

FISCAL YEAR

2006

**STATE EXPENDITURE REPORT**

NATIONAL ASSOCIATION OF STATE BUDGET OFFICERS

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# TABLE OF CONTENTS

---

|   |     |
|---|-----|
| Preface .....                                   | vii |
| Executive Summary .....                         | i   |
| General Notes .....                             | ii  |
| Elementary & Secondary Education .....          | 13  |
| Elementary & Secondary Education Notes .....    | 20  |
| Higher Education .....                          | 21  |
| Higher Education Notes .....                    | 27  |
| Public Assistance .....                         | 29  |
| Other Cash Assistance .....                     | 33  |
| Public Assistance Notes .....                   | 44  |
| Medicaid Expenditures .....                     | 45  |
| Medicaid Notes .....                            | 52  |
| Corrections Expenditures .....                  | 55  |
| Corrections Notes .....                         | 63  |
| Transportation .....                            | 65  |
| Transportation Notes .....                      | 72  |
| All Other Expenditures .....                    | 73  |
| All Other Expenditure Notes .....               | 79  |
| Capital Expenditures .....                      | 81  |
| Capital Spending Notes .....                    | 91  |
| Revenue Sources in the General Fund .....       | 93  |
| Revenue Sources in the General Fund Notes ..... | 97  |
| Appendix .....                                  | 99  |
| Child Health Insurance Block Grants Notes ..... | 102 |
| Methodology .....                               | 103 |

## TABLES

|   |    |
|---|----|
| 1. Total State Expenditures – Capital Inclusive .....   | 6  |
| 2. Annual Percentage Change in Total State Expenditures .....   | 7  |
| 3. Comparison of Shares of State Spending With Fund Sources, Fiscal 1995 to 2007 .....                                | 8  |
| 4. Regional Percentage Change in Total Expenditures, Fiscal 2006 and 2007 .....                                       | 9  |
| 5. State Spending by Function As a Percent of Total State Expenditures, Fiscal 2006 .....                             | 10 |
| 6. Regional Percentage Change in State Elementary and<br>Secondary Education Expenditures, Fiscal 2006 and 2007 ..... | 15 |
| 7. Elementary and Secondary Education Expenditures .....  | 16 |

## TABLE OF CONTENTS (CONTINUED)

---

|  |    |
|--|----|
| 8. Elementary and Secondary Education Expenditures As a Percent of Total Expenditures              | 17 |
| 9. Annual Percentage Change in Elementary and Secondary Education Expenditures                     | 18 |
| 10. Items Excluded from Elementary and Secondary Education Expenditures                            | 19 |
| 11. Regional Percentage Change in State Higher Education Expenditures, Fiscal 2006 and 2007        | 22 |
| 12. Higher Education Expenditures – Capital Inclusive  | 23 |
| 13. Higher Education Expenditures As a Percent of Total Expenditures                               | 24 |
| 14. Annual Percentage Change in Higher Education Expenditures                                      | 25 |
| 15. Items Excluded from Higher Education Expenditures  | 26 |
| 16. Regional Percentage Change in State Total Public Assistance Expenditures, Fiscal 2006 and 2007 | 30 |
| 17. Regional Percentage Change in State TANF Expenditures, Fiscal 2006 and 2007                    | 31 |
| 18. Total Public Assistance Expenditures   | 35 |
| 19. Total Public Assistance Expenditures As a Percent of Total Expenditures                        | 36 |
| 20. Annual Percentage Change in Total Public Assistance Expenditures                               | 37 |
| 21. Cash Expenditures under Temporary Assistance to Needy Families Expenditures (TANF)             | 38 |
| 22. TANF Expenditures for Cash Assistance As a Percent of Total Expenditures                       | 39 |
| 23. Annual Percentage Change in TANF Cash Assistance Expenditures                                  | 40 |
| 24. Other Cash Assistance Expenditures   | 41 |
| 25. Other Cash Assistance Expenditures As a Percent of Total Expenditures                          | 42 |
| 26. Annual Percentage Change in Other Cash Assistance Expenditures                                 | 43 |
| 27. Regional Percentage Change in State Medicaid Expenditures, Fiscal 2006 and 2007                | 48 |
| 28. Medicaid Expenditures  | 49 |
| 29. Medicaid Expenditures As a Percent of Total Expenditures                                       | 50 |
| 30. Annual Percentage Change in Medicaid Expenditures  | 51 |
| 31. Regional Percentage Change in State Corrections Expenditures, Fiscal 2006 and 2007             | 57 |
| 32. Corrections Expenditures – Capital Inclusive   | 58 |
| 33. Corrections Expenditures As a Percent of Total Expenditures                                    | 59 |
| 34. Corrections General Fund Expenditures As a Percent of Total General Fund Expenditures          | 60 |
| 35. Annual Percentage Change in Corrections Expenditures   | 61 |
| 36. Items Excluded from Corrections Expenditures   | 62 |
| 37. Regional Percentage Change in State Transportation Expenditures, Fiscal 2006 and 2007          | 67 |
| 38. Transportation Expenditures – Capital Inclusive  | 68 |
| 39. Transportation Expenditures As a Percent of Total Expenditures                                 | 69 |

## TABLE OF CONTENTS (CONTINUED)

|  |     |
|--|-----|
| 40. Annual Percentage Change in Transportation Expenditures .....                          | 70  |
| 41. Items Excluded from Transportation Expenditures .....                                  | 71  |
| 42. Regional Percentage Change in State All Other Expenditures, Fiscal 2006 and 2007 ..... | 74  |
| 43. All Other Expenditures – Capital Inclusive .....                                       | 75  |
| 44. All Other Expenditures As a Percent of Total Expenditures .....                        | 76  |
| 45. Annual Percentage Change in All Other Expenditures .....                               | 77  |
| 46. Items Excluded from All Other Expenditures .....                                       | 78  |
| 47. Total Capital Expenditures .....   | 84  |
| 48. Higher Education Capital Expenditures .....  | 85  |
| 49. Corrections Capital Expenditures .....   | 86  |
| 50. Transportation Capital Expenditures .....  | 87  |
| 51. Environmental Projects Capital Expenditures .....                                      | 88  |
| 52. Housing Capital Expenditures .....   | 89  |
| 53. All Other Capital Expenditures .....   | 90  |
| 54. Revenue Sources in the General Fund .....  | 95  |
| 55. Items Excluded from Revenue Sources .....  | 96  |
| A-1. Total State Expenditures By Fund Source (Excludes Bonds) .....                        | 100 |
| A-2. Child Health Insurance Block Grants .....   | 101 |

### FIGURES

|   |    |
|---|----|
| 1. Total State Spending by Fund Source, Fiscal 1987 to 2006 .....   | 2  |
| 2. All Funds Percent Changes From Previous Fiscal Year For Major Spending<br>Categories, Fiscal 2006 and 2007 ..... | 3  |
| 3. Total State Expenditures By Funding Source, Fiscal 2006 .....  | 4  |
| 4. Total State Expenditures By Function, Fiscal 2006 .....  | 4  |
| 5. Composition of Total State Expenditures By Function, Fiscal 1987 to 2006 .....                                   | 4  |
| 6. General Fund Expenditures, Fiscal 2006 .....   | 5  |
| 7. Percent Change in General Fund, Fiscal 2006 to 2007 .....  | 5  |
| 8. Federal Fund Expenditures, Fiscal 2006 .....   | 9  |
| 9. Regional Percent Change in State Funds, Fiscal 2006 and 2007 .....   | 9  |
| 10. State Expenditures for Elementary and Secondary Education<br>by Fund Source, Fiscal 2006 .....                  | 14 |
| 11. State Expenditures for Higher Education by Fund Source, Fiscal 2006 .....                                       | 22 |
| 12. State Expenditures for Total Public Assistance by Fund Source, Fiscal 2006 .....                                | 30 |
| 13. State Expenditures for Temporary Assistance for Needy Families<br>by Fund Source, Fiscal 2006 .....             | 31 |
| 14. Actual and Projected Total Medicaid Spending, 1970 to 2007 .....  | 47 |

**TABLE OF CONTENTS (CONTINUED)**

---

- 15. Actual and Projected State Medicaid Spending, 1970 to 2007 .....47
- 16. State Expenditures for Medicaid by Fund Source, Fiscal 2006 .....48
- 17. State Expenditures For Corrections by Fund Source, Fiscal 2006 .....56
- 18. State Expenditures for Transportation by Fund Source, Fiscal 2006 .....66
- 19. State Expenditures for All Other Programs by Fund Source, Fiscal 2006 .....74
- 20. Capital Expenditures by Type, Fiscal 1991 to 2007 .....82
- 21. Annual Percentage Change in Total Capital Expenditures .....83
- 22. Total Capital Expenditures by Funding Source, Fiscal 2006 .....83
- 23. Revenue Sources in the General Fund .....94

# PREFACE

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Since its inception in 1987, the State Expenditure Report has developed into a definitive baseline for the analysis of state spending. This edition of the report includes data from actual fiscal 2005, actual fiscal 2006, and estimated fiscal 2007. Expenditures reflected in this report represent more than 99 percent of total state spending.

Expenditure data are detailed by program area so that trends in state spending can be evaluated. The funding sources for state expenditures also are identified. Readers are cautioned that a more complete understanding of service levels within a given state would require comparisons of spending by both state and local governments, which is not the purpose of this report. In addition, the data are self-reported by the states. Further information on the report's methodology is provided in the Appendix.

## ACKNOWLEDGEMENTS

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The State Expenditure Report was produced by Brian Sigriz with assistance from Jordan Head and Stacey Mazer. In addition, the report represents substantial work by state budget office staff throughout the United States. NASBO thanks these individuals for their assistance in providing state data for this report:

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# EXECUTIVE SUMMARY

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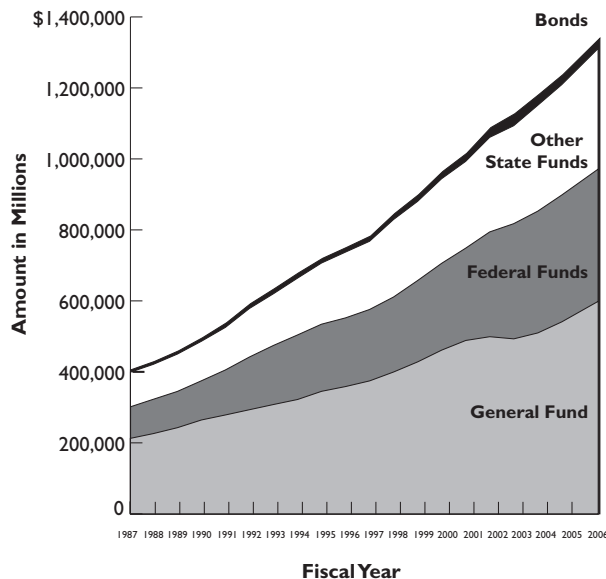


## State Spending Trends, Fiscal 2006

Much like fiscal 2005, states experienced stable expenditure and revenue growth in fiscal 2006. States continued their revenue recovery from the slowdown of the early 2000's, and were able to increase spending in areas that had been neglected during the fiscal downturn. Both spending and revenue totals increased for states in almost all categories. Total state spending in fiscal 2006 was more than \$1.3 trillion, including both operating and capital expenditures. Compared to the previous year, that figure reflects a 5.8 percent increase in state spending from all sources, with state funds growing by 7.5 percent and federal funds by 2.0 percent (see Tables 1 and 2). Estimates for fiscal 2007 reflect a 9.1 percent increase in total state expenditures, with state funds up by 8.2 percent and federal funds 8.7 percent higher. Since 1987, total state expenditures have increased by an average of 6.5 percent. It should be noted that twenty-three states use a biennial budget cycle, and in many cases funds are not expended evenly in the two-year cycle. This may affect total expenditures in some states from year to year.

Total general fund revenues grew by 8.9 percent in fiscal 2006, totaling nearly \$610 billion. This matches the 8.9 percent revenue growth of fiscal 2005. Corporate income tax revenues saw the largest growth in fiscal 2006 at 23.3 percent, while personal income tax revenues grew at 10.8 percent, and sales tax revenue grew at 6.6 percent. It is possible that 2005 and 2006 were peak fiscal years for the states during this cycle. General fund revenue growth is estimated to slow somewhat in fiscal 2007 to 3.7 percent. Furthermore, recent events such as the housing market downturn could lead to slowing revenue growth in the near future.

**Figure 1**  
**TOTAL STATE SPENDING BY FUND SOURCE,**  
**FISCAL 1987 TO 2006**

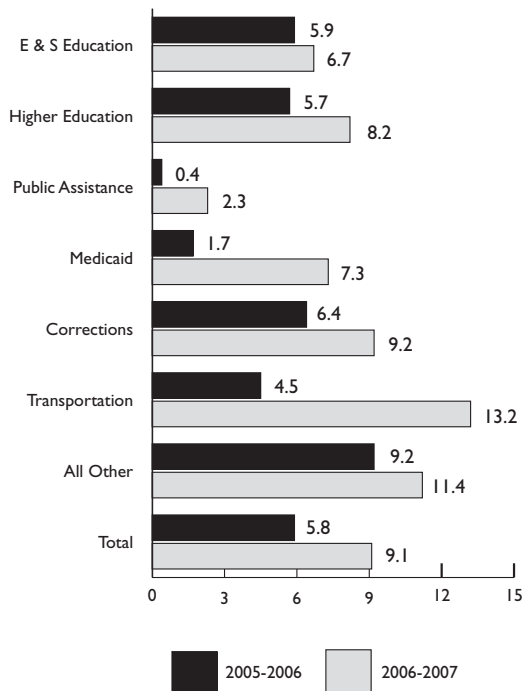


Medicaid is the largest category of state spending, accounting for 21.5 percent of total fiscal 2006 expenditures, with elementary and secondary education a close second at 21.4 percent. However, when looking at only general fund spending, elementary and secondary education is still the largest category at 34.8 percent, with Medicaid second at 16.8 percent. Overall, Medicaid grew by 1.7 percent in fiscal 2006, with state funds growing by 4.0 percent and federal funds remaining constant. Medicaid is estimated to grow by 7.3 percent in fiscal 2007, with state funds growing by 6.2 percent, and federal funds growing by 8.1 percent. Additionally, Medicaid has shrunk slightly as a percent of total expenditures. Medicaid accounted for 22.3 percent of total state expenditures in fiscal 2005, 21.5 percent in 2006, and is estimated to be 21.1 percent in fiscal 2007.

Other details of state expenditures include:

- General funds accounted for 44.7 percent of total fiscal 2006 state spending, federal funds were 27.8 percent, other state funds were 25.3 percent, and bonds reflected 2.2 percent of the total. Figure 1 displays state spending by source from fiscal 1987 through fiscal 2006.
- Total elementary and secondary education spending grew by 5.9 percent and higher education spending by 5.7 percent in fiscal 2006. Those two functions, combined with Medicaid, account for nearly two-thirds of general fund spending. Fiscal 2006 estimates are that total K–12 spending will increase by 6.7 percent and higher education spending by 8.2 percent.
- Total public assistance grew by only 0.4 percent in fiscal 2006, and is 1.8 percent of total expenditures. Additionally, TANF spending decreased by 1.3 percent in fiscal 2006.
- Total corrections expenditures rose by 6.4 percent in fiscal 2006, and reflects 3.4 percent of total state spending.
- Transportation spending—8.1 percent of total state expenditures in fiscal 2006—increased by 4.5 percent in fiscal 2006. State spending for transportation comes mostly from other state funds, which in fiscal 2006 comprised 56.2 percent of the total. General funds reflect only 4.6 percent of state transportation expenditures.
- State spending on capital projects grew by 10.2 percent in fiscal 2006, and is estimated to grow by 22.3 percent in 2007. This follows a period of little or no capital growth during the fiscal downturn of the early 2000's.

**Figure 2**  
**ALL FUNDS PERCENT CHANGES FROM PREVIOUS FISCAL YEAR**  
**FOR MAJOR SPENDING CATEGORIES, FISCAL 2006 AND 2007**



## Components of State Expenditures

This report includes three years of state expenditure data: actual fiscal 2005, actual fiscal 2006, and estimated fiscal 2007. The text focuses on actual fiscal 2006 and examines the seven main functional categories of state spending: elementary and secondary education, higher education, public assistance, Medicaid, corrections, transportation, and "all other." ("All other" is a broad category that includes state functions not tracked individually in this report, such as hospitals, economic development, housing, environmental programs, health programs and the 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, in many states, the funding of elementary and secondary education is considered primarily a local function. Some states, such as Hawaii, are exceptions; in Hawaii the state government fully funds elementary and secondary education. A more complete understanding of programs and service levels within a given state would require comparisons of spending by both state and local government, which is not the purpose of this report. In addition, because the data are self-reported by the states, some may be incomplete. These omissions can affect aggregate and regional tables.

While state balanced budget requirements are diverse, and governors are given significant powers to ensure a balanced budget, states operate within stricter revenue/expenditure limitations than the federal government. An overwhelming majority of states require their governor to submit, and their legislature to pass, a balanced budget. States are required to make spending choices 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 2006 spending by fund source is broken down in Figure 3. Spending sourced from state general funds was 43.7 percent of total expenditures in fiscal 2005, 44.7 in fiscal 2006, and is estimated to be 44.6 percent of total spending in fiscal 2007. The share of state spending from federal funds ranges from 28.9 percent, 27.8 percent and 27.7 percent of the total in fiscal 2005, fiscal 2006, and estimated fiscal 2007, respectively.

**Figure 3**  
**TOTAL STATE EXPENDITURES BY FUNDING SOURCE,**  
**FISCAL 2006**

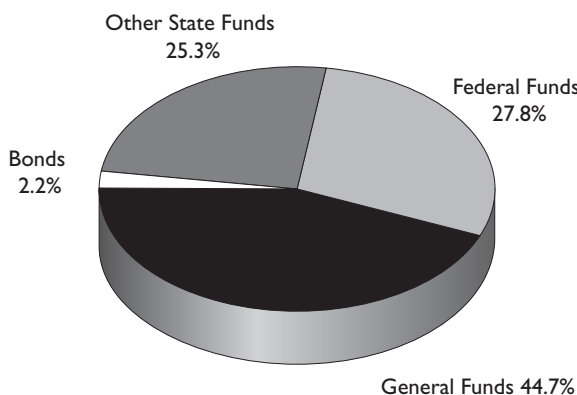
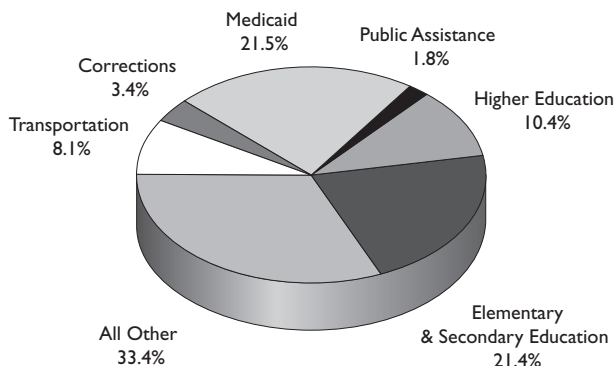
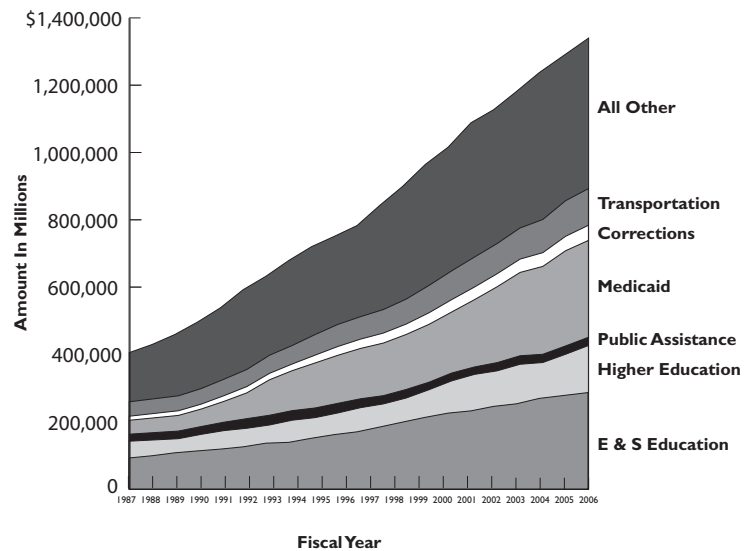


Figure 4 reflects total state expenditures by functional areas. For fiscal 2006, state spending shares are as follows: 21.5 percent for Medicaid; 21.4 percent for elementary and secondary education; 10.4 percent for higher education; 8.1 percent for transportation; 3.4 percent for corrections; 1.8 percent for public assistance; and 33.4 percent for all other.

**Figure 4**  
**TOTAL STATE EXPENDITURES BY FUNCTION,**  
**FISCAL 2006**



**Figure 5**  
**COMPOSITION OF TOTAL STATE EXPENDITURES BY FUNCTION,**  
**FISCAL 1987 TO 2006**

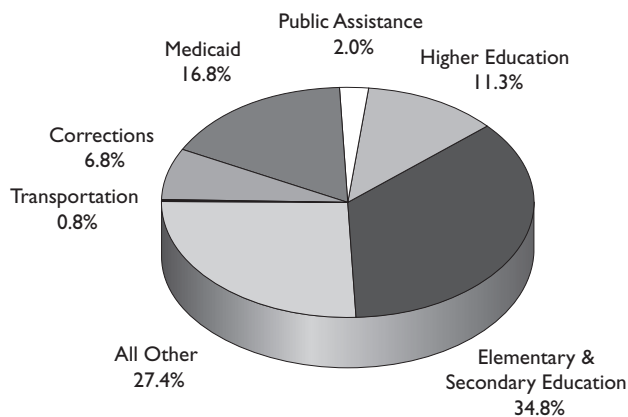


The shares of state spending for the seven functional areas tracked in the *State Expenditure Report* have shifted since 1987, when it was first published. For example, Medicaid surpassed higher education as the second largest state program in 1990, and in 2003 it became the largest, displacing elementary and secondary education. Figure 5 charts the changes in state expenditures by category since 1987. Table 3 reflects shares of state spending on functional areas, by fund source, from 1995 to 2007. Also, Table 5, at the end of the Executive Summary, highlights the share of each state's budget represented by various programs in fiscal 2006 and shows the wide variation among states in their spending patterns.

## General Fund Expenditures

Expenditures for elementary and secondary education continue to constitute the largest share of the general fund. As Figure 6 shows, in fiscal 2006, 34.8 percent of general fund spending went to elementary and secondary education. Medicaid accounted for 16.8 percent and Higher Education accounted for 11.3 percent of general fund spending.

**Figure 6**  
**GENERAL FUND EXPENDITURES,**  
**FISCAL 2006**



**Figure 7**  
**PERCENT CHANGE IN GENERAL FUND,**  
**FISCAL 2006 AND 2007**

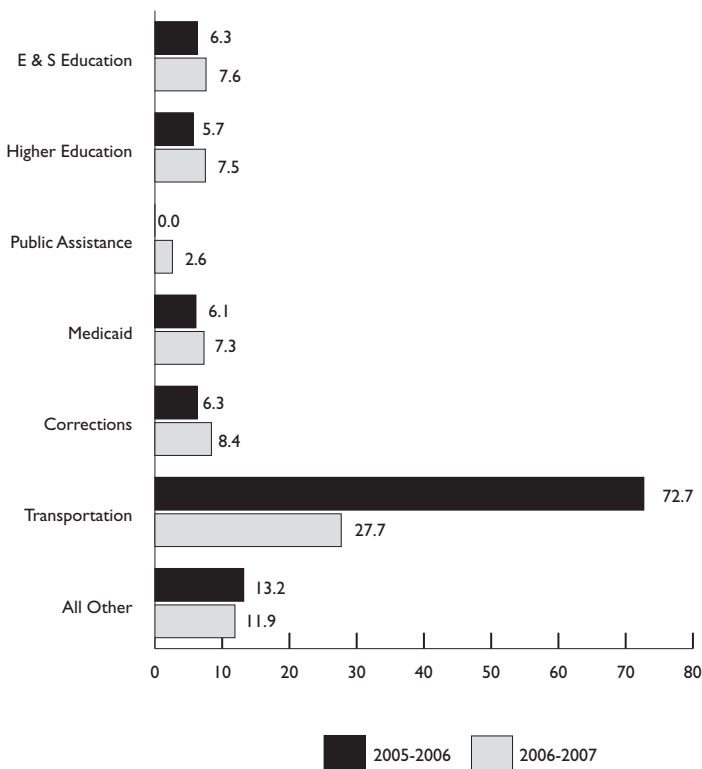


Figure 7 reflects the percentage change for general fund spending in each of the functional categories. It should be noted that while the percent change in general fund transportation expenditures for fiscal 2006 is rather large (72.7 percent), total transportation expenditures (capital inclusive) increased by a more modest 4.5 percent. The difference is because general funds only account for a relatively minor 4.6 percent of total transportation expenditures in fiscal 2006 (see Table 38).

## Other State Funds Expenditures

At 18.0 percent, transportation accounts for the second largest portion of other state funds spending for fiscal 2006, second only to the "all other" category. For transportation, these funds largely represent receipts from gasoline taxes earmarked for highways. Elementary and secondary, and higher education also account for significant portions of spending from other state funds: elementary and secondary education at 8.4 percent, and higher education at 14.3 percent (see Table 3).

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

| Region/State          | Actual Fiscal 2005 |                  |                   |                 |                    | Actual Fiscal 2006 |                  |                   |                 |                    | Estimated Fiscal 2007 |                  |                   |                 |                    |
|-----------------------|--------------------|------------------|-------------------|-----------------|--------------------|--------------------|------------------|-------------------|-----------------|--------------------|-----------------------|------------------|-------------------|-----------------|--------------------|
|                       | 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           | \$13,334           | \$1,124          | \$4,749           | \$1,443         | \$20,650           | \$14,502           | \$1,189          | \$5,280           | \$1,609         | \$22,580           | \$14,969              | \$1,298          | \$5,439           | \$2,320         | \$24,026           |
| Maine                 | 2,738              | 2,256            | 1,646             | 114             | 6,754              | 2,824              | 2,361            | 1,84              | 70              | 7,100              | 2,994                 | 2,548            | 1,778             | 117             | 7,437              |
| Massachusetts         | 19,954             | 5,950            | 10,343            | 1,723           | 37,970             | 21,719             | 6,372            | 9,434             | 1,682           | 39,207             | 22,272                | 6,561            | 9,342             | 1,182           | 39,357             |
| New Hampshire         | 1,394              | 1,415            | 1,524             | 84              | 4,417              | 1,346              | 1,414            | 1,620             | 90              | 4,470              | 1,389                 | 1,420            | 1,630             | 72              | 4,511              |
| Rhode Island          | 2,927              | 1,891            | 1,182             | 103             | 6,103              | 3,077              | 1,955            | 1,458             | 226             | 6,716              | 3,211                 | 1,998            | 1,490             | 424             | 7,123              |
| Vermont               | 1,060              | 1,017            | 1,988             | 53              | 4,118              | 1,136              | 1,065            | 2,702             | 43              | 4,946              | 1,192                 | 1,085            | 2,816             | 45              | 5,138              |
| <b>MID-ATLANTIC</b>   |                    |                  |                   |                 |                    |                    |                  |                   |                 |                    |                       |                  |                   |                 |                    |
| Delaware              | 2,822              | 975              | 1,101             | 169             | 5,067              | 3,193              | 1,029            | 1,126             | 222             | 5,570              | 3,360                 | 1,065            | 1,110             | 210             | 5,745              |
| Maryland              | 11,275             | 5,878            | 6,892             | 236             | 24,281             | 12,356             | 6,207            | 7,611             | 206             | 26,380             | 14,192                | 6,618            | 8,644             | 235             | 29,689             |
| New Jersey            | 27,844             | 7,985            | 4,456             | 1,218           | 41,503             | 28,033             | 8,420            | 4,791             | 1,060           | 42,304             | 30,127                | 9,489            | 4,799             | 1,441           | 45,856             |
| New York              | 43,619             | 36,697           | 18,561            | 1,791           | 100,668            | 46,496             | 34,618           | 21,373            | 1,855           | 104,342            | 51,591                | 35,453           | 23,476            | 2,244           | 112,764            |
| Pennsylvania          | 23,054             | 17,331           | 10,535            | 401             | 51,321             | 24,665             | 17,305           | 11,261            | 680             | 53,911             | 26,327                | 18,037           | 11,493            | 898             | 56,755             |
| <b>GREAT LAKES</b>    |                    |                  |                   |                 |                    |                    |                  |                   |                 |                    |                       |                  |                   |                 |                    |
| Illinois              | 17,374             | 10,864           | 11,392            | 1,114           | 40,744             | 19,470             | 10,685           | 12,373            | 894             | 43,422             | 21,707                | 12,103           | 13,646            | 770             | 48,226             |
| Indiana               | 11,691             | 6,701            | 2,874             | 254             | 21,520             | 11,911             | 6,769            | 2,844             | 307             | 21,831             | 12,248                | 6,987            | 3,081             | 148             | 22,464             |
| Michigan              | 8,794              | 11,348           | 20,187            | 255             | 40,584             | 9,248              | 11,498           | 20,535            | 447             | 41,728             | 9,111                 | 13,442           | 20,006            | 592             | 43,151             |
| Ohio                  | 24,830             | 8,002            | 16,479            | 1,354           | 50,665             | 24,866             | 8,616            | 18,536            | 1,430           | 53,448             | 25,148                | 9,181            | 18,807            | 1,414           | 54,550             |
| Wisconsin             | 11,859             | 6,984            | 13,032            | 0               | 31,875             | 12,385             | 7,166            | 13,930            | 0               | 33,481             | 13,217                | 7,160            | 14,097            | 0               | 34,474             |
| <b>PLAINS</b>         |                    |                  |                   |                 |                    |                    |                  |                   |                 |                    |                       |                  |                   |                 |                    |
| Iowa                  | 4,604              | 4,149            | 5,016             | 106             | 13,875             | 4,989              | 3,922            | 5,680             | 78              | 14,669             | 5,300                 | 4,149            | 6,045             | 147             | 15,641             |
| Kansas                | 4,690              | 3,410            | 2,297             | 188             | 10,585             | 5,139              | 3,265            | 2,821             | 208             | 11,433             | 5,586                 | 3,334            | 3,191             | 261             | 12,372             |
| Minnesota             | 15,042             | 5,516            | 3,514             | 443             | 24,515             | 16,117             | 5,628            | 3,514             | 494             | 25,753             | 16,513                | 6,202            | 4,225             | 652             | 27,592             |
| Missouri              | 7,126              | 5,491            | 6,437             | 56              | 19,110             | 7,126              | 5,536            | 6,616             | 383             | 19,661             | 7,938                 | 6,138            | 7,035             | 879             | 21,990             |
| Nebraska              | 2,737              | 2,351            | 2,429             | 0               | 7,517              | 2,915              | 2,303            | 2,755             | 0               | 7,973              | 3,325                 | 2,970            | 3,403             | 0               | 9,698              |
| North Dakota          | 904                | 1,217            | 983               | 81              | 3,185              | 966                | 1,263            | 1,017             | 49              | 3,295              | 1,032                 | 1,410            | 1,140             | 102             | 3,684              |
| South Dakota          | 969                | 1,157            | 705               | 10              | 2,841              | 1,006              | 1,177            | 776               | 20              | 2,979              | 1,055                 | 1,055            | 1,055             | 8               | 3,173              |
| <b>SOUTHEAST</b>      |                    |                  |                   |                 |                    |                    |                  |                   |                 |                    |                       |                  |                   |                 |                    |
| Alabama               | 11,482             | 10,154           | 10,179            | 281             | 32,096             | 12,858             | 10,340           | 10,244            | 231             | 33,673             | 14,859                | 11,725           | 11,892            | 258             | 38,734             |
| Arkansas              | 3,596              | 4,240            | 6,398             | 56              | 14,290             | 3,783              | 4,602            | 6,859             | 59              | 15,303             | 4,059                 | 6,209            | 7,696             | 301             | 18,265             |
| Florida               | 24,180             | 19,130           | 13,640            | 1,382           | 58,332             | 25,922             | 18,700           | 15,273            | 1,702           | 61,597             | 29,135                | 21,132           | 19,757            | 3,613           | 73,637             |
| Georgia               | 16,440             | 9,953            | 5,129             | 1,189           | 32,711             | 17,272             | 10,227           | 5,061             | 854             | 33,414             | 18,473                | 10,038           | 4,874             | 1,300           | 34,685             |
| Kentucky              | 7,570              | 6,310            | 5,452             | 0               | 19,332             | 8,332              | 6,696            | 5,999             | 0               | 21,027             | 8,671                 | 7,175            | 7,057             | 0               | 22,903             |
| Louisiana             | 7,179              | 6,342            | 5,250             | 342             | 19,113             | 7,750              | 8,167            | 5,434             | 566             | 21,917             | 7,351                 | 15,792           | 7,474             | 550             | 31,167             |
| Mississippi           | 3,621              | 5,062            | 4,072             | 292             | 13,047             | 4,016              | 6,634            | 3,908             | 245             | 14,803             | 4,182                 | 8,677            | 4,073             | 352             | 17,284             |
| North Carolina        | 15,871             | 10,224           | 7,454             | 1,260           | 34,809             | 17,190             | 10,311           | 7,334             | 370             | 35,205             | 19,088                | 10,496           | 6,290             | 803             | 36,677             |
| South Carolina        | 5,223              | 6,809            | 5,830             | 129             | 17,991             | 5,640              | 6,521            | 5,680             | 119             | 17,960             | 6,629                 | 7,191            | 5,794             | 0               | 19,614             |
| Tennessee             | 9,424              | 9,394            | 4,732             | 310             | 23,860             | 9,421              | 9,137            | 4,627             | 413             | 23,598             | 10,978                | 9,387            | 4,878             | 506             | 25,749             |
| Virginia              | 13,820             | 5,682            | 10,150            | 816             | 30,468             | 14,821             | 5,920            | 10,248            | 893             | 31,882             | 16,835                | 6,244            | 10,658            | 1,097           | 34,834             |
| West Virginia         | 3,414              | 3,399            | 10,562            | 363             | 17,738             | 3,559              | 3,277            | 13,354            | 213             | 20,403             | 3,684                 | 3,460            | 11,294            | 222             | 18,660             |
| <b>SOUTHWEST</b>      |                    |                  |                   |                 |                    |                    |                  |                   |                 |                    |                       |                  |                   |                 |                    |
| Arizona               | 7,737              | 8,412            | 7,170             | 569             | 23,888             | 8,676              | 8,289            | 7,933             | 478             | 25,376             | 10,478                | 9,207            | 7,220             | 538             | 27,443             |
| New Mexico            | 4,949              | 3,083            | 2,851             | 239             | 11,122             | 5,820              | 3,362            | 2,398             | 262             | 11,842             | 5,671                 | 3,679            | 2,210             | 380             | 11,940             |
| Oklahoma              | 4,340              | 5,458            | 4,108             | 121             | 14,027             | 5,318              | 5,207            | 5,441             | 277             | 16,243             | 5,928                 | 5,577            | 7,363             | 325             | 19,193             |
| Texas                 | 32,157             | 22,594           | 9,598             | 1,647           | 65,996             | 34,112             | 24,649           | 9,243             | 2,869           | 70,873             | 38,169                | 24,077           | 9,713             | 3,300           | 75,259             |
| <b>ROCKY MOUNTAIN</b> |                    |                  |                   |                 |                    |                    |                  |                   |                 |                    |                       |                  |                   |                 |                    |
| Colorado              | 5,805              | 3,269            | 4,922             | 222             | 14,218             | 6,293              | 3,560            | 5,520             | 7               | 15,380             | 6,807                 | 3,760            | 5,709             | 0               | 16,276             |
| Idaho                 | 2,110              | 1,769            | 913               | 9               | 4,801              | 2,218              | 1,811            | 992               | 9               | 5,030              | 2,586                 | 1,992            | 1,281             | 9               | 5,868              |
| Montana               | 1,344              | 1,505            | 1,249             | 0               | 4,098              | 1,558              | 1,527            | 1,370             | 0               | 4,455              | 1,715                 | 1,758            | 1,601             | 0               | 5,074              |
| Utah                  | 3,978              | 2,247            | 2,131             | 137             | 8,493              | 4,223              | 2,401            | 2,275             | 5               | 8,904              | 4,712                 | 2,362            | 2,989             | 111             | 10,174             |
| Wyoming               | 2,421              | 1,428            | 2,360             | 0               | 6,209              | 2,483              | 1,366            | 2,359             | 0               | 6,208              | 2,037                 | 1,188            | 2,433             | 0               | 5,658              |
| <b>FAR WEST</b>       |                    |                  |                   |                 |                    |                    |                  |                   |                 |                    |                       |                  |                   |                 |                    |
| Alaska                | 2,858              | 3,287            | 2,891             | 68              | 9,104              | 3,139              | 2,856            | 3,329             | 304             | 9,628              | 4,295                 | 3,401            | 4,178             | 0               | 11,874             |
| California            | 79,807             | 52,122           | 22,192            | 5,595           | 159,716            | 91,592             | 53,569           | 22,716            | 5,304           | 173,181            | 102,137               | 56,376           | 24,509            | 9,500           | 192,522            |
| Hawaii                | 4,185              | 1,573            | 2,608             | 386             | 8,752              | 4,679              | 1,539            | 2,854             | 403             | 9,475              | 5,456                 | 2,106            | 2,757             | 980             | 11,299             |
| Nevada                | 2,324              | 1,678            | 2,638             | 253             | 6,893              | 2,891              | 1,745            | 2,638             | 130             | 7,404              | 3,452                 | 1,499            | 2,707             | 473             | 8,131              |
| Oregon                | 4,490              | 4,857            | 9,764             | 205             | 19,316             | 6,077              | 4,697            | 9,237             | 204             | 20,215             | 6,256                 | 4,947            | 9,389             | 248             | 20,840             |
| Washington            | 12,220             | 6,097            | 6,952             | 839             | 26,108             | 13,623             | 6,097            | 6,880             | 1,239           | 27,839             | 14,144                | 6,390            | 9,881             | 2,034           | 32,449             |
| <b>TOTAL*</b>         | <b>\$553,186</b>   | <b>\$365,787</b> | <b>\$319,517</b>  | <b>\$27,906</b> | <b>\$1,266,396</b> | <b>\$598,751</b>   | <b>\$372,970</b> | <b>\$339,104</b>  | <b>\$29,209</b> | <b>\$1,340,034</b> | <b>\$651,591</b>      | <b>\$405,548</b> | <b>\$363,425</b>  | <b>\$41,061</b> | <b>\$1,461,625</b> |

Note: See General Notes at the end of this chapter.  
Source: National Association of State Budget Officers, 2006 State Expenditure Report

Table 2

## ANNUAL PERCENTAGE CHANGE IN TOTAL STATE EXPENDITURES

| Region/State          | Fiscal 2005 to 2006 |               |              | Fiscal 2006 to 2007 |               |              |
|-----------------------|---------------------|---------------|--------------|---------------------|---------------|--------------|
|                       | State Funds         | Federal Funds | All Funds    | State Funds         | Federal Funds | All Funds    |
| <b>NEW ENGLAND</b>    |                     |               |              |                     |               |              |
| Connecticut           | 9.4 %               | 5.8 %         | 9.3%         | 3.2 %               | 9.2 %         | 6.4 %        |
| Maine                 | 6.5                 | 4.7           | 5.1          | 2.2                 | 7.9           | 4.7          |
| Massachusetts         | 2.8                 | 7.1           | 3.3          | 1.5                 | 3.0           | 0.4          |
| New Hampshire         | 1.6                 | -0.1          | 1.2          | 1.8                 | 0.4           | 0.9          |
| Rhode Island          | 10.4                | 3.4           | 10.0         | 3.7                 | 2.2           | 6.1          |
| Vermont               | 25.9                | 4.7           | 20.1         | 4.4                 | 1.9           | 3.9          |
| <b>MID-ATLANTIC</b>   |                     |               |              |                     |               |              |
| Delaware              | 10.1                | 5.5           | 9.9          | 3.5                 | 3.5           | 3.1          |
| Maryland              | 9.9                 | 5.6           | 8.6          | 14.4                | 6.6           | 12.5         |
| New Jersey            | 1.6                 | 5.4           | 1.9          | 6.4                 | 12.7          | 8.4          |
| New York              | 9.1                 | -5.7          | 3.6          | 10.6                | 2.4           | 8.1          |
| Pennsylvania          | 7.0                 | -0.2          | 5.0          | 5.3                 | 4.2           | 5.3          |
| <b>GREAT LAKES</b>    |                     |               |              |                     |               |              |
| Illinois              | 10.7                | -1.6          | 6.6          | 11.0                | 13.3          | 11.1         |
| Indiana               | 1.3                 | 1.0           | 1.4          | 3.9                 | 3.2           | 2.9          |
| Michigan              | 2.8                 | 1.3           | 2.8          | -2.2                | 16.9          | 3.4          |
| Ohio                  | 5.1                 | 7.7           | 5.5          | 1.3                 | 6.6           | 2.1          |
| Wisconsin             | 5.7                 | 2.6           | 5.0          | 3.8                 | -0.1          | 3.0          |
| <b>PLAINS</b>         |                     |               |              |                     |               |              |
| Iowa                  | 10.9                | -5.5          | 5.7          | 6.3                 | 5.8           | 6.6          |
| Kansas                | 13.9                | -4.3          | 8.0          | 10.3                | 2.1           | 8.2          |
| Minnesota             | 5.8                 | 2.0           | 5.0          | 5.6                 | 10.2          | 7.1          |
| Missouri              | 1.3                 | 0.8           | 2.9          | 9.0                 | 10.9          | 11.8         |
| Nebraska              | 9.8                 | -2.0          | 6.1          | 18.7                | 29.0          | 21.6         |
| North Dakota          | 5.1                 | 3.8           | 3.5          | 9.5                 | 11.6          | 11.8         |
| South Dakota          | 6.5                 | 1.7           | 4.9          | 18.4                | -10.4         | 6.5          |
| <b>SOUTHEAST</b>      |                     |               |              |                     |               |              |
| Alabama               | 6.7                 | 1.8           | 4.9          | 15.8                | 13.4          | 15.0         |
| Arkansas              | 6.5                 | 8.5           | 7.1          | 10.5                | 34.9          | 19.4         |
| Florida               | 8.9                 | -2.2          | 5.6          | 18.7                | 13.0          | 19.5         |
| Georgia               | 3.5                 | 2.8           | 2.1          | 4.5                 | -1.8          | 3.8          |
| Kentucky              | 10.1                | 6.1           | 8.8          | 9.7                 | 7.2           | 8.9          |
| Louisiana             | 6.1                 | 28.8          | 14.7         | 12.4                | 93.4          | 42.2         |
| Mississippi           | 3.0                 | 31.1          | 13.5         | 4.2                 | 30.8          | 16.8         |
| North Carolina        | 5.1                 | 0.9           | 1.1          | 3.5                 | 1.8           | 4.2          |
| South Carolina        | 2.4                 | -4.2          | -0.2         | 9.7                 | 10.3          | 9.2          |
| Tennessee             | -0.8                | -2.7          | -1.1         | 12.9                | 2.7           | 9.1          |
| Virginia              | 4.6                 | 4.2           | 4.6          | 9.7                 | 5.5           | 9.3          |
| West Virginia         | 21.0                | -3.6          | 15.0         | -11.4               | 5.6           | -8.5         |
| <b>SOUTHWEST</b>      |                     |               |              |                     |               |              |
| Arizona               | 11.4                | -1.5          | 6.2          | 6.6                 | 11.1          | 8.1          |
| New Mexico            | 5.4                 | 9.0           | 6.5          | -4.1                | 9.4           | 0.8          |
| Oklahoma              | 27.4                | -4.6          | 15.8         | 23.5                | 7.1           | 18.2         |
| Texas                 | 3.8                 | 9.1           | 7.4          | 10.4                | -2.3          | 6.2          |
| <b>ROCKY MOUNTAIN</b> |                     |               |              |                     |               |              |
| Colorado              | 10.1                | 8.9           | 8.2          | 6.0                 | 5.6           | 5.8          |
| Idaho                 | 6.2                 | 2.4           | 4.8          | 20.5                | 10.0          | 16.7         |
| Montana               | 12.9                | 1.5           | 8.7          | 13.3                | 15.1          | 13.9         |
| Utah                  | 6.4                 | 6.9           | 4.8          | 18.5                | -1.6          | 14.3         |
| Wyoming               | 1.3                 | -4.3          | 0.0          | -7.7                | -13.0         | -8.9         |
| <b>FAR WEST</b>       |                     |               |              |                     |               |              |
| Alaska                | 12.5                | -13.1         | 5.8          | 31.0                | 19.1          | 23.3         |
| California            | 12.1                | 2.8           | 8.4          | 10.8                | 5.2           | 11.2         |
| Hawaii                | 10.9                | -2.2          | 8.3          | 9.0                 | 36.8          | 19.3         |
| Nevada                | 11.4                | 4.0           | 7.4          | 11.4                | -14.1         | 9.8          |
| Oregon                | 7.4                 | -3.3          | 4.7          | 2.2                 | 5.3           | 3.1          |
| Washington            | 6.9                 | 0.0           | 6.6          | 17.2                | 4.8           | 16.6         |
| <b>TOTAL*</b>         | <b>7.5 %</b>        | <b>2.0 %</b>  | <b>5.8 %</b> | <b>8.2 %</b>        | <b>8.7 %</b>  | <b>9.1 %</b> |

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, 2006 State Expenditure Report

Table 3

## COMPARISON OF SHARES OF STATE SPENDING WITH FUND SOURCES, FISCAL 1995 TO 2007

| Fund Type & Year                 | Elementary<br>& Secondary<br>Education | Higher<br>Education | Public<br>Assistance | Medicaid    | Corrections | Transportation | All<br>Other | Total        |
|----------------------------------|--|---------------------|----------------------|-------------|-------------|----------------|--------------|--------------|
| <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         | 0.6            | 25.6         | 100.0        |
| Other State Funds                | 9.2                                    | 13.7                | 0.4                  | 6.8         | 0.8         | 22.9           | 46.2         | 100.0        |
| Federal Funds                    | 9.9                                    | 2.9                 | 5.9                  | 43.5        | 0.2         | 9.5            | 28.0         | 100.0        |
| Bond Funds                       | 15.2                                   | 21.4                | 0.0                  | 0.0         | 6.5         | 26.1           | 30.8         | 100.0        |
| <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>8.0</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                | 2.7                  | 14.4        | 7.0         | 0.9            | 26.7         | 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>2.6</b>           | <b>19.5</b> | <b>3.9</b>  | <b>9.1</b>     | <b>31.8</b>  | <b>100.0</b> |
| <b>FY 2001:</b>                  |  |                     |                      |             |             |                |              |              |
| General Funds                    | 35.2                                   | 12.7                | 2.3                  | 15.2        | 6.9         | 1.2            | 26.6         | 100.0        |
| Other State Funds                | 9.2                                    | 15.0                | 0.2                  | 5.9         | 0.9         | 21.1           | 47.0         | 100.0        |
| Federal Funds                    | 10.3                                   | 4.8                 | 4.0                  | 42.7        | 0.3         | 9.5            | 28.3         | 100.0        |
| Bond Funds                       | 18.9                                   | 17.5                | 0.0                  | 0.0         | 4.0         | 31.3           | 28.4         | 100.0        |
| <b>Total Funds</b>               | <b>22.2</b>                            | <b>11.3</b>         | <b>2.2</b>           | <b>19.7</b> | <b>3.7</b>  | <b>8.8</b>     | <b>32.1</b>  | <b>100.0</b> |
| <b>FY 2002:</b>                  |  |                     |                      |             |             |                |              |              |
| General Funds                    | 35.1                                   | 12.4                | 2.3                  | 15.8        | 6.9         | 0.7            | 25.9         | 100.0        |
| Other State Funds                | 8.9                                    | 13.8                | 0.3                  | 6.6         | 0.9         | 19.4           | 49.8         | 100.0        |
| Federal Funds                    | 10.1                                   | 5.0                 | 4.2                  | 43.7        | 0.4         | 9.2            | 27.4         | 100.0        |
| Bond Funds                       | 12.7                                   | 20.4                | 0.0                  | 0.0         | 3.4         | 25.0           | 38.5         | 100.0        |
| <b>Total Funds</b>               | <b>21.3</b>                            | <b>10.9</b>         | <b>2.3</b>           | <b>20.7</b> | <b>3.6</b>  | <b>8.3</b>     | <b>32.9</b>  | <b>100.0</b> |
| <b>FY 2003:</b>                  |  |                     |                      |             |             |                |              |              |
| General Funds                    | 35.8                                   | 12.5                | 2.3                  | 17.2        | 7.2         | 0.6            | 24.5         | 100.0        |
| Other State Funds                | 9.2                                    | 14.3                | 0.3                  | 7.5         | 0.9         | 20             | 47.9         | 100.0        |
| Federal Funds                    | 10.6                                   | 5.7                 | 4.1                  | 43.8        | 0.3         | 8.6            | 26.9         | 100.0        |
| Bond Funds                       | 28.3                                   | 16.9                | 0                    | 0           | 2.5         | 19.1           | 33.1         | 100.0        |
| <b>Total Funds</b>               | <b>21.8</b>                            | <b>11.1</b>         | <b>2.2</b>           | <b>22</b>   | <b>3.5</b>  | <b>8.2</b>     | <b>31.2</b>  | <b>100.0</b> |
| <b>FY 2004:</b>                  |  |                     |                      |             |             |                |              |              |
| General Funds                    | 35.8                                   | 11.7                | 2.3                  | 16.9        | 7.0         | 0.5            | 25.8         | 100.0        |
| Other State Funds                | 8.5                                    | 13.6                | 0.2                  | 7.4         | 0.7         | 19.9           | 49.8         | 100.0        |
| Federal Funds                    | 11.3                                   | 4.7                 | 3.6                  | 44.6        | 0.7         | 8.4            | 26.9         | 100.0        |
| Bond Funds                       | 20.9                                   | 21.2                | 0.0                  | 0.0         | 2.6         | 26.8           | 28.4         | 100.0        |
| <b>Total Funds</b>               | <b>21.4</b>                            | <b>10.4</b>         | <b>2.2</b>           | <b>22.1</b> | <b>3.5</b>  | <b>8.3</b>     | <b>32.2</b>  | <b>100.0</b> |
| <b>FY 2005:</b>                  |  |                     |                      |             |             |                |              |              |
| General Funds                    | 35.4                                   | 11.6                | 2.2                  | 17.1        | 6.9         | 0.5            | 26.2         | 100.0        |
| Other State Funds                | 8.5                                    | 14.1                | 0.1                  | 8.3         | 0.7         | 19.5           | 48.9         | 100.0        |
| Federal Funds                    | 11.6                                   | 4.4                 | 3.2                  | 44.2        | 0.3         | 8.7            | 27.4         | 100.0        |
| Bond Funds                       | 17.0                                   | 25.3                | 0.0                  | 0.0         | 2.8         | 25.5           | 29.4         | 100.0        |
| <b>Total Funds</b>               | <b>21.4</b>                            | <b>10.4</b>         | <b>1.9</b>           | <b>22.3</b> | <b>3.3</b>  | <b>8.2</b>     | <b>32.4</b>  | <b>100.0</b> |
| <b>FY 2006:</b>                  |  |                     |                      |             |             |                |              |              |
| General Funds                    | 34.8                                   | 11.3                | 2.0                  | 16.8        | 6.8         | 0.8            | 27.4         | 100.0        |
| Other State Funds                | 8.4                                    | 14.3                | 0.1                  | 7.5         | 0.7         | 18.0           | 50.9         | 100.0        |
| Federal Funds                    | 12.2                                   | 4.4                 | 3.2                  | 43.4        | 0.3         | 9.2            | 27.5         | 100.0        |
| Bond Funds                       | 15.1                                   | 24.2                | 0.0                  | 0.0         | 3.5         | 29.3           | 27.8         | 100.0        |
| <b>Total Funds</b>               | <b>21.4</b>                            | <b>10.4</b>         | <b>1.8</b>           | <b>21.5</b> | <b>3.4</b>  | <b>8.1</b>     | <b>33.4</b>  | <b>100.0</b> |
| <b>FY 2007:</b>                  |  |                     |                      |             |             |                |              |              |
| General Funds                    | 34.4                                   | 11.2                | 1.9                  | 16.6        | 6.8         | 1.0            | 28.2         | 100.0        |
| Other State Funds                | 8.4                                    | 14.9                | 0.1                  | 7.2         | 0.7         | 18.2           | 50.5         | 100.0        |
| Federal Funds                    | 11.2                                   | 3.7                 | 3.0                  | 43.1        | 0.2         | 9.4            | 29.4         | 100.0        |
| Bond Funds                       | 14.2                                   | 21.8                | 0.0                  | 0.0         | 3.5         | 31.5           | 29.0         | 100.0        |
| <b>Total Funds</b>               | <b>20.9</b>                            | <b>10.3</b>         | <b>1.7</b>           | <b>21.1</b> | <b>3.4</b>  | <b>8.4</b>     | <b>34.1</b>  | <b>100.0</b> |
| <b>FY 1995-07 Combined Total</b> |  |                     |                      |             |             |                |              |              |
| General Funds                    | 35.0                                   | 12.3                | 2.7                  | 15.6        | 6.9         | 0.8            | 26.5         | 100.0        |
| Other State Funds                | 9.0                                    | 13.8                | 0.4                  | 6.7         | 0.8         | 21.1           | 48.1         | 100.0        |
| Federal Funds                    | 10.6                                   | 4.2                 | 4.3                  | 43.4        | 0.3         | 9.1            | 27.9         | 100.0        |
| Bond Funds                       | 16.4                                   | 20.3                | 0.0                  | 0.0         | 4.9         | 27.1           | 31.3         | 100.0        |
| <b>Total Funds</b>               | <b>21.6</b>                            | <b>10.7</b>         | <b>2.5</b>           | <b>20.6</b> | <b>3.6</b>  | <b>8.6</b>     | <b>32.3</b>  | <b>100.0</b> |

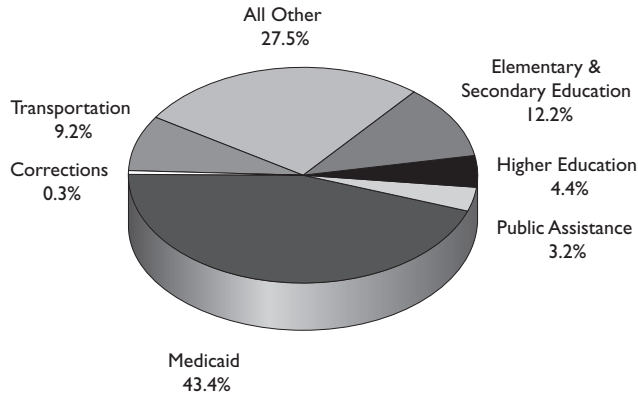
Source: National Association of State Budget Officers, 2006 State Expenditure Report



## Federal Fund Expenditures

As reflected in Figure 8, Medicaid accounts for the largest portion of state spending from federal funds at 43.4 percent. Elementary and secondary education at 12.2 percent, and transportation at 9.2 percent are the next largest categories.

**Figure 8**  
**FEDERAL FUND EXPENDITURES,**  
**FISCAL 2006**



## 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 2005–2006 growth rate for all states was 5.8 percent in fiscal 2006. The Mid-Atlantic had the lowest growth rate at 4.3 percent, and the Southwest had the highest at 8.1 percent, although all regions were relatively close to the national average.

