State Budget Officers, 2001 State Expenditure Report, Summer 2002

Table 14

## ANNUAL PERCENTAGE CHANGE IN HIGHER EDUCATION EXPENDITURES

Region/State	Fiscal 2000 to 2001			Fiscal 2001 to 2002		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
<b>NEW ENGLAND</b>						
Connecticut	5.6%	0.0%	4.3%	4.6%	3.8%	4.4%
Maine	17.1	—	17.1	-7.5	—	-7.5
Massachusetts	3.2	-11.4	0.2	-4.8	-1.0	-3.4
New Hampshire	3.8	-25.0	4.7	8.0	33.3	7.1
Rhode Island	11.6	20.0	12.2	4.4	0.0	6.2
Vermont	7.7	—	10.1	1.4	—	5.3
<b>MID-ATLANTIC</b>						
Delaware	4.0	-5.3	2.9	1.5	-11.1	1.1
Maryland	19.5	7.4	18.5	10.0	10.9	8.6
New Jersey	6.9	6.7	6.8	8.8	25.0	9.0
New York	9.2	110.3	13.1	5.8	4.9	4.1
Pennsylvania	7.5	81.8	10.7	6.9	8.8	7.1
<b>GREAT LAKES</b>						
Illinois	0.9	3,720.0	9.7	6.0	-31.9	4.3
Indiana	4.7	0.0	-4.0	-9.3	133.3	-6.3
Michigan	3.2	0.0	2.6	2.2	17.6	0.6
Ohio	3.6	20.0	4.2	-2.9	50.0	8.6
Wisconsin	9.1	12.2	9.7	2.3	-0.6	1.7
<b>PLAINS</b>						
Iowa	7.8	7.8	7.8	0.1	4.8	0.6
Kansas	8.1	0.0	6.7	4.4	3.7	4.3
Minnesota	5.5	7.7	6.2	5.9	-4.8	4.8
Missouri	-2.3	0.0	-2.3	-0.8	150.0	-0.5
Nebraska	10.0	6.0	9.5	2.5	18.8	4.5
North Dakota	7.5	-100.0	10.3	6.2	—	3.7
South Dakota	4.0	12.8	5.5	6.6	26.4	9.5
<b>SOUTHEAST</b>						
Alabama	0.8	7.5	1.9	4.1	-7.6	2.1
Arkansas	7.3	100.0	6.8	7.0	100.0	6.2
Florida	8.9	-3.0	10.2	-13.5	3.1	-7.4
Georgia	5.2	6.0	8.0	-1.6	-0.7	-1.5
Kentucky	11.7	12.6	11.8	5.1	15.2	6.2
Louisiana	-3.1	-1.6	-4.0	19.2	26.2	18.2
Mississippi	1.7	18.4	8.2	6.8	24.3	3.4
North Carolina	3.0	2.7	10.5	-3.3	5.3	-1.6
South Carolina	2.9	-1.4	5.2	3.1	7.0	7.6
Tennessee	5.9	53.9	9.7	4.8	17.9	2.7
Virginia	7.2	11.1	6.9	7.0	11.0	7.7
West Virginia	9.8	7.9	9.6	8.8	2.9	7.3
<b>SOUTHWEST</b>						
Arizona	4.0	2.3	3.8	0.8	2.3	1.0
New Mexico	41.1	74.6	45.9	-23.8	-27.7	-20.4
Oklahoma	5.0	6.6	6.4	6.4	-0.7	5.0
Texas*	-0.4	4.5	-0.3	9.8	0.0	9.6
<b>ROCKY MOUNTAIN</b>						
Colorado	-9.0	6.3	-8.9	10.0	35.3	10.2
Idaho	9.4	0.0	9.3	26.9	50.0	26.9
Montana	5.5	13.5	6.5	2.2	26.2	5.5
Utah	13.2	-40.0	6.7	0.1	-16.7	0.0
Wyoming	-12.6	-20.0	-12.7	1.7	50.0	2.6
<b>FAR WEST</b>						
Alaska	—	—	—	—	—	—
California	13.4	9.0	11.1	8.4	4.6	8.2
Hawaii	44.2	10.0	39.0	-5.1	-9.1	-6.3
Nevada	1.3	12.5	1.5	7.5	11.1	10.3
Oregon	17.5	-5.0	16.7	8.3	8.8	8.4
Washington	10.7	6.6	8.4	8.3	6.2	6.1
<b>ALL STATES</b>						
	7.1%	11.5%	8.1%	3.7%	3.1%	4.2%
Puerto Rico	12.2	0.0	9.8	8.2	0.0	7.5

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

Source: National Association of State Budget Officers, 2001 State Expenditure Report, Summer 2002

**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
<b>NEW ENGLAND</b>							
Connecticut	X	X				X	
Maine	P	P	X	P			X
Massachusetts	X	X	P	X	X	X	X
New Hampshire	P	P	P	P	X		X
Rhode Island					X	X	
Vermont	X	X			X	X	X
<b>MID-ATLANTIC</b>							
Delaware			P	P			X
Maryland							
New Jersey					X	X	
New York							
Pennsylvania	X	X			X	P	
<b>GREAT LAKES</b>							
Illinois		P	X	P	X		P
Indiana	X	X	X		X		X
Michigan	X	X	X	X	X	X	
Ohio			X	P	P	X	
Wisconsin							
<b>PLAINS</b>							
Iowa							X
Kansas		X					
Minnesota		X			X	P	P
Missouri	P	P	X		X	X	
Nebraska					X		
North Dakota				X	X	X	
South Dakota							X
<b>SOUTHEAST</b>							
Alabama							
Arkansas					P		X
Florida	P	P			P	P	
Georgia		X					
Kentucky		X					
Louisiana					X		
Mississippi					X		
North Carolina					X		
South Carolina				X			
Tennessee					X		
Virginia				X			
West Virginia				X	P	P	
<b>SOUTHWEST</b>							
Arizona							X
New Mexico*							P
Oklahoma							X
Texas*	X	P			P		X
<b>ROCKY MOUNTAIN</b>							
Colorado				P	P		X
Idaho				X	X		X
Montana				X	X		N/A
Utah					X		X
Wyoming				X			X
<b>FAR WEST</b>							
Alaska							
California					X		
Hawaii					X		X
Nevada				X	P		N/A
Oregon						P	
Washington							
<b>ALL STATES</b>	<b>11</b>	<b>16</b>	<b>9</b>	<b>16</b>	<b>29</b>	<b>14</b>	<b>22</b>
Puerto Rico						X	X

Excluded=X

Partially Excluded=P

Not Applicable=N/A

Source: National Association of State Budget Officers, 2001 State Expenditure Report, Summer 2002

## Higher Education Notes

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*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.*

**Indiana:** Bond figures include project appropriation approved during the fiscal year.

**Michigan:** Expenditure fluctuations are due to the inclusion of bond funds and the cyclical nature of capital construction projects.

**Montana:** Accounting changes in the guaranteed student loan program will increase federal expenditure in fiscal 2001 by \$12 million.

**New Mexico:** Assistance to private colleges and universities includes student choice financial aid.

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

**Pennsylvania:** Figures include state funding for a student financial assistance program that helps students pay tuition and fees. Funding

for vocational education is also included in Elementary and Secondary Education.

**Utah:** School funds are included in General Fund amounts. These amounts, which are from income tax revenue, are restricted by the state constitution for the sole use of public and higher education.

Not included in the fiscal 2000 numbers was a revenue bond for a University of Utah Health Sciences parking lot (\$0.7 million).

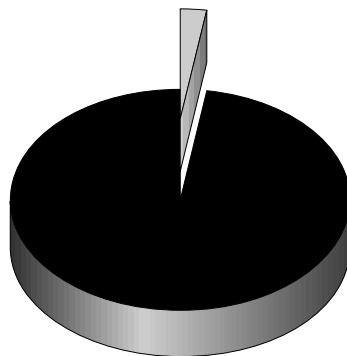
Not included in the fiscal 2001 numbers were two revenue bonds for a Board of Regents Office building (\$8 million) and a Student Center Addition at Utah Valley State College (\$13.5 million).

Not included in the fiscal 2002 numbers were four revenue bonds including: \$100 million for a University of Utah Huntsman Cancer Institute expansion; \$1.5 million for a student center expansion at Dixie State College; \$6.0 million for a cafeteria remodel at Salt Lake Community College; \$25 million for a hospital expansion at the University of Utah.

# CHAPTER THREE

## PUBLIC ASSISTANCE

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2.2% 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 \$22.7 billion in 2001 and represented 2.2 percent of total state expenditures. State spending for total cash assistance increased by 2.2 percent from 2000 to 2001.

The primary source of public assistance funding is general funds, providing 49.1 percent, followed by federal funds at 45.2 percent (See Figure 12).

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**

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The Temporary Assistance for Needy Families program of state block grants is due to expire at the end of September 2002 and legislative activity is underway to reauthorize the program. Major issues in reauthorization include the following:

- Work requirements;
- Level of funding;
- Treatment of rainy day funds;
- Child care funding;
- Child support enforcement;
- Transferability between TANF and the Social Services Block Grant; and
- Family formation.

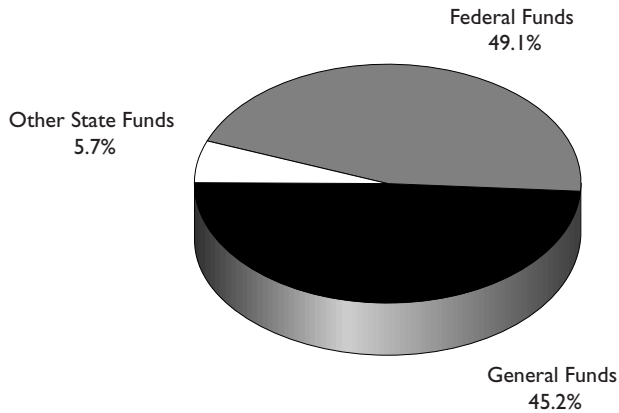
The impact of the weakened economy has reversed the decline in caseloads in some states under TANF. According to the U.S. Department of Health and Human Services (HHS) figures, the average monthly number of TANF recipients fell from 12.8 million prior to the enactment of TANF to 5.4 million at the end of fiscal 2001, a decrease of 56 percent. Although caseloads declined one percent nationally under TANF from October 2001 to December 2001, 38 states experienced growth in their caseloads. Since unemployment figures rise even when a recession ends, the caseload numbers will most likely continue to increase throughout fiscal 2002. The deterioration in state finances and the additional requirements for people needing assistance under TANF will be another challenge for states with limited resources.

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

## FUND SHARES

The figure below provides fund shares for 2001.

**Figure 12**  
**STATE EXPENDITURES FOR TOTAL PUBLIC ASSISTANCE BY**  
**FUND SOURCE, FISCAL 2001**



## Regional Expenditures

The following table shows regional percentage changes in expenditures for total cash assistance for fiscal 2000-2001 and 2001-2002.

**Table 16**  
**REGIONAL PERCENTAGE CHANGE IN STATE TOTAL CASH ASSISTANCE**  
**EXPENDITURES, FISCAL 2001 AND 2002**

Region	Fiscal 2000 to 2001			Fiscal 2001 to 2002		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	-2.7%	-4.1%	-3.2%	0.4%	14.6%	6.0%
Mid-Atlantic	-20.1	-19.5	-19.9	2.9	6.0	3.9
Great Lakes	-1.6	-11.1	-4.6	-10.0	30.9	2.1
Plains	4.1	8.9	7.0	-10.8	7.8	0.7
Southeast	3.8	28.0	16.8	-2.8	16.9	8.7
Southwest	-1.4	0.8	0.1	-1.6	-2.1	-2.0
Rocky Mountain	5.6	14.3	11.4	-4.8	-25.8	-19.0
Far West	2.4	0.3	1.5	5.2	2.2	3.9
<b>ALL STATES</b>	<b>-4.2%</b>	<b>0.5%</b>	<b>-2.2%</b>	<b>1.6%</b>	<b>5.7%</b>	<b>3.4%</b>



State and federal funds for TANF cash assistance expenditures at \$15 billion in fiscal 2001, decreased by 0.8 percent from 2000 to 2001 (see Table 23). According to HHS, cash assistance expenditures from federal funds and state maintenance of effort funds in federal fiscal year 2000 were \$11.5 billion out of a total of \$24 billion, representing about half of the program.

Even in light of difficult fiscal conditions, some states continue to increase the cash assistance benefit level under TANF. Nine states propose to increase cash assistance benefit levels in fiscal 2003, while eight states increased cash assistance benefit levels under TANF in fiscal 2002.

Under the Aid to Families with Dependent Children program that TANF replaced, 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. The authorizing legislation 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.

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 childcare services, training and education, transportation needs,

transitional rental assistance, substance abuse, job readiness and job retention training, and domestic violence.

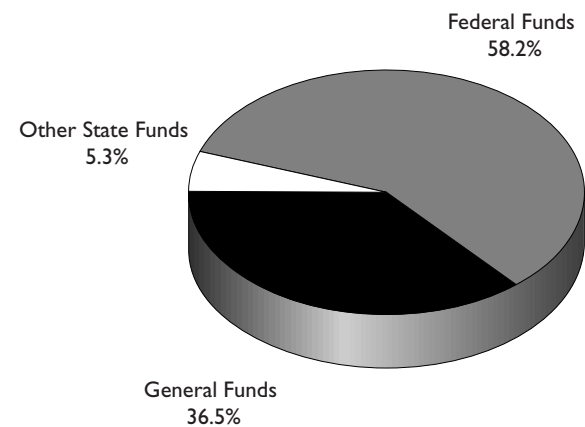
As cash assistance has declined, these supportive services have gained greater importance in the program. Total spending from state maintenance of effort funds and federal funds was \$3.2 billion for childcare and \$2.3 billion for work activities in fiscal 2000, according to HHS, representing almost a quarter of total spending under TANF.

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

## Fund Shares

The figure below provides fund shares for 2001.

**Figure 13**  
**STATE EXPENDITURES FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BY FUND SOURCE, FISCAL 2001**



## Regional Expenditures

The following table shows percentage changes in expenditures for TANF cash assistance for fiscal 2000-2001 and 2001-2002.

**Table 17**  
**REGIONAL PERCENTAGE CHANGE IN STATE TANF EXPENDITURES, FISCAL 2001 AND 2002**

Region	Fiscal 2000 to 2001			Fiscal 2001 to 2002		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	-8.3%	-2.2%	-5.2%	-4.2%	14.1%	5.4%
Mid-Atlantic	-6.6	-24.4	-15.9	-2.6	6.7	1.8
Great Lakes	0.8	-21.6	-8.1	-16.2	41.8	3.4
Plains	14.9	8.9	10.6	-20.8	7.8	-0.5
Southeast	4.3	28.4	17.3	-3.8	15.8	7.7
Southwest	-1.8	0.8	0.0	-2.4	-2.0	-2.1
Rocky Mountain	-6.4	18.4	11.3	-2.7	19.8	14.4
Far West	2.7	-1.6	0.0	-1.5	1.3	0.2
<b>ALL STATES</b>	<b>0.0%</b>	<b>-1.3%</b>	<b>-0.8%</b>	<b>-4.5%</b>	<b>7.1%</b>	<b>2.2%</b>

## **OTHER CASH ASSISTANCE**

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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 0.7 percent of total state spending in 2001. States spent \$7.6 billion for other cash assistance, with 73.9 percent funded from state general funds. Two states (New York and California) accounted for nearly two-thirds 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 2000				Actual Fiscal 2001				Estimated Fiscal 2002			
	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total
<b>NEW ENGLAND</b>												
Connecticut	\$281	\$267	\$0	\$548	\$253	\$267	\$0	\$520	243	267	0	510
Maine	37	41	86	164	36	32	76	144	29	48	115	192
Massachusetts	460	151	0	611	468	137	0	605	451	204	0	655
New Hampshire	19	19	5	43	17	18	8	43	11	30	8	49
Rhode Island*	92	152	0	244	100	151	0	251	104	147	0	251
Vermont	35	32	1	68	29	30	2	61	29	32	3	64
<b>MID-ATLANTIC</b>												
Delaware	32	35	0	67	34	35	1	70	34	36	1	71
Maryland	68	59	22	149	35	104	17	156	62	45	17	124
New Jersey	179	124	0	303	113	148	0	261	134	151	0	285
New York	1,352	850	1,352	3,554	1,350	524	774	2,648	1,343	617	805	2,765
Pennsylvania	442	597	27	1,066	423	529	27	979	432	572	27	1,031
<b>GREAT LAKES</b>												
Illinois	88	248	0	336	99	145	0	244	106	100	0	206
Indiana	44	30	14	88	30	80	13	123	33	102	13	148
Michigan*	242	146	53	441	286	129	32	447	279	161	51	491
Ohio*	350	0	39	389	315	0	39	354	183	120	42	345
Wisconsin	178	46	0	224	177	64	1	242	185	64	1	250
<b>PLAINS</b>												
Iowa	54	64	16	134	56	63	15	134	55	68	11	134
Kansas	34	18	0	52	35	27	0	62	36	28	0	64
Minnesota	131	268	0	399	140	311	0	451	100	346	0	446
Missouri	56	122	15	193	51	122	16	189	58	121	18	197
Nebraska	20	34	0	54	25	32	0	57	24	30	0	54
North Dakota	5	6	2	13	1	4	8	13	2	6	6	14
South Dakota	6	4	0	10	6	3	0	9	5	7	0	12
<b>SOUTHEAST</b>												
Alabama	2	36	34	72	2	55	34	91	2	126	34	162
Arkansas	116	170	5	291	108	178	12	298	102	198	24	324
Florida*	245	0	0	245	220	0	0	220	230	0	0	230
Georgia	173	224	0	397	212	286	0	498	173	345	0	518
Kentucky	73	145	5	223	69	125	5	199	66	136	8	210
Louisiana	20	55	0	75	55	153	0	208	59	164	0	223
Mississippi	35	39	0	74	38	37	0	75	38	37	0	75
North Carolina	123	321	93	537	108	360	93	561	108	360	93	561
South Carolina	23	22	0	45	24	23	1	48	25	24	1	50
Tennessee	10	102	6	118	0	116	6	122	0	110	6	116
Virginia	53	81	0	134	69	62	0	131	56	85	0	141
West Virginia	34	18	0	52	34	158	0	192	34	230	0	264
<b>SOUTHWEST</b>												
Arizona	66	53	0	119	61	59	0	120	58	83	0	141
New Mexico	26	127	0	153	27	135	0	162	19	130	0	149
Oklahoma	89	77	0	166	87	62	0	149	87	62	0	149
Texas*	250	586	0	836	250	594	0	844	254	557	0	811
<b>ROCKY MOUNTAIN</b>												
Colorado	17	227	102	346	12	266	114	392	12	150	107	269
Idaho	20	27	0	47	25	31	0	56	23	29	0	52
Montana	9	19	0	28	9	24	0	33	9	23	0	32
Utah	30	67	0	97	28	61	0	89	28	75	0	103
Wyoming	0	10	0	10	0	18	0	18	0	20	0	20
<b>FAR WEST</b>												
Alaska	—	—	—	—	—	—	—	—	—	—	—	—
California	4,992	3,887	0	8,879	5,033	3,860	0	8,893	5,407	3,968	0	9,375
Hawaii	103	74	0	177	114	79	0	193	105	76	0	181
Nevada	18	17	0	35	19	18	0	37	37	34	0	71
Oregon	97	180	1	278	110	183	1	294	67	138	1	206
Washington	267	303	0	570	335	333	0	668	287	354	0	641
<b>TOTAL</b>	<b>\$11,096</b>	<b>\$10,180</b>	<b>\$1,878</b>	<b>\$23,154</b>	<b>\$11,128</b>	<b>\$10,231</b>	<b>\$1,295</b>	<b>\$22,654</b>	<b>\$11,224</b>	<b>\$10,816</b>	<b>\$1,392</b>	<b>\$23,432</b>
Puerto Rico	12	52	0	64	12	53	0	65	23	51	0	74

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

Source: National Association of State Budget Officers, 2001 State Expenditure Report, Summer 2002

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

Region/State	Fiscal 2000	Fiscal 2001	Fiscal 2002
<b>NEW ENGLAND</b>			
Connecticut	3.0%	2.7%	2.7%
Maine	3.4	2.7	3.0
Massachusetts	2.2	2.0	2.1
New Hampshire	1.3	1.3	1.3
Rhode Island	5.5	5.2	4.7
Vermont	3.0	2.3	2.2
<b>MID-ATLANTIC</b>			
Delaware	1.3	1.3	1.3
Maryland	0.8	0.8	0.6
New Jersey	1.0	0.8	0.8
New York	4.9	3.3	3.3
Pennsylvania	2.8	2.4	2.3
<b>GREAT LAKES</b>			
Illinois	1.0	0.6	0.5
Indiana	0.5	0.7	0.9
Michigan	1.3	1.2	1.3
Ohio	1.0	0.8	0.7
Wisconsin	0.9	0.9	1.1
<b>PLAINS</b>			
Iowa	1.2	1.1	1.1
Kansas	0.6	0.7	0.7
Minnesota	2.2	2.2	2.0
Missouri	1.2	1.1	1.0
Nebraska	0.9	0.9	0.8
North Dakota	0.6	0.6	0.6
South Dakota	0.5	0.4	0.5
<b>SOUTHEAST</b>			
Alabama	0.5	0.6	0.9
Arkansas	2.9	2.7	2.7
Florida	0.5	0.4	0.5
Georgia	1.6	2.0	1.9
Kentucky	1.4	1.2	1.2
Louisiana	0.5	1.3	1.3
Mississippi	0.8	0.8	0.7
North Carolina	2.1	2.1	2.1
South Carolina	0.3	0.3	0.3
Tennessee	0.7	0.7	0.6
Virginia	0.6	0.5	0.6
West Virginia	0.8	2.6	3.2
<b>SOUTHWEST</b>			
Arizona	0.8	0.7	0.8
New Mexico	1.7	1.5	1.3
Oklahoma	1.5	1.2	1.1
Texas*	1.7	1.6	1.5
<b>ROCKY MOUNTAIN</b>			
Colorado	3.0	3.1	2.0
Idaho	1.3	1.4	1.1
Montana	1.0	1.1	0.9
Utah	1.5	1.3	1.4
Wyoming	0.6	1.2	1.3
<b>FAR WEST</b>			
Alaska	—	—	—
California	7.3	6.5	6.3
Hawaii	2.5	2.7	2.5
Nevada	0.8	0.8	1.4
Oregon	1.7	1.7	1.1
Washington	2.7	2.9	2.8
<b>ALL STATES</b>			
	<b>2.4%</b>	<b>2.2%</b>	<b>2.2%</b>
Puerto Rico	0.3	0.3	0.4

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

Table 20

## ANNUAL PERCENTAGE CHANGE IN TOTAL PUBLIC ASSISTANCE EXPENDITURES

Region/State	Fiscal 2000 to 2001			Fiscal 2001 to 2002		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
<b>NEW ENGLAND</b>						
Connecticut	-10.0%	0.0%	-5.1%	-4.0%	0.0%	-1.9%
Maine	-8.9	-22.0	-12.2	28.6	50.0	33.3
Massachusetts	1.7	-9.3	-1.0	-3.6	48.9	8.3
New Hampshire	4.2	-5.3	0.0	-24.0	66.7	14.0
Rhode Island	8.7	-0.7	2.9	4.0	-2.6	0.0
Vermont	-13.9	-6.3	-10.3	3.2	6.7	4.9
<b>MID-ATLANTIC</b>						
Delaware	9.4	0.0	4.5	0.0	2.9	1.4
Maryland	-42.2	76.3	4.7	51.9	-56.7	-20.5
New Jersey	-36.9	19.4	-13.9	18.6	2.0	9.2
New York	-21.4	-38.4	-25.5	1.1	17.7	4.4
Pennsylvania	-4.1	-11.4	-8.2	2.0	8.1	5.3
<b>GREAT LAKES</b>						
Illinois	12.5	-41.5	-27.4	7.1	-31.0	-15.6
Indiana	-25.9	166.7	39.8	7.0	27.5	20.3
Michigan	7.8	-11.6	1.4	3.8	24.8	9.8
Ohio	-9.0	—	-9.0	-36.4	—	-2.5
Wisconsin	0.0	39.1	8.0	4.5	0.0	3.3
<b>PLAINS</b>						
Iowa	1.4	-1.6	0.0	-7.0	7.9	0.0
Kansas	2.9	50.0	19.2	2.9	3.7	3.2
Minnesota	6.9	16.0	13.0	-28.6	11.3	-1.1
Missouri	-5.6	0.0	-2.1	13.4	-0.8	4.2
Nebraska	25.0	-5.9	5.6	-4.0	-6.3	-5.3
North Dakota	28.6	-33.3	0.0	-11.1	50.0	7.7
South Dakota	0.0	-25.0	-10.0	-16.7	133.3	33.3
<b>SOUTHEAST</b>						
Alabama	0.0	52.8	26.4	0.0	129.1	78.0
Arkansas	-0.8	4.7	2.4	5.0	11.2	8.7
Florida	-10.2	—	-10.2	4.5	—	4.5
Georgia	22.5	27.7	25.4	-18.4	20.6	4.0
Kentucky	-5.1	-13.8	-10.8	0.0	8.8	5.5
Louisiana	175.0	178.2	177.3	7.3	7.2	7.2
Mississippi	8.6	-5.1	1.4	0.0	0.0	0.0
North Carolina	-6.9	12.1	4.5	0.0	0.0	0.0
South Carolina	8.7	4.5	6.7	4.0	4.3	4.2
Tennessee	-62.5	13.7	3.4	0.0	-5.2	-4.9
Virginia	30.2	-23.5	-2.2	-18.8	37.1	7.6
West Virginia	0.0	777.8	269.2	0.0	45.6	37.5
<b>SOUTHWEST</b>						
Arizona	-7.6	11.3	0.8	-4.9	40.7	17.5
New Mexico	3.8	6.3	5.9	-29.6	-3.7	-8.0
Oklahoma	-2.2	-19.5	-10.2	0.0	0.0	0.0
Texas*	0.0	1.4	1.0	1.6	-6.2	-3.9
<b>ROCKY MOUNTAIN</b>						
Colorado	5.9	17.2	13.3	-5.6	-43.6	-31.4
Idaho	25.0	14.8	19.1	-8.0	-6.5	-7.1
Montana	0.0	26.3	17.9	0.0	-4.2	-3.0
Utah	-6.7	-9.0	-8.2	0.0	23.0	15.7
Wyoming	—	80.0	80.0	—	11.1	11.1
<b>FAR WEST</b>						
Alaska	—	—	—	—	—	—
California	0.8	-0.7	0.2	7.4	2.8	5.4
Hawaii	10.7	6.8	9.0	-7.9	-3.8	-6.2
Nevada	5.6	5.9	5.7	94.7	88.9	91.9
Oregon	13.3	1.7	5.8	-38.7	-24.6	-29.9
Washington	25.5	9.9	17.2	-14.3	—	-4.0
<b>ALL STATES</b>	<b>-4.2%</b>	<b>0.5%</b>	<b>-2.2%</b>	<b>1.6%</b>	<b>7.5%</b>	<b>3.4%</b>
Puerto Rico	0.0	1.9	1.6	91.7	-3.8	13.8

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, 2001 State Expenditure Report, Summer 2002

