

FISCAL YEAR

2008

**STATE EXPENDITURE REPORT**

NATIONAL ASSOCIATION OF STATE BUDGET OFFICERS

Published Fall 2009

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Price: \$40.00

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# PREFACE

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Since its inception in 1987, the State Expenditure Report has developed into a definitive baseline for the analysis of state spending. This edition of the report includes data from actual fiscal 2007, actual fiscal 2008, and estimated fiscal 2009. Expenditures reflected in this report represent more than 99 percent of total state spending.

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

## ACKNOWLEDGEMENTS

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

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# EXECUTIVE SUMMARY

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## State Spending Trends, Fiscal 2008 and Fiscal 2009

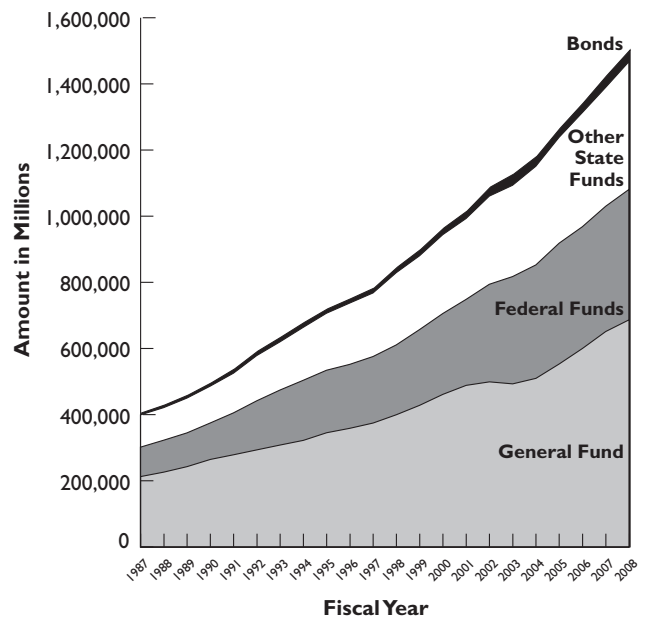
The national recession that began in December 2007 created mixed outcomes for state expenditures in fiscal 2008 and fiscal 2009. The “Great Recession”—as some are terming it—has created unique and in some ways unprecedented fiscal situations for states. Some states experienced revenue declines as early as late 2007 as a result of the collapse of the housing market. Others did not experience severe fiscal challenges until after the financial sector crisis occurred in the fall of 2008. The numbers in this report reflect the fiscal experience of states during this unusual economic period. Given the varying times states entered recession, this year’s report may not demonstrate the full extent of the exceptionally severe fiscal situation for states. In addition, the large increase in federal funds for states from the *American Recovery and Reinvestment Act of 2009 (ARRA)* have had a major impact on states and these additional funds are reflected in the large percentage growth increase of federal funds in fiscal 2009.

Total state spending (general funds, other state funds, bonds and federal funds combined) reached \$1.5 trillion in fiscal 2008, still growing at 5.4 percent from the prior year, but less than the growth levels of 7.2 percent in fiscal 2005, and 6.1 percent in both fiscal 2006 and fiscal 2007. Even though total state spending growth slowed in fiscal 2008, not all funding sources demonstrated declining growth. Federal funds grew 4.1 percent in fiscal 2008, greater than the 2.9 percent growth of fiscal 2007. This contrasts with general funds, the predominant source for financing state operations, which grew 5.4 percent in fiscal 2008, slowing from the 8.5 percent growth of fiscal 2007. Likewise, state funds, which are general funds plus other state funds combined, grew 6.2 percent in fiscal 2008, slightly less than the fiscal 2007 growth level of 6.9 percent.

Estimated fiscal 2009 totals show an outright decline in state funds while federal funds to states grew dramatically as a result of ARRA. General fund spending is estimated to decline by 3.2 percent in fiscal 2009, compared to 5.4 percent growth in fiscal 2008. State funds (general funds and other state funds combined) are estimated to decline by 0.1 percent, compared to increasing 6.2 percent in fiscal 2008. Federal funds, on the other hand, are estimated to grow by a significant 21.2 percent, compared to 4.1 percent growth in fiscal 2008. States estimate that they spent \$47.8 billion in federal Recovery Act funds in fiscal 2009. Interestingly, the growth in federal funds is so large that total state spending is estimated to increase in fiscal 2009, even though general funds have declined. Total state expenditures are estimated to reach \$1.6 trillion in fiscal 2009, a 6 percent increase from fiscal 2008. Since 1987, total state expenditures have increased by an average of 6.4 percent.

In fiscal 2008, general fund revenue growth was below the growth level of prior years. Total general fund revenues grew by 4.2 percent in fiscal 2008, totaling \$670 billion. In comparison, revenues grew by 8.9 percent in fiscal 2006 and by 5.4 percent in fiscal 2007. States’ revenue situation became dire in fiscal 2009 with state revenues declining by 9 percent. General fund revenues dropped from \$670 billion in fiscal 2008 to \$609 billion in fiscal 2009, illustrating the severity of the economic downturn.

**Figure 1**  
**TOTAL STATE SPENDING BY FUND SOURCE,**  
**FISCAL 1987 TO 2008**



The passage of ARRA created a large influx of federal dollars to the states and produced a shift in the funding sources for state expenditures. In fiscal 2008, general funds accounted for 45.7 percent of total fiscal 2008 state spending, federal funds were 26.3 percent, other state funds were 25.7 percent, and bonds reflected 2.4 percent of the total. In fiscal 2009, general funds are estimated to account for 41.7 percent of total state expenditures, federal funds 30 percent, other state funds 25.6, and bonds are estimated to reflect 2.7 percent of the total. Figure 1 displays state spending by source from fiscal 1987 through fiscal 2008.

Other details of state expenditures include:

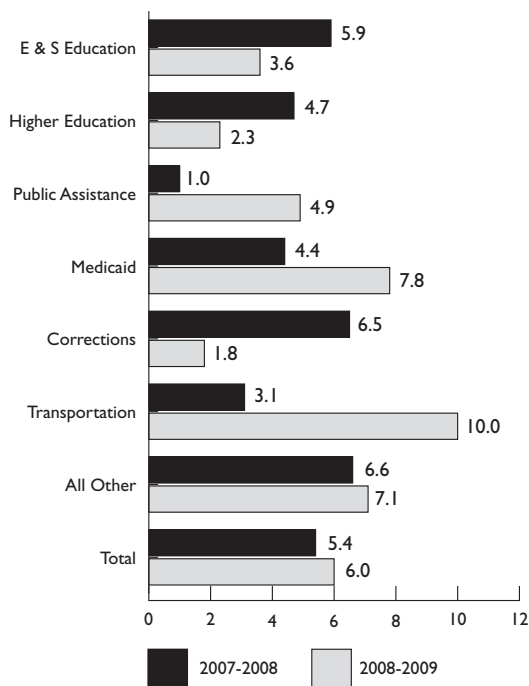
- In fiscal 2008, general fund spending increased in all spending categories except for public assistance and transportation. However, in fiscal 2009, general fund spending declined in all categories with the exception of minor increases in public assistance (0.3 percent) and corrections (0.6 percent). In contrast, federal fund spending increased in all seven categories in fiscal 2009.

- Elementary and secondary education and Medicaid remain the two largest categories of total state spending. In fiscal 2008, elementary and secondary education accounted for 21.6 percent, while Medicaid accounted for 20.7 percent. In fiscal 2009 it is estimated that K-12 and Medicaid will account for roughly the same level of total expenditures, with elementary and secondary education at 21.1 percent, and Medicaid at 21 percent.
- When looking only at general fund spending in fiscal 2008, elementary and secondary education remains the largest category at 34.5 percent, with Medicaid second at 16.3 percent. Those two categories, combined with higher education at 11.3 percent, account for nearly two-thirds of general fund spending.
- Higher education grew in both fiscal 2008 and fiscal 2009. Total expenditures grew 4.7 percent in fiscal 2008 and are estimated to grow 2.3 percent in fiscal 2009, due mostly to a 12.2 percent increase in federal funds.
- Total public assistance grew only 1 percent in fiscal 2008, but is estimated to grow 4.9 percent in fiscal 2009. Public assistance represented 1.7 percent of total state expenditures in fiscal 2008.
- Total corrections expenditures rose by 6.5 percent in fiscal 2008, and reflects 3.5 percent of total state spending. Corrections spending is estimated to grow 1.8 percent in fiscal 2009.
- Transportation spending—7.9 percent of total state expenditures—increased by 3.1 percent in fiscal 2008. In fiscal 2009, total transportation spending is estimated to grow by 10 percent as a result of a 21.5 percent increase in federal funds.
- Total state spending on capital projects decreased by 2.1 percent in fiscal 2008, but is estimated to grow by 15.9 percent in 2009. This is due mostly to ARRA funds and bond provisions making it easier for some states to borrow for infrastructure.

## Components of State Expenditures

This report includes three years of state expenditure data: actual fiscal 2007, actual fiscal 2008, and estimated fiscal 2009. The text primarily focuses on actual fiscal 2008 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 Children’s Health Insurance Program, parks and recreation, natural resources, air transportation,

**Figure 2**  
**ALL FUNDS PERCENT CHANGES FROM PREVIOUS FISCAL YEAR FOR MAJOR SPENDING CATEGORIES, FISCAL 2008 AND 2009**



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”. It should also 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.

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 are exceptions, such as Hawaii where the state government fully funds elementary and secondary education. A more complete understanding of programs and service levels within a given state would require comparisons of spending by both state and local government, which is not the purpose of this report. In addition, because the data are self-reported by the states, some may be incomplete. These omissions can affect aggregate and regional tables.

While state balanced budget requirements are diverse, and governors are given significant powers to ensure a balanced budget, states operate within stricter revenue/expenditure limitations than the federal government. An overwhelming majority of states require their governor to submit, and their legislature to pass, a

balanced budget. States are required to make spending choices 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 2008 spending by fund source is detailed in Figure 3. Spending from state general funds was 45.7 percent of total expenditures in both fiscal 2007 and fiscal 2008, and is estimated to be 41.7 percent of total spending in fiscal 2009. The share of state spending from federal funds was 26.6 percent of total spending in fiscal 2007, 26.3 percent in fiscal 2008, and is estimated at 30 percent in fiscal 2009.

**Figure 3**  
**TOTAL STATE EXPENDITURES BY FUNDING SOURCE, FISCAL 2008**

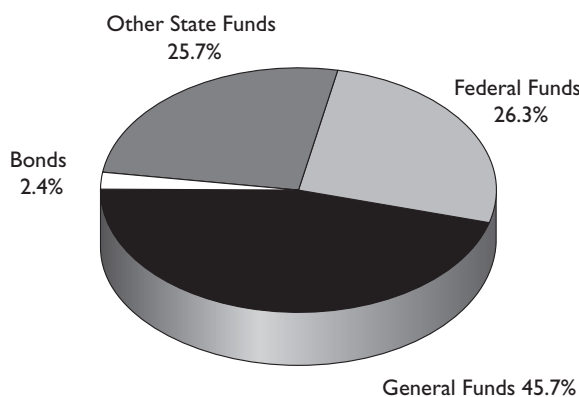
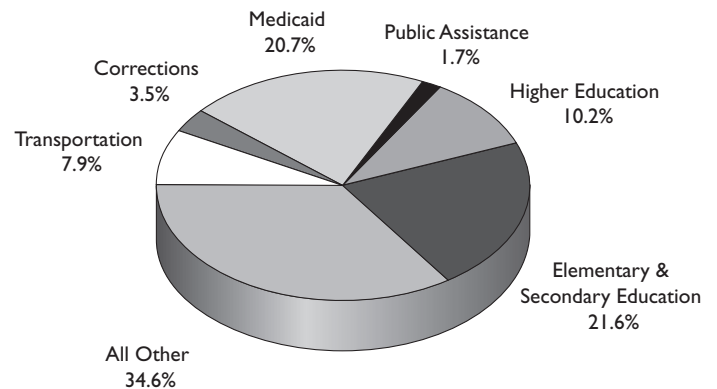
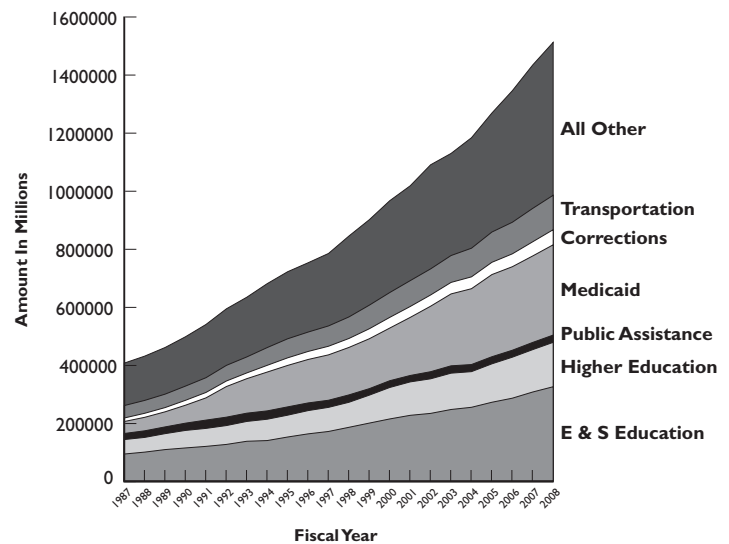


Figure 4 reflects total state expenditures by functional areas. For fiscal 2008, state spending shares are as follows: 21.6 percent for elementary and secondary education; 20.7 percent for Medicaid; 10.2 percent for higher education; 7.9 percent for transportation; 3.5 percent for corrections; 1.7 percent for public assistance; and 34.6 percent for all other.

**Figure 4**  
**TOTAL STATE EXPENDITURES BY FUNCTION, FISCAL 2008**



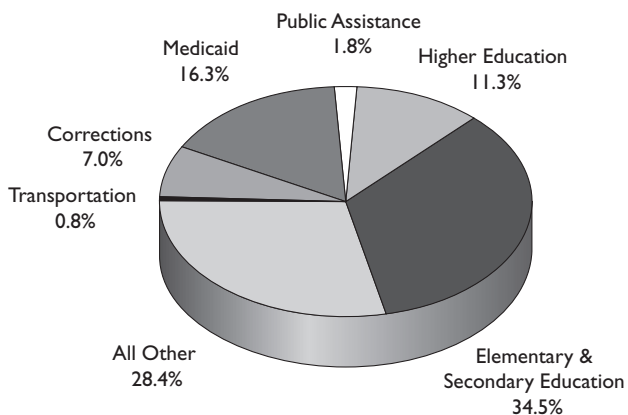
**Figure 5**  
**COMPOSITION OF TOTAL STATE EXPENDITURES BY FUNCTION, FISCAL 1987 TO 2008**



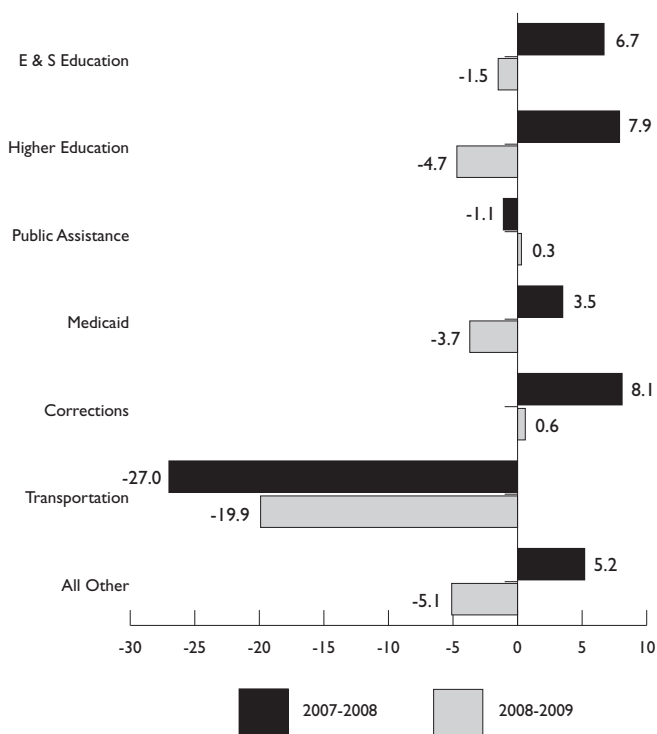
The shares of state spending for the seven functional areas tracked in the *State Expenditure Report* have shifted since 1987, when the report was first published. For example, Medicaid surpassed higher education as the second largest state program in 1990, and in 2003 it became the largest, displacing elementary and secondary education. In fiscal 2009, it is estimated that elementary and secondary

education and Medicaid spending will be roughly equal, representing 21.1 percent and 21 percent of total expenditures respectively. 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 2009. Also, Table 5, at the end of the Executive Summary, highlights the share of each state's budget represented by various programs in fiscal 2008 and shows the wide variation among states in their spending patterns.

**Figure 6**  
**GENERAL FUND EXPENDITURES,**  
**FISCAL 2008**



**Figure 7**  
**PERCENT CHANGE IN GENERAL FUND,**  
**FISCAL 2008 AND 2009**



## General Fund Expenditures

Expenditures for elementary and secondary education continue to constitute the largest share of state general fund spending. As Figure 6 shows, in fiscal 2008, 34.5 percent of general fund spending went to elementary and secondary education. Medicaid accounted for 16.3 percent and higher education accounted for 11.3 percent of general fund spending.

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 2008 is rather large (a 27 percent decline), total transportation expenditures (capital inclusive) actually increased by 3.2 percent. The difference is because general funds only account for a relatively minor 4.5 percent of total transportation expenditures in fiscal 2008 (see Table 38). In fiscal 2009, five of the seven categories experienced general fund spending declines. The two exceptions were public assistance (0.3 percent) and corrections (0.6 percent). Overall, general fund spending declined 3.2 percent in fiscal 2009.

## Other State Funds Expenditures

At 17.7 percent, transportation accounts for the second largest portion of other state funds spending for fiscal 2008, 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 include elementary and secondary education at 9.9 percent and higher education at 14.2 percent (see Table 3).

Table I

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

| Region/State          | Actual Fiscal 2007 |                  |                   |                 |                    | Actual Fiscal 2008 |                  |                   |                 |                    | Estimated Fiscal 2009 |                  |                   |                 |                    |
|-----------------------|--------------------|------------------|-------------------|-----------------|--------------------|--------------------|------------------|-------------------|-----------------|--------------------|-----------------------|------------------|-------------------|-----------------|--------------------|
|                       | General Fund       | Federal Funds    | Other State Funds | Bonds           | Total              | General Fund       | Federal Funds    | Other State Funds | Bonds           | Total              | General Fund          | Federal Funds    | Other State Funds | Bonds           | Total              |
| <b>NEW ENGLAND</b>    |                    |                  |                   |                 |                    |                    |                  |                   |                 |                    |                       |                  |                   |                 |                    |
| Connecticut           | \$15,294           | \$1,540          | \$3,972           | \$2,088         | \$22,894           | \$16,654           | \$1,634          | \$4,216           | \$2,032         | \$24,536           | \$16,779              | \$1,982          | \$4,397           | \$1,852         | \$25,010           |
| Maine                 | 3,023              | 2,190            | 1,912             | 70              | 7,195              | 3,084              | 2,182            | 2,053             | 108             | 7,427              | 3,020                 | 2,778            | 2,184             | 110             | 8,092              |
| Massachusetts         | 27,589             | 2,558            | 9,855             | 1,782           | 41,784             | 29,282             | 2,525            | 10,919            | 1,420           | 44,146             | 27,499                | 2,841            | 13,098            | 2,085           | 45,523             |
| New Hampshire         | 1,391              | 1,409            | 1,682             | 58              | 4,540              | 1,515              | 1,498            | 1,679             | 114             | 4,806              | 1,467                 | 1,600            | 1,691             | 113             | 4,871              |
| Rhode Island          | 3,218              | 1,847            | 1,481             | 182             | 6,728              | 3,405              | 1,923            | 1,584             | 185             | 7,097              | 3,001                 | 2,415            | 1,950             | 221             | 7,587              |
| Vermont               | 1,200              | 1,250            | 2,661             | 37              | 5,148              | 1,225              | 1,312            | 2,734             | 37              | 5,308              | 1,168                 | 1,694            | 2,414             | 65              | 5,341              |
| <b>MID-ATLANTIC</b>   |                    |                  |                   |                 |                    |                    |                  |                   |                 |                    |                       |                  |                   |                 |                    |
| Delaware              | 3,390              | 1,055            | 3,132             | 222             | 7,799              | 3,422              | 1,113            | 3,811             | 275             | 8,621              | 3,296                 | 1,256            | 3,908             | 281             | 8,741              |
| Maryland              | 14,204             | 6,363            | 8,189             | 235             | 28,991             | 14,488             | 6,561            | 8,520             | 229             | 29,798             | 14,315                | 7,791            | 9,216             | 264             | 31,586             |
| New Jersey            | 30,284             | 8,751            | 4,991             | 1,366           | 45,392             | 33,112             | 8,851            | 5,233             | 1,508           | 48,704             | 30,515                | 11,980           | 5,173             | 1,587           | 49,255             |
| New York              | 51,591             | 35,453           | 23,476            | 2,244           | 112,764            | 53,385             | 34,680           | 26,122            | 1,869           | 116,056            | 54,607                | 38,425           | 25,386            | 3,153           | 121,571            |
| Pennsylvania          | 26,298             | 17,820           | 11,906            | 898             | 56,922             | 26,969             | 18,037           | 12,952            | 738             | 58,696             | 27,184                | 20,552           | 14,274            | 999             | 63,009             |
| <b>GREAT LAKES</b>    |                    |                  |                   |                 |                    |                    |                  |                   |                 |                    |                       |                  |                   |                 |                    |
| Illinois              | 20,847             | 11,398           | 13,362            | 616             | 46,223             | 22,140             | 11,867           | 12,591            | 279             | 46,877             | 19,830                | 14,417           | 13,845            | 287             | 48,379             |
| Indiana               | 12,247             | 7,107            | 3,406             | 37              | 22,797             | 12,880             | 7,818            | 3,380             | 161             | 24,239             | 13,037                | 9,061            | 3,524             | 98              | 25,720             |
| Michigan              | 9,187              | 11,853           | 20,906            | 641             | 42,587             | 9,822              | 12,660           | 21,081            | 419             | 43,982             | 9,383                 | 19,464           | 19,191            | 309             | 48,347             |
| Ohio                  | 25,148             | 8,350            | 18,536            | 1,414           | 53,448             | 25,722             | 9,655            | 20,633            | 753             | 56,763             | 26,783                | 10,342           | 19,819            | 850             | 57,794             |
| Wisconsin             | 13,105             | 7,244            | 13,903            | 0               | 34,252             | 13,527             | 7,535            | 15,029            | 0               | 36,091             | 12,744                | 9,711            | 15,990            | 0               | 38,445             |
| <b>PLAINS</b>         |                    |                  |                   |                 |                    |                    |                  |                   |                 |                    |                       |                  |                   |                 |                    |
| Iowa                  | 5,363              | 3,959            | 5,453             | 69              | 14,844             | 5,867              | 4,565            | 5,668             | 29              | 16,129             | 5,961                 | 4,970            | 6,569             | 216             | 17,716             |
| Kansas                | 5,608              | 3,131            | 2,985             | 245             | 11,969             | 6,102              | 3,522            | 2,787             | 278             | 12,689             | 6,349                 | 3,366            | 3,366             | 294             | 13,375             |
| Minnesota             | 16,517             | 5,965            | 3,909             | 709             | 27,100             | 17,600             | 6,264            | 3,891             | 691             | 28,446             | 17,572                | 8,910            | 4,551             | 599             | 31,632             |
| Missouri              | 7,798              | 5,328            | 6,985             | 892             | 21,003             | 8,084              | 5,619            | 6,921             | 555             | 21,179             | 8,448                 | 6,280            | 7,590             | 108             | 22,426             |
| Nebraska              | 3,126              | 2,366            | 2,670             | 0               | 8,162              | 3,248              | 2,411            | 3,053             | 0               | 8,712              | 3,595                 | 3,128            | 4,113             | 0               | 10,836             |
| North Dakota          | 1,012              | 1,239            | 1,050             | 68              | 3,369              | 1,204              | 1,241            | 1,125             | 27              | 3,597              | 1,254                 | 1,405            | 1,379             | 12              | 4,050              |
| South Dakota          | 1,058              | 1,200            | 791               | 10              | 3,059              | 1,146              | 1,181            | 806               | 17              | 3,150              | 1,137                 | 1,396            | 919               | 44              | 3,496              |
| <b>SOUTHEAST</b>      |                    |                  |                   |                 |                    |                    |                  |                   |                 |                    |                       |                  |                   |                 |                    |
| Alabama               | 14,807             | 10,660           | 11,366            | 277             | 37,110             | 16,392             | 10,933           | 12,282            | 552             | 40,159             | 16,496                | 13,704           | 15,865            | 493             | 46,558             |
| Arkansas              | 4,026              | 4,594            | 7,439             | 54              | 16,113             | 4,274              | 4,806            | 7,756             | 63              | 16,899             | 4,400                 | 5,516            | 8,436             | 51              | 18,403             |
| Florida               | 27,680             | 18,886           | 16,227            | 3,319           | 66,112             | 27,513             | 18,873           | 14,669            | 3,324           | 64,379             | 24,803                | 18,853           | 18,916            | 2,945           | 65,517             |
| Georgia               | 18,096             | 10,573           | 4,854             | 1,670           | 35,193             | 19,310             | 10,692           | 5,280             | 1,480           | 36,762             | 18,076                | 12,105           | 5,010             | 1,012           | 36,203             |
| Kentucky              | 8,781              | 7,051            | 6,448             | 0               | 22,280             | 9,334              | 6,720            | 6,941             | 0               | 22,995             | 9,031                 | 8,233            | 6,793             | 0               | 24,057             |
| Louisiana             | 9,327              | 11,151           | 5,257             | 233             | 25,968             | 10,444             | 12,899           | 6,361             | 291             | 29,995             | 9,468                 | 16,139           | 6,932             | 284             | 32,823             |
| Mississippi           | 3,969              | 7,580            | 3,895             | 427             | 15,871             | 4,830              | 6,438            | 4,097             | 234             | 15,599             | 4,842                 | 9,165            | 5,013             | 360             | 19,380             |
| North Carolina        | 18,662             | 10,908           | 9,133             | 803             | 39,506             | 20,376             | 10,913           | 10,098            | 200             | 41,587             | 19,653                | 11,855           | 8,169             | 600             | 40,277             |
| South Carolina        | 6,565              | 6,680            | 6,633             | 111             | 19,989             | 7,149              | 6,654            | 6,866             | 118             | 20,787             | 6,006                 | 7,621            | 6,916             | 0               | 20,543             |
| Tennessee             | 10,182             | 8,965            | 5,014             | 378             | 24,539             | 11,570             | 9,375            | 5,144             | 235             | 26,324             | 11,886                | 10,953           | 5,393             | 286             | 28,518             |
| Virginia              | 16,547             | 6,244            | 10,946            | 1,097           | 34,834             | 15,099             | 6,342            | 13,040            | 849             | 35,330             | 15,020                | 6,772            | 13,539            | 1,632           | 36,963             |
| West Virginia         | 3,714              | 3,263            | 11,342            | 223             | 18,542             | 3,824              | 3,287            | 11,422            | 177             | 18,710             | 3,928                 | 3,878            | 12,375            | 181             | 20,362             |
| <b>SOUTHWEST</b>      |                    |                  |                   |                 |                    |                    |                  |                   |                 |                    |                       |                  |                   |                 |                    |
| Arizona               | 10,074             | 7,228            | 5,580             | 445             | 23,327             | 10,201             | 7,855            | 6,079             | 586             | 24,721             | 9,111                 | 10,662           | 6,626             | 671             | 27,070             |
| New Mexico            | 5,985              | 4,226            | 3,467             | 844             | 14,522             | 6,027              | 4,506            | 3,674             | 583             | 14,790             | 6,030                 | 4,946            | 3,873             | 606             | 15,455             |
| Oklahoma              | 5,966              | 8,780            | 3,840             | 130             | 18,716             | 5,981              | 9,324            | 4,477             | 180             | 19,962             | 5,868                 | 9,930            | 4,418             | 199             | 20,415             |
| Texas                 | 35,061             | 22,299           | 12,634            | 2,790           | 72,784             | 39,646             | 25,406           | 14,885            | 2,219           | 82,156             | 42,629                | 29,051           | 15,625            | 2,602           | 89,907             |
| <b>ROCKY MOUNTAIN</b> |                    |                  |                   |                 |                    |                    |                  |                   |                 |                    |                       |                  |                   |                 |                    |
| Colorado              | 7,544              | 4,386            | 11,867            | 0               | 23,797             | 7,908              | 4,739            | 12,482            | 0               | 25,129             | 7,730                 | 6,247            | 12,951            | 0               | 26,928             |
| Idaho                 | 2,608              | 1,863            | 1,057             | 10              | 5,538              | 2,799              | 2,005            | 1,096             | 30              | 5,930              | 2,744                 | 2,460            | 1,547             | 29              | 6,780              |
| Montana               | 1,657              | 1,538            | 871               | 0               | 4,066              | 1,901              | 1,646            | 930               | 0               | 4,477              | 1,753                 | 1,827            | 953               | 0               | 4,533              |
| Utah                  | 4,711              | 2,370            | 2,793             | 111             | 9,985              | 5,784              | 2,503            | 3,033             | 1,100           | 12,420             | 4,816                 | 3,205            | 3,537             | 43              | 11,601             |
| Wyoming               | 3,098              | 457              | 1,351             | 0               | 4,906              | 3,132              | 475              | 1,351             | 0               | 4,958              | 3,760                 | 1,885            | 1,478             | 0               | 7,123              |
| <b>FAR WEST</b>       |                    |                  |                   |                 |                    |                    |                  |                   |                 |                    |                       |                  |                   |                 |                    |
| Alaska                | 4,335              | 3,004            | 3,903             | 300             | 11,542             | 5,170              | 2,656            | 4,470             | 26              | 12,322             | 5,899                 | 3,434            | 4,637             | 345             | 14,315             |
| California            | 101,413            | 52,935           | 22,554            | 6,001           | 182,903            | 102,986            | 56,211           | 26,674            | 8,405           | 194,276            | 91,547                | 76,629           | 26,530            | 14,158          | 208,864            |
| Hawaii                | 5,353              | 1,648            | 3,153             | 474             | 10,628             | 5,407              | 1,760            | 3,376             | 617             | 11,160             | 5,375                 | 1,919            | 3,958             | 570             | 11,822             |
| Nevada                | 2,903              | 1,861            | 1,963             | 394             | 7,121              | 4,031              | 1,780            | 3,028             | 401             | 9,240              | 4,203                 | 2,203            | 1,292             | 602             | 8,300              |
| Oregon                | 5,574              | 4,419            | 9,983             | 246             | 20,222             | 6,980              | 4,700            | 10,754            | 210             | 22,644             | 5,786                 | 5,790            | 12,584            | 322             | 24,482             |
| Washington            | 14,144             | 6,326            | 7,905             | 1,569           | 29,944             | 14,616             | 6,678            | 8,617             | 1,821           | 31,732             | 14,617                | 7,623            | 8,551             | 2,026           | 32,817             |
| <b>TOTAL*</b>         | <b>\$651,280</b>   | <b>\$379,271</b> | <b>\$358,688</b>  | <b>\$35,789</b> | <b>\$1,425,028</b> | <b>\$686,567</b>   | <b>\$394,830</b> | <b>\$385,670</b>  | <b>\$35,425</b> | <b>\$1,502,492</b> | <b>\$664,421</b>      | <b>\$478,369</b> | <b>\$406,464</b>  | <b>\$43,564</b> | <b>\$1,592,818</b> |

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

Source: National Association of State Budget Officers, 2008 State Expenditure Report

Table 2

## ANNUAL PERCENTAGE CHANGE IN TOTAL STATE EXPENDITURES

| Region/State          | Fiscal 2007 to 2008 |               |              | Fiscal 2008 to 2009 |               |              |
|-----------------------|---------------------|---------------|--------------|---------------------|---------------|--------------|
|                       | State Funds         | Federal Funds | All Funds    | State Funds         | Federal Funds | All Funds    |
| <b>NEW ENGLAND</b>    |                     |               |              |                     |               |              |
| Connecticut           | 8.3 %               | 6.1 %         | 7.2 %        | 1.5 %               | 21.3 %        | 1.9 %        |
| Maine                 | 4.1                 | -0.4          | 3.2          | 1.3                 | 27.3          | 9.0          |
| Massachusetts         | 7.4                 | -1.3          | 5.7          | 1.0                 | 12.5          | 3.1          |
| New Hampshire         | 3.9                 | 6.3           | 5.9          | -1.1                | 6.8           | 1.4          |
| Rhode Island          | 6.2                 | 4.1           | 5.5          | -0.8                | 25.6          | 6.9          |
| Vermont               | 2.5                 | 5.0           | 3.1          | -9.5                | 29.1          | 0.6          |
| <b>MID-ATLANTIC</b>   |                     |               |              |                     |               |              |
| Delaware              | 10.9                | 5.5           | 10.5         | -0.4                | 12.8          | 1.4          |
| Maryland              | 2.7                 | 3.1           | 2.8          | 2.3                 | 18.7          | 6.0          |
| New Jersey            | 8.7                 | 1.1           | 7.3          | -6.9                | 35.4          | 1.1          |
| New York              | 5.9                 | -2.2          | 2.9          | 0.6                 | 10.8          | 4.8          |
| Pennsylvania          | 4.5                 | 1.2           | 3.1          | 3.9                 | 13.9          | 7.3          |
| <b>GREAT LAKES</b>    |                     |               |              |                     |               |              |
| Illinois              | 1.5                 | 4.1           | 1.4          | -3.0                | 21.5          | 3.2          |
| Indiana               | 3.9                 | 10.0          | 6.3          | 1.9                 | 15.9          | 6.1          |
| Michigan              | 2.7                 | 6.8           | 3.3          | -7.5                | 53.7          | 9.9          |
| Ohio                  | 6.1                 | 15.6          | 6.2          | 0.5                 | 7.1           | 1.8          |
| Wisconsin             | 5.7                 | 4.0           | 5.4          | 0.6                 | 28.9          | 6.5          |
| <b>PLAINS</b>         |                     |               |              |                     |               |              |
| Iowa                  | 6.6                 | 15.3          | 8.7          | 8.6                 | 8.9           | 9.8          |
| Kansas                | 3.4                 | 12.5          | 6.0          | 9.3                 | -4.4          | 5.4          |
| Minnesota             | 5.2                 | 5.0           | 5.0          | 2.9                 | 42.2          | 11.2         |
| Missouri              | 1.5                 | 5.5           | 0.8          | 6.9                 | 11.8          | 5.9          |
| Nebraska              | 8.7                 | 1.9           | 6.7          | 22.3                | 29.7          | 24.4         |
| North Dakota          | 12.9                | 0.2           | 6.8          | 13.1                | 13.2          | 12.6         |
| South Dakota          | 5.6                 | -1.6          | 3.0          | 5.3                 | 18.2          | 11.0         |
| <b>SOUTHEAST</b>      |                     |               |              |                     |               |              |
| Alabama               | 9.6                 | 2.6           | 8.2          | 12.9                | 25.3          | 15.9         |
| Arkansas              | 4.9                 | 4.6           | 4.9          | 6.7                 | 14.8          | 8.9          |
| Florida               | -3.9                | -0.1          | -2.6         | 3.6                 | -0.1          | 1.8          |
| Georgia               | 7.1                 | 1.1           | 4.5          | -6.1                | 13.2          | -1.5         |
| Kentucky              | 6.9                 | -4.7          | 3.2          | -2.8                | 22.5          | 4.6          |
| Louisiana             | 15.2                | 15.7          | 15.5         | -2.4                | 25.1          | 9.4          |
| Mississippi           | 13.5                | -15.1         | -1.7         | 10.4                | 42.4          | 24.2         |
| North Carolina        | 9.6                 | 0.0           | 5.3          | -8.7                | 8.6           | -3.2         |
| South Carolina        | 6.2                 | -0.4          | 4.0          | -7.8                | 14.5          | -1.2         |
| Tennessee             | 10.0                | 4.6           | 7.3          | 3.4                 | 16.8          | 8.3          |
| Virginia              | 2.3                 | 1.6           | 1.4          | 1.5                 | 6.8           | 4.6          |
| West Virginia         | 1.3                 | 0.7           | 0.9          | 6.9                 | 18.0          | 8.8          |
| <b>SOUTHWEST</b>      |                     |               |              |                     |               |              |
| Arizona               | 4.0                 | 8.7           | 6.0          | -3.3                | 35.7          | 9.5          |
| New Mexico            | 2.6                 | 6.6           | 1.8          | 2.1                 | 9.8           | 4.5          |
| Oklahoma              | 6.6                 | 6.2           | 6.7          | -1.6                | 6.5           | 2.3          |
| Texas                 | 14.3                | 13.9          | 12.9         | 6.8                 | 14.3          | 9.4          |
| <b>ROCKY MOUNTAIN</b> |                     |               |              |                     |               |              |
| Colorado              | 5.0                 | 8.0           | 5.6          | 1.4                 | 31.8          | 7.2          |
| Idaho                 | 6.3                 | 7.6           | 7.1          | 10.2                | 22.7          | 14.3         |
| Montana               | 12.0                | 7.0           | 10.1         | -4.4                | 11.0          | 1.3          |
| Utah                  | 17.5                | 5.6           | 24.4         | -5.3                | 28.0          | -6.6         |
| Wyoming               | 0.8                 | 3.9           | 1.1          | 16.8                | 296.8         | 43.7         |
| <b>FAR WEST</b>       |                     |               |              |                     |               |              |
| Alaska                | 17.0                | -11.6         | 6.8          | 9.3                 | 29.3          | 16.2         |
| California            | 4.6                 | 6.2           | 6.2          | -8.9                | 36.3          | 7.5          |
| Hawaii                | 3.3                 | 6.8           | 5.0          | 6.3                 | 9.0           | 5.9          |
| Nevada                | 45.1                | -4.4          | 29.8         | -22.2               | 23.8          | -10.2        |
| Oregon                | 14.0                | 6.4           | 12.0         | 3.6                 | 23.2          | 8.1          |
| Washington            | 5.4                 | 5.6           | 6.0          | -0.3                | 14.2          | 3.4          |
| <b>TOTAL*</b>         | <b>6.2 %</b>        | <b>4.1 %</b>  | <b>5.4 %</b> | <b>-0.1 %</b>       | <b>21.2 %</b> | <b>6.0 %</b> |

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

\*See General Notes for explanation.

