

FISCAL YEAR

2007

STATE EXPENDITURE REPORT

NATIONAL ASSOCIATION OF STATE BUDGET OFFICERS

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National Association of State Budget Officers
444 North Capitol Street, NW, Suite 642
Washington, DC 20001-1511
Tel: (202) 624-5382 • Fax: (202) 624-7745
www.nasbo.org

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PREFACE

Since its inception in 1987, the State Expenditure Report has developed into a definitive baseline for the analysis of state spending. This edition of the report includes data from actual fiscal 2006, actual fiscal 2007, and estimated fiscal 2008. 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.

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Ann Franklin, Alabama	Amy Sassano, Montana
Barbara Towne, Alaska	Lyn Heaton, Nebraska
Norm Selover, Arizona	Reese Tietje, Nevada
Josh Joyner, Arkansas	Joseph Bouchard, New Hampshire
Heather White, California	Gary Brune, New Jersey
Luke Huwar, Colorado	Cathy Nonamaker, New Jersey
Alexis Senger, Colorado	Dannette Burch, New Mexico
Gregg Blackstone, Connecticut	Christopher Warner, New York
John Nauman, Delaware	Julie Mitchel, North Carolina
Jeanine Mathis, Florida	Sheila Peterson, North Dakota
Robert Giacomini, Georgia	Jeff Newman, Ohio
Karen Matsunaga, Hawaii	Brandy Manek, Oklahoma
Keith Shimada, Hawaii	Linda Ames, Oregon
Anita Hamann, Idaho	Ann Bertolino, Pennsylvania
Gladys Taylor, Illinois	Daniel Orgel, Rhode Island
Adam Horst, Indiana	Lindsay Moon, South Carolina
Christina Miller, Indiana	David Seigler, South Carolina
Joel Lunde, Iowa	Tamara Darnall, South Dakota
Elaine Frisbie, Kansas	Jim Terwilliger, South Dakota
Sandy Russell, Kansas	Susan Irby, Tennessee
John Hicks, Kentucky	Jackie King, Texas
Ternisa Hutchinson, Louisiana	Michael Sparks, Texas
Tom Cusick, Maine	Stephen Jardine, Utah
Kurt Stolzenbach, Maryland	Karen Jaquish, Vermont
Rob Dolan, Massachusetts	Mike Barton, Virginia
Colleen Gossman, Michigan	Emily Ward, Virginia
Nancy Rooney, Minnesota	Pam Davidson, Washington
Gerald Joyner, Mississippi	Angela Leshon, West Virginia
Katherine Connor, Missouri	Caitlin Morgan Fredrick, Wisconsin
Marty Drewel, Missouri	Folbert Ware, Wyoming

EXECUTIVE SUMMARY

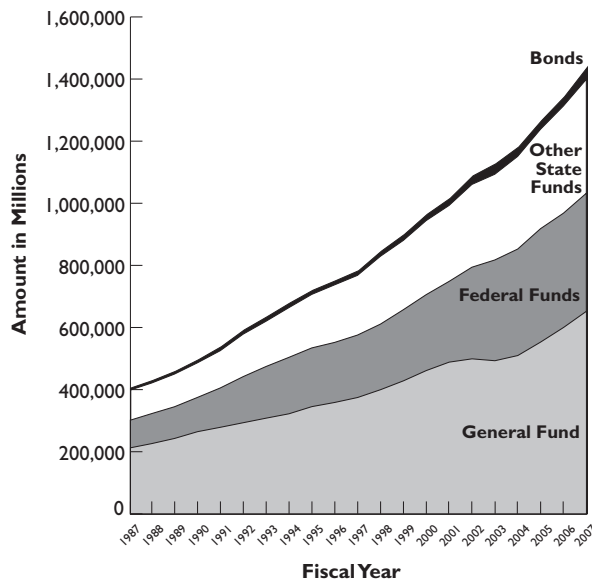


State Spending Trends, Fiscal 2007

Similar to fiscal 2005 and 2006, states experienced stable expenditure and revenue growth in fiscal 2007. 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 2007 was more than \$1.4 trillion, including both operating and capital expenditures. Compared to the previous year, that figure reflects a 7.1 percent increase in state spending from all sources, with state funds growing by 7.8 percent and federal funds by 3.3 percent (see Tables 1 and 2). Estimates for fiscal 2008 reflect an 8.2 percent increase in total state expenditures, with state funds up by 7.3 percent and federal funds 10.6 percent higher. Since 1987, total state expenditures have increased by an average of 6.5 percent. It should be noted that twenty-one 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 5.2 percent in fiscal 2007, totaling nearly \$642 billion. This was less than the 8.9 revenue growth of fiscal 2006. Corporate income tax revenues saw the largest growth in fiscal 2007 at 11.4 percent, while personal income tax revenues grew at 7.6 percent, and sales tax revenue grew at 3.6 percent. General fund revenue growth is estimated to slow to 2.6 percent in fiscal 2008. Furthermore, the economic events of the second-half of calendar year 2008 indicate that both state expenditure and revenue growth will likely slow in the coming years.

Figure 1
TOTAL STATE SPENDING BY FUND SOURCE,
FISCAL 1987 TO 2007



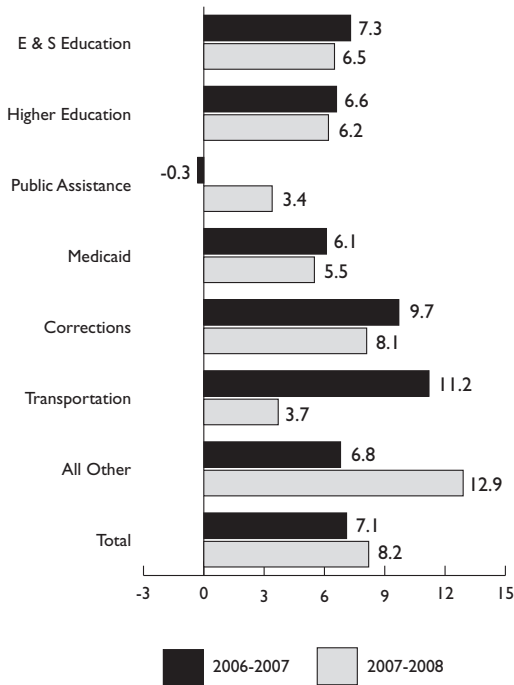
Both Medicaid and elementary and secondary education accounted for 21.2 percent of total state expenditures in fiscal 2007. This represents a change from fiscal 2006 when total Medicaid spending, at 21.4 percent, was slightly greater than elementary and secondary education spending, at 21.2 percent. Medicaid growth has slowed slightly in recent years. In fiscal 2007, total Medicaid spending increased 6.1 percent, compared to total K-12 spending which increased 7.3 percent.

When looking only at general fund spending, elementary and secondary education remains the largest category at 34.5 percent, with Medicaid second at 16.9 percent. Those two categories, combined with higher education at 11.2 percent, account for nearly two-thirds of general fund spending.

Other details of state expenditures include:

- General funds accounted for 45.4 percent of total fiscal 2007 state spending, federal funds were 26.5 percent, other state funds were 25.5 percent, and bonds reflected 2.7 percent of the total. Figure 1 displays state spending by source from fiscal 1987 through fiscal 2007.
- Higher education experienced stable growth in fiscal 2007. Total expenditures grew 6.6 percent in fiscal 2007 and are estimated to grow 6.2 percent in fiscal 2008.
- Total public assistance spending decreased by 0.3 percent in fiscal 2007, but is estimated to increase by 3.4 percent in fiscal 2008. Public assistance represented 1.7 percent of total state expenditures in fiscal 2007.
- Total corrections expenditures rose by 9.7 percent in fiscal 2007, and reflects 3.4 percent of total state spending.
- Transportation spending—8.4 percent of total state expenditures—increased by 11.2 percent in fiscal 2007. State spending for transportation comes mostly from "other state funds," which in fiscal 2007 comprised 55 percent of the total. General funds reflect only 5.6 percent of state transportation expenditures.
- State spending on capital projects grew by 16.1 percent in fiscal 2007, and is estimated to grow by 8.1 percent in 2008. 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 2007 AND 2008



Components of State Expenditures

This report includes three years of state expenditure data: actual fiscal 2006, actual fiscal 2007, and estimated fiscal 2008. The text focuses on actual fiscal 2007 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). 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 either reduce spending, raise taxes, or use reserves when revenues come in below 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 2007 spending by fund source is detailed in Figure 3. Spending from state general funds was 44.7 percent of total expenditures in fiscal 2006, 45.4 percent in fiscal 2007, and is estimated to be 44.3 percent of total spending in fiscal 2008. The share of state spending from federal funds was 27.4 percent of total spending in fiscal 2006, 26.5 percent in fiscal 2007, and is estimated at 27.1 percent in fiscal 2008.

Figure 3
TOTAL STATE EXPENDITURES BY FUNDING SOURCE,
FISCAL 2007

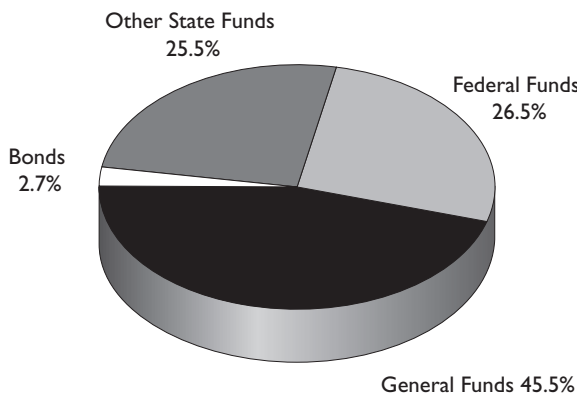


Figure 4 reflects total state expenditures by functional areas. For fiscal 2007, state spending shares are as follows: 21.2 percent for Medicaid; 21.2 percent for elementary and secondary education; 10.5 percent for higher education; 8.4 percent for transportation; 3.4 percent for corrections; 1.7 percent for public assistance; and 33.6 percent for all other.

Figure 4
TOTAL STATE EXPENDITURES BY FUNCTION,
FISCAL 2007

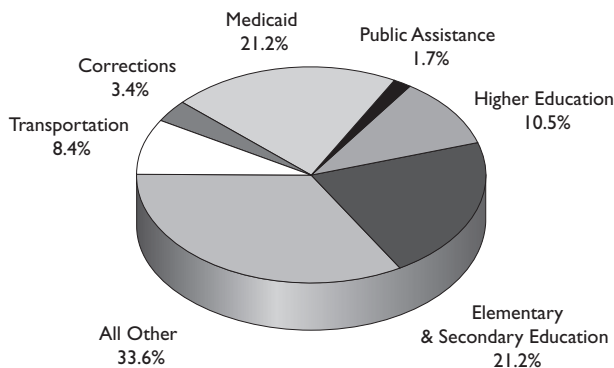
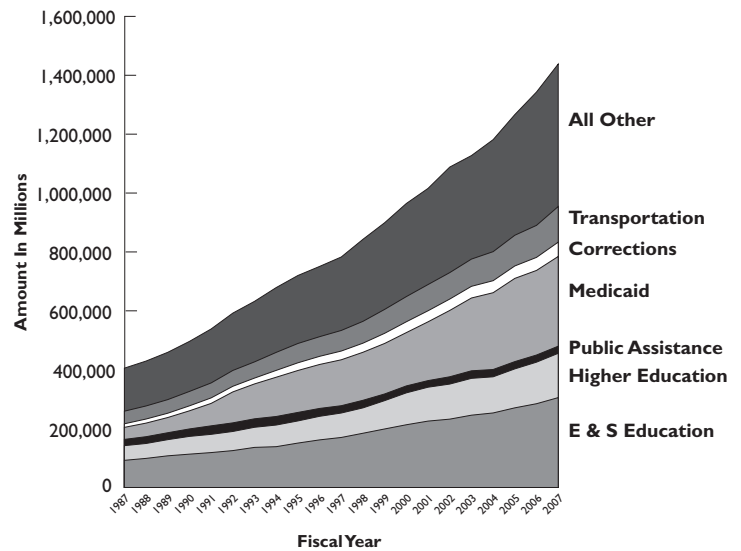


Figure 5
COMPOSITION OF TOTAL STATE EXPENDITURES BY FUNCTION,
FISCAL 1987 TO 2007



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. In fiscal 2007, total spending on Medicaid equaled that of elementary and secondary education. Figure 5 documents 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 2008. Also, Table 5, at the end of the Executive Summary, highlights the share of each state's budget represented by various programs in fiscal 2007 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 2007, 34.5 percent of general fund spending went to elementary and secondary education. Medicaid accounted for 16.9 percent and higher education accounted for 11.2 percent of general fund spending.

Figure 6
GENERAL FUND EXPENDITURES,
FISCAL 2007

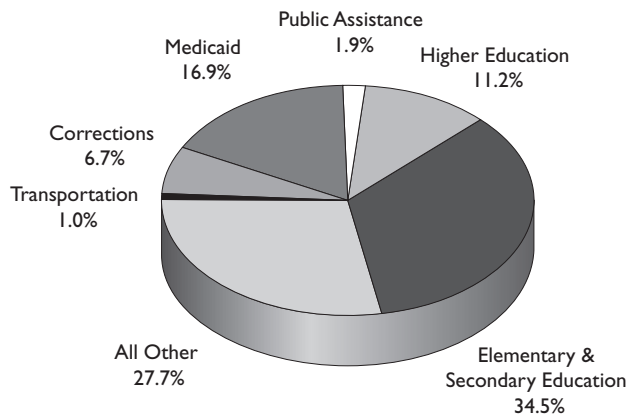


Figure 7
PERCENT CHANGE IN GENERAL FUND,
FISCAL 2007 AND 2008

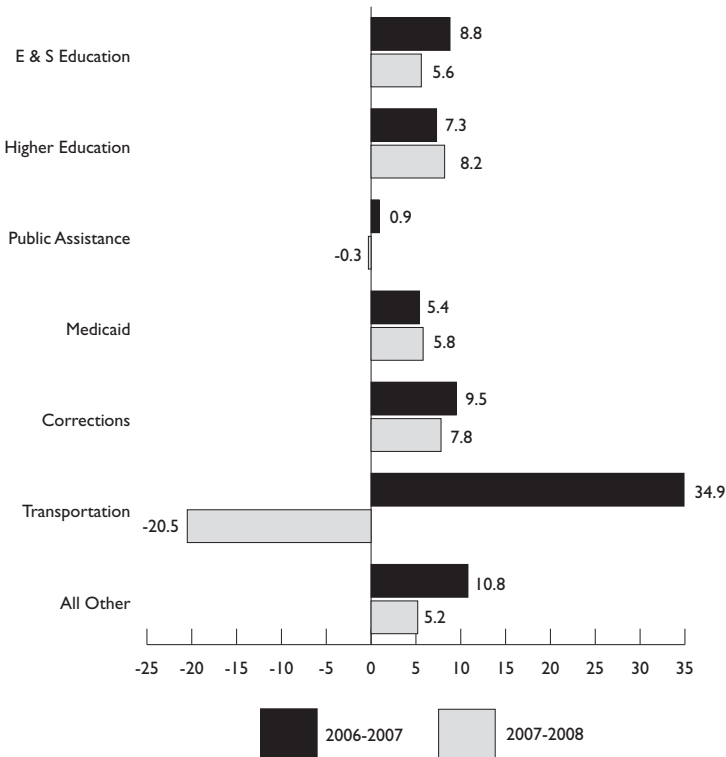


Figure 7 reflects the percentage change for general fund spending in each of the functional categories. It should be noted that while the percent change in general fund transportation expenditures for fiscal 2007 is rather large (34.9 percent), total transportation expenditures (capital inclusive) increased by a more modest 11.2 percent. The difference is because general funds only account for a relatively minor 5.6 percent of total transportation expenditures in fiscal 2007 (see Table 38).

Other State Funds Expenditures

At 18.2 percent, transportation accounts for the second largest portion of other state funds spending for fiscal 2007, second only to the "all other" category. For transportation, these funds largely represent receipts from gasoline taxes earmarked for highways. Significant portions of spending from other state funds also includes elementary and secondary education at 8.4 percent and higher education at 14.5 percent (see Table 3).

Table 2

ANNUAL PERCENTAGE CHANGE IN TOTAL STATE EXPENDITURES

Region/State	Fiscal 2006 to 2007			Fiscal 2007 to 2008		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	8.4 %	29.5 %	11.3 %	3.5 %	9.4 %	2.8 %
Maine	5.7	-7.2	1.4	-1.2	14.2	4.5
Massachusetts	6.9	3.7	6.6	0.0	-6.6	-1.4
New Hampshire	3.6	-0.4	1.5	3.2	0.8	2.8
Rhode Island	3.5	-5.9	1.4	6.4	9.4	8.4
Vermont	4.7	3.0	4.1	0.8	2.5	1.4
MID-ATLANTIC						
Delaware	3.7	14.1	5.1	2.2	-0.4	1.5
Maryland	12.1	2.5	9.7	4.0	4.8	4.5
New Jersey	7.5	3.9	7.3	7.4	9.8	8.1
New York	10.6	2.4	8.1	5.9	-2.2	2.9
Pennsylvania	6.3	3.0	5.6	6.4	3.7	5.2
GREAT LAKES						
Illinois	7.5	6.7	6.4	3.3	6.1	3.5
Indiana	6.1	6.3	5.4	2.9	10.0	5.7
Michigan	1.0	3.1	2.0	-1.6	18.5	3.0
Ohio	-1.9	6.6	-0.5	6.3	-3.8	3.2
Wisconsin	2.6	1.1	2.3	5.7	4.0	5.4
PLAINS						
Iowa	3.5	0.9	2.7	7.0	12.8	8.6
Kansas	8.0	-4.1	4.7	7.5	14.4	9.4
Minnesota	4.0	6.0	5.2	6.9	7.2	6.8
Missouri	7.8	-3.7	6.8	9.0	19.3	9.3
Nebraska	2.2	2.7	2.4	16.8	18.5	17.3
North Dakota	4.0	-1.9	2.2	14.5	-4.8	6.9
South Dakota	3.8	2.0	2.7	8.9	13.9	11.1
SOUTHEAST						
Alabama	11.4	0.5	8.1	18.4	19.0	19.2
Arkansas	7.7	-0.2	5.3	11.3	35.4	19.1
Florida	6.8	0.5	7.4	7.9	4.1	6.4
Georgia	7.9	9.1	8.3	7.5	-6.1	3.5
Kentucky	11.0	4.2	8.7	17.4	9.1	14.8
Louisiana	23.9	36.6	28.2	12.1	77.9	37.3
Mississippi	7.4	27.4	17.6	6.4	15.8	9.3
North Carolina	13.8	8.9	13.5	6.9	56.4	19.1
South Carolina	16.6	2.4	11.3	5.6	10.0	6.4
Tennessee	7.9	0.8	5.9	15.1	4.6	10.2
Virginia	9.7	4.8	9.1	2.3	1.5	1.4
West Virginia	-11.0	-0.4	-9.1	0.7	6.9	2.0
SOUTHWEST						
Arizona	6.6	11.1	8.1	2.6	9.5	4.4
New Mexico	13.1	3.1	12.2	-4.4	8.6	-1.5
Oklahoma	23.7	6.6	18.0	10.2	-1.7	8.1
Texas	12.0	-0.9	10.4	17.6	7.5	10.6
ROCKY MOUNTAIN						
Colorado	7.2	5.7	6.9	8.3	5.6	7.7
Idaho	13.5	-0.4	8.5	17.5	18.5	17.8
Montana	7.4	1.0	5.2	22.7	14.5	20.0
Utah	15.5	-1.3	12.1	20.0	4.3	26.0
Wyoming	9.5	-66.5	-9.0	-3.6	3.9	-2.9
FAR WEST						
Alaska	27.2	5.1	19.8	16.6	-4.7	8.3
California	8.4	-1.2	5.6	6.7	10.8	11.4
Hawaii	13.3	6.9	12.4	15.6	18.4	18.8
Nevada	6.9	6.6	8.2	-2.5	-19.2	-5.6
Oregon	0.8	-1.9	0.4	15.9	15.1	15.3
Washington	6.7	3.8	7.6	6.6	7.5	8.0
TOTAL*	7.8 %	3.3 %	7.1 %	7.3 %	10.6 %	8.2 %

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, 2007 State Expenditure Report

Table 3

COMPARISON OF SHARES OF STATE SPENDING WITH FUND SOURCES, FISCAL 1995 TO 2008

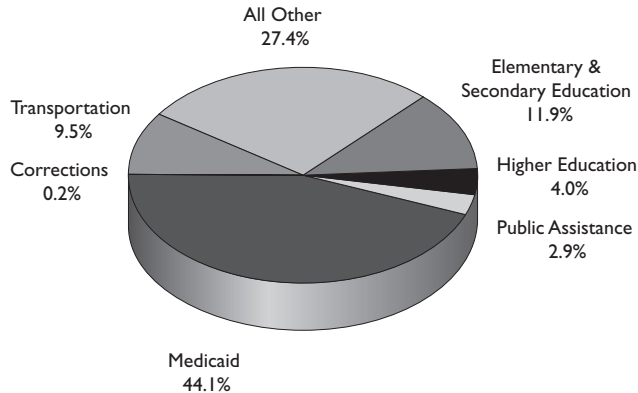
Fund Type & Year	Elementary & Secondary Education	Higher Education	Public Assistance	Medicaid	Corrections	Transportation	All Other	Total
FY 1995:								
General Funds	33.4	12.9	4.4	14.4	6.7	0.7	27.4	100.0
Other State Funds	9.5	13.3	0.5	6.9	0.8	23.8	45.2	100.0
Federal Funds	9.8	2.7	6.5	42.7	0.1	9.8	28.3	100.0
Bond Funds	4.9	20.8	0.0	0.0	10.2	26.3	37.7	100.0
Total Funds	21.0	10.4	4.0	19.8	3.6	9.1	32.1	100.0
FY 1996:								
General Funds	34.4	12.9	3.9	14.7	6.9	0.6	25.6	100.0
Other State Funds	9.2	13.7	0.4	6.8	0.8	22.9	46.2	100.0
Federal Funds	9.9	2.9	5.9	43.5	0.2	9.5	28.0	100.0
Bond Funds	15.2	21.4	0.0	0.0	6.5	26.1	30.8	100.0
Total Funds	21.5	10.7	3.5	19.9	3.7	8.0	31.8	100.0
FY 1997:								
General Funds	34.5	13.0	3.6	14.6	6.8	0.8	26.7	100.0
Other State Funds	10.1	13.8	0.4	6.4	0.9	23.0	44.6	100.0
Federal Funds	9.8	2.9	5.1	44.1	0.4	8.8	28.9	100.0
Bond Funds	12.5	20.2	0.0	0.0	6.6	26.5	34.2	100.0
Total Funds	21.7	10.7	3.1	20.0	3.7	9.0	31.8	100.0
FY 1998:								
General Funds	35.2	13.1	3.0	14.8	6.9	0.7	26.4	100.0
Other State Funds	9.4	11.3	1.0	6.3	0.8	22.2	49.1	100.0
Federal Funds	10.5	3.4	5.0	43.3	0.4	8.7	28.8	100.0
Bond Funds	12.4	18.4	0.0	0.0	6.0	33.4	29.8	100.0
Total Funds	22.0	10.3	2.9	19.6	3.7	8.8	32.8	100.0
FY 1999:								
General Funds	35.7	12.4	2.7	14.4	7.0	0.9	26.7	100.0
Other State Funds	9.0	13.0	0.6	6.5	1.0	23.4	46.5	100.0
Federal Funds	10.2	5.2	4.3	42.9	0.4	9.3	27.7	100.0
Bond Funds	21.0	17.2	0.0	0.0	6.5	25.6	29.8	100.0
Total Funds	22.3	10.8	2.6	19.5	3.9	9.1	31.8	100.0
FY 2000:								
General Funds	35.7	12.8	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
Total Funds	22.3	11.4	2.6	19.5	3.9	9.1	31.8	100.0
FY 2001:								
General Funds	35.2	12.7	2.3	15.2	6.9	1.2	26.6	100.0
Other State Funds	9.2	15.0	0.2	5.9	0.9	21.1	47.0	100.0
Federal Funds	10.3	4.8	4.0	42.7	0.3	9.5	28.3	100.0
Bond Funds	18.9	17.5	0.0	0.0	4.0	31.3	28.4	100.0
Total Funds	22.2	11.3	2.2	19.7	3.7	8.8	32.1	100.0
FY 2002:								
General Funds	35.1	12.4	2.3	15.8	6.9	0.7	25.9	100.0
Other State Funds	8.9	13.8	0.3	6.6	0.9	19.4	49.8	100.0
Federal Funds	10.1	5.0	4.2	43.7	0.4	9.2	27.4	100.0
Bond Funds	12.7	20.4	0.0	0.0	3.4	25.0	38.5	100.0
Total Funds	21.3	10.9	2.3	20.7	3.6	8.3	32.9	100.0
FY 2003:								
General Funds	35.8	12.5	2.3	17.2	7.2	0.6	24.5	100.0
Other State Funds	9.2	14.3	0.3	7.5	0.9	20	47.9	100.0
Federal Funds	10.6	5.7	4.1	43.8	0.3	8.6	26.9	100.0
Bond Funds	28.3	16.9	0	0	2.5	19.1	33.1	100.0
Total Funds	21.8	11.1	2.2	22	3.5	8.2	31.2	100.0
FY 2004:								
General Funds	35.8	11.7	2.3	16.9	7.0	0.5	25.8	100.0
Other State Funds	8.5	13.6	0.2	7.4	0.7	19.9	49.8	100.0
Federal Funds	11.3	4.7	3.6	44.6	0.7	8.4	26.9	100.0
Bond Funds	20.9	21.2	0.0	0.0	2.6	26.8	28.4	100.0
Total Funds	21.4	10.4	2.2	22.1	3.5	8.3	32.2	100.0
FY 2005:								
General Funds	35.4	11.6	2.2	17.1	6.9	0.5	26.2	100.0
Other State Funds	8.5	14.1	0.1	8.3	0.7	19.5	48.9	100.0
Federal Funds	11.6	4.4	3.2	44.2	0.3	8.7	27.4	100.0
Bond Funds	17.0	25.3	0.0	0.0	2.8	25.5	29.4	100.0
Total Funds	21.4	10.4	1.8	22.3	3.3	8.2	32.4	100.0
FY 2006:								
General Funds	34.4	11.3	2.1	17.4	6.7	0.8	27.2	100.0
Other State Funds	8.1	14.2	0.1	7.3	0.7	18.5	51.1	100.0
Federal Funds	12.1	4.6	3.0	42.9	0.2	8.7	28.5	100.0
Bond Funds	17.9	24.0	0.0	0.0	3.4	26.1	28.6	100.0
Total Funds	21.2	10.5	1.8	21.4	3.3	8.1	33.7	100.0
FY 2007:								
General Funds	34.5	11.2	1.9	16.9	6.7	1.0	27.7	100.0
Other State Funds	8.4	14.5	0.1	7.4	0.7	18.2	50.7	100.0
Federal Funds	11.9	4.0	2.9	44.1	0.2	9.5	27.4	100.0
Bond Funds	11.3	22.6	0.0	0.0	3.1	29.6	33.4	100.0
Total Funds	21.2	10.5	1.7	21.2	3.4	8.4	33.6	100.0
FY 2008:								
General Funds	34.5	11.5	1.8	16.9	6.9	0.8	27.6	100.0
Other State Funds	8.9	14.5	0.1	6.9	0.7	18.0	50.9	100.0
Federal Funds	11.2	3.2	2.8	42.2	0.2	8.6	31.8	100.0
Bond Funds	10.9	20.5	0.0	0.0	3.7	26.7	38.2	100.0
Total Funds	20.9	10.3	1.6	20.7	3.4	8.1	35.1	100.0
FY 1995-08 Combined Total								
General Funds	35.0	12.3	2.7	15.8	6.9	0.8	26.5	100.0
Other State Funds	9.0	13.8	0.4	6.7	0.8	20.9	48.3	100.0
Federal Funds	10.7	4.2	4.2	43.4	0.3	9.0	28.1	100.0
Bond Funds	16.0	20.3	0.0	0.0	4.8	26.7	32.2	100.0
Total Funds	21.6	10.7	2.5	20.6	3.6	8.5	32.5	100.0

Source: National Association of State Budget Officers, 2007 State Expenditure Report

Federal Fund Expenditures

As reflected in Figure 8, Medicaid accounts for the largest portion of state spending from federal funds at 44.1 percent. Elementary and secondary education at 11.9 percent, and transportation at 9.5 percent are the next largest categories.

Figure 8
FEDERAL FUND EXPENDITURES,
FISCAL 2007



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 2006-2007 growth rate for all states was 7.1 percent in fiscal 2007. At 2.7 percent, the Great Lakes region had the lowest growth rate in total spending, while the Southwest had the highest at 11.1 percent.

Table 4
REGIONAL PERCENTAGE CHANGE IN TOTAL EXPENDITURES,
FISCAL 2007 AND 2008

Region	Fiscal 2006 to 2007			Fiscal 2007 to 2008		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	6.7%	1.7%	6.5%	1.4%	4.7%	1.3%
Mid-Atlantic	8.9	2.9	7.4	5.9	1.5	4.5
Great Lakes	2.4	4.8	2.7	3.6	7.5	3.9
Plains	5.1	0.4	4.6	8.7	12.8	9.1
Southeast	9.1	7.4	9.3	9.1	20.5	12.1
Southwest	12.5	2.8	11.1	11.3	6.8	7.8
Rocky Mountain	10.1	-6.8	5.8	11.8	8.9	13.4
Far West	8.4	-0.2	6.3	8.0	9.5	10.9
ALL STATES	7.8%	3.3%	7.1%	7.3%	10.6%	8.2%

Source: National Association of State Budget Officers, 2007 State Expenditure Report

Figure 9 shows the percentage change in state spending from state funds for 2006-2007 and 2007-2008. The Great Lakes region experienced the smallest spending growth in state funds from fiscal 2006 to fiscal 2007 at 2.4 percent, while the Southwest had the largest growth at 12.5 percent. In 2007-2008, it is estimated that the New England region will have the smallest spending growth in state funds at 1.4 percent, while the Rocky Mountain region will have the largest growth at 11.8 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 2007 AND 2008

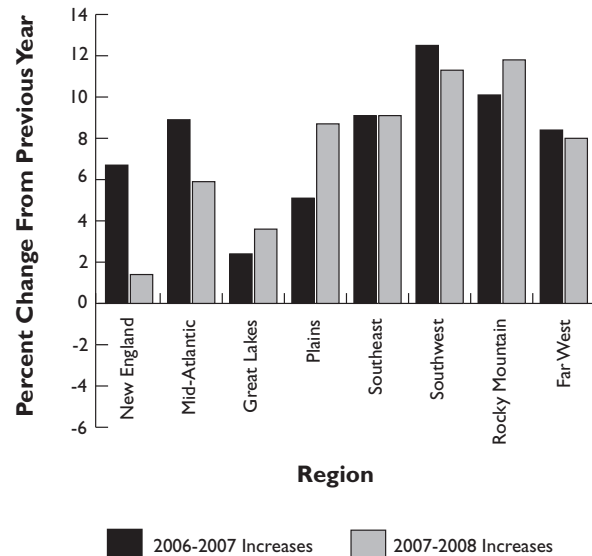


Table 5

STATE SPENDING BY FUNCTION AS A PERCENT OF TOTAL STATE EXPENDITURES, FISCAL 2007

Region/State	Elementary & Secondary Education	Higher Education	Public Assistance	Medicaid	Corrections	Transportation	All Other	Total
NEW ENGLAND								
Connecticut	14.9 %	11.9 %	2.1 %	17.2 %	2.8 %	7.2 %	43.9 %	100.0 %
Maine	18.9	3.6	2.3	30.2	2.0	7.5	35.5	100.0
Massachusetts	13.9	9.7	3.1	18.1	2.7	6.0	46.6	100.0
New Hampshire	22.5	4.6	1.8	25.9	2.1	12.0	31.1	100.0
Rhode Island	16.0	11.5	2.5	24.4	2.5	5.9	37.3	100.0
Vermont	26.2	1.9	1.6	18.3	2.4	7.5	42.1	100.0
MID-ATLANTIC								
Delaware	24.1	4.5	0.2	12.3	3.2	8.0	47.6	100.0
Maryland	18.7	14.0	1.7	18.5	4.4	12.0	30.8	100.0
New Jersey	24.7	7.5	0.9	20.0	3.6	9.3	34.1	100.0
New York	20.1	7.0	3.0	28.7	3.0	5.2	33.0	100.0
Pennsylvania	18.9	4.1	2.1	30.7	3.4	9.5	31.1	100.0
GREAT LAKES								
Illinois	20.1	6.2	0.3	27.2	2.9	8.9	34.4	100.0
Indiana	24.0	7.3	1.7	21.9	3.2	10.5	31.5	100.0
Michigan	30.8	5.0	1.3	21.7	5.3	8.1	27.8	100.0
Ohio	21.3	5.4	0.7	24.0	3.8	8.0	36.8	100.0
Wisconsin	19.1	13.1	0.3	13.9	3.4	6.6	43.5	100.0
PLAINS								
Iowa	18.1	25.1	0.8	17.4	2.7	7.4	28.6	100.0
Kansas	27.7	17.1	0.6	18.6	3.1	11.3	21.6	100.0
Minnesota	26.5	10.5	1.5	22.2	2.0	9.9	27.5	100.0
Missouri	23.6	5.2	0.8	35.5	2.9	11.2	20.9	100.0
Nebraska	15.2	21.3	0.8	18.7	2.4	7.4	34.2	100.0
North Dakota	14.7	23.8	0.3	14.7	1.9	13.1	31.6	100.0
South Dakota	16.2	17.3	1.0	20.9	3.0	16.2	25.3	100.0
SOUTHEAST								
Alabama	13.8	10.7	0.1	12.3	1.5	3.4	58.2	100.0
Arkansas	19.0	16.2	2.7	19.9	2.2	5.6	34.4	100.0
Florida	19.7	8.9	0.2	21.7	4.4	11.7	33.3	100.0
Georgia	25.1	7.1	1.4	19.8	2.9	10.3	33.4	100.0
Kentucky	20.1	20.6	0.8	20.3	2.4	9.7	26.1	100.0
Louisiana	15.6	9.5	0.1	17.6	2.1	5.3	49.8	100.0
Mississippi	19.9	10.3	0.2	21.7	2.0	10.1	35.8	100.0
North Carolina	22.0	15.1	0.5	26.5	3.2	8.4	24.3	100.0
South Carolina	18.2	20.2	0.3	22.4	2.9	8.2	27.8	100.0
Tennessee	17.3	13.8	0.5	28.6	2.9	7.1	29.8	100.0
Virginia	19.0	15.3	0.5	14.5	4.0	10.0	36.6	100.0
West Virginia	11.7	9.2	0.4	11.6	1.0	5.2	60.8	100.0
SOUTHWEST								
Arizona	20.7	13.8	0.5	23.7	3.6	6.5	31.3	100.0
New Mexico	19.2	20.9	0.8	19.0	1.8	7.8	30.5	100.0
Oklahoma	18.8	22.5	1.2	17.2	2.6	8.5	29.3	100.0
Texas	27.4	12.8	0.1	25.4	3.7	14.1	16.5	100.0
ROCKY MOUNTAIN								
Colorado	23.1	14.1	1.2	15.6	3.8	6.7	35.5	100.0
Idaho	28.8	8.8	0.3	20.5	4.3	11.4	25.9	100.0
Montana	17.6	10.4	0.9	15.3	3.1	12.6	40.0	100.0
Utah	25.2	11.9	1.0	14.9	3.5	13.3	30.2	100.0
Wyoming	21.1	1.0	0.0	8.9	0.0	11.2	57.8	100.0
FAR WEST								
Alaska	11.2	7.3	0.9	9.2	2.4	19.2	49.8	100.0
California	24.6	9.7	5.4	18.3	4.8	6.2	31.0	100.0
Hawaii	23.2	9.8	1.0	10.0	2.0	9.3	44.8	100.0
Nevada	16.8	10.1	0.6	15.2	3.8	9.7	43.8	100.0
Oregon	17.1	11.5	0.7	15.9	3.9	7.9	43.1	100.0
Washington	23.6	13.5	1.3	19.0	3.5	8.4	30.7	100.0
ALL STATES	21.2 %	10.5 %	1.7 %	21.2 %	3.4 %	8.4 %	33.6 %	100.0 %

Note: Percentages may not add to 100

Source: National Association of State Budget Officers, 2007 State Expenditure Report

General Notes

In reviewing the tables, please note the following:

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

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

Alabama: Amounts shown in fiscal years 2005-06 and 2006-07 are based on the actual expenditures during these years, regardless of the year appropriated. Fiscal 2007-08 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.