Table 21

## CASH EXPENDITURES UNDER TEMPORARY ASSISTANCE TO NEEDY FAMILIES EXPENDITURES (TANF) (\$ IN MILLIONS)

Region/State	Actual Fiscal 2000				Actual Fiscal 2001				Estimated Fiscal 2002			
	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total
<b>NEW ENGLAND</b>												
Connecticut	\$168	\$267	\$0	\$435	\$148	\$267	\$0	\$415	\$140	\$267	\$0	\$407
Maine	23	40	86	149	23	32	76	131	15	47	110	172
Massachusetts	172	122	0	294	180	109	0	289	146	159	0	305
New Hampshire	13	19	0	32	11	18	3	32	5	30	3	38
Rhode Island	37	63	0	100	17	76	0	93	18	72	0	90
Vermont	19	27	1	47	16	24	2	42	16	25	3	44
<b>MID-ATLANTIC</b>												
Delaware	2	17	0	19	2	16	1	19	2	16	1	19
Maryland	41	58	17	116	9	96	12	117	31	45	12	88
New Jersey	64	124	0	188	1	148	0	149	1	151	0	152
New York	458	850	458	1,766	471	524	471	1,466	401	617	509	1,527
Pennsylvania	206	325	0	531	197	255	0	452	177	280	0	457
<b>GREAT LAKES</b>												
Illinois	48	243	0	291	62	140	0	202	70	95	0	165
Indiana	43	27	13	83	30	72	13	115	33	94	13	140
Michigan	133	144	48	325	181	114	28	323	172	154	46	372
Ohio*	334	0	0	334	298	0	0	298	165	120	0	285
Wisconsin	25	7	0	32	37	4	0	41	45	5	0	50
<b>PLAINS</b>												
Iowa	34	64	16	114	36	63	15	114	36	68	11	115
Kansas	30	18	0	48	30	27	0	57	30	28	0	58
Minnesota	69	268	0	337	96	311	0	407	51	346	0	397
Missouri	25	121	0	146	20	121	0	141	25	120	0	145
Nebraska	14	34	0	48	19	32	0	51	17	30	0	47
North Dakota	5	6	2	13	1	4	8	13	2	6	6	14
South Dakota	6	4	0	10	6	3	0	9	5	7	0	12
<b>SOUTHEAST</b>												
Alabama	2	36	34	72	2	55	34	91	2	126	34	162
Arkansas	16	65	0	81	11	70	4	85	7	53	12	72
Florida*	245	0	0	245	220	0	0	220	230	0	0	230
Georgia	173	224	0	397	212	286	0	498	173	345	0	518
Kentucky	73	145	5	223	69	125	5	199	66	136	8	210
Louisiana	20	55	0	75	55	153	0	208	59	164	0	223
Mississippi	12	14	0	26	15	15	0	30	15	15	0	30
North Carolina	123	321	93	537	108	360	93	561	108	360	93	561
South Carolina	9	22	0	31	10	23	0	33	10	24	0	34
Tennessee	10	102	6	118	0	116	6	122	0	110	6	116
Virginia	46	50	0	96	62	30	0	92	47	49	0	96
West Virginia	31	17	0	48	31	116	0	147	31	180	0	211
<b>SOUTHWEST</b>												
Arizona	61	51	0	112	56	57	0	113	51	82	0	133
New Mexico	22	127	0	149	22	135	0	157	14	130	0	144
Oklahoma	51	77	0	128	49	62	0	111	49	62	0	111
Texas*	250	586	0	836	250	594	0	844	254	557	0	811
<b>ROCKY MOUNTAIN</b>												
Colorado	6	73	29	108	0	98	27	125	0	131	28	159
Idaho	11	27	0	38	16	31	0	47	14	29	0	43
Montana	9	19	0	28	9	24	0	33	9	23	0	32
Utah	23	67	0	90	21	61	0	82	20	75	0	95
Wyoming*	0	10	0	10	0	18	0	18	0	20	0	20
<b>FAR WEST</b>												
Alaska	—	—	—	—	—	—	—	—	—	—	—	—
California	1,991	3,353	0	5,344	1,966	3,250	0	5,216	2,015	3,324	0	5,339
Hawaii	13	74	0	87	19	79	0	98	13	76	0	89
Nevada	13	9	0	22	13	10	0	23	28	12	0	40
Oregon	97	180	1	278	110	183	1	294	67	138	1	206
Washington	187	301	0	488	256	331	0	587	206	352	0	558
<b>TOTAL</b>	<b>\$5,463</b>	<b>\$8,853</b>	<b>\$809</b>	<b>\$15,125</b>	<b>\$5,473</b>	<b>\$8,738</b>	<b>\$799</b>	<b>\$15,010</b>	<b>\$5,091</b>	<b>\$9,355</b>	<b>\$896</b>	<b>\$15,342</b>
Puerto Rico	12	34	0	46	12	35	0	47	14	33	0	47

Source: National Association of State Budget Officers, 2001 State Expenditure Report, Summer 2002

**Table 22**

**TANF EXPENDITURES FOR CASH ASSISTANCE AS A PERCENT OF TOTAL EXPENDITURES**

Region/State	Fiscal 2000	Fiscal 2001	Fiscal 2002
<b>NEW ENGLAND</b>			
Connecticut	2.4%	2.2%	2.2%
Maine	3.1	2.5	2.7
Massachusetts	1.1	1.0	1.0
New Hampshire	0.9	0.9	1.0
Rhode Island	2.3	1.9	1.7
Vermont	2.1	1.6	1.5
<b>MID-ATLANTIC</b>			
Delaware	0.4	0.4	0.3
Maryland	0.6	0.6	0.4
New Jersey	0.6	0.5	0.5
New York	2.4	1.8	1.8
Pennsylvania	1.4	1.1	1.0
<b>GREAT LAKES</b>			
Illinois	0.8	0.5	0.4
Indiana	0.5	0.6	0.8
Michigan	0.9	0.9	1.0
Ohio	0.9	0.7	0.6
Wisconsin	0.1	0.1	0.2
<b>PLAINS</b>			
Iowa	1.0	0.9	0.9
Kansas	0.6	0.6	0.6
Minnesota	1.8	2.0	1.8
Missouri	0.9	0.8	0.8
Nebraska	0.8	0.8	0.7
North Dakota	0.6	0.6	0.6
South Dakota	0.5	0.4	0.5
<b>SOUTHEAST</b>			
Alabama	0.5	0.6	0.9
Arkansas	0.8	0.8	0.6
Florida	0.5	0.4	0.5
Georgia	1.6	2.0	1.9
Kentucky	1.4	1.2	1.2
Louisiana	0.5	1.3	1.3
Mississippi	0.3	0.3	0.3
North Carolina	2.1	2.1	2.1
South Carolina	0.2	0.2	0.2
Tennessee	0.7	0.7	0.6
Virginia	0.4	0.4	0.4
West Virginia	0.7	2.0	2.6
<b>SOUTHWEST</b>			
Arizona	0.7	0.7	0.8
New Mexico	1.6	1.5	1.3
Oklahoma	1.2	0.9	0.8
Texas*	1.7	1.6	1.5
<b>ROCKY MOUNTAIN</b>			
Colorado	0.9	1.0	1.2
Idaho	1.0	1.2	0.9
Montana	1.0	1.1	0.9
Utah	1.4	1.2	1.3
Wyoming	0.6	1.2	1.3
<b>FAR WEST</b>			
Alaska	—	—	—
California	4.4	3.8	3.6
Hawaii	1.3	1.3	1.2
Nevada	0.5	0.5	0.8
Oregon	1.7	1.7	1.1
Washington	2.3	2.5	2.4
<b>ALL STATES</b>	<b>1.6%</b>	<b>1.5%</b>	<b>1.4%</b>
Puerto Rico	0.2	0.2	0.2

Source: National Association of State Budget Officers, 2001 State Expenditure Report, Summer 2002



Table 23

## ANNUAL PERCENTAGE CHANGE IN TANF CASH ASSISTANCE EXPENDITURES

Region/State	Fiscal 2000 to 2001			Fiscal 2001 to 2002		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
<b>NEW ENGLAND</b>						
Connecticut	-11.9%	0.0%	-4.6%	-5.4%	0.0%	-1.9%
Maine	-9.2	-20.0	-12.1	26.3	46.9	31.3
Massachusetts	4.7	-10.7	-1.7	-18.9	45.9	5.5
New Hampshire	7.7	-5.3	0.0	-42.9	66.7	18.8
Rhode Island	-54.1	20.6	-7.0	5.9	-5.3	-3.2
Vermont	-10.0	-11.1	-10.6	5.6	4.2	4.8
<b>MID-ATLANTIC</b>						
Delaware	50.0	-5.9	0.0	0.0	0.0	0.0
Maryland	-63.8	65.5	0.9	104.8	-53.1	-24.8
New Jersey	-98.4	19.4	-20.7	0.0	2.0	2.0
New York	2.8	-38.4	-17.0	-3.4	17.7	4.2
Pennsylvania	-4.4	-21.5	-14.9	-10.2	9.8	1.1
<b>GREAT LAKES</b>						
Illinois	29.2	-42.4	-30.6	12.9	-32.1	-18.3
Indiana	-23.2	166.7	38.6	7.0	30.6	21.7
Michigan	15.5	-20.8	-0.6	4.3	35.1	15.2
Ohio	-10.8	—	-10.8	-44.6	—	-4.4
Wisconsin	48.0	-42.9	28.1	21.6	25.0	22.0
<b>PLAINS</b>						
Iowa	2.0	-1.6	0.0	-7.8	7.9	0.9
Kansas	0.0	50.0	18.8	0.0	3.7	1.8
Minnesota	39.1	16.0	20.8	-46.9	11.3	-2.5
Missouri	-20.0	0.0	-3.4	25.0	-0.8	2.8
Nebraska	35.7	-5.9	6.3	-10.5	-6.3	-7.8
North Dakota	28.6	-33.3	0.0	-11.1	50.0	7.7
South Dakota	0.0	-25.0	-10.0	-16.7	133.3	33.3
<b>SOUTHEAST</b>						
Alabama	0.0	52.8	26.4	0.0	129.1	78.0
Arkansas	-6.3	7.7	4.9	26.7	-24.3	-15.3
Florida	-10.2	—	-10.2	4.5	—	4.5
Georgia	22.5	27.7	25.4	-18.4	20.6	4.0
Kentucky	-5.1	-13.8	-10.8	0.0	8.8	5.5
Louisiana	175.0	178.2	177.3	7.3	7.2	7.2
Mississippi	25.0	7.1	15.4	0.0	0.0	0.0
North Carolina	-6.9	12.1	4.5	0.0	0.0	0.0
South Carolina	11.1	4.5	6.5	0.0	4.3	3.0
Tennessee	-62.5	13.7	3.4	0.0	-5.2	-4.9
Virginia	34.8	-40.0	-4.2	-24.2	63.3	4.3
West Virginia	0.0	582.4	206.3	0.0	55.2	43.5
<b>SOUTHWEST</b>						
Arizona	-8.2	11.8	0.9	-8.9	43.9	17.7
New Mexico	0.0	6.3	5.4	-36.4	-3.7	-8.3
Oklahoma	-3.9	-19.5	-13.3	0.0	0.0	0.0
Texas*	0.0	1.4	1.0	1.6	-6.2	-3.9
<b>ROCKY MOUNTAIN</b>						
Colorado	-22.9	34.2	15.7	3.7	33.7	27.2
Idaho	45.5	14.8	23.7	-12.5	-6.5	-8.5
Montana	0.0	26.3	17.9	0.0	-4.2	-3.0
Utah	-8.7	-9.0	-8.9	-4.8	23.0	15.9
Wyoming	—	80.0	80.0	—	11.1	11.1
<b>FAR WEST</b>						
Alaska	—	—	—	—	—	—
California	-1.3	-3.1	-2.4	2.5	2.3	2.4
Hawaii	46.2	6.8	12.6	-31.6	-3.8	-9.2
Nevada	0.0	11.1	4.5	115.4	20.0	73.9
Oregon	13.3	1.7	5.8	-38.7	-24.6	-29.9
Washington	36.9	10.0	20.3	-19.5	6.3	-4.9
<b>ALL STATES</b>						
	<b>0.0%</b>	<b>-1.3%</b>	<b>-0.8%</b>	<b>-4.5%</b>	<b>7.1%</b>	<b>2.2%</b>
Puerto Rico	0.0	2.9	2.2	16.7	-5.7	0.0

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

Source: National Association of State Budget Officers, 2001 State Expenditure Report, Summer 2002

Table 24

## OTHER CASH ASSISTANCE EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2000				Actual Fiscal 2001				Estimated Fiscal 2002			
	General Fund	Federal Funds	Other State Funds	Total	Fund	General Funds	Other Federal Funds	State Total	Fund	General Funds	Other Federal Funds	State Total
<b>NEW ENGLAND</b>												
Connecticut	\$113	\$0	\$0	\$113	\$105	\$0	\$0	\$105	\$103	\$0	\$0	\$103
Maine	14	1	0	15	13	0	0	13	14	1	5	20
Massachusetts	288	29	0	317	288	28	0	316	305	45	0	350
New Hampshire	6	0	5	11	6	0	5	11	6	0	5	11
Rhode Island	55	89	0	144	83	75	0	158	86	75	0	161
Vermont	16	5	0	21	13	6	0	19	13	7	0	20
<b>MID-ATLANTIC</b>												
Delaware	30	18	0	48	32	19	0	51	32	20	0	52
Maryland	27	1	5	33	26	8	5	39	31	0	5	36
New Jersey	115	0	0	115	112	0	0	112	133	0	0	133
New York	894	0	894	1,788	879	0	303	1,182	942	0	296	1,238
Pennsylvania	236	272	27	535	226	274	27	527	255	292	27	574
<b>GREAT LAKES</b>												
Illinois	40	5	0	45	37	5	0	42	36	5	0	41
Indiana	1	3	1	5	0	8	0	8	0	8	0	8
Michigan*	109	2	5	116	105	15	4	124	107	7	5	119
Ohio	16	0	39	55	17	0	39	56	18	0	42	60
Wisconsin	153	39	0	192	140	60	1	201	140	59	1	200
<b>PLAINS</b>												
Iowa	20	0	0	20	20	0	0	20	19	0	0	19
Kansas	4	0	0	4	5	0	0	5	6	0	0	6
Minnesota	62	0	0	62	44	0	0	44	49	0	0	49
Missouri	31	1	15	47	31	1	16	48	33	1	18	52
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
<b>SOUTHEAST</b>												
Alabama	0	0	0	0	0	0	0	0	0	0	0	0
Arkansas	101	105	4	210	97	109	7	213	95	145	12	252
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	23	25	0	48	23	22	0	45	23	22	0	45
North Carolina	0	0	0	0	0	0	0	0	0	0	0	0
South Carolina	14	0	0	14	15	0	1	16	15	0	1	16
Tennessee	0	0	0	0	0	0	0	0	0	0	0	0
Virginia	7	31	0	38	8	32	0	40	9	36	0	45
West Virginia	3	1	0	4	3	42	0	45	3	50	0	53
<b>SOUTHWEST</b>												
Arizona	5	2	0	7	6	2	0	8	7	2	0	9
New Mexico	4	0	0	4	5	0	0	5	5	0	0	5
Oklahoma	38	0	0	38	38	0	0	38	38	0	0	38
Texas*	0	0	0	0	0	0	0	0	0	0	0	0
<b>ROCKY MOUNTAIN</b>												
Colorado	11	154	73	238	12	168	87	267	12	19	79	110
Idaho	9	0	0	9	9	0	0	9	9	0	0	9
Montana	0	0	0	0	0	0	0	0	0	0	0	0
Utah	7	0	0	7	7	0	0	7	8	0	0	8
Wyoming	0	0	0	0	0	0	0	0	0	0	0	0
<b>FAR WEST</b>												
Alaska	—	—	—	—	—	—	—	—	—	—	—	—
California	3,001	534	0	3,535	3,067	610	0	3,677	3,392	644	0	4,036
Hawaii	90	0	0	90	95	0	0	95	92	0	0	92
Nevada	5	8	0	13	6	8	0	14	9	22	0	31
Oregon	0	0	0	0	0	0	0	0	0	0	0	0
Washington	80	2	0	82	79	2	0	81	81	2	0	83
<b>TOTAL</b>	<b>\$5,634</b>	<b>\$1,327</b>	<b>\$1,068</b>	<b>\$8,029</b>	<b>\$5,658</b>	<b>\$1,494</b>	<b>\$495</b>	<b>\$7,647</b>	<b>\$6,133</b>	<b>\$1,462</b>	<b>\$496</b>	<b>\$8,091</b>
Puerto Rico	0	18	0	18	0	18	0	18	9	18	0	27

Source: National Association of State Budget Officers, 2001 State Expenditure Report, Summer 2002

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

<b>Region/State</b>	<b>Fiscal 2000</b>	<b>Fiscal 2001</b>	<b>Fiscal 2002</b>
<b>NEW ENGLAND</b>			
Connecticut	0.6%	0.6%	0.6%
Maine	0.3	0.2	0.3
Massachusetts	1.1	1.0	1.1
New Hampshire	0.3	0.3	0.3
Rhode Island	3.3	3.2	3.0
Vermont	0.9	0.7	0.7
<b>MID-ATLANTIC</b>			
Delaware	1.0	0.9	0.9
Maryland	0.2	0.2	0.2
New Jersey	0.4	0.3	0.4
New York	2.4	1.5	1.5
Pennsylvania	1.4	1.3	1.3
<b>GREAT LAKES</b>			
Illinois	0.1	0.1	0.1
Indiana	0.0	0.0	0.0
Michigan	0.3	0.3	0.3
Ohio	0.1	0.1	0.1
Wisconsin	0.7	0.7	0.9
<b>PLAINS</b>			
Iowa	0.2	0.2	0.1
Kansas	0.0	0.1	0.1
Minnesota	0.3	0.2	0.2
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
<b>SOUTHEAST</b>			
Alabama	0.0	0.0	0.0
Arkansas	2.1	1.9	2.1
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	0.5	0.5	0.4
North Carolina	0.0	0.0	0.0
South Carolina	0.1	0.1	0.1
Tennessee	0.0	0.0	0.0
Virginia	0.2	0.2	0.2
West Virginia	0.1	0.6	0.6
<b>SOUTHWEST</b>			
Arizona	0.0	0.0	0.1
New Mexico	0.0	0.0	0.0
Oklahoma	0.3	0.3	0.3
Texas*	0.0	0.0	0.0
<b>ROCKY MOUNTAIN</b>			
Colorado	2.0	2.1	0.8
Idaho	0.2	0.2	0.2
Montana	0.0	0.0	0.0
Utah	0.1	0.1	0.1
Wyoming	0.0	0.0	0.0
<b>FAR WEST</b>			
Alaska	—	—	—
California	2.9	2.7	2.7
Hawaii	1.3	1.3	1.3
Nevada	0.3	0.3	0.6
Oregon	0.0	0.0	0.0
Washington	0.4	0.4	0.4
<b>ALL STATES</b>	<b>0.8%</b>	<b>0.7%</b>	<b>0.8%</b>
Puerto Rico	0.1	0.1	0.1

Source: National Association of State Budget Officers, 2001 State Expenditure Report, Summer 2002

Table 26

## ANNUAL PERCENTAGE CHANGE IN OTHER CASH ASSISTANCE EXPENDITURES

Region/State	Fiscal 2000 to 2001			Fiscal 2001 to 2002		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
<b>NEW ENGLAND</b>						
Connecticut	-7.1%	—%	-7.1%	-1.9%	—%	-1.9%
Maine	-7.1	-100.0	-13.3	46.2	—	53.8
Massachusetts	0.0	-3.4	-0.3	5.9	60.7	10.8
New Hampshire	0.0	—	0.0	0.0	—	0.0
Rhode Island	50.9	-15.7	9.7	3.6	0.0	1.9
Vermont	-18.8	20.0	-9.5	0.0	16.7	5.3
<b>MID-ATLANTIC</b>						
Delaware	6.7	5.6	6.3	0.0	5.3	2.0
Maryland	-3.1	700.0	18.2	16.1	-100.0	-7.7
New Jersey	-2.6	—	-2.6	18.8	—	18.8
New York	-33.9	—	-33.9	4.7	—	4.7
Pennsylvania	-3.8	0.7	-1.5	11.5	6.6	8.9
<b>GREAT LAKES</b>						
Illinois	-7.5	0.0	-6.7	-2.7	0.0	-2.4
Indiana	-100.0	166.7	60.0	—	0.0	0.0
Michigan	-4.4	650.0	6.9	2.8	-53.3	-4.0
Ohio	1.8	—	1.8	7.1	—	7.1
Wisconsin	-7.8	53.8	4.7	0.0	-1.7	-0.5
<b>PLAINS</b>						
Iowa	0.0	—	0.0	-5.0	—	-5.0
Kansas	25.0	—	25.0	20.0	—	20.0
Minnesota	-29.0	—	-29.0	11.4	—	11.4
Missouri	2.2	0.0	2.1	8.5	0.0	8.3
Nebraska	0.0	—	0.0	16.7	—	16.7
North Dakota	—	—	—	—	—	—
South Dakota	—	—	—	—	—	—
<b>SOUTHEAST</b>						
Alabama	—	—	—	—	—	—
Arkansas	-1.0	3.8	1.4	2.9	33.0	18.3
Florida	—	—	—	—	—	—
Georgia	—	—	—	—	—	—
Kentucky	—	—	—	—	—	—
Louisiana	—	—	—	—	—	—
Mississippi	0.0	-12.0	-6.3	0.0	0.0	0.0
North Carolina	—	—	—	—	—	—
South Carolina	14.3	—	14.3	0.0	—	0.0
Tennessee	—	—	—	—	—	—
Virginia	14.3	3.2	5.3	12.5	12.5	12.5
West Virginia	0.0	4,100.0	1,025.0	0.0	19.0	17.8
<b>SOUTHWEST</b>						
Arizona	20.0	0.0	14.3	16.7	0.0	12.5
New Mexico	25.0	—	25.0	0.0	—	0.0
Oklahoma	0.0	—	0.0	0.0	—	0.0
Texas*	—	—	—	—	—	—
<b>ROCKY MOUNTAIN</b>						
Colorado	17.9	9.1	12.2	-8.1	-88.7	-58.8
Idaho	0.0	—	0.0	0.0	—	0.0
Montana	—	—	—	—	—	—
Utah	0.0	—	0.0	14.3	—	14.3
Wyoming	—	—	—	—	—	—
<b>FAR WEST</b>						
Alaska	—	—	—	—	—	—
California	2.2	4.2	4.0	10.6	5.6	9.8
Hawaii	5.6	—	5.6	-3.2	—	-3.2
Nevada	20.0	0.0	7.7	50.0	175.0	121.4
Oregon	—	—	—	—	—	—
Washington	-1.3	0.0	-1.2	2.5	0.0	2.5
<b>ALL STATES</b>						
	<b>-8.2%</b>	<b>12.6%</b>	<b>-4.8%</b>	<b>7.7%</b>	<b>-2.1%</b>	<b>5.8%</b>
Puerto Rico	—	0.0	0.0	—	0.0	50.0

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

Source: National Association of State Budget Officers, 2001 State Expenditure Report, Summer 2002

## **Public Assistance Notes**

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*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:** During fiscal 2000 expenditures continued to decline as a result of declining caseloads. Expenditures began to increase during fiscal 2001 as caseloads increased due to the downturn in the economy and the increase of unemployment.

**Michigan:** "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 are estimated at the following levels: \$427 million for fiscal 2000, \$436 million for fiscal 2001, and \$461 million for fiscal 2002.

**Ohio:** Federal funds deposited to the state General Fund and shown as General Fund expenditures for TANF amount to \$519.3

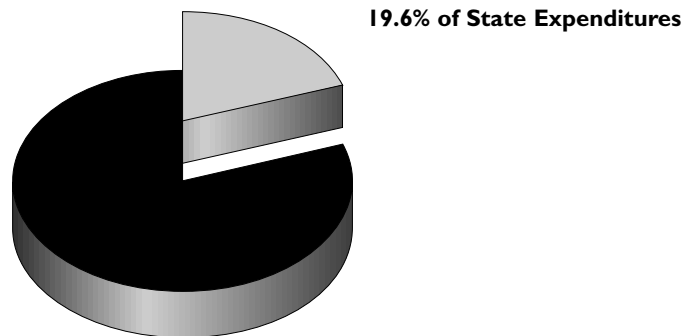
million in fiscal 2000 and \$579.4 million in fiscal 2001. Amounts shown for TANF represent all TANF costs, not just cash assistance. TANF cash assistance was \$373.4 million in fiscal 2000 and \$337.3 million in fiscal 2001. Also, see General Notes for Ohio on this issue and for discussion of double counting issues that affect percentage of total expenditure amounts. Beginning in fiscal 2002, the appropriation for the federal TANF Block Grant is moved from the General Fund to a federal revenue fund.

**Rhode Island:** Federal expenditures include \$59.9 million, \$58.6 million and \$64.2 million for fiscal years 2000, 2001 and 2002 respectively, for Federal Food Stamps.

**Wyoming:** Data reflecting general TANF general funds is unavailable.

# CHAPTER FOUR MEDICAID EXPENDITURES

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Total Medicaid spending in fiscal 2001 excluding administrative costs was \$200.4 billion, or 10.9 percent more than fiscal 2000. Based on those amounts, in fiscal 2001 Medicaid accounted for 19.6 percent of total state spending.

Based on estimates to date, fiscal 2002 Medicaid expenditures increased approximately 10.4 percent over the fiscal 2001 level. This rate of growth—at about 21 percent over two years—compares to about a 5 percent revenue growth over the fiscal 2000 to fiscal 2002 period.

After growth rates of 10.9 percent in fiscal 2001 and 10.4 percent in fiscal 2002, the percentage growth in the state share is estimated to be 5.9 percent in governors' proposed fiscal 2003 budgets. This decline in the rate of growth is predicated on extensive cost containment measures as well as strategies that have been underway during fiscal 2002. Figures 14 and 15 provide actual and projected Medicaid costs for total spending and for state spending from 1970 to 2002. In addition to Medicaid, state spending on other health services accounts for another 8.3 percent of general fund spending. For more details on Medicaid and other state health care spending, see NASBO's "1998-1999 State Health Care Expenditure Report."

### **Medicaid continues to be an important budget issue for states**

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Medicaid, a means-tested entitlement program financed by the states and the federal government, provides medical care for about 40 million individuals. Medicaid spending has escalated in recent years and combined with the dramatic revenue slowdown in states is the most significant cost issue affecting state budgets.

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.

The reasons for the increase in costs in recent years stems from both increased caseloads due to the downturn in the economy as well as price increases in the health care sector generally, especially in pharmaceutical costs. Spending on outpatient prescription drugs, which increased an average of 18 percent annually over the past three years, is continuing to be a significant component in rising Medicaid costs. According to the recently released study by the

National Institute for Health Care Management, prescription drugs spending overall climbed by 17 percent in 2001. The study found that the average cost of a prescription rose by 10 percent during this time period.

According to the Centers for Medicare and Medicaid Services, prescription drug spending, nursing home, community-based long-term care costs and payments to health plans have been significant contributors to the recent expenditure growth and are expected to continue to do so in the future.

As the costs have increased, states have experienced Medicaid expenditures exceeding the amount that had been originally budgeted for the program. Thirty-one states experienced Medicaid shortfalls in fiscal 2001 and 28 states are anticipating shortfalls in the current fiscal year. The shortfalls as a percentage of the total Medicaid program ranged from less than one percent to over 28 percent of the program costs, averaging 6.2 percent. The total amount of the shortfalls in fiscal 2001 and fiscal 2002 totals approximately \$7.1 billion.