Source: National Association of State Budget Officers, 2008 State Expenditure Report

Table 3

## COMPARISON OF SHARES OF STATE SPENDING WITH FUND SOURCES, FISCAL 1995 TO 2009

| Fund Type & Year                 | Elementary<br>& Secondary<br>Education | Higher<br>Education | Public<br>Assistance | Medicaid    | Corrections | Transportation | All<br>Other | Total        |
|----------------------------------|----------------------------------------|---------------------|----------------------|-------------|-------------|----------------|--------------|--------------|
| <b>FY 1995:</b>                  |                                        |                     |                      |             |             |                |              |              |
| General Funds                    | 33.4                                   | 12.9                | 4.4                  | 14.4        | 6.7         | 0.7            | 27.4         | 100.0        |
| Other State Funds                | 9.5                                    | 13.3                | 0.5                  | 6.9         | 0.8         | 23.8           | 45.2         | 100.0        |
| Federal Funds                    | 9.8                                    | 2.7                 | 6.5                  | 42.7        | 0.1         | 9.8            | 28.3         | 100.0        |
| Bond Funds                       | 4.9                                    | 20.8                | 0.0                  | 0.0         | 10.2        | 26.3           | 37.7         | 100.0        |
| <b>Total Funds</b>               | <b>21.0</b>                            | <b>10.4</b>         | <b>4.0</b>           | <b>19.8</b> | <b>3.6</b>  | <b>9.1</b>     | <b>32.1</b>  | <b>100.0</b> |
| <b>FY 1996:</b>                  |                                        |                     |                      |             |             |                |              |              |
| General Funds                    | 34.4                                   | 12.9                | 3.9                  | 14.7        | 6.9         | 0.6            | 25.6         | 100.0        |
| Other State Funds                | 9.2                                    | 13.7                | 0.4                  | 6.8         | 0.8         | 22.9           | 46.2         | 100.0        |
| Federal Funds                    | 9.9                                    | 2.9                 | 5.9                  | 43.5        | 0.2         | 9.5            | 28.0         | 100.0        |
| Bond Funds                       | 15.2                                   | 21.4                | 0.0                  | 0.0         | 6.5         | 26.1           | 30.8         | 100.0        |
| <b>Total Funds</b>               | <b>21.5</b>                            | <b>10.7</b>         | <b>3.5</b>           | <b>19.9</b> | <b>3.7</b>  | <b>8.0</b>     | <b>31.8</b>  | <b>100.0</b> |
| <b>FY 1997:</b>                  |                                        |                     |                      |             |             |                |              |              |
| General Funds                    | 34.5                                   | 13.0                | 3.6                  | 14.6        | 6.8         | 0.8            | 26.7         | 100.0        |
| Other State Funds                | 10.1                                   | 13.8                | 0.4                  | 6.4         | 0.9         | 23.0           | 44.6         | 100.0        |
| Federal Funds                    | 9.8                                    | 2.9                 | 5.1                  | 44.1        | 0.4         | 8.8            | 28.9         | 100.0        |
| Bond Funds                       | 12.5                                   | 20.2                | 0.0                  | 0.0         | 6.6         | 26.5           | 34.2         | 100.0        |
| <b>Total Funds</b>               | <b>21.7</b>                            | <b>10.7</b>         | <b>3.1</b>           | <b>20.0</b> | <b>3.7</b>  | <b>9.0</b>     | <b>31.8</b>  | <b>100.0</b> |
| <b>FY 1998:</b>                  |                                        |                     |                      |             |             |                |              |              |
| General Funds                    | 35.2                                   | 13.1                | 3.0                  | 14.8        | 6.9         | 0.7            | 26.4         | 100.0        |
| Other State Funds                | 9.4                                    | 11.3                | 1.0                  | 6.3         | 0.8         | 22.2           | 49.1         | 100.0        |
| Federal Funds                    | 10.5                                   | 3.4                 | 5.0                  | 43.3        | 0.4         | 8.7            | 28.8         | 100.0        |
| Bond Funds                       | 12.4                                   | 18.4                | 0.0                  | 0.0         | 6.0         | 33.4           | 29.8         | 100.0        |
| <b>Total Funds</b>               | <b>22.0</b>                            | <b>10.3</b>         | <b>2.9</b>           | <b>19.6</b> | <b>3.7</b>  | <b>8.8</b>     | <b>32.8</b>  | <b>100.0</b> |
| <b>FY 1999:</b>                  |                                        |                     |                      |             |             |                |              |              |
| General Funds                    | 35.7                                   | 12.4                | 2.7                  | 14.4        | 7.0         | 0.9            | 26.7         | 100.0        |
| Other State Funds                | 9.0                                    | 13.0                | 0.6                  | 6.5         | 1.0         | 23.4           | 46.5         | 100.0        |
| Federal Funds                    | 10.2                                   | 5.2                 | 4.3                  | 42.9        | 0.4         | 9.3            | 27.7         | 100.0        |
| Bond Funds                       | 21.0                                   | 17.2                | 0.0                  | 0.0         | 6.5         | 25.6           | 29.8         | 100.0        |
| <b>Total Funds</b>               | <b>22.3</b>                            | <b>10.8</b>         | <b>2.6</b>           | <b>19.5</b> | <b>3.9</b>  | <b>9.1</b>     | <b>31.8</b>  | <b>100.0</b> |
| <b>FY 2000:</b>                  |                                        |                     |                      |             |             |                |              |              |
| General Funds                    | 35.7                                   | 12.8                | 2.7                  | 14.4        | 7.0         | 0.9            | 26.7         | 100.0        |
| Other State Funds                | 8.6                                    | 14.2                | 0.8                  | 4.2         | 0.9         | 22.9           | 48.4         | 100.0        |
| Federal Funds                    | 10.3                                   | 5.3                 | 4.2                  | 42.8        | 0.4         | 9.3            | 27.7         | 100.0        |
| Bond Funds                       | 20.2                                   | 18.1                | 0.0                  | 0.0         | 5.7         | 26.2           | 29.8         | 100.0        |
| <b>Total Funds</b>               | <b>22.3</b>                            | <b>11.4</b>         | <b>2.6</b>           | <b>19.5</b> | <b>3.9</b>  | <b>9.1</b>     | <b>31.8</b>  | <b>100.0</b> |
| <b>FY 2001:</b>                  |                                        |                     |                      |             |             |                |              |              |
| General Funds                    | 35.2                                   | 12.7                | 2.3                  | 15.2        | 6.9         | 1.2            | 26.6         | 100.0        |
| Other State Funds                | 9.2                                    | 15.0                | 0.2                  | 5.9         | 0.9         | 21.1           | 47.0         | 100.0        |
| Federal Funds                    | 10.3                                   | 4.8                 | 4.0                  | 42.7        | 0.3         | 9.5            | 28.3         | 100.0        |
| Bond Funds                       | 18.9                                   | 17.5                | 0.0                  | 0.0         | 4.0         | 31.3           | 28.4         | 100.0        |
| <b>Total Funds</b>               | <b>22.2</b>                            | <b>11.3</b>         | <b>2.2</b>           | <b>19.7</b> | <b>3.7</b>  | <b>8.8</b>     | <b>32.1</b>  | <b>100.0</b> |
| <b>FY 2002:</b>                  |                                        |                     |                      |             |             |                |              |              |
| General Funds                    | 35.1                                   | 12.4                | 2.3                  | 15.8        | 6.9         | 0.7            | 25.9         | 100.0        |
| Other State Funds                | 8.9                                    | 13.8                | 0.3                  | 6.6         | 0.9         | 19.4           | 49.8         | 100.0        |
| Federal Funds                    | 10.1                                   | 5.0                 | 4.2                  | 43.7        | 0.4         | 9.2            | 27.4         | 100.0        |
| Bond Funds                       | 12.7                                   | 20.4                | 0.0                  | 0.0         | 3.4         | 25.0           | 38.5         | 100.0        |
| <b>Total Funds</b>               | <b>21.3</b>                            | <b>10.9</b>         | <b>2.3</b>           | <b>20.7</b> | <b>3.6</b>  | <b>8.3</b>     | <b>32.9</b>  | <b>100.0</b> |
| <b>FY 2003:</b>                  |                                        |                     |                      |             |             |                |              |              |
| General Funds                    | 35.8                                   | 12.5                | 2.3                  | 17.2        | 7.2         | 0.6            | 24.5         | 100.0        |
| Other State Funds                | 9.2                                    | 14.3                | 0.3                  | 7.5         | 0.9         | 20             | 47.9         | 100.0        |
| Federal Funds                    | 10.6                                   | 5.7                 | 4.1                  | 43.8        | 0.3         | 8.6            | 26.9         | 100.0        |
| Bond Funds                       | 28.3                                   | 16.9                | 0                    | 0           | 2.5         | 19.1           | 33.1         | 100.0        |
| <b>Total Funds</b>               | <b>21.8</b>                            | <b>11.1</b>         | <b>2.2</b>           | <b>22</b>   | <b>3.5</b>  | <b>8.2</b>     | <b>31.2</b>  | <b>100.0</b> |
| <b>FY 2004:</b>                  |                                        |                     |                      |             |             |                |              |              |
| General Funds                    | 35.8                                   | 11.7                | 2.3                  | 16.9        | 7.0         | 0.5            | 25.8         | 100.0        |
| Other State Funds                | 8.5                                    | 13.6                | 0.2                  | 7.4         | 0.7         | 19.9           | 49.8         | 100.0        |
| Federal Funds                    | 11.3                                   | 4.7                 | 3.6                  | 44.6        | 0.7         | 8.4            | 26.9         | 100.0        |
| Bond Funds                       | 20.9                                   | 21.2                | 0.0                  | 0.0         | 2.6         | 26.8           | 28.4         | 100.0        |
| <b>Total Funds</b>               | <b>21.4</b>                            | <b>10.4</b>         | <b>2.2</b>           | <b>22.1</b> | <b>3.5</b>  | <b>8.3</b>     | <b>32.2</b>  | <b>100.0</b> |
| <b>FY 2005:</b>                  |                                        |                     |                      |             |             |                |              |              |
| General Funds                    | 35.4                                   | 11.6                | 2.2                  | 17.1        | 6.9         | 0.5            | 26.2         | 100.0        |
| Other State Funds                | 8.5                                    | 14.1                | 0.1                  | 8.3         | 0.7         | 19.5           | 48.9         | 100.0        |
| Federal Funds                    | 11.6                                   | 4.4                 | 3.2                  | 44.2        | 0.3         | 8.7            | 27.4         | 100.0        |
| Bond Funds                       | 17.0                                   | 25.3                | 0.0                  | 0.0         | 2.8         | 25.5           | 29.4         | 100.0        |
| <b>Total Funds</b>               | <b>21.4</b>                            | <b>10.4</b>         | <b>1.8</b>           | <b>22.3</b> | <b>3.3</b>  | <b>8.2</b>     | <b>32.4</b>  | <b>100.0</b> |
| <b>FY 2006:</b>                  |                                        |                     |                      |             |             |                |              |              |
| General Funds                    | 34.4                                   | 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        |
| <b>Total Funds</b>               | <b>21.2</b>                            | <b>10.5</b>         | <b>1.8</b>           | <b>21.4</b> | <b>3.3</b>  | <b>8.1</b>     | <b>33.7</b>  | <b>100.0</b> |
| <b>FY 2007:</b>                  |                                        |                     |                      |             |             |                |              |              |
| General Funds                    | 34.1                                   | 11.0                | 2.0                  | 16.6        | 6.8         | 1.1            | 28.4         | 100.0        |
| Other State Funds                | 9.4                                    | 14.5                | 0.1                  | 7.3         | 0.7         | 17.7           | 50.3         | 100.0        |
| Federal Funds                    | 12.0                                   | 4.1                 | 3.1                  | 43.1        | 0.3         | 8.6            | 28.9         | 100.0        |
| Bond Funds                       | 12.4                                   | 18.1                | 0.0                  | 0.0         | 3.2         | 32.4           | 33.8         | 100.0        |
| <b>Total Funds</b>               | <b>21.5</b>                            | <b>10.2</b>         | <b>1.7</b>           | <b>20.9</b> | <b>3.4</b>  | <b>8.1</b>     | <b>34.2</b>  | <b>100.0</b> |
| <b>FY 2008:</b>                  |                                        |                     |                      |             |             |                |              |              |
| General Funds                    | 34.5                                   | 11.3                | 1.8                  | 16.3        | 7.0         | 0.8            | 28.4         | 100.0        |
| Other State Funds                | 9.9                                    | 14.2                | 0.1                  | 7.0         | 0.6         | 17.6           | 50.5         | 100.0        |
| Federal Funds                    | 11.5                                   | 3.8                 | 3.1                  | 43.6        | 0.2         | 8.5            | 29.4         | 100.0        |
| Bond Funds                       | 10.0                                   | 15.5                | 0.0                  | 0.0         | 2.6         | 33.2           | 38.7         | 100.0        |
| <b>Total Funds</b>               | <b>21.6</b>                            | <b>10.2</b>         | <b>1.7</b>           | <b>20.7</b> | <b>3.5</b>  | <b>7.9</b>     | <b>34.6</b>  | <b>100.0</b> |
| <b>FY 2009:</b>                  |                                        |                     |                      |             |             |                |              |              |
| General Funds                    | 35.1                                   | 11.1                | 1.9                  | 16.2        | 7.2         | 0.7            | 27.8         | 100.0        |
| Other State Funds                | 9.9                                    | 14.5                | 0.1                  | 6.9         | 0.7         | 17.1           | 50.8         | 100.0        |
| Federal Funds                    | 11.9                                   | 3.5                 | 2.8                  | 41.7        | 0.2         | 8.5            | 31.4         | 100.0        |
| Bond Funds                       | 11.9                                   | 15.3                | 0.0                  | 0.0         | 2.9         | 36.7           | 33.3         | 100.0        |
| <b>Total Funds</b>               | <b>21.1</b>                            | <b>9.8</b>          | <b>1.6</b>           | <b>21.0</b> | <b>3.3</b>  | <b>8.2</b>     | <b>34.9</b>  | <b>100.0</b> |
| <b>FY 1995-09 Combined Total</b> |                                        |                     |                      |             |             |                |              |              |
| General Funds                    | 35.0                                   | 12.2                | 2.6                  | 15.7        | 6.9         | 0.8            | 26.7         | 100.0        |
| Other State Funds                | 9.2                                    | 13.8                | 0.3                  | 6.8         | 0.8         | 20.6           | 48.4         | 100.0        |
| Federal Funds                    | 10.8                                   | 4.2                 | 4.1                  | 43.3        | 0.3         | 8.9            | 28.3         | 100.0        |
| Bond Funds                       | 15.7                                   | 19.4                | 0.0                  | 0.0         | 4.6         | 28.0           | 32.3         | 100.0        |
| <b>Total Funds</b>               | <b>21.6</b>                            | <b>10.6</b>         | <b>2.4</b>           | <b>20.6</b> | <b>3.6</b>  | <b>8.5</b>     | <b>32.7</b>  | <b>100.0</b> |

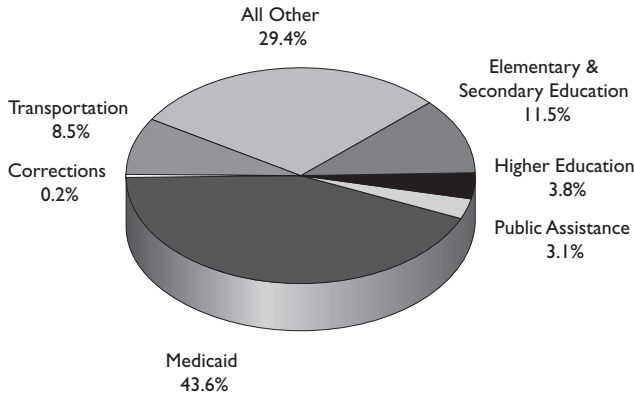
Source: National Association of State Budget Officers, 2008 State Expenditure Report



## Federal Fund Expenditures

As reflected in Figure 8, Medicaid accounts for the largest portion of state spending from federal funds at 43.6 percent. Elementary and secondary education at 11.5 percent and transportation at 8.5 percent are the next largest categories.

**Figure 8**  
**FEDERAL FUND EXPENDITURES,**  
**FISCAL 2008**



## 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 2007-2008 growth rate for all states was 5.4 percent in fiscal 2008. At 3.8 percent, the Southeast region had the lowest growth rate in total spending, while the Rocky Mountain region had the highest at 9.6 percent.

**Table 4**  
**REGIONAL PERCENTAGE CHANGE IN TOTAL EXPENDITURES,**  
**FISCAL 2008 AND 2009**

| Region            | Fiscal 2007 to 2008 |               |             | Fiscal 2008 to 2009 |               |             |
|-------------------|---------------------|---------------|-------------|---------------------|---------------|-------------|
|                   | State Funds         | Federal Funds | All Funds   | State Funds         | Federal Funds | All Funds   |
| New England       | 6.9%                | 2.6%          | 5.7%        | 0.4%                | 20.2%         | 3.3%        |
| Mid-Atlantic      | 5.9                 | -0.3          | 4.0         | -0.1                | 15.5          | 4.7         |
| Great Lakes       | 4.1                 | 7.8           | 4.3         | -1.7                | 27.2          | 5.2         |
| Plains            | 4.9                 | 7.0           | 4.9         | 7.9                 | 18.8          | 10.3        |
| Southeast         | 5.5                 | 1.3           | 3.8         | 1.1                 | 15.6          | 5.4         |
| Southwest         | 10.1                | 10.7          | 9.5         | 3.5                 | 15.9          | 7.9         |
| Rocky Mountain    | 7.6                 | 7.1           | 9.6         | 2.1                 | 37.4          | 7.7         |
| Far West          | 7.1                 | 5.1           | 7.2         | -5.7                | 32.3          | 6.8         |
| <b>ALL STATES</b> | <b>6.2%</b>         | <b>4.1%</b>   | <b>5.4%</b> | <b>-0.1%</b>        | <b>21.2%</b>  | <b>6.0%</b> |

Source: National Association of State Budget Officers, 2008 State Expenditure Report

Figure 9 shows the percentage change in state spending from state funds for 2007-2008 and 2008-2009. The Great Lakes region experienced the smallest spending growth in state funds from fiscal 2007 to fiscal 2008 at 4.1 percent, while the Southwest region had the largest growth at 10.1 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 2008 AND 2009**

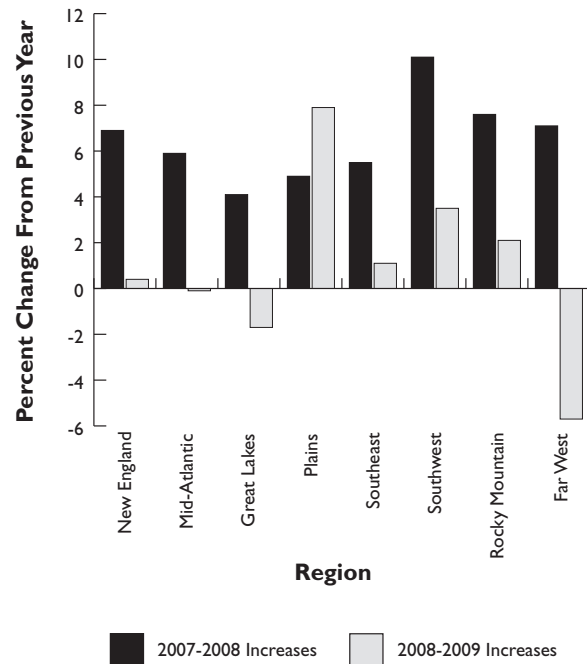


Table 5

## STATE SPENDING BY FUNCTION AS A PERCENT OF TOTAL STATE EXPENDITURES, FISCAL 2008

| Region/State          | Elementary<br>& Secondary<br>Education | Higher<br>Education | Public<br>Assistance | Medicaid      | Corrections  | Transportation | All<br>Other  | Total          |
|-----------------------|----------------------------------------|---------------------|----------------------|---------------|--------------|----------------|---------------|----------------|
| <b>NEW ENGLAND</b>    |                                        |                     |                      |               |              |                |               |                |
| Connecticut           | 15.2 %                                 | 10.7 %              | 1.9 %                | 17.4 %        | 2.9 %        | 6.4 %          | 45.5 %        | 100.0 %        |
| Maine                 | 18.8                                   | 3.7                 | 2.4                  | 28.2          | 2.1          | 7.5            | 37.4          | 100.0          |
| Massachusetts         | 13.9                                   | 9.7                 | 3.1                  | 18.7          | 2.8          | 5.6            | 46.2          | 100.0          |
| New Hampshire         | 22.2                                   | 5.0                 | 1.6                  | 26.0          | 2.2          | 11.3           | 31.8          | 100.0          |
| Rhode Island          | 15.5                                   | 11.8                | 2.0                  | 25.9          | 2.8          | 4.7            | 37.3          | 100.0          |
| Vermont               | 26.4                                   | 1.8                 | 1.7                  | 18.9          | 2.5          | 7.2            | 41.5          | 100.0          |
| <b>MID-ATLANTIC</b>   |                                        |                     |                      |               |              |                |               |                |
| Delaware              | 23.1                                   | 4.3                 | 0.3                  | 11.5          | 3.1          | 10.0           | 47.7          | 100.0          |
| Maryland              | 20.9                                   | 15.0                | 1.9                  | 18.9          | 4.4          | 11.8           | 27.3          | 100.0          |
| New Jersey            | 24.2                                   | 7.3                 | 0.8                  | 19.5          | 3.4          | 9.1            | 35.6          | 100.0          |
| New York              | 20.9                                   | 7.1                 | 3.1                  | 26.7          | 2.9          | 5.6            | 33.6          | 100.0          |
| Pennsylvania          | 19.4                                   | 4.0                 | 2.0                  | 30.3          | 3.4          | 10.1           | 30.8          | 100.0          |
| <b>GREAT LAKES</b>    |                                        |                     |                      |               |              |                |               |                |
| Illinois              | 21.8                                   | 6.0                 | 0.3                  | 29.5          | 3.0          | 8.3            | 31.2          | 100.0          |
| Indiana               | 23.5                                   | 7.9                 | 1.4                  | 21.7          | 3.0          | 10.3           | 32.2          | 100.0          |
| Michigan              | 29.5                                   | 5.5                 | 1.1                  | 22.2          | 5.3          | 8.0            | 28.4          | 100.0          |
| Ohio                  | 19.2                                   | 5.3                 | 2.3                  | 23.2          | 3.6          | 7.4            | 39.0          | 100.0          |
| Wisconsin             | 19.1                                   | 13.1                | 0.3                  | 13.5          | 3.4          | 7.0            | 43.6          | 100.0          |
| <b>PLAINS</b>         |                                        |                     |                      |               |              |                |               |                |
| Iowa                  | 18.1                                   | 25.2                | 0.8                  | 17.9          | 2.6          | 6.4            | 29.0          | 100.0          |
| Kansas                | 28.2                                   | 17.5                | 0.4                  | 18.7          | 3.1          | 8.8            | 23.3          | 100.0          |
| Minnesota             | 26.4                                   | 10.7                | 1.3                  | 22.6          | 1.8          | 8.9            | 28.2          | 100.0          |
| Missouri              | 24.2                                   | 5.6                 | 0.8                  | 34.5          | 2.9          | 10.4           | 21.6          | 100.0          |
| Nebraska              | 14.8                                   | 22.0                | 0.7                  | 17.7          | 2.5          | 7.8            | 34.4          | 100.0          |
| North Dakota          | 14.5                                   | 23.5                | 0.3                  | 15.1          | 2.0          | 12.0           | 32.6          | 100.0          |
| South Dakota          | 16.7                                   | 18.4                | 0.9                  | 22.3          | 3.2          | 12.7           | 25.8          | 100.0          |
| <b>SOUTHEAST</b>      |                                        |                     |                      |               |              |                |               |                |
| Alabama               | 13.7                                   | 10.5                | 0.1                  | 11.0          | 1.4          | 3.1            | 60.2          | 100.0          |
| Arkansas              | 18.7                                   | 16.3                | 2.2                  | 20.3          | 2.3          | 5.8            | 34.5          | 100.0          |
| Florida               | 20.2                                   | 9.9                 | 0.2                  | 23.2          | 4.8          | 10.7           | 31.0          | 100.0          |
| Georgia               | 27.7                                   | 7.9                 | 1.5                  | 19.6          | 3.3          | 5.9            | 34.2          | 100.0          |
| Kentucky              | 20.6                                   | 24.1                | 0.7                  | 21.3          | 2.5          | 10.8           | 20.0          | 100.0          |
| Louisiana             | 15.2                                   | 9.6                 | 0.5                  | 19.3          | 2.7          | 5.2            | 47.5          | 100.0          |
| Mississippi           | 20.3                                   | 16.8                | 0.2                  | 22.4          | 2.2          | 8.7            | 29.4          | 100.0          |
| North Carolina        | 22.4                                   | 11.8                | 0.6                  | 26.4          | 3.3          | 9.1            | 26.3          | 100.0          |
| South Carolina        | 18.8                                   | 20.6                | 0.4                  | 21.1          | 3.0          | 7.5            | 28.6          | 100.0          |
| Tennessee             | 17.7                                   | 14.3                | 0.4                  | 28.5          | 2.6          | 6.6            | 29.8          | 100.0          |
| Virginia              | 19.3                                   | 12.9                | 0.4                  | 15.1          | 4.2          | 12.1           | 36.0          | 100.0          |
| West Virginia         | 11.3                                   | 9.8                 | 0.4                  | 12.1          | 1.1          | 5.7            | 59.5          | 100.0          |
| <b>SOUTHWEST</b>      |                                        |                     |                      |               |              |                |               |                |
| Arizona               | 27.5                                   | 10.9                | 0.5                  | 22.8          | 4.2          | 7.0            | 27.2          | 100.0          |
| New Mexico            | 19.8                                   | 18.3                | 0.8                  | 20.8          | 2.0          | 7.0            | 31.4          | 100.0          |
| Oklahoma              | 16.0                                   | 12.2                | 1.2                  | 18.6          | 2.8          | 5.9            | 43.4          | 100.0          |
| Texas                 | 28.8                                   | 12.1                | 0.1                  | 16.4          | 4.0          | 9.7            | 28.8          | 100.0          |
| <b>ROCKY MOUNTAIN</b> |                                        |                     |                      |               |              |                |               |                |
| Colorado              | 31.0                                   | 13.9                | 0.1                  | 11.1          | 3.0          | 6.6            | 34.2          | 100.0          |
| Idaho                 | 28.6                                   | 8.3                 | 0.3                  | 21.9          | 4.1          | 10.4           | 26.4          | 100.0          |
| Montana               | 19.8                                   | 11.8                | 0.9                  | 16.8          | 3.8          | 13.4           | 33.5          | 100.0          |
| Utah                  | 23.2                                   | 10.9                | 0.7                  | 13.6          | 2.9          | 22.1           | 26.6          | 100.0          |
| Wyoming               | 17.7                                   | 1.0                 | 0.0                  | 10.2          | 0.0          | 11.6           | 59.5          | 100.0          |
| <b>FAR WEST</b>       |                                        |                     |                      |               |              |                |               |                |
| Alaska                | 10.8                                   | 7.0                 | 0.9                  | 8.4           | 2.4          | 12.1           | 58.5          | 100.0          |
| California            | 24.2                                   | 8.4                 | 5.1                  | 19.7          | 5.0          | 5.8            | 31.7          | 100.0          |
| Hawaii                | 21.9                                   | 10.1                | 0.8                  | 11.2          | 2.1          | 10.0           | 44.0          | 100.0          |
| Nevada                | 16.6                                   | 11.0                | 0.6                  | 12.3          | 4.2          | 11.4           | 44.0          | 100.0          |
| Oregon                | 17.1                                   | 12.0                | 0.7                  | 13.7          | 3.7          | 6.5            | 46.3          | 100.0          |
| Washington            | 23.1                                   | 13.7                | 1.3                  | 19.6          | 3.7          | 8.5            | 30.2          | 100.0          |
| <b>ALL STATES</b>     | <b>21.6 %</b>                          | <b>10.2 %</b>       | <b>1.7 %</b>         | <b>20.7 %</b> | <b>3.5 %</b> | <b>7.9 %</b>   | <b>34.6 %</b> | <b>100.0 %</b> |

Note: Percentages may not add to 100.

Source: National Association of State Budget Officers, 2008 State Expenditure Report

## General Notes

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### In reviewing the tables, please note the following:

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

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

**Alabama:** Amounts shown in fiscal years 2006-07 and 2007-08 are based on the actual expenditures during these years, regardless of the year appropriated. Fiscal 2008-09 amounts shown are equal to appropriations for the year, except for bond proceeds, which are estimated. It is assumed that some level of appropriations will not be expended this fiscal year.

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

**Delaware:** Fiscal 2009 numbers are actual, not estimates.

**Indiana:** Expenditure figures for “2008 Actual—General Funds” include \$149.7 million of Homestead Credits distributed as part of HEA 1001 (2008), the Governor’s property tax reform legislation. The revenue for these expenditures was provided by the 1% increase in the sales tax from 6% to 7%, effective April 1, 2008, which generated \$151.6 million during fiscal 2008. Excluding these expenditures, total General Fund expenditures for fiscal 2008 would have been \$12,730 million (instead of \$12,880 million). Expenditure figures for “2009 Estimated—General Funds” include \$1,122.4 million of appropriations made in HEA 1001 (2008), the Governor’s property tax reform legislation. The revenue for these expenditures was provided by the 1% increase in the sales tax from 6% to 7% (\$879.0 million), the racino wagering tax (\$62.8 million), the riverboat admissions tax (\$12.8 million), and the motor vehicle

excise tax and FIT (\$13.0 million). Excluding these appropriations, total General Fund expenditures for fiscal 2009 would have been \$11,915 million (instead of \$13,037 million).

**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 2.0% (Total Funds) and 1.3% (General Fund) from fiscal 2007.

**Missouri:** Total expenditures exclude refunds. Fiscal 2007 expenditures exclude refunds of \$1,258 million, including \$1,208 million general revenue. Fiscal 2008 expenditures exclude refunds of \$1,307 million, including \$1,258 million general revenue. Fiscal 2009 estimates exclude refunds of \$1,488 million, including \$1,441 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.

**Montana:** 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 expenditures reflect over \$220 million in various one-time-only general fund expenditures including nearly \$96 million for a \$400 tax rebate and \$50 million general fund for fire fighting. Fiscal 2009 expenditures reflect \$46 million in various one-time-only general fund expenditures. 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 2008-09 amounts shown are equal to appropriations for the year for all fund types. It is expected that some level of appropriations will not be expended due to the need to carryover a certain amount to cover possible prior year obligations. However, no estimate of unexpended appropriation is made here. The likelihood of unexpended appropriation is especially high for Federal Funds and Other State Funds as legislative appropriations for those fund types will typically provide expending agencies with excess flexibility.

**New Jersey:** Totals include pension, post retirement medical, debt service on pension bonds, payroll taxes, and health benefits expenditures which total \$1.44 billion in State General Fund in fiscal 2008 and \$1.18 billion in fiscal 2009 spread across Education, Corrections, Transportation and All Other.

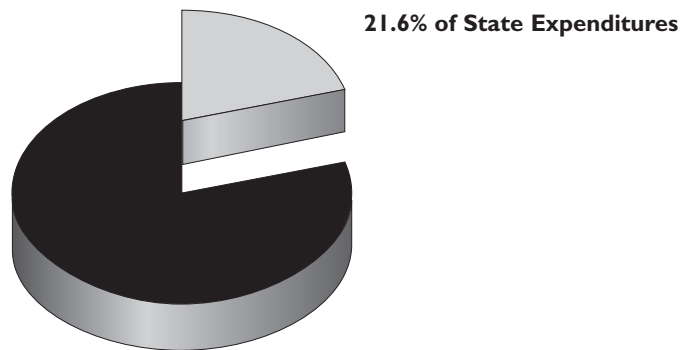
**New York:** New York budgets most employer contributions to employees' benefits and pensions centrally. The portion of employer contributions to employees' benefits not distributed to an expenditure category has been included in the All Other Expenditures category.

**South Carolina:** Estimated capital expenditures are no longer collected. Therefore, no capital expenditure data is included for estimated fiscal 2009.

**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

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State elementary and secondary education expenditures totaled \$323.9 billion in fiscal 2008, a 5.9 percent increase over the previous year. State funds (general funds and other state funds combined) increased 7.5 percent, while federal funds declined 0.2 percent. In fiscal 2009, total elementary and secondary education spending is estimated to grow 3.6 percent. State funds are projected to decline 0.5 percent as a result of severe overall revenue declines, with federal funds increasing 25.8 percent. The federal increase is mainly due to the education funds in the *American Recovery and Reinvestment Act of 2009 (ARRA)*. States estimate that in fiscal 2009 they received \$10.5 billion in ARRA funds for elementary and secondary education, mostly through ARRA's State Fiscal Stabilization Fund.

In fiscal 2008, general funds comprised 73.2 percent of state elementary and secondary education spending, federal funds comprised 14 percent, other states funds comprised 11.8 percent, and bonds comprised 1.1 percent. In fiscal 2009, general funds are estimated to comprise 69.5 percent, federal funds 16.9 percent, other state funds 12 percent, and bonds 1.5 percent.

While historically the largest category of total state spending, K-12 education and Medicaid now represent a roughly equal share. In fiscal 2008, elementary and secondary education comprised 21.6 percent of total state spending, with Medicaid comprising 20.7 percent. It is estimated that in fiscal 2009 elementary and secondary education will represent 21.1 percent of total expenditures, while Medicaid will represent 21 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.

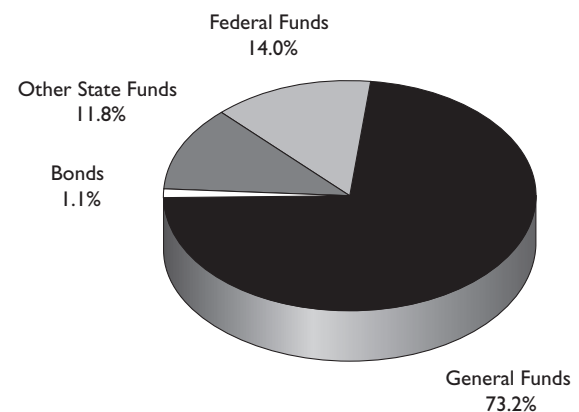
## Sources of Funding

State funding systems for education vary greatly. Over the years, 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 through 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 children with special needs.

## Fund Shares

Relative fund shares for 2008 are shown in the figure below.