Colorado: Total expenditures are equivalent to final annual appropriations for FY 2005-06 and FY 2006-07. The FY 2007-08 total expenditures is the appropriation as of the end of the 2008 legislative session (May 2008). This is essentially the most recent estimate of FY 2007-08 expenditures. “Other State Funds” includes Cash Funds and Cash Funds Exempt.

Connecticut: Bonds data is based on bond allocations by the State Bond Commission.

Michigan: Fiscal 2007 expenditures are artificially low and fiscal 2008 estimated spending is artificially high, distorting year-to-year comparisons. Partial fiscal 2007 payments to higher education institutions are deferred to fiscal 2008, and fiscal 2007 use of restricted revenue is replaced with General Fund revenue in fiscal 2008. Adjusting for these one-time actions results in nominal expenditure changes of 1.8% (Total Funds) and 2.2% (General Fund) from fiscal 2007.

Missouri: Total expenditures exclude refunds. Fiscal 2006 expenditures exclude refunds of \$1,186 million, including \$1,129 million general revenue. Fiscal 2007 expenditures exclude refunds of \$1,258 million, including \$1,208 million general revenue. Fiscal 2008 estimates exclude refunds of \$1,348 million, including \$1,300 million 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 FY 2008 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 expenditures 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 expenditures include a one-time-only general fund transfer to state retirement programs of \$50 million and over \$100 million in other one-time-only general fund expenditures. Fiscal 2008 appropriations include over \$400 million in one-time-only general fund revenue to address one-time-only expenditures. Other funds shown in fiscal 2008 include increased distributions of revenue to local governments from Oil and Gas taxes as well as one-time-only investments in infrastructure. 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 2007-08 amounts shown are equal to appropriations for the year. It is assumed that some level of appropriations will not be expended.

New Jersey: Totals include pension, post retirement medical, debt service on pension bonds, payroll taxes, and health benefits expenditures which total \$1.35 billion in State General Fund in fiscal 2007 and \$1.48 billion in fiscal 2008 spread across Education, Corrections, Transportation and All Other.

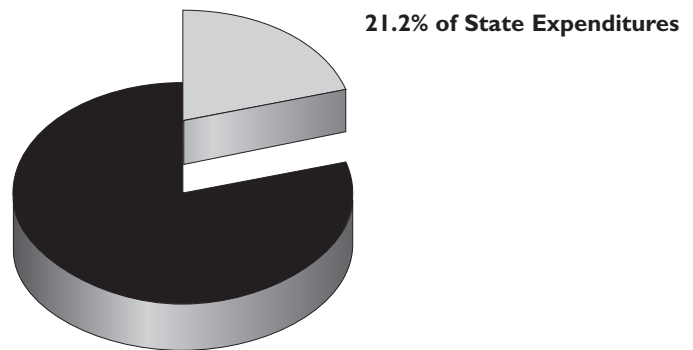
New Mexico: Source of fiscal 2006 and fiscal 2007 federal funds numbers is the combined annual financial report (governmental funds and proprietary funds) for the state of New Mexico; excludes community colleges. Source of fiscal 2006 and fiscal 2007 other state funds numbers is the combined annual financial report (governmental and proprietary funds) for the state of New Mexico, less GF revenue, federal revenue and two trust funds; excludes community colleges. Source of the fiscal 2008 other state funds numbers is the state agency budget requests; excludes community colleges. Source of the fiscal 2006 and fiscal 2007 bond funds is the combined annual financial report (governmental and proprietary funds); excludes community colleges. New Mexico is unable to accurately break out capital outlay by revenue source from total expenditures for federal funds and other state funds.

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: Estimated capital expenditures are no longer collected. Therefore, no capital expenditure data is included for estimated fiscal 2008.

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

CHAPTER ONE ELEMENTARY & SECONDARY EDUCATION



State elementary and secondary education expenditures totaled \$305.2 billion in fiscal 2007, a 7.3 percent increase over the previous year. While historically the largest category of total state spending, K-12 education and Medicaid now represent a roughly equal share. In both fiscal 2006 and fiscal 2007, elementary and secondary education comprised 21.2 percent of total state spending (Medicaid was 21.4 percent in fiscal 2006 and 21.2 percent in fiscal 2007).

General funds comprise 73.7 percent of state elementary and secondary education spending, federal funds comprise 14.8 percent, other states funds comprise 10.1 percent, and bonds comprise 1.4 percent.

Besides maintaining basic educational services, states dedicate substantial portions of education funding to teacher training, reduction of classroom size, technology training, as well as 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 will be brought up for reauthorization during the 111th Congress, which convenes in January 2009. 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. Recently, the Department of Education approved final rules for establishing a uniform graduation rate as well as

allowing states to establish graduation rate goals and targets to be used for accountability purposes starting in the 2011-2012 school year.

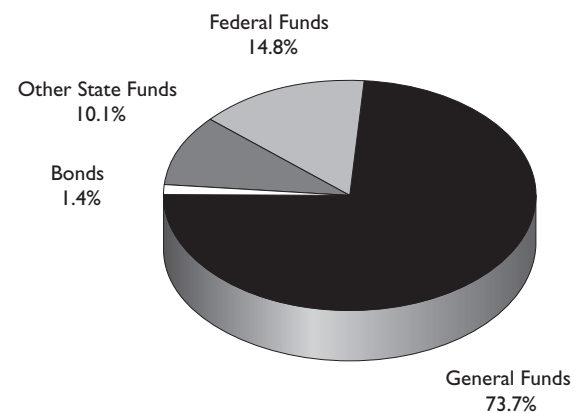
Sources of Funding

State funding systems for education vary greatly. 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 2007 are shown in the figure below.

Figure 10
STATE EXPENDITURES FOR ELEMENTARY AND SECONDARY EDUCATION BY FUND SOURCE, FISCAL 2007



Regional Expenditures

The following table shows percentage changes in expenditures for elementary and secondary education for fiscal 2006-2007 and 2007-2008 by region. In 2006-2007, the Rocky Mountain region saw the greatest percentage increase in elementary and secondary education at 14.9 percent, while the Plains region grew by smallest amount, at 1.8 percent. However, for 2008 it is estimated that the Southwest region will experience the largest growth rate at 13.3 percent, while the Great Lakes region will experience the smallest growth rate at 2.2 percent.

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, 11 states wholly or partially excluded employer contributions to teacher pensions, and 14 states wholly or partially excluded contributions to health benefits. Additionally, other items that are wholly or partially excluded include: day care programs (44 states), school health care (39), Head Start (32), and libraries (25). 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 2007 AND 2008

Region	Fiscal 2006 to 2007			Fiscal 2007 to 2008		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	6.4 %	0.2 %	4.6 %	6.5 %	-3.7 %	5.3 %
Mid-Atlantic	9.4	0.4	8.1	8.4	-1.8	6.9
Great Lakes	6.2	0.6	4.9	2.9	6.1	2.2
Plains	1.6	2.4	1.8	6.2	6.7	6.3
Southeast	8.8	4.4	8.5	7.3	6.5	7.1
Southwest	17.6	0.7	14.1	14.7	5.2	13.3
Rocky Mountain	17.0	3.2	14.9	6.0	2.7	5.6
Far West	8.3	0.4	5.0	4.8	3.1	5.4
ALL STATES	8.9 %	1.6 %	7.3 %	7.0 %	3.8 %	6.5 %

Table 7

ELEMENTARY AND SECONDARY EDUCATION EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2006					Actual Fiscal 2007					Estimated Fiscal 2008				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$2,233	\$414	\$4	\$741	\$3,392	\$2,312	\$416	\$4	\$672	\$3,404	\$2,558	\$422	\$4	\$726	\$3,710
Maine	1,044	182	2	14	1,242	1,170	185	4	0	1,359	1,221	182	2	2	1,407
Massachusetts	4,142	840	479	0	5,461	4,414	828	549	0	5,791	4,675	749	607	0	6,031
New Hampshire	0	159	844	3	1,006	0	166	844	10	1,020	0	161	899	8	1,068
Rhode Island	834	180	4	3	1,021	888	174	5	7	1,074	906	189	9	11	1,115
Vermont	22	111	1,127	7	1,267	38	120	1,191	2	1,351	46	117	1,236	10	1,409
MID-ATLANTIC															
Delaware	1,016	142	461	207	1,826	1,088	136	486	205	1,915	1,050	140	475	205	1,870
Maryland	4,129	867	10	0	5,006	4,644	867	10	0	5,521	5,325	945	11	0	6,281
New Jersey	9,438	811	29	0	10,278	10,347	834	17	0	11,198	11,053	799	18	0	11,870
New York	14,992	3,687	2,390	5	21,074	16,282	3,655	2,735	45	22,717	17,946	3,404	2,910	17	24,277
Pennsylvania	8,132	1,904	15	0	10,051	8,804	1,945	18	0	10,767	9,375	2,016	12	0	11,403
GREAT LAKES															
Illinois	6,730	1,952	40	193	8,915	7,360	1,873	30	33	9,296	8,190	2,124	29	30	10,373
Indiana	4,558	781	17	0	5,356	4,638	826	18	0	5,482	4,801	870	36	0	5,707
Michigan*	82	1,464	11,279	0	12,825	43	1,483	11,573	0	13,099	45	1,580	11,400	0	13,025
Ohio	6,861	1,620	1,060	578	10,119	7,159	1,660	1,909	596	11,324	6,933	1,647	2,251	56	10,887
Wisconsin	5,669	660	68	0	6,397	5,812	671	70	0	6,553	5,974	688	85	0	6,747
PLAINS															
Iowa	2,191	378	0	0	2,569	2,329	385	12	0	2,726	2,521	395	18	0	2,934
Kansas	2,594	381	107	0	3,082	2,830	386	99	0	3,315	3,079	401	97	0	3,577
Minnesota	6,871	590	36	7	7,504	6,478	641	40	14	7,173	6,842	650	39	22	7,553
Missouri	2,566	852	1,334	0	4,752	2,793	832	1,334	0	4,959	2,849	956	1,433	0	5,238
Nebraska	894	250	29	0	1,173	938	263	39	0	1,240	1,000	293	42	0	1,335
North Dakota	322	125	37	0	484	332	127	36	0	495	367	127	38	0	532
South Dakota	339	147	3	0	489	341	153	3	0	497	370	152	5	0	527
SOUTHEAST															
Alabama*	3,513	838	155	0	4,506	4,061	797	150	0	5,008	4,502	1,159	159	0	5,820
Arkansas	1,701	464	743	0	2,908	1,771	472	811	0	3,054	1,912	694	1,265	0	3,871
Florida	9,467	2,413	464	0	12,344	9,967	2,491	584	0	13,042	9,957	2,598	641	0	13,196
Georgia	6,602	1,594	0	134	8,330	7,380	1,559	0	442	9,381	7,995	1,500	0	454	9,949
Kentucky	3,595	677	14	0	4,286	3,769	697	19	0	4,485	4,078	727	23	0	4,828
Louisiana	2,600	970	332	0	3,902	2,754	1,216	635	0	4,605	3,371	1,016	516	0	4,903
Mississippi	1,837	776	336	7	2,956	1,975	715	355	7	3,052	2,213	647	356	7	3,223
North Carolina	6,867	1,143	177	0	8,187	7,377	1,161	191	0	8,729	7,977	1,450	36	0	9,463
South Carolina	2,046	684	735	0	3,465	2,189	682	765	0	3,636	2,460	690	722	0	3,872
Tennessee	3,136	834	37	0	4,007	3,379	839	61	0	4,279	3,816	906	50	0	4,772
Virginia	5,030	570	130	0	5,730	5,686	827	121	0	6,634	5,367	826	618	0	6,811
West Virginia	1,684	337	44	72	2,137	1,704	338	40	84	2,166	1,715	346	43	88	2,192
SOUTHWEST															
Arizona*	3,380	865	696	0	4,941	4,267	885	515	0	5,667	4,063	892	806	0	5,761
New Mexico	2,290	415	47	0	2,752	2,380	384	6	0	2,770	2,517	530	19	0	3,066
Oklahoma	2,175	563	642	0	3,380	2,369	566	691	0	3,626	2,820	600	369	1	3,790
Texas	13,107	4,013	1,772	39	18,931	16,502	4,061	1,613	0	22,176	16,597	4,183	5,332	68	26,180
ROCKY MOUNTAIN															
Colorado	2,719	460	484	0	3,663	2,882	523	456	0	3,861	3,023	497	437	0	3,957
Idaho	1,019	186	50	0	1,255	1,316	195	60	0	1,571	1,392	242	71	0	1,705
Montana	539	145	74	0	758	630	144	56	0	830	688	154	64	0	906
Utah*	1,873	372	50	0	2,295	2,111	372	32	0	2,515	2,519	376	63	0	2,958
Wyoming	8	104	491	0	603	12	73	993	0	1,078	12	73	793	0	878
FAR WEST															
Alaska	879	193	102	0	1,174	990	184	118	0	1,292	1,013	213	116	0	1,342
California	34,321	5,819	-133	3,132	43,139	37,026	5,838	-10	2,217	45,071	38,189	6,052	331	2,832	47,404
Hawaii	1,844	210	177	137	2,368	2,028	241	199	0	2,468	2,150	269	77	0	2,496
Nevada	824	200	161	0	1,185	988	218	173	0	1,379	1,120	157	94	0	1,371
Oregon	2,525	529	266	0	3,320	2,610	509	361	0	3,480	2,902	516	404	0	3,822
Washington	5,373	682	566	56	6,677	5,656	672	679	70	7,077	5,905	696	934	87	7,622
TOTAL	\$206,613	\$44,553	\$27,987	\$5,335	\$284,488	\$224,819	\$45,285	\$30,700	\$4,404	\$305,208	\$237,399	\$47,016	\$35,995	\$4,624	\$325,034

Source: National Association of State Budget Officers, 2007 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 2006	Fiscal 2007	Fiscal 2008
NEW ENGLAND			
Connecticut	16.6 %	14.9 %	15.8 %
Maine	17.5	18.9	18.7
Massachusetts	13.9	13.9	14.6
New Hampshire	22.5	22.5	22.9
Rhode Island	15.4	16.0	15.3
Vermont	25.6	26.2	27.0
MID-ATLANTIC			
Delaware	24.1	24.1	23.2
Maryland	18.6	18.7	20.4
New Jersey	24.3	24.7	24.2
New York	20.2	20.1	20.9
Pennsylvania	18.6	18.9	19.0
GREAT LAKES			
Illinois	20.5	20.1	21.7
Indiana	24.8	24.0	23.7
Michigan	30.7	30.8	29.7
Ohio	18.9	21.3	19.8
Wisconsin	19.1	19.1	18.7
PLAINS			
Iowa	17.5	18.1	17.9
Kansas	27.0	27.7	27.3
Minnesota	29.1	26.5	26.1
Missouri	24.1	23.6	22.8
Nebraska	14.7	15.2	13.9
North Dakota	14.7	14.7	14.8
South Dakota	16.4	16.2	15.5
SOUTHEAST			
Alabama	13.4	13.8	13.4
Arkansas	19.0	19.0	20.2
Florida	20.0	19.7	18.8
Georgia	24.1	25.1	25.7
Kentucky	20.9	20.1	18.9
Louisiana	17.0	15.6	12.1
Mississippi	22.7	19.9	19.3
North Carolina	23.4	22.0	20.0
South Carolina	19.3	18.2	18.2
Tennessee	17.1	17.3	17.5
Virginia	18.0	19.0	19.3
West Virginia	10.5	11.7	11.6
SOUTHWEST			
Arizona	19.5	20.7	20.1
New Mexico	21.3	19.2	21.5
Oklahoma	20.6	18.8	18.1
Texas	25.8	27.4	29.2
ROCKY MOUNTAIN			
Colorado	23.4	23.1	22.0
Idaho	25.0	28.8	26.5
Montana	17.0	17.6	16.0
Utah	25.8	25.2	23.5
Wyoming	10.7	21.1	17.7
FAR WEST			
Alaska	12.2	11.2	10.7
California	24.9	24.6	23.3
Hawaii	25.0	23.2	19.7
Nevada	15.6	16.8	17.7
Oregon	16.4	17.1	16.3
Washington	24.0	23.6	23.6
ALL STATES	21.2 %	21.2 %	20.9 %

Source: National Association of State Budget Officers, 2007 State Expenditure Report

Table 9

ANNUAL PERCENTAGE CHANGE IN ELEMENTARY AND SECONDARY EDUCATION EXPENDITURES

Region/State	Fiscal 2006 to 2007			Fiscal 2007 to 2008		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	3.5 %	0.5 %	0.4 %	10.6 %	1.4 %	9.0 %
Maine	12.2	1.6	9.4	4.2	-1.6	3.5
Massachusetts	7.4	-1.4	6.0	6.4	-9.5	4.1
New Hampshire	0.0	4.4	1.4	6.5	-3.0	4.7
Rhode Island	6.6	-3.3	5.2	2.5	8.6	3.8
Vermont	7.0	8.1	6.6	4.3	-2.5	4.3
MID-ATLANTIC						
Delaware	6.6	-4.2	4.9	-3.1	2.9	-2.3
Maryland	12.4	0.0	10.3	14.7	9.0	13.8
New Jersey	9.5	2.8	9.0	6.8	-4.2	6.0
New York	9.4	-0.9	7.8	9.7	-6.9	6.9
Pennsylvania	8.3	2.2	7.1	6.4	3.7	5.9
GREAT LAKES						
Illinois	9.2	-4.0	4.3	11.2	13.4	11.6
Indiana	1.8	5.8	2.4	3.9	5.3	4.1
Michigan	2.2	1.3	2.1	-1.5	6.5	-0.6
Ohio	14.5	2.5	11.9	1.3	-0.8	-3.9
Wisconsin	2.5	1.7	2.4	3.0	2.5	3.0
GREAT LAKES						
Iowa	6.8	1.9	6.1	8.5	2.6	7.6
Kansas	8.4	1.3	7.6	8.4	3.9	7.9
Minnesota	-5.6	8.6	-4.4	5.6	1.4	5.3
Missouri	5.8	-2.3	4.4	3.8	14.9	5.6
Nebraska	5.9	5.2	5.7	6.7	11.4	7.7
North Dakota	2.5	1.6	2.3	10.1	0.0	7.5
South Dakota	0.6	4.1	1.6	9.0	-0.7	6.0
GREAT LAKES						
Alabama	14.8	-4.9	11.1	10.7	45.4	16.2
Arkansas	5.6	1.7	5.0	23.0	47.0	26.8
Florida	6.2	3.2	5.7	0.4	4.3	1.2
Georgia	11.8	-2.2	12.6	8.3	-3.8	6.1
Kentucky	5.0	3.0	4.6	8.3	4.3	7.6
Louisiana	15.6	25.4	18.0	14.7	-16.4	6.5
Mississippi	7.2	-7.9	3.2	10.3	-9.5	5.6
North Carolina	7.4	1.6	6.6	5.9	24.9	8.4
South Carolina	6.2	-0.3	4.9	7.7	1.2	6.5
Tennessee	8.4	0.6	6.8	12.4	8.0	11.5
Virginia	12.5	45.1	15.8	3.1	-0.1	2.7
West Virginia	0.9	0.3	1.4	0.8	2.4	1.2
SOUTHWEST						
Arizona	17.3	2.3	14.7	1.8	0.8	1.7
New Mexico	2.1	-7.5	0.7	6.3	38.0	10.7
Oklahoma	8.6	0.5	7.3	4.2	6.0	4.5
Texas	21.7	1.2	17.1	21.1	3.0	18.1
ROCKY MOUNTAIN						
Colorado	4.2	13.7	5.4	3.7	-5.0	2.5
Idaho	28.7	4.8	25.2	6.3	24.1	8.5
Montana	11.9	-0.7	9.5	9.6	6.9	9.2
Utah	11.4	0.0	9.6	20.5	1.1	17.6
Wyoming	101.4	-29.8	78.8	-19.9	0.0	-18.6
FAR WEST						
Alaska	12.9	-4.7	10.1	1.9	15.8	3.9
California	8.3	0.3	4.5	4.1	3.7	5.2
Hawaii	10.2	14.8	4.2	0.0	11.6	1.1
Nevada	17.9	9.0	16.4	4.6	-28.0	-0.6
Oregon	6.4	-3.8	4.8	11.3	1.4	9.8
Washington	6.7	-1.5	6.0	8.0	3.6	7.7
ALL STATES	8.9 %	1.6 %	7.3 %	7.0 %	3.8 %	6.5 %

Note: State funds are defined as general funds and other state funds (bonds are excluded).
Source: National Association of State Budget Officers, 2007 State Expenditure Report

Table 10

ITEMS EXCLUDED FROM ELEMENTARY AND SECONDARY EDUCATION EXPENDITURES

Region/State	Employer Contributions to Pensions	Employer Contributions to Health Benefits	Head Start	Libraries	Day Care Programs	School Health Care/ Immunization
NEW ENGLAND						
Connecticut	X	X		X	X	P
Maine						
Massachusetts						
New Hampshire			X	X	X	
Rhode Island			X	X	X	P
Vermont			X	X	X	X
MID-ATLANTIC						
Delaware					X	P
Maryland				X	P	X
New Jersey		P	X		X	P
New York	P	P	X		X	X
Pennsylvania				X	X	X
GREAT LAKES						
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
PLAINS						
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
SOUTHEAST						
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
SOUTHWEST						
Arizona			X		X	X
New Mexico			P		X	P
Oklahoma			P		P	
Texas			X	P	P	P
ROCKY MOUNTAIN						
Colorado			X	P	X	P
Idaho			X		X	X
Montana	P	P	X	P	X	X
Utah			X		X	X
Wyoming					X	
FAR WEST						
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
ALL STATES	11	14	32	25	44	39

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

Source: National Association of State Budget Officers, 2007 State Expenditure Report

Elementary and Secondary Education Notes

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

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

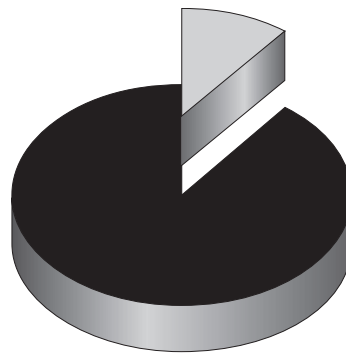
Arizona: Deferred \$272 million of Fiscal 2008 school aid payments to Fiscal 2009.

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 2006 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 2006, \$20 million in General Fund and Education Fund, \$33 million in federal funds, and \$1 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; for fiscal 2008, \$23 million in General Fund and Education Fund, \$35 million in federal funds, and \$1 million in other state funds.

CHAPTER TWO

HIGHER EDUCATION



10.5% of State Expenditures



State higher education spending reflects support of public university systems, community colleges, and vocational education institutions. In fiscal 2007, states spent \$150.4 billion on higher education, 10.5 percent of total state spending, and 11.2 percent of overall general fund expenditures. General funds account for 48.6 percent of state spending on higher education, other state funds for 35.4 percent, federal funds for 10.2 percent, and bonds 5.9 percent (see Figure 11 and Table 12).

In calculating higher education expenditures for fiscal 2007, 14 states wholly or partially excluded tuition and fees, and 18 states wholly or partially excluded student loan programs. Additionally, other items that are wholly or partially excluded include: University Research Grants (29 states), Vocational Education (16), and Assistance to Private Colleges or Universities (23). Table 15 lists programs excluded from the expenditure data.

Overall, total state higher education spending grew by 6.6 percent in fiscal 2007. State funds (general funds plus other state funds) grew by 7.8 percent, while federal funds, which represent a small

share of total higher education spending, decreased by 8.8 percent. In fiscal 2008, overall state higher education spending is estimated to grow by 6.2 percent, with state funds increasing by 8.9 percent and federal funds declining by 11.1 percent (see Table 11).

Capital Spending

State expenditures for higher education-related construction, renovation and other capital projects increased by 19.7 percent in fiscal 2007, and is estimated to increase by 17.5 percent in fiscal 2008 (see Table 48).

Regional Expenditures

In fiscal 2007, the Southeast region saw the greatest percentage increase in higher education spending at 13 percent, while the Far West region grew by the smallest amount, declining 5.3 percent. It is estimated that for 2008 the Plains region will experience the largest growth rate at 14.3 percent, while the New England region will experience the smallest growth rate at 3.0 percent.

Figure 11
STATE EXPENDITURES FOR HIGHER EDUCATION BY FUND SOURCE, FISCAL 2007

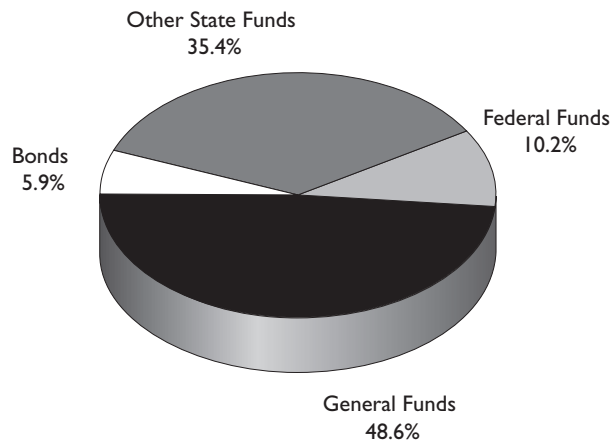


Table 11
REGIONAL PERCENTAGE CHANGE IN STATE HIGHER EDUCATION EXPENDITURES, FISCAL 2007 AND 2008

Region	Fiscal 2006 to 2007			Fiscal 2007 to 2008		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	10.1%	-1.7%	10.5%	2.3%	6.3%	3.0%
Mid-Atlantic	8.4	1.1	9.3	5.4	14.3	5.0
Great Lakes	2.8	9.8	2.8	10.0	-5.8	6.8
Plains	5.6	1.2	6.3	15.5	5.9	14.3
Southeast	12.1	1.3	13.0	10.7	-11.8	6.3
Southwest	12.8	7.9	10.7	5.8	-7.6	4.6
Rocky Mountain	2.1	9.1	2.2	11.4	14.3	11.5
Far West	-0.3	-21.6	-5.3	8.4	-18.4	4.0
ALL STATES	7.8%	-8.8%	6.6%	8.9%	-11.1%	6.2%

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 \$381 more in the 2007-2008 school year than in the 2006-2007 school year (\$6,185 versus \$5,800, a 6.6 percent increase). Total costs of four-year public institutions averaged \$13,589 for the 2007-2008 school year, a 5.9 percent increase compared to 2006-2007.

Table 12

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

Region/State	Actual Fiscal 2006					Actual Fiscal 2007					Estimated Fiscal 2008				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$614	\$220	\$1,470	\$157	\$2,461	\$677	\$217	\$1,571	\$243	\$2,708	\$731	\$230	\$1,646	\$253	\$2,860
Maine	234	0	2	18	254	250	0	3	8	261	260	0	3	13	276
Massachusetts	980	9	2,572	48	3,609	1,107	9	2,884	46	4,046	1,079	9	2,881	39	4,008
New Hampshire	119	12	51	34	216	126	9	52	22	209	140	9	56	34	239
Rhode Island	180	1	498	17	696	189	3	537	42	771	190	5	588	75	858
Vermont	79	0	3	4	86	83	0	9	6	98	84	0	4	3	91
MID-ATLANTIC															
Delaware	239	28	61	3	331	254	29	68	10	361	240	30	65	5	340
Maryland	1,271	227	2,123	206	3,827	1,455	220	2,203	235	4,113	1,544	262	2,462	229	4,497
New Jersey	2,165	21	1,111	0	3,297	2,150	24	1,225	0	3,399	2,264	28	1,302	0	3,594
New York*	2,895	162	3,514	366	6,937	3,587	173	3,574	526	7,860	3,733	192	3,754	520	8,199
Pennsylvania	1,904	5	55	185	2,149	2,015	2	92	244	2,353	2,056	0	102	200	2,358
GREAT LAKES															
Illinois	2,199	229	111	133	2,672	2,285	308	163	112	2,868	2,218	244	373	64	2,899
Indiana	1,568	5	3	192	1,768	1,608	3	9	37	1,657	1,736	5	10	161	1,912
Michigan*	1,989	20	138	67	2,214	1,728	19	232	168	2,147	2,201	23	120	68	2,412
Ohio	2,462	26	7	274	2,769	2,551	58	8	274	2,891	2,745	17	151	123	3,036
Wisconsin	1,262	965	2,017	0	4,244	1,283	979	2,224	0	4,486	1,341	999	2,401	0	4,741
PLAINS															
Iowa	805	420	2,362	23	3,610	831	432	2,505	8	3,776	915	427	2,829	8	4,179
Kansas	747	360	822	29	1,958	782	361	858	49	2,050	833	357	983	57	2,230
Minnesota	2,409	4	19	141	2,573	2,564	5	22	256	2,847	2,774	5	26	254	3,059
Missouri	831	3	169	0	1,003	871	3	215	0	1,089	938	6	568	0	1,512
Nebraska	549	139	994	0	1,682	595	131	1,012	0	1,738	647	141	1,290	0	2,078
North Dakota	217	148	356	20	741	230	150	370	51	801	283	183	469	45	980
South Dakota	172	80	240	13	505	183	86	258	3	530	200	118	292	12	622
SOUTHEAST															
Alabama*	1,403	909	1,160	0	3,472	1,713	917	1,257	0	3,887	1,953	873	1,260	0	4,086
Arkansas	645	1	1,812	0	2,458	682	1	1,934	0	2,617	746	10	2,225	0	2,981
Florida	3,713	141	643	467	4,964	4,092	61	917	824	5,894	4,256	136	1,943	1,084	7,419
Georgia	2,158	55	0	205	2,418	2,237	58	0	354	2,649	2,478	57	0	342	2,877
Kentucky	1,250	635	2,367	0	4,252	1,284	652	2,664	0	4,600	1,341	691	3,669	0	5,701
Louisiana	1,074	202	1,225	68	2,569	1,317	139	1,266	67	2,789	1,469	147	1,416	35	3,067
Mississippi	339	189	855	13	1,396	427	225	919	9	1,580	525	178	954	12	1,669
North Carolina	3,113	42	1,647	300	5,102	3,507	45	1,829	604	5,985	3,695	42	1,859	0	5,596
South Carolina	760	499	2,293	115	3,667	891	496	2,538	106	4,031	1,015	556	2,170	0	3,741
Tennessee	1,368	185	1,371	163	3,087	1,504	191	1,487	228	3,410	1,847	212	1,543	84	3,686
Virginia	1,574	591	1,712	445	4,322	1,903	712	2,118	600	5,333	2,122	153	1,879	433	4,587
West Virginia	430	195	902	118	1,645	431	196	980	105	1,712	581	202	1,010	108	1,901
SOUTHWEST															
Arizona	1,010	481	2,118	237	3,846	1,158	564	1,880	186	3,788	1,262	612	1,922	34	3,830
New Mexico	811	510	1,137	188	2,646	923	508	1,400	199	3,030	884	359	907	180	2,330
Oklahoma	804	506	1,179	227	2,716	897	556	2,580	325	4,358	1,049	518	2,720	340	4,627
Texas	6,529	167	2,447	1,141	10,284	6,599	168	2,656	981	10,404	7,345	170	3,060	1,200	11,775
ROCKY MOUNTAIN															
Colorado*	637	20	1,532	0	2,189	694	20	1,635	0	2,349	748	21	1,788	0	2,557
Idaho	309	3	155	5	472	321	3	153	5	482	352	3	193	5	553
Montana	154	43	266	0	463	156	45	288	0	489	182	53	296	0	531
Utah*	722	10	320	0	1,052	799	15	377	0	1,191	900	18	475	0	1,393
Wyoming	280	1	5	0	286	36	1	13	0	50	36	1	13	0	50
FAR WEST															
Alaska	305	121	370	0	796	306	121	323	94	844	313	169	396	0	878
California*	9,595	7,770	1,267	1,044	19,676	10,494	5,979	37	1,143	17,653	11,067	4,739	42	1,726	17,574
Hawaii	601	33	268	68	970	666	22	283	69	1,040	683	14	588	183	1,468
Nevada	498	0	194	4	696	496	0	224	109	829	631	0	57	95	783
Oregon	692	403	1,173	85	2,353	614	399	1,234	79	2,326	820	394	1,319	130	2,663
Washington	1,442	6	1,959	332	3,739	1,503	8	2,129	400	4,040	1,589	9	2,343	499	4,440
TOTAL	\$68,106	\$16,802	\$49,075	\$7,155	\$141,138	\$73,054	\$15,323	\$53,215	\$8,827	\$150,419	\$79,041	\$13,627	\$58,422	\$8,653	\$159,743