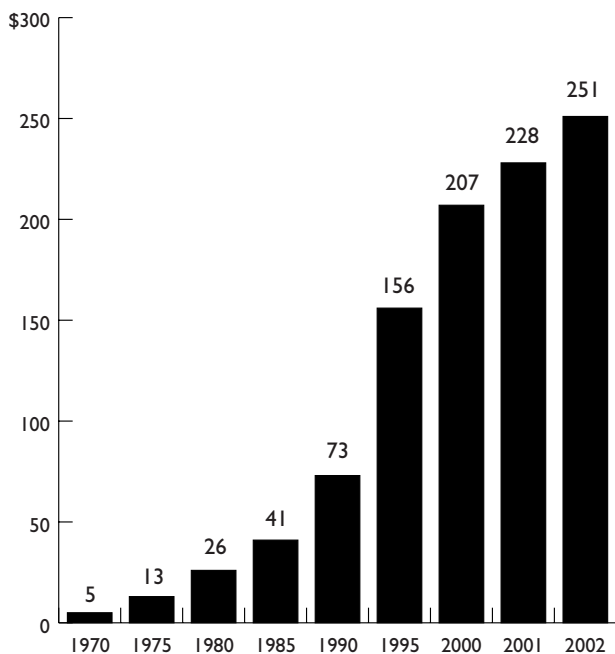
With the escalating growth in Medicaid expenditures coupled with the dramatic revenue slowdown in states, states have been forced to seriously review cost containment options. Forty-seven states reported taking action in fiscal 2002 or proposing action in fiscal 2003 to reduce Medicaid expenditures. By far the most frequently reported cost control mechanism was reducing prescription drug costs. Many states also reported reducing or holding flat provider reimbursement rates. The following are examples of governors' proposed cost containment proposals:

- Requiring prior authorization of pharmaceuticals;
- Increasing fraud and abuse efforts;
- Reducing optional benefits/eligibility;
- Contracting for services;
- Increasing cost-sharing requirements including instituting premiums;
- Reducing prescription drug costs by revising the ingredient cost reimbursement rates;
- Reducing provider rates;
- Negotiating additional drug rebate payments;
- Adding statutory authority for additional estate recovery;
- Eliminating special grants to rural hospitals;
- Implementing disease management;
- Entering in multi-agency purchasing arrangements for volume discount savings.

States also reported that they are deferring plans to implement planned expansions or program enhancements. While 47 states are proposing or undertaking Medicaid cost containment measures, only 28 states are proposing to generate additional non-general fund revenues for Medicaid, including use of upper payment limit arrangements under Medicaid. This mirrors the trends in overall budget strategies, where states are more concentrated on reducing expenditures than raising revenues to address budget shortfalls. Unlike the last recession, states cannot rely as heavily on strategies such as provider taxes to generate additional revenues in Medicaid or switching to managed care for cost savings, as was the case in the early 1990s. States that are seeking additional revenues to fund the Medicaid program are using some of the following proposed strategies:

- Reallocating tobacco settlement funds;
- Increasing a hospital tax;
- Increasing cigarette taxes;
- Adding a quality assurance fee for nursing facilities;
- Using the Medicare upper payment limit to draw down federal Medicaid funds.

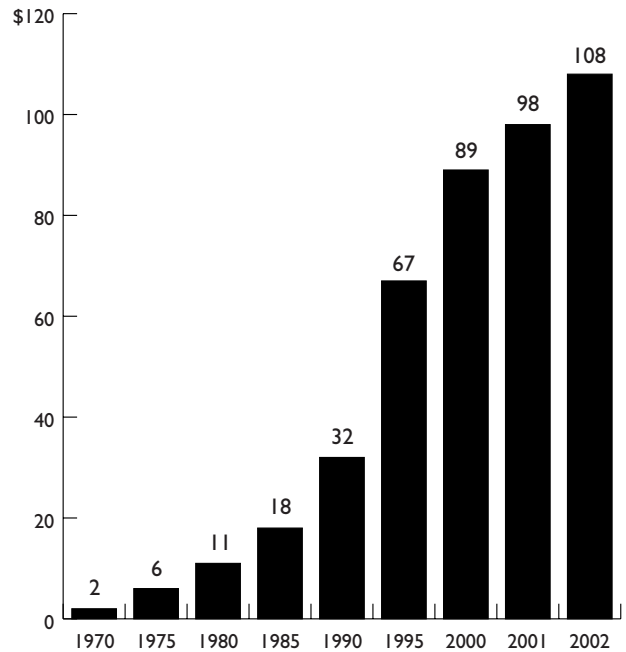
**Figure 14**  
**ACTUAL AND PROJECTED TOTAL MEDICAID SPENDING, 1970 TO 2002 (IN BILLIONS)**



Source: Congressional Budget Office and Federal Funds Information for States

Figure 14, based on projections by the Congressional Budget Office (CBO) in January 2002, 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 15**  
**ACTUAL AND PROJECTED STATE MEDICAID SPENDING, 1970 TO 2002 (IN BILLIONS)**



Source: Congressional Budget Office and Federal Funds Information for States

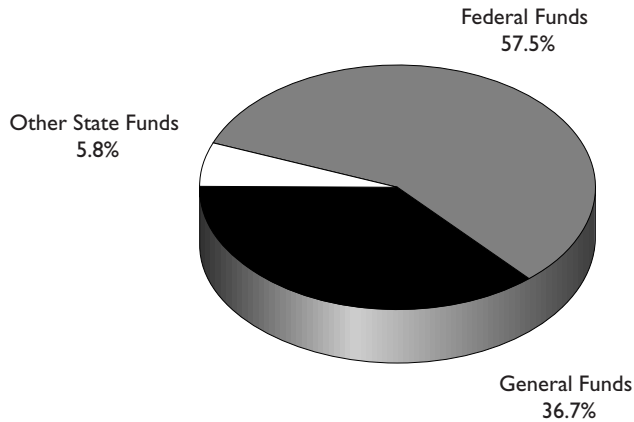
Figure 16, also based on projections by the CBO in January 2002, assumes a 57 percent federal share of total Medicaid costs. Figures for 1990 and prior years are from the Federal Funds Information for States Issue Brief 94-14, Recent Trends in Medicaid Spending.



## Fund Shares

The figure below provides fund shares for 2001.

**Figure 16**  
**STATE EXPENDITURES FOR MEDICAID BY**  
**FUND SOURCE, FISCAL 2001**



## Regional Expenditures

The following table shows percentage changes in expenditures for Medicaid for fiscal 2000-2001 and 2001-2002. For 2001, the Plains and Southeast regions are well above the national average and New England and Southwest 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**  
**2001 AND 2002**

Region	Fiscal 2000 to 2001			Fiscal 2001 to 2002		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	0.2%	6.5%	3.2%	1.8%	8.6%	5.1%
Mid-Atlantic	8.3	8.4	8.3	8.3	9.7	9.1
Great Lakes	10.8	10.8	10.8	9.7	3.4	7.0
Plains	13.1	14.1	13.7	9.3	12.9	11.4
Southeast	15.6	15.6	15.6	14.4	6.4	9.2
Southwest	-2.4	13.2	7.1	20.3	19.6	19.9
Rocky Mountain	11.1	10.9	11.0	6.8	8.3	7.7
Far West	14.2	10.9	12.3	14.0	15.3	14.8
<b>ALL STATES</b>	<b>9.8%</b>	<b>11.7%</b>	<b>10.9%</b>	<b>11.0%</b>	<b>10.0%</b>	<b>10.4%</b>

Table 28

## MEDICAID EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2000				Actual Fiscal 2001				Estimated Fiscal 2002			
	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total
<b>NEW ENGLAND</b>												
Connecticut	\$2,813	\$1,616	\$314	\$4,743	\$2,972	\$1,747	\$251	\$4,970	\$3,125	\$1,834	\$0	\$4,959
Maine	416	798	0	1,214	443	867	4	1,314	492	930	19	1,441
Massachusetts	2,426	2,552	149	5,127	2,200	2,624	155	4,979	2,407	2,935	0	5,342
New Hampshire	284	418	121	823	318	466	139	923	326	501	154	981
Rhode Island*	530	609	0	1,139	568	669	0	1,237	633	700	0	1,333
Vermont	126	326	71	523	124	359	91	574	133	410	110	653
<b>MID-ATLANTIC</b>												
Delaware	233	256	16	505	255	291	21	567	275	320	22	617
Maryland	1,459	1,512	101	3,072	1,650	1,593	26	3,269	1,760	1,807	0	3,567
New Jersey	2,915	2,954	23	5,892	3,539	3,633	23	7,195	3,804	3,847	23	7,674
New York	5,783	12,639	863	19,285	5,722	13,347	1,134	20,203	6,204	14,505	1,175	21,884
Pennsylvania*	4,032	5,669	1,023	10,724	4,358	6,090	1,083	11,531	4,531	6,884	1,503	12,918
<b>GREAT LAKES</b>												
Illinois	3,036	3,611	888	7,535	3,249	4,197	1,012	8,458	3,182	4,330	1,204	8,716
Indiana	1,070	1,845	48	2,963	1,221	2,048	50	3,319	1,380	2,294	62	3,736
Michigan*	1,764	3,741	1,269	6,774	2,033	4,081	1,135	7,249	1,754	3,868	1,607	7,229
Ohio*	5,897	1,107	400	7,404	6,922	1,096	349	8,367	7,580	1,285	631	9,496
Wisconsin	989	1,837	52	2,878	1,057	2,030	53	3,140	1,281	2,134	64	3,479
<b>PLAINS</b>												
Iowa	422	909	184	1,515	401	1,097	338	1,836	395	1,073	246	1,714
Kansas*	444	754	27	1,225	432	808	61	1,301	457	907	104	1,468
Minnesota	1,697	1,709	0	3,406	1,872	1,915	0	3,787	2,005	2,115	0	4,120
Missouri*	1,407	2,398	150	3,955	1,438	2,840	347	4,625	1,585	3,553	554	5,692
Nebraska	367	658	2	1,027	418	686	7	1,111	453	701	10	1,164
North Dakota	113	277	0	390	120	290	0	410	134	323	0	457
South Dakota	112	281	0	393	120	334	15	469	142	329	0	471
<b>SOUTHEAST</b>												
Alabama	335	1,941	502	2,778	360	2,096	537	2,993	359	2,180	547	3,086
Arkansas	349	1,187	95	1,631	368	1,351	134	1,853	381	1,518	190	2,089
Florida*	2,681	4,326	663	7,670	3,043	5,040	814	8,897	3,407	5,795	1,054	10,256
Georgia	1,350	2,260	100	3,710	1,522	2,890	419	4,831	1,567	3,344	703	5,614
Kentucky	640	2,178	271	3,089	696	2,347	292	3,335	752	2,274	205	3,231
Louisiana	755	2,428	250	3,433	861	2,891	292	4,044	897	3,312	464	4,673
Mississippi*	171	1,572	302	2,045	191	1,694	317	2,202	187	1,641	300	2,128
North Carolina	1,430	3,325	264	5,019	1,520	4,006	420	5,946	1,982	3,834	353	6,169
South Carolina	445	1,892	374	2,711	405	2,090	482	2,977	476	2,253	510	3,239
Tennessee*	1,415	2,983	141	4,539	1,624	3,530	277	5,431	1,829	3,651	236	5,716
Virginia	1,323	1,409	0	2,732	1,465	1,568	0	3,033	1,494	1,676	501	3,671
West Virginia	171	1,066	179	1,416	183	1,206	199	1,588	187	1,196	205	1,588
<b>SOUTHWEST</b>												
Arizona	463	1,360	258	2,081	536	1,888	328	2,752	623	2,308	480	3,411
New Mexico	311	890	2	1,203	397	1,078	11	1,486	413	1,284	42	1,739
Oklahoma	338	1,140	162	1,640	375	1,402	224	2,001	441	1,592	242	2,275
Texas*	4,614	6,133	0	10,747	4,132	6,410	0	10,542	4,978	7,711	0	12,689
<b>ROCKY MOUNTAIN</b>												
Colorado*	908	985	77	1,970	969	1,073	109	2,151	1,044	1,141	104	2,289
Idaho	164	386	32	582	198	478	32	708	221	541	33	795
Montana	108	326	9	443	116	355	8	479	125	405	16	546
Utah*	142	557	98	797	153	589	123	865	179	627	106	912
Wyoming	79	145	0	224	89	165	0	254	91	167	0	258
<b>FAR WEST</b>												
Alaska	—	—	—	—	—	—	—	—	—	—	—	—
California	8,065	12,064	0	20,129	9,168	13,422	0	22,590	9,705	15,175	174	25,054
Hawaii	287	287	2	576	311	299	0	610	305	324	0	629
Nevada	316	323	16	655	351	365	22	738	361	375	24	760
Oregon	690	1,335	129	2,154	820	1,511	212	2,543	1,134	1,679	196	3,009
Washington	2,049	2,255	0	4,304	2,310	2,438	0	4,748	3,146	3,250	0	6,396
<b>ALL STATES</b>	<b>\$67,934</b>	<b>\$103,229</b>	<b>\$9,627</b>	<b>\$180,790</b>	<b>\$73,595</b>	<b>\$115,290</b>	<b>\$11,546</b>	<b>\$200,431</b>	<b>\$80,322</b>	<b>\$126,838</b>	<b>\$14,173</b>	<b>\$221,333</b>
Puerto Rico	450	178	0	628	645	184	0	829	650	193	0	843

Source: National Association of State Budget Officers, 2001 State Expenditure Report, Summer 2002

**Table 29**  
**MEDICAID EXPENDITURES AS A PERCENT OF TOTAL**  
**EXPENDITURES**

Region/State	Fiscal 2000	Fiscal 2001	Fiscal 2002
<b>NEW ENGLAND</b>			
Connecticut	26.1%	26.2%	26.7%
Maine	25.0	24.9	22.3
Massachusetts	18.3	16.5	17.0
New Hampshire	24.2	26.9	26.6
Rhode Island	25.8	25.4	24.9
Vermont	23.4	21.5	22.6
<b>MID-ATLANTIC</b>			
Delaware	10.1	10.5	11.1
Maryland	16.8	16.0	16.2
New Jersey	19.9	22.3	22.7
New York	26.3	25.3	25.7
Pennsylvania	27.9	28.3	28.6
<b>GREAT LAKES</b>			
Illinois	21.5	22.5	22.0
Indiana	17.9	18.7	22.2
Michigan	19.4	19.1	18.9
Ohio	19.1	19.8	19.4
Wisconsin	11.0	11.2	15.0
<b>PLAINS</b>			
Iowa	13.1	14.9	13.5
Kansas	14.6	14.7	15.5
Minnesota	18.5	18.2	18.8
Missouri	24.6	27.8	29.6
Nebraska	17.7	18.3	17.8
North Dakota	17.3	17.8	18.1
South Dakota	18.6	19.9	18.8
<b>SOUTHEAST</b>			
Alabama	18.9	19.4	16.4
Arkansas	16.2	16.6	17.2
Florida	16.1	17.0	21.6
Georgia	14.9	19.4	20.2
Kentucky	19.6	19.8	18.1
Louisiana	23.1	25.3	26.7
Mississippi	21.8	22.6	20.5
North Carolina	19.4	22.1	22.8
South Carolina	20.2	20.6	21.1
Tennessee	28.4	31.2	30.4
Virginia	12.2	12.5	14.6
West Virginia	21.8	21.3	19.4
<b>SOUTHWEST</b>			
Arizona	13.5	15.9	20.4
New Mexico	13.0	13.8	15.7
Oklahoma	15.1	16.7	17.2
Texas*	21.8	20.1	23.2
<b>ROCKY MOUNTAIN</b>			
Colorado	16.9	16.9	16.8
Idaho	16.0	17.8	17.5
Montana	15.9	15.4	15.0
Utah	12.3	12.4	12.2
Wyoming	14.1	16.4	16.4
<b>FAR WEST</b>			
Alaska	—	—	—
California	16.5	16.4	16.8
Hawaii	8.3	8.4	8.7
Nevada	14.3	15.4	14.9
Oregon	13.0	14.9	16.3
Washington	20.0	20.6	28.0
<b>ALL STATES</b>			
	<b>19.1%</b>	<b>19.6%</b>	<b>20.5%</b>
Puerto Rico	3.4	4.2	4.1

Source: National Association of State Budget Officers, 2001 State Expenditure Report, Summer 2002

Table 30

## ANNUAL PERCENTAGE CHANGE IN MEDICAID EXPENDITURES

Region/State	Fiscal 2000 to 2001			Fiscal 2001 to 2002		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
<b>NEW ENGLAND</b>						
Connecticut	3.1%	8.1%	4.8%	-3.0%	5.0%	-0.2%
Maine	7.5	8.6	8.2	14.3	7.3	9.7
Massachusetts	-8.5	2.8	-2.9	2.2	11.9	7.3
New Hampshire	12.8	11.5	12.2	5.0	7.5	6.3
Rhode Island	7.2	9.9	8.6	11.4	4.6	7.8
Vermont	9.1	10.1	9.8	13.0	14.2	13.8
<b>MID-ATLANTIC</b>						
Delaware	10.8	13.7	12.3	7.6	10.0	8.8
Maryland	7.4	5.4	6.4	5.0	13.4	9.1
New Jersey	21.2	23.0	22.1	7.4	5.9	6.7
New York	3.2	5.6	4.8	7.6	8.7	8.3
Pennsylvania	7.6	7.4	7.5	10.9	13.0	12.0
<b>GREAT LAKES</b>						
Illinois	8.6	16.2	12.2	2.9	3.2	3.1
Indiana	13.7	11.0	12.0	13.5	12.0	12.6
Michigan	4.5	9.1	7.0	6.1	-5.2	-0.3
Ohio	15.5	-1.0	13.0	12.9	17.2	13.5
Wisconsin	6.6	10.5	9.1	21.2	5.1	10.8
<b>PLAINS</b>						
Iowa	21.9	20.7	21.2	-13.3	-2.2	-6.6
Kansas	4.7	7.2	6.2	13.8	12.3	12.8
Minnesota	10.3	12.1	11.2	7.1	10.4	8.8
Missouri	14.6	18.4	16.9	19.8	25.1	23.1
Nebraska	15.2	4.3	8.2	8.9	2.2	4.8
North Dakota	6.2	4.7	5.1	11.7	11.4	11.5
South Dakota	20.5	18.9	19.3	5.2	-1.5	0.4
<b>SOUTHEAST</b>						
Alabama	7.2	8.0	7.7	1.0	4.0	3.1
Arkansas	13.1	13.8	13.6	13.7	12.4	12.7
Florida	15.3	16.5	16.0	15.7	15.0	15.3
Georgia	33.9	27.9	30.2	17.0	15.7	16.2
Kentucky	8.5	7.8	8.0	-3.1	-3.1	-3.1
Louisiana	14.7	19.1	17.8	18.0	14.6	15.6
Mississippi	7.4	7.8	7.7	-4.1	-3.1	-3.4
North Carolina	14.5	20.5	18.5	20.4	-4.3	3.8
South Carolina	8.3	10.5	9.8	11.2	7.8	8.8
Tennessee	22.2	18.3	19.7	8.6	3.4	5.2
Virginia	10.7	11.3	11.0	36.2	6.9	21.0
West Virginia	9.1	13.1	12.1	2.6	-0.8	0.0
<b>SOUTHWEST</b>						
Arizona	19.8	38.8	32.2	27.7	22.2	23.9
New Mexico	30.4	21.1	23.5	11.5	19.1	17.0
Oklahoma	19.8	23.0	22.0	14.0	13.6	13.7
Texas*	-10.4	4.5	-1.9	20.5	20.3	20.4
<b>ROCKY MOUNTAIN</b>						
Colorado	9.4	8.9	9.2	6.5	6.3	6.4
Idaho	17.3	23.8	21.6	10.4	13.2	12.3
Montana	6.0	8.9	8.1	13.7	14.1	14.0
Utah	15.0	5.7	8.5	3.3	6.5	5.4
Wyoming	12.7	13.8	13.4	2.2	1.2	1.6
<b>FAR WEST</b>						
Alaska	—	—	—	—	—	—
California	13.7	11.3	12.2	7.8	13.1	10.9
Hawaii	7.6	4.2	5.9	-1.9	8.4	3.1
Nevada	12.3	13.0	12.7	3.2	2.7	3.0
Oregon	26.0	13.2	18.1	28.9	11.1	18.3
Washington	12.7	8.1	10.3	36.2	33.3	34.7
<b>ALL STATES</b>						
	<b>9.8%</b>	<b>11.7%</b>	<b>10.9%</b>	<b>11.0%</b>	<b>10.0%</b>	<b>10.4%</b>
Puerto Rico	43.3	3.4	32.0	0.8	4.9	1.7

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

Source: National Association of State Budget Officers, 2001 State Expenditure Report, Summer 2002

## Medicaid Notes

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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.

**Colorado:** Figures do not include Medicaid administration. "Other state funds" are from certification of public expenditures. Figures exclude all non-Medicaid expenditures.

**Florida:** For fiscal 2000 "Other State Funds" include: provider assessments of \$380 million, disproportionate share of local county funds of \$94 million, pharmacy rebates of \$114 million, tobacco settlement funds of \$70 million, and state fraud recoupment of \$7 million. For fiscal 2001 "Other State Funds" include: provider assessments of \$368 million, state cash in Medical Care Trust Fund Estate recovery of \$5 million, disproportionate share of local county funds of \$171 million, pharmacy rebates of \$112 million, tobacco settlement funds of \$149 million, and state fraud recoupment of \$9 million. For fiscal 2002 "Other State Funds" include: provider assessments of \$340 million, state cash in Medical Care Trust Fund Estate recovery of \$6 million, disproportionate share of local county funds of \$391 million, pharmacy rebates of \$182 million, tobacco settlement funds of \$126 million, and state fraud recoupment of \$9 million.

**Kansas:** Fiscal 2002 "Other State Funds" include \$35.9 million in fee funds and \$3 million in tobacco funds.

**Michigan:** Other state funds include local funds in the following amounts: \$1,372.8 million for fiscal 2000, \$1,439.1 million for fiscal 2001, and \$1,384.6 million for fiscal 2002. Public health and community and institutional care for mentally and developmentally disabled persons are partially reported in the Medicaid totals.

**Mississippi:** "Other State Funds" includes the following funding sources: In fiscal 2000, provider taxes of \$15 million, intergovernmental transfers of \$205 million, and appropriations to other state agencies to pay for Medicaid services of \$82 million. In fiscal 2001, provider taxes of \$13 million, intergovernmental transfers of \$181 million, and appropriations to other state agencies to pay for Medicaid services of \$123 million. In fiscal 2002, provider taxes of \$16 million, intergovernmental transfers of \$155 million, and appropriations to other state agencies to pay for Medicaid services of \$128 million.

**Missouri:** Data are from the CMS 64 Report used for federal reporting of Medicaid expenditures. The split between the General Revenue Fund and Other Funds is an estimate. Medicaid does not track the General Revenue Fund versus Other State Funds in its reporting.

**Ohio:** Federal funds deposited to the state General Fund and shown as General Fund expenditures for Medicaid amount to \$3,279.5 million in fiscal 2000 and \$3,885.5 million in fiscal 2001. See General Notes for Ohio on this issue.

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.

**Pennsylvania:** Intergovernmental transfer (IGT) funds are included in the "Other State Funds" category and total \$997 million in fiscal 2000, \$1,044 million in fiscal 2001 and \$1,446 million in fiscal 2002. State expenditures for Medicaid match are not accounted for separately from the state's overall medical assistance program. Therefore, the state match has been derived based upon federal reimbursement rates for individual programs. These figures include some payments on behalf of general assistance clients who do not qualify under Title XIX. A portion of the IGT funds provide the 10 percent local match required by Pennsylvania law for Medicaid clients in nursing homes. Other local funds used as match are not included in this report.

**Rhode Island:** Rhode Island utilizes provider taxes, which only reflect revenues and therefore are not included in the expenditure base. Funding for Mental Health and Developmental Disability services, within the “All Other” expenditures category, is partially excluded because the bulk of the expenditures are under the category of Medicaid.

**Tennessee:** Regarding premium revenue: fiscal 2000 totals \$53 million, fiscal 2001 totals \$55.0 million and fiscal 2002 totals \$53 million. Regarding Certified Public Expenditures—Local fund from Hospitals: fiscal 2000 totals \$193 million, fiscal 2001 totals \$199 million and fiscal 2002 totals \$155 million. Regarding Nursing Home Tax: fiscal 2000 totals \$103 million, fiscal 2001 totals \$116 million

and fiscal 2002 totals \$103 million. Regarding the ICF/MR 6 percent Gross Receipts Tax: fiscal 2000 totals \$13 million, fiscal 2001 totals \$14 million and fiscal 2002 totals \$15 million. Regarding Intergovernmental Transfers: fiscal 2000 totals \$106 million, fiscal 2001 totals \$147 million and fiscal 2002 totals \$119 million.

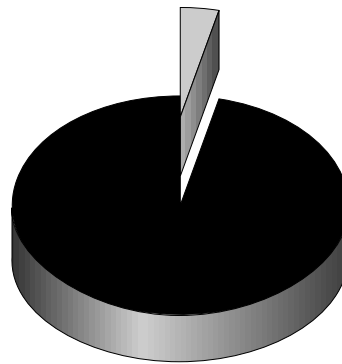
**Utah:** “Other State Funds” reflect the following provider taxes: for fiscal 2000, \$4.2 million in nursing facility taxes and \$1.3 million in hospital assessments; for fiscal 2001, \$0.0 million in nursing facility taxes (this tax was eliminated) and \$0.0 in hospital assessments (this provider tax has been phased out); for fiscal 2002, no provider taxes were assessed or used in this fiscal year.



# CHAPTER FIVE

## CORRECTIONS EXPENDITURES

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3.7% of State Expenditures



State spending for corrections in fiscal 2001 totaled nearly \$38.1 billion, a 4.9 percent increase from the prior year. The largest increase in state corrections spending was in 1995, when it grew by more than 15 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.

Over the years, spending for corrections has remained relatively constant. For fiscal 2001, spending for corrections was 3.7 percent of total expenditures and 7 percent of all state general fund spending. State spending for corrections primarily has been in the form of general fund dollars, averaging 89.5 percent of all corrections spending since fiscal 1990. State general fund shares for corrections in fiscal 2001 are 90 percent, or \$34.4 billion. Since 1990, the federal shares of states' corrections spending has averaged about 1.5 percent, and totaled \$835 billion in state corrections spending in fiscal 2001.

State corrections expenditures for fiscal 2002 are estimated to be 3.9 percent more than prior year levels. The lower rate can be attributed to slower growth in state prison populations and budget cuts due to the national economic slowdown and resulting budget shortfalls in most states.

Many states also face demands of 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 2000 about \$2 billion was spent, most of it (more than \$1 billion) financed by bond proceeds. Capital spending for corrections decreased by 17 percent in fiscal 2001 and is expected to decrease by 4.3 percent in fiscal 2002.