**Figure 10**  
**STATE EXPENDITURES FOR ELEMENTARY AND SECONDARY EDUCATION BY FUND SOURCE, FISCAL 2008**



## Regional Expenditures

The following table shows percentage changes in expenditures for elementary and secondary education for fiscal 2007-2008 and 2008-2009 by region. In 2007-2008, the Southwest region saw the greatest percentage increase in elementary and secondary education at 12.4 percent, while the Great Lakes region grew by smallest amount, at 1.7 percent. However, for 2009 it is estimated that the Great Lakes region will experience the largest growth at 11.5 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 exclude from these figures. For this report, 12 states wholly or partially excluded employer contributions to teacher pensions, and 13 states wholly or partially excluded contributions to health benefits. Additionally, other items that are wholly or partially excluded include: day care programs (42 states), school health care (40), 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 2008 AND 2009**

| Region            | Fiscal 2007 to 2008 |               |              | Fiscal 2008 to 2009 |               |              |
|-------------------|---------------------|---------------|--------------|---------------------|---------------|--------------|
|                   | State Funds         | Federal Funds | All Funds    | State Funds         | Federal Funds | All Funds    |
| New England       | 6.9%                | -1.2%         | 6.0%         | -1.2%               | 15.3%         | 0.6%         |
| Mid-Atlantic      | 8.5                 | -2.6          | 6.9          | 7.3                 | 4.8           | 6.9          |
| Great Lakes       | 2.8                 | 3.4           | 1.7          | 6.2                 | 44.4          | 11.5         |
| Plains            | 5.8                 | 0.3           | 5.1          | 3.4                 | 19.6          | 5.5          |
| Southeast         | 6.3                 | -2.1          | 5.0          | -3.3                | 16.3          | -0.9         |
| Southwest         | 15.0                | 1.2           | 12.4         | 4.7                 | 11.1          | 5.7          |
| Rocky Mountain    | 11.7                | 2.5           | 10.8         | -2.6                | 22.4          | -0.2         |
| Far West          | 7.2                 | 0.4           | 5.1          | -13.2               | 60.2          | -0.3         |
| <b>ALL STATES</b> | <b>7.5 %</b>        | <b>-0.2 %</b> | <b>5.9 %</b> | <b>-0.5 %</b>       | <b>25.8 %</b> | <b>3.6 %</b> |

Table 7

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

| Region/State          | Actual Fiscal 2007 |                 |                   |                |                  | Actual Fiscal 2008 |                 |                   |                |                  | Estimated Fiscal 2009 |                 |                   |                |                  |
|-----------------------|--------------------|-----------------|-------------------|----------------|------------------|--------------------|-----------------|-------------------|----------------|------------------|-----------------------|-----------------|-------------------|----------------|------------------|
|                       | General Fund       | Federal Funds   | Other State Funds | Bonds          | Total            | General Fund       | Federal Funds   | Other State Funds | Bonds          | Total            | General Fund          | Federal Funds   | Other State Funds | Bonds          | Total            |
| <b>NEW ENGLAND</b>    |                    |                 |                   |                |                  |                    |                 |                   |                |                  |                       |                 |                   |                |                  |
| Connecticut*          | \$2,312            | \$416           | \$4               | \$672          | \$3,404          | \$2,569            | \$418           | \$0               | \$736          | \$3,723          | \$2,672               | \$527           | \$2               | \$642          | \$3,843          |
| Maine                 | 1,170              | 185             | 4                 | 0              | 1,359            | 1,211              | 179             | 3                 | 2              | 1,395            | 1,201                 | 218             | 3                 | 0              | 1,422            |
| Massachusetts         | 4,414              | 828             | 550               | 0              | 5,792            | 4,672              | 824             | 658               | 0              | 6,154            | 4,457                 | 849             | 635               | 0              | 5,941            |
| New Hampshire         | 0                  | 166             | 844               | 10             | 1,020            | 0                  | 161             | 898               | 8              | 1,067            | 0                     | 168             | 898               | 48             | 1,114            |
| Rhode Island          | 888                | 174             | 5                 | 7              | 1,074            | 909                | 176             | 8                 | 5              | 1,098            | 828                   | 272             | 23                | 13             | 1,136            |
| Vermont               | 38                 | 120             | 1,191             | 2              | 1,351            | 46                 | 109             | 1,236             | 9              | 1,400            | 48                    | 119             | 1,294             | 10             | 1,471            |
| <b>MID-ATLANTIC</b>   |                    |                 |                   |                |                  |                    |                 |                   |                |                  |                       |                 |                   |                |                  |
| Delaware              | 1,088              | 142             | 461               | 207            | 1,898            | 1,133              | 141             | 496               | 225            | 1,995            | 1,163                 | 150             | 524               | 234            | 2,071            |
| Maryland              | 4,644              | 867             | 10                | 0              | 5,521            | 5,317              | 901             | 10                | 0              | 6,228            | 5,548                 | 932             | 14                | 0              | 6,494            |
| New Jersey            | 10,347             | 834             | 17                | 0              | 11,198           | 10,973             | 786             | 18                | 0              | 11,777           | 11,581                | 833             | 25                | 0              | 12,439           |
| New York              | 16,282             | 3,655           | 2,735             | 45             | 22,717           | 17,946             | 3,404           | 2,910             | 17             | 24,277           | 19,435                | 3,579           | 3,089             | 7              | 26,110           |
| Pennsylvania          | 8,804              | 1,945           | 18                | 0              | 10,767           | 9,361              | 2,015           | 17                | 0              | 11,393           | 9,680                 | 2,102           | 628               | 0              | 12,410           |
| <b>GREAT LAKES</b>    |                    |                 |                   |                |                  |                    |                 |                   |                |                  |                       |                 |                   |                |                  |
| Illinois              | 7,360              | 1,873           | 30                | 33             | 9,296            | 8,180              | 1,983           | 28                | 30             | 10,221           | 8,906                 | 2,036           | 26                | 3              | 10,971           |
| Indiana*              | 4,638              | 826             | 18                | 0              | 5,482            | 4,801              | 870             | 36                | 0              | 5,707            | 5,695                 | 1,476           | 51                | 0              | 7,222            |
| Michigan*             | 43                 | 1,483           | 11,573            | 0              | 13,099           | 44                 | 1,548           | 11,396            | 0              | 12,988           | 88                    | 3,189           | 11,037            | 0              | 14,314           |
| Ohio                  | 7,159              | 1,660           | 1,909             | 596            | 11,324           | 6,933              | 1,647           | 2,251             | 56             | 10,887           | 8,125                 | 1,700           | 2,702             | 0              | 12,527           |
| Wisconsin             | 5,812              | 671             | 214               | 0              | 6,697            | 5,974              | 688             | 214               | 0              | 6,876            | 5,623                 | 1,327           | 86                | 0              | 7,036            |
| <b>PLAINS</b>         |                    |                 |                   |                |                  |                    |                 |                   |                |                  |                       |                 |                   |                |                  |
| Iowa                  | 2,329              | 385             | 12                | 0              | 2,726            | 2,523              | 380             | 13                | 0              | 2,916            | 2,595                 | 430             | 76                | 0              | 3,101            |
| Kansas                | 2,830              | 386             | 99                | 0              | 3,315            | 3,076              | 399             | 101               | 0              | 3,576            | 3,235                 | 416             | 117               | 0              | 3,768            |
| Minnesota             | 6,481              | 641             | 40                | 14             | 7,176            | 6,820              | 624             | 43                | 14             | 7,501            | 6,957                 | 889             | 43                | 7              | 7,896            |
| Missouri              | 2,793              | 832             | 1,334             | 0              | 4,959            | 2,864              | 848             | 1,404             | 0              | 5,116            | 3,019                 | 888             | 1,321             | 0              | 5,228            |
| Nebraska              | 938                | 263             | 39                | 0              | 1,240            | 980                | 273             | 34                | 0              | 1,287            | 1,071                 | 398             | 16                | 0              | 1,485            |
| North Dakota          | 332                | 127             | 36                | 0              | 495              | 363                | 121             | 39                | 0              | 523              | 388                   | 124             | 39                | 0              | 551              |
| South Dakota          | 341                | 153             | 3                 | 0              | 497              | 371                | 150             | 4                 | 0              | 525              | 378                   | 198             | 12                | 0              | 588              |
| <b>SOUTHEAST</b>      |                    |                 |                   |                |                  |                    |                 |                   |                |                  |                       |                 |                   |                |                  |
| Alabama*              | 4,064              | 797             | 150               | 0              | 5,011            | 4,497              | 824             | 169               | 0              | 5,490            | 3,390                 | 1,164           | 174               | 0              | 4,728            |
| Arkansas              | 1,771              | 472             | 811               | 0              | 3,054            | 1,911              | 453             | 789               | 0              | 3,153            | 1,950                 | 494             | 774               | 0              | 3,218            |
| Florida*              | 9,967              | 2,491           | 583               | 0              | 13,041           | 9,943              | 2,422           | 632               | 0              | 12,997           | 8,708                 | 2,628           | 587               | 0              | 11,923           |
| Georgia               | 7,392              | 1,567           | 0                 | 443            | 9,402            | 7,965              | 1,548           | 0                 | 664            | 10,177           | 7,506                 | 1,789           | 0                 | 105            | 9,400            |
| Kentucky              | 3,769              | 697             | 19                | 0              | 4,485            | 4,016              | 707             | 17                | 0              | 4,740            | 4,017                 | 707             | 15                | 0              | 4,739            |
| Louisiana             | 2,753              | 1,216           | 296               | 0              | 4,265            | 3,164              | 1,082           | 308               | 0              | 4,554            | 3,187                 | 1,463           | 756               | 0              | 5,406            |
| Mississippi           | 1,975              | 715             | 355               | 7              | 3,052            | 2,180              | 652             | 332               | 7              | 3,171            | 2,237                 | 794             | 354               | 4              | 3,389            |
| North Carolina        | 7,377              | 1,161           | 163               | 0              | 8,701            | 7,977              | 1,199           | 144               | 0              | 9,320            | 8,142                 | 1,450           | 120               | 0              | 9,712            |
| South Carolina        | 2,189              | 682             | 765               | 0              | 3,636            | 2,443              | 682             | 792               | 0              | 3,917            | 2,151                 | 698             | 676               | 0              | 3,525            |
| Tennessee             | 3,379              | 839             | 61                | 0              | 4,279            | 3,757              | 842             | 63                | 0              | 4,662            | 3,967                 | 1,048           | 47                | 0              | 5,062            |
| Virginia              | 5,686              | 827             | 121               | 0              | 6,634            | 5,376              | 826             | 618               | 0              | 6,820            | 5,678                 | 844             | 665               | 0              | 7,187            |
| West Virginia         | 1,704              | 338             | 40                | 84             | 2,166            | 1,767              | 320             | 13                | 23             | 2,123            | 1,800                 | 360             | 30                | 30             | 2,220            |
| <b>SOUTHWEST</b>      |                    |                 |                   |                |                  |                    |                 |                   |                |                  |                       |                 |                   |                |                  |
| Arizona               | 4,709              | 885             | 1,244             | 106            | 6,944            | 4,547              | 913             | 1,231             | 102            | 6,793            | 3,954                 | 971             | 1,457             | 96             | 6,478            |
| New Mexico            | 2,380              | 384             | 6                 | 0              | 2,770            | 2,513              | 402             | 11                | 0              | 2,926            | 2,614                 | 504             | 17                | 0              | 3,135            |
| Oklahoma*             | 1,731              | 654             | 716               | 0              | 3,101            | 1,723              | 606             | 860               | 0              | 3,189            | 1,740                 | 731             | 833               | 0              | 3,304            |
| Texas                 | 13,772             | 3,990           | 1,974             | 0              | 19,736           | 15,169             | 4,061           | 4,463             | 0              | 23,693           | 17,342                | 4,440           | 3,999             | 0              | 25,781           |
| <b>ROCKY MOUNTAIN</b> |                    |                 |                   |                |                  |                    |                 |                   |                |                  |                       |                 |                   |                |                  |
| Colorado*             | 3,294              | 529             | 3,143             | 0              | 6,966            | 3,976              | 519             | 3,298             | 0              | 7,793            | 3,215                 | 534             | 3,653             | 0              | 7,402            |
| Idaho                 | 1,316              | 195             | 60                | 0              | 1,571            | 1,392              | 234             | 69                | 0              | 1,695            | 1,360                 | 240             | 153               | 0              | 1,753            |
| Montana               | 630                | 144             | 56                | 0              | 830              | 691                | 140             | 57                | 0              | 888              | 661                   | 145             | 66                | 0              | 872              |
| Utah                  | 2,111              | 372             | 33                | 0              | 2,516            | 2,519              | 380             | -15               | 0              | 2,884            | 2,315                 | 665             | 72                | 0              | 3,052            |
| Wyoming               | 12                 | 74              | 793               | 0              | 879              | 12                 | 74              | 793               | 0              | 879              | 11                    | 65              | 956               | 0              | 1,032            |
| <b>FAR WEST</b>       |                    |                 |                   |                |                  |                    |                 |                   |                |                  |                       |                 |                   |                |                  |
| Alaska                | 989                | 184             | 112               | 0              | 1,285            | 1,027              | 189             | 113               | 0              | 1,329            | 1,046                 | 291             | 119               | 0              | 1,456            |
| California            | 36,854             | 5,838           | -10               | 2,217          | 44,899           | 39,038             | 5,840           | 414               | 1,647          | 46,939           | 31,164                | 9,973           | 739               | 3,972          | 45,848           |
| Hawaii                | 2,028              | 241             | 199               | 0              | 2,468            | 2,172              | 226             | 44                | 0              | 2,442            | 2,272                 | 207             | 44                | 0              | 2,523            |
| Nevada                | 988                | 218             | 0                 | 0              | 1,206            | 1,303              | 230             | 0                 | 0              | 1,533            | 1,616                 | 224             | 0                 | 0              | 1,840            |
| Oregon                | 2,610              | 509             | 361               | 0              | 3,480            | 2,916              | 511             | 444               | 0              | 3,871            | 2,352                 | 631             | 850               | 0              | 3,833            |
| Washington            | 5,656              | 672             | 679               | 0              | 7,007            | 5,903              | 697             | 716               | 0              | 7,316            | 6,332                 | 995             | 432               | 0              | 7,759            |
| <b>TOTAL</b>          | <b>\$222,149</b>   | <b>\$45,323</b> | <b>\$33,876</b>   | <b>\$4,443</b> | <b>\$305,791</b> | <b>\$236,963</b>   | <b>\$45,224</b> | <b>\$38,192</b>   | <b>\$3,545</b> | <b>\$323,924</b> | <b>\$233,420</b>      | <b>\$56,875</b> | <b>\$40,249</b>   | <b>\$5,171</b> | <b>\$335,715</b> |

Source: National Association of State Budget Officers, 2008 State Expenditure Report

\*See Elementary and Secondary Education Notes for explanation



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

| <b>Region/State</b>   | <b>Fiscal<br/>2007</b> | <b>Fiscal<br/>2008</b> | <b>Fiscal<br/>2009</b> |
|-----------------------|------------------------|------------------------|------------------------|
| <b>NEW ENGLAND</b>    |                        |                        |                        |
| Connecticut           | 14.9 %                 | 15.2 %                 | 15.4 %                 |
| Maine                 | 18.9                   | 18.8                   | 17.6                   |
| Massachusetts         | 13.9                   | 13.9                   | 13.1                   |
| New Hampshire         | 22.5                   | 22.2                   | 22.9                   |
| Rhode Island          | 16.0                   | 15.5                   | 15.0                   |
| Vermont               | 26.2                   | 26.4                   | 27.5                   |
| <b>MID-ATLANTIC</b>   |                        |                        |                        |
| Delaware              | 24.3                   | 23.1                   | 23.7                   |
| Maryland              | 19.0                   | 20.9                   | 20.6                   |
| New Jersey            | 24.7                   | 24.2                   | 25.3                   |
| New York              | 20.1                   | 20.9                   | 21.5                   |
| Pennsylvania          | 18.9                   | 19.4                   | 19.7                   |
| <b>GREAT LAKES</b>    |                        |                        |                        |
| Illinois              | 20.1                   | 21.8                   | 22.7                   |
| Indiana               | 24.0                   | 23.5                   | 28.1                   |
| Michigan              | 30.8                   | 29.5                   | 29.6                   |
| Ohio                  | 21.2                   | 19.2                   | 21.7                   |
| Wisconsin             | 19.6                   | 19.1                   | 18.3                   |
| <b>PLAINS</b>         |                        |                        |                        |
| Iowa                  | 18.4                   | 18.1                   | 17.5                   |
| Kansas                | 27.7                   | 28.2                   | 28.2                   |
| Minnesota             | 26.5                   | 26.4                   | 25.0                   |
| Missouri              | 23.6                   | 24.2                   | 23.3                   |
| Nebraska              | 15.2                   | 14.8                   | 13.7                   |
| North Dakota          | 14.7                   | 14.5                   | 13.6                   |
| South Dakota          | 16.2                   | 16.7                   | 16.8                   |
| <b>SOUTHEAST</b>      |                        |                        |                        |
| Alabama               | 13.5                   | 13.7                   | 10.2                   |
| Arkansas              | 19.0                   | 18.7                   | 17.5                   |
| Florida               | 19.7                   | 20.2                   | 18.2                   |
| Georgia               | 26.7                   | 27.7                   | 26.0                   |
| Kentucky              | 20.1                   | 20.6                   | 19.7                   |
| Louisiana             | 16.4                   | 15.2                   | 16.5                   |
| Mississippi           | 19.2                   | 20.3                   | 17.5                   |
| North Carolina        | 22.0                   | 22.4                   | 24.1                   |
| South Carolina        | 18.2                   | 18.8                   | 17.2                   |
| Tennessee             | 17.4                   | 17.7                   | 17.8                   |
| Virginia              | 19.0                   | 19.3                   | 19.4                   |
| West Virginia         | 11.7                   | 11.3                   | 10.9                   |
| <b>SOUTHWEST</b>      |                        |                        |                        |
| Arizona               | 29.8                   | 27.5                   | 23.9                   |
| New Mexico            | 19.1                   | 19.8                   | 20.3                   |
| Oklahoma              | 16.6                   | 16.0                   | 16.2                   |
| Texas                 | 27.1                   | 28.8                   | 28.7                   |
| <b>ROCKY MOUNTAIN</b> |                        |                        |                        |
| Colorado              | 29.3                   | 31.0                   | 27.5                   |
| Idaho                 | 28.4                   | 28.6                   | 25.9                   |
| Montana               | 20.4                   | 19.8                   | 19.2                   |
| Utah                  | 25.2                   | 23.2                   | 26.3                   |
| Wyoming               | 17.9                   | 17.7                   | 14.5                   |
| <b>FAR WEST</b>       |                        |                        |                        |
| Alaska                | 11.1                   | 10.8                   | 10.2                   |
| California            | 24.5                   | 24.2                   | 22.0                   |
| Hawaii                | 23.2                   | 21.9                   | 21.3                   |
| Nevada                | 16.9                   | 16.6                   | 22.2                   |
| Oregon                | 17.2                   | 17.1                   | 15.7                   |
| Washington            | 23.4                   | 23.1                   | 23.6                   |
| <b>ALL STATES</b>     | <b>21.5 %</b>          | <b>21.6 %</b>          | <b>21.1 %</b>          |

Source: National Association of State Budget Officers, 2008 State Expenditure Report

Table 9

## ANNUAL PERCENTAGE CHANGE IN ELEMENTARY AND SECONDARY EDUCATION EXPENDITURES

| Region/State          | Fiscal 2007 to 2008 |               |              | Fiscal 2008 to 2009 |               |              |
|-----------------------|---------------------|---------------|--------------|---------------------|---------------|--------------|
|                       | State Funds         | Federal Funds | All Funds    | State Funds         | Federal Funds | All Funds    |
| <b>NEW ENGLAND</b>    |                     |               |              |                     |               |              |
| Connecticut           | 10.9 %              | 0.5 %         | 9.4 %        | 4.1 %               | 26.1 %        | 3.2 %        |
| Maine                 | 3.4                 | -3.2          | 2.6          | -0.8                | 21.8          | 1.9          |
| Massachusetts         | 7.4                 | -0.5          | 6.3          | -4.5                | 3.0           | -3.5         |
| New Hampshire         | 6.4                 | -3.0          | 4.6          | 0.0                 | 4.3           | 4.4          |
| Rhode Island          | 2.7                 | 1.1           | 2.2          | -7.2                | 54.5          | 3.5          |
| Vermont               | 4.3                 | -9.2          | 3.6          | 4.7                 | 9.2           | 5.1          |
| <b>MID-ATLANTIC</b>   |                     |               |              |                     |               |              |
| Delaware              | 5.2                 | -0.7          | 5.1          | 3.6                 | 6.4           | 3.8          |
| Maryland              | 14.5                | 3.9           | 12.8         | 4.4                 | 3.4           | 4.3          |
| New Jersey            | 6.0                 | -5.8          | 5.2          | 5.6                 | 6.0           | 5.6          |
| New York              | 9.7                 | -6.9          | 6.9          | 8.0                 | 5.1           | 7.6          |
| Pennsylvania          | 6.3                 | 3.6           | 5.8          | 9.9                 | 4.3           | 8.9          |
| <b>GREAT LAKES</b>    |                     |               |              |                     |               |              |
| Illinois              | 11.1                | 5.9           | 10.0         | 8.8                 | 2.7           | 7.3          |
| Indiana               | 3.9                 | 5.3           | 4.1          | 18.8                | 69.7          | 26.5         |
| Michigan              | -1.5                | 4.4           | -0.8         | -2.8                | 106.0         | 10.2         |
| Ohio                  | 1.3                 | -0.8          | -3.9         | 17.9                | 3.2           | 15.1         |
| Wisconsin             | 2.7                 | 2.5           | 2.7          | -7.7                | 92.9          | 2.3          |
| <b>PLAINS</b>         |                     |               |              |                     |               |              |
| Iowa                  | 8.3                 | -1.3          | 7.0          | 5.3                 | 13.2          | 6.3          |
| Kansas                | 8.5                 | 3.4           | 7.9          | 5.5                 | 4.3           | 5.4          |
| Minnesota             | 5.2                 | -2.7          | 4.5          | 2.0                 | 42.5          | 5.3          |
| Missouri              | 3.4                 | 1.9           | 3.2          | 1.7                 | 4.7           | 2.2          |
| Nebraska              | 3.8                 | 3.8           | 3.8          | 7.2                 | 45.8          | 15.4         |
| North Dakota          | 9.2                 | -4.7          | 5.7          | 6.2                 | 2.5           | 5.4          |
| South Dakota          | 9.0                 | -2.0          | 5.6          | 4.0                 | 32.0          | 12.0         |
| <b>SOUTHEAST</b>      |                     |               |              |                     |               |              |
| Alabama               | 10.7                | 3.4           | 9.6          | -23.6               | 41.3          | -13.9        |
| Arkansas              | 4.6                 | -4.0          | 3.2          | 0.9                 | 9.1           | 2.1          |
| Florida               | 0.2                 | -2.8          | -0.3         | -12.1               | 8.5           | -8.3         |
| Georgia               | 7.8                 | -1.2          | 8.2          | -5.8                | 15.6          | -7.6         |
| Kentucky              | 6.5                 | 1.4           | 5.7          | 0.0                 | 0.0           | 0.0          |
| Louisiana             | 13.9                | -11.0         | 6.8          | 13.6                | 35.2          | 18.7         |
| Mississippi           | 7.8                 | -8.8          | 3.9          | 3.1                 | 21.8          | 6.9          |
| North Carolina        | 7.7                 | 3.3           | 7.1          | 1.7                 | 20.9          | 4.2          |
| South Carolina        | 9.5                 | 0.0           | 7.7          | -12.6               | 2.3           | -10.0        |
| Tennessee             | 11.0                | 0.4           | 9.0          | 5.1                 | 24.5          | 8.6          |
| Virginia              | 3.2                 | -0.1          | 2.8          | 5.8                 | 2.2           | 5.4          |
| West Virginia         | 2.1                 | -5.3          | -2.0         | 2.8                 | 12.5          | 4.6          |
| <b>SOUTHWEST</b>      |                     |               |              |                     |               |              |
| Arizona               | -2.9                | 3.2           | -2.2         | -6.4                | 6.4           | -4.6         |
| New Mexico            | 5.8                 | 4.7           | 5.6          | 4.2                 | 25.4          | 7.1          |
| Oklahoma              | 5.6                 | -7.3          | 2.8          | -0.4                | 20.6          | 3.6          |
| Texas                 | 24.7                | 1.8           | 20.0         | 8.7                 | 9.3           | 8.8          |
| <b>ROCKY MOUNTAIN</b> |                     |               |              |                     |               |              |
| Colorado              | 13.0                | -1.9          | 11.9         | -5.6                | 2.9           | -5.0         |
| Idaho                 | 6.2                 | 20.0          | 7.9          | 3.6                 | 2.6           | 3.4          |
| Montana               | 9.0                 | -2.8          | 7.0          | -2.8                | 3.6           | -1.8         |
| Utah                  | 16.8                | 2.2           | 14.6         | -4.7                | 75.0          | 5.8          |
| Wyoming               | 0.0                 | 0.0           | 0.0          | 20.1                | -12.2         | 17.4         |
| <b>FAR WEST</b>       |                     |               |              |                     |               |              |
| Alaska                | 3.5                 | 2.7           | 3.4          | 2.2                 | 54.0          | 9.6          |
| California            | 7.1                 | 0.0           | 4.5          | -19.1               | 70.8          | -2.3         |
| Hawaii                | -0.5                | -6.2          | -1.1         | 4.5                 | -8.4          | 3.3          |
| Nevada                | 31.9                | 5.5           | 27.1         | 24.0                | -2.6          | 20.0         |
| Oregon                | 13.1                | 0.4           | 11.2         | -4.7                | 23.5          | -1.0         |
| Washington            | 4.5                 | 3.7           | 4.4          | 2.2                 | 42.8          | 6.1          |
| <b>ALL STATES</b>     | <b>7.5 %</b>        | <b>-0.2 %</b> | <b>5.9 %</b> | <b>-0.5 %</b>       | <b>25.8 %</b> | <b>3.6 %</b> |

Note: State funds are defined as general funds and other state funds (bonds are excluded).  
Source: National Association of State Budget Officers, 2008 State Expenditure Report

Table 10

## ITEMS EXCLUDED FROM ELEMENTARY AND SECONDARY EDUCATION EXPENDITURES

| Region/State          | Employer<br>Contributions to<br>Pensions | Employer<br>Contributions to<br>Health Benefits | Head<br>Start | Libraries | Day Care<br>Programs | School<br>Health Care/<br>Immunization |
|-----------------------|------------------------------------------|-------------------------------------------------|---------------|-----------|----------------------|----------------------------------------|
| <b>NEW ENGLAND</b>    |                                          |                                                 |               |           |                      |                                        |
| Connecticut           | X                                        | X                                               |               | X         | X                    | P                                      |
| Maine                 |                                          |                                                 |               |           |                      |                                        |
| Massachusetts         | X                                        |                                                 |               |           |                      |                                        |
| New Hampshire         |                                          |                                                 | X             | X         | X                    |                                        |
| Rhode Island          |                                          |                                                 | X             | X         | X                    | P                                      |
| Vermont               |                                          |                                                 | X             | X         | X                    | X                                      |
| <b>MID-ATLANTIC</b>   |                                          |                                                 |               |           |                      |                                        |
| Delaware              |                                          |                                                 |               |           | X                    | P                                      |
| Maryland              |                                          |                                                 |               | X         |                      | P                                      |
| New Jersey            |                                          | P                                               | X             |           | X                    | P                                      |
| New York              | P                                        | P                                               | X             |           | X                    | X                                      |
| Pennsylvania          |                                          |                                                 |               | X         | X                    | X                                      |
| <b>GREAT LAKES</b>    |                                          |                                                 |               |           |                      |                                        |
| Illinois              |                                          | P                                               |               | X         | P                    |                                        |
| Indiana               | P                                        | P                                               | X             | P         | P                    | X                                      |
| Michigan*             | P                                        | P                                               | X             | X         | X                    | X                                      |
| Ohio                  |                                          |                                                 |               | X         | P                    | P                                      |
| Wisconsin             | X                                        | X                                               |               |           |                      | X                                      |
| <b>PLAINS</b>         |                                          |                                                 |               |           |                      |                                        |
| Iowa                  |                                          |                                                 | X             |           |                      |                                        |
| Kansas                |                                          | X                                               | X             | X         | X                    | X                                      |
| Minnesota             | X                                        | X                                               |               |           |                      | X                                      |
| Missouri              | X                                        | X                                               | X             | X         | X                    | X                                      |
| Nebraska              | P                                        | P                                               | X             | X         | X                    | X                                      |
| North Dakota          |                                          |                                                 | X             | X         | X                    | X                                      |
| South Dakota          |                                          |                                                 |               |           | X                    | X                                      |
| <b>SOUTHEAST</b>      |                                          |                                                 |               |           |                      |                                        |
| Alabama               |                                          |                                                 | P             | X         | X                    | X                                      |
| Arkansas              |                                          |                                                 | P             |           | P                    | P                                      |
| Florida*              |                                          |                                                 | X             |           | X                    | X                                      |
| Georgia               |                                          |                                                 | X             | X         | X                    |                                        |
| Kentucky              |                                          |                                                 |               | X         | X                    |                                        |
| Louisiana             |                                          |                                                 | X             |           | X                    | X                                      |
| Mississippi           |                                          |                                                 |               |           | X                    |                                        |
| North Carolina        |                                          |                                                 |               |           |                      | X                                      |
| South Carolina        |                                          |                                                 | X             | X         |                      | X                                      |
| Tennessee             |                                          |                                                 |               |           | P                    | P                                      |
| Virginia              |                                          |                                                 |               |           | X                    |                                        |
| West Virginia         |                                          |                                                 | X             | X         | X                    | X                                      |
| <b>SOUTHWEST</b>      |                                          |                                                 |               |           |                      |                                        |
| Arizona               |                                          |                                                 | X             |           | X                    | X                                      |
| New Mexico            |                                          |                                                 | P             |           | X                    | P                                      |
| Oklahoma              | P                                        |                                                 | X             |           | X                    | P                                      |
| Texas                 |                                          |                                                 | X             | P         | P                    | P                                      |
| <b>ROCKY MOUNTAIN</b> |                                          |                                                 |               |           |                      |                                        |
| Colorado              |                                          |                                                 | X             |           | X                    | P                                      |
| Idaho                 |                                          |                                                 | X             |           | X                    | X                                      |
| Montana               | P                                        | P                                               | X             | P         | X                    | X                                      |
| Utah                  |                                          |                                                 | X             |           | X                    | X                                      |
| Wyoming               |                                          |                                                 |               |           | X                    |                                        |
| <b>FAR WEST</b>       |                                          |                                                 |               |           |                      |                                        |
| Alaska                |                                          |                                                 |               | X         | X                    | X                                      |
| California            |                                          |                                                 | X             |           | X                    | X                                      |
| Hawaii                |                                          |                                                 | X             |           | X                    | X                                      |
| Nevada                |                                          |                                                 | X             | X         | X                    | X                                      |
| Oregon                |                                          |                                                 | X             | P         | X                    | X                                      |
| Washington            | P                                        | P                                               | X             | X         | X                    | X                                      |
| <b>ALL STATES</b>     | <b>12</b>                                | <b>13</b>                                       | <b>32</b>     | <b>25</b> | <b>42</b>            | <b>40</b>                              |

Excluded=X

Partially Excluded=P

Not Applicable=N/A

Source: National Association of State Budget Officers, 2008 State Expenditure Report

\*See Elementary and Secondary Education Notes for explanation

## Elementary and Secondary Education Notes

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

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

**Colorado:** Elementary and Secondary education totals include capital expenditures.

**Connecticut:** Federal funds include \$111 million for ARRA funding (primarily Title I and IDEA).

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

**Indiana:** Expenditure figures for "2009 Estimated—Elementary and Secondary Education (General Funds)" were less than anticipated due to the use of \$536.4 million in ARRA Education Stabilization Funds. General Fund expenditures increased nonetheless, in part

due to HEA 1001 (2008), the Governor's property tax reform legislation whereby the state assumed the responsibility for funding 100% of the K-12 tuition support formula. Expenditure figures for "2009 Estimated—Elementary and Secondary Education (Federal Funds)" increased dramatically as a result of the use of \$536.4 million in ARRA Education Stabilization Funds.

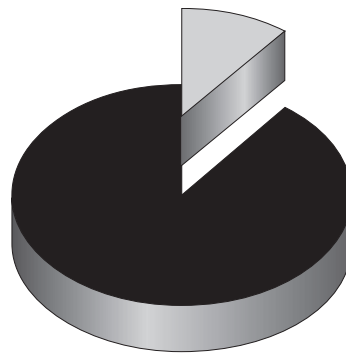
**Michigan:** Figures reflect K-12 education, the Michigan Department of Education, adult education and pre-school. Employer contributions to current employees' pensions and health benefits are reported for Department of Education employees but excluded for employees of K-12 schools. General fund revenue support has increased from fiscal 2007 as support from other revenue sources in the State School Aid Fund have declined. Federal revenue support is expected to increase in fiscal 2009 largely due to appropriation of federal ARRA funding for K-12 (\$600 million) and other education programs (\$929 million). Actual ARRA expenditures will be recorded with the fiscal 2009 annual financial report.

**Oklahoma:** Federal funds increase for Elementary and Secondary Education from fiscal 2008 to fiscal 2009 is due to ARRA funds.

# CHAPTER TWO

# HIGHER EDUCATION

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10.2% of State Expenditures



State higher education spending reflects state financial support of public university systems, community colleges, and vocational education institutions. In fiscal 2008, states spent \$152.8 billion on higher education, 10.2 percent of total state spending, and 11.3 percent of overall general fund expenditures. General funds account for 50.7 percent of state spending on higher education, other state funds 35.9 percent, federal funds 9.8 percent, and bonds 3.6 percent (see Figure 11 and Table 12).

In calculating higher education expenditures for fiscal 2008, 12 states wholly or partially excluded tuition and fees, and 19 states wholly or partially excluded student loan programs. Additionally, other items that are wholly or partially excluded include: university research grants (30 states), vocational education (18), and assistance to private colleges or universities (22). Table 15 lists programs excluded from the expenditure data.

Overall, total state higher education spending grew by 4.7 percent in fiscal 2008. State funds (general funds plus other state funds) grew by 6.9 percent, while federal funds, which represent a small share of total higher education spending, decreased by 4.3 percent. However, federal funds are estimated to grow by 12.2 percent in

fiscal 2009, mainly due to the passage of the *American Recovery and Reinvestment Act of 2009 (ARRA)*. In fiscal 2009, states estimate that a total of \$1.3 billion of the federal funds to higher education were attributable to ARRA. Total state higher education spending is estimated to grow by 2.3 percent in fiscal 2009. State funds to higher education are estimated to increase by a modest 0.4 percent in fiscal 2009, with general funds decreasing by 4.7 percent and other state funds increasing by 7.6 percent. Overall, higher education spending totaled \$145.9 billion in fiscal 2007, \$152.8 billion in fiscal 2008, and is estimated to total \$156.3 billion in fiscal 2009.

## Capital Spending

State expenditures for higher education-related construction, renovation and other capital projects increased by 0.9 percent in fiscal 2008, and are estimated to increase by 10 percent in fiscal 2009 (see Table 48).

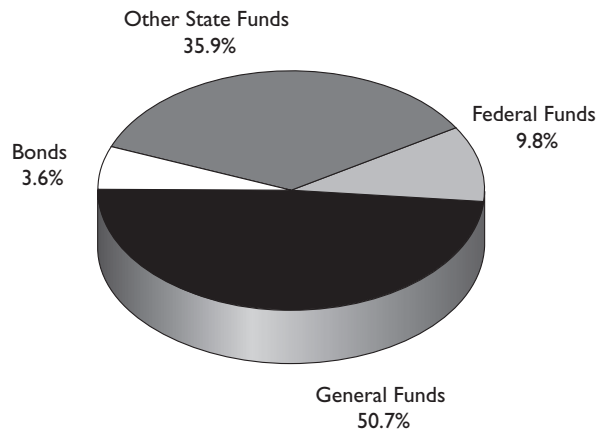
## Regional Expenditures

In fiscal 2008, the Plains region saw the greatest percentage increase in higher education spending at 8.1 percent, while the Southeast region grew by the smallest amount, increasing 3 percent (see Table 11).

## Financing Issues

During state fiscal crises, higher education institutions often receive spending cuts. Frequently these cuts are proportionally higher than cuts to other programs. 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 have the discretion to make other reductions and budget adjustments on their own. Other state programs do not necessarily have other sources of revenue. States reduced higher education general fund spending by 4.7 percent in fiscal 2009. According to The College Board, tuition and fees at four-year public institutions averaged \$429 more in the 2009-2010 school year than in the 2008-2009 school year (\$7,020 versus \$6,591, a 6.5 percent increase).