Source: National Association of State Budget Officers, 2007 State Expenditure Report

*See Higher Education Notes for explanation

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

Region/State	Fiscal 2006	Fiscal 2007	Fiscal 2008
NEW ENGLAND			
Connecticut	12.0 %	11.9 %	12.2 %
Maine	3.6	3.6	3.7
Massachusetts	9.2	9.7	9.7
New Hampshire	4.8	4.6	5.1
Rhode Island	10.5	11.5	11.8
Vermont	1.7	1.9	1.7
MID-ATLANTIC			
Delaware	4.4	4.5	4.2
Maryland	14.2	14.0	14.6
New Jersey	7.8	7.5	7.3
New York	6.6	7.0	7.1
Pennsylvania	4.0	4.1	3.9
GREAT LAKES			
Illinois	6.2	6.2	6.1
Indiana	8.2	7.3	7.9
Michigan	5.3	5.0	5.5
Ohio	5.2	5.4	5.5
Wisconsin	12.7	13.1	13.1
PLAINS			
Iowa	24.6	25.1	25.5
Kansas	17.1	17.1	17.0
Minnesota	10.0	10.5	10.6
Missouri	5.1	5.2	6.6
Nebraska	21.1	21.3	21.7
North Dakota	22.5	23.8	27.2
South Dakota	17.0	17.3	18.3
SOUTHEAST			
Alabama	10.3	10.7	9.4
Arkansas	16.1	16.2	15.5
Florida	8.1	8.9	10.5
Georgia	7.0	7.1	7.4
Kentucky	20.7	20.6	22.3
Louisiana	11.2	9.5	7.6
Mississippi	10.7	10.3	10.0
North Carolina	14.6	15.1	11.8
South Carolina	20.4	20.2	17.6
Tennessee	13.2	13.8	13.5
Virginia	13.5	15.3	13.0
West Virginia	8.1	9.2	10.0
SOUTHWEST			
Arizona	15.2	13.8	13.4
New Mexico	20.5	20.9	16.4
Oklahoma	16.6	22.5	22.2
Texas	14.0	12.8	13.1
ROCKY MOUNTAIN			
Colorado	14.0	14.1	14.2
Idaho	9.4	8.8	8.6
Montana	10.4	10.4	9.4
Utah	11.8	11.9	11.1
Wyoming	5.1	1.0	1.0
FAR WEST			
Alaska	8.3	7.3	7.0
California	11.4	9.7	8.6
Hawaii	10.2	9.8	11.6
Nevada	9.2	10.1	10.1
Oregon	11.6	11.5	11.4
Washington	13.4	13.5	13.7
ALL STATES	10.5 %	10.5 %	10.3 %

Source: National Association of State Budget Officers, 2007 State Expenditure Report

Table 14

ANNUAL PERCENTAGE CHANGE IN HIGHER EDUCATION EXPENDITURES

Region/State	Fiscal 2006 to 2007			Fiscal 2007 to 2008		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	7.9 %	-1.4 %	10.0 %	5.7 %	6.0 %	5.6 %
Maine	7.2	—	2.8	4.0	—	5.7
Massachusetts	12.4	0.0	12.1	-0.8	0.0	-0.9
New Hampshire	4.7	-25.0	-3.2	10.1	0.0	14.4
Rhode Island	7.1	200.0	10.8	7.2	66.7	11.3
Vermont	12.2	—	14.0	-4.3	—	-7.1
MID-ATLANTIC						
Delaware	7.3	3.6	9.1	-5.3	3.4	-5.8
Maryland	7.8	-3.1	7.5	9.5	19.1	9.3
New Jersey	3.0	14.3	3.1	5.7	16.7	5.7
New York	11.7	6.8	13.3	4.6	11.0	4.3
Pennsylvania	7.6	-60.0	9.5	2.4	-100.0	0.2
GREAT LAKES						
Illinois	6.0	34.5	7.3	5.8	-20.8	1.1
Indiana	2.9	-40.0	-6.3	8.0	66.7	15.4
Michigan	-7.9	-5.0	-3.0	18.4	21.1	12.3
Ohio	3.6	123.1	4.4	13.2	-70.7	5.0
Wisconsin	7.0	1.5	5.7	6.7	2.0	5.7
PLAINS						
Iowa	5.3	2.9	4.6	12.2	-1.2	10.7
Kansas	4.5	0.3	4.7	10.7	-1.1	8.8
Minnesota	6.5	25.0	10.6	8.3	0.0	7.4
Missouri	8.6	0.0	8.6	38.7	100.0	38.8
Nebraska	4.1	-5.8	3.3	20.5	7.6	19.6
North Dakota	4.7	1.4	8.1	25.3	22.0	22.3
South Dakota	7.0	7.5	5.0	11.6	37.2	17.4
SOUTHEAST						
Alabama	15.9	0.9	12.0	8.2	-4.8	5.1
Arkansas	6.5	0.0	6.5	13.6	900.0	13.9
Florida	15.0	-56.7	18.7	23.8	123.0	25.9
Georgia	3.7	5.5	9.6	10.8	-1.7	8.6
Kentucky	9.2	2.7	8.2	26.9	6.0	23.9
Louisiana	12.4	-31.2	8.6	11.7	5.8	10.0
Mississippi	12.7	19.0	13.2	9.9	-20.9	5.6
North Carolina	12.1	7.1	17.3	4.1	-6.7	-6.5
South Carolina	12.3	-0.6	9.9	-7.1	12.1	-7.2
Tennessee	9.2	3.2	10.5	13.3	11.0	8.1
Virginia	22.4	20.5	23.4	-0.5	-78.5	-14.0
West Virginia	5.9	0.5	4.1	12.8	3.1	11.0
SOUTHWEST						
Arizona	-2.9	17.3	-1.5	4.8	8.5	1.1
New Mexico	19.3	-0.4	14.5	-22.9	-29.3	-23.1
Oklahoma	75.3	9.9	60.5	8.4	-6.8	6.2
Texas	3.1	0.6	1.2	12.4	1.2	13.2
ROCKY MOUNTAIN						
Colorado	7.4	0.0	7.3	8.9	5.0	8.9
Idaho	2.2	0.0	2.1	15.0	0.0	14.7
Montana	5.7	4.7	5.6	7.7	17.8	8.6
Utah	12.9	50.0	13.2	16.9	20.0	17.0
Wyoming	-82.8	0.0	-82.5	0.0	0.0	0.0
FAR WEST						
Alaska	-6.8	0.0	6.0	12.7	39.7	4.0
California	-3.0	-23.1	-10.3	5.5	-20.7	-0.4
Hawaii	9.2	-33.3	7.2	33.9	-36.4	41.2
Nevada	4.0	—	19.1	-4.4	—	-5.5
Oregon	-0.9	-1.0	-1.1	15.7	-1.3	14.5
Washington	6.8	33.3	8.1	8.3	12.5	9.9
ALL STATES	7.8 %	-8.8 %	6.6 %	8.9 %	-11.1 %	6.2 %

Note: State funds are defined as general funds and other state funds (bonds are excluded).
Source: National Association of State Budget Officers, 2007 State Expenditure Report

Table 15

ITEMS EXCLUDED FROM HIGHER EDUCATION EXPENDITURES

Region/State	Employer Contributions to Pensions	Employer Contributions to Health Benefits	Tuition and Fees	Student Loan Programs	University Research Grants	Vocational Education	Assistance To Private Colleges & Universities
NEW ENGLAND							
Connecticut						X	
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	
MID-ATLANTIC							
Delaware			X		X	X	X
Maryland					P		
New Jersey					X	X	
New York*	P	P			P	P	P
Pennsylvania	X	X		P	X	P	
GREAT LAKES							
Illinois		P	P	P	P	P	P
Indiana	P	P	X		X		X
Michigan	X	X	X	X	P		
Ohio	P	P	X	X			
Wisconsin					P		
PLAINS							
Iowa							
Kansas							
Minnesota	X	X			X	X	X
Missouri	X	X	X		X	X	
Nebraska					X		
North Dakota						X	X
South Dakota							X
SOUTHEAST							
Alabama*							
Arkansas					P		X
Florida					P		
Georgia			P	X			X
Kentucky						P	
Louisiana					X		
Mississippi					X		X
North Carolina					X		
South Carolina							
Tennessee					X		
Virginia				X			
West Virginia				X	P	P	
SOUTHWEST							
Arizona							X
New Mexico	P	P	P	P		P	X
Oklahoma			X	P	X		P
Texas			P		P	P	
ROCKY MOUNTAIN							
Colorado				X	X		
Idaho				X	X		X
Montana				X	X		
Utah					X		X
Wyoming							X
FAR WEST							
Alaska							X
California*			P				
Hawaii				X	X	X	X
Nevada				X	X		X
Oregon							
Washington							X
ALL STATES	11	12	14	18	29	16	23

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

Source: National Association of State Budget Officers, 2007 State Expenditure Report
 *See Higher Education Notes for explanation

Higher Education Notes

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

Alabama: 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 budget level.

California: Beginning in Fiscal 2007, California State University (CSU) began depositing 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, tuition and fees are *included* only for CSU in Fiscal 2006.

Colorado: Higher Education doesn't produce Sch-3s for the majority of their budget (statutorily exempt from producing for academic agencies) so "Actual" data is not available. In lieu of "Actual" data, appropriations were utilized for this report. Specifically, the 2006 Actual is from the FY 2006-07 Appropriations Report (page 140) and the 2007 Actual is from the FY 2007-08 Appropriations Report (page 151).

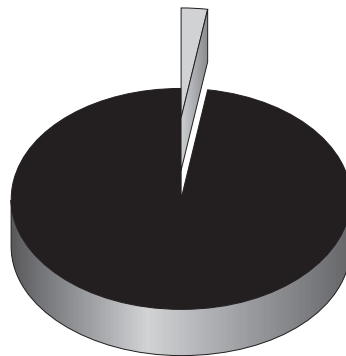
Michigan: General Fund support has declined from fiscal 2006 reflecting a one-month payment delay to universities and community colleges and a one-time shift from general fund to restricted funds. Fiscal 2008 expenditures reflect restoration of these one-time occurrences.

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 2006, fiscal 2007, or fiscal 2008.

CHAPTER THREE

PUBLIC ASSISTANCE



1.7% of State Expenditures



Public Assistance Expenditures

This report contains data on cash assistance provided through the Temporary Assistance for Needy Families (TANF) program and other public assistance programs. Spending for these categories totaled \$23.8 billion in fiscal 2007 and represented 1.7 percent of total state expenditures. State spending for total public assistance decreased by 0.3 percent from 2006 to 2007.

The primary sources of public assistance funding for fiscal 2007 are general funds, providing 52.6 percent, followed by federal funds at 45.7 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 as part of 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 recipients fell from 12.8 million prior to the enactment of TANF to 3.8 million by June 2008, a decrease of over two-thirds.

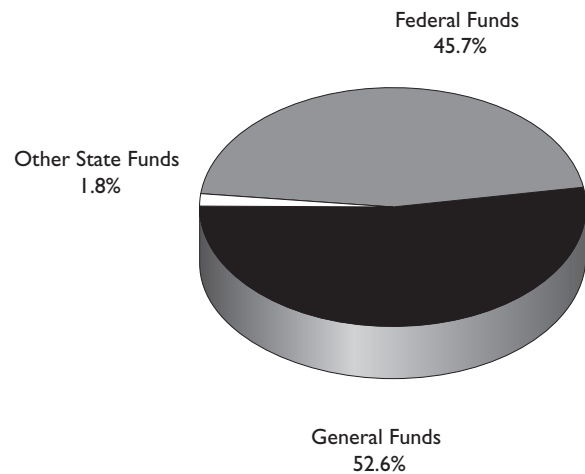
This report has information only on the cash assistance benefit levels within the program which represents approximately 35 percent of total program costs and does not reflect total TANF spending.

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 2007.

Figure 12
STATE EXPENDITURES FOR TOTAL PUBLIC ASSISTANCE BY FUND SOURCE, FISCAL 2007



Regional Expenditures

The following table shows regional percentage changes in expenditures for total cash assistance for fiscal 2006-2007 and 2007-2008 by region.

Table 16
REGIONAL PERCENTAGE CHANGE IN STATE TOTAL PUBLIC ASSISTANCE EXPENDITURES, FISCAL 2007 AND 2008

Region	Fiscal 2006 to 2007			Fiscal 2007 to 2008		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	1.3 %	-1.0 %	0.8 %	6.2 %	0.2 %	4.9 %
Mid-Atlantic	-3.7	6.7	2.5	11.3	-1.2	3.5
Great Lakes	0.9	-3.8	-1.5	-2.2	-13.5	-8.0
Plains	6.9	0.4	2.9	14.0	-6.5	1.6
Southeast	-3.3	-10.4	-7.8	1.7	19.7	12.8
Southwest	-8.7	-5.6	-6.7	-4.3	-1.6	-2.6
Rocky Mountain	-17.2	-31.8	-25.9	-1.3	64.1	34.7
Far West	3.5	-2.9	1.1	-5.6	16.5	2.4
ALL STATES	0.9 %	-1.7 %	-0.3 %	0.0 %	7.5 %	3.4 %

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

State and federal funds for TANF cash assistance expenditures totaled \$14.1 billion in fiscal 2007, a decrease of 1.9 percent from 2006 to 2007 (see Table 23). According to the most recent data, cash assistance expenditures from state and federal funds accounted for about 35 percent of total TANF spending in fiscal 2006 while child care accounted for about 19 percent of all funds used that year.

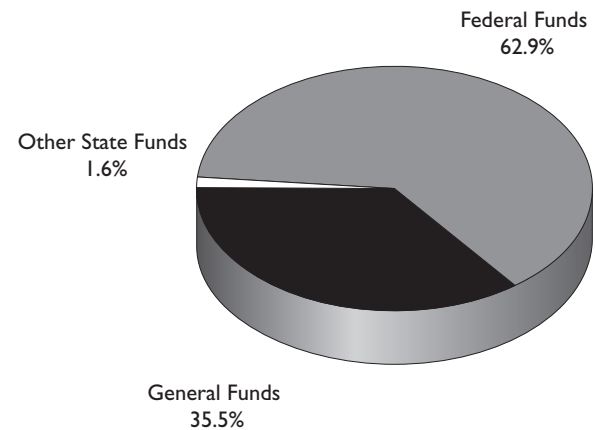
States have provided funding for programs to address childcare services, training and education, transportation needs, transitional rental assistance, substance abuse, job readiness and job retention training, and domestic violence. As cash assistance has declined, these supportive services have gained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

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

Fund Shares

The figure below provides fund shares for 2007.

Figure 13
STATE EXPENDITURES FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BY FUND SOURCE, FISCAL 2007



Regional Expenditures

The following table shows percentage changes in expenditures for TANF cash assistance for fiscal 2006-2007 and 2007-2008 by region.

Table 17
REGIONAL PERCENTAGE CHANGE IN STATE TANF EXPENDITURES, FISCAL 2007 AND 2008

Region	Fiscal 2006 to 2007			Fiscal 2007 to 2008		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	0.0%	-3.3%	-1.2%	7.0%	0.5%	4.7%
Mid-Atlantic	-6.2	5.4	3.1	-1.8	-1.2	-1.3
Great Lakes	0.2	-2.8	-1.4	-3.6	-13.6	-8.7
Plains	10.7	0.4	3.0	18.3	-6.6	0.3
Southeast	-5.3	-13.2	-10.4	-2.3	22.0	12.9
Southwest	-8.3	-5.6	-6.5	-4.0	-1.6	-2.4
Rocky Mountain	-36.0	-31.8	-32.9	-6.3	64.1	46.7
Far West	2.4	-2.1	-0.2	-18.9	21.1	4.1
ALL STATES	-0.9%	-2.5%	-1.9%	-7.7%	9.7%	3.3%

OTHER CASH ASSISTANCE



The second component of cash assistance for public welfare is other cash assistance, including state participation in the Supplemental Security Income (SSI) program, 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-six 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 2007. States spent \$9.7 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 2006				Actual Fiscal 2007				Estimated Fiscal 2008			
	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total
NEW ENGLAND												
Connecticut	\$214	\$267	\$0	\$481	\$209	\$267	\$0	\$476	214	262	0	476
Maine	35	49	89	173	40	36	89	165	38	52	124	214
Massachusetts	1,260	12	0	1,272	1,293	13	0	1,306	1,379	12	0	1,391
New Hampshire	33	37	6	76	35	41	6	82	38	37	7	82
Rhode Island	86	90	0	176	80	86	0	166	57	84	0	141
Vermont	29	49	6	84	26	56	2	84	33	53	0	86
MID-ATLANTIC												
Delaware	7	15	2	24	7	10	2	19	7	8	2	17
Maryland	47	395	17	459	44	433	13	490	36	437	13	486
New Jersey	271	133	0	404	241	159	0	400	233	171	0	404
New York	1,251	2,097	0	3,348	1,154	2,243	0	3,397	1,404	2,184	0	3,588
Pennsylvania	559	568	27	1,154	613	577	27	1,217	615	580	28	1,223
GREAT LAKES												
Illinois	91	79	0	170	85	65	0	150	72	46	0	118
Indiana	83	294	4	381	83	290	4	377	73	253	4	330
Michigan	340	143	47	530	392	114	50	556	373	107	49	529
Ohio	129	207	23	359	113	211	24	348	120	188	21	329
Wisconsin	33	84	0	117	6	96	0	102	28	77	0	105
PLAINS												
Iowa	62	58	11	131	62	50	11	123	60	62	12	134
Kansas	39	34	0	73	39	27	0	66	39	21	0	60
Minnesota	95	257	0	352	116	283	0	399	158	220	0	378
Missouri	43	112	22	177	42	105	23	170	43	116	26	185
Nebraska	31	35	0	66	36	28	0	64	35	44	0	79
North Dakota	4	1	6	11	0	6	5	11	4	1	5	10
South Dakota	8	21	0	29	9	21	0	30	9	22	0	31
SOUTHEAST												
Alabama	4	42	4	50	4	36	6	46	4	37	5	46
Arkansas	135	268	9	412	138	287	15	440	151	399	19	569
Florida	178	0	0	178	148	7	0	155	125	28	0	153
Georgia	161	410	0	571	170	345	0	515	165	395	0	560
Kentucky	72	108	0	180	72	99	0	171	72	123	0	195
Louisiana	7	35	0	42	2	42	0	44	2	42	0	44
Mississippi	1	20	0	21	2	24	1	27	3	27	1	31
North Carolina	70	196	0	266	52	161	2	215	61	186	1	248
South Carolina	25	26	12	63	29	26	12	67	41	18	14	73
Tennessee	38	107	3	148	32	98	2	132	33	107	3	143
Virginia	63	115	0	178	67	92	0	159	68	75	0	143
West Virginia	27	91	0	118	28	54	0	82	27	84	0	111
SOUTHWEST												
Arizona	60	98	0	158	44	80	0	124	45	80	0	125
New Mexico	22	87	0	109	19	103	0	122	15	107	0	122
Oklahoma	82	148	0	230	79	148	0	227	77	146	0	223
Texas	67	63	0	130	69	43	0	112	65	35	0	100
ROCKY MOUNTAIN												
Colorado	5	105	96	206	2	96	100	198	2	223	106	331
Idaho	8	7	0	15	9	7	0	16	9	6	0	15
Montana	14	29	0	43	14	27	0	41	15	32	0	47
Utah	32	71	0	103	34	65	0	99	25	59	0	84
Wyoming	37	74	0	111	0	0	0	0	0	0	0	0
FAR WEST												
Alaska	72	11	28	111	75	10	21	106	70	13	19	102
California	6,058	3,694	0	9,752	6,272	3,582	0	9,854	5,872	4,199	0	10,071
Hawaii	74	26	0	100	77	30	0	107	84	40	0	124
Nevada	27	22	0	49	33	17	0	50	32	19	0	51
Oregon	46	72	4	122	42	84	8	134	82	88	1	171
Washington	276	115	0	391	286	104	0	390	273	100	0	373
TOTAL	\$12,411	\$11,077	\$416	\$23,904	\$12,524	\$10,884	\$423	\$23,831	\$12,486	\$11,705	\$460	\$24,651

Note: This table reflects TANF and other cash assistance expenditures.
Source: National Association of State Budget Officers, 2007 State Expenditure Report

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

Region/State	Fiscal 2006	Fiscal 2007	Fiscal 2008
NEW ENGLAND			
Connecticut	2.3 %	2.1 %	2.0 %
Maine	2.4	2.3	2.8
Massachusetts	3.2	3.1	3.4
New Hampshire	1.7	1.8	1.8
Rhode Island	2.7	2.5	1.9
Vermont	1.7	1.6	1.6
MID-ATLANTIC			
Delaware	0.3	0.2	0.2
Maryland	1.7	1.7	1.6
New Jersey	1.0	0.9	0.8
New York	3.2	3.0	3.1
Pennsylvania	2.1	2.1	2.0
GREAT LAKES			
Illinois	0.4	0.3	0.2
Indiana	1.8	1.7	1.4
Michigan	1.3	1.3	1.2
Ohio	0.7	0.7	0.6
Wisconsin	0.3	0.3	0.3
PLAINS			
Iowa	0.9	0.8	0.8
Kansas	0.6	0.6	0.5
Minnesota	1.4	1.5	1.3
Missouri	0.9	0.8	0.8
Nebraska	0.8	0.8	0.8
North Dakota	0.3	0.3	0.3
South Dakota	1.0	1.0	0.9
SOUTHEAST			
Alabama	0.1	0.1	0.1
Arkansas	2.7	2.7	3.0
Florida	0.3	0.2	0.2
Georgia	1.7	1.4	1.4
Kentucky	0.9	0.8	0.8
Louisiana	0.2	0.1	0.1
Mississippi	0.2	0.2	0.2
North Carolina	0.8	0.5	0.5
South Carolina	0.4	0.3	0.3
Tennessee	0.6	0.5	0.5
Virginia	0.6	0.5	0.4
West Virginia	0.6	0.4	0.6
SOUTHWEST			
Arizona	0.6	0.5	0.4
New Mexico	0.8	0.8	0.9
Oklahoma	1.4	1.2	1.1
Texas	0.2	0.1	0.1
ROCKY MOUNTAIN			
Colorado	1.3	1.2	1.8
Idaho	0.3	0.3	0.2
Montana	1.0	0.9	0.8
Utah	1.2	1.0	0.7
Wyoming	2.0	0.0	0.0
FAR WEST			
Alaska	1.2	0.9	0.8
California	5.6	5.4	4.9
Hawaii	1.1	1.0	1.0
Nevada	0.6	0.6	0.7
Oregon	0.6	0.7	0.7
Washington	1.4	1.3	1.2
ALL STATES	1.8 %	1.7 %	1.6 %

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

Table 20

ANNUAL PERCENTAGE CHANGE IN TOTAL PUBLIC ASSISTANCE EXPENDITURES

Region/State	Fiscal 2006 to 2007			Fiscal 2007 to 2008		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	-2.3 %	0.0 %	-1.0 %	2.4 %	-1.9 %	0.0 %
Maine	4.0	-26.5	-4.6	25.6	44.4	29.7
Massachusetts	2.6	8.3	2.7	6.7	-7.7	6.5
New Hampshire	5.1	10.8	7.9	9.8	-9.8	0.0
Rhode Island	-7.0	-4.4	-5.7	-28.8	-2.3	-15.1
Vermont	-20.0	14.3	0.0	17.9	-5.4	2.4
MID-ATLANTIC						
Delaware	0.0	-33.3	-20.8	0.0	-20.0	-10.5
Maryland	-10.9	9.6	6.8	-14.0	0.9	-0.8
New Jersey	-11.1	19.5	-1.0	-3.3	7.5	1.0
New York	-7.8	7.0	1.5	21.7	-2.6	5.6
Pennsylvania	9.2	1.6	5.5	0.5	0.5	0.5
GREAT LAKES						
Illinois	-6.6	-17.7	-11.8	-15.3	-29.2	-21.3
Indiana	0.0	-1.4	-1.0	-11.5	-12.8	-12.5
Michigan	14.2	-20.3	4.9	-4.5	-6.1	-4.9
Ohio	-9.9	1.9	-3.1	2.9	-10.9	-5.5
Wisconsin	-81.8	14.3	-12.8	366.7	-19.8	2.9
PLAINS						
Iowa	0.0	-13.8	-6.1	-1.4	24.0	8.9
Kansas	0.0	-20.6	-9.6	0.0	-22.2	-9.1
Minnesota	22.1	10.1	13.4	36.2	-22.3	-5.3
Missouri	0.0	-6.3	-4.0	6.2	10.5	8.8
Nebraska	16.1	-20.0	-3.0	-2.8	57.1	23.4
North Dakota	-50.0	500.0	0.0	80.0	-83.3	-9.1
South Dakota	12.5	0.0	3.4	0.0	4.8	3.3
SOUTHEAST						
Alabama	25.0	-14.3	-8.0	-10.0	2.8	0.0
Arkansas	6.3	7.1	6.8	11.1	39.0	29.3
Florida	-16.9	—	-12.9	-15.5	300.0	-1.3
Georgia	5.6	-15.9	-9.8	-2.9	14.5	8.7
Kentucky	0.0	-8.3	-5.0	0.0	24.2	14.0
Louisiana	-71.4	20.0	4.8	0.0	0.0	0.0
Mississippi	200.0	20.0	28.6	33.3	12.5	14.8
North Carolina	-22.9	-17.9	-19.2	14.8	15.5	15.3
South Carolina	10.8	0.0	6.3	34.1	-30.8	9.0
Tennessee	-17.1	-8.4	-10.8	5.9	9.2	8.3
Virginia	6.3	-20.0	-10.7	1.5	-18.5	-10.1
West Virginia	3.7	-40.7	-30.5	-3.6	55.6	35.4
SOUTHWEST						
Arizona	-26.7	-18.4	-21.5	2.3	0.0	0.8
New Mexico	-13.6	18.4	11.9	-21.1	3.9	0.0
Oklahoma	-3.7	0.0	-1.3	-2.5	-1.4	-1.8
Texas	3.0	-31.7	-13.8	-5.8	-18.6	-10.7
ROCKY MOUNTAIN						
Colorado	1.0	-8.6	-3.9	5.9	132.3	67.2
Idaho	12.5	0.0	6.7	0.0	-14.3	-6.3
Montana	0.0	-6.9	-4.7	7.1	18.5	14.6
Utah	6.3	-8.5	-3.9	-26.5	-9.2	-15.2
Wyoming	-100.0	-100.0	-100.0	—	—	—
FAR WEST						
Alaska	-4.0	-9.1	-4.5	-7.3	30.0	-3.8
California	3.5	-3.0	1.0	-6.4	17.2	2.2
Hawaii	4.1	15.4	7.0	9.1	33.3	15.9
Nevada	22.2	-22.7	2.0	-3.0	11.8	2.0
Oregon	0.0	16.7	9.8	66.0	4.8	27.6
Washington	3.6	-9.6	-0.3	-4.5	—	-4.4
ALL STATES	0.9 %	-1.7 %	-0.3 %	0.0 %	7.5 %	3.4 %

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, 2007 State Expenditure Report

Table 21

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

Region/State	Actual Fiscal 2006				Actual Fiscal 2007				Estimated Fiscal 2008			
	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total
NEW ENGLAND												
Connecticut*	\$120	\$267	\$0	\$387	\$112	\$267	\$0	\$379	\$111	\$262	\$0	\$373
Maine	18	48	89	155	28	35	89	152	25	52	124	201
Massachusetts	467	0	0	467	466	0	0	466	484	0	0	484
New Hampshire	26	37	0	63	28	41	0	69	30	37	0	67
Rhode Island	16	51	0	67	16	44	0	60	16	37	0	53
Vermont	14	24	2	40	13	26	0	39	15	27	0	42
MID-ATLANTIC												
Delaware	2	15	1	18	2	10	1	13	2	8	1	11
Maryland	13	80	10	103	13	79	6	98	7	91	7	105
New Jersey	51	85	0	136	18	92	0	110	14	103	0	117
New York	243	2,097	0	2,340	201	2,243	0	2,444	205	2,184	0	2,389
Pennsylvania	314	253	0	567	354	242	0	596	348	247	0	595
GREAT LAKES												
Illinois	52	76	0	128	44	64	0	108	32	44	0	76
Indiana	40	137	4	181	40	137	4	181	30	137	4	171
Michigan	237	127	38	402	288	100	40	428	267	90	40	397
Ohio	106	207	23	336	88	211	24	323	93	188	21	302
Wisconsin	30	22	0	52	3	41	0	44	25	19	0	44
PLAINS												
Iowa	44	58	11	113	44	50	11	105	43	62	11	116
Kansas	30	34	0	64	30	27	0	57	30	21	0	51
Minnesota	34	257	0	291	52	283	0	335	87	220	0	307
Missouri	17	112	0	129	17	105	0	122	17	116	0	133
Nebraska	24	34	0	58	29	27	0	56	27	43	0	70
North Dakota	4	1	6	11	0	6	5	11	4	1	5	10
South Dakota	8	21	0	29	9	21	0	30	9	22	0	31
SOUTHEAST												
Alabama	4	42	4	50	4	36	6	46	4	37	5	46
Arkansas	12	59	0	71	13	66	0	79	12	143	5	160
Florida	178	0	0	178	148	7	0	155	125	28	0	153
Georgia	161	410	0	571	170	345	0	515	165	395	0	560
Kentucky	72	108	0	180	72	99	0	171	72	123	0	195
Louisiana	7	35	0	42	2	42	0	44	2	42	0	44
Mississippi	1	20	0	21	2	24	1	27	3	27	1	31
North Carolina	70	196	0	266	52	161	2	215	61	186	1	248
South Carolina	12	26	0	38	8	26	0	34	8	18	0	26
Tennessee	38	107	3	148	32	98	2	132	33	107	3	143
Virginia	51	67	0	118	63	50	0	113	65	40	0	105
West Virginia	26	91	0	117	28	54	0	82	26	84	0	110
SOUTHWEST												
Arizona	56	97	0	153	42	79	0	121	42	79	0	121
New Mexico	15	87	0	102	11	103	0	114	7	107	0	114
Oklahoma	54	148	0	202	54	148	0	202	55	146	0	201
Texas*	67	63	0	130	69	43	0	112	65	35	0	100
ROCKY MOUNTAIN												
Colorado	1	105	26	132	1	96	26	123	1	223	28	252
Idaho	0	7	0	7	0	7	0	7	0	6	0	6
Montana	14	29	0	43	14	27	0	41	15	32	0	47
Utah	22	71	0	93	23	65	0	88	16	59	0	75
Wyoming	37	74	0	111	0	0	0	0	0	0	0	0
FAR WEST												
Alaska	18	10	2	30	16	9	2	27	17	12	2	31
California	1,963	2,974	0	4,937	2,018	2,909	0	4,927	1,555	3,559	0	5,114
Hawaii	38	26	0	64	38	30	0	68	38	40	0	78
Nevada	20	22	0	42	26	17	0	43	25	19	0	44
Oregon	46	68	4	118	42	80	8	130	82	83	1	166
Washington	173	113	0	286	169	102	0	271	160	98	0	258
TOTAL	\$5,066	\$9,098	\$223	\$14,387	\$5,012	\$8,874	\$227	\$14,113	\$4,575	\$9,739	\$259	\$14,573

Source: National Association of State Budget Officers, 2007 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 2006	Fiscal 2007	Fiscal 2008
NEW ENGLAND			
Connecticut	1.9 %	1.7 %	1.6 %
Maine	2.2	2.1	2.7
Massachusetts	1.2	1.1	1.2
New Hampshire	1.4	1.5	1.4
Rhode Island	1.0	0.9	0.7
Vermont	0.8	0.8	0.8
MID-ATLANTIC			
Delaware	0.2	0.2	0.1
Maryland	0.4	0.3	0.3
New Jersey	0.3	0.2	0.2
New York	2.2	2.2	2.1
Pennsylvania	1.1	1.0	1.0
GREAT LAKES			
Illinois	0.3	0.2	0.2
Indiana	0.8	0.8	0.7
Michigan	1.0	1.0	0.9
Ohio	0.6	0.6	0.6
Wisconsin	0.2	0.1	0.1
PLAINS			
Iowa	0.8	0.7	0.7
Kansas	0.6	0.5	0.4
Minnesota	1.1	1.2	1.1
Missouri	0.7	0.6	0.6
Nebraska	0.7	0.7	0.7
North Dakota	0.3	0.3	0.3
South Dakota	1.0	1.0	0.9
SOUTHEAST			
Alabama	0.1	0.1	0.1
Arkansas	0.5	0.5	0.8
Florida	0.3	0.2	0.2
Georgia	1.7	1.4	1.4
Kentucky	0.9	0.8	0.8
Louisiana	0.2	0.1	0.1
Mississippi	0.2	0.2	0.2
North Carolina	0.8	0.5	0.5
South Carolina	0.2	0.2	0.1
Tennessee	0.6	0.5	0.5
Virginia	0.4	0.3	0.3
West Virginia	0.6	0.4	0.6
SOUTHWEST			
Arizona	0.6	0.4	0.4
New Mexico	0.8	0.8	0.8
Oklahoma	1.2	1.0	1.0
Texas	0.2	0.1	0.1
ROCKY MOUNTAIN			
Colorado	0.8	0.7	1.4
Idaho	0.1	0.1	0.1
Montana	1.0	0.9	0.8
Utah	1.0	0.9	0.6
Wyoming	2.0	0.0	0.0
FAR WEST			
Alaska	0.3	0.2	0.2
California	2.9	2.7	2.5
Hawaii	0.7	0.6	0.6
Nevada	0.6	0.5	0.6
Oregon	0.6	0.6	0.7
Washington	1.0	0.9	0.8
ALL STATES	1.1 %	1.0 %	0.9 %

Source: National Association of State Budget Officers, 2007 State Expenditure Report