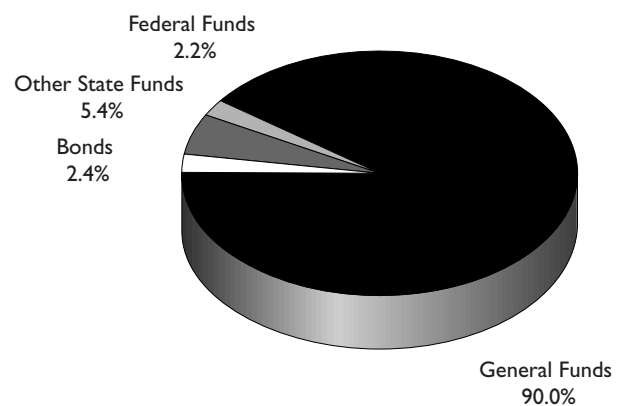
## Regional Expenditures

The following table shows percentage changes in expenditures for corrections for fiscal 2000 to 2001 and 2001 to 2002. Between

**Table 31**  
**REGIONAL PERCENTAGE CHANGE IN STATE CORRECTIONS EXPENDITURES, FISCAL 2001 AND 2002**

Region	Fiscal 2000 to 2001			Fiscal 2001 to 2002		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	15.6%	-37.5%	13.3%	7.4%	113.3%	7.9%
Mid-Atlantic	0.8	-36.5	-1.9	-0.8	-3.8	-0.3
Great Lakes	7.8	-2.1	4.2	3.2	31.9	5.4
Plains	4.9	-5.1	3.7	5.1	67.6	7.5
Southeast	4.1	6.6	4.6	2.4	9.9	2.4
Southwest	3.6	58.5	4.7	10.9	-41.6	9.2
Rocky Mountain	10.9	8.7	10.8	15.3	44.0	15.9
Far West	10.7	23.3	10.3	1.0	-8.9	0.7
<b>ALL STATES</b>	<b>6.1%</b>	<b>-8.8%</b>	<b>4.9%</b>	<b>3.5%</b>	<b>2.3%</b>	<b>3.9%</b>

**Figure 17**  
**STATE EXPENDITURES FOR CORRECTIONS BY FUND SOURCE, FISCAL 2001**



fiscal 2000 and fiscal 2001, the New England and Rocky Mountain regions showed the largest increases, of 13.3 percent and 10.8 percent, respectively.

By comparison, the Plains had the lowest increase—3.7 percent—while the Mid-Atlantic decreased corrections expenditures by 1.9 percent.

## Corrections Expenditures Exclusions

Nineteen states wholly or partially excluded juvenile delinquency counseling from their corrections figures and 11 states wholly or partially excluded spending on juvenile institutions. Eighteen states wholly or partially excluded spending on drug abuse rehabilitation centers, 20 states excluded spending for local jails, and 35 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.

Table 32

## CORRECTIONS EXPENDITURES—CAPITAL INCLUSIVE (\$ IN MILLIONS)

Region/State	Actual Fiscal 2000					Actual Fiscal 2001					Estimated Fiscal 2002				
	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
<b>NEW ENGLAND</b>															
Connecticut	\$499	\$4	\$1	\$10	\$514	\$524	\$3	\$0	\$19	\$546	\$566	\$2	\$1	\$25	\$594
Maine	84	11	1	0	96	95	5	1	0	101	127	18	7	0	152
Massachusetts	723	1	15	34	773	921	0	3	20	944	958	0	1	9	968
New Hampshire	57	1	5	15	78	67	1	5	3	76	71	1	5	0	77
Rhode Island	138	7	2	0	147	149	6	6	0	161	153	11	12	0	176
Vermont	67	0	1	1	69	70	0	1	1	72	76	0	1	6	83
<b>MID-ATLANTIC</b>															
Delaware	169	6	2	24	201	189	5	2	7	203	183	3	2	5	193
Maryland	674	32	133	34	873	739	10	113	50	912	770	19	128	43	960
New Jersey*	1,103	38	90	7	1,238	1,146	32	89	2	1,269	1,106	25	87	0	1,218
New York	2,367	273	24	268	2,932	2,275	138	27	213	2,653	2,196	160	32	206	2,594
Pennsylvania	1,323	67	52	54	1,496	1,354	79	51	92	1,576	1,374	47	58	150	1,629
<b>GREAT LAKES</b>															
Illinois	1,106	0	74	151	1,331	1,178	0	81	159	1,418	1,262	0	93	121	1,476
Indiana	522	0	50	45	617	560	0	60	0	620	596	0	60	0	656
Michigan*	1,592	63	88	122	1,865	1,758	60	82	49	1,949	1,737	61	101	16	1,915
Ohio*	1,512	32	161	159	1,864	1,574	29	169	81	1,853	1,608	60	188	283	2,139
Wisconsin	710	1	141	0	852	804	5	153	0	962	830	3	147	0	980
<b>PLAINS</b>															
Iowa	238	6	51	0	295	253	3	34	0	290	245	5	43	0	293
Kansas	263	6	37	11	317	267	8	45	12	332	272	13	55	39	379
Minnesota	342	7	11	21	381	390	6	13	6	415	393	18	24	8	443
Missouri	423	4	30	6	463	429	4	31	8	472	472	9	43	0	524
Nebraska	139	7	19	0	165	137	4	24	0	165	138	3	19	0	160
North Dakota	28	5	5	2	40	33	7	5	0	45	35	5	6	0	46
South Dakota	44	4	5	0	53	48	5	6	0	59	52	9	6	0	67
<b>SOUTHEAST</b>															
Alabama	256	4	50	0	310	266	5	65	0	336	276	2	71	0	349
Arkansas	161	7	34	0	202	165	3	39	0	207	168	6	56	0	230
Florida	1,554	27	65	0	1,646	1,564	38	74	0	1,676	1,555	46	81	0	1,682
Georgia	1,091	22	31	18	1,162	1,171	16	26	29	1,242	1,226	11	29	37	1,303
Kentucky	333	17	60	0	410	357	22	62	0	441	382	22	67	0	471
Louisiana	517	8	46	12	583	552	3	44	2	601	573	10	47	3	633
Mississippi	245	8	10	3	266	231	0	28	0	259	231	0	24	0	255
North Carolina	900	4	27	0	931	900	1	28	0	929	878	0	9	0	887
South Carolina	431	13	80	4	528	445	18	78	22	563	386	32	86	24	528
Tennessee	395	14	21	0	430	406	16	25	21	468	474	15	37	0	526
Virginia	899	26	69	4	998	974	32	81	3	1,090	1,022	26	72	2	1,122
West Virginia	88	1	12	0	101	95	7	0	0	102	104	7	10	0	121
<b>SOUTHWEST</b>															
Arizona	622	15	52	0	689	645	23	43	0	711	614	22	15	0	651
New Mexico	159	2	18	6	185	172	7	18	5	202	192	5	19	4	220
Oklahoma	365	5	31	0	401	370	1	57	0	428	389	1	47	0	437
Texas*	2,937	72	146	0	3,155	3,069	118	112	0	3,299	3,590	59	108	0	3,757
<b>ROCKY MOUNTAIN</b>															
Colorado	389	6	42	0	437	440	2	55	0	497	544	13	65	0	622
Idaho	110	7	23	3	143	125	9	26	3	163	143	9	41	3	196
Montana	90	1	6	0	97	95	1	6	0	102	98	2	8	0	108
Utah*	230	5	36	0	271	247	7	19	0	273	250	4	25	0	279
Wyoming	41	4	3	0	48	58	6	5	0	69	60	8	7	0	75
<b>FAR WEST</b>															
Alaska	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
California	4,932	29	16	9	4,986	5,672	41	18	3	5,734	5,633	37	19	2	5,691
Hawaii	132	(1)	8	3	142	133	2	9	2	146	143	0	14	1	158
Nevada	142	0	15	0	157	160	1	16	0	177	171	3	23	0	197
Oregon	505	20	203	0	728	505	18	91	0	614	547	20	99	0	666
Washington	548	25	16	112	701	576	28	36	93	733	608	22	32	82	744
<b>TOTAL</b>	<b>\$32,195</b>	<b>\$916</b>	<b>\$2,118</b>	<b>\$1,138</b>	<b>\$36,367</b>	<b>\$34,353</b>	<b>\$835</b>	<b>\$2,062</b>	<b>\$905</b>	<b>\$38,155</b>	<b>\$35,477</b>	<b>\$854</b>	<b>\$2,230</b>	<b>\$1,069</b>	<b>\$39,630</b>
Puerto Rico	382	9	27	0	418	402	10	31	0	443	385	6	43	0	434

Source: National Association of State Budget Officers, 2001 State Expenditure Report, Summer 2002

**Table 33**  
**CORRECTIONS EXPENDITURES AS A PERCENT OF TOTAL**  
**EXPENDITURES**

Region/State	Fiscal 2000	Fiscal 2001	Fiscal 2002
<b>NEW ENGLAND</b>			
Connecticut	2.8%	2.9%	3.2%
Maine	2.0	1.9	2.4
Massachusetts	2.8	3.1	3.1
New Hampshire	2.3	2.2	2.1
Rhode Island	3.3	3.3	3.3
Vermont	3.1	2.7	2.9
<b>MID-ATLANTIC</b>			
Delaware	4.0	3.7	3.5
Maryland	4.8	4.5	4.4
New Jersey	4.2	3.9	3.6
New York	4.0	3.3	3.1
Pennsylvania	3.9	3.9	3.6
<b>GREAT LAKES</b>			
Illinois	3.8	3.8	3.7
Indiana	3.7	3.5	3.9
Michigan	5.3	5.1	5.0
Ohio	4.8	4.4	4.4
Wisconsin	3.3	3.4	4.2
<b>PLAINS</b>			
Iowa	2.5	2.4	2.3
Kansas	3.8	3.8	4.0
Minnesota	2.1	2.0	2.0
Missouri	2.9	2.8	2.7
Nebraska	2.8	2.7	2.4
North Dakota	1.8	2.0	1.8
South Dakota	2.5	2.5	2.7
<b>SOUTHEAST</b>			
Alabama	2.1	2.2	1.9
Arkansas	2.0	1.9	1.9
Florida	3.5	3.2	3.5
Georgia	4.7	5.0	4.7
Kentucky	2.6	2.6	2.6
Louisiana	3.9	3.8	3.6
Mississippi	2.8	2.7	2.5
North Carolina	3.6	3.4	3.3
South Carolina	3.9	3.9	3.4
Tennessee	2.7	2.7	2.8
Virginia	4.5	4.5	4.5
West Virginia	1.6	1.4	1.5
<b>SOUTHWEST</b>			
Arizona	4.5	4.1	3.9
New Mexico	2.0	1.9	2.0
Oklahoma	3.7	3.6	3.3
Texas*	6.4	6.3	6.9
<b>ROCKY MOUNTAIN</b>			
Colorado	3.7	3.9	4.6
Idaho	3.9	4.1	4.3
Montana	3.5	3.3	3.0
Utah	4.2	3.9	3.7
Wyoming	3.0	4.5	4.8
<b>FAR WEST</b>			
Alaska	—	—	—
California	4.1	4.2	3.8
Hawaii	2.0	2.0	2.2
Nevada	3.4	3.7	3.9
Oregon	4.4	3.6	3.6
Washington	3.3	3.2	3.3
<b>ALL STATES</b>			
	<b>3.8%</b>	<b>3.7%</b>	<b>3.7%</b>
Puerto Rico	2.3	2.3	2.1

Source: National Association of State Budget Officers, 2001 State Expenditure Report, Summer 2002

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

Region/State	Fiscal 2000	Fiscal 2001	Fiscal 2002
<b>NEW ENGLAND</b>			
Connecticut	4.5%	4.4%	4.8%
Maine	3.6	3.7	4.6
Massachusetts	3.9	4.5	4.6
New Hampshire	5.4	6.3	6.1
Rhode Island	6.2	6.0	5.8
Vermont	7.8	8.1	8.6
<b>MID-ATLANTIC</b>			
Delaware	7.5	7.8	7.3
Maryland	7.5	7.2	7.2
New Jersey	5.7	5.5	5.1
New York	6.9	6.2	5.7
Pennsylvania	6.9	6.8	6.6
<b>GREAT LAKES</b>			
Illinois	6.4	6.7	6.9
Indiana	5.5	5.5	6.2
Michigan	16.9	17.8	18.7
Ohio	7.9	7.4	7.4
Wisconsin	6.3	7.3	7.2
<b>PLAINS</b>			
Iowa	5.0	5.2	5.2
Kansas	6.0	6.0	6.0
Minnesota	2.9	3.1	2.9
Missouri	5.8	5.7	6.0
Nebraska	5.9	5.5	5.1
North Dakota	3.6	4.0	4.0
South Dakota	5.8	6.1	6.1
<b>SOUTHEAST</b>			
Alabama	4.9	5.1	5.2
Arkansas	5.2	5.1	5.2
Florida	8.4	7.9	8.1
Georgia	7.8	8.4	8.9
Kentucky	5.1	5.2	5.2
Louisiana	8.9	8.9	8.9
Mississippi	7.2	6.7	6.8
North Carolina	6.4	6.7	5.9
South Carolina	8.3	8.2	7.0
Tennessee	5.8	5.6	6.0
Virginia	8.5	8.6	9.1
West Virginia	3.9	3.7	3.6
<b>SOUTHWEST</b>			
Arizona	10.3	8.8	9.7
New Mexico	4.7	4.8	4.9
Oklahoma	8.1	7.8	7.8
Texas*	10.7	10.6	11.7
<b>ROCKY MOUNTAIN</b>			
Colorado	7.4	7.7	8.9
Idaho	6.5	6.8	7.1
Montana	8.2	7.5	7.4
Utah	6.8	6.6	6.6
Wyoming	11.3	15.7	15.9
<b>FAR WEST</b>			
Alaska	—	—	—
California	7.4	7.3	7.2
Hawaii	4.1	4.0	3.9
Nevada	9.0	9.5	9.5
Oregon	9.6	9.9	9.9
Washington	5.4	5.3	5.4
<b>ALL STATES</b>			
	<b>7.1%</b>	<b>7.0%</b>	<b>7.1%</b>
Puerto Rico	5.4	5.4	5.2

Source: National Association of State Budget Officers, 2001 State Expenditure Report, Summer 2002

Table 35

## ANNUAL PERCENTAGE CHANGE IN CORRECTION EXPENDITURES

Region/State	Fiscal 2000 to 2001			Fiscal 2001 to 2002		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
<b>NEW ENGLAND</b>						
Connecticut	4.8%	-25.0%	6.2%	8.2%	-33.3%	8.8%
Maine	12.9	-54.5	5.2	39.6	260.0	50.5
Massachusetts	25.2	-100.0	22.1	3.8	—	2.5
New Hampshire	16.1	0.0	-2.6	5.6	0.0	1.3
Rhode Island	10.7	-14.3	9.5	6.5	83.3	9.3
Vermont	4.4	—	4.3	8.5	—	15.3
<b>MID-ATLANTIC</b>						
Delaware	11.7	-16.7	1.0	-3.1	-40.0	-4.9
Maryland	5.6	-68.8	4.5	5.4	90.0	5.3
New Jersey	3.5	-15.8	2.5	-3.4	-21.9	-4.0
New York	-3.7	-49.5	-9.5	-3.2	15.9	-2.2
Pennsylvania	2.2	17.9	5.3	1.9	-40.5	3.4
<b>GREAT LAKES</b>						
Illinois	6.7	—	6.5	7.6	—	4.1
Indiana	8.4	—	0.5	5.8	—	5.8
Michigan	9.5	-4.8	4.5	-0.1	1.7	-1.7
Ohio	4.2	-9.4	-0.6	3.0	106.9	15.4
Wisconsin	12.5	400.0	12.9	2.1	-40.0	1.9
<b>PLAINS</b>						
Iowa	-0.7	-50.0	-1.7	0.3	66.7	1.0
Kansas	4.0	33.3	4.7	4.8	62.5	14.2
Minnesota	14.2	-14.3	8.9	3.5	200.0	6.7
Missouri	1.5	0.0	1.9	12.0	125.0	11.0
Nebraska	1.9	-42.9	0.0	-2.5	-25.0	-3.0
North Dakota	15.2	40.0	12.5	7.9	-28.6	2.2
South Dakota	10.2	25.0	11.3	7.4	80.0	13.6
<b>SOUTHEAST</b>						
Alabama	8.2	25.0	8.4	4.8	-60.0	3.9
Arkansas	4.6	-57.1	2.5	9.8	100.0	11.1
Florida	1.2	40.7	1.8	-0.1	21.1	0.4
Georgia	6.7	-27.3	6.9	4.8	-31.3	4.9
Kentucky	6.6	29.4	7.6	7.2	0.0	6.8
Louisiana	5.9	-62.5	3.1	4.0	233.3	5.3
Mississippi	1.6	-100.0	-2.6	-1.5	—	-1.5
North Carolina	0.1	-75.0	-0.2	-4.4	-100.0	-4.5
South Carolina	2.3	38.5	6.6	-9.8	77.8	-6.2
Tennessee	3.6	14.3	8.8	18.6	-6.3	12.4
Virginia	9.0	23.1	9.2	3.7	-18.8	2.9
West Virginia	-5.0	600.0	1.0	20.0	0.0	18.6
<b>SOUTHWEST</b>						
Arizona	2.1	53.3	3.2	-8.6	-4.3	-8.4
New Mexico	7.3	250.0	9.2	11.1	-28.6	8.9
Oklahoma	7.8	-80.0	6.7	2.1	0.0	2.1
Texas*	3.2	63.9	4.6	16.3	-50.0	13.9
<b>ROCKY MOUNTAIN</b>						
Colorado	14.8	-66.7	13.7	23.0	550.0	25.2
Idaho	13.5	28.6	14.0	21.9	0.0	20.2
Montana	5.2	0.0	5.2	5.0	100.0	5.9
Utah	0.0	40.0	0.7	3.4	-42.9	2.2
Wyoming	43.2	50.0	43.8	6.3	33.3	8.7
<b>FAR WEST</b>						
Alaska	—	—	—	—	—	—
California	15.0	41.4	15.0	-0.7	-9.8	-0.7
Hawaii	1.4	-300.0	2.8	10.6	-100.0	8.2
Nevada	12.1	—	12.7	10.2	200.0	11.3
Oregon	-15.8	-10.0	-15.7	8.4	11.1	8.5
Washington	8.5	12.0	4.6	4.6	-21.4	1.5
<b>ALL STATES</b>						
	<b>6.1%</b>	<b>-8.8%</b>	<b>4.9%</b>	<b>3.5%</b>	<b>2.3%</b>	<b>3.9%</b>
Puerto Rico	5.9	11.1	6.0	-1.2	-40.0	-2.0

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

Source: National Association of State Budget Officers, 2001 State Expenditure Report, Summer 2002

**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
<b>NEW ENGLAND</b>							
Connecticut	X	X	X		X		X
Maine							X
Massachusetts	X	X	X	X	P	P	
New Hampshire			X	X	X		
Rhode Island					X	X	X
Vermont			X		X	X	X
<b>MID-ATLANTIC</b>							
Delaware			X	X	X		
Maryland			X	X		X	X
New Jersey							X
New York							
Pennsylvania							
<b>GREAT LAKES</b>							
Illinois		P			P		P
Indiana					X	P	X
Michigan			P			X	X
Ohio						P	P
Wisconsin					X		X
<b>PLAINS</b>							
Iowa					X		
Kansas							
Minnesota		X	P				X
Missouri	X	X	X	X	X		X
Nebraska			X			X	X
North Dakota						X	X
South Dakota							X
<b>SOUTHEAST</b>							
Alabama					X	X	X
Arkansas			X	X			X
Florida			X		X	P	X
Georgia							
Kentucky		X					
Louisiana						X	X
Mississippi			X	X			X
North Carolina					X		
South Carolina					X	X	X
Tennessee			X	X			P
Virginia							
West Virginia					N/A		N/A
<b>SOUTHWEST</b>							
Arizona							P
New Mexico			X	X			
Oklahoma			X	X	X	X	X
Texas*							X
<b>ROCKY MOUNTAIN</b>							
Colorado							
Idaho							X
Montana			X			X	
Utah			X			X	X
Wyoming							P
<b>FAR WEST</b>							
Alaska							
California							X
Hawaii	P	P			X		X
Nevada			X	X	X	P	X
Oregon							X
Washington					X	X	X
<b>ALL STATES</b>	<b>4</b>	<b>7</b>	<b>19</b>	<b>11</b>	<b>20</b>	<b>18</b>	<b>35</b>
Puerto Rico						P	

Excluded=X

Partially Excluded=P

Not Applicable=N/A

Source: National Association of State Budget Officers, 2001 State Expenditure Report, Summer 2002

## **Corrections Notes**

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*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.*

**Michigan:** Figures include adult inmate and juvenile justice expenditures.

**New Jersey:** The state purchases jail space from the counties. This is included in Department of Corrections expenditures. Institutes for the criminally insane are funded through the Department of Human Services. The care and treatment of civilly committed sexual offenders are included in the Department of Corrections expenditures. Juvenile institutions and programs are included as part of the Department of Corrections figures, however, they were not included in prior years. The Juvenile Justice Commission funds these institutions and is a part of 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.

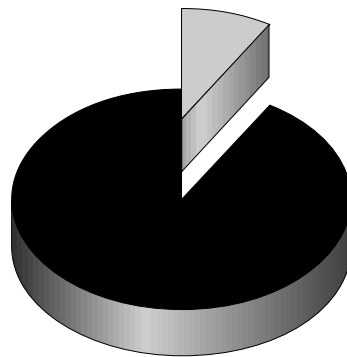
**Utah:** Expenditures do not include any amounts for prison industries. In Utah, prison industries are operated as an enterprise fund and do not receive support from state appropriations. The prison industry program has been self-sufficient for the last 10 to 15 years.

Fiscal 2000 bond figures do not include a \$6.5 million revenue bond issued for the construction of an administrative building for the Utah Department of Corrections. This bond will be financed from the revenue of current leases within the Department of Corrections.

# CHAPTER SIX

# TRANSPORTATION

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8.9% of State Expenditures



Transportation expenditures for fiscal 2001 represent 8.9 percent of total state expenditures. In 2001, states spent \$91 billion on transportation, a 7.8 percent increase from the 2000 level of \$84.4 billion. Figures for capital spending on transportation by states show actual 2001 expenditures of \$40.2 billion. Estimated capital expenditure growth from fiscal 2001-2002 of 3.2 percent was just more than one-third of fiscal 2000-2001 levels of 9.1 percent. A portion of the drop can be attributed to the economic slowdown that caused severe budget shortfalls in most states. As a result, capital projects have been delayed or scaled back, new projects have been put on hold and states have been forced to dip into highway funds to supplement current operations.

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. It is important to note that some states apply a sales tax to the purchase of gasoline and in some states gas tax rates change frequently.

As it continues to be a stable source of revenue, state motor fuel taxes are not anticipated to increase dramatically, unless drastic changes in federal motor fuel tax rates occur as part of Transportation Equity Act for the 21st Century (TEA-21). If the Federal tax rate should decrease, four states (California, Nevada, Oklahoma, and Tennessee) have statutory provisions that will automatically trigger an increase in the state motor fuel tax rate. Other states require legislation to adjust fuel tax rates. Currently, 11 states have variable rate motor fuel taxes that are adjusted at specific intervals to sustain funding levels.

## **TEA-21**

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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 receive 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.

## **TIFIA**

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The Transportation Infrastructure Finance and Innovation Act of 1998 (TIFIA), a new federal innovative finance program, was authorized under TEA-21. The program is under the direction of the Department of Transportation (DOT) and provides three forms of credit assistance for surface transportation projects of national or regional significance. TIFIA awards federal credit assistance rather than grants in the form of secured loans, loan guarantees, and standby lines of credit to public and private sponsors of major transportation projects. Sponsors consist of state departments of transportation, private entities, transit operators, local governments, and special authorities.

Since the inception of TIFIA, the DOT has selected 10 projects at a federal government budgetary cost of \$194 million and has provided \$3.14 billion in credit assistance supporting transportation investments worth nearly \$12 billion.

### **Fiscal 2001 projects selected for funding include:**

- Central Texas Turnpike Project. This is a \$3.2 billion project supported by an \$800 million TIFIA loan.
- Reno (Nevada) Transportation Rail Access Corridor Project. This is a \$242 million project, supported by a \$79.5 million TIFIA loan.

### **Fiscal 2002 projects selected for funding include:**

- San Francisco-Oakland, California Bay Bridge Project. This is a \$3.3 billion project, supported by an approved TIFIA loan up to \$450 million.

## AIR-21

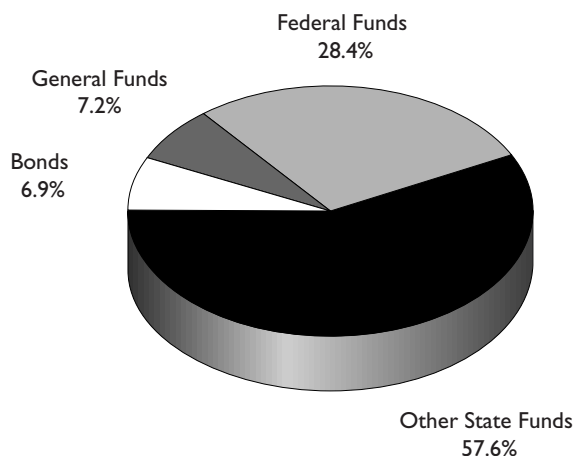
In April 2000, President Clinton signed into law the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century (AIR-21), that will increase authorizations by more than \$10 billion to a level of \$40 billion over the three-year period from 2001-2003. The funds will be used for airport improvement 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 that benefit passengers and communities (e.g. noise mitigation, security, safety, and building terminal and landside infrastructure).

## Fund Shares

The figure below provides fund shares for 2001.

**Figure 18**  
**STATE EXPENDITURES FOR TRANSPORTATION BY FUND SOURCE, FISCAL 2001**



**Table 37**  
**REGIONAL PERCENTAGE CHANGE IN STATE TRANSPORTATION EXPENDITURES, FISCAL 2001 AND 2002**

Region	Fiscal 2000 to 2001			Fiscal 2001 to 2002		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	-14.4%	7.6%	-6.7%	1.8%	17.0%	7.0%
Mid-Atlantic	10.6	19.6	11.1	2.0	11.9	5.4
Great Lakes	1.4	13.2	6.6	6.6	-7.3	6.0
Plains	7.8	-7.4	9.3	14.2	15.4	16.5
Southeast	3.0	9.7	4.8	0.4	11.3	4.0
Southwest	2.4	2.0	3.0	1.4	17.6	9.2
Rocky Mountain	3.9	8.3	0.2	-2.0	6.8	0.7
Far West	8.8	55.4	24.8	-1.8	-13.8	-4.2
<b>ALL STATES</b>	<b>3.9%</b>	<b>14.8%</b>	<b>7.8%</b>	<b>2.7%</b>	<b>5.9%</b>	<b>4.8%</b>

## Regional Expenditures

Table 37 shows percentage changes in expenditures for transportation for fiscal 2000-2001 and 2001-2002. For 2001, the Mid-Atlantic, Plains, and Far West states were well above the national average of 9.2 percent at 17.2, 9.3 and 24.8 percent, respectively. Also, the New England and Rocky Mountain percentage changes were noticeably well below the national average for fiscal year 2000-2001.