**Figure 11**  
**STATE EXPENDITURES FOR HIGHER EDUCATION BY FUND SOURCE, FISCAL 2008**



**Table 11**  
**REGIONAL PERCENTAGE CHANGE IN STATE HIGHER EDUCATION EXPENDITURES, FISCAL 2008 AND 2009**

| Region            | Fiscal 2007 to 2008 |               |             | Fiscal 2008 to 2009 |               |             |
|-------------------|---------------------|---------------|-------------|---------------------|---------------|-------------|
|                   | State Funds         | Federal Funds | All Funds   | State Funds         | Federal Funds | All Funds   |
| New England       | 3.1%                | 16.7%         | 3.2%        | 6.5%                | 3.2%          | 6.8%        |
| Mid-Atlantic      | 4.9                 | 18.3          | 4.7         | 3.5                 | -1.3          | 3.8         |
| Great Lakes       | 8.8                 | -3.6          | 6.1         | 1.0                 | 8.6           | 0.0         |
| Plains            | 9.2                 | 4.8           | 8.1         | 6.3                 | 4.6           | 6.1         |
| Southeast         | 5.6                 | -4.4          | 3.0         | 1.6                 | 21.2          | 5.2         |
| Southwest         | 8.9                 | -2.5          | 6.9         | 0.9                 | 12.2          | 2.0         |
| Rocky Mountain    | 5.4                 | 30.6          | 6.8         | -16.0               | 52.4          | -10.5       |
| Far West          | 9.1                 | -10.4         | 3.9         | -7.4                | 8.0           | -3.0        |
| <b>ALL STATES</b> | <b>6.9%</b>         | <b>-4.3%</b>  | <b>4.7%</b> | <b>0.4%</b>         | <b>12.2%</b>  | <b>2.3%</b> |

Table 12

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

| Region/State          | Actual Fiscal 2007 |                 |                   |                |                  | Actual Fiscal 2008 |                 |                   |                |                  | Estimated Fiscal 2009 |                 |                   |                |                  |
|-----------------------|--------------------|-----------------|-------------------|----------------|------------------|--------------------|-----------------|-------------------|----------------|------------------|-----------------------|-----------------|-------------------|----------------|------------------|
|                       | General Fund       | Federal Funds   | Other State Funds | Bonds          | Total            | General Fund       | Federal Funds   | Other State Funds | Bonds          | Total            | General Fund          | Federal Funds   | Other State Funds | Bonds          | Total            |
| <b>NEW ENGLAND</b>    |                    |                 |                   |                |                  |                    |                 |                   |                |                  |                       |                 |                   |                |                  |
| Connecticut           | \$677              | \$217           | \$1,571           | \$243          | \$2,708          | \$753              | \$256           | \$1,416           | \$211          | \$2,636          | \$757                 | \$257           | \$1,525           | \$257          | \$2,796          |
| Maine                 | 249                | 0               | 3                 | 8              | 260              | 260                | 0               | 3                 | 11             | 274              | 254                   | 7               | 3                 | 19             | 283              |
| Massachusetts         | 1,107              | 10              | 2,884             | 47             | 4,048            | 1,077              | 9               | 3,145             | 43             | 4,274            | 1,029                 | 8               | 3,528             | 39             | 4,604            |
| New Hampshire         | 126                | 9               | 52                | 22             | 209              | 140                | 9               | 56                | 34             | 239              | 142                   | 11              | 74                | 41             | 268              |
| Rhode Island          | 190                | 3               | 542               | 42             | 777              | 190                | 5               | 590               | 54             | 839              | 171                   | 5               | 658               | 53             | 887              |
| Vermont               | 83                 | 0               | 9                 | 6              | 98               | 82                 | 0               | 11                | 5              | 98               | 79                    | 0               | 8                 | 3              | 90               |
| <b>MID-ATLANTIC</b>   |                    |                 |                   |                |                  |                    |                 |                   |                |                  |                       |                 |                   |                |                  |
| Delaware              | 254                | 28              | 61                | 3              | 346              | 253                | 32              | 73                | 10             | 368              | 252                   | 36              | 73                | 1              | 362              |
| Maryland              | 1,455              | 220             | 2,203             | 235            | 4,113            | 1,549              | 281             | 2,406             | 229            | 4,465            | 1,552                 | 252             | 2,673             | 264            | 4,741            |
| New Jersey            | 2,150              | 24              | 1,225             | 0              | 3,399            | 2,232              | 24              | 1,315             | 0              | 3,571            | 2,230                 | 24              | 1,405             | 0              | 3,659            |
| New York              | 3,587              | 173             | 3,574             | 526            | 7,860            | 3,733              | 192             | 3,754             | 520            | 8,199            | 3,659                 | 210             | 4,091             | 528            | 8,488            |
| Pennsylvania          | 2,015              | 2               | 91                | 244            | 2,352            | 2,056              | 0               | 64                | 201            | 2,321            | 2,098                 | 0               | 18                | 270            | 2,386            |
| <b>GREAT LAKES</b>    |                    |                 |                   |                |                  |                    |                 |                   |                |                  |                       |                 |                   |                |                  |
| Illinois              | 2,285              | 308             | 163               | 114            | 2,870            | 2,182              | 170             | 389               | 56             | 2,797            | 2,385                 | 246             | 273               | 45             | 2,949            |
| Indiana               | 1,608              | 3               | 9                 | 37             | 1,657            | 1,736              | 5               | 10                | 161            | 1,912            | 1,764                 | 5               | 10                | 98             | 1,877            |
| Michigan*             | 1,728              | 19              | 231               | 168            | 2,146            | 2,110              | 127             | 95                | 93             | 2,425            | 1,975                 | 195             | 29                | 50             | 2,249            |
| Ohio                  | 2,551              | 58              | 8                 | 274            | 2,891            | 2,745              | 17              | 151               | 123            | 3,036            | 2,699                 | 32              | 296               | 0              | 3,027            |
| Wisconsin             | 1,283              | 979             | 2,224             | 0              | 4,486            | 1,336              | 999             | 2,401             | 0              | 4,736            | 1,414                 | 953             | 2,437             | 0              | 4,804            |
| <b>PLAINS</b>         |                    |                 |                   |                |                  |                    |                 |                   |                |                  |                       |                 |                   |                |                  |
| Iowa                  | 828                | 432             | 2,508             | 8              | 3,776            | 908                | 455             | 2,694             | 7              | 4,064            | 935                   | 446             | 2,946             | 47             | 4,374            |
| Kansas                | 782                | 361             | 858               | 49             | 2,050            | 829                | 382             | 954               | 57             | 2,222            | 830                   | 373             | 1,020             | 56             | 2,279            |
| Minnesota             | 2,564              | 5               | 22                | 256            | 2,847            | 2,785              | 5               | 27                | 232            | 3,049            | 2,826                 | 36              | 27                | 192            | 3,081            |
| Missouri              | 871                | 3               | 197               | 18             | 1,089            | 910                | 3               | 280               | 0              | 1,193            | 999                   | 3               | 297               | 0              | 1,299            |
| Nebraska              | 595                | 131             | 1,012             | 0              | 1,738            | 620                | 135             | 1,165             | 0              | 1,920            | 647                   | 139             | 1,238             | 0              | 2,024            |
| North Dakota*         | 230                | 150             | 370               | 51             | 801              | 254                | 154             | 410               | 27             | 845              | 293                   | 173             | 528               | 12             | 1,006            |
| South Dakota          | 183                | 86              | 258               | 3              | 530              | 199                | 90              | 280               | 11             | 580              | 196                   | 110             | 309               | 42             | 657              |
| <b>SOUTHEAST</b>      |                    |                 |                   |                |                  |                    |                 |                   |                |                  |                       |                 |                   |                |                  |
| Alabama*              | 1,713              | 917             | 1,257             | 0              | 3,887            | 1,954              | 910             | 1,358             | 0              | 4,222            | 1,606                 | 939             | 1,432             | 0              | 3,977            |
| Arkansas              | 682                | 1               | 1,934             | 0              | 2,617            | 743                | 13              | 1,991             | 0              | 2,747            | 742                   | 13              | 2,303             | 0              | 3,058            |
| Florida*              | 4,098              | 61              | 917               | 843            | 5,919            | 4,163              | 134             | 971               | 1,124          | 6,392            | 3,621                 | 147             | 1,908             | 1,058          | 6,734            |
| Georgia               | 2,254              | 58              | 0                 | 355            | 2,667            | 2,496              | 53              | 0                 | 342            | 2,891            | 2,365                 | 80              | 0                 | 432            | 2,877            |
| Kentucky              | 1,284              | 652             | 2,664             | 0              | 4,600            | 1,338              | 691             | 3,519             | 0              | 5,548            | 1,277                 | 721             | 3,715             | 0              | 5,713            |
| Louisiana             | 1,278              | 137             | 1,231             | 37             | 2,683            | 1,438              | 145             | 1,246             | 50             | 2,879            | 1,425                 | 109             | 948               | 67             | 2,549            |
| Mississippi           | 769                | 248             | 1,409             | 9              | 2,435            | 914                | 200             | 1,497             | 12             | 2,623            | 927                   | 230             | 1,603             | 19             | 2,779            |
| North Carolina        | 3,507              | 45              | 1,829             | 604            | 5,985            | 3,695              | 17              | 1,195             | 0              | 4,907            | 3,498                 | 42              | 1,887             | 400            | 5,827            |
| South Carolina*       | 891                | 496             | 2,538             | 106            | 4,031            | 983                | 508             | 2,670             | 116            | 4,277            | 763                   | 553             | 2,379             | 0              | 3,695            |
| Tennessee             | 1,504              | 191             | 1,487             | 228            | 3,410            | 1,844              | 234             | 1,602             | 84             | 3,764            | 1,588                 | 354             | 1,650             | 6              | 3,598            |
| Virginia              | 1,903              | 712             | 2,118             | 600            | 5,333            | 2,120              | 442             | 1,573             | 426            | 4,561            | 1,908                 | 906             | 2,498             | 1,171          | 6,483            |
| West Virginia         | 431                | 196             | 980               | 105            | 1,712            | 581                | 204             | 969               | 76             | 1,830            | 490                   | 210             | 998               | 79             | 1,777            |
| <b>SOUTHWEST</b>      |                    |                 |                   |                |                  |                    |                 |                   |                |                  |                       |                 |                   |                |                  |
| Arizona               | 1,122              | 545             | 605               | 169            | 2,441            | 1,282              | 575             | 649               | 177            | 2,683            | 1,163                 | 694             | 728               | 135            | 2,720            |
| New Mexico            | 923                | 508             | 1,400             | 199            | 3,030            | 884                | 448             | 1,314             | 59             | 2,705            | 867                   | 545             | 1,308             | 69             | 2,789            |
| Oklahoma              | 935                | 587             | 751               | 90             | 2,363            | 905                | 601             | 800               | 131            | 2,437            | 914                   | 603             | 795               | 164            | 2,476            |
| Texas                 | 5,090              | 184             | 3,475             | 0              | 8,749            | 5,716              | 155             | 4,030             | 0              | 9,901            | 5,719                 | 154             | 4,231             | 0              | 10,104           |
| <b>ROCKY MOUNTAIN</b> |                    |                 |                   |                |                  |                    |                 |                   |                |                  |                       |                 |                   |                |                  |
| Colorado*             | 729                | 250             | 2,365             | 0              | 3,344            | 846                | 347             | 2,311             | 0              | 3,504            | 777                   | 540             | 1,123             | 0              | 2,440            |
| Idaho                 | 321                | 3               | 153               | 5              | 482              | 348                | 5               | 136               | 5              | 494              | 357                   | 3               | 190               | 7              | 557              |
| Montana               | 156                | 45              | 288               | 0              | 489              | 178                | 48              | 301               | 0              | 527              | 192                   | 46              | 311               | 0              | 549              |
| Utah                  | 798                | 15              | 377               | 0              | 1,190            | 900                | 9               | 448               | 0              | 1,357            | 783                   | 35              | 501               | 43             | 1,362            |
| Wyoming               | 36                 | 1               | 13                | 0              | 50               | 36                 | 1               | 13                | 0              | 50               | 387                   | 1               | 14                | 0              | 402              |
| <b>FAR WEST</b>       |                    |                 |                   |                |                  |                    |                 |                   |                |                  |                       |                 |                   |                |                  |
| Alaska                | 307                | 121             | 323               | 94             | 845              | 362                | 137             | 360               | 0              | 859              | 338                   | 277             | 476               | 0              | 1,091            |
| California            | 10,494             | 5,979           | 37                | 0              | 16,510           | 11,087             | 5,263           | 45                | 0              | 16,395           | 9,304                 | 5,640           | 47                | 0              | 14,991           |
| Hawaii                | 666                | 22              | 283               | 69             | 1,040            | 684                | 22              | 331               | 90             | 1,127            | 744                   | 20              | 399               | 145            | 1,308            |
| Nevada                | 496                | 0               | 134               | 144            | 774              | 658                | 4               | 176               | 177            | 1,015            | 664                   | 0               | 35                | 183            | 882              |
| Oregon                | 542                | 399             | 1,234             | 79             | 2,254            | 839                | 409             | 1,326             | 140            | 2,714            | 668                   | 369             | 1,534             | 238            | 2,809            |
| Washington            | 1,503              | 8               | 2,129             | 400            | 4,040            | 1,588              | 13              | 2,351             | 400            | 4,352            | 1,586                 | 7               | 2,556             | 426            | 4,575            |
| <b>TOTAL</b>          | <b>\$71,833</b>    | <b>\$15,602</b> | <b>\$52,006</b>   | <b>\$6,490</b> | <b>\$145,931</b> | <b>\$77,521</b>    | <b>\$14,938</b> | <b>\$54,871</b>   | <b>\$5,494</b> | <b>\$152,824</b> | <b>\$73,859</b>       | <b>\$16,759</b> | <b>\$59,035</b>   | <b>\$6,659</b> | <b>\$156,312</b> |

Source: National Association of State Budget Officers, 2008 State Expenditure Report

\*See Higher Education Notes for explanation

**Table 13**

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

| <b>Region/State</b>   | <b>Fiscal<br/>2007</b> | <b>Fiscal<br/>2008</b> | <b>Fiscal<br/>2009</b> |
|-----------------------|------------------------|------------------------|------------------------|
| <b>NEW ENGLAND</b>    |                        |                        |                        |
| Connecticut           | 11.8 %                 | 10.7 %                 | 11.2 %                 |
| Maine                 | 3.6                    | 3.7                    | 3.5                    |
| Massachusetts         | 9.7                    | 9.7                    | 10.1                   |
| New Hampshire         | 4.6                    | 5.0                    | 5.5                    |
| Rhode Island          | 11.5                   | 11.8                   | 11.7                   |
| Vermont               | 1.9                    | 1.8                    | 1.7                    |
| <b>MID-ATLANTIC</b>   |                        |                        |                        |
| Delaware              | 4.4                    | 4.3                    | 4.1                    |
| Maryland              | 14.2                   | 15.0                   | 15.0                   |
| New Jersey            | 7.5                    | 7.3                    | 7.4                    |
| New York              | 7.0                    | 7.1                    | 7.0                    |
| Pennsylvania          | 4.1                    | 4.0                    | 3.8                    |
| <b>GREAT LAKES</b>    |                        |                        |                        |
| Illinois              | 6.2                    | 6.0                    | 6.1                    |
| Indiana               | 7.3                    | 7.9                    | 7.3                    |
| Michigan              | 5.0                    | 5.5                    | 4.7                    |
| Ohio                  | 5.4                    | 5.3                    | 5.2                    |
| Wisconsin             | 13.1                   | 13.1                   | 12.5                   |
| <b>PLAINS</b>         |                        |                        |                        |
| Iowa                  | 25.4                   | 25.2                   | 24.7                   |
| Kansas                | 17.1                   | 17.5                   | 17.0                   |
| Minnesota             | 10.5                   | 10.7                   | 9.7                    |
| Missouri              | 5.2                    | 5.6                    | 5.8                    |
| Nebraska              | 21.3                   | 22.0                   | 18.7                   |
| North Dakota          | 23.8                   | 23.5                   | 24.8                   |
| South Dakota          | 17.3                   | 18.4                   | 18.8                   |
| <b>SOUTHEAST</b>      |                        |                        |                        |
| Alabama               | 10.5                   | 10.5                   | 8.5                    |
| Arkansas              | 16.2                   | 16.3                   | 16.6                   |
| Florida               | 9.0                    | 9.9                    | 10.3                   |
| Georgia               | 7.6                    | 7.9                    | 7.9                    |
| Kentucky              | 20.6                   | 24.1                   | 23.7                   |
| Louisiana             | 10.3                   | 9.6                    | 7.8                    |
| Mississippi           | 15.3                   | 16.8                   | 14.3                   |
| North Carolina        | 15.1                   | 11.8                   | 14.5                   |
| South Carolina        | 20.2                   | 20.6                   | 18.0                   |
| Tennessee             | 13.9                   | 14.3                   | 12.6                   |
| Virginia              | 15.3                   | 12.9                   | 17.5                   |
| West Virginia         | 9.2                    | 9.8                    | 8.7                    |
| <b>SOUTHWEST</b>      |                        |                        |                        |
| Arizona               | 10.5                   | 10.9                   | 10.0                   |
| New Mexico            | 20.9                   | 18.3                   | 18.0                   |
| Oklahoma              | 12.6                   | 12.2                   | 12.1                   |
| Texas                 | 12.0                   | 12.1                   | 11.2                   |
| <b>ROCKY MOUNTAIN</b> |                        |                        |                        |
| Colorado              | 14.1                   | 13.9                   | 9.1                    |
| Idaho                 | 8.7                    | 8.3                    | 8.2                    |
| Montana               | 12.0                   | 11.8                   | 12.1                   |
| Utah                  | 11.9                   | 10.9                   | 11.7                   |
| Wyoming               | 1.0                    | 1.0                    | 5.6                    |
| <b>FAR WEST</b>       |                        |                        |                        |
| Alaska                | 7.3                    | 7.0                    | 7.6                    |
| California            | 9.0                    | 8.4                    | 7.2                    |
| Hawaii                | 9.8                    | 10.1                   | 11.1                   |
| Nevada                | 10.9                   | 11.0                   | 10.6                   |
| Oregon                | 11.1                   | 12.0                   | 11.5                   |
| Washington            | 13.5                   | 13.7                   | 13.9                   |
| <b>ALL STATES</b>     | <b>10.2 %</b>          | <b>10.2 %</b>          | <b>9.8 %</b>           |

Source: National Association of State Budget Officers, 2008 State Expenditure Report



Table 14

## ANNUAL PERCENTAGE CHANGE IN HIGHER EDUCATION EXPENDITURES

| Region/State          | Fiscal 2007 to 2008 |               |              | Fiscal 2008 to 2009 |               |              |
|-----------------------|---------------------|---------------|--------------|---------------------|---------------|--------------|
|                       | State Funds         | Federal Funds | All Funds    | State Funds         | Federal Funds | All Funds    |
| <b>NEW ENGLAND</b>    |                     |               |              |                     |               |              |
| Connecticut           | -3.5 %              | 18.0 %        | -2.7 %       | 5.2 %               | 0.4 %         | 6.1 %        |
| Maine                 | 4.4                 | —             | 5.4          | -2.3                | —             | 3.3          |
| Massachusetts         | 5.8                 | -10.0         | 5.6          | 7.9                 | -11.1         | 7.7          |
| New Hampshire         | 10.1                | 0.0           | 14.4         | 10.2                | 22.2          | 12.1         |
| Rhode Island          | 6.6                 | 66.7          | 8.0          | 6.3                 | 0.0           | 5.7          |
| Vermont               | 1.1                 | —             | 0.0          | -6.5                | —             | -8.2         |
| <b>MID-ATLANTIC</b>   |                     |               |              |                     |               |              |
| Delaware              | 3.5                 | 14.3          | 6.4          | -0.3                | 12.5          | -1.6         |
| Maryland              | 8.1                 | 27.7          | 8.6          | 6.8                 | -10.3         | 6.2          |
| New Jersey            | 5.1                 | 0.0           | 5.1          | 2.5                 | 0.0           | 2.5          |
| New York              | 4.6                 | 11.0          | 4.3          | 3.5                 | 9.4           | 3.5          |
| Pennsylvania          | 0.7                 | -100.0        | -1.3         | -0.2                | —             | 2.8          |
| <b>GREAT LAKES</b>    |                     |               |              |                     |               |              |
| Illinois              | 5.0                 | -44.8         | -2.5         | 3.4                 | 44.7          | 5.4          |
| Indiana               | 8.0                 | 66.7          | 15.4         | 1.6                 | 0.0           | -1.8         |
| Michigan              | 12.6                | 568.4         | 13.0         | -9.1                | 53.5          | -7.3         |
| Ohio                  | 13.2                | -70.7         | 5.0          | 3.4                 | 88.2          | -0.3         |
| Wisconsin             | 6.6                 | 2.0           | 5.6          | 3.1                 | -4.6          | 1.4          |
| <b>PLAINS</b>         |                     |               |              |                     |               |              |
| Iowa                  | 8.0                 | 5.3           | 7.6          | 7.7                 | -2.0          | 7.6          |
| Kansas                | 8.7                 | 5.8           | 8.4          | 3.8                 | -2.4          | 2.6          |
| Minnesota             | 8.7                 | 0.0           | 7.1          | 1.5                 | 620.0         | 1.0          |
| Missouri              | 11.4                | 0.0           | 9.6          | 8.9                 | 0.0           | 8.9          |
| Nebraska              | 11.1                | 3.1           | 10.5         | 5.6                 | 3.0           | 5.4          |
| North Dakota          | 10.7                | 2.7           | 5.5          | 23.6                | 12.3          | 19.1         |
| South Dakota          | 8.6                 | 4.7           | 9.4          | 5.4                 | 22.2          | 13.3         |
| <b>SOUTHEAST</b>      |                     |               |              |                     |               |              |
| Alabama               | 11.5                | -0.8          | 8.6          | -8.3                | 3.2           | -5.8         |
| Arkansas              | 4.5                 | 1,200.0       | 5.0          | 11.4                | 0.0           | 11.3         |
| Florida               | 2.4                 | 119.7         | 8.0          | 7.7                 | 9.7           | 5.4          |
| Georgia               | 10.7                | -8.6          | 8.4          | -5.2                | 50.9          | -0.5         |
| Kentucky              | 23.0                | 6.0           | 20.6         | 2.8                 | 4.3           | 3.0          |
| Louisiana             | 7.0                 | 5.8           | 7.3          | -11.6               | -24.8         | -11.5        |
| Mississippi           | 10.7                | -19.4         | 7.7          | 4.9                 | 15.0          | 5.9          |
| North Carolina        | -8.4                | -62.2         | -18.0        | 10.1                | 147.1         | 18.7         |
| South Carolina        | 6.5                 | 2.4           | 6.1          | -14.0               | 8.9           | -13.6        |
| Tennessee             | 15.2                | 22.5          | 10.4         | -6.0                | 51.3          | -4.4         |
| Virginia              | -8.2                | -37.9         | -14.5        | 19.3                | 105.0         | 42.1         |
| West Virginia         | 9.9                 | 4.1           | 6.9          | -4.0                | 2.9           | -2.9         |
| <b>SOUTHWEST</b>      |                     |               |              |                     |               |              |
| Arizona               | 11.8                | 5.5           | 9.9          | -2.1                | 20.7          | 1.4          |
| New Mexico            | -5.4                | -11.8         | -10.7        | -1.0                | 21.7          | 3.1          |
| Oklahoma              | 1.1                 | 2.4           | 3.1          | 0.2                 | 0.3           | 1.6          |
| Texas                 | 13.8                | -15.8         | 13.2         | 2.1                 | -0.6          | 2.1          |
| <b>ROCKY MOUNTAIN</b> |                     |               |              |                     |               |              |
| Colorado              | 2.0                 | 38.8          | 4.8          | -39.8               | 55.6          | -30.4        |
| Idaho                 | 2.1                 | 66.7          | 2.5          | 13.0                | -40.0         | 12.8         |
| Montana               | 7.9                 | 6.7           | 7.8          | 5.0                 | -4.2          | 4.2          |
| Utah                  | 14.7                | -40.0         | 14.0         | -4.7                | 288.9         | 0.4          |
| Wyoming               | 0.0                 | 0.0           | 0.0          | 718.4               | 0.0           | 704.0        |
| <b>FAR WEST</b>       |                     |               |              |                     |               |              |
| Alaska                | 14.6                | 13.2          | 1.7          | 12.7                | 102.2         | 27.0         |
| California            | 5.7                 | -12.0         | -0.7         | -16.0               | 7.2           | -8.6         |
| Hawaii                | 7.0                 | 0.0           | 8.4          | 12.6                | -9.1          | 16.1         |
| Nevada                | 32.4                | ---           | 31.1         | -16.2               | -100.0        | -13.1        |
| Oregon                | 21.9                | 2.5           | 20.4         | 1.7                 | -9.8          | 3.5          |
| Washington            | 8.5                 | 62.5          | 7.7          | 5.2                 | -46.2         | 5.1          |
| <b>ALL STATES</b>     | <b>6.9 %</b>        | <b>-4.3 %</b> | <b>4.7 %</b> | <b>0.4 %</b>        | <b>12.2 %</b> | <b>2.3 %</b> |

Note: State funds are defined as general funds and other state funds (bonds are excluded).  
Source: National Association of State Budget Officers, 2008 State Expenditure Report

**Table 15**

**ITEMS EXCLUDED FROM HIGHER EDUCATION EXPENDITURES**

| Region/State          | Employer Contributions to Pensions | Employer Contributions to Health Benefits | Tuition and Fees | Student Loan Programs | University Research Grants | Vocational Education | Assistance To Private Colleges & Universities |
|-----------------------|------------------------------------|-------------------------------------------|------------------|-----------------------|----------------------------|----------------------|-----------------------------------------------|
| <b>NEW ENGLAND</b>    |                                    |                                           |                  |                       |                            |                      |                                               |
| Connecticut           |                                    |                                           |                  |                       |                            | X                    |                                               |
| Maine                 | P                                  | P                                         | X                | P                     |                            |                      | X                                             |
| Massachusetts         | X                                  |                                           |                  |                       |                            |                      |                                               |
| New Hampshire         | P                                  | P                                         | P                | P                     | X                          |                      | X                                             |
| Rhode Island          |                                    |                                           |                  | P                     |                            | P                    | X                                             |
| Vermont               | X                                  | X                                         | X                | X                     | X                          | X                    |                                               |
| <b>MID-ATLANTIC</b>   |                                    |                                           |                  |                       |                            |                      |                                               |
| Delaware              |                                    |                                           | X                |                       | X                          | X                    | X                                             |
| Maryland              |                                    |                                           |                  |                       | P                          |                      |                                               |
| New Jersey            |                                    |                                           |                  |                       | X                          | X                    |                                               |
| New York              | P                                  | P                                         |                  |                       | P                          | P                    | P                                             |
| Pennsylvania          | X                                  | X                                         |                  | P                     | X                          | P                    |                                               |
| <b>GREAT LAKES</b>    |                                    |                                           |                  |                       |                            |                      |                                               |
| Illinois              |                                    | P                                         | P                | P                     | P                          | P                    | P                                             |
| Indiana               | P                                  | P                                         | X                |                       | X                          |                      | X                                             |
| Michigan              | X                                  | X                                         | X                | X                     | P                          |                      |                                               |
| Ohio                  |                                    |                                           |                  | X                     |                            | P                    | X                                             |
| Wisconsin             |                                    |                                           |                  |                       | P                          |                      |                                               |
| <b>PLAINS</b>         |                                    |                                           |                  |                       |                            |                      |                                               |
| Iowa                  |                                    |                                           |                  |                       |                            |                      |                                               |
| Kansas                |                                    |                                           |                  |                       |                            |                      |                                               |
| Minnesota             | X                                  | X                                         |                  |                       | X                          | X                    | X                                             |
| Missouri              | X                                  | X                                         | X                |                       | X                          | X                    |                                               |
| Nebraska              |                                    |                                           |                  |                       | X                          |                      |                                               |
| North Dakota          |                                    |                                           |                  |                       |                            | X                    | X                                             |
| South Dakota          |                                    |                                           |                  |                       |                            |                      | X                                             |
| <b>SOUTHEAST</b>      |                                    |                                           |                  |                       |                            |                      |                                               |
| Alabama*              |                                    |                                           |                  |                       |                            |                      |                                               |
| Arkansas              |                                    |                                           |                  |                       | P                          |                      |                                               |
| Florida*              |                                    |                                           |                  |                       | P                          |                      |                                               |
| Georgia               |                                    |                                           | X                | X                     | X                          |                      | X                                             |
| Kentucky              |                                    |                                           |                  |                       |                            | P                    |                                               |
| Louisiana             |                                    |                                           |                  |                       | X                          |                      |                                               |
| Mississippi           |                                    |                                           |                  |                       | X                          |                      | X                                             |
| North Carolina        |                                    |                                           |                  |                       | X                          |                      |                                               |
| South Carolina        |                                    |                                           |                  |                       |                            |                      |                                               |
| Tennessee             |                                    |                                           |                  |                       | X                          |                      |                                               |
| Virginia              |                                    |                                           |                  | X                     |                            |                      |                                               |
| West Virginia         |                                    |                                           |                  | X                     | P                          | P                    |                                               |
| <b>SOUTHWEST</b>      |                                    |                                           |                  |                       |                            |                      |                                               |
| Arizona               |                                    |                                           |                  |                       |                            |                      | X                                             |
| New Mexico            | P                                  | P                                         | P                | P                     |                            | P                    | X                                             |
| Oklahoma              |                                    |                                           |                  | X                     |                            | P                    |                                               |
| Texas                 |                                    |                                           | P                |                       | P                          | P                    |                                               |
| <b>ROCKY MOUNTAIN</b> |                                    |                                           |                  |                       |                            |                      |                                               |
| Colorado              |                                    |                                           |                  | X                     | X                          |                      |                                               |
| Idaho                 |                                    |                                           |                  | X                     | X                          |                      | X                                             |
| Montana               |                                    |                                           |                  | X                     | X                          |                      |                                               |
| Utah                  |                                    |                                           |                  |                       | X                          |                      | X                                             |
| Wyoming               |                                    |                                           |                  |                       |                            |                      | X                                             |
| <b>FAR WEST</b>       |                                    |                                           |                  |                       |                            |                      |                                               |
| Alaska                |                                    |                                           |                  |                       |                            |                      | X                                             |
| California            |                                    |                                           | X                |                       |                            |                      |                                               |
| Hawaii                |                                    |                                           |                  | X                     | X                          | X                    | X                                             |
| Nevada                |                                    |                                           |                  | X                     | X                          |                      | X                                             |
| Oregon                |                                    |                                           |                  |                       |                            |                      |                                               |
| Washington            |                                    |                                           |                  | X                     | X                          |                      | X                                             |
| <b>ALL STATES</b>     | <b>11</b>                          | <b>11</b>                                 | <b>12</b>        | <b>19</b>             | <b>30</b>                  | <b>18</b>            | <b>22</b>                                     |

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

Source: National Association of State Budget Officers, 2008 State Expenditure Report  
 \*See Higher Education Notes for explanation

## Higher Education Notes

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

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

**Colorado:** The HED CF figure reflects only expenditures that were appropriated.

**Florida:** Higher education funds are included in this survey that have not been reported in prior surveys. These funds are generated by university student fees, which Florida appropriates "budget authority" for universities to use for fixed capital needs. Fees do not get deposited into the state's Treasury, but stay at each university. The amounts are now included in both the higher education expenditures chapter and the higher education capital expenditures table. The amounts, identified as bonds, are \$13,230,000 for fiscal 2006-07, \$20,770,000 for fiscal 2007-08, and \$141,000,000 for fiscal 2008-09. The \$141 million represents appropriated authority to spend that amount, if generated, yet actual expenditures have been lower at \$13 million and \$21 million. The dollar difference for Other State Funds for actual fiscal 2007-08 and Other State Funds for estimated fiscal 2008-09 is mainly attributable to university tuition. University tuition is included in Other State Funds for estimated fiscal 2008-09, but excluded in Other State Funds for actual fiscal 2007-08. Tuition revenue does not get deposited into the state's Treasury, but stays at each university. It is appropriated and reported as an "estimate" for 2008-09, but not reported as an "actual" expenditure of the state for 2006-07 and 2007-08.

State appropriations to public institutions of higher education for operational costs include funding intended to be expended by

institutions for contributions to current employees' pensions and employee health benefits. State university tuition and fees appropriated were \$942.6 million for fiscal 2006-07, \$962.7 million for fiscal 2007-08, and \$1,022.1 million for fiscal 2008-09. Community College student fees and postsecondary workforce program student fees are not appropriated. State appropriations for the University of Florida's Institute of Food and Agricultural Sciences are included in the data reported.

**Michigan:** General Fund support reflects the restoration of \$90 million in fiscal 2008 for a one-time shift to other state funds occurring in fiscal 2007. The increase of General Fund support from fiscal 2007 also reflects a one-month payment delay to fiscal 2008 for universities and community colleges of \$164.5 million. Federal fund support increased from fiscal 2007 reflecting receipt of TANF contingency revenue and a \$1.3 million federal ARRA appropriation. Actual ARRA expenditures will be recorded with the fiscal 2009 annual financial report.

**North Dakota:** For fiscal 2007 and fiscal 2008, the operating expenditures include all sources that were reported in the audited financial statements. Federal research grants have not been excluded, as they are not identified separately (from other federal funds) in the financial statements. The fiscal 2009 estimates are based on the annual budgets for 2008-09. Actual expenditures, especially in "other state funds," could vary significantly from budgets prepared over a year in advance. "Other state funds" include all sources other than general funds, federal funds and bond funds. Examples include expenditures paid from tuition and fees, auxiliary services, other institutional sales, etc. "Bond funds" include expenditures from state and revenue bonds.

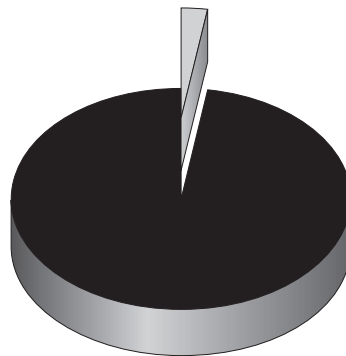
**South Carolina:** Estimated capital expenditures are no longer collected. Therefore, no capital expenditure data is included for estimated fiscal 2009.



# CHAPTER THREE

## PUBLIC ASSISTANCE

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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 \$25 billion in fiscal 2008 and represented 1.7 percent of total state expenditures. Spending from all funds for public assistance increased by 1 percent from 2007 to 2008. Spending from state funds declined 0.9 percent while spending from federal funds increased by 3.1 percent from fiscal 2007 to fiscal 2008.

Total public assistance spending increased by 4.9 percent in fiscal 2009 from all funds. State funds increased by 0.1 percent and federal funds increased by 10 percent. In fiscal 2009, states estimated that a total of \$694 million of the federal funds in total public assistance were attributable to increased funds under the *American Recovery and Reinvestment Act of 2009 (ARRA)*.

The primary sources of public assistance funding for fiscal 2008 are general funds, providing 50.3 percent, followed by federal funds at 48.2 percent (see Figure 12). For fiscal 2009, general funds represent 48 percent of the total while federal funds are 50.5 percent of the total.

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 program 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. Under ARRA, however, the workload reduction credit is modified for two years as well as rules governing unspent TANF funds that are carried forth.

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 4 million by December 2009, a decrease of over two-thirds.

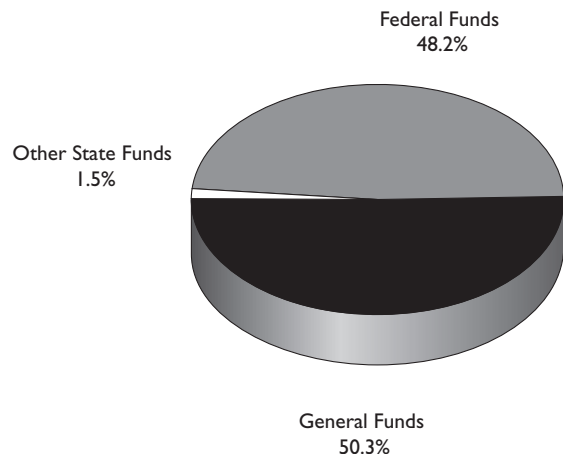
This report has information only on the cash assistance benefit levels within the program which represents approximately 41 percent of total program costs and does not reflect total TANF spending.

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 2008.

**Figure 12**  
**STATE EXPENDITURES FOR TOTAL PUBLIC ASSISTANCE BY FUND SOURCE, FISCAL 2008**



## Regional Expenditures

The following table shows regional percentage changes in expenditures for total cash assistance for fiscal 2007-2008 and 2008-2009 by region.

**Table 16**  
**REGIONAL PERCENTAGE CHANGE IN STATE TOTAL PUBLIC ASSISTANCE EXPENDITURES, FISCAL 2008 AND 2009**

| Region            | Fiscal 2007 to 2008 |               |              | Fiscal 2008 to 2009 |               |              |
|-------------------|---------------------|---------------|--------------|---------------------|---------------|--------------|
|                   | State Funds         | Federal Funds | All Funds    | State Funds         | Federal Funds | All Funds    |
| New England       | 4.3 %               | 0.0 %         | 3.3 %        | 2.7 %               | 7.6 %         | 3.7 %        |
| Mid-Atlantic      | 10.0                | 0.5           | 4.1          | -8.9                | 22.7          | 10.0         |
| Great Lakes       | 6.3                 | -9.4          | -3.5         | -14.4               | 8.1           | -1.3         |
| Plains            | 11.4                | -12.9         | -3.2         | -9.9                | 13.0          | 2.5          |
| Southeast         | -4.7                | -2.6          | -3.4         | -5.5                | 11.1          | 5.1          |
| Southwest         | 14.5                | -14.0         | -3.6         | -15.0               | 17.7          | 3.6          |
| Rocky Mountain    | -18.3               | -10.5         | -13.2        | -1.7                | 208.4         | 139.5        |
| Far West          | -7.0                | 17.2          | 1.7          | 6.8                 | -5.2          | 1.8          |
| <b>ALL STATES</b> | <b>-0.9 %</b>       | <b>3.1 %</b>  | <b>1.0 %</b> | <b>0.1 %</b>        | <b>10.0 %</b> | <b>4.9 %</b> |

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

State and federal funds for TANF cash assistance expenditures totaled \$15.1 billion in fiscal 2008, an increase of 0.5 percent from 2007 to 2008 (see Table 23). According to the most recent data, cash assistance expenditures from state and federal funds accounted for about 41 percent of total TANF spending in fiscal 2006 while child care accounted for about 14 percent and work activities accounted for about 8 percent of all funds used that year.

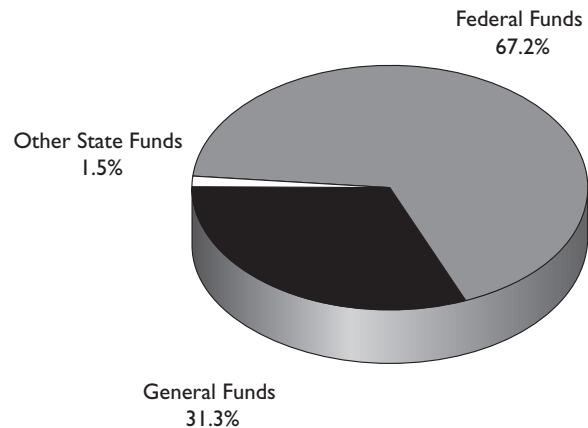
States have provided funding for programs to address childcare services, training and education, transportation needs, transitional rental assistance, substance abuse, job readiness and job retention training, and domestic violence. As cash assistance has declined, these supportive services have gained 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 2008.

**Figure 13**  
**STATE EXPENDITURES FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BY FUND SOURCE, FISCAL 2008**



## Regional Expenditures

The following table shows percentage changes in expenditures for TANF cash assistance for fiscal 2007-2008 and 2008-2009 by region.