**Table 4**  
**REGIONAL PERCENTAGE CHANGE IN TOTAL EXPENDITURES,**  
**FISCAL 2006 AND 2007**

| Region            | Fiscal 2005 to 2006 |               |             | Fiscal 2006 to 2007 |               |             |
|-------------------|---------------------|---------------|-------------|---------------------|---------------|-------------|
|                   | State Funds         | Federal Funds | All Funds   | State Funds         | Federal Funds | All Funds   |
| New England       | 6.5%                | 5.1%          | 6.3%        | 2.4%                | 3.9%          | 3.0%        |
| Mid-Atlantic      | 7.2                 | -1.9          | 4.3         | 8.8                 | 4.6           | 7.9         |
| Great Lakes       | 5.5                 | 1.9           | 4.6         | 3.4                 | 9.3           | 4.6         |
| Plains            | 6.9                 | -0.8          | 5.1         | 8.8                 | 9.4           | 9.8         |
| Southeast         | 6.6                 | 4.0           | 5.4         | 9.4                 | 16.9          | 12.5        |
| Southwest         | 8.3                 | 5.0           | 8.1         | 9.9                 | 2.5           | 7.6         |
| Rocky Mountain    | 7.6                 | 4.4           | 5.7         | 8.8                 | 3.7           | 7.7         |
| Far West          | 10.9                | 1.3           | 7.8         | 11.5                | 6.0           | 11.9        |
| <b>ALL STATES</b> | <b>7.5%</b>         | <b>2.0%</b>   | <b>5.8%</b> | <b>8.2%</b>         | <b>8.7%</b>   | <b>9.1%</b> |

Source: National Association of State Budget Officers, 2006 State Expenditure Report

Figure 9 shows the percentage change in state spending from state funds for 2005–2006 and 2006–2007. The Great Lakes region experienced the smallest growth from fiscal 2005 to fiscal 2006 at 5.5 percent, while the Far West had the largest growth at 10.9 percent. In 2006–2007, it is estimated that the New England region will have the smallest growth at 2.4 percent, while the Far West region will once again have the largest growth at 11.5 percent. 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 2006 AND 2007**

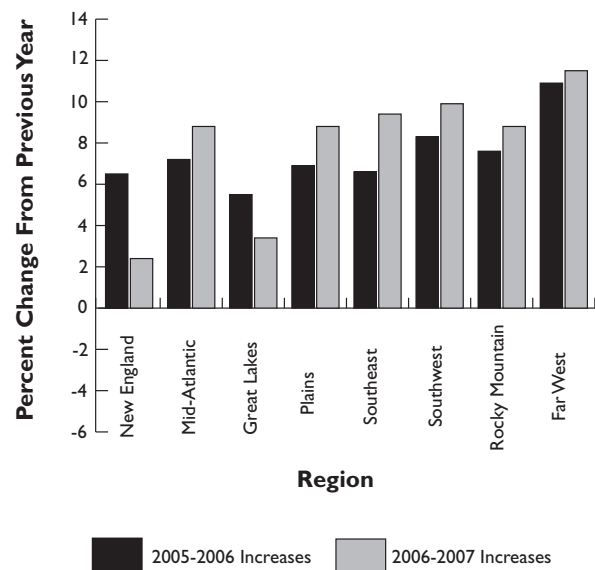


Table 5

## STATE SPENDING BY FUNCTION AS A PERCENT OF TOTAL STATE EXPENDITURES, FISCAL 2006

| Region/State          | Elementary<br>& Secondary<br>Education | Higher<br>Education | Public<br>Assistance | Medicaid      | Corrections  | Transportation | All<br>Other  | Total          |
|-----------------------|--|---------------------|----------------------|---------------|--------------|----------------|---------------|----------------|
| <b>NEW ENGLAND</b>    |  |                     |                      |               |              |                |               |                |
| Connecticut           | 11.8 %                                 | 10.9 %              | 2.1 %                | 17.4 %        | 2.8 %        | 3.3 %          | 51.7 %        | 100.0%         |
| Maine                 | 17.5                                   | 3.6                 | 2.4                  | 32.0          | 1.7          | 8.3            | 34.6          | 100.0          |
| Massachusetts         | 13.9                                   | 9.2                 | 3.2                  | 17.6          | 2.7          | 6.0            | 47.2          | 100.0          |
| New Hampshire         | 22.5                                   | 4.8                 | 1.7                  | 24.7          | 2.1          | 11.9           | 32.4          | 100.0          |
| Rhode Island          | 14.9                                   | 10.5                | 1.5                  | 23.3          | 3.0          | 7.9            | 39.0          | 100.0          |
| Vermont               | 25.6                                   | 1.7                 | 1.7                  | 18.0          | 2.3          | 6.8            | 43.8          | 100.0          |
| <b>MID-ATLANTIC</b>   |  |                     |                      |               |              |                |               |                |
| Delaware              | 32.8                                   | 5.9                 | 0.4                  | 16.6          | 4.2          | 13.0           | 27.1          | 100.0          |
| Maryland              | 19.0                                   | 14.5                | 1.8                  | 19.0          | 4.5          | 13.2           | 28.0          | 100.0          |
| New Jersey            | 24.3                                   | 7.8                 | 1.0                  | 21.2          | 3.6          | 9.6            | 32.6          | 100.0          |
| New York              | 20.2                                   | 6.6                 | 3.2                  | 29.0          | 2.7          | 5.2            | 33.0          | 100.0          |
| Pennsylvania          | 18.5                                   | 4.0                 | 2.1                  | 31.9          | 3.5          | 9.7            | 30.3          | 100.0          |
| <b>GREAT LAKES</b>    |  |                     |                      |               |              |                |               |                |
| Illinois              | 20.5                                   | 6.2                 | 0.4                  | 26.2          | 2.6          | 8.7            | 35.4          | 100.0          |
| Indiana               | 24.5                                   | 8.6                 | 1.6                  | 21.6          | 3.1          | 7.3            | 33.3          | 100.0          |
| Michigan              | 30.7                                   | 5.3                 | 1.3                  | 20.1          | 5.2          | 7.9            | 29.4          | 100.0          |
| Ohio                  | 18.9                                   | 5.2                 | 0.7                  | 25.1          | 3.7          | 7.7            | 38.7          | 100.0          |
| Wisconsin             | 19.1                                   | 12.7                | 0.3                  | 13.4          | 3.3          | 6.3            | 44.8          | 100.0          |
| <b>PLAINS</b>         |  |                     |                      |               |              |                |               |                |
| Iowa                  | 17.5                                   | 24.6                | 0.9                  | 18.1          | 2.5          | 7.7            | 28.7          | 100.0          |
| Kansas                | 27.0                                   | 17.1                | 0.6                  | 18.9          | 3.2          | 11.9           | 21.3          | 100.0          |
| Minnesota             | 29.1                                   | 10.0                | 1.4                  | 21.5          | 1.7          | 9.5            | 26.8          | 100.0          |
| Missouri              | 24.2                                   | 5.1                 | 0.9                  | 32.9          | 2.7          | 10.7           | 23.5          | 100.0          |
| Nebraska              | 14.7                                   | 21.1                | 0.8                  | 18.2          | 2.2          | 8.6            | 34.3          | 100.0          |
| North Dakota          | 14.7                                   | 22.5                | 0.3                  | 15.4          | 2.0          | 13.7           | 31.4          | 100.0          |
| South Dakota          | 16.4                                   | 17.0                | 1.0                  | 21.5          | 3.1          | 15.9           | 25.2          | 100.0          |
| <b>SOUTHEAST</b>      |  |                     |                      |               |              |                |               |                |
| Alabama               | 13.4                                   | 10.3                | 0.1                  | 12.6          | 1.5          | 3.7            | 58.5          | 100.0          |
| Arkansas              | 19.0                                   | 16.1                | 2.8                  | 20.5          | 2.2          | 6.3            | 33.1          | 100.0          |
| Florida               | 20.0                                   | 8.1                 | 0.3                  | 22.5          | 4.3          | 12.8           | 32.0          | 100.0          |
| Georgia               | 25.1                                   | 6.3                 | 1.7                  | 20.2          | 3.1          | 9.5            | 34.1          | 100.0          |
| Kentucky              | 20.1                                   | 19.7                | 1.2                  | 21.4          | 2.4          | 8.5            | 26.8          | 100.0          |
| Louisiana             | 21.5                                   | 11.6                | 0.2                  | 21.7          | 2.9          | 12.4           | 29.7          | 100.0          |
| Mississippi           | 19.9                                   | 14.9                | 0.1                  | 22.4          | 2.0          | 9.6            | 31.0          | 100.0          |
| North Carolina        | 23.3                                   | 14.5                | 1.5                  | 25.1          | 3.4          | 9.5            | 22.8          | 100.0          |
| South Carolina        | 19.3                                   | 20.4                | 0.5                  | 21.6          | 3.0          | 10.7           | 24.6          | 100.0          |
| Tennessee             | 17.0                                   | 13.1                | 0.6                  | 29.3          | 2.8          | 7.9            | 29.4          | 100.0          |
| Virginia              | 18.0                                   | 13.6                | 0.6                  | 14.8          | 4.4          | 11.1           | 37.6          | 100.0          |
| West Virginia         | 10.5                                   | 8.1                 | 0.6                  | 10.4          | 0.9          | 5.1            | 64.5          | 100.0          |
| <b>SOUTHWEST</b>      |  |                     |                      |               |              |                |               |                |
| Arizona               | 19.5                                   | 15.2                | 0.6                  | 24.0          | 3.7          | 6.7            | 30.4          | 100.0          |
| New Mexico            | 23.7                                   | 6.5                 | 0.7                  | 21.5          | 2.1          | 9.6            | 36.1          | 100.0          |
| Oklahoma              | 20.8                                   | 16.7                | 0.6                  | 18.4          | 2.8          | 7.4            | 33.3          | 100.0          |
| Texas                 | 26.7                                   | 14.3                | 0.9                  | 25.9          | 4.8          | 10.5           | 16.8          | 100.0          |
| <b>ROCKY MOUNTAIN</b> |  |                     |                      |               |              |                |               |                |
| Colorado              | 24.2                                   | 15.8                | 0.9                  | 17.0          | 3.8          | 5.3            | 32.9          | 100.0          |
| Idaho                 | 25.0                                   | 9.4                 | 0.3                  | 21.8          | 4.0          | 12.1           | 27.4          | 100.0          |
| Montana               | 17.0                                   | 10.4                | 1.0                  | 16.3          | 3.2          | 12.8           | 39.4          | 100.0          |
| Utah                  | 25.8                                   | 11.8                | 1.2                  | 17.0          | 3.5          | 10.9           | 29.8          | 100.0          |
| Wyoming               | 9.7                                    | 4.6                 | 1.8                  | 6.6           | 1.7          | 8.7            | 66.9          | 100.0          |
| <b>FAR WEST</b>       |  |                     |                      |               |              |                |               |                |
| Alaska                | 12.2                                   | 8.1                 | 1.2                  | 11.1          | 2.5          | 16.0           | 49.0          | 100.0          |
| California            | 26.0                                   | 11.4                | 5.6                  | 18.0          | 4.3          | 5.7            | 29.0          | 100.0          |
| Hawaii                | 25.0                                   | 10.2                | 1.1                  | 10.3          | 2.1          | 8.9            | 42.5          | 100.0          |
| Nevada                | 16.0                                   | 9.4                 | 0.7                  | 15.7          | 3.4          | 7.9            | 46.9          | 100.0          |
| Oregon                | 16.4                                   | 11.6                | 0.6                  | 15.5          | 3.7          | 6.3            | 45.8          | 100.0          |
| Washington            | 24.0                                   | 13.4                | 1.4                  | 21.8          | 3.2          | 5.1            | 31.1          | 100.0          |
| <b>ALL STATES</b>     | <b>21.4 %</b>                          | <b>10.4 %</b>       | <b>1.8 %</b>         | <b>21.5 %</b> | <b>3.4 %</b> | <b>8.1 %</b>   | <b>33.4 %</b> | <b>100.0 %</b> |

Note: Percentages may not add to 100.

Source: National Association of State Budget Officers, 2006 State Expenditure Report

## 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.

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

**Alabama:** Amounts shown in fiscal years 2004–05 and 2005–06 are based on the actual expenditures during these years, regardless of the year appropriated. Fiscal 2006–07 amounts shown are equal to appropriations for the year, except for bond proceeds, which are estimated. It is assumed that some level of appropriations will not be expended this fiscal year.

**Connecticut:** Fiscal 2006 actual data is from preliminary, unaudited Annual Report of the State Comptroller. Bonds data is based on bond allocations by the State Bond Commission.

**Louisiana:** Due to Hurricanes Katrina and Rita, the state received an influx of Federal Funds. Fiscal 2006–07 is budgeted \$8.9 billion in federal aid related to Hurricane Disaster and Recovery. Additionally, due to Hurricanes Katrina and Rita, the state budgeted \$2.0 billion in state funds related to Hurricane Disaster and Recovery for fiscal 2006-07.

**Missouri:** Total expenditures exclude refunds. Fiscal 2005 expenditures exclude refunds of \$1,119 million, including \$1,071 million general revenue. Fiscal 2006 expenditures exclude refunds of \$1,186 million, including \$1,129 million general revenue. Fiscal 2007 estimates exclude refunds of \$1,259, including \$1,245 general revenue. Other funds include federal reimbursements received by

the Department of Highways and Transportation and the Department of Conservation which have constitutionally created funds. Federal and other funds for fiscal 2007 represent appropriations available to state agencies. These appropriations establish ceilings on what agencies may spend. The appropriations are often established at higher levels to provide agencies with appropriation authority in the event that revenues are available for various programs. Final expenditures will be lower.

**Montana:** Fiscal 2006 appropriations include a one-time-only general fund transfer to state retirement programs of \$125 million. Other one-time-only general fund appropriations for fiscal 2006 total approximately \$43 million. Fiscal 2007 appropriations include a one-time-only general fund transfer to state retirement programs of \$50 million. Principal and interest payments on bonds are included in total expenditures. Capital expenditures are not reported separately but are included in Total Expenditures.

**Nebraska:** Fiscal 2006–07 amounts shown are equal to appropriations for the year. It is assumed that some level of appropriations will not be expended this fiscal year.

**New Jersey:** Totals include pension, post retirement medical, debt service on pension bonds, payroll taxes, and health benefits expenditures which total \$1.20 billion in State General Fund in fiscal 2006 and \$1.39 billion in fiscal 2007 spread across Education, Corrections, Transportation and All Other.

**New Mexico:** Capital amounts for all state government are combined under the All Other category instead of being included in the individual categories of Higher Education, Corrections, and Transportation.

**New York:** New York budgets most employer contributions to employees' benefits and pensions centrally. The portion of employer contributions to employees' benefits not distributed to an expenditure category has been included in the All Other Expenditures category.

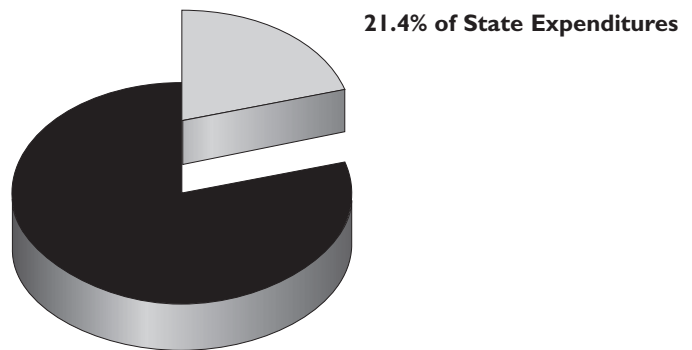
**South Carolina:** Fiscal 2007 All Other includes Repayment of Trust Funds \$174 million and fiscal 2006 Capital Reserve to agencies for expenditures in fiscal 2007 of \$102 million.

**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.

**Wisconsin:** Estimated expenditures in fiscal 2007 include funds not budgeted but estimated to be spent from trusts and program funds. This amount is estimated at \$380 million in federal funds and \$7,703 million in other funds.

# CHAPTER ONE ELEMENTARY & SECONDARY EDUCATION

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State elementary and secondary education expenditures totaled \$286.5 billion in fiscal 2006, a 5.9 percent increase over the previous year. While historically the largest category of total state spending, K–12 education is now second to Medicaid. In fiscal 2005, elementary and secondary education comprised 21.4 percent of total state spending (Medicaid was 22.3 percent), in fiscal 2006 it remained at 21.4 percent (slightly less than Medicaid, which was 21.5 percent), and in fiscal 2007 is estimated to be 20.9 percent (Medicaid is estimated to be 21.1 percent).

General funds comprise 72.7 percent of state elementary and secondary education spending, federal funds comprise 15.8 percent, other states funds comprise 9.9 percent, and bonds comprise 1.5 percent.

The president's proposed fiscal 2008 federal budget included \$56 billion in discretionary funding for the U.S. Department of Education, the same amount that was appropriated for fiscal 2007. The fiscal 2008 appropriations bill for the Department of Education was passed by both chambers of Congress and vetoed by the president in mid-November. The vetoed appropriations bill would have provided \$60.7 billion in discretionary spending for the Department of Education. An override attempt of the veto failed, and at the time of publication, the Department of Education was being funded through a federal Continuing Resolution (CR).

Besides maintaining basic educational services, states dedicate substantial portions of education funding to teacher training, reduction of classroom size, technology training, and facility construction, renovation and repair.

## **No Child Left Behind Law (NCLB)**

The *No Child Left Behind Act* (NCLB) was signed into law on January 8, 2002, and is currently up for reauthorization. Although the law increases federal resources to states to help improve education standards, some areas of the law have been controversial. Among its provisions, the act requires that states provide public school choice and supplemental services to 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; implement

annual standards-based assessments in reading and math for grades 3–8; assure that all classes are taught by qualified teachers; and ensure that all students achieve a proficient level of education by the 2014–2015 school year.

## **Elementary and Secondary Education Act Reauthorization**

The president's fiscal 2008 request includes \$24.5 billion to support the Administration's reauthorization proposal for the *Elementary and Secondary Education Act*. The proposal includes \$13.9 billion in Title I Grants to Local Education Agencies, a 9.4 percent increase over fiscal 2007; \$411.6 million for State Assessment Grants to maintain support for state assessment systems, particularly in high schools; \$2.8 billion for Improving Teacher Quality State Grants; and \$1 billion for Reading First State Grants.

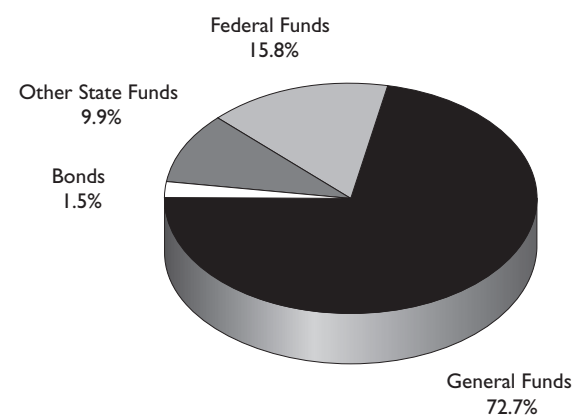
## **Sources of Funding**

State funds for education as a percentage of total state education spending in fiscal 2006 (excluding bonds) range from 94.3 percent in Connecticut to 61.8 percent in Louisiana. 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 both as 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 special needs children.

## **Fund Shares**

Relative fund shares for 2006 are shown in the figure below.

**Figure 10**  
**STATE EXPENDITURES FOR ELEMENTARY AND SECONDARY EDUCATION BY FUND SOURCE, FISCAL 2006**



## Regional Expenditures

The following table shows percentage changes in expenditures for elementary and secondary education for fiscal 2005–2006 and 2006–2007 by region. In 2006, the Southwest region saw the greatest percentage increase in elementary and secondary education, while New England experienced negative spending growth.

## 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, eleven states wholly or partially excluded employer contributions to teacher pensions, and 14 states wholly or partially excluded contributions to health benefits. Among the states, other items that are wholly or partially excluded include: day care programs (43), school health care (40), Head Start (32), and libraries (27). Summary expenditure data can be found in Tables 7 through 9, accompanied by explanatory notes. Table 10 lists programs excluded from the expenditure data.

**Table 6**  
**REGIONAL PERCENTAGE CHANGE IN STATE ELEMENTARY AND SECONDARY EDUCATION EXPENDITURES, FISCAL 2006 AND 2007**

| Region            | Fiscal 2005 to 2006 |               |              | Fiscal 2006 to 2007 |               |              |
|-------------------|---------------------|---------------|--------------|---------------------|---------------|--------------|
|                   | State Funds         | Federal Funds | All Funds    | State Funds         | Federal Funds | All Funds    |
| New England       | -1.4 %              | -1.1 %        | -1.3 %       | 6.4 %               | -6.2 %        | 4.6 %        |
| Mid-Atlantic      | 5.6                 | 7.4           | 5.8          | 9.5                 | 1.1           | 8.3          |
| Great Lakes       | 2.5                 | 4.9           | 2.8          | 6.6                 | 3.5           | 5.7          |
| Plains            | 7.3                 | 0.3           | 6.3          | 1.9                 | 19.0          | 4.2          |
| Southeast         | 7.1                 | 15.1          | 8.1          | 7.3                 | -2.3          | 5.9          |
| Southwest         | 11.5                | 1.5           | 9.3          | 17.5                | -6.4          | 12.6         |
| Rocky Mountain    | 5.8                 | 10.6          | 6.5          | 14.5                | -1.9          | 12.0         |
| Far West          | 7.1                 | 2.8           | 5.9          | 3.4                 | -0.7          | 4.7          |
| <b>ALL STATES</b> | <b>6.1 %</b>        | <b>6.5 %</b>  | <b>5.9 %</b> | <b>7.6 %</b>        | <b>-0.1 %</b> | <b>6.7 %</b> |

Table 7

## ELEMENTARY AND SECONDARY EDUCATION EXPENDITURES (\$ IN MILLIONS)

| Region/State          | Actual Fiscal 2005 |                 |                   |                |                  | Actual Fiscal 2006 |                 |                   |                |                  | Estimated Fiscal 2007 |                 |                   |                |                  |
|-----------------------|--------------------|-----------------|-------------------|----------------|------------------|--------------------|-----------------|-------------------|----------------|------------------|-----------------------|-----------------|-------------------|----------------|------------------|
|                       | 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           | \$2,091            | \$424           | \$4               | \$0            | <b>\$2,519</b>   | \$2,233            | \$414           | \$4               | \$3            | <b>\$2,654</b>   | \$2,268               | \$416           | \$4               | \$0            | <b>\$2,688</b>   |
| Maine                 | 977                | 176             | 11                | 8              | <b>1,172</b>     | 1,044              | 182             | 2                 | 14             | <b>1,242</b>     | 1,176                 | 188             | 4                 | 1              | <b>1,369</b>     |
| Massachusetts         | 4,095              | 844             | 914               | 0              | <b>5,853</b>     | 4,142              | 840             | 480               | 0              | <b>5,462</b>     | 4,425                 | 680             | 604               | 0              | <b>5,709</b>     |
| New Hampshire         | 61                 | 153             | 748               | 6              | <b>968</b>       | 0                  | 159             | 844               | 3              | <b>1,006</b>     | 0                     | 166             | 837               | 10             | <b>1,013</b>     |
| Rhode Island          | 794                | 183             | 4                 | 1              | <b>982</b>       | 836                | 160             | 4                 | 3              | <b>1,003</b>     | 884                   | 181             | 5                 | 14             | <b>1,084</b>     |
| Vermont               | 14                 | 106             | 1,180             | 4              | <b>1,304</b>     | 22                 | 111             | 1,127             | 7              | <b>1,267</b>     | 22                    | 120             | 1,194             | 10             | <b>1,346</b>     |
| <b>MID-ATLANTIC</b>   |                    |                 |                   |                |                  |                    |                 |                   |                |                  |                       |                 |                   |                |                  |
| Delaware              | 916                | 135             | 446               | 152            | <b>1,649</b>     | 1,016              | 142             | 461               | 207            | <b>1,826</b>     | 1,113                 | 150             | 475               | 210            | <b>1,948</b>     |
| Maryland              | 3,732              | 813             | 8                 | 0              | <b>4,553</b>     | 4,129              | 867             | 10                | 0              | <b>5,006</b>     | 4,640                 | 956             | 9                 | 0              | <b>5,605</b>     |
| New Jersey            | 8,963              | 822             | 20                | 0              | <b>9,805</b>     | 9,438              | 811             | 29                | 0              | <b>10,278</b>    | 10,419                | 810             | 20                | 0              | <b>11,249</b>    |
| New York              | 14,171             | 3,321           | 2,317             | 71             | <b>19,880</b>    | 14,992             | 3,687           | 2,390             | 5              | <b>21,074</b>    | 16,282                | 3,655           | 2,735             | 45             | <b>22,717</b>    |
| Pennsylvania          | 7,867              | 1,722           | 9                 | 0              | <b>9,598</b>     | 8,132              | 1,811           | 15                | 0              | <b>9,958</b>     | 8,784                 | 1,829           | 12                | 0              | <b>10,625</b>    |
| <b>GREAT LAKES</b>    |                    |                 |                   |                |                  |                    |                 |                   |                |                  |                       |                 |                   |                |                  |
| Illinois              | 6,758              | 1,895           | 19                | 288            | <b>8,960</b>     | 6,730              | 1,952           | 40                | 193            | <b>8,915</b>     | 7,394                 | 2,103           | 40                | 61             | <b>9,598</b>     |
| Indiana               | 4,488              | 726             | 24                | 0              | <b>5,238</b>     | 4,558              | 781             | 17                | 0              | <b>5,356</b>     | 4,640                 | 799             | 9                 | 0              | <b>5,448</b>     |
| Michigan*             | 193                | 1,417           | 10,926            | 0              | <b>12,536</b>    | 82                 | 1,464           | 11,279            | 0              | <b>12,825</b>    | 44                    | 1,535           | 11,574            | 0              | <b>13,153</b>    |
| Ohio                  | 6,736              | 1,525           | 912               | 477            | <b>9,650</b>     | 6,861              | 1,620           | 1,060             | 578            | <b>10,119</b>    | 7,159                 | 1,660           | 1,909             | 596            | <b>11,324</b>    |
| Wisconsin             | 5,298              | 612             | 125               | 0              | <b>6,035</b>     | 5,669              | 660             | 68                | 0              | <b>6,397</b>     | 5,905                 | 606             | 74                | 0              | <b>6,585</b>     |
| <b>PLAINS</b>         |                    |                 |                   |                |                  |                    |                 |                   |                |                  |                       |                 |                   |                |                  |
| Iowa                  | 2,076              | 370             | 1                 | 0              | <b>2,447</b>     | 2,191              | 378             | 0                 | 0              | <b>2,569</b>     | 2,330                 | 429             | 16                | 0              | <b>2,775</b>     |
| Kansas                | 2,324              | 380             | 80                | 0              | <b>2,784</b>     | 2,594              | 381             | 107               | 0              | <b>3,082</b>     | 2,833                 | 382             | 92                | 0              | <b>3,307</b>     |
| Minnesota             | 6,319              | 612             | 29                | 5              | <b>6,965</b>     | 6,872              | 590             | 36                | 7              | <b>7,505</b>     | 6,490                 | 650             | 39                | 15             | <b>7,194</b>     |
| Missouri              | 2,569              | 866             | 1,201             | 0              | <b>4,636</b>     | 2,566              | 852             | 1,334             | 0              | <b>4,752</b>     | 2,742                 | 940             | 1,376             | 0              | <b>5,058</b>     |
| Nebraska              | 823                | 240             | 33                | 0              | <b>1,096</b>     | 894                | 250             | 29                | 0              | <b>1,173</b>     | 956                   | 556             | 50                | 0              | <b>1,562</b>     |
| North Dakota          | 317                | 112             | 37                | 0              | <b>466</b>       | 322                | 125             | 37                | 0              | <b>484</b>       | 339                   | 131             | 39                | 0              | <b>509</b>       |
| South Dakota          | 341                | 136             | 2                 | 0              | <b>479</b>       | 339                | 147             | 3                 | 0              | <b>489</b>       | 341                   | 153             | 3                 | 0              | <b>497</b>       |
| <b>SOUTHEAST</b>      |                    |                 |                   |                |                  |                    |                 |                   |                |                  |                       |                 |                   |                |                  |
| Alabama*              | 3,148              | 778             | 140               | 0              | <b>4,066</b>     | 3,513              | 838             | 155               | 0              | <b>4,506</b>     | 4,031                 | 1,002           | 148               | 0              | <b>5,181</b>     |
| Arkansas              | 1,628              | 429             | 710               | 0              | <b>2,767</b>     | 1,701              | 464             | 743               | 0              | <b>2,908</b>     | 1,771                 | 639             | 826               | 0              | <b>3,236</b>     |
| Florida*              | 8,618              | 2,261           | 609               | 0              | <b>11,488</b>    | 9,467              | 2,413           | 464               | 0              | <b>12,344</b>    | 10,197                | 2,542           | 619               | 0              | <b>13,358</b>    |
| Georgia               | 6,231              | 1,307           | 47                | 176            | <b>7,761</b>     | 6,602              | 1,613           | 52                | 134            | <b>8,401</b>     | 7,190                 | 1,114           | 42                | 442            | <b>8,788</b>     |
| Kentucky              | 3,275              | 602             | 12                | 0              | <b>3,889</b>     | 3,544              | 677             | 14                | 0              | <b>4,235</b>     | 3,786                 | 692             | 22                | 0              | <b>4,500</b>     |
| Louisiana             | 2,610              | 970             | 302               | 0              | <b>3,882</b>     | 2,719              | 1,451           | 548               | 0              | <b>4,718</b>     | 3,134                 | 1,359           | 526               | 0              | <b>5,019</b>     |
| Mississippi           | 1,681              | 571             | 387               | 0              | <b>2,639</b>     | 1,838              | 776             | 337               | 0              | <b>2,951</b>     | 1,985                 | 588             | 370               | 0              | <b>2,943</b>     |
| North Carolina        | 6,483              | 1,067           | 119               | 0              | <b>7,669</b>     | 6,867              | 1,143           | 177               | 0              | <b>8,187</b>     | 6,720                 | 888             | 47                | 0              | <b>7,655</b>     |
| South Carolina        | 1,835              | 618             | 752               | 0              | <b>3,205</b>     | 2,046              | 684             | 735               | 0              | <b>3,465</b>     | 2,202                 | 652             | 685               | 0              | <b>3,539</b>     |
| Tennessee             | 3,012              | 816             | 16                | 0              | <b>3,844</b>     | 3,136              | 834             | 37                | 0              | <b>4,007</b>     | 3,413                 | 873             | 56                | 0              | <b>4,342</b>     |
| Virginia              | 4,758              | 522             | 137               | 0              | <b>5,417</b>     | 5,030              | 570             | 130               | 0              | <b>5,730</b>     | 5,686                 | 827             | 121               | 0              | <b>6,634</b>     |
| West Virginia         | 1,600              | 311             | 37                | 244            | <b>2,192</b>     | 1,684              | 337             | 44                | 72             | <b>2,137</b>     | 1,700                 | 350             | 48                | 43             | <b>2,141</b>     |
| <b>SOUTHWEST</b>      |                    |                 |                   |                |                  |                    |                 |                   |                |                  |                       |                 |                   |                |                  |
| Arizona               | 3,184              | 769             | 524               | 0              | <b>4,477</b>     | 3,380              | 865             | 696               | 0              | <b>4,941</b>     | 4,267                 | 885             | 515               | 2              | <b>5,669</b>     |
| New Mexico            | 1,993              | 341             | 309               | 9              | <b>2,652</b>     | 2,132              | 346             | 318               | 9              | <b>2,805</b>     | 2,293                 | 274             | 476               | 11             | <b>3,054</b>     |
| Oklahoma              | 1,586              | 1,019           | 423               | 0              | <b>3,028</b>     | 2,175              | 563             | 642               | 0              | <b>3,380</b>     | 2,369                 | 566             | 691               | 0              | <b>3,626</b>     |
| Texas                 | 11,821             | 3,880           | 1,622             | 0              | <b>17,323</b>    | 13,041             | 4,323           | 1,536             | 0              | <b>18,900</b>    | 15,845                | 3,979           | 1,647             | 0              | <b>21,471</b>    |
| <b>ROCKY MOUNTAIN</b> |                    |                 |                   |                |                  |                    |                 |                   |                |                  |                       |                 |                   |                |                  |
| Colorado              | 2,515              | 413             | 506               | 0              | <b>3,434</b>     | 2,722              | 499             | 507               | 0              | <b>3,728</b>     | 2,875                 | 488             | 485               | 0              | <b>3,848</b>     |
| Idaho                 | 988                | 180             | 51                | 0              | <b>1,219</b>     | 1,019              | 186             | 50                | 0              | <b>1,255</b>     | 1,316                 | 202             | 61                | 0              | <b>1,579</b>     |
| Montana               | 513                | 139             | 61                | 0              | <b>713</b>       | 539                | 145             | 74                | 0              | <b>758</b>       | 653                   | 155             | 51                | 0              | <b>859</b>       |
| Utah*                 | 1,788              | 345             | 13                | 0              | <b>2,146</b>     | 1,873              | 372             | 50                | 0              | <b>2,295</b>     | 2,111                 | 383             | 80                | 0              | <b>2,574</b>     |
| Wyoming               | 8                  | 104             | 490               | 0              | <b>602</b>       | 8                  | 104             | 491               | 0              | <b>603</b>       | 4                     | 53              | 757               | 0              | <b>814</b>       |
| <b>FAR WEST</b>       |                    |                 |                   |                |                  |                    |                 |                   |                |                  |                       |                 |                   |                |                  |
| Alaska                | 790                | 199             | 93                | 0              | <b>1,082</b>     | 879                | 193             | 102               | 0              | <b>1,174</b>     | 1,015                 | 212             | 119               | 0              | <b>1,346</b>     |
| California            | 34,321             | 5,819           | -133              | 3,192          | <b>43,199</b>    | 36,198             | 5,943           | -20               | 2,982          | <b>45,103</b>    | 36,616                | 5,806           | -7                | 3,990          | <b>46,405</b>    |
| Hawaii                | 1,559              | 235             | 47                | 87             | <b>1,928</b>     | 1,844              | 210             | 177               | 137            | <b>2,368</b>     | 2,027                 | 258             | 58                | 233            | <b>2,576</b>     |
| Nevada                | 786                | 196             | 148               | 0              | <b>1,130</b>     | 824                | 200             | 161               | 0              | <b>1,185</b>     | 1,161                 | 156             | 81                | 0              | <b>1,398</b>     |
| Oregon                | 2,112              | 438             | 376               | 0              | <b>2,926</b>     | 2,525              | 529             | 266               | 0              | <b>3,320</b>     | 2,987                 | 524             | 327               | 0              | <b>3,838</b>     |
| Washington            | 5,149              | 658             | 401               | 35             | <b>6,243</b>     | 5,373              | 682             | 566               | 56             | <b>6,677</b>     | 5,664                 | 750             | 524               | 140            | <b>7,078</b>     |
| <b>TOTAL</b>          | <b>\$195,915</b>   | <b>\$42,577</b> | <b>\$27,249</b>   | <b>\$4,755</b> | <b>\$270,496</b> | <b>\$208,341</b>   | <b>\$45,344</b> | <b>\$28,428</b>   | <b>\$4,410</b> | <b>\$286,523</b> | <b>\$224,204</b>      | <b>\$45,312</b> | <b>\$30,495</b>   | <b>\$5,823</b> | <b>\$305,834</b> |

Source: National Association of State Budget Officers, 2006 State Expenditure Report  
\*See Elementary and Secondary Education Notes for explanation



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

| Region/State          | Fiscal<br>2005 | Fiscal<br>2006 | Fiscal<br>2007 |
|-----------------------|----------------|----------------|----------------|
| <b>NEW ENGLAND</b>    |                |                |                |
| Connecticut           | 12.2 %         | 11.8 %         | 11.2 %         |
| Maine                 | 17.4           | 17.5           | 18.4           |
| Massachusetts         | 15.4           | 13.9           | 14.5           |
| New Hampshire         | 21.9           | 22.5           | 22.5           |
| Rhode Island          | 16.1           | 14.9           | 15.2           |
| Vermont               | 31.7           | 25.6           | 26.2           |
| <b>MID-ATLANTIC</b>   |                |                |                |
| Delaware              | 32.5           | 32.8           | 33.9           |
| Maryland              | 18.8           | 19.0           | 18.9           |
| New Jersey            | 23.6           | 24.3           | 24.5           |
| New York              | 19.7           | 20.2           | 20.1           |
| Pennsylvania          | 18.7           | 18.5           | 18.7           |
| <b>GREAT LAKES</b>    |                |                |                |
| Illinois              | 22.0           | 20.5           | 19.9           |
| Indiana               | 24.3           | 24.5           | 24.3           |
| Michigan              | 30.9           | 30.7           | 30.5           |
| Ohio                  | 19.0           | 18.9           | 20.8           |
| Wisconsin             | 18.9           | 19.1           | 19.1           |
| <b>PLAINS</b>         |                |                |                |
| Iowa                  | 17.6           | 17.5           | 17.7           |
| Kansas                | 26.3           | 27.0           | 26.7           |
| Minnesota             | 28.4           | 29.1           | 26.1           |
| Missouri              | 24.3           | 24.2           | 23.0           |
| Nebraska              | 14.6           | 14.7           | 16.1           |
| North Dakota          | 14.6           | 14.7           | 13.8           |
| South Dakota          | 16.9           | 16.4           | 15.7           |
| <b>SOUTHEAST</b>      |                |                |                |
| Alabama               | 12.7           | 13.4           | 13.4           |
| Arkansas              | 19.4           | 19.0           | 17.7           |
| Florida               | 19.7           | 20.0           | 18.1           |
| Georgia               | 23.7           | 25.1           | 25.3           |
| Kentucky              | 20.1           | 20.1           | 19.6           |
| Louisiana             | 20.3           | 21.5           | 16.1           |
| Mississippi           | 20.2           | 19.9           | 17.0           |
| North Carolina        | 22.0           | 23.3           | 20.9           |
| South Carolina        | 17.8           | 19.3           | 18.0           |
| Tennessee             | 16.1           | 17.0           | 16.9           |
| Virginia              | 17.8           | 18.0           | 19.0           |
| West Virginia         | 12.4           | 10.5           | 11.5           |
| <b>SOUTHWEST</b>      |                |                |                |
| Arizona               | 18.7           | 19.5           | 20.7           |
| New Mexico            | 23.8           | 23.7           | 25.6           |
| Oklahoma              | 21.6           | 20.8           | 18.9           |
| Texas                 | 26.2           | 26.7           | 28.5           |
| <b>ROCKY MOUNTAIN</b> |                |                |                |
| Colorado              | 24.2           | 24.2           | 23.6           |
| Idaho                 | 25.4           | 25.0           | 26.9           |
| Montana               | 17.4           | 17.0           | 16.9           |
| Utah                  | 25.3           | 25.8           | 25.3           |
| Wyoming               | 9.7            | 9.7            | 14.4           |
| <b>FAR WEST</b>       |                |                |                |
| Alaska                | 11.9           | 12.2           | 11.3           |
| California            | 27.0           | 26.0           | 24.1           |
| Hawaii                | 22.0           | 25.0           | 22.8           |
| Nevada                | 16.4           | 16.0           | 17.2           |
| Oregon                | 15.1           | 16.4           | 18.4           |
| Washington            | 23.9           | 24.0           | 21.8           |
| <b>ALL STATES</b>     | <b>21.4 %</b>  | <b>21.4 %</b>  | <b>20.9 %</b>  |

Source: National Association of State Budget Officers, 2006 State Expenditure Report

Table 9

## ANNUAL PERCENTAGE CHANGE IN ELEMENTARY AND SECONDARY EDUCATION EXPENDITURES

| Region/State          | Fiscal 2005 to 2006 |               |              | Fiscal 2006 to 2007 |               |              |
|-----------------------|---------------------|---------------|--------------|---------------------|---------------|--------------|
|                       | State Funds         | Federal Funds | All Funds    | State Funds         | Federal Funds | All Funds    |
| <b>NEW ENGLAND</b>    |                     |               |              |                     |               |              |
| Connecticut           | 6.8 %               | -2.4 %        | 5.4 %        | 1.6 %               | 0.5 %         | 1.3 %        |
| Maine                 | 5.9                 | 3.4           | 6.0          | 12.8                | 3.3           | 10.2         |
| Massachusetts         | -7.7                | -0.5          | -6.7         | 8.8                 | -19.0         | 4.5          |
| New Hampshire         | 4.3                 | 3.9           | 3.9          | -0.8                | 4.4           | 0.7          |
| Rhode Island          | 5.3                 | -12.6         | 2.1          | 5.8                 | 13.1          | 8.1          |
| Vermont               | -3.8                | 4.7           | -2.8         | 5.8                 | 8.1           | 6.2          |
| <b>MID-ATLANTIC</b>   |                     |               |              |                     |               |              |
| Delaware              | 8.4                 | 5.2           | 10.7         | 7.5                 | 5.6           | 6.7          |
| Maryland              | 10.7                | 6.6           | 9.9          | 12.3                | 10.3          | 12.0         |
| New Jersey            | 5.4                 | -1.3          | 4.8          | 10.3                | -0.1          | 9.4          |
| New York              | 5.4                 | 11.0          | 6.0          | 9.4                 | -0.9          | 7.8          |
| Pennsylvania          | 3.4                 | 5.2           | 3.8          | 8.0                 | 1.0           | 6.7          |
| <b>GREAT LAKES</b>    |                     |               |              |                     |               |              |
| Illinois              | -0.1                | 3.0           | -0.5         | 9.8                 | 7.7           | 7.7          |
| Indiana               | 1.4                 | 7.6           | 2.3          | 1.6                 | 2.3           | 1.7          |
| Michigan              | 2.2                 | 3.3           | 2.3          | 2.3                 | 4.8           | 2.6          |
| Ohio                  | 3.6                 | 6.2           | 4.9          | 14.5                | 2.5           | 11.9         |
| Wisconsin             | 5.8                 | 7.8           | 6.0          | 4.2                 | -8.2          | 2.9          |
| <b>PLAINS</b>         |                     |               |              |                     |               |              |
| Iowa                  | 5.5                 | 2.2           | 5.0          | 7.1                 | 13.5          | 8.0          |
| Kansas                | 12.4                | 0.3           | 10.7         | 8.3                 | 0.3           | 7.3          |
| Minnesota             | 8.8                 | -3.6          | 7.8          | -5.5                | 10.2          | -4.1         |
| Missouri              | 3.4                 | -1.6          | 2.5          | 5.6                 | 10.3          | 6.4          |
| Nebraska              | 7.8                 | 4.2           | 7.0          | 9.0                 | 122.4         | 33.2         |
| North Dakota          | 1.4                 | 11.6          | 3.9          | 5.3                 | 4.8           | 5.2          |
| South Dakota          | -0.3                | 8.1           | 2.1          | 0.6                 | 4.1           | 1.6          |
| <b>SOUTHEAST</b>      |                     |               |              |                     |               |              |
| Alabama               | 11.6                | 7.7           | 10.8         | 13.9                | 19.6          | 15.0         |
| Arkansas              | 4.5                 | 8.2           | 5.1          | 6.3                 | 37.7          | 11.3         |
| Florida               | 7.6                 | 6.7           | 7.5          | 8.9                 | 5.3           | 8.2          |
| Georgia               | 6.0                 | 23.4          | 8.2          | 8.7                 | -30.9         | 4.6          |
| Kentucky              | 8.2                 | 12.5          | 8.9          | 7.0                 | 2.2           | 6.3          |
| Louisiana             | 12.2                | 49.6          | 21.5         | 12.0                | -6.3          | 6.4          |
| Mississippi           | 5.2                 | 35.9          | 11.8         | 8.3                 | -24.2         | -0.3         |
| North Carolina        | 6.7                 | 7.1           | 6.8          | -3.9                | -22.3         | -6.5         |
| South Carolina        | 7.5                 | 10.7          | 8.1          | 3.8                 | -4.7          | 2.1          |
| Tennessee             | 4.8                 | 2.2           | 4.2          | 9.3                 | 4.7           | 8.4          |
| Virginia              | 5.4                 | 9.2           | 5.8          | 12.5                | 45.1          | 15.8         |
| West Virginia         | 5.6                 | 8.4           | -2.5         | 1.2                 | 3.9           | 0.2          |
| <b>SOUTHWEST</b>      |                     |               |              |                     |               |              |
| Arizona               | 9.9                 | 12.5          | 10.4         | 17.3                | 2.3           | 14.7         |
| New Mexico            | 6.4                 | 1.5           | 5.8          | 13.0                | -20.8         | 8.9          |
| Oklahoma              | 40.2                | -44.7         | 11.6         | 8.6                 | 0.5           | 7.3          |
| Texas                 | 8.4                 | 11.4          | 9.1          | 20.0                | -8.0          | 13.6         |
| <b>ROCKY MOUNTAIN</b> |                     |               |              |                     |               |              |
| Colorado              | 6.9                 | 20.8          | 8.6          | 4.1                 | -2.2          | 3.2          |
| Idaho                 | 2.9                 | 3.3           | 3.0          | 28.8                | 8.6           | 25.8         |
| Montana               | 6.8                 | 4.3           | 6.3          | 14.8                | 6.9           | 13.3         |
| Utah                  | 6.8                 | 7.8           | 6.9          | 13.9                | 3.0           | 12.2         |
| Wyoming               | 0.2                 | 0.0           | 0.2          | 52.5                | -49.0         | 35.0         |
| <b>FAR WEST</b>       |                     |               |              |                     |               |              |
| Alaska                | 11.1                | -3.0          | 8.5          | 15.6                | 9.8           | 14.7         |
| California            | 5.8                 | 2.1           | 4.4          | 1.2                 | -2.3          | 2.9          |
| Hawaii                | 25.8                | -10.6         | 22.8         | 3.2                 | 22.9          | 8.8          |
| Nevada                | 5.5                 | 2.0           | 4.9          | 26.1                | -22.0         | 18.0         |
| Oregon                | 12.2                | 20.8          | 13.5         | 18.7                | -0.9          | 15.6         |
| Washington            | 7.0                 | 3.6           | 7.0          | 4.2                 | 10.0          | 6.0          |
| <b>ALL STATES</b>     | <b>6.1 %</b>        | <b>6.5 %</b>  | <b>5.9 %</b> | <b>7.6 %</b>        | <b>-0.1 %</b> | <b>6.7 %</b> |

Note: State funds are defined as general funds and other state funds (bonds are excluded).  
Source: National Association of State Budget Officers, 2006 State Expenditure Report

**Table 10**

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

| Region/State          | Employer Contributions to Pensions | Employer Contributions to Health Benefits | Head Start | Libraries | Day Care Programs | School Health Care/ Immunization |
|-----------------------|------------------------------------|---|------------|-----------|-------------------|----------------------------------|
| <b>NEW ENGLAND</b>    |                                    |   |            |           |                   |                                  |
| Connecticut           | X                                  | X   |            | X         | X                 | P                                |
| Maine                 |                                    |   |            |           |                   |                                  |
| Massachusetts         |                                    |   |            |           |                   |                                  |
| New Hampshire         |                                    |   | X          | X         | X                 |                                  |
| Rhode Island          |                                    |   | X          | X         | X                 | P                                |
| Vermont               |                                    |   | X          | X         | X                 | X                                |
| <b>MID-ATLANTIC</b>   |                                    |   |            |           |                   |                                  |
| Delaware              |                                    |   |            |           | X                 | P                                |
| Maryland              |                                    |   |            | X         | P                 | X                                |
| New Jersey            |                                    | P   | X          |           | X                 | P                                |
| New York              | P                                  | P   | X          |           | X                 | X                                |
| Pennsylvania          |                                    |   |            | X         | X                 | X                                |
| <b>GREAT LAKES</b>    |                                    |   |            |           |                   |                                  |
| Illinois              |                                    | P   |            | X         | P                 |                                  |
| Indiana               | P                                  | P   | X          | P         | P                 | X                                |
| Michigan*             | P                                  | P   | X          | X         | X                 | X                                |
| Ohio                  |                                    |   | X          | X         | X                 | X                                |
| Wisconsin             | X                                  | X   |            |           |                   | X                                |
| <b>PLAINS</b>         |                                    |   |            |           |                   |                                  |
| Iowa                  |                                    |   | X          |           |                   |                                  |
| Kansas                |                                    | X   | X          | X         | X                 | X                                |
| Minnesota             | X                                  | X   |            |           |                   | X                                |
| Missouri              | X                                  | X   | X          | X         | X                 | X                                |
| Nebraska              | P                                  | P   | X          | X         | X                 | X                                |
| North Dakota          |                                    |   | X          | X         | X                 | X                                |
| South Dakota          |                                    |   |            |           | X                 | X                                |
| <b>SOUTHEAST</b>      |                                    |   |            |           |                   |                                  |
| Alabama               |                                    |   | P          | X         | X                 | X                                |
| Arkansas              |                                    |   | X          |           | X                 | P                                |
| Florida               |                                    |   | X          |           | X                 | X                                |
| Georgia               |                                    |   | X          | X         | X                 | P                                |
| Kentucky              |                                    |   |            | X         | X                 |                                  |
| Louisiana             |                                    |   | X          |           | X                 | X                                |
| Mississippi           |                                    |   |            |           | X                 |                                  |
| North Carolina        |                                    |   |            |           | X                 | X                                |
| South Carolina        |                                    |   | X          | X         |                   | X                                |
| Tennessee             |                                    |   |            |           | P                 | P                                |
| Virginia              |                                    |   |            |           | X                 |                                  |
| West Virginia         |                                    |   | X          | X         | X                 | X                                |
| <b>SOUTHWEST</b>      |                                    |   |            |           |                   |                                  |
| Arizona               |                                    |   | X          |           | X                 | X                                |
| New Mexico            |                                    |   |            | P         |                   | P                                |
| Oklahoma              |                                    |   | X          |           | X                 | X                                |
| Texas                 |                                    |   | X          | P         | P                 | P                                |
| <b>ROCKY MOUNTAIN</b> |                                    |   |            |           |                   |                                  |
| Colorado              | P                                  | P   | X          | P         | X                 | P                                |
| Idaho                 |                                    |   | X          |           | X                 | X                                |
| Montana               | P                                  | P   | X          | P         | X                 | X                                |
| Utah                  |                                    |   | X          |           | X                 | X                                |
| Wyoming               |                                    |   |            |           | X                 |                                  |
| <b>FAR WEST</b>       |                                    |   |            |           |                   |                                  |
| Alaska                |                                    |   |            | X         | X                 |                                  |
| California            |                                    |   | X          |           | X                 | X                                |
| Hawaii                |                                    |   | X          |           | X                 | X                                |
| Nevada                |                                    |   | X          | X         | X                 | X                                |
| Oregon                |                                    |   | X          | P         | X                 | X                                |
| Washington            | P                                  | P   | X          | X         | X                 | X                                |
| <b>ALL STATES</b>     | <b>11</b>                          | <b>14</b>                                 | <b>32</b>  | <b>27</b> | <b>43</b>         | <b>40</b>                        |

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

Source: National Association of State Budget Officers, 2006 State Expenditure Report  
 \*See Elementary and Secondary Education Notes for explanation

## 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.*

**Alabama:** Federal funds received directly at the local school system level are not reported at the state budget level.

**Florida:** State appropriations to school districts for operational costs include funding intended to be expended by school districts for contributions to current employees' pensions, employee health benefits, and for operational costs of libraries.

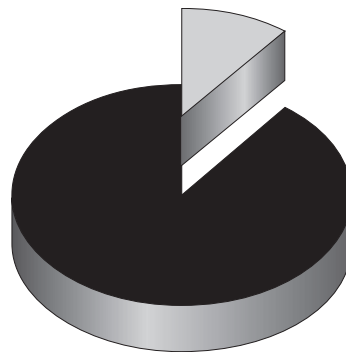
**Michigan:** Figures reflect K–12 education, the Michigan Department of Education, adult education and pre-school. Employer contributions to current employees' pensions and health benefits are reported for Department of Education employees but excluded for employees of K–12 schools. General fund revenue support has declined from fiscal 2005 as support from other revenue sources in the State School Aid Fund have grown, especially property tax revenue as taxable values have increased.

**Utah:** Included with General Fund is Education Fund (income tax revenue) which in Utah is restricted by the Utah state constitution for the sole use of public and higher education. Public Education in Utah is organized to include the Utah State Office of Rehabilitation (USOR). The numbers reflected in this report for Public Education include USOR. The USOR amounts are as follows: for fiscal 2005, \$19 million in General Fund and Education Fund, \$34 million in federal funds, and \$1 million in other state funds; for fiscal 2006, \$20 million in General Fund and Education Fund, \$32 million in federal funds, and \$2 million in other state funds; for fiscal 2007, \$21 million in General Fund and Education Fund, \$34 million in federal funds, and \$1 million in other state funds.

# CHAPTER TWO

# HIGHER EDUCATION

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10.4% of State Expenditures



State higher education spending reflects support of public university systems, community colleges, and vocational education institutions. In fiscal 2006, states spent \$139.8 billion on higher education, 10.4 percent of total state spending, and 11.3 percent of total general fund expenditures. General funds account for 48.5 percent of state spending on higher education, other state funds for 34.6 percent, federal funds for 11.8 percent, and bonds 5.1 percent (see Figure 11 and Table 12). In calculating higher education expenditures for fiscal 2006, eleven states wholly or partially excluded tuition and fees, and sixteen states wholly or partially excluded student loan programs (see Table 15).

Overall, total state higher education spending grew by 5.7 percent in fiscal 2006. State funds (general funds plus other state funds) grew by 6.6 percent, while federal funds grew by 2.3 percent. In fiscal 2007, overall state higher education spending is estimated to grow by 8.2 percent, with state funds increasing by 9.3 percent and federal funds declining by 8.1 percent. (see Table 11).

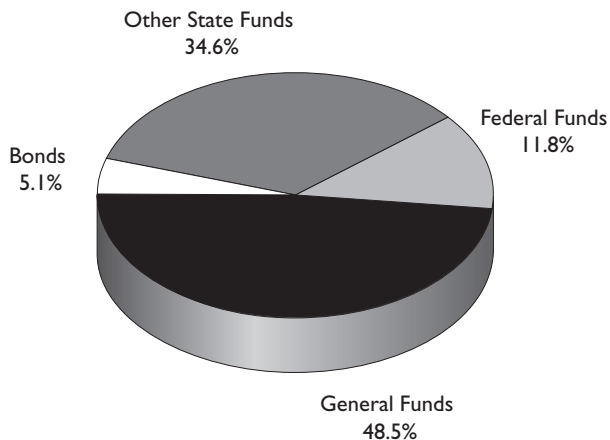
## Capital Spending

State expenditures for higher education-related construction, renovation and other capital projects increased by 8.0 percent in fiscal 2006, and is estimated to increase by 33.5 percent in fiscal 2007 (See Table 48).

## Financing Issues

During state fiscal crises, higher education is often one of the first categories of spending to be cut. One rationale for this is that in most states, higher education institutions have the ability to raise tuition and fees when state funding decreases and they also have the discretion to make other reductions and budget adjustments on their own. According to The College Board, tuition and fees at four-year public institutions averaged \$312 more in the 2006–2007 school year than in the 2005–2006 school year (\$5,804 versus \$5,492, a 5.7 percent increase). Total costs of four-year public institutions averaged \$12,837 for the 2006–2007 school year, \$722 more than 2005–2006, or a 6.0 percent increase.

**Figure 11**  
**STATE EXPENDITURES FOR HIGHER EDUCATION BY FUND SOURCE, FISCAL 2006**



**Table 11**  
**REGIONAL PERCENTAGE CHANGE IN STATE HIGHER EDUCATION EXPENDITURES, FISCAL 2006 AND 2007**

| Region            | Fiscal 2005 to 2006 |               |              | Fiscal 2006 to 2007 |               |              |
|-------------------|---------------------|---------------|--------------|---------------------|---------------|--------------|
|                   | State Funds         | Federal Funds | All Funds    | State Funds         | Federal Funds | All Funds    |
| New England       | 4.7 %               | -5.8 %        | 2.3 %        | 7.9 %               | -1.2 %        | 10.0 %       |
| Mid-Atlantic      | 3.1                 | -3.7          | 4.2          | 7.5                 | 0.9           | 8.5          |
| Great Lakes       | 0.6                 | 5.0           | 2.1          | 1.7                 | 0.7           | 0.3          |
| Plains            | 8.0                 | -9.9          | 5.8          | 8.4                 | 8.3           | 9.8          |
| Southeast         | 6.7                 | 4.8           | 4.7          | 13.0                | 9.1           | 14.0         |
| Southwest         | 6.5                 | 28.5          | 6.7          | 11.5                | 10.1          | 10.4         |
| Rocky Mountain    | 17.9                | -2.5          | 16.8         | 10.5                | 26.0          | 10.6         |
| Far West          | 10.8                | 0.5           | 8.4          | 8.0                 | -22.5         | 0.7          |
| <b>ALL STATES</b> | <b>6.6 %</b>        | <b>2.3 %</b>  | <b>5.7 %</b> | <b>9.3 %</b>        | <b>-8.1 %</b> | <b>8.2 %</b> |

Table 12

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

| Region/State          | Actual Fiscal 2005 |                 |                   |                |                  | Actual Fiscal 2006 |                 |                   |                |                  | Estimated Fiscal 2007 |                 |                   |                |                  |
|-----------------------|--------------------|-----------------|-------------------|----------------|------------------|--------------------|-----------------|-------------------|----------------|------------------|-----------------------|-----------------|-------------------|----------------|------------------|
|                       | 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           | \$607              | \$226           | \$1,331           | \$289          | \$2,453          | \$614              | \$220           | \$1,470           | \$157          | \$2,461          | \$644                 | \$217           | \$1,571           | \$335          | \$2,767          |
| Maine                 | 229                | 0               | 1                 | 25             | 255              | 234                | 0               | 2                 | 18             | 254              | 247                   | 0               | 3                 | 12             | 262              |
| Massachusetts         | 908                | 9               | 2,530             | 53             | 3,500            | 981                | 9               | 2,573             | 48             | 3,611            | 1,160                 | 10              | 2,733             | 40             | 3,943            |
| New Hampshire         | 113                | 19              | 48                | 24             | 204              | 119                | 12              | 51                | 34             | 216              | 126                   | 9               | 52                | 22             | 209              |
| Rhode Island          | 173                | 3               | 454               | 8              | 638              | 180                | 1               | 506               | 17             | 704              | 189                   | 3               | 537               | 69             | 798              |
| Vermont               | 114                | 0               | 1                 | 5              | 120              | 79                 | 0               | 3                 | 4              | 86               | 81                    | 0               | 4                 | 3              | 88               |
| <b>MID-ATLANTIC</b>   |                    |                 |                   |                |                  |                    |                 |                   |                |                  |                       |                 |                   |                |                  |
| Delaware              | 228                | 30              | 54                | 1              | 313              | 239                | 28              | 61                | 3              | 331              | 0                     | 0               | 0                 | 0              | 0                |
| Maryland              | 1,176              | 216             | 1,961             | 236            | 3,589            | 1,271              | 227             | 2,123             | 206            | 3,827            | 1,456                 | 243             | 2,350             | 235            | 4,284            |
| New Jersey            | 2,043              | 22              | 1,038             | 0              | 3,103            | 2,165              | 21              | 1,111             | 0              | 3,297            | 2,204                 | 29              | 1,200             | 0              | 3,433            |
| New York              | 3,089              | 185             | 3,369             | 192            | 6,835            | 2,895              | 162             | 3,514             | 366            | 6,937            | 3,587                 | 173             | 3,574             | 526            | 7,860            |
| Pennsylvania          | 1,884              | 7               | 29                | 109            | 2,029            | 1,904              | 5               | 55                | 185            | 2,149            | 2,015                 | 2               | 104               | 244            | 2,365            |
| <b>GREAT LAKES</b>    |                    |                 |                   |                |                  |                    |                 |                   |                |                  |                       |                 |                   |                |                  |
| Illinois              | 2,190              | 201             | 181               | 133            | 2,705            | 2,199              | 229             | 111               | 133            | 2,672            | 2,209                 | 237             | 216               | 78             | 2,740            |
| Indiana               | 1,522              | 3               | 5                 | 174            | 1,704            | 1,568              | 5               | 3                 | 307            | 1,883            | 1,610                 | 8               | 11                | 148            | 1,777            |
| Michigan*             | 2,060              | 20              | 91                | 51             | 2,222            | 1,989              | 20              | 123               | 67             | 2,199            | 1,728                 | 20              | 239               | 112            | 2,099            |
| Ohio                  | 2,442              | 10              | 10                | 260            | 2,722            | 2,462              | 26              | 7                 | 274            | 2,769            | 2,551                 | 58              | 8                 | 274            | 2,891            |
| Wisconsin             | 1,217              | 952             | 1,958             | 0              | 4,127            | 1,262              | 965             | 2,017             | 0              | 4,244            | 1,214                 | 931             | 2,151             | 0              | 4,296            |
| <b>PLAINS</b>         |                    |                 |                   |                |                  |                    |                 |                   |                |                  |                       |                 |                   |                |                  |
| Iowa                  | 800                | 417             | 2,164             | 36             | 3,417            | 805                | 420             | 2,362             | 23             | 3,610            | 827                   | 404             | 2,557             | 16             | 3,804            |
| Kansas                | 706                | 468             | 626               | 43             | 1,843            | 747                | 360             | 822               | 29             | 1,958            | 785                   | 391             | 881               | 45             | 2,102            |
| Minnesota             | 2,207              | 4               | 18                | 124            | 2,353            | 2,409              | 4               | 21                | 141            | 2,575            | 2,558                 | 5               | 29                | 261            | 2,853            |
| Missouri              | 835                | 4               | 150               | 0              | 989              | 831                | 3               | 169               | 0              | 1,003            | 880                   | 6               | 207               | 0              | 1,093            |
| Nebraska              | 513                | 159             | 956               | 0              | 1,628            | 549                | 139             | 994               | 0              | 1,682            | 604                   | 198             | 1,158             | 0              | 1,960            |
| North Dakota          | 207                | 151             | 326               | 21             | 705              | 217                | 148             | 356               | 20             | 741              | 229                   | 164             | 440               | 87             | 920              |
| South Dakota          | 167                | 78              | 226               | 5              | 476              | 172                | 80              | 240               | 13             | 505              | 182                   | 82              | 253               | 3              | 520              |
| <b>SOUTHEAST</b>      |                    |                 |                   |                |                  |                    |                 |                   |                |                  |                       |                 |                   |                |                  |
| Alabama*              | 1,210              | 847             | 1,094             | 0              | 3,151            | 1,403              | 909             | 1,160             | 0              | 3,472            | 1,712                 | 901             | 1,137             | 0              | 3,750            |
| Arkansas              | 601                | 1               | 1,528             | 0              | 2,130            | 645                | 1               | 1,812             | 0              | 2,458            | 683                   | 2               | 2,094             | 0              | 2,779            |
| Florida*              | 3,483              | 106             | 625               | 482            | 4,696            | 3,713              | 141             | 588               | 519            | 4,961            | 4,110                 | 132             | 1,802             | 875            | 6,919            |
| Georgia               | 1,784              | 69              | 0                 | 358            | 2,211            | 1,891              | 73              | 0                 | 135            | 2,099            | 1,979                 | 73              | 0                 | 355            | 2,407            |
| Kentucky              | 1,153              | 567             | 2,249             | 0              | 3,969            | 1,266              | 583             | 2,283             | 0              | 4,132            | 1,281                 | 666             | 2,839             | 0              | 4,786            |
| Louisiana             | 1,051              | 133             | 1,180             | 68             | 2,432            | 1,045              | 223             | 1,209             | 67             | 2,544            | 1,193                 | 234             | 1,437             | 35             | 2,899            |
| Mississippi           | 596                | 144             | 1,299             | 14             | 2,053            | 608                | 204             | 1,387             | 13             | 2,212            | 760                   | 248             | 1,442             | 9              | 2,459            |
| North Carolina        | 2,783              | 41              | 1,597             | 665            | 5,086            | 3,113              | 42              | 1,647             | 300            | 5,102            | 3,310                 | 42              | 1,566             | 404            | 5,322            |
| South Carolina        | 709                | 508             | 2,094             | 119            | 3,430            | 760                | 499             | 2,293             | 115            | 3,667            | 911                   | 560             | 2,018             | 0              | 3,489            |
| Tennessee             | 1,269              | 164             | 1,247             | 195            | 2,875            | 1,368              | 185             | 1,371             | 163            | 3,087            | 1,527                 | 206             | 1,416             | 228            | 3,377            |
| Virginia              | 1,426              | 694             | 1,836             | 409            | 4,365            | 1,574              | 591             | 1,712             | 445            | 4,322            | 1,903                 | 712             | 2,118             | 600            | 5,333            |
| West Virginia         | 424                | 204             | 790               | 98             | 1,516            | 430                | 195             | 902               | 118            | 1,645            | 469                   | 201             | 929               | 121            | 1,720            |
| <b>SOUTHWEST</b>      |                    |                 |                   |                |                  |                    |                 |                   |                |                  |                       |                 |                   |                |                  |
| Arizona               | 955                | 534             | 1,471             | 293            | 3,253            | 1,010              | 481             | 2,118             | 237            | 3,846            | 1,158                 | 564             | 1,880             | 186            | 3,788            |
| New Mexico*           | 670                | 8               | 32                | 101            | 811              | 715                | 6               | 33                | 11             | 765              | 762                   | 5               | 39                | 152            | 958              |
| Oklahoma              | 762                | 188             | 1,319             | 94             | 2,363            | 804                | 506             | 1,179             | 227            | 2,716            | 897                   | 556             | 2,580             | 325            | 4,358            |
| Texas                 | 6,021              | 185             | 2,567             | 1,184          | 9,957            | 6,287              | 183             | 2,548             | 1,141          | 10,159           | 6,444                 | 170             | 2,625             | 953            | 10,192           |
| <b>ROCKY MOUNTAIN</b> |                    |                 |                   |                |                  |                    |                 |                   |                |                  |                       |                 |                   |                |                  |
| Colorado              | 594                | 25              | 1,156             | 0              | 1,775            | 683                | 20              | 1,723             | 7              | 2,433            | 764                   | 20              | 1,805             | 0              | 2,589            |
| Idaho                 | 299                | 3               | 125               | 5              | 432              | 310                | 3               | 154               | 5              | 472              | 322                   | 3               | 197               | 5              | 527              |
| Montana               | 137                | 40              | 266               | 0              | 443              | 154                | 43              | 266               | 0              | 463              | 175                   | 58              | 289               | 0              | 522              |
| Utah*                 | 704                | 10              | 349               | 29             | 1,092            | 722                | 10              | 320               | 0              | 1,052            | 799                   | 15              | 383               | 0              | 1,197            |
| Wyoming               | 281                | 1               | 5                 | 0              | 287              | 280                | 1               | 5                 | 0              | 286              | 361                   | 1               | 7                 | 0              | 369              |
| <b>FAR WEST</b>       |                    |                 |                   |                |                  |                    |                 |                   |                |                  |                       |                 |                   |                |                  |
| Alaska                | 231                | 232             | 290               | 0              | 753              | 299                | 121             | 363               | 0              | 783              | 296                   | 152             | 454               | 0              | 902              |
| California*           | 8,694              | 7,476           | 1,135             | 589            | 17,894           | 9,596              | 7,770           | 1,267             | 1,044          | 19,677           | 10,652                | 5,777           | 35                | 1,604          | 18,068           |
| Hawaii                | 488                | 31              | 267               | 118            | 904              | 601                | 33              | 268               | 68             | 970              | 666                   | 37              | 355               | 63             | 1,121            |
| Nevada                | 456                | 0               | 171               | 39             | 666              | 498                | 0               | 194               | 4              | 696              | 513                   | 0               | 34                | 109            | 656              |
| Oregon                | 550                | 741             | 829               | 116            | 2,236            | 684                | 596             | 986               | 80             | 2,346            | 648                   | 632             | 1,034             | 64             | 2,378            |
| Washington            | 1,383              | 7               | 1,893             | 293            | 3,576            | 1,442              | 6               | 1,959             | 332            | 3,739            | 1,507                 | 9               | 3,416             | 360            | 5,292            |
| <b>TOTAL</b>          | <b>\$64,144</b>    | <b>\$16,143</b> | <b>\$44,941</b>   | <b>\$7,058</b> | <b>\$132,286</b> | <b>\$67,792</b>    | <b>\$16,509</b> | <b>\$48,441</b>   | <b>\$7,076</b> | <b>\$139,818</b> | <b>\$72,888</b>       | <b>\$15,166</b> | <b>\$54,209</b>   | <b>\$8,958</b> | <b>\$151,221</b> |