Table 23

ANNUAL PERCENTAGE CHANGE IN TANF CASH ASSISTANCE EXPENDITURES

Region/State	Fiscal 2006 to 2007			Fiscal 2007 to 2008		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	-6.7 %	0.0 %	-2.1 %	-0.9 %	-1.9 %	-1.6 %
Maine	9.3	-27.1	-1.9	27.4	48.6	32.2
Massachusetts	-0.2	—	-0.2	3.9	—	3.9
New Hampshire	7.7	10.8	9.5	7.1	-9.8	-2.9
Rhode Island	0.0	-13.7	-10.4	0.0	-15.9	-11.7
Vermont	-18.8	8.3	-2.5	15.4	3.8	7.7
MID-ATLANTIC						
Delaware	0.0	-33.3	-27.8	0.0	-20.0	-15.4
Maryland	-17.4	-1.3	-4.9	-26.3	15.2	7.1
New Jersey	-64.7	8.2	-19.1	-22.2	12.0	6.4
New York	-17.3	7.0	4.4	2.0	-2.6	-2.3
Pennsylvania	12.7	-4.3	5.1	-1.7	2.1	-0.2
GREAT LAKES						
Illinois	-15.4	-15.8	-15.6	-27.3	-31.3	-29.6
Indiana	0.0	0.0	0.0	-22.7	0.0	-5.5
Michigan	19.3	-21.3	6.5	-6.4	-10.0	-7.2
Ohio	-13.2	1.9	-3.9	1.8	-10.9	-6.5
Wisconsin	-90.0	86.4	-15.4	733.3	-53.7	0.0
PLAINS						
Iowa	0.0	-13.8	-7.1	-1.8	24.0	10.5
Kansas	0.0	-20.6	-10.9	0.0	-22.2	-10.5
Minnesota	52.9	10.1	15.1	67.3	-22.3	-8.4
Missouri	0.0	-6.3	-5.4	0.0	10.5	9.0
Nebraska	20.8	-20.6	-3.4	-6.9	59.3	25.0
North Dakota	-50.0	500.0	0.0	80.0	-83.3	-9.1
South Dakota	12.5	0.0	3.4	0.0	4.8	3.3
SOUTHEAST						
Alabama	25.0	-14.3	-8.0	-10.0	2.8	0.0
Arkansas	8.3	11.9	11.3	30.8	116.7	102.5
Florida	-16.9	—	-12.9	-15.5	300.0	-1.3
Georgia	5.6	-15.9	-9.8	-2.9	14.5	8.7
Kentucky	0.0	-8.3	-5.0	0.0	24.2	14.0
Louisiana	-71.4	20.0	4.8	0.0	0.0	0.0
Mississippi	200.0	20.0	28.6	33.3	12.5	14.8
North Carolina	-22.9	-17.9	-19.2	14.8	15.5	15.3
South Carolina	-33.3	0.0	-10.5	0.0	-30.8	-23.5
Tennessee	-17.1	-8.4	-10.8	5.9	9.2	8.3
Virginia	23.5	-25.4	-4.2	3.2	-20.0	-7.1
West Virginia	7.7	-40.7	-29.9	-7.1	55.6	34.1
SOUTHWEST						
Arizona	-25.0	-18.6	-20.9	0.0	0.0	0.0
New Mexico	-26.7	18.4	11.8	-36.4	3.9	0.0
Oklahoma	0.0	0.0	0.0	1.9	-1.4	-0.5
Texas	3.0	-31.7	-13.8	-5.8	-18.6	-10.7
ROCKY MOUNTAIN						
Colorado	0.0	-8.6	-6.8	7.4	132.3	104.9
Idaho	---	0.0	0.0	—	-14.3	-14.3
Montana	0.0	-6.9	-4.7	7.1	18.5	14.6
Utah	4.5	-8.5	-5.4	-30.4	-9.2	-14.8
Wyoming	-100.0	-100.0	-100.0	—	—	—
FAR WEST						
Alaska	-10.0	-10.0	-10.0	5.6	33.3	14.8
California	2.8	-2.2	-0.2	-22.9	22.3	3.8
Hawaii	0.0	15.4	6.3	0.0	33.3	14.7
Nevada	30.0	-22.7	2.4	-3.8	11.8	2.3
Oregon	0.0	17.6	10.2	66.0	3.8	27.7
Washington	-2.3	-9.7	-5.2	-5.3	-3.9	-4.8
ALL STATES	-0.9 %	-2.5 %	-1.9 %	-7.7 %	9.7 %	3.3 %

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

Source: National Association of State Budget Officers, 2007 State Expenditure Report

Table 24

OTHER CASH ASSISTANCE EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2006				Actual Fiscal 2007				Estimated Fiscal 2008			
	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total
NEW ENGLAND												
Connecticut	\$94	\$0	\$0	\$94	\$97	\$0	\$0	\$97	\$103	\$0	\$0	\$103
Maine	17	1	0	18	12	1	0	13	13	0	0	13
Massachusetts	793	12	0	805	827	13	0	840	895	12	0	907
New Hampshire	7	0	6	13	7	0	6	13	8	0	7	15
Rhode Island	70	39	0	109	64	42	0	106	41	47	0	88
Vermont	15	25	4	44	13	30	2	45	18	26	0	44
MID-ATLANTIC												
Delaware	5	0	1	6	5	0	1	6	5	0	1	6
Maryland	34	315	7	356	31	354	7	392	29	346	6	381
New Jersey	220	48	0	268	223	67	0	290	219	68	0	287
New York	1,008	0	0	1,008	953	0	0	953	1,199	0	0	1,199
Pennsylvania	245	315	27	587	259	335	27	621	267	333	28	628
GREAT LAKES												
Illinois	39	3	0	42	41	1	0	42	40	2	0	42
Indiana	43	157	0	200	43	153	0	196	43	116	0	159
Michigan*	103	15	9	127	105	15	10	130	106	17	9	132
Ohio	23	0	0	23	25	0	0	25	27	0	0	27
Wisconsin	3	62	0	65	3	55	0	58	3	58	0	61
PLAINS												
Iowa	18	0	0	18	18	0	0	18	17	0	1	18
Kansas	9	0	0	9	9	0	0	9	9	0	0	9
Minnesota	61	0	0	61	64	0	0	64	71	0	0	71
Missouri	26	0	22	48	25	0	23	48	26	0	26	52
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
SOUTHEAST												
Alabama	0	0	0	0	0	0	0	0	0	0	0	0
Arkansas	123	209	9	341	125	221	15	361	139	256	14	409
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	13	0	12	25	21	0	12	33	33	0	14	47
Tennessee	0	0	0	0	0	0	0	0	0	0	0	0
Virginia	12	47	0	59	4	42	0	46	3	35	0	38
West Virginia	1	0	0	1	0	0	0	0	1	0	0	1
SOUTHWEST												
Arizona	4	1	0	5	2	1	0	3	3	1	0	4
New Mexico	7	0	0	7	8	0	0	8	8	0	0	8
Oklahoma	28	0	0	28	25	0	0	25	22	0	0	22
Texas	0	0	0	0	0	0	0	0	0	0	0	0
ROCKY MOUNTAIN												
Colorado*	4	0	70	74	1	0	74	75	1	0	78	79
Idaho	8	0	0	8	9	0	0	9	9	0	0	9
Montana	0	0	0	0	0	0	0	0	0	0	0	0
Utah	10	0	0	10	11	0	0	11	9	0	0	9
Wyoming	0	0	0	0	0	0	0	0	0	0	0	0
FAR WEST												
Alaska	54	1	26	81	59	1	19	79	53	1	17	71
California	4,095	720	0	4,815	4,254	673	0	4,927	4,317	640	0	4,957
Hawaii	36	0	0	36	39	0	0	39	46	0	0	46
Nevada	6	0	0	6	7	0	0	7	7	0	0	7
Oregon	0	4	0	4	0	4	0	4	0	5	0	5
Washington	103	2	0	105	117	2	0	119	113	2	0	115
TOTAL	\$7,344	\$1,977	\$193	\$9,514	\$7,513	\$2,011	\$196	\$9,720	\$7,911	\$1,966	\$201	\$10,078

Source: National Association of State Budget Officers, 2007 State Expenditure Report

*See Public Assistance Notes for explanation

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

Region/State	Fiscal 2006	Fiscal 2007	Fiscal 2008
NEW ENGLAND			
Connecticut	0.5 %	0.4 %	0.4 %
Maine	0.3	0.2	0.2
Massachusetts	2.1	2.0	2.2
New Hampshire	0.3	0.3	0.3
Rhode Island	1.6	1.6	1.2
Vermont	0.9	0.9	0.8
NEW ENGLAND			
Delaware	0.1	0.1	0.1
Maryland	1.3	1.3	1.2
New Jersey	0.6	0.6	0.6
New York	1.0	0.8	1.0
Pennsylvania	1.1	1.1	1.0
GREAT LAKES			
Illinois	0.1	0.1	0.1
Indiana	0.9	0.9	0.7
Michigan	0.3	0.3	0.3
Ohio	0.0	0.0	0.0
Wisconsin	0.2	0.2	0.2
PLAINS			
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
SOUTHEAST			
Alabama	0.0	0.0	0.0
Arkansas	2.2	2.2	2.1
Florida	0.0	0.0	0.0
Georgia	0.0	0.0	0.0
Kentucky	0.0	0.0	0.0
Louisiana	0.0	0.0	0.0
Mississippi	0.0	0.0	0.0
North Carolina	0.0	0.0	0.0
South Carolina	0.1	0.2	0.2
Tennessee	0.0	0.0	0.0
Virginia	0.2	0.1	0.1
West Virginia	0.0	0.0	0.0
SOUTHWEST			
Arizona	0.0	0.0	0.0
New Mexico	0.1	0.1	0.1
Oklahoma	0.2	0.1	0.1
Texas	0.0	0.0	0.0
ROCKY MOUNTAIN			
Colorado	0.5	0.4	0.4
Idaho	0.2	0.2	0.1
Montana	0.0	0.0	0.0
Utah	0.1	0.1	0.1
Wyoming	0.0	0.0	0.0
FAR WEST			
Alaska	0.8	0.7	0.6
California	2.8	2.7	2.4
Hawaii	0.4	0.4	0.4
Nevada	0.1	0.1	0.1
Oregon	0.0	0.0	0.0
Washington	0.4	0.4	0.4
ALL STATES	0.7 %	0.7 %	0.6 %

Source: National Association of State Budget Officers, 2007 State Expenditure Report

Table 26

ANNUAL PERCENTAGE CHANGE IN OTHER CASH ASSISTANCE EXPENDITURES

Region/State	Fiscal 2006 to 2007			Fiscal 2007 to 2008		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	3.2 %	— %	3.2 %	6.2 %	— %	6.2 %
Maine	-29.4	0.0	-27.8	8.3	-100.0	0.0
Massachusetts	4.3	8.3	4.3	8.2	-7.7	8.0
New Hampshire	0.0	—	0.0	15.4	—	15.4
Rhode Island	-8.6	7.7	-2.8	-35.9	11.9	-17.0
Vermont	-21.1	20.0	2.3	20.0	-13.3	-2.2
MID-ATLANTIC						
Delaware	0.0	—	0.0	0.0	—	0.0
Maryland	-7.3	12.4	10.1	-7.9	-2.3	-2.8
New Jersey	1.4	39.6	8.2	-1.8	1.5	-1.0
New York	-5.5	—	-5.5	25.8	—	25.8
Pennsylvania	5.1	6.3	5.8	3.1	-0.6	1.1
GREAT LAKES						
Illinois	5.1	-66.7	0.0	-2.4	100.0	0.0
Indiana	0.0	-2.5	-2.0	0.0	-24.2	-18.9
Michigan	2.7	0.0	2.4	0.0	13.3	1.5
Ohio	8.7	—	8.7	8.0	—	8.0
Wisconsin	0.0	-11.3	-10.8	0.0	5.5	5.2
PLAINS						
Iowa	0.0	—	0.0	0.0	—	0.0
Kansas	0.0	—	0.0	0.0	—	0.0
Minnesota	4.9	—	4.9	10.9	—	10.9
Missouri	0.0	—	0.0	8.3	—	8.3
Nebraska	0.0	0.0	0.0	14.3	0.0	12.5
North Dakota	—	—	—	—	—	—
South Dakota	—	—	—	—	—	—
SOUTHEAST						
Alabama	—	—	—	—	—	—
Arkansas	6.1	5.7	5.9	9.3	15.8	13.3
Florida	—	—	—	—	—	—
Georgia	—	—	—	—	—	—
Kentucky	—	—	—	—	—	—
Louisiana	—	—	—	—	—	—
Mississippi	—	—	—	—	—	—
North Carolina	—	—	—	—	—	—
South Carolina	32.0	—	32.0	42.4	—	42.4
Tennessee	—	—	—	—	—	—
Virginia	-66.7	-10.6	-22.0	-25.0	-16.7	-17.4
West Virginia	-100.0	—	-100.0	—	—	—
SOUTHWEST						
Arizona	-50.0	0.0	-40.0	50.0	0.0	33.3
New Mexico	14.3	—	14.3	0.0	—	0.0
Oklahoma	-10.7	—	-10.7	-12.0	—	-12.0
Texas	—	—	—	—	—	—
ROCKY MOUNTAIN						
Colorado	1.4	—	1.4	5.3	—	5.3
Idaho	12.5	—	12.5	0.0	—	0.0
Montana	—	—	—	—	—	—
Utah	10.0	—	10.0	-18.2	—	-18.2
Wyoming	—	—	—	—	—	—
FAR WEST						
Alaska	-2.5	0.0	-2.5	-10.3	0.0	-10.1
California	3.9	-6.5	2.3	1.5	-4.9	0.6
Hawaii	8.3	—	8.3	17.9	—	17.9
Nevada	16.7	—	16.7	0.0	—	0.0
Oregon	—	0.0	0.0	—	25.0	25.0
Washington	13.6	0.0	13.3	-3.4	0.0	-3.4
ALL STATES	2.3 %	1.7 %	2.2 %	5.2 %	-2.2 %	3.7 %

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

Source: National Association of State Budget Officers, 2007 State Expenditure Report

Public Assistance Notes

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

Colorado: "Other Cash Assistance" includes the OAP Cash Assistance and Aid to the Needy Disabled State Supplemental Grant Program. The FY 2005-06 and FY 2006-07 OAP numbers are taken from the Nov 1, 2007 DHS Sch 3, page (10)-17, for and the FY 2007-08 expenditure is the HB 08-1287 appropriation. The Aid to the Needy Disabled State Supplemental Grant Program expenditures for FY 2005-06 and FY 2006-07 are from the Nov 1, 2007 Sch 3, page (10)-35. However, the line was combined with other programs that are not classified as cash assistance in FY 2007-08, so the FY 2007-08 number is a continuation of the FY 2006-07 expenditure.

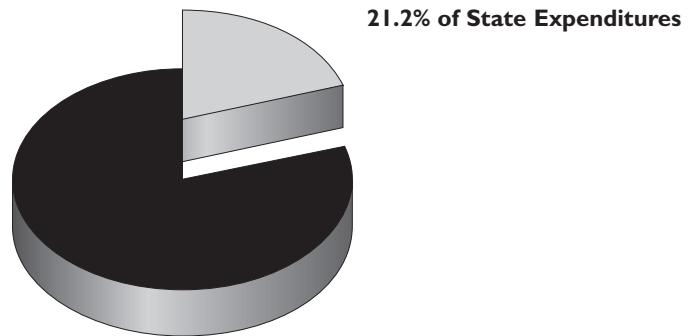
Connecticut: TANF figures exclude medical assistance under the State Administered General Assistance Program. Amounts for that purpose were \$136 million in fiscal 2006, \$153 million in fiscal 2007, and \$174 million in fiscal 2008.

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 \$460.0 million in fiscal 2006; \$433.8 million in fiscal 2007; and are estimated at \$410.7 million in fiscal 2008.

Texas: In fiscal 2006, TANF amounts were revised to reflect only the Cash Assistance expenditures. Non-Cash Assistance expenditures for statewide TANF services were included in the NASBO 2006 State Expenditure Report. The TANF decrease in fiscal 2008 Federal expenditures is because of the decrease in projected caseloads. TANF State General Revenue Maintenance of Effort (GR-MOE) must be expended at appropriated Levels which have remained fairly level. Therefore decreases in caseloads and the corresponding decreases in Cash Assistance payments show up most prominently in the Federal TANF.

CHAPTER FOUR

MEDICAID EXPENDITURES



Medicaid, a means-tested entitlement program financed by the states and the federal government, provides comprehensive and long-term medical care for more than 59 million low-income individuals.

Total Medicaid spending in fiscal 2007 was \$305.1 billion, excluding administrative costs, which represents a 6.1 percent increase over fiscal 2006. Medicaid spending for fiscal 2008 is estimated at \$322 billion, an increase of 5.5 percent over fiscal 2007. Medicaid accounted for 21.2 percent of total state spending in fiscal 2007 and is tied with elementary and secondary education as the single largest portion of *total* state spending.

Included in Medicaid spending are the Medicare Part D “clawback” payments, statutorily known as the phased down state contribution. Beginning in January 2006, the prescription drug costs for those eligible for both Medicare and Medicaid were no longer part of the Medicaid program. Instead these costs are now part of Medicare Part D. States finance these benefits by providing a payment to the federal Medicare trust fund—commonly known as “clawback” payments. As shown in Appendix Table A-3, these “clawback” payments total \$2.1 billion in fiscal 2006, \$6.9 billion in fiscal 2007, and are estimated at \$7 billion for fiscal 2008.

Figures 14 and 15 provide actual and projected Medicaid costs for total spending and for state spending from 1970 to 2008. 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. Although Medicaid enrollment decreased by 0.5 percent in fiscal 2007 it is projected to increase by 2.1 percent in fiscal 2008 and by 3.5 percent in fiscal 2009, according to the Kaiser Commission on Medicaid and the Uninsured. The downturn in the economy is expected to result in significant increases in Medicaid enrollment as it has during previous economic slowdowns. For example, enrollment increased by 9.5 percent in fiscal 2002. The Centers for Medicare and Medicaid Services (CMS), in its first annual report on the financial outlook for Medicaid, is projecting an average annual rate of enrollment increase at 1.2 percent over the next 10 years.

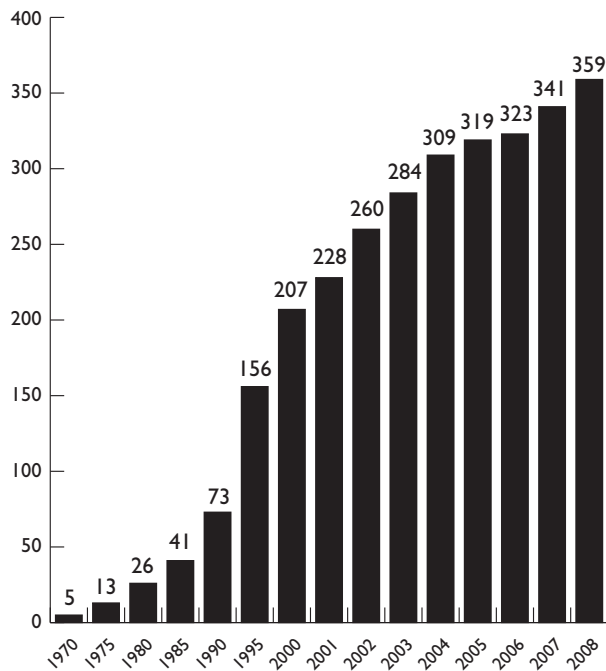
States have been aggressive over the past five years in pursuing cost containment measures to help slow spending increases. According to the Kaiser Commission on Medicaid and the Uninsured, every state instituted cost containment measures during this period with the majority centered on freezing or reducing provider payments and managing prescription drug costs. Long range projections for national health expenditures are estimated to increase on average approximately 6.7 percent annually, according to CMS and will continue to rise as a percentage of the nation's gross domestic product.

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, health care cost increases and greater utilization of services; the aging population and the impact on long-term care financing; regulatory actions at the federal level that would limit federal participation for key services; workforce shortages such as nurses; hospital finances; 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; and generally the pressure to maintain health care spending that on average consumes a greater share of state budgets over time. State officials are also concerned about the number of citizens in their states without health insurance, but often lack the necessary resources to commit to plans for the uninsured.

Even with more moderating growth rates in health care spending from the height of the economic downturn in the early 2000's, projections over the next ten years remain at an average annual rate of about 7.9 percent from fiscal 2008 through fiscal 2018, according to recent estimates by CMS. With Medicaid comprising 21 percent of state spending, these long-term growth rates will continue to strain state budgets.

Figure 14, based on August 2008 projections by the Congressional Budget Office (CBO), 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.

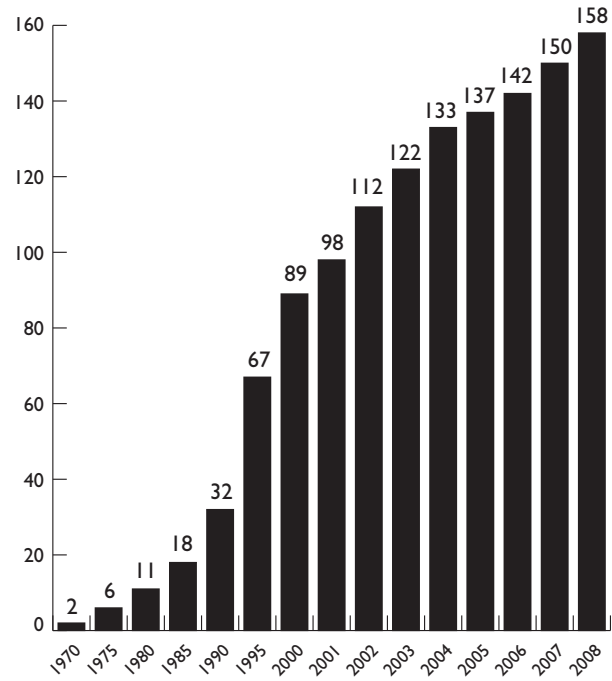
Figure 14
ACTUAL AND PROJECTED TOTAL MEDICAID SPENDING, 1970 TO 2008 (IN BILLIONS)



Source: Congressional Budget Office and Federal Funds Information for States

Figure 15, also based on August 2008 projections by the CBO, again 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 2008 (IN BILLIONS)



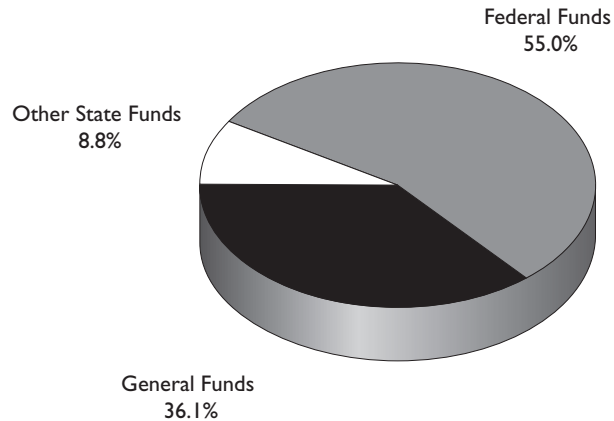
Source: Congressional Budget Office and Federal Funds Information for States

Fund Shares

The figure below provides fund shares for 2007.

Figure 16

STATE EXPENDITURES FOR MEDICAID BY FUND SOURCE, FISCAL 2007



Regional Expenditures

The following table shows percentage changes in expenditures for Medicaid for fiscal 2006-2007 and 2007-2008 by region. For 2007, the Southwest region is well above the national average while the Rocky Mountain region is 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 2007 AND 2008

Region	Fiscal 2006 to 2007			Fiscal 2007 to 2008		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	5.3 %	-3.0 %	3.6 %	8.6 %	10.5 %	9.0 %
Mid-Atlantic	4.1	4.9	4.6	-1.0	-1.2	-1.1
Great Lakes	0.6	9.1	4.1	9.2	9.2	9.2
Plains	12.3	1.1	5.9	2.4	8.4	5.7
Southeast	11.6	5.9	7.9	6.4	5.2	5.6
Southwest	13.9	11.6	12.4	7.7	7.4	7.5
Rocky Mountain	4.8	-2.3	0.5	5.7	8.2	7.2
Far West	1.1	7.9	4.9	5.3	10.6	8.3
ALL STATES	5.8 %	6.3 %	6.1 %	5.3 %	5.8 %	5.5 %

Table 28

MEDICAID EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2006				Actual Fiscal 2007				Estimated Fiscal 2008			
	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total
NEW ENGLAND												
Connecticut*	\$3,141	\$0	\$780	\$3,921	\$3,152	\$0	\$775	\$3,927	\$3,519	\$0	\$785	\$4,304
Maine	677	1,429	166	2,272	660	1,342	169	2,171	666	1,548	187	2,401
Massachusetts	6,889	0	28	6,917	7,551	0	0	7,551	8,248	0	0	8,248
New Hampshire	409	553	153	1,115	440	580	157	1,177	468	615	167	1,250
Rhode Island	775	917	0	1,692	796	848	0	1,644	890	930	0	1,820
Vermont	168	529	193	890	197	556	188	941	193	581	178	952
MID-ATLANTIC												
Delaware	459	464	0	923	486	490	0	976	509	550	0	1,059
Maryland*	2,479	2,609	103	5,191	2,559	2,775	115	5,449	2,546	2,787	220	5,553
New Jersey	4,274	4,519	185	8,978	4,380	4,554	129	9,063	4,422	4,341	136	8,899
New York*	8,291	18,687	3,231	30,209	9,017	19,867	3,504	32,388	8,568	19,102	3,370	31,040
Pennsylvania	6,111	9,106	2,005	17,222	6,418	9,441	1,634	17,493	6,533	9,915	1,648	18,096
GREAT LAKES												
Illinois	3,778	5,479	2,135	11,392	4,235	5,977	2,336	12,548	4,449	6,623	2,886	13,958
Indiana	1,400	3,034	388	4,822	1,461	3,117	415	4,993	1,537	3,335	380	5,252
Michigan*	2,219	4,698	1,480	8,397	2,326	5,227	1,682	9,235	2,373	5,930	1,840	10,143
Ohio	9,991	1,987	1,461	13,439	9,251	2,355	1,150	12,756	10,272	2,480	1,338	14,090
Wisconsin	1,380	2,693	421	4,494	1,788	2,835	147	4,770	1,699	2,932	290	4,921
PLAINS												
Iowa	599	1,538	521	2,658	665	1,470	490	2,625	617	1,575	539	2,731
Kansas	763	1,331	72	2,166	835	1,310	86	2,231	889	1,397	93	2,379
Minnesota	2,704	2,833	0	5,537	2,965	3,060	0	6,025	3,173	3,296	0	6,469
Missouri*	1,328	4,024	1,526	6,878	1,106	4,002	2,360	7,468	1,285	4,376	1,972	7,633
Nebraska	579	855	18	1,452	619	889	20	1,528	719	977	23	1,719
North Dakota	162	342	5	509	165	326	4	495	191	362	4	557
South Dakota	209	431	0	640	219	420	0	639	254	463	0	717
SOUTHEAST												
Alabama*	506	2,999	726	4,231	491	3,107	898	4,496	563	2,972	790	4,325
Arkansas	560	2,307	277	3,144	652	2,297	255	3,204	647	2,567	359	3,573
Florida*	4,167	8,135	1,543	13,845	4,549	8,291	1,500	14,340	4,942	8,327	1,644	14,913
Georgia	2,040	3,692	416	6,148	2,211	4,472	730	7,413	2,051	4,747	937	7,735
Kentucky	967	3,126	397	4,490	982	3,107	442	4,531	1,133	3,313	391	4,837
Louisiana	791	3,716	240	4,747	752	4,018	413	5,183	895	4,643	468	6,006
Mississippi	315	2,577	422	3,314	315	2,577	422	3,314	51	2,689	418	3,158
North Carolina	2,508	5,466	865	8,839	2,650	6,152	1,692	10,494	2,915	6,395	1,684	10,994
South Carolina	721	2,695	488	3,904	754	3,062	659	4,475	834	3,410	681	4,925
Tennessee*	2,058	4,458	400	6,916	2,259	4,567	267	7,093	2,696	4,648	267	7,611
Virginia	2,393	2,378	2	4,773	2,586	2,456	0	5,042	2,743	2,603	0	5,346
West Virginia	315	1,542	258	2,115	409	1,547	201	2,157	401	1,726	242	2,369
SOUTHWEST												
Arizona	1,373	4,180	545	6,098	1,523	4,436	549	6,508	1,272	4,947	567	6,786
New Mexico	703	1,810	51	2,564	764	1,941	44	2,749	833	2,090	48	2,971
Oklahoma	827	1,952	210	2,989	869	2,143	309	3,321	1,292	2,124	300	3,716
Texas*	6,216	10,782	856	17,854	6,589	12,373	1,634	20,596	7,485	13,270	1,432	22,187
ROCKY MOUNTAIN												
Colorado*	1,262	1,297	60	2,619	1,226	1,296	93	2,615	1,286	1,375	85	2,746
Idaho	308	709	79	1,096	321	713	85	1,119	349	771	88	1,208
Montana	162	522	35	719	158	510	51	719	162	565	60	787
Utah	301	1,028	185	1,514	318	984	184	1,486	328	1,080	195	1,603
Wyoming	136	273	0	409	213	239	0	452	247	257	0	504
FAR WEST												
Alaska	349	670	47	1,066	374	656	27	1,057	434	750	28	1,212
California	12,180	17,311	1,683	31,174	13,403	19,418	643	33,464	14,071	21,865	703	36,639
Hawaii	390	582	3	975	440	616	6	1,062	479	672	10	1,161
Nevada	387	673	103	1,163	437	700	106	1,243	450	637	80	1,167
Oregon	914	1,941	307	3,162	901	1,924	395	3,220	1,052	2,013	303	3,368
Washington	2,956	3,103	0	6,059	2,791	2,887	0	5,678	2,941	3,048	0	5,989
ALL STATES	\$104,590	\$157,982	\$25,069	\$287,641	\$110,228	\$167,930	\$26,966	\$305,124	\$116,572	\$177,619	\$27,836	\$322,027

Source: National Association of State Budget Officers, 2007 State Expenditure Report

*See Medicaid Notes for explanation

Table 29
MEDICAID EXPENDITURES AS A PERCENT OF TOTAL EXPENDITURES

Region/State	Fiscal 2006	Fiscal 2007	Fiscal 2008
NEW ENGLAND			
Connecticut	19.1 %	17.2 %	18.4 %
Maine	32.0	30.2	31.9
Massachusetts	17.7	18.1	20.0
New Hampshire	24.9	25.9	26.8
Rhode Island	25.5	24.4	24.9
Vermont	18.0	18.3	18.2
MID-ATLANTIC			
Delaware	12.2	12.3	13.1
Maryland	19.3	18.5	18.0
New Jersey	21.2	20.0	18.1
New York	29.0	28.7	26.7
Pennsylvania	31.9	30.7	30.2
GREAT LAKES			
Illinois	26.2	27.2	29.2
Indiana	22.3	21.9	21.8
Michigan	20.1	21.7	23.1
Ohio	25.1	24.0	25.7
Wisconsin	13.4	13.9	13.6
PLAINS			
Iowa	18.1	17.4	16.7
Kansas	18.9	18.6	18.2
Minnesota	21.5	22.2	22.4
Missouri	34.9	35.5	33.2
Nebraska	18.2	18.7	18.0
North Dakota	15.4	14.7	15.5
South Dakota	21.5	20.9	21.1
SOUTHEAST			
Alabama	12.6	12.3	10.0
Arkansas	20.5	19.9	18.6
Florida	22.5	21.7	21.2
Georgia	17.8	19.8	20.0
Kentucky	21.9	20.3	18.9
Louisiana	20.6	17.6	14.8
Mississippi	25.5	21.7	18.9
North Carolina	25.3	26.5	23.3
South Carolina	21.7	22.4	23.1
Tennessee	29.6	28.6	27.9
Virginia	15.0	14.5	15.1
West Virginia	10.4	11.6	12.5
SOUTHWEST			
Arizona	24.0	23.7	23.7
New Mexico	19.9	19.0	20.9
Oklahoma	18.3	17.2	17.8
Texas	24.3	25.4	24.7
ROCKY MOUNTAIN			
Colorado	16.8	15.6	15.3
Idaho	21.8	20.5	18.8
Montana	16.1	15.3	13.9
Utah	17.0	14.9	12.7
Wyoming	7.3	8.9	10.2
FAR WEST			
Alaska	11.1	9.2	9.7
California	18.0	18.3	18.0
Hawaii	10.3	10.0	9.2
Nevada	15.4	15.2	15.1
Oregon	15.6	15.9	14.4
Washington	21.8	19.0	18.5
ALL STATES	21.4 %	21.2 %	20.7 %

Source: National Association of State Budget Officers,
2007 State Expenditure Report

Table 30

ANNUAL PERCENTAGE CHANGE IN MEDICAID EXPENDITURES

Region/State	Fiscal 2006 to 2007			Fiscal 2007 to 2008		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	0.2 %	— %	0.2 %	9.6 %	— %	9.6 %
Maine	-1.7	-6.1	-4.4	2.9	15.4	10.6
Massachusetts	9.2	—	9.2	9.2	—	9.2
New Hampshire	6.2	4.9	5.6	6.4	6.0	6.2
Rhode Island	2.7	-7.5	-2.8	11.8	9.7	10.7
Vermont	6.6	5.1	5.7	-3.6	4.5	1.2
MID-ATLANTIC						
Delaware	5.9	5.6	5.7	4.7	12.2	8.5
Maryland	3.6	6.4	5.0	3.4	0.4	1.9
New Jersey	1.1	0.8	0.9	1.1	-4.7	-1.8
New York	8.7	6.3	7.2	-4.7	-3.9	-4.2
Pennsylvania	-0.8	3.7	1.6	1.6	5.0	3.4
GREAT LAKES						
Illinois	11.1	9.1	10.1	11.6	10.8	11.2
Indiana	4.9	2.7	3.5	2.2	7.0	5.2
Michigan	8.4	11.3	10.0	5.1	13.4	9.8
Ohio	-9.2	18.5	-5.1	11.6	5.3	10.5
Wisconsin	7.4	5.3	6.1	2.8	3.4	3.2
PLAINS						
Iowa	3.1	-4.4	-1.2	0.1	7.1	4.0
Kansas	10.3	-1.6	3.0	6.6	6.6	6.6
Minnesota	9.7	8.0	8.8	7.0	7.7	7.4
Missouri	21.4	-0.5	8.6	-6.0	9.3	2.2
Nebraska	7.0	4.0	5.2	16.1	9.9	12.5
North Dakota	1.2	-4.7	-2.8	15.4	11.0	12.5
South Dakota	4.8	-2.6	-0.2	16.0	10.2	12.2
SOUTHEAST						
Alabama	12.7	3.6	6.3	-2.6	-4.3	-3.8
Arkansas	8.4	-0.4	1.9	10.9	11.8	11.5
Florida	5.9	1.9	3.6	8.9	0.4	4.0
Georgia	19.7	21.1	20.6	1.6	6.1	4.3
Kentucky	4.4	-0.6	0.9	7.0	6.6	6.8
Louisiana	13.0	8.1	9.2	17.0	15.6	15.9
Mississippi	0.0	0.0	0.0	-36.4	4.3	-4.7
North Carolina	28.7	12.6	18.7	5.9	3.9	4.8
South Carolina	16.9	13.6	14.6	7.2	11.4	10.1
Tennessee	2.8	2.4	2.6	17.3	1.8	7.3
Virginia	8.0	3.3	5.6	6.1	6.0	6.0
West Virginia	6.5	0.3	2.0	5.4	11.6	9.8
SOUTHWEST						
Arizona	8.0	6.1	6.7	-11.2	11.5	4.3
New Mexico	7.2	7.2	7.2	9.0	7.7	8.1
Oklahoma	13.6	9.8	11.1	35.1	-0.9	11.9
Texas	16.3	14.8	15.4	8.4	7.2	7.7
ROCKY MOUNTAIN						
Colorado	-0.2	-0.1	-0.2	3.9	6.1	5.0
Idaho	4.9	0.6	2.1	7.6	8.1	8.0
Montana	6.1	-2.3	0.0	6.2	10.8	9.5
Utah	3.3	-4.3	-1.8	4.2	9.8	7.9
Wyoming	56.6	-12.5	10.5	16.0	7.5	11.5
FAR WEST						
Alaska	1.3	-2.1	-0.8	15.2	14.3	14.7
California	1.3	12.2	7.3	5.2	12.6	9.5
Hawaii	13.5	5.8	8.9	9.6	9.1	9.3
Nevada	10.8	4.0	6.9	-2.4	-9.0	-6.1
Oregon	6.1	-0.9	1.8	4.6	4.6	4.6
Washington	-5.6	-7.0	-6.3	5.4	5.6	5.5
ALL STATES	5.8 %	6.3 %	6.1 %	5.3 %	5.8 %	5.5 %

Note: State funds are defined as general funds and other state funds (bonds are excluded).
Source: National Association of State Budget Officers, 2007 State Expenditure Report

Medicaid Notes

States were asked to report Medicaid expenditures as follows: General funds: all general funds appropriated to the Medicaid agency and any other agency which are used for direct Medicaid matching purposes under Title XIX. Other state funds: other funds and revenue sources used as Medicaid match, such as local funds and provider taxes, fees, donations, assessments (as defined by the 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 2006 through fiscal 2008 Other State Funds includes provider taxes in the amounts of \$58 million, \$58 million, and \$59 million, respectively.