**Table 17**  
**REGIONAL PERCENTAGE CHANGE IN STATE TANF EXPENDITURES, FISCAL 2008 AND 2009**

| Region            | Fiscal 2007 to 2008 |               |              | Fiscal 2008 to 2009 |               |              |
|-------------------|---------------------|---------------|--------------|---------------------|---------------|--------------|
|                   | State Funds         | Federal Funds | All Funds    | State Funds         | Federal Funds | All Funds    |
| New England       | 2.9%                | 0.0%          | 1.9%         | 2.7%                | 9.4%          | 5.1%         |
| Mid-Atlantic      | -5.5                | -1.2          | -2.0         | 2.5                 | 17.4          | 14.8         |
| Great Lakes       | 8.1                 | -8.1          | -2.5         | -18.6               | 8.9           | -1.8         |
| Plains            | 6.6                 | -12.9         | -7.5         | -14.8               | 13.1          | 4.2          |
| Southeast         | -7.6                | 2.1           | -1.4         | -5.8                | 8.5           | 3.7          |
| Southwest         | 19.4                | -19.4         | -5.4         | -19.3               | 26.2          | 5.5          |
| Rocky Mountain    | -20.0               | -10.7         | -13.3        | -7.5                | 31.6          | 21.7         |
| Far West          | -20.8               | 24.7          | 5.5          | 25.0                | -7.9          | 2.6          |
| <b>ALL STATES</b> | <b>-8.3 %</b>       | <b>5.5 %</b>  | <b>0.5 %</b> | <b>5.0 %</b>        | <b>5.4 %</b>  | <b>5.3 %</b> |

## **Expenditures for Other Cash Assistance**

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

Other cash assistance programs accounted for 0.7 percent of total state spending in fiscal 2008. States spent \$9.9 billion for other cash assistance, with 79 percent of that amount funded from state general funds. California accounted for about 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 2007 |                 |                   |                 | Actual Fiscal 2008 |                 |                   |                 | Estimated Fiscal 2009 |                 |                   |                 |
|-----------------------|--------------------|-----------------|-------------------|-----------------|--------------------|-----------------|-------------------|-----------------|-----------------------|-----------------|-------------------|-----------------|
|                       | General Fund       | Federal Funds   | Other State Funds | Total           | General Fund       | Federal Funds   | Other State Funds | Total           | General Fund          | Federal Funds   | Other State Funds | Total           |
| <b>NEW ENGLAND</b>    |                    |                 |                   |                 |                    |                 |                   |                 |                       |                 |                   |                 |
| Connecticut           | \$209              | \$267           | \$0               | \$476           | \$215              | \$262           | \$0               | \$477           | 223                   | 267             | 0                 | 490             |
| Maine                 | 40                 | 36              | 89                | 165             | 38                 | 50              | 89                | 177             | 38                    | 55              | 93                | 186             |
| Massachusetts         | 1,294              | 13              | 0                 | 1,307           | 1,371              | 14              | 0                 | 1,385           | 1,426                 | 13              | 0                 | 1,439           |
| New Hampshire         | 35                 | 41              | 0                 | 76              | 38                 | 37              | 0                 | 75              | 49                    | 46              | 0                 | 95              |
| Rhode Island          | 79                 | 86              | 0                 | 165             | 63                 | 81              | 0                 | 144             | 38                    | 98              | 0                 | 13              |
| Vermont               | 26                 | 56              | 2                 | 84              | 32                 | 55              | 4                 | 91              | 29                    | 58              | 4                 | 91              |
| <b>MID-ATLANTIC</b>   |                    |                 |                   |                 |                    |                 |                   |                 |                       |                 |                   |                 |
| Delaware              | 7                  | 15              | 2                 | 24              | 7                  | 14              | 3                 | 24              | 23                    | 1               | 1                 | 25              |
| Maryland              | 44                 | 433             | 13                | 490             | 33                 | 511             | 14                | 558             | 42                    | 705             | 18                | 765             |
| New Jersey            | 241                | 159             | 0                 | 400             | 234                | 159             | 0                 | 393             | 255                   | 172             | 0                 | 427             |
| New York              | 1,154              | 2,243           | 0                 | 3,397           | 1,404              | 2,184           | 0                 | 3,588           | 1,103                 | 2,597           | 0                 | 3,700           |
| Pennsylvania          | 613                | 577             | 27                | 1,217           | 591                | 577             | 26                | 1,194           | 634                   | 751             | 30                | 1,415           |
| <b>GREAT LAKES</b>    |                    |                 |                   |                 |                    |                 |                   |                 |                       |                 |                   |                 |
| Illinois              | 85                 | 66              | 0                 | 151             | 100                | 23              | 0                 | 123             | 107                   | 17              | 0                 | 124             |
| Indiana               | 83                 | 290             | 4                 | 377             | 73                 | 253             | 4                 | 330             | 73                    | 253             | 4                 | 330             |
| Michigan              | 392                | 114             | 50                | 556             | 429                | 15              | 48                | 492             | 302                   | 117             | 50                | 469             |
| Ohio                  | 297                | 948             | 1                 | 1,246           | 290                | 1,011           | 1                 | 1,302           | 277                   | 1,014           | 1                 | 1,292           |
| Wisconsin             | 6                  | 96              | 0                 | 102             | 31                 | 70              | 0                 | 101             | 13                    | 82              | 8                 | 103             |
| <b>PLAINS</b>         |                    |                 |                   |                 |                    |                 |                   |                 |                       |                 |                   |                 |
| Iowa                  | 62                 | 50              | 11                | 123             | 60                 | 45              | 31                | 136             | 60                    | 50              | 12                | 122             |
| Kansas                | 39                 | 27              | 0                 | 66              | 39                 | 18              | 0                 | 57              | 39                    | 16              | 0                 | 55              |
| Minnesota             | 116                | 283             | 0                 | 399             | 128                | 247             | 0                 | 375             | 120                   | 284             | 0                 | 404             |
| Missouri              | 42                 | 105             | 23                | 170             | 43                 | 101             | 25                | 169             | 31                    | 109             | 27                | 167             |
| Nebraska              | 36                 | 28              | 0                 | 64              | 38                 | 21              | 0                 | 59              | 41                    | 29              | 0                 | 70              |
| North Dakota          | 0                  | 6               | 5                 | 11              | 1                  | 1               | 8                 | 10              | 0                     | 5               | 5                 | 10              |
| South Dakota          | 9                  | 21              | 0                 | 30              | 9                  | 20              | 0                 | 29              | 9                     | 19              | 0                 | 28              |
| <b>SOUTHEAST</b>      |                    |                 |                   |                 |                    |                 |                   |                 |                       |                 |                   |                 |
| Alabama               | 4                  | 36              | 6                 | 46              | 5                  | 32              | 4                 | 41              | 3                     | 34              | 3                 | 40              |
| Arkansas              | 138                | 287             | 15                | 440             | 137                | 226             | 13                | 376             | 145                   | 237             | 15                | 397             |
| Florida               | 149                | 8               | 0                 | 157             | 125                | 31              | 0                 | 156             | 125                   | 58              | 0                 | 183             |
| Georgia               | 170                | 345             | 0                 | 515             | 168                | 368             | 0                 | 536             | 168                   | 368             | 0                 | 536             |
| Kentucky              | 72                 | 99              | 0                 | 171             | 72                 | 94              | 0                 | 166             | 72                    | 111             | 0                 | 183             |
| Louisiana             | 27                 | 160             | 0                 | 187             | 23                 | 137             | 0                 | 160             | 5                     | 136             | 0                 | 141             |
| Mississippi           | 2                  | 24              | 1                 | 27              | 2                  | 25              | 0                 | 27              | 2                     | 19              | 0                 | 21              |
| North Carolina        | 52                 | 161             | 2                 | 215             | 61                 | 186             | 1                 | 248             | 61                    | 180             | 1                 | 242             |
| South Carolina        | 29                 | 26              | 12                | 67              | 24                 | 32              | 19                | 75              | 24                    | 38              | 3                 | 65              |
| Tennessee             | 32                 | 98              | 2                 | 132             | 15                 | 95              | 4                 | 114             | 19                    | 105             | 4                 | 128             |
| Virginia              | 67                 | 92              | 0                 | 159             | 68                 | 75              | 0                 | 143             | 47                    | 147             | 0                 | 194             |
| West Virginia         | 28                 | 54              | 0                 | 82              | 29                 | 53              | 0                 | 82              | 31                    | 71              | 0                 | 102             |
| <b>SOUTHWEST</b>      |                    |                 |                   |                 |                    |                 |                   |                 |                       |                 |                   |                 |
| Arizona               | 44                 | 80              | 0                 | 124             | 87                 | 34              | 0                 | 121             | 52                    | 64              | 0                 | 116             |
| New Mexico            | 19                 | 103             | 0                 | 122             | 13                 | 107             | 2                 | 122             | 12                    | 145             | 2                 | 159             |
| Oklahoma              | 89                 | 148             | 0                 | 237             | 86                 | 146             | 0                 | 232             | 85                    | 147             | 0                 | 232             |
| Texas                 | 69                 | 56              | 0                 | 125             | 65                 | 46              | 0                 | 111             | 64                    | 36              | 0                 | 100             |
| <b>ROCKY MOUNTAIN</b> |                    |                 |                   |                 |                    |                 |                   |                 |                       |                 |                   |                 |
| Colorado              | 0                  | 34              | 14                | 48              | 0                  | 25              | 12                | 37              | 0                     | 254             | 4                 | 258             |
| Idaho                 | 9                  | 7               | 0                 | 16              | 9                  | 7               | 0                 | 16              | 9                     | 7               | 0                 | 16              |
| Montana               | 14                 | 27              | 0                 | 41              | 14                 | 25              | 0                 | 39              | 14                    | 26              | 0                 | 40              |
| Utah                  | 34                 | 65              | 0                 | 99              | 23                 | 62              | 0                 | 85              | 30                    | 80              | 0                 | 110             |
| Wyoming               | 0                  | 0               | 0                 | 0               | 0                  | 0               | 0                 | 0               | 0                     | 0               | 0                 | 0               |
| <b>FAR WEST</b>       |                    |                 |                   |                 |                    |                 |                   |                 |                       |                 |                   |                 |
| Alaska                | 75                 | 10              | 21                | 106             | 82                 | 7               | 19                | 108             | 92                    | 13              | 20                | 125             |
| California            | 6,272              | 3,582           | 35                | 9,889           | 5,718              | 4,227           | 57                | 10,002          | 6,185                 | 3,860           | 46                | 10,091          |
| Hawaii                | 49                 | 33              | 0                 | 82              | 55                 | 38              | 0                 | 93              | 57                    | 36              | 0                 | 93              |
| Nevada                | 33                 | 17              | 0                 | 50              | 35                 | 23              | 0                 | 58              | 32                    | 30              | 0                 | 62              |
| Oregon                | 42                 | 84              | 8                 | 134             | 83                 | 90              | -7                | 166             | 82                    | 108             | 7                 | 197             |
| Washington            | 286                | 104             | 0                 | 390             | 302                | 104             | 0                 | 406             | 256                   | 207             | 0                 | 463             |
| <b>TOTAL</b>          | <b>\$12,714</b>    | <b>\$11,700</b> | <b>\$343</b>      | <b>\$24,757</b> | <b>\$12,568</b>    | <b>\$12,064</b> | <b>\$377</b>      | <b>\$25,009</b> | <b>\$12,604</b>       | <b>\$13,275</b> | <b>\$358</b>      | <b>\$26,237</b> |

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

Source: National Association of State Budget Officers, 2008 State Expenditure Report

**Table 19**

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

| <b>Region/State</b>   | <b>Fiscal<br/>2007</b> | <b>Fiscal<br/>2008</b> | <b>Fiscal<br/>2009</b> |
|-----------------------|------------------------|------------------------|------------------------|
| <b>NEW ENGLAND</b>    |                        |                        |                        |
| Connecticut           | 2.1 %                  | 1.9 %                  | 2.0 %                  |
| Maine                 | 2.3                    | 2.4                    | 2.3                    |
| Massachusetts         | 3.1                    | 3.1                    | 3.2                    |
| New Hampshire         | 1.7                    | 1.6                    | 2.0                    |
| Rhode Island          | 2.5                    | 2.0                    | 1.8                    |
| Vermont               | 1.6                    | 1.7                    | 1.7                    |
| <b>MID-ATLANTIC</b>   |                        |                        |                        |
| Delaware              | 0.3                    | 0.3                    | 0.3                    |
| Maryland              | 1.7                    | 1.9                    | 2.4                    |
| New Jersey            | 0.9                    | 0.8                    | 0.9                    |
| New York              | 3.0                    | 3.1                    | 3.0                    |
| Pennsylvania          | 2.1                    | 2.0                    | 2.2                    |
| <b>GREAT LAKES</b>    |                        |                        |                        |
| Illinois              | 0.3                    | 0.3                    | 0.3                    |
| Indiana               | 1.7                    | 1.4                    | 1.3                    |
| Michigan              | 1.3                    | 1.1                    | 1.0                    |
| Ohio                  | 2.3                    | 2.3                    | 2.2                    |
| Wisconsin             | 0.3                    | 0.3                    | 0.3                    |
| <b>PLAINS</b>         |                        |                        |                        |
| Iowa                  | 0.8                    | 0.8                    | 0.7                    |
| Kansas                | 0.6                    | 0.4                    | 0.4                    |
| Minnesota             | 1.5                    | 1.3                    | 1.3                    |
| Missouri              | 0.8                    | 0.8                    | 0.7                    |
| Nebraska              | 0.8                    | 0.7                    | 0.6                    |
| North Dakota          | 0.3                    | 0.3                    | 0.2                    |
| South Dakota          | 1.0                    | 0.9                    | 0.8                    |
| <b>SOUTHEAST</b>      |                        |                        |                        |
| Alabama               | 0.1                    | 0.1                    | 0.1                    |
| Arkansas              | 2.7                    | 2.2                    | 2.2                    |
| Florida               | 0.2                    | 0.2                    | 0.3                    |
| Georgia               | 1.5                    | 1.5                    | 1.5                    |
| Kentucky              | 0.8                    | 0.7                    | 0.8                    |
| Louisiana             | 0.7                    | 0.5                    | 0.4                    |
| Mississippi           | 0.2                    | 0.2                    | 0.1                    |
| North Carolina        | 0.5                    | 0.6                    | 0.6                    |
| South Carolina        | 0.3                    | 0.4                    | 0.3                    |
| Tennessee             | 0.5                    | 0.4                    | 0.4                    |
| Virginia              | 0.5                    | 0.4                    | 0.5                    |
| West Virginia         | 0.4                    | 0.4                    | 0.5                    |
| <b>SOUTHWEST</b>      |                        |                        |                        |
| Arizona               | 0.5                    | 0.5                    | 0.4                    |
| New Mexico            | 0.8                    | 0.8                    | 1.0                    |
| Oklahoma              | 1.3                    | 1.2                    | 1.1                    |
| Texas                 | 0.2                    | 0.1                    | 0.1                    |
| <b>ROCKY MOUNTAIN</b> |                        |                        |                        |
| Colorado              | 0.2                    | 0.1                    | 1.0                    |
| Idaho                 | 0.3                    | 0.3                    | 0.2                    |
| Montana               | 1.0                    | 0.9                    | 0.9                    |
| Utah                  | 1.0                    | 0.7                    | 0.9                    |
| Wyoming               | 0.0                    | 0.0                    | 0.0                    |
| <b>FAR WEST</b>       |                        |                        |                        |
| Alaska                | 0.9                    | 0.9                    | 0.9                    |
| California            | 5.4                    | 5.1                    | 4.8                    |
| Hawaii                | 0.8                    | 0.8                    | 0.8                    |
| Nevada                | 0.7                    | 0.6                    | 0.7                    |
| Oregon                | 0.7                    | 0.7                    | 0.8                    |
| Washington            | 1.3                    | 1.3                    | 1.4                    |
| <b>ALL STATES</b>     | <b>1.7 %</b>           | <b>1.7 %</b>           | <b>1.6 %</b>           |

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

Table 20

## ANNUAL PERCENTAGE CHANGE IN TOTAL PUBLIC ASSISTANCE EXPENDITURES

| Region/State          | Fiscal 2007 to 2008 |               |              | Fiscal 2008 to 2009 |               |              |
|-----------------------|---------------------|---------------|--------------|---------------------|---------------|--------------|
|                       | State Funds         | Federal Funds | All Funds    | State Funds         | Federal Funds | All Funds    |
| <b>NEW ENGLAND</b>    |                     |               |              |                     |               |              |
| Connecticut           | 2.9 %               | -1.9 %        | 0.2 %        | 3.7 %               | 1.9 %         | 2.7 %        |
| Maine                 | -1.6                | 38.9          | 7.3          | 3.1                 | 10.0          | 5.1          |
| Massachusetts         | 6.0                 | 7.7           | 6.0          | 4.0                 | -7.1          | 3.9          |
| New Hampshire         | 8.6                 | -9.8          | -1.3         | 28.9                | 24.3          | 26.7         |
| Rhode Island          | -20.3               | -5.8          | -12.7        | -39.7               | 21.0          | -5.6         |
| Vermont               | 28.6                | -1.8          | 8.3          | -8.3                | 5.5           | 0.0          |
| <b>MID-ATLANTIC</b>   |                     |               |              |                     |               |              |
| Delaware              | 11.1                | -6.7          | 0.0          | 140.0               | -92.9         | 4.2          |
| Maryland              | -17.5               | 18.0          | 13.9         | 27.7                | 38.0          | 37.1         |
| New Jersey            | -2.9                | 0.0           | -1.8         | 9.0                 | 8.2           | 8.7          |
| New York              | 21.7                | -2.6          | 5.6          | -21.4               | 18.9          | 3.1          |
| Pennsylvania          | -3.6                | 0.0           | -1.9         | 7.6                 | 30.2          | 18.5         |
| <b>GREAT LAKES</b>    |                     |               |              |                     |               |              |
| Illinois              | 17.6                | -65.2         | -18.5        | 7.0                 | -26.1         | 0.8          |
| Indiana               | -11.5               | -12.8         | -12.5        | 0.0                 | 0.0           | 0.0          |
| Michigan              | 7.9                 | -86.8         | -11.5        | -26.2               | 680.0         | -4.7         |
| Ohio                  | -2.3                | 6.6           | 4.5          | -4.5                | 0.3           | -0.8         |
| Wisconsin             | 416.7               | -27.1         | -1.0         | -32.3               | 17.1          | 2.0          |
| <b>PLAINS</b>         |                     |               |              |                     |               |              |
| Iowa                  | 24.7                | -10.0         | 10.6         | -20.9               | 11.1          | -10.3        |
| Kansas                | 0.0                 | -33.3         | -13.6        | 0.0                 | -11.1         | -3.5         |
| Minnesota             | 10.3                | -12.7         | -6.0         | -6.3                | 15.0          | 7.7          |
| Missouri              | 4.6                 | -3.8          | -0.6         | -14.7               | 7.9           | -1.2         |
| Nebraska              | 5.6                 | -25.0         | -7.8         | 7.9                 | 38.1          | 18.6         |
| North Dakota          | 80.0                | -83.3         | -9.1         | -44.4               | 400.0         | 0.0          |
| South Dakota          | 0.0                 | -4.8          | -3.3         | 0.0                 | -5.0          | -3.4         |
| <b>SOUTHEAST</b>      |                     |               |              |                     |               |              |
| Alabama               | -10.0               | -11.1         | -10.9        | -33.3               | 6.3           | -2.4         |
| Arkansas              | -2.0                | -21.3         | -14.5        | 6.7                 | 4.9           | 5.6          |
| Florida               | -16.1               | 287.5         | -0.6         | 0.0                 | 87.1          | 17.3         |
| Georgia               | -1.2                | 6.7           | 4.1          | 0.0                 | 0.0           | 0.0          |
| Kentucky              | 0.0                 | -5.1          | -2.9         | 0.0                 | 18.1          | 10.2         |
| Louisiana             | -14.8               | -14.4         | -14.4        | -78.3               | -0.7          | -11.9        |
| Mississippi           | -33.3               | 4.2           | 0.0          | 0.0                 | -24.0         | -22.2        |
| North Carolina        | 14.8                | 15.5          | 15.3         | 0.0                 | -3.2          | -2.4         |
| South Carolina        | 4.9                 | 23.1          | 11.9         | -37.2               | 18.8          | -13.3        |
| Tennessee             | -44.1               | -3.1          | -13.6        | 21.1                | 10.5          | 12.3         |
| Virginia              | 1.5                 | -18.5         | -10.1        | -30.9               | 96.0          | 35.7         |
| West Virginia         | 3.6                 | -1.9          | 0.0          | 6.9                 | 34.0          | 24.4         |
| <b>SOUTHWEST</b>      |                     |               |              |                     |               |              |
| Arizona               | 97.7                | -57.5         | -2.4         | -40.2               | 88.2          | -4.1         |
| New Mexico            | -21.1               | 3.9           | 0.0          | -6.7                | 35.5          | 30.3         |
| Oklahoma              | -3.4                | -1.4          | -2.1         | -1.2                | 0.7           | 0.0          |
| Texas                 | -5.8                | -17.9         | -11.2        | -1.5                | -21.7         | -9.9         |
| <b>ROCKY MOUNTAIN</b> |                     |               |              |                     |               |              |
| Colorado              | -14.3               | -26.5         | -22.9        | -66.7               | 916.0         | 597.3        |
| Idaho                 | 0.0                 | 0.0           | 0.0          | 0.0                 | 0.0           | 0.0          |
| Montana               | 0.0                 | -7.4          | -4.9         | 0.0                 | 4.0           | 2.6          |
| Utah                  | -32.4               | -4.6          | -14.1        | 30.4                | 29.0          | 29.4         |
| Wyoming               | —                   | —             | —            | —                   | —             | —            |
| <b>FAR WEST</b>       |                     |               |              |                     |               |              |
| Alaska                | 5.2                 | -30.0         | 1.9          | 10.9                | 85.7          | 15.7         |
| California            | -8.4                | 18.0          | 1.1          | 7.9                 | -8.7          | 0.9          |
| Hawaii                | 12.2                | 15.2          | 13.4         | 3.6                 | -5.3          | 0.0          |
| Nevada                | 6.1                 | 35.3          | 16.0         | -8.6                | 30.4          | 6.9          |
| Oregon                | 52.0                | 7.1           | 23.9         | 17.1                | 20.0          | 18.7         |
| Washington            | 5.6                 | 0.0           | 4.1          | -15.2               | —             | 14.0         |
| <b>ALL STATES</b>     | <b>-0.9 %</b>       | <b>3.1 %</b>  | <b>1.0 %</b> | <b>0.1 %</b>        | <b>10.0 %</b> | <b>4.9 %</b> |

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

This table reflects TANF and other cash assistance expenditures.

Source: National Association of State Budget Officers, 2008 State Expenditure Report

Table 21

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

| Region/State          | Actual Fiscal 2007 |                |                   |                 | Actual Fiscal 2008 |                 |                   |                 | Estimated Fiscal 2009 |                 |                   |                 |
|-----------------------|--------------------|----------------|-------------------|-----------------|--------------------|-----------------|-------------------|-----------------|-----------------------|-----------------|-------------------|-----------------|
|                       | General Fund       | Federal Funds  | Other State Funds | Total           | General Fund       | Federal Funds   | Other State Funds | Total           | General Fund          | Federal Funds   | Other State Funds | Total           |
| <b>NEW ENGLAND</b>    |                    |                |                   |                 |                    |                 |                   |                 |                       |                 |                   |                 |
| Connecticut*          | \$112              | \$267          | \$0               | \$379           | \$111              | \$262           | \$0               | \$373           | \$113                 | \$267           | \$0               | \$380           |
| Maine                 | 28                 | 35             | 89                | 152             | 25                 | 50              | 89                | 164             | 25                    | 55              | 93                | 173             |
| Massachusetts         | 466                | 0              | 0                 | 466             | 485                | 0               | 0                 | 485             | 516                   | 0               | 0                 | 516             |
| New Hampshire         | 28                 | 41             | 0                 | 69              | 30                 | 37              | 0                 | 67              | 29                    | 46              | 0                 | 75              |
| Rhode Island          | 16                 | 44             | 0                 | 60              | 19                 | 37              | 0                 | 56              | 3                     | 55              | 0                 | 58              |
| Vermont               | 13                 | 26             | 0                 | 39              | 15                 | 27              | 0                 | 42              | 16                    | 29              | 0                 | 45              |
| <b>MID-ATLANTIC</b>   |                    |                |                   |                 |                    |                 |                   |                 |                       |                 |                   |                 |
| Delaware              | 2                  | 15             | 1                 | 18              | 3                  | 14              | 2                 | 19              | 18                    | 1               | 0                 | 19              |
| Maryland              | 13                 | 79             | 6                 | 98              | 6                  | 101             | 7                 | 114             | 7                     | 114             | 11                | 132             |
| New Jersey            | 18                 | 92             | 0                 | 110             | 13                 | 93              | 0                 | 106             | 8                     | 104             | 0                 | 112             |
| New York              | 201                | 2,243          | 0                 | 2,444           | 205                | 2,184           | 0                 | 2,389           | 173                   | 2,597           | 0                 | 2,770           |
| Pennsylvania          | 354                | 242            | 0                 | 596             | 326                | 246             | 0                 | 572             | 358                   | 282             | 1                 | 641             |
| <b>GREAT LAKES</b>    |                    |                |                   |                 |                    |                 |                   |                 |                       |                 |                   |                 |
| Illinois              | 44                 | 64             | 0                 | 108             | 58                 | 22              | 0                 | 80              | 67                    | 14              | 0                 | 81              |
| Indiana               | 40                 | 137            | 4                 | 181             | 30                 | 137             | 4                 | 171             | 30                    | 137             | 4                 | 171             |
| Michigan              | 288                | 100            | 40                | 428             | 325                | 0               | 39                | 364             | 196                   | 100             | 40                | 336             |
| Ohio                  | 272                | 948            | 1                 | 1,221           | 263                | 1,011           | 1                 | 1,275           | 252                   | 1,014           | 1                 | 1,267           |
| Wisconsin             | 3                  | 41             | 0                 | 44              | 28                 | 15              | 0                 | 43              | 11                    | 25              | 8                 | 44              |
| <b>PLAINS</b>         |                    |                |                   |                 |                    |                 |                   |                 |                       |                 |                   |                 |
| Iowa                  | 44                 | 50             | 11                | 105             | 43                 | 45              | 13                | 101             | 42                    | 50              | 11                | 103             |
| Kansas                | 30                 | 27             | 0                 | 57              | 30                 | 18              | 0                 | 48              | 30                    | 16              | 0                 | 46              |
| Minnesota             | 52                 | 283            | 0                 | 335             | 58                 | 247             | 0                 | 305             | 42                    | 284             | 0                 | 326             |
| Missouri              | 17                 | 105            | 0                 | 122             | 17                 | 101             | 0                 | 118             | 6                     | 109             | 0                 | 115             |
| Nebraska              | 29                 | 27             | 0                 | 56              | 31                 | 20              | 0                 | 51              | 34                    | 28              | 0                 | 62              |
| North Dakota          | 0                  | 6              | 5                 | 11              | 1                  | 1               | 8                 | 10              | 0                     | 5               | 5                 | 10              |
| South Dakota          | 9                  | 21             | 0                 | 30              | 9                  | 20              | 0                 | 29              | 9                     | 19              | 0                 | 28              |
| <b>SOUTHEAST</b>      |                    |                |                   |                 |                    |                 |                   |                 |                       |                 |                   |                 |
| Alabama               | 4                  | 36             | 6                 | 46              | 5                  | 32              | 4                 | 41              | 3                     | 34              | 3                 | 40              |
| Arkansas              | 13                 | 66             | 0                 | 79              | 11                 | 58              | 0                 | 69              | 16                    | 66              | 0                 | 82              |
| Florida*              | 149                | 8              | 0                 | 157             | 125                | 31              | 0                 | 156             | 125                   | 58              | 0                 | 183             |
| Georgia               | 170                | 345            | 0                 | 515             | 168                | 368             | 0                 | 536             | 168                   | 368             | 0                 | 536             |
| Kentucky              | 72                 | 99             | 0                 | 171             | 72                 | 94              | 0                 | 166             | 72                    | 111             | 0                 | 183             |
| Louisiana             | 27                 | 160            | 0                 | 187             | 23                 | 137             | 0                 | 160             | 5                     | 136             | 0                 | 141             |
| Mississippi           | 2                  | 24             | 1                 | 27              | 2                  | 25              | 0                 | 27              | 2                     | 19              | 0                 | 21              |
| North Carolina        | 52                 | 161            | 2                 | 215             | 61                 | 186             | 1                 | 248             | 61                    | 180             | 1                 | 242             |
| South Carolina        | 8                  | 26             | 0                 | 34              | 1                  | 32              | 0                 | 33              | 0                     | 38              | 0                 | 38              |
| Tennessee             | 32                 | 98             | 2                 | 132             | 15                 | 95              | 4                 | 114             | 19                    | 105             | 4                 | 128             |
| Virginia              | 63                 | 50             | 0                 | 113             | 65                 | 40              | 0                 | 105             | 44                    | 63              | 0                 | 107             |
| West Virginia         | 28                 | 54             | 0                 | 82              | 26                 | 53              | 0                 | 79              | 26                    | 71              | 0                 | 97              |
| <b>SOUTHWEST</b>      |                    |                |                   |                 |                    |                 |                   |                 |                       |                 |                   |                 |
| Arizona               | 42                 | 79             | 0                 | 121             | 85                 | 34              | 0                 | 119             | 50                    | 64              | 0                 | 114             |
| New Mexico            | 11                 | 103            | 0                 | 114             | 7                  | 107             | 0                 | 114             | 6                     | 145             | 0                 | 151             |
| Oklahoma              | 43                 | 56             | 0                 | 99              | 40                 | 50              | 0                 | 90              | 39                    | 54              | 0                 | 93              |
| Texas                 | 69                 | 56             | 0                 | 125             | 65                 | 46              | 0                 | 111             | 64                    | 36              | 0                 | 100             |
| <b>ROCKY MOUNTAIN</b> |                    |                |                   |                 |                    |                 |                   |                 |                       |                 |                   |                 |
| Colorado              | 0                  | 32             | 13                | 45              | 0                  | 23              | 12                | 35              | 0                     | 41              | 3                 | 44              |
| Idaho                 | 0                  | 7              | 0                 | 7               | 0                  | 7               | 0                 | 7               | 0                     | 7               | 0                 | 7               |
| Montana               | 14                 | 27             | 0                 | 41              | 14                 | 25              | 0                 | 39              | 14                    | 26              | 0                 | 40              |
| Utah                  | 23                 | 65             | 0                 | 88              | 14                 | 62              | 0                 | 76              | 20                    | 80              | 0                 | 100             |
| Wyoming               | 0                  | 0              | 0                 | 0               | 0                  | 0               | 0                 | 0               | 0                     | 0               | 0                 | 0               |
| <b>FAR WEST</b>       |                    |                |                   |                 |                    |                 |                   |                 |                       |                 |                   |                 |
| Alaska                | 16                 | 9              | 2                 | 27              | 16                 | 6               | 2                 | 24              | 16                    | 12              | 2                 | 30              |
| California            | 2,018              | 2,909          | 20                | 4,947           | 1,482              | 3,673           | 45                | 5,200           | 1,996                 | 3,236           | 35                | 5,267           |
| Hawaii*               | 10                 | 33             | 0                 | 43              | 27                 | 38              | 0                 | 65              | 28                    | 36              | 0                 | 64              |
| Nevada                | 26                 | 17             | 0                 | 43              | 27                 | 23              | 0                 | 50              | 25                    | 30              | 0                 | 55              |
| Oregon                | 42                 | 80             | 8                 | 130             | 81                 | 86              | -7                | 160             | 81                    | 101             | 7                 | 189             |
| Washington            | 169                | 102            | 0                 | 271             | 158                | 103             | 0                 | 261             | 98                    | 205             | 0                 | 303             |
| <b>TOTAL</b>          | <b>\$5,182</b>     | <b>\$9,595</b> | <b>\$211</b>      | <b>\$14,988</b> | <b>\$4,721</b>     | <b>\$10,122</b> | <b>\$224</b>      | <b>\$15,067</b> | <b>\$4,963</b>        | <b>\$10,673</b> | <b>\$229</b>      | <b>\$15,865</b> |

Source: National Association of State Budget Officers, 2008 State Expenditure Report

\*See Public Assistance Notes for explanation

**Table 22**

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

| <b>Region/State</b>   | <b>Fiscal<br/>2007</b> | <b>Fiscal<br/>2008</b> | <b>Fiscal<br/>2009</b> |
|-----------------------|------------------------|------------------------|------------------------|
| <b>NEW ENGLAND</b>    |                        |                        |                        |
| Connecticut           | 1.7 %                  | 1.5 %                  | 1.5 %                  |
| Maine                 | 2.1                    | 2.2                    | 2.1                    |
| Massachusetts         | 1.1                    | 1.1                    | 1.1                    |
| New Hampshire         | 1.5                    | 1.4                    | 1.5                    |
| Rhode Island          | 0.9                    | 0.8                    | 0.8                    |
| Vermont               | 0.8                    | 0.8                    | 0.8                    |
| <b>MID-ATLANTIC</b>   |                        |                        |                        |
| Delaware              | 0.2                    | 0.2                    | 0.2                    |
| Maryland              | 0.3                    | 0.4                    | 0.4                    |
| New Jersey            | 0.2                    | 0.2                    | 0.2                    |
| New York              | 2.2                    | 2.1                    | 2.3                    |
| Pennsylvania          | 1.0                    | 1.0                    | 1.0                    |
| <b>GREAT LAKES</b>    |                        |                        |                        |
| Illinois              | 0.2                    | 0.2                    | 0.2                    |
| Indiana               | 0.8                    | 0.7                    | 0.7                    |
| Michigan              | 1.0                    | 0.8                    | 0.7                    |
| Ohio                  | 2.3                    | 2.2                    | 2.2                    |
| Wisconsin             | 0.1                    | 0.1                    | 0.1                    |
| <b>PLAINS</b>         |                        |                        |                        |
| Iowa                  | 0.7                    | 0.6                    | 0.6                    |
| Kansas                | 0.5                    | 0.4                    | 0.3                    |
| Minnesota             | 1.2                    | 1.1                    | 1.0                    |
| Missouri              | 0.6                    | 0.6                    | 0.5                    |
| Nebraska              | 0.7                    | 0.6                    | 0.6                    |
| North Dakota          | 0.3                    | 0.3                    | 0.2                    |
| South Dakota          | 1.0                    | 0.9                    | 0.8                    |
| <b>SOUTHEAST</b>      |                        |                        |                        |
| Alabama               | 0.1                    | 0.1                    | 0.1                    |
| Arkansas              | 0.5                    | 0.4                    | 0.4                    |
| Florida               | 0.2                    | 0.2                    | 0.3                    |
| Georgia               | 1.5                    | 1.5                    | 1.5                    |
| Kentucky              | 0.8                    | 0.7                    | 0.8                    |
| Louisiana             | 0.7                    | 0.5                    | 0.4                    |
| Mississippi           | 0.2                    | 0.2                    | 0.1                    |
| North Carolina        | 0.5                    | 0.6                    | 0.6                    |
| South Carolina        | 0.2                    | 0.2                    | 0.2                    |
| Tennessee             | 0.5                    | 0.4                    | 0.4                    |
| Virginia              | 0.3                    | 0.3                    | 0.3                    |
| West Virginia         | 0.4                    | 0.4                    | 0.5                    |
| <b>SOUTHWEST</b>      |                        |                        |                        |
| Arizona               | 0.5                    | 0.5                    | 0.4                    |
| New Mexico            | 0.8                    | 0.8                    | 1.0                    |
| Oklahoma              | 0.5                    | 0.5                    | 0.5                    |
| Texas                 | 0.2                    | 0.1                    | 0.1                    |
| <b>ROCKY MOUNTAIN</b> |                        |                        |                        |
| Colorado              | 0.2                    | 0.1                    | 0.2                    |
| Idaho                 | 0.1                    | 0.1                    | 0.1                    |
| Montana               | 1.0                    | 0.9                    | 0.9                    |
| Utah                  | 0.9                    | 0.6                    | 0.9                    |
| Wyoming               | 0.0                    | 0.0                    | 0.0                    |
| <b>FAR WEST</b>       |                        |                        |                        |
| Alaska                | 0.2                    | 0.2                    | 0.2                    |
| California            | 2.7                    | 2.7                    | 2.5                    |
| Hawaii                | 0.4                    | 0.6                    | 0.5                    |
| Nevada                | 0.6                    | 0.5                    | 0.7                    |
| Oregon                | 0.6                    | 0.7                    | 0.8                    |
| Washington            | 0.9                    | 0.8                    | 0.9                    |
| <b>ALL STATES</b>     | <b>1.1 %</b>           | <b>1.0 %</b>           | <b>1.0 %</b>           |

Source: National Association of State Budget Officers, 2008 State Expenditure Report

**Table 23**

**ANNUAL PERCENTAGE CHANGE IN TANF CASH ASSISTANCE EXPENDITURES**

| Region/State          | Fiscal 2007 to 2008 |               |              | Fiscal 2008 to 2009 |               |              |
|-----------------------|---------------------|---------------|--------------|---------------------|---------------|--------------|
|                       | State Funds         | Federal Funds | All Funds    | State Funds         | Federal Funds | All Funds    |
| <b>NEW ENGLAND</b>    |                     |               |              |                     |               |              |
| Connecticut           | -0.9 %              | -1.9 %        | -1.6 %       | 1.8 %               | 1.9 %         | 1.9 %        |
| Maine                 | -2.6                | 42.9          | 7.9          | 3.5                 | 10.0          | 5.5          |
| Massachusetts         | 4.1                 | —             | 4.1          | 6.4                 | —             | 6.4          |
| New Hampshire         | 7.1                 | -9.8          | -2.9         | -3.3                | 24.3          | 11.9         |
| Rhode Island          | 18.8                | -15.9         | -6.7         | -84.2               | 48.6          | 3.6          |
| Vermont               | 15.4                | 3.8           | 7.7          | 6.7                 | 7.4           | 7.1          |
| <b>MID-ATLANTIC</b>   |                     |               |              |                     |               |              |
| Delaware              | 66.7                | -6.7          | 5.6          | 260.0               | -92.9         | 0.0          |
| Maryland              | -31.6               | 27.8          | 16.3         | 38.5                | 12.9          | 15.8         |
| New Jersey            | -27.8               | 1.1           | -3.6         | -38.5               | 11.8          | 5.7          |
| New York              | 2.0                 | -2.6          | -2.3         | -15.6               | 18.9          | 15.9         |
| Pennsylvania          | -7.9                | 1.7           | -4.0         | 10.1                | 14.6          | 12.1         |
| <b>GREAT LAKES</b>    |                     |               |              |                     |               |              |
| Illinois              | 31.8                | -65.6         | -25.9        | 15.5                | -36.4         | 1.3          |
| Indiana               | -22.7               | 0.0           | -5.5         | 0.0                 | 0.0           | 0.0          |
| Michigan              | 11.0                | -100.0        | -15.0        | -35.2               | —             | -7.7         |
| Ohio                  | -3.3                | 6.6           | 4.4          | -4.2                | 0.3           | -0.6         |
| Wisconsin             | 833.3               | -63.4         | -2.3         | -32.1               | 66.7          | 2.3          |
| <b>PLAINS</b>         |                     |               |              |                     |               |              |
| Iowa                  | 1.8                 | -10.0         | -3.8         | -5.4                | 11.1          | 2.0          |
| Kansas                | 0.0                 | -33.3         | -15.8        | 0.0                 | -11.1         | -4.2         |
| Minnesota             | 11.5                | -12.7         | -9.0         | -27.6               | 15.0          | 6.9          |
| Missouri              | 0.0                 | -3.8          | -3.3         | -64.7               | 7.9           | -2.5         |
| Nebraska              | 6.9                 | -25.9         | -8.9         | 9.7                 | 40.0          | 21.6         |
| North Dakota          | 80.0                | -83.3         | -9.1         | -44.4               | 400.0         | 0.0          |
| South Dakota          | 0.0                 | -4.8          | -3.3         | 0.0                 | -5.0          | -3.4         |
| <b>SOUTHEAST</b>      |                     |               |              |                     |               |              |
| Alabama               | -10.0               | -11.1         | -10.9        | -33.3               | 6.3           | -2.4         |
| Arkansas              | -15.4               | -12.1         | -12.7        | 45.5                | 13.8          | 18.8         |
| Florida               | -16.1               | 287.5         | -0.6         | 0.0                 | 87.1          | 17.3         |
| Georgia               | -1.2                | 6.7           | 4.1          | 0.0                 | 0.0           | 0.0          |
| Kentucky              | 0.0                 | -5.1          | -2.9         | 0.0                 | 18.1          | 10.2         |
| Louisiana             | -14.8               | -14.4         | -14.4        | -78.3               | -0.7          | -11.9        |
| Mississippi           | -33.3               | 4.2           | 0.0          | 0.0                 | -24.0         | -22.2        |
| North Carolina        | 14.8                | 15.5          | 15.3         | 0.0                 | -3.2          | -2.4         |
| South Carolina        | -87.5               | 23.1          | -2.9         | -100.0              | 18.8          | 15.2         |
| Tennessee             | -44.1               | -3.1          | -13.6        | 21.1                | 10.5          | 12.3         |
| Virginia              | 3.2                 | -20.0         | -7.1         | -32.3               | 57.5          | 1.9          |
| West Virginia         | -7.1                | -1.9          | -3.7         | 0.0                 | 34.0          | 22.8         |
| <b>SOUTHWEST</b>      |                     |               |              |                     |               |              |
| Arizona               | 102.4               | -57.0         | -1.7         | -41.2               | 88.2          | -4.2         |
| New Mexico            | -36.4               | 3.9           | 0.0          | -14.3               | 35.5          | 32.5         |
| Oklahoma              | -7.0                | -10.7         | -9.1         | -2.5                | 8.0           | 3.3          |
| Texas                 | -5.8                | -17.9         | -11.2        | -1.5                | -21.7         | -9.9         |
| <b>ROCKY MOUNTAIN</b> |                     |               |              |                     |               |              |
| Colorado              | -7.7                | -28.1         | -22.2        | -75.0               | 78.3          | 25.7         |
| Idaho                 | —                   | 0.0           | 0.0          | —                   | 0.0           | 0.0          |
| Montana               | 0.0                 | -7.4          | -4.9         | 0.0                 | 4.0           | 2.6          |
| Utah                  | -39.1               | -4.6          | -13.6        | 42.9                | 29.0          | 31.6         |
| Wyoming               | —                   | —             | —            | —                   | —             | —            |
| <b>FAR WEST</b>       |                     |               |              |                     |               |              |
| Alaska                | 0.0                 | -33.3         | -11.1        | 0.0                 | 100.0         | 25.0         |
| California            | -25.1               | 26.3          | 5.1          | 33.0                | -11.9         | 1.3          |
| Hawaii                | 170.0               | 15.2          | 51.2         | 3.7                 | -5.3          | -1.5         |
| Nevada                | 3.8                 | 35.3          | 16.3         | -7.4                | 30.4          | 10.0         |
| Oregon                | 48.0                | 7.5           | 23.1         | 18.9                | 17.4          | 18.1         |
| Washington            | -6.5                | 1.0           | -3.7         | -38.0               | 99.0          | 16.1         |
| <b>ALL STATES</b>     | <b>-8.3 %</b>       | <b>5.5 %</b>  | <b>0.5 %</b> | <b>5.0 %</b>        | <b>5.4 %</b>  | <b>5.3 %</b> |