Source: National Association of State Budget Officers, 2006 State Expenditure Report

\*See Higher Education Notes for explanation

**Table 13**

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

| Region/State          | Fiscal 2005   | Fiscal 2006   | Fiscal 2007   |
|-----------------------|---------------|---------------|---------------|
| <b>NEW ENGLAND</b>    |               |               |               |
| Connecticut           | 11.9 %        | 10.9 %        | 11.5 %        |
| Maine                 | 3.8           | 3.6           | 3.5           |
| Massachusetts         | 9.2           | 9.2           | 10.0          |
| New Hampshire         | 4.6           | 4.8           | 4.6           |
| Rhode Island          | 10.5          | 10.5          | 11.2          |
| Vermont               | 2.9           | 1.7           | 1.7           |
| <b>MID-ATLANTIC</b>   |               |               |               |
| Delaware              | 6.2           | 5.9           | 0.0           |
| Maryland              | 14.8          | 14.5          | 14.4          |
| New Jersey            | 7.5           | 7.8           | 7.5           |
| New York              | 6.8           | 6.6           | 7.0           |
| Pennsylvania          | 4.0           | 4.0           | 4.2           |
| <b>GREAT LAKES</b>    |               |               |               |
| Illinois              | 6.6           | 6.2           | 5.7           |
| Indiana               | 7.9           | 8.6           | 7.9           |
| Michigan              | 5.5           | 5.3           | 4.9           |
| Ohio                  | 5.4           | 5.2           | 5.3           |
| Wisconsin             | 12.9          | 12.7          | 12.5          |
| <b>PLAINS</b>         |               |               |               |
| Iowa                  | 24.6          | 24.6          | 24.3          |
| Kansas                | 17.4          | 17.1          | 17.0          |
| Minnesota             | 9.6           | 10.0          | 10.3          |
| Missouri              | 5.2           | 5.1           | 5.0           |
| Nebraska              | 21.7          | 21.1          | 20.2          |
| North Dakota          | 22.1          | 22.5          | 25.0          |
| South Dakota          | 16.8          | 17.0          | 16.4          |
| <b>SOUTHEAST</b>      |               |               |               |
| Alabama               | 9.8           | 10.3          | 9.7           |
| Arkansas              | 14.9          | 16.1          | 15.2          |
| Florida               | 8.1           | 8.1           | 9.4           |
| Georgia               | 6.8           | 6.3           | 6.9           |
| Kentucky              | 20.5          | 19.7          | 20.9          |
| Louisiana             | 12.7          | 11.6          | 9.3           |
| Mississippi           | 15.7          | 14.9          | 14.2          |
| North Carolina        | 14.6          | 14.5          | 14.5          |
| South Carolina        | 19.1          | 20.4          | 17.8          |
| Tennessee             | 12.0          | 13.1          | 13.1          |
| Virginia              | 14.3          | 13.6          | 15.3          |
| West Virginia         | 8.5           | 8.1           | 9.2           |
| <b>SOUTHWEST</b>      |               |               |               |
| Arizona               | 13.6          | 15.2          | 13.8          |
| New Mexico            | 7.3           | 6.5           | 8.0           |
| Oklahoma              | 16.8          | 16.7          | 22.7          |
| Texas                 | 15.1          | 14.3          | 13.5          |
| <b>ROCKY MOUNTAIN</b> |               |               |               |
| Colorado              | 12.5          | 15.8          | 15.9          |
| Idaho                 | 9.0           | 9.4           | 9.0           |
| Montana               | 10.8          | 10.4          | 10.3          |
| Utah                  | 12.9          | 11.8          | 11.8          |
| Wyoming               | 4.6           | 4.6           | 6.5           |
| <b>FAR WEST</b>       |               |               |               |
| Alaska                | 8.3           | 8.1           | 7.6           |
| California            | 11.2          | 11.4          | 9.4           |
| Hawaii                | 10.3          | 10.2          | 9.9           |
| Nevada                | 9.7           | 9.4           | 8.1           |
| Oregon                | 11.6          | 11.6          | 11.4          |
| Washington            | 13.7          | 13.4          | 16.3          |
| <b>ALL STATES</b>     | <b>10.4 %</b> | <b>10.4 %</b> | <b>10.3 %</b> |

Source: National Association of State Budget Officers, 2006 State Expenditure Report



Table 14

## ANNUAL PERCENTAGE CHANGE IN HIGHER EDUCATION EXPENDITURES

| Region/State          | Fiscal 2005 to 2006 |               |              | Fiscal 2006 to 2007 |               |              |
|-----------------------|---------------------|---------------|--------------|---------------------|---------------|--------------|
|                       | State Funds         | Federal Funds | All Funds    | State Funds         | Federal Funds | All Funds    |
| <b>NEW ENGLAND</b>    |                     |               |              |                     |               |              |
| Connecticut           | 7.5 %               | -2.7 %        | 0.3 %        | 6.3 %               | -1.4 %        | 12.4 %       |
| Maine                 | 2.6                 | —             | -0.4         | 5.9                 | —             | 3.1          |
| Massachusetts         | 3.4                 | 0.0           | 3.2          | 9.5                 | 11.1          | 9.2          |
| New Hampshire         | 5.6                 | -36.8         | 5.9          | 4.7                 | -25.0         | -3.2         |
| Rhode Island          | 9.4                 | -66.7         | 10.3         | 5.8                 | 200.0         | 13.4         |
| Vermont               | -28.7               | —             | -28.3        | 3.7                 | —             | 2.3          |
| <b>MID-ATLANTIC</b>   |                     |               |              |                     |               |              |
| Delaware              | 6.4                 | -6.7          | 5.8          | -100.0              | -100.0        | -100.0       |
| Maryland              | 8.2                 | 5.1           | 6.6          | 12.1                | 7.0           | 11.9         |
| New Jersey            | 6.3                 | -4.5          | 6.3          | 3.9                 | 38.1          | 4.1          |
| New York              | -0.8                | -12.4         | 1.5          | 11.7                | 6.8           | 13.3         |
| Pennsylvania          | 2.4                 | -28.6         | 5.9          | 8.2                 | -60.0         | 10.1         |
| <b>GREAT LAKES</b>    |                     |               |              |                     |               |              |
| Illinois              | -2.6                | 13.9          | -1.2         | 5.0                 | 3.5           | 2.5          |
| Indiana               | 2.9                 | 66.7          | 10.5         | 3.2                 | 60.0          | -5.6         |
| Michigan              | -1.8                | 0.0           | -1.0         | -6.9                | 0.0           | -4.5         |
| Ohio                  | 0.7                 | 160.0         | 1.7          | 3.6                 | 123.1         | 4.4          |
| Wisconsin             | 3.3                 | 1.4           | 2.8          | 2.6                 | -3.5          | 1.2          |
| <b>PLAINS</b>         |                     |               |              |                     |               |              |
| Iowa                  | 6.8                 | 0.7           | 5.6          | 6.9                 | -3.8          | 5.4          |
| Kansas                | 17.8                | -23.1         | 6.2          | 6.2                 | 8.6           | 7.4          |
| Minnesota             | 9.2                 | 0.0           | 9.4          | 6.5                 | 25.0          | 10.8         |
| Missouri              | 1.5                 | -25.0         | 1.4          | 8.7                 | 100.0         | 9.0          |
| Nebraska              | 5.0                 | -12.6         | 3.3          | 14.2                | 42.4          | 16.5         |
| North Dakota          | 7.5                 | -2.0          | 5.1          | 16.8                | 10.8          | 24.2         |
| South Dakota          | 4.8                 | 2.6           | 6.1          | 5.6                 | 2.5           | 3.0          |
| <b>SOUTHEAST</b>      |                     |               |              |                     |               |              |
| Alabama               | 11.2                | 7.3           | 10.2         | 11.2                | -0.9          | 8.0          |
| Arkansas              | 15.4                | 0.0           | 15.4         | 13.0                | 100.0         | 13.1         |
| Florida               | 4.7                 | 33.0          | 5.6          | 37.5                | -6.4          | 39.5         |
| Georgia               | 6.0                 | 5.8           | -5.1         | 4.7                 | 0.0           | 14.7         |
| Kentucky              | 4.3                 | 2.8           | 4.1          | 16.1                | 14.2          | 15.8         |
| Louisiana             | 1.0                 | 67.7          | 4.6          | 16.7                | 4.9           | 14.0         |
| Mississippi           | 5.3                 | 41.7          | 7.7          | 10.4                | 21.6          | 11.2         |
| North Carolina        | 8.7                 | 2.4           | 0.3          | 2.4                 | 0.0           | 4.3          |
| South Carolina        | 8.9                 | -1.8          | 6.9          | -4.1                | 12.2          | -4.9         |
| Tennessee             | 8.9                 | 12.8          | 7.4          | 7.4                 | 11.4          | 9.4          |
| Virginia              | 0.7                 | -14.8         | -1.0         | 22.4                | 20.5          | 23.4         |
| West Virginia         | 9.7                 | -4.4          | 8.5          | 5.0                 | 3.1           | 4.6          |
| <b>SOUTHWEST</b>      |                     |               |              |                     |               |              |
| Arizona               | 28.9                | -9.9          | 18.2         | -2.9                | 17.3          | -1.5         |
| New Mexico            | 6.6                 | -25.0         | -5.7         | 7.1                 | -16.7         | 25.2         |
| Oklahoma              | -4.7                | 169.1         | 14.9         | 75.3                | 9.9           | 60.5         |
| Texas                 | 2.9                 | -1.1          | 2.0          | 2.6                 | -7.1          | 0.3          |
| <b>ROCKY MOUNTAIN</b> |                     |               |              |                     |               |              |
| Colorado              | 37.5                | -20.0         | 37.1         | 6.8                 | 0.0           | 6.4          |
| Idaho                 | 9.4                 | 0.0           | 9.3          | 11.9                | 0.0           | 11.7         |
| Montana               | 4.2                 | 7.5           | 4.5          | 10.5                | 34.9          | 12.7         |
| Utah                  | -1.0                | 0.0           | -3.7         | 13.4                | 50.0          | 13.8         |
| Wyoming               | -0.3                | 0.0           | -0.3         | 29.1                | 0.0           | 29.0         |
| <b>FAR WEST</b>       |                     |               |              |                     |               |              |
| Alaska                | 27.1                | -47.8         | 4.0          | 13.3                | 25.6          | 15.2         |
| California            | 10.5                | 3.9           | 10.0         | -1.6                | -25.6         | -8.2         |
| Hawaii                | 15.1                | 6.5           | 7.3          | 17.5                | 12.1          | 15.6         |
| Nevada                | 10.4                | —             | 4.5          | -21.0               | —             | -5.7         |
| Oregon                | 21.1                | -19.6         | 4.9          | 0.7                 | 6.0           | 1.4          |
| Washington            | 3.8                 | -14.3         | 4.6          | 44.8                | 50.0          | 41.5         |
| <b>ALL STATES</b>     | <b>6.6 %</b>        | <b>2.3 %</b>  | <b>5.7 %</b> | <b>9.3 %</b>        | <b>-8.1 %</b> | <b>8.2 %</b> |

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

Source: National Association of State Budget Officers, 2006 State Expenditure Report

**Table 15**

**ITEMS EXCLUDED FROM HIGHER EDUCATION EXPENDITURES**

| Region/State          | Employer Contributions to Pensions | Employer Contributions to Health Benefits | Tuition and Fees | Student Loan Programs | University Research Grants | Vocational Education | Assistance To Private Colleges & Universities |
|-----------------------|------------------------------------|---|------------------|-----------------------|----------------------------|----------------------|---|
| <b>NEW ENGLAND</b>    |                                    |   |                  |                       |                            |                      |   |
| Connecticut           |                                    |   |                  |                       |                            | X                    |   |
| Maine                 | P                                  | P   | X                | P                     |                            |                      | X   |
| Massachusetts         |                                    |   |                  |                       |                            |                      |   |
| New Hampshire         | P                                  | P   | P                | P                     | X                          |                      | X   |
| Rhode Island          |                                    |   |                  | P                     |                            | P                    | X   |
| Vermont               | X                                  | X   | X                | X                     | X                          | X                    |   |
| <b>MID-ATLANTIC</b>   |                                    |   |                  |                       |                            |                      |   |
| Delaware              |                                    |   | X                |                       | X                          | X                    | X   |
| Maryland              |                                    |   |                  |                       | P                          |                      |   |
| New Jersey            |                                    |   |                  |                       | X                          | X                    |   |
| New York*             | P                                  | P   |                  |                       | P                          | P                    | X   |
| Pennsylvania          | X                                  | X   |                  | P                     | X                          | P                    |   |
| <b>GREAT LAKES</b>    |                                    |   |                  |                       |                            |                      |   |
| Illinois              |                                    | P   | P                | P                     | P                          | P                    | P   |
| Indiana               | P                                  | P   | X                |                       | X                          |                      | X   |
| Michigan              | X                                  | X   | X                | X                     | P                          |                      |   |
| Ohio                  |                                    |   | X                | X                     | X                          | X                    | X   |
| Wisconsin             |                                    |   |                  |                       | P                          |                      |   |
| <b>PLAINS</b>         |                                    |   |                  |                       |                            |                      |   |
| Iowa                  |                                    |   |                  |                       |                            |                      |   |
| Kansas                |                                    |   |                  |                       |                            |                      |   |
| Minnesota             | X                                  | X   |                  |                       | X                          | X                    | X   |
| Missouri              | X                                  | X   | X                |                       | X                          | X                    |   |
| Nebraska              |                                    |   |                  |                       | X                          |                      |   |
| North Dakota          |                                    |   |                  |                       |                            | X                    | X   |
| South Dakota          |                                    |   |                  |                       |                            |                      | X   |
| <b>SOUTHEAST</b>      |                                    |   |                  |                       |                            |                      |   |
| Alabama*              |                                    |   |                  |                       |                            |                      |   |
| Arkansas              |                                    |   |                  |                       | P                          |                      | X   |
| Florida*              |                                    |   |                  |                       | P                          |                      |   |
| Georgia               |                                    |   |                  | X                     |                            |                      |   |
| Kentucky              |                                    |   |                  |                       |                            | P                    |   |
| Louisiana             |                                    |   |                  |                       | X                          |                      |   |
| Mississippi           |                                    |   |                  |                       | X                          |                      | X   |
| North Carolina        |                                    |   |                  |                       | X                          |                      |   |
| South Carolina        |                                    |   |                  |                       |                            |                      |   |
| Tennessee             |                                    |   |                  |                       | X                          |                      |   |
| Virginia              |                                    |   |                  | X                     |                            |                      |   |
| West Virginia         |                                    |   |                  | X                     | P                          | P                    |   |
| <b>SOUTHWEST</b>      |                                    |   |                  |                       |                            |                      |   |
| Arizona               |                                    |   |                  |                       |                            |                      | X   |
| New Mexico            |                                    |   |                  |                       |                            |                      |   |
| Oklahoma              |                                    |   |                  |                       |                            |                      | X   |
| Texas                 |                                    |   | P                |                       | P                          | P                    |   |
| <b>ROCKY MOUNTAIN</b> |                                    |   |                  |                       |                            |                      |   |
| Colorado              |                                    |   |                  | X                     | X                          |                      |   |
| Idaho                 |                                    |   |                  | X                     | X                          |                      | X   |
| Montana               |                                    |   |                  | X                     | X                          |                      |   |
| Utah                  |                                    |   |                  |                       | X                          |                      | X   |
| Wyoming               |                                    |   |                  |                       |                            |                      | X   |
| <b>FAR WEST</b>       |                                    |   |                  |                       |                            |                      |   |
| Alaska                |                                    |   |                  |                       |                            | X                    | X   |
| California*           |                                    |   | P                |                       |                            |                      |   |
| Hawaii                |                                    |   |                  | X                     | X                          | X                    | X   |
| Nevada                |                                    |   |                  | X                     | X                          | X                    |   |
| Oregon                |                                    |   |                  |                       |                            |                      |   |
| Washington            |                                    |   |                  |                       |                            |                      | X   |
| <b>ALL STATES</b>     | <b>9</b>                           | <b>10</b>                                 | <b>11</b>        | <b>16</b>             | <b>29</b>                  | <b>18</b>            | <b>21</b>                                     |

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

Source: National Association of State Budget Officers, 2006 State Expenditure Report  
 \*See Higher Education Notes for explanation

## 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.*

**Alabama:** Other state funds for Higher Education include tuition and fees as reported by institutions. Bonds issued and expended directly by institutions are not reported at the state level.

**California:** Beginning in fiscal 2007, California State University (CSU) will deposit its fee revenue in a separate trust fund account, consistent with the University of California.

Tuition and fees are also excluded for the California Community Colleges. Thus, fees are included only for CSU in fiscal 2005 and fiscal 2006.

**Florida:** State university tuition and fees were not appropriated in fiscal 2004–05. In fiscal 2005–06 and fiscal 2006–07, state university tuition and fees were appropriated at \$884.1 million and \$942.6 million, respectively. Community College student fees are not appropriated. State appropriations to public institutions of higher education for operational costs include funding intended to be expended by institutions for contributions to current employees' pensions, and employee health benefits. State appropriations for the University of Florida's Institute of Food and Agricultural Sciences are included in the data reported.

**Michigan:** General fund support has declined from fiscal 2005 reflecting one-time payments not recurring in fiscal 2006 and a one-month payment delay from fiscal 2007 to fiscal 2008.

**New Mexico:** Capital amounts for all state government are combined under the "All Other" category instead of being included in the individual category of Higher Education.

**New York:** Assistance to private colleges and universities is part of miscellaneous education expenditures and is included under elementary and secondary education.

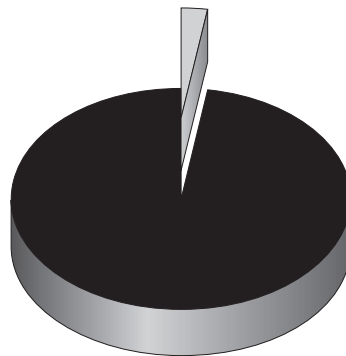
**Utah:** Included with General Fund is Education Fund (income tax revenue) which in Utah is restricted by the Utah state constitution for the sole use of public and higher education. Revenue bonds have been issued in the past. However, no revenue bonds were authorized for Higher Education for fiscal 2005, fiscal 2006, or fiscal 2007.



# CHAPTER THREE

## PUBLIC ASSISTANCE

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1.8% of State Expenditures



## Public Assistance 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 \$24.5 billion in fiscal 2006 and represented 1.8 percent of total state expenditures. State spending for total public assistance increased by 0.4 percent from 2005 to 2006.

The primary sources of public assistance funding for fiscal 2006 are general funds, providing 49.6 percent, followed by federal funds at 48.6 percent. (See Figure 12).

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

## TANF

The Temporary Assistance for Needy Families (TANF) program was reauthorized under the Deficit Reduction Act in February 2006. The TANF block grant is funded at \$16.6 billion each year through 2010. Although the program retains the work participation rates of 50 percent for all families and 90 percent for two-parent families, adjusting the base year for the caseload reduction credit effectively increases the work requirements from the prior levels. The reauthorized program also includes specific definitions of work, work verification requirements, and penalties if states do not meet the requirements. As a result of these changes, most states have to significantly increase work participation rates.

Since welfare reform was initially passed in 1996, states have focused on providing supportive services for families to achieve self-sufficiency rather than cash assistance. Since 1996, caseloads have declined significantly. The average monthly number of TANF recipients fell from 12.8 million prior to the enactment of TANF to 4.0 million by March 2007, a decrease of over two-thirds.

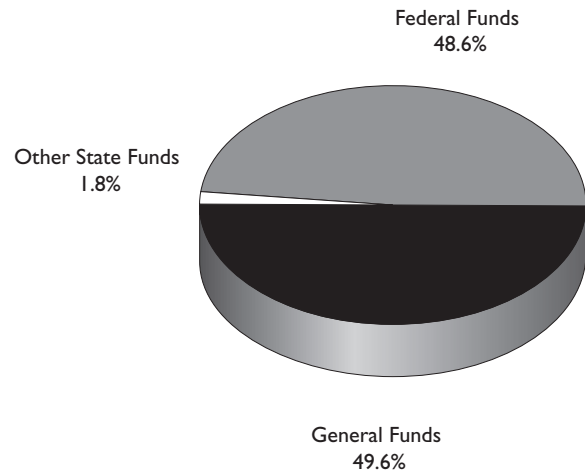
This report has information only on the cash assistance benefit levels within the program which represents approximately 36 percent of total program costs and does not reflect total TANF spending.

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 2006.

**Figure 12**  
**STATE EXPENDITURES FOR TOTAL PUBLIC ASSISTANCE BY FUND SOURCE, FISCAL 2006**



## Regional Expenditures

The following table shows regional percentage changes in expenditures for total cash assistance for fiscal 2005–2006 and 2006–2007 by region.

**Table 16**  
**REGIONAL PERCENTAGE CHANGE IN STATE TOTAL PUBLIC ASSISTANCE EXPENDITURES, FISCAL 2006 AND 2007**

| Region            | Fiscal 2005 to 2006 |               |              | Fiscal 2006 to 2007 |               |              |
|-------------------|---------------------|---------------|--------------|---------------------|---------------|--------------|
|                   | State Funds         | Federal Funds | All Funds    | State Funds         | Federal Funds | All Funds    |
| New England       | 11.1 %              | 0.7 %         | 6.4 %        | 6.8 %               | 0.2 %         | 4.0 %        |
| Mid-Atlantic      | -4.4                | 2.0           | -0.7         | -3.0                | 6.4           | 2.6          |
| Great Lakes       | 4.0                 | 2.4           | 3.2          | 3.6                 | -5.8          | -1.0         |
| Plains            | -5.6                | -1.0          | -2.8         | 8.4                 | 6.8           | 7.4          |
| Southeast         | 1.2                 | 4.9           | 3.5          | 6.9                 | -1.2          | 1.8          |
| Southwest         | -2.0                | -17.5         | -12.1        | -1.8                | 5.7           | 2.8          |
| Rocky Mountain    | 0.9                 | -1.7          | -1.0         | 10.3                | 9.1           | 9.4          |
| Far West          | -0.3                | 1.3           | 0.3          | 3.0                 | -0.7          | 1.6          |
| <b>ALL STATES</b> | <b>0.1 %</b>        | <b>0.6 %</b>  | <b>0.4 %</b> | <b>2.7 %</b>        | <b>1.8 %</b>  | <b>2.3 %</b> |

## Expenditures for Cash Assistance under Temporary Assistance for Needy Families Program

State and federal funds for TANF cash assistance expenditures totaled \$15.4 billion in fiscal 2006, a decrease of 1.3 percent from 2005 to 2006 (see Table 23). According to the most recent data, cash assistance expenditures from state and federal funds accounted for about 36 percent of total TANF spending in fiscal 2005 while child care accounted for about 18 percent of all funds used that year.

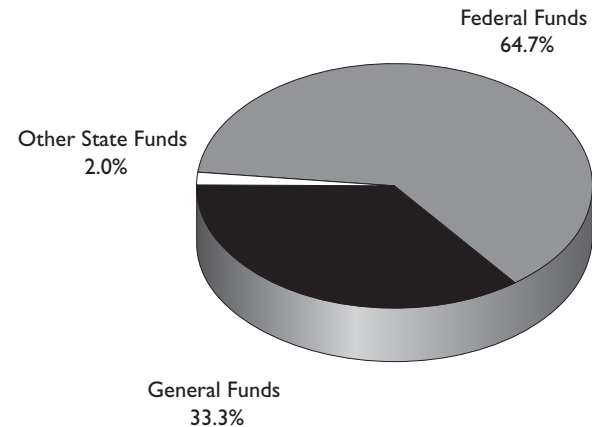
States have provided funding for programs to address childcare services, training and education, transportation needs, transitional rental assistance, substance abuse, job readiness and job retention training, and domestic violence. As cash assistance has declined, these supportive services have gained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

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

## Fund Shares

The figure below provides fund shares for 2006.

**Figure 13**  
**STATE EXPENDITURES FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BY FUND SOURCE, FISCAL 2006**



## Regional Expenditures

The following table shows percentage changes in expenditures for TANF cash assistance for fiscal 2005–2006 and 2006–2007 by region.

**Table 17**  
**REGIONAL PERCENTAGE CHANGE IN STATE TANF EXPENDITURES, FISCAL 2006 AND 2007**

| Region            | Fiscal 2005 to 2006 |               |              | Fiscal 2006 to 2007 |               |             |
|-------------------|---------------------|---------------|--------------|---------------------|---------------|-------------|
|                   | State Funds         | Federal Funds | All Funds    | State Funds         | Federal Funds | All Funds   |
| New England       | -3.3%               | 0.0%          | -0.8%        | 14.0%               | 0.1%          | 3.6%        |
| Mid-Atlantic      | -9.3                | 1.1           | -2.1         | -8.3                | 6.7           | 2.5         |
| Great Lakes       | 7.1                 | -4.1          | 1.0          | 12.2                | 1.5           | 6.7         |
| Plains            | -11.0               | -1.1          | -3.9         | 9.6                 | 6.8           | 7.5         |
| Southeast         | -4.7                | 4.4           | 1.0          | -0.8                | -4.0          | -2.9        |
| Southwest         | 8.3                 | -17.6         | -9.3         | -1.8                | 5.7           | 2.8         |
| Rocky Mountain    | 2.1                 | -1.7          | -0.8         | 10.1                | 9.1           | 9.3         |
| Far West          | -2.1                | 0.8           | -0.4         | 2.2                 | -0.6          | 0.6         |
| <b>ALL STATES</b> | <b>-2.8%</b>        | <b>-0.5%</b>  | <b>-1.3%</b> | <b>1.6%</b>         | <b>2.0%</b>   | <b>1.9%</b> |





# OTHER CASH ASSISTANCE

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The second component of cash assistance for public welfare is other cash assistance, including state participation in the Supplemental Security Income (SSI) program, General Assistance (GA), and emergency assistance. Each state determines the structure of its own program, resulting in significant variations in programs and funding. Some have statewide uniform eligibility rules while others simply require some form of county participation. Thirty-five states spend some amount on this category of other cash assistance.

Other cash assistance programs accounted for only 0.7 percent of total state spending in fiscal 2006. States spent \$9.1 billion for other cash assistance, with 77 percent of that amount funded from state general funds. California accounted for over half of the total 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 2005 |                 |                   |                 | Actual Fiscal 2006 |                 |                   |                 | Estimated Fiscal 2007 |                 |                   |                 |
|-----------------------|--------------------|-----------------|-------------------|-----------------|--------------------|-----------------|-------------------|-----------------|-----------------------|-----------------|-------------------|-----------------|
|                       | 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           | \$222              | \$267           | \$0               | \$489           | \$214              | \$267           | \$0               | \$481           | \$210                 | \$267           | \$0               | \$477           |
| Maine                 | 30                 | 46              | 86                | 162             | 29                 | 49              | 89                | 167             | 35                    | 52              | 124               | 211             |
| Massachusetts         | 672                | 469             | 0                 | 1,141           | 801                | 471             | 0                 | 1,272           | 850                   | 471             | 0                 | 1,321           |
| New Hampshire         | 36                 | 30              | 7                 | 73              | 33                 | 37              | 6                 | 76              | 35                    | 41              | 6                 | 82              |
| Rhode Island          | 45                 | 59              | 0                 | 104             | 47                 | 51              | 0                 | 98              | 48                    | 44              | 0                 | 92              |
| Vermont               | 29                 | 47              | 2                 | 78              | 29                 | 49              | 6                 | 84              | 29                    | 51              | 2                 | 82              |
| <b>MID-ATLANTIC</b>   |                    |                 |                   |                 |                    |                 |                   |                 |                       |                 |                   |                 |
| Delaware              | 7                  | 16              | 2                 | 25              | 7                  | 15              | 2                 | 24              | 8                     | 13              | 2                 | 23              |
| Maryland              | 49                 | 407             | 17                | 473             | 46                 | 414             | 17                | 477             | 44                    | 408             | 13                | 465             |
| New Jersey            | 218                | 194             | 0                 | 412             | 271                | 133             | 0                 | 404             | 243                   | 182             | 0                 | 425             |
| New York              | 1,440              | 1,998           | 0                 | 3,438           | 1,251              | 2,097           | 0                 | 3,348           | 1,154                 | 2,243           | 0                 | 3,397           |
| Pennsylvania          | 524                | 548             | 23                | 1,095           | 559                | 568             | 27                | 1,154           | 623                   | 587             | 28                | 1,238           |
| <b>GREAT LAKES</b>    |                    |                 |                   |                 |                    |                 |                   |                 |                       |                 |                   |                 |
| Illinois              | 87                 | 78              | 0                 | 165             | 91                 | 79              | 0                 | 170             | 90                    | 72              | 0                 | 162             |
| Indiana               | 125                | 193             | 0                 | 318             | 121                | 224             | 0                 | 345             | 95                    | 214             | 0                 | 309             |
| Michigan              | 282                | 190             | 45                | 517             | 340                | 142             | 47                | 529             | 406                   | 118             | 51                | 575             |
| Ohio                  | 155                | 162             | 24                | 341             | 129                | 207             | 23                | 359             | 113                   | 211             | 24                | 348             |
| Wisconsin             | 36                 | 96              | 0                 | 132             | 33                 | 84              | 0                 | 117             | 33                    | 78              | 0                 | 111             |
| <b>PLAINS</b>         |                    |                 |                   |                 |                    |                 |                   |                 |                       |                 |                   |                 |
| Iowa                  | 57                 | 66              | 13                | 136             | 62                 | 58              | 11                | 131             | 62                    | 70              | 12                | 144             |
| Kansas                | 39                 | 46              | 0                 | 85              | 39                 | 34              | 0                 | 73              | 39                    | 27              | 0                 | 66              |
| Minnesota             | 123                | 233             | 0                 | 356             | 95                 | 257             | 0                 | 352             | 119                   | 272             | 0                 | 391             |
| Missouri              | 43                 | 117             | 21                | 181             | 43                 | 112             | 22                | 177             | 43                    | 121             | 24                | 188             |
| Nebraska              | 29                 | 36              | 0                 | 65              | 31                 | 35              | 0                 | 66              | 35                    | 38              | 0                 | 73              |
| North Dakota          | 0                  | 6               | 5                 | 11              | 4                  | 1               | 6                 | 11              | 0                     | 5               | 5                 | 10              |
| South Dakota          | 10                 | 19              | 0                 | 29              | 8                  | 21              | 0                 | 29              | 9                     | 20              | 0                 | 29              |
| <b>SOUTHEAST</b>      |                    |                 |                   |                 |                    |                 |                   |                 |                       |                 |                   |                 |
| Alabama               | 5                  | 35              | 5                 | 45              | 4                  | 42              | 4                 | 50              | 4                     | 39              | 5                 | 48              |
| Arkansas              | 122                | 255             | 11                | 388             | 135                | 276             | 13                | 424             | 139                   | 335             | 20                | 494             |
| Florida               | 195                | 13              | 0                 | 208             | 178                | 0               | 0                 | 178             | 148                   | 32              | 0                 | 180             |
| Georgia               | 147                | 402             | 0                 | 549             | 161                | 410             | 0                 | 571             | 170                   | 388             | 0                 | 558             |
| Kentucky              | 72                 | 114             | 0                 | 186             | 72                 | 174             | 0                 | 246             | 72                    | 122             | 0                 | 194             |
| Louisiana             | 6                  | 47              | 0                 | 53              | 7                  | 35              | 0                 | 42              | 6                     | 39              | 0                 | 45              |
| Mississippi           | 3                  | 50              | 2                 | 55              | 1                  | 20              | 0                 | 21              | 2                     | 20              | 0                 | 22              |
| North Carolina        | 97                 | 339             | 97                | 533             | 79                 | 344             | 97                | 520             | 83                    | 337             | 97                | 517             |
| South Carolina        | 26                 | 28              | 11                | 65              | 53                 | 26              | 12                | 91              | 121                   | 28              | 14                | 163             |
| Tennessee             | 44                 | 101             | 3                 | 148             | 38                 | 107             | 3                 | 148             | 33                    | 114             | 3                 | 150             |
| Virginia              | 61                 | 109             | 2                 | 172             | 63                 | 115             | 0                 | 178             | 67                    | 92              | 0                 | 159             |
| West Virginia         | 27                 | 70              | 0                 | 97              | 27                 | 91              | 0                 | 118             | 28                    | 75              | 0                 | 103             |
| <b>SOUTHWEST</b>      |                    |                 |                   |                 |                    |                 |                   |                 |                       |                 |                   |                 |
| Arizona               | 68                 | 105             | 0                 | 173             | 60                 | 98              | 0                 | 158             | 60                    | 80              | 0                 | 140             |
| New Mexico            | 15                 | 58              | 2                 | 75              | 17                 | 58              | 3                 | 78              | 17                    | 57              | 2                 | 76              |
| Oklahoma              | 81                 | 172             | 0                 | 253             | 78                 | 19              | 0                 | 97              | 58                    | 35              | 0                 | 93              |
| Texas                 | 234                | 406             | 0                 | 640             | 234                | 436             | 0                 | 670             | 248                   | 474             | 0                 | 722             |
| <b>ROCKY MOUNTAIN</b> |                    |                 |                   |                 |                    |                 |                   |                 |                       |                 |                   |                 |
| Colorado              | 1                  | 102             | 26                | 129             | 1                  | 117             | 25                | 143             | 1                     | 123             | 26                | 150             |
| Idaho                 | 8                  | 7               | 0                 | 15              | 8                  | 7               | 0                 | 15              | 9                     | 7               | 0                 | 16              |
| Montana               | 14                 | 34              | 0                 | 48              | 14                 | 29              | 0                 | 43              | 14                    | 32              | 0                 | 46              |
| Utah                  | 30                 | 86              | 0                 | 116             | 32                 | 71              | 0                 | 103             | 29                    | 73              | 0                 | 102             |
| Wyoming               | 37                 | 74              | 0                 | 111             | 37                 | 74              | 0                 | 111             | 50                    | 90              | 0                 | 140             |
| <b>FAR WEST</b>       |                    |                 |                   |                 |                    |                 |                   |                 |                       |                 |                   |                 |
| Alaska                | 75                 | 12              | 17                | 104             | 72                 | 11              | 28                | 111             | 83                    | 13              | 21                | 117             |
| California            | 6,140              | 3,660           | 0                 | 9,800           | 6,058              | 3,694           | 0                 | 9,752           | 6,246                 | 3,666           | 0                 | 9,912           |
| Hawaii                | 82                 | 26              | 0                 | 108             | 74                 | 26              | 0                 | 100             | 77                    | 30              | 0                 | 107             |
| Nevada                | 31                 | 19              | 0                 | 50              | 27                 | 22              | 0                 | 49              | 36                    | 17              | 0                 | 53              |
| Oregon                | 9                  | 34              | 0                 | 43              | 46                 | 72              | 4                 | 122             | 45                    | 77              | 0                 | 122             |
| Washington            | 253                | 138             | 0                 | 391             | 276                | 115             | 0                 | 391             | 277                   | 108             | 0                 | 385             |
| <b>TOTAL</b>          | <b>\$12,141</b>    | <b>\$11,819</b> | <b>\$421</b>      | <b>\$24,381</b> | <b>\$12,135</b>    | <b>\$11,894</b> | <b>\$445</b>      | <b>\$24,474</b> | <b>\$12,446</b>       | <b>\$12,108</b> | <b>\$479</b>      | <b>\$25,033</b> |

Note: This table reflects TANF and other cash assistance expenditures.  
 Source: National Association of State Budget Officers, 2006 State Expenditure Report

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

| Region/State          | Fiscal<br>2005 | Fiscal<br>2006 | Fiscal<br>2007 |
|-----------------------|----------------|----------------|----------------|
| <b>NEW ENGLAND</b>    |                |                |                |
| Connecticut           | 2.4 %          | 2.1 %          | 2.0 %          |
| Maine                 | 2.4            | 2.4            | 2.8            |
| Massachusetts         | 3.0            | 3.2            | 3.4            |
| New Hampshire         | 1.7            | 1.7            | 1.8            |
| Rhode Island          | 1.7            | 1.5            | 1.3            |
| Vermont               | 1.9            | 1.7            | 1.6            |
| <b>MID-ATLANTIC</b>   |                |                |                |
| Delaware              | 0.5            | 0.4            | 0.4            |
| Maryland              | 1.9            | 1.8            | 1.6            |
| New Jersey            | 1.0            | 1.0            | 0.9            |
| New York              | 3.4            | 3.2            | 3.0            |
| Pennsylvania          | 2.1            | 2.1            | 2.2            |
| <b>GREAT LAKES</b>    |                |                |                |
| Illinois              | 0.4            | 0.4            | 0.3            |
| Indiana               | 1.5            | 1.6            | 1.4            |
| Michigan              | 1.3            | 1.3            | 1.3            |
| Ohio                  | 0.7            | 0.7            | 0.6            |
| Wisconsin             | 0.4            | 0.3            | 0.3            |
| <b>PLAINS</b>         |                |                |                |
| Iowa                  | 1.0            | 0.9            | 0.9            |
| Kansas                | 0.8            | 0.6            | 0.5            |
| Minnesota             | 1.5            | 1.4            | 1.4            |
| Missouri              | 0.9            | 0.9            | 0.9            |
| Nebraska              | 0.9            | 0.8            | 0.8            |
| North Dakota          | 0.3            | 0.3            | 0.3            |
| South Dakota          | 1.0            | 1.0            | 0.9            |
| <b>SOUTHEAST</b>      |                |                |                |
| Alabama               | 0.1            | 0.1            | 0.1            |
| Arkansas              | 2.7            | 2.8            | 2.7            |
| Florida               | 0.4            | 0.3            | 0.2            |
| Georgia               | 1.7            | 1.7            | 1.6            |
| Kentucky              | 1.0            | 1.2            | 0.8            |
| Louisiana             | 0.3            | 0.2            | 0.1            |
| Mississippi           | 0.4            | 0.1            | 0.1            |
| North Carolina        | 1.5            | 1.5            | 1.4            |
| South Carolina        | 0.4            | 0.5            | 0.8            |
| Tennessee             | 0.6            | 0.6            | 0.6            |
| Virginia              | 0.6            | 0.6            | 0.5            |
| West Virginia         | 0.5            | 0.6            | 0.6            |
| <b>SOUTHWEST</b>      |                |                |                |
| Arizona               | 0.7            | 0.6            | 0.5            |
| New Mexico            | 0.7            | 0.7            | 0.6            |
| Oklahoma              | 1.8            | 0.6            | 0.5            |
| Texas                 | 1.0            | 0.9            | 1.0            |
| <b>ROCKY MOUNTAIN</b> |                |                |                |
| Colorado              | 0.9            | 0.9            | 0.9            |
| Idaho                 | 0.3            | 0.3            | 0.3            |
| Montana               | 1.2            | 1.0            | 0.9            |
| Utah                  | 1.4            | 1.2            | 1.0            |
| Wyoming               | 1.8            | 1.8            | 2.5            |
| <b>FAR WEST</b>       |                |                |                |
| Alaska                | 1.1            | 1.2            | 1.0            |
| California            | 6.1            | 5.6            | 5.1            |
| Hawaii                | 1.2            | 1.1            | 0.9            |
| Nevada                | 0.7            | 0.7            | 0.7            |
| Oregon                | 0.2            | 0.6            | 0.6            |
| Washington            | 1.5            | 1.4            | 1.2            |
| <b>ALL STATES</b>     | <b>1.9 %</b>   | <b>1.8 %</b>   | <b>1.7 %</b>   |

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

Table 20

## ANNUAL PERCENTAGE CHANGE IN TOTAL PUBLIC ASSISTANCE EXPENDITURES

| Region/State          | Fiscal 2005 to 2006 |               |              | Fiscal 2006 to 2007 |               |              |
|-----------------------|---------------------|---------------|--------------|---------------------|---------------|--------------|
|                       | State Funds         | Federal Funds | All Funds    | State Funds         | Federal Funds | All Funds    |
| <b>NEW ENGLAND</b>    |                     |               |              |                     |               |              |
| Connecticut           | -3.6 %              | 0.0 %         | -1.6 %       | -1.9 %              | 0.0 %         | -0.8 %       |
| Maine                 | 1.7                 | 6.5           | 3.1          | 34.7                | 6.1           | 26.3         |
| Massachusetts         | 19.2                | 0.4           | 11.5         | 6.1                 | 0.0           | 3.9          |
| New Hampshire         | -9.3                | 23.3          | 4.1          | 5.1                 | 10.8          | 7.9          |
| Rhode Island          | 4.4                 | -13.6         | -5.8         | 2.1                 | -13.7         | -6.1         |
| Vermont               | 12.9                | 4.3           | 7.7          | -11.4               | 4.1           | -2.4         |
| <b>MID-ATLANTIC</b>   |                     |               |              |                     |               |              |
| Delaware              | 0.0                 | -6.3          | -4.0         | 11.1                | -13.3         | -4.2         |
| Maryland              | -4.5                | 1.7           | 0.8          | -9.5                | -1.4          | -2.5         |
| New Jersey            | 24.3                | -31.4         | -1.9         | -10.3               | 36.8          | 5.2          |
| New York              | -13.1               | 5.0           | -2.6         | -7.8                | 7.0           | 1.5          |
| Pennsylvania          | 7.1                 | 3.6           | 5.4          | 11.1                | 3.3           | 7.3          |
| <b>GREAT LAKES</b>    |                     |               |              |                     |               |              |
| Illinois              | 4.6                 | 1.3           | 3.0          | -1.1                | -8.9          | -4.7         |
| Indiana               | -3.2                | 16.1          | 8.5          | -21.5               | -4.5          | -10.4        |
| Michigan              | 18.3                | -25.3         | 2.3          | 18.1                | -16.9         | 8.7          |
| Ohio                  | -15.1               | 27.8          | 5.3          | -9.9                | 1.9           | -3.1         |
| Wisconsin             | -8.3                | -12.5         | -11.4        | 0.0                 | -7.1          | -5.1         |
| <b>PLAINS</b>         |                     |               |              |                     |               |              |
| Iowa                  | 4.3                 | -12.1         | -3.7         | 1.4                 | 20.7          | 9.9          |
| Kansas                | 0.0                 | -26.1         | -14.1        | 0.0                 | -20.6         | -9.6         |
| Minnesota             | -22.8               | 10.3          | -1.1         | 25.3                | 5.8           | 11.1         |
| Missouri              | 1.6                 | -4.3          | -2.2         | 3.1                 | 8.0           | 6.2          |
| Nebraska              | 6.9                 | -2.8          | 1.5          | 12.9                | 8.6           | 10.6         |
| North Dakota          | 100.0               | -83.3         | 0.0          | -50.0               | 400.0         | -9.1         |
| South Dakota          | -20.0               | 10.5          | 0.0          | 12.5                | -4.8          | 0.0          |
| <b>SOUTHEAST</b>      |                     |               |              |                     |               |              |
| Alabama               | -20.0               | 20.0          | 11.1         | 12.5                | -7.1          | -4.0         |
| Arkansas              | 11.3                | 8.2           | 9.3          | 7.4                 | 21.4          | 16.5         |
| Florida               | -8.7                | -100.0        | -14.4        | -16.9               | —             | 1.1          |
| Georgia               | 9.5                 | 2.0           | 4.0          | 5.6                 | -5.4          | -2.3         |
| Kentucky              | 0.0                 | 52.6          | 32.3         | 0.0                 | -29.9         | -21.1        |
| Louisiana             | 16.7                | -25.5         | -20.8        | -14.3               | 11.4          | 7.1          |
| Mississippi           | -80.0               | -60.0         | -61.8        | 100.0               | 0.0           | 4.8          |
| North Carolina        | -9.3                | 1.5           | -2.4         | 2.3                 | -2.0          | -0.6         |
| South Carolina        | 75.7                | -7.1          | 40.0         | 107.7               | 7.7           | 79.1         |
| Tennessee             | -12.8               | 5.9           | 0.0          | -12.2               | 6.5           | 1.4          |
| Virginia              | 0.0                 | 5.5           | 3.5          | 6.3                 | -20.0         | -10.7        |
| West Virginia         | 0.0                 | 30.0          | 21.6         | 3.7                 | -17.6         | -12.7        |
| <b>SOUTHWEST</b>      |                     |               |              |                     |               |              |
| Arizona               | -11.8               | -6.7          | -8.7         | 0.0                 | -18.4         | -11.4        |
| New Mexico            | 17.6                | 0.0           | 4.0          | -5.0                | -1.7          | -2.6         |
| Oklahoma              | -3.7                | -89.0         | -61.7        | -25.6               | 84.2          | -4.1         |
| Texas                 | 0.0                 | 7.4           | 4.7          | 6.0                 | 8.7           | 7.8          |
| <b>ROCKY MOUNTAIN</b> |                     |               |              |                     |               |              |
| Colorado              | -3.7                | 14.7          | 10.9         | 3.8                 | 5.1           | 4.9          |
| Idaho                 | 0.0                 | 0.0           | 0.0          | 12.5                | 0.0           | 6.7          |
| Montana               | 0.0                 | -14.7         | -10.4        | 0.0                 | 10.3          | 7.0          |
| Utah                  | 6.7                 | -17.4         | -11.2        | -9.4                | 2.8           | -1.0         |
| Wyoming               | 0.0                 | 0.0           | 0.0          | 35.1                | 21.6          | 26.1         |
| <b>FAR WEST</b>       |                     |               |              |                     |               |              |
| Alaska                | 8.7                 | -8.3          | 6.7          | 4.0                 | 18.2          | 5.4          |
| California            | -1.3                | 0.9           | -0.5         | 3.1                 | -0.8          | 1.6          |
| Hawaii                | -9.8                | 0.0           | -7.4         | 4.1                 | 15.4          | 7.0          |
| Nevada                | -12.9               | 15.8          | -2.0         | 33.3                | -22.7         | 8.2          |
| Oregon                | 455.6               | 111.8         | 183.7        | -10.0               | 6.9           | 0.0          |
| Washington            | 9.1                 | -16.7         | 0.0          | 0.4                 | —             | -1.5         |
| <b>ALL STATES</b>     | <b>0.1 %</b>        | <b>0.6 %</b>  | <b>0.4 %</b> | <b>2.7 %</b>        | <b>1.8 %</b>  | <b>2.3 %</b> |

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, 2006 State Expenditure Report

Table 21

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

| Region/State          | Actual Fiscal 2005 |                 |                   |                 | Actual Fiscal 2006 |                |                   |                 | Estimated Fiscal 2007 |                 |                   |                 |
|-----------------------|--------------------|-----------------|-------------------|-----------------|--------------------|----------------|-------------------|-----------------|-----------------------|-----------------|-------------------|-----------------|
|                       | 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*          | \$128              | \$267           | \$0               | \$395           | \$120              | \$267          | \$0               | \$387           | \$113                 | \$267           | \$0               | \$380           |
| Maine                 | 19                 | 45              | 86                | 150             | 18                 | 48             | 89                | 155             | 23                    | 50              | 124               | 197             |
| Massachusetts         | 9                  | 459             | 0                 | 468             | 8                  | 459            | 0                 | 467             | 15                    | 459             | 0                 | 474             |
| New Hampshire         | 28                 | 30              | 0                 | 58              | 26                 | 37             | 0                 | 63              | 28                    | 41              | 0                 | 69              |
| Rhode Island          | 15                 | 59              | 0                 | 74              | 16                 | 51             | 0                 | 67              | 16                    | 44              | 0                 | 60              |
| Vermont               | 16                 | 26              | 2                 | 44              | 14                 | 24             | 2                 | 40              | 13                    | 26              | 2                 | 41              |
| <b>MID-ATLANTIC</b>   |                    |                 |                   |                 |                    |                |                   |                 |                       |                 |                   |                 |
| Delaware              | 3                  | 16              | 1                 | 20              | 2                  | 15             | 1                 | 18              | 2                     | 13              | 1                 | 16              |
| Maryland              | 15                 | 91              | 10                | 116             | 16                 | 76             | 10                | 102             | 12                    | 83              | 7                 | 102             |
| New Jersey            | 3                  | 139             | 0                 | 142             | 51                 | 85             | 0                 | 136             | 18                    | 113             | 0                 | 131             |
| New York              | 783                | 1,998           | 0                 | 2,781           | 586                | 2,097          | 0                 | 2,683           | 495                   | 2,243           | 0                 | 2,738           |
| Pennsylvania          | 266                | 255             | 0                 | 521             | 314                | 253            | 0                 | 567             | 364                   | 243             | 0                 | 607             |
| <b>GREAT LAKES</b>    |                    |                 |                   |                 |                    |                |                   |                 |                       |                 |                   |                 |
| Illinois              | 49                 | 75              | 0                 | 124             | 52                 | 76             | 0                 | 128             | 51                    | 69              | 0                 | 120             |
| Indiana               | 14                 | 102             | 0                 | 116             | 15                 | 100            | 0                 | 115             | 30                    | 137             | 0                 | 167             |
| Michigan              | 176                | 176             | 40                | 392             | 237                | 127            | 38                | 402             | 298                   | 101             | 41                | 440             |
| Ohio                  | 132                | 162             | 24                | 318             | 106                | 207            | 23                | 336             | 88                    | 211             | 24                | 323             |
| Wisconsin             | 33                 | 40              | 0                 | 73              | 30                 | 22             | 0                 | 52              | 30                    | 22              | 0                 | 52              |
| <b>PLAINS</b>         |                    |                 |                   |                 |                    |                |                   |                 |                       |                 |                   |                 |
| Iowa                  | 39                 | 66              | 12                | 117             | 44                 | 58             | 11                | 113             | 43                    | 70              | 11                | 124             |
| Kansas                | 30                 | 46              | 0                 | 76              | 30                 | 34             | 0                 | 64              | 30                    | 27              | 0                 | 57              |
| Minnesota             | 65                 | 233             | 0                 | 298             | 34                 | 257            | 0                 | 291             | 53                    | 272             | 0                 | 325             |
| Missouri              | 17                 | 117             | 0                 | 134             | 17                 | 112            | 0                 | 129             | 17                    | 121             | 0                 | 138             |
| Nebraska              | 22                 | 36              | 0                 | 58              | 24                 | 34             | 0                 | 58              | 27                    | 37              | 0                 | 64              |
| North Dakota          | 0                  | 6               | 5                 | 11              | 4                  | 1              | 6                 | 11              | 0                     | 5               | 5                 | 10              |
| South Dakota          | 10                 | 19              | 0                 | 29              | 8                  | 21             | 0                 | 29              | 9                     | 20              | 0                 | 29              |
| <b>SOUTHEAST</b>      |                    |                 |                   |                 |                    |                |                   |                 |                       |                 |                   |                 |
| Alabama               | 5                  | 35              | 5                 | 45              | 4                  | 42             | 4                 | 50              | 4                     | 39              | 5                 | 48              |
| Arkansas              | 18                 | 48              | 0                 | 66              | 12                 | 59             | 0                 | 71              | 13                    | 76              | 0                 | 89              |
| Florida               | 195                | 13              | 0                 | 208             | 178                | 0              | 0                 | 178             | 148                   | 32              | 0                 | 180             |
| Georgia               | 147                | 402             | 0                 | 549             | 161                | 410            | 0                 | 571             | 170                   | 388             | 0                 | 558             |
| Kentucky              | 72                 | 114             | 0                 | 186             | 72                 | 174            | 0                 | 246             | 72                    | 122             | 0                 | 194             |
| Louisiana             | 6                  | 47              | 0                 | 53              | 7                  | 35             | 0                 | 42              | 6                     | 39              | 0                 | 45              |
| Mississippi           | 3                  | 50              | 2                 | 55              | 1                  | 20             | 0                 | 21              | 2                     | 20              | 0                 | 22              |
| North Carolina        | 97                 | 339             | 97                | 533             | 79                 | 344            | 97                | 520             | 83                    | 337             | 97                | 517             |
| South Carolina        | 12                 | 28              | 0                 | 40              | 12                 | 26             | 0                 | 38              | 13                    | 28              | 0                 | 41              |
| Tennessee             | 44                 | 101             | 3                 | 148             | 38                 | 107            | 3                 | 148             | 33                    | 114             | 3                 | 150             |
| Virginia              | 50                 | 70              | 0                 | 120             | 51                 | 67             | 0                 | 118             | 63                    | 50              | 0                 | 113             |
| West Virginia         | 26                 | 70              | 0                 | 96              | 26                 | 91             | 0                 | 117             | 27                    | 75              | 0                 | 102             |
| <b>SOUTHWEST</b>      |                    |                 |                   |                 |                    |                |                   |                 |                       |                 |                   |                 |
| Arizona               | 64                 | 104             | 0                 | 168             | 56                 | 97             | 0                 | 153             | 56                    | 79              | 0                 | 135             |
| New Mexico            | 10                 | 58              | 0                 | 68              | 12                 | 58             | 0                 | 70              | 11                    | 57              | 0                 | 68              |
| Oklahoma              | 43                 | 172             | 0                 | 215             | 78                 | 19             | 0                 | 97              | 58                    | 35              | 0                 | 93              |
| Texas                 | 234                | 406             | 0                 | 640             | 234                | 436            | 0                 | 670             | 248                   | 474             | 0                 | 722             |
| <b>ROCKY MOUNTAIN</b> |                    |                 |                   |                 |                    |                |                   |                 |                       |                 |                   |                 |
| Colorado              | 1                  | 102             | 26                | 129             | 1                  | 117            | 25                | 143             | 1                     | 123             | 26                | 150             |
| Idaho                 | 0                  | 7               | 0                 | 7               | 0                  | 7              | 0                 | 7               | 0                     | 7               | 0                 | 7               |
| Montana               | 14                 | 34              | 0                 | 48              | 14                 | 29             | 0                 | 43              | 14                    | 32              | 0                 | 46              |
| Utah                  | 19                 | 86              | 0                 | 105             | 22                 | 71             | 0                 | 93              | 18                    | 73              | 0                 | 91              |
| Wyoming               | 37                 | 74              | 0                 | 111             | 37                 | 74             | 0                 | 111             | 50                    | 90              | 0                 | 140             |
| <b>FAR WEST</b>       |                    |                 |                   |                 |                    |                |                   |                 |                       |                 |                   |                 |
| Alaska                | 24                 | 11              | 2                 | 37              | 18                 | 10             | 2                 | 30              | 18                    | 12              | 2                 | 32              |
| California            | 2,054              | 2,964           | 0                 | 5,018           | 1,963              | 2,974          | 0                 | 4,937           | 2,014                 | 2,953           | 0                 | 4,967           |
| Hawaii                | 44                 | 26              | 0                 | 70              | 38                 | 26             | 0                 | 64              | 38                    | 30              | 0                 | 68              |
| Nevada                | 25                 | 19              | 0                 | 44              | 20                 | 22             | 0                 | 42              | 29                    | 17              | 0                 | 46              |
| Oregon                | 8                  | 31              | 0                 | 39              | 46                 | 68             | 4                 | 118             | 45                    | 77              | 0                 | 122             |
| Washington            | 156                | 136             | 0                 | 292             | 173                | 113            | 0                 | 286             | 168                   | 106             | 0                 | 274             |
| <b>TOTAL</b>          | <b>\$5,280</b>     | <b>\$10,010</b> | <b>\$315</b>      | <b>\$15,605</b> | <b>\$5,125</b>     | <b>\$9,957</b> | <b>\$315</b>      | <b>\$15,397</b> | <b>\$5,177</b>        | <b>\$10,159</b> | <b>\$348</b>      | <b>\$15,684</b> |

Source: National Association of State Budget Officers, 2006 State Expenditure Report

\*See Public Assistance Notes for explanation

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

| Region/State          | Fiscal<br>2005 | Fiscal<br>2006 | Fiscal<br>2007 |
|-----------------------|----------------|----------------|----------------|
| <b>NEW ENGLAND</b>    |                |                |                |
| Connecticut           | 1.9 %          | 1.7 %          | 1.6 %          |
| Maine                 | 2.2            | 2.2            | 2.6            |
| Massachusetts         | 1.2            | 1.2            | 1.2            |
| New Hampshire         | 1.3            | 1.4            | 1.5            |
| Rhode Island          | 1.2            | 1.0            | 0.8            |
| Vermont               | 1.1            | 0.8            | 0.8            |
| <b>MID-ATLANTIC</b>   |                |                |                |
| Delaware              | 0.4            | 0.3            | 0.3            |
| Maryland              | 0.5            | 0.4            | 0.3            |
| New Jersey            | 0.3            | 0.3            | 0.3            |
| New York              | 2.8            | 2.6            | 2.4            |
| Pennsylvania          | 1.0            | 1.1            | 1.1            |
| <b>GREAT LAKES</b>    |                |                |                |
| Illinois              | 0.3            | 0.3            | 0.2            |
| Indiana               | 0.5            | 0.5            | 0.7            |
| Michigan              | 1.0            | 1.0            | 1.0            |
| Ohio                  | 0.6            | 0.6            | 0.6            |
| Wisconsin             | 0.2            | 0.2            | 0.2            |
| <b>PLAINS</b>         |                |                |                |
| Iowa                  | 0.8            | 0.8            | 0.8            |
| Kansas                | 0.7            | 0.6            | 0.5            |
| Minnesota             | 1.2            | 1.1            | 1.2            |
| Missouri              | 0.7            | 0.7            | 0.6            |
| Nebraska              | 0.8            | 0.7            | 0.7            |
| North Dakota          | 0.3            | 0.3            | 0.3            |
| South Dakota          | 1.0            | 1.0            | 0.9            |
| <b>SOUTHEAST</b>      |                |                |                |
| Alabama               | 0.1            | 0.1            | 0.1            |
| Arkansas              | 0.5            | 0.5            | 0.5            |
| Florida               | 0.4            | 0.3            | 0.2            |
| Georgia               | 1.7            | 1.7            | 1.6            |
| Kentucky              | 1.0            | 1.2            | 0.8            |
| Louisiana             | 0.3            | 0.2            | 0.1            |
| Mississippi           | 0.4            | 0.1            | 0.1            |
| North Carolina        | 1.5            | 1.5            | 1.4            |
| South Carolina        | 0.2            | 0.2            | 0.2            |
| Tennessee             | 0.6            | 0.6            | 0.6            |
| Virginia              | 0.4            | 0.4            | 0.3            |
| West Virginia         | 0.5            | 0.6            | 0.5            |
| <b>SOUTHWEST</b>      |                |                |                |
| Arizona               | 0.7            | 0.6            | 0.5            |
| New Mexico            | 0.6            | 0.6            | 0.6            |
| Oklahoma              | 1.5            | 0.6            | 0.5            |
| Texas                 | 1.0            | 0.9            | 1.0            |
| <b>ROCKY MOUNTAIN</b> |                |                |                |
| Colorado              | 0.9            | 0.9            | 0.9            |
| Idaho                 | 0.1            | 0.1            | 0.1            |
| Montana               | 1.2            | 1.0            | 0.9            |
| Utah                  | 1.2            | 1.0            | 0.9            |
| Wyoming               | 1.8            | 1.8            | 2.5            |
| <b>FAR WEST</b>       |                |                |                |
| Alaska                | 0.4            | 0.3            | 0.3            |
| California            | 3.1            | 2.9            | 2.6            |
| Hawaii                | 0.8            | 0.7            | 0.6            |
| Nevada                | 0.6            | 0.6            | 0.6            |
| Oregon                | 0.2            | 0.6            | 0.6            |
| Washington            | 1.1            | 1.0            | 0.8            |
| <b>ALL STATES</b>     | <b>1.2 %</b>   | <b>1.1 %</b>   | <b>1.1 %</b>   |