Colorado: "Medicaid Spending" includes all Title XIX expenditures—Medical Services Premiums (the actual cost of providing medical services to clients), Medicaid Mental Health services, and Medicaid services provided by the Department of Human Services. Any Medicaid community or institutional mental health funding is included in the Medicaid expenditures.

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.

Florida: 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 funds 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 \$362 million, cigarette taxes of \$113 million, tobacco settlement funds of \$83 million, state drug rebates of \$156 million, other non-general funds transferred as matching of \$53 million, state fraud recoupments of \$18 million, and local county funds of \$716 million. For fiscal 2007-08, Other State Funds include provider assessments of \$416 million, cigarette taxes of \$112 million, tobacco settlement funds of \$83 million, state drug rebates of \$156 million, other non-general funds transferred as matching of \$47 million, state fraud recoupments of \$18 million, and local county funds of \$813 million.

Maryland: Medicaid funds are estimates for each fiscal year; some expenditures may have been recorded in other fiscal years than are shown here.

Michigan: Other state funds include local funds of \$103.0 million, and provider taxes of \$674.0 million for fiscal 2006; local funds of \$102.0 million and provider taxes of \$856.0 million for fiscal 2007; and local funds of \$62.0 million and provider taxes of \$1,008.0 million for fiscal 2008. Public health and community and institutional care for mentally and developmentally disabled persons are partially reported in the Medicaid totals.

Missouri: Medicaid and SCHIP 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 \$404 million for fiscal 2006, \$1,002 million for fiscal 2007, and \$601 million for fiscal 2008.

New York: State Medicaid spending does not include local government shares.

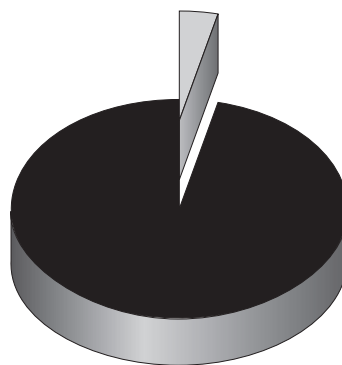
Tennessee: Regarding premium revenue: fiscal 2006 totals \$71 million, fiscal 2007 totals \$64 million, and fiscal 2008 totals \$64 million. Regarding Certified Public Expenditures—Local fund from Hospitals: fiscal 2006 totals \$251 million, fiscal 2007 totals \$416 million, and fiscal 2008 totals \$265 million. Regarding Nursing Home Tax: fiscal 2006 totals \$85 million, fiscal 2007 totals \$85 million,

and fiscal 2008 totals \$85 million. Regarding the ICF/MR 6 percent Gross Receipts Tax: fiscal 2006 totals \$16 million, fiscal 2007 totals \$16 million, and fiscal 2008 totals \$15 million. Regarding Intergovernmental Transfers: fiscal 2006 totals \$0 million, fiscal 2007 totals \$0 million, and fiscal 2008 totals \$0 million.

Texas: For fiscal 2006, Medicaid amounts were revised to coincide with the finalized FFY 2006 CMS 64 report for statewide expenditures.

CHAPTER FIVE

CORRECTIONS EXPENDITURES



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 \$48.6 billion in fiscal 2007, a 9.7 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.

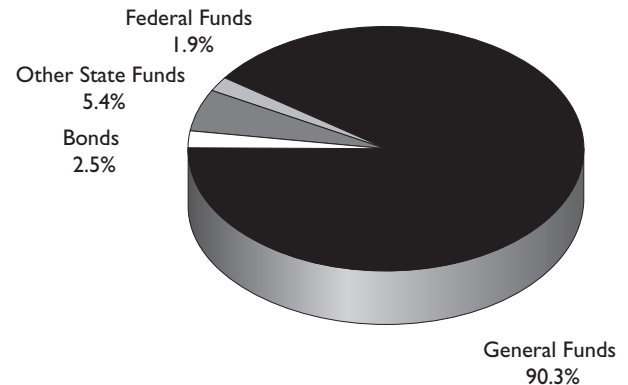
In fiscal 2007, corrections spending represented 3.4 percent of total state spending and 6.7 percent of general fund spending. General fund dollars are used primarily to fund state corrections spending and account for \$43.9 billion, or 90.3 percent, of all fiscal 2007 state corrections spending. State funds (general funds and other state funds combined, but excluding bonds) accounted for 95.7 percent of total state corrections spending in fiscal 2007. Bonds accounted for 2.5 percent, and federal funds accounted for 1.9 percent. Total

state corrections spending is estimated to be \$52.6 billion in fiscal 2008, 3.4 percent of total state spending, and an estimated increase of 8.1 percent over the fiscal 2007 level.

According to an analysis conducted by the Pew Public Safety Performance Project released in February 2008, 1.4 million prisoners were held in state correctional facilities at the end of calendar year 2007. Overall, state's prison population grew 1.4 percent in 2007. The South saw the largest prisoner increase at 2.8 percent, while the Northeast had an increase of 0.6 percent, the Midwest experienced an increase of 0.4 percent, and the West's population remained relatively unchanged with a decrease of less than 0.1 percent.

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

Figure 17
STATE EXPENDITURES FOR CORRECTIONS BY
FUND SOURCE, FISCAL 2007



Regional Expenditures

Table 31 shows changes in corrections expenditures by region between fiscal 2006 and fiscal 2007, and between fiscal 2007 and estimated fiscal 2008. Fiscal 2007 corrections spending in the Far West region increased by 17.6 percent, well above the national average of 9.7 percent. Although corrections expenditures did not decrease in any of the regions, the Rocky Mountain region experienced growth of only 1.2 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 fourteen states wholly or partially excluded spending on juvenile institutions. Seventeen states wholly or partially excluded spending on drug abuse rehabilitation centers and thirty-six states wholly or partially excluded spending for institutions for the criminally insane. Nineteen states wholly excluded aid to local governments for jails. For details, see Table 36.

Table 31
REGIONAL PERCENTAGE CHANGE IN STATE CORRECTIONS EXPENDITURES,
FISCAL 2007 AND 2008

Region	Fiscal 2006 to 2007			Fiscal 2007 to 2008		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	4.8%	-23.8%	4.9%	11.1%	-18.8%	10.5%
Mid-Atlantic	13.2	-6.1	11.6	2.6	-5.0	1.8
Great Lakes	6.7	27.6	6.7	5.1	-14.0	4.6
Plains	7.9	5.6	10.9	8.1	47.4	6.8
Southeast	6.8	28.3	6.4	8.5	-8.6	7.1
Southwest	5.8	-48.9	5.4	7.0	41.3	18.0
Rocky Mountain	1.7	-37.5	1.2	9.9	60.0	10.3
Far West	16.7	-8.0	17.6	11.4	14.1	11.6
ALL STATES	9.7%	0.5%	9.7%	7.7%	0.5%	8.1%

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

Region/State	Actual Fiscal 2006					Actual Fiscal 2007					Estimated Fiscal 2008				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$624	\$4	\$1	\$4	\$633	\$631	\$3	\$0	\$13	\$647	\$699	\$3	\$0	\$6	\$708
Maine	132	3	2	0	137	138	3	3	0	144	153	4	4	0	161
Massachusetts	1,058	1	0	0	1,059	1,126	0	0	0	1,126	1,250	0	1	0	1,251
New Hampshire	88	1	3	1	93	92	0	3	2	97	101	1	3	1	106
Rhode Island*	151	9	2	0	162	156	9	5	0	170	185	4	9	0	198
Vermont	103	3	6	2	114	116	1	4	1	122	116	1	6	1	124
MID-ATLANTIC															
Delaware	227	1	5	0	233	252	1	5	0	258	200	0	5	0	205
Maryland	967	22	110	23	1,122	1,166	20	114	4	1,304	1,192	26	77	68	1,363
New Jersey	1,401	18	98	0	1,517	1,504	16	102	0	1,622	1,581	18	103	0	1,702
New York	2,407	151	39	250	2,847	2,889	193	45	212	3,339	2,871	182	62	254	3,369
Pennsylvania	1,575	85	66	134	1,860	1,638	30	91	177	1,936	1,836	21	82	36	1,975
GREAT LAKES															
Illinois	1,057	0	63	11	1,131	1,230	0	90	20	1,340	1,363	0	120	18	1,501
Indiana	613	0	54	0	667	645	0	75	0	720	669	0	65	0	734
Michigan*	2,012	96	79	2	2,189	2,064	93	82	6	2,245	2,178	100	98	2	2,378
Ohio	1,713	25	173	56	1,967	1,766	63	190	25	2,044	1,794	29	187	25	2,035
Wisconsin	956	2	133	0	1,091	1,037	1	132	0	1,170	1,076	6	136	0	1,218
PLAINS															
Iowa	296	1	55	15	367	319	1	74	13	407	353	1	70	8	432
Kansas	301	3	52	6	362	310	3	43	11	367	341	2	53	12	408
Minnesota	403	3	14	13	433	436	5	16	77	534	460	5	20	46	531
Missouri*	506	7	28	0	541	556	9	37	0	602	575	28	50	0	653
Nebraska	155	3	20	0	178	169	3	22	0	194	179	3	30	0	212
North Dakota	50	6	7	2	65	54	4	5	0	63	65	3	8	0	76
South Dakota	70	13	9	0	92	74	13	6	0	93	81	14	7	0	102
SOUTHEAST															
Alabama	371	8	99	1	479	387	14	145	4	550	420	17	159	1	597
Arkansas	299	1	44	0	344	313	1	40	0	354	348	5	57	0	410
Florida*	2,425	91	124	0	2,640	2,707	78	128	0	2,913	2,819	91	152	0	3,062
Georgia	979	10	28	32	1,049	997	17	46	21	1,081	1,100	10	26	34	1,170
Kentucky	431	16	52	0	499	465	16	45	0	526	521	17	46	0	584
Louisiana	538	2	82	4	626	539	2	75	5	621	625	3	85	2	715
Mississippi	218	1	74	0	293	227	1	81	0	309	266	0	61	0	327
North Carolina	1,077	4	125	0	1,206	1,156	1	131	0	1,288	1,254	3	106	0	1,363
South Carolina	403	18	111	1	533	438	21	125	1	585	487	9	122	0	618
Tennessee	541	1	34	73	649	572	62	40	40	714	675	1	48	35	759
Virginia	1,166	38	19	173	1,396	1,136	31	68	168	1,403	1,254	67	73	88	1,482
West Virginia	150	1	9	23	183	168	1	10	9	188	181	1	11	1	194
SOUTHWEST															
Arizona	800	34	96	0	930	895	3	90	0	988	951	30	108	0	1,089
New Mexico	228	3	19	1	251	238	3	15	1	257	277	2	22	0	301
Oklahoma	414	6	38	0	458	461	6	36	0	503	491	1	45	4	541
Texas	2,677	47	91	31	2,846	2,811	34	69	67	2,981	2,958	32	86	573	3,649
ROCKY MOUNTAIN															
Colorado*	533	3	45	0	581	576	1	56	0	633	625	3	73	0	701
Idaho	162	7	32	3	204	175	6	50	3	234	207	9	35	3	254
Montana	131	1	9	0	141	138	1	9	0	148	169	1	12	0	182
Utah*	291	4	20	0	315	324	2	23	0	349	330	3	34	0	367
Wyoming	103	1	4	0	108	1	0	0	0	1	1	0	0	0	1
FAR WEST															
Alaska	219	7	16	0	242	248	5	24	0	277	240	8	26	0	274
California	7,258	131	1	0	7,390	8,678	121	20	0	8,819	9,657	131	22	2	9,812
Hawaii	182	3	10	1	196	201	2	12	0	215	228	2	18	17	265
Nevada	198	3	49	7	257	225	3	50	31	309	253	3	28	117	401
Oregon	641	13	34	60	748	637	12	28	112	789	763	20	28	30	841
Washington	778	5	33	86	902	823	6	42	172	1,043	917	6	66	193	1,182
TOTAL	\$40,078	\$916	\$2,317	\$1,015	\$44,326	\$43,904	\$921	\$2,602	\$1,195	\$48,622	\$47,335	\$926	\$2,745	\$1,577	\$52,583

Source: National Association of State Budget Officers, 2007 State Expenditure Report

*See Corrections Notes for explanation

Table 33
CORRECTIONS EXPENDITURES AS A PERCENT OF
TOTAL EXPENDITURES

Region/State	Fiscal 2006	Fiscal 2007	Fiscal 2008
NEW ENGLAND			
Connecticut	3.1 %	2.8 %	3.0 %
Maine	1.9	2.0	2.1
Massachusetts	2.7	2.7	3.0
New Hampshire	2.1	2.1	2.3
Rhode Island	2.4	2.5	2.7
Vermont	2.3	2.4	2.4
MID-ATLANTIC			
Delaware	3.1	3.2	2.5
Maryland	4.2	4.4	4.4
New Jersey	3.6	3.6	3.5
New York	2.7	3.0	2.9
Pennsylvania	3.5	3.4	3.3
GREAT LAKES			
Illinois	2.6	2.9	3.1
Indiana	3.1	3.2	3.0
Michigan	5.2	5.3	5.4
Ohio	3.7	3.8	3.7
Wisconsin	3.3	3.4	3.4
PLAINS			
Iowa	2.5	2.7	2.6
Kansas	3.2	3.1	3.1
Minnesota	1.7	2.0	1.8
Missouri	2.7	2.9	2.8
Nebraska	2.2	2.4	2.2
North Dakota	2.0	1.9	2.1
South Dakota	3.1	3.0	3.0
SOUTHEAST			
Alabama	1.4	1.5	1.4
Arkansas	2.2	2.2	2.1
Florida	4.3	4.4	4.4
Georgia	3.0	2.9	3.0
Kentucky	2.4	2.4	2.3
Louisiana	2.7	2.1	1.8
Mississippi	2.3	2.0	2.0
North Carolina	3.4	3.2	2.9
South Carolina	3.0	2.9	2.9
Tennessee	2.8	2.9	2.8
Virginia	4.4	4.0	4.2
West Virginia	0.9	1.0	1.0
SOUTHWEST			
Arizona	3.7	3.6	3.8
New Mexico	1.9	1.8	2.1
Oklahoma	2.8	2.6	2.6
Texas	3.9	3.7	4.1
ROCKY MOUNTAIN			
Colorado	3.7	3.8	3.9
Idaho	4.1	4.3	4.0
Montana	3.2	3.1	3.2
Utah	3.5	3.5	2.9
Wyoming	1.9	0.0	0.0
FAR WEST			
Alaska	2.5	2.4	2.2
California	4.3	4.8	4.8
Hawaii	2.1	2.0	2.1
Nevada	3.4	3.8	5.2
Oregon	3.7	3.9	3.6
Washington	3.2	3.5	3.7
ALL STATES	3.3 %	3.4 %	3.4 %

Source: National Association of State Budget Officers,
2007 State Expenditure Report

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

Region/State	Fiscal 2006	Fiscal 2007	Fiscal 2008
NEW ENGLAND			
Connecticut	4.3 %	4.1 %	4.3 %
Maine	4.7	4.6	4.9
Massachusetts	4.1	4.1	4.6
New Hampshire	6.5	6.6	6.8
Rhode Island	4.9	4.8	5.5
Vermont	9.1	9.7	9.4
MID-ATLANTIC			
Delaware	7.1	7.4	6.1
Maryland	7.8	8.2	8.2
New Jersey	5.0	5.0	4.8
New York	5.2	5.6	5.4
Pennsylvania	6.4	6.2	6.7
GREAT LAKES			
Illinois	5.4	5.9	6.1
Indiana	5.1	5.3	5.3
Michigan	21.8	22.5	22.0
Ohio	6.9	7.4	7.3
Wisconsin	7.7	7.9	8.0
PLAINS			
Iowa	5.9	5.9	6.0
Kansas	5.9	5.5	5.6
Minnesota	2.5	2.6	2.6
Missouri	7.1	7.1	6.8
Nebraska	5.3	5.4	5.1
North Dakota	5.2	5.3	5.4
South Dakota	7.0	7.0	7.1
SOUTHEAST			
Alabama	2.9	2.6	2.5
Arkansas	7.9	7.8	8.0
Florida	9.4	9.8	10.0
Georgia	6.3	5.9	5.9
Kentucky	5.2	5.3	5.5
Louisiana	6.9	5.8	6.4
Mississippi	6.0	5.8	6.4
North Carolina	6.3	6.2	6.2
South Carolina	7.1	6.7	6.6
Tennessee	5.7	5.6	5.5
Virginia	8.0	6.9	7.6
West Virginia	4.2	4.5	4.7
SOUTHWEST			
Arizona	9.2	8.5	9.5
New Mexico	4.2	4.0	4.6
Oklahoma	7.8	7.7	7.0
Texas	7.7	7.2	6.8
ROCKY MOUNTAIN			
Colorado	8.5	8.5	8.6
Idaho	7.3	6.8	7.3
Montana	8.4	8.3	8.6
Utah	6.9	6.9	5.7
Wyoming	5.5	0.0	0.0
FAR WEST			
Alaska	7.0	5.7	4.7
California	7.9	8.6	9.3
Hawaii	3.9	3.7	4.3
Nevada	6.8	7.8	7.9
Oregon	10.5	11.3	10.6
Washington	5.7	5.8	6.3
ALL STATES	6.7 %	6.7 %	6.9 %

Source: National Association of State Budget Officers,
2007 State Expenditure Report

Table 35

ANNUAL PERCENTAGE CHANGE IN CORRECTIONS EXPENDITURES

Region/State	Fiscal 2006 to 2007			Fiscal 2007 to 2008		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	4.3 %	100.0 %	4.5 %	5.9 %	-25.0 %	9.0 %
Connecticut	1.0 %	-25.0 %	2.2 %	10.8 %	0.0 %	9.4 %
Maine	5.2	0.0	5.1	11.3	33.3	11.8
Massachusetts	6.4	-100.0	6.3	11.1	—	11.1
New Hampshire	4.4	-100.0	4.3	9.5	—	9.3
Rhode Island	5.2	0.0	4.9	20.5	-55.6	16.5
Vermont	10.1	-66.7	7.0	1.7	0.0	1.6
MID-ATLANTIC						
Delaware	10.8	0.0	10.7	-20.2	-100.0	-20.5
Maryland	18.8	-9.1	16.2	-0.9	30.0	4.5
New Jersey	7.1	-11.1	6.9	4.9	12.5	4.9
New York	20.0	27.8	17.3	0.0	-5.7	0.9
Pennsylvania	5.4	-64.7	4.1	10.9	-30.0	2.0
GREAT LAKES						
Illinois	17.9	—	18.5	12.3	—	12.0
Indiana	7.9	—	7.9	1.9	—	1.9
Michigan	2.6	-3.1	2.6	6.1	7.5	5.9
Ohio	3.7	152.0	3.9	1.3	-54.0	-0.4
Wisconsin	7.3	-50.0	7.2	3.7	500.0	4.1
PLAINS						
Iowa	12.0	0.0	10.9	7.6	0.0	6.1
Kansas	0.0	0.0	1.4	11.6	-33.3	11.2
Minnesota	8.4	66.7	23.3	6.2	0.0	-0.6
Missouri	11.0	28.6	11.3	5.4	211.1	8.5
Nebraska	9.1	0.0	9.0	9.4	0.0	9.3
North Dakota	3.5	-33.3	-3.1	23.7	-25.0	20.6
South Dakota	1.3	0.0	1.1	10.0	7.7	9.7
SOUTHEAST						
Alabama	13.2	75.0	14.8	8.8	21.4	8.5
Arkansas	2.9	0.0	2.9	14.7	400.0	15.8
Florida	11.2	-14.3	10.3	4.8	16.7	5.1
Georgia	3.6	70.0	3.1	8.0	-41.2	8.2
Kentucky	5.6	0.0	5.4	11.2	6.3	11.0
Louisiana	-1.0	0.0	-0.8	15.6	50.0	15.1
Mississippi	5.5	0.0	5.5	6.2	-100.0	5.8
North Carolina	7.1	-75.0	6.8	5.7	200.0	5.8
South Carolina	9.5	16.7	9.8	8.2	-57.1	5.6
Tennessee	6.4	6,100.0	10.0	18.1	-98.4	6.3
Virginia	1.6	-18.4	0.5	10.2	116.1	5.6
West Virginia	11.9	0.0	2.7	7.9	0.0	3.2
SOUTHWEST						
Arizona	9.9	-91.2	6.2	7.5	900.0	10.2
New Mexico	2.4	0.0	2.4	18.2	-33.3	17.1
Oklahoma	10.0	0.0	9.8	7.8	-83.3	7.6
Texas	4.0	-27.7	4.7	5.7	-5.9	22.4
ROCKY MOUNTAIN						
Colorado	9.3	-66.7	9.0	10.4	200.0	10.7
Idaho	16.0	-14.3	14.7	7.6	50.0	8.5
Montana	5.0	0.0	5.0	23.1	0.0	23.0
Utah	11.6	-50.0	10.8	4.9	50.0	5.2
Wyoming	-99.1	-100.0	-99.1	0.0	—	0.0
FAR WEST						
Alaska	15.7	-28.6	14.5	-2.2	60.0	-1.1
California	19.8	-7.6	19.3	11.3	8.3	11.3
Hawaii	10.9	-33.3	9.7	15.5	0.0	23.3
Nevada	11.3	0.0	20.2	2.2	0.0	29.8
Oregon	-1.5	-7.7	5.5	18.9	66.7	6.6
Washington	6.7	20.0	15.6	13.6	0.0	13.3
ALL STATES	9.7 %	0.5 %	9.7 %	7.7 %	0.5 %	8.1 %

Note: State funds are defined as general funds and other state funds (bonds are excluded)
Source: National Association of State Budget Officers, 2007 State Expenditure Report

Table 36

ITEMS EXCLUDED FROM CORRECTIONS EXPENDITURES

Region/State	Employer Contributions to Pensions	Employer Contributions to Health Benefits	Juvenile Delinquency Counseling	Juvenile Institutions	Aid to Local Govts. for Jails	Drug Abuse Rehab. Centers	Institutions for the Criminally Insane
NEW ENGLAND							
Connecticut	X	X	X		X		X
Maine							X
Massachusetts						X	X
New Hampshire			X	X	X		
Rhode Island			X	X	X		X
Vermont			X	X	X	P	X
MID-ATLANTIC							
Delaware			X	X	X		X
Maryland					X	X	X
New Jersey							X
New York	P	P	P	X	X		X
Pennsylvania							
GREAT LAKES							
Illinois	X	X					
Indiana					X	P	X
Michigan						X	X
Ohio			X				
Wisconsin							
PLAINS							
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
SOUTHEAST							
Alabama					X	X	X
Arkansas			X	X			X
Florida					X	P	X
Georgia*			X	X			X
Kentucky							
Louisiana			X				X
Mississippi			X	X			X
North Carolina					X		
South Carolina							
Tennessee			X	X			P
Virginia							
West Virginia					X		X
SOUTHWEST							
Arizona							P
New Mexico			X	X	X		X
Oklahoma							
Texas					X		P
ROCKY MOUNTAIN							
Colorado			P	P			
Idaho							X
Montana			X			P	X
Utah			X			X	X
Wyoming			X				X
FAR WEST							
Alaska			P			X	
California							X
Hawaii	P	P	X	X	X		X
Nevada			X	X	X	X	X
Oregon						P	X
Washington					X	X	X
ALL STATES	5	5	22	14	19	17	36

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

Source: National Association of State Budget Officers, 2007 State Expenditure Report
 *See Corrections Notes for explanation

Corrections Notes

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

Colorado: The Department of Corrections budget includes some juvenile services through the Youthful Offender System. However, the Division of Youth Corrections (where the majority of delinquent youth are served) is in the Department of Human Services and is therefore not captured in the Corrections budget. The Department of Corrections reimburses local jails for parolees who have been revoked and are awaiting a return placement in DOC.

Florida: Fiscal Year 2007-08 Estimated Expenditures reflect a total reduction of \$57 million due to a Special Session reduction bill that reduced the FY 2007-08 agency budgets and a Special Reduction Act passed during the first week of Florida's regular legislative session that reduced FY 2007-08 budgets a second time. Increase between the FY 2007-08 Estimated Expenditures and the FY 2006-07 Actual Expenditures is primarily due to the funding for additional prison construction. The slight adjustment to the FY 2006-07 Actual Capital from last year's submission is due to FEMA funds received during the year that additional authority was provided through the budget amendment process to allow expenditure of the funds.

Georgia: Corrections does not operate facilities for the criminally insane. This is a responsibility of Department of Human Resources.

Michigan: Figures include adult inmate and juvenile justice expenditures.

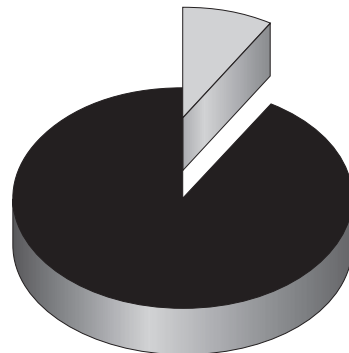
Missouri: All Other State Expenditures includes capital expenditures for maintenance and repair projects at facilities operated by the Department of Corrections.

Rhode Island: In this year's State Expenditure Report, expenditures reported under "Corrections" contain information pertaining exclusively to the RI Department of Corrections. In previous surveys, expenditures for other public safety agencies were reported here as well.

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



8.4% of State Expenditures



Transportation expenditures totaled \$121 billion in fiscal 2007, 8.4 percent of total state spending and an increase of 11.2 percent over the previous year. Transportation spending is expected to slow in fiscal 2008 according to preliminary figures, with total transportation expenditures growing at 3.7 percent.

Approximately 55 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 2007, federal funds accounted for 29.8 percent of total transportation spending, with bonds (9.6 percent) and general funds (5.6 percent) comprising the remaining amount.

SAFETEA-LU

The latest 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)* replaced the *Transportation Equity Act for the 21st Century (TEA-21)*. SAFETEA-LU set 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 included approximately \$228 billion for highways, \$52 billion for transit, and nearly \$6 billion for highway safety. Additionally, SAFETEA-LU raised the minimum rate of return on state contributions to the Highway Trust fund from 90.5 percent in 2005 to 92 percent by 2008. SAFETEA-LU will expire at the conclusion of federal fiscal year 2009. It is expected that Congress will seek to reauthorize SAFETEA-LU during its 111th session that begins in January 2009.

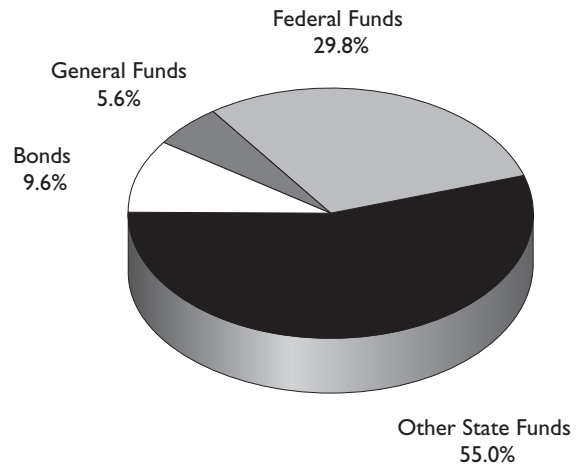
Federal Highway Trust Fund Shortfall

An ongoing concern for states is the solvency of 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. In fiscal 2008, the fund faced a substantial shortfall that necessitated an \$8 billion transfer from the federal general fund in order for the federal Highway Trust Fund to remain solvent. The long-term solvency of the fund remains in question as vehicle miles traveled (VMT) are down 3.5 percent through the first nine months of calendar year 2008.

Fund Shares

The figure below provides fund shares for fiscal 2007.

Figure 18
STATE EXPENDITURES FOR TRANSPORTATION BY FUND SOURCE, FISCAL 2007



Regional Expenditures

Table 37 shows percentage changes in transportation expenditures by region between fiscal 2006 and fiscal 2007 and between fiscal 2007 and estimated fiscal 2008. The largest growth in fiscal 2007 occurred in the Far West region, increasing by 26.9 percent.