Note: State funds are defined as general funds and other state funds (bonds are excluded).  
 Source: National Association of State Budget Officers, 2008 State Expenditure Report

Table 24

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

| Region/State          | Actual Fiscal 2007 |                |                   |                | Actual Fiscal 2008 |                |                   |                | Estimated Fiscal 2009 |                |                   |                 |
|-----------------------|--------------------|----------------|-------------------|----------------|--------------------|----------------|-------------------|----------------|-----------------------|----------------|-------------------|-----------------|
|                       | General Fund       | Federal Funds  | Other State Funds | Total          | General Fund       | Federal Funds  | Other State Funds | Total          | General Fund          | Federal Funds  | Other State Funds | Total           |
| <b>NEW ENGLAND</b>    |                    |                |                   |                |                    |                |                   |                |                       |                |                   |                 |
| Connecticut           | \$97               | \$0            | \$0               | \$97           | \$104              | \$0            | \$0               | \$104          | \$110                 | \$0            | \$0               | \$110           |
| Maine                 | 12                 | 1              | 0                 | 13             | 13                 | 0              | 0                 | 13             | 13                    | 0              | 0                 | 13              |
| Massachusetts         | 828                | 13             | 0                 | 841            | 886                | 14             | 0                 | 900            | 910                   | 13             | 0                 | 923             |
| New Hampshire         | 7                  | 0              | 0                 | 7              | 8                  | 0              | 0                 | 8              | 20                    | 0              | 0                 | 20              |
| Rhode Island          | 63                 | 42             | 0                 | 105            | 44                 | 44             | 0                 | 88             | 34                    | 43             | 0                 | 77              |
| Vermont               | 13                 | 30             | 2                 | 45             | 17                 | 28             | 4                 | 49             | 13                    | 29             | 4                 | 46              |
| <b>MID-ATLANTIC</b>   |                    |                |                   |                |                    |                |                   |                |                       |                |                   |                 |
| Delaware              | 5                  | 0              | 1                 | 6              | 4                  | 0              | 1                 | 5              | 5                     | 0              | 1                 | 6               |
| Maryland              | 31                 | 354            | 7                 | 392            | 27                 | 410            | 7                 | 444            | 35                    | 591            | 7                 | 633             |
| New Jersey            | 223                | 67             | 0                 | 290            | 221                | 66             | 0                 | 287            | 247                   | 68             | 0                 | 315             |
| New York              | 953                | 0              | 0                 | 953            | 1,199              | 0              | 0                 | 1,199          | 930                   | 0              | 0                 | 930             |
| Pennsylvania          | 259                | 335            | 27                | 621            | 265                | 331            | 26                | 622            | 276                   | 469            | 29                | 774             |
| <b>GREAT LAKES</b>    |                    |                |                   |                |                    |                |                   |                |                       |                |                   |                 |
| Illinois              | 41                 | 1              | 0                 | 42             | 42                 | 2              | 0                 | 44             | 40                    | 2              | 0                 | 42              |
| Indiana               | 43                 | 153            | 0                 | 196            | 43                 | 116            | 0                 | 159            | 43                    | 116            | 0                 | 159             |
| Michigan*             | 105                | 15             | 10                | 130            | 104                | 15             | 9                 | 128            | 107                   | 17             | 10                | 134             |
| Ohio                  | 25                 | 0              | 0                 | 25             | 27                 | 0              | 0                 | 27             | 25                    | 0              | 0                 | 25              |
| Wisconsin             | 3                  | 55             | 0                 | 58             | 3                  | 55             | 0                 | 58             | 2                     | 57             | 0                 | 59              |
| <b>PLAINS</b>         |                    |                |                   |                |                    |                |                   |                |                       |                |                   |                 |
| Iowa                  | 18                 | 0              | 0                 | 18             | 17                 | 0              | 18                | 35             | 18                    | 0              | 1                 | 19              |
| Kansas                | 9                  | 0              | 0                 | 9              | 9                  | 0              | 0                 | 9              | 9                     | 0              | 0                 | 9               |
| Minnesota             | 64                 | 0              | 0                 | 64             | 70                 | 0              | 0                 | 70             | 78                    | 0              | 0                 | 78              |
| Missouri              | 25                 | 0              | 23                | 48             | 26                 | 0              | 25                | 51             | 25                    | 0              | 27                | 52              |
| Nebraska              | 7                  | 1              | 0                 | 8              | 6                  | 1              | 0                 | 7              | 8                     | 1              | 0                 | 9               |
| North Dakota          | 0                  | 0              | 0                 | 0              | 0                  | 0              | 0                 | 0              | 0                     | 0              | 0                 | 0               |
| South Dakota          | 0                  | 0              | 0                 | 0              | 0                  | 0              | 0                 | 0              | 0                     | 0              | 0                 | 0               |
| <b>SOUTHEAST</b>      |                    |                |                   |                |                    |                |                   |                |                       |                |                   |                 |
| Alabama               | 0                  | 0              | 0                 | 0              | 0                  | 0              | 0                 | 0              | 0                     | 0              | 0                 | 0               |
| Arkansas              | 125                | 221            | 15                | 361            | 126                | 168            | 13                | 307            | 129                   | 171            | 15                | 315             |
| 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        | 21                 | 0              | 12                | 33             | 23                 | 0              | 19                | 42             | 24                    | 0              | 3                 | 27              |
| Tennessee             | 0                  | 0              | 0                 | 0              | 0                  | 0              | 0                 | 0              | 0                     | 0              | 0                 | 0               |
| Virginia              | 4                  | 42             | 0                 | 46             | 3                  | 35             | 0                 | 38             | 3                     | 84             | 0                 | 87              |
| West Virginia*        | 0                  | 0              | 0                 | 0              | 3                  | 0              | 0                 | 3              | 5                     | 0              | 0                 | 5               |
| <b>SOUTHWEST</b>      |                    |                |                   |                |                    |                |                   |                |                       |                |                   |                 |
| Arizona               | 2                  | 1              | 0                 | 3              | 2                  | 0              | 0                 | 2              | 2                     | 0              | 0                 | 2               |
| New Mexico            | 8                  | 0              | 0                 | 8              | 6                  | 0              | 2                 | 8              | 6                     | 0              | 2                 | 8               |
| Oklahoma              | 46                 | 92             | 0                 | 138            | 46                 | 96             | 0                 | 142            | 46                    | 93             | 0                 | 139             |
| Texas                 | 0                  | 0              | 0                 | 0              | 0                  | 0              | 0                 | 0              | 0                     | 0              | 0                 | 0               |
| <b>ROCKY MOUNTAIN</b> |                    |                |                   |                |                    |                |                   |                |                       |                |                   |                 |
| Colorado              | 0                  | 3              | 1                 | 4              | 0                  | 2              | 1                 | 3              | 0                     | 214            | 1                 | 215             |
| Idaho                 | 9                  | 0              | 0                 | 9              | 9                  | 0              | 0                 | 9              | 9                     | 0              | 0                 | 9               |
| Montana               | 0                  | 0              | 0                 | 0              | 0                  | 0              | 0                 | 0              | 0                     | 0              | 0                 | 0               |
| Utah                  | 11                 | 0              | 0                 | 11             | 9                  | 0              | 0                 | 9              | 10                    | 0              | 0                 | 10              |
| Wyoming               | 0                  | 0              | 0                 | 0              | 0                  | 0              | 0                 | 0              | 0                     | 0              | 0                 | 0               |
| <b>FAR WEST</b>       |                    |                |                   |                |                    |                |                   |                |                       |                |                   |                 |
| Alaska                | 59                 | 1              | 19                | 79             | 66                 | 1              | 17                | 84             | 76                    | 1              | 18                | 95              |
| California            | 4,254              | 673            | 15                | 4,942          | 4,236              | 554            | 12                | 4,802          | 4,189                 | 624            | 11                | 4,824           |
| Hawaii                | 39                 | 0              | 0                 | 39             | 28                 | 0              | 0                 | 28             | 29                    | 0              | 0                 | 29              |
| Nevada                | 7                  | 0              | 0                 | 7              | 7                  | 0              | 0                 | 7              | 7                     | 0              | 0                 | 7               |
| Oregon                | 0                  | 4              | 0                 | 4              | 2                  | 4              | 0                 | 6              | 1                     | 7              | 0                 | 8               |
| Washington            | 117                | 2              | 0                 | 119            | 144                | 1              | 0                 | 145            | 158                   | 2              | 0                 | 160             |
| <b>TOTAL</b>          | <b>\$7,533</b>     | <b>\$2,106</b> | <b>\$132</b>      | <b>\$9,771</b> | <b>\$7,845</b>     | <b>\$1,943</b> | <b>\$154</b>      | <b>\$9,942</b> | <b>\$7,642</b>        | <b>\$2,602</b> | <b>\$129</b>      | <b>\$10,373</b> |

Source: National Association of State Budget Officers, 2008 State Expenditure Report

\*See Public Assistance Notes for explanation

**Table 25**

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

| <b>Region/State</b>   | <b>Fiscal<br/>2007</b> | <b>Fiscal<br/>2008</b> | <b>Fiscal<br/>2009</b> |
|-----------------------|------------------------|------------------------|------------------------|
| <b>NEW ENGLAND</b>    |                        |                        |                        |
| Connecticut           | 0.4 %                  | 0.4 %                  | 0.4 %                  |
| Maine                 | 0.2                    | 0.2                    | 0.2                    |
| Massachusetts         | 2.0                    | 2.0                    | 2.0                    |
| New Hampshire         | 0.2                    | 0.2                    | 0.4                    |
| Rhode Island          | 1.6                    | 1.2                    | 1.0                    |
| Vermont               | 0.9                    | 0.9                    | 0.9                    |
| <b>MID-ATLANTIC</b>   |                        |                        |                        |
| Delaware              | 0.1                    | 0.1                    | 0.1                    |
| Maryland              | 1.4                    | 1.5                    | 2.0                    |
| New Jersey            | 0.6                    | 0.6                    | 0.6                    |
| New York              | 0.8                    | 1.0                    | 0.8                    |
| Pennsylvania          | 1.1                    | 1.1                    | 1.2                    |
| <b>GREAT LAKES</b>    |                        |                        |                        |
| Illinois              | 0.1                    | 0.1                    | 0.1                    |
| Indiana               | 0.9                    | 0.7                    | 0.6                    |
| Michigan              | 0.3                    | 0.3                    | 0.3                    |
| Ohio                  | 0.0                    | 0.0                    | 0.0                    |
| Wisconsin             | 0.2                    | 0.2                    | 0.2                    |
| <b>PLAINS</b>         |                        |                        |                        |
| Iowa                  | 0.1                    | 0.2                    | 0.1                    |
| Kansas                | 0.1                    | 0.1                    | 0.1                    |
| Minnesota             | 0.2                    | 0.2                    | 0.2                    |
| Missouri              | 0.2                    | 0.2                    | 0.2                    |
| Nebraska              | 0.1                    | 0.1                    | 0.1                    |
| North Dakota          | 0.0                    | 0.0                    | 0.0                    |
| South Dakota          | 0.0                    | 0.0                    | 0.0                    |
| <b>SOUTHEAST</b>      |                        |                        |                        |
| Alabama               | 0.0                    | 0.0                    | 0.0                    |
| Arkansas              | 2.2                    | 1.8                    | 1.7                    |
| 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        | 0.2                    | 0.2                    | 0.1                    |
| Tennessee             | 0.0                    | 0.0                    | 0.0                    |
| Virginia              | 0.1                    | 0.1                    | 0.2                    |
| West Virginia         | 0.0                    | 0.0                    | 0.0                    |
| <b>SOUTHWEST</b>      |                        |                        |                        |
| Arizona               | 0.0                    | 0.0                    | 0.0                    |
| New Mexico            | 0.1                    | 0.1                    | 0.1                    |
| Oklahoma              | 0.7                    | 0.7                    | 0.7                    |
| Texas                 | 0.0                    | 0.0                    | 0.0                    |
| <b>ROCKY MOUNTAIN</b> |                        |                        |                        |
| Colorado              | 0.0                    | 0.0                    | 0.8                    |
| 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                    |
| <b>FAR WEST</b>       |                        |                        |                        |
| Alaska                | 0.7                    | 0.7                    | 0.7                    |
| California            | 2.7                    | 2.5                    | 2.3                    |
| Hawaii                | 0.4                    | 0.3                    | 0.2                    |
| Nevada                | 0.1                    | 0.1                    | 0.1                    |
| Oregon                | 0.0                    | 0.0                    | 0.0                    |
| Washington            | 0.4                    | 0.5                    | 0.5                    |
| <b>ALL STATES</b>     | <b>0.7 %</b>           | <b>0.7 %</b>           | <b>0.7 %</b>           |

Source: National Association of State Budget Officers, 2008 State Expenditure Report



Table 26

## ANNUAL PERCENTAGE CHANGE IN OTHER CASH ASSISTANCE EXPENDITURES

| Region/State          | Fiscal 2007 to 2008 |               |              | Fiscal 2008 to 2009 |               |              |
|-----------------------|---------------------|---------------|--------------|---------------------|---------------|--------------|
|                       | State Funds         | Federal Funds | All Funds    | State Funds         | Federal Funds | All Funds    |
| <b>NEW ENGLAND</b>    |                     |               |              |                     |               |              |
| Connecticut           | 7.2 %               | — %           | 7.2 %        | 5.8 %               | — %           | 5.8 %        |
| Maine                 | 8.3                 | -100.0        | 0.0          | 0.0                 | —             | 0.0          |
| Massachusetts         | 7.0                 | 7.7           | 7.0          | 2.7                 | -7.1          | 2.6          |
| New Hampshire         | 14.3                | —             | 14.3         | 150.0               | —             | 150.0        |
| Rhode Island          | -30.2               | 4.8           | -16.2        | -22.7               | -2.3          | -12.5        |
| Vermont               | 40.0                | -6.7          | 8.9          | -19.0               | 3.6           | -6.1         |
| <b>MID-ATLANTIC</b>   |                     |               |              |                     |               |              |
| Delaware              | -16.7               | —             | -16.7        | 20.0                | —             | 20.0         |
| Maryland              | -10.5               | 15.8          | 13.3         | 23.5                | 44.1          | 42.6         |
| New Jersey            | -0.9                | -1.5          | -1.0         | 11.8                | 3.0           | 9.8          |
| New York              | 25.8                | —             | 25.8         | -22.4               | —             | -22.4        |
| Pennsylvania          | 1.7                 | -1.2          | 0.2          | 4.8                 | 41.7          | 24.4         |
| <b>GREAT LAKES</b>    |                     |               |              |                     |               |              |
| Illinois              | 2.4                 | 100.0         | 4.8          | -4.8                | 0.0           | -4.5         |
| Indiana               | 0.0                 | -24.2         | -18.9        | 0.0                 | 0.0           | 0.0          |
| Michigan              | -1.7                | 0.0           | -1.5         | 3.5                 | 13.3          | 4.7          |
| Ohio                  | 8.0                 | —             | 8.0          | -7.4                | —             | -7.4         |
| Wisconsin             | 0.0                 | 0.0           | 0.0          | -33.3               | 3.6           | 1.7          |
| <b>PLAINS</b>         |                     |               |              |                     |               |              |
| Iowa                  | 94.4                | —             | 94.4         | -45.7               | —             | -45.7        |
| Kansas                | 0.0                 | —             | 0.0          | 0.0                 | —             | 0.0          |
| Minnesota             | 9.4                 | —             | 9.4          | 11.4                | —             | 11.4         |
| Missouri              | 6.3                 | —             | 6.3          | 2.0                 | —             | 2.0          |
| Nebraska              | -14.3               | 0.0           | -12.5        | 33.3                | 0.0           | 28.6         |
| North Dakota          | —                   | —             | —            | —                   | —             | —            |
| South Dakota          | —                   | —             | —            | —                   | —             | —            |
| <b>SOUTHEAST</b>      |                     |               |              |                     |               |              |
| Alabama               | —                   | —             | —            | —                   | —             | —            |
| Arkansas              | -0.7                | -24.0         | -15.0        | 3.6                 | 1.8           | 2.6          |
| Florida               | —                   | —             | —            | —                   | —             | —            |
| Georgia               | —                   | —             | —            | —                   | —             | —            |
| Kentucky              | —                   | —             | —            | —                   | —             | —            |
| Louisiana             | —                   | —             | —            | —                   | —             | —            |
| Mississippi           | —                   | —             | —            | —                   | —             | —            |
| North Carolina        | —                   | —             | —            | —                   | —             | —            |
| South Carolina        | 27.3                | —             | 27.3         | -35.7               | —             | -35.7        |
| Tennessee             | —                   | —             | —            | —                   | —             | —            |
| Virginia              | -25.0               | -16.7         | -17.4        | 0.0                 | 140.0         | 128.9        |
| West Virginia         | —                   | —             | —            | 66.7                | —             | 66.7         |
| <b>SOUTHWEST</b>      |                     |               |              |                     |               |              |
| Arizona               | 0.0                 | -100.0        | -33.3        | 0.0                 | —             | 0.0          |
| New Mexico            | 0.0                 | —             | 0.0          | 0.0                 | —             | 0.0          |
| Oklahoma              | 0.0                 | 4.3           | 2.9          | 0.0                 | -3.1          | -2.1         |
| Texas                 | —                   | —             | —            | —                   | —             | —            |
| <b>ROCKY MOUNTAIN</b> |                     |               |              |                     |               |              |
| Colorado              | 0.0                 | -33.3         | -25.0        | 0.0                 | 10,600.0      | 7,066.7      |
| Idaho                 | 0.0                 | —             | 0.0          | 0.0                 | —             | 0.0          |
| Montana               | —                   | —             | —            | —                   | —             | —            |
| Utah                  | -18.2               | —             | -18.2        | 11.1                | —             | 11.1         |
| Wyoming               | —                   | —             | —            | —                   | —             | —            |
| <b>FAR WEST</b>       |                     |               |              |                     |               |              |
| Alaska                | 6.4                 | 0.0           | 6.3          | 13.3                | 0.0           | 13.1         |
| California            | -0.5                | -17.7         | -2.8         | -1.1                | 12.6          | 0.5          |
| Hawaii                | -28.2               | —             | -28.2        | 3.6                 | —             | 3.6          |
| Nevada                | 0.0                 | —             | 0.0          | 0.0                 | —             | 0.0          |
| Oregon                | —                   | 0.0           | 50.0         | -50.0               | 75.0          | 33.3         |
| Washington            | 23.1                | -50.0         | 21.8         | 9.7                 | 100.0         | 10.3         |
| <b>ALL STATES</b>     | <b>4.4 %</b>        | <b>-7.7 %</b> | <b>1.8 %</b> | <b>-2.9 %</b>       | <b>33.9 %</b> | <b>4.3 %</b> |

Note: State funds are defined as general funds and other state funds (bonds are excluded).  
Source: National Association of State Budget Officers, 2008 State Expenditure Report

## **Public Assistance Notes**

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

**Connecticut:** TANF figures exclude medical assistance under the State Administered General Assistance Program. Amounts for that purpose were \$153 million in fiscal 2007, \$171 million in fiscal 2008, and \$189 million in fiscal 2009.

**Florida:** In order to more accurately reflect actual program expenditures, we have chosen this year to use the actual expenditures reflected in the Social Services Estimating Conference final results for TANF.

**Hawaii:** TANF figures include corrections to fiscal 2007 actual general funds and federal funds.

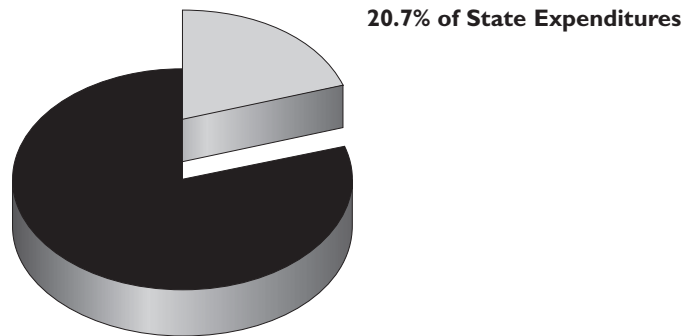
**Michigan:** "Other Cash Assistance" figures do not include expenditures for day care, a large part of Michigan's public assistance program. Day care expenditures total \$433.9 million in fiscal 2007; \$389.2 million in fiscal 2008; and are estimated at \$383.3 million in fiscal 2009, including \$28.3 million federal ARRA appropriation.

**West Virginia:** The Other Cash Assistance figures include Non-TANF EA expenditures which total approximately \$475,000 per year and the WV Works Separate State program costs for two-parent families and college. The expenditures for the Two-Parent Families program were \$0 in fiscal 2007, \$1,870,761 in fiscal 2008, and \$3,300,000 in fiscal 2009. For the College assistance program, the expenditures were \$0 in fiscal 2007, \$1,006,857 in fiscal 2008, and \$1,300,000 in fiscal 2009. These programs are not claimed on the TANF report and are 100% state funded. The total Other Cash Assistance expenditures were \$475,000 for fiscal 2007, \$3,352,618 for fiscal 2008 and \$5,075,000 for fiscal 2009.

# CHAPTER FOUR

## MEDICAID EXPENDITURES

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Medicaid, a means-tested entitlement program financed by the states and the federal government, provides comprehensive and long-term medical care for more than 60 million low-income individuals. Total Medicaid spending in fiscal 2008 was \$310.9 billion, excluding administrative costs, which represents a 4.4 percent increase over fiscal 2007. State funds increased by 3.2 percent and federal funds increased by 5.3 percent over fiscal 2007 amounts.

Medicaid spending for fiscal 2009 is estimated at \$335.2 billion, an increase of 7.8 percent over fiscal 2008. State funds decreased by 2.2 percent while federal funds increased by 15.9 percent over fiscal 2008 amounts. The large increase in federal funds is attributable to the enactment of the *American Recovery and Reinvestment Act of 2009 (ARRA)* which provides a temporary increase in the Federal Medicaid Assistance Percentage (FMAP) in order to allow individuals to maintain health care services during the recession. In fiscal 2009, states estimate that a total of \$21.8 billion of the federal funds in Medicaid were attributable to the temporary increase in the FMAP under ARRA.

Under ARRA, all states receive a temporary increase of 6.2 percent in their FMAP as well as additional amounts for those states facing the highest unemployment rates. ARRA is estimated to provide approximately \$87 billion to states through the temporary increase in FMAP payments over 27 months beginning October 2008 and ending December 2010. In order to receive the federal funds, maintenance of effort requirements (MOE) include not having more restrictive standards, methodologies and procedures in place than were in place July 1, 2008.

Also included in Medicaid spending are Medicare Part D “clawback” payments, statutorily known as the phased down state contribution. Beginning in January 2006, prescription drug costs for individuals eligible for both Medicare and Medicaid were no longer part of the Medicaid program. Instead these costs are now 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 totaled \$6.9 billion in fiscal 2007, \$7.0 billion in fiscal 2008, and are estimated at \$7.4 billion for fiscal 2009.

Medicaid spending accounted for 20.7 percent of total state spending in fiscal 2008. In fiscal 2009, it is estimated to account for 21 percent of total spending, virtually tying it with elementary and secondary education (21.1 percent) as the single largest portion of total state spending.

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 typically

accounts for another 9 percent of total state spending based on data from NASBO's 2002-2003 *State Health Expenditure Report*.

**Medicaid Enrollment.** The downturn in the economy is expected to result in continued significant increases in Medicaid enrollment as it has in previous economic slowdowns. With unemployment forecasted to increase over the next year, above its October 2009 rate of 10.2 percent, Medicaid enrollment is anticipated to rise even further. Enrollment increased by 9.5 percent, for example, in fiscal 2002, a year following the 2001 recession.

According to an annual survey on state Medicaid budgets by the Kaiser Commission on Medicaid and the Uninsured, Medicaid enrollment increased by an average of 5.4 percent in fiscal 2009, the highest rate in six years. States estimate Medicaid enrollment will grow by 6.6 percent in fiscal 2010, according to the survey. Medicaid enrollment increases during economic downturns at the same time state revenues are decreasing, making Medicaid a key driver of increased state costs.

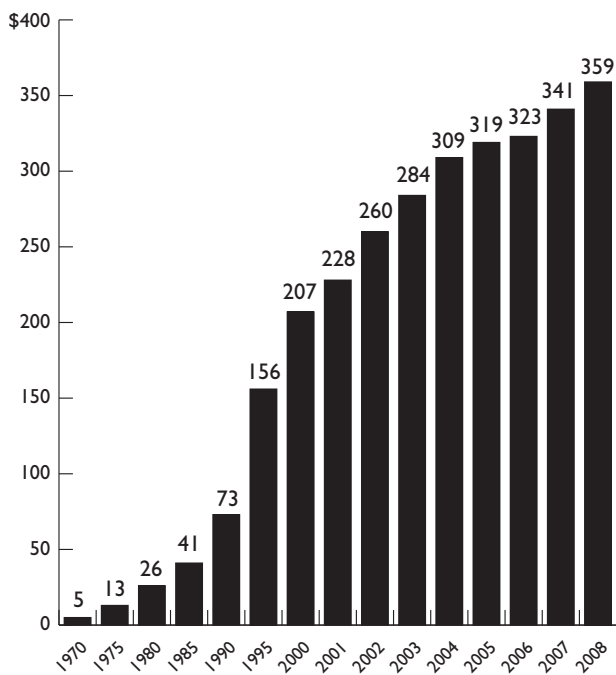
**Medicaid Cost Containment.** States weak fiscal conditions resulted in actions to control Medicaid spending even with federal relief under ARRA. Nearly every state implemented at least one plan to control Medicaid spending in fiscal 2009 and fiscal 2010. The most common strategy involved reductions to provider reimbursements. According to the Kaiser Commission on Medicaid and the Uninsured survey, thirty-three states cut or froze provider rates in fiscal 2009 while thirty-nine states are planning to cut or freeze rates for fiscal 2010. As noted by the Kaiser Commission, provider payment rate changes serve as a barometer of state fiscal conditions.

**Outlook: National Health Care Reform.** As of November 2009, legislation to overhaul the nation's health care system continues to advance in Congress. The most significant fiscal change for states would be the expansion of Medicaid eligibility that is part of both the House and Senate plans. While the federal government would finance the majority of the additional costs for increased Medicaid eligibility, states would still be expected to cover some of the costs. States are concerned that they will have to struggle to fund some of the expansion and that the growth in the number of individuals who are currently eligible for Medicaid, but not enrolled, will be much greater than projected, causing permanent additional state costs.

States also project that they would need to increase Medicaid reimbursement rates in order to maintain adequate network capacity under the health care reform plans. Implementation of health care reform will require states to undertake additional administrative expenses for implementing the expansion.

Figure 14, based on August 2009 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.

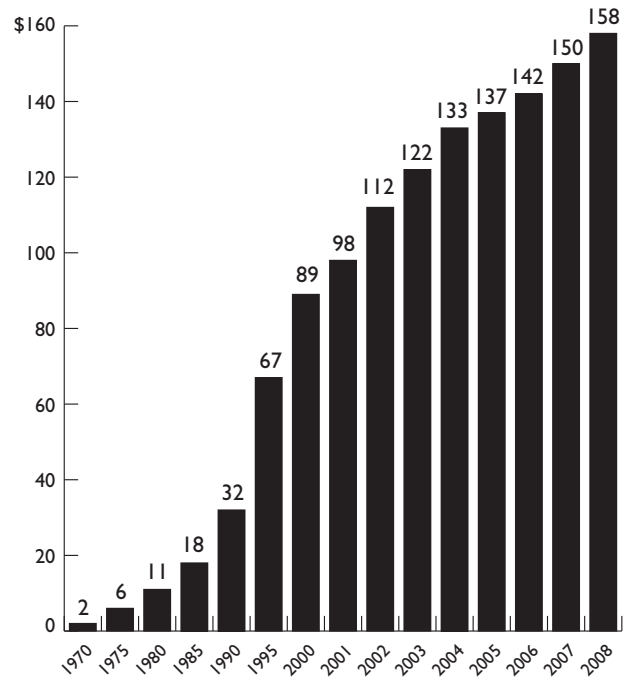
**Figure 14**  
**ACTUAL AND PROJECTED TOTAL MEDICAID SPENDING,**  
**1970 TO 2008 (IN BILLIONS)**



Source: Congressional Budget Office and Federal Funds Information for States

Figure 15, also based on August 2009 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)**



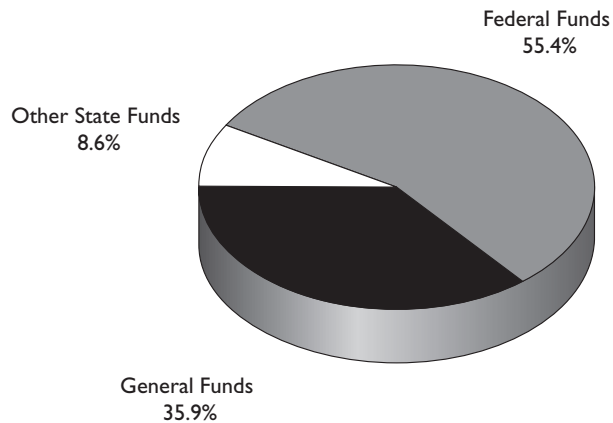
Source: Congressional Budget Office and Federal Funds Information for States

## Fund Shares

The figure below provides fund shares for 2008.

**Figure 16**

### STATE EXPENDITURES FOR MEDICAID BY FUND SOURCE, FISCAL 2008



## Regional Expenditures

The following table shows percentage changes in expenditures for Medicaid for fiscal 2007-2008 and 2008-2009 by region. For 2008, the Southwest region is well above the national average while the Mid-Atlantic 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 2008 AND 2009

| Region            | Fiscal 2007 to 2008 |               |              | Fiscal 2008 to 2009 |               |              |
|-------------------|---------------------|---------------|--------------|---------------------|---------------|--------------|
|                   | State Funds         | Federal Funds | All Funds    | State Funds         | Federal Funds | All Funds    |
| New England       | 8.2%                | 5.2%          | 7.6%         | 4.2%                | 19.1%         | 6.9%         |
| Mid-Atlantic      | 0.2                 | -1.3          | -0.7         | -6.7                | 14.7          | 5.4          |
| Great Lakes       | 4.6                 | 7.5           | 5.9          | -4.4                | 24.6          | 8.6          |
| Plains            | 0.0                 | 6.5           | 3.5          | 3.4                 | 14.7          | 9.8          |
| Southeast         | 6.8                 | 2.5           | 4.1          | -0.8                | 11.8          | 7.1          |
| Southwest         | 12.8                | 10.1          | 11.1         | 8.7                 | 18.9          | 15.1         |
| Rocky Mountain    | 7.6                 | 7.6           | 7.6          | -4.8                | 18.9          | 9.2          |
| Far West          | -5.4                | 13.8          | 5.8          | -7.7                | 15.5          | 6.9          |
| <b>ALL STATES</b> | <b>3.2 %</b>        | <b>5.3 %</b>  | <b>4.4 %</b> | <b>-2.2 %</b>       | <b>15.9 %</b> | <b>7.8 %</b> |

Table 28

## MEDICAID EXPENDITURES (\$ IN MILLIONS)

| Region/State          | Actual Fiscal 2007 |                  |                   |                  | Actual Fiscal 2008 |                  |                   |                  | Estimated Fiscal 2009 |                  |                   |                  |
|-----------------------|--------------------|------------------|-------------------|------------------|--------------------|------------------|-------------------|------------------|-----------------------|------------------|-------------------|------------------|
|                       | General Fund       | Federal Funds    | Other State Funds | Total            | General Fund       | Federal Funds    | Other State Funds | Total            | General Fund          | Federal Funds    | Other State Funds | Total            |
| <b>NEW ENGLAND</b>    |                    |                  |                   |                  |                    |                  |                   |                  |                       |                  |                   |                  |
| Connecticut*          | \$3,152            | \$0              | \$775             | \$3,927          | \$3,471            | \$0              | \$794             | \$4,265          | \$3,851               | \$0              | \$820             | \$4,671          |
| Maine                 | 660                | 1,342            | 169               | 2,171            | 594                | 1,319            | 178               | 2,091            | 544                   | 1,735            | 183               | 2,462            |
| Massachusetts         | 7,551              | 0                | 0                 | 7,551            | 8,247              | 0                | 0                 | 8,247            | 8,688                 | 0                | 0                 | 8,688            |
| New Hampshire         | 440                | 580              | 157               | 1,177            | 468                | 615              | 167               | 1,250            | 406                   | 644              | 266               | 1,316            |
| Rhode Island          | 789                | 813              | 0                 | 1,602            | 899                | 933              | 5                 | 1,837            | 731                   | 1,029            | 6                 | 1,766            |
| Vermont               | 197                | 556              | 188               | 941              | 199                | 595              | 209               | 1,003            | 153                   | 714              | 221               | 1,088            |
| <b>MID-ATLANTIC</b>   |                    |                  |                   |                  |                    |                  |                   |                  |                       |                  |                   |                  |
| Delaware              | 486                | 490              | 0                 | 976              | 494                | 497              | 0                 | 991              | 538                   | 539              | 0                 | 1,077            |
| Maryland*             | 2,562              | 2,775            | 112               | 5,449            | 2,580              | 2,821            | 217               | 5,618            | 2,400                 | 3,629            | 324               | 6,353            |
| New Jersey            | 4,380              | 4,554            | 129               | 9,063            | 4,734              | 4,640            | 134               | 9,508            | 4,230                 | 5,485            | 136               | 9,851            |
| New York*             | 9,017              | 19,867           | 3,504             | 32,388           | 8,568              | 19,102           | 3,370             | 31,040           | 7,689                 | 21,310           | 3,429             | 32,428           |
| Pennsylvania          | 6,418              | 9,441            | 1,634             | 17,493           | 6,488              | 9,596            | 1,701             | 17,785           | 6,029                 | 11,096           | 1,625             | 18,750           |
| <b>GREAT LAKES</b>    |                    |                  |                   |                  |                    |                  |                   |                  |                       |                  |                   |                  |
| Illinois              | 4,235              | 5,977            | 2,336             | 12,548           | 4,491              | 6,496            | 2,837             | 13,824           | 4,367                 | 7,837            | 2,284             | 14,488           |
| Indiana*              | 1,461              | 3,117            | 415               | 4,993            | 1,537              | 3,335            | 380               | 5,252            | 1,225                 | 3,986            | 384               | 5,595            |
| Michigan*             | 2,326              | 5,227            | 1,682             | 9,235            | 2,308              | 5,680            | 1,762             | 9,750            | 1,625                 | 7,471            | 1,455             | 10,551           |
| Ohio                  | 9,219              | 2,355            | 1,150             | 12,724           | 9,346              | 2,480            | 1,338             | 13,164           | 10,237                | 2,886            | 928               | 14,051           |
| Wisconsin             | 1,786              | 2,835            | 147               | 4,768            | 1,627              | 2,986            | 264               | 4,877            | 1,250                 | 3,953            | 995               | 6,198            |
| <b>PLAINS</b>         |                    |                  |                   |                  |                    |                  |                   |                  |                       |                  |                   |                  |
| Iowa                  | 679                | 1,505            | 491               | 2,675            | 661                | 1,641            | 590               | 2,892            | 602                   | 1,865            | 643               | 3,110            |
| Kansas                | 835                | 1,310            | 86                | 2,231            | 871                | 1,395            | 106               | 2,372            | 801                   | 1,705            | 87                | 2,593            |
| Minnesota             | 2,965              | 3,060            | 0                 | 6,025            | 3,188              | 3,252            | 0                 | 6,440            | 3,002                 | 3,656            | 0                 | 6,658            |
| Missouri*             | 1,106              | 4,002            | 2,360             | 7,468            | 1,175              | 4,288            | 1,848             | 7,311            | 1,257                 | 4,920            | 2,442             | 8,619            |
| Nebraska              | 619                | 889              | 20                | 1,528            | 634                | 890              | 20                | 1,544            | 613                   | 993              | 23                | 1,629            |
| North Dakota          | 165                | 326              | 4                 | 495              | 189                | 352              | 2                 | 543              | 162                   | 380              | 7                 | 549              |
| South Dakota          | 219                | 420              | 0                 | 639              | 261                | 440              | 0                 | 701              | 229                   | 547              | 0                 | 776              |
| <b>SOUTHEAST</b>      |                    |                  |                   |                  |                    |                  |                   |                  |                       |                  |                   |                  |
| Alabama*              | 491                | 3,107            | 956               | 4,554            | 572                | 2,899            | 929               | 4,400            | 552                   | 3,351            | 968               | 4,871            |
| Arkansas              | 652                | 2,297            | 255               | 3,204            | 615                | 2,494            | 322               | 3,431            | 654                   | 2,725            | 387               | 3,766            |
| Florida               | 4,131              | 8,069            | 2,170             | 14,370           | 4,454              | 8,114            | 2,354             | 14,922           | 4,614                 | 8,522            | 2,983             | 16,119           |
| Georgia*              | 2,211              | 4,472            | 730               | 7,413            | 2,370              | 4,448            | 393               | 7,211            | 1,818                 | 5,353            | 444               | 7,615            |
| Kentucky              | 982                | 3,107            | 442               | 4,531            | 1,133              | 3,362            | 410               | 4,905            | 1,020                 | 4,152            | 337               | 5,509            |
| Louisiana             | 737                | 3,840            | 597               | 5,174            | 871                | 4,278            | 631               | 5,780            | 1,151                 | 5,111            | 326               | 6,588            |
| Mississippi           | 51                 | 2,689            | 418               | 3,158            | 317                | 2,629            | 547               | 3,493            | 300                   | 3,176            | 727               | 4,203            |
| North Carolina        | 2,650              | 6,152            | 1,692             | 10,494           | 2,915              | 6,395            | 1,684             | 10,994           | 2,766                 | 6,672            | 1,283             | 10,721           |
| South Carolina        | 754                | 3,062            | 659               | 4,475            | 906                | 3,006            | 471               | 4,383            | 587                   | 3,340            | 635               | 4,562            |
| Tennessee*            | 2,259              | 4,567            | 267               | 7,093            | 2,525              | 4,675            | 297               | 7,497            | 2,588                 | 4,514            | 287               | 7,389            |
| Virginia              | 2,586              | 2,456            | 0                 | 5,042            | 2,756              | 2,587            | 0                 | 5,343            | 2,903                 | 3,176            | 0                 | 6,079            |
| West Virginia         | 409                | 1,547            | 201               | 2,157            | 389                | 1,633            | 239               | 2,261            | 301                   | 1,921            | 245               | 2,467            |
| <b>SOUTHWEST</b>      |                    |                  |                   |                  |                    |                  |                   |                  |                       |                  |                   |                  |
| Arizona               | 1,178              | 3,546            | 519               | 5,243            | 1,285              | 3,815            | 546               | 5,646            | 1,239                 | 5,971            | 762               | 7,972            |
| New Mexico            | 607                | 1,941            | 153               | 2,701            | 699                | 2,199            | 172               | 3,070            | 604                   | 2,604            | 193               | 3,401            |
| Oklahoma              | 912                | 2,238            | 240               | 3,390            | 1,009              | 2,419            | 291               | 3,719            | 1,006                 | 2,498            | 464               | 3,968            |
| Texas                 | 4,783              | 7,032            | 164               | 11,979           | 5,539              | 7,813            | 108               | 13,460           | 6,098                 | 8,248            | 125               | 14,471           |
| <b>ROCKY MOUNTAIN</b> |                    |                  |                   |                  |                    |                  |                   |                  |                       |                  |                   |                  |
| Colorado*             | 1,227              | 1,296            | 59                | 2,582            | 1,309              | 1,398            | 79                | 2,786            | 1,223                 | 1,756            | 135               | 3,114            |
| Idaho                 | 340                | 771              | 88                | 1,199            | 369                | 848              | 84                | 1,301            | 331                   | 1,015            | 91                | 1,437            |
| Montana               | 157                | 510              | 49                | 716              | 165                | 531              | 57                | 753              | 142                   | 642              | 57                | 841              |
| Utah                  | 328                | 1,048            | 218               | 1,594            | 333                | 1,123            | 239               | 1,695            | 270                   | 1,211            | 239               | 1,720            |
| Wyoming               | 213                | 239              | 0                 | 452              | 247                | 257              | 0                 | 504              | 255                   | 320              | 0                 | 575              |
| <b>FAR WEST</b>       |                    |                  |                   |                  |                    |                  |                   |                  |                       |                  |                   |                  |
| Alaska                | 374                | 658              | 27                | 1,059            | 408                | 612              | 11                | 1,031            | 402                   | 770              | 29                | 1,201            |
| California            | 14,110             | 21,335           | 582               | 36,027           | 12,708             | 24,857           | 726               | 38,291           | 10,910                | 28,371           | 622               | 39,903           |
| Hawaii                | 440                | 616              | 6                 | 1,062            | 505                | 740              | 0                 | 1,245            | 447                   | 884              | 0                 | 1,331            |
| Nevada                | 437                | 700              | 0                 | 1,137            | 455                | 684              | 0                 | 1,139            | 475                   | 857              | 0                 | 1,332            |
| Oregon                | 901                | 1,924            | 395               | 3,220            | 873                | 1,902            | 322               | 3,097            | 711                   | 2,452            | 369               | 3,532            |
| Washington            | 2,791              | 2,887            | 42                | 5,720            | 2,954              | 3,219            | 50                | 6,223            | 3,528                 | 3,633            | 62                | 7,223            |
| <b>ALL STATES</b>     | <b>\$107,978</b>   | <b>\$163,547</b> | <b>\$26,288</b>   | <b>\$297,813</b> | <b>\$111,711</b>   | <b>\$172,290</b> | <b>\$26,884</b>   | <b>\$310,885</b> | <b>\$107,524</b>      | <b>\$199,625</b> | <b>\$28,028</b>   | <b>\$335,177</b> |