Source: National Association of State Budget Officers,  
2006 State Expenditure Report

Table 23

## ANNUAL PERCENTAGE CHANGE IN TANF CASH ASSISTANCE EXPENDITURES

| Region/State          | Fiscal 2005 to 2006 |               |               | Fiscal 2006 to 2007 |               |              |
|-----------------------|---------------------|---------------|---------------|---------------------|---------------|--------------|
|                       | State Funds         | Federal Funds | All Funds     | State Funds         | Federal Funds | All Funds    |
| <b>NEW ENGLAND</b>    |                     |               |               |                     |               |              |
| Connecticut           | -6.3 %              | 0.0 %         | -2.0 %        | -5.8 %              | 0.0 %         | -1.8 %       |
| Maine                 | 1.9                 | 6.7           | 3.3           | 37.4                | 4.2           | 27.1         |
| Massachusetts         | -11.1               | 0.0           | -0.2          | 87.5                | 0.0           | 1.5          |
| New Hampshire         | -7.1                | 23.3          | 8.6           | 7.7                 | 10.8          | 9.5          |
| Rhode Island          | 6.7                 | -13.6         | -9.5          | 0.0                 | -13.7         | -10.4        |
| Vermont               | -11.1               | -7.7          | -9.1          | -6.3                | 8.3           | 2.5          |
| <b>MID-ATLANTIC</b>   |                     |               |               |                     |               |              |
| Delaware              | -25.0               | -6.3          | -10.0         | 0.0                 | -13.3         | -11.1        |
| Maryland              | 4.0                 | -16.5         | -12.1         | -26.9               | 9.2           | 0.0          |
| New Jersey            | 1,600.0             | -38.8         | -4.2          | -64.7               | 32.9          | -3.7         |
| New York              | -25.2               | 5.0           | -3.5          | -15.5               | 7.0           | 2.0          |
| Pennsylvania          | 18.0                | -0.8          | 8.8           | 15.9                | -4.0          | 7.1          |
| <b>GREAT LAKES</b>    |                     |               |               |                     |               |              |
| Illinois              | 6.1                 | 1.3           | 3.2           | -1.9                | -9.2          | -6.3         |
| Indiana               | 7.1                 | -2.0          | -0.9          | 100.0               | 37.0          | 45.2         |
| Michigan              | 27.3                | -27.8         | 2.6           | 23.3                | -20.5         | 9.5          |
| Ohio                  | -17.3               | 27.8          | 5.7           | -13.2               | 1.9           | -3.9         |
| Wisconsin             | -9.1                | -45.0         | -28.8         | 0.0                 | 0.0           | 0.0          |
| <b>PLAINS</b>         |                     |               |               |                     |               |              |
| Iowa                  | 7.8                 | -12.1         | -3.4          | -1.8                | 20.7          | 9.7          |
| Kansas                | 0.0                 | -26.1         | -15.8         | 0.0                 | -20.6         | -10.9        |
| Minnesota             | -47.7               | 10.3          | -2.3          | 55.9                | 5.8           | 11.7         |
| Missouri              | 0.0                 | -4.3          | -3.7          | 0.0                 | 8.0           | 7.0          |
| Nebraska              | 9.1                 | -5.6          | 0.0           | 12.5                | 8.8           | 10.3         |
| North Dakota          | 100.0               | -83.3         | 0.0           | -50.0               | 400.0         | -9.1         |
| South Dakota          | -20.0               | 10.5          | 0.0           | 12.5                | -4.8          | 0.0          |
| <b>SOUTHEAST</b>      |                     |               |               |                     |               |              |
| Alabama               | -20.0               | 20.0          | 11.1          | 12.5                | -7.1          | -4.0         |
| Arkansas              | -33.3               | 22.9          | 7.6           | 8.3                 | 28.8          | 25.4         |
| Florida               | -8.7                | -100.0        | -14.4         | -16.9               | —             | 1.1          |
| Georgia               | 9.5                 | 2.0           | 4.0           | 5.6                 | -5.4          | -2.3         |
| Kentucky              | 0.0                 | 52.6          | 32.3          | 0.0                 | -29.9         | -21.1        |
| Louisiana             | 16.7                | -25.5         | -20.8         | -14.3               | 11.4          | 7.1          |
| Mississippi           | -80.0               | -60.0         | -61.8         | 100.0               | 0.0           | 4.8          |
| North Carolina        | -9.3                | 1.5           | -2.4          | 2.3                 | -2.0          | -0.6         |
| South Carolina        | 0.0                 | -7.1          | -5.0          | 8.3                 | 7.7           | 7.9          |
| Tennessee             | -12.8               | 5.9           | 0.0           | -12.2               | 6.5           | 1.4          |
| Virginia              | 2.0                 | -4.3          | -1.7          | 23.5                | -25.4         | -4.2         |
| West Virginia         | 0.0                 | 30.0          | 21.9          | 3.8                 | -17.6         | -12.8        |
| <b>SOUTHWEST</b>      |                     |               |               |                     |               |              |
| Arizona               | -12.5               | -6.7          | -8.9          | 0.0                 | -18.6         | -11.8        |
| New Mexico            | 20.0                | 0.0           | 2.9           | -8.3                | -1.7          | -2.9         |
| Oklahoma              | 81.4                | -89.0         | -54.9         | -25.6               | 84.2          | -4.1         |
| Texas                 | 0.0                 | 7.4           | 4.7           | 6.0                 | 8.7           | 7.8          |
| <b>ROCKY MOUNTAIN</b> |                     |               |               |                     |               |              |
| Colorado              | -3.7                | 14.7          | 10.9          | 3.8                 | 5.1           | 4.9          |
| Idaho                 | —                   | 0.0           | 0.0           | —                   | 0.0           | 0.0          |
| Montana               | 0.0                 | -14.7         | -10.4         | 0.0                 | 10.3          | 7.0          |
| Utah                  | 15.8                | -17.4         | -11.4         | -18.2               | 2.8           | -2.2         |
| Wyoming               | 0.0                 | 0.0           | 0.0           | 35.1                | 21.6          | 26.1         |
| <b>FAR WEST</b>       |                     |               |               |                     |               |              |
| Alaska                | -23.1               | -9.1          | -18.9         | 0.0                 | 20.0          | 6.7          |
| California            | -4.4                | 0.3           | -1.6          | 2.6                 | -0.7          | 0.6          |
| Hawaii                | -13.6               | 0.0           | -8.6          | 0.0                 | 15.4          | 6.3          |
| Nevada                | -20.0               | 15.8          | -4.5          | 45.0                | -22.7         | 9.5          |
| Oregon                | 525.0               | 119.4         | 202.6         | -10.0               | 13.2          | 3.4          |
| Washington            | 10.9                | -16.9         | -2.1          | -2.9                | -6.2          | -4.2         |
| <b>ALL STATES</b>     | <b>-2.8 %</b>       | <b>-0.5 %</b> | <b>-1.3 %</b> | <b>1.6 %</b>        | <b>2.0 %</b>  | <b>1.9 %</b> |

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

Source: National Association of State Budget Officers, 2006 State Expenditure Report



Table 24

OTHER CASH ASSISTANCE EXPENDITURES (\$ IN MILLIONS)

| Region/State          | Actual Fiscal 2005 |                |                   |                | Actual Fiscal 2006 |                |                   |                | Estimated Fiscal 2007 |                |                   |                |
|-----------------------|--------------------|----------------|-------------------|----------------|--------------------|----------------|-------------------|----------------|-----------------------|----------------|-------------------|----------------|
|                       | 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           | \$94               | \$0            | \$0               | \$94           | \$94               | \$0            | \$0               | \$94           | \$97                  | \$0            | \$0               | \$97           |
| Maine                 | 11                 | 1              | 0                 | 12             | 11                 | 1              | 0                 | 12             | 12                    | 2              | 0                 | 14             |
| Massachusetts         | 663                | 10             | 0                 | 673            | 793                | 12             | 0                 | 805            | 835                   | 12             | 0                 | 847            |
| New Hampshire         | 8                  | 0              | 7                 | 15             | 7                  | 0              | 6                 | 13             | 7                     | 0              | 6                 | 13             |
| Rhode Island*         | 30                 | 0              | 0                 | 30             | 31                 | 0              | 0                 | 31             | 32                    | 0              | 0                 | 32             |
| Vermont               | 13                 | 21             | 0                 | 34             | 15                 | 25             | 4                 | 44             | 16                    | 25             | 0                 | 41             |
| <b>MID-ATLANTIC</b>   |                    |                |                   |                |                    |                |                   |                |                       |                |                   |                |
| Delaware              | 4                  | 0              | 1                 | 5              | 5                  | 0              | 1                 | 6              | 6                     | 0              | 1                 | 7              |
| Maryland              | 34                 | 316            | 7                 | 357            | 30                 | 338            | 7                 | 375            | 32                    | 325            | 6                 | 363            |
| New Jersey            | 215                | 55             | 0                 | 270            | 220                | 48             | 0                 | 268            | 225                   | 69             | 0                 | 294            |
| New York              | 657                | 0              | 0                 | 657            | 665                | 0              | 0                 | 665            | 659                   | 0              | 0                 | 659            |
| Pennsylvania          | 258                | 293            | 23                | 574            | 245                | 315            | 27                | 587            | 259                   | 344            | 28                | 631            |
| <b>GREAT LAKES</b>    |                    |                |                   |                |                    |                |                   |                |                       |                |                   |                |
| Illinois              | 38                 | 3              | 0                 | 41             | 39                 | 3              | 0                 | 42             | 39                    | 3              | 0                 | 42             |
| Indiana               | 111                | 91             | 0                 | 202            | 106                | 124            | 0                 | 230            | 65                    | 77             | 0                 | 142            |
| Michigan*             | 106                | 14             | 5                 | 125            | 103                | 15             | 9                 | 127            | 108                   | 17             | 10                | 135            |
| Ohio                  | 23                 | 0              | 0                 | 23             | 23                 | 0              | 0                 | 23             | 25                    | 0              | 0                 | 25             |
| Wisconsin             | 3                  | 56             | 0                 | 59             | 3                  | 62             | 0                 | 65             | 3                     | 56             | 0                 | 59             |
| <b>PLAINS</b>         |                    |                |                   |                |                    |                |                   |                |                       |                |                   |                |
| Iowa                  | 18                 | 0              | 1                 | 19             | 18                 | 0              | 0                 | 18             | 19                    | 0              | 1                 | 20             |
| Kansas                | 9                  | 0              | 0                 | 9              | 9                  | 0              | 0                 | 9              | 9                     | 0              | 0                 | 9              |
| Minnesota             | 58                 | 0              | 0                 | 58             | 61                 | 0              | 0                 | 61             | 66                    | 0              | 0                 | 66             |
| Missouri              | 26                 | 0              | 21                | 47             | 26                 | 0              | 22                | 48             | 26                    | 0              | 24                | 50             |
| Nebraska              | 7                  | 1              | 0                 | 8              | 7                  | 1              | 0                 | 8              | 8                     | 1              | 0                 | 9              |
| 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              | 104                | 207            | 11                | 322            | 123                | 217            | 13                | 353            | 126                   | 259            | 20                | 405            |
| Florida               | 0                  | 0              | 0                 | 0              | 0                  | 0              | 0                 | 0              | 0                     | 0              | 0                 | 0              |
| Georgia               | 0                  | 0              | 0                 | 0              | 0                  | 0              | 0                 | 0              | 0                     | 0              | 0                 | 0              |
| Kentucky              | 0                  | 0              | 0                 | 0              | 0                  | 0              | 0                 | 0              | 0                     | 0              | 0                 | 0              |
| Louisiana             | 0                  | 0              | 0                 | 0              | 0                  | 0              | 0                 | 0              | 0                     | 0              | 0                 | 0              |
| Mississippi           | 0                  | 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              |
| South Carolina        | 14                 | 0              | 11                | 25             | 41                 | 0              | 12                | 53             | 108                   | 0              | 14                | 122            |
| Tennessee             | 0                  | 0              | 0                 | 0              | 0                  | 0              | 0                 | 0              | 0                     | 0              | 0                 | 0              |
| Virginia              | 11                 | 39             | 2                 | 52             | 12                 | 47             | 0                 | 59             | 4                     | 42             | 0                 | 46             |
| West Virginia         | 1                  | 0              | 0                 | 1              | 1                  | 0              | 0                 | 1              | 1                     | 0              | 0                 | 1              |
| <b>SOUTHWEST</b>      |                    |                |                   |                |                    |                |                   |                |                       |                |                   |                |
| Arizona               | 4                  | 1              | 0                 | 5              | 4                  | 1              | 0                 | 5              | 4                     | 1              | 0                 | 5              |
| New Mexico            | 5                  | 0              | 2                 | 7              | 5                  | 0              | 3                 | 8              | 6                     | 0              | 2                 | 8              |
| Oklahoma              | 38                 | 0              | 0                 | 38             | 0                  | 0              | 0                 | 0              | 0                     | 0              | 0                 | 0              |
| Texas                 | 0                  | 0              | 0                 | 0              | 0                  | 0              | 0                 | 0              | 0                     | 0              | 0                 | 0              |
| <b>ROCKY MOUNTAIN</b> |                    |                |                   |                |                    |                |                   |                |                       |                |                   |                |
| Colorado              | 0                  | 0              | 0                 | 0              | 0                  | 0              | 0                 | 0              | 0                     | 0              | 0                 | 0              |
| Idaho                 | 8                  | 0              | 0                 | 8              | 8                  | 0              | 0                 | 8              | 9                     | 0              | 0                 | 9              |
| Montana               | 0                  | 0              | 0                 | 0              | 0                  | 0              | 0                 | 0              | 0                     | 0              | 0                 | 0              |
| Utah                  | 11                 | 0              | 0                 | 11             | 10                 | 0              | 0                 | 10             | 11                    | 0              | 0                 | 11             |
| Wyoming               | 0                  | 0              | 0                 | 0              | 0                  | 0              | 0                 | 0              | 0                     | 0              | 0                 | 0              |
| <b>FAR WEST</b>       |                    |                |                   |                |                    |                |                   |                |                       |                |                   |                |
| Alaska                | 51                 | 1              | 15                | 67             | 54                 | 1              | 26                | 81             | 65                    | 1              | 19                | 85             |
| California            | 4,086              | 696            | 0                 | 4,782          | 4,095              | 720            | 0                 | 4,815          | 4,232                 | 713            | 0                 | 4,945          |
| Hawaii                | 38                 | 0              | 0                 | 38             | 36                 | 0              | 0                 | 36             | 39                    | 0              | 0                 | 39             |
| Nevada                | 6                  | 0              | 0                 | 6              | 6                  | 0              | 0                 | 6              | 7                     | 0              | 0                 | 7              |
| Oregon                | 1                  | 3              | 0                 | 4              | 0                  | 4              | 0                 | 4              | 0                     | 0              | 0                 | 0              |
| Washington            | 97                 | 2              | 0                 | 99             | 103                | 2              | 0                 | 105            | 109                   | 2              | 0                 | 111            |
| <b>TOTAL</b>          | <b>\$6,861</b>     | <b>\$1,810</b> | <b>\$106</b>      | <b>\$8,777</b> | <b>\$7,009</b>     | <b>\$1,936</b> | <b>\$130</b>      | <b>\$9,075</b> | <b>\$7,269</b>        | <b>\$1,949</b> | <b>\$131</b>      | <b>\$9,349</b> |

Source: National Association of State Budget Officers, 2006 State Expenditure Report  
 \*See Public Assistance Notes for explanation

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

| Region/State          | Fiscal<br>2005 | Fiscal<br>2006 | Fiscal<br>2007 |
|-----------------------|----------------|----------------|----------------|
| <b>NEW ENGLAND</b>    |                |                |                |
| Connecticut           | 0.5 %          | 0.4 %          | 0.4 %          |
| Maine                 | 0.2            | 0.2            | 0.2            |
| Massachusetts         | 1.8            | 2.1            | 2.2            |
| New Hampshire         | 0.3            | 0.3            | 0.3            |
| Rhode Island          | 0.5            | 0.5            | 0.4            |
| Vermont               | 0.8            | 0.9            | 0.8            |
| <b>MID-ATLANTIC</b>   |                |                |                |
| Delaware              | 0.1            | 0.1            | 0.1            |
| Maryland              | 1.5            | 1.4            | 1.2            |
| New Jersey            | 0.7            | 0.7            | 0.6            |
| New York              | 0.7            | 0.6            | 0.6            |
| Pennsylvania          | 1.1            | 1.1            | 1.1            |
| <b>GREAT LAKES</b>    |                |                |                |
| Illinois              | 0.1            | 0.1            | 0.1            |
| Indiana               | 0.9            | 1.1            | 0.6            |
| Michigan              | 0.3            | 0.3            | 0.3            |
| Ohio                  | 0.0            | 0.0            | 0.0            |
| Wisconsin             | 0.2            | 0.2            | 0.2            |
| <b>PLAINS</b>         |                |                |                |
| Iowa                  | 0.1            | 0.1            | 0.1            |
| Kansas                | 0.1            | 0.1            | 0.1            |
| Minnesota             | 0.2            | 0.2            | 0.2            |
| Missouri              | 0.2            | 0.2            | 0.2            |
| Nebraska              | 0.1            | 0.1            | 0.1            |
| North Dakota          | 0.0            | 0.0            | 0.0            |
| South Dakota          | 0.0            | 0.0            | 0.0            |
| <b>SOUTHEAST</b>      |                |                |                |
| Alabama               | 0.0            | 0.0            | 0.0            |
| Arkansas              | 2.3            | 2.3            | 2.2            |
| Florida               | 0.0            | 0.0            | 0.0            |
| Georgia               | 0.0            | 0.0            | 0.0            |
| Kentucky              | 0.0            | 0.0            | 0.0            |
| Louisiana             | 0.0            | 0.0            | 0.0            |
| Mississippi           | 0.0            | 0.0            | 0.0            |
| North Carolina        | 0.0            | 0.0            | 0.0            |
| South Carolina        | 0.1            | 0.3            | 0.6            |
| Tennessee             | 0.0            | 0.0            | 0.0            |
| Virginia              | 0.2            | 0.2            | 0.1            |
| West Virginia         | 0.0            | 0.0            | 0.0            |
| <b>SOUTHWEST</b>      |                |                |                |
| Arizona               | 0.0            | 0.0            | 0.0            |
| New Mexico            | 0.1            | 0.1            | 0.1            |
| Oklahoma              | 0.3            | 0.0            | 0.0            |
| Texas                 | 0.0            | 0.0            | 0.0            |
| <b>ROCKY MOUNTAIN</b> |                |                |                |
| Colorado              | 0.0            | 0.0            | 0.0            |
| 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                | 0.7            | 0.8            | 0.7            |
| California            | 3.0            | 2.8            | 2.6            |
| Hawaii                | 0.4            | 0.4            | 0.3            |
| Nevada                | 0.1            | 0.1            | 0.1            |
| Oregon                | 0.0            | 0.0            | 0.0            |
| Washington            | 0.4            | 0.4            | 0.3            |
| <b>ALL STATES</b>     | <b>0.7 %</b>   | <b>0.7 %</b>   | <b>0.6 %</b>   |

Source: National Association of State Budget Officers, 2006 State Expenditure Report

Table 26

## ANNUAL PERCENTAGE CHANGE IN OTHER CASH ASSISTANCE EXPENDITURES

| Region/State          | Fiscal 2005 to 2006 |               |              | Fiscal 2006 to 2007 |               |              |
|-----------------------|---------------------|---------------|--------------|---------------------|---------------|--------------|
|                       | State Funds         | Federal Funds | All Funds    | State Funds         | Federal Funds | All Funds    |
| <b>NEW ENGLAND</b>    |                     |               |              |                     |               |              |
| Connecticut           | 0.0 %               | — %           | 0.0 %        | 3.2 %               | — %           | 3.2 %        |
| Maine                 | 0.0                 | 0.0           | 0.0          | 9.1                 | 100.0         | 16.7         |
| Massachusetts         | 19.6                | 20.0          | 19.6         | 5.3                 | 0.0           | 5.2          |
| New Hampshire         | -13.3               | —             | -13.3        | 0.0                 | —             | 0.0          |
| Rhode Island          | 3.3                 | —             | 3.3          | 3.2                 | —             | 3.2          |
| Vermont               | 46.2                | 19.0          | 29.4         | -15.8               | 0.0           | -6.8         |
| <b>MID-ATLANTIC</b>   |                     |               |              |                     |               |              |
| Delaware              | 20.0                | —             | 20.0         | 16.7                | —             | 16.7         |
| Maryland              | -9.8                | 7.0           | 5.0          | 2.7                 | -3.8          | -3.2         |
| New Jersey            | 2.3                 | -12.7         | -0.7         | 2.3                 | 43.8          | 9.7          |
| New York              | 1.2                 | —             | 1.2          | -0.9                | —             | -0.9         |
| Pennsylvania          | -3.2                | 7.5           | 2.3          | 5.5                 | 9.2           | 7.5          |
| <b>GREAT LAKES</b>    |                     |               |              |                     |               |              |
| Illinois              | 2.6                 | 0.0           | 2.4          | 0.0                 | 0.0           | 0.0          |
| Indiana               | -4.5                | 36.3          | 13.9         | -38.7               | -37.9         | -38.3        |
| Michigan              | 0.9                 | 7.1           | 1.6          | 5.4                 | 13.3          | 6.3          |
| Ohio                  | 0.0                 | —             | 0.0          | 8.7                 | —             | 8.7          |
| Wisconsin             | 0.0                 | 10.7          | 10.2         | 0.0                 | -9.7          | -9.2         |
| <b>PLAINS</b>         |                     |               |              |                     |               |              |
| Iowa                  | -5.3                | —             | -5.3         | 11.1                | —             | 11.1         |
| Kansas                | 0.0                 | —             | 0.0          | 0.0                 | —             | 0.0          |
| Minnesota             | 5.2                 | —             | 5.2          | 8.2                 | —             | 8.2          |
| Missouri              | 2.1                 | —             | 2.1          | 4.2                 | —             | 4.2          |
| Nebraska              | 0.0                 | 0.0           | 0.0          | 14.3                | 0.0           | 12.5         |
| North Dakota          | —                   | —             | —            | —                   | —             | —            |
| South Dakota          | —                   | —             | —            | —                   | —             | —            |
| <b>SOUTHEAST</b>      |                     |               |              |                     |               |              |
| Alabama               | —                   | —             | —            | —                   | —             | —            |
| Arkansas              | 18.3                | 4.8           | 9.6          | 7.4                 | 19.4          | 14.7         |
| Florida               | —                   | —             | —            | —                   | —             | —            |
| Georgia               | —                   | —             | —            | —                   | —             | —            |
| Kentucky              | —                   | —             | —            | —                   | —             | —            |
| Louisiana             | —                   | —             | —            | —                   | —             | —            |
| Mississippi           | —                   | —             | —            | —                   | —             | —            |
| North Carolina        | —                   | —             | —            | —                   | —             | —            |
| South Carolina        | 112.0               | —             | 112.0        | 130.2               | —             | 130.2        |
| Tennessee             | —                   | —             | —            | —                   | —             | —            |
| Virginia              | -7.7                | 20.5          | 13.5         | -66.7               | -10.6         | -22.0        |
| West Virginia         | 0.0                 | —             | 0.0          | 0.0                 | —             | 0.0          |
| <b>SOUTHWEST</b>      |                     |               |              |                     |               |              |
| Arizona               | 0.0                 | 0.0           | 0.0          | 0.0                 | 0.0           | 0.0          |
| New Mexico            | 14.3                | —             | 14.3         | 0.0                 | —             | 0.0          |
| Oklahoma              | -100.0              | —             | -100.0       | —                   | —             | —            |
| Texas                 | —                   | —             | —            | —                   | —             | —            |
| <b>ROCKY MOUNTAIN</b> |                     |               |              |                     |               |              |
| Colorado              | —                   | —             | —            | —                   | —             | —            |
| Idaho                 | 0.0                 | —             | 0.0          | 12.5                | —             | 12.5         |
| Montana               | —                   | —             | —            | —                   | —             | —            |
| Utah                  | -9.1                | —             | -9.1         | 10.0                | —             | 10.0         |
| Wyoming               | —                   | —             | —            | —                   | —             | —            |
| <b>FAR WEST</b>       |                     |               |              |                     |               |              |
| Alaska                | 21.2                | 0.0           | 20.9         | 5.0                 | 0.0           | 4.9          |
| California            | 0.2                 | 3.4           | 0.7          | 3.3                 | -1.0          | 2.7          |
| Hawaii                | -5.3                | —             | -5.3         | 8.3                 | —             | 8.3          |
| Nevada                | 0.0                 | —             | 0.0          | 16.7                | —             | 16.7         |
| Oregon                | -100.0              | 33.3          | 0.0          | —                   | -100.0        | -100.0       |
| Washington            | 6.2                 | 0.0           | 6.1          | 5.8                 | 0.0           | 5.7          |
| <b>ALL STATES</b>     | <b>2.5 %</b>        | <b>7.0 %</b>  | <b>3.4 %</b> | <b>3.7 %</b>        | <b>0.7 %</b>  | <b>3.0 %</b> |

Note: State funds are defined as general funds and other state funds (bonds are excluded).  
Source: National Association of State Budget Officers, 2006 State Expenditure Report

## **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.*

**Connecticut:** TANF figures exclude medical assistance under the State Administered General Assistance Program. Amounts for that purpose were \$122 million in fiscal 2005, \$126 million in fiscal 2006, and \$152 million in fiscal 2007.

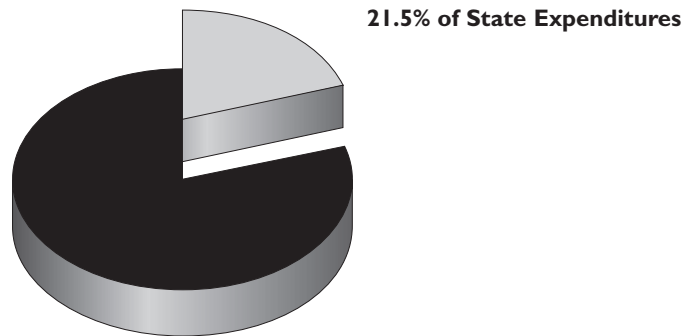
**Michigan:** Other Cash Assistance figures do not include expenditures for day care, a large part of Michigan's public assistance program. Day care expenditures total \$478.0 million in fiscal 2005; \$460.0 million in fiscal 2006; and are estimated at \$461.0 million in fiscal 2007.

**Rhode Island:** Other Cash Assistance does not include child care, as true of previous reports.

# CHAPTER FOUR

## MEDICAID EXPENDITURES

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Medicaid, a well-known means-tested entitlement program financed by the states and the federal government, provides comprehensive and long-term medical care for more than 58 million low-income individuals.

Total Medicaid spending in fiscal 2006 excluding administrative costs was \$287.8 billion, representing a 1.7 percent increase over fiscal 2005. Medicaid spending for fiscal 2007 is estimated at \$308.8 billion, an increase of 7.3 percent over fiscal 2006. Medicaid accounted for 21.5 percent of total state spending in fiscal 2006 and is the single largest portion of *total* state spending.

A major factor affecting Medicaid growth rates in fiscal 2006 and historical comparisons is the change in the financing of prescription drug benefits for the dual eligibles, those who are eligible for both Medicaid and Medicare. Beginning in January 2006, the prescription drug costs for the dual eligibles were no longer part of the Medicaid program. Instead these costs are now part of Medicare Part D as authorized by the *Medicare Modernization Act* (MMA). States finance these benefits by providing a payment to the federal Medicare trust fund. The amount that will be paid by states to the federal government represents about 5 percent of state Medicaid expenditures. At the federal level, lower Medicaid spending will be offset by an increase in Medicare spending for the dual eligibles. Other costs for the dual eligibles, such as for long-term care, remain within the Medicaid program.

Figures 14 and 15 provide actual and projected Medicaid costs for total spending and for state spending from 1970 to 2007. In addition to Medicaid, state spending on other health services accounts for another 9 percent of total state spending based on data from NASBO's 2002–2003 *State Health Expenditure Report*.

**Medicaid Enrollment.** Enrollment increased by 0.2 percent in fiscal 2006 and declined by 0.5 percent in fiscal 2007, according to the Kaiser Commission on Medicaid and the Uninsured. These enrollment changes have slowed significantly from the height of the early 2000's economic downturn when enrollment increased by 9.5 percent in fiscal 2002. Many states cited the implementation of new citizenship documentation requirements and the strong economy for the change in enrollment, according to the Kaiser Commission.

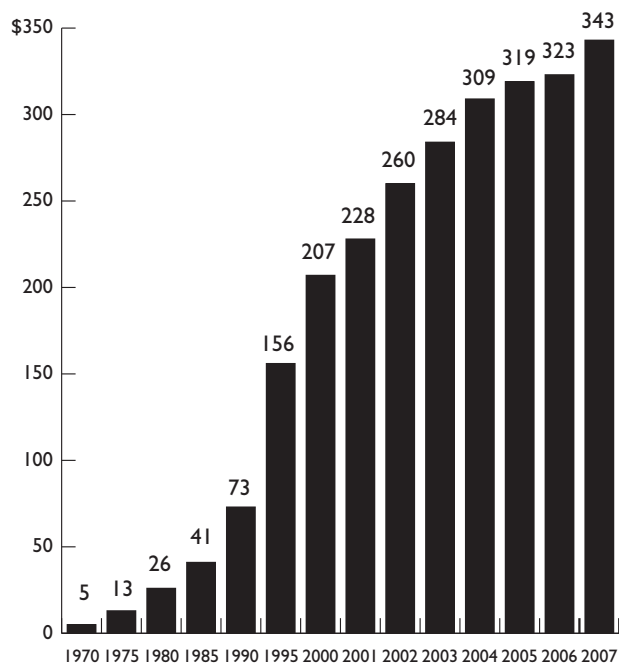
**Federal Budget and Medicaid.** *The Deficit Reduction Act* (DRA), enacted in February 2006, affected entitlement programs, including Medicaid. Through the DRA, states have been provided new flexibilities to tailor benefits for certain populations and to enforce cost sharing within limits. Another major provision of the DRA affects asset transfer rules for long-term care programs. Savings to the Medicaid program from all of the changes in the DRA are estimated at \$4.8 billion over 5 years by the U.S. Congressional Budget Office. Some states are in the process of making changes to their program based on the flexibilities provided by the DRA.

**Significant health challenges facing states.** States face a number of challenges in funding and providing health care both within the Medicaid program and throughout state government. Among the issues of greatest concern for states include expanding access to health care for the uninsured; health care cost increases and greater utilization of services; the aging population and the impact on long-term care financing; reductions at the federal level for health care programs including public health programs; inmate health care; workforce shortages such as nurses; pressure to raise physician rates in order to maintain participation in the Medicaid program; State Children's Health Insurance Program (SCHIP) funding; mental health funding and access; changes at the federal level affecting Medicaid such as proposed regulations affecting government health care providers; and generally the pressure to maintain health care spending that on average consumes a greater share of state budgets over time.

Even with the more moderating growth rates in health care spending from the height of the earlier economic downturn, projections for Medicaid growth over the next decade remain at an average annual rate of about 8 percent from fiscal 2008 through fiscal 2017, according to the most recent estimates by the Congressional Budget Office. With Medicaid comprising nearly 22 percent of state budgets, these long-term growth rates will continue to strain state budgets.

Figure 14, based on projections by the Congressional Budget Office (CBO) in August 2007, assumes a 56 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.

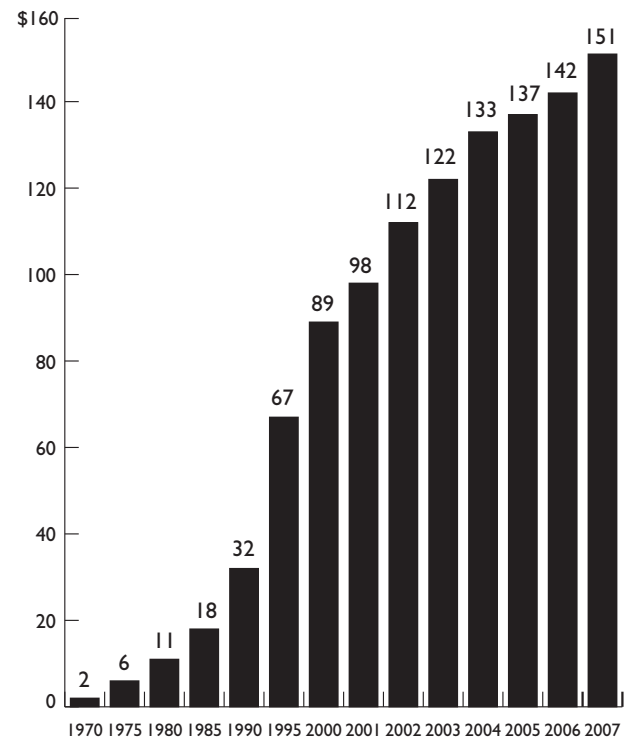
**Figure 14**  
**ACTUAL AND PROJECTED TOTAL MEDICAID SPENDING, 1970 TO 2007 (IN BILLIONS)**



Source: Congressional Budget Office and Federal Funds Information for States

Figure 15, also based on projections by the CBO in August 2007, assumes a 56 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 2007 (IN BILLIONS)**



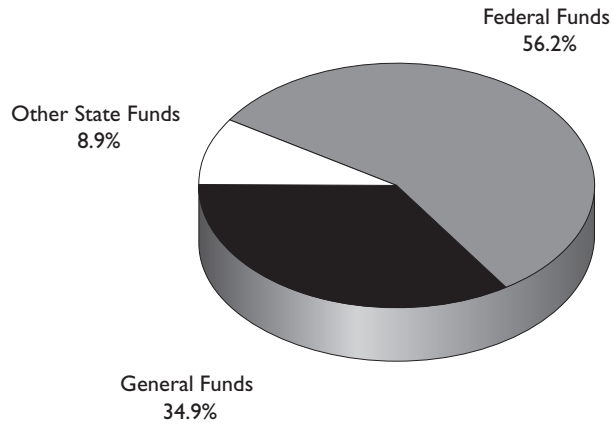
Source: Congressional Budget Office and Federal Funds Information for States

## Fund Shares

The figure below provides fund shares for 2006.

**Figure 16**

### STATE EXPENDITURES FOR MEDICAID BY FUND SOURCE, FISCAL 2006



## Regional Expenditures

The following table shows percentage changes in expenditures for Medicaid for fiscal 2005–2006 and 2006–2007 by region. For 2006, the New England and Mid-Atlantic regions are well above the national average while the Southeast and Far West 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 2006 AND 2007

| Region            | Fiscal 2005 to 2006 |               |              | Fiscal 2006 to 2007 |               |              |
|-------------------|---------------------|---------------|--------------|---------------------|---------------|--------------|
|                   | State Funds         | Federal Funds | All Funds    | State Funds         | Federal Funds | All Funds    |
| New England       | 6.0 %               | 6.7 %         | 6.3 %        | 3.6 %               | 6.1 %         | 4.6 %        |
| Mid-Atlantic      | 13.9                | -0.9          | 5.0          | 3.6                 | 4.2           | 3.9          |
| Great Lakes       | 4.2                 | 1.3           | 2.9          | 9.1                 | 11.1          | 9.9          |
| Plains            | 2.8                 | 1.0           | 1.7          | 4.5                 | 4.4           | 4.4          |
| Southeast         | -1.9                | -1.6          | -1.7         | 7.4                 | 8.7           | 8.2          |
| Southwest         | 2.7                 | 6.0           | 4.7          | 11.6                | 5.9           | 8.1          |
| Rocky Mountain    | 4.8                 | 4.0           | 4.3          | 4.0                 | 1.6           | 2.6          |
| Far West          | -0.7                | -3.9          | -2.5         | 4.0                 | 15.7          | 10.5         |
| <b>ALL STATES</b> | <b>4.0 %</b>        | <b>0.0 %</b>  | <b>1.7 %</b> | <b>6.2 %</b>        | <b>8.1 %</b>  | <b>7.3 %</b> |



Table 28

## MEDICAID EXPENDITURES (\$ IN MILLIONS)

| Region/State          | Actual Fiscal 2005 |                  |                 |                   | Actual Fiscal 2006 |                  |                 |                   | Estimated Fiscal 2007 |                  |                 |                   |
|-----------------------|--------------------|------------------|-----------------|-------------------|--------------------|------------------|-----------------|-------------------|-----------------------|------------------|-----------------|-------------------|
|                       | Fund               | General Funds    | Federal Funds   | Other State Total | Fund               | General Funds    | Federal Funds   | Other State Total | Fund                  | General Funds    | Federal Funds   | Other State Total |
| <b>NEW ENGLAND</b>    |                    |                  |                 |                   |                    |                  |                 |                   |                       |                  |                 |                   |
| Connecticut*          | \$2,992            | \$0              | \$721           | \$3,713           | \$3,141            | \$0              | \$780           | \$3,921           | \$3,194               | \$0              | \$721           | \$3,915           |
| Maine                 | 609                | 1,383            | 135             | 2,127             | 677                | 1,429            | 165             | 2,271             | 630                   | 1,503            | 201             | 2,334             |
| Massachusetts         | 2,999              | 2,999            | 230             | 6,228             | 3,445              | 3,445            | 29              | 6,919             | 3,791                 | 3,791            | 1               | 7,583             |
| New Hampshire         | 438                | 612              | 169             | 1,219             | 396                | 553              | 153             | 1,102             | 413                   | 580              | 157             | 1,150             |
| Rhode Island          | 691                | 855              | 0               | 1,546             | 723                | 839              | 0               | 1,562             | 799                   | 842              | 0               | 1,641             |
| Vermont               | 152                | 519              | 178             | 849               | 168                | 529              | 193             | 890               | 124                   | 493              | 192             | 809               |
| <b>MID-ATLANTIC</b>   |                    |                  |                 |                   |                    |                  |                 |                   |                       |                  |                 |                   |
| Delaware              | 450                | 467              | 0               | 917               | 459                | 464              | 0               | 923               | 497                   | 497              | 0               | 994               |
| Maryland*             | 2,307              | 2,450            | 119             | 4,876             | 2,350              | 2,523            | 147             | 5,020             | 2,503                 | 2,688            | 157             | 5,348             |
| New Jersey            | 3,649              | 3,796            | 133             | 7,578             | 4,274              | 4,519            | 185             | 8,978             | 3,941                 | 4,312            | 135             | 8,388             |
| New York*             | 6,953              | 19,778           | 2,624           | 29,355            | 8,291              | 18,687           | 3,231           | 30,209            | 9,017                 | 19,867           | 3,504           | 32,388            |
| Pennsylvania          | 5,447              | 9,119            | 2,071           | 16,637            | 6,111              | 9,106            | 2,005           | 17,222            | 6,436                 | 9,406            | 1,829           | 17,671            |
| <b>GREAT LAKES</b>    |                    |                  |                 |                   |                    |                  |                 |                   |                       |                  |                 |                   |
| Illinois              | 3,149              | 5,479            | 2,360           | 10,988            | 3,778              | 5,479            | 2,135           | 11,392            | 4,151                 | 6,574            | 2,961           | 13,686            |
| Indiana               | 1,393              | 3,011            | 63              | 4,467             | 1,400              | 3,266            | 48              | 4,714             | 1,515                 | 3,214            | 74              | 4,803             |
| Michigan*             | 1,892              | 4,944            | 1,851           | 8,687             | 2,219              | 4,698            | 1,480           | 8,397             | 2,336                 | 5,214            | 1,683           | 9,233             |
| Ohio                  | 9,731              | 1,792            | 1,041           | 12,564            | 9,991              | 1,987            | 1,461           | 13,439            | 10,632                | 2,355            | 1,150           | 14,137            |
| Wisconsin             | 1,702              | 2,664            | 149             | 4,515             | 1,380              | 2,693            | 421             | 4,494             | 1,850                 | 2,769            | 168             | 4,787             |
| <b>PLAINS</b>         |                    |                  |                 |                   |                    |                  |                 |                   |                       |                  |                 |                   |
| Iowa                  | 423                | 1,493            | 582             | 2,498             | 599                | 1,538            | 521             | 2,658             | 652                   | 1,562            | 398             | 2,612             |
| Kansas                | 767                | 1,294            | 101             | 2,162             | 763                | 1,331            | 72              | 2,166             | 822                   | 1,383            | 90              | 2,295             |
| Minnesota             | 2,533              | 2,779            | 0               | 5,312             | 2,704              | 2,833            | 0               | 5,537             | 2,903                 | 3,059            | 0               | 5,962             |
| Missouri*             | 1,385              | 4,029            | 1,147           | 6,561             | 1,328              | 4,024            | 1,122           | 6,474             | 1,120                 | 4,069            | 1,387           | 6,576             |
| Nebraska              | 539                | 874              | 18              | 1,431             | 579                | 855              | 18              | 1,452             | 646                   | 980              | 20              | 1,646             |
| North Dakota          | 158                | 351              | 4               | 513               | 162                | 342              | 5               | 509               | 172                   | 338              | 3               | 513               |
| South Dakota          | 204                | 424              | 0               | 628               | 209                | 431              | 0               | 640               | 231                   | 463              | 0               | 694               |
| <b>SOUTHEAST</b>      |                    |                  |                 |                   |                    |                  |                 |                   |                       |                  |                 |                   |
| Alabama*              | 443                | 2,871            | 748             | 4,062             | 506                | 2,999            | 726             | 4,231             | 489                   | 3,280            | 728             | 4,497             |
| Arkansas              | 540                | 2,236            | 231             | 3,007             | 560                | 2,307            | 277             | 3,144             | 668                   | 2,517            | 285             | 3,470             |
| Florida*              | 4,297              | 8,266            | 1,326           | 13,889            | 4,167              | 8,135            | 1,543           | 13,845            | 4,630                 | 8,401            | 1,543           | 14,574            |
| Georgia               | 1,938              | 3,846            | 686             | 6,470             | 2,079              | 4,078            | 577             | 6,734             | 2,143                 | 4,540            | 536             | 7,219             |
| Kentucky              | 836                | 2,968            | 444             | 4,248             | 967                | 3,126            | 397             | 4,490             | 982                   | 3,018            | 381             | 4,381             |
| Louisiana             | 722                | 3,821            | 511             | 5,054             | 799                | 3,716            | 240             | 4,755             | 786                   | 3,969            | 618             | 5,373             |
| Mississippi           | 205                | 2,644            | 788             | 3,637             | 315                | 2,577            | 422             | 3,314             | 34                    | 3,160            | 553             | 3,747             |
| North Carolina        | 2,351              | 5,608            | 530             | 8,489             | 2,508              | 5,466            | 865             | 8,839             | 2,644                 | 6,370            | 600             | 9,614             |
| South Carolina        | 659                | 3,024            | 635             | 4,318             | 693                | 2,695            | 488             | 3,876             | 736                   | 3,409            | 763             | 4,908             |
| Tennessee*            | 2,539              | 5,196            | 835             | 8,570             | 2,058              | 4,458            | 400             | 6,916             | 2,650                 | 4,524            | 301             | 7,475             |
| Virginia              | 2,147              | 2,091            | 71              | 4,309             | 2,393              | 2,338            | 2               | 4,733             | 2,586                 | 2,456            | 0               | 5,042             |
| West Virginia         | 295                | 1,561            | 232             | 2,088             | 315                | 1,542            | 258             | 2,115             | 411                   | 1,570            | 233             | 2,214             |
| <b>SOUTHWEST</b>      |                    |                  |                 |                   |                    |                  |                 |                   |                       |                  |                 |                   |
| Arizona               | 1,142              | 3,817            | 563             | 5,522             | 1,373              | 4,180            | 545             | 6,098             | 1,523                 | 4,436            | 549             | 6,508             |
| New Mexico            | 548                | 1,820            | 60              | 2,428             | 634                | 1,842            | 68              | 2,544             | 690                   | 1,999            | 78              | 2,767             |
| Oklahoma              | 674                | 1,869            | 192             | 2,735             | 827                | 1,952            | 210             | 2,989             | 869                   | 2,143            | 309             | 3,321             |
| Texas                 | 6,379              | 10,036           | 1,561           | 17,976            | 5,900              | 10,618           | 1,862           | 18,380            | 6,728                 | 11,118           | 1,995           | 19,841            |
| <b>ROCKY MOUNTAIN</b> |                    |                  |                 |                   |                    |                  |                 |                   |                       |                  |                 |                   |
| Colorado              | 1,208              | 1,245            | 79              | 2,532             | 1,262              | 1,297            | 51              | 2,610             | 1,238                 | 1,311            | 102             | 2,651             |
| Idaho                 | 287                | 685              | 81              | 1,053             | 308                | 709              | 79              | 1,096             | 325                   | 718              | 78              | 1,121             |
| Montana               | 155                | 501              | 27              | 683               | 167                | 522              | 35              | 724               | 169                   | 510              | 51              | 730               |
| Utah                  | 252                | 964              | 177             | 1,393             | 301                | 1,028            | 185             | 1,514             | 316                   | 1,048            | 196             | 1,560             |
| Wyoming               | 143                | 286              | 0               | 429               | 136                | 273              | 0               | 409               | 151                   | 303              | 0               | 454               |
| <b>FAR WEST</b>       |                    |                  |                 |                   |                    |                  |                 |                   |                       |                  |                 |                   |
| Alaska                | 276                | 688              | 63              | 1,027             | 349                | 670              | 47              | 1,066             | 388                   | 806              | 24              | 1,218             |
| California            | 11,655             | 18,219           | 2,395           | 32,269            | 12,180             | 17,311           | 1,683           | 31,174            | 13,649                | 20,961           | 878             | 35,488            |
| Hawaii                | 361                | 548              | 3               | 912               | 390                | 582              | 3               | 975               | 432                   | 622              | 3               | 1,057             |
| Nevada                | 344                | 683              | 116             | 1,143             | 387                | 673              | 103             | 1,163             | 442                   | 610              | 27              | 1,079             |
| Oregon                | 806                | 1,967            | 419             | 3,192             | 895                | 1,941            | 307             | 3,143             | 799                   | 1,927            | 418             | 3,144             |
| Washington            | 3,003              | 3,158            | 0               | 6,161             | 2,956              | 3,103            | 0               | 6,059             | 3,016                 | 3,167            | 0               | 6,183             |
| <b>ALL STATES</b>     | <b>\$94,768</b>    | <b>\$161,730</b> | <b>\$26,469</b> | <b>\$282,967</b>  | <b>\$100,572</b>   | <b>\$161,709</b> | <b>\$25,544</b> | <b>\$287,825</b>  | <b>\$107,869</b>      | <b>\$174,852</b> | <b>\$26,080</b> | <b>\$308,801</b>  |

Source: National Association of State Budget Officers, 2006 State Expenditure Report

\*See Medicaid Notes for explanation

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

| Region/State          | Fiscal 2005   | Fiscal 2006   | Fiscal 2007   |
|-----------------------|---------------|---------------|---------------|
| <b>NEW ENGLAND</b>    |               |               |               |
| Connecticut           | 18.0 %        | 17.4 %        | 16.3 %        |
| Maine                 | 31.5          | 32.0          | 31.4          |
| Massachusetts         | 16.4          | 17.6          | 19.3          |
| New Hampshire         | 27.6          | 24.7          | 25.5          |
| Rhode Island          | 25.3          | 23.3          | 23.0          |
| Vermont               | 20.6          | 18.0          | 15.7          |
| <b>MID-ATLANTIC</b>   |               |               |               |
| Delaware              | 18.1          | 16.6          | 17.3          |
| Maryland              | 20.1          | 19.0          | 18.0          |
| New Jersey            | 18.3          | 21.2          | 18.3          |
| New York              | 29.2          | 29.0          | 28.7          |
| Pennsylvania          | 32.4          | 31.9          | 31.1          |
| <b>GREAT LAKES</b>    |               |               |               |
| Illinois              | 27.0          | 26.2          | 28.4          |
| Indiana               | 20.8          | 21.6          | 21.4          |
| Michigan              | 21.4          | 20.1          | 21.4          |
| Ohio                  | 24.8          | 25.1          | 25.9          |
| Wisconsin             | 14.2          | 13.4          | 13.9          |
| <b>PLAINS</b>         |               |               |               |
| Iowa                  | 18.0          | 18.1          | 16.7          |
| Kansas                | 20.4          | 18.9          | 18.5          |
| Minnesota             | 21.7          | 21.5          | 21.6          |
| Missouri              | 34.3          | 32.9          | 29.9          |
| Nebraska              | 19.0          | 18.2          | 17.0          |
| North Dakota          | 16.1          | 15.4          | 13.9          |
| South Dakota          | 22.1          | 21.5          | 21.9          |
| <b>SOUTHEAST</b>      |               |               |               |
| Alabama               | 12.7          | 12.6          | 11.6          |
| Arkansas              | 21.0          | 20.5          | 19.0          |
| Florida               | 23.8          | 22.5          | 19.8          |
| Georgia               | 19.8          | 20.2          | 20.8          |
| Kentucky              | 22.0          | 21.4          | 19.1          |
| Louisiana             | 26.4          | 21.7          | 17.2          |
| Mississippi           | 27.9          | 22.4          | 21.7          |
| North Carolina        | 24.4          | 25.1          | 26.2          |
| South Carolina        | 24.0          | 21.6          | 25.0          |
| Tennessee             | 35.9          | 29.3          | 29.0          |
| Virginia              | 14.1          | 14.8          | 14.5          |
| West Virginia         | 11.8          | 10.4          | 11.9          |
| <b>SOUTHWEST</b>      |               |               |               |
| Arizona               | 23.1          | 24.0          | 23.7          |
| New Mexico            | 21.8          | 21.5          | 23.2          |
| Oklahoma              | 19.5          | 18.4          | 17.3          |
| Texas                 | 27.2          | 25.9          | 26.4          |
| <b>ROCKY MOUNTAIN</b> |               |               |               |
| Colorado              | 17.8          | 17.0          | 16.3          |
| Idaho                 | 21.9          | 21.8          | 19.1          |
| Montana               | 16.7          | 16.3          | 14.4          |
| Utah                  | 16.4          | 17.0          | 15.3          |
| Wyoming               | 6.9           | 6.6           | 8.0           |
| <b>FAR WEST</b>       |               |               |               |
| Alaska                | 11.3          | 11.1          | 10.3          |
| California            | 20.2          | 18.0          | 18.4          |
| Hawaii                | 10.4          | 10.3          | 9.4           |
| Nevada                | 16.6          | 15.7          | 13.3          |
| Oregon                | 16.5          | 15.5          | 15.1          |
| Washington            | 23.6          | 21.8          | 19.1          |
| <b>ALL STATES</b>     | <b>22.3 %</b> | <b>21.5 %</b> | <b>21.1 %</b> |

Source: National Association of State Budget Officers,  
2006 State Expenditure Report

Table 30

## ANNUAL PERCENTAGE CHANGE IN MEDICAID EXPENDITURES

| Region/State          | Fiscal 2005 to 2006 |               |              | Fiscal 2006 to 2007 |               |              |
|-----------------------|---------------------|---------------|--------------|---------------------|---------------|--------------|
|                       | State Funds         | Federal Funds | All Funds    | State Funds         | Federal Funds | All Funds    |
| <b>NEW ENGLAND</b>    |                     |               |              |                     |               |              |
| Connecticut           | 5.6 %               | — %           | 5.6 %        | -0.2 %              | — %           | -0.2 %       |
| Maine                 | 13.2                | 3.3           | 6.8          | -1.3                | 5.2           | 2.8          |
| Massachusetts         | 7.6                 | 14.9          | 11.1         | 9.2                 | 10.0          | 9.6          |
| New Hampshire         | -9.6                | -9.6          | -9.6         | 3.8                 | 4.9           | 4.4          |
| Rhode Island          | 4.6                 | -1.9          | 1.0          | 10.5                | 0.4           | 5.1          |
| Vermont               | 9.4                 | 1.9           | 4.8          | -12.5               | -6.8          | -9.1         |
| <b>MID-ATLANTIC</b>   |                     |               |              |                     |               |              |
| Delaware              | 2.0                 | -0.6          | 0.7          | 8.3                 | 7.1           | 7.7          |
| Maryland              | 2.9                 | 3.0           | 3.0          | 6.5                 | 6.5           | 6.5          |
| New Jersey            | 17.9                | 19.0          | 18.5         | -8.6                | -4.6          | -6.6         |
| New York              | 20.3                | -5.5          | 2.9          | 8.7                 | 6.3           | 7.2          |
| Pennsylvania          | 8.0                 | -0.1          | 3.5          | 1.8                 | 3.3           | 2.6          |
| <b>GREAT LAKES</b>    |                     |               |              |                     |               |              |
| Illinois              | 7.3                 | 0.0           | 3.7          | 20.3                | 20.0          | 20.1         |
| Indiana               | -0.5                | 8.5           | 5.5          | 9.7                 | -1.6          | 1.9          |
| Michigan              | -1.2                | -5.0          | -3.3         | 8.7                 | 11.0          | 10.0         |
| Ohio                  | 6.3                 | 10.9          | 7.0          | 2.9                 | 18.5          | 5.2          |
| Wisconsin             | -2.7                | 1.1           | -0.5         | 12.0                | 2.8           | 6.5          |
| <b>PLAINS</b>         |                     |               |              |                     |               |              |
| Iowa                  | 11.4                | 3.0           | 6.4          | -6.3                | 1.6           | -1.7         |
| Kansas                | -3.8                | 2.9           | 0.2          | 9.2                 | 3.9           | 6.0          |
| Minnesota             | 6.8                 | 1.9           | 4.2          | 7.4                 | 8.0           | 7.7          |
| Missouri              | -3.2                | -0.1          | -1.3         | 2.3                 | 1.1           | 1.6          |
| Nebraska              | 7.2                 | -2.2          | 1.5          | 11.6                | 14.6          | 13.4         |
| North Dakota          | 3.1                 | -2.6          | -0.8         | 4.8                 | -1.2          | 0.8          |
| South Dakota          | 2.5                 | 1.7           | 1.9          | 10.5                | 7.4           | 8.4          |
| <b>SOUTHEAST</b>      |                     |               |              |                     |               |              |
| Alabama               | 3.4                 | 4.5           | 4.2          | -1.2                | 9.4           | 6.3          |
| Arkansas              | 8.6                 | 3.2           | 4.6          | 13.9                | 9.1           | 10.4         |
| Florida               | 1.5                 | -1.6          | -0.3         | 8.1                 | 3.3           | 5.3          |
| Georgia               | 1.2                 | 6.0           | 4.1          | 0.9                 | 11.3          | 7.2          |
| Kentucky              | 6.6                 | 5.3           | 5.7          | -0.1                | -3.5          | -2.4         |
| Louisiana             | -15.7               | -2.7          | -5.9         | 35.1                | 6.8           | 13.0         |
| Mississippi           | -25.8               | -2.5          | -8.9         | -20.4               | 22.6          | 13.1         |
| North Carolina        | 17.1                | -2.5          | 4.1          | -3.8                | 16.5          | 8.8          |
| South Carolina        | -8.7                | -10.9         | -10.2        | 26.9                | 26.5          | 26.6         |
| Tennessee             | -27.1               | -14.2         | -19.3        | 20.1                | 1.5           | 8.1          |
| Virginia              | 8.0                 | 11.8          | 9.8          | 8.0                 | 5.0           | 6.5          |
| West Virginia         | 8.7                 | -1.2          | 1.3          | 12.4                | 1.8           | 4.7          |
| <b>SOUTHWEST</b>      |                     |               |              |                     |               |              |
| Arizona               | 12.5                | 9.5           | 10.4         | 8.0                 | 6.1           | 6.7          |
| New Mexico            | 15.5                | 1.2           | 4.8          | 9.4                 | 8.5           | 8.8          |
| Oklahoma              | 19.7                | 4.4           | 9.3          | 13.6                | 9.8           | 11.1         |
| Texas                 | -2.2                | 5.8           | 2.2          | 12.4                | 4.7           | 7.9          |
| <b>ROCKY MOUNTAIN</b> |                     |               |              |                     |               |              |
| Colorado              | 2.0                 | 4.2           | 3.1          | 2.1                 | 1.1           | 1.6          |
| Idaho                 | 5.2                 | 3.5           | 4.1          | 4.1                 | 1.3           | 2.3          |
| Montana               | 11.0                | 4.2           | 6.0          | 8.9                 | -2.3          | 0.8          |
| Utah                  | 13.3                | 6.6           | 8.7          | 5.3                 | 1.9           | 3.0          |
| Wyoming               | -4.9                | -4.5          | -4.7         | 11.0                | 11.0          | 11.0         |
| <b>FAR WEST</b>       |                     |               |              |                     |               |              |
| Alaska                | 16.8                | -2.6          | 3.8          | 4.0                 | 20.3          | 14.3         |
| California            | -1.3                | -5.0          | -3.4         | 4.8                 | 21.1          | 13.8         |
| Hawaii                | 8.0                 | 6.2           | 6.9          | 10.7                | 6.9           | 8.4          |
| Nevada                | 6.5                 | -1.5          | 1.7          | -4.3                | -9.4          | -7.2         |
| Oregon                | -1.9                | -1.3          | -1.5         | 1.2                 | -0.7          | 0.0          |
| Washington            | -1.6                | -1.7          | -1.7         | 2.0                 | 2.1           | 2.0          |
| <b>ALL STATES</b>     | <b>4.0 %</b>        | <b>0.0 %</b>  | <b>1.7 %</b> | <b>6.2 %</b>        | <b>8.1 %</b>  | <b>7.3 %</b> |

Note: State funds are defined as general funds and other state funds (bonds are excluded).  
Source: National Association of State Budget Officers, 2006 State Expenditure Report

## 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.

**Alabama:** Fiscal 2005 through fiscal 2007 Other State Funds includes provider taxes in the amounts of \$54 million, \$58 million, and \$58 million, respectively.

**Connecticut:** Medicaid Appropriation is "gross funded" — Federal funds are deposited directly to the State Treasury. Connecticut's FMAP is currently at 50 percent of Medicaid benefit costs. Excludes state portion of Qualified Medicare Beneficiaries and School Based Child Health as those expenditures are netted out of federal Medicaid reimbursement and not appropriated to the Medicaid account.

**Florida:** For fiscal 2004–05, Other State Funds include provider assessments of \$299 million, cigarette taxes of \$109 million, tobacco settlement funds of \$82 million, state drug rebates of \$273 million, other non-general funds transferred as matching funds of \$30 million, state fraud recoupments of \$32 million, and local county funds of \$502 million. For fiscal 2005–06, Other State Funds include provider assessments of \$391 million, cigarette taxes of \$115 million, tobacco settlement funds of \$83 million, state drug rebates of \$346 million, other non-general funds transferred as matching of \$34 million, state fraud recoupments of \$18 million, and local county funds of \$556 million. For fiscal 2006–07, Other State Funds include provider assessments of \$361 million, cigarette taxes of \$114 million, tobacco settlement funds of \$83 million, state drug rebates of \$140 million, other non-general funds transferred as matching of \$40 million, state fraud recoupments of \$18 million, and local county funds of \$787 million.

**Maryland:** Fiscal 2005 includes \$52.5 million in tobacco settlement funds, \$3.5 million in funds from a provider tax on HMOs/MCOs, and \$62.5 million in local funds. Fiscal 2006 includes \$66.8 million in tobacco settlement funds, \$28.4 million in funds from a provider tax on HMOs/MCOs, and \$52.2 million in local funds. Fiscal 2007 includes \$63.7 million in tobacco settlement funds, \$42.7 million in funds from a provider tax on HMOs/MCOs, and \$50.4 million in local funds. All Medicaid totals listed above are based on a cash accounting; actual recorded expenditures may differ from these figures.

**Michigan:** Other state funds include local funds of \$432.0 million, and provider taxes of \$510.0 million for fiscal 2005; local funds of \$103.0 million and provider taxes of \$674.0 million for fiscal 2006; and local funds of \$94.0 million and provider taxes of \$838.0 million for fiscal 2007. Public health and community and institutional care for mentally and developmentally disabled persons are partially reported in the Medicaid totals.

**Missouri:** Medicaid and CHIP 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. While state-only Medicaid program expenditures are tracked, local and administrative expenditures are estimated based on CMS 64 data. Other Funds include estimated local funds of \$418 million for fiscal 2005, \$404 million for fiscal 2006, and \$1,002 million for fiscal 2007.

**New York:** Medicaid spending does not include administrative costs or local government shares.

**Tennessee:** Regarding premium revenue: fiscal 2005 totals \$58 million, fiscal 2006 totals \$71 million, and fiscal 2007 totals \$60 million. Regarding Certified Public Expenditures — Local fund from Hospitals: fiscal 2005 totals \$204 million, fiscal 2006 totals \$251

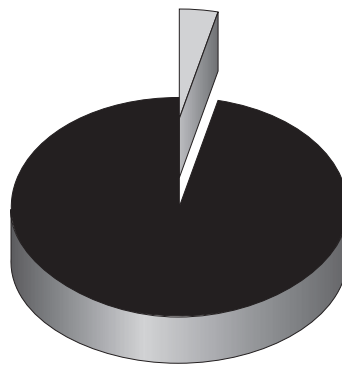
million, and fiscal 2007 totals \$265 million. Regarding Nursing Home Tax: fiscal 2005 totals \$85 million, fiscal 2006 totals \$85 million, and fiscal 2007 totals \$85 million. Regarding the ICF/MR 6 percent Gross Receipts Tax: fiscal 2005 totals \$15 million, fiscal 2006 totals \$16 million, and fiscal 2007 totals \$15 million. Regarding Intergovernmental Transfers: fiscal 2005 totals \$0 million, fiscal 2006 totals \$0 million, and fiscal 2007 totals \$0 million.