Table 37
REGIONAL PERCENTAGE CHANGE IN STATE TRANSPORTATION EXPENDITURES,
FISCAL 2007 AND 2008

Region	Fiscal 2006 to 2007			Fiscal 2007 to 2008		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	-6.3%	34.2%	19.4%	-4.5%	1.5%	-5.3%
Mid-Atlantic	1.3	-3.3	3.1	17.4	11.5	11.5
Great Lakes	8.8	12.3	10.3	7.1	6.2	4.5
Plains	-2.9	6.9	4.5	-10.4	-1.6	-12.1
Southeast	-6.2	25.2	3.9	14.3	-13.6	3.6
Southwest	14.2	7.5	25.1	14.5	2.3	-4.2
Rocky Mountain	11.4	-0.4	7.3	12.9	0.8	35.0
Far West	39.8	6.7	26.9	-11.4	15.5	5.2
ALL STATES	6.7%	12.0%	11.2%	6.3%	0.4%	3.7%

Transportation—Expenditure Exclusions

Thirty-nine states wholly or partially exclude state police and highway patrols from the transportation expenditures reported here. Additionally, forty-one states wholly or partially exclude port authority operations, nineteen states omit motor vehicle licensing, twenty 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 2006					Actual Fiscal 2007					Estimated Fiscal 2008				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$2	\$75	\$410	\$264	\$751	\$2	\$397	\$447	\$789	\$1,635	\$3	\$438	\$486	\$477	\$1,404
Maine	0	205	369	12	586	0	169	333	39	541	0	191	323	84	598
Massachusetts	181	428	1,213	542	2,364	238	576	986	688	2,488	243	508	863	724	2,338
New Hampshire	1	211	318	0	530	3	232	308	0	543	1	238	303	0	542
Rhode Island	0	259	144	44	447	0	225	130	40	395	0	239	108	46	393
Vermont	0	149	188	0	337	0	182	202	0	384	0	193	200	0	393
MID-ATLANTIC															
Delaware	12	115	597	0	724	2	104	533	0	639	0	141	564	0	705
Maryland	0	860	2,686	0	3,546	0	783	2,745	0	3,528	0	776	2,969	0	3,745
New Jersey	1,234	1,506	316	994	4,050	1,384	1,228	347	1,280	4,239	1,388	1,710	328	1,401	4,827
New York	152	1,449	3,520	445	5,566	61	1,575	3,433	774	5,843	107	1,560	4,668	198	6,533
Pennsylvania*	325	1,541	3,193	150	5,209	334	1,599	3,353	150	5,436	14	1,712	4,272	150	6,148
GREAT LAKES															
Illinois	106	125	3,316	240	3,787	153	153	3,669	127	4,102	170	170	3,863	97	4,300
Indiana	2	561	1,033	0	1,596	1	883	1,505	0	2,389	2	910	1,581	0	2,493
Michigan	0	1,124	2,022	158	3,304	0	1,230	1,848	381	3,459	0	1,415	2,193	55	3,663
Ohio	26	1,141	2,683	261	4,111	21	1,148	2,758	307	4,234	22	1,123	2,730	329	4,204
Wisconsin	41	736	1,346	0	2,123	69	726	1,483	0	2,278	56	778	1,705	0	2,539
PLAINS															
Iowa	0	295	828	0	1,123	1	390	717	0	1,108	1	260	757	0	1,018
Kansas	0	374	872	114	1,360	5	372	859	122	1,358	16	380	894	128	1,418
Minnesota	97	229	1,954	178	2,458	107	252	2,178	144	2,681	136	344	2,135	144	2,759
Missouri*	11	67	1,644	372	2,094	12	84	1,408	844	2,348	14	60	564	403	1,041
Nebraska	1	270	418	0	689	1	243	361	0	605	1	264	481	0	746
North Dakota	0	274	164	13	451	0	257	169	15	441	0	237	212	13	462
South Dakota	0	250	224	0	474	0	283	212	0	495	0	305	193	0	498
SOUTHEAST															
Alabama	0	783	420	32	1,235	0	748	479	27	1,254	0	761	598	0	1,359
Arkansas	1	438	521	0	960	0	488	417	0	905	1	566	1,022	0	1,589
Florida*	578	1,767	5,052	514	7,911	1	2,210	4,875	672	7,758	86	2,369	5,402	752	8,609
Georgia*	15	1,836	690	410	2,951	17	3,113	714	6	3,850	23	1,337	758	77	2,195
Kentucky	4	573	1,220	0	1,797	8	759	1,387	0	2,154	6	849	1,615	0	2,470
Louisiana	1	23	1,500	24	1,548	4	26	1,496	22	1,548	0	27	1,401	36	1,464
Mississippi	0	755	601	61	1,417	0	1,015	475	59	1,549	0	552	581	38	1,171
North Carolina	0	982	2,345	0	3,327	0	982	2,345	0	3,327	0	943	2,541	0	3,484
South Carolina	0	770	1,146	0	1,916	1	558	1,081	0	1,640	11	470	1,015	0	1,496
Tennessee*	0	616	828	0	1,444	0	914	749	83	1,746	0	941	807	84	1,832
Virginia	185	527	2,735	80	3,527	643	652	2,083	122	3,500	151	900	3,041	174	4,266
West Virginia	7	419	609	0	1,035	6	412	524	25	967	10	542	707	80	1,339
SOUTHWEST															
Arizona	0	454	999	241	1,694	1	498	941	350	1,790	0	450	995	354	1,799
New Mexico*	23	323	455	259	1,060	74	290	471	286	1,121	51	358	444	250	1,103
Oklahoma	7	532	656	0	1,195	7	626	1,004	0	1,637	1	604	1,733	66	2,404
Texas	8	2,976	4,462	1,350	8,796	1	3,192	5,052	3,149	11,394	304	3,301	5,115	1,242	9,962
ROCKY MOUNTAIN															
Colorado	0	498	770	0	1,268	0	489	633	0	1,122	0	441	621	0	1,062
Idaho	0	269	340	0	609	0	243	380	0	623	0	326	389	0	715
Montana	6	259	304	0	569	7	286	301	0	594	11	374	352	0	737
Utah	120	322	526	0	968	40	324	967	0	1,331	389	212	940	1,100	2,641
Wyoming	249	5	286	0	540	267	5	302	0	574	267	5	302	0	574
FAR WEST															
Alaska	252	759	333	195	1,539	676	1,022	369	150	2,217	460	599	401	26	1,486
California	1,359	3,274	4,318	0	8,951	2,630	3,081	5,590	0	11,301	1,439	4,469	5,407	1,637	12,952
Hawaii	0	143	656	40	839	0	182	741	69	992	0	204	1,018	1	1,223
Nevada	17	223	265	199	704	3	314	281	199	797	2	196	233	135	566
Oregon	5	27	1,238	3	1,273	4	28	1,573	2	1,607	4	45	1,490	7	1,546
Washington	2	403	1,012	602	2,019	2	526	1,354	647	2,529	2	439	1,254	992	2,687
TOTAL	\$5,030	\$32,200	\$63,745	\$7,797	\$108,772	\$6,786	\$36,074	\$66,568	\$11,568	\$120,996	\$5,392	\$36,232	\$72,574	\$11,300	\$125,498

Source: National Association of State Budget Officers, 2007 State Expenditure Report

*See Transportation Notes for explanation

Table 39

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

Region/State	Fiscal 2006	Fiscal 2007	Fiscal 2008
NEW ENGLAND			
Connecticut	3.7 %	7.2 %	6.0 %
Maine	8.3	7.5	8.0
Massachusetts	6.0	6.0	5.7
New Hampshire	11.9	12.0	11.6
Rhode Island	6.7	5.9	5.4
Vermont	6.8	7.5	7.5
MID-ATLANTIC			
Delaware	9.6	8.0	8.7
Maryland	13.2	12.0	12.2
New Jersey	9.6	9.3	9.8
New York	5.3	5.2	5.6
Pennsylvania	9.7	9.5	10.3
GREAT LAKES			
Illinois	8.7	8.9	9.0
Indiana	7.4	10.5	10.3
Michigan	7.9	8.1	8.4
Ohio	7.7	8.0	7.7
Wisconsin	6.3	6.6	7.0
PLAINS			
Iowa	7.7	7.4	6.2
Kansas	11.9	11.3	10.8
Minnesota	9.5	9.9	9.5
Missouri	10.6	11.2	4.5
Nebraska	8.6	7.4	7.8
North Dakota	13.7	13.1	12.8
South Dakota	15.9	16.2	14.7
SOUTHEAST			
Alabama	3.7	3.4	3.1
Arkansas	6.3	5.6	8.3
Florida	12.8	11.7	12.2
Georgia	8.5	10.3	5.7
Kentucky	8.8	9.7	9.7
Louisiana	6.7	5.3	3.6
Mississippi	10.9	10.1	7.0
North Carolina	9.5	8.4	7.4
South Carolina	10.7	8.2	7.0
Tennessee	6.2	7.1	6.7
Virginia	11.0	10.0	12.1
West Virginia	5.1	5.2	7.1
SOUTHWEST			
Arizona	6.7	6.5	6.3
New Mexico	8.2	7.8	7.7
Oklahoma	7.3	8.5	11.5
Texas	12.0	14.1	11.1
ROCKY MOUNTAIN			
Colorado	8.1	6.7	5.9
Idaho	12.1	11.4	11.1
Montana	12.7	12.6	13.1
Utah	10.9	13.3	21.0
Wyoming	9.6	11.2	11.6
FAR WEST			
Alaska	16.0	19.2	11.9
California	5.2	6.2	6.4
Hawaii	8.9	9.3	9.7
Nevada	9.3	9.7	7.3
Oregon	6.3	7.9	6.6
Washington	7.3	8.4	8.3
ALL STATES	8.1 %	8.4 %	8.1 %

Source: National Association of State Budget Officers,
2007 State Expenditure Report

Table 40

ANNUAL PERCENTAGE CHANGE IN TRANSPORTATION EXPENDITURES

Region/State	Fiscal 2006 to 2007			Fiscal 2007 to 2008		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	9.0 %	429.3 %	117.7 %	8.9 %	10.3 %	-14.1 %
Maine	-9.8	-17.6	-7.7	-3.0	13.0	10.5
Massachusetts	-12.2	34.6	5.2	-9.6	-11.8	-6.0
New Hampshire	-2.5	10.0	2.5	-2.3	2.6	-0.2
Rhode Island	-9.7	-13.1	-11.6	-16.9	6.2	-0.5
Vermont	7.4	22.1	13.9	-1.0	6.0	2.3
MID-ATLANTIC						
Delaware	-12.2	-9.6	-11.7	5.4	35.6	10.3
Maryland	2.2	-9.0	-0.5	8.2	-0.9	6.2
New Jersey	11.7	-18.5	4.7	-0.9	39.3	13.9
New York	-4.8	8.7	5.0	36.7	-1.0	11.8
Pennsylvania	4.8	3.8	4.4	16.2	7.1	13.1
GREAT LAKES						
Illinois	11.7	22.4	8.3	5.5	11.1	4.8
Indiana	45.5	57.4	49.7	5.1	3.1	4.4
Michigan	-8.6	9.4	4.7	18.7	15.0	5.9
Ohio	2.6	0.6	3.0	-1.0	-2.2	-0.7
Wisconsin	11.9	-1.4	7.3	13.5	7.2	11.5
PLAINS						
Iowa	-13.3	32.2	-1.3	5.6	-33.3	-8.1
Kansas	-0.9	-0.5	-0.1	5.3	2.2	4.4
Minnesota	11.4	10.0	9.1	-0.6	36.5	2.9
Missouri	-14.2	25.4	12.1	-59.3	-28.6	-55.7
Nebraska	-13.6	-10.0	-12.2	33.1	8.6	23.3
North Dakota	3.0	-6.2	-2.2	25.4	-7.8	4.8
South Dakota	-5.4	13.2	4.4	-9.0	7.8	0.6
SOUTHEAST						
Alabama	14.0	-4.5	1.5	24.8	1.7	8.4
Arkansas	-20.1	11.4	-5.7	145.3	16.0	75.6
Florida	-13.4	25.1	-1.9	12.6	7.2	11.0
Georgia	3.7	69.6	30.5	6.8	-57.1	-43.0
Kentucky	14.0	32.5	19.9	16.2	11.9	14.7
Louisiana	-0.1	13.0	0.0	-6.6	3.8	-5.4
Mississippi	-21.0	34.4	9.3	22.3	-45.6	-24.4
North Carolina	0.0	0.0	0.0	8.4	-4.0	4.7
South Carolina	-5.6	-27.5	-14.4	-5.2	-15.8	-8.8
Tennessee	-9.5	48.4	20.9	7.7	3.0	4.9
Virginia	-6.6	23.7	-0.8	17.1	38.0	21.9
West Virginia	-14.0	-1.7	-6.6	35.3	31.6	38.5
SOUTHWEST						
Arizona	-5.7	9.7	5.7	5.6	-9.6	0.5
New Mexico	14.0	-10.2	5.8	-9.2	23.4	-1.6
Oklahoma	52.5	17.7	37.0	71.5	-3.5	46.9
Texas	13.0	7.3	29.5	7.2	3.4	-12.6
ROCKY MOUNTAIN						
Colorado	-17.8	-1.8	-11.5	-1.9	-9.8	-5.3
Idaho	11.8	-9.7	2.3	2.4	34.2	14.8
Montana	-0.6	10.4	4.4	17.9	30.8	24.1
Utah	55.9	0.6	37.5	32.0	-34.6	98.4
Wyoming	6.4	0.0	6.3	0.0	0.0	0.0
FAR WEST						
Alaska	78.6	34.7	44.1	-17.6	-41.4	-33.0
California	44.8	-5.9	26.3	-16.7	45.1	14.6
Hawaii	13.0	27.3	18.2	37.4	12.1	23.3
Nevada	0.7	40.8	13.2	-17.3	-37.6	-29.0
Oregon	26.9	3.7	26.2	-5.3	60.7	-3.8
Washington	33.7	30.5	25.3	-7.4	-16.5	6.2
ALL STATES	6.7 %	12.0 %	11.2 %	6.3 %	0.4 %	3.7 %

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

Source: National Association of State Budget Officers, 2007 State Expenditure Report

Table 41

ITEMS EXCLUDED FROM TRANSPORTATION EXPENDITURES

Region/State	Employer Contributions to Pensions	Employer Contributions to Health Benefits	Port Authority Operations	Gasoline Tax & Fee Collections	Truck Enforcement Reg. Programs	Train/Railroad Subsidy Programs	Road Assist. Subsidy Prog. for Local Govts.	Motor Vehicle Licensing	State Police/ Highway Patrol
NEW ENGLAND									
Connecticut				X					X
Maine			X	P	X				X
Massachusetts			X	X					
New Hampshire								X	X
Rhode Island			X		X	X	X	X	X
Vermont			X						X
MID-ATLANTIC									
Delaware			P						
Maryland				X	X				X
New Jersey			X						X
New York	P	P	X	X					X
Pennsylvania			P	P					X
GREAT LAKES									
Illinois	P	P	X	X	X			X	X
Indiana			X						X
Michigan			X						X
Ohio			X	X					
Wisconsin			X						
PLAINS									
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
SOUTHEAST									
Alabama			X		P	X	X	X	X
Arkansas			X			X		X	X
Florida			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		X
SOUTHWEST									
Arizona*			P				P		
New Mexico			X		X		P	X	X
Oklahoma			P						
Texas	X	X	X		P				X
ROCKY MOUNTAIN									
Colorado			X	P	X	X		X	X
Idaho					X				X
Montana			X						X
Utah						X	P	P	X
Wyoming			X						
FAR WEST									
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						
ALL STATES	3	3	41	17	20	13	12	19	39

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

Source: National Association of State Budget Officers, 2007 State Expenditure Report

*See Transportation Notes for explanation

Transportation Notes

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

Arizona: A portion of the gross "Gasoline Tax & Fee Collections" is distributed to local governments.

Florida: Transportation expenditures for Fiscal Year 2005-06 were higher than the succeeding years 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 to initiate additional road infrastructure projects. In addition, in Fiscal Year 2005-06 the state began redirecting \$541.75 million of documentary stamp revenue to the State Transportation Trust Fund.

Georgia: Transportation bonds do not include GARVEES.

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.

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.

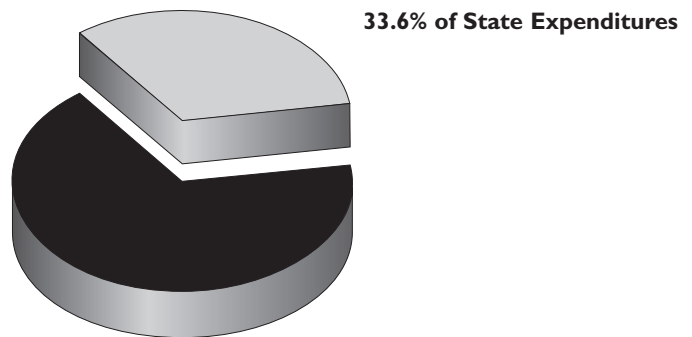
Pennsylvania: Act 44 of 2007 provided an additional \$300 million in funding for transit programs in fiscal 2008 and more funds in future fiscal years. The Act created the Public Transportation Fund; replacing numerous transit grant programs from several funds with a dedicated funding mechanism that will substantially increase funding for operation and improvement of public transit systems. The reduction in 2008 Estimated General Funds reflects the shift of over \$300 million to the Public Transportation Fund included in Other State Funds.

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



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 \$483.9 billion for fiscal 2007, or 33.6 percent of total state spending. Total spending in the "All Other" category increased 6.8 percent from fiscal 2006 to fiscal 2007, and is expected to grow by 12.9 percent from fiscal 2007 to fiscal 2008.

State Children's Health Insurance Program

Enacted as part of the *Balanced Budget Act of 1997*, the State Children's Health Insurance Program (SCHIP) 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. President Bush signed legislation in January 2008 that extended SCHIP until March 2009 at levels that would provide coverage for the current enrollment levels.

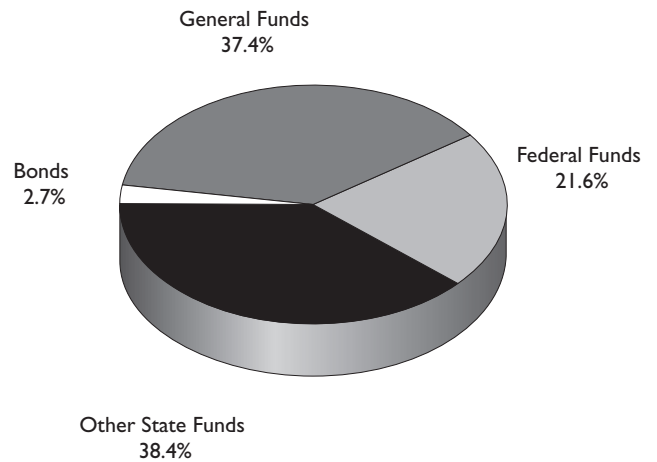
According to the Kaiser Commission on Medicaid and the Uninsured, approximately 7 million children were covered under SCHIP during

fiscal 2007. Spending for SCHIP was \$8.2 billion in fiscal 2006, \$8.5 billion in fiscal 2007, and is estimated at \$10.3 billion in fiscal 2008 as shown in Appendix Table A-2.

Fund Shares

The figure below illustrates fund shares for fiscal 2007.

Figure 19
STATE EXPENDITURES FOR ALL OTHER PROGRAMS BY FUND SOURCE, FISCAL 2007



Regional Expenditures

The following table shows percentage changes for "all other" expenditures for fiscal 2006-2007 and 2007-2008 by region. For fiscal 2007, the Southeast and Mid-Atlantic regions are well above the national average while the Great Lakes region is well below the national average.

Table 42
REGIONAL PERCENTAGE CHANGE IN STATE ALL OTHER EXPENDITURES, FISCAL 2007 AND 2008

Region	Fiscal 2006 to 2007			Fiscal 2007 to 2008		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	8.3%	-4.9%	6.4%	-4.0%	6.0%	-3.8%
Mid-Atlantic	12.6	1.2	10.1	5.5	6.3	6.0
Great Lakes	-1.2	-0.7	-1.4	-0.7	9.0	1.1
Plains	7.3	-4.2	4.7	16.6	33.5	20.6
Southeast	11.1	6.3	11.1	9.5	64.1	22.3
Southwest	6.2	-12.4	2.7	13.7	11.6	9.3
Rocky Mountain	11.2	-15.1	5.0	17.6	12.0	15.6
Far West	7.8	-2.2	7.4	16.2	16.5	20.3
ALL STATES	8.1%	-0.8%	6.8%	8.0%	28.5%	12.9%

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

Region/State	Actual Fiscal 2006					Actual Fiscal 2007					Estimated Fiscal 2008				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$7,674	\$209	\$517	\$443	\$8,843	\$8,311	\$240	\$1,079	\$371	\$10,001	\$8,616	\$329	\$574	\$464	\$9,983
Maine	702	493	1,215	26	2,436	766	455	1,311	23	2,555	772	524	1,126	39	2,461
Massachusetts	11,091	1,176	5,138	1,092	18,497	11,857	1,131	5,434	1,046	19,468	10,404	1,110	5,823	586	17,923
New Hampshire	696	442	245	52	1,435	695	381	312	24	1,412	732	359	255	32	1,378
Rhode Island	1,047	525	805	69	2,446	1,108	519	792	93	2,512	1,142	588	900	142	2,772
Vermont	735	373	1,030	30	2,168	740	335	1,065	28	2,168	757	336	1,038	35	2,166
MID-ATLANTIC															
Delaware	1,233	264	1,995	12	3,504	1,301	404	2,066	9	3,780	1,275	300	2,300	0	3,875
Maryland	3,463	1,234	2,569	451	7,717	4,336	1,270	2,984	474	9,064	3,819	1,440	3,080	544	8,883
New Jersey*	9,250	1,412	3,052	66	13,780	10,278	1,936	3,171	87	15,472	11,697	2,542	3,371	183	17,793
New York	16,508	8,385	8,680	789	34,362	18,601	7,746	10,185	687	37,219	18,756	8,056	11,357	880	39,049
Pennsylvania	6,059	4,096	5,901	211	16,267	6,476	4,226	6,691	327	17,720	6,777	4,230	7,302	351	18,660
GREAT LAKES															
Illinois	5,509	2,821	6,708	317	15,355	5,498	3,022	7,084	307	15,911	5,703	2,884	5,927	160	14,674
Indiana	3,687	2,008	1,345	0	7,040	3,811	1,988	1,380	0	7,179	3,912	2,445	1,304	0	7,661
Michigan	2,606	3,954	5,490	221	12,271	2,633	3,687	5,438	70	11,828	2,729	4,885	4,026	50	11,690
Ohio	3,684	3,610	13,129	261	20,684	2,905	3,686	12,768	212	19,571	2,737	3,348	13,975	220	20,280
Wisconsin	3,045	2,026	9,945	0	15,016	3,111	1,938	9,848	0	14,897	3,272	2,055	10,492	0	15,819
PLAINS															
Iowa	1,036	1,232	1,903	40	4,211	1,156	1,231	1,869	48	4,304	1,392	1,747	1,728	70	4,937
Kansas	695	782	896	59	2,432	807	672	1,040	63	2,582	915	1,024	1,002	84	3,025
Minnesota	3,538	1,712	1,495	155	6,900	3,851	1,719	1,655	218	7,443	4,321	1,874	1,761	229	8,185
Missouri*	1,841	474	1,918	11	4,244	2,420	298	1,657	19	4,394	2,745	819	3,112	42	6,718
Nebraska	707	752	1,276	0	2,735	768	809	1,216	0	2,793	910	1,082	1,413	0	3,405
North Dakota	211	367	442	14	1,034	231	369	461	2	1,063	292	267	422	4	985
South Dakota	208	235	300	7	750	232	224	312	7	775	233	293	369	6	901
SOUTHEAST															
Alabama	7,062	4,765	7,676	199	19,702	8,151	4,780	8,000	247	21,178	9,093	6,558	10,977	562	27,190
Arkansas	442	1,123	3,453	59	5,077	470	1,048	3,967	54	5,539	541	1,978	3,466	210	6,195
Florida	5,376	6,203	7,448	670	19,697	6,216	5,711	8,278	1,805	22,010	5,878	6,066	9,589	1,475	23,008
Georgia*	3,677	2,178	7,057	142	13,054	3,868	1,100	7,341	175	12,484	4,753	1,966	7,350	123	14,192
Kentucky	2,014	1,632	1,342	0	4,988	2,201	1,721	1,891	0	5,813	2,293	1,970	2,692	0	6,955
Louisiana	2,739	3,217	3,512	93	9,561	3,959	5,708	4,934	81	14,682	3,351	13,958	6,737	208	24,254
Mississippi	945	1,510	997	163	3,615	955	2,867	1,299	351	5,472	1,106	4,505	1,397	141	7,149
North Carolina	3,561	2,330	2,078	70	8,039	3,921	2,566	2,947	199	9,633	4,475	8,297	3,127	200	16,099
South Carolina	1,685	1,829	895	3	4,412	2,263	1,835	1,453	4	5,555	2,558	2,192	1,803	0	6,553
Tennessee	2,280	2,936	1,890	21	7,127	2,436	2,540	2,300	110	7,386	3,129	2,822	2,448	93	8,492
Virginia	4,102	1,742	5,960	195	11,999	4,526	1,473	6,556	208	12,763	4,818	1,712	5,995	154	12,679
West Virginia	946	692	11,532	0	13,170	968	715	9,587	0	11,270	942	588	9,284	0	10,814
SOUTHWEST															
Arizona	2,053	2,177	3,479	0	7,709	2,590	2,741	3,245	0	8,576	2,466	3,072	3,709	0	9,247
New Mexico	1,338	950	1,185	42	3,515	1,568	997	1,492	358	4,415	1,439	1,142	1,524	243	4,348
Oklahoma	1,013	1,629	2,716	50	5,408	1,267	1,645	2,743	0	5,655	1,270	1,600	2,500	217	5,587
Texas	6,262	6,662	756	849	14,529	6,431	4,614	641	1,674	13,360	8,841	5,339	969	648	15,797
ROCKY MOUNTAIN															
Colorado*	1,136	1,187	2,784	0	5,107	1,435	1,351	3,148	0	5,934	1,556	1,427	3,656	0	6,639
Idaho	411	630	338	2	1,381	447	638	326	2	1,413	535	781	662	2	1,980
Montana	551	529	697	0	1,777	554	531	797	0	1,882	746	588	1,121	0	2,455
Utah	884	594	1,174	5	2,657	1,085	607	1,211	111	3,014	1,293	723	1,516	0	3,532
Wyoming	1,070	908	1,575	0	3,553	2,569	139	242	0	2,950	2,569	139	242	0	2,950
FAR WEST															
Alaska	1,069	1,095	2,440	109	4,713	1,666	1,004	3,028	55	5,753	2,550	1,110	3,550	0	7,210
California	20,821	15,570	15,580	1,128	53,099	22,910	14,916	16,274	2,641	56,741	23,247	17,214	22,214	6,570	69,245
Hawaii	1,588	542	1,740	157	4,027	1,970	552	1,912	336	4,770	1,736	746	2,797	643	5,922
Nevada	940	624	1,934	20	3,518	720	608	2,246	15	3,589	707	490	2,142	62	3,401
Oregon	1,262	1,519	6,402	61	9,244	838	1,463	6,384	53	8,738	1,600	2,011	7,343	31	10,985
Washington	2,796	1,783	3,310	163	8,052	3,083	2,123	3,519	461	9,186	2,974	2,501	4,123	454	10,052
TOTAL	\$163,248	\$105,138	\$175,944	\$8,527	\$452,857	\$180,959	\$104,279	\$185,579	\$13,055	\$483,872	\$190,374	\$134,032	\$205,590	\$16,157	\$546,153

Source: National Association of State Budget Officers, 2007 State Expenditure Report
*See All Other Expenditures Notes for explanation

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

Region/State	Fiscal 2006	Fiscal 2007	Fiscal 2008
NEW ENGLAND			
Connecticut	43.2 %	43.9 %	42.6 %
Maine	34.3	35.5	32.7
Massachusetts	47.2	46.6	43.5
New Hampshire	32.1	31.1	29.5
Rhode Island	36.8	37.3	38.0
Vermont	43.8	42.1	41.5
MID-ATLANTIC			
Delaware	46.3	47.6	48.0
Maryland	28.7	30.8	28.8
New Jersey	32.6	34.1	36.2
New York	32.9	33.0	33.6
Pennsylvania	30.2	31.1	31.2
GREAT LAKES			
Illinois	35.4	34.4	30.7
Indiana	32.5	31.5	31.8
Michigan	29.4	27.8	26.7
Ohio	38.7	36.8	37.0
Wisconsin	44.8	43.5	43.8
PLAINS			
Iowa	28.7	28.6	30.2
Kansas	21.3	21.6	23.1
Minnesota	26.8	27.5	28.3
Missouri	21.6	20.9	29.2
Nebraska	34.3	34.2	35.6
North Dakota	31.4	31.6	27.3
South Dakota	25.2	25.3	26.5
SOUTHEAST			
Alabama	58.5	58.2	62.6
Arkansas	33.2	34.4	32.3
Florida	32.0	33.3	32.7
Georgia	37.8	33.4	36.7
Kentucky	24.3	26.1	27.2
Louisiana	41.6	49.8	60.0
Mississippi	27.8	35.8	42.7
North Carolina	23.0	24.3	34.1
South Carolina	24.6	27.8	30.8
Tennessee	30.5	29.8	31.1
Virginia	37.6	36.6	35.9
West Virginia	64.5	60.8	57.2
SOUTHWEST			
Arizona	30.4	31.3	32.3
New Mexico	27.3	30.5	30.5
Oklahoma	33.0	29.3	26.7
Texas	19.8	16.5	17.6
ROCKY MOUNTAIN			
Colorado	32.7	35.5	36.9
Idaho	27.5	25.9	30.8
Montana	39.8	40.0	43.5
Utah	29.8	30.2	28.1
Wyoming	63.3	57.8	59.5
FAR WEST			
Alaska	48.9	49.8	57.7
California	30.7	31.0	34.0
Hawaii	42.5	44.8	46.8
Nevada	46.5	43.8	43.9
Oregon	45.7	43.1	47.0
Washington	28.9	30.7	31.1
ALL STATES	33.7 %	33.6 %	35.1 %

Source: National Association of State Budget Officers,
2007 State Expenditure Report

Table 45

ANNUAL PERCENTAGE CHANGE IN ALL OTHER EXPENDITURES

Region/State	Fiscal 2006 to 2007			Fiscal 2007 to 2008		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	14.6 %	14.8 %	13.1 %	-2.1 %	37.1 %	-0.2 %
Maine	8.3	-7.7	4.9	-8.6	15.2	-3.7
Massachusetts	6.5	-3.8	5.2	-6.2	-1.9	-7.9
New Hampshire	7.0	-13.8	-1.6	-2.0	-5.8	-2.4
Rhode Island	2.6	-1.1	2.7	7.5	13.3	10.4
Vermont	2.3	-10.2	0.0	-0.6	0.3	-0.1
MID-ATLANTIC						
Delaware	4.3	53.0	7.9	6.2	-25.7	2.5
Maryland	21.4	2.9	17.5	-5.8	13.4	-2.0
New Jersey	9.3	37.1	12.3	12.0	31.3	15.0
New York	14.3	-7.6	8.3	4.6	4.0	4.9
Pennsylvania	10.1	3.2	8.9	6.9	0.1	5.3
GREAT LAKES						
Illinois	3.0	7.1	3.6	-7.6	-4.6	-7.8
Indiana	3.2	-1.0	2.0	0.5	23.0	6.7
Michigan	-0.3	-6.8	-3.6	-16.3	32.5	-1.2
Ohio	-6.8	2.1	-5.4	6.6	-9.2	3.6
Wisconsin	-0.2	-4.3	-0.8	6.2	6.0	6.2
PLAINS						
Iowa	2.9	-0.1	2.2	3.1	41.9	14.7
Kansas	16.1	-14.1	6.2	3.8	52.4	17.2
Minnesota	9.4	0.4	7.9	10.5	9.0	10.0
Missouri	8.5	-37.1	3.5	43.7	174.8	52.9
Nebraska	0.1	7.6	2.1	17.1	33.7	21.9
North Dakota	6.0	0.5	2.8	3.2	-27.6	-7.3
South Dakota	7.1	-4.7	3.3	10.7	30.8	16.3
SOUTHEAST						
Alabama	9.6	0.3	7.5	24.3	37.2	28.4
Arkansas	13.9	-6.7	9.1	-9.7	88.7	11.8
Florida	13.0	-7.9	11.7	6.7	6.2	4.5
Georgia	4.4	-49.5	-4.4	8.0	78.7	13.7
Kentucky	21.9	5.5	16.5	21.8	14.5	19.6
Louisiana	42.3	77.4	53.6	13.4	144.5	65.2
Mississippi	16.1	89.9	51.4	11.0	57.1	30.6
North Carolina	21.8	10.1	19.8	10.7	223.3	67.1
South Carolina	44.0	0.3	25.9	17.4	19.5	18.0
Tennessee	13.6	-13.5	3.6	17.8	11.1	15.0
Virginia	10.1	-15.4	6.4	-2.4	16.2	-0.7
West Virginia	-15.4	3.3	-14.4	-3.1	-17.8	-4.0
SOUTHWEST						
Arizona	5.5	25.9	11.2	5.8	12.1	7.8
New Mexico	21.3	4.9	25.6	-3.2	14.5	-1.5
Oklahoma	7.5	1.0	4.6	-6.0	-2.7	-1.2
Texas	0.8	-30.7	-8.0	38.7	15.7	18.2
ROCKY MOUNTAIN						
Colorado	16.9	13.8	16.2	13.7	5.6	11.9
Idaho	3.2	1.3	2.3	54.9	22.4	40.1
Montana	8.3	0.4	5.9	38.2	10.7	30.4
Utah	11.6	2.2	13.4	22.3	19.1	17.2
Wyoming	6.3	-84.7	-17.0	0.0	0.0	0.0
FAR WEST						
Alaska	33.8	-8.3	22.1	30.0	10.6	25.3
California	7.6	-4.2	6.9	16.0	15.4	22.0
Hawaii	16.6	1.8	18.5	16.8	35.1	24.2
Nevada	3.2	-2.6	2.0	-3.9	-19.4	-5.2
Oregon	-5.8	-3.7	-5.5	23.8	37.5	25.7
Washington	8.1	19.1	14.1	7.5	17.8	9.4
ALL STATES	8.1 %	-0.8 %	6.8 %	8.0 %	28.5 %	12.9 %

Note: State funds are defined as general funds and other state funds (bonds are excluded).
Source: National Association of State Budget Officers, 2007 State Expenditure Report

Table 46

ITEMS EXCLUDED FROM ALL OTHER EXPENDITURES

Region/State	Employers Contribution to Pensions	Employer Contributions to Health Benefits	Child Health Insurance Program	Public Health	Community and Institutional for Mental Health	Community and Institutional for Dev. Disabled	Environmental Programs	Parks and Recreation Housing	General Aid to Local Government	
NEW ENGLAND										
Connecticut										
Maine										
Massachusetts										
New Hampshire										
Rhode Island										
Vermont										
MID-ATLANTIC										
Delaware										
Maryland										
New Jersey										
New York	P	P								
Pennsylvania										
GREAT LAKES										
Illinois								P	X	
Indiana										
Michigan*				P	P	P				
Ohio										
Wisconsin										
PLAINS										
Iowa										
Kansas							N/A	N/A		
Minnesota										
Missouri								X		
Nebraska								X		
North Dakota										
South Dakota									X	
SOUTHEAST										
Alabama								X	X	
Arkansas								X		
Florida										
Georgia*										
Kentucky										
Louisiana										
Mississippi								P		
North Carolina										
South Carolina									P	
Tennessee									X	
Virginia										
West Virginia										
SOUTHWEST										
Arizona*									P	
New Mexico								X		
Oklahoma								X	P	
Texas										
ROCKY MOUNTAIN										
Colorado					P					
Idaho								X	X	
Montana										
Utah										
Wyoming										
FAR WEST										
Alaska							P	P		
California										
Hawaii	P	P				P				
Nevada									X	
Oregon										
Washington				P						
ALL STATES	2	2	0	2	2	2	2	0	11	9

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

Source: National Association of State Budget Officers, 2007 State Expenditure Report
 *See All Other Expenditures Notes for explanation

All Other Expenditure Notes

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

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

Colorado: Capital expenditures are not included in the department totals because they cannot be separated by the listed functional areas in the specific years. Per the instructions, all capital expenditures are reported in the All Other category and thus are included in the total budget. Also, capital expenditures are reported by the annual appropriation total because there is no actual expenditure reporting. Any Medicaid community or institutional mental health funding is included in the Medicaid expenditures.

Georgia: Other state expenditures include Hope Scholarships and Tuition for Higher Education, as well as Pre-K lottery funds. 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.

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 Jersey: All Other expenditures reflected in this survey do not include a significant amount of related costs incurred by independent authorities such as Higher Education Student Assistance Authority (HESAA), New Jersey Housing and Mortgage Finance Agency (HMFA), etc.

CHAPTER EIGHT

CAPITAL EXPENDITURES



Capital expenditures are made for new construction, infrastructure, major repairs and improvements, land purchases and the acquisition of major equipment and existing structures. Minor repairs and routine maintenance are reported as operating expenses. Given the long-term nature of capital projects, states often find it difficult to report capital expenditures for one specific fiscal 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.

The following 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 in spending. 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, 9.9 percent in 2006, and 16.1 percent in 2007. Total capital spending growth is expected to slow to 8.1 percent in fiscal 2008. Overall, state capital spending totaled \$81.0 billion in fiscal 2006, \$94.1 billion in 2007, and is estimated to be \$101.7 billion in 2008.