## Transportation-Expenditure Exclusions

Of the states reporting in this survey, 12 wholly or partially excluded gas tax and fee collections from their transportation expenditure figures. Thirty-one states wholly or partially excluded port authority operations, 20 wholly or partially excluded motor vehicle licensing, and 37 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 2000					Actual Fiscal 2001					Estimated Fiscal 2002				
	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
<b>NEW ENGLAND</b>															
Connecticut	\$0	\$473	\$460	\$195	\$1,128	\$35	\$561	\$431	\$184	\$1,211	\$51	\$581	\$443	\$214	\$1,289
Maine	10	146	244	19	419	6	143	276	31	456	20	209	373	43	645
Massachusetts	812	493	1,645	521	3,471	901	466	974	523	2,864	816	620	922	533	2,891
New Hampshire	2	145	257	3	407	3	145	261	10	419	3	152	275	9	439
Rhode Island	0	175	74	32	281	0	211	95	32	338	0	225	90	34	349
Vermont	0	129	142	1	272	0	153	139	0	292	0	177	183	0	360
<b>MID-ATLANTIC</b>															
Delaware	0	116	205	84	405	0	127	323	0	450	0	125	275	50	450
Maryland	0	427	1,891	75	2,393	0	572	2,162	0	2,734	0	739	2,071	210	3,020
New Jersey	930	554	0	613	2,097	1,245	643	0	747	2,635	1,301	800	0	788	2,889
New York	365	1,166	2,018	890	4,439	404	1,126	1,992	880	4,402	156	1,131	2,393	716	4,396
Pennsylvania*	302	917	2,506	128	3,853	307	1,334	2,652	138	4,431	312	1,460	2,755	155	4,682
<b>GREAT LAKES</b>															
Illinois	42	88	3,009	129	3,268	64	113	3,010	363	3,550	59	113	3,666	463	4,301
Indiana	108	779	1,396	0	2,283	105	941	1,405	0	2,451	3	470	1,212	0	1,685
Michigan	15	1,024	1,838	5	2,882	17	989	1,924	222	3,152	26	1,073	2,019	250	3,368
Ohio*	45	638	2,258	365	3,306	45	803	2,179	264	3,291	45	910	2,374	598	3,927
Wisconsin	0	572	1,345	0	1,917	0	664	1,444	0	2,108	0	688	1,463	0	2,151
<b>PLAINS</b>															
Iowa	14	383	802	0	1,199	18	280	836	0	1,134	12	322	693	0	1,027
Kansas	73	307	279	96	755	62	286	378	111	837	95	265	485	131	976
Minnesota	76	157	1,437	19	1,689	204	183	1,822	38	2,247	369	240	1,723	70	2,402
Missouri	17	27	1,406	0	1,450	17	28	1,185	260	1,490	17	36	1,725	415	2,193
Nebraska	1	2	575	0	578	1	3	500	0	504	1	3	566	0	570
North Dakota	0	201	129	0	330	0	163	135	0	298	0	244	262	0	506
South Dakota	0	186	174	0	360	0	227	215	0	442	0	240	188	0	428
<b>SOUTHEAST</b>															
Alabama	0	538	472	0	1,010	0	689	416	0	1,105	0	1,037	463	0	1,500
Arkansas	1	284	396	0	681	1	358	498	0	857	0	448	628	0	1,076
Florida	0	1,015	4,290	398	5,703	200	1,119	5,030	323	6,672	66	1,234	3,853	331	5,484
Georgia	618	788	280	137	1,823	678	953	202	89	1,922	675	870	481	153	2,179
Kentucky*	7	526	1,163	0	1,696	5	525	1,223	0	1,753	8	508	1,266	0	1,782
Louisiana	2	445	696	16	1,159	0	412	669	10	1,091	2	456	766	10	1,234
Mississippi	10	316	623	0	949	0	306	513	0	819	19	413	650	40	1,122
North Carolina	21	939	1,954	0	2,914	15	775	1,846	9	2,645	9	810	1,962	0	2,781
South Carolina	1	344	478	122	945	1	400	499	119	1,019	1	475	578	166	1,220
Tennessee*	0	509	752	0	1,261	0	648	679	88	1,415	0	664	702	80	1,446
Virginia	0	508	2,321	65	2,894	32	563	2,026	61	2,682	0	500	2,414	57	2,971
West Virginia	3	339	514	172	1,028	7	438	499	192	1,136	9	583	543	106	1,241
<b>SOUTHWEST</b>															
Arizona	0	430	966	251	1,647	37	401	897	293	1,628	4	412	1,041	328	1,785
New Mexico	4	589	338	45	976	3	686	326	71	1,086	0	537	350	183	1,070
Oklahoma	50	314	654	0	1,018	55	305	693	0	1,053	40	504	664	0	1,208
Texas*	25	1,849	2,788	0	4,662	21	1,854	2,911	0	4,786	35	2,365	2,879	0	5,279
<b>ROCKY MOUNTAIN</b>															
Colorado	179	285	604	535	1,603	248	293	660	439	1,640	35	290	710	326	1,361
Idaho	0	166	321	0	487	0	187	299	0	486	0	270	384	0	654
Montana	8	244	200	0	452	9	254	173	0	436	8	323	201	0	532
Utah	124	231	359	68	782	138	270	409	6	823	160	188	388	126	862
Wyoming	0	5	460	0	465	0	4	407	0	411	0	6	409	0	415
<b>FAR WEST</b>															
Alaska	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
California	42	2,095	4,922	159	7,218	1,622	3,508	4,213	486	9,829	5	2,997	6,258	239	9,499
Hawaii	0	87	669	33	789	0	123	1,013	37	1,173	0	71	527	127	725
Nevada	0	152	374	0	526	0	167	269	27	463	0	209	277	50	536
Oregon	11	48	1,078	0	1,137	9	34	848	0	891	10	36	919	0	965
Washington	6	338	1,052	27	1,423	5	394	894	200	1,493	6	328	713	489	1,536
<b>TOTAL</b>	<b>\$3,924</b>	<b>\$22,489</b>	<b>\$52,814</b>	<b>\$5,203</b>	<b>\$84,430</b>	<b>\$6,520</b>	<b>\$25,827</b>	<b>\$52,450</b>	<b>\$6,253</b>	<b>\$91,050</b>	<b>\$4,378</b>	<b>\$27,357</b>	<b>\$56,182</b>	<b>\$7,490</b>	<b>\$95,407</b>
Puerto Rico	76	291	662	72	1,101	71	278	712	34	1,095	70	196	828	56	1,150

Source: National Association of State Budget Officers, 2001 State Expenditure Report, Summer 2002

**Table 39****TRANSPORTATION EXPENDITURES AS A PERCENT OF TOTAL EXPENDITURES**

Region/State	Fiscal 2000	Fiscal 2001	Fiscal 2002
<b>NEW ENGLAND</b>			
Connecticut	6.2%	6.4%	6.9%
Maine	8.6	8.7	10.0
Massachusetts	12.4	9.5	9.2
New Hampshire	12.0	12.2	11.9
Rhode Island	6.4	6.9	6.5
Vermont	12.2	11.0	12.5
<b>MID-ATLANTIC</b>			
Delaware	8.1	8.3	8.1
Maryland	13.1	13.3	13.8
New Jersey	7.1	8.2	8.6
New York	6.1	5.5	5.2
Pennsylvania	10.0	10.9	10.4
<b>GREAT LAKES</b>			
Illinois	9.3	9.4	10.8
Indiana	13.8	13.8	10.0
Michigan	8.2	8.3	8.8
Ohio	8.5	7.8	8.0
Wisconsin	7.3	7.5	9.3
<b>PLAINS</b>			
Iowa	10.4	9.2	8.1
Kansas	9.0	9.5	10.3
Minnesota	9.2	10.8	11.0
Missouri	9.0	8.9	11.4
Nebraska	10.0	8.3	8.7
North Dakota	14.6	13.0	20.1
South Dakota	17.1	18.8	17.1
<b>SOUTHEAST</b>			
Alabama	6.9	7.2	8.0
Arkansas	6.7	7.7	8.9
Florida	12.0	12.7	11.5
Georgia	7.3	7.7	7.8
Kentucky	10.8	10.4	10.0
Louisiana	7.8	6.8	7.1
Mississippi	10.1	8.4	10.8
North Carolina	11.3	9.8	10.3
South Carolina	7.0	7.1	7.9
Tennessee	7.9	8.1	7.7
Virginia	12.9	11.1	11.8
West Virginia	15.9	15.3	15.1
<b>SOUTHWEST</b>			
Arizona	10.7	9.4	10.7
New Mexico	10.5	10.1	9.7
Oklahoma	9.4	8.8	9.1
Texas*	9.4	9.1	9.7
<b>ROCKY MOUNTAIN</b>			
Colorado	13.7	12.9	10.0
Idaho	13.4	12.2	14.4
Montana	16.2	14.0	14.7
Utah	12.0	11.8	11.5
Wyoming	29.2	26.6	26.4
<b>FAR WEST</b>			
Alaska	—	—	—
California	5.9	7.1	6.4
Hawaii	11.4	16.1	10.1
Nevada	11.5	9.7	10.5
Oregon	6.9	5.2	5.2
Washington	6.6	6.5	6.7
<b>ALL STATES</b>			
	<b>8.9%</b>	<b>8.9%</b>	<b>8.9%</b>
Puerto Rico	6.0	5.6	5.6

Source: National Association of State Budget Officers, 2001 State Expenditure Report, Summer 2002

Table 40

## ANNUAL PERCENTAGE CHANGE IN TRANSPORTATION EXPENDITURES

Region/State	Fiscal 2000 to 2001			Fiscal 2001 to 2002		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
<b>NEW ENGLAND</b>						
Connecticut	1.3%	18.6%	7.4%	6.0%	3.6%	6.4%
Maine	11.0	-2.1	8.8	39.4	46.2	41.4
Massachusetts	-23.7	-5.5	-17.5	-7.3	33.0	0.9
New Hampshire	1.9	0.0	2.9	5.3	4.8	4.8
Rhode Island	28.4	20.6	20.3	-5.3	6.6	3.3
Vermont	-2.1	18.6	7.4	31.7	15.7	23.3
<b>MID-ATLANTIC</b>						
Delaware	57.6	9.5	11.1	-14.9	-1.6	0.0
Maryland	14.3	34.0	14.2	-4.2	29.2	10.5
New Jersey	33.9	16.1	25.7	4.5	24.4	9.6
New York	0.5	-3.4	-0.8	6.4	0.4	-0.1
Pennsylvania	5.4	45.5	15.0	3.6	9.4	5.7
<b>GREAT LAKES</b>						
Illinois	0.8	28.4	8.6	21.2	0.0	21.2
Indiana	0.4	20.8	7.4	-19.5	-50.1	-31.3
Michigan	4.7	-3.4	9.4	5.4	8.5	6.9
Ohio	-3.4	25.9	-0.5	8.8	13.3	19.3
Wisconsin	7.4	16.1	10.0	1.3	3.6	2.0
<b>PLAINS</b>						
Iowa	4.7	-26.9	-5.4	-17.4	15.0	-9.4
Kansas	25.0	-6.8	10.9	31.8	-7.3	16.6
Minnesota	33.9	16.6	33.0	3.3	31.1	6.9
Missouri	-15.5	3.7	2.8	44.9	28.6	47.2
Nebraska	-13.0	50.0	-12.8	13.2	0.0	13.1
North Dakota	4.7	-18.9	-9.7	94.1	49.7	69.8
South Dakota	23.6	22.0	22.8	-12.6	5.7	-3.2
<b>SOUTHEAST</b>						
Alabama	-11.9	28.1	9.4	11.3	50.5	35.7
Arkansas	25.7	26.1	25.8	25.9	25.1	25.6
Florida	21.9	10.2	17.0	-25.1	10.3	-17.8
Georgia	-2.0	20.9	5.4	31.4	-8.7	13.4
Kentucky	5.0	-0.2	3.4	3.7	-3.2	1.7
Louisiana	-4.2	-7.4	-5.9	14.8	10.7	13.1
Mississippi	-19.0	-3.2	-13.7	30.4	35.0	37.0
North Carolina	-5.8	-17.5	-9.2	5.9	4.5	5.1
South Carolina	4.4	16.3	7.8	15.8	18.8	19.7
Tennessee	-9.7	27.3	12.2	3.4	2.5	2.2
Virginia	-11.3	10.8	-7.3	17.3	-11.2	10.8
West Virginia	-2.1	29.2	10.5	9.1	33.1	9.2
<b>SOUTHWEST</b>						
Arizona	-3.3	-6.7	-1.2	11.9	2.7	9.6
New Mexico	-3.8	16.5	11.3	6.4	-21.7	-1.5
Oklahoma	6.3	-2.9	3.4	-5.9	65.2	14.7
Texas*	4.2	0.3	2.7	-0.6	27.6	10.3
<b>ROCKY MOUNTAIN</b>						
Colorado	16.0	2.8	2.3	-18.0	-1.0	-17.0
Idaho	-6.9	12.7	-0.2	28.4	44.4	34.6
Montana	-12.5	4.1	-3.5	14.8	27.2	22.0
Utah	13.3	16.9	5.2	0.2	-30.4	4.7
Wyoming	-11.5	-20.0	-11.6	0.5	50.0	1.0
<b>FAR WEST</b>						
Alaska	—	—	—	—	—	—
California	17.5	67.4	36.2	7.3	-14.6	-3.4
Hawaii	51.4	41.4	48.7	-48.0	-42.3	-38.2
Nevada	-28.1	9.9	-12.0	3.0	25.1	15.8
Oregon	-21.3	-29.2	-21.6	8.4	5.9	8.3
Washington	-15.0	16.6	4.9	-20.0	-16.8	2.9
<b>ALL STATES</b>						
	<b>3.9%</b>	<b>14.8%</b>	<b>7.8%</b>	<b>2.7%</b>	<b>5.9%</b>	<b>4.8%</b>
Puerto Rico	6.1	-4.5	-0.5	14.7	-29.5	5.0

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

Source: National Association of State Budget Officers, 2001 State Expenditure Report, Summer 2002

**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
<b>NEW ENGLAND</b>									
Connecticut				X			X		X
Maine			X	P	X				X
Massachusetts	X	X	P		X	P		X	X
New Hampshire								X	X
Rhode Island			X					X	X
Vermont			X						X
<b>MID-ATLANTIC</b>									
Delaware			X		X			X	X
Maryland				X	P				X
New Jersey			X						X
New York									
Pennsylvania			P	P					X
<b>GREAT LAKES</b>									
Illinois		P	X	P				X	X
Indiana			X						X
Michigan			X						X
Ohio									
Wisconsin									
<b>PLAINS</b>									
Iowa			X						
Kansas			X					X	X
Minnesota		X	P						
Missouri				X	X	X	X	X	X
Nebraska			X	X			X		X
North Dakota			X		X				X
South Dakota					X			X	X
<b>SOUTHEAST</b>									
Alabama			X		P	X	X	X	X
Arkansas			X			X		X	X
Florida			X	X		X		X	X
Georgia			P					X	X
Kentucky		X	X						X
Louisiana			X					X	X
Mississippi				P	P	X		X	X
North Carolina			X						
South Carolina			X		X	X	X	X	X
Tennessee				X	X			X	X
Virginia									
West Virginia			P			N/A	N/A		X
<b>SOUTHWEST</b>									
Arizona			P						X
New Mexico			X	X	X			X	X
Oklahoma			X						
Texas*	X	X	X						X
<b>ROCKY MOUNTAIN</b>									
Colorado							X		
Idaho					X				X
Montana			N/A						X
Utah						X	P	P	X
Wyoming						X			P
<b>FAR WEST</b>									
Alaska									
California			X						X
Hawaii			X	X		X	X	X	X
Nevada			X			X		X	X
Oregon			X						X
Washington			X						X
<b>ALL STATES</b>	<b>2</b>	<b>5</b>	<b>34</b>	<b>12</b>	<b>13</b>	<b>12</b>	<b>9</b>	<b>20</b>	<b>40</b>
Puerto Rico									

Excluded=X

Partially Excluded=P

Not Applicable=N/A

Source: National Association of State Budget Officers, 2001 State Expenditure Report, Summer 2002

## **Transportation Notes**

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*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.*

**Kentucky:** Kentucky's transportation expenditures for roads, highways, and bridges, etc., are not accounted for in Kentucky's capital projects fund. These expenditures are identified within the "Other State Funds" category in the Total Expenditures section of the survey.

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

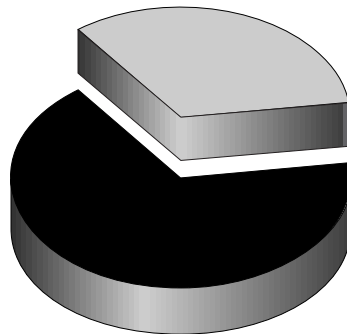
**Pennsylvania:** Gasoline taxes are collected by the Department of Revenue.

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

# CHAPTER SEVEN

## ALL OTHER EXPENDITURES

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32.1% of State Expenditures



A substantial amount of state spending occurs in areas other than the functional categories discussed in the previous chapters. Depending on the state, this might include the State Children's Health Insurance Program (SCHIP), 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.

Spending on the items reflected in All Other was \$328.7 billion in fiscal 2001, or 32.1 percent of total state expenditures. Based on fiscal 2000 All Other expenditures of \$303.1 billion, fiscal 2001 spending increased by 8.4 percent. See Tables 43-45 and the accompanying notes for more details of the All Other category.

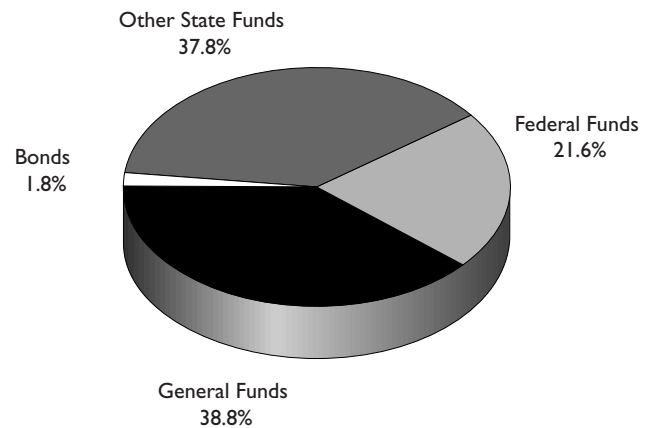
### State Children's Health Insurance Program

The enactment of the State Children's Health Insurance Program (SCHIP) as part of the Balanced Budget Act of 1997 has increased health coverage for previously uninsured children. SCHIP is targeted to children whose families have income too high to qualify for Medicaid but too low to afford private insurance. States receive a federal match for their SCHIP programs ranging from 65 percent to 85 percent within a capped allotment. During fiscal 2001, approximately 4.6 million children enrolled in SCHIP, representing a 38 percent increase over fiscal 2000 levels. In fiscal 2001 state SCHIP spending totaled \$3.4 billion. For more details, see Table A-2. A special NASBO report, *Medicaid and Other State Healthcare Issues: The Current Situation*, also contains details of state SCHIP actions.

### Fund Shares

The figure below provides fund shares for 2000.

**Figure 19**  
**STATE EXPENDITURES FOR ALL OTHER PROGRAMS BY FUND SOURCE, FISCAL 2001**



### Regional Expenditures

The following table shows percentage changes for all other expenditures for fiscal 2000-2001 and 2001-2002. For 2001, the Rocky Mountain and New England states are well above the national average and the Plains and Southeast states are well below the national average.

**Table 42**  
**REGIONAL PERCENTAGE CHANGE IN STATE ALL OTHER EXPENDITURES, FISCAL 2001 AND 2002**

Region	Fiscal 2000 to 2001			Fiscal 2001 to 2002		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	13.1%	9.5%	12.1%	3.0%	4.6%	3.7%
Mid-Atlantic	9.6	19.4	11.7	2.7	25.0	7.3
Great Lakes	7.4	9.1	8.3	-11.7	24.5	-4.8
Plains	3.9	14.2	4.9	13.2	-5.4	8.0
Southeast	7.5	-4.5	3.4	-5.3	23.9	2.0
Southwest	15.4	3.5	11.0	1.0	9.9	4.1
Rocky Mountain	21.3	8.5	17.8	11.9	26.3	15.4
Far West	9.5	5.3	9.2	2.2	19.1	9.4
<b>ALL STATES</b>	<b>9.2%</b>	<b>6.2%</b>	<b>8.4%</b>	<b>-1.1%</b>	<b>18.6%</b>	<b>4.1%</b>

Table 43

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

Region/State	Actual Fiscal 2000					Actual Fiscal 2001					Estimated Fiscal 2002				
	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
<b>NEW ENGLAND</b>															
Connecticut	\$5,216	\$362	\$888	\$587	\$7,053	\$5,349	\$408	\$807	\$807	\$7,371	\$4,620	\$265	\$623	\$753	\$6,261
Maine	719	387	653	29	1,788	800	375	743	23	1,941	931	637	1,073	47	2,688
Massachusetts	9,108	1,961	515	384	11,968	10,317	2,275	1,524	216	14,332	11,145	2,222	1,641	324	15,332
New Hampshire	535	288	77	22	922	506	257	44	7	814	575	261	45	15	896
Rhode Island	695	241	428	84	1,448	824	285	432	76	1,617	844	389	508	145	1,886
Vermont	286	269	191	26	772	301	241	196	25	763	285	245	214	13	757
<b>MID-ATLANTIC</b>															
Delaware	902	237	1,287	22	2,448	925	248	1,365	38	2,576	892	245	1,399	21	2,557
Maryland	3,053	855	1,601	227	5,736	3,660	1,093	1,623	211	6,587	3,584	1,255	1,881	267	6,987
New Jersey	6,466	1,463	3,052	246	11,227	6,234	1,487	3,183	315	11,219	6,027	2,268	2,254	362	10,911
New York	10,034	4,563	7,679	462	22,738	11,453	6,134	9,720	493	27,800	11,821	7,462	10,244	574	30,101
Pennsylvania*	5,263	2,677	3,837	280	12,057	5,080	2,733	4,085	449	12,347	5,455	3,389	5,060	469	14,373
<b>GREAT LAKES</b>															
Illinois	4,966	2,106	5,364	248	12,684	5,056	2,169	5,966	531	13,722	4,979	2,218	6,111	497	13,805
Indiana	2,441	1,258	983	0	4,682	2,659	1,440	977	0	5,076	2,354	1,362	1,106	0	4,822
Michigan*	3,293	2,073	4,188	128	9,682	3,238	2,718	4,317	214	10,487	3,137	3,949	3,011	187	10,284
Ohio	3,957	2,119	9,801	219	16,096	4,274	2,468	10,737	200	17,679	3,018	3,402	13,665	656	20,741
Wisconsin	3,600	1,597	6,912	0	12,109	2,885	1,195	8,779	0	12,859	2,868	1,503	2,942	0	7,313
<b>PLAINS</b>															
Iowa	1,203	850	1,205	0	3,258	1,232	951	1,259	0	3,442	1,107	958	1,938	0	4,003
Kansas	695	654	761	1	2,111	692	954	532	1	2,179	630	767	925	1	2,323
Minnesota	3,642	1,011	1,205	137	5,995	3,883	1,435	1,380	113	6,811	4,125	1,133	1,771	125	7,154
Missouri	2,239	1,336	1,165	317	5,057	2,349	1,142	1,180	82	4,753	2,389	1,156	1,515	82	5,142
Nebraska	578	471	647	0	1,696	623	506	695	0	1,824	709	617	652	0	1,978
North Dakota	185	350	280	34	849	208	344	315	3	870	219	355	245	5	824
South Dakota	190	261	226	0	677	193	301	233	0	727	207	343	285	0	835
<b>SOUTHEAST</b>															
Alabama	710	657	1,395	493	3,255	728	870	1,848	36	3,482	716	1,621	3,445	71	5,853
Arkansas	473	607	2,587	48	3,715	508	991	2,619	57	4,175	475	1,088	2,854	58	4,475
Florida	3,916	3,955	10,385	331	18,587	4,255	3,879	12,030	364	20,528	4,386	4,122	6,929	387	15,824
Georgia	3,671	3,852	0	118	7,641	2,660	2,391	0	183	5,234	2,093	4,071	0	228	6,392
Kentucky	1,653	1,148	1,314	0	4,115	1,689	1,312	1,482	0	4,483	2,073	1,428	1,671	0	5,172
Louisiana	1,319	636	2,396	120	4,471	1,377	542	2,893	56	4,868	1,442	950	2,356	87	4,835
Mississippi	896	498	692	151	2,237	903	511	772	104	2,290	854	698	961	57	2,570
North Carolina	3,805	1,728	1,257	200	6,990	2,839	1,776	1,781	35	6,431	3,987	1,415	835	250	6,487
South Carolina	1,722	1,133	1,061	15	3,931	1,827	1,216	1,202	29	4,274	1,829	1,267	1,397	58	4,551
Tennessee	1,527	1,516	1,672	13	4,728	1,665	1,576	1,528	10	4,779	1,900	1,946	1,686	73	5,605
Virginia	2,955	1,071	4,263	69	8,358	3,062	964	5,402	76	9,504	3,093	1,397	4,838	32	9,360
West Virginia	195	324	523	0	1,042	441	320	642	0	1,403	713	251	772	0	1,736
<b>SOUTHWEST</b>															
Arizona	1,568	899	3,359	0	5,826	1,712	572	3,684	0	5,968	1,502	659	3,272	0	5,433
New Mexico	784	565	980	50	2,379	811	759	1,015	0	2,585	944	609	1,147	120	2,820
Oklahoma	1,029	834	1,069	209	3,141	1,078	978	1,260	136	3,452	1,178	1,269	1,365	157	3,969
Texas*	2,927	3,656	1,889	0	8,472	4,097	3,855	2,047	0	9,999	3,907	4,240	2,547	0	10,694
<b>ROCKY MOUNTAIN</b>															
Colorado	889	709	1,425	0	3,023	974	716	2,005	0	3,695	1,203	897	2,199	0	4,299
Idaho	286	402	305	2	995	312	451	337	1	1,101	380	503	338	1	1,222
Montana*	275	315	308	0	898	396	391	357	0	1,144	380	636	389	0	1,405
Utah	751	434	766	12	1,963	834	461	857	9	2,161	819	513	1,087	0	2,419
Wyoming	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>FAR WEST</b>															
Alaska	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
California	13,835	10,811	10,111	142	34,899	18,911	11,365	8,955	728	39,959	17,679	14,304	12,653	2,616	47,252
Hawaii	1,495	440	1,534	180	3,649	1,047	444	1,252	192	2,935	1,322	479	1,298	176	3,275
Nevada	245	429	1,250	0	1,924	251	445	1,295	0	1,991	262	456	1,262	0	1,980
Oregon	1,122	1,517	5,366	0	8,005	1,025	1,650	5,567	0	8,242	916	1,806	6,064	0	8,786
Washington	1,524	1,231	2,762	318	5,835	1,436	1,287	3,231	219	6,173	928	1,047	1,511	119	3,605
<b>TOTAL</b>	<b>\$118,838</b>	<b>\$66,756</b>	<b>\$111,614</b>	<b>\$5,924</b>	<b>\$303,132</b>	<b>\$127,579</b>	<b>\$70,881</b>	<b>\$124,153</b>	<b>\$6,039</b>	<b>\$328,652</b>	<b>\$126,902</b>	<b>\$84,073</b>	<b>\$121,984</b>	<b>\$9,033</b>	<b>\$341,992</b>
Puerto Rico	4,160	2,374	6,142	395	13,071	4,071	2,743	6,710	386	13,910	4,118	3,016	7,065	410	14,609

Source: National Association of State Budget Officers, 2001 State Expenditure Report, Summer 2002