# CHAPTER FIVE

## CORRECTIONS EXPENDITURES

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3.4% of State Expenditures

State spending on corrections 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. State spending for corrections totaled \$45 billion in fiscal 2006, a 6.4 percent increase compared to the previous year. The largest increase in corrections spending was in 1990, when it grew by over 23 percent. Since then, growth in state corrections expenditures has averaged about 7.5 percent

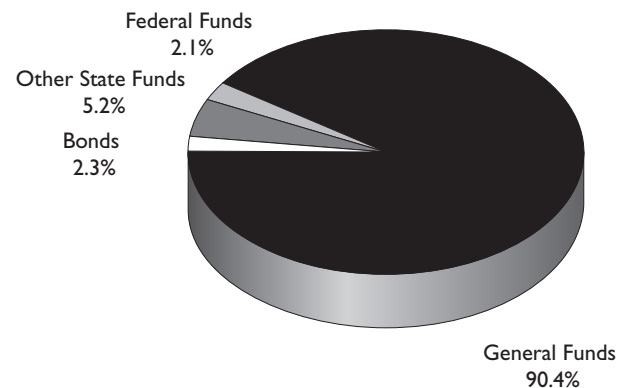
In fiscal 2006, corrections spending represented 3.4 percent of total state spending and 6.8 percent of general fund spending. General fund dollars are used primarily to fund state corrections spending and account for \$40.7 billion, or 90.4 percent, of all fiscal 2006 state corrections spending. State funds (general funds and other state funds combined, but excluding bonds) accounted for 95.6 percent of total state corrections spending in fiscal 2006. Federal funds accounted for 2.1 percent, and bonds accounted for 2.3 percent.

Total state corrections spending is estimated to be \$49 billion in fiscal 2007, 3.4 percent of total state spending, and an estimated increase of 9.2 percent over the fiscal 2006 level.

According to the Bureau of Justice Statistics, admissions to state prisons continue to outpace the number of prisoners released. From 2000 to 2005, state prison admissions increased by 17.2 percent while releases increased at 15.5 percent. Between June 2005 and June 2006, the state prison population rose by 3.0 percent. This is more than double the 2004 to 2005 increase of 1.2 percent. Idaho, Alaska, and Vermont experienced the largest prison population increases, while eight states experienced decreases in their state prison populations, including Missouri, Louisiana, and Maine.

Data on capital expenditures for corrections are displayed in Chapter Eight (Table 49).

**Figure 17**  
**STATE EXPENDITURES FOR CORRECTIONS BY FUND SOURCE, FISCAL 2006**



State Expenditures for Corrections by Fund Source, Fiscal 2006



## Regional Expenditures

Table 31 shows changes in corrections expenditures by region between fiscal 2005 and fiscal 2006, and between fiscal 2006 and estimated fiscal 2007. Fiscal 2006 corrections spending in the Far West region increased by 12.1 percent, well above the national average of 6.4 percent. Although corrections expenditures didn't decrease in any of the states, the Great Lakes region experienced growth of only 1.6 percent.

## Corrections Expenditures Exclusions

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

**Table 31**  
**REGIONAL PERCENTAGE CHANGE IN STATE CORRECTIONS EXPENDITURES,**  
**FISCAL 2006 AND 2007**

| Region            | Fiscal 2005 to 2006 |                |              | Fiscal 2006 to 2007 |               |              |
|-------------------|---------------------|----------------|--------------|---------------------|---------------|--------------|
|                   | State Funds         | Federal Funds  | All Funds    | State Funds         | Federal Funds | All Funds    |
| New England       | 5.7%                | 100.0%         | 6.7%         | 7.0%                | 113.6%        | 8.5%         |
| Mid-Atlantic      | 4.8                 | -29.7          | 4.5          | 5.9                 | -3.6          | 5.4          |
| Great Lakes       | 1.9                 | -9.6           | 1.6          | 2.9                 | 30.9          | 4.3          |
| Plains            | 5.0                 | -28.3          | 4.7          | 10.8                | 18.2          | 13.2         |
| Southeast         | 6.7                 | -4.0           | 6.9          | 6.4                 | 3.1           | 7.5          |
| Southwest         | 5.4                 | 2.6            | 5.4          | 4.7                 | -38.7         | 4.3          |
| Rocky Mountain    | 8.8                 | -5.3           | 8.6          | 11.3                | -5.6          | 11.0         |
| Far West          | 12.8                | -28.9          | 12.1         | 18.2                | 8.0           | 18.9         |
| <b>ALL STATES</b> | <b>6.6 %</b>        | <b>-17.8 %</b> | <b>6.4 %</b> | <b>8.5 %</b>        | <b>3.3 %</b>  | <b>9.2 %</b> |

Table 32

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

| Region/State          | Actual Fiscal 2005 |                |                   |              |                 | Actual Fiscal 2006 |               |                   |                |                 | Estimated Fiscal 2007 |               |                   |                |                 |
|-----------------------|--------------------|----------------|-------------------|--------------|-----------------|--------------------|---------------|-------------------|----------------|-----------------|-----------------------|---------------|-------------------|----------------|-----------------|
|                       | 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           | \$599              | \$2            | \$0               | \$5          | \$606           | \$624              | \$4           | \$1               | \$4            | \$633           | \$661                 | \$3           | \$1               | \$25           | \$690           |
| Maine                 | 114                | 4              | 2                 | 0            | 120             | 118                | 3             | 2                 | 0              | 123             | 122                   | 6             | 2                 | 0              | 130             |
| Massachusetts         | 992                | 1              | 1                 | 0            | 994             | 1,058              | 2             | 0                 | 0              | 1,060           | 1,139                 | 0             | 0                 | 0              | 1,139           |
| New Hampshire         | 76                 | 0              | 5                 | 0            | 81              | 88                 | 1             | 3                 | 1              | 93              | 92                    | 0             | 3                 | 2              | 97              |
| Rhode Island          | 147                | 3              | 2                 | 28           | 180             | 151                | 9             | 3                 | 37             | 200             | 157                   | 34            | 14                | 28             | 233             |
| Vermont               | 96                 | 1              | 6                 | 0            | 103             | 103                | 3             | 6                 | 2              | 114             | 111                   | 4             | 5                 | 2              | 122             |
| <b>MID-ATLANTIC</b>   |                    |                |                   |              |                 |                    |               |                   |                |                 |                       |               |                   |                |                 |
| Delaware              | 202                | 1              | 3                 | 0            | 206             | 227                | 1             | 5                 | 0              | 233             | 240                   | 1             | 1                 | 0              | 242             |
| Maryland              | 916                | 25             | 67                | 0            | 1,008           | 1,063              | 24            | 111               | 0              | 1,198           | 1,084                 | 26            | 117               | 0              | 1,227           |
| New Jersey            | 1,337              | 20             | 96                | 0            | 1,453           | 1,401              | 18            | 98                | 0              | 1,517           | 1,468                 | 20            | 104               | 0              | 1,592           |
| New York              | 2,396              | 306            | 34                | 180          | 2,916           | 2,394              | 151           | 39                | 250            | 2,834           | 2,622                 | 192           | 45                | 212            | 3,071           |
| Pennsylvania          | 1,537              | 45             | 72                | 79           | 1,733           | 1,575              | 85            | 66                | 134            | 1,860           | 1,638                 | 30            | 74                | 177            | 1,919           |
| <b>GREAT LAKES</b>    |                    |                |                   |              |                 |                    |               |                   |                |                 |                       |               |                   |                |                 |
| Illinois              | 1,082              | 0              | 87                | 26           | 1,195           | 1,057              | 0             | 63                | 11             | 1,131           | 1,125                 | 0             | 91                | 106            | 1,322           |
| Indiana               | 663                | 1              | 67                | 0            | 731             | 613                | 0             | 54                | 0              | 667             | 649                   | 0             | 47                | 0              | 696             |
| Michigan*             | 1,890              | 103            | 78                | 4            | 2,075           | 2,012              | 96            | 79                | 2              | 2,189           | 2,063                 | 95            | 99                | 5              | 2,262           |
| Ohio                  | 1,671              | 30             | 153               | 46           | 1,900           | 1,713              | 25            | 173               | 56             | 1,967           | 1,766                 | 63            | 190               | 25             | 2,044           |
| Wisconsin             | 905                | 2              | 129               | 0            | 1,036           | 956                | 2             | 133               | 0              | 1,091           | 890                   | 3             | 129               | 0              | 1,022           |
| <b>PLAINS</b>         |                    |                |                   |              |                 |                    |               |                   |                |                 |                       |               |                   |                |                 |
| Iowa                  | 273                | 1              | 52                | 10           | 336             | 296                | 1             | 55                | 15             | 367             | 313                   | 2             | 65                | 19             | 399             |
| Kansas                | 276                | 8              | 42                | 6            | 332             | 301                | 3             | 52                | 6              | 362             | 312                   | 1             | 58                | 6              | 377             |
| Minnesota             | 377                | 6              | 17                | 9            | 409             | 403                | 3             | 14                | 13             | 433             | 438                   | 7             | 20                | 61             | 526             |
| Missouri*             | 508                | 5              | 31                | 0            | 544             | 506                | 4             | 28                | 0              | 538             | 586                   | 9             | 44                | 0              | 639             |
| Nebraska              | 149                | 8              | 26                | 0            | 183             | 155                | 3             | 20                | 0              | 178             | 172                   | 4             | 29                | 0              | 205             |
| North Dakota          | 45                 | 6              | 6                 | 0            | 57              | 50                 | 6             | 7                 | 2              | 65              | 55                    | 3             | 7                 | 0              | 65              |
| South Dakota          | 66                 | 12             | 5                 | 0            | 83              | 70                 | 13            | 9                 | 0              | 92              | 74                    | 13            | 6                 | 0              | 93              |
| <b>SOUTHEAST</b>      |                    |                |                   |              |                 |                    |               |                   |                |                 |                       |               |                   |                |                 |
| Alabama               | 335                | 5              | 110               | 1            | 451             | 371                | 10            | 113               | 0              | 494             | 388                   | 18            | 148               | 0              | 554             |
| Arkansas              | 263                | 1              | 44                | 0            | 308             | 299                | 1             | 44                | 0              | 344             | 314                   | 2             | 56                | 0              | 372             |
| Florida*              | 2,440              | 93             | 34                | 0            | 2,567           | 2,425              | 91            | 124               | 0              | 2,640           | 2,719                 | 85            | 153               | 0              | 2,957           |
| Georgia               | 913                | 11             | 29                | 16           | 969             | 977                | 10            | 28                | 32             | 1,047           | 998                   | 12            | 32                | 21             | 1,063           |
| Kentucky              | 407                | 15             | 48                | 0            | 470             | 431                | 16            | 52                | 0              | 499             | 454                   | 17            | 47                | 0              | 518             |
| Louisiana             | 540                | 2              | 62                | 4            | 608             | 538                | 2             | 82                | 5              | 627             | 552                   | 3             | 74                | 2              | 631             |
| Mississippi           | 228                | 0              | 49                | 0            | 277             | 218                | 1             | 74                | 0              | 293             | 227                   | 0             | 79                | 0              | 306             |
| North Carolina        | 995                | 3              | 46                | 98           | 1,142           | 1,077              | 4             | 125               | 0              | 1,206           | 1,083                 | 0             | 92                | 200            | 1,375           |
| South Carolina        | 364                | 14             | 103               | 6            | 487             | 403                | 18            | 111               | 1              | 533             | 444                   | 14            | 111               | 0              | 569             |
| Tennessee             | 519                | 10             | 28                | 31           | 588             | 541                | 1             | 34                | 73             | 649             | 619                   | 16            | 40                | 40             | 715             |
| Virginia              | 1,078              | 47             | 27                | 76           | 1,228           | 1,166              | 38            | 19                | 173            | 1,396           | 1,136                 | 31            | 68                | 168            | 1,403           |
| West Virginia         | 150                | 0              | 9                 | 21           | 180             | 150                | 1             | 9                 | 23             | 183             | 171                   | 1             | 10                | 11             | 193             |
| <b>SOUTHWEST</b>      |                    |                |                   |              |                 |                    |               |                   |                |                 |                       |               |                   |                |                 |
| Arizona               | 752                | 54             | 117               | 0            | 923             | 800                | 34            | 96                | 0              | 930             | 895                   | 3             | 90                | 0              | 988             |
| New Mexico*           | 209                | 1              | 24                | 0            | 234             | 223                | 2             | 20                | 0              | 245             | 241                   | 0             | 22                | 0              | 263             |
| Oklahoma              | 389                | 1              | 22                | 0            | 412             | 414                | 6             | 38                | 0              | 458             | 461                   | 6             | 36                | 0              | 503             |
| Texas                 | 3,027              | 60             | 96                | 28           | 3,211           | 3,195              | 77            | 102               | 31             | 3,405           | 3,292                 | 64            | 80                | 67             | 3,503           |
| <b>ROCKY MOUNTAIN</b> |                    |                |                   |              |                 |                    |               |                   |                |                 |                       |               |                   |                |                 |
| Colorado              | 495                | 3              | 44                | 0            | 542             | 536                | 4             | 45                | 0              | 585             | 599                   | 2             | 67                | 0              | 668             |
| Idaho                 | 147                | 8              | 27                | 3            | 185             | 162                | 7             | 31                | 3              | 203             | 179                   | 10            | 53                | 3              | 245             |
| Montana               | 111                | 3              | 4                 | 0            | 118             | 131                | 1             | 9                 | 0              | 141             | 142                   | 1             | 4                 | 0              | 147             |
| Utah*                 | 261                | 4              | 28                | 0            | 293             | 291                | 5             | 20                | 0              | 316             | 324                   | 3             | 29                | 0              | 356             |
| Wyoming               | 103                | 1              | 4                 | 0            | 108             | 103                | 1             | 4                 | 0              | 108             | 82                    | 1             | 3                 | 0              | 86              |
| <b>FAR WEST</b>       |                    |                |                   |              |                 |                    |               |                   |                |                 |                       |               |                   |                |                 |
| Alaska                | 194                | 6              | 22                | 2            | 224             | 219                | 7             | 16                | 0              | 242             | 227                   | 8             | 31                | 0              | 266             |
| California            | 6,435              | 117            | 2                 | 3            | 6,557           | 7,258              | 131           | 1                 | 0              | 7,390           | 8,795                 | 148           | 22                | 3              | 8,968           |
| Hawaii                | 165                | 2              | 10                | 5            | 182             | 182                | 3             | 10                | 1              | 196             | 205                   | 2             | 11                | 3              | 221             |
| Nevada                | 185                | 2              | 37                | 2            | 226             | 198                | 3             | 49                | 2              | 252             | 222                   | 0             | 26                | 31             | 279             |
| Oregon                | 496                | 83             | 44                | 21           | 644             | 641                | 13            | 34                | 60             | 748             | 684                   | 12            | 28                | 131            | 855             |
| Washington            | 721                | 18             | 39                | 66           | 844             | 778                | 5             | 33                | 86             | 902             | 832                   | 5             | 51                | 91             | 979             |
| <b>TOTAL</b>          | <b>\$38,239</b>    | <b>\$1,154</b> | <b>\$2,090</b>    | <b>\$776</b> | <b>\$42,259</b> | <b>\$40,661</b>    | <b>\$949</b>  | <b>\$2,344</b>    | <b>\$1,023</b> | <b>\$44,977</b> | <b>\$44,062</b>       | <b>\$980</b>  | <b>\$2,614</b>    | <b>\$1,439</b> | <b>\$49,095</b> |

Source: National Association of State Budget Officers, 2006 State Expenditure Report

\*See Corrections Notes for explanation

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

| Region/State          | Fiscal<br>2005 | Fiscal<br>2006 | Fiscal<br>2007 |
|-----------------------|----------------|----------------|----------------|
| <b>NEW ENGLAND</b>    |                |                |                |
| Connecticut           | 2.9 %          | 2.8 %          | 2.9 %          |
| Maine                 | 1.8            | 1.7            | 1.7            |
| Massachusetts         | 2.6            | 2.7            | 2.9            |
| New Hampshire         | 1.8            | 2.1            | 2.2            |
| Rhode Island          | 2.9            | 3.0            | 3.3            |
| Vermont               | 2.5            | 2.3            | 2.4            |
| <b>MID-ATLANTIC</b>   |                |                |                |
| Delaware              | 4.1            | 4.2            | 4.2            |
| Maryland              | 4.2            | 4.5            | 4.1            |
| New Jersey            | 3.5            | 3.6            | 3.5            |
| New York              | 2.9            | 2.7            | 2.7            |
| Pennsylvania          | 3.4            | 3.5            | 3.4            |
| <b>GREAT LAKES</b>    |                |                |                |
| Illinois              | 2.9            | 2.6            | 2.7            |
| Indiana               | 3.4            | 3.1            | 3.1            |
| Michigan              | 5.1            | 5.2            | 5.2            |
| Ohio                  | 3.8            | 3.7            | 3.7            |
| Wisconsin             | 3.3            | 3.3            | 3.0            |
| <b>PLAINS</b>         |                |                |                |
| Iowa                  | 2.4            | 2.5            | 2.6            |
| Kansas                | 3.1            | 3.2            | 3.0            |
| Minnesota             | 1.7            | 1.7            | 1.9            |
| Missouri              | 2.8            | 2.7            | 2.9            |
| Nebraska              | 2.4            | 2.2            | 2.1            |
| North Dakota          | 1.8            | 2.0            | 1.8            |
| South Dakota          | 2.9            | 3.1            | 2.9            |
| <b>SOUTHEAST</b>      |                |                |                |
| Alabama               | 1.4            | 1.5            | 1.4            |
| Arkansas              | 2.2            | 2.2            | 2.0            |
| Florida               | 4.4            | 4.3            | 4.0            |
| Georgia               | 3.0            | 3.1            | 3.1            |
| Kentucky              | 2.4            | 2.4            | 2.3            |
| Louisiana             | 3.2            | 2.9            | 2.0            |
| Mississippi           | 2.1            | 2.0            | 1.8            |
| North Carolina        | 3.3            | 3.4            | 3.7            |
| South Carolina        | 2.7            | 3.0            | 2.9            |
| Tennessee             | 2.5            | 2.8            | 2.8            |
| Virginia              | 4.0            | 4.4            | 4.0            |
| West Virginia         | 1.0            | 0.9            | 1.0            |
| <b>SOUTHWEST</b>      |                |                |                |
| Arizona               | 3.9            | 3.7            | 3.6            |
| New Mexico            | 2.1            | 2.1            | 2.2            |
| Oklahoma              | 2.9            | 2.8            | 2.6            |
| Texas                 | 4.9            | 4.8            | 4.7            |
| <b>ROCKY MOUNTAIN</b> |                |                |                |
| Colorado              | 3.8            | 3.8            | 4.1            |
| Idaho                 | 3.9            | 4.0            | 4.2            |
| Montana               | 2.9            | 3.2            | 2.9            |
| Utah                  | 3.4            | 3.5            | 3.5            |
| Wyoming               | 1.7            | 1.7            | 1.5            |
| <b>FAR WEST</b>       |                |                |                |
| Alaska                | 2.5            | 2.5            | 2.2            |
| California            | 4.1            | 4.3            | 4.7            |
| Hawaii                | 2.1            | 2.1            | 2.0            |
| Nevada                | 3.3            | 3.4            | 3.4            |
| Oregon                | 3.3            | 3.7            | 4.1            |
| Washington            | 3.2            | 3.2            | 3.0            |
| <b>ALL STATES</b>     | <b>3.3 %</b>   | <b>3.4 %</b>   | <b>3.4 %</b>   |

Source: National Association of State Budget Officers,  
2006 State Expenditure Report

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

| <b>Region/State</b>   | <b>Fiscal<br/>2005</b> | <b>Fiscal<br/>2006</b> | <b>Fiscal<br/>2007</b> |
|-----------------------|------------------------|------------------------|------------------------|
| <b>NEW ENGLAND</b>    |                        |                        |                        |
| Connecticut           | 4.5 %                  | 4.3 %                  | 4.4 %                  |
| Maine                 | 4.2                    | 4.2                    | 4.1                    |
| Massachusetts         | 5.0                    | 4.9                    | 5.1                    |
| New Hampshire         | 5.5                    | 6.5                    | 6.6                    |
| Rhode Island          | 5.0                    | 4.9                    | 4.9                    |
| Vermont               | 9.1                    | 9.1                    | 9.3                    |
| <b>MID-ATLANTIC</b>   |                        |                        |                        |
| Delaware              | 7.2                    | 7.1                    | 7.1                    |
| Maryland              | 8.1                    | 8.6                    | 7.6                    |
| New Jersey            | 4.8                    | 5.0                    | 4.9                    |
| New York              | 5.5                    | 5.1                    | 5.1                    |
| Pennsylvania          | 6.7                    | 6.4                    | 6.2                    |
| <b>GREAT LAKES</b>    |                        |                        |                        |
| Illinois              | 6.2                    | 5.4                    | 5.2                    |
| Indiana               | 5.7                    | 5.1                    | 5.3                    |
| Michigan              | 21.5                   | 21.8                   | 22.6                   |
| Ohio                  | 6.7                    | 6.9                    | 7.0                    |
| Wisconsin             | 7.6                    | 7.7                    | 6.7                    |
| <b>PLAINS</b>         |                        |                        |                        |
| Iowa                  | 5.9                    | 5.9                    | 5.9                    |
| Kansas                | 5.9                    | 5.9                    | 5.6                    |
| Minnesota             | 2.5                    | 2.5                    | 2.7                    |
| Missouri              | 7.1                    | 7.1                    | 7.4                    |
| Nebraska              | 5.4                    | 5.3                    | 5.2                    |
| North Dakota          | 5.0                    | 5.2                    | 5.3                    |
| South Dakota          | 6.8                    | 7.0                    | 7.0                    |
| <b>SOUTHEAST</b>      |                        |                        |                        |
| Alabama               | 2.9                    | 2.9                    | 2.6                    |
| Arkansas              | 7.3                    | 7.9                    | 7.7                    |
| Florida               | 10.1                   | 9.4                    | 9.3                    |
| Georgia               | 5.6                    | 5.7                    | 5.4                    |
| Kentucky              | 5.4                    | 5.2                    | 5.2                    |
| Louisiana             | 7.5                    | 6.9                    | 7.5                    |
| Mississippi           | 6.3                    | 5.4                    | 5.4                    |
| North Carolina        | 6.3                    | 6.3                    | 5.7                    |
| South Carolina        | 7.0                    | 7.1                    | 6.7                    |
| Tennessee             | 5.5                    | 5.7                    | 5.6                    |
| Virginia              | 7.8                    | 7.9                    | 6.7                    |
| West Virginia         | 4.4                    | 4.2                    | 4.6                    |
| <b>SOUTHWEST</b>      |                        |                        |                        |
| Arizona               | 9.7                    | 9.2                    | 8.5                    |
| New Mexico            | 4.2                    | 3.8                    | 4.2                    |
| Oklahoma              | 9.0                    | 7.8                    | 7.8                    |
| Texas                 | 9.4                    | 9.4                    | 8.6                    |
| <b>ROCKY MOUNTAIN</b> |                        |                        |                        |
| Colorado              | 8.5                    | 8.5                    | 8.8                    |
| Idaho                 | 7.0                    | 7.3                    | 6.9                    |
| Montana               | 8.3                    | 8.4                    | 8.3                    |
| Utah                  | 6.6                    | 6.9                    | 6.9                    |
| Wyoming               | 4.3                    | 4.1                    | 4.0                    |
| <b>FAR WEST</b>       |                        |                        |                        |
| Alaska                | 6.8                    | 7.0                    | 5.3                    |
| California            | 8.1                    | 7.9                    | 8.6                    |
| Hawaii                | 3.9                    | 3.9                    | 3.8                    |
| Nevada                | 8.0                    | 6.8                    | 6.4                    |
| Oregon                | 11.0                   | 10.5                   | 10.9                   |
| Washington            | 5.9                    | 5.7                    | 5.9                    |
| <b>ALL STATES</b>     | <b>6.9 %</b>           | <b>6.8 %</b>           | <b>6.8 %</b>           |

Source: National Association of State Budget Officers,  
2006 State Expenditure Report

Table 35

## ANNUAL PERCENTAGE CHANGE IN CORRECTIONS EXPENDITURES

| Region/State          | Fiscal 2005 to 2006 |                |              | Fiscal 2006 to 2007 |               |              |
|-----------------------|---------------------|----------------|--------------|---------------------|---------------|--------------|
|                       | State Funds         | Federal Funds  | All Funds    | State Funds         | Federal Funds | All Funds    |
| <b>NEW ENGLAND</b>    |                     |                |              |                     |               |              |
| Connecticut           | 4.3 %               | 100.0 %        | 4.5 %        | 5.9 %               | -25.0 %       | 9.0 %        |
| Maine                 | 3.4                 | -25.0          | 2.5          | 3.3                 | 100.0         | 5.7          |
| Massachusetts         | 6.5                 | 100.0          | 6.6          | 7.7                 | -100.0        | 7.5          |
| New Hampshire         | 12.3                | —              | 14.8         | 4.4                 | -100.0        | 4.3          |
| Rhode Island          | 3.4                 | 200.0          | 11.1         | 11.0                | 277.8         | 16.5         |
| Vermont               | 6.9                 | 200.0          | 10.7         | 6.4                 | 33.3          | 7.0          |
| <b>MID-ATLANTIC</b>   |                     |                |              |                     |               |              |
| Delaware              | 13.2                | 0.0            | 13.1         | 3.9                 | 0.0           | 3.9          |
| Maryland              | 19.4                | -4.0           | 18.8         | 2.3                 | 8.3           | 2.4          |
| New Jersey            | 4.6                 | -10.0          | 4.4          | 4.9                 | 11.1          | 4.9          |
| New York              | 0.1                 | -50.7          | -2.8         | 9.6                 | 27.2          | 8.4          |
| Pennsylvania          | 2.0                 | 88.9           | 7.3          | 4.3                 | -64.7         | 3.2          |
| <b>GREAT LAKES</b>    |                     |                |              |                     |               |              |
| Illinois              | -4.2                | —              | -5.4         | 8.6                 | —             | 16.9         |
| Indiana               | -8.6                | -100.0         | -8.8         | 4.3                 | —             | 4.3          |
| Michigan              | 6.3                 | -6.8           | 5.5          | 3.4                 | -1.0          | 3.3          |
| Ohio                  | 3.4                 | -16.7          | 3.5          | 3.7                 | 152.0         | 3.9          |
| Wisconsin             | 5.3                 | 0.0            | 5.3          | -6.4                | 50.0          | -6.3         |
| <b>PLAINS</b>         |                     |                |              |                     |               |              |
| Iowa                  | 8.0                 | 0.0            | 9.2          | 7.7                 | 100.0         | 8.7          |
| Kansas                | 11.0                | -62.5          | 9.0          | 4.8                 | -66.7         | 4.1          |
| Minnesota             | 5.8                 | -50.0          | 5.9          | 9.8                 | 133.3         | 21.5         |
| Missouri              | -0.9                | -20.0          | -1.1         | 18.0                | 125.0         | 18.8         |
| Nebraska              | 0.0                 | -62.5          | -2.7         | 14.9                | 33.3          | 15.2         |
| North Dakota          | 11.8                | 0.0            | 14.0         | 8.8                 | -50.0         | 0.0          |
| South Dakota          | 11.3                | 8.3            | 10.8         | 1.3                 | 0.0           | 1.1          |
| <b>SOUTHEAST</b>      |                     |                |              |                     |               |              |
| Alabama               | 8.8                 | 100.0          | 9.5          | 10.7                | 80.0          | 12.1         |
| Arkansas              | 11.7                | 0.0            | 11.7         | 7.9                 | 100.0         | 8.1          |
| Florida               | 3.0                 | -2.2           | 2.8          | 12.7                | -6.6          | 12.0         |
| Georgia               | 6.7                 | -9.1           | 8.0          | 2.5                 | 20.0          | 1.5          |
| Kentucky              | 6.2                 | 6.7            | 6.2          | 3.7                 | 6.3           | 3.8          |
| Louisiana             | 3.0                 | 0.0            | 3.1          | 1.0                 | 50.0          | 0.6          |
| Mississippi           | 5.4                 | —              | 5.8          | 4.8                 | -100.0        | 4.4          |
| North Carolina        | 15.5                | 33.3           | 5.6          | -2.2                | -100.0        | 14.0         |
| South Carolina        | 10.1                | 28.6           | 9.4          | 8.0                 | -22.2         | 6.8          |
| Tennessee             | 5.1                 | -90.0          | 10.4         | 14.6                | 1,500.0       | 10.2         |
| Virginia              | 7.2                 | -19.1          | 13.7         | 1.6                 | -18.4         | 0.5          |
| West Virginia         | 0.0                 | —              | 1.7          | 13.8                | 0.0           | 5.5          |
| <b>SOUTHWEST</b>      |                     |                |              |                     |               |              |
| Arizona               | 3.1                 | -37.0          | 0.8          | 9.9                 | -91.2         | 6.2          |
| New Mexico            | 4.3                 | 100.0          | 4.7          | 8.2                 | -100.0        | 7.3          |
| Oklahoma              | 10.0                | 500.0          | 11.2         | 10.0                | 0.0           | 9.8          |
| Texas                 | 5.6                 | 28.3           | 6.0          | 2.3                 | -16.9         | 2.9          |
| <b>ROCKY MOUNTAIN</b> |                     |                |              |                     |               |              |
| Colorado              | 7.8                 | 33.3           | 7.9          | 14.6                | -50.0         | 14.2         |
| Idaho                 | 10.9                | -12.5          | 9.7          | 20.2                | 42.9          | 20.7         |
| Montana               | 21.7                | -66.7          | 19.5         | 4.3                 | 0.0           | 4.3          |
| Utah                  | 7.6                 | 25.0           | 7.8          | 13.5                | -40.0         | 12.7         |
| Wyoming               | 0.0                 | 0.0            | 0.0          | -20.6               | 0.0           | -20.4        |
| <b>FAR WEST</b>       |                     |                |              |                     |               |              |
| Alaska                | 8.8                 | 16.7           | 8.0          | 9.8                 | 14.3          | 9.9          |
| California            | 12.8                | 12.0           | 12.7         | 21.5                | 13.0          | 21.4         |
| Hawaii                | 9.7                 | 50.0           | 7.7          | 12.5                | -33.3         | 12.8         |
| Nevada                | 11.3                | 50.0           | 11.5         | 0.4                 | -100.0        | 10.7         |
| Oregon                | 25.0                | -84.3          | 16.1         | 5.5                 | -7.7          | 14.3         |
| Washington            | 6.7                 | -72.2          | 6.9          | 8.9                 | 0.0           | 8.5          |
| <b>ALL STATES</b>     | <b>6.6 %</b>        | <b>-17.8 %</b> | <b>6.4 %</b> | <b>8.5 %</b>        | <b>3.3 %</b>  | <b>9.2 %</b> |

Note: State funds are defined as general funds and other state funds (bonds are excluded).  
Source: National Association of State Budget Officers, 2006 State Expenditure Report

**Table 36**

**ITEMS EXCLUDED FROM CORRECTIONS EXPENDITURES**

| Region/State          | Employer Contributions to Pensions | Employer Contributions to Health Benefits | Juvenile Delinquency Counseling | Juvenile Institutions | Aid to Local Govts. for Jails | Drug Abuse Rehab. Centers | Institutions for the Criminally Insane |
|-----------------------|------------------------------------|---|---------------------------------|-----------------------|-------------------------------|---------------------------|--|
| <b>NEW ENGLAND</b>    |                                    |   |                                 |                       |                               |                           |  |
| Connecticut           | X                                  | X   | X                               |                       | X                             |                           | X                                      |
| Maine                 |                                    |   |                                 |                       |                               |                           | X                                      |
| Massachusetts         |                                    |   |                                 |                       |                               | X                         | X                                      |
| New Hampshire         |                                    |   | X                               | X                     | X                             |                           |  |
| Rhode Island          |                                    |   | X                               | X                     | X                             |                           | X                                      |
| Vermont               |                                    |   | X                               | X                     | X                             |                           | X                                      |
| <b>MID-ATLANTIC</b>   |                                    |   |                                 |                       |                               |                           |  |
| Delaware              |                                    |   | X                               | X                     | X                             |                           | X                                      |
| Maryland              |                                    |   |                                 |                       | X                             | X                         | X                                      |
| New Jersey            |                                    |   |                                 |                       |                               |                           | X                                      |
| New York              | P                                  | P   | P                               | X                     | X                             |                           | X                                      |
| Pennsylvania          |                                    |   |                                 |                       |                               |                           |  |
| <b>GREAT LAKES</b>    |                                    |   |                                 |                       |                               |                           |  |
| Illinois              |                                    | P   |                                 |                       |                               |                           | X                                      |
| Indiana               |                                    |   |                                 |                       | X                             | P                         | X                                      |
| Michigan              |                                    |   |                                 |                       |                               | X                         | X                                      |
| Ohio                  |                                    |   |                                 |                       |                               | P                         | P                                      |
| Wisconsin             |                                    |   |                                 |                       |                               |                           |  |
| <b>PLAINS</b>         |                                    |   |                                 |                       |                               |                           |  |
| Iowa                  |                                    |   |                                 |                       |                               |                           |  |
| Kansas                |                                    |   |                                 |                       |                               |                           |  |
| Minnesota             |                                    |   | P                               |                       | X                             | P                         | X                                      |
| Missouri*             | X                                  | X   | X                               | X                     |                               | P                         | X                                      |
| Nebraska              |                                    |   |                                 |                       |                               | X                         | X                                      |
| North Dakota          |                                    |   |                                 |                       |                               | X                         | X                                      |
| South Dakota          |                                    |   |                                 |                       | X                             |                           | X                                      |
| <b>SOUTHEAST</b>      |                                    |   |                                 |                       |                               |                           |  |
| Alabama               |                                    |   |                                 |                       | X                             | X                         | X                                      |
| Arkansas              |                                    |   | X                               | X                     |                               |                           | X                                      |
| Florida               |                                    |   |                                 |                       | X                             | P                         | X                                      |
| Georgia               |                                    |   | X                               | X                     |                               |                           | X                                      |
| Kentucky              |                                    |   |                                 |                       |                               |                           |  |
| Louisiana             |                                    |   | X                               | X                     |                               |                           | X                                      |
| Mississippi           |                                    |   | X                               | X                     |                               |                           | X                                      |
| North Carolina        |                                    |   |                                 |                       | X                             |                           |  |
| South Carolina        |                                    |   |                                 |                       | X                             | X                         | X                                      |
| Tennessee             |                                    |   | X                               | X                     |                               |                           | P                                      |
| Virginia              |                                    |   |                                 |                       |                               |                           |  |
| West Virginia         |                                    |   |                                 |                       | X                             |                           | X                                      |
| <b>SOUTHWEST</b>      |                                    |   |                                 |                       |                               |                           |  |
| Arizona               |                                    |   |                                 |                       |                               |                           | P                                      |
| New Mexico            |                                    |   | X                               | X                     |                               |                           | X                                      |
| Oklahoma              |                                    |   | X                               | X                     | X                             | X                         |  |
| Texas                 |                                    |   |                                 |                       | X                             | P                         | P                                      |
| <b>ROCKY MOUNTAIN</b> |                                    |   |                                 |                       |                               |                           |  |
| Colorado              |                                    |   | X                               | P                     |                               | P                         |  |
| Idaho                 |                                    |   |                                 |                       |                               |                           | X                                      |
| Montana               |                                    |   | X                               |                       |                               | P                         | X                                      |
| Utah                  |                                    |   | X                               |                       |                               | X                         | X                                      |
| Wyoming               |                                    |   | X                               |                       |                               |                           | X                                      |
| <b>FAR WEST</b>       |                                    |   |                                 |                       |                               |                           |  |
| Alaska                |                                    |   | P                               |                       |                               | P                         | X                                      |
| California            |                                    |   |                                 |                       |                               |                           | X                                      |
| Hawaii                | P                                  | P   | X                               | X                     | X                             |                           | X                                      |
| Nevada                |                                    |   | X                               | X                     | X                             |                           | X                                      |
| Oregon                |                                    |   |                                 |                       |                               | P                         | X                                      |
| Washington            |                                    |   |                                 |                       | X                             | X                         | X                                      |
| <b>ALL STATES</b>     | <b>4</b>                           | <b>5</b>                                  | <b>22</b>                       | <b>16</b>             | <b>20</b>                     | <b>20</b>                 | <b>40</b>                              |

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

Source: National Association of State Budget Officers, 2006 State Expenditure Report

\*See Corrections Notes for explanation

## **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.*

**Florida:** Corrections Capital Inclusive and Capital Expenditures for Actual 2004–05, Actual 2005–06 and Estimated 2006–07 include expenditures for Juvenile Detention, Juvenile Community Corrections and Juvenile Residential Corrections in addition to the expenditures for the adult correctional system. These categories have not been included in prior NASBO surveys.

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

**Missouri:** In fiscal 2007 funds for aid to local jails were transferred to the budget of the Department of Corrections. In fiscal 2006 funds for community-based drug abuse rehabilitation programs for offenders on probation or parole were transferred to the Department of Mental Health. Funds for institution-based drug abuse rehabilitation programs remain in the Department of Corrections.

**New Mexico:** Capital amounts for all state government are combined under the "All Other" category instead of being included in the individual category of Corrections.

**Utah:** Expenditure amounts for Corrections do not include any amounts for prison industries. In Utah, Prison Industries is operated as an enterprise fund and does not receive support from state appropriations. The Prison Industry Program has been self-sufficient for the last 10 to 15 years.

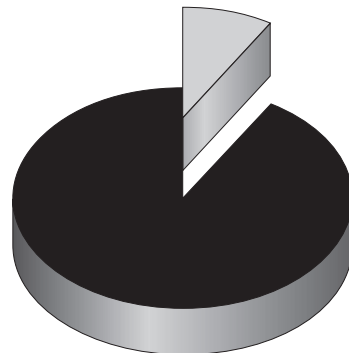




# CHAPTER SIX

# TRANSPORTATION

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8.1% of State Expenditures



Transportation expenditures totaled \$108.9 billion in fiscal 2006, 8.1 percent of total state spending and an increase of 4.5 percent over the previous year. State-sourced funds for transportation (general funds and other state funds, excluding bonds) increased by only 1.6 percent in fiscal 2006, but are estimated to grow by 9.3 percent in 2007. Additionally, total transportation spending in the states is estimated to increase 13.2 percent in fiscal 2007, reaching \$123.3 billion.

Approximately 56.2 percent of transportation expenditures are funded from earmarked revenues placed in special transportation trust funds, captured in the "Other State Funds" category in this report. The major earmarked revenue source is the gasoline excise tax. While "Other State Funds" account for the majority of transportation spending, federal funds also play a large role. In fiscal 2006, federal funds accounted for 31.3 percent of total transportation spending, with bonds (7.9 percent) and general funds (4.6 percent) comprising the remaining amount.

## SAFETEA-LU

A new surface transportation law was enacted in August 2005. The law, the *Safe, Accountable, Flexible, and Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU)* replaces the *Transportation Equity Act for the 21st Century (TEA-21)*. It sets total surface transportation guaranteed spending authority for federal fiscal years 2004–2009 at \$286.4 billion, with contract authority set at \$295 billion. The funding includes approximately \$228 billion for highways, \$52 billion for transit, and nearly \$6 billion for highway safety. Additionally, SAFETEA-LU raises the minimum rate of return on state contributions to the Highway Trust fund from 90.5 percent in 2005 to 92 percent by 2008.

## Federal Highway Trust Fund Shortfall

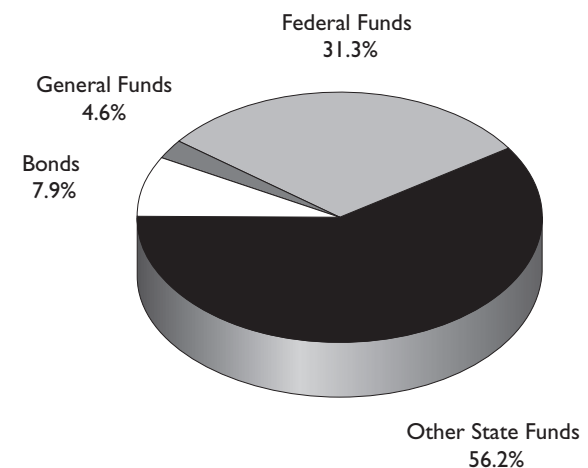
A future concern for states is a potential shortfall in the Federal Highway Trust Fund. The fund receives its revenue mainly from the 18.4 cents-a-gallon federal excise tax on gasoline, and it serves as the major source of federal spending on highways. The U.S. Office of Management and Budget (OMB) announced in its fiscal year 2008 mid-session budget review that the federal Highway Trust

Fund is expected to face a \$4 billion deficit by fiscal 2009. This is a dramatic increase from its earlier projection of a \$700 million shortfall. Additionally, the mid-session review projected a shortfall of \$9 billion in 2010, and \$15 billion in 2011. As a result of the projected shortfall, the American Association of State Highway and Transportation Officials (AASHTO) warns that federal transportation funds to the states could be reduced by as much as \$16.5 billion in fiscal 2009.

## Fund Shares

The figure below provides fund shares for fiscal 2006.

**Figure 18**  
**STATE EXPENDITURES FOR TRANSPORTATION BY FUND SOURCE, FISCAL 2006**



## Regional Expenditures

Table 37 shows percentage changes in transportation expenditures by region between fiscal 2005 and fiscal 2006 and between fiscal 2006 and estimated fiscal 2007. The largest growth in fiscal 2006 occurred in the Plains region, increasing by 9.1 percent, while in the Rocky Mountain states transportation spending decreased by 3.1 percent.

**Table 37**  
**REGIONAL PERCENTAGE CHANGE IN STATE TRANSPORTATION EXPENDITURES,**  
**FISCAL 2006 AND 2007**

| Region            | Fiscal 2005 to 2006 |               |             | Fiscal 2006 to 2007 |               |              |
|-------------------|---------------------|---------------|-------------|---------------------|---------------|--------------|
|                   | State Funds         | Federal Funds | All Funds   | State Funds         | Federal Funds | All Funds    |
| New England       | 1.2%                | 0.8%          | 4.8%        | -6.2%               | 38.7%         | 20.6%        |
| Mid-Atlantic      | 13.7                | 7.3           | 7.7         | 3.2                 | 7.1           | 7.8          |
| Great Lakes       | 2.6                 | 10.3          | 2.4         | 11.1                | 8.7           | 11.3         |
| Plains            | 5.8                 | -2.7          | 9.1         | 12.7                | 3.7           | 15.2         |
| Southeast         | 0.1                 | 14.3          | 5.0         | 1.2                 | 10.5          | 5.6          |
| Southwest         | -14.4               | -9.2          | 0.4         | 5.5                 | 9.8           | 10.7         |
| Rocky Mountain    | 2.8                 | 8.7           | -3.1        | 12.0                | 7.4           | 10.4         |
| Far West          | -2.4                | 8.9           | 4.5         | 33.7                | 16.2          | 35.5         |
| <b>ALL STATES</b> | <b>1.6%</b>         | <b>6.8%</b>   | <b>4.5%</b> | <b>9.3%</b>         | <b>11.1%</b>  | <b>13.2%</b> |

## Transportation—Expenditure Exclusions

Thirty-nine states wholly or partially excluded state police and highway patrols from the transportation expenditures reported here. Additionally, thirty-nine states exclude port authority operations, eighteen states omit motor vehicle licensing, eighteen states exclude truck enforcement regulation programs, and seventeen exclude gasoline tax and fee collections. For details, see Table 41.

Table 38

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

| Region/State          | Actual Fiscal 2005 |                 |                   |                |                  | Actual Fiscal 2006 |                 |                   |                |                  | Estimated Fiscal 2007 |                 |                   |                 |                  |
|-----------------------|--------------------|-----------------|-------------------|----------------|------------------|--------------------|-----------------|-------------------|----------------|------------------|-----------------------|-----------------|-------------------|-----------------|------------------|
|                       | 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                | \$72            | \$373             | \$201          | \$647            | \$2                | \$75            | \$410             | \$264          | \$751            | \$3                   | \$373           | \$445             | \$805           | \$1,626          |
| Maine                 | 4                  | 187             | 298               | 33             | 522              | 0                  | 205             | 369               | 12             | 586              | 0                     | 205             | 350               | 60              | 615              |
| Massachusetts         | 137                | 493             | 1,389             | 481            | 2,500            | 182                | 428             | 1,214             | 542            | 2,366            | 300                   | 528             | 941               | 622             | 2,391            |
| New Hampshire         | 2                  | 192             | 262               | 0              | 456              | 1                  | 211             | 318               | 0              | 530              | 3                     | 215             | 308               | 0               | 526              |
| Rhode Island          | 0                  | 228             | 142               | 46             | 416              | 0                  | 251             | 144               | 137            | 532              | 0                     | 273             | 98                | 181             | 552              |
| Vermont               | 0                  | 137             | 187               | 2              | 326              | 0                  | 149             | 188               | 0              | 337              | 4                     | 235             | 202               | 0               | 441              |
| <b>MID-ATLANTIC</b>   |                    |                 |                   |                |                  |                    |                 |                   |                |                  |                       |                 |                   |                 |                  |
| Delaware              | 0                  | 118             | 596               | 0              | 714              | 12                 | 115             | 597               | 0              | 724              | 2                     | 105             | 632               | 0               | 739              |
| Maryland              | 0                  | 823             | 2,488             | 0              | 3,311            | 0                  | 856             | 2,617             | 0              | 3,473            | 0                     | 814             | 2,806             | 0               | 3,620            |
| New Jersey            | 1,253              | 1,214           | 285               | 1,101          | 3,853            | 1,234              | 1,506           | 316               | 994            | 4,050            | 1,344                 | 1,602           | 318               | 1,364           | 4,628            |
| New York              | 113                | 1,610           | 2,500             | 785            | 5,008            | 149                | 1,437           | 3,446             | 445            | 5,477            | 61                    | 1,563           | 3,346             | 774             | 5,744            |
| Pennsylvania          | 335                | 1,321           | 2,886             | 150            | 4,692            | 325                | 1,541           | 3,193             | 150            | 5,209            | 334                   | 1,758           | 3,431             | 150             | 5,673            |
| <b>GREAT LAKES</b>    |                    |                 |                   |                |                  |                    |                 |                   |                |                  |                       |                 |                   |                 |                  |
| Illinois*             | 54                 | 144             | 3,017             | 419            | 3,634            | 106                | 125             | 3,316             | 240            | 3,787            | 117                   | 152             | 3,974             | 115             | 4,358            |
| Indiana               | 2                  | 430             | 1,028             | 80             | 1,540            | 2                  | 561             | 1,033             | 0              | 1,596            | 4                     | 634             | 1,269             | 0               | 1,907            |
| Michigan              | 0                  | 1,104           | 2,149             | 124            | 3,377            | 0                  | 1,124           | 2,030             | 156            | 3,310            | 0                     | 1,317           | 1,916             | 421             | 3,654            |
| Ohio                  | 34                 | 995             | 2,694             | 301            | 4,024            | 26                 | 1,141           | 2,683             | 261            | 4,111            | 22                    | 1,148           | 2,758             | 307             | 4,235            |
| Wisconsin             | 0                  | 669             | 1,340             | 0              | 2,009            | 41                 | 736             | 1,346             | 0              | 2,123            | 69                    | 756             | 1,631             | 0               | 2,456            |
| <b>PLAINS</b>         |                    |                 |                   |                |                  |                    |                 |                   |                |                  |                       |                 |                   |                 |                  |
| Iowa                  | 2                  | 392             | 689               | 0              | 1,083            | 0                  | 295             | 828               | 0              | 1,123            | 0                     | 270             | 789               | 9               | 1,068            |
| Kansas                | 0                  | 394             | 691               | 103            | 1,188            | 0                  | 374             | 872               | 114            | 1,360            | 5                     | 387             | 1,114             | 130             | 1,636            |
| Minnesota             | 75                 | 227             | 2,006             | 147            | 2,455            | 97                 | 229             | 1,954             | 178            | 2,458            | 99                    | 316             | 2,283             | 153             | 2,851            |
| Missouri              | 12                 | 52              | 1,688             | 0              | 1,752            | 11                 | 67              | 1,644             | 372            | 2,094            | 12                    | 54              | 1,719             | 837             | 2,622            |
| Nebraska              | 1                  | 276             | 370               | 0              | 647              | 1                  | 270             | 418               | 0              | 689              | 1                     | 247             | 557               | 0               | 805              |
| North Dakota          | 0                  | 227             | 147               | 0              | 374              | 0                  | 274             | 164               | 13             | 451              | 0                     | 267             | 209               | 13              | 489              |
| South Dakota          | 0                  | 239             | 190               | 0              | 429              | 0                  | 250             | 224               | 0              | 474              | 1                     | 283             | 210               | 0               | 494              |
| <b>SOUTHEAST</b>      |                    |                 |                   |                |                  |                    |                 |                   |                |                  |                       |                 |                   |                 |                  |
| Alabama               | 0                  | 648             | 534               | 59             | 1,241            | 0                  | 783             | 420               | 32             | 1,235            | 0                     | 762             | 507               | 21              | 1,290            |
| Arkansas              | 0                  | 330             | 587               | 0              | 917              | 1                  | 438             | 521               | 0              | 960              | 1                     | 810             | 686               | 0               | 1,497            |
| Florida*              | 59                 | 1,924           | 5,099             | 427            | 7,509            | 578                | 1,767           | 5,052             | 514            | 7,911            | 1                     | 3,171           | 5,224             | 900             | 9,296            |
| Georgia               | 33                 | 2,193           | 982               | 508            | 3,716            | 15                 | 1,836           | 919               | 410            | 3,180            | 18                    | 2,236           | 709               | 308             | 3,271            |
| Kentucky              | 4                  | 459             | 1,053             | 0              | 1,516            | 4                  | 539             | 1,254             | 0              | 1,797            | 8                     | 698             | 1,712             | 0               | 2,418            |
| Louisiana             | 1                  | 614             | 623               | 134            | 1,372            | 1                  | 1,688           | 647               | 384            | 2,720            | 6                     | 752             | 700               | 425             | 1,883            |
| Mississippi           | 0                  | 431             | 532               | 59             | 1,022            | 0                  | 755             | 601               | 61             | 1,417            | 0                     | 540             | 563               | 35              | 1,138            |
| North Carolina        | 12                 | 1,054           | 2,601             | 300            | 3,967            | 0                  | 982             | 2,345             | 0              | 3,327            | 0                     | 890             | 2,531             | 0               | 3,421            |
| South Carolina        | 0                  | 830             | 1,394             | 0              | 2,224            | 0                  | 770             | 1,146             | 0              | 1,916            | 10                    | 726             | 1,214             | 0               | 1,950            |
| Tennessee*            | 0                  | 592             | 817               | 0              | 1,409            | 0                  | 996             | 707               | 156            | 1,859            | 0                     | 914             | 748               | 84              | 1,746            |
| Virginia*             | 318                | 536             | 2,544             | 145            | 3,543            | 185                | 527             | 2,735             | 80             | 3,527            | 643                   | 652             | 2,083             | 122             | 3,500            |
| West Virginia         | 7                  | 453             | 530               | 0              | 990              | 7                  | 419             | 609               | 0              | 1,035            | 9                     | 553             | 592               | 47              | 1,201            |
| <b>SOUTHWEST</b>      |                    |                 |                   |                |                  |                    |                 |                   |                |                  |                       |                 |                   |                 |                  |
| Arizona*              | 0                  | 915             | 1,107             | 276            | 2,298            | 0                  | 454             | 999               | 241            | 1,694            | 1                     | 498             | 941               | 350             | 1,790            |
| New Mexico*           | 0                  | 199             | 851               | 129            | 1,179            | 0                  | 325             | 564               | 242            | 1,131            | 0                     | 393             | 414               | 217             | 1,024            |
| Oklahoma              | 7                  | 447             | 565               | 0              | 1,019            | 7                  | 532             | 656               | 0              | 1,195            | 7                     | 626             | 1,004             | 0               | 1,637            |
| Texas                 | 1                  | 3,162           | 3,421             | 346            | 6,930            | 8                  | 2,976           | 2,859             | 1,603          | 7,446            | 2                     | 3,192           | 3,006             | 2,046           | 8,246            |
| <b>ROCKY MOUNTAIN</b> |                    |                 |                   |                |                  |                    |                 |                   |                |                  |                       |                 |                   |                 |                  |
| Colorado              | 0                  | 300             | 617               | 222            | 1,139            | 0                  | 334             | 486               | 0              | 820              | 0                     | 415             | 618               | 0               | 1,033            |
| Idaho                 | 0                  | 245             | 327               | 0              | 572              | 0                  | 269             | 340               | 0              | 609              | 0                     | 336             | 386               | 0               | 722              |
| Montana               | 6                  | 279             | 240               | 0              | 525              | 6                  | 259             | 304               | 0              | 569              | 7                     | 303             | 327               | 0               | 637              |
| Utah                  | 60                 | 265             | 469               | 50             | 844              | 120                | 322             | 526               | 0              | 968              | 40                    | 220             | 944               | 0               | 1,204            |
| Wyoming               | 248                | 5               | 286               | 0              | 539              | 249                | 5               | 286               | 0              | 540              | 127                   | 3               | 146               | 0               | 276              |
| <b>FAR WEST</b>       |                    |                 |                   |                |                  |                    |                 |                   |                |                  |                       |                 |                   |                 |                  |
| Alaska                | 105                | 1,104           | 306               | 58             | 1,573            | 252                | 759             | 333               | 195            | 1,539            | 506                   | 1,040           | 515               | 0               | 2,061            |
| California            | 0                  | 2,599           | 5,492             | 18             | 8,109            | 1,359              | 3,401           | 5,034             | 32             | 9,826            | 2,643                 | 3,570           | 4,918             | 563             | 11,694           |
| Hawaii                | 0                  | 173             | 704               | 31             | 908              | 0                  | 143             | 656               | 40             | 839              | 0                     | 423             | 813               | 323             | 1,559            |
| Nevada                | 0                  | 206             | 248               | 175            | 629              | 0                  | 223             | 265               | 99             | 587              | 0                     | 272             | 266               | 318             | 856              |
| Oregon                | 0                  | 26              | 1,598             | 3              | 1,627            | 5                  | 27              | 1,238             | 3              | 1,273            | 5                     | 28              | 1,408             | 1               | 1,44             |
| Washington            | 24                 | 443             | 1,307             | 201            | 1,975            | 39                 | 403             | 373               | 602            | 1,417            | 2                     | 427             | 1,699             | 1,243           | 3,371            |
| <b>TOTAL</b>          | <b>\$2,910</b>     | <b>\$31,976</b> | <b>\$62,249</b>   | <b>\$7,114</b> | <b>\$104,249</b> | <b>\$5,025</b>     | <b>\$34,152</b> | <b>\$61,199</b>   | <b>\$8,572</b> | <b>\$108,948</b> | <b>\$6,417</b>        | <b>\$37,952</b> | <b>\$65,980</b>   | <b>\$12,944</b> | <b>\$123,293</b> |

Source: National Association of State Budget Officers, 2006 State Expenditure Report

\*See Transportation Notes for explanation

**Table 39**

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

| <b>Region/State</b>   | <b>Fiscal<br/>2005</b> | <b>Fiscal<br/>2006</b> | <b>Fiscal<br/>2007</b> |
|-----------------------|------------------------|------------------------|------------------------|
| <b>NEW ENGLAND</b>    |                        |                        |                        |
| Connecticut           | 3.1 %                  | 3.3 %                  | 6.8 %                  |
| Maine                 | 7.7                    | 8.3                    | 8.3                    |
| Massachusetts         | 6.6                    | 6.0                    | 6.1                    |
| New Hampshire         | 10.3                   | 11.9                   | 11.7                   |
| Rhode Island          | 6.8                    | 7.9                    | 7.7                    |
| Vermont               | 7.9                    | 6.8                    | 8.6                    |
| <b>MID-ATLANTIC</b>   |                        |                        |                        |
| Delaware              | 14.1                   | 13.0                   | 12.9                   |
| Maryland              | 13.6                   | 13.2                   | 12.2                   |
| New Jersey            | 9.3                    | 9.6                    | 10.1                   |
| New York              | 5.0                    | 5.2                    | 5.1                    |
| Pennsylvania          | 9.1                    | 9.7                    | 10.0                   |
| <b>GREAT LAKES</b>    |                        |                        |                        |
| Illinois              | 8.9                    | 8.7                    | 9.0                    |
| Indiana               | 7.2                    | 7.3                    | 8.5                    |
| Michigan              | 8.3                    | 7.9                    | 8.5                    |
| Ohio                  | 7.9                    | 7.7                    | 7.8                    |
| Wisconsin             | 6.3                    | 6.3                    | 7.1                    |
| <b>PLAINS</b>         |                        |                        |                        |
| Iowa                  | 7.8                    | 7.7                    | 6.8                    |
| Kansas                | 11.2                   | 11.9                   | 13.2                   |
| Minnesota             | 10.0                   | 9.5                    | 10.3                   |
| Missouri              | 9.2                    | 10.7                   | 11.9                   |
| Nebraska              | 8.6                    | 8.6                    | 8.3                    |
| North Dakota          | 11.7                   | 13.7                   | 13.3                   |
| South Dakota          | 15.1                   | 15.9                   | 15.6                   |
| <b>SOUTHEAST</b>      |                        |                        |                        |
| Alabama               | 3.9                    | 3.7                    | 3.3                    |
| Arkansas              | 6.4                    | 6.3                    | 8.2                    |
| Florida               | 12.9                   | 12.8                   | 12.6                   |
| Georgia               | 11.4                   | 9.5                    | 9.4                    |
| Kentucky              | 7.8                    | 8.5                    | 10.6                   |
| Louisiana             | 7.2                    | 12.4                   | 6.0                    |
| Mississippi           | 7.8                    | 9.6                    | 6.6                    |
| North Carolina        | 11.4                   | 9.5                    | 9.3                    |
| South Carolina        | 12.4                   | 10.7                   | 9.9                    |
| Tennessee             | 5.9                    | 7.9                    | 6.8                    |
| Virginia              | 11.6                   | 11.1                   | 10.0                   |
| West Virginia         | 5.6                    | 5.1                    | 6.4                    |
| <b>SOUTHWEST</b>      |                        |                        |                        |
| Arizona               | 9.6                    | 6.7                    | 6.5                    |
| New Mexico            | 10.6                   | 9.6                    | 8.6                    |
| Oklahoma              | 7.3                    | 7.4                    | 8.5                    |
| Texas                 | 10.5                   | 10.5                   | 11.0                   |
| <b>ROCKY MOUNTAIN</b> |                        |                        |                        |
| Colorado              | 8.0                    | 5.3                    | 6.3                    |
| Idaho                 | 11.9                   | 12.1                   | 12.3                   |
| Montana               | 12.8                   | 12.8                   | 12.6                   |
| Utah                  | 9.9                    | 10.9                   | 11.8                   |
| Wyoming               | 8.7                    | 8.7                    | 4.9                    |
| <b>FAR WEST</b>       |                        |                        |                        |
| Alaska                | 17.3                   | 16.0                   | 17.4                   |
| California            | 5.1                    | 5.7                    | 6.1                    |
| Hawaii                | 10.4                   | 8.9                    | 13.8                   |
| Nevada                | 9.1                    | 7.9                    | 10.5                   |
| Oregon                | 8.4                    | 6.3                    | 6.9                    |
| Washington            | 7.6                    | 5.1                    | 10.4                   |
| <b>ALL STATES</b>     | <b>8.2 %</b>           | <b>8.1 %</b>           | <b>8.4 %</b>           |

Source: National Association of State Budget Officers,  
2006 State Expenditure Report