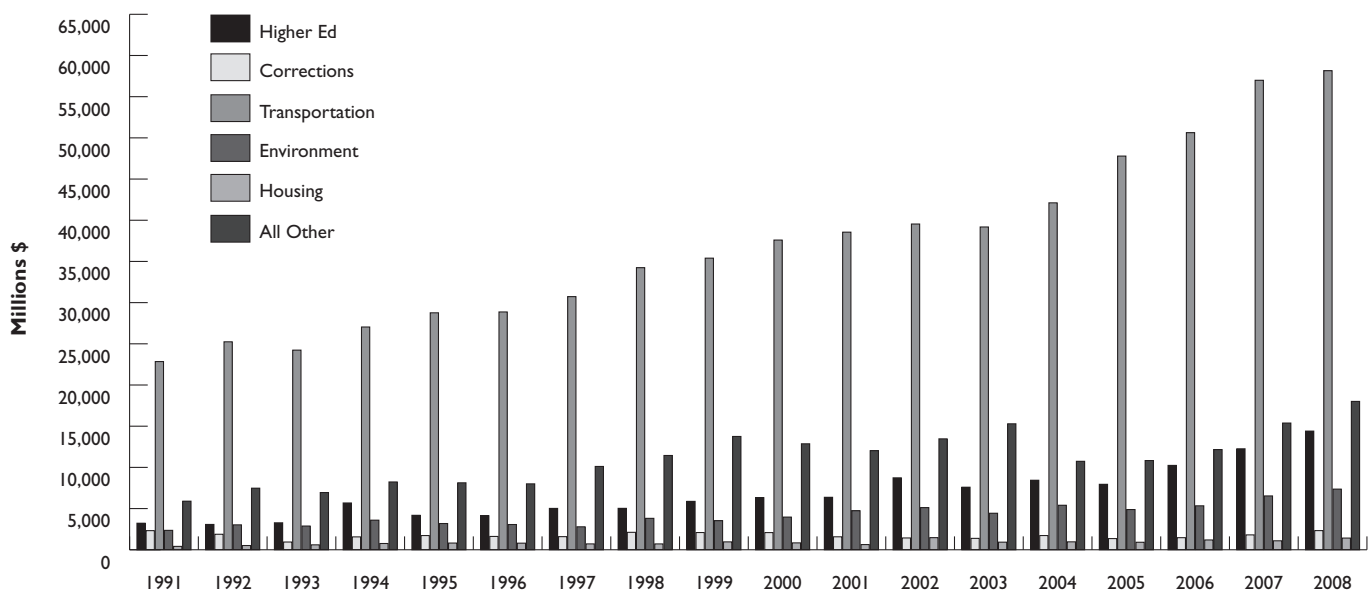
Capital Fund Sources

State spending on capital projects traditionally has come from non-general fund sources. Other state funds such as dedicated fees and fund surpluses (36.7 percent in fiscal 2007) and bonds (31.3 percent) combine to account for 68 percent of total state spending on capital projects. Federal funds (24.6 percent) and state general funds (7.4 percent) also contribute to capital spending.

Capital Funds by Use

Comprising 60.6 percent (\$57.0 billion) of all capital expenditures in fiscal 2007, **transportation** is the largest category of state capital expenditures. Capital spending for transportation increased by 12.6 percent in fiscal 2007, and is expected to increase by 2 percent in 2008.

Figure 20
CAPITAL EXPENDITURES BY TYPE, FISCAL 1991 TO 2008



Higher education capital expenditures increased by 19.7 percent in fiscal 2007, totaling \$12.3 billion. In fiscal 2008, higher education capital spending is estimated to increase by 17.5 percent. In fiscal 2007, higher education accounted for 13 percent of total state capital outlays.

State capital spending for **environmental** purposes in fiscal 2007 totaled \$6.5 billion, 6.9 percent of total capital spending and a 22.4 percent increase from fiscal 2006. Environmental capital expenditures are estimated to increase 12.7 percent in fiscal 2008.

Corrections capital spending experienced an increase of 23.3 percent in fiscal 2007, totaling \$1.8 billion. Corrections accounted for 1.9 percent of total state capital expenditures. Fiscal 2008 estimates indicate spending of \$2.3 billion, a 28.7 percent increase.

Housing capital expenditures account for just 1.2 percent of total fiscal 2007 capital spending, at approximately \$1.1 billion. Housing capital spending decreased by 8.6 percent in fiscal 2007, but is estimated to increase by 30.3 percent in fiscal 2008.

State spending for **all other** purposes totaled \$15.4 billion in fiscal 2007, 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 2007

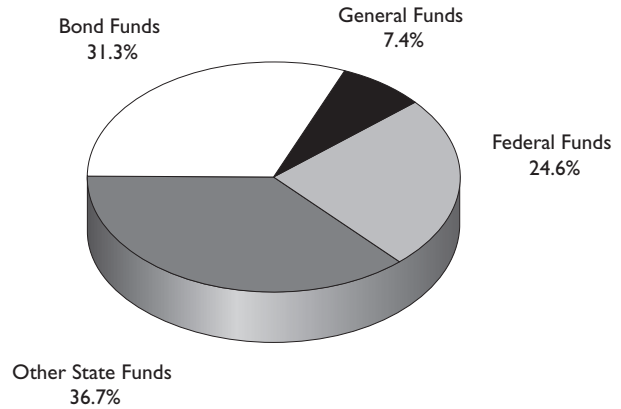


Figure 21
ANNUAL PERCENTAGE CHANGE IN TOTAL CAPITAL EXPENDITURES

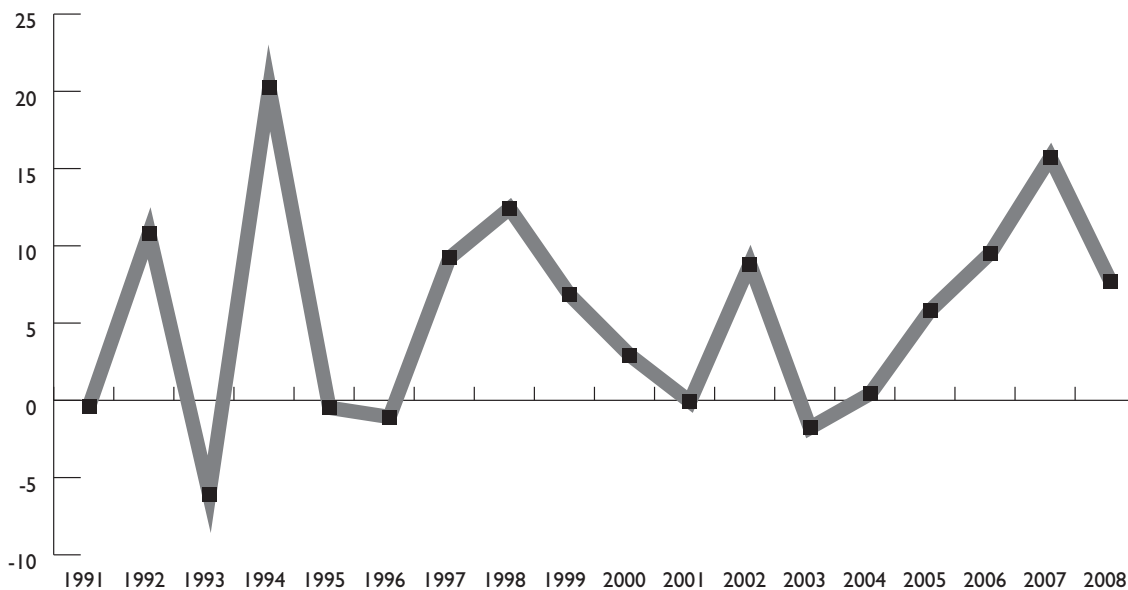


Table 47

TOTAL CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2006					Actual Fiscal 2007					Estimated Fiscal 2008				
	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
			Funds					Funds					Funds		
NEW ENGLAND															
Connecticut	\$0	\$0	\$0	\$1,609	\$1,609	\$0	\$0	\$0	\$2,088	\$2,088	\$0	\$0	\$0	\$1,926	\$1,926
Maine	3	169	112	17	301	3	132	70	36	241	0	125	57	4	186
Massachusetts	0	422	274	1,681	2,377	0	567	26	1,779	2,372	0	500	0	1,348	1,848
New Hampshire	0	35	176	90	301	0	46	186	58	290	0	50	187	74	311
Rhode Island*	3	208	94	133	438	4	262	93	182	541	1	200	171	274	646
Vermont	0	121	40	43	204	0	157	46	37	240	0	161	50	49	260
MID-ATLANTIC															
Delaware	236	116	270	1	623	209	104	171	0	484	190	141	0	0	331
Maryland	6	845	1,104	680	2,635	149	771	1,339	713	2,972	27	741	1,391	841	3,000
New Jersey	1,102	1,459	5	1,060	3,626	1,241	1,185	21	1,367	3,814	1,281	1,642	19	1,584	4,526
New York	0	1,706	1,571	1,855	5,132	0	1,737	1,577	2,244	5,558	0	1,755	2,507	1,869	6,131
Pennsylvania	0	0	0	680	680	0	0	0	898	898	0	0	0	737	737
GREAT LAKES															
Illinois	0	124	1,876	888	2,888	0	157	2,203	615	2,975	0	176	2,280	382	2,838
Indiana	210	0	27	192	429	225	0	33	37	295	280	0	37	161	477
Michigan*	249	869	465	447	2,030	223	983	156	625	1,987	231	897	356	175	1,658
Ohio	4	1,271	1,050	1,430	3,755	4	1,148	988	1,414	3,554	2	1,021	1,228	753	3,004
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PLAINS															
Iowa	0	158	446	47	651	0	265	329	54	648	0	188	557	74	819
Kansas	16	358	553	73	1,000	21	360	541	91	1,013	23	355	629	96	1,103
Minnesota	26	24	657	494	1,201	63	22	879	709	1,673	30	81	817	695	1,623
Missouri*	21	76	1,694	383	2,174	73	16	1,470	863	2,422	222	201	977	445	1,845
Nebraska	20	281	470	0	771	30	252	396	0	678	15	325	620	0	960
North Dakota	11	243	109	49	412	12	231	93	68	404	36	231	156	62	485
South Dakota	29	8	121	20	178	18	2	88	10	118	3	6	15	18	42
SOUTHEAST															
Alabama*	5	509	135	231	880	38	475	169	275	957	13	407	303	563	1,286
Arkansas	0	26	105	14	145	0	37	48	15	100	0	89	202	90	381
Florida	262	2,017	7,290	1,651	11,220	1,212	2,566	7,014	3,301	14,093	646	2,624	7,751	3,311	14,332
Georgia	19	1,771	576	923	3,289	19	3,412	1,015	999	5,445	27	2,591	794	1,031	4,443
Kentucky	0	0	507	0	507	0	0	633	0	633	0	0	1,541	0	1,541
Louisiana	68	95	1,180	567	1,910	730	163	1,282	633	2,808	156	259	1,329	722	2,466
Mississippi	12	501	324	245	1,081	19	857	276	427	1,579	20	368	305	198	892
North Carolina	180	0	0	370	550	207	0	0	803	1,009	230	0	549	200	980
South Carolina*	20	43	209	119	391	29	32	317	111	489	0	0	0	0	0
Tennessee*	69	1,029	397	413	1,908	74	934	457	461	1,926	264	941	484	235	1,924
Virginia	82	24	234	717	1,057	176	14	193	911	1,294	371	11	174	636	1,191
West Virginia	18	457	558	141	1,174	21	429	506	171	1,127	19	546	572	222	1,359
SOUTHWEST															
Arizona*	14	457	437	479	1,387	22	502	359	537	1,420	20	404	388	388	1,200
New Mexico*	80	0	0	490	570	122	0	0	844	966	155	0	0	673	828
Oklahoma	51	595	689	836	2,171	95	762	1,311	552	2,720	33	652	1,861	620	3,166
Texas	192	2	4,899	1,178	6,271	196	6	5,426	1,058	6,686	296	6	5,429	1,793	7,524
ROCKY MOUNTAIN															
Colorado*	0	11	333	0	344	0	12	374	0	386	0	40	765	0	805
Idaho	0	248	79	9	336	0	220	139	9	369	3	295	229	9	536
Montana*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utah*	260	267	345	5	877	339	277	737	111	1,464	792	181	747	1,100	2,820
Wyoming	117	67	112	0	296	126	9	104	0	239	126	9	104	0	239
FAR WEST															
Alaska	339	1,089	196	326	1,950	933	1,295	188	328	2,744	1,002	1,136	380	61	2,579
California	189	1,741	1,616	1,294	4,840	300	1,662	1,420	1,339	4,721	213	2,019	2,392	4,522	9,146
Hawaii*	0	125	192	404	721	43	153	235	474	904	50	239	942	844	2,075
Nevada	69	233	219	230	751	11	324	207	354	896	34	197	236	409	876
Oregon	15	5	60	209	289	2	2	57	246	307	28	10	76	198	312
Washington	0	475	978	1,239	2,692	0	603	1,339	1,569	3,511	0	553	1,242	2,225	4,020
TOTAL*	\$3,998	\$20,279	\$32,783	\$23,962	\$81,022	\$6,988	\$23,144	\$34,512	\$29,414	\$94,058	\$6,838	\$22,373	\$40,849	\$31,616	\$101,676

Source: National Association of State Budget Officers, 2007 State Expenditure Report

*See Capital Spending Notes for explanation

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

Region/State	Actual Fiscal 2006					Actual Fiscal 2007					Estimated Fiscal 2008				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$0	\$0	\$0	\$157	\$157	\$0	\$0	\$0	\$243	\$243	\$0	\$0	\$0	\$253	\$253
Maine	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Massachusetts	0	0	0	48	48	0	0	0	46	46	0	0	0	39	39
New Hampshire	0	0	0	34	34	0	0	0	22	22	0	0	0	34	34
Rhode Island	0	0	20	17	37	0	0	9	42	51	0	1	17	75	93
Vermont	0	0	0	4	4	0	0	0	4	4	0	0	0	3	3
MID-ATLANTIC															
Delaware	7	0	0	1	8	4	0	0	0	4	5	0	0	0	5
Maryland	2	0	25	206	233	19	0	25	235	279	0	0	30	229	259
New Jersey	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New York	0	0	59	366	425	0	0	54	526	580	0	0	66	520	586
Pennsylvania	0	0	0	185	185	0	0	0	244	244	0	0	0	200	200
GREAT LAKES															
Illinois	0	0	0	133	133	0	0	0	112	112	0	0	0	64	64
Indiana	28	0	0	192	220	31	0	0	37	68	72	0	0	161	233
Michigan*	129	0	0	67	196	114	0	0	168	282	119	0	0	68	187
Ohio	0	0	0	274	274	0	0	0	274	274	0	0	161	123	284
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PLAINS															
Iowa	0	0	8	13	21	0	0	19	8	27	0	0	96	8	104
Kansas	4	3	29	19	55	3	3	50	21	77	3	2	87	23	115
Minnesota	0	0	0	141	141	0	0	0	256	256	0	0	0	254	254
Missouri	0	0	0	0	0	0	0	19	0	19	1	0	335	0	336
Nebraska	8	4	89	0	101	18	1	68	0	87	10	7	156	0	173
North Dakota	6	0	14	20	40	4	0	19	51	74	19	10	17	45	91
South Dakota	0	0	0	13	13	0	0	0	3	3	0	0	0	12	12
SOUTHEAST															
Alabama*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Arkansas	0	0	15	0	15	0	0	12	0	12	0	0	36	0	36
Florida	70	0	61	467	598	27	0	157	824	1,008	111	0	136	1,084	1,331
Georgia	2	0	0	205	207	0	0	0	354	354	5	0	0	342	347
Kentucky	0	0	208	0	208	0	0	221	0	221	0	0	595	0	595
Louisiana	33	10	118	67	228	53	2	55	37	147	57	1	63	56	177
Mississippi	5	3	54	13	75	11	4	60	9	84	11	4	65	12	92
North Carolina	142	0	0	300	442	140	0	0	604	744	126	0	549	0	675
South Carolina	4	1	172	115	292	14	1	272	106	393	0	0	0	0	0
Tennessee	36	0	12	163	211	28	0	0	228	256	206	0	10	84	300
Virginia	58	2	161	439	660	144	2	155	591	892	260	1	94	429	784
West Virginia	0	0	236	118	354	0	0	270	137	407	0	0	278	141	419
SOUTHWEST															
Arizona	13	13	31	237	294	20	8	2	186	216	0	0	1	34	35
New Mexico	60	0	0	188	248	54	0	0	199	253	50	0	0	180	230
Oklahoma	32	39	243	227	541	75	62	385	325	847	28	48	259	340	675
Texas	175	0	0	1,141	1,316	175	0	0	981	1,156	263	0	0	1,200	1,463
ROCKY MOUNTAIN															
Colorado	0	0	244	0	244	0	0	230	0	230	0	0	555	0	555
Idaho	0	0	9	5	14	0	0	18	5	23	3	0	10	5	18
Montana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utah	31	0	0	0	31	71	0	0	0	71	79	0	3	0	82
Wyoming	9	5	9	0	23	27	1	0	0	28	27	1	0	0	28
FAR WEST															
Alaska	49	1	83	0	133	17	2	3	94	116	17	16	21	0	54
California	10	0	0	1,044	1,054	5	0	0	1,143	1,148	0	0	0	1,726	1,726
Hawaii	0	0	0	68	68	43	0	0	69	112	0	3	205	183	391
Nevada	47	0	6	4	57	1	0	34	109	144	25	0	57	95	177
Oregon	15	0	49	85	149	0	0	38	79	117	28	0	66	130	224
Washington	0	0	122	332	454	0	0	127	400	527	0	0	167	499	666
TOTAL	\$975	\$81	\$2,077	\$7,108	\$10,241	\$1,098	\$86	\$2,302	\$8,772	\$12,258	\$1,525	\$94	\$4,135	\$8,651	\$14,405

Source: National Association of State Budget Officers, 2007 State Expenditure Report
*See Capital Spending Notes for explanation

Table 49

CORRECTIONS CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2006					Actual Fiscal 2007					Estimated Fiscal 2008				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$0	\$0	\$0	\$4	\$4	\$0	\$0	\$0	\$13	\$13	\$0	\$0	\$0	\$6	\$6
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	1	1	0	0	0	2	2	0	0	0	2	2
Rhode Island	0	6	1	0	7	0	3	5	0	8	0	0	9	0	9
Vermont	0	0	0	2	2	0	0	0	1	1	0	0	0	1	1
MID-ATLANTIC															
Delaware	1	1	4	0	6	2	0	5	0	7	0	0	0	0	0
Maryland	3	0	38	23	64	1	0	36	4	41	0	0	0	68	68
New Jersey	3	0	0	0	3	1	0	0	0	1	4	0	0	0	4
New York	0	4	3	250	257	0	0	0	212	212	0	0	0	254	254
Pennsylvania	0	0	0	134	134	0	0	0	177	177	0	0	0	36	36
GREAT LAKES															
Illinois	0	0	0	6	6	0	0	0	20	20	0	0	0	18	18
Indiana	60	0	10	0	70	56	0	12	0	68	53	0	16	0	69
Michigan	65	0	0	2	67	48	0	0	6	54	48	0	0	2	50
Ohio	0	0	0	56	56	0	0	0	25	25	0	0	0	14	14
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PLAINS															
Iowa	0	0	1	15	16	0	0	1	13	14	0	0	23	2	25
Kansas	5	0	4	3	12	3	0	2	7	12	4	0	5	7	16
Minnesota	5	0	0	13	18	13	1	0	77	91	5	1	1	46	53
Missouri	0	3	0	0	3	0	4	5	0	9	0	21	2	0	23
Nebraska	1	0	1	0	2	1	0	2	0	3	0	0	1	0	1
North Dakota	0	0	0	2	2	1	0	0	0	1	3	0	0	0	3
South Dakota	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SOUTHEAST															
Alabama	2	0	2	0	4	3	0	1	1	5	12	0	2	1	15
Arkansas	0	0	7	0	7	0	0	1	0	1	0	0	2	0	2
Florida*	39	3	1	0	43	148	3	2	0	153	202	0	0	0	202
Georgia	0	1	1	32	34	0	13	0	21	34	0	1	0	34	35
Kentucky	0	0	15	0	15	0	0	9	0	9	0	0	9	0	9
Louisiana	18	14	2	5	39	4	14	1	2	21	11	2	2	4	19
Mississippi	1	0	1	0	2	1	0	1	0	2	1	0	1	0	2
North Carolina	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
South Carolina	0	6	1	1	8	2	5	1	1	9	0	0	0	0	0
Tennessee	0	0	18	73	91	3	0	24	40	67	3	0	29	35	67
Virginia	8	11	2	173	194	10	9	1	168	188	40	2	4	88	134
West Virginia	2	0	1	23	26	3	0	0	9	12	3	0	1	1	5
SOUTHWEST															
Arizona	0	0	1	1	2	1	0	1	1	3	0	0	0	0	0
New Mexico	1	0	0	1	2	3	0	0	1	4	5	0	0	0	5
Oklahoma	0	0	0	0	0	0	0	0	0	0	0	0	0	4	4
Texas	0	0	0	31	31	0	0	0	67	67	0	0	0	573	573
ROCKY MOUNTAIN															
Colorado	0	1	5	0	6	0	0	38	0	38	0	0	96	0	96
Idaho	0	0	3	3	6	0	0	23	3	26	0	0	5	3	8
Montana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utah	13	1	0	0	14	20	0	0	0	20	0	0	0	0	0
Wyoming	9	5	8	0	22	0	0	0	0	0	0	0	0	0	0
FAR WEST															
Alaska	2	0	2	0	4	6	0	0	0	6	0	0	0	0	0
California	30	0	0	0	30	66	0	0	0	66	139	0	0	2	141
Hawaii	0	0	0	1	1	0	0	0	0	0	0	0	0	17	17
Nevada	0	0	0	7	7	0	0	0	31	31	0	0	0	117	117
Oregon	0	0	0	60	60	0	0	0	112	112	0	0	0	30	30
Washington	0	1	1	86	88	0	0	2	172	174	0	0	0	193	193
TOTAL	\$268	\$57	\$133	\$1,008	\$1,466	\$396	\$52	\$173	\$1,186	\$1,807	\$533	\$27	\$208	\$1,558	\$2,326

Source: National Association of State Budget Officers, 2007 State Expenditure Report

*See Capital Spending Notes for explanation

Table 50

TRANSPORTATION CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2006					Actual Fiscal 2007					Estimated Fiscal 2008				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$0	\$0	\$0	\$264	\$264	\$0	\$0	\$0	\$789	\$789	\$0	\$0	\$0	\$477	\$477
Maine	0	152	107	7	266	0	118	64	30	212	0	122	46	1	169
Massachusetts	0	422	274	542	1,238	0	567	26	688	1,281	0	500	0	724	1,224
New Hampshire	0	35	176	0	211	0	46	186	0	232	0	50	187	0	237
Rhode Island	0	194	6	44	244	0	173	10	40	223	0	147	10	46	203
Vermont	0	121	40	0	161	0	157	46	0	203	0	161	50	0	211
MID-ATLANTIC															
Delaware	0	115	266	0	381	0	104	166	0	270	0	141	0	0	141
Maryland	0	773	746	0	1,519	0	694	704	0	1,398	0	681	827	0	1,508
New Jersey	805	1,459	5	994	3,263	895	1,182	21	1,280	3,378	895	1,628	19	1,401	3,943
New York	0	1,393	1,210	445	3,048	0	1,511	1,080	774	3,365	0	1,495	1,833	198	3,526
Pennsylvania	0	0	0	150	150	0	0	0	150	150	0	0	0	150	150
GREAT LAKES															
Illinois	0	117	1,691	240	2,048	0	151	1,938	127	2,216	0	169	2,028	97	2,294
Indiana	2	0	1	0	3	1	0	0	0	1	2	0	0	0	2
Michigan	0	698	341	156	1,195	0	818	71	365	1,254	0	720	252	55	1,027
Ohio	3	1,141	746	261	2,151	3	1,148	767	307	2,225	0	1,021	782	329	2,132
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PLAINS															
Iowa	0	158	395	0	553	0	265	259	0	524	0	188	264	0	452
Kansas	0	351	510	47	908	0	339	489	53	881	7	338	525	50	920
Minnesota	0	11	624	178	813	0	8	832	144	984	0	28	744	144	916
Missouri	0	0	1,644	372	2,016	0	0	1,408	844	2,252	1	0	564	403	968
Nebraska	0	265	360	0	625	0	239	301	0	540	0	259	412	0	671
North Dakota	0	228	56	13	297	0	216	52	15	283	0	189	85	13	287
South Dakota	0	1	44	0	45	0	0	36	0	36	0	0	8	0	8
SOUTHEAST															
Alabama	0	509	79	32	620	0	475	110	27	612	0	407	197	0	604
Arkansas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Florida	0	1,767	4,198	514	6,479	0	2,210	3,889	672	6,771	85	2,369	4,335	752	7,541
Georgia	11	1,765	575	410	2,761	13	3,392	1,015	6	4,426	12	2,578	794	77	3,461
Kentucky	0	0	8	0	8	0	0	10	0	10	0	0	13	0	13
Louisiana	0	6	1,035	384	1,425	643	5	980	470	2,098	0	6	873	525	1,404
Mississippi	0	466	231	61	758	0	813	164	59	1,036	0	336	206	38	580
North Carolina	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
South Carolina	3	0	8	0	11	0	0	0	0	0	0	0	0	0	0
Tennessee	0	996	366	156	1,518	0	914	433	83	1,430	0	941	445	84	1,470
Virginia	0	0	49	4	53	0	0	22	61	83	0	0	70	52	122
West Virginia	4	412	265	0	681	4	403	184	25	616	6	531	256	80	873
SOUTHWEST															
Arizona	0	442	404	241	1,087	0	492	355	350	1,197	0	404	379	354	1,137
New Mexico	19	0	0	259	278	65	0	0	286	351	100	0	0	250	350
Oklahoma	0	532	316	75	923	0	626	676	77	1,379	0	604	894	67	1,565
Texas	0	0	4,898	0	4,898	0	0	5,424	0	5,424	0	0	5,426	0	5,426
ROCKY MOUNTAIN															
Colorado	0	0	10	0	10	0	0	15	0	15	0	0	20	0	20
Idaho	0	248	58	0	306	0	220	87	0	307	0	295	92	0	387
Montana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utah	120	262	328	0	710	35	255	757	0	1,047	384	168	708	1,100	2,360
Wyoming	83	48	78	0	209	87	2	99	0	188	87	2	99	0	188
FAR WEST															
Alaska	57	757	70	195	1,079	453	1,020	102	150	1,725	255	595	112	26	988
California	0	1,727	1,555	15	3,297	0	1,530	1,383	36	2,949	0	1,912	2,188	1,197	5,297
Hawaii	0	112	59	40	211	0	144	77	69	290	0	160	395	1	556
Nevada	17	223	175	199	614	3	314	99	199	615	2	196	167	135	500
Oregon	0	0	0	3	3	0	0	0	2	2	0	0	0	7	7
Washington	0	377	312	602	1,291	0	491	585	647	1,723	0	412	435	992	1,839
TOTAL	\$1,124	\$18,283	\$24,319	\$6,903	\$50,629	\$2,202	\$21,042	\$24,922	\$8,825	\$56,991	\$1,836	\$19,753	\$26,740	\$9,825	\$58,154

Source: National Association of State Budget Officers, 2007 State Expenditure Report
 *See Capital Spending Notes for explanation

Table 51

ENVIRONMENTAL PROJECTS CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2006					Actual Fiscal 2007					Estimated Fiscal 2008				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$0	\$0	\$0	\$173	\$173	\$0	\$0	\$0	\$136	\$136	\$0	\$0	\$0	\$375	\$375
Maine	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Massachusetts	0	0	0	142	142	0	0	0	166	166	0	0	0	167	167
New Hampshire	0	0	0	5	5	0	0	0	5	5	0	0	0	5	5
Rhode Island	2	8	2	18	30	4	13	2	18	37	1	4	9	54	68
Vermont	0	0	0	9	9	0	0	0	6	6	0	0	0	9	9
MID-ATLANTIC															
Delaware	13	0	0	0	13	11	0	0	0	11	10	0	0	0	10
Maryland	0	54	263	51	368	15	47	532	43	637	7	36	495	30	568
New Jersey	78	0	0	40	118	99	3	0	60	162	117	10	0	57	184
New York	0	137	103	247	487	0	109	237	202	548	0	129	353	143	625
Pennsylvania	0	0	0	10	10	0	0	0	0	0	0	0	0	7	7
GREAT LAKES															
Illinois	0	7	161	74	242	0	6	237	46	289	0	7	249	64	320
Indiana	48	0	4	0	52	36	0	2	0	38	37	0	2	0	39
Michigan	9	11	68	49	137	9	9	55	35	108	9	19	70	9	107
Ohio	1	0	0	133	134	1	0	0	139	140	1	0	0	87	88
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PLAINS															
Iowa	0	0	12	3	15	0	0	16	1	17	0	0	14	0	14
Kansas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Minnesota	6	7	21	10	44	12	5	30	28	75	7	6	26	14	53
Missouri	0	0	7	11	18	0	0	0	19	19	0	0	0	42	42
Nebraska	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
North Dakota	0	5	16	0	21	1	4	14	2	21	4	12	19	4	39
South Dakota	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SOUTHEAST															
Alabama*	0	0	31	19	50	1	0	29	8	38	0	0	39	21	60
Arkansas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Florida	82	247	1,100	365	1,794	848	353	994	384	2,579	171	255	1,012	425	1,863
Georgia	6	5	0	56	67	6	7	0	56	69	10	12	0	28	50
Kentucky	0	0	36	0	36	0	0	3	0	3	0	0	11	0	11
Louisiana	0	0	1	0	1	0	0	2	0	2	1	1	3	0	5
Mississippi	0	2	4	4	10	0	10	5	15	30	0	1	7	4	12
North Carolina	19	0	0	70	89	38	0	0	99	137	50	0	0	0	50
South Carolina	0	18	10	0	28	0	9	14	0	23	0	0	0	0	0
Tennessee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Virginia	10	3	14	39	66	5	3	4	17	29	1	6	3	20	30
West Virginia	0	16	19	0	35	0	14	22	0	36	0	10	10	0	20
SOUTHWEST															
Arizona	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Mexico	0	0	0	29	29	0	0	0	31	31	0	0	0	0	0
Oklahoma	3	6	82	0	91	4	6	107	0	117	0	0	41	0	41
Texas	17	2	1	6	26	21	6	2	10	39	33	6	3	20	62
ROCKY MOUNTAIN															
Colorado	0	9	54	0	63	0	6	62	0	68	0	29	66	0	95
Idaho	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Montana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utah*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Wyoming	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FAR WEST															
Alaska	25	79	0	4	108	30	75	0	0	105	40	56	3	0	99
California	144	2	45	222	413	219	4	12	159	394	59	24	46	1,552	1,681
Hawaii*	0	0	0	11	11	0	0	0	0	0	0	13	0	8	21
Nevada	0	0	0	7	7	0	0	0	6	6	0	0	0	5	5
Oregon	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Washington	0	64	287	45	396	0	84	194	137	415	0	96	248	194	538
TOTAL	\$463	\$682	\$2,341	\$1,852	\$5,338	\$1,360	\$773	\$2,575	\$1,828	\$6,536	\$558	\$732	\$2,729	\$3,344	\$7,363

Source: National Association of State Budget Officers, 2007 State Expenditure Report

*See Capital Spending Notes for explanation

Table 52

HOUSING CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2006					Actual Fiscal 2007					Estimated Fiscal 2008				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$0	\$0	\$0	\$26	\$26	\$0	\$0	\$0	\$17	\$17	\$0	\$0	\$0	\$15	\$15
Maine	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Massachusetts	0	0	0	129	129	0	0	0	151	151	0	0	0	156	156
New Hampshire	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Rhode Island*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Vermont	0	0	0	2	2	0	0	0	2	2	0	0	0	1	1
MID-ATLANTIC															
Delaware	4	0	0	0	4	0	0	0	0	0	0	0	0	0	0
Maryland	0	18	26	23	67	39	17	23	1	80	8	17	36	7	68
New Jersey	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New York	0	2	2	129	133	0	1	1	117	119	0	3	0	129	132
Pennsylvania	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GREAT LAKES															
Illinois	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Indiana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Michigan	0	130	24	1	155	0	132	26	2	160	2	140	30	5	177
Ohio	0	130	24	1	155	0	0	0	1	1	0	0	0	1	1
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PLAINS															
Iowa	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kansas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Minnesota	0	0	0	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
SOUTHEAST															
Alabama	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Arkansas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Florida	0	0	443	0	443	0	0	433	0	433	0	0	390	0	390
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	1	1	0	0	0	0	0
North Carolina	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
South Carolina	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Tennessee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Virginia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
West Virginia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SOUTHWEST															
Arizona	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Mexico	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Oklahoma	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Texas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ROCKY MOUNTAIN															
Colorado	0	0	0	0	0	0	0	0	0	0	0	2	1	0	3
Idaho	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Montana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utah*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Wyoming	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FAR WEST															
Alaska	0	2	11	18	31	0	0	28	29	57	0	300	23	35	358
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	2	51	53
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	4	42	46	0	0	9	60	69	0	0	7	59	66
TOTAL	\$4	\$282	\$534	\$372	\$1,192	\$39	\$150	\$520	\$381	\$1,090	\$10	\$462	\$489	\$459	\$1,420

Source: National Association of State Budget Officers, 2007 State Expenditure Report

*See Capital Spending Notes for explanation

Table 53

ALL OTHER CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2006					Actual Fiscal 2007					Estimated Fiscal 2008				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$0	\$0	\$0	\$985	\$985	\$0	\$0	\$0	\$890	\$890	\$0	\$0	\$0	\$800	\$800
Maine	3	17	5	10	35	3	14	6	6	29	0	3	11	3	17
Massachusetts	0	0	0	820	820	0	0	0	728	728	0	0	0	262	262
New Hampshire	0	0	0	50	50	0	0	0	29	29	0	0	0	33	33
Rhode Island	1	0	65	54	120	0	73	67	82	222	0	48	126	99	273
Vermont	0	0	0	26	26	0	0	0	24	24	0	0	0	35	35
MID-ATLANTIC															
Delaware	211	0	0	0	211	192	0	0	0	192	175	0	0	0	175
Maryland	1	0	6	377	384	75	13	19	430	537	12	7	3	507	529
New Jersey	216	0	0	26	242	246	0	0	27	273	265	4	0	126	395
New York	0	170	194	418	782	0	116	205	413	734	0	128	255	625	1,008
Pennsylvania	0	0	0	201	201	0	0	0	327	327	0	0	0	344	344
GREAT LAKES															
Illinois	0	0	24	435	459	0	0	28	310	338	0	0	3	139	142
Indiana	72	0	12	0	84	102	0	19	0	121	115	0	18	0	133
Michigan	46	30	32	174	282	53	24	4	49	130	53	18	4	36	111
Ohio	0	0	280	705	985	0	0	221	668	889	1	0	285	199	485
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PLAINS															
Iowa	0	0	30	16	46	0	0	34	32	66	0	0	160	64	224
Kansas	7	4	10	4	25	15	18	0	10	43	9	15	12	16	52
Minnesota	15	6	12	152	185	38	8	17	204	267	18	46	46	237	347
Missouri*	21	73	43	0	137	73	12	38	0	123	220	180	76	0	476
Nebraska	11	12	21	0	44	11	12	25	0	48	5	59	51	0	115
North Dakota	5	10	23	14	52	6	11	8	0	25	10	20	35	0	65
South Dakota	29	7	77	7	120	18	2	52	7	79	3	6	7	6	22
SOUTHEAST															
Alabama*	3	0	23	180	206	34	0	29	239	302	1	0	65	541	607
Arkansas	0	26	83	14	123	0	37	35	15	87	0	89	164	90	343
Florida	71	0	1,487	305	1,863	189	0	1,539	1,421	3,149	77	0	1,878	1,050	3,005
Georgia	0	0	0	220	220	0	0	0	562	562	0	0	0	550	550
Kentucky	0	0	240	0	240	0	0	390	0	390	0	0	913	0	913
Louisiana	17	65	25	111	218	30	142	244	124	540	87	249	388	137	861
Mississippi	6	30	34	166	236	7	30	46	343	426	8	27	27	144	206
North Carolina	19	0	0	0	19	29	0	0	100	129	55	0	0	200	255
South Carolina	13	18	18	3	52	13	17	30	4	64	0	0	0	0	0
Tennessee	33	33	1	21	88	43	20	0	110	173	55	0	0	32	87
Virginia	7	7	8	61	83	16	0	12	75	103	69	3	3	47	122
West Virginia	12	29	37	0	78	14	12	30	0	56	10	5	27	0	42
SOUTHWEST															
Arizona	1	2	1	0	4	1	2	1	0	4	20	0	8	0	28
New Mexico	0	0	0	13	13	0	0	0	327	327	0	0	0	243	243
Oklahoma	16	18	48	534	616	16	68	143	150	377	5	0	667	209	881
Texas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ROCKY MOUNTAIN															
Colorado	0	1	21	0	22	0	6	30	0	36	0	9	27	0	36
Idaho	0	0	8	2	10	0	0	12	2	14	0	0	122	2	124
Montana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utah	96	4	17	5	122	213	22	-20	111	326	329	13	36	0	378
Wyoming	16	9	17	0	42	12	6	5	0	23	12	6	5	0	23
FAR WEST															
Alaska	206	250	30	109	595	427	198	55	55	735	690	169	221	0	1,080
California	5	12	16	13	46	10	128	25	1	164	15	83	158	45	301
Hawaii*	0	13	133	284	430	0	9	159	336	504	50	63	340	584	1,037
Nevada	6	10	38	13	67	6	10	74	9	99	7	1	12	57	77
Oregon	0	5	11	61	77	2	2	19	53	76	0	10	10	31	51
Washington	0	33	252	132	417	0	28	422	153	603	0	45	385	288	718
TOTAL*	\$1,165	\$894	\$3,382	\$6,721	\$12,162	\$1,894	\$1,040	\$4,023	\$8,426	\$15,383	\$2,376	\$1,306	\$6,548	\$7,781	\$18,011

Source: National Association of State Budget Officers, 2007 State Expenditure Report
 *See Capital Spending Notes for explanation

Capital Spending Notes

Alabama: Capital expenditures for higher education are not captured/available at the state budget 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.