**Table 44****ALL OTHER EXPENDITURES AS A PERCENT OF  
TOTAL EXPENDITURES**

<b>Region/State</b>	<b>Fiscal 2000</b>	<b>Fiscal 2001</b>	<b>Fiscal 2002</b>
<b>NEW ENGLAND</b>			
Connecticut	38.8%	38.9%	33.7%
Maine	36.9	36.8	41.7
Massachusetts	42.8	47.6	48.8
New Hampshire	27.1	23.8	24.3
Rhode Island	32.8	33.2	35.2
Vermont	34.6	28.6	26.2
<b>MID-ATLANTIC</b>			
Delaware	48.8	47.6	45.8
Maryland	31.3	32.2	31.8
New Jersey	37.8	34.8	32.3
New York	31.0	34.9	35.4
Pennsylvania	31.4	30.3	31.8
<b>GREAT LAKES</b>			
Illinois	36.2	36.4	34.8
Indiana	28.3	28.6	28.6
Michigan	27.7	27.6	26.9
Ohio	41.5	41.8	42.3
Wisconsin	46.2	45.8	31.5
<b>PLAINS</b>			
Iowa	28.1	28.0	31.5
Kansas	25.1	24.6	24.5
Minnesota	32.6	32.7	32.7
Missouri	31.5	28.5	26.7
Nebraska	29.2	30.1	30.2
North Dakota	37.6	37.9	32.7
South Dakota	32.1	30.9	33.3
<b>SOUTHEAST</b>			
Alabama	22.1	22.6	31.1
Arkansas	36.8	37.5	36.9
Florida	39.1	39.2	33.3
Georgia	30.7	21.0	23.0
Kentucky	26.1	26.6	29.0
Louisiana	30.1	30.5	27.6
Mississippi	23.8	23.5	24.7
North Carolina	27.1	23.9	24.0
South Carolina	29.3	29.6	29.6
Tennessee	29.6	27.4	29.8
Virginia	37.4	39.2	37.3
West Virginia	16.1	18.9	21.2
<b>SOUTHWEST</b>			
Arizona	37.9	34.4	32.4
New Mexico	25.7	23.9	25.4
Oklahoma	28.9	28.8	30.0
Texas*	17.2	19.1	19.6
<b>ROCKY MOUNTAIN</b>			
Colorado	25.9	29.1	31.6
Idaho	27.4	27.6	26.9
Montana	32.2	36.9	38.7
Utah	30.2	31.0	32.4
Wyoming	0.0	0.0	0.0
<b>FAR WEST</b>			
Alaska	—	—	—
California	28.6	29.0	31.6
Hawaii	52.5	40.3	45.6
Nevada	41.9	41.7	38.9
Oregon	48.3	48.4	47.6
Washington	27.2	26.8	15.8
<b>ALL STATES</b>			
	<b>32.0%</b>	<b>32.1%</b>	<b>31.7%</b>
Puerto Rico	70.7	70.8	70.6

Source: National Association of State Budget Officers, 2001 State Expenditure Report, Summer 2002

Table 45

## ANNUAL PERCENTAGE CHANGE IN ALL OTHER EXPENDITURES

Region/State	Fiscal 2000 to 2001			Fiscal 2001 to 2002		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
<b>NEW ENGLAND</b>						
Connecticut	0.9%	12.7%	4.5%	-14.8%	-35.0%	-15.1%
Maine	12.5	-3.1	8.6	29.9	69.9	38.5
Massachusetts	23.0	16.0	19.8	8.0	-2.3	7.0
New Hampshire	-10.1	-10.8	-11.7	12.7	1.6	10.1
Rhode Island	11.8	18.3	11.7	7.6	36.5	16.6
Vermont	4.2	-10.4	-1.2	0.4	1.7	-0.8
<b>MID-ATLANTIC</b>						
Delaware	4.6	4.6	5.2	0.0	-1.2	-0.7
Maryland	13.5	27.8	14.8	3.4	14.8	6.1
New Jersey	-1.1	1.6	-0.1	-12.1	52.5	-2.7
New York	19.5	34.4	22.3	4.2	21.6	8.3
Pennsylvania	0.7	2.1	2.4	14.7	24.0	16.4
<b>GREAT LAKES</b>						
Illinois	6.7	3.0	8.2	0.6	2.3	0.6
Indiana	6.2	14.5	8.4	-4.8	-5.4	-5.0
Michigan	1.0	31.1	8.3	-18.6	45.3	-1.9
Ohio	9.1	16.5	9.8	11.1	37.8	17.3
Wisconsin	11.0	-25.2	6.2	-50.2	25.8	-43.1
<b>PLAINS</b>						
Iowa	3.4	11.9	5.6	22.2	0.7	16.3
Kansas	-15.9	45.9	3.2	27.0	-19.6	6.6
Minnesota	8.6	41.9	13.6	12.0	-21.0	5.0
Missouri	3.7	-14.5	-6.0	10.6	1.2	8.2
Nebraska	7.6	7.4	7.5	3.3	21.9	8.4
North Dakota	12.5	-1.7	2.5	-11.3	3.2	-5.3
South Dakota	2.4	15.3	7.4	15.5	14.0	14.9
<b>SOUTHEAST</b>						
Alabama	22.4	32.4	7.0	61.5	86.3	68.1
Arkansas	2.2	63.3	12.4	6.5	9.8	7.2
Florida	13.9	-1.9	10.4	-30.5	6.3	-22.9
Georgia	-27.5	-37.9	-31.5	-21.3	70.3	22.1
Kentucky	6.9	14.3	8.9	18.1	8.8	15.4
Louisiana	14.9	-14.8	8.9	-11.1	75.3	-0.7
Mississippi	5.5	2.6	2.4	8.4	36.6	12.2
North Carolina	-8.7	2.8	-8.0	4.4	-20.3	0.9
South Carolina	8.8	7.3	8.7	6.5	4.2	6.5
Tennessee	-0.2	4.0	1.1	12.3	23.5	17.3
Virginia	17.3	-10.0	13.7	-6.3	44.9	-1.5
West Virginia	50.8	-1.2	34.6	37.1	-21.6	23.7
<b>SOUTHWEST</b>						
Arizona	9.5	-36.4	2.4	-11.5	15.2	-9.0
New Mexico	3.5	34.3	8.7	14.5	-19.8	9.1
Oklahoma	11.4	17.3	9.9	8.8	29.8	15.0
Texas*	27.6	5.4	18.0	5.0	10.0	7.0
<b>ROCKY MOUNTAIN</b>						
Colorado	28.7	1.0	22.2	14.2	25.3	16.3
Idaho	9.8	12.2	10.7	10.6	11.5	11.0
Montana	29.2	24.1	27.4	2.1	62.7	22.8
Utah	11.5	6.2	10.1	12.7	11.3	11.9
Wyoming	—	—	—	—	—	—
<b>FAR WEST</b>						
Alaska	—	—	—	—	—	—
California	16.4	5.1	14.5	8.8	25.9	18.3
Hawaii	-24.1	0.9	-19.6	14.0	7.9	11.6
Nevada	3.4	3.7	3.5	-1.4	2.5	-0.6
Oregon	1.6	8.8	3.0	5.9	9.5	6.6
Washington	8.9	4.5	5.8	-47.7	-18.6	-41.6
<b>ALL STATES</b>						
	<b>9.2</b>	<b>6.2</b>	<b>8.4</b>	<b>-1.1</b>	<b>18.6</b>	<b>4.1</b>
Puerto Rico	4.6	15.5	6.4	3.7	10.0	5.0

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

Source: National Association of State Budget Officers, 2001 State Expenditure Report, Summer 2002

**Table 46**

**ITEMS EXCLUDED FROM ALL OTHER EXPENDITURES**

Region/State	Employers Contribution to Pensions	Employer Contributions to Health Benefits	Child Health Insurance Program	Public Health	Community and Institutional for Mental Health	Community and Institutional for Dev. Disabled	Environmental Programs	Parks and Recreation	Housing	General Aid to Local Government
<b>NEW ENGLAND</b>										
Connecticut										
Maine										
Massachusetts							P	P	P	
New Hampshire										
Rhode Island										
Vermont										
<b>MID-ATLANTIC</b>										
Delaware										
Maryland										
New Jersey										
New York*										
Pennsylvania									P	
<b>GREAT LAKES</b>										
Illinois		P							P	P
Indiana										
Michigan*				P	P	P				
Ohio										
Wisconsin										
<b>PLAINS</b>										
Iowa										
Kansas							N/A		N/A	
Minnesota		X								
Missouri										
Nebraska									X	
North Dakota										
South Dakota										
<b>SOUTHEAST</b>										
Alabama									X	X
Arkansas*			X							
Florida										
Georgia		X	X							
Kentucky		X							X	
Louisiana									X	
Mississippi									P	
North Carolina										
South Carolina										P
Tennessee			X							X
Virginia										
West Virginia										
<b>SOUTHWEST</b>										
Arizona										X
New Mexico										
Oklahoma										
Texas*										
<b>ROCKY MOUNTAIN</b>										
Colorado		X		X			X	X		
Idaho									X	X
Montana										
Utah										
Wyoming										
<b>FAR WEST</b>										
Alaska										
California										
Hawaii*	P	P								
Nevada							X		N/A	X
Oregon										
Washington										
<b>ALL STATES</b>	<b>1</b>	<b>6</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>4</b>	<b>2</b>	<b>11</b>	<b>7</b>
Puerto Rico										

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

Source: National Association of State Budget Officers, 2001 State Expenditure Report, Summer 2002

## **All Other Expenditure Notes**

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*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.*

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

**Montana:** State general fund reimbursements to local governments for property taxes were \$12 million fiscal 1999,

\$25 million fiscal 2000, and \$68 million fiscal 2001. In fiscal 2002, state reimbursements increase to \$94 million as local shares of vehicle fees and taxes, corporate income taxes, video gaming taxes, and alcoholic beverage taxes are replaced with entitlement payments from the state. Fire and emergency costs in fiscal 2001 were \$64 million in general funds and \$24 million in federal funds.

**Pennsylvania:** Housing excludes the activities of the Pennsylvania Housing Finance Agency.



# **CHAPTER EIGHT**

# **CAPITAL EXPENDITURES**

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Capital expenditures are expenditures made for new construction, major repairs and improvements, land purchases and the acquisition of major equipment and existing structures. Minor repairs and routine maintenance are reported as operating expenses. Given the long-term nature of capital projects, states often find it difficult to report capital expenditures: the amount of money appropriated when a project is undertaken usually will not be the amount spent in a single year. For greater detail on states' capital spending practices, see *Capital Budgeting in the States*, available in the publications section of NASBO's website at [www.nasbo.org](http://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 expenditures for items not easily classified are included in the "All Other" category. Tables 47-53 display capital expenditure data.

### Total Capital Expenditures

State capital spending totaled \$68.3 billion in fiscal 2001, an increase of 12.3 percent from the previous year. From 1991 to 2001, capital spending has increased at an average annual rate of 6.8 percent.

Fiscal 2002 estimates reflecting capital spending on infrastructure are \$72.4 billion, which would represent a 6 percent increase.

Because of the nature of capital spending, such as long construction timetables and unforeseen or delayed project costs, increases in state spending on capital projects are generally followed by a significant slowdown or decrease.

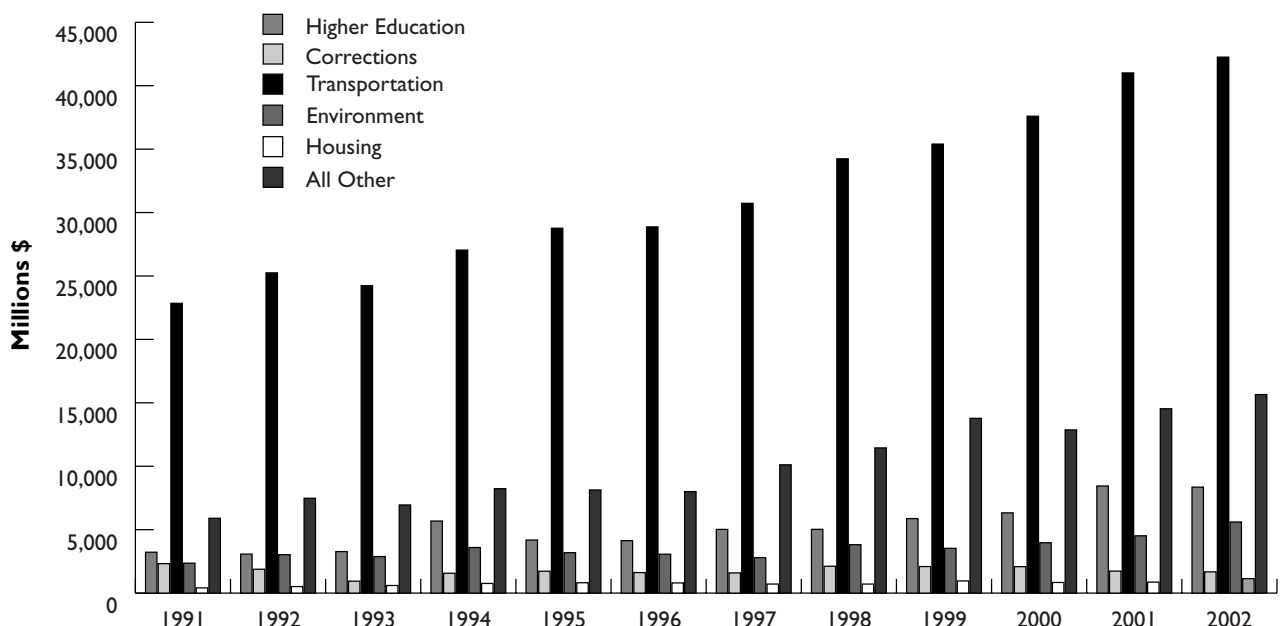
### Capital Fund Sources

State spending on capital projects traditionally has come from non-general fund sources, namely bonds (27.8 percent in fiscal 2001) and other state funds such as fees and fund surpluses (37.3 percent in fiscal 2001). Federal funds (23.4 percent) and state general funds (11.5 percent) also contribute to capital spending.

### Capital Funds by Use

The single largest state capital expenditure category is **transportation**, comprising 57.1 percent (\$40.2 billion) of all capital expenditures in fiscal 2001. Based on estimated fiscal 2002 figures, transportation-related capital spending will increase by 4.2 percent.

**Figure 20**  
**CAPITAL EXPENDITURES BY TYPE, FISCAL 1991 TO 2002**



**Higher education** grew an hefty 33 percent over fiscal 2000 levels, totaling approximately \$8.4 billion, or 12.3 percent of fiscal 2001 total capital spending. It is estimated to decrease 1.4 percent in fiscal 2002.

State capital spending for **environmental** purposes in fiscal 2001 is \$4.5 billion, 6.6 percent of total capital spending and a 13.7 percent increase over fiscal 2000.

**Housing** capital expenditures account for just 1 percent of total fiscal 2001 capital spending, at \$702 million, a 1.4 percent decrease from the previous year.

State spending for **all other** purposes totaled \$12.9 billion, amounting to 18.9 percent of total capital spending, and reflecting a 16.1 percent increase from fiscal 2000.

**Figure 21**  
**TOTAL CAPITAL EXPENDITURES BY FUNDING SOURCE,**  
**FISCAL 2001**

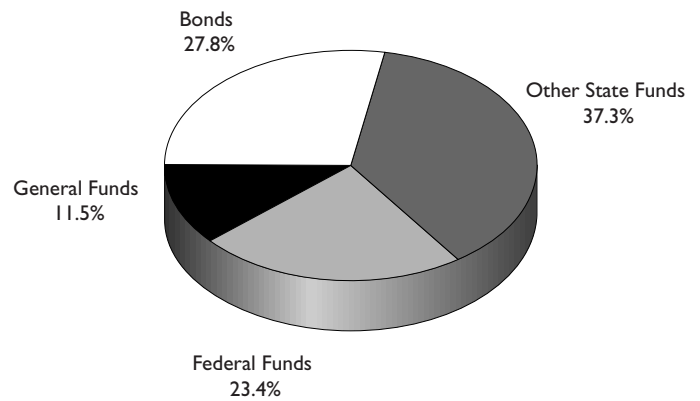


Table 47

## TOTAL CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2000					Actual Fiscal 2001					Estimated Fiscal 2002				
	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
<b>NEW ENGLAND</b>															
Connecticut	\$0	\$473	\$47	\$1,294	\$1,814	\$0	\$561	\$12	\$1,231	\$1,804	\$15	\$581	\$12	\$1,217	\$1,825
Maine	22	117	37	15	191	8	111	85	28	232	27	205	169	40	441
Massachusetts	98	487	1,104	990	2,679	169	470	1,210	1,007	2,856	46	10	994	1,150	2,200
New Hampshire	0	9	157	52	218	0	10	147	37	194	0	18	150	43	211
Rhode Island	2	174	29	132	337	2	209	43	128	382	2	222	82	218	524
Vermont	0	0	1	37	38	0	0	0	41	41	0	0	0	40	40
<b>MID-ATLANTIC</b>															
Delaware	81	119	148	171	519	120	129	255	100	604	100	123	200	130	553
Maryland*	321	439	790	524	2,074	596	575	923	472	2,566	644	763	828	724	2,959
New Jersey*	747	533	0	869	2,149	1,183	620	0	1,064	2,867	1,084	783	0	1,150	3,017
New York	0	1,437	926	1,861	4,224	0	1,457	1,076	1,927	4,460	0	1,374	1,180	1,759	4,313
Pennsylvania*	0	0	0	523	523	0	0	0	775	775	0	0	0	879	879
<b>GREAT LAKES</b>															
Illinois	35	0	1,479	830	2,343	26	0	1,406	1,269	2,701	31	0	1,480	1,467	2,978
Indiana*	199	771	832	236	2,038	251	934	766	195	2,146	132	461	539	96	1,228
Michigan*	327	1,183	1,470	452	3,432	321	1,098	1,389	674	3,481	350	1,188	1,423	604	3,565
Ohio	24	659	658	1,175	2,516	64	825	587	1,105	2,581	29	915	654	2,079	3,677
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>PLAINS</b>															
Iowa	0	0	136	0	136	0	0	117	0	117	0	0	193	0	193
Kansas	78	96	76	125	375	64	172	69	140	445	105	137	185	162	589
Minnesota	155	90	536	313	1,094	195	78	745	309	1,327	307	268	787	348	1,710
Missouri	100	25	1,503	323	1,951	52	3	1,239	350	1,644	36	10	1,765	497	2,308
Nebraska	74	9	632	0	715	57	6	588	0	651	62	27	727	0	816
North Dakota	16	182	72	39	309	23	142	74	14	253	36	210	111	10	367
South Dakota	3	177	107	4	291	4	219	143	5	371	3	235	109	5	352
<b>SOUTHEAST</b>															
Alabama	2	NA	560	493	1,055	0	NA	670	36	706	0	NA	2,179	71	2,250
Arkansas	0	0	154	45	198	0	3	116	46	165	0	0	216	33	250
Florida*	277	1,232	6,029	1,787	9,325	633	1,246	7,342	1,570	10,791	221	1,401	5,788	2,026	9,436
Georgia	13	648	280	568	1,508	2	713	23	713	1,450	0	870	0	1,347	2,217
Kentucky*	0	0	330	0	330	0	0	524	0	524	0	0	587	0	587
Louisiana	51	450	644	219	1,364	31	424	579	116	1,150	8	485	618	129	1,240
Mississippi	50	230	439	253	972	34	227	356	306	923	27	333	533	215	1,108
North Carolina	167	0	11	200	378	76	0	0	689	765	33	0	0	605	638
South Carolina	19	50	546	448	1,063	25	13	405	549	992	32	43	658	632	1,364
Tennessee*	14	520	515	40	1,089	25	678	374	186	1,263	16	671	402	101	1,190
Virginia	137	5	100	186	428	136	6	150	159	451	128	3	119	166	417
West Virginia	22	366	309	319	1,016	29	464	314	345	1,153	27	608	331	275	1,241
<b>SOUTHWEST</b>															
Arizona	219	430	280	251	1,180	515	409	348	293	1,565	391	421	316	328	1,456
New Mexico	30	230	35	373	668	3	508	1,155	597	2,261	79	202	264	1,226	1,771
Oklahoma	44	369	558	175	1,146	49	431	587	181	1,248	33	551	675	200	1,459
Texas**	325	49	252	0	626	376	101	291	0	768	396	169	316	0	881
<b>ROCKY MOUNTAIN</b>															
Colorado*	242	72	418	0	732	330	67	182	0	579	144	15	179	0	338
Idaho	0	141	109	6	256	0	160	81	5	246	0	244	221	5	470
Montana*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utah	306	201	274	123	904	411	232	297	15	955	318	160	373	126	977
Wyoming	44	5	364	0	413	21	13	353	0	387	24	18	356	0	398
<b>FAR WEST</b>															
Alaska	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
California	244	1,099	796	681	2,820	2,041	1,948	-997	1,147	4,139	506	938	1,062	1,692	4,198
Hawaii	0	84	220	291	595	0	118	125	313	556	0	133	177	552	862
Nevada	32	126	285	124	567	7	123	191	80	401	3	146	186	74	409
Oregon	8	6	267	0	281	7	37	252	0	296	7	40	273	0	320
Washington	0	371	997	602	1,970	0	432	913	769	2,114	0	406	774	1,022	2,202
<b>TOTAL*</b>	<b>\$4,527</b>	<b>\$13,665</b>	<b>\$25,512</b>	<b>\$17,148</b>	<b>\$60,851</b>	<b>\$7,885</b>	<b>\$15,972</b>	<b>\$25,504</b>	<b>\$18,985</b>	<b>\$68,346</b>	<b>\$5,403</b>	<b>\$15,388</b>	<b>\$28,190</b>	<b>\$23,443</b>	<b>\$72,424</b>
Puerto Rico	81	475	1,618	475	2,649	0	490	1,770	425	2,685	0	592	2,136	475	3,203

Source: National Association of State Budget Officers, 2001 State Expenditure Report, Summer 2002

Table 48

## HIGHER EDUCATION CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2000					Actual Fiscal 2001					Estimated Fiscal 2002				
	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
<b>NEW ENGLAND</b>															
Connecticut	\$0	\$0	\$0	\$98	\$98	\$0	\$0	\$0	\$87	\$87	\$0	\$0	\$0	\$89	\$89
Maine	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Massachusetts	15	0	73	47	135	8	0	8	42	58	27	0	27	50	104
New Hampshire	0	0	0	8	8	0	0	0	12	12	0	0	0	10	10
Rhode Island	1	0	13	15	29	0	0	12	19	31	0	0	34	29	63
Vermont	0	0	0	4	4	0	0	0	6	6	0	0	0	9	9
<b>MID-ATLANTIC</b>															
Delaware	10	0	5	4	19	9	0	5	3	17	10	0	5	3	18
Maryland	25	0	25	113	163	194	0	25	155	374	293	0	25	118	436
New Jersey	3	0	0	2	5	11	0	0	0	11	7	0	0	0	7
New York	0	0	75	241	316	0	0	72	341	413	0	0	58	263	321
Pennsylvania	0	0	0	61	61	0	0	0	96	96	0	0	0	105	105
<b>GREAT LAKES</b>															
Illinois	2	0	0	112	114	0	0	0	155	155	6	0	0	190	196
Indiana	69	0	1	191	261	73	0	10	61	144	3	0	0	96	99
Michigan*	0	0	0	195	195	0	0	0	188	188	0	0	0	150	150
Ohio	0	0	0	268	268	0	0	0	294	294	0	0	0	607	607
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>PLAINS</b>															
Iowa	0	0	20	0	20	0	0	18	0	18	0	0	29	0	29
Kansas	1	0	5	26	32	2	0	28	26	56	0	0	37	27	64
Minnesota	39	1	0	117	157	32	2	6	137	177	32	2	2	125	161
Missouri	48	0	38	0	86	1	0	6	0	7	0	0	0	0	0
Nebraska	12	0	58	0	70	13	0	89	0	102	19	13	106	0	138
North Dakota	12	0	0	3	15	10	0	5	11	26	6	0	0	5	11
South Dakota	2	1	14	4	21	3	3	14	5	25	3	3	17	5	28
<b>SOUTHEAST</b>															
Alabama*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Arkansas	0	0	28	31	59	0	0	17	24	41	0	0	60	10	70
Florida*	96	0	32	302	430	70	0	53	402	525	14	0	54	609	677
Georgia	0	0	0	202	202	0	0	0	308	308	0	0	0	295	295
Kentucky	0	0	134	0	134	0	0	192	0	192	0	0	269	0	269
Louisiana	2	0	257	71	330	20	2	108	48	178	0	4	268	29	301
Mississippi	20	2	41	99	162	21	2	68	202	293	16	6	112	131	265
North Carolina	104	0	0	0	104	0	0	0	250	250	0	0	0	300	300
South Carolina	1	1	101	57	160	4	2	120	129	255	14	14	106	234	368
Tennessee	7	0	0	27	34	16	0	0	67	83	8	0	0	9	17
Virginia	99	1	62	147	309	99	1	106	133	339	93	0	86	152	331
West Virginia	0	0	51	32	83	0	0	89	38	127	0	0	91	39	130
<b>SOUTHWEST</b>															
Arizona	10	0	0	0	10	9	0	0	0	9	0	0	0	0	0
New Mexico	6	0	0	4	10	0	312	1,139	0	1,451	1	0	241	108	350
Oklahoma	0	0	41	17	58	0	3	47	45	95	0	0	44	43	87
Texas*	224	0	0	0	224	224	0	0	0	224	224	0	0	0	224
<b>ROCKY MOUNTAIN</b>															
Colorado	156	39	322	0	517	158	5	111	0	274	86	3	103	0	192
Idaho	0	0	14	1	15	0	0	19	1	20	0	0	68	1	69
Montana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utah	22	5	0	43	70	95	0	-5	0	90	0	0	0	0	0
Wyoming	43	1	22	0	66	16	8	1	0	25	18	10	2	0	30
<b>FAR WEST</b>															
Alaska	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
California	1	0	0	617	618	31	0	0	592	623	135	0	0	814	949
Hawaii	0	0	1	75	76	0	0	0	82	82	0	23	15	69	107
Nevada	19	0	11	27	57	3	0	8	22	33	2	0	2	11	15
Oregon	8	0	134	0	142	6	33	186	0	225	6	35	201	0	242
Washington	0	3	37	321	361	0	0	45	308	353	0	0	75	267	342
<b>TOTAL</b>	<b>\$1,057</b>	<b>\$54</b>	<b>\$1,615</b>	<b>\$3,582</b>	<b>\$6,308</b>	<b>\$1,128</b>	<b>\$373</b>	<b>\$2,602</b>	<b>\$4,289</b>	<b>\$8,392</b>	<b>\$1,023</b>	<b>\$113</b>	<b>\$2,137</b>	<b>\$5,002</b>	<b>\$8,275</b>
Puerto Rico	0	0	15	4	19	0	0	52	0	52	0	0	76	5	81

Source: National Association of State Budget Officers, 2001 State Expenditure Report, Summer 2002