**Table 40**  
**ANNUAL PERCENTAGE CHANGE IN TRANSPORTATION EXPENDITURES**

| Region/State          | Fiscal 2005 to 2006 |               |              | Fiscal 2006 to 2007 |               |               |
|-----------------------|---------------------|---------------|--------------|---------------------|---------------|---------------|
|                       | State Funds         | Federal Funds | All Funds    | State Funds         | Federal Funds | All Funds     |
| <b>NEW ENGLAND</b>    |                     |               |              |                     |               |               |
| Connecticut           | 10.2 %              | 4.2 %         | 16.1 %       | 8.7 %               | 397.3 %       | 116.5 %       |
| Maine                 | 22.2                | 9.6           | 12.3         | -5.1                | 0.0           | 4.9           |
| Massachusetts         | -8.5                | -13.2         | -5.4         | -11.1               | 23.4          | 1.1           |
| New Hampshire         | 20.8                | 9.9           | 16.2         | -2.5                | 1.9           | -0.8          |
| Rhode Island          | 1.4                 | 10.1          | 27.9         | -31.9               | 8.8           | 3.8           |
| Vermont               | 0.5                 | 8.8           | 3.4          | 9.6                 | 57.7          | 30.9          |
| <b>MID-ATLANTIC</b>   |                     |               |              |                     |               |               |
| Delaware              | 2.2                 | -2.5          | 1.4          | 4.1                 | -8.7          | 2.1           |
| Maryland              | 5.2                 | 4.0           | 4.9          | 7.2                 | -4.9          | 4.2           |
| New Jersey            | 0.8                 | 24.1          | 5.1          | 7.2                 | 6.4           | 14.3          |
| New York              | 37.6                | -10.7         | 9.4          | -5.2                | 8.8           | 4.9           |
| Pennsylvania          | 9.2                 | 16.7          | 11.0         | 7.0                 | 14.1          | 8.9           |
| <b>GREAT LAKES</b>    |                     |               |              |                     |               |               |
| Illinois              | 11.4                | -13.2         | 4.2          | 19.5                | 21.6          | 15.1          |
| Indiana               | 0.5                 | 30.5          | 3.6          | 23.0                | 13.0          | 19.5          |
| Michigan              | -5.5                | 1.8           | -2.0         | -5.6                | 17.2          | 10.4          |
| Ohio                  | -0.7                | 14.7          | 2.2          | 2.6                 | 0.6           | 3.0           |
| Wisconsin             | 3.5                 | 10.0          | 5.7          | 22.6                | 2.7           | 15.7          |
| <b>PLAINS</b>         |                     |               |              |                     |               |               |
| Iowa                  | 19.8                | -24.7         | 3.7          | -4.7                | -8.5          | -4.9          |
| Kansas                | 26.2                | -5.1          | 14.5         | 28.3                | 3.5           | 20.3          |
| Minnesota             | -1.4                | 0.9           | 0.1          | 16.1                | 38.0          | 16.0          |
| Missouri              | -2.6                | 28.8          | 19.5         | 4.6                 | -19.4         | 25.2          |
| Nebraska              | 12.9                | -2.2          | 6.5          | 33.2                | -8.5          | 16.8          |
| North Dakota          | 11.6                | 20.7          | 20.6         | 27.4                | -2.6          | 8.4           |
| South Dakota          | 17.9                | 4.6           | 10.5         | -5.8                | 13.2          | 4.2           |
| <b>SOUTHEAST</b>      |                     |               |              |                     |               |               |
| Alabama               | -21.3               | 20.8          | -0.5         | 20.7                | -2.7          | 4.5           |
| Arkansas              | -11.1               | 32.7          | 4.7          | 31.6                | 84.9          | 55.9          |
| Florida               | 9.2                 | -8.2          | 5.4          | -7.2                | 79.5          | 17.5          |
| Georgia               | -8.0                | -16.3         | -14.4        | -22.2               | 21.8          | 2.9           |
| Kentucky              | 19.0                | 17.4          | 18.5         | 36.7                | 29.5          | 34.6          |
| Louisiana             | 3.8                 | 174.9         | 98.3         | 9.0                 | -55.5         | -30.8         |
| Mississippi           | 13.0                | 75.2          | 38.6         | -6.3                | -28.5         | -19.7         |
| North Carolina        | -10.3               | -6.8          | -16.1        | 7.9                 | -9.4          | 2.8           |
| South Carolina        | -17.8               | -7.2          | -13.8        | 6.8                 | -5.7          | 1.8           |
| Tennessee             | -13.5               | 68.2          | 31.9         | 5.8                 | -8.2          | -6.1          |
| Virginia              | 2.0                 | -1.7          | -0.5         | -6.6                | 23.7          | -0.8          |
| West Virginia         | 14.7                | -7.5          | 4.5          | -2.4                | 32.0          | 16.0          |
| <b>SOUTHWEST</b>      |                     |               |              |                     |               |               |
| Arizona               | -9.8                | -50.4         | -26.3        | -5.7                | 9.7           | 5.7           |
| New Mexico            | -33.7               | 63.3          | -4.1         | -26.6               | 20.9          | -9.5          |
| Oklahoma              | 15.9                | 19.0          | 17.3         | 52.5                | 17.7          | 37.0          |
| Texas                 | -16.2               | -5.9          | 7.4          | 4.9                 | 7.3           | 10.7          |
| <b>ROCKY MOUNTAIN</b> |                     |               |              |                     |               |               |
| Colorado              | -21.2               | 11.3          | -28.0        | 27.2                | 24.3          | 26.0          |
| Idaho                 | 4.0                 | 9.8           | 6.5          | 13.5                | 24.9          | 18.6          |
| Montana               | 26.0                | -7.2          | 8.4          | 7.7                 | 17.0          | 12.0          |
| Utah                  | 22.1                | 21.5          | 14.7         | 52.3                | -31.7         | 24.4          |
| Wyoming               | 0.2                 | 0.0           | 0.2          | -49.0               | -40.0         | -48.9         |
| <b>FAR WEST</b>       |                     |               |              |                     |               |               |
| Alaska                | 42.3                | -31.3         | -2.2         | 74.5                | 37.0          | 33.9          |
| California            | 16.4                | 30.9          | 21.2         | 18.3                | 5.0           | 19.0          |
| Hawaii                | -6.8                | -17.3         | -7.6         | 23.9                | 195.8         | 85.8          |
| Nevada                | 6.9                 | 8.3           | -6.7         | 0.4                 | 22.0          | 45.8          |
| Oregon                | -22.2               | 3.8           | -21.8        | 13.7                | 3.7           | 13.3          |
| Washington            | -69.0               | -9.0          | -28.3        | 312.9               | 6.0           | 137.9         |
| <b>ALL STATES</b>     | <b>1.6 %</b>        | <b>6.8 %</b>  | <b>4.5 %</b> | <b>9.3 %</b>        | <b>11.1 %</b> | <b>13.2 %</b> |

Note: State funds are defined as general funds and other state funds (bonds are excluded).  
Source: National Association of State Budget Officers, 2006 State Expenditure Report

**Table 41**

**ITEMS EXCLUDED FROM TRANSPORTATION EXPENDITURES**

| Region/State          | Employer Contributions to Pensions | Employer Contributions to Health Benefits | Port Authority Operations | Gasoline Tax & Fee Collections | Truck Enforcement Reg. Programs | Train/Railroad Subsidy Programs | Road Assist. Subsidy Prog. for Local Govts. | Motor Vehicle Licensing | State Police/ Highway Patrol |
|-----------------------|------------------------------------|---|---------------------------|--------------------------------|---------------------------------|---------------------------------|---|-------------------------|------------------------------|
| <b>NEW ENGLAND</b>    |                                    |   |                           |                                |                                 |                                 |   |                         |                              |
| Connecticut           |                                    |   |                           | X                              |                                 |                                 |   |                         | X                            |
| Maine                 |                                    |   | X                         | P                              | X                               |                                 |   |                         | X                            |
| Massachusetts         |                                    |   | X                         | X                              |                                 |                                 |   |                         |                              |
| New Hampshire         |                                    |   |                           |                                |                                 |                                 |   | X                       | X                            |
| Rhode Island          |                                    |   | X                         |                                | X                               | X                               | X   | X                       | X                            |
| Vermont               |                                    |   | X                         |                                |                                 |                                 |   |                         | P                            |
| <b>MID-ATLANTIC</b>   |                                    |   |                           |                                |                                 |                                 |   |                         |                              |
| Delaware              |                                    |   | P                         |                                |                                 |                                 |   |                         |                              |
| Maryland              |                                    |   |                           | X                              | X                               |                                 |   |                         | X                            |
| New Jersey            |                                    |   | X                         |                                |                                 |                                 |   |                         | X                            |
| New York              | P                                  | P   | X                         | X                              |                                 |                                 |   |                         | X                            |
| Pennsylvania          |                                    |   | P                         | P                              |                                 |                                 |   |                         | X                            |
| <b>GREAT LAKES</b>    |                                    |   |                           |                                |                                 |                                 |   |                         |                              |
| Illinois*             |                                    | P   | X                         | X                              | X                               |                                 |   | X                       | X                            |
| Indiana               |                                    |   | X                         |                                |                                 |                                 |   |                         | X                            |
| Michigan              |                                    |   | X                         |                                |                                 |                                 |   |                         | X                            |
| Ohio                  |                                    |   |                           |                                |                                 |                                 |   |                         |                              |
| Wisconsin             |                                    |   | X                         |                                |                                 |                                 |   |                         |                              |
| <b>PLAINS</b>         |                                    |   |                           |                                |                                 |                                 |   |                         |                              |
| Iowa                  |                                    |   | X                         |                                |                                 |                                 |   |                         |                              |
| Kansas                |                                    |   | X                         |                                | X                               |                                 |   | X                       | X                            |
| Minnesota             |                                    |   | X                         |                                |                                 |                                 |   |                         |                              |
| Missouri              |                                    |   |                           | X                              |                                 |                                 | X   | X                       | X                            |
| Nebraska              |                                    |   | X                         |                                |                                 |                                 | X   |                         | X                            |
| North Dakota          |                                    |   | X                         |                                | X                               |                                 |   |                         | X                            |
| South Dakota          |                                    |   | X                         | X                              | X                               | X                               |   | X                       | X                            |
| <b>SOUTHEAST</b>      |                                    |   |                           |                                |                                 |                                 |   |                         |                              |
| Alabama               |                                    |   | X                         |                                | P                               | X                               | X   | X                       | X                            |
| Arkansas              |                                    |   | X                         |                                |                                 | X                               |   | X                       | X                            |
| Florida               |                                    |   | X                         | X                              |                                 | X                               |   |                         | X                            |
| Georgia               |                                    |   | X                         |                                | X                               |                                 |   | X                       | X                            |
| Kentucky              |                                    |   | X                         |                                |                                 |                                 |   |                         | X                            |
| Louisiana             |                                    |   | P                         |                                | P                               | X                               |   | X                       | X                            |
| Mississippi           |                                    |   |                           | P                              |                                 | X                               |   | X                       | X                            |
| North Carolina        |                                    |   | X                         |                                |                                 |                                 |   |                         |                              |
| South Carolina        |                                    |   | X                         |                                | X                               | X                               | X   | X                       | X                            |
| Tennessee             |                                    |   |                           | X                              | X                               |                                 |   | X                       | X                            |
| Virginia*             |                                    |   |                           |                                |                                 |                                 |   |                         | X                            |
| West Virginia         |                                    |   | P                         | X                              |                                 | X                               | X   |                         | X                            |
| <b>SOUTHWEST</b>      |                                    |   |                           |                                |                                 |                                 |   |                         |                              |
| Arizona*              |                                    |   | P                         |                                |                                 |                                 | P   |                         |                              |
| New Mexico            |                                    |   |                           |                                |                                 |                                 |   |                         |                              |
| Oklahoma              |                                    |   | X                         |                                |                                 |                                 |   |                         | X                            |
| Texas                 | X                                  | X   | X                         |                                | P                               |                                 |   |                         | X                            |
| <b>ROCKY MOUNTAIN</b> |                                    |   |                           |                                |                                 |                                 |   |                         |                              |
| Colorado              |                                    |   | X                         | X                              | X                               | X                               | X   | X                       | X                            |
| Idaho                 |                                    |   |                           |                                | X                               |                                 |   |                         | X                            |
| Montana               |                                    |   | X                         |                                |                                 |                                 |   |                         | X                            |
| Utah                  |                                    |   |                           |                                |                                 | X                               | P   | P                       | X                            |
| Wyoming               |                                    |   | X                         |                                |                                 |                                 |   |                         |                              |
| <b>FAR WEST</b>       |                                    |   |                           |                                |                                 |                                 |   |                         |                              |
| Alaska                |                                    |   | X                         | X                              |                                 | X                               | X   | X                       | X                            |
| California            |                                    |   | X                         | X                              | X                               |                                 |   |                         | X                            |
| Hawaii                |                                    |   | X                         |                                | X                               |                                 | X   | X                       | X                            |
| Nevada                |                                    |   | X                         | X                              | X                               | X                               | X   | X                       | X                            |
| Oregon                |                                    |   | X                         |                                |                                 |                                 |   |                         | X                            |
| Washington            |                                    |   | X                         |                                |                                 |                                 |   |                         |                              |
| <b>ALL STATES</b>     | <b>2</b>                           | <b>3</b>                                  | <b>39</b>                 | <b>17</b>                      | <b>18</b>                       | <b>14</b>                       | <b>12</b>                                   | <b>18</b>               | <b>39</b>                    |

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

Source: National Association of State Budget Officers, 2006 State Expenditure Report

\*See Transportation Notes for explanation

## **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.*

**Arizona:** A portion of the gross “Gasoline Tax & Fee Collections” are distributed to local governments.

**Florida:** Increasing transportation project expenditures are primarily due to the passage of growth management legislation in the 2005 Legislative Session that provided a one-time transfer of \$575 million from the General Revenue Fund to the State Transportation Trust Fund in fiscal 2005–06 and redirected additional documentary stamp revenue of approximately \$100 million each year for a total of \$541.75 million to the State Transportation Trust Fund on a recurring basis. In addition, the State received an increase in federal funding resulting from the passage of the Federal Reauthorization Bill,

SAFETEA-LU, which provided a guaranteed 18% increase over prior funding received through the TEA-21 federal act. As determined by the department’s 5-year work plan, turnpike construction expenditures which are supported by revenue bonds are projected to increase in fiscal 2006–07.

**Illinois:** The general funds portion of Employee Health Benefits are paid out of the Department of Healthcare and Family Services — Group Insurance appropriation lines for all agencies.

**New Mexico:** Capital amounts for all state government are combined under the “All Other” category instead of being included in the individual categories of Transportation.

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

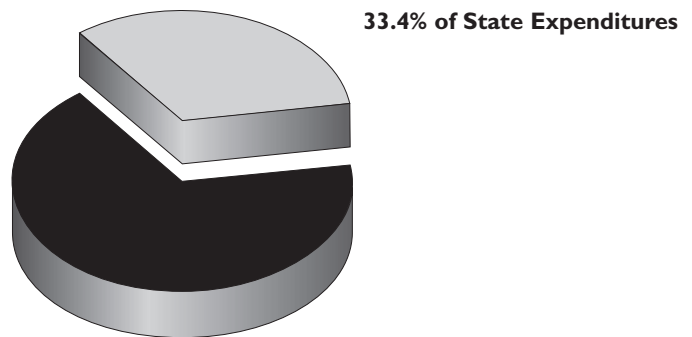
**Virginia:** State Police and Highway Patrol funding is included in Public Safety.



# CHAPTER SEVEN

## ALL OTHER EXPENDITURES

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The “All Other” category reflects a substantial amount of state spending not included in the categories described in previous chapters. “All Other” spending in states includes the State Children’s Health Insurance Program (SCHIP), institutional and community care for the mentally ill and developmentally disabled, 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 governments (a list of the items *excluded* from the All Other category is displayed in Table 46).

The “All Other” category of expenditures totaled \$447.5 billion for fiscal 2006, or 33.4 percent of total state spending. Total spending in the “All Other” category increased 9.2 percent from fiscal 2005 to 2006, and is expected to grow by 11.4 percent from fiscal 2006 to fiscal 2007. In addition, “All Other” has increased as a percent of total state spending. Whereas in fiscal 2005 “All Other” was 32.4 percent of total state spending, in fiscal 2006 it increased to 33.4 percent, and is estimated to grow to 34.1 percent of total state spending in fiscal 2007. Tables 42–46 and the accompanying notes describe the “All Other” category in more detail.

### State Children’s Health Insurance Program

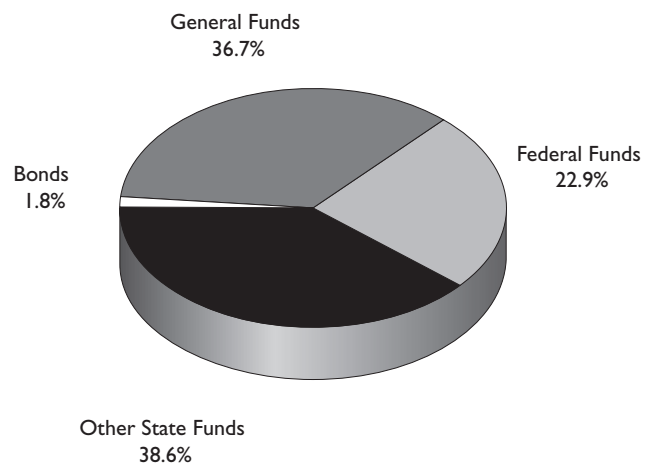
Enacted as part of the *Balanced Budget Act of 1997*, the State Children’s Health Insurance Program has expanded health coverage for previously uninsured children. The program is targeted toward children from families with incomes too high to qualify for Medicaid but too low to afford private insurance. States receive a federal match for their SCHIP programs that range from 65 percent to 85 percent within a capped allotment. SCHIP’s original ten-year authorization ran through September 30, 2007. At the time of publication, SCHIP is being funded through a federal Continuing Resolution (CR), and reauthorization legislation is currently pending in Congress.

According to the Center for Medicare and Medicaid Services, approximately 6.6 million children were enrolled in SCHIP during fiscal 2006. Fiscal 2006 SCHIP spending totaled \$8.1 billion. For state specific information, see Table A-2.

### Fund Shares

The figure below illustrates fund shares for fiscal 2006.

**Figure 19**  
**STATE EXPENDITURES FOR ALL OTHER PROGRAMS BY FUND SOURCE, FISCAL 2006**



### Regional Expenditures

The following table shows percentage changes for all other expenditures for fiscal 2005–2006 and 2006–2007 by region. For fiscal 2006, the Far West and Southwest regions are well above the national average while the Mid-Atlantic region is well below the national average.

**Table 42**  
**REGIONAL PERCENTAGE CHANGE IN STATE ALL OTHER EXPENDITURES, FISCAL 2006 AND 2007**

| Region            | Fiscal 2005 to 2006 |               |             | Fiscal 2006 to 2007 |               |              |
|-------------------|---------------------|---------------|-------------|---------------------|---------------|--------------|
|                   | State Funds         | Federal Funds | All Funds   | State Funds         | Federal Funds | All Funds    |
| New England       | 10.4%               | 9.8%          | 10.0%       | -0.2%               | -8.7%         | -2.1%        |
| Mid-Atlantic      | 5.9                 | -10.3         | 2.4         | 13.2                | 6.0           | 11.5         |
| Great Lakes       | 10.4                | -0.7          | 8.2         | -2.2                | 11.0          | 0.3          |
| Plains            | 8.9                 | -2.1          | 5.4         | 16.6                | 17.0          | 17.0         |
| Southeast         | 10.3                | 4.8           | 8.7         | 11.8                | 42.3          | 20.6         |
| Southwest         | 19.2                | 11.8          | 16.5        | 0.6                 | -2.0          | 0.0          |
| Rocky Mountain    | 6.4                 | 2.2           | 4.9         | 4.4                 | 5.7           | 5.5          |
| Far West          | 23.6                | 6.3           | 17.1        | 18.1                | 7.6           | 17.7         |
| <b>ALL STATES</b> | <b>11.9%</b>        | <b>2.0%</b>   | <b>9.2%</b> | <b>9.0%</b>         | <b>16.4%</b>  | <b>11.4%</b> |

Table 43

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

| Region/State          | Actual Fiscal 2005 |                  |                   |                |                  | Actual Fiscal 2006 |                  |                   |                |                  | Estimated Fiscal 2007 |                  |                   |                 |                  |
|-----------------------|--------------------|------------------|-------------------|----------------|------------------|--------------------|------------------|-------------------|----------------|------------------|-----------------------|------------------|-------------------|-----------------|------------------|
|                       | 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           | \$6,822            | \$133            | \$2,320           | \$948          | \$10,223         | \$7,674            | \$209            | \$2,615           | \$1,181        | \$11,679         | \$7,989               | \$22             | \$2,697           | \$1,155         | \$11,863         |
| Maine                 | 775                | 460              | 1,113             | 48             | 2,396            | 722                | 493              | 1,216             | 26             | 2,457            | 784                   | 594              | 1,094             | 44              | 2,516            |
| Massachusetts         | 10,151             | 1,135            | 5,279             | 1,189          | 17,754           | 11,110             | 1,177            | 5,138             | 1,092          | 18,517           | 10,607                | 1,081            | 5,063             | 520             | 17,271           |
| New Hampshire         | 668                | 409              | 285               | 54             | 1,416            | 709                | 441              | 245               | 52             | 1,447            | 720                   | 409              | 267               | 38              | 1,434            |
| Rhode Island          | 1,077              | 560              | 580               | 20             | 2,237            | 1,140              | 644              | 801               | 32             | 2,617            | 1,135                 | 622              | 836               | 132             | 2,725            |
| Vermont               | 655                | 207              | 434               | 42             | 1,338            | 735                | 224              | 1,179             | 30             | 2,168            | 821                   | 182              | 1,217             | 30              | 2,250            |
| <b>MID-ATLANTIC</b>   |                    |                  |                   |                |                  |                    |                  |                   |                |                  |                       |                  |                   |                 |                  |
| Delaware              | 1,019              | 208              | 0                 | 16             | 1,243            | 1,233              | 264              | 0                 | 12             | 1,509            | 1,500                 | 299              | 0                 | 0               | 1,799            |
| Maryland              | 3,095              | 1,144            | 2,233             | 0              | 6,472            | 3,498              | 1,297            | 2,586             | 0              | 7,381            | 4,465                 | 1,483            | 3,192             | 0               | 9,140            |
| New Jersey            | 10,381             | 1,917            | 2,884             | 117            | 15,299           | 9,250              | 1,412            | 3,052             | 66             | 13,780           | 10,508                | 2,534            | 3,022             | 77              | 16,141           |
| New York              | 15,457             | 9,498            | 7,717             | 563            | 33,235           | 16,524             | 8,397            | 8,754             | 789            | 34,464           | 18,868                | 7,759            | 10,272            | 687             | 37,586           |
| Pennsylvania          | 5,460              | 4,569            | 5,445             | 63             | 15,537           | 6,059              | 4,189            | 5,900             | 211            | 16,359           | 6,497                 | 4,425            | 6,015             | 327             | 17,264           |
| <b>GREAT LAKES</b>    |                    |                  |                   |                |                  |                    |                  |                   |                |                  |                       |                  |                   |                 |                  |
| Illinois              | 4,054              | 3,067            | 5,728             | 248            | 13,097           | 5,509              | 2,821            | 6,708             | 317            | 15,355           | 6,621                 | 2,965            | 6,364             | 410             | 16,360           |
| Indiana               | 3,498              | 2,337            | 1,687             | 0              | 7,522            | 3,649              | 1,932            | 1,689             | 0              | 7,270            | 3,735                 | 2,118            | 1,671             | 0               | 7,524            |
| Michigan*             | 2,478              | 3,570            | 5,047             | 75             | 11,170           | 2,606              | 3,955            | 5,496             | 223            | 12,280           | 2,534                 | 5,143            | 4,443             | 54              | 12,174           |
| Ohio                  | 4,061              | 3,488            | 11,645            | 270            | 19,464           | 3,684              | 3,610            | 13,129            | 261            | 20,684           | 2,905                 | 3,686            | 12,768            | 212             | 19,571           |
| Wisconsin             | 2,700              | 1,990            | 9,330             | 0              | 14,020           | 3,045              | 2,026            | 9,945             | 0              | 15,016           | 3,256                 | 2,017            | 9,945             | 0               | 15,218           |
| <b>PLAINS</b>         |                    |                  |                   |                |                  |                    |                  |                   |                |                  |                       |                  |                   |                 |                  |
| Iowa                  | 973                | 1,410            | 1,515             | 60             | 3,958            | 1,036              | 1,232            | 1,903             | 40             | 4,211            | 1,116                 | 1,412            | 2,208             | 103             | 4,839            |
| Kansas                | 578                | 820              | 757               | 36             | 2,191            | 695                | 782              | 896               | 59             | 2,432            | 790                   | 763              | 956               | 80              | 2,589            |
| Minnesota             | 3,408              | 1,655            | 1,444             | 158            | 6,665            | 3,537              | 1,712            | 1,489             | 155            | 6,893            | 3,906                 | 1,893            | 1,854             | 162             | 7,815            |
| Missouri*             | 1,774              | 418              | 2,199             | 56             | 4,447            | 1,841              | 474              | 2,297             | 11             | 4,623            | 2,555                 | 939              | 2,278             | 42              | 5,814            |
| Nebraska              | 684                | 758              | 1,027             | 0              | 2,469            | 707                | 752              | 1,276             | 0              | 2,735            | 912                   | 948              | 1,590             | 0               | 3,450            |
| North Dakota          | 177                | 364              | 458               | 60             | 1,059            | 211                | 367              | 442               | 14             | 1,034            | 237                   | 502              | 437               | 2               | 1,178            |
| South Dakota          | 181                | 249              | 282               | 5              | 717              | 208                | 235              | 300               | 7              | 750              | 217                   | 41               | 583               | 5               | 846              |
| <b>SOUTHEAST</b>      |                    |                  |                   |                |                  |                    |                  |                   |                |                  |                       |                  |                   |                 |                  |
| Alabama               | 6,341              | 4,970            | 7,548             | 221            | 19,080           | 7,061              | 4,759            | 7,666             | 199            | 19,685           | 8,235                 | 5,723            | 9,219             | 237             | 23,414           |
| Arkansas              | 442                | 988              | 3,287             | 56             | 4,773            | 442                | 1,115            | 3,449             | 59             | 5,065            | 483                   | 1,904            | 3,729             | 301             | 6,417            |
| Florida               | 5,088              | 6,467            | 5,947             | 473            | 17,975           | 5,394              | 6,153            | 7,502             | 669            | 19,718           | 7,330                 | 6,769            | 10,416            | 1,838           | 26,353           |
| Georgia*              | 5,394              | 2,125            | 3,385             | 131            | 11,035           | 5,547              | 2,207            | 3,485             | 143            | 11,382           | 5,975                 | 1,675            | 3,555             | 174             | 11,379           |
| Kentucky              | 1,823              | 1,585            | 1,646             | 0              | 5,054            | 2,048              | 1,581            | 1,999             | 0              | 5,628            | 2,088                 | 1,962            | 2,056             | 0               | 6,106            |
| Louisiana             | 2,249              | 755              | 2,572             | 136            | 5,712            | 2,641              | 1,053            | 2,707             | 110            | 6,511            | 1,674                 | 9,436            | 4,119             | 88              | 15,317           |
| Mississippi           | 908                | 1,223            | 1,015             | 219            | 3,365            | 1,036              | 2,301            | 1,086             | 171            | 4,594            | 1,174                 | 4,121            | 1,066             | 307             | 6,668            |
| North Carolina        | 3,150              | 2,112            | 2,464             | 197            | 7,923            | 3,546              | 2,330            | 2,078             | 70             | 8,024            | 5,248                 | 1,969            | 1,357             | 199             | 8,773            |
| South Carolina        | 1,630              | 1,787            | 841               | 4              | 4,262            | 1,685              | 1,829            | 895               | 3              | 4,412            | 2,205                 | 1,802            | 989               | 0               | 4,996            |
| Tennessee             | 2,041              | 2,515            | 1,786             | 84             | 6,426            | 2,280              | 2,556            | 2,075             | 21             | 6,932            | 2,736                 | 2,740            | 2,314             | 154             | 7,944            |
| Virginia              | 4,032              | 1,685            | 5,535             | 186            | 11,438           | 4,411              | 1,742            | 5,651             | 195            | 11,999           | 4,815                 | 1,473            | 6,268             | 208             | 12,764           |
| West Virginia         | 911                | 800              | 8,964             | 0              | 10,675           | 946                | 692              | 11,532            | 0              | 13,170           | 896                   | 710              | 9,482             | 0               | 11,088           |
| <b>SOUTHWEST</b>      |                    |                  |                   |                |                  |                    |                  |                   |                |                  |                       |                  |                   |                 |                  |
| Arizona*              | 1,636              | 2,218            | 3,388             | 0              | 7,242            | 2,053              | 2,177            | 3,479             | 0              | 7,709            | 2,574                 | 2,741            | 3,245             | 0               | 8,560            |
| New Mexico*           | 1,514              | 657              | 1,572             | 0              | 3,743            | 2,099              | 783              | 1,391             | 0              | 4,273            | 1,668                 | 951              | 1,179             | 0               | 3,798            |
| Oklahoma              | 841                | 1,762            | 1,587             | 27             | 4,217            | 1,013              | 1,629            | 2,716             | 50             | 5,408            | 1,267                 | 1,645            | 2,743             | 0               | 5,655            |
| Texas                 | 4,674              | 4,865            | 331               | 89             | 9,959            | 5,447              | 6,036            | 336               | 94             | 11,913           | 5,610                 | 5,080            | 360               | 234             | 11,284           |
| <b>ROCKY MOUNTAIN</b> |                    |                  |                   |                |                  |                    |                  |                   |                |                  |                       |                  |                   |                 |                  |
| Colorado              | 992                | 1,182            | 2,495             | 0              | 4,669            | 1,090              | 1,289            | 2,683             | 0              | 5,062            | 1,330                 | 1,401            | 2,605             | 0               | 5,336            |
| Idaho                 | 381                | 641              | 302               | 1              | 1,325            | 411                | 630              | 338               | 1              | 1,380            | 435                   | 716              | 506               | 1               | 1,658            |
| Montana               | 408                | 509              | 651               | 0              | 1,568            | 546                | 528              | 683               | 0              | 1,757            | 555                   | 699              | 879               | 0               | 2,133            |
| Utah                  | 883                | 573              | 1,095             | 58             | 2,609            | 884                | 593              | 1,174             | 5              | 2,656            | 1,093                 | 620              | 1,357             | 111             | 3,181            |
| Wyoming               | 1,601              | 957              | 1,575             | 0              | 4,133            | 1,670              | 908              | 1,573             | 0              | 4,151            | 1,262                 | 737              | 1,520             | 0               | 3,519            |
| <b>FAR WEST</b>       |                    |                  |                   |                |                  |                    |                  |                   |                |                  |                       |                  |                   |                 |                  |
| Alaska                | 1,187              | 1,046            | 2,100             | 8              | 4,341            | 1,069              | 1,095            | 2,440             | 109            | 4,713            | 1,780                 | 1,170            | 3,014             | 0               | 5,964            |
| California            | 12,562             | 14,232           | 13,301            | 1,793          | 41,888           | 18,943             | 15,319           | 14,751            | 1,246          | 50,259           | 23,536                | 16,448           | 18,663            | 3,340           | 61,987           |
| Hawaii*               | 1,530              | 558              | 1,577             | 145            | 3,810            | 1,588              | 542              | 1,740             | 157            | 4,027            | 2,049                 | 734              | 1,517             | 358             | 4,658            |
| Nevada                | 521                | 571              | 1,917             | 37             | 3,046            | 957                | 624              | 1,865             | 25             | 3,471            | 1,078                 | 443              | 2,273             | 15              | 3,809            |
| Oregon                | 517                | 1,568            | 6,498             | 65             | 8,648            | 1,281              | 1,519            | 6,402             | 61             | 9,263            | 1,088                 | 1,747            | 6,174             | 52              | 9,061            |
| Washington            | 1,687              | 1,675            | 3,312             | 244            | 6,918            | 2,759              | 1,783            | 3,949             | 163            | 8,654            | 2,846                 | 1,924            | 4,191             | 200             | 9,161            |
| <b>TOTAL</b>          | <b>\$145,069</b>   | <b>\$100,392</b> | <b>\$156,100</b>  | <b>\$8,202</b> | <b>\$409,763</b> | <b>\$164,229</b>   | <b>\$102,418</b> | <b>\$172,701</b>  | <b>\$8,129</b> | <b>\$447,477</b> | <b>\$183,708</b>      | <b>\$119,177</b> | <b>\$183,568</b>  | <b>\$11,897</b> | <b>\$498,350</b> |

Source: National Association of State Budget Officers, 2006 State Expenditure Report

\*See All Other Expenditures Notes for explanation

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

| <b>Region/State</b>   | <b>Fiscal<br/>2005</b> | <b>Fiscal<br/>2006</b> | <b>Fiscal<br/>2007</b> |
|-----------------------|------------------------|------------------------|------------------------|
| <b>NEW ENGLAND</b>    |                        |                        |                        |
| Connecticut           | 49.5 %                 | 51.7 %                 | 49.4 %                 |
| Maine                 | 35.5                   | 34.6                   | 33.8                   |
| Massachusetts         | 46.8                   | 47.2                   | 43.9                   |
| New Hampshire         | 32.1                   | 32.4                   | 31.8                   |
| Rhode Island          | 36.7                   | 39.0                   | 38.3                   |
| Vermont               | 32.5                   | 43.8                   | 43.8                   |
| <b>MID-ATLANTIC</b>   |                        |                        |                        |
| Delaware              | 24.5                   | 27.1                   | 31.3                   |
| Maryland              | 26.7                   | 28.0                   | 30.8                   |
| New Jersey            | 36.9                   | 32.6                   | 35.2                   |
| New York              | 33.0                   | 33.0                   | 33.3                   |
| Pennsylvania          | 30.3                   | 30.3                   | 30.4                   |
| <b>GREAT LAKES</b>    |                        |                        |                        |
| Illinois              | 32.1                   | 35.4                   | 33.9                   |
| Indiana               | 35.0                   | 33.3                   | 33.5                   |
| Michigan              | 27.5                   | 29.4                   | 28.2                   |
| Ohio                  | 38.4                   | 38.7                   | 35.9                   |
| Wisconsin             | 44.0                   | 44.8                   | 44.1                   |
| <b>PLAINS</b>         |                        |                        |                        |
| Iowa                  | 28.5                   | 28.7                   | 30.9                   |
| Kansas                | 20.7                   | 21.3                   | 20.9                   |
| Minnesota             | 27.2                   | 26.8                   | 28.3                   |
| Missouri              | 23.3                   | 23.5                   | 26.4                   |
| Nebraska              | 32.8                   | 34.3                   | 35.6                   |
| North Dakota          | 33.2                   | 31.4                   | 32.0                   |
| South Dakota          | 25.2                   | 25.2                   | 26.7                   |
| <b>SOUTHEAST</b>      |                        |                        |                        |
| Alabama               | 59.4                   | 58.5                   | 60.4                   |
| Arkansas              | 33.4                   | 33.1                   | 35.1                   |
| Florida               | 30.8                   | 32.0                   | 35.8                   |
| Georgia               | 33.7                   | 34.1                   | 32.8                   |
| Kentucky              | 26.1                   | 26.8                   | 26.7                   |
| Louisiana             | 29.9                   | 29.7                   | 49.1                   |
| Mississippi           | 25.8                   | 31.0                   | 38.6                   |
| North Carolina        | 22.8                   | 22.8                   | 23.9                   |
| South Carolina        | 23.7                   | 24.6                   | 25.5                   |
| Tennessee             | 26.9                   | 29.4                   | 30.9                   |
| Virginia              | 37.5                   | 37.6                   | 36.6                   |
| West Virginia         | 60.2                   | 64.5                   | 59.4                   |
| <b>SOUTHWEST</b>      |                        |                        |                        |
| Arizona               | 30.3                   | 30.4                   | 31.2                   |
| New Mexico            | 33.7                   | 36.1                   | 31.8                   |
| Oklahoma              | 30.1                   | 33.3                   | 29.5                   |
| Texas                 | 15.1                   | 16.8                   | 15.0                   |
| <b>ROCKY MOUNTAIN</b> |                        |                        |                        |
| Colorado              | 32.8                   | 32.9                   | 32.8                   |
| Idaho                 | 27.6                   | 27.4                   | 28.3                   |
| Montana               | 38.3                   | 39.4                   | 42.0                   |
| Utah                  | 30.7                   | 29.8                   | 31.3                   |
| Wyoming               | 66.6                   | 66.9                   | 62.2                   |
| <b>FAR WEST</b>       |                        |                        |                        |
| Alaska                | 47.7                   | 49.0                   | 50.2                   |
| California            | 26.2                   | 29.0                   | 32.2                   |
| Hawaii                | 43.5                   | 42.5                   | 41.2                   |
| Nevada                | 44.2                   | 46.9                   | 46.8                   |
| Oregon                | 44.8                   | 45.8                   | 43.5                   |
| Washington            | 26.5                   | 31.1                   | 28.2                   |
| <b>ALL STATES</b>     | <b>32.4 %</b>          | <b>33.4 %</b>          | <b>34.1 %</b>          |

Source: National Association of State Budget Officers,  
2006 State Expenditure Report

Table 45

## ANNUAL PERCENTAGE CHANGE IN ALL OTHER EXPENDITURES

| Region/State          | Fiscal 2005 to 2006 |               |              | Fiscal 2006 to 2007 |               |               |
|-----------------------|---------------------|---------------|--------------|---------------------|---------------|---------------|
|                       | State Funds         | Federal Funds | All Funds    | State Funds         | Federal Funds | All Funds     |
| <b>NEW ENGLAND</b>    |                     |               |              |                     |               |               |
| Connecticut           | 12.5 %              | 57.1 %        | 14.2 %       | 3.9 %               | -89.5 %       | 1.6 %         |
| Maine                 | 2.6                 | 7.2           | 2.5          | -3.1                | 20.5          | 2.4           |
| Massachusetts         | 5.3                 | 3.7           | 4.3          | -3.6                | -8.2          | -6.7          |
| New Hampshire         | 0.1                 | 7.8           | 2.2          | 3.5                 | -7.3          | -0.9          |
| Rhode Island          | 17.1                | 15.0          | 17.0         | 1.5                 | -3.4          | 4.1           |
| Vermont               | 75.8                | 8.2           | 62.0         | 6.5                 | -18.8         | 3.8           |
| <b>MID-ATLANTIC</b>   |                     |               |              |                     |               |               |
| Delaware              | 21.0                | 26.9          | 21.4         | 21.7                | 13.3          | 19.2          |
| Maryland              | 14.2                | 13.4          | 14.0         | 25.9                | 14.3          | 23.8          |
| New Jersey            | -7.3                | -26.3         | -9.9         | 10.0                | 79.5          | 17.1          |
| New York              | 9.1                 | -11.6         | 3.7          | 15.3                | -7.6          | 9.1           |
| Pennsylvania          | 9.7                 | -8.3          | 5.3          | 4.6                 | 5.6           | 5.5           |
| <b>GREAT LAKES</b>    |                     |               |              |                     |               |               |
| Illinois              | 24.9                | -8.0          | 17.2         | 6.3                 | 5.1           | 6.5           |
| Indiana               | 3.0                 | -17.3         | -3.4         | 1.3                 | 9.6           | 3.5           |
| Michigan              | 7.7                 | 10.8          | 9.9          | -13.9               | 30.0          | -0.9          |
| Ohio                  | 7.0                 | 3.5           | 6.3          | -6.8                | 2.1           | -5.4          |
| Wisconsin             | 8.0                 | 1.8           | 7.1          | 1.6                 | -0.4          | 1.3           |
| <b>PLAINS</b>         |                     |               |              |                     |               |               |
| Iowa                  | 18.1                | -12.6         | 6.4          | 13.1                | 14.6          | 14.9          |
| Kansas                | 19.2                | -4.6          | 11.0         | 9.7                 | -2.4          | 6.5           |
| Minnesota             | 3.6                 | 3.4           | 3.4          | 14.6                | 10.6          | 13.4          |
| Missouri              | 4.2                 | 13.4          | 4.0          | 16.8                | 98.1          | 25.8          |
| Nebraska              | 15.9                | -0.8          | 10.8         | 26.2                | 26.1          | 26.1          |
| North Dakota          | 2.8                 | 0.8           | -2.4         | 3.2                 | 36.8          | 13.9          |
| South Dakota          | 9.7                 | -5.6          | 4.6          | 57.5                | -82.6         | 12.8          |
| <b>SOUTHEAST</b>      |                     |               |              |                     |               |               |
| Alabama               | 6.0                 | -4.2          | 3.2          | 18.5                | 20.3          | 18.9          |
| Arkansas              | 4.3                 | 12.9          | 6.1          | 8.2                 | 70.8          | 26.7          |
| Florida               | 16.9                | -4.9          | 9.7          | 37.6                | 10.0          | 33.6          |
| Georgia               | 2.9                 | 3.9           | 3.1          | 5.5                 | -24.1         | 0.0           |
| Kentucky              | 16.7                | -0.3          | 11.4         | 2.4                 | 24.1          | 8.5           |
| Louisiana             | 10.9                | 39.5          | 14.0         | 8.3                 | 796.1         | 135.2         |
| Mississippi           | 10.3                | 88.1          | 36.5         | 5.6                 | 79.1          | 45.1          |
| North Carolina        | 0.2                 | 10.3          | 1.3          | 17.4                | -15.5         | 9.3           |
| South Carolina        | 4.4                 | 2.4           | 3.5          | 23.8                | -1.5          | 13.2          |
| Tennessee             | 13.8                | 1.6           | 7.9          | 16.0                | 7.2           | 14.6          |
| Virginia              | 5.2                 | 3.4           | 4.9          | 10.1                | -15.4         | 6.4           |
| West Virginia         | 26.4                | -13.5         | 23.4         | -16.8               | 2.6           | -15.8         |
| <b>SOUTHWEST</b>      |                     |               |              |                     |               |               |
| Arizona               | 10.1                | -1.8          | 6.4          | 5.2                 | 25.9          | 11.0          |
| New Mexico            | 13.1                | 19.2          | 14.2         | -18.4               | 21.5          | -11.1         |
| Oklahoma              | 53.6                | -7.5          | 28.2         | 7.5                 | 1.0           | 4.6           |
| Texas                 | 15.5                | 24.1          | 19.6         | 3.2                 | -15.8         | -5.3          |
| <b>ROCKY MOUNTAIN</b> |                     |               |              |                     |               |               |
| Colorado              | 8.2                 | 9.1           | 8.4          | 4.3                 | 8.7           | 5.4           |
| Idaho                 | 9.7                 | -1.7          | 4.2          | 25.6                | 13.7          | 20.1          |
| Montana               | 16.1                | 3.7           | 12.1         | 16.7                | 32.4          | 21.4          |
| Utah                  | 4.0                 | 3.5           | 1.8          | 19.0                | 4.6           | 19.8          |
| Wyoming               | 2.1                 | -5.1          | 0.4          | -14.2               | -18.8         | -15.2         |
| <b>FAR WEST</b>       |                     |               |              |                     |               |               |
| Alaska                | 6.8                 | 4.7           | 8.6          | 36.6                | 6.8           | 26.5          |
| California            | 30.3                | 7.6           | 20.0         | 25.2                | 7.4           | 23.3          |
| Hawaii                | 7.1                 | -2.9          | 5.7          | 7.2                 | 35.4          | 15.7          |
| Nevada                | 15.8                | 9.3           | 14.0         | 18.7                | -29.0         | 9.7           |
| Oregon                | 9.5                 | -3.1          | 7.1          | -5.5                | 15.0          | -2.2          |
| Washington            | 34.2                | 6.4           | 25.1         | 4.9                 | 7.9           | 5.9           |
| <b>ALL STATES</b>     | <b>11.9 %</b>       | <b>2.0 %</b>  | <b>9.2 %</b> | <b>9.0 %</b>        | <b>16.4 %</b> | <b>11.4 %</b> |

Note: State funds are defined as general funds and other state funds (bonds are excluded).  
Source: National Association of State Budget Officers, 2006 State Expenditure Report

**Table 46**

**ITEMS EXCLUDED FROM ALL OTHER EXPENDITURES**

| Region/State          | Employers<br>Contribution to<br>Pensions | Employer<br>Contributions to<br>Health Benefits | Child<br>Health Insurance<br>Program | Public<br>Health | Community and<br>Institutional for<br>Mental Health | Community and<br>Institutional<br>for Dev. Disabled | Environmental<br>Programs | Parks<br>and<br>Recreation<br>Housing | General Aid<br>to Local<br>Government |          |
|-----------------------|--|---|--------------------------------------|------------------|---|---|---------------------------|---------------------------------------|---------------------------------------|----------|
| <b>NEW ENGLAND</b>    |  |   |                                      |                  |   |   |                           |                                       |                                       |          |
| Connecticut           |  |   |                                      |                  |   |   |                           |                                       |                                       |          |
| Maine                 |  |   |                                      |                  |   |   |                           |                                       |                                       |          |
| Massachusetts         |  |   |                                      |                  |   |   |                           |                                       |                                       |          |
| New Hampshire         |  |   |                                      |                  |   |   |                           |                                       |                                       |          |
| Rhode Island          |  |   |                                      |                  |   |   |                           |                                       |                                       |          |
| Vermont               |  |   |                                      |                  |   |   |                           |                                       |                                       |          |
| <b>MID-ATLANTIC</b>   |  |   |                                      |                  |   |   |                           |                                       |                                       |          |
| Delaware              |  |   |                                      |                  |   |   |                           |                                       |                                       |          |
| Maryland              |  |   |                                      |                  |   |   |                           |                                       |                                       |          |
| New Jersey            |  |   |                                      |                  |   |   |                           |                                       |                                       |          |
| New York              | P  | P   |                                      |                  |   |   |                           |                                       |                                       |          |
| Pennsylvania          |  |   |                                      |                  |   |   |                           |                                       |                                       |          |
| <b>GREAT LAKES</b>    |  |   |                                      |                  |   |   |                           |                                       |                                       |          |
| Illinois              |  |   |                                      |                  |   |   |                           | P                                     | X                                     |          |
| Indiana               |  |   |                                      |                  |   |   |                           |                                       |                                       |          |
| Michigan*             |  |   |                                      | P                | P   | P   |                           |                                       |                                       |          |
| Ohio                  |  |   |                                      |                  |   |   |                           |                                       |                                       |          |
| Wisconsin             |  |   |                                      |                  |   |   |                           |                                       |                                       |          |
| <b>PLAINS</b>         |  |   |                                      |                  |   |   |                           |                                       |                                       |          |
| Iowa                  |  |   |                                      |                  |   |   |                           |                                       |                                       |          |
| Kansas                |  |   |                                      |                  |   |   | N/A                       | N/A                                   |                                       |          |
| Minnesota             |  |   |                                      |                  |   |   |                           |                                       |                                       |          |
| Missouri              |  |   |                                      |                  |   |   |                           |                                       |                                       |          |
| Nebraska              |  |   |                                      |                  |   |   |                           | X                                     |                                       |          |
| North Dakota          |  |   |                                      |                  |   |   |                           |                                       |                                       |          |
| South Dakota          |  |   |                                      |                  |   |   |                           |                                       | X                                     |          |
| <b>SOUTHEAST</b>      |  |   |                                      |                  |   |   |                           |                                       |                                       |          |
| Alabama               |  |   |                                      |                  |   |   |                           | P                                     | P                                     |          |
| Arkansas              |  |   |                                      |                  |   |   |                           | X                                     |                                       |          |
| Florida               |  |   |                                      |                  |   |   |                           |                                       |                                       |          |
| Georgia*              |  | X   | X                                    |                  |   |   |                           |                                       |                                       |          |
| Kentucky              |  |   |                                      |                  |   |   |                           |                                       |                                       |          |
| Louisiana             |  |   |                                      |                  |   |   |                           |                                       |                                       |          |
| Mississippi           |  |   |                                      |                  |   |   |                           | P                                     |                                       |          |
| North Carolina        |  |   |                                      |                  |   |   |                           |                                       |                                       |          |
| South Carolina        |  |   |                                      |                  |   |   |                           |                                       | P                                     |          |
| Tennessee             |  |   | X                                    |                  |   |   |                           |                                       | X                                     |          |
| Virginia              |  |   |                                      |                  |   |   |                           |                                       |                                       |          |
| West Virginia         |  |   |                                      |                  |   |   |                           |                                       |                                       |          |
| <b>SOUTHWEST</b>      |  |   |                                      |                  |   |   |                           |                                       |                                       |          |
| Arizona*              |  |   |                                      |                  |   |   |                           |                                       | P                                     |          |
| New Mexico            |  |   |                                      |                  |   |   |                           |                                       |                                       |          |
| Oklahoma              |  |   |                                      |                  |   |   |                           |                                       |                                       |          |
| Texas                 |  |   |                                      |                  |   |   |                           |                                       |                                       |          |
| <b>ROCKY MOUNTAIN</b> |  |   |                                      |                  |   |   |                           |                                       |                                       |          |
| Colorado              |  |   |                                      |                  | P   |   |                           | P                                     |                                       |          |
| Idaho                 |  |   |                                      |                  |   |   |                           | X                                     | X                                     |          |
| Montana               |  |   |                                      |                  |   |   |                           |                                       |                                       |          |
| Utah                  |  |   |                                      |                  |   |   |                           |                                       |                                       |          |
| Wyoming               |  |   |                                      |                  |   |   |                           |                                       |                                       |          |
| <b>FAR WEST</b>       |  |   |                                      |                  |   |   |                           |                                       |                                       |          |
| Alaska                |  |   |                                      |                  |   |   | X                         | X                                     |                                       |          |
| California            |  |   |                                      |                  |   | P   |                           |                                       |                                       |          |
| Hawaii*               | P  | P   |                                      |                  |   |   |                           |                                       |                                       |          |
| Nevada                |  |   |                                      |                  |   |   |                           |                                       | X                                     |          |
| Oregon                |  |   |                                      |                  |   |   |                           |                                       |                                       |          |
| Washington            |  |   |                                      | P                |   |   |                           |                                       |                                       |          |
| <b>ALL STATES</b>     | <b>2</b>                                 | <b>3</b>  | <b>2</b>                             | <b>2</b>         | <b>2</b>  | <b>2</b>  | <b>2</b>                  | <b>1</b>                              | <b>8</b>                              | <b>8</b> |

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

Source: National Association of State Budget Officers, 2006 State Expenditure Report  
 \*See All Other Expenditures Notes for explanation

## **All Other Expenditures 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.*

**Arizona:** Some of the "General Aid to Local Government" assistance items are revenue distributions.

**Georgia:** Community and Institutional for Mental Health and Community and Institutional for the Developmentally Disabled are partially included in Medicaid. Public Health is not included in Medicaid.

**Hawaii:** Regarding Employer Contributions to Pensions and Employer Contributions to Health Benefits, general fund amounts are budgeted centrally (except for Elementary and Secondary Education and Higher Education) and reported in "All Other State Expenditures". For non-general funds, employer contributions are shown in each functional area.

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

**Missouri:** Fringe benefits are appropriated and paid centrally and are therefore included in All Other Expenditures with the exception of retirement and health care costs for Transportation employees. Figures also include capital expenditures for maintenance and repair projects at facilities operated by the Department of Corrections.

**New Mexico:** Capital amounts for all state government are combined under the All Other category instead of being included in the individual categories of Higher Education, Corrections, and Transportation.





# CHAPTER EIGHT

# CAPITAL EXPENDITURES

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Capital expenditures are made for new construction, infrastructure, major repairs and improvements, land purchases and the acquisition of major equipment and existing structures. Minor repairs and routine maintenance are reported as operating expenses. Given the long-term nature of capital projects, states often find it difficult to report capital expenditures for a specific year. This is because the amount of money appropriated when a project initially is undertaken usually will not be the amount spent in a single year. For greater detail on states' capital spending practices, see the report *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, housing, and "all other." 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

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 slowdown or decrease. Currently, states are increasing their capital

spending following a period of little or no growth. In fiscal 2003, state capital spending decreased by 1.4 percent; it then increased slightly in 2004 by 0.8 percent. Since the two-year period of slow growth, state capital spending has increased by 6.2 percent in 2005, 10.2 percent in 2006, and is estimated to grow by 22.3 percent in 2007. Overall, state capital spending totaled \$73.7 billion in fiscal 2005, \$81.3 billion in 2006, and is estimated to be \$99.4 billion in 2007.

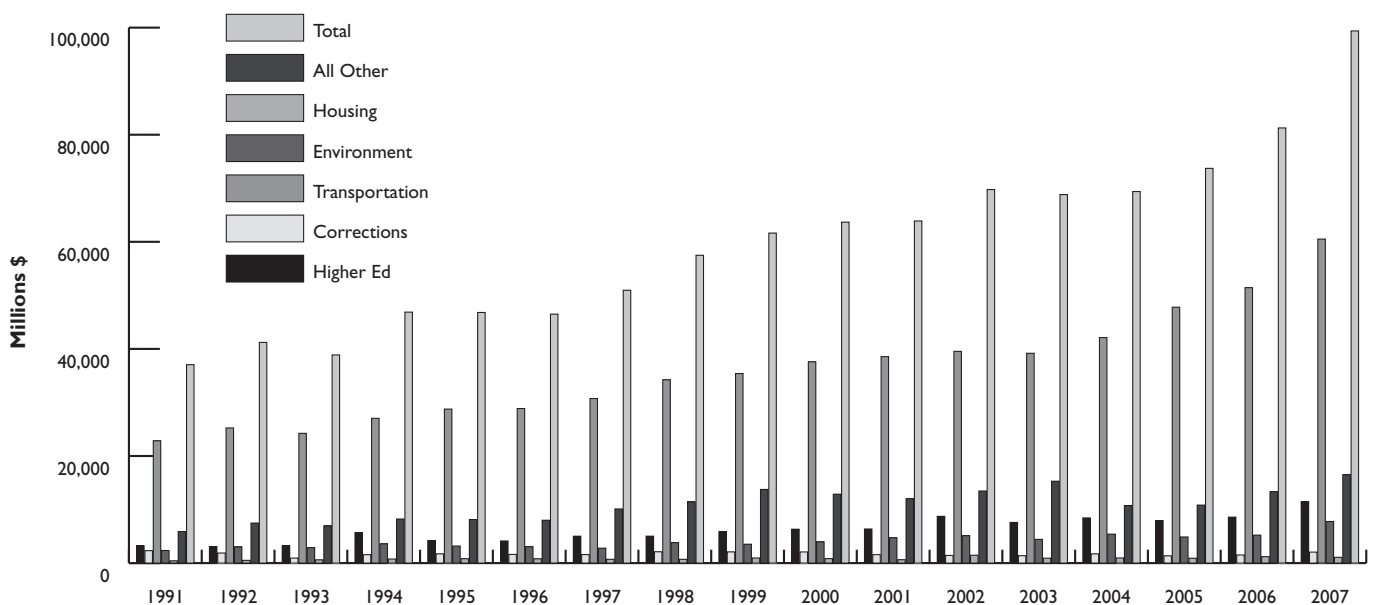
### Capital Fund Sources

State spending on capital projects traditionally has come from non-general fund sources. Other state funds such as dedicated fees and fund surpluses (39.5 percent in fiscal 2006) and bonds (26.8 percent) combine to account for over 66 percent of total state spending on capital projects. Federal funds (28.0 percent) and state general funds (5.7 percent) also contribute to capital spending.

### Capital Funds by Use

Comprising 63.3 percent (\$51.4 billion) of all capital expenditures in fiscal 2006, **transportation** is the largest category of state capital expenditures. Transportation capital spending increased by 7.6 percent in fiscal 2006, and is expected to increase by 17.6 percent in 2007.

**Figure 20**  
**CAPITAL EXPENDITURES BY TYPE, FISCAL 1991 TO 2007**



**Higher education** capital expenditures increased by 8.0 percent in fiscal 2006, totaling \$8.6 billion. In fiscal 2007, higher education capital spending is estimated to increase by 33.5 percent. In fiscal 2006, higher education accounted for 10.6 percent of total state capital outlays.

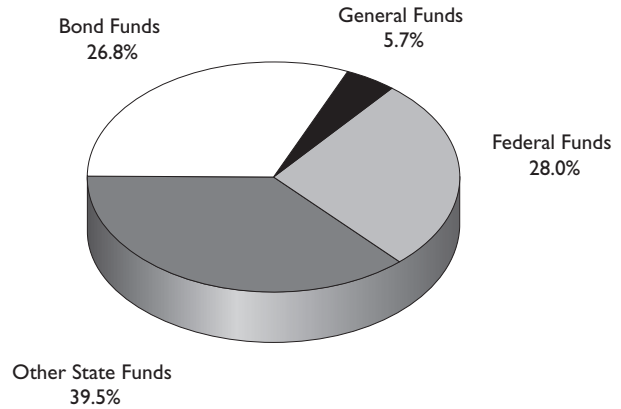
State capital spending for **environmental** purposes in fiscal 2006 totaled \$5.2 billion, 6.4 percent of total capital spending and a 6.9 percent increase from fiscal 2005. Environmental capital expenditures are estimated to increase 48.9 percent in fiscal 2007.

**Corrections** capital spending experienced an increase of 11.5 percent in fiscal 2006, totaling \$1.5 billion. Corrections accounted for 1.9 percent of total state capital expenditures. Fiscal 2007 estimates indicate spending of \$2.1 billion, a 35.7 percent increase.

**Housing** capital expenditures account for just 1.5 percent of total fiscal 2006 capital spending, at approximately \$1.2 billion. Housing capital spending increased by 31.7 percent in fiscal 2006, and is estimated to decline by 10.0 in fiscal 2007, the only category to experience a decline in capital spending.

State spending for **all other** purposes totaled \$13.3 billion in fiscal 2006, or 16.4 percent of total capital spending. This includes capital expenditures not easily classified into one of the other categories. Examples of expenditures in **all other** may include items such as public school facilities, zoo improvements, health care infrastructure, or sports facilities.