Source: National Association of State Budget Officers, 2008 State Expenditure Report  
 \*See Medicaid Notes for explanation

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

| Region/State          | Fiscal<br>2007 | Fiscal<br>2008 | Fiscal<br>2009 |
|-----------------------|----------------|----------------|----------------|
| <b>NEW ENGLAND</b>    |                |                |                |
| Connecticut           | 17.2 %         | 17.4 %         | 18.7 %         |
| Maine                 | 30.2           | 28.2           | 30.4           |
| Massachusetts         | 18.1           | 18.7           | 19.1           |
| New Hampshire         | 25.9           | 26.0           | 27.0           |
| Rhode Island          | 23.8           | 25.9           | 23.3           |
| Vermont               | 18.3           | 18.9           | 20.4           |
| <b>MID-ATLANTIC</b>   |                |                |                |
| Delaware              | 12.5           | 11.5           | 12.3           |
| Maryland              | 18.8           | 18.9           | 20.1           |
| New Jersey            | 20.0           | 19.5           | 20.0           |
| New York              | 28.7           | 26.7           | 26.7           |
| Pennsylvania          | 30.7           | 30.3           | 29.8           |
| <b>GREAT LAKES</b>    |                |                |                |
| Illinois              | 27.1           | 29.5           | 29.9           |
| Indiana               | 21.9           | 21.7           | 21.8           |
| Michigan              | 21.7           | 22.2           | 21.8           |
| Ohio                  | 23.8           | 23.2           | 24.3           |
| Wisconsin             | 13.9           | 13.5           | 16.1           |
| <b>PLAINS</b>         |                |                |                |
| Iowa                  | 18.0           | 17.9           | 17.6           |
| Kansas                | 18.6           | 18.7           | 19.4           |
| Minnesota             | 22.2           | 22.6           | 21.0           |
| Missouri              | 35.6           | 34.5           | 38.4           |
| Nebraska              | 18.7           | 17.7           | 15.0           |
| North Dakota          | 14.7           | 15.1           | 13.6           |
| South Dakota          | 20.9           | 22.3           | 22.2           |
| <b>SOUTHEAST</b>      |                |                |                |
| Alabama               | 12.3           | 11.0           | 10.5           |
| Arkansas              | 19.9           | 20.3           | 20.5           |
| Florida               | 21.7           | 23.2           | 24.6           |
| Georgia               | 21.1           | 19.6           | 21.0           |
| Kentucky              | 20.3           | 21.3           | 22.9           |
| Louisiana             | 19.9           | 19.3           | 20.1           |
| Mississippi           | 19.9           | 22.4           | 21.7           |
| North Carolina        | 26.6           | 26.4           | 26.6           |
| South Carolina        | 22.4           | 21.1           | 22.2           |
| Tennessee             | 28.9           | 28.5           | 25.9           |
| Virginia              | 14.5           | 15.1           | 16.4           |
| West Virginia         | 11.6           | 12.1           | 12.1           |
| <b>SOUTHWEST</b>      |                |                |                |
| Arizona               | 22.5           | 22.8           | 29.4           |
| New Mexico            | 18.6           | 20.8           | 22.0           |
| Oklahoma              | 18.1           | 18.6           | 19.4           |
| Texas                 | 16.5           | 16.4           | 16.1           |
| <b>ROCKY MOUNTAIN</b> |                |                |                |
| Colorado              | 10.9           | 11.1           | 11.6           |
| Idaho                 | 21.7           | 21.9           | 21.2           |
| Montana               | 17.6           | 16.8           | 18.6           |
| Utah                  | 16.0           | 13.6           | 14.8           |
| Wyoming               | 9.2            | 10.2           | 8.1            |
| <b>FAR WEST</b>       |                |                |                |
| Alaska                | 9.2            | 8.4            | 8.4            |
| California            | 19.7           | 19.7           | 19.1           |
| Hawaii                | 10.0           | 11.2           | 11.3           |
| Nevada                | 16.0           | 12.3           | 16.0           |
| Oregon                | 15.9           | 13.7           | 14.4           |
| Washington            | 19.1           | 19.6           | 22.0           |
| <b>ALL STATES</b>     | <b>20.9 %</b>  | <b>20.7 %</b>  | <b>21.0 %</b>  |

Source: National Association of State Budget Officers, 2008 State Expenditure Report



Table 30

## ANNUAL PERCENTAGE CHANGE IN MEDICAID EXPENDITURES

| Region/State          | Fiscal 2007 to 2008 |               |              | Fiscal 2008 to 2009 |               |              |
|-----------------------|---------------------|---------------|--------------|---------------------|---------------|--------------|
|                       | State Funds         | Federal Funds | All Funds    | State Funds         | Federal Funds | All Funds    |
| <b>NEW ENGLAND</b>    |                     |               |              |                     |               |              |
| Connecticut           | 8.6 %               | — %           | 8.6 %        | 9.5 %               | — %           | 9.5 %        |
| Maine                 | -6.9                | -1.7          | -3.7         | -5.8                | 31.5          | 17.7         |
| Massachusetts         | 9.2                 | —             | 9.2          | 5.3                 | —             | 5.3          |
| New Hampshire         | 6.4                 | 6.0           | 6.2          | 5.8                 | 4.7           | 5.3          |
| Rhode Island          | 14.6                | 14.8          | 14.7         | -18.5               | 10.3          | -3.9         |
| Vermont               | 6.0                 | 7.0           | 6.6          | -8.3                | 20.0          | 8.5          |
| <b>MID-ATLANTIC</b>   |                     |               |              |                     |               |              |
| Delaware              | 1.6                 | 1.4           | 1.5          | 8.9                 | 8.5           | 8.7          |
| Maryland              | 4.6                 | 1.7           | 3.1          | -2.6                | 28.6          | 13.1         |
| New Jersey            | 8.0                 | 1.9           | 4.9          | -10.3               | 18.2          | 3.6          |
| New York              | -4.7                | -3.9          | -4.2         | -6.9                | 11.6          | 4.5          |
| Pennsylvania          | 1.7                 | 1.6           | 1.7          | -6.5                | 15.6          | 5.4          |
| <b>GREAT LAKES</b>    |                     |               |              |                     |               |              |
| Illinois              | 11.5                | 8.7           | 10.2         | -9.2                | 20.6          | 4.8          |
| Indiana               | 2.2                 | 7.0           | 5.2          | -16.1               | 19.5          | 6.5          |
| Michigan              | 1.5                 | 8.7           | 5.6          | -24.3               | 31.5          | 8.2          |
| Ohio                  | 3.0                 | 5.3           | 3.5          | 4.5                 | 16.4          | 6.7          |
| Wisconsin             | -2.2                | 5.3           | 2.3          | 18.7                | 32.4          | 27.1         |
| <b>PLAINS</b>         |                     |               |              |                     |               |              |
| Iowa                  | 6.9                 | 9.0           | 8.1          | -0.5                | 13.7          | 7.5          |
| Kansas                | 6.1                 | 6.5           | 6.3          | -9.1                | 22.2          | 9.3          |
| Minnesota             | 7.5                 | 6.3           | 6.9          | -5.8                | 12.4          | 3.4          |
| Missouri              | -12.8               | 7.1           | -2.1         | 22.4                | 14.7          | 17.9         |
| Nebraska              | 2.3                 | 0.1           | 1.0          | -2.8                | 11.6          | 5.5          |
| North Dakota          | 13.0                | 8.0           | 9.7          | -11.5               | 8.0           | 1.1          |
| South Dakota          | 19.2                | 4.8           | 9.7          | -12.3               | 24.3          | 10.7         |
| <b>SOUTHEAST</b>      |                     |               |              |                     |               |              |
| Alabama               | 3.7                 | -6.7          | -3.4         | 1.3                 | 15.6          | 10.7         |
| Arkansas              | 3.3                 | 8.6           | 7.1          | 11.1                | 9.3           | 9.8          |
| Florida               | 8.0                 | 0.6           | 3.8          | 11.6                | 5.0           | 8.0          |
| Georgia               | -6.1                | -0.5          | -2.7         | -18.1               | 20.3          | 5.6          |
| Kentucky              | 8.4                 | 8.2           | 8.3          | -12.1               | 23.5          | 12.3         |
| Louisiana             | 12.6                | 11.4          | 11.7         | -1.7                | 19.5          | 14.0         |
| Mississippi           | 84.2                | -2.2          | 10.6         | 18.9                | 20.8          | 20.3         |
| North Carolina        | 5.9                 | 3.9           | 4.8          | -12.0               | 4.3           | -2.5         |
| South Carolina        | -2.5                | -1.8          | -2.1         | -11.3               | 11.1          | 4.1          |
| Tennessee             | 11.7                | 2.4           | 5.7          | 1.9                 | -3.4          | -1.4         |
| Virginia              | 6.6                 | 5.3           | 6.0          | 5.3                 | 22.8          | 13.8         |
| West Virginia         | 3.0                 | 5.6           | 4.8          | -13.1               | 17.6          | 9.1          |
| <b>SOUTHWEST</b>      |                     |               |              |                     |               |              |
| Arizona               | 7.9                 | 7.6           | 7.7          | 9.3                 | 56.5          | 41.2         |
| New Mexico            | 14.6                | 13.3          | 13.7         | -8.5                | 18.4          | 10.8         |
| Oklahoma              | 12.8                | 8.1           | 9.7          | 13.1                | 3.3           | 6.7          |
| Texas                 | 14.1                | 11.1          | 12.4         | 10.2                | 5.6           | 7.5          |
| <b>ROCKY MOUNTAIN</b> |                     |               |              |                     |               |              |
| Colorado              | 7.9                 | 7.9           | 7.9          | -2.2                | 25.6          | 11.8         |
| Idaho                 | 5.8                 | 10.0          | 8.5          | -6.8                | 19.7          | 10.5         |
| Montana               | 7.8                 | 4.1           | 5.2          | -10.4               | 20.9          | 11.7         |
| Utah                  | 4.8                 | 7.2           | 6.3          | -11.0               | 7.8           | 1.5          |
| Wyoming               | 16.0                | 7.5           | 11.5         | 3.2                 | 24.5          | 14.1         |
| <b>FAR WEST</b>       |                     |               |              |                     |               |              |
| Alaska                | 4.5                 | -7.0          | -2.6         | 2.9                 | 25.8          | 16.5         |
| California            | -8.6                | 16.5          | 6.3          | -14.2               | 14.1          | 4.2          |
| Hawaii                | 13.2                | 20.1          | 17.2         | -11.5               | 19.5          | 6.9          |
| Nevada                | 4.1                 | -2.3          | 0.2          | 4.4                 | 25.3          | 16.9         |
| Oregon                | -7.8                | -1.1          | -3.8         | -9.6                | 28.9          | 14.0         |
| Washington            | 6.0                 | 11.5          | 8.8          | 19.5                | 12.9          | 16.1         |
| <b>ALL STATES</b>     | <b>3.2 %</b>        | <b>5.3 %</b>  | <b>4.4 %</b> | <b>-2.2 %</b>       | <b>15.9 %</b> | <b>7.8 %</b> |

Note: State funds are defined as general funds and other state funds (bonds are excluded).  
Source: National Association of State Budget Officers, 2008 State Expenditure Report

## Medicaid Notes

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

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

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

**Alabama:** Fiscal 2007 through fiscal 2009 Other State Funds includes provider taxes in the amounts of \$58 million, \$59 million, and \$60 million, respectively.

**Colorado:** Medicaid totals are adjusted for the ARRA impact on federal funds.

**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 (excluding enhanced FMAP available under ARRA). Excludes state portion of Qualified Medicare Beneficiaries and School Based Child Health as those expenditures are netted out of federal Medicaid reimbursement.

**Georgia:** Changes to reporting of fiscal 2008 and fiscal 2009 data include prior year state fund reserves being classified as state funds (previously other funds). Previous surveys included adjustments to represent information on an accrual basis. These adjustments have

been excluded in fiscal 2008 and fiscal 2009. Other funds for fiscal 2008 and fiscal 2009 include provider fees (nursing home, care management organization, and ambulance) and local funds.

**Indiana:** Expenditure figures for "2009 Estimated—Medicaid (General Funds)" were less than anticipated due to the use of \$348.1 million in ARRA Medicaid Funds. Expenditure figures for "2009 Estimated—Medicaid (Federal Funds)" increased more than anticipated due to the use of \$348.1 million in ARRA Medicaid Funds.

**Maryland:** General Fund and Federal Fund totals reflect rough estimates of accrual adjustments, and adjust for fiscal 2009 ARRA funds that are not explicitly budgeted. Fiscal 2007 Other State Funds include: \$63.7 million in tobacco settlement funds, \$42.7 million in HMO/MCO tax, \$5 million in local taxes, and \$0.7 million in interest from the Community Services Trust Fund. Fiscal 2008 Other State Funds include: \$106.7 million in tobacco settlement funds, \$65 million in HMO/MCO tax, \$25.8 million in nursing facility assessments, \$13.6 million in local repayments of audit disallowance, \$5 million in other local funds, and \$0.9 million in interest from the Community Services Trust Fund. Fiscal 2009 Other State Funds include: \$97.5 million in tobacco settlement funds, \$83 million in HMO/MCO tax, \$42 million in nursing facility assessments, \$84.2 million in hospital assessments, \$10.8 million in lottery over-attainment, \$5 million in other local funds, and \$1.6 million in interest from the Community Services Trust Fund.

**Michigan:** Other state funds include local funds of \$102.0 million, and provider taxes of \$856.0 million for fiscal 2007; local funds of \$101.0 million and provider taxes of \$1,022.0 million for fiscal 2008; and local funds of \$62.0 million and provider taxes of \$855.0 million for fiscal 2009. The decline in provider assessment funds is due to Federal ARRA FMAP increase and the elimination of the provider assessment program for HMOs as of April 1, 2009. Federal revenue support is expected to increase in fiscal 2009 largely due to appropriation of federal ARRA/FMAP funding (\$965.7 million). Actual ARRA expenditures will be recorded with the fiscal 2009 annual financial report. Public health and community and institutional care for mentally and developmentally disabled persons are partially reported in the Medicaid totals.

**Missouri:** Medicaid data is from the CMS 64 Report used for federal reporting of Medicaid expenditures. The split between the General Revenue Fund and Other Funds is an estimate. Medicaid does not track the General Revenue Fund versus Other State Funds in its reporting. Other Funds include an estimated \$1,002

million in fiscal 2007, \$601 million in fiscal 2008 and \$829 million in fiscal 2009 of local funds used to match Title XIX.

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

**Tennessee:** Regarding premium revenue: fiscal 2007 totals \$64 million, fiscal 2008 totals \$68 million, and fiscal 2009 totals \$69 million. Regarding Certified Public Expenditures—Local fund from

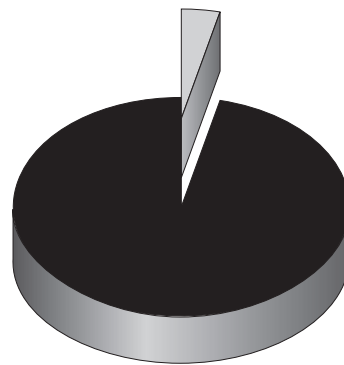
Hospitals: fiscal 2007 totals \$416 million, fiscal 2008 totals \$325 million, and fiscal 2009 totals \$265 million. Regarding Nursing Home Tax: fiscal 2007 totals \$85 million, fiscal 2008 totals \$55 million, and fiscal 2009 totals \$85 million. Regarding the ICF/MR 6 percent Gross Receipts Tax: fiscal 2007 totals \$16 million, fiscal 2008 totals \$12 million, and fiscal 2009 totals \$12 million. Regarding Intergovernmental Transfers: fiscal 2007 totals \$0 million, fiscal 2008 totals \$0 million, and fiscal 2009 totals \$0 million.



# CHAPTER FIVE

## CORRECTIONS EXPENDITURES

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3.5% of State Expenditures

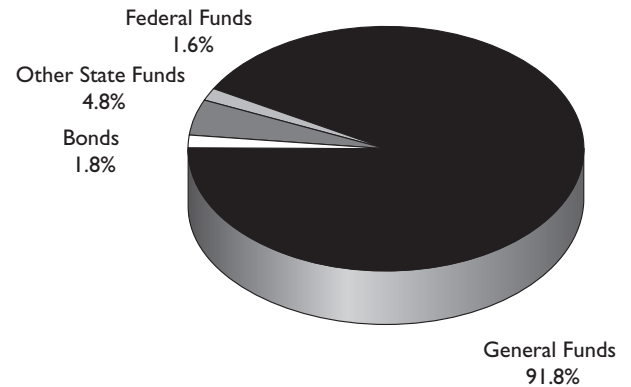
State spending on corrections reflects the costs to build and operate prison systems and may include spending on juvenile justice programs and alternatives to incarceration such as probation and parole. State spending for corrections totaled \$52 billion in fiscal 2008, a 6.5 percent increase compared to the previous year. State spending on corrections in fiscal 2009 is estimated to total \$53 billion, a 1.8 percent increase from fiscal 2008. As with other areas of the state budget, spending growth on corrections slowed in fiscal 2009 due to widespread revenue shortfalls. Some of the actions states took to rein in spending included closing prisons and other correctional facilities, the early release of prisoners, and employee furloughs.

In fiscal 2008, corrections spending represented 3.5 percent of total state spending and 7 percent of general fund spending. General fund dollars are used primarily to fund state corrections spending

and account for \$47.7 billion, or 91.8 percent, of all fiscal 2008 state corrections spending. State funds (general funds and other state funds combined, but excluding bonds) accounted for 96.6 percent of total state corrections spending in fiscal 2008. Bonds accounted for 1.8 percent and federal funds accounted for 1.6 percent. In fiscal 2009, state funds are estimated to remain by far the largest source of total state correction spending at 95.7 percent. However, the growth rate of state funds in fiscal 2009 is much smaller than the growth rate of federal funds, with state funds growing 0.9 percent and federal funds growing 18.5 percent. Part of this is attributable to the increased federal funds included in the *American Recovery and Reinvestment Act of 2009 (ARRA)*.

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

**Figure 17**  
**STATE EXPENDITURES FOR CORRECTIONS BY**  
**FUND SOURCE, FISCAL 2008**



## Regional Expenditures

Table 31 shows changes in corrections expenditures by region between fiscal 2007 and fiscal 2008 and between fiscal 2008 and estimated fiscal 2009. Fiscal 2008 corrections spending in the Far West region increased by 11.4 percent, well above the national average of 6.5 percent. Although corrections expenditures did not decrease in any of the regions, the Mid-Atlantic region experienced growth of only 1.4 percent.

## Corrections-Expenditures Exclusions

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

**Table 31**  
**REGIONAL PERCENTAGE CHANGE IN STATE CORRECTIONS EXPENDITURES,**  
**FISCAL 2008 AND 2009**

| Region            | Fiscal 2007 to 2008 |                |              | Fiscal 2008 to 2009 |               |              |
|-------------------|---------------------|----------------|--------------|---------------------|---------------|--------------|
|                   | State Funds         | Federal Funds  | All Funds    | State Funds         | Federal Funds | All Funds    |
| New England       | 10.9%               | -25.0%         | 10.2%        | 0.2%                | 225.0%        | 2.2%         |
| Mid-Atlantic      | 3.0                 | -6.2           | 1.4          | 0.6                 | -1.6          | 1.5          |
| Great Lakes       | 3.8                 | -21.0          | 3.1          | 1.1                 | 29.8          | 1.6          |
| Plains            | 5.4                 | 23.7           | 3.5          | 4.8                 | -6.4          | 7.7          |
| Southeast         | 8.7                 | -33.7          | 6.5          | -4.1                | 12.7          | -2.6         |
| Southwest         | 7.6                 | -7.1           | 7.8          | 1.8                 | -17.7         | 2.2          |
| Rocky Mountain    | 10.7                | 7.1            | 10.6         | 14.7                | 486.7         | 19.3         |
| Far West          | 11.7                | 8.7            | 11.4         | 2.9                 | 12.3          | 2.8          |
| <b>ALL STATES</b> | <b>7.6 %</b>        | <b>-12.7 %</b> | <b>6.5 %</b> | <b>0.9 %</b>        | <b>18.5 %</b> | <b>1.8 %</b> |

Table 32

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

| Region/State          | Actual Fiscal 2007 |               |                   |                |                 | Actual Fiscal 2008 |               |                   |              |                 | Estimated Fiscal 2009 |                |                   |                |                 |
|-----------------------|--------------------|---------------|-------------------|----------------|-----------------|--------------------|---------------|-------------------|--------------|-----------------|-----------------------|----------------|-------------------|----------------|-----------------|
|                       | General Fund       | Federal Funds | Other State Funds | Bonds          | Total           | General Fund       | Federal Funds | Other State Funds | Bonds        | Total           | General Fund          | Federal Funds  | Other State Funds | Bonds          | Total           |
| <b>NEW ENGLAND</b>    |                    |               |                   |                |                 |                    |               |                   |              |                 |                       |                |                   |                |                 |
| Connecticut           | \$631              | \$3           | \$0               | \$13           | \$647           | \$700              | \$3           | \$0               | \$3          | \$706           | \$710                 | \$3            | \$0               | \$24           | \$737           |
| Maine                 | 138                | 3             | 3                 | 0              | 144             | 152                | 3             | 2                 | 0            | 157             | 160                   | 2              | 2                 | 0              | 164             |
| Massachusetts         | 1,127              | 0             | 1                 | 0              | 1,128           | 1,242              | 1             | 1                 | 0            | 1,244           | 1,245                 | 1              | 1                 | 0              | 1,247           |
| New Hampshire         | 92                 | 0             | 3                 | 2              | 97              | 101                | 1             | 3                 | 1            | 106             | 102                   | 9              | 5                 | 3              | 119             |
| Rhode Island          | 156                | 9             | 5                 | 0              | 170             | 193                | 3             | 3                 | 0            | 199             | 155                   | 23             | 18                | 0              | 196             |
| Vermont               | 116                | 1             | 4                 | 1              | 122             | 122                | 1             | 5                 | 3            | 131             | 126                   | 1              | 6                 | 2              | 135             |
| <b>MID-ATLANTIC</b>   |                    |               |                   |                |                 |                    |               |                   |              |                 |                       |                |                   |                |                 |
| Delaware              | 252                | 1             | 5                 | 0              | 258             | 263                | 1             | 5                 | 0            | 269             | 257                   | 1              | 5                 | 0              | 263             |
| Maryland              | 1,169              | 20            | 114               | 0              | 1,303           | 1,196              | 23            | 78                | 0            | 1,297           | 1,246                 | 27             | 88                | 0              | 1,361           |
| New Jersey            | 1,504              | 16            | 102               | 0              | 1,622           | 1,546              | 17            | 103               | 0            | 1,666           | 1,535                 | 20             | 99                | 0              | 1,654           |
| New York              | 2,889              | 193           | 45                | 212            | 3,339           | 2,871              | 182           | 62                | 254          | 3,369           | 2,807                 | 167            | 85                | 279            | 3,338           |
| Pennsylvania          | 1,638              | 30            | 91                | 177            | 1,936           | 1,834              | 21            | 84                | 36           | 1,975           | 1,879                 | 25             | 93                | 90             | 2,087           |
| <b>GREAT LAKES</b>    |                    |               |                   |                |                 |                    |               |                   |              |                 |                       |                |                   |                |                 |
| Illinois              | 1,230              | 0             | 90                | 20             | 1,340           | 1,328              | 0             | 86                | 12           | 1,426           | 1,455                 | 0              | 127               | 8              | 1,590           |
| Indiana               | 645                | 0             | 75                | 0              | 720             | 669                | 0             | 65                | 0            | 734             | 690                   | 0              | 63                | 0              | 753             |
| Michigan*             | 2,064              | 93            | 83                | 6              | 2,246           | 2,173              | 92            | 75                | 3            | 2,343           | 2,131                 | 122            | 78                | 0              | 2,331           |
| Ohio                  | 1,766              | 63            | 190               | 25             | 2,044           | 1,794              | 29            | 187               | 25           | 2,035           | 1,842                 | 35             | 27                | 36             | 1,940           |
| Wisconsin             | 1,038              | 1             | 132               | 0              | 1,171           | 1,076              | 3             | 138               | 0            | 1,217           | 1,125                 | 4              | 136               | 0              | 1,265           |
| <b>PLAINS</b>         |                    |               |                   |                |                 |                    |               |                   |              |                 |                       |                |                   |                |                 |
| Iowa                  | 319                | 1             | 74                | 13             | 407             | 353                | 1             | 59                | 4            | 417             | 365                   | 1              | 60                | 101            | 527             |
| Kansas                | 310                | 3             | 43                | 11             | 367             | 339                | 4             | 39                | 11           | 393             | 339                   | 2              | 47                | 11             | 399             |
| Minnesota             | 435                | 5             | 16                | 77             | 533             | 453                | 5             | 18                | 45           | 521             | 479                   | 6              | 20                | 26             | 531             |
| Missouri              | 556                | 9             | 32                | 5              | 602             | 555                | 19            | 37                | 2            | 613             | 587                   | 9              | 43                | 0              | 639             |
| Nebraska              | 169                | 3             | 22                | 0              | 194             | 197                | 2             | 23                | 0            | 222             | 206                   | 1              | 33                | 0              | 240             |
| North Dakota          | 54                 | 4             | 5                 | 0              | 63              | 62                 | 3             | 7                 | 0            | 72              | 67                    | 4              | 6                 | 0              | 77              |
| South Dakota          | 74                 | 13            | 6                 | 0              | 93              | 81                 | 13            | 6                 | 0            | 100             | 75                    | 21             | 8                 | 0              | 104             |
| <b>SOUTHEAST</b>      |                    |               |                   |                |                 |                    |               |                   |              |                 |                       |                |                   |                |                 |
| Alabama               | 453                | 14            | 80                | 3              | 550             | 483                | 13            | 80                | 1            | 577             | 484                   | 24             | 95                | 4              | 607             |
| Arkansas              | 313                | 1             | 40                | 0              | 354             | 349                | 1             | 43                | 0            | 393             | 353                   | 1              | 50                | 0              | 404             |
| Florida*              | 2,707              | 79            | 127               | 0              | 2,913           | 2,856              | 91            | 133               | 0            | 3,080           | 2,952                 | 93             | 148               | 0              | 3,193           |
| Georgia               | 1,047              | 18            | 47                | 19             | 1,131           | 1,153              | 10            | 40                | 14           | 1,217           | 1,074                 | 21             | 29                | 28             | 1,152           |
| Kentucky              | 465                | 16            | 45                | 0              | 526             | 528                | 16            | 28                | 0            | 572             | 513                   | 12             | 43                | 0              | 568             |
| Louisiana             | 654                | 16            | 58                | 2              | 730             | 766                | 5             | 41                | 2            | 814             | 803                   | 5              | 63                | 4              | 875             |
| Mississippi           | 227                | 1             | 81                | 0              | 309             | 286                | 1             | 62                | 0            | 349             | 266                   | 0              | 81                | 0              | 347             |
| North Carolina        | 1,156              | 1             | 120               | 0              | 1,277           | 1,254              | 3             | 127               | 0            | 1,384           | 1,256                 | 4              | 105               | 200            | 1,565           |
| South Carolina*       | 438                | 21            | 125               | 1              | 585             | 487                | 11            | 129               | 2            | 629             | 412                   | 9              | 136               | 0              | 557             |
| Tennessee             | 572                | 62            | 40                | 40             | 714             | 607                | 1             | 47                | 35           | 690             | 682                   | 1              | 102               | 0              | 785             |
| Virginia              | 1,136              | 31            | 68                | 168            | 1,403           | 1,287              | 20            | 74                | 88           | 1,469           | 692                   | 24             | 64                | 22             | 802             |
| West Virginia         | 168                | 1             | 10                | 9              | 188             | 186                | 1             | 13                | 1            | 201             | 195                   | 1              | 12                | 16             | 224             |
| <b>SOUTHWEST</b>      |                    |               |                   |                |                 |                    |               |                   |              |                 |                       |                |                   |                |                 |
| Arizona               | 821                | 1             | 90                | 0              | 912             | 894                | 30            | 102               | 0            | 1,026           | 922                   | 15             | 91                | 0              | 1,028           |
| New Mexico            | 241                | 3             | 15                | 1              | 260             | 271                | 3             | 17                | 0            | 291             | 289                   | 0              | 23                | 1              | 313             |
| Oklahoma              | 498                | 7             | 36                | 0              | 541             | 504                | 1             | 44                | 0            | 549             | 505                   | 1              | 54                | 0              | 560             |
| Texas                 | 2,876              | 74            | 102               | 44             | 3,096           | 3,098              | 45            | 106               | 70           | 3,319           | 3,162                 | 49             | 82                | 103            | 3,396           |
| <b>ROCKY MOUNTAIN</b> |                    |               |                   |                |                 |                    |               |                   |              |                 |                       |                |                   |                |                 |
| Colorado              | 577                | 5             | 78                | 0              | 660             | 642                | 5             | 103               | 0            | 750             | 663                   | 77             | 158               | 0              | 898             |
| Idaho                 | 175                | 6             | 50                | 3              | 234             | 206                | 6             | 29                | 3            | 244             | 203                   | 8              | 34                | 2              | 247             |
| Montana               | 138                | 1             | 9                 | 0              | 148             | 157                | 1             | 10                | 0            | 168             | 166                   | 1              | 13                | 0              | 180             |
| Utah                  | 304                | 2             | 22                | 0              | 328             | 330                | 3             | 21                | 0            | 354             | 331                   | 2              | 41                | 0              | 374             |
| Wyoming               | 1                  | 0             | 0                 | 0              | 1               | 1                  | 0             | 0                 | 0            | 1               | 111                   | 0              | 0                 | 0              | 111             |
| <b>FAR WEST</b>       |                    |               |                   |                |                 |                    |               |                   |              |                 |                       |                |                   |                |                 |
| Alaska                | 248                | 5             | 23                | 0              | 276             | 260                | 5             | 25                | 0            | 290             | 275                   | 7              | 46                | 0              | 328             |
| California            | 8,677              | 121           | 20                | 0              | 8,818           | 9,654              | 127           | 20                | 1            | 9,802           | 9,921                 | 141            | 22                | 1              | 10,085          |
| Hawaii*               | 201                | 2             | 12                | 0              | 215             | 222                | 2             | 12                | 0            | 236             | 220                   | 5              | 12                | 0              | 237             |
| Nevada                | 225                | 3             | 25                | 14             | 267             | 258                | 3             | 26                | 98           | 385             | 284                   | 4              | 24                | 161            | 473             |
| Oregon                | 637                | 12            | 28                | 112            | 789             | 763                | 21            | 20                | 31           | 835             | 744                   | 23             | 38                | 15             | 820             |
| Washington            | 823                | 6             | 39                | 172            | 1,040           | 928                | 4             | 56                | 171          | 1,159           | 957                   | 2              | 58                | 108            | 1,125           |
| <b>TOTAL</b>          | <b>\$44,150</b>    | <b>\$980</b>  | <b>\$2,531</b>    | <b>\$1,150</b> | <b>\$48,811</b> | <b>\$47,730</b>    | <b>\$856</b>  | <b>\$2,494</b>    | <b>\$916</b> | <b>\$51,996</b> | <b>\$48,018</b>       | <b>\$1,014</b> | <b>\$2,674</b>    | <b>\$1,245</b> | <b>\$52,951</b> |

Source: National Association of State Budget Officers, 2008 State Expenditure Report  
\*See Corrections Notes for explanation