Arizona: State Government is responsible for new construction and building renewal for K-12 facilities. Local school districts initiate the expenditures/projects with state approval and then are reimbursed as payments need to be made. These are included as operating expenditures rather than capital expenditures for the purpose of this survey.

Colorado: Per the instructions, expenditures that cannot be categorized by functional area are reported in the "All Other" category. Capital expenditures are reported by the annual appropriation total because there is no actual expenditure reporting. "Other State Funds" primarily consist of funding from the Capital Construction Fund, which is largely funded by transfers from the General Fund. General Fund transfers to the Capital Construction Fund are as follows: FY 2005-06 = \$79 million; FY 2006-07 = \$139 million; FY 2007-08 = \$268 million.

Hawaii: Not possible to separate Fiscal 2006 and Fiscal 2007 capital expenditures into the Housing and Environmental functional areas; included in All Other.

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.

New Mexico: Unable to accurately break out capital outlay by revenue source from total expenditures for federal funds and other state funds.

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 Carolina: Estimated capital expenditures are no longer collected. Therefore, no capital expenditure data is included for estimated fiscal 2008.

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

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 (\$8 million in fiscal 2006, \$7 million in fiscal 2007, and \$7 million in fiscal 2008) 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 (\$6 million available in 2006, \$7 million available in 2007, and \$6 million projected available for 2008). 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 (\$6 million available in 2006, \$8 million available in 2007, and \$13 million projected available for 2008); 2) Water Resources Cities Water Loan Fund (\$2 million available in 2006, \$2 million available in 2007, and \$4 million projected available for 2008); 3) Water Resources Conservation and Development Fund (\$24 million available in 2006, \$39 million available in 2007, and \$50 million projected available for 2008); 4) Water Quality Loan Fund (\$21 million available in 2006, \$18 million available in 2007, and \$20 million projected available for 2008); and 5) Drinking Water Loan Fund (\$13 million available in 2006, \$13 million available in 2007, and \$14 million projected available for 2008).

CHAPTER NINE
REVENUE SOURCES
IN THE GENERAL FUND



General fund revenue, the source of most state expenditures, totaled \$641.9 billion in fiscal 2007. Personal income taxes, sales and compensating use taxes, and corporate income taxes are the three main sources of general fund revenue, accounting for 81.2 percent of general fund collections. Specifically, personal income taxes account for 40.7 percent of the total, sales and compensating use taxes for 32.3 percent, and corporate income taxes for 8.2 percent of total general fund revenues. Other taxes and fees represent 18.1 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, 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 Collection Trends

States maintained relatively strong revenue growth in fiscal 2007 with total general fund revenues growing by 5.2 percent. However, revenue growth in fiscal 2007 was below the growth level of prior years. Revenues grew at 8.9 percent in both fiscal 2005 and fiscal 2006. In addition, revenue growth is expected to slow further in fiscal 2008. Total general fund revenues are estimated to grow 2.6 percent in fiscal 2008.

Unlike fiscal 2006 when all states either met or exceeded their revenue estimates, fiscal 2007 saw several states fail to meet their revenue expectations. Thirty-eight states exceeded expectations, four states were on target, and eight states were below expectations in fiscal 2007 (revenue estimates are detailed in NASBO's *Fiscal Survey of States*, published December 2007).

Figure 23
REVENUE SOURCES IN THE GENERAL FUND

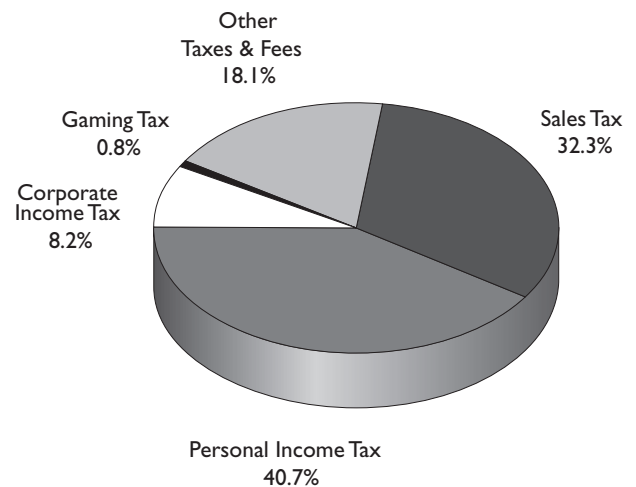


Table 54
REVENUE SOURCES IN THE GENERAL FUND (\$ IN MILLIONS)

Region/state	Actual Fiscal 2006						Actual Fiscal 2007						Estimated Fiscal 2008					
	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	
NEW ENGLAND																		
Connecticut	\$3,402	\$6,156	\$788	\$718	\$3,935	\$14,999	\$3,496	\$6,749	\$891	\$714	\$3,893	\$15,743	\$3,599	\$7,460	\$747	\$699	\$3,815	\$16,320
Maine	993	1,255	188	0	496	2,932	1,021	1,354	184	0	461	3,020	1,029	1,400	182	0	429	3,040
Massachusetts*	4,004	10,483	1,391	0	2,610	18,488	4,068	11,400	1,581	0	2,687	19,736	4,086	12,493	1,512	0	2,797	20,888
New Hampshire	0	0	546	3	1,633	2,182	0	0	599	3	1,689	2,291	0	0	613	3	1,730	2,346
Rhode Island	869	997	165	327	782	3,140	873	1,065	148	324	820	3,231	853	1,069	157	360	997	3,436
Vermont	217	542	76	0	277	1,112	222	581	73	0	275	1,151	230	610	73	0	277	1,190
MID-ATLANTIC																		
Delaware	0	1,015	163	0	1,992	3,170	0	1,008	140	0	2,142	3,290	0	1,011	176	0	2,179	3,366
Maryland	3,355	6,200	623	0	2,212	12,390	3,420	6,679	590	0	2,251	12,940	3,752	6,986	559	0	2,317	13,614
New Jersey	6,853	10,507	3,162	867	7,316	28,705	8,610	11,727	3,208	850	6,807	31,202	8,972	12,172	2,885	881	6,575	31,485
New York	10,593	30,813	5,084	23	2,458	48,971	10,050	34,580	6,468	21	2,723	53,842	10,592	36,564	6,018	23	2,632	55,829
Pennsylvania	8,334	9,524	2,302	0	5,694	25,854	8,591	10,262	2,493	0	6,103	27,449	8,556	11,097	2,522	0	6,013	28,188
GREAT LAKES																		
Illinois	7,092	8,635	1,428	689	4,790	22,634	7,136	9,408	1,750	685	4,958	23,937	7,172	10,048	1,750	636	5,110	24,716
Indiana	5,226	4,322	925	590	997	12,061	5,379	4,616	987	625	1,019	12,626	5,534	4,838	910	583	1,066	12,931
Michigan*	1,003	4,184	1,842	47	1,190	8,266	1,003	4,331	1,816	46	1,122	8,318	964	5,054	2,036	17	1,093	9,164
Ohio	7,368	8,786	1,055	0	8,637	25,846	7,432	8,863	1,584	0	8,052	25,931	7,614	9,115	754	0	9,176	26,659
Wisconsin	4,128	6,144	780	0	978	12,030	4,159	6,574	890	0	995	12,618	4,210	6,660	810	0	1,188	12,868
PLAINS																		
Iowa	1,836	2,398	264	140	690	5,328	1,863	2,667	325	117	674	5,646	1,962	2,841	332	116	811	6,062
Kansas	2,005	2,371	350	0	598	5,324	2,052	2,709	442	0	591	5,794	1,975	2,930	415	0	606	5,926
Minnesota	4,464	6,863	1,062	56	3,065	15,510	4,506	7,231	1,171	54	2,946	15,908	4,575	7,589	903	50	2,734	15,851
Missouri*	1,962	4,579	405	0	387	7,332	1,955	4,918	458	0	386	7,717	1,929	5,211	449	0	368	7,957
Nebraska	1,264	1,545	262	1	280	3,352	1,304	1,651	213	1	239	3,408	1,300	1,665	225	1	216	3,407
North Dakota	456	273	112	9	244	1,094	511	315	121	9	268	1,224	541	304	132	10	348	1,335
South Dakota	577	0	0	0	480	1,057	603	0	0	0	489	1,092	642	0	0	0	535	1,177
SOUTHEAST																		
Alabama*	2,002	2,689	484	3	1,977	7,155	2,087	2,938	455	3	2,006	7,489	2,109	3,050	467	3	2,234	7,863
Arkansas	2,087	2,357	378	5	314	5,141	2,188	2,536	391	8	317	5,440	2,097	2,708	379	10	335	5,529
Florida	19,378	0	2,405	16	5,276	27,075	19,435	0	2,444	32	4,493	26,404	18,626	0	2,326	28	3,488	24,469
Georgia	5,712	8,022	863	0	2,742	17,339	5,913	8,821	1,020	0	3,087	18,840	6,031	9,288	1,007	0	3,040	19,365
Kentucky	2,749	2,919	1,002	0	1,706	8,376	2,818	3,042	988	0	1,726	8,574	2,878	3,483	534	0	1,769	8,664
Louisiana	3,073	2,512	769	435	1,516	8,305	3,165	3,257	1,052	428	1,778	9,680	3,137	3,145	1,036	419	2,262	9,997
Mississippi	2,069	1,246	412	146	460	4,333	2,149	1,475	485	186	495	4,790	2,282	1,497	475	179	405	4,837
North Carolina	4,894	9,400	1,204	0	1,523	17,021	4,996	10,508	1,451	0	1,757	18,712	4,982	10,902	1,112	0	1,836	18,832
South Carolina	2,545	2,608	258	0	815	6,226	2,631	2,882	262	0	884	6,659	2,539	2,925	275	0	771	6,510
Tennessee	6,225	140	763	0	2,386	9,514	6,500	163	946	0	2,586	10,195	6,650	171	937	0	2,795	10,553
Virginia	2,813	9,309	872	0	1,841	14,834	3,049	9,788	880	0	1,850	15,566	3,096	10,171	699	0	1,784	15,751
West Virginia	1,012	1,298	348	0	1,004	3,662	1,003	1,361	358	0	1,031	3,753	1,027	1,408	362	0	1,022	3,819
SOUTHWEST																		
Arizona*	4,273	3,690	874	0	448	9,285	4,533	3,736	986	0	298	9,553	4,490	3,555	832	0	710	9,587
New Mexico	1,742	1,124	377	57	2,259	5,559	1,902	1,180	460	71	2,215	5,828	1,910	1,160	408	66	2,475	6,019
Oklahoma	1,570	2,380	265	17	1,499	5,731	1,667	2,338	435	19	1,524	5,983	1,750	2,239	279	18	1,684	5,969
Texas	18,201	0	0	0	18,474	36,675	20,183	0	0	0	18,155	38,338	20,335	0	0	0	17,874	38,209
ROCKY MOUNTAIN																		
Colorado*	2,123	4,019	447	18	358	6,965	2,210	4,476	497	7	350	7,539	2,359	4,514	490	0	363	7,726
Idaho	881	1,216	194	0	141	2,432	1,077	1,400	190	0	144	2,811	1,166	1,379	169	0	148	2,862
Montana	13	769	154	66	715	1,717	16	827	177	72	746	1,838	15	773	161	77	747	1,773
Utah	1,806	2,288	378	0	392	4,864	1,858	2,573	425	0	452	5,308	1,795	2,709	382	0	408	5,294
Wyoming	392	0	0	0	555	947	482	0	0	0	591	1,073	482	0	0	0	636	1,118
FAR WEST																		
Alaska	147	0	799	2	3,252	4,200	156	0	771	3	4,171	5,101	161	0	738	3	5,518	6,420
California	27,581	49,901	10,316	2	5,651	93,451	27,445	51,941	11,158	2	4,867	95,413	27,100	54,088	10,135	2	9,865	101,190
Hawaii*	2,355	1,551	130	0	889	4,925	2,558	1,560	82	0	942	5,142	2,680	1,602	90	0	915	5,287
Nevada	1,005	0	0	838	1,216	3,059	1,021	0	0	859	1,266	3,145	984	0	0	821	1,247	3,053
Oregon	0	5,444	438	0	430	6,312	0	5,597	406	0	427	6,430	0	5,036	433	0	478	5,947
Washington	7,357	0	0	0	5,782	13,139	7,892	0	0	0	6,288	14,180	8,285	0	0	0	6,046	14,331
ALL STATES	\$200,006	\$242,473	\$47,103	\$5,074	\$115,360	\$610,017	\$207,187	\$261,086	\$52,451	\$5,137	\$116,037	\$641,899	\$209,053	\$272,919	\$47,884	\$5,004	\$123,867	\$658,728

*See Revenue Sources in the General Fund Notes for explanation

Table 55

ITEMS EXCLUDED FROM REVENUE SOURCES

Region/State	Sales and Compensating Use Taxes	Personal Income Taxes	Corporate Income Taxes	Gaming Taxes	Lottery Funds	Cigarette and Tobacco Taxes	Motor Fuel Taxes	Alcoholic Beverage Taxes	Insurance Premium Taxes	Property Taxes	Utility Taxes	Severance Taxes	Federal Funds	Licenses and Fees	Other
NEW ENGLAND															
Connecticut							X			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		
MID-ATLANTIC															
Delaware	X			X								X	X		
Maryland							P			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
GREAT LAKES															
Illinois							P			X		X	X		
Indiana					X		X			X	P	X	X		
Michigan	P	P	P	P	X	P	X	P		X			P	P	P
Ohio				X	X		X			X		X			
Wisconsin				X	X		X			X		X	X	X	
PLAINS															
Iowa				P			X			X			X		
Kansas				P	X		X			P	X		P	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		X		
SOUTHEAST															
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	P			P	X	P	X		P	X	P	P	X	P	P
Mississippi					X		P				X		X	X	
North Carolina*				X	X					X	X	X			
South Carolina				X	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		
SOUTHWEST															
Arizona				X		P	X	P					P		
New Mexico					X		X			X			X		
Oklahoma	P	P	P	P	X	P	P	P	P	X	X	P	X	P	P
Texas		X	X	X						X			X		
ROCKY MOUNTAIN															
Colorado		P		P	P		X			X	X	X	X	P	
Idaho				X	X	P	X	P		X	X	X	X	X	
Montana	N/A					P	X	P		P	P	P	X	P	P
Utah				X	X					P					
Wyoming		X	X	X	X										
FAR WEST															
Alaska		X			X										
California	P	P		P	P	P	X			X	X	X	X	P	P
Hawaii*	P			N/A	N/A	P	X		P	N/A	P	N/A	P	P	P
Nevada		X	X		X		X			X	X	X	X		
Oregon	X			X	X	P	X	P		X	X		X		
Washington		X	X	X			X					X	X	P	
ALL STATES	12	12	8	30	33	15	37	6	6	39	23	28	40	21	11

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

Alabama: Fiscal 2008 estimated revenue amounts exclude a projected transfer from the Proration Prevention Fund of \$376 million.

Arizona: Fiscal 2008 other taxes and fees includes transfers from the rainy day fund (\$487 million) and transfers from other funds.

Colorado: Amounts shown in "Personal Income Taxes" are reduced by the amount flowing to the State Education Fund.

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

Massachusetts: Tax revenue totals reflect revenue through the end of the fiscal year (June 30th).

Michigan: Actual fiscal 2006 and fiscal 2007 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 2008 estimates are the May 2008 consensus revenue estimates.

Missouri: Revenue sources exclude refunds of \$1,129 million in fiscal 2006, \$1,208 million in fiscal 2007, and \$1,300 million in fiscal 2008.

North Carolina: Lottery proceeds are allocated for Education Programs only.

APPENDIX



Table A-1

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

Region/State	Actual Fiscal 2006			Actual Fiscal 2007			Estimated Fiscal 2008		
	State Funds	Federal Funds	State & Federal Funds	State Funds	Federal Funds	State & Federal Funds	State Funds	Federal Funds	State & Federal Funds
NEW ENGLAND									
Connecticut	\$17,684	\$1,189	\$18,873	\$19,170	\$1,540	\$20,710	\$19,835	\$1,684	\$21,519
Maine	4,669	2,361	7,030	4,936	2,190	7,126	4,879	2,501	7,380
Massachusetts	35,031	2,466	37,497	37,439	2,557	39,996	37,453	2,388	39,841
New Hampshire	2,966	1,415	4,381	3,073	1,409	4,482	3,170	1,420	4,590
Rhode Island	4,526	1,981	6,507	4,686	1,864	6,550	4,985	2,040	7,025
Vermont	3,689	1,214	4,903	3,861	1,250	5,111	3,891	1,281	2,662
MID-ATLANTIC									
Delaware	6,314	1,029	7,343	6,550	1,174	7,724	6,692	1,169	7,861
Maryland	19,974	6,214	26,188	22,388	6,368	28,756	23,294	6,673	29,967
New Jersey	32,824	8,420	41,244	35,275	8,751	44,026	37,896	9,609	47,505
New York	67,868	34,618	102,486	75,067	35,453	110,520	79,507	34,680	114,187
Pennsylvania	35,927	17,305	53,232	38,204	17,820	56,024	40,652	18,474	59,126
GREAT LAKES									
Illinois	31,843	10,685	42,528	34,218	11,398	45,616	35,363	12,091	47,454
Indiana	14,755	6,683	21,438	15,653	7,107	22,760	16,110	7,818	23,928
Michigan	29,783	11,499	41,282	30,092	11,853	41,945	29,624	14,040	43,664
Ohio	43,402	8,616	52,018	42,573	9,181	51,754	45,276	8,832	54,108
Wisconsin	26,316	7,166	33,482	27,010	7,246	34,256	28,555	7,536	36,091
PLAINS									
Iowa	10,669	3,922	14,591	11,041	3,959	15,000	11,812	4,467	16,279
Kansas	7,960	3,265	11,225	8,593	3,131	11,724	9,234	3,582	12,816
Minnesota	19,635	5,628	25,263	20,428	5,965	26,393	21,845	6,394	28,239
Missouri	13,767	5,539	19,306	14,834	5,333	20,167	16,174	6,361	22,535
Nebraska	5,670	2,303	7,973	5,796	2,366	8,162	6,770	2,804	9,574
North Dakota	1,983	1,263	3,246	2,062	1,239	3,301	2,360	1,180	3,540
South Dakota	1,782	1,177	2,959	1,849	1,200	3,049	2,013	1,367	3,380
SOUTHEAST									
Alabama	23,099	10,344	33,443	25,742	10,399	36,141	30,483	12,377	42,860
Arkansas	10,642	4,602	15,244	11,465	4,594	16,059	12,759	6,219	18,978
Florida	41,178	18,750	59,928	43,962	18,849	62,811	47,434	19,615	67,049
Georgia	23,823	9,775	33,598	25,711	10,664	36,375	27,636	10,012	37,648
Kentucky	13,725	6,767	20,492	15,229	7,051	22,280	17,880	7,690	25,570
Louisiana	14,641	8,166	22,807	18,147	11,151	29,298	20,336	19,836	40,172
Mississippi	6,939	5,828	12,767	7,451	7,424	14,875	7,931	8,598	16,529
North Carolina	24,433	10,163	34,596	27,798	11,069	38,867	29,729	17,316	47,045
South Carolina	11,320	6,521	17,841	13,198	6,680	19,878	13,933	7,345	21,278
Tennessee	13,984	9,137	23,121	15,088	9,211	24,299	17,362	9,637	26,999
Virginia	25,069	5,960	31,029	27,492	6,244	33,736	28,129	6,336	34,465
West Virginia	16,913	3,277	20,190	15,056	3,263	18,319	15,154	3,489	18,643
SOUTHWEST									
Arizona	16,609	8,289	24,898	17,698	9,207	26,905	18,166	10,083	28,249
New Mexico	8,309	4,098	12,407	9,394	4,226	13,620	8,980	4,588	13,568
Oklahoma	10,763	5,336	16,099	13,312	5,690	19,002	14,667	5,593	20,260
Texas	45,250	24,710	69,960	50,667	24,485	75,152	59,589	26,330	85,919
ROCKY MOUNTAIN									
Colorado	12,062	3,571	15,633	12,936	3,776	16,712	14,006	3,987	17,993
Idaho	3,210	1,811	5,021	3,643	1,804	5,447	4,282	2,138	6,420
Montana	2,942	1,528	4,470	3,159	1,544	4,703	3,877	1,768	5,645
Utah	6,498	2,401	8,899	7,505	2,369	9,874	9,007	2,471	11,478
Wyoming	4,244	1,366	5,610	4,648	457	5,105	4,482	475	4,957
FAR WEST									
Alaska	6,481	2,856	9,337	8,245	3,002	11,247	9,616	2,862	12,478
California	114,308	53,569	167,877	123,967	52,935	176,902	132,261	58,669	190,930
Hawaii	7,533	1,539	9,072	8,534	1,645	10,179	9,868	1,947	11,815
Nevada	5,598	1,745	7,343	5,982	1,861	7,843	5,830	1,503	7,333
Oregon	15,509	4,504	20,013	15,629	4,419	20,048	18,111	5,087	23,198
Washington	20,503	6,097	26,600	21,867	6,326	28,193	23,321	6,799	30,120
TOTAL	\$944,622	\$368,668	\$1,313,290	\$1,018,323	\$380,699	\$1,399,022	\$1,092,219	\$421,161	\$1,513,380

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

Source: National Association of State Budget Officers, 2007 State Expenditure Report

Table A-2

CHILD HEALTH INSURANCE BLOCK GRANTS (\$ IN MILLIONS)

Regions/state	Actual Fiscal 2006				Actual Fiscal 2007				Estimated Fiscal 2008			
	General Fund	Other State Funds	Federal Funds	Total	General Fund	Other State Funds	Federal Funds	Total	General Fund	Other State Funds	Federal Funds	Total
NEW ENGLAND												
Connecticut*	30	0	0	30	32	0	0	32	33	0	0	33
Maine	9	0	25	34	10	0	28	37	11	0	32	44
Massachusetts*	229	0	148	377	299	0	193	492	377	0	244	621
New Hampshire	4	0	7	11	4	0	8	12	5	0	9	14
Rhode Island	36	0	78	114	23	0	48	71	24	0	50	74
Vermont	1	0	3	4	2	0	5	7	2	0	6	8
MID-ATLANTIC												
Delaware	2	1	6	9	4	1	8	13	5	1	11	17
Maryland	53	2	100	155	60	3	115	178	64	1	118	183
New Jersey	111	61	217	389	129	66	259	454	150	59	288	497
New York	0	345	310	655	0	335	316	651	0	306	321	627
Pennsylvania	47	28	158	233	50	36	182	268	66	36	218	320
GREAT LAKES												
Illinois	225	5	420	650	174	5	333	512	167	5	314	486
Indiana	0	29	82	111	0	33	93	126	0	30	85	115
Michigan*	31	36	152	219	36	32	155	223	38	13	122	173
Ohio	69	0	177	246	76	0	191	266	82	0	216	297
Wisconsin	62	7	125	194	82	7	126	216	79	8	146	233
PLAINS												
Iowa	16	0	48	64	18	0	53	71	21	0	56	77
Kansas	15	2	46	63	17	2	43	62	17	2	48	67
Minnesota	7	31	69	107	8	23	58	89	9	25	63	97
Missouri*	19	11	82	112	23	6	79	108	27	21	116	164
Nebraska	7	5	31	43	7	5	31	43	11	5	32	48
North Dakota	2	0	5	7	2	0	6	8	2	0	7	9
South Dakota	3	0	11	14	4	0	10	14	5	0	14	19
SOUTHEAST												
Alabama	20	1	93	114	21	5	101	127	28	5	117	150
Arkansas	16	0	73	89	17	0	78	95	22	0	93	115
Florida	18	69	215	302	12	87	245	344	21	103	286	410
Georgia	43	0	111	154	61	23	267	351	83	20	294	397
Kentucky	21	3	76	100	20	3	78	101	20	3	85	108
Louisiana	26	0	98	124	28	3	113	144	34	0	136	170
Mississippi	21	0	103	124	22	0	107	129	27	0	138	165
North Carolina	68	0	192	260	50	2	157	209	59	1	158	218
South Carolina	14	0	51	65	9	0	31	40	30	0	113	143
Tennessee*	0	0	0	0	2	0	1	3	28	0	86	114
Virginia	36	13	90	139	41	14	103	158	51	14	120	18
West Virginia	7	0	34	41	7	0	37	44	8	0	37	45
SOUTHWEST												
Arizona	41	0	138	179	32	0	105	137	35	0	110	145
New Mexico	7	0	28	35	7	0	28	35	23	0	92	115
Oklahoma	20	1	77	98	25	1	91	117	26	2	94	122
Texas*	125	0	288	413	157	0	386	543	290	0	675	965
ROCKY MOUNTAIN												
Colorado*	0	26	52	78	0	37	65	102	0	46	82	128
Idaho	4	0	16	20	6	0	23	29	7	0	30	37
Montana	0	4	16	21	0	5	18	23	0	6	23	30
Utah	0	11	41	52	0	13	40	53	2	15	59	76
Wyoming	4	0	5	9	4	0	8	12	5	0	10	15
FAR WEST												
Alaska	10	0	22	32	7	0	17	24	7	0	14	21
California*	656	0	1151	1807	558	0	981	1539	674	41	1269	1984
Hawaii	5	0	12	17	8	0	19	27	8	0	17	25
Nevada	10	0	27	37	12	0	29	41	13	0	30	43
Oregon	2	10	33	45	1	14	40	55	0	20	50	70
Washington	6	9	28	43	6	8	25	39	7	8	29	44
TOTAL	\$2,159	\$710	\$5,370	\$8,239	\$2,173	\$770	\$5,532	\$8,475	\$2,704	\$796	\$6,763	\$10,263

*See Child Health Insurance Block Grants Notes for explanation

Child Health Insurance Block Grants

California: Included in the actual General Fund amount for FFY 2006 and 2007 are the prenatal expenditures which Proposition 99 funds are used as the match to Federal Funds.

Colorado: Expenditures include administration, medical premiums, and dental premiums.

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.

Massachusetts: Since the 2006 State Expenditure Report, Massachusetts has altered how it reports SCHIP expenditures.

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 2006 and 60,000 in fiscal 2007. In fiscal 2008, ABW enrollment is expected to average 62,000. Enrollment in the traditional program for children ("MIChild") declined from an average 34,000 in fiscal 2006 to 29,000 in the second quarter of fiscal 2008.

Missouri: Medicaid and SCHIP 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.

Tennessee: Tennessee began receiving funds for the Child Health Insurance Block Grant in fiscal 2007.

Texas: CHIP expenditures include Immigrant Health Insurance, School Employee Insurance, expenditures which are 100 percent general revenue programs.

Table A-3

MEDICARE PART D CLAWBACK PAYMENTS (\$ IN MILLIONS)

Region/State	Actual Fiscal 2006			Actual Fiscal 2007			Estimated Fiscal 2008		
	General Fund	Other State Funds	Total	General Fund	Other State Funds	Total	General Fund	Other State Funds	Total
NEW ENGLAND									
Connecticut	45	0	45	113	0	113	118	0	118
Maine	8	0	8	42	0	42	41	0	41
Massachusetts	87	0	87	227	0	227	223	0	223
New Hampshire	13	0	13	27	0	27	29	0	29
Rhode Island	18	0	18	39	0	39	40	0	40
Vermont	0	7	7	19	0	19	20	0	20
MID-ATLANTIC									
Delaware	5	0	5	13	0	13	13	0	13
Maryland	42	0	42	92	0	92	92	0	92
New Jersey	121	0	121	267	0	267	279	0	279
New York*	0	0	0	814	0	814	738	0	738
Pennsylvania	140	0	140	339	0	339	385	0	385
GREAT LAKES									
Illinois	62	0	62	353	0	353	351	0	351
Indiana	39	0	39	71	0	71	90	0	90
Michigan	124	0	124	175	0	175	186	0	186
Ohio	90	0	90	236	0	236	243	0	243
Wisconsin	26	0	26	146	0	146	140	0	140
PLAINS									
Iowa	29	0	29	63	0	63	67	0	67
Kansas	0	13	13	0	41	41	10	37	47
Minnesota	47	0	47	137	0	137	144	0	144
Missouri	67	0	67	175	0	175	168	0	168
Nebraska	12	0	12	39	0	39	40	0	40
North Dakota	4	0	4	8	0	8	8	0	8
South Dakota	0	0	0	8	0	8	14	0	14
SOUTHEAST									
Alabama	10	24	34	0	61	61	0	61	61
Arkansas	13	0	13	32	2	34	33	2	35
Florida	106	0	106	388	0	388	383	0	383
Georgia	52	0	52	129	0	129	118	0	118
Kentucky	9	0	9	85	0	85	75	0	75
Louisiana	30	0	30	73	0	73	78	0	78
Mississippi	18	0	18	36	0	36	40	0	40
North Carolina	92	0	92	224	0	224	232	0	232
South Carolina	28	0	28	68	0	68	68	0	68
Tennessee	110	0	110	221	0	221	250	0	250
Virginia	48	0	48	152	0	152	157	0	157
West Virginia	9	0	9	29	0	29	31	0	31
SOUTHWEST									
Arizona	14	3	17	45	9	54	48	10	58
New Mexico	2	0	2	2	0	2	2	0	2
Oklahoma	21	0	21	53	0	53	58	0	58
Texas	136	0	136	289	0	289	301	0	301
ROCKY MOUNTAIN									
Colorado*	32	0	32	73	0	73	72	0	72
Idaho	2	5	7	5	12	17	6	13	19
Montana	5	0	5	11	0	11	12	0	12
Utah	10	0	10	22	0	22	22	0	22
Wyoming	4	0	4	8	0	8	10	0	10
FAR WEST									
Alaska	7	0	7	16	0	16	15	0	15
California	207	0	207	1,222	0	1,222	1,149	0	1,149
Hawaii	4	0	4	24	0	24	23	0	23
Nevada	6	0	6	22	0	22	22	0	22
Oregon	19	0	19	57	0	57	61	0	61
Washington	64	0	64	135	0	135	137	0	137
TOTAL	\$2,036	\$52	\$2,088	\$6,823	\$125	\$6,948	\$6,842	\$123	\$6,965

*See Medicare Part D Clawback Payments Notes for explanation

Medicare Part D Clawback Payments

Colorado: Colorado passed legislation (SB 07-133) that changed the MMA State Contribution Payment line item from accrual to cash accounting. This caused a one-time savings of \$7,173,368 in FY 2007-08 because there are only 11 payments in that year. Although not the actual expenditure, this amount should be added to the total if being compared to prior years. FY 2007-08 = 76.7 (07-08 Long Bill Approp) - 7.1 (07-133) + 2.6 (08-09 Long Bill Add-on).

New York: Due to Federal billing delays, there were no Medicare Part D Clawback Payments during State Fiscal Year 2005-06.

Methodology

The Fiscal Year 2007 State Expenditure Report reflects three years of data: actual fiscal year 2006, actual fiscal year 2007, and estimated fiscal year 2008. The text of this report focuses on actual fiscal year 2007 data.

This survey documents state expenditures in six functional categories: elementary and secondary education, higher education, public assistance including Temporary Assistance for Needy Families and other cash assistance, Medicaid, corrections, and transportation. All other expenditures make up a seventh category. The report includes expenditures from four fund sources, including general funds, federal funds, other state funds, and bonds. Data for each category 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, fees and student loan programs. Higher education expenditures exclude federal research grants and endowments to universities.

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

Medicaid spending amounts also exclude administrative costs, while including spending from state funds, federal matching funds and other funds and revenue sources used as a 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 to local governments, the administration of the department of transportation, truck and train/railroad programs, motor vehicle licensing, and gas tax and fee collection. The data exclude spending for port authorities, state police and highway patrol.

The "all other" expenditure category includes all remaining programs not captured in the functional categories previously described, including the 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. This chapter only contains information on general fund revenue.

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

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

Definitions

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

Federal funds: funds received directly from the Federal government.

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

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

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