**Figure 22**  
**TOTAL CAPITAL EXPENDITURES BY FUNDING SOURCE,**  
**FISCAL 2006**



**Figure 21**  
**ANNUAL PERCENTAGE CHANGE IN TOTAL CAPITAL EXPENDITURES**

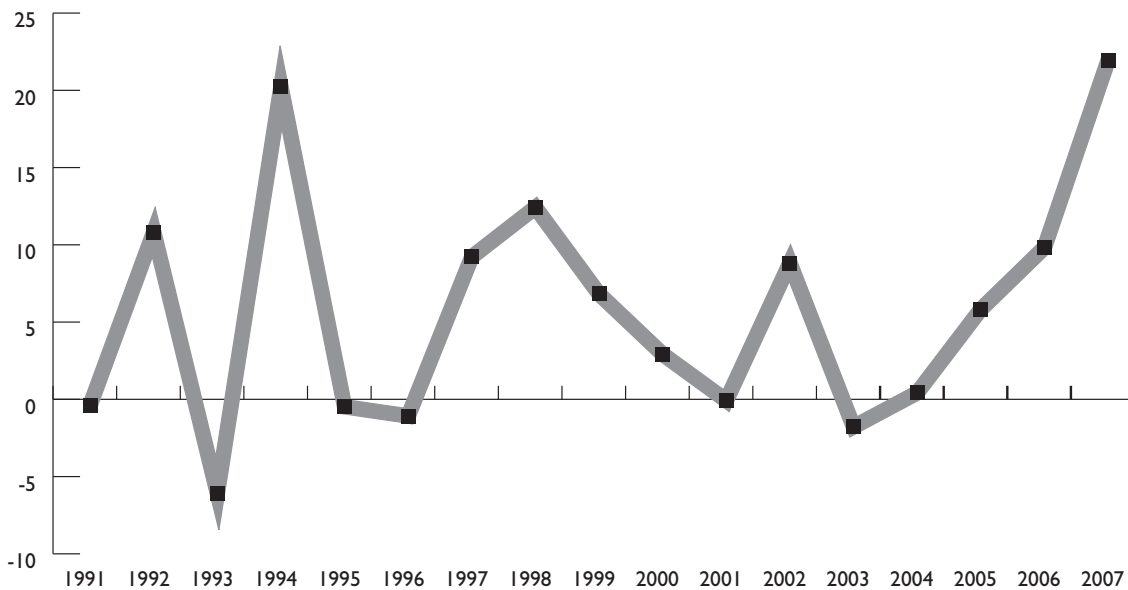


Table 47

## TOTAL CAPITAL EXPENDITURES (\$ IN MILLIONS)

| Region/State          | Actual Fiscal 2005 |                 |                   |                 |                 | Actual Fiscal 2006 |                 |                   |                 |                 | Estimated Fiscal 2007 |                 |                   |                 |                 |
|-----------------------|--------------------|-----------------|-------------------|-----------------|-----------------|--------------------|-----------------|-------------------|-----------------|-----------------|-----------------------|-----------------|-------------------|-----------------|-----------------|
|                       | 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               | \$1,443         | \$1,443         | \$0                | \$0             | \$0               | \$1,609         | \$1,609         | \$0                   | \$0             | \$0               | \$2,320         | \$2,320         |
| Maine                 | 2                  | 147             | 67                | 35              | 251             | 3                  | 169             | 112               | 17              | 301             | 5                     | 148             | 108               | 53              | 314             |
| Massachusetts         | 0                  | 486             | 488               | 1,723           | 2,697           | 0                  | 423             | 274               | 1,682           | 2,379           | 0                     | 519             | 47                | 1,183           | 1,749           |
| New Hampshire         | 0                  | 32              | 159               | 84              | 275             | 0                  | 35              | 176               | 90              | 301             | 0                     | 29              | 186               | 72              | 287             |
| Rhode Island*         | 6                  | 190             | 56                | 103             | 355             | 3                  | 208             | 95                | 226             | 532             | 2                     | 238             | 160               | 424             | 824             |
| Vermont               | 0                  | 109             | 34                | 53              | 196             | 0                  | 121             | 40                | 43              | 204             | 0                     | 182             | 60                | 45              | 287             |
| <b>MID-ATLANTIC</b>   |                    |                 |                   |                 |                 |                    |                 |                   |                 |                 |                       |                 |                   |                 |                 |
| Delaware              | 167                | 119             | 294               | 1               | 581             | 236                | 116             | 270               | 0               | 622             | 5                     | 115             | 179               | 0               | 299             |
| Maryland*             | 1                  | 765             | 849               | 663             | 2,278           | 6                  | 789             | 1,085             | 679             | 2,559           | 149                   | 759             | 1,389             | 713             | 3,010           |
| New Jersey            | 1,106              | 1,177           | 5                 | 1,218           | 3,506           | 1,102              | 1,459           | 5                 | 1,060           | 3,626           | 1,239                 | 1,513           | 5                 | 1,441           | 4,198           |
| New York              | 0                  | 1,817           | 1,088             | 1,791           | 4,696           | 0                  | 1,706           | 1,571             | 1,855           | 5,132           | 0                     | 1,737           | 1,577             | 2,244           | 5,558           |
| Pennsylvania          | 0                  | 0               | 0                 | 401             | 401             | 0                  | 0               | 0                 | 680             | 680             | 0                     | 0               | 0                 | 898             | 898             |
| <b>GREAT LAKES</b>    |                    |                 |                   |                 |                 |                    |                 |                   |                 |                 |                       |                 |                   |                 |                 |
| Illinois              | 1                  | 146             | 1,592             | 1,034           | 2,773           | 0                  | 124             | 1,876             | 887             | 2,887           | 0                     | 156             | 2,445             | 760             | 3,361           |
| Indiana               | 205                | 0               | 31                | 0               | 236             | 210                | 0               | 28                | 0               | 238             | 248                   | 0               | 28                | 0               | 276             |
| Michigan*             | 250                | 907             | 393               | 255             | 1,804           | 250                | 819             | 464               | 447             | 1,980           | 248                   | 814             | 444               | 592             | 2,098           |
| Ohio                  | 10                 | 1,115           | 822               | 1,354           | 3,301           | 4                  | 1,271           | 1,050             | 1,430           | 3,755           | 4                     | 1,148           | 988               | 1,414           | 3,554           |
| Wisconsin             | 0                  | 0               | 0                 | 0               | 0               | 0                  | 0               | 0                 | 0               | 0               | 0                     | 0               | 0                 | 0               |                 |
| <b>PLAINS</b>         |                    |                 |                   |                 |                 |                    |                 |                   |                 |                 |                       |                 |                   |                 |                 |
| Iowa                  | 0                  | 262             | 313               | 68              | 643             | 0                  | 158             | 446               | 47              | 651             | 0                     | 207             | 409               | 120             | 736             |
| Kansas                | 18                 | 385             | 377               | 82              | 862             | 16                 | 358             | 553               | 73              | 1,000           | 19                    | 366             | 798               | 89              | 1,272           |
| Minnesota             | 60                 | 33              | 995               | 443             | 1,531           | 26                 | 25              | 721               | 494             | 1,266           | 47                    | 57              | 930               | 652             | 1,686           |
| Missouri*             | 6                  | 43              | 1,777             | 55              | 1,881           | 21                 | 76              | 1,694             | 383             | 2,174           | 62                    | 0               | 1,758             | 879             | 2,699           |
| Nebraska              | 22                 | 297             | 457               | 0               | 775             | 20                 | 281             | 470               | 0               | 771             | 37                    | 294             | 665               | 0               | 996             |
| North Dakota          | 12                 | 203             | 96                | 81              | 392             | 11                 | 243             | 109               | 49              | 412             | 11                    | 253             | 172               | 102             | 538             |
| South Dakota*         | 3                  | 32              | 27                | 10              | 72              | 29                 | 8               | 121               | 20              | 178             | 2                     | 3               | 13                | 8               | 26              |
| <b>SOUTHEAST</b>      |                    |                 |                   |                 |                 |                    |                 |                   |                 |                 |                       |                 |                   |                 |                 |
| Alabama*              | 0                  | 354             | 214               | 281             | 849             | 5                  | 509             | 136               | 231             | 881             | 6                     | 429             | 225               | 258             | 918             |
| Arkansas              | 0                  | 5               | 56                | 12              | 73              | 0                  | 26              | 105               | 14              | 145             | 0                     | 68              | 127               | 113             | 308             |
| Florida*              | 816                | 2,163           | 6,519             | 1,382           | 10,880          | 262                | 2,011           | 7,245             | 1,702           | 11,220          | 1,183                 | 3,512           | 7,293             | 3,613           | 15,601          |
| Georgia               | 16                 | 1,179           | 430               | 1,189           | 2,814           | 18                 | 1,770           | 575               | 854             | 3,217           | 26                    | 2,275           | 590               | 1,300           | 4,191           |
| Kentucky              | 0                  | 0               | 551               | 0               | 551             | 0                  | 0               | 507               | 0               | 507             | 0                     | 0               | 696               | 0               | 696             |
| Louisiana             | 54                 | 573             | 373               | 342             | 1,343           | 14                 | 2,471           | 481               | 566             | 3,531           | 29                    | 1,337           | 464               | 550             | 2,380           |
| Mississippi           | 21                 | 340             | 296               | 259             | 915             | 17                 | 506             | 335               | 214             | 1,072           | 22                    | 363             | 343               | 286             | 1,013           |
| North Carolina        | 122                | 0               | 0                 | 1,264           | 1,386           | 180                | 0               | 0                 | 370             | 550             | 428                   | 0               | 0                 | 803             | 1,231           |
| South Carolina        | 4                  | 25              | 206               | 129             | 364             | 20                 | 43              | 209               | 119             | 391             | 0                     | 0               | 0                 | 0               |                 |
| Tennessee*            | 59                 | 602             | 520               | 310             | 1,491           | 69                 | 1,029           | 397               | 413             | 1,908           | 74                    | 934             | 417               | 462             | 1,887           |
| Virginia              | 25                 | 22              | 171               | 675             | 893             | 82                 | 24              | 234               | 754             | 1,094           | 176                   | 14              | 193               | 911             | 1,294           |
| West Virginia         | 16                 | 500             | 482               | 119             | 1,117           | 18                 | 457             | 558               | 141             | 1,174           | 20                    | 581             | 503               | 179             | 1,283           |
| <b>SOUTHWEST</b>      |                    |                 |                   |                 |                 |                    |                 |                   |                 |                 |                       |                 |                   |                 |                 |
| Arizona               | 17                 | 522             | 311               | 569             | 1,419           | 14                 | 457             | 437               | 479             | 1,387           | 11                    | 502             | 359               | 537             | 1,409           |
| New Mexico            | 239                | 57              | 10                | 224             | 530             | 455                | 179             | 15                | 249             | 897             | 487                   | 183             | 21                | 211             | 903             |
| Oklahoma              | 44                 | 551             | 688               | 120             | 1,403           | 51                 | 595             | 689               | 277             | 1,612           | 95                    | 762             | 1,311             | 325             | 2,493           |
| Texas*                | 252                | 12              | 4,800             | 30              | 5,094           | 463                | 8               | 4,898             | 35              | 5,404           | 462                   | 11              | 5,424             | 107             | 6,004           |
| <b>ROCKY MOUNTAIN</b> |                    |                 |                   |                 |                 |                    |                 |                   |                 |                 |                       |                 |                   |                 |                 |
| Colorado              | 13                 | 28              | 133               | 0               | 174             | 99                 | 10              | 251               | 7               | 367             | 142                   | 25              | 304               | 0               | 472             |
| Idaho                 | 0                  | 222             | 81                | 9               | 312             | 0                  | 248             | 80                | 9               | 337             | 0                     | 308             | 147               | 9               | 464             |
| Montana*              | 0                  | 0               | 0                 | 0               | 0               | 0                  | 0               | 0                 | 0               | 0               | 0                     | 0               | 0                 | 0               |                 |
| Utah*                 | 238                | 211             | 295               | 137             | 881             | 260                | 267             | 345               | 5               | 877             | 339                   | 190             | 763               | 111             | 1,403           |
| Wyoming               | 114                | 67              | 112               | 0               | 293             | 117                | 64              | 112               | 0               | 293             | 119                   | 66              | 119               | 0               | 304             |
| <b>FAR WEST</b>       |                    |                 |                   |                 |                 |                    |                 |                   |                 |                 |                       |                 |                   |                 |                 |
| Alaska                | 9                  | 1,445           | 107               | 95              | 1,656           | 340                | 1,098           | 203               | 308             | 1,949           | 761                   | 1,290           | 366               | 0               | 2,417           |
| California            | 45                 | 991             | 1,955             | 1,023           | 4,014           | 189                | 1,741           | 1,615             | 1,294           | 4,839           | 612                   | 1,364           | 2,210             | 3,059           | 7,245           |
| Hawaii*               | 0                  | 172             | 111               | 386             | 669             | 0                  | 125             | 192               | 404             | 721             | 269                   | 460             | 385               | 979             | 2,093           |
| Nevada                | 11                 | 209             | 204               | 267             | 690             | 13                 | 233             | 270               | 136             | 652             | 12                    | 281             | 313               | 476             | 1,083           |
| Oregon                | 0                  | 6               | 94                | 205             | 305             | 15                 | 5               | 65                | 204             | 289             | 2                     | 2               | 45                | 248             | 297             |
| Washington            | 0                  | 507             | 1,305             | 839             | 2,651           | 0                  | 475             | 978               | 1,239           | 2,692           | 0                     | 612             | 2,358             | 2,034           | 5,004           |
| <b>TOTAL*</b>         | <b>\$3,983</b>     | <b>\$19,028</b> | <b>\$29,943</b>   | <b>\$20,762</b> | <b>\$73,716</b> | <b>\$4,638</b>     | <b>\$22,740</b> | <b>\$32,092</b>   | <b>\$21,795</b> | <b>\$81,264</b> | <b>\$7,354</b>        | <b>\$24,107</b> | <b>\$37,336</b>   | <b>\$30,580</b> | <b>\$99,377</b> |

Source: National Association of State Budget Officers, 2006 State Expenditure Report  
\*See Capital Spending Notes for explanation

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

| Region/State          | Actual Fiscal 2005 |               |                   |                |                | Actual Fiscal 2006 |               |                   |                |                | Estimated Fiscal 2007 |               |                   |                |                 |
|-----------------------|--------------------|---------------|-------------------|----------------|----------------|--------------------|---------------|-------------------|----------------|----------------|-----------------------|---------------|-------------------|----------------|-----------------|
|                       | 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               | \$289          | \$289          | \$0                | \$0           | \$0               | \$157          | \$157          | \$0                   | \$0           | \$0               | \$335          | \$335           |
| Maine                 | 0                  | 0             | 0                 | 0              | 0              | 0                  | 0             | 0                 | 0              | 0              | 0                     | 0             | 0                 | 0              | 0               |
| Massachusetts         | 0                  | 0             | 0                 | 53             | 53             | 0                  | 0             | 0                 | 48             | 48             | 0                     | 0             | 0                 | 40             | 40              |
| New Hampshire         | 0                  | 0             | 0                 | 24             | 24             | 0                  | 0             | 0                 | 34             | 34             | 0                     | 0             | 0                 | 22             | 22              |
| Rhode Island          | 0                  | 0             | 14                | 8              | 22             | 0                  | 0             | 20                | 17             | 37             | 0                     | 0             | 16                | 69             | 85              |
| Vermont               | 0                  | 0             | 0                 | 5              | 5              | 0                  | 0             | 0                 | 4              | 4              | 0                     | 0             | 0                 | 3              | 3               |
| <b>MID-ATLANTIC</b>   |                    |               |                   |                |                |                    |               |                   |                |                |                       |               |                   |                |                 |
| Delaware              | 13                 | 0             | 0                 | 1              | 14             | 7                  | 0             | 0                 | 0              | 7              | 4                     | 9             | 0                 | 0              | 13              |
| Maryland              | 0                  | 0             | 25                | 236            | 261            | 2                  | 0             | 25                | 205            | 232            | 19                    | 0             | 25                | 235            | 279             |
| New Jersey            | 0                  | 0             | 0                 | 1              | 1              | 0                  | 0             | 0                 | 0              | 0              | 0                     | 0             | 0                 | 0              | 0               |
| New York              | 0                  | 0             | 69                | 192            | 261            | 0                  | 0             | 59                | 366            | 425            | 0                     | 0             | 54                | 526            | 580             |
| Pennsylvania          | 0                  | 0             | 0                 | 109            | 109            | 0                  | 0             | 0                 | 185            | 185            | 0                     | 0             | 0                 | 244            | 244             |
| <b>GREAT LAKES</b>    |                    |               |                   |                |                |                    |               |                   |                |                |                       |               |                   |                |                 |
| Illinois              | 0                  | 0             | 0                 | 133            | 133            | 0                  | 0             | 0                 | 133            | 133            | 0                     | 0             | 0                 | 78             | 78              |
| Indiana               | 6                  | 0             | 0                 | 0              | 6              | 28                 | 0             | 0                 | 0              | 28             | 30                    | 0             | 0                 | 0              | 30              |
| Michigan*             | 119                | 0             | 0                 | 51             | 170            | 129                | 0             | 0                 | 67             | 196            | 115                   | 0             | 0                 | 112            | 227             |
| Ohio                  | 0                  | 0             | 0                 | 260            | 260            | 0                  | 0             | 0                 | 274            | 274            | 0                     | 0             | 0                 | 274            | 274             |
| Wisconsin             | 0                  | 0             | 0                 | 0              | 0              | 0                  | 0             | 0                 | 0              | 0              | 0                     | 0             | 0                 | 0              | 0               |
| <b>PLAINS</b>         |                    |               |                   |                |                |                    |               |                   |                |                |                       |               |                   |                |                 |
| Iowa                  | 0                  | 0             | 1                 | 26             | 27             | 0                  | 0             | 8                 | 13             | 21             | 0                     | 0             | 31                | 16             | 47              |
| Kansas                | 5                  | 6             | 20                | 28             | 59             | 4                  | 3             | 29                | 19             | 55             | 3                     | 8             | 36                | 28             | 75              |
| Minnesota             | 0                  | 0             | 0                 | 124            | 124            | 0                  | 0             | 0                 | 141            | 141            | 0                     | 0             | 0                 | 261            | 261             |
| Missouri              | 0                  | 0             | 1                 | 0              | 1              | 0                  | 0             | 0                 | 0              | 0              | 0                     | 0             | 0                 | 0              | 0               |
| Nebraska              | 8                  | 6             | 102               | 0              | 116            | 8                  | 4             | 89                | 0              | 101            | 22                    | 11            | 91                | 0              | 124             |
| North Dakota          | 5                  | 0             | 15                | 21             | 41             | 6                  | 0             | 14                | 20             | 40             | 3                     | 0             | 23                | 87             | 113             |
| South Dakota*         | 0                  | 0             | 0                 | 5              | 5              | 0                  | 0             | 0                 | 13             | 13             | 0                     | 0             | 0                 | 3              | 3               |
| <b>SOUTHEAST</b>      |                    |               |                   |                |                |                    |               |                   |                |                |                       |               |                   |                |                 |
| Alabama*              | 0                  | 0             | 0                 | 0              | 0              | 0                  | 0             | 0                 | 0              | 0              | 0                     | 0             | 0                 | 0              | 0               |
| Arkansas              | 0                  | 0             | 10                | 0              | 10             | 0                  | 0             | 15                | 0              | 15             | 0                     | 0             | 25                | 0              | 25              |
| Florida               | 98                 | 0             | 10                | 425            | 533            | 122                | 0             | 5                 | 467            | 594            | 86                    | 0             | 91                | 812            | 989             |
| Georgia               | 0                  | 0             | 0                 | 358            | 358            | 0                  | 0             | 0                 | 135            | 135            | 0                     | 0             | 0                 | 355            | 355             |
| Kentucky              | 0                  | 0             | 239               | 0              | 239            | 0                  | 0             | 208               | 0              | 208            | 0                     | 0             | 243               | 0              | 243             |
| Louisiana             | 7                  | 6             | 76                | 68             | 157            | 4                  | 31            | 102               | 67             | 204            | 16                    | 84            | 129               | 35             | 264             |
| Mississippi           | 14                 | 4             | 46                | 14             | 78             | 12                 | 4             | 67                | 13             | 96             | 16                    | 6             | 75                | 9              | 106             |
| North Carolina        | 85                 | 0             | 0                 | 665            | 750            | 142                | 0             | 0                 | 300            | 442            | 230                   | 0             | 0                 | 604            | 834             |
| South Carolina        | 0                  | 2             | 166               | 119            | 287            | 4                  | 1             | 172               | 115            | 292            | 0                     | 0             | 0                 | 0              | 0               |
| Tennessee             | 24                 | 0             | 0                 | 195            | 219            | 36                 | 0             | 12                | 163            | 211            | 28                    | 0             | 0                 | 228            | 256             |
| Virginia              | 18                 | 3             | 114               | 404            | 539            | 58                 | 2             | 161               | 439            | 660            | 144                   | 2             | 155               | 591            | 892             |
| West Virginia         | 0                  | 0             | 241               | 98             | 339            | 0                  | 0             | 236               | 118            | 354            | 0                     | 0             | 243               | 121            | 364             |
| <b>SOUTHWEST</b>      |                    |               |                   |                |                |                    |               |                   |                |                |                       |               |                   |                |                 |
| Arizona               | 15                 | 10            | 87                | 293            | 405            | 13                 | 13            | 31                | 237            | 294            | 9                     | 8             | 2                 | 186            | 205             |
| New Mexico            | 19                 | 0             | 0                 | 18             | 37             | 15                 | 0             | 0                 | 30             | 45             | 34                    | 0             | 0                 | 31             | 65              |
| Oklahoma              | 14                 | 11            | 74                | 93             | 192            | 32                 | 39            | 243               | 227            | 541            | 75                    | 62            | 385               | 325            | 847             |
| Texas                 | 53                 | 0             | 0                 | 0              | 53             | 181                | 0             | 0                 | 0              | 181            | 181                   | 0             | 0                 | 0              | 181             |
| <b>ROCKY MOUNTAIN</b> |                    |               |                   |                |                |                    |               |                   |                |                |                       |               |                   |                |                 |
| Colorado              | 6                  | 5             | 64                | 0              | 75             | 46                 | 0             | 191               | 7              | 244            | 74                    | 0             | 172               | 0              | 246             |
| Idaho                 | 0                  | 0             | 8                 | 5              | 13             | 0                  | 0             | 8                 | 5              | 13             | 0                     | 0             | 18                | 5              | 23              |
| Montana               | 0                  | 0             | 0                 | 0              | 0              | 0                  | 0             | 0                 | 0              | 0              | 0                     | 0             | 0                 | 0              | 0               |
| Utah                  | 52                 | 0             | 0                 | 29             | 81             | 31                 | 0             | 0                 | 0              | 31             | 71                    | 0             | 0                 | 0              | 71              |
| Wyoming               | 9                  | 5             | 9                 | 0              | 23             | 9                  | 5             | 9                 | 0              | 23             | 9                     | 5             | 12                | 0              | 26              |
| <b>FAR WEST</b>       |                    |               |                   |                |                |                    |               |                   |                |                |                       |               |                   |                |                 |
| Alaska                | 0                  | 116           | 27                | 0              | 143            | 48                 | 1             | 83                | 0              | 132            | 14                    | 2             | 98                | 0              | 114             |
| California            | 0                  | 0             | 0                 | 590            | 590            | 10                 | 0             | 0                 | 1,044          | 1,054          | 5                     | 0             | 0                 | 1,604          | 1,609           |
| Hawaii                | 0                  | 0             | 0                 | 118            | 118            | 0                  | 0             | 0                 | 68             | 68             | 43                    | 25            | 3                 | 63             | 134             |
| Nevada                | 0                  | 0             | 40                | 39             | 79             | 1                  | 0             | 6                 | 4              | 11             | 1                     | 0             | 80                | 109            | 190             |
| Oregon                | 0                  | 0             | 83                | 116            | 199            | 15                 | 0             | 54                | 80             | 149            | 0                     | 0             | 29                | 64             | 93              |
| Washington            | 0                  | 0             | 155               | 293            | 448            | 0                  | 0             | 122               | 332            | 454            | 0                     | 0             | 133               | 360            | 493             |
| <b>TOTAL</b>          | <b>\$570</b>       | <b>\$174</b>  | <b>\$1,696</b>    | <b>\$5,506</b> | <b>\$7,946</b> | <b>\$963</b>       | <b>\$103</b>  | <b>\$1,969</b>    | <b>\$5,547</b> | <b>\$8,582</b> | <b>\$1,232</b>        | <b>\$222</b>  | <b>\$2,169</b>    | <b>\$7,835</b> | <b>\$11,458</b> |

Source: National Association of State Budget Officers, 2006 State Expenditure Report  
\*See Capital Spending Notes for explanation

Table 49

## CORRECTIONS CAPITAL EXPENDITURES (\$ IN MILLIONS)

| Region/State          | Actual Fiscal 2005 |               |                   |              |                | Actual Fiscal 2006 |               |                   |                |                | Estimated Fiscal 2007 |               |                   |                |                |
|-----------------------|--------------------|---------------|-------------------|--------------|----------------|--------------------|---------------|-------------------|----------------|----------------|-----------------------|---------------|-------------------|----------------|----------------|
|                       | 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               | \$5          | \$5            | \$0                | \$0           | \$0               | \$4            | \$4            | \$0                   | \$0           | \$0               | \$25           | \$25           |
| Maine                 | 0                  | 0             | 0                 | 0            | 0              | 0                  | 0             | 0                 | 0              | 0              | 0                     | 0             | 0                 | 0              | 0              |
| Massachusetts         | 0                  | 0             | 0                 | 0            | 0              | 0                  | 0             | 0                 | 0              | 0              | 0                     | 0             | 0                 | 0              | 0              |
| New Hampshire         | 0                  | 0             | 0                 | 0            | 0              | 0                  | 0             | 0                 | 1              | 1              | 0                     | 0             | 0                 | 2              | 2              |
| Rhode Island          | 1                  | 0             | 3                 | 28           | 32             | 0                  | 6             | 2                 | 37             | 45             | 0                     | 30            | 14                | 28             | 72             |
| Vermont               | 0                  | 0             | 0                 | 1            | 1              | 0                  | 0             | 0                 | 2              | 2              | 0                     | 0             | 0                 | 2              | 2              |
| <b>MID-ATLANTIC</b>   |                    |               |                   |              |                |                    |               |                   |                |                |                       |               |                   |                |                |
| Delaware              | 2                  | 1             | 3                 | 0            | 6              | 1                  | 1             | 4                 | 0              | 6              | 1                     | 1             | 4                 | 0              | 6              |
| Maryland              | 0                  | 0             | 0                 | 53           | 53             | 3                  | 0             | 38                | 23             | 64             | 1                     | 0             | 36                | 4              | 41             |
| New Jersey            | 2                  | 0             | 0                 | 0            | 2              | 3                  | 0             | 0                 | 0              | 3              | 0                     | 0             | 0                 | 0              | 0              |
| New York              | 0                  | 0             | 3                 | 180          | 183            | 0                  | 4             | 3                 | 250            | 257            | 0                     | 0             | 0                 | 212            | 212            |
| Pennsylvania          | 0                  | 0             | 0                 | 79           | 79             | 0                  | 0             | 0                 | 134            | 134            | 0                     | 0             | 0                 | 177            | 177            |
| <b>GREAT LAKES</b>    |                    |               |                   |              |                |                    |               |                   |                |                |                       |               |                   |                |                |
| Illinois              | 0                  | 0             | 0                 | 26           | 26             | 0                  | 0             | 0                 | 11             | 11             | 0                     | 0             | 0                 | 106            | 106            |
| Indiana               | 66                 | 0             | 13                | 0            | 79             | 60                 | 0             | 10                | 0              | 70             | 54                    | 0             | 6                 | 0              | 60             |
| Michigan              | 75                 | 0             | 5                 | 4            | 84             | 65                 | 0             | 0                 | 2              | 67             | 47                    | 0             | 0                 | 5              | 52             |
| Ohio                  | 0                  | 0             | 0                 | 46           | 46             | 0                  | 0             | 0                 | 56             | 56             | 0                     | 0             | 0                 | 25             | 25             |
| Wisconsin             | 0                  | 0             | 0                 | 0            | 0              | 0                  | 0             | 0                 | 0              | 0              | 0                     | 0             | 0                 | 0              | 0              |
| <b>PLAINS</b>         |                    |               |                   |              |                |                    |               |                   |                |                |                       |               |                   |                |                |
| Iowa                  | 0                  | 0             | 1                 | 9            | 10             | 0                  | 0             | 1                 | 15             | 16             | 0                     | 0             | 9                 | 19             | 28             |
| Kansas                | 7                  | 0             | 5                 | 4            | 16             | 5                  | 0             | 4                 | 3              | 12             | 3                     | 0             | 6                 | 4              | 13             |
| Minnesota             | 9                  | 0             | 1                 | 9            | 19             | 5                  | 0             | 0                 | 13             | 18             | 8                     | 2             | 0                 | 61             | 71             |
| Missouri              | 0                  | 0             | 0                 | 0            | 0              | 0                  | 3             | 0                 | 0              | 3              | 0                     | 0             | 0                 | 0              | 0              |
| Nebraska              | 1                  | 0             | 0                 | 0            | 1              | 1                  | 0             | 1                 | 0              | 2              | 0                     | 0             | 0                 | 0              | 0              |
| North Dakota          | 0                  | 0             | 1                 | 0            | 1              | 0                  | 0             | 0                 | 2              | 2              | 0                     | 0             | 1                 | 0              | 1              |
| South Dakota*         | 0                  | 0             | 0                 | 0            | 0              | 0                  | 0             | 0                 | 0              | 0              | 0                     | 0             | 0                 | 0              | 0              |
| <b>SOUTHEAST</b>      |                    |               |                   |              |                |                    |               |                   |                |                |                       |               |                   |                |                |
| Alabama               | 0                  | 0             | 0                 | 1            | 1              | 2                  | 0             | 3                 | 0              | 5              | 3                     | 0             | 1                 | 0              | 4              |
| Arkansas              | 0                  | 1             | 8                 | 0            | 9              | 0                  | 0             | 7                 | 0              | 7              | 0                     | 0             | 8                 | 0              | 8              |
| Florida*              | 103                | 12            | 0                 | 0            | 115            | 39                 | 3             | 1                 | 0              | 43             | 148                   | 2             | 2                 | 0              | 152            |
| Georgia               | 2                  | 0             | 0                 | 16           | 18             | 1                  | 0             | 0                 | 32             | 33             | 1                     | 0             | 0                 | 20             | 21             |
| Kentucky              | 0                  | 0             | 22                | 0            | 22             | 0                  | 0             | 15                | 0              | 15             | 0                     | 0             | 10                | 0              | 10             |
| Louisiana             | 0                  | 0             | 1                 | 4            | 5              | 0                  | 0             | 0                 | 5              | 5              | 0                     | 0             | 0                 | 2              | 2              |
| Mississippi           | 0                  | 0             | 1                 | 0            | 1              | 1                  | 0             | 1                 | 0              | 2              | 1                     | 0             | 1                 | 0              | 2              |
| North Carolina        | 0                  | 0             | 0                 | 99           | 99             | 0                  | 0             | 0                 | 0              | 0              | 0                     | 0             | 0                 | 0              | 0              |
| South Carolina        | 1                  | 4             | 0                 | 6            | 11             | 0                  | 6             | 1                 | 1              | 8              | 0                     | 0             | 0                 | 0              | 0              |
| Tennessee             | 10                 | 8             | 13                | 31           | 62             | 0                  | 0             | 18                | 73             | 91             | 3                     | 0             | 24                | 40             | 67             |
| Virginia              | 4                  | 6             | 4                 | 76           | 90             | 8                  | 11            | 2                 | 173            | 194            | 10                    | 9             | 1                 | 168            | 188            |
| West Virginia         | 2                  | 0             | 1                 | 21           | 24             | 2                  | 0             | 1                 | 23             | 26             | 2                     | 0             | 0                 | 11             | 13             |
| <b>SOUTHWEST</b>      |                    |               |                   |              |                |                    |               |                   |                |                |                       |               |                   |                |                |
| Arizona               | 1                  | 0             | 25                | 0            | 26             | 0                  | 0             | 1                 | 1              | 2              | 1                     | 0             | 1                 | 1              | 3              |
| New Mexico            | 0                  | 0             | 0                 | 0            | 0              | 8                  | 1             | 0                 | 2              | 11             | 0                     | 1             | 0                 | 0              | 1              |
| Oklahoma              | 0                  | 0             | 0                 | 0            | 0              | 0                  | 0             | 0                 | 0              | 0              | 0                     | 0             | 0                 | 0              | 0              |
| Texas                 | 29                 | 1             | 0                 | 28           | 58             | 28                 | 0             | 0                 | 31             | 59             | 23                    | 0             | 0                 | 67             | 90             |
| <b>ROCKY MOUNTAIN</b> |                    |               |                   |              |                |                    |               |                   |                |                |                       |               |                   |                |                |
| Colorado              | 1                  | 1             | 0                 | 0            | 2              | 3                  | 1             | 0                 | 0              | 4              | 16                    | 0             | 3                 | 0              | 19             |
| Idaho                 | 0                  | 0             | 3                 | 3            | 6              | 0                  | 0             | 3                 | 3              | 6              | 0                     | 0             | 23                | 3              | 26             |
| Montana               | 0                  | 0             | 0                 | 0            | 0              | 0                  | 0             | 0                 | 0              | 0              | 0                     | 0             | 0                 | 0              | 0              |
| Utah                  | 2                  | 1             | 0                 | 0            | 3              | 13                 | 2             | 0                 | 0              | 15             | 20                    | 0             | 0                 | 0              | 20             |
| Wyoming               | 9                  | 5             | 8                 | 0            | 22             | 9                  | 5             | 8                 | 0              | 22             | 9                     | 5             | 10                | 0              | 24             |
| <b>FAR WEST</b>       |                    |               |                   |              |                |                    |               |                   |                |                |                       |               |                   |                |                |
| Alaska                | 0                  | 0             | 0                 | 2            | 2              | 2                  | 0             | 2                 | 0              | 4              | 0                     | 0             | 6                 | 0              | 6              |
| California            | 26                 | 0             | 0                 | 3            | 29             | 30                 | 0             | 0                 | 0              | 30             | 195                   | 0             | 0                 | 3              | 198            |
| Hawaii                | 0                  | 0             | 0                 | 5            | 5              | 0                  | 0             | 0                 | 1              | 1              | 0                     | 0             | 0                 | 39             | 39             |
| Nevada                | 6                  | 0             | 0                 | 2            | 8              | 7                  | 0             | 0                 | 2              | 9              | 6                     | 0             | 0                 | 31             | 37             |
| Oregon                | 0                  | 0             | 0                 | 21           | 21             | 0                  | 0             | 0                 | 60             | 60             | 0                     | 0             | 0                 | 131            | 131            |
| Washington            | 0                  | 8             | 1                 | 66           | 75             | 0                  | 1             | 1                 | 86             | 88             | 0                     | 1             | 1                 | 97             | 99             |
| <b>TOTAL</b>          | <b>\$359</b>       | <b>\$48</b>   | <b>\$122</b>      | <b>\$828</b> | <b>\$1,357</b> | <b>\$296</b>       | <b>\$44</b>   | <b>\$127</b>      | <b>\$1,046</b> | <b>\$1,513</b> | <b>\$552</b>          | <b>\$51</b>   | <b>\$167</b>      | <b>\$1,283</b> | <b>\$2,053</b> |

Source: National Association of State Budget Officers, 2006 State Expenditure Report

\*See Capital Spending Notes for explanation

Table 50

## TRANSPORTATION CAPITAL EXPENDITURES (\$ IN MILLIONS)

| Region/State          | Actual Fiscal 2005 |                 |                   |                |                 | Actual Fiscal 2006 |                 |                   |                |                 | Estimated Fiscal 2007 |                 |                   |                 |                 |
|-----------------------|--------------------|-----------------|-------------------|----------------|-----------------|--------------------|-----------------|-------------------|----------------|-----------------|-----------------------|-----------------|-------------------|-----------------|-----------------|
|                       | 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               | \$201          | \$201           | \$0                | \$0             | \$0               | \$264          | \$264           | \$0                   | \$0             | \$0               | \$805           | \$805           |
| Maine                 | 0                  | 134             | 63                | 22             | 219             | 0                  | 152             | 107               | 7              | 266             | 0                     | 127             | 92                | 37              | 256             |
| Massachusetts         | 0                  | 486             | 488               | 481            | 1,455           | 0                  | 423             | 274               | 542            | 1,239           | 0                     | 519             | 47                | 622             | 1,188           |
| New Hampshire         | 0                  | 32              | 159               | 0              | 191             | 0                  | 35              | 176               | 0              | 211             | 0                     | 29              | 186               | 0               | 215             |
| Rhode Island          | 0                  | 181             | 8                 | 46             | 235             | 0                  | 194             | 6                 | 137            | 337             | 0                     | 191             | 6                 | 181             | 378             |
| Vermont               | 0                  | 109             | 34                | 2              | 145             | 0                  | 121             | 40                | 0              | 161             | 0                     | 182             | 60                | 0               | 242             |
| <b>MID-ATLANTIC</b>   |                    |                 |                   |                |                 |                    |                 |                   |                |                 |                       |                 |                   |                 |                 |
| Delaware              | 0                  | 118             | 291               | 0              | 409             | 0                  | 115             | 266               | 0              | 381             | 0                     | 105             | 175               | 0               | 280             |
| Maryland*             | 0                  | 704             | 717               | 0              | 1,421           | 0                  | 717             | 727               | 0              | 1,444           | 0                     | 682             | 754               | 0               | 1,436           |
| New Jersey            | 805                | 1,167           | 5                 | 1,101          | 3,078           | 805                | 1,459           | 5                 | 994            | 3,263           | 895                   | 1,513           | 5                 | 1,364           | 3,777           |
| New York              | 0                  | 1,567           | 772               | 785            | 3,124           | 0                  | 1,393           | 1,210             | 445            | 3,048           | 0                     | 1,511           | 1,080             | 774             | 3,365           |
| Pennsylvania          | 0                  | 0               | 0                 | 150            | 150             | 0                  | 0               | 0                 | 150            | 150             | 0                     | 0               | 0                 | 150             | 150             |
| <b>GREAT LAKES</b>    |                    |                 |                   |                |                 |                    |                 |                   |                |                 |                       |                 |                   |                 |                 |
| Illinois              | 1                  | 140             | 1,390             | 419            | 1,950           | 0                  | 117             | 1,691             | 240            | 2,048           | 0                     | 150             | 2,202             | 115             | 2,467           |
| Indiana               | 2                  | 0               | 1                 | 0              | 3               | 2                  | 0               | 1                 | 0              | 3               | 2                     | 0               | 0                 | 0               | 2               |
| Michigan              | 0                  | 748             | 311               | 124            | 1,183           | 0                  | 648             | 341               | 156            | 1,145           | 0                     | 644             | 324               | 421             | 1,389           |
| Ohio                  | 4                  | 995             | 660               | 301            | 1,960           | 3                  | 1,141           | 746               | 261            | 2,151           | 3                     | 1,148           | 767               | 307             | 2,225           |
| Wisconsin             | 0                  | 0               | 0                 | 0              | 0               | 0                  | 0               | 0                 | 0              | 0               | 0                     | 0               | 0                 | 0               | 0               |
| <b>PLAINS</b>         |                    |                 |                   |                |                 |                    |                 |                   |                |                 |                       |                 |                   |                 |                 |
| Iowa                  | 0                  | 262             | 261               | 0              | 523             | 0                  | 158             | 395               | 0              | 553             | 0                     | 199             | 320               | 9               | 528             |
| Kansas                | 0                  | 376             | 347               | 38             | 761             | 0                  | 351             | 510               | 47             | 908             | 0                     | 346             | 740               | 53              | 1,139           |
| Minnesota             | 0                  | 13              | 950               | 147            | 1,110           | 0                  | 11              | 687               | 178            | 876             | 0                     | 28              | 875               | 153             | 1,056           |
| Missouri              | 0                  | 0               | 1,688             | 0              | 1,688           | 0                  | 0               | 1,644             | 372            | 2,016           | 0                     | 0               | 1,719             | 837             | 2,556           |
| Nebraska              | 0                  | 272             | 329               | 0              | 601             | 0                  | 265             | 360               | 0              | 625             | 0                     | 240             | 474               | 0               | 714             |
| North Dakota          | 0                  | 186             | 52                | 0              | 238             | 0                  | 228             | 56                | 13             | 297             | 0                     | 218             | 102               | 13              | 333             |
| South Dakota          | 0                  | 1               | 15                | 0              | 16              | 0                  | 1               | 44                | 0              | 45              | 0                     | 0               | 8                 | 0               | 8               |
| <b>SOUTHEAST</b>      |                    |                 |                   |                |                 |                    |                 |                   |                |                 |                       |                 |                   |                 |                 |
| Alabama               | 0                  | 354             | 178               | 59             | 591             | 0                  | 509             | 79                | 32             | 620             | 0                     | 429             | 152               | 21              | 602             |
| Arkansas              | 0                  | 0               | 2                 | 0              | 2               | 0                  | 0               | 0                 | 0              | 0               | 0                     | 0               | 3                 | 0               | 3               |
| Florida               | 0                  | 1,924           | 4,257             | 427            | 6,608           | 0                  | 1,767           | 4,198             | 514            | 6,479           | 0                     | 3,171           | 4,200             | 900             | 8,271           |
| Georgia               | 14                 | 1,179           | 430               | 508            | 2,131           | 11                 | 1,765           | 575               | 410            | 2,761           | 14                    | 2,270           | 590               | 308             | 3,182           |
| Kentucky              | 0                  | 0               | 11                | 0              | 11              | 0                  | 0               | 8                 | 0              | 8               | 0                     | 0               | 11                | 0               | 11              |
| Louisiana             | 0                  | 543             | 285               | 134            | 962             | 0                  | 1,605           | 318               | 384            | 2,307           | 1                     | 606             | 321               | 425             | 1,353           |
| Mississippi           | 0                  | 315             | 210               | 59             | 584             | 0                  | 466             | 231               | 61             | 758             | 0                     | 329             | 199               | 36              | 564             |
| North Carolina        | 0                  | 0               | 0                 | 300            | 300             | 0                  | 0               | 0                 | 0              | 0               | 0                     | 0               | 0                 | 0               | 0               |
| South Carolina        | 0                  | 0               | 1                 | 0              | 1               | 3                  | 0               | 8                 | 0              | 11              | 0                     | 0               | 0                 | 0               | 0               |
| Tennessee             | 0                  | 592             | 500               | 0              | 1,092           | 0                  | 996             | 366               | 156            | 1,518           | 0                     | 914             | 393               | 84              | 1,391           |
| Virginia              | 0                  | 0               | 44                | 92             | 136             | 0                  | 0               | 49                | 41             | 90              | 0                     | 0               | 22                | 61              | 83              |
| West Virginia         | 4                  | 447             | 189               | 0              | 640             | 4                  | 412             | 265               | 0              | 681             | 6                     | 549             | 216               | 47              | 818             |
| <b>SOUTHWEST</b>      |                    |                 |                   |                |                 |                    |                 |                   |                |                 |                       |                 |                   |                 |                 |
| Arizona               | 0                  | 509             | 198               | 276            | 983             | 0                  | 442             | 404               | 241            | 1,087           | 0                     | 492             | 355               | 350             | 1,197           |
| New Mexico            | 30                 | 57              | 2                 | 23             | 112             | 38                 | 178             | 0                 | 62             | 278             | 53                    | 182             | 3                 | 27              | 265             |
| Oklahoma              | 7                  | 447             | 565               | 0              | 1,019           | 0                  | 532             | 316               | 0              | 848             | 0                     | 626             | 676               | 0               | 1,302           |
| Texas                 | 0                  | 0               | 4,800             | 0              | 4,800           | 0                  | 0               | 4,898             | 0              | 4,898           | 0                     | 0               | 5,424             | 0               | 5,424           |
| <b>ROCKY MOUNTAIN</b> |                    |                 |                   |                |                 |                    |                 |                   |                |                 |                       |                 |                   |                 |                 |
| Colorado              | 0                  | 0               | 0                 | 0              | 0               | 10                 | 0               | 0                 | 0              | 10              | 15                    | 0               | 0                 | 0               | 15              |
| Idaho                 | 0                  | 222             | 59                | 0              | 281             | 0                  | 248             | 58                | 0              | 306             | 0                     | 308             | 94                | 0               | 402             |
| Montana               | 0                  | 0               | 0                 | 0              | 0               | 0                  | 0               | 0                 | 0              | 0               | 0                     | 0               | 0                 | 0               | 0               |
| Utah                  | 60                 | 207             | 280               | 50             | 597             | 120                | 262             | 328               | 0              | 710             | 35                    | 177             | 739               | 0               | 951             |
| Wyoming               | 81                 | 48              | 78                | 0              | 207             | 83                 | 46              | 78                | 0              | 207             | 84                    | 47              | 79                | 0               | 210             |
| <b>FAR WEST</b>       |                    |                 |                   |                |                 |                    |                 |                   |                |                 |                       |                 |                   |                 |                 |
| Alaska                | 2                  | 1,102           | 12                | 58             | 1,174           | 57                 | 757             | 70                | 195            | 1,079           | 305                   | 1,037           | 231               | 0               | 1,573           |
| California            | 0                  | 966             | 1,908             | 0              | 2,874           | 0                  | 1,727           | 1,553             | 15             | 3,295           | 0                     | 1,189           | 2,095             | 467             | 3,751           |
| Hawaii                | 0                  | 160             | 53                | 31             | 244             | 0                  | 112             | 59                | 40             | 211             | 0                     | 388             | 224               | 323             | 935             |
| Nevada                | 0                  | 206             | 138               | 175            | 519             | 0                  | 223             | 226               | 99             | 548             | 0                     | 272             | 223               | 318             | 813             |
| Oregon                | 0                  | 0               | 0                 | 3              | 3               | 0                  | 0               | 0                 | 3              | 3               | 0                     | 0               | 0                 | 1               | 1               |
| Washington            | 0                  | 402             | 655               | 201            | 1,258           | 0                  | 377             | 312               | 602            | 1,291           | 0                     | 483             | 1,158             | 1,243           | 2,884           |
| <b>TOTAL</b>          | <b>\$1,010</b>     | <b>\$17,171</b> | <b>\$23,396</b>   | <b>\$6,213</b> | <b>\$47,790</b> | <b>\$1,136</b>     | <b>\$19,953</b> | <b>\$23,685</b>   | <b>\$6,661</b> | <b>\$51,435</b> | <b>\$1,413</b>        | <b>\$21,301</b> | <b>\$27,344</b>   | <b>\$10,452</b> | <b>\$60,510</b> |

Source: National Association of State Budget Officers, 2006 State Expenditure Report

\*See Capital Spending Notes for explanation

Table 51

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

| Region/State          | Actual Fiscal 2005 |               |                   |                |                | Actual Fiscal 2006 |               |                   |                |                | Estimated Fiscal 2007 |               |                   |                |                |
|-----------------------|--------------------|---------------|-------------------|----------------|----------------|--------------------|---------------|-------------------|----------------|----------------|-----------------------|---------------|-------------------|----------------|----------------|
|                       | 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               | \$110          | \$110          | \$0                | \$0           | \$0               | \$173          | \$173          | \$0                   | \$0           | \$0               | \$200          | \$200          |
| Maine                 | 0                  | 0             | 0                 | 0              | 0              | 0                  | 0             | 0                 | 0              | 0              | 0                     | 0             | 0                 | 0              | 0              |
| Massachusetts         | 0                  | 0             | 0                 | 126            | 126            | 0                  | 0             | 0                 | 143            | 143            | 0                     | 0             | 0                 | 96             | 96             |
| New Hampshire         | 0                  | 0             | 0                 | 4              | 4              | 0                  | 0             | 0                 | 5              | 5              | 0                     | 0             | 0                 | 5              | 5              |
| Rhode Island          | 0                  | 2             | 7                 | 8              | 17             | 2                  | 8             | 2                 | 18             | 30             | 2                     | 15            | 5                 | 51             | 73             |
| Vermont               | 0                  | 0             | 0                 | 7              | 7              | 0                  | 0             | 0                 | 9              | 9              | 0                     | 0             | 0                 | 10             | 10             |
| <b>MID-ATLANTIC</b>   |                    |               |                   |                |                |                    |               |                   |                |                |                       |               |                   |                |                |
| Delaware              | 6                  | 0             | 0                 | 0              | 6              | 13                 | 0             | 0                 | 0              | 13             | 0                     | 0             | 0                 | 0              | 0              |
| Maryland              | 0                  | 43            | 70                | 86             | 199            | 0                  | 54            | 263               | 51             | 368            | 15                    | 47            | 532               | 43             | 637            |
| New Jersey            | 90                 | 10            | 0                 | 94             | 194            | 78                 | 0             | 0                 | 40             | 118            | 117                   | 0             | 0                 | 43             | 160            |
| New York              | 0                  | 154           | 99                | 226            | 479            | 0                  | 137           | 103               | 247            | 487            | 0                     | 109           | 237               | 202            | 548            |
| Pennsylvania          | 0                  | 0             | 0                 | 1              | 1              | 0                  | 0             | 0                 | 10             | 10             | 0                     | 0             | 0                 | 0              | 0              |
| <b>GREAT LAKES</b>    |                    |               |                   |                |                |                    |               |                   |                |                |                       |               |                   |                |                |
| Illinois              | 0                  | 6             | 193               | 52             | 251            | 0                  | 7             | 161               | 74             | 242            | 0                     | 6             | 222               | 81             | 309            |
| Indiana               | 42                 | 0             | 3                 | 0              | 45             | 48                 | 0             | 4                 | 0              | 52             | 63                    | 0             | 4                 | 0              | 67             |
| Michigan              | 5                  | 17            | 50                | 59             | 131            | 9                  | 11            | 68                | 49             | 137            | 11                    | 17            | 91                | 20             | 139            |
| Ohio                  | 1                  | 0             | 0                 | 140            | 141            | 1                  | 0             | 0                 | 133            | 134            | 1                     | 0             | 0                 | 139            | 140            |
| Wisconsin             | 0                  | 0             | 0                 | 0              | 0              | 0                  | 0             | 0                 | 0              | 0              | 0                     | 0             | 0                 | 0              | 0              |
| <b>PLAINS</b>         |                    |               |                   |                |                |                    |               |                   |                |                |                       |               |                   |                |                |
| Iowa                  | 0                  | 0             | 37                | 5              | 42             | 0                  | 0             | 12                | 3              | 15             | 0                     | 0             | 21                | 1              | 22             |
| Kansas                | 0                  | 0             | 0                 | 0              | 0              | 0                  | 0             | 0                 | 0              | 0              | 0                     | 0             | 0                 | 0              | 0              |
| Minnesota             | 10                 | 2             | 25                | 14             | 51             | 6                  | 7             | 22                | 10             | 45             | 7                     | 5             | 28                | 24             | 64             |
| Missouri              | 0                  | 0             | 8                 | 54             | 62             | 0                  | 0             | 7                 | 11             | 18             | 0                     | 0             | 5                 | 42             | 47             |
| Nebraska              | 0                  | 0             | 0                 | 0              | 0              | 0                  | 0             | 0                 | 0              | 0              | 0                     | 0             | 0                 | 0              | 0              |
| North Dakota          | 0                  | 6             | 1                 | 60             | 67             | 0                  | 5             | 16                | 0              | 21             | 2                     | 9             | 21                | 2              | 34             |
| South Dakota          | 0                  | 0             | 0                 | 0              | 0              | 0                  | 0             | 0                 | 0              | 0              | 0                     | 0             | 0                 | 0              | 0              |
| <b>SOUTHEAST</b>      |                    |               |                   |                |                |                    |               |                   |                |                |                       |               |                   |                |                |
| Alabama*              | 0                  | 0             | 14                | 25             | 39             | 0                  | 0             | 29                | 19             | 48             | 0                     | 0             | 23                | 21             | 44             |
| Arkansas              | 0                  | 0             | 0                 | 0              | 0              | 0                  | 0             | 0                 | 0              | 0              | 0                     | 0             | 0                 | 0              | 0              |
| Florida               | 505                | 227           | 592               | 348            | 1,672          | 84                 | 241           | 1,105             | 364            | 1,794          | 834                   | 339           | 895               | 413            | 2,481          |
| Georgia               | 0                  | 0             | 0                 | 20             | 20             | 6                  | 5             | 0                 | 6              | 17             | 11                    | 5             | 0                 | 6              | 22             |
| Kentucky              | 0                  | 0             | 4                 | 0              | 4              | 0                  | 0             | 36                | 0              | 36             | 0                     | 0             | 3                 | 0              | 3              |
| Louisiana             | 0                  | 0             | 4                 | 0              | 4              | 0                  | 0             | 5                 | 0              | 5              | 0                     | 0             | 3                 | 0              | 3              |
| Mississippi           | 0                  | 1             | 2                 | 2              | 5              | 0                  | 2             | 4                 | 2              | 8              | 0                     | 1             | 5                 | 1              | 7              |
| North Carolina        | 26                 | 0             | 0                 | 41             | 67             | 19                 | 0             | 0                 | 70             | 89             | 37                    | 0             | 0                 | 99             | 136            |
| South Carolina        | 0                  | 9             | 2                 | 0              | 11             | 0                  | 18            | 10                | 0              | 28             | 0                     | 0             | 0                 | 0              | 0              |
| Tennessee             | 3                  | 0             | 0                 | 0              | 3              | 0                  | 0             | 0                 | 0              | 0              | 0                     | 0             | 0                 | 0              | 0              |
| Virginia              | 0                  | 4             | 5                 | 25             | 34             | 10                 | 3             | 14                | 39             | 66             | 5                     | 3             | 4                 | 17             | 29             |
| West Virginia         | 0                  | 24            | 18                | 0              | 42             | 0                  | 16            | 19                | 0              | 35             | 0                     | 18            | 19                | 0              | 37             |
| <b>SOUTHWEST</b>      |                    |               |                   |                |                |                    |               |                   |                |                |                       |               |                   |                |                |
| Arizona               | 0                  | 0             | 0                 | 0              | 0              | 0                  | 0             | 0                 | 0              | 0              | 0                     | 0             | 0                 | 0              | 0              |
| New Mexico            | 5                  | 0             | 2                 | 0              | 7              | 0                  | 0             | 0                 | 0              | 0              | 0                     | 0             | 0                 | 0              | 0              |
| Oklahoma              | 5                  | 67            | 2                 | 0              | 74             | 3                  | 6             | 82                | 0              | 91             | 4                     | 6             | 107               | 0              | 117            |
| Texas                 | 44                 | 11            | 0                 | 0              | 55             | 31                 | 8             | 0                 | 0              | 39             | 46                    | 11            | 0                 | 0              | 57             |
| <b>ROCKY MOUNTAIN</b> |                    |               |                   |                |                |                    |               |                   |                |                |                       |               |                   |                |                |
| Colorado              | 0                  | 1             | 3                 | 0              | 4              | 3                  | 0             | 8                 | 0              | 11             | 0                     | 5             | 27                | 0              | 32             |
| Idaho                 | 0                  | 0             | 0                 | 0              | 0              | 0                  | 0             | 0                 | 0              | 0              | 0                     | 0             | 0                 | 0              | 0              |
| Montana               | 0                  | 0             | 0                 | 0              | 0              | 0                  | 0             | 0                 | 0              | 0              | 0                     | 0             | 0                 | 0              | 0              |
| Utah*                 | 0                  | 0             | 0                 | 0              | 0              | 0                  | 0             | 0                 | 0              | 0              | 0                     | 0             | 0                 | 0              | 0              |
| Wyoming               | 0                  | 0             | 0                 | 0              | 0              | 0                  | 0             | 0                 | 0              | 0              | 0                     | 0             | 0                 | 0              | 0              |
| <b>FAR WEST</b>       |                    |               |                   |                |                |                    |               |                   |                |                |                       |               |                   |                |                |
| Alaska                | 0                  | 61            | 4                 | 26             | 91             | 25                 | 79            | 0                 | 4              | 108            | 30                    | 75            | 1                 | 0              | 106            |
| California            | 5                  | 4             | 39                | 419            | 467            | 144                | 2             | 45                | 222            | 413            | 412                   | 18            | 32                | 954            | 1,416          |
| Hawaii*               | 0                  | 0             | 0                 | 10             | 10             | 0                  | 0             | 0                 | 11             | 11             | 0                     | 19            | 0                 | 6              | 25             |
| Nevada                | 0                  | 0             | 0                 | 14             | 14             | 0                  | 0             | 0                 | 6              | 6              | 0                     | 0             | 0                 | 3              | 3              |
| Oregon                | 0                  | 0             | 0                 | 0              | 0              | 0                  | 0             | 0                 | 0              | 0              | 0                     | 0             | 0                 | 0              | 0              |
| Washington            | 0                  | 55            | 185               | 87             | 327            | 0                  | 64            | 287               | 45             | 396            | 0                     | 74            | 481               | 148            | 703            |
| <b>TOTAL</b>          | <b>\$747</b>       | <b>\$704</b>  | <b>\$1,369</b>    | <b>\$2,063</b> | <b>\$4,883</b> | <b>\$482</b>       | <b>\$673</b>  | <b>\$2,302</b>    | <b>\$1,764</b> | <b>\$5,221</b> | <b>\$1,597</b>        | <b>\$782</b>  | <b>\$2,766</b>    | <b>\$2,627</b> | <b>\$7,772</b> |

Source: National Association of State Budget Officers, 2006 State Expenditure Report  
\*See Capital Spending Notes for explanation



**Table 52**

**HOUSING CAPITAL EXPENDITURES (\$ IN MILLIONS)**

| Region/State          | Actual Fiscal 2005 |               |                   |              |              | Actual Fiscal 2006 |               |                   |              |                | Estimated Fiscal 2007 |               |                   |              |                |
|-----------------------|--------------------|---------------|-------------------|--------------|--------------|--------------------|---------------|-------------------|--------------|----------------|-----------------------|---------------|-------------------|--------------|----------------|
|                       | 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               | \$7          | \$7          | \$0                | \$0           | \$0               | \$26         | \$26           | \$0                   | \$0           | \$0               | \$25         | \$25           |
| Maine                 | 0                  | 0             | 0                 | 0            | 0            | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0            | 0              |
| Massachusetts         | 0                  | 0             | 0                 | 122          | 122          | 0                  | 0             | 0                 | 129          | 129            | 0                     | 0             | 0                 | 117          | 117            |
| 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                 | 1            | 1            | 0                  | 0             | 0                 | 2            | 2              | 0                     | 0             | 0                 | 1            | 1              |
| <b>MID-ATLANTIC</b>   |                    |               |                   |              |              |                    |               |                   |              |                |                       |               |                   |              |                |
| Delaware              | 0                  | 0             | 0                 | 0            | 0            | 4                  | 0             | 0                 | 0            | 4              | 0                     | 0             | 0                 | 0            | 0              |
| Maryland              | 0                  | 17            | 22                | 23           | 62           | 0                  | 18            | 26                | 23           | 67             | 39                    | 17            | 23                | 1            | 80             |
| New Jersey            | 0                  | 0             | 0                 | 0            | 0            | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0            | 0              |
| New York              | 0                  | 0             | 1                 | 119          | 120          | 0                  | 2             | 2                 | 129          | 133            | 0                     | 1             | 1                 | 117          | 119            |
| 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               | 14                 | 0             | 2                 | 0            | 16           | 9                  | 0             | 1                 | 0            | 10             | 16                    | 0             | 0                 | 0            | 16             |
| Michigan              | 0                  | 120           | 15                | 3            | 138          | 0                  | 130           | 24                | 1            | 155            | 0                     | 135           | 26                | 4            | 165            |
| Ohio                  | 0                  | 120           | 15                | 3            | 138          | 0                  | 130           | 24                | 1            | 155            | 0                     | 0             | 0                 | 1            | 1              |
| 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                | 0                  | 0             | 0                 | 0            | 0            | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0            | 0              |
| Minnesota             | 0                  | 0             | 0                 | 0            | 0            | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0            | 0              |
| Missouri*             | 0                  | 0             | 0                 | 0            | 0            | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0            | 0              |
| Nebraska              | 0                  | 0             | 0                 | 0            | 0            | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0            | 0              |
| North Dakota          | 0                  | 0             | 0                 | 0            | 0            | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0            | 0              |
| South Dakota          | 0                  | 0             | 0                 | 0            | 0            | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0            | 0              |
| <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             | 193               | 0            | 193          | 0                  | 0             | 443               | 0            | 443            | 0                     | 0             | 433               | 0            | 433            |
| 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                 | 1            | 1            | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0            | 0              |
| North Carolina        | 0                  | 0             | 0                 | 0            | 0            | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0            | 0              |
| South Carolina        | 0                  | 0             | 0                 | 0            | 0            | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0            | 0              |
| Tennessee             | 0                  | 0             | 0                 | 0            | 0            | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0            | 0              |
| Virginia              | 0                  | 0             | 0                 | 0            | 0            | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0            | 0              |
| West Virginia         | 0                  | 0             | 0                 | 0            | 0            | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0            | 0              |
| <b>SOUTHWEST</b>      |                    |               |                   |              |              |                    |               |                   |              |                |                       |               |                   |              |                |
| Arizona               | 0                  | 0             | 0                 | 0            | 0            | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0            | 0              |
| New Mexico            | 11                 | 0             | 0                 | 0            | 11           | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0            | 0              |
| Oklahoma              | 0                  | 0             | 0                 | 0            | 0            | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0            | 0              |
| Texas*                | 0                  | 0             | 0                 | 0            | 0            | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0            | 0              |
| <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*                 | 0                  | 0             | 0                 | 0            | 0            | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0            | 0              |
| Wyoming               | 0                  | 0             | 0                 | 0            | 0            | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0            | 0              |
| <b>FAR WEST</b>       |                    |               |                   |              |              |                    |               |                   |              |                |                       |               |                   |              |                |
| Alaska                | 1                  | 42            | 14                | 1            | 58           | 2                  | 11            | 18                | 0            | 31             | 0                     | 28            | 29                | 0            | 57             |
| California            | 0                  | 0             | 0                 | 0            | 0            | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0            | 0              |
| Hawaii*               | 0                  | 0             | 0                 | 0            | 0            | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 11                | 11           |                |
| Nevada                | 0                  | 0             | 0                 | 0            | 0            | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0            | 0              |
| Oregon                | 0                  | 0             | 0                 | 0            | 0            | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0            | 0              |
| Washington            | 0                  | 0             | 0                 | 45           | 45           | 0                  | 0             | 4                 | 42           | 46             | 0                     | 0             | 6                 | 50           | 56             |
| <b>TOTAL</b>          | <b>\$26</b>        | <b>\$299</b>  | <b>\$262</b>      | <b>\$325</b> | <b>\$912</b> | <b>\$15</b>        | <b>\$291</b>  | <b>\$542</b>      | <b>\$353</b> | <b>\$1,201</b> | <b>\$55</b>           | <b>\$181</b>  | <b>\$518</b>      | <b>\$327</b> | <b>\$1,081</b> |

Source: National Association of State Budget Officers, 2006 State Expenditure Report  
 \*See Capital Spending Notes for explanation

**Table 53**

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

| Region/State          | Actual Fiscal 2005 |               |                   |                |                 | Actual Fiscal 2006 |                |                   |                |                 | Estimated Fiscal 2007 |                |                   |                |                 |
|-----------------------|--------------------|---------------|-------------------|----------------|-----------------|--------------------|----------------|-------------------|----------------|-----------------|-----------------------|----------------|-------------------|----------------|-----------------|
|                       | 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               | \$985          | \$985           | \$0                   | \$0            | \$0               | \$930          | \$930           |
| Maine                 | 2                  | 13            | 4                 | 13             | 32              | 3                  | 17             | 5                 | 10             | 35              | 5                     | 21             | 16                | 16             | 58              |
| Massachusetts         | 0                  | 0             | 0                 | 941            | 941             | 0                  | 0              | 0                 | 820            | 820             | 0                     | 0              | 0                 | 308            | 308             |
| New Hampshire         | 0                  | 0             | 0                 | 56             | 56              | 0                  | 0              | 0                 | 50             | 50              | 0                     | 0              | 0                 | 43             | 43              |
| Rhode Island          | 5                  | 7             | 24                | 13             | 49              | 1                  | 0              | 65                | 17             | 83              | 0                     | 2              | 119               | 95             | 216             |
| Vermont               | 0                  | 0             | 0                 | 37             | 37              | 0                  | 0              | 0                 | 26             | 26              | 0                     | 0              | 0                 | 29             | 29              |
| <b>MID-ATLANTIC</b>   |                    |               |                   |                |                 |                    |                |                   |                |                 |                       |                |                   |                |                 |
| Delaware              | 146                | 0             | 0                 | 0              | 146             | 211                | 0              | 0                 | 0              | 211             | 0                     | 0              | 0                 | 0              | 0               |
| Maryland              | 1                  | 1             | 15                | 265            | 282             | 1                  | 0              | 6                 | 377            | 384             | 75                    | 13             | 19                | 430            | 537             |
| New Jersey            | 209                | 0             | 0                 | 22             | 231             | 216                | 0              | 0                 | 26             | 242             | 227                   | 0              | 0                 | 34             | 261             |
| New York              | 0                  | 96            | 144               | 289            | 529             | 0                  | 170            | 194               | 418            | 782             | 0                     | 116            | 205               | 413            | 734             |
| Pennsylvania          | 0                  | 0             | 0                 | 62             | 62              | 0                  | 0              | 0                 | 201            | 201             | 0                     | 0              | 0                 | 327            | 327             |
| <b>GREAT LAKES</b>    |                    |               |                   |                |                 |                    |                |                   |                |                 |                       |                |                   |                |                 |
| Illinois              | 0                  | 0             | 9                 | 404            | 413             | 0                  | 0              | 24                | 429            | 453             | 0                     | 0              | 21                | 380            | 401             |
| Indiana               | 74                 | 0             | 13                | 0              | 87              | 63                 | 0              | 12                | 0              | 75              | 84                    | 0              | 18                | 0              | 102             |
| Michigan              | 51                 | 22            | 12                | 14             | 99              | 46                 | 30             | 32                | 174            | 282             | 75                    | 18             | 3                 | 30             | 126             |
| Ohio                  | 5                  | 0             | 147               | 604            | 756             | 0                  | 0              | 280               | 705            | 985             | 0                     | 0              | 221               | 668            | 889             |
| Wisconsin             | 0                  | 0             | 0                 | 0              | 0               | 0                  | 0              | 0                 | 0              | 0               | 0                     | 0              | 0                 | 0              | 0               |
| <b>PLAINS</b>         |                    |               |                   |                |                 |                    |                |                   |                |                 |                       |                |                   |                |                 |
| Iowa                  | 0                  | 0             | 13                | 28             | 41              | 0                  | 0              | 30                | 16             | 46              | 0                     | 8              | 28                | 75             | 111             |
| Kansas                | 6                  | 3             | 5                 | 12             | 26              | 7                  | 4              | 10                | 4              | 25              | 13                    | 12             | 16                | 4              | 45              |
| Minnesota             | 41                 | 18            | 19                | 149            | 227             | 15                 | 7              | 12                | 152            | 186             | 32                    | 22             | 27                | 153            | 234             |
| Missouri*             | 6                  | 43            | 80                | 1              | 130             | 21                 | 73             | 43                | 0              | 137             | 62                    | 0              | 34                | 0              | 96              |
| Nebraska              | 13                 | 19            | 26                | 0              | 58              | 11                 | 12             | 21                | 0              | 44              | 16                    | 43             | 100               | 0              | 159             |
| North Dakota          | 7                  | 11            | 27                | 0              | 45              | 5                  | 10             | 23                | 14             | 52              | 6                     | 26             | 25                | 0              | 57              |
| South Dakota*         | 3                  | 31            | 12                | 5              | 51              | 29                 | 7              | 77                | 7              | 120             | 2                     | 3              | 5                 | 5              | 15              |
| <b>SOUTHEAST</b>      |                    |               |                   |                |                 |                    |                |                   |                |                 |                       |                |                   |                |                 |
| Alabama*              | 0                  | 0             | 22                | 196            | 218             | 3                  | 0              | 25                | 180            | 208             | 3                     | 0              | 49                | 216            | 268             |
| Arkansas              | 0                  | 4             | 36                | 12             | 52              | 0                  | 26             | 83                | 14             | 123             | 0                     | 68             | 91                | 113            | 272             |
| Florida               | 110                | 0             | 1,467             | 182            | 1,759           | 17                 | 0              | 1,493             | 357            | 1,867           | 115                   | 0              | 1,672             | 1,488          | 3,275           |
| Georgia               | 0                  | 0             | 0                 | 287            | 287             | 0                  | 0              | 0                 | 271            | 271             | 0                     | 0              | 0                 | 611            | 611             |
| Kentucky              | 0                  | 0             | 275               | 0              | 275             | 0                  | 0              | 240               | 0              | 240             | 0                     | 0              | 429               | 0              | 429             |
| Louisiana             | 47                 | 25            | 8                 | 136            | 216             | 10                 | 836            | 54                | 110            | 1,010           | 12                    | 647            | 11                | 88             | 758             |
| Mississippi           | 6                  | 21            | 36                | 184            | 247             | 4                  | 35             | 32                | 137            | 208             | 5                     | 27             | 63                | 239            | 334             |
| North Carolina        | 11                 | 0             | 0                 | 159            | 170             | 19                 | 0              | 0                 | 0              | 19              | 161                   | 0              | 0                 | 101            | 262             |
| South Carolina        | 3                  | 10            | 37                | 4              | 54              | 13                 | 18             | 18                | 3              | 52              | 0                     | 0              | 0                 | 0              | 0               |
| Tennessee             | 22                 | 2             | 7                 | 84             | 115             | 33                 | 33             | 1                 | 21             | 88              | 43                    | 20             | 0                 | 110            | 173             |
| Virginia              | 3                  | 9             | 4                 | 78             | 94              | 7                  | 7              | 8                 | 61             | 83              | 16                    | 0              | 12                | 75             | 103             |
| West Virginia         | 10                 | 29            | 33                | 0              | 72              | 12                 | 29             | 37                | 0              | 78              | 12                    | 14             | 25                | 0              | 51              |
| <b>SOUTHWEST</b>      |                    |               |                   |                |                 |                    |                |                   |                |                 |                       |                |                   |                |                 |
| Arizona               | 1                  | 3             | 1                 | 0              | 5               | 1                  | 2              | 1                 | 0              | 4               | 1                     | 2              | 1                 | 0              | 4               |
| New Mexico            | 173                | 0             | 6                 | 183            | 362             | 393                | 0              | 15                | 155            | 563             | 401                   | 0              | 18                | 152            | 571             |
| Oklahoma              | 18                 | 26            | 47                | 27             | 118             | 16                 | 18             | 48                | 50             | 132             | 16                    | 68             | 143               | 0              | 227             |
| Texas*                | 126                | 0             | 0                 | 2              | 128             | 223                | 0              | 0                 | 4              | 227             | 212                   | 0              | 0                 | 40             | 252             |
| <b>ROCKY MOUNTAIN</b> |                    |               |                   |                |                 |                    |                |                   |                |                 |                       |                |                   |                |                 |
| Colorado              | 6                  | 21            | 66                | 0              | 93              | 37                 | 9              | 52                | 0              | 98              | 37                    | 20             | 103               | 0              | 160             |
| Idaho                 | 0                  | 0             | 11                | 1              | 12              | 0                  | 0              | 11                | 1              | 12              | 0                     | 0              | 12                | 1              | 13              |
| Montana               | 0                  | 0             | 0                 | 0              | 0               | 0                  | 0              | 0                 | 0              | 0               | 0                     | 0              | 0                 | 0              | 0               |
| Utah                  | 124                | 3             | 15                | 58             | 200             | 96                 | 3              | 17                | 5              | 121             | 213                   | 13             | 24                | 111            | 361             |
| Wyoming               | 15                 | 9             | 17                | 0              | 41              | 16                 | 8              | 17                | 0              | 41              | 17                    | 9              | 18                | 0              | 44              |
| <b>FAR WEST</b>       |                    |               |                   |                |                 |                    |                |                   |                |                 |                       |                |                   |                |                 |
| Alaska                | 6                  | 124           | 50                | 8              | 188             | 206                | 250            | 30                | 109            | 595             | 412                   | 148            | 1                 | 0              | 561             |
| California            | 14                 | 21            | 8                 | 11             | 54              | 5                  | 12             | 17                | 13             | 47              | 0                     | 157            | 83                | 31             | 271             |
| Hawaii                | 0                  | 12            | 58                | 222            | 292             | 0                  | 13             | 133               | 284            | 430             | 226                   | 28             | 158               | 537            | 949             |
| Nevada                | 5                  | 3             | 26                | 37             | 71              | 6                  | 10             | 39                | 25             | 80              | 5                     | 9              | 9                 | 15             | 38              |
| Oregon                | 0                  | 6             | 11                | 65             | 82              | 0                  | 5              | 11                | 61             | 77              | 2                     | 2              | 16                | 52             | 72              |
| Washington            | 0                  | 42            | 309               | 147            | 498             | 0                  | 33             | 252               | 132            | 417             | 0                     | 54             | 579               | 136            | 769             |
| <b>TOTAL*</b>         | <b>\$1,269</b>     | <b>\$634</b>  | <b>\$3,100</b>    | <b>\$5,829</b> | <b>\$10,832</b> | <b>\$1,746</b>     | <b>\$1,677</b> | <b>\$3,468</b>    | <b>\$6,424</b> | <b>\$13,315</b> | <b>\$2,506</b>        | <b>\$1,570</b> | <b>\$4,374</b>    | <b>\$8,056</b> | <b>\$16,506</b> |

Source: National Association of State Budget Officers, 2006 State Expenditure Report  
 \*See Capital Spending Notes for explanation

## Capital Spending Notes

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**Alabama:** Capital expenditures for higher education are not captured/available at the state level. Capital expenditures for Environmental and All Other from Federal and Other State Funds are not reported separately, combined amounts are included in the Other State Funds.