Table 49

## CORRECTIONS CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2000					Actual Fiscal 2001					Estimated Fiscal 2002				
	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
<b>NEW ENGLAND</b>															
Connecticut	\$0	\$0	\$0	\$10	\$10	\$0	\$0	\$0	\$19	\$19	\$0	\$0	\$0	\$25	\$25
Maine	0	4	0	0	4	0	0	0	0	0	1	6	0	0	7
Massachusetts	3	0	2	34	39	3	0	3	20	26	7	0	1	9	17
New Hampshire	0	0	0	15	15	0	0	0	3	3	0	0	0	0	0
Rhode Island	1	0	2	0	3	2	0	2	0	4	1	2	6	0	9
Vermont	0	0	0	1	1	0	0	0	1	1	0	0	0	6	6
<b>MID-ATLANTIC</b>															
Delaware	11	4	0	24	39	9	4	0	7	20	2	0	0	5	7
Maryland	5	11	10	53	79	19	0	0	48	67	6	5	6	53	70
New Jersey*	17	0	0	7	24	32	0	0	2	34	27	0	0	0	27
New York	0	77	2	268	347	0	47	3	213	263	0	1	4	206	211
Pennsylvania	0	0	0	54	54	0	0	0	92	92	0	0	0	150	150
<b>GREAT LAKES</b>															
Illinois	7	0	0	151	158	4	0	0	159	163	3	0	0	120	123
Indiana	28	0	19	45	92	28	0	18	0	46	47	0	15	0	62
Michigan	4	10	0	122	136	8	6	0	49	63	10	1	0	16	27
Ohio	0	0	0	159	159	0	0	0	81	81	0	0	0	283	283
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>PLAINS</b>															
Iowa	0	0	12	0	12	0	0	10	0	10	0	0	9	0	9
Kansas	7	0	8	2	17	7	0	9	2	18	6	0	23	3	32
Minnesota	5	4	0	21	30	14	2	1	6	23	3	11	0	8	22
Missouri	5	0	1	6	12	9	0	0	8	17	10	0	0	0	10
Nebraska	38	4	0	0	42	24	0	0	0	24	4	8	0	0	12
North Dakota	1	0	0	2	3	1	2	0	0	3	0	0	0	0	0
South Dakota	1	1	0	0	2	1	0	1	0	2	0	0	1	0	1
<b>SOUTHEAST</b>															
Alabama	0	2	0	0	2	0	3	3	0	6	0	0	2	0	2
Arkansas	0	0	19	0	19	0	3	5	0	8	0	0	5	0	5
Florida*	30	42	0	0	72	37	0	68	0	105	18	0	1	0	19
Georgia	1	0	0	18	19	1	0	0	29	30	0	0	0	37	37
Kentucky	0	0	19	0	19	0	0	28	0	28	0	0	31	0	31
Louisiana	0	5	11	12	28	0	0	9	2	11	0	3	0	3	6
Mississippi	3	0	1	3	7	2	0	1	0	3	1	0	1	0	2
North Carolina	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
South Carolina	3	5	2	4	14	4	9	4	22	39	4	8	2	24	38
Tennessee	0	8	6	0	14	0	15	10	21	46	0	0	22	0	22
Virginia	13	2	1	4	20	9	3	2	3	17	7	2	3	2	14
West Virginia	0	0	2	0	2	0	0	1	0	1	0	0	0	0	0
<b>SOUTHWEST</b>															
Arizona	1	0	18	0	19	1	9	3	0	13	0	10	7	0	17
New Mexico	0	1	1	6	8	0	3	0	5	8	7	4	0	4	15
Oklahoma	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Texas*	48	2	78	0	128	51	24	65	0	140	32	2	0	0	34
<b>ROCKY MOUNTAIN</b>															
Colorado	8	0	0	0	8	13	0	2	0	15	14	6	1	0	21
Idaho	0	0	2	3	5	0	0	1	3	4	0	0	14	3	17
Montana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utah	4	0	4	0	8	0	4	0	0	4	0	0	0	0	0
Wyoming	1	0	0	0	1	5	1	0	0	6	6	2	0	0	8
<b>FAR WEST</b>															
Alaska	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
California	61	4	0	6	71	72	0	0	2	74	97	0	0	2	99
Hawaii	0	-1	0	3	2	0	1	0	2	3	0	0	0	1	1
Nevada	2	7	3	86	98	0	3	1	17	21	0	0	0	1	1
Oregon	0	0	100	0	100	1	0	44	0	45	1	0	48	0	49
Washington	0	1	2	112	115	0	8	1	93	102	0	3	2	82	87
<b>TOTAL</b>	<b>\$308</b>	<b>\$193</b>	<b>\$325</b>	<b>\$1,231</b>	<b>\$2,057</b>	<b>\$357</b>	<b>\$147</b>	<b>\$295</b>	<b>\$909</b>	<b>\$1,708</b>	<b>\$314</b>	<b>\$74</b>	<b>\$204</b>	<b>\$1,043</b>	<b>\$1,635</b>
Puerto Rico	0	0	25	0	25	0	0	29	0	29	0	0	40	0	40

Source: National Association of State Budget Officers, 2001 State Expenditure Report, Summer 2002

Table 50

## TRANSPORTATION CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2000					Actual Fiscal 2001					Estimated Fiscal 2002				
	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
<b>NEW ENGLAND</b>															
Connecticut	\$0	\$473	\$47	\$195	\$715	\$0	\$561	\$12	\$184	\$757	\$15	\$581	\$12	\$214	\$822
Maine	6	109	26	14	155	0	104	36	25	165	10	156	105	26	297
Massachusetts	53	485	1,002	521	2,061	51	459	957	523	1,990	0	0	907	533	1,440
New Hampshire	0	9	157	3	169	0	10	147	10	167	0	18	150	18	186
Rhode Island	0	174	10	32	216	0	209	22	32	263	0	220	22	34	276
Vermont	0	0	1	1	2	0	0	0	1	1	0	0	0	0	0
<b>MID-ATLANTIC</b>															
Delaware	0	115	76	84	275	0	125	176	0	301	0	123	128	50	301
Maryland	0	427	429	75	931	0	572	638	0	1,210	0	739	493	210	1,442
New Jersey	478	524	0	613	1,615	701	609	0	747	2,057	715	770	0	788	2,273
New York	0	1,137	525	890	2,552	0	1,102	518	880	2,500	0	1,100	850	716	2,666
Pennsylvania	0	0	0	128	128	0	0	0	138	138	0	0	0	155	155
<b>GREAT LAKES</b>															
Illinois	0	0	1,472	124	1,596	0	0	1,399	363	1,762	0	0	1,450	460	1,910
Indiana	6	771	695	0	1,472	5	934	699	0	1,638	2	461	436	0	899
Michigan	15	1,007	1,288	5	2,315	17	905	1,242	222	2,386	26	996	1,263	250	2,535
Ohio	7	638	634	365	1,644	13	803	565	264	1,645	11	910	604	598	2,123
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>PLAINS</b>															
Iowa	0	0	7	0	7	0	0	3	0	3	0	0	7	0	7
Kansas	62	94	43	96	295	52	171	18	111	352	95	127	107	131	460
Minnesota	62	77	501	19	659	88	61	706	38	893	251	229	740	70	1,290
Missouri	0	0	1,406	0	1,406	0	0	1,185	260	1,445	0	0	1,725	415	2,140
Nebraska	0	0	561	0	561	0	0	484	0	484	0	0	553	0	553
North Dakota	0	175	57	0	232	0	137	53	0	190	0	203	65	0	268
South Dakota	0	175	92	0	267	0	216	128	0	344	0	232	91	0	323
<b>SOUTHEAST</b>															
Alabama	0	538	195	0	733	0	688	181	0	869	0	1,011	218	0	1,229
Arkansas	0	0	0	0	0	0	0	0	0	0	0	0	6	0	6
Florida	0	1,015	4,290	398	5,703	200	1,119	5,030	323	6,672	66	1,234	3,853	331	5,484
Georgia	11	648	280	137	1,076	1	713	23	89	826	0	870	0	153	1,023
Kentucky	0	0	11	0	11	0	0	13	0	13	0	0	20	0	20
Louisiana	0	409	308	16	733	0	406	240	10	656	1	443	292	10	746
Mississippi	0	210	329	0	539	0	205	234	0	439	0	282	309	40	631
North Carolina	0	0	11	0	11	0	0	0	9	9	0	0	0	0	0
South Carolina	5	0	406	122	533	6	0	248	119	373	1	0	493	166	660
Tennessee	0	509	507	0	1,016	0	648	364	88	1,100	0	664	380	80	1,124
Virginia	0	0	21	24	45	0	0	18	15	33	0	0	19	3	22
West Virginia	1	332	198	172	703	4	433	176	192	805	6	575	194	106	881
<b>SOUTHWEST</b>															
Arizona	0	430	246	251	927	20	401	321	293	1,035	0	412	301	328	1,041
New Mexico	4	229	11	45	289	3	193	15	71	282	0	198	19	183	400
Oklahoma	42	314	409	0	765	46	305	430	0	781	31	504	403	0	938
Texas*	0	0	63	0	63	0	0	84	0	84	0	0	98	0	98
<b>ROCKY MOUNTAIN</b>															
Colorado	5	0	0	0	5	59	0	0	0	59	0	0	0	0	0
Idaho	0	141	85	0	226	0	160	50	0	210	0	244	118	0	362
Montana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utah	122	189	197	68	576	137	224	233	6	600	146	158	209	126	639
Wyoming	0	4	342	0	346	0	4	352	0	356	0	6	354	0	360
<b>FAR WEST</b>															
Alaska	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
California	18	1,026	771	5	1,820	1,530	1,935	-1,014	348	2,799	5	883	946	85	1,919
Hawaii	0	83	63	33	179	0	116	58	37	211	0	63	70	127	260
Nevada	0	110	268	0	378	0	113	177	27	317	0	144	183	50	377
Oregon	0	0	3	0	3	0	0	2	0	2	0	0	2	0	2
Washington	0	326	591	27	944	0	375	443	200	1,018	0	314	134	489	937
<b>TOTAL</b>	<b>\$897</b>	<b>\$12,903</b>	<b>\$18,634</b>	<b>\$4,463</b>	<b>\$36,897</b>	<b>\$2,933</b>	<b>\$15,016</b>	<b>\$16,666</b>	<b>\$5,625</b>	<b>\$40,240</b>	<b>\$1,381</b>	<b>\$14,870</b>	<b>\$18,329</b>	<b>\$6,945</b>	<b>\$41,525</b>
Puerto Rico	0	288	342	72	702	0	273	463	34	770	0	189	483	56	728

Source: National Association of State Budget Officers, 2001 State Expenditure Report, Summer 2002

Table 51

## ENVIRONMENTAL PROJECTS CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2000					Actual Fiscal 2001					Estimated Fiscal 2002				
	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
<b>NEW ENGLAND</b>															
Connecticut	\$0	\$0	\$0	\$147	\$147	\$0	\$0	\$0	\$141	\$141	\$0	\$0	\$0	\$144	\$144
Maine	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Massachusetts	27	0	12	131	170	11	10	20	128	169	12	10	20	132	174
New Hampshire	0	0	0	8	8	0	0	0	7	7	0	0	0	7	7
Rhode Island	0	0	3	22	25	0	0	5	12	17	0	0	5	107	112
Vermont	0	0	0	11	11	0	0	0	9	9	0	0	0	6	6
<b>MID-ATLANTIC</b>															
Delaware	1	0	29	0	30	1	0	28	1	30	1	0	20	1	22
Maryland	26	0	283	40	349	25	1	184	44	254	32	3	245	74	354
New Jersey	71	9	0	211	291	77	11	0	285	373	120	13	0	350	483
New York	0	183	135	244	562	0	258	182	296	736	0	157	147	263	567
Pennsylvania	0	0	0	28	28	0	0	0	17	17	0	0	0	28	28
<b>GREAT LAKES</b>															
Illinois	1	0	0	27	28	1	0	0	30	31	2	0	0	29	31
Indiana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Michigan*	37	99	159	63	358	27	105	120	33	285	22	101	132	60	315
Ohio	1	0	2	114	117	2	0	1	107	110	2	0	13	213	228
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>PLAINS</b>															
Iowa	0	0	28	0	28	0	0	29	0	29	0	0	43	0	43
Kansas	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Minnesota	13	2	17	23	55	14	5	12	22	53	7	8	24	25	64
Missouri	0	0	0	82	82	0	0	0	82	82	0	0	0	82	82
Nebraska	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
North Dakota	0	0	3	34	37	0	0	4	3	7	0	0	6	0	6
South Dakota	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>SOUTHEAST</b>															
Alabama	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Arkansas	0	0	7	0	7	0	0	7	0	7	0	0	3	0	3
Florida	56	175	438	300	969	98	127	694	332	1,251	22	167	615	355	1,159
Georgia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kentucky	0	0	2	0	2	0	0	8	0	8	0	0	7	0	7
Louisiana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mississippi	5	2	9	24	40	2	1	8	0	11	2	9	8	10	29
North Carolina	28	0	0	175	203	0	0	0	35	35	33	0	0	250	283
South Carolina	0	0	6	0	6	0	2	9	0	11	0	1	8	1	10
Tennessee	0	0	1	0	1	0	0	0	0	0	0	0	0	2	2
Virginia	1	2	2	4	9	1	2	6	3	12	0	1	3	4	8
West Virginia	0	21	9	0	30	0	18	9	0	27	0	22	0	0	22
<b>SOUTHWEST</b>															
Arizona	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Mexico	1	0	3	6	10	0	0	0	0	0	46	0	5	33	84
Oklahoma	1	6	50	0	57	0	5	45	0	50	0	4	95	0	99
Texas*	5	2	23	0	30	7	3	37	0	47	14	4	26	0	44
<b>ROCKY MOUNTAIN</b>															
Colorado	3	1	25	0	29	3	41	25	0	69	1	3	19	0	23
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	2	0	0	2	0	0	0	0	0	0	0	0	0	0
Wyoming	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>FAR WEST</b>															
Alaska	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
California	141	2	12	17	172	341	2	6	197	546	194	7	89	766	1,056
Hawaii	0	0	0	6	6	0	0	0	6	6	0	18	0	16	34
Nevada	2	0	1	1	4	0	0	0	1	1	0	0	0	1	1
Oregon	0	4	6	0	10	0	2	10	0	12	0	3	11	0	14
Washington	0	27	7	11	45	0	18	32	8	58	0	43	7	2	52
<b>TOTAL</b>	<b>\$420</b>	<b>\$537</b>	<b>\$1,272</b>	<b>\$1,729</b>	<b>\$3,958</b>	<b>\$610</b>	<b>\$611</b>	<b>\$1,481</b>	<b>\$1,799</b>	<b>\$4,501</b>	<b>\$510</b>	<b>\$574</b>	<b>\$1,551</b>	<b>\$2,961</b>	<b>\$5,596</b>
Puerto Rico	0	0	0	10	10	0	0	0	18	18	0	0	0	10	10

Source: National Association of State Budget Officers, 2001 State Expenditure Report, Summer 2002

Table 52

## HOUSING CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2000					Actual Fiscal 2001					Estimated Fiscal 2002				
	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
<b>NEW ENGLAND</b>															
Connecticut	\$0	\$0	\$0	\$13	\$13	\$0	\$0	\$0	\$8	\$8	\$0	\$0	\$0	\$10	\$10
Maine	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Massachusetts	0	0	1	79	80	0	0	0	79	79	0	0	0	102	102
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	2	2	0	0	0	0	0	0	0	0	3	3
<b>MID-ATLANTIC</b>															
Delaware	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Maryland	18	0	15	16	49	25	0	16	14	55	35	14	17	2	68
New Jersey	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New York	0	2	4	91	97	0	3	1	60	64	0	3	3	95	101
Pennsylvania	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>GREAT LAKES</b>															
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	63	14	1	78	0	77	14	1	92	0	89	15	1	105
Ohio	0	21	21	0	42	0	22	18	0	40	0	5	22	0	27
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>PLAINS</b>															
Iowa	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kansas	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Minnesota	2	0	0	0	2	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	1	0	1	0	0	0	0	0	0	0	0	0	0
<b>SOUTHEAST</b>															
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	187	0	187	0	0	187	0	187	0	0	191	0	191
Georgia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kentucky	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Louisiana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mississippi	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
North Carolina	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
South Carolina	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tennessee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Virginia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
West Virginia	6	5	0	115	126	7	4	0	115	126	11	5	0	130	146
<b>SOUTHWEST</b>															
Arizona	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
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	1	0	1
<b>ROCKY MOUNTAIN</b>															
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	2	4	0	0	6	2	4	0	0	6	3	3	0	0	6
Wyoming	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>FAR WEST</b>															
Alaska	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
California	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Hawaii	0	0	0	1	1	0	0	0	2	2	0	23	0	4	27
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	1	27	28	0	0	5	38	43	0	0	3	23	26
<b>TOTAL</b>	<b>\$28</b>	<b>\$95</b>	<b>\$244</b>	<b>\$345</b>	<b>\$712</b>	<b>\$34</b>	<b>\$110</b>	<b>\$241</b>	<b>\$317</b>	<b>\$702</b>	<b>\$49</b>	<b>\$142</b>	<b>\$252</b>	<b>\$370</b>	<b>\$813</b>
Puerto Rico	0	108	10	7	125	0	131	27	6	164	0	316	1	12	329

Source: National Association of State Budget Officers, 2001 State Expenditure Report, Summer 2002



Table 53

## ALL OTHER CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2000					Actual Fiscal 2001					Estimated Fiscal 2002				
	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
<b>NEW ENGLAND</b>															
Connecticut	\$0	\$0	\$0	\$831	\$831	\$0	\$0	\$0	\$792	\$792	\$0	\$0	\$0	\$735	\$735
Maine	16	4	11	1	32	8	7	49	3	67	16	43	64	14	137
Massachusetts	0	3	14	178	195	95	1	222	216	534	0	0	39	324	363
New Hampshire	0	0	0	18	18	0	0	0	6	6	0	0	0	7	7
Rhode Island	0	0	1	63	64	0	0	2	65	67	1	0	15	48	64
Vermont	0	0	0	18	18	0	0	0	24	24	0	0	0	16	16
<b>MID-ATLANTIC</b>															
Delaware	58	0	39	60	157	101	0	47	89	237	87	0	47	72	206
Maryland	247	1	28	227	503	333	2	60	211	606	278	2	42	267	589
New Jersey	178	0	0	36	214	362	0	0	30	392	215	0	0	12	227
New York	0	38	185	127	350	0	47	300	137	484	0	113	118	216	447
Pennsylvania	0	0	0	252	252	0	0	0	432	432	0	0	0	441	441
<b>GREAT LAKES</b>															
Illinois	25	0	6	415	446	21	0	7	563	591	20	0	30	668	718
Indiana	96	0	117	0	213	145	0	39	0	184	80	0	88	0	168
Michigan*	271	5	10	66	352	269	4	13	181	467	292	3	13	127	435
Ohio	16	0	1	269	286	49	0	3	359	411	16	0	15	378	409
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>PLAINS</b>															
Iowa	0	0	69	0	69	0	0	57	0	57	0	0	105	0	105
Kansas	8	2	20	1	31	3	1	14	1	19	4	10	18	1	33
Minnesota	34	6	18	133	191	47	8	20	106	181	14	18	21	120	173
Missouri	47	25	58	235	365	42	3	48	0	93	26	10	40	0	76
Nebraska	24	5	13	0	42	20	6	15	0	41	39	6	68	0	113
North Dakota	3	7	12	0	22	12	3	12	0	27	30	7	40	5	82
South Dakota	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>SOUTHEAST</b>															
Alabama*	2	N/A	N/A	493	495	0	N/A	N/A	36	36	0	N/A	N/A	71	71
Arkansas	0	0	100	13	113	0	0	87	23	110	0	0	142	23	165
Florida	95	0	1,082	787	1,964	228	0	1,310	513	2,051	101	0	1,074	731	1,906
Georgia	0	0	0	211	211	0	0	0	287	287	0	0	0	862	862
Kentucky	0	0	164	0	164	0	0	283	0	283	0	0	260	0	260
Louisiana	49	36	68	120	273	11	16	222	56	305	7	35	58	87	187
Mississippi	22	16	59	127	224	9	19	45	104	177	8	36	103	34	181
North Carolina	36	0	0	25	61	76	0	0	395	471	0	0	0	55	55
South Carolina	10	43	31	265	349	11	1	25	279	316	12	19	50	208	289
Tennessee	7	3	1	13	24	9	15	0	10	34	8	7	0	10	25
Virginia	25	0	13	6	44	28	0	18	5	51	28	0	9	6	43
West Virginia	15	8	49	0	72	18	9	39	0	66	10	6	46	0	62
<b>SOUTHWEST</b>															
Arizona	208	0	16	0	224	485	0	24	0	509	391	0	7	0	398
New Mexico	19	0	21	313	353	0	0	0	521	521	26	0	0	899	925
Oklahoma	1	49	58	158	266	3	118	65	136	322	2	43	133	157	335
Texas*	48	45	88	0	181	94	74	105	0	273	126	163	191	0	480
<b>ROCKY MOUNTAIN</b>															
Colorado	70	32	71	0	173	97	21	44	0	162	43	3	56	0	102
Idaho	0	0	8	2	10	0	0	11	1	12	0	0	21	1	22
Montana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utah	156	1	73	12	242	177	0	69	9	255	169	-1	164	0	332
Wyoming	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>FAR WEST</b>															
Alaska	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
California	24	67	13	36	140	67	11	11	8	97	75	48	27	25	175
Hawaii	0	2	156	173	331	0	1	67	184	252	0	6	92	335	433
Nevada	9	9	2	10	30	4	7	5	13	29	1	2	1	11	15
Oregon	0	2	24	0	26	0	2	10	0	12	0	2	11	0	13
Washington	0	15	359	104	478	0	31	387	122	540	0	46	553	159	758
<b>TOTAL*</b>	<b>\$1,819</b>	<b>\$424</b>	<b>\$3,058</b>	<b>\$5,798</b>	<b>\$11,099</b>	<b>\$2,824</b>	<b>\$407</b>	<b>\$3,735</b>	<b>\$5,917</b>	<b>\$12,883</b>	<b>\$2,125</b>	<b>\$627</b>	<b>\$3,761</b>	<b>\$7,124</b>	<b>\$13,637</b>
Puerto Rico	81	79	1,226	382	1,768	0	86	1,199	367	1,652	0	87	1,536	392	2,015

Source: National Association of State Budget Officers, 2001 State Expenditure Report, Summer 2002

## Capital Spending Notes

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The totals for Total Capital Expenditures and All Other Capital Expenditures do not reflect Alabama's Federal or Other State Funds expenditures for the All Other Capital expenditure category. See the note below for greater detail.

**Alabama:** Higher Education capital expenditures are not tracked separately at the state level. Regarding All Other capital expenditures, Federal and Other State Funds cannot be broken out separately. The combined amounts for these two funding sources are: \$96 million in fiscal 2000, \$104 million in fiscal 2001, and \$63 million in fiscal 2002.

**Colorado:** Capital expenditures reflect only the projects funded from the Capital Construction Fund. The majority of highway projects are funded through the Highway Users Trust Fund.

**Florida:** The reduction in the Corrections area from fiscal 2001 to fiscal 2002 is due to the prison population not increasing at projected rates; therefore the state did not need to construct additional prison beds. The decrease in General Revenue funding in the area of Higher Education from fiscal 2001 to fiscal 2002 is related to the nonrecurring nature of fixed capital outlay. More projects were funded with General Revenue in fiscal 2001 than in fiscal 2002.

**Indiana:** Bond figures include project appropriations approved during the fiscal year.

**Kentucky:** Kentucky appropriates capital projects by specific fund sources but does not track expenditures by those same specific fund sources. All appropriated funds for a capital project are placed in the capital projects fund and are expended from there; therefore, the fund source identity of expenditures is commingled within the capital projects fund. All of Kentucky's Bond Fund and Capital expenditures are included in the "Other State Funds" category as a result.

**Maryland:** "Other State Funds" include a transfer of general funds to special funds for construction of the Woodrow Wilson Bridge of \$2.7 million in fiscal 2001 and \$11.7 million in fiscal 2002.

**Michigan:** Higher education capital expenditures made from non-state funds are excluded. The reporting method used for environmental capital expenditures and for all other capital expenditures is changed to reflect actual expenditures rather than appropriated amounts for fiscal 2000 and fiscal 2001. The reporting method used for all other capital expenditures is changed to reflect actual expenditures rather than appropriated amounts for fiscal 2000 and fiscal 2001.

**Montana:** Capital expenditures are not reported separately but are included in "Total Expenditures."

**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.

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

**Texas:** In all cases, reported capital expenditures are based on agency's capital budgets. Capital expenditures not listed in the capital budget are not included. The method of finance for capital expenditures is sometimes difficult to estimate. In cases where the breakout was not clear, these expenditures were reported as general revenue. Housing capital expenditures do not include Private Activity Bonds and bonds issued by the Texas State Affordable Housing Corporation. Amounts reported for environmental capital expenditures have been updated to reflect the latest agency estimates of actual and planned capital projects for 2000-2002. In some cases, these amounts differ substantially from those reported in the *2000 State Expenditure Report*, due to a change in agency prioritizations.



**CHAPTER NINE**  
**REVENUE SOURCES**  
**IN THE GENERAL FUND**

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Fiscal 2001 state general fund revenue—the main source of state expenditures—is estimated to total \$477.1 billion (the major sources of these revenues are displayed in Table 54). Sales and compensating use taxes, personal income taxes, and corporate income taxes account for 81.9 percent of total general fund revenue. Specifically, sales and use taxes represent 32.8 percent of the total, personal income taxes account for 42.8 percent, and corporate income taxes equal 6.3 percent. The remainder of general fund revenue consists of other taxes and fees, at 17.2 percent, and gaming taxes, at 0.9 percent of the total.

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

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

Table 55 illustrates the major items that are excluded from general fund revenue sources. For example, property taxes are a mainstay of local government finance and the majority of states exclude them from both their general funds and their revenue bases. However, many states use aid to local governments or other subsidies to help reduce the amount of property taxes local governments require.

## State Tax Trends

After enjoying robust revenues through fiscal 2000, state coffers tightened during fiscal 2001 as the economy slowed. Throughout 2000 as the stock market surged and consumer confidence rose, states enjoyed especially healthy revenue collections, benefiting from large capital gains realizations, growth in partnership income, large bonuses, and strong retail sales. However, the recent recession and laggard economy has hurt state tax collections severely.

As a result, governors proposed \$2.4 billion in tax and fee increases in their fiscal 2003 budgets. During the previous seven years states cut taxes by an aggregate \$33.8 billion. By comparison, net state tax reductions occurred only twice during the 1980s, equaling just more than \$3 billion. Most of the fiscal 2001 proposed tax increases focus on expanding the tax base to reflect economic activity in states that do not have personal income taxes; on raising cigarette and tobacco taxes; and on increasing user fees. Presently, nine states do not have broad-based personal income taxes: Alaska, Florida, Nevada, New Hampshire, South Dakota, Tennessee, Texas, Washington, and Wyoming.

## Revenue Collections

Throughout 2001, as the stock market surged and consumer confidence rose, states enjoyed especially healthy revenue collections, benefiting from large capital gains realizations, growth in partnership income, large bonuses, and strong retail sales. However, the more recent economic slowdown has caused the hefty rate of revenue growth that surprised many states during the past few fiscal years to evaporate and the prospect for collections in subsequent years remains cloudy.