**Florida:** For Corrections Capital Expenditures, the increase in Estimate Capital 2006–07 as compared to Actual Capital 2005–06 is due to the Florida Legislature providing funding to complete construction of new prison beds initially started in fiscal 2005–06. Corrections Capital Inclusive and Capital Expenditures for Actual 2004–05, Actual 2005–06 and Estimate 2006–07 include expenditures for Juvenile Detention, Juvenile Community Corrections and Juvenile Residential Corrections in addition to the expenditures for the adult correctional system. These categories have not been included in prior NASBO surveys.

**Hawaii:** Unable to separate fiscal 2005 and fiscal 2006 Federal Funds and Other State Funds capital expenditures into the Housing and Environmental functional areas; included in "All Other State Expenditures."

**Maryland:** Transportation capital costs exclude all capital projects for Maryland Port Administration.

**Michigan:** Higher education capital expenditures made from non-state funds are excluded.

**Missouri:** Housing Capital Expenditures do not include expenditures made by the Missouri Housing Development Commission, a body corporate and politic. All Other Capital Expenditures includes capital expenditures for maintenance and repair projects at facilities operated by the Department of Corrections.

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

**Rhode Island:** Capital expenditures for "Housing" are under the auspices of the Rhode Island Housing Resources Commission and the Rhode Island Housing and Mortgage Finance Corporation. Both are quasi-public agencies.

**South Dakota:** Capital Expenditures for Higher Education are not available at the State level. In the Fiscal Year 2005 State Expenditure Report the New DCI Building was incorrectly listed in the Corrections total and should have been listed in the All Other total. Also the expenditure totals for fiscal 2005 should have been \$5 million and fiscal 2006 \$7 million instead of the \$12 million listed in fiscal 2006.

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

**Texas:** In regards to Housing capital expenditures, Texas allocates funds to local housing authorities to build housing. There are no funds expended by the state for these projects. In regards to "All Other" capital expenditures, the method of finance for capital expenditures is unavailable.

**Utah:** All numerical information presented represents bond "authorization". All bond information included in the report is for General Obligation bonds. Not included in the report is State Building Ownership Authority (SBOA) Bonds (\$26 in fiscal 2005, \$8 in fiscal 2006, and \$7 million in fiscal 2007) and Board of Regents Revenue Bonds (discussed under the Higher Education footnote).

Regarding housing capital expenditures, numerous revolving loan programs have been established by the State of Utah. These loan funds are typically provided startup General Fund appropriations when established. Some loan funds receive periodic General Fund appropriations to enhance the loan programs. Once established, loan repayments generally remain within the loan programs in order to provide additional monies for future loans. One revolving loan program provides low-interest loans and grants to Utah residents for low-income housing. This loan fund is the Olene Walker Housing Trust Fund (\$5 million available in 2005, \$6 million available in 2006, and \$7 million projected available for 2007). These funds were shown under capital for housing in previous years, but were reclassified in the 2002 expenditure report to a footnote.

Regarding environmental capital expenditures, numerous revolving loan programs have been established by the State of Utah. These loan funds are typically provided startup General Fund appropriations when established. Some loan funds receive periodic General Fund appropriations to enhance the loan programs. Once established, loan repayments generally remain within the loan programs in order to provide additional monies for future loans. Several revolving loan programs provide low-interest loans to local governments, such as cities and counties, to provide water and sewer systems. These loan funds include: 1) Water Resources Construction Fund (\$8 million available in 2005, \$6 million available

in 2006, and \$13 million projected available for 2007); 2) Water Resources Cities Water Loan Fund (\$0 million available in 2005, \$2 million available in 2006, and \$5 million projected available for 2007); 3) Water Resources Conservation and Development Fund (\$13 million available in 2005, \$24 million available in 2006, and \$34 million projected available for 2007); 4) Water Quality Loan Fund (\$18 million available in 2005, \$21 million available in 2006, and \$19 million projected available for 2007); and 5) Drinking Water Loan Fund (\$13 million available in 2005, \$13 million available in 2006, and \$13 million projected available for 2007).

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

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General fund revenue, the source of most state expenditures, totaled \$609.9 billion in fiscal 2006. Personal income taxes, sales and compensating use taxes, and corporate income taxes are the three main sources of general fund revenue, accounting for 80.2 percent of general fund collections. Specifically, personal income taxes account for 39.7 percent of the total, sales and compensating use taxes for 32.8 percent, and corporate income taxes for 7.7 percent of total general fund revenues. Other taxes and fees represent 19.0 percent of general fund revenues, while gaming taxes are 0.8 percent. The major sources of general fund revenues are displayed by state in Table 54.

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

States use a variety of taxes and fees to finance programs, not all of which are reflected in the general fund. These include some gaming taxes and lottery proceeds, and motor vehicle taxes 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 collect.

## State Tax Trends

States maintained strong revenue growth in fiscal 2006. Total general fund revenue grew 8.9 percent. This continues a recent trend. In fiscal 2005, total general fund revenue also grew 8.9 percent, while fiscal 2004 saw a 10.4 percent revenue growth. However, revenue growth is expected to slow some in fiscal 2007 and perhaps more significantly in 2008. Total general fund revenues are estimated to grow 3.7 percent in fiscal 2007. Although revenue growth is slowing, it is still much stronger than the fiscal downturn of the early 2000's. In fiscal 2002, states saw their revenue decline 1.3 percent from the prior year, and in fiscal 2003, states' revenue declined 1.4 percent.

Fiscal 2006 saw less tax and fee increases than prior years. Whereas in fiscal 2004 states enacted tax and fee increases of \$9.6 billion, and in fiscal 2005 states enacted increases of \$3.5 billion, states enacted tax and fee increases of \$2.4 billion in fiscal 2006. Additionally, all states either met or exceeded their revenue estimates for personal income, sales, and corporate income taxes in fiscal 2006 (enacted changes in state taxes and fees, as well as revenue estimates, are detailed in NASBO's *Fiscal Survey of States*).

**Figure 23**  
**REVENUE SOURCES IN THE GENERAL FUND**

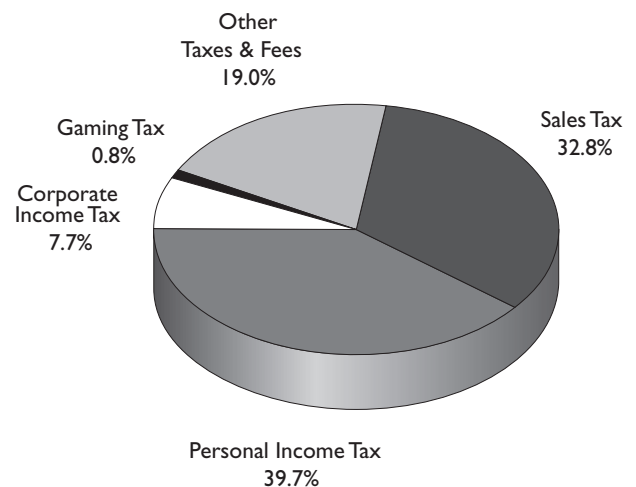


Table 54

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

| Region/state          | Actual Fiscal 2005 |                  |                 |                |                  |                  | Actual Fiscal 2006 |                  |                 |                |                  |                  | Estimated Fiscal 2007 |                  |                 |                |                  |                  |
|-----------------------|--------------------|------------------|-----------------|----------------|------------------|------------------|--------------------|------------------|-----------------|----------------|------------------|------------------|-----------------------|------------------|-----------------|----------------|------------------|------------------|
|                       | Personal           |                  | Corp.           | Other          |                  | Total            | Personal           |                  | Corp.           | Other          |                  | Total            | Personal              |                  | Corp.           | Other          |                  | Total            |
|                       | Sales Tax          | Income Tax       | Income Tax      | Gaming Tax     | Taxes & Fees     |                  | Sales Tax          | Income Tax       | Income Tax      | Gaming Tax     | Taxes & Fees     |                  | Sales Tax             | Income Tax       | Income Tax      | Gaming Tax     | Taxes & Fees     |                  |
| <b>NEW ENGLAND</b>    |                    |                  |                 |                |                  |                  |                    |                  |                 |                |                  |                  |                       |                  |                 |                |                  |                  |
| Connecticut           | \$3,290            | \$5,571          | \$679           | \$418          | \$4,106          | \$14,064         | \$3,402            | \$6,156          | \$788           | \$428          | \$4,225          | \$14,999         | \$3,492               | \$6,625          | \$877           | \$437          | \$4,035          | \$15,466         |
| Maine                 | 941                | 1,270            | 136             | 0              | 444              | 2,791            | 993                | 1,255            | 188             | 0              | 496              | 2,932            | 1,024                 | 1,327            | 172             | 0              | 464              | 2,987            |
| Massachusetts         | 3,886              | 9,690            | 1,063           | 0              | 2,449            | 17,088           | 4,004              | 10,483           | 1,391           | 0              | 2,610            | 18,488           | 4,090                 | 11,122           | 1,498           | 0              | 2,590            | 19,300           |
| New Hampshire         | 0                  | 0                | 408             | 4              | 1,747            | 2,159            | 0                  | 0                | 546             | 3              | 1,633            | 2,182            | 0                     | 0                | 601             | 3              | 1,684            | 2,288            |
| Rhode Island          | 848                | 979              | 116             | 312            | 751              | 3,005            | 869                | 997              | 165             | 327            | 782              | 3,141            | 885                   | 1,056            | 167             | 325            | 758              | 3,192            |
| Vermont               | 207                | 500              | 60              | 0              | 268              | 1,035            | 217                | 541              | 76              | 0              | 278              | 1,112            | 226                   | 556              | 67              | 0              | 275              | 1,124            |
| <b>MID-ATLANTIC</b>   |                    |                  |                 |                |                  |                  |                    |                  |                 |                |                  |                  |                       |                  |                 |                |                  |                  |
| Delaware              | 0                  | 883              | 81              | 0              | 1,881            | 2,845            | 0                  | 1,015            | 163             | 0              | 1,992            | 3,170            | 0                     | 1,007            | 138             | 0              | 2,119            | 3,264            |
| Maryland*             | 3,129              | 5,661            | 512             | 0              | 2,246            | 11,548           | 3,355              | 6,200            | 623             | 0              | 2,212            | 12,390           | 3,457                 | 6,613            | 574             | 0              | 2,230            | 12,874           |
| New Jersey            | 6,552              | 9,538            | 2,474           | 839            | 8,729            | 28,132           | 6,853              | 10,507           | 3,162           | 867            | 7,316            | 28,705           | 8,768                 | 11,465           | 2,898           | 835            | 6,322            | 30,288           |
| New York              | 10,587             | 28,100           | 4,069           | 26             | 2,267            | 45,049           | 10,593             | 30,813           | 5,084           | 23             | 2,458            | 48,971           | 10,050                | 34,580           | 6,468           | 21             | 2,723            | 53,842           |
| Pennsylvania          | 8,000              | 8,747            | 1,921           | 0              | 5,641            | 24,309           | 8,334              | 9,524            | 2,302           | 0              | 5,694            | 25,854           | 8,546                 | 10,030           | 2,477           | 0              | 5,813            | 26,866           |
| <b>GREAT LAKES</b>    |                    |                  |                 |                |                  |                  |                    |                  |                 |                |                  |                  |                       |                  |                 |                |                  |                  |
| Illinois*             | 6,595              | 7,979            | 1,172           | 699            | 5,024            | 21,469           | 7,092              | 8,635            | 1,428           | 689            | 4,790            | 22,634           | 7,356                 | 9,130            | 1,688           | 692            | 4,824            | 23,690           |
| Indiana               | 4,960              | 4,213            | 825             | 585            | 853              | 11,436           | 5,226              | 4,322            | 925             | 590            | 997              | 12,060           | 5,341                 | 4,477            | 908             | 625            | 984              | 12,335           |
| Michigan*             | 1,044              | 4,121            | 1,914           | 42             | 1,188            | 8,309            | 1,003              | 4,184            | 1,842           | 45             | 1,192            | 8,266            | 1,013                 | 4,250            | 1,810           | 47             | 1,067            | 8,187            |
| Ohio                  | 7,827              | 8,599            | 1,052           | 0              | 8,073            | 25,551           | 7,368              | 8,786            | 1,055           | 0              | 8,637            | 25,846           | 7,470                 | 8,790            | 1,055           | 0              | 8,403            | 25,718           |
| Wisconsin             | 4,039              | 5,650            | 764             | 0              | 944              | 11,397           | 4,128              | 6,144            | 780             | 0              | 978              | 12,030           | 4,210                 | 6,480            | 880             | 0              | 973              | 12,543           |
| <b>PLAINS</b>         |                    |                  |                 |                |                  |                  |                    |                  |                 |                |                  |                  |                       |                  |                 |                |                  |                  |
| Iowa                  | 1,750              | 2,242            | 186             | 109            | 673              | 4,960            | 1,836              | 2,398            | 264             | 140            | 690              | 5,328            | 1,891                 | 2,597            | 337             | 114            | 408              | 5,347            |
| Kansas*               | 1,892              | 2,051            | 226             | 0              | 672              | 4,841            | 2,005              | 2,371            | 350             | 0              | 668              | 5,394            | 2,065                 | 2,585            | 375             | 0              | 707              | 5,732            |
| Minnesota             | 4,239              | 6,341            | 926             | 59             | 2,685            | 14,250           | 4,464              | 6,863            | 1,062           | 56             | 3,065            | 15,510           | 4,519                 | 7,094            | 1,178           | 55             | 2,916            | 15,762           |
| Missouri*             | 1,913              | 4,107            | 328             | 0              | 363              | 6,711            | 1,962              | 4,579            | 405             | 0              | 387              | 7,332            | 1,997                 | 4,897            | 431             | 0              | 303              | 7,627            |
| Nebraska              | 1,231              | 1,400            | 198             | 1              | 207              | 3,037            | 1,264              | 1,545            | 262             | 1              | 280              | 3,352            | 1,284                 | 1,625            | 220             | 1              | 231              | 3,361            |
| North Dakota          | 442                | 240              | 63              | 10             | 242              | 997              | 456                | 273              | 112             | 9              | 244              | 1,094            | 515                   | 281              | 77              | 9              | 266              | 1,148            |
| South Dakota          | 534                | 0                | 0               | 0              | 457              | 991              | 577                | 0                | 0               | 0              | 480              | 1,057            | 607                   | 0                | 0               | 0              | 486              | 1,093            |
| <b>SOUTHEAST</b>      |                    |                  |                 |                |                  |                  |                    |                  |                 |                |                  |                  |                       |                  |                 |                |                  |                  |
| Alabama               | 1,848              | 2,464            | 368             | 3              | 1,723            | 6,406            | 2,002              | 2,689            | 484             | 3              | 1,977            | 7,155            | 2,131                 | 2,896            | 600             | 3              | 1,967            | 7,597            |
| Arkansas              | 1,945              | 2,168            | 299             | 5              | 314              | 4,731            | 2,087              | 2,357            | 378             | 5              | 314              | 5,141            | 2,181                 | 2,484            | 356             | 8              | 316              | 5,345            |
| Florida               | 17,600             | 0                | 1,730           | 18             | 5,622            | 24,970           | 19,378             | 0                | 2,405           | 16             | 5,283            | 27,082           | 19,637                | 0                | 2,635           | 29             | 4,514            | 26,815           |
| Georgia               | 5,215              | 7,277            | 730             | 0              | 2,592            | 15,814           | 5,712              | 8,022            | 863             | 0              | 2,742            | 17,339           | 5,989                 | 8,499            | 849             | 0              | 2,842            | 18,179           |
| Kentucky              | 2,595              | 3,036            | 479             | 0              | 1,535            | 7,645            | 2,749              | 2,919            | 1,002           | 0              | 1,706            | 8,376            | 2,833                 | 3,122            | 976             | 0              | 1,679            | 8,610            |
| Louisiana             | 2,994              | 2,401            | 352             | 370            | 1,275            | 7,392            | 3,243              | 2,512            | 506             | 435            | 1,609            | 8,305            | 3,251                 | 2,457            | 592             | 407            | 1,834            | 8,540            |
| Mississippi           | 1,583              | 1,166            | 361             | 169            | 499              | 3,778            | 1,865              | 1,246            | 412             | 146            | 596              | 4,265            | 1,924                 | 1,315            | 376             | 170            | 622              | 4,407            |
| North Carolina        | 4,477              | 8,409            | 1,194           | 0              | 2,246            | 16,326           | 4,894              | 9,400            | 1,204           | 0              | 1,523            | 17,021           | 5,036                 | 9,981            | 1,387           | 0              | 1,781            | 18,185           |
| South Carolina*       | 2,318              | 2,215            | 186             | 0              | 872              | 5,591            | 2,545              | 2,608            | 258             | 0              | 815              | 6,226            | 2,591                 | 2,934            | 294             | 0              | 818              | 6,637            |
| Tennessee             | 5,829              | 120              | 713             | 0              | 2,188            | 8,850            | 6,225              | 140              | 763             | 0              | 2,386            | 9,514            | 6,484                 | 135              | 673             | 0              | 2,499            | 9,791            |
| Virginia              | 2,946              | 8,352            | 617             | 0              | 1,772            | 13,687           | 2,813              | 9,309            | 872             | 0              | 1,862            | 14,855           | 3,093                 | 9,969            | 901             | 0              | 1,837            | 15,800           |
| West Virginia         | 960                | 1,170            | 281             | 0              | 1,094            | 3,505            | 1,012              | 1,298            | 348             | 0              | 1,004            | 3,662            | 1,018                 | 1,318            | 301             | 0              | 1,020            | 3,657            |
| <b>SOUTHWEST</b>      |                    |                  |                 |                |                  |                  |                    |                  |                 |                |                  |                  |                       |                  |                 |                |                  |                  |
| Arizona               | 3,661              | 2,973            | 702             | 0              | 621              | 7,957            | 4,273              | 3,690            | 874             | 0              | 448              | 9,285            | 4,533                 | 3,736            | 986             | 0              | 298              | 9,553            |
| New Mexico*           | 1,900              | 1,086            | 243             | 46             | 1,694            | 4,969            | 2,094              | 1,120            | 383             | 62             | 1,878            | 5,537            | 2,226                 | 1,138            | 400             | 66             | 1,848            | 5,678            |
| Oklahoma              | 1,427              | 2,144            | 134             | 16             | 1,154            | 4,875            | 1,558              | 2,373            | 239             | 4              | 1,490            | 5,664            | 1,656                 | 2,338            | 433             | 3              | 1,504            | 5,934            |
| Texas                 | 16,247             | 0                | 0               | 0              | 16,408           | 32,655           | 18,200             | 0                | 0               | 0              | 18,474           | 36,674           | 19,479                | 0                | 0               | 0              | 18,156           | 37,635           |
| <b>ROCKY MOUNTAIN</b> |                    |                  |                 |                |                  |                  |                    |                  |                 |                |                  |                  |                       |                  |                 |                |                  |                  |
| Colorado              | 2,008              | 3,399            | 315             | 40             | 399              | 6,161            | 2,123              | 4,019            | 447             | 18             | 358              | 6,965            | 2,238                 | 4,282            | 465             | 14             | 378              | 7,377            |
| Idaho                 | 951                | 1,036            | 140             | 0              | 141              | 2,268            | 881                | 1,216            | 194             | 0              | 140              | 2,431            | 1,085                 | 1,273            | 208             | 0              | 140              | 2,706            |
| Montana               | 13                 | 706              | 98              | 53             | 661              | 1,531            | 13                 | 769              | 154             | 57             | 715              | 1,708            | 13                    | 794              | 161             | 60             | 741              | 1,769            |
| Utah                  | 1,635              | 1,934            | 198             | 0              | 316              | 4,083            | 1,806              | 2,288            | 378             | 0              | 392              | 4,864            | 1,807                 | 2,415            | 415             | 0              | 414              | 5,051            |
| Wyoming               | 364                | 0                | 0               | 0              | 462              | 826              | 421                | 0                | 0               | 0              | 544              | 965              | 480                   | 0                | 0               | 0              | 479              | 959              |
| <b>FAR WEST</b>       |                    |                  |                 |                |                  |                  |                    |                  |                 |                |                  |                  |                       |                  |                 |                |                  |                  |
| Alaska                | 0                  | 0                | 586             | 2              | 2,601            | 3,189            | 0                  | 0                | 799             | 2              | 3,399            | 4,200            | 0                     | 0                | 755             | 2              | 4,223            | 4,980            |
| California            | 25,759             | 42,738           | 8,670           | 3              | 5,039            | 82,209           | 27,581             | 49,877           | 10,316          | 2              | 5,651            | 93,427           | 27,775                | 52,042           | 10,311          | 2              | 4,389            | 94,519           |
| Hawaii*               | 2,131              | 1,381            | 86              | 0              | 888              | 4,486            | 2,355              | 1,551            | 130             | 0              | 889              | 4,925            | 2,527                 | 1,634            | 134             | 0              | 895              | 5,190            |
| Nevada                | 914                | 0                | 0               | 750            | 1,079            | 2,743            | 1,005              | 0                | 0               | 838            | 1,216            | 3,059            | 1,031                 | 0                | 0               | 860            | 1,257            | 3,147            |
| Oregon                | 0                  | 4,723            | 323             | 0              | 470              | 5,516            | 0                  | 5,444            | 438             | 0              | 430              | 6,312            | 0                     | 5,567            | 377             | 0              | 478              | 6,422            |
| Washington            | 6,591              | 0                | 0               | 0              | 5,476            | 12,067           | 7,357              | 0                | 0               | 0              | 5,782            | 13,139           | 7,767                 | 0                | 0               | 0              | 6,414            | 14,181           |
| <b>ALL STATES</b>     | <b>\$187,817</b>   | <b>\$218,780</b> | <b>\$37,978</b> | <b>\$4,577</b> | <b>\$111,050</b> | <b>\$560,203</b> | <b>\$200,192</b>   | <b>\$242,438</b> | <b>\$46,821</b> | <b>\$4,765</b> | <b>\$115,725</b> | <b>\$609,941</b> | <b>\$207,591</b>      | <b>\$256,916</b> | <b>\$49,480</b> | <b>\$4,787</b> | <b>\$113,924</b> | <b>\$632,697</b> |

\*See Revenue Sources in the General Fund Notes for explanation

**Table 55**

**ITEMS EXCLUDED FROM REVENUE SOURCES**

| Region/State          | Sales and<br>Compensating Use<br>Taxes | Personal<br>Income<br>Taxes | Corporate<br>Income<br>Taxes | Gaming<br>Taxes | Lottery<br>Funds | Cigarette and<br>Tobacco<br>Taxes | Motor<br>Fuel<br>Taxes | Alcoholic<br>Beverage<br>Taxes | Insurance<br>Premium<br>Taxes | Property<br>Taxes | Utility<br>Taxes | Severance<br>Taxes | Federal<br>Funds | Licenses<br>and<br>Fees | Other     |
|-----------------------|--|-----------------------------|------------------------------|-----------------|------------------|-----------------------------------|------------------------|--------------------------------|-------------------------------|-------------------|------------------|--------------------|------------------|-------------------------|-----------|
| <b>MID-ATLANTIC</b>   |  |                             |                              |                 |                  |                                   |                        |                                |                               |                   |                  |                    |                  |                         |           |
| Connecticut           |  |                             |                              |                 |                  |                                   |                        |                                |                               | X                 |                  |                    |                  |                         |           |
| Maine                 |  |                             |                              |                 |                  |                                   | P                      |                                |                               |                   |                  | X                  | P                |                         |           |
| Massachusetts         |  |                             |                              |                 |                  |                                   |                        |                                |                               | X                 |                  | X                  | X                | X                       |           |
| New Hampshire         | X                                      | X                           |                              |                 |                  |                                   |                        |                                |                               |                   |                  | X                  |                  |                         |           |
| Rhode Island          |  |                             |                              |                 |                  |                                   | P                      |                                |                               | X                 |                  | X                  | X                |                         |           |
| Vermont               | P                                      |                             |                              | X               | X                | X                                 | X                      |                                |                               | P                 | P                | X                  | X                |                         |           |
| <b>MID-ATLANTIC</b>   |  |                             |                              |                 |                  |                                   |                        |                                |                               |                   |                  |                    |                  |                         |           |
| Delaware              | X                                      |                             |                              | X               |                  |                                   |                        |                                |                               |                   |                  | X                  | X                |                         |           |
| Maryland*             |  |                             |                              | X               |                  |                                   | P                      |                                |                               | X                 |                  | X                  | X                |                         |           |
| New Jersey            | P                                      |                             | P                            | X               |                  | P                                 |                        |                                |                               | X                 | P                | X                  | X                | P                       |           |
| New York              |  |                             |                              |                 | X                |                                   | X                      |                                |                               | X                 |                  | X                  | X                | X                       | X         |
| Pennsylvania          | P                                      |                             |                              | X               | X                | P                                 | X                      |                                | P                             | P                 |                  | X                  | X                | P                       | P         |
| <b>GREAT LAKES</b>    |  |                             |                              |                 |                  |                                   |                        |                                |                               |                   |                  |                    |                  |                         |           |
| Illinois              |  |                             |                              |                 |                  |                                   | P                      |                                |                               | X                 |                  | X                  | X                | P                       | P         |
| Indiana               |  |                             |                              |                 | X                |                                   | X                      |                                |                               | X                 | P                | X                  | X                |                         |           |
| Michigan              | P                                      | P                           |                              | P               | X                | P                                 | X                      | P                              |                               | X                 |                  | X                  | P                | P                       | P         |
| Ohio                  | P                                      | P                           | P                            | X               | X                |                                   | X                      | P                              | P                             | X                 | P                | X                  | P                | P                       |           |
| Wisconsin             |  |                             |                              | X               | X                |                                   | X                      |                                |                               | X                 |                  | 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              |  |                             |                              | P               | X                | P                                 | X                      |                                | P                             | X                 | X                | P                  | X                | P                       | P         |
| North Dakota          |  |                             |                              |                 |                  |                                   | X                      |                                |                               | X                 | X                |                    | X                |                         |           |
| South Dakota          |  | X                           | X                            |                 |                  |                                   | X                      |                                |                               | X                 |                  |                    | X                |                         |           |
| <b>SOUTHEAST</b>      |  |                             |                              |                 |                  |                                   |                        |                                |                               |                   |                  |                    |                  |                         |           |
| Alabama               |  |                             |                              |                 | X                |                                   | X                      |                                |                               | P                 |                  |                    | X                |                         |           |
| Arkansas              |  |                             |                              |                 | X                |                                   |                        |                                |                               | X                 |                  |                    |                  |                         |           |
| Florida               |  | X                           |                              |                 | X                |                                   | X                      |                                |                               | X                 | X                |                    | X                | P                       |           |
| Georgia               |  |                             |                              | X               | X                |                                   |                        |                                |                               |                   |                  |                    | X                |                         |           |
| Kentucky              |  |                             |                              | X               |                  |                                   | X                      |                                |                               |                   |                  |                    | X                | X                       |           |
| Louisiana             |  |                             |                              |                 |                  |                                   |                        |                                |                               | X                 | X                |                    | X                |                         |           |
| Mississippi           |  |                             |                              |                 | X                |                                   | P                      |                                |                               |                   | X                |                    | X                | X                       |           |
| North Carolina        |  |                             |                              | X               | X                |                                   |                        |                                |                               | X                 | X                | X                  |                  |                         |           |
| South Carolina        |  |                             |                              | X               | X                |                                   |                        |                                |                               | X                 |                  | X                  | X                |                         |           |
| Tennessee             |  |                             |                              | X               | P                |                                   |                        |                                |                               | X                 |                  |                    |                  |                         |           |
| Virginia              |  |                             |                              | X               | X                | P                                 | X                      |                                |                               | X                 | X                | X                  | X                | P                       |           |
| West Virginia         |  |                             |                              | X               | P                |                                   | X                      |                                |                               |                   | X                |                    | X                |                         |           |
| <b>SOUTHWEST</b>      |  |                             |                              |                 |                  |                                   |                        |                                |                               |                   |                  |                    |                  |                         |           |
| Arizona               |  |                             |                              | X               |                  | P                                 | X                      | P                              |                               |                   |                  |                    | P                |                         |           |
| New Mexico*           |  |                             |                              |                 |                  |                                   |                        |                                |                               | X                 | X                |                    | X                |                         |           |
| Oklahoma              | P                                      | P                           | P                            |                 | X                | P                                 | P                      | P                              | P                             | X                 | P                | P                  | X                | P                       | P         |
| Texas                 |  | X                           | X                            | X               |                  |                                   |                        |                                |                               | X                 |                  |                    | X                |                         |           |
| <b>ROCKY MOUNTAIN</b> |  |                             |                              |                 |                  |                                   |                        |                                |                               |                   |                  |                    |                  |                         |           |
| Colorado              |  | P                           |                              | P               | P                |                                   | X                      |                                |                               | X                 | X                | X                  | X                | P                       |           |
| Idaho                 |  |                             |                              | X               | X                | P                                 | X                      | P                              |                               | X                 | X                | X                  | X                | X                       |           |
| Montana               | X                                      |                             |                              |                 |                  | P                                 | X                      | P                              |                               | P                 | P                | P                  | X                | P                       | P         |
| Utah                  |  |                             |                              | X               | X                |                                   |                        |                                |                               | P                 |                  |                    |                  |                         |           |
| Wyoming               |  | X                           | X                            | X               | X                |                                   |                        |                                |                               |                   |                  |                    |                  |                         |           |
| <b>FAR WEST</b>       |  |                             |                              |                 |                  |                                   |                        |                                |                               |                   |                  |                    |                  |                         |           |
| Alaska                | X                                      | X                           |                              |                 | X                |                                   |                        |                                |                               |                   |                  |                    |                  |                         |           |
| California            | P                                      | P                           |                              | P               | X                | P                                 | X                      |                                |                               | X                 | X                | X                  | X                | P                       | P         |
| Hawaii*               | P                                      |                             |                              | X               | X                | P                                 | X                      |                                | P                             | X                 | P                | X                  | P                | P                       | P         |
| Nevada                |  | X                           | X                            |                 | X                |                                   | X                      |                                |                               | X                 | X                | X                  | X                |                         |           |
| Oregon                | X                                      |                             |                              | X               | X                | P                                 | X                      | P                              |                               | X                 | X                |                    | X                |                         |           |
| Washington            |  | X                           | X                            | X               |                  |                                   | X                      |                                |                               |                   |                  | X                  | X                | P                       |           |
| <b>ALL STATES</b>     | <b>13</b>                              | <b>13</b>                   | <b>8</b>                     | <b>29</b>       | <b>31</b>        | <b>14</b>                         | <b>33</b>              | <b>7</b>                       | <b>6</b>                      | <b>39</b>         | <b>24</b>        | <b>28</b>          | <b>41</b>        | <b>22</b>               | <b>11</b> |

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

\*See Revenue Sources in the General Fund Notes for explanation



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

**Hawaii:** Does not have Gaming Taxes, Lottery Funds, Property Taxes, or Severance Taxes.

**Illinois:** For fiscal 2007, estimates as of May 2007.

**Kansas:** Kansas previously had entries in "Gaming Tax" because Lottery proceeds are transferred into the general fund. However, because Kansas does not have a gaming tax on these proceeds, Kansas made no entries this year.

**Maine:** Total general fund revenue amounts reflect recommendations in the March 2007 report from the Revenue Forecasting Committee.

**Maryland:** Gaming Taxes and Severance Taxes are not applicable in Maryland. "Other" revenue includes death taxes and interest.

**Michigan:** Actual fiscal 2005 and fiscal 2006 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 2007 estimates are the May 2007 consensus revenue estimates.

**Missouri:** Revenue sources exclude refunds of \$1,071 million in fiscal 2005, \$1,129 million in fiscal 2006, and \$1,245 million in fiscal 2007.

**New Mexico:** Revenue figures are based upon DFA economist response. "Other" revenue source includes investment earnings, mineral production, royalties, and tribal revenue sharing.

**South Carolina:** Estimated fiscal 2007 is the Board of Economic Advisors estimate of May 9, 2007.



# APPENDIX

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**Table A-1**

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

| Region/State          | Actual Fiscal 2005 |                  |                       | Actual Fiscal 2006 |                  |                       | Estimated Fiscal 2007 |                  |                       |
|-----------------------|--------------------|------------------|-----------------------|--------------------|------------------|-----------------------|-----------------------|------------------|-----------------------|
|                       | 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           | \$18,083           | \$1,124          | \$19,207              | \$19,782           | \$1,189          | \$20,971              | \$20,408              | \$1,298          | \$21,706              |
| Maine                 | 4,384              | 2,256            | 6,640                 | 4,669              | 2,361            | 7,030                 | 4,772                 | 2,548            | 7,320                 |
| Massachusetts         | 30,297             | 5,950            | 36,247                | 31,153             | 6,372            | 37,525                | 31,614                | 6,561            | 38,175                |
| New Hampshire         | 2,918              | 1,415            | 4,333                 | 2,966              | 1,414            | 4,380                 | 3,019                 | 1,420            | 4,439                 |
| Rhode Island          | 4,109              | 1,891            | 6,000                 | 4,535              | 1,955            | 6,490                 | 4,701                 | 1,998            | 6,699                 |
| Vermont               | 3,048              | 1,017            | 4,065                 | 3,838              | 1,065            | 4,903                 | 4,008                 | 1,085            | 2,816                 |
| <b>MID-ATLANTIC</b>   |                    |                  |                       |                    |                  |                       |                       |                  |                       |
| Delaware              | 3,923              | 975              | 4,898                 | 4,319              | 1,029            | 5,348                 | 4,470                 | 1,065            | 5,535                 |
| Maryland              | 18,167             | 5,878            | 24,045                | 19,967             | 6,207            | 26,174                | 22,836                | 6,618            | 29,454                |
| New Jersey            | 32,300             | 7,985            | 40,285                | 32,824             | 8,420            | 41,244                | 34,926                | 9,489            | 44,415                |
| New York              | 62,180             | 36,697           | 98,877                | 67,869             | 34,618           | 102,487               | 75,067                | 35,453           | 110,520               |
| Pennsylvania          | 33,589             | 17,331           | 50,920                | 35,926             | 17,305           | 53,231                | 37,820                | 18,037           | 55,857                |
| <b>GREAT LAKES</b>    |                    |                  |                       |                    |                  |                       |                       |                  |                       |
| Illinois              | 28,766             | 10,864           | 39,630                | 31,843             | 10,685           | 42,528                | 35,353                | 12,103           | 47,456                |
| Indiana               | 14,565             | 6,701            | 21,266                | 14,755             | 6,769            | 21,524                | 15,329                | 6,987            | 22,316                |
| Michigan              | 28,981             | 11,348           | 40,329                | 29,783             | 11,498           | 41,281                | 29,117                | 13,442           | 42,559                |
| Ohio                  | 41,309             | 8,002            | 49,311                | 43,402             | 8,616            | 52,018                | 43,955                | 9,181            | 53,136                |
| Wisconsin             | 24,891             | 6,984            | 31,875                | 26,315             | 7,166            | 33,481                | 27,314                | 7,160            | 34,474                |
| <b>PLAINS</b>         |                    |                  |                       |                    |                  |                       |                       |                  |                       |
| Iowa                  | 9,620              | 4,149            | 13,769                | 10,669             | 3,922            | 14,591                | 11,345                | 4,149            | 15,494                |
| Kansas                | 6,987              | 3,410            | 10,397                | 7,960              | 3,265            | 11,225                | 8,777                 | 3,334            | 12,111                |
| Minnesota             | 18,556             | 5,516            | 24,072                | 19,631             | 5,628            | 25,259                | 20,738                | 6,202            | 26,940                |
| Missouri              | 13,563             | 5,491            | 19,054                | 13,742             | 5,536            | 19,278                | 14,973                | 6,138            | 21,111                |
| Nebraska              | 5,166              | 2,351            | 7,517                 | 5,670              | 2,303            | 7,973                 | 6,728                 | 2,970            | 9,698                 |
| North Dakota          | 1,887              | 1,217            | 3,104                 | 1,983              | 1,263            | 3,246                 | 2,172                 | 1,410            | 3,582                 |
| South Dakota          | 1,674              | 1,157            | 2,831                 | 1,782              | 1,177            | 2,959                 | 2,110                 | 1,055            | 3,165                 |
| <b>SOUTHEAST</b>      |                    |                  |                       |                    |                  |                       |                       |                  |                       |
| Alabama               | 21,661             | 10,154           | 31,815                | 23,102             | 10,340           | 33,442                | 26,751                | 11,725           | 38,476                |
| Arkansas              | 9,994              | 4,240            | 14,234                | 10,642             | 4,602            | 15,244                | 11,755                | 6,209            | 17,964                |
| Florida               | 37,820             | 19,130           | 56,950                | 41,195             | 18,700           | 59,895                | 48,892                | 21,132           | 70,024                |
| Georgia               | 21,569             | 9,953            | 31,522                | 22,333             | 10,227           | 32,560                | 23,347                | 10,038           | 33,385                |
| Kentucky              | 13,022             | 6,310            | 19,332                | 14,331             | 6,696            | 21,027                | 15,728                | 7,175            | 22,903                |
| Louisiana             | 12,429             | 6,342            | 18,771                | 13,184             | 8,167            | 21,351                | 14,825                | 15,792           | 30,617                |
| Mississippi           | 7,693              | 5,062            | 12,755                | 7,924              | 6,634            | 14,558                | 8,255                 | 8,677            | 16,932                |
| North Carolina        | 23,325             | 10,224           | 33,549                | 24,524             | 10,311           | 34,835                | 25,378                | 10,496           | 35,874                |
| South Carolina        | 11,053             | 6,809            | 17,862                | 11,320             | 6,521            | 17,841                | 12,423                | 7,191            | 19,614                |
| Tennessee             | 14,156             | 9,394            | 23,550                | 14,048             | 9,137            | 23,185                | 15,856                | 9,387            | 25,243                |
| Virginia              | 23,970             | 5,682            | 29,652                | 25,069             | 5,920            | 30,989                | 27,493                | 6,244            | 33,737                |
| West Virginia         | 13,976             | 3,399            | 17,375                | 16,913             | 3,277            | 20,190                | 14,978                | 3,460            | 18,438                |
| <b>SOUTHWEST</b>      |                    |                  |                       |                    |                  |                       |                       |                  |                       |
| Arizona               | 14,907             | 8,412            | 23,319                | 16,609             | 8,289            | 24,898                | 17,698                | 9,207            | 26,905                |
| New Mexico            | 7,800              | 3,083            | 10,883                | 8,218              | 3,362            | 11,580                | 7,881                 | 3,679            | 11,560                |
| Oklahoma              | 8,448              | 5,458            | 13,906                | 10,759             | 5,207            | 15,966                | 13,291                | 5,577            | 18,868                |
| Texas                 | 41,755             | 22,594           | 64,349                | 43,355             | 24,649           | 68,004                | 47,882                | 24,077           | 71,959                |
| <b>ROCKY MOUNTAIN</b> |                    |                  |                       |                    |                  |                       |                       |                  |                       |
| Colorado              | 10,727             | 3,269            | 13,996                | 11,813             | 3,560            | 15,373                | 12,516                | 3,760            | 16,276                |
| Idaho                 | 3,023              | 1,769            | 4,792                 | 3,210              | 1,811            | 5,021                 | 3,867                 | 1,992            | 5,859                 |
| Montana               | 2,593              | 1,505            | 4,098                 | 2,928              | 1,527            | 4,455                 | 3,316                 | 1,758            | 5,074                 |
| Utah                  | 6,109              | 2,247            | 8,356                 | 6,498              | 2,401            | 8,899                 | 7,701                 | 2,362            | 10,063                |
| Wyoming               | 4,781              | 1,428            | 6,209                 | 4,842              | 1,366            | 6,208                 | 4,470                 | 1,188            | 5,658                 |
| <b>FAR WEST</b>       |                    |                  |                       |                    |                  |                       |                       |                  |                       |
| Alaska                | 5,749              | 3,287            | 9,036                 | 6,468              | 2,856            | 9,324                 | 8,473                 | 3,401            | 11,874                |
| California            | 101,999            | 52,122           | 154,121               | 114,308            | 53,569           | 167,877               | 126,646               | 56,376           | 183,022               |
| Hawaii                | 6,793              | 1,573            | 8,366                 | 7,533              | 1,539            | 9,072                 | 8,213                 | 2,106            | 10,319                |
| Nevada                | 4,962              | 1,678            | 6,640                 | 5,529              | 1,745            | 7,274                 | 6,159                 | 1,499            | 7,658                 |
| Oregon                | 14,254             | 4,857            | 19,111                | 15,314             | 4,697            | 20,011                | 15,645                | 4,947            | 20,592                |
| Washington            | 19,172             | 6,097            | 25,269                | 20,503             | 6,097            | 26,600                | 24,025                | 6,390            | 30,415                |
| <b>TOTAL</b>          | <b>\$872,703</b>   | <b>\$365,787</b> | <b>\$1,238,490</b>    | <b>\$937,855</b>   | <b>\$372,970</b> | <b>\$1,310,825</b>    | <b>\$1,015,016</b>    | <b>\$405,548</b> | <b>\$1,420,564</b>    |

Note: State funds are defined as general funds and other state funds (bonds are excluded).  
Source: National Association of State Budget Officers, 2006 State Expenditure Report

Table A-2

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

| Regions/state         | Actual Fiscal 2005 |                   |                |                | Actual Fiscal 2006 |                   |                |                | Estimated Fiscal 2007 |                   |                |                |
|-----------------------|--------------------|-------------------|----------------|----------------|--------------------|-------------------|----------------|----------------|-----------------------|-------------------|----------------|----------------|
|                       | 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*          | 27                 | 0                 | 0              | 27             | 30                 | 0                 | 0              | 30             | 33                    | 0                 | 0              | 33             |
| Maine                 | 7                  | 0                 | 21             | 27             | 9                  | 0                 | 25             | 33             | 9                     | 0                 | 26             | 35             |
| Massachusetts         | 65                 | 0                 | 118            | 183            | 81                 | 0                 | 149            | 230            | 107                   | 0                 | 196            | 303            |
| New Hampshire         | 3                  | 0                 | 7              | 10             | 4                  | 0                 | 7              | 11             | 4                     | 0                 | 8              | 12             |
| Rhode Island          | 14                 | 0                 | 31             | 45             | 36                 | 0                 | 78             | 114            | 24                    | 0                 | 48             | 72             |
| Vermont               | 1                  | 0                 | 4              | 5              | 1                  | 0                 | 3              | 4              | 2                     | 0                 | 5              | 7              |
| <b>MID-ATLANTIC</b>   |                    |                   |                |                |                    |                   |                |                |                       |                   |                |                |
| Delaware              | 3                  | 1                 | 6              | 10             | 2                  | 1                 | 6              | 9              | 3                     | 1                 | 6              | 10             |
| Maryland              | 60                 | 0                 | 111            | 170            | 65                 | 2                 | 124            | 191            | 71                    | 2                 | 137            | 210            |
| New Jersey            | 119                | 49                | 192            | 360            | 111                | 61                | 217            | 389            | 134                   | 64                | 254            | 452            |
| New York              | 0                  | 353               | 334            | 687            | 0                  | 345               | 310            | 655            | 0                     | 335               | 316            | 651            |
| Pennsylvania          | 47                 | 25                | 162            | 234            | 47                 | 28                | 158            | 233            | 50                    | 39                | 185            | 274            |
| <b>GREAT LAKES</b>    |                    |                   |                |                |                    |                   |                |                |                       |                   |                |                |
| Illinois              | 207                | 4                 | 390            | 601            | 225                | 5                 | 420            | 650            | 242                   | 5                 | 452            | 699            |
| Indiana               | 24                 | 0                 | 68             | 92             | 26                 | 0                 | 73             | 99             | 28                    | 0                 | 81             | 109            |
| Michigan*             | 31                 | 35                | 151            | 217            | 31                 | 36                | 152            | 219            | 37                    | 13                | 113            | 163            |
| Ohio                  | 69                 | 0                 | 173            | 242            | 69                 | 0                 | 177            | 246            | 76                    | 0                 | 191            | 266            |
| Wisconsin             | 59                 | 7                 | 123            | 189            | 62                 | 7                 | 125            | 194            | 78                    | 7                 | 131            | 216            |
| <b>PLAINS</b>         |                    |                   |                |                |                    |                   |                |                |                       |                   |                |                |
| Iowa                  | 12                 | 1                 | 41             | 54             | 17                 | 1                 | 45             | 63             | 20                    | 1                 | 54             | 75             |
| Kansas                | 14                 | 2                 | 43             | 59             | 15                 | 2                 | 45             | 62             | 17                    | 2                 | 50             | 69             |
| Minnesota             | 12                 | 29                | 76             | 117            | 7                  | 31                | 77             | 115            | 8                     | 24                | 66             | 98             |
| Missouri              | 0                  | 32                | 87             | 119            | 19                 | 11                | 82             | 112            | 23                    | 21                | 103            | 147            |
| Nebraska              | 6                  | 5                 | 31             | 42             | 7                  | 5                 | 30             | 42             | 10                    | 5                 | 37             | 52             |
| North Dakota          | 1                  | 0                 | 3              | 4              | 2                  | 0                 | 5              | 7              | 2                     | 0                 | 6              | 8              |
| South Dakota          | 4                  | 0                 | 13             | 17             |                    | 3                 | 0              | 10             | 13                    | 4                 | 0              | 15             |
| <b>SOUTHEAST</b>      |                    |                   |                |                |                    |                   |                |                |                       |                   |                |                |
| Alabama               | 14                 | 5                 | 86             | 105            | 20                 | 1                 | 93             | 114            | 23                    | 5                 | 100            | 128            |
| Arkansas              | 14                 | 0                 | 63             | 77             | 11                 | 0                 | 50             | 60             | 16                    | 0                 | 72             | 88             |
| Florida               | 31                 | 76                | 265            | 372            | 18                 | 69                | 214            | 301            | 16                    | 88                | 255            | 359            |
| Georgia               | 72                 | 5                 | 199            | 276            | 62                 | 5                 | 174            | 241            | 75                    | 5                 | 242            | 322            |
| Kentucky              | 20                 | 0                 | 69             | 89             | 21                 | 3                 | 76             | 100            | 20                    | 2                 | 82             | 104            |
| Louisiana             | 26                 | 10                | 101            | 137            | 16                 | 0                 | 90             | 106            | 28                    | 0                 | 102            | 130            |
| Mississippi           | 0                  | 22                | 113            | 134            | 0                  | 20                | 103            | 123            | 0                     | 22                | 108            | 130            |
| North Carolina        | 62                 | 0                 | 198            | 260            | 68                 | 0                 | 192            | 260            | 52                    | 0                 | 151            | 203            |
| South Carolina        | 14                 | 0                 | 52             | 66             | 14                 | 0                 | 51             | 65             | 10                    | 0                 | 38             | 48             |
| Tennessee*            | 0                  | 0                 | 0              | 0              | 0                  | 0                 | 0              | 0              | 7                     | 0                 | 21             | 28             |
| Virginia              | 27                 | 13                | 46             | 85             | 36                 | 13                | 90             | 138            | 41                    | 14                | 104            | 159            |
| West Virginia         | 7                  | 0                 | 34             | 41             | 7                  | 0                 | 33             | 40             | 9                     | 0                 | 37             | 46             |
| <b>SOUTHWEST</b>      |                    |                   |                |                |                    |                   |                |                |                       |                   |                |                |
| Arizona               | 64                 | 0                 | 217            | 281            | 41                 | 0                 | 138            | 179            | 32                    | 0                 | 107            | 139            |
| New Mexico            | 4                  | 0                 | 20             | 24             | 5                  | 0                 | 20             | 25             | 3                     | 0                 | 11             | 14             |
| Oklahoma              | 15                 | 0                 | 56             | 71             | 21                 | 0                 | 78             | 99             | 26                    | 0                 | 91             | 117            |
| Texas*                | 125                | 0                 | 297            | 422            | 125                | 0                 | 288            | 413            | 155                   | 0                 | 377            | 532            |
| <b>ROCKY MOUNTAIN</b> |                    |                   |                |                |                    |                   |                |                |                       |                   |                |                |
| Colorado              | 0                  | 21                | 41             | 62             | 0                  | 26                | 52             | 78             | 0                     | 34                | 60             | 94             |
| Idaho                 | 4                  | 0                 | 15             | 19             | 4                  | 0                 | 16             | 20             | 6                     | 0                 | 23             | 29             |
| Montana               | 0                  | 3                 | 13             | 16             | 0                  | 4                 | 17             | 21             | 0                     | 5                 | 18             | 23             |
| Utah                  | 0                  | 8                 | 28             | 36             | 0                  | 11                | 41             | 52             | 0                     | 11                | 40             | 51             |
| Wyoming               | 2                  | 0                 | 5              | 7              | 4                  | 0                 | 5              | 9              | 4                     | 0                 | 7              | 11             |
| <b>FAR WEST</b>       |                    |                   |                |                |                    |                   |                |                |                       |                   |                |                |
| Alaska                | 4                  | 0                 | 7              | 11             | 4                  | 0                 | 6              | 10             | 7                     | 0                 | 9              | 16             |
| California*           | 442                | 0                 | 760            | 1202           | 656                | 0                 | 1151           | 1807           | 567                   | 38                | 1066           | 1671           |
| Hawaii                | 5                  | 0                 | 13             | 18             | 5                  | 0                 | 12             | 17             | 6                     | 0                 | 15             | 21             |
| Nevada                | 12                 | 0                 | 25             | 37             | 10                 | 0                 | 27             | 37             | 10                    | 0                 | 24             | 34             |
| Oregon                | 1                  | 11                | 24             | 36             | 2                  | 10                | 33             | 45             | 1                     | 13                | 37             | 51             |
| Washington            | 7                  | 12                | 22             | 41             | 7                  | 13                | 24             | 44             | 8                     | 14                | 26             | 48             |
| <b>TOTAL</b>          | <b>\$1,756</b>     | <b>\$728</b>      | <b>\$4,952</b> | <b>\$7,435</b> | <b>\$2,026</b>     | <b>\$709</b>      | <b>\$5,392</b> | <b>\$8,125</b> | <b>\$2,104</b>        | <b>\$771</b>      | <b>\$5,699</b> | <b>\$8,572</b> |

\*See Child Health Insurance Block Grants Notes for explanation

## **Child Health Insurance Block Grants**

**California:** Fiscal 2005 and fiscal 2006 actual expenditures are based on the CMS 21 SCHIP Program Expenditures Report. There is a significant increase in reported expenses from surveys in prior years. This is because total SCHIP expenses are being reported whether the funds were used by the Managed Risk Medical Insurance Board (MRMIB) or the Department of Health Care Services. In prior surveys only expenses for the primary SCHIP program within California, the Healthy Families Program by the MRMIB, were reported. Included in the actual General Fund amount for fiscal 2005 and fiscal 2006 is the prenatal expenditures in which Proposition 99 funds (Cigarette & Tobacco Products Surtax Fund) are used as the match to the federal funds.

**Connecticut:** SCHIP Appropriation is "gross funded": federal funds are deposited directly to the State Treasury. Connecticut's FMAP is currently at 65 percent of SCHIP benefit costs.

**Michigan:** Michigan received federal approval of the Adult Benefit Waiver (ABW) to expand health care coverage to childless adults using SCHIP funds in fiscal 2004. ABW enrollment averaged 58,000 in fiscal 2005 and fiscal 2006, resulting in flat spending. In fiscal 2007, ABW enrollment peaked at 72,000, leading to a freeze in enrollment to contain spending. As of July 2007, ABW enrollment declined to 50,000. Enrollment in the traditional program for children, called MICHild, declined from an average 34,000 (fiscal 2006) to 30,000 (fiscal 2007).

**Tennessee:** Tennessee will begin receiving funds for the Child Health Insurance Block Grant in fiscal 2007.

**Texas:** Source Data: fiscal 2005 and fiscal 2006 — HHSC HHSAS Accounting Data; fiscal 2007 — CHIP Monthly Expense File. Cost includes Immigrant Health insurance, School Employee Insurance, Vendor Drug Program, and Integrated Eligibility & Enrollment and Agency Administration.

## Methodology

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The Fiscal Year 2006 State Expenditure Report reflects three years of data: actual fiscal year 2005, actual fiscal year 2006, and estimated fiscal year 2007. The text of this report focuses on actual fiscal year 2006 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 also were asked to include, where applicable, state expenditures that support the state's Department of Education, transportation of school children, adult literacy programs, handicapped education programs, programs for other special populations (i.e., gifted and talented programs), anti-drug programs, and vocational education. States were asked to exclude spending for day care programs in the school system and spending for school health and immunization programs.

For higher education, states were requested to include expenditures made for capital construction, community colleges, vocational education, law, medical, veterinary, nursing and technical schools, and assistance to private colleges and universities, as well as tuition 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:** 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.