**Figure 22**  
**REVENUE SOURCES IN THE GENERAL FUND**

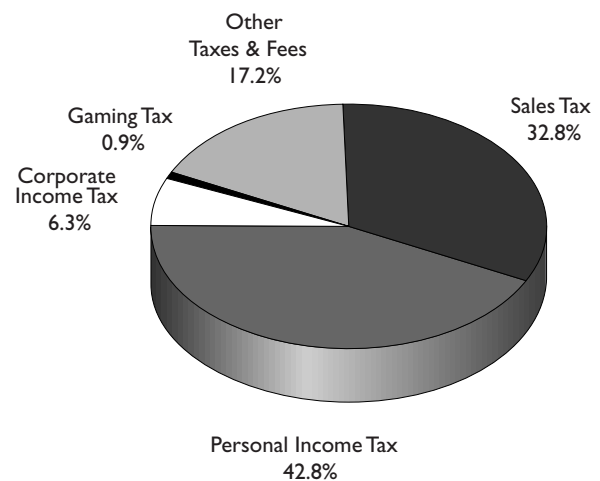


Table 54

## REVENUE SOURCES IN THE GENERAL FUND (\$ IN MILLIONS)

° Region/state	Actual Fiscal 2000						Actual Fiscal 2001						Estimated Fiscal 2002					
	Personal Sales Tax	Personal Income Tax	Corp. Income Tax	Other Gaming Tax	Other Taxes & Fees	Total	Personal Sales Tax	Personal Income Tax	Corp. Income Tax	Other Gaming Tax	Other Taxes & Fees	Total	Personal Sales Tax	Personal Income Tax	Corp. Income Tax	Other Gaming Tax	Other Taxes & Fees	Total
<b>NEW ENGLAND</b>																		
Connecticut	3,097	4,238	588	579	2,712	11,214	3,125	4,744	551	591	2,975	11,986	3,108	4,762	501	639	2,781	11,791
Maine	847	1,075	150	1	322	2,395	818	1,168	96	1	308	2,391	813	1,181	97	1	308	2,400
Massachusetts	3,565	9,042	1,131	8	1,648	15,394	3,756	9,903	945	8	1,789	16,401	3,805	8,786	733	6	1,789	15,119
New Hampshire	N/A	N/A	317	3	1,455	1,776	N/A	N/A	354	4	1,468	1,826	N/A	N/A	400	4	1,571	1,974
Rhode Island	631	817	68	6	756	2,278	712	914	60	6	872	2,564	726	883	50	6	873	2,538
Vermont	217	432	41	0	196	886	215	450	41	0	190	896	208	435	36	0	188	867
<b>MID-ATLANTIC</b>																		
Delaware	N/A	733	106	N/A	1,440	2,279	N/A	718	62	N/A	1,549	2,329	N/A	717	53	N/A	1,565	2,334
Maryland	2,479	4,746	319	368	1,308	9,220	2,627	5,134	374	385	1,282	9,802	2,635	5,113	245	397	1,361	9,751
New Jersey	5,508	7,205	1,486	737	4,944	19,880	5,759	7,989	1,441	713	5,083	20,985	6,137	8,545	1,921	784	5,062	22,449
New York	6,141	20,339	4,561	36	2,534	33,611	6,272	23,566	4,328	29	1,898	36,093	6,131	25,854	3,616	30	1,710	37,341
Pennsylvania*	7,018	7,066	1,860	0	4,313	20,257	7,204	7,492	1,603	0	4,263	20,562	7,318	7,613	1,461	0	4,259	20,651
<b>GREAT LAKES</b>																		
Illinois	6,027	7,686	1,237	852	3,557	19,359	5,958	7,996	1,036	969	3,827	19,786	6,200	8,100	900	1,000	3,920	20,120
Indiana	3,651	3,753	985	0	753	9,142	3,687	3,780	855	0	730	9,052	3,791	3,732	830	0	653	9,006
Michigan*	1,048	5,166	2,324	7	1,242	9,788	966	4,792	2,022	9	1,200	8,990	1,022	4,718	1,899	9	1,111	8,758
Ohio	5,914	7,232	969	0	5,936	20,051	5,936	7,263	915	0	7,195	21,309	5,984	7,890	960	0	6,789	21,623
Wisconsin*	3,502	5,962	645	0	838	10,947	3,610	5,157	537	0	759	10,063	3,680	5,220	480	0	838	10,218
<b>PLAINS</b>																		
Iowa	1,663	2,376	326	97	676	5,138	1,691	2,427	285	94	726	5,223	1,734	2,487	242	93	686	5,242
Kansas	1,650	1,855	250	0	448	4,203	1,659	1,977	212	0	567	4,415	1,730	2,055	195	0	356	4,336
Minnesota	3,754	5,556	800	65	1,083	11,258	3,802	5,915	729	60	1,176	11,682	3,727	5,961	566	58	2,129	12,441
Missouri*	1,715	3,661	253	0	505	6,134	1,754	3,976	226	0	483	6,439	1,746	3,723	250	0	381	6,100
Nebraska	900	1,181	140	0	183	2,404	905	1,233	138	0	181	2,457	930	1,301	134	0	184	2,549
North Dakota	355	197	48	13	158	771	367	212	52	14	180	825	359	219	49	10	180	817
South Dakota	432	N/A	35	91	224	782	452	N/A	33	91	238	814	458	N/A	32	112	244	846
<b>SOUTHEAST</b>																		
Alabama	1,557	2,230	221	4	1,233	5,245	1,544	2,162	125	4	1,343	5,178	1,580	2,064	165	4	1,467	5,280
Arkansas	1,632	1,712	253	6	247	3,851	1,678	1,805	235	6	255	3,978	1,700	1,853	193	4	243	3,993
Florida	13,784	N/A	1,407	13	3,614	18,818	13,946	N/A	1,345	17	3,871	19,179	13,859	N/A	1,214	20	3,578	18,671
Georgia	4,568	7,102	N/A	N/A	3,291	14,960	4,704	7,343	N/A	N/A	3,265	15,312	4,799	7,487	N/A	N/A	3,200	15,486
Kentucky*	2,171	2,702	306	0	1,441	6,620	2,248	2,779	290	0	1,443	6,760	2,300	2,703	207	0	1,483	6,693
Louisiana	2,314	1,595	222	336	1,397	5,863	2,669	1,763	293	359	1,446	6,530	2,698	1,833	174	333	1,427	6,464
Mississippi	1,371	1,005	296	158	543	3,373	1,384	1,034	274	162	590	3,444	1,398	1,075	266	163	565	3,467
North Carolina	3,355	7,080	903	0	1,797	13,135	3,436	7,391	460	0	2,165	13,452	3,800	7,153	363	0	2,270	13,585
South Carolina	1,981	2,099	174	0	745	4,999	2,000	2,127	180	0	772	5,080	2,128	2,354	177	0	800	5,459
Tennessee*	4,366	118	445	0	1,114	6,043	4,402	130	521	0	1,091	6,144	4,379	132	542	0	969	6,022
Virginia	2,202	6,829	566	N/A	1,125	10,721	2,273	7,226	363	N/A	1,299	11,161	2,413	6,965	296	N/A	1,243	10,916
West Virginia	846	966	117	0	710	2,639	852	1,021	113	0	732	2,718	878	1,049	115	0	758	2,800
<b>SOUTHWEST</b>																		
Arizona	2,829	2,289	523	0	318	5,960	2,984	2,360	549	0	289	6,181	2,971	2,237	345	0	265	5,818
New Mexico	1,174	870	161	19	1,197	3,421	1,290	906	220	23	1,555	3,995	1,335	1,046	180	27	1,334	3,922
Oklahoma	1,240	1,838	153	12	11	3,254	1,326	1,955	156	11	1,257	4,705	1,360	2,052	148	10	947	4,517
Texas*	13,946	N/A	N/A	0	12,985	26,931	14,632	N/A	N/A	0	14,731	29,363	15,030	N/A	N/A	0	13,486	28,516
<b>ROCKY MOUNTAIN</b>																		
Colorado	1,887	3,718	289	29	380	6,303	1,969	4,018	330	31	369	6,717	1,917	3,893	301	32	308	6,451
Idaho	628	960	125	0	109	1,822	647	1,024	142	0	172	1,985	659	940	93	0	132	1,824
Montana	N/A	516	91	14	544	1,165	N/A	556	104	21	589	1,270	N/A	575	82	42	633	1,331
Utah	1,370	1,655	180	0	300	3,505	1,431	1,713	175	0	305	3,624	1,440	1,761	140	0	275	3,616
Wyoming	262	N/A	N/A	N/A	354	616	296	N/A	N/A	N/A	356	652	299	N/A	N/A	N/A	309	608
<b>FAR WEST</b>																		
Alaska	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
California	21,137	39,575	6,639	6	4,574	71,931	21,277	44,614	6,899	4	-1,366	71,428	21,165	38,455	5,261	4	12,198	77,083
Hawaii	1,529	1,064	68	0	623	3,284	1,625	1,105	61	0	651	3,442	1,658	1,082	64	0	679	3,483
Nevada	610	N/A	N/A	592	445	1,647	645	N/A	N/A	604	485	1,734	681	N/A	N/A	621	518	1,820
Oregon*	N/A	4,197	382	N/A	304	4,883	N/A	4,540	373	N/A	326	5,239	N/A	4,085	252	N/A	441	4,778
Washington	5,800	N/A	0	0	4,459	10,259	5,912	N/A	0	0	5,047	10,959	5,887	N/A	0	0	4,779	10,666
<b>ALL STATES</b>	<b>152,672</b>	<b>190,438</b>	<b>32,161</b>	<b>4,052</b>	<b>81,091</b>	<b>460,415</b>	<b>156,444</b>	<b>204,378</b>	<b>30,103</b>	<b>4,215</b>	<b>81,979</b>	<b>477,119</b>	<b>158,575</b>	<b>200,088</b>	<b>26,226</b>	<b>4,408</b>	<b>93,244</b>	<b>482,541</b>
Puerto Rico	526	2,513	1,753	134	2,303	7,229	512	2,348	1,697	127	2,726	7,410	580	2,687	1,612	117	2,469	7,465

**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 and Tobacco Taxes	Motor Fuel Taxes	Alcoholic Beverage Taxes	Insurance Premium Taxes	Property Taxes	Utility Taxes	Severance Taxes	Federal Funds	Licenses and Fees	Other
<b>NEW ENGLAND</b>															
Connecticut							X			X		N/A			
Maine							P					X	P		
Massachusetts					X	P	P					N/A	P	P	P
New Hampshire	X	X									P	X			
Rhode Island										X		X	X		
Vermont				X	X	X	X			X			X	P	P
<b>MID-ATLANTIC</b>															
Delaware	X			X			X			X			X		
Maryland	P		P	P	P		P			X		N/A	X	X	X
New Jersey						P	P			X	P	X	X		
New York					X		P			X		X	X	X	X
Pennsylvania	P			P	X	P	X		P	P		N/A	X	P	P
<b>GREAT LAKES</b>															
Illinois	P	P	P	P	P	P	X		P	X	P	X	X	P	P
Indiana				P	X	P	X	P	P	X	P	X	X	P	P
Michigan	P	P		X	X	P	X	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	P	X	X	X	
<b>PLAINS</b>															
Iowa				P			X			X			X		
Kansas				P	X		X			P	X		X	P	P
Minnesota					X					X	X	P			
Missouri				X	X	X	X		P	X	X	X	P	P	P
Nebraska					X		X			X	X	X	X	X	X
North Dakota							X			X	X		X		
South Dakota		X		P			X			X	X		X		
<b>SOUTHEAST</b>															
Alabama					X		X						X		
Arkansas					X					X					
Florida	P	X		P		P		P	P	P	X	P	X	P	P
Georgia				X									X		
Kentucky							X					X			
Louisiana	P			P	X		X		P	X	P	P	X	P	P
Mississippi							P						X	X	
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				N/A	P		X				X		X		
<b>SOUTHWEST</b>															
Arizona															
New Mexico					X		X			X			X		
Oklahoma										X			X		
Texas		X	X	X						X			X		
<b>ROCKY MOUNTAIN</b>															
Colorado				P	X		X			X	X	X	X	P	P
Idaho				X	X	P	X	P		X	X	X	X	X	
Montana	N/A					P	X	P		P	X	P	X	P	
Utah				X	X					P					
Wyoming		X	X	X	X										
<b>FAR WEST</b>															
Alaska															
California	P			P	X	P	X			X	X	X	X	P	P
Hawaii				X	X		X			X	X	X			
Nevada		N/A	N/A		N/A		X			X	X	X			P
Oregon	X			X	X		X			X	X		X		
Washington		X	X	X								X			
<b>ALL STATES</b>	<b>13</b>	<b>10</b>	<b>7</b>	<b>29</b>	<b>30</b>	<b>13</b>	<b>34</b>	<b>6</b>	<b>7</b>	<b>38</b>	<b>23</b>	<b>28</b>	<b>35</b>	<b>21</b>	<b>16</b>
Puerto Rico							P			X	X		X		

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

Source: National Association of State Budget Officers, 2001 State Expenditure Report, June 2002

## **Revenue Sources in the General Fund**

**Kentucky:** The Tobacco Master Settlement Agreement Phase I payments are included within Kentucky's General Fund Revenue Sources. They are included in the "Other Taxes and Fees" category of the survey. These reflect \$142 million for fiscal 2000, \$106 million for fiscal 2001, and \$133 million for fiscal 2002.

**Michigan:** Actual fiscal 2000 and fiscal 2001 amounts reflect general fund non-dedicated revenue as contained in the respective State of Michigan Comprehensive Annual Financial Reports. Revenue figures have been adjusted to put them on a basis comparable to the consensus estimates. Fiscal 2002 estimates are the January 2002 consensus revenue estimates. Revenue totals are affected by phased-in rate cuts in personal income tax and in single business tax (corporate tax).

**Missouri:** Fiscal 2002 figures reflect revised estimates as of April 2002.

**Oregon:** Oregon is a biennial budget state. Revenues shown are new revenues only. Not included are ending balances that are passed between fiscal years as well as funds that reside in the Emergency Fund.

**Pennsylvania:** "Other Taxes and Fees" include non-tax revenues such as interest earnings, transfers from other funds and miscellaneous revenues.

**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.

**Texas:** Estimated general revenues for 2002 are \$847 million less than 2001 actual collections. Texas operates on a biennial budget cycle, and the revenue is forecast accordingly. In comparing biennia, revenues received during the last fiscal year of a biennium exceed those estimated for the first year of the following biennium. Notwithstanding any other factor, the total 2002-03 biennial estimate exceeds the 2000-01 biennium actual collections by \$1.7 billion. Texas charges a franchise tax on businesses. Although the formula for calculating this tax has an income component, the tax itself is not considered a corporate income tax.

**Wisconsin:** Amounts include General Purpose Revenues (GPR) only. GPR-earned, departmental revenues, and transfers are not included.





## **APPENDIX**

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Table A-1

## TOTAL STATE EXPENDITURES BY FUND SOURCE (EXCLUDES BONDS) (\$ IN MILLIONS)

Region/State	Actual Fiscal 2000			Actual Fiscal 2001			Estimated Fiscal 2002		
	State Funds	Federal Funds	State & Federal Funds	State Funds	Federal Funds	State & Federal Funds	State Funds	Federal Funds	State & Federal Funds
<b>NEW ENGLAND</b>									
Connecticut	\$13,807	\$3,061	\$16,868	\$14,384	\$3,338	\$17,722	\$14,062	\$3,304	\$17,366
Maine	3,303	1,495	4,798	3,674	1,540	5,214	4,350	2,003	6,353
Massachusetts	21,067	5,917	26,984	23,043	6,264	29,307	23,621	6,888	30,509
New Hampshire	2,370	974	3,344	2,388	1,000	3,388	2,577	1,070	3,647
Rhode Island	2,999	1,283	4,282	3,316	1,429	4,745	3,545	1,592	5,137
Vermont	1,363	831	2,194	1,758	866	2,624	1,889	960	2,849
<b>MID-ATLANTIC</b>									
Delaware	4,095	749	4,844	4,507	810	5,317	4,614	835	5,449
Maryland	14,086	3,780	17,866	15,721	4,344	20,065	16,407	4,914	21,321
New Jersey	23,206	5,596	28,802	24,745	6,458	31,203	24,789	7,797	32,586
New York	49,797	21,609	71,406	54,183	23,643	77,826	56,979	26,306	83,285
Pennsylvania	26,879	11,024	37,903	27,919	12,000	39,919	30,430	13,919	44,349
<b>GREAT LAKES</b>									
Illinois	26,741	7,405	34,146	27,895	8,188	36,083	29,590	8,273	37,863
Indiana	12,005	4,322	16,327	12,761	4,945	17,706	12,110	4,650	16,760
Michigan	26,563	7,963	34,526	28,329	8,950	37,279	27,353	10,325	37,678
Ohio	32,839	4,800	37,639	35,792	5,400	41,192	39,677	6,965	46,642
Wisconsin	21,149	5,037	26,186	23,042	5,050	28,092	17,763	5,481	23,244
<b>PLAINS</b>									
Iowa	8,806	2,769	11,575	9,306	2,982	12,288	9,616	3,073	12,689
Kansas	6,059	2,225	8,284	6,115	2,585	8,700	6,783	2,502	9,285
Minnesota	14,406	3,685	18,091	16,034	4,489	20,523	17,053	4,510	21,563
Missouri	11,323	4,422	15,745	11,628	4,675	16,303	13,086	5,664	18,750
Nebraska	4,297	1,503	5,800	4,472	1,586	6,058	4,798	1,756	6,554
North Dakota	1,300	917	2,217	1,395	888	2,283	1,514	994	2,508
South Dakota	1,322	783	2,105	1,425	923	2,348	1,509	995	2,504
<b>SOUTHEAST</b>									
Alabama	9,959	4,279	14,238	10,471	4,883	15,354	12,417	6,347	18,764
Arkansas	7,505	2,508	10,013	7,911	3,141	11,052	8,505	3,560	12,065
Florida	35,029	10,701	45,730	39,340	11,480	50,820	32,842	12,672	45,514
Georgia	14,960	9,328	24,288	15,312	8,864	24,176	15,486	10,930	26,416
Kentucky	10,984	4,772	15,756	11,731	5,118	16,849	12,540	5,277	17,817
Louisiana	10,358	4,287	14,645	11,133	4,712	15,845	11,573	5,792	17,365
Mississippi	6,243	2,895	9,138	6,379	3,041	9,420	6,811	3,361	10,172
North Carolina	18,695	6,942	25,637	18,695	7,574	26,269	19,365	7,066	26,431
South Carolina	8,839	4,121	12,960	9,452	4,449	13,901	9,903	4,828	14,731
Tennessee	10,289	5,664	15,953	10,747	6,501	17,248	11,599	7,057	18,656
Virginia	18,356	3,721	22,077	20,032	3,910	23,942	20,396	4,445	24,841
West Virginia	4,011	2,215	6,226	4,504	2,650	7,154	5,134	2,846	7,980
<b>SOUTHWEST</b>									
Arizona	11,570	3,545	15,115	13,307	3,751	17,058	12,155	4,276	16,431
New Mexico	6,144	2,753	8,897	6,760	3,437	10,197	6,668	3,188	9,856
Oklahoma	7,818	2,822	10,640	8,563	3,235	11,798	9,030	4,007	13,037
Texas*	34,991	14,399	49,390	37,082	15,274	52,356	39,274	15,309	54,583
<b>ROCKY MOUNTAIN</b>									
Colorado	8,658	2,470	11,128	9,630	2,634	12,264	10,506	2,785	13,291
Idaho	2,531	1,099	3,630	2,700	1,279	3,979	3,046	1,485	4,531
Montana	1,759	1,027	2,786	1,953	1,151	3,104	2,081	1,548	3,629
Utah	4,839	1,530	6,369	5,332	1,630	6,962	5,692	1,649	7,341
Wyoming	1,360	234	1,594	1,281	265	1,546	1,297	277	1,574
<b>FAR WEST</b>									
Alaska	—	—	—	—	—	—	—	—	—
California	82,281	37,303	119,584	92,025	41,273	133,298	98,321	46,516	144,837
Hawaii	5,641	1,017	6,658	5,877	1,087	6,964	5,728	1,088	6,816
Nevada	3,497	1,052	4,549	3,567	1,143	4,710	3,685	1,289	4,974
Oregon	13,397	3,160	16,557	13,580	3,453	17,033	14,712	3,741	18,453
Washington	15,386	5,323	20,709	16,509	5,732	22,241	15,514	6,399	21,913
<b>TOTAL</b>	<b>\$684,882</b>	<b>\$241,317</b>	<b>\$926,199</b>	<b>\$737,705</b>	<b>\$264,020</b>	<b>\$1,001,725</b>	<b>\$758,395</b>	<b>\$292,514</b>	<b>\$1,050,909</b>
Puerto Rico	14,272	3,732	18,004	15,222	3,992	19,214	15,795	4,408	20,203

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

Source: National Association of State Budget Officers, 2001 State Expenditure Report, Summer 2002

Table A-2

## CHILD HEALTH INSURANCE BLOCK GRANTS (\$ IN MILLIONS)

Region/state	Actual Fiscal 2000				Actual Fiscal 2001				Estimated Fiscal 2002			
	General Fund	Other State Funds	Federal Funds	Total	General Fund	Other State Funds	Federal Funds	Total	General Fund	Other State Funds	Federal Funds	Total
<b>NEW ENGLAND</b>												
Connecticut*	13	0	*	13	16	0	*	16	21	0	*	21
Maine	3	0	9	12	4	0	14	18	5	0	15	20
Massachusetts	24	0	44	68	28	0	52	80	33	0	61	94
New Hampshire	1	1	3	5	1	1	3	5	2	0	4	6
Rhode Island	3	0	5	8	8	0	17	25	11	0	21	32
Vermont	0	0	1	1	0	0	1	1	0	0	1	1
<b>MID-ATLANTIC</b>												
Delaware	1	0	1	2	2	0	2	4	2	1	3	6
Maryland	43	0	79	122	46	0	87	133	58	0	109	167
New Jersey*	0	26	48	74	0	29	78	107	0	32	230	262
New York	0	163	299	462	0	267	449	716	0	334	360	694
Pennsylvania	1	32	70	103	2	45	105	152	27	31	106	164
<b>GREAT LAKES</b>												
Illinois	12	1	24	37	19	2	37	58	19	2	36	57
Indiana	0	23	62	85	0	22	59	81	0	21	57	78
Michigan	0	6	13	19	0	8	17	25	0	9	20	29
Ohio*	3	16	45	64	112	0	15	127	153	0	19	172
Wisconsin*	3	1	9	13	8	1	27	36	32	2	93	127
<b>PLAINS</b>												
Iowa	10	0	10	20	4	2	10	16	8	1	15	24
Kansas*	7	0	18	25	7	1	21	29	11	1	30	42
Minnesota	0	0	0	0	0	0	0	0	0	22	41	63
Missouri	14	0	37	51	19	0	50	69	30	0	76	106
Nebraska	2	0	6	8	3	0	7	10	0	4	9	13
North Dakota	0	0	1	1	1	0	2	3	1	0	3	4
South Dakota	2	0	6	8	1	0	4	5	2	0	6	8
<b>SOUTHEAST</b>												
Alabama	9	2	24	35	8	5	42	55	11	5	60	76
Arkansas	0	0	1	2	1	0	2	3	1	0	3	4
Florida	16	52	80	148	16	70	143	229	0	80	184	264
Georgia	15	0	39	54	25	3	69	97	52	5	140	197
Kentucky	0	12	47	59	13	5	66	84	13	9	83	105
Louisiana	4	2	22	28	7	2	32	41	14	2	63	79
Mississippi	3	0	17	20	8	0	42	50	11	0	56	67
North Carolina	21	0	57	78	23	2	71	96	26	25	67	118
South Carolina	8	0	29	37	2	7	34	43	5	5	36	46
Tennessee*	0	0	0	0	0	0	0	0	0	0	0	0
Virginia	2	6	14	22	5	7	24	36	3	16	36	55
West Virginia	2	0	7	9	4	0	17	21	5	0	26	31
<b>SOUTHWEST</b>												
Arizona	0	8	25	33	0	14	43	57	0	20	59	79
New Mexico	0	0	3	3	0	0	7	7	2	0	14	16
Oklahoma	5	0	21	26	7	0	29	36	7	0	29	36
Texas	25	0	42	67	122	0	243	365	204	0	431	635
<b>ROCKY MOUNTAIN</b>												
Colorado	9	4	10	23	9	13	22	44	9	10	25	44
Idaho	1	0	6	7	3	0	11	14	3	0	13	16
Montana	1	0	5	6	3	0	10	13	3	0	12	15
Utah	0	4	12	16	0	5	15	20	0	6	19	25
Wyoming	0	0	0	0	0	0	0	0	0	0	0	0
<b>FAR WEST</b>												
Alaska	—	—	—	—	—	—	—	—	—	—	—	—
California	78	0	135	213	141	0	249	390	149	55	340	544
Hawaii	0	0	0	1	1	0	3	4	2	0	4	6
Nevada	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Oregon	0	6	12	18	0	6	14	20	0	6	16	22
Washington	0	0	0	0	0	1	3	4	0	3	6	9
<b>TOTAL</b>	<b>\$342</b>	<b>\$365</b>	<b>\$1,398</b>	<b>\$4,210</b>	<b>\$680</b>	<b>\$518</b>	<b>\$2,248</b>	<b>\$3,445</b>	<b>\$934</b>	<b>\$707</b>	<b>\$3,037</b>	<b>\$4,678</b>
Puerto Rico	23	0	41	64	24	0	42	66	16	0	30	46

## **Child Health Insurance Block Grants**

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**Connecticut:** SCHIP reimbursement is set at 65 percent. The state spends General Fund dollars first, then claims federal reimbursement which then goes to the state's revenues. Federal aid comes in the form of after-the-fact reimbursement after upfront spending by the state.

**Kansas:** Fiscal 2002 "Other State Funds" reflect tobacco funds.

**New Jersey:** Federal expenditures include the use of SCHIP funds for Family Care.

**Ohio:** General Fund amounts include State and Federal Funds deposited into the General Fund. General Fund-State funds

includes match provided by other agencies, which are assumed to be General Fund state funds.

**Tennessee:** Tennessee received approval for the Child Health Insurance Block Grant on September 3, 1999. Insurance for Tennessee children is included in our TennCare waiver. Tennessee can only access these Child Health Insurance Block Grant funds if our waiver expires or we revert back to the Medicaid program.

**Wisconsin:** Wisconsin received a waiver for fiscal 2002 to cover adults with incomes greater than 100 percent of the federal poverty level (FPL) with the S-CHIP match. The fiscal 2002 increase represents both program/caseload growth and shifting some adults from the medical assistance (MA) budget to the S-CHIP budget.

## Methodology

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The 2001 State Expenditure Report reflects three years of data: actual fiscal year 2000, actual fiscal year 2001, and estimated fiscal year 2002. The text of this report focuses on actual fiscal year 2001 data.

This survey reports state expenditures in six functional categories: elementary and secondary education, higher education, public assistance including Temporary Assistance for Needy Families and other cash assistance, Medicaid, corrections, and transportation. All other expenditures make up a seventh category. The report includes expenditures from four fund sources, including general funds, federal funds, other state funds, and bonds. Data for each category include 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) programs, 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 exclude spending for port authorities, state police and highway patrol.

The "all other" expenditure category includes all remaining programs not captured in the functional categories previously described, including the 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 is tables included in four of the functional categories that reflect expenditures that states have excluded from their reported data. Each table underscores the observation that state-to-state expenditure comparisons in any functional category can be misleading. For example, one state may have included its juvenile institutions in its corrections budget, while another state may have included them in its human resources budget. Comparisons for one state over time, however, should prove accurate.

All years reported are state fiscal years unless otherwise indicated. In 46 states the fiscal year begins on July 1 and ends on June 30. The exceptions are as follows: in 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**

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

**Federal funds:** Funds received directly from the Federal government.

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

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

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



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