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

| <b>Region/State</b>   | <b>Fiscal<br/>2007</b> | <b>Fiscal<br/>2008</b> | <b>Fiscal<br/>2009</b> |
|-----------------------|------------------------|------------------------|------------------------|
| <b>NEW ENGLAND</b>    |                        |                        |                        |
| Connecticut           | 2.8 %                  | 2.9 %                  | 2.9 %                  |
| Maine                 | 2.0                    | 2.1                    | 2.0                    |
| Massachusetts         | 2.7                    | 2.8                    | 2.7                    |
| New Hampshire         | 2.1                    | 2.2                    | 2.4                    |
| Rhode Island          | 2.5                    | 2.8                    | 2.6                    |
| Vermont               | 2.4                    | 2.5                    | 2.5                    |
| <b>MID-ATLANTIC</b>   |                        |                        |                        |
| Delaware              | 3.3                    | 3.1                    | 3.0                    |
| Maryland              | 4.5                    | 4.4                    | 4.3                    |
| New Jersey            | 3.6                    | 3.4                    | 3.4                    |
| New York              | 3.0                    | 2.9                    | 2.7                    |
| Pennsylvania          | 3.4                    | 3.4                    | 3.3                    |
| <b>GREAT LAKES</b>    |                        |                        |                        |
| Illinois              | 2.9                    | 3.0                    | 3.3                    |
| Indiana               | 3.2                    | 3.0                    | 2.9                    |
| Michigan              | 5.3                    | 5.3                    | 4.8                    |
| Ohio                  | 3.8                    | 3.6                    | 3.4                    |
| Wisconsin             | 3.4                    | 3.4                    | 3.3                    |
| <b>PLAINS</b>         |                        |                        |                        |
| Iowa                  | 2.7                    | 2.6                    | 3.0                    |
| Kansas                | 3.1                    | 3.1                    | 3.0                    |
| Minnesota             | 2.0                    | 1.8                    | 1.7                    |
| Missouri              | 2.9                    | 2.9                    | 2.8                    |
| Nebraska              | 2.4                    | 2.5                    | 2.2                    |
| North Dakota          | 1.9                    | 2.0                    | 1.9                    |
| South Dakota          | 3.0                    | 3.2                    | 3.0                    |
| <b>SOUTHEAST</b>      |                        |                        |                        |
| Alabama               | 1.5                    | 1.4                    | 1.3                    |
| Arkansas              | 2.2                    | 2.3                    | 2.2                    |
| Florida               | 4.4                    | 4.8                    | 4.9                    |
| Georgia               | 3.2                    | 3.3                    | 3.2                    |
| Kentucky              | 2.4                    | 2.5                    | 2.4                    |
| Louisiana             | 2.8                    | 2.7                    | 2.7                    |
| Mississippi           | 1.9                    | 2.2                    | 1.8                    |
| North Carolina        | 3.2                    | 3.3                    | 3.9                    |
| South Carolina        | 2.9                    | 3.0                    | 2.7                    |
| Tennessee             | 2.9                    | 2.6                    | 2.8                    |
| Virginia              | 4.0                    | 4.2                    | 2.2                    |
| West Virginia         | 1.0                    | 1.1                    | 1.1                    |
| <b>SOUTHWEST</b>      |                        |                        |                        |
| Arizona               | 3.9                    | 4.2                    | 3.8                    |
| New Mexico            | 1.8                    | 2.0                    | 2.0                    |
| Oklahoma              | 2.9                    | 2.8                    | 2.7                    |
| Texas                 | 4.3                    | 4.0                    | 3.8                    |
| <b>ROCKY MOUNTAIN</b> |                        |                        |                        |
| Colorado              | 2.8                    | 3.0                    | 3.3                    |
| Idaho                 | 4.2                    | 4.1                    | 3.6                    |
| Montana               | 3.6                    | 3.8                    | 4.0                    |
| Utah                  | 3.3                    | 2.9                    | 3.2                    |
| Wyoming               | 0.0                    | 0.0                    | 1.6                    |
| <b>FAR WEST</b>       |                        |                        |                        |
| Alaska                | 2.4                    | 2.4                    | 2.3                    |
| California            | 4.8                    | 5.0                    | 4.8                    |
| Hawaii                | 2.0                    | 2.1                    | 2.0                    |
| Nevada                | 3.7                    | 4.2                    | 5.7                    |
| Oregon                | 3.9                    | 3.7                    | 3.3                    |
| Washington            | 3.5                    | 3.7                    | 3.4                    |
| <b>ALL STATES</b>     | <b>3.4 %</b>           | <b>3.5 %</b>           | <b>3.3 %</b>           |

Source: National Association of State Budget Officers, 2008 State Expenditure Report

**Table 34**

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

| <b>Region/State</b>   | <b>Fiscal<br/>2007</b> | <b>Fiscal<br/>2008</b> | <b>Fiscal<br/>2009</b> |
|-----------------------|------------------------|------------------------|------------------------|
| <b>NEW ENGLAND</b>    |                        |                        |                        |
| Connecticut           | 4.1 %                  | 4.2 %                  | 4.2 %                  |
| Maine                 | 4.6                    | 4.9                    | 5.3                    |
| Massachusetts         | 4.1                    | 4.2                    | 4.5                    |
| New Hampshire         | 6.6                    | 6.7                    | 7.0                    |
| Rhode Island          | 4.8                    | 5.7                    | 5.2                    |
| Vermont               | 9.7                    | 10.0                   | 10.8                   |
| <b>MID-ATLANTIC</b>   |                        |                        |                        |
| Delaware              | 7.4                    | 7.7                    | 7.8                    |
| Maryland              | 8.2                    | 8.3                    | 8.7                    |
| New Jersey            | 5.0                    | 4.7                    | 5.0                    |
| New York              | 5.6                    | 5.4                    | 5.1                    |
| Pennsylvania          | 6.2                    | 6.8                    | 6.9                    |
| <b>GREAT LAKES</b>    |                        |                        |                        |
| Illinois              | 5.9                    | 6.0                    | 7.3                    |
| Indiana               | 5.3                    | 5.2                    | 5.3                    |
| Michigan              | 22.5                   | 22.1                   | 22.7                   |
| Ohio                  | 7.0                    | 7.0                    | 6.9                    |
| Wisconsin             | 7.9                    | 8.0                    | 8.8                    |
| <b>PLAINS</b>         |                        |                        |                        |
| Iowa                  | 5.9                    | 6.0                    | 6.1                    |
| Kansas                | 5.5                    | 5.6                    | 5.3                    |
| Minnesota             | 2.6                    | 2.6                    | 2.7                    |
| Missouri              | 7.1                    | 6.9                    | 6.9                    |
| Nebraska              | 5.4                    | 6.1                    | 5.7                    |
| North Dakota          | 5.3                    | 5.1                    | 5.3                    |
| South Dakota          | 7.0                    | 7.1                    | 6.6                    |
| <b>SOUTHEAST</b>      |                        |                        |                        |
| Alabama               | 3.1                    | 2.9                    | 2.9                    |
| Arkansas              | 7.8                    | 8.2                    | 8.0                    |
| Florida               | 9.8                    | 10.4                   | 11.9                   |
| Georgia               | 5.8                    | 6.0                    | 5.9                    |
| Kentucky              | 5.3                    | 5.7                    | 5.7                    |
| Louisiana             | 7.0                    | 7.3                    | 8.5                    |
| Mississippi           | 5.7                    | 5.9                    | 5.5                    |
| North Carolina        | 6.2                    | 6.2                    | 6.4                    |
| South Carolina        | 6.7                    | 6.8                    | 6.9                    |
| Tennessee             | 5.6                    | 5.2                    | 5.7                    |
| Virginia              | 6.9                    | 8.5                    | 4.6                    |
| West Virginia         | 4.5                    | 4.9                    | 5.0                    |
| <b>SOUTHWEST</b>      |                        |                        |                        |
| Arizona               | 8.1                    | 8.8                    | 10.1                   |
| New Mexico            | 4.0                    | 4.5                    | 4.8                    |
| Oklahoma              | 8.3                    | 8.4                    | 8.6                    |
| Texas                 | 8.2                    | 7.8                    | 7.4                    |
| <b>ROCKY MOUNTAIN</b> |                        |                        |                        |
| Colorado              | 7.6                    | 8.1                    | 8.6                    |
| Idaho                 | 6.7                    | 7.4                    | 7.4                    |
| Montana               | 8.3                    | 8.3                    | 9.5                    |
| Utah                  | 6.5                    | 5.7                    | 6.9                    |
| Wyoming               | 0.0                    | 0.0                    | 3.0                    |
| <b>FAR WEST</b>       |                        |                        |                        |
| Alaska                | 5.7                    | 5.0                    | 4.7                    |
| California            | 8.6                    | 9.4                    | 10.8                   |
| Hawaii                | 3.8                    | 4.1                    | 4.1                    |
| Nevada                | 7.8                    | 6.4                    | 6.8                    |
| Oregon                | 11.4                   | 10.9                   | 12.9                   |
| Washington            | 5.8                    | 6.3                    | 6.5                    |
| <b>ALL STATES</b>     | <b>6.8 %</b>           | <b>7.0 %</b>           | <b>7.2 %</b>           |

Source: National Association of State Budget Officers, 2008 State Expenditure Report

Table 35

## ANNUAL PERCENTAGE CHANGE IN CORRECTIONS EXPENDITURES

| Region/State          | Fiscal 2007 to 2008 |                |              | Fiscal 2008 to 2009 |               |              |
|-----------------------|---------------------|----------------|--------------|---------------------|---------------|--------------|
|                       | State Funds         | Federal Funds  | All Funds    | State Funds         | Federal Funds | All Funds    |
| <b>NEW ENGLAND</b>    |                     |                |              |                     |               |              |
| Connecticut           | 10.9 %              | 0.0 %          | 9.1 %        | 1.4 %               | 0.0 %         | 4.4 %        |
| Maine                 | 9.2                 | 0.0            | 9.0          | 5.2                 | -33.3         | 4.5          |
| Massachusetts         | 10.2                | —              | 10.3         | 0.2                 | 0.0           | 0.2          |
| New Hampshire         | 9.5                 | —              | 9.3          | 2.9                 | 800.0         | 12.3         |
| Rhode Island          | 21.7                | -66.7          | 17.1         | -11.7               | 666.7         | -1.5         |
| Vermont               | 5.8                 | 0.0            | 7.4          | 3.9                 | 0.0           | 3.1          |
| <b>MID-ATLANTIC</b>   |                     |                |              |                     |               |              |
| Delaware              | 4.3                 | 0.0            | 4.3          | -2.2                | 0.0           | -2.2         |
| Maryland              | -0.7                | 15.0           | -0.5         | 4.7                 | 17.4          | 4.9          |
| New Jersey            | 2.7                 | 6.3            | 2.7          | -0.9                | 17.6          | -0.7         |
| New York              | 0.0                 | -5.7           | 0.9          | -1.4                | -8.2          | -0.9         |
| Pennsylvania          | 10.9                | -30.0          | 2.0          | 2.8                 | 19.0          | 5.7          |
| <b>GREAT LAKES</b>    |                     |                |              |                     |               |              |
| Illinois              | 7.1                 | —              | 6.4          | 11.9                | —             | 11.5         |
| Indiana               | 1.9                 | —              | 1.9          | 2.6                 | —             | 2.6          |
| Michigan              | 4.7                 | -1.1           | 4.3          | -1.7                | 32.6          | -0.5         |
| Ohio                  | 1.3                 | -54.0          | -0.4         | -5.7                | 20.7          | -4.7         |
| Wisconsin             | 3.8                 | 200.0          | 3.9          | 3.9                 | 33.3          | 3.9          |
| <b>PLAINS</b>         |                     |                |              |                     |               |              |
| Iowa                  | 4.8                 | 0.0            | 2.5          | 3.2                 | 0.0           | 26.4         |
| Kansas                | 7.1                 | 33.3           | 7.1          | 2.1                 | -50.0         | 1.5          |
| Minnesota             | 4.4                 | 0.0            | -2.3         | 5.9                 | 20.0          | 1.9          |
| Missouri              | 0.7                 | 111.1          | 1.8          | 6.4                 | -52.6         | 4.2          |
| Nebraska              | 15.2                | -33.3          | 14.4         | 8.6                 | -50.0         | 8.1          |
| North Dakota          | 16.9                | -25.0          | 14.3         | 5.8                 | 33.3          | 6.9          |
| South Dakota          | 8.8                 | 0.0            | 7.5          | -4.6                | 61.5          | 4.0          |
| <b>SOUTHEAST</b>      |                     |                |              |                     |               |              |
| Alabama               | 5.6                 | -7.1           | 4.9          | 2.8                 | 84.6          | 5.2          |
| Arkansas              | 11.0                | 0.0            | 11.0         | 2.8                 | 0.0           | 2.8          |
| Florida               | 5.5                 | 15.2           | 5.7          | 3.7                 | 2.2           | 3.7          |
| Georgia               | 9.0                 | -44.4          | 7.6          | -7.5                | 110.0         | -5.3         |
| Kentucky              | 9.0                 | 0.0            | 8.7          | 0.0                 | -25.0         | -0.7         |
| Louisiana             | 13.3                | -68.8          | 11.5         | 7.3                 | 0.0           | 7.5          |
| Mississippi           | 13.0                | 0.0            | 12.9         | -0.3                | -100.0        | -0.6         |
| North Carolina        | 8.2                 | 200.0          | 8.4          | -1.4                | 33.3          | 13.1         |
| South Carolina        | 9.4                 | -47.6          | 7.5          | -11.0               | -18.2         | -11.4        |
| Tennessee             | 6.9                 | -98.4          | -3.4         | 19.9                | 0.0           | 13.8         |
| Virginia              | 13.0                | -35.5          | 4.7          | -44.5               | 20.0          | -45.4        |
| West Virginia         | 11.8                | 0.0            | 6.9          | 4.0                 | 0.0           | 11.4         |
| <b>SOUTHWEST</b>      |                     |                |              |                     |               |              |
| Arizona               | 9.3                 | 2,900.0        | 12.5         | 1.7                 | -50.0         | 0.2          |
| New Mexico            | 12.5                | 0.0            | 11.9         | 8.3                 | -100.0        | 7.6          |
| Oklahoma              | 2.6                 | -85.7          | 1.5          | 2.0                 | 0.0           | 2.0          |
| Texas                 | 7.6                 | -39.2          | 7.2          | 1.2                 | 8.9           | 2.3          |
| <b>ROCKY MOUNTAIN</b> |                     |                |              |                     |               |              |
| Colorado              | 13.7                | 0.0            | 13.6         | 10.2                | 1,440.0       | 19.7         |
| Idaho                 | 4.4                 | 0.0            | 4.3          | 0.9                 | 33.3          | 1.2          |
| Montana               | 13.6                | 0.0            | 13.5         | 7.2                 | 0.0           | 7.1          |
| Utah                  | 7.7                 | 50.0           | 7.9          | 6.0                 | -33.3         | 5.6          |
| Wyoming               | 0.0                 | —              | 0.0          | 11,000.0            | —             | 11,000.0     |
| <b>FAR WEST</b>       |                     |                |              |                     |               |              |
| Alaska                | 5.2                 | 0.0            | 5.1          | 12.6                | 40.0          | 13.1         |
| California            | 11.2                | 5.0            | 11.2         | 2.8                 | 11.0          | 2.9          |
| Hawaii                | 9.9                 | 0.0            | 9.8          | -0.9                | 150.0         | 0.4          |
| Nevada                | 13.6                | 0.0            | 44.2         | 8.5                 | 33.3          | 22.9         |
| Oregon                | 17.7                | 75.0           | 5.8          | -0.1                | 9.5           | -1.8         |
| Washington            | 14.2                | -33.3          | 11.4         | 3.2                 | -50.0         | -2.9         |
| <b>ALL STATES</b>     | <b>7.6 %</b>        | <b>-12.7 %</b> | <b>6.5 %</b> | <b>0.9 %</b>        | <b>18.5 %</b> | <b>1.8 %</b> |

Note: State funds are defined as general funds and other state funds (bonds are excluded).  
Source: National Association of State Budget Officers, 2008 State Expenditure Report

**Table 36**

**ITEMS EXCLUDED FROM CORRECTIONS EXPENDITURES**

| Region/State          | Employer Contributions to Pensions | Employer Contributions to Health Benefits | Juvenile Delinquency Counseling | Juvenile Institutions | Aid to Local Govts. for Jails | Drug Abuse Rehab. Centers | Institutions for the Criminally Insane |
|-----------------------|------------------------------------|-------------------------------------------|---------------------------------|-----------------------|-------------------------------|---------------------------|----------------------------------------|
| <b>NEW ENGLAND</b>    |                                    |                                           |                                 |                       |                               |                           |                                        |
| Connecticut           | X                                  | X                                         | X                               |                       | X                             |                           | X                                      |
| Maine                 |                                    |                                           |                                 |                       |                               |                           | X                                      |
| Massachusetts         | X                                  |                                           |                                 |                       |                               | X                         | X                                      |
| New Hampshire         |                                    |                                           | X                               | X                     | X                             |                           |                                        |
| Rhode Island          |                                    |                                           | X                               | X                     | X                             |                           | X                                      |
| Vermont               |                                    |                                           | X                               | X                     | X                             | P                         | X                                      |
| <b>MID-ATLANTIC</b>   |                                    |                                           |                                 |                       |                               |                           |                                        |
| Delaware              |                                    |                                           | X                               | X                     | X                             |                           | X                                      |
| Maryland              |                                    |                                           |                                 |                       | X                             | X                         | X                                      |
| New Jersey            |                                    |                                           |                                 |                       |                               | X                         | X                                      |
| New York              | P                                  | P                                         | P                               | X                     | X                             |                           | X                                      |
| Pennsylvania          |                                    |                                           |                                 |                       |                               |                           |                                        |
| <b>GREAT LAKES</b>    |                                    |                                           |                                 |                       |                               |                           |                                        |
| Illinois              | X                                  | X                                         |                                 |                       |                               |                           |                                        |
| Indiana               |                                    |                                           |                                 |                       | X                             | P                         | X                                      |
| Michigan              |                                    |                                           | P                               |                       |                               | X                         | X                                      |
| Ohio                  |                                    |                                           | P                               |                       |                               |                           | X                                      |
| Wisconsin             |                                    |                                           |                                 |                       |                               |                           |                                        |
| <b>PLAINS</b>         |                                    |                                           |                                 |                       |                               |                           |                                        |
| Iowa                  |                                    |                                           |                                 |                       |                               |                           |                                        |
| Kansas                |                                    |                                           |                                 |                       |                               |                           |                                        |
| Minnesota             | X                                  | X                                         | P                               |                       | X                             | P                         | X                                      |
| Missouri              | X                                  | X                                         | X                               | X                     |                               | P                         | X                                      |
| Nebraska              |                                    |                                           |                                 |                       |                               | X                         | X                                      |
| North Dakota          |                                    |                                           |                                 |                       |                               |                           | X                                      |
| South Dakota          |                                    |                                           |                                 |                       | X                             |                           | X                                      |
| <b>SOUTHEAST</b>      |                                    |                                           |                                 |                       |                               |                           |                                        |
| Alabama               |                                    |                                           |                                 |                       | X                             | X                         | X                                      |
| Arkansas              |                                    |                                           | X                               | X                     |                               |                           | X                                      |
| Florida               |                                    |                                           |                                 |                       | X                             | P                         | X                                      |
| Georgia               |                                    |                                           | X                               | X                     |                               |                           | X                                      |
| Kentucky              |                                    |                                           |                                 |                       |                               |                           |                                        |
| Louisiana             |                                    |                                           |                                 |                       |                               |                           | X                                      |
| Mississippi           |                                    |                                           | X                               | X                     |                               |                           | X                                      |
| North Carolina        |                                    |                                           |                                 |                       | X                             |                           |                                        |
| South Carolina        |                                    |                                           |                                 |                       |                               |                           |                                        |
| Tennessee             |                                    |                                           | X                               | X                     |                               |                           | P                                      |
| Virginia              |                                    |                                           |                                 |                       |                               |                           |                                        |
| West Virginia         |                                    |                                           |                                 |                       | X                             |                           | X                                      |
| <b>SOUTHWEST</b>      |                                    |                                           |                                 |                       |                               |                           |                                        |
| Arizona               |                                    |                                           |                                 |                       |                               |                           | P                                      |
| New Mexico            |                                    |                                           | X                               | X                     | X                             |                           | X                                      |
| Oklahoma              |                                    |                                           |                                 |                       | X                             |                           | X                                      |
| Texas                 |                                    |                                           |                                 |                       | X                             |                           | P                                      |
| <b>ROCKY MOUNTAIN</b> |                                    |                                           |                                 |                       |                               |                           |                                        |
| Colorado              |                                    |                                           | X                               | P                     |                               |                           | P                                      |
| Idaho                 |                                    |                                           |                                 |                       |                               |                           | X                                      |
| Montana               |                                    |                                           |                                 |                       |                               | P                         | X                                      |
| Utah                  |                                    |                                           | X                               |                       |                               | X                         | X                                      |
| Wyoming               |                                    |                                           | X                               |                       |                               |                           | X                                      |
| <b>FAR WEST</b>       |                                    |                                           |                                 |                       |                               |                           |                                        |
| 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                                      |
| <b>ALL STATES</b>     | <b>7</b>                           | <b>6</b>                                  | <b>21</b>                       | <b>14</b>             | <b>20</b>                     | <b>16</b>                 | <b>40</b>                              |

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

Source: National Association of State Budget Officers, 2008 State Expenditure Report

\*See Corrections Notes for explanation

## **Corrections Notes**

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

**Florida:** Fiscal 2007-08 actual expenditures reflect an increase from the prior estimates due to additional funds provided to the Department of Corrections to offset end of the year deficits. The increase between fiscal 2008-09 estimated expenditures and the fiscal 2007-08 actual expenditures is due to the increased prison population and the funding for additional prison construction.

**Hawaii:** For employer contributions to current employees' pensions and health benefits, general fund amounts are budgeted

centrally (except for elementary and secondary education and higher education) and reported in "All Other State Expenditures." For non-general funds, employer contributions are shown in each functional area.

**Michigan:** Figures include adult inmate and juvenile justice expenditures. Estimated fiscal 2009 spending reflects movement of juvenile offenders from secure placements to community settings, and closing of 3 prisons and 4 camps due to declining inmate population.

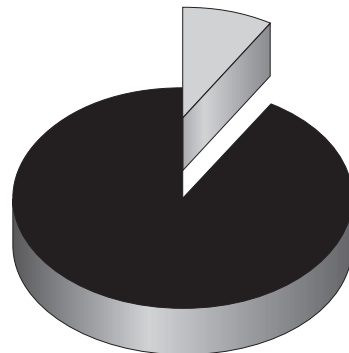
**South Carolina:** Estimated capital expenditures are no longer collected. Therefore, no capital expenditure data is included for estimated fiscal 2009.



# CHAPTER SIX

# TRANSPORTATION

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7.9% of State Expenditures



Transportation expenditures totaled \$118.6 billion in fiscal 2008, 7.9 percent of total state spending and an increase of 3.1 percent over the previous year. Approximately 57.3 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 largest 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 2008, federal funds accounted for 28.2 percent of total transportation spending, with bonds (9.9 percent) and general funds (4.5 percent) comprising the remaining amount.

Transportation spending grew sharply in fiscal 2009. It is estimated that total transportation spending grew 10 percent from fiscal 2008 levels. Much of this growth is due to increased transportation funds flowing to states through the *American Recovery and Reinvestment Act of 2009 (ARRA)*. While state funds (general funds and other state funds combined) grew only 0.6 percent, federal funds grew 21.5 percent in fiscal 2009. In fiscal 2009, states estimate that a total of \$6.5 billion of the federal funds in transportation were attributable to ARRA.

## SAFETEA-LU

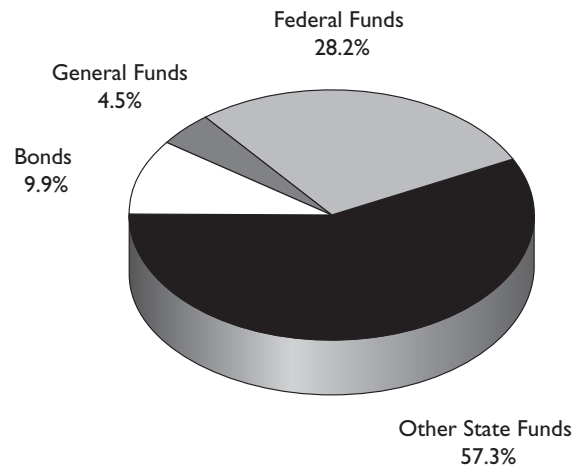
The latest surface transportation law was enacted in August 2005. The law, the *Safe, Accountable, Flexible, and Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU)* replaced the *Transportation Equity Act for the 21st Century (TEA-21)*. SAFETEA-LU set total surface transportation guaranteed 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 expired at the conclusion of federal fiscal year 2009 and, as of November 2009, is being extended under a fiscal year 2010 continuing resolution.

## Fund Shares

The figure below provides fund shares for fiscal 2008.

**Figure 18**  
**STATE EXPENDITURES FOR TRANSPORTATION BY FUND SOURCE, FISCAL 2008**





## Regional Expenditures

Table 37 shows percentage changes in transportation expenditures by region between fiscal 2007 and fiscal 2008 and between fiscal 2008 and estimated fiscal 2009. The largest growth in fiscal 2008 occurred in the Rocky Mountain region.

**Table 37**  
**REGIONAL PERCENTAGE CHANGE IN STATE TRANSPORTATION EXPENDITURES,**  
**FISCAL 2008 AND 2009**

| Region            | Fiscal 2007 to 2008 |               |             | Fiscal 2008 to 2009 |               |              |
|-------------------|---------------------|---------------|-------------|---------------------|---------------|--------------|
|                   | State Funds         | Federal Funds | All Funds   | State Funds         | Federal Funds | All Funds    |
| New England       | 1.4%                | -1.0%         | -4.0%       | 3.5%                | 22.3%         | 6.0%         |
| Mid-Atlantic      | 16.2                | 2.6           | 8.2         | 0.8                 | 39.8          | 15.5         |
| Great Lakes       | 3.4                 | -0.8          | 1.2         | 4.6                 | 35.5          | 12.1         |
| Plains            | -6.3                | 4.2           | -6.7        | 33.0                | 19.7          | 20.9         |
| Southeast         | -0.5                | -5.1          | -2.3        | -6.7                | 5.2           | -1.2         |
| Southwest         | -3.8                | 40.8          | 3.5         | 2.9                 | 27.2          | 15.2         |
| Rocky Mountain    | 13.3                | 10.0          | 36.6        | -6.5                | 25.8          | -15.7        |
| Far West          | 4.1                 | -5.5          | 6.8         | -7.1                | 15.0          | 20.4         |
| <b>ALL STATES</b> | <b>3.8%</b>         | <b>2.3%</b>   | <b>3.1%</b> | <b>0.6%</b>         | <b>21.5%</b>  | <b>10.0%</b> |

## Transportation—Expenditure Exclusions

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

Table 38

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

| Region/State          | Actual Fiscal 2007 |                 |                   |                 |                  | Actual Fiscal 2008 |                 |                   |                 |                  | Estimated Fiscal 2009 |                 |                   |                 |                  |
|-----------------------|--------------------|-----------------|-------------------|-----------------|------------------|--------------------|-----------------|-------------------|-----------------|------------------|-----------------------|-----------------|-------------------|-----------------|------------------|
|                       | General Fund       | Federal Funds   | Other State Funds | Bonds           | Total            | General Fund       | Federal Funds   | Other State Funds | Bonds           | Total            | General Fund          | Federal Funds   | Other State Funds | Bonds           | Total            |
| <b>NEW ENGLAND</b>    |                    |                 |                   |                 |                  |                    |                 |                   |                 |                  |                       |                 |                   |                 |                  |
| Connecticut           | \$2                | \$397           | \$543             | \$789           | \$1,731          | \$0                | \$507           | \$589             | \$477           | \$1,573          | \$0                   | \$615           | \$573             | \$418           | \$1,606          |
| Maine                 | 0                  | 169             | 333               | 39              | 541              | 0                  | 156             | 330               | 73              | 559              | 0                     | 178             | 358               | 58              | 594              |
| Massachusetts         | 238                | 576             | 986               | 689             | 2,489            | 231                | 504             | 1,013             | 713             | 2,461            | 284                   | 668             | 1,038             | 616             | 2,606            |
| New Hampshire         | 3                  | 232             | 308               | 0               | 543              | 1                  | 237             | 303               | 0               | 541              | 0                     | 197             | 344               | 0               | 541              |
| Rhode Island          | 0                  | 231             | 137               | 40              | 408              | 0                  | 189             | 116               | 30              | 335              | 0                     | 286             | 105               | 45              | 436              |
| Vermont               | 0                  | 182             | 202               | 0               | 384              | 0                  | 176             | 207               | 0               | 383              | 0                     | 219             | 187               | 15              | 421              |
| <b>MID-ATLANTIC</b>   |                    |                 |                   |                 |                  |                    |                 |                   |                 |                  |                       |                 |                   |                 |                  |
| Delaware              | 2                  | 115             | 608               | 0               | 725              | 0                  | 158             | 704               | 0               | 862              | 0                     | 204             | 763               | 0               | 967              |
| Maryland              | 0                  | 780             | 2,673             | 0               | 3,453            | 0                  | 744             | 2,758             | 0               | 3,502            | 0                     | 833             | 2,753             | 0               | 3,586            |
| New Jersey            | 1,384              | 1,228           | 347               | 1,280           | 4,239            | 1,390              | 1,349           | 365               | 1,352           | 4,456            | 1,434                 | 2,977           | 303               | 1,521           | 6,235            |
| New York              | 61                 | 1,575           | 3,433             | 774             | 5,843            | 107                | 1,560           | 4,668             | 198             | 6,533            | 109                   | 1,724           | 4,324             | 823             | 6,980            |
| Pennsylvania          | 334                | 1,599           | 3,354             | 150             | 5,437            | 14                 | 1,622           | 4,170             | 150             | 5,956            | 14                    | 1,858           | 4,591             | 380             | 6,843            |
| <b>GREAT LAKES</b>    |                    |                 |                   |                 |                  |                    |                 |                   |                 |                  |                       |                 |                   |                 |                  |
| Illinois              | 117                | 153             | 3,669             | 127             | 4,066            | 122                | 114             | 3,572             | 72              | 3,880            | 29                    | 120             | 4,249             | 62              | 4,460            |
| Indiana               | 1                  | 883             | 1,505             | 0               | 2,389            | 2                  | 910             | 1,581             | 0               | 2,493            | 2                     | 892             | 1,474             | 0               | 2,368            |
| Michigan*             | 0                  | 1,230           | 1,848             | 381             | 3,459            | 0                  | 1,181           | 2,076             | 254             | 3,511            | 0                     | 2,363           | 2,145             | 229             | 4,737            |
| Ohio                  | 21                 | 1,148           | 2,758             | 307             | 4,234            | 22                 | 1,123           | 2,730             | 329             | 4,204            | 21                    | 1,116           | 2,676             | 385             | 4,198            |
| Wisconsin             | 69                 | 726             | 1,483             | 0               | 2,278            | 56                 | 778             | 1,705             | 0               | 2,539            | 59                    | 1,071           | 1,751             | 0               | 2,881            |
| <b>PLAINS</b>         |                    |                 |                   |                 |                  |                    |                 |                   |                 |                  |                       |                 |                   |                 |                  |
| Iowa                  | 1                  | 390             | 710               | 0               | 1,101            | 0                  | 422             | 610               | 0               | 1,032            | 0                     | 260             | 802               | 3               | 1,065            |
| Kansas                | 5                  | 372             | 859               | 122             | 1,358            | 16                 | 440             | 535               | 121             | 1,112            | 16                    | 344             | 1,032             | 122             | 1,514            |
| Minnesota             | 107                | 231             | 2,167             | 144             | 2,649            | 134                | 286             | 1,965             | 158             | 2,543            | 107                   | 842             | 2,331             | 124             | 3,404            |
| Missouri*             | 12                 | 84              | 1,408             | 844             | 2,348            | 13                 | 64              | 1,576             | 548             | 2,201            | 16                    | 76              | 2,253             | 89              | 2,434            |
| Nebraska              | 1                  | 243             | 361               | 0               | 605              | 1                  | 264             | 414               | 0               | 679              | 1                     | 274             | 544               | 0               | 819              |
| North Dakota          | 0                  | 257             | 169               | 15              | 441              | 0                  | 239             | 191               | 0               | 430              | 0                     | 252             | 209               | 0               | 461              |
| South Dakota          | 0                  | 283             | 212               | 0               | 495              | 0                  | 223             | 178               | 0               | 401              | 0                     | 272             | 183               | 0               | 455              |
| <b>SOUTHEAST</b>      |                    |                 |                   |                 |                  |                    |                 |                   |                 |                  |                       |                 |                   |                 |                  |
| Alabama               | 0                  | 748             | 479               | 27              | 1,254            | 0                  | 793             | 442               | 8               | 1,243            | 0                     | 761             | 540               | 0               | 1,301            |
| Arkansas              | 0                  | 488             | 417               | 0               | 905              | 1                  | 394             | 580               | 0               | 975              | 1                     | 405             | 529               | 0               | 935              |
| Florida               | 1                  | 2,210           | 4,875             | 672             | 7,758            | 86                 | 2,180           | 3,878             | 752             | 6,896            | 0                     | 2,097           | 5,057             | 1,208           | 8,362            |
| Georgia               | 17                 | 1,530           | 858               | 682             | 3,087            | 22                 | 976             | 835               | 337             | 2,170            | 23                    | 1,129           | 1,172             | 239             | 2,563            |
| Kentucky              | 8                  | 759             | 1,387             | 0               | 2,154            | 6                  | 849             | 1,617             | 0               | 2,472            | 5                     | 630             | 1,459             | 0               | 2,094            |
| Louisiana             | 647                | 24              | 1,396             | 70              | 2,137            | 35                 | 16              | 1,435             | 84              | 1,570            | 0                     | 35              | 1,438             | 35              | 1,508            |
| Mississippi           | 0                  | 1,015           | 475               | 59              | 1,549            | 0                  | 781             | 501               | 69              | 1,351            | 0                     | 566             | 653               | 60              | 1,279            |
| North Carolina        | 0                  | 982             | 2,345             | 0               | 3,327            | 0                  | 943             | 2,850             | 0               | 3,793            | 0                     | 943             | 39                | 0               | 982              |
| South Carolina*       | 1                  | 558             | 1,081             | 0               | 1,640            | 5                  | 439             | 1,118             | 0               | 1,562            | 7                     | 527             | 1,046             | 0               | 1,580            |
| Tennessee*            | 0                  | 668             | 857               | 0               | 1,525            | 0                  | 866             | 797               | 84              | 1,747            | 0                     | 1,533           | 847               | 226             | 2,606            |
| Virginia*             | 643                | 652             | 2,083             | 122             | 3,500            | 151                | 912             | 3,035             | 174             | 4,272            | 41                    | 852             | 3,152             | 138             | 4,183            |
| West Virginia         | 6                  | 412             | 524               | 25              | 967              | 6                  | 382             | 609               | 77              | 1,074            | 11                    | 553             | 777               | 56              | 1,397            |
| <b>SOUTHWEST</b>      |                    |                 |                   |                 |                  |                    |                 |                   |                 |                  |                       |                 |                   |                 |                  |
| Arizona*              | 0                  | 382             | 786               | 170             | 1,338            | 0                  | 550             | 878               | 307             | 1,735            | 0                     | 909             | 703               | 440             | 2,052            |
| New Mexico            | 74                 | 290             | 471               | 286             | 1,121            | 51                 | 448             | 456               | 76              | 1,031            | 0                     | 359             | 468               | 68              | 895              |
| Oklahoma              | 0                  | 476             | 490               | 0               | 966              | 0                  | 604             | 574               | 0               | 1,178            | 0                     | 763             | 565               | 2               | 1,330            |
| Texas                 | 2                  | 1,975           | 3,373             | 2,746           | 8,096            | 305                | 2,794           | 2,736             | 2,149           | 7,984            | 6                     | 3,561           | 3,402             | 2,499           | 9,468            |
| <b>ROCKY MOUNTAIN</b> |                    |                 |                   |                 |                  |                    |                 |                   |                 |                  |                       |                 |                   |                 |                  |
| Colorado              | 0                  | 429             | 978               | 0               | 1,407            | 25                 | 459             | 1,172             | 0               | 1,656            | 29                    | 508             | 1,105             | 0               | 1,642            |
| Idaho                 | 0                  | 243             | 380               | 0               | 623              | 0                  | 254             | 363               | 0               | 617              | 0                     | 498             | 427               | 0               | 925              |
| Montana               | 7                  | 286             | 301               | 0               | 594              | 7                  | 331             | 264               | 0               | 602              | 8                     | 358             | 271               | 0               | 637              |
| Utah                  | 40                 | 324             | 967               | 0               | 1,331            | 389                | 367             | 883               | 1,100           | 2,739            | 33                    | 411             | 871               | 0               | 1,315            |
| Wyoming               | 267                | 5               | 302               | 0               | 574              | 267                | 5               | 302               | 0               | 574              | 323                   | 6               | 366               | 0               | 695              |
| <b>FAR WEST</b>       |                    |                 |                   |                 |                  |                    |                 |                   |                 |                  |                       |                 |                   |                 |                  |
| Alaska                | 676                | 1,022           | 369               | 150             | 2,217            | 480                | 597             | 393               | 26              | 1,496            | 346                   | 887             | 455               | 345             | 2,033            |
| California            | 2,630              | 3,081           | 3,733             | 0               | 9,444            | 1,416              | 3,265           | 5,676             | 981             | 11,338           | 1,351                 | 3,662           | 4,512             | 4,739           | 14,264           |
| Hawaii*               | 0                  | 182             | 741               | 69              | 992              | 0                  | 229             | 764               | 119             | 1,112            | 0                     | 254             | 733               | 123             | 1,110            |
| Nevada                | 0                  | 314             | 1,006             | 167             | 1,487            | 23                 | 234             | 700               | 92              | 1,049            | 41                    | 341             | 938               | 165             | 1,485            |
| Oregon                | 4                  | 28              | 1,573             | 2               | 1,607            | 4                  | 29              | 1,440             | 1               | 1,474            | 0                     | 39              | 1,585             | 5               | 1,629            |
| Washington            | 2                  | 526             | 1,012             | 647             | 2,187            | 2                  | 514             | 1,331             | 843             | 2,690            | 2                     | 414             | 1,392             | 747             | 2,555            |
| <b>TOTAL</b>          | <b>\$7,383</b>     | <b>\$32,693</b> | <b>\$63,332</b>   | <b>\$11,595</b> | <b>\$115,003</b> | <b>\$5,390</b>     | <b>\$33,457</b> | <b>\$67,985</b>   | <b>\$11,754</b> | <b>\$118,586</b> | <b>\$4,319</b>        | <b>\$40,642</b> | <b>\$69,490</b>   | <b>\$15,985</b> | <b>\$130,436</b> |

Source: National Association of State Budget Officers, 2008 State Expenditure Report

\*See Transportation Notes for explanation

**Table 39**

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

| <b>Region/State</b>   | <b>Fiscal<br/>2007</b> | <b>Fiscal<br/>2008</b> | <b>Fiscal<br/>2009</b> |
|-----------------------|------------------------|------------------------|------------------------|
| <b>NEW ENGLAND</b>    |                        |                        |                        |
| Connecticut           | 7.6 %                  | 6.4 %                  | 6.4 %                  |
| Maine                 | 7.5                    | 7.5                    | 7.3                    |
| Massachusetts         | 6.0                    | 5.6                    | 5.7                    |
| New Hampshire         | 12.0                   | 11.3                   | 11.1                   |
| Rhode Island          | 6.1                    | 4.7                    | 5.7                    |
| Vermont               | 7.5                    | 7.2                    | 7.9                    |
| <b>MID-ATLANTIC</b>   |                        |                        |                        |
| Delaware              | 9.3                    | 10.0                   | 11.1                   |
| Maryland              | 11.9                   | 11.8                   | 11.4                   |
| New Jersey            | 9.3                    | 9.1                    | 12.7                   |
| New York              | 5.2                    | 5.6                    | 5.7                    |
| Pennsylvania          | 9.6                    | 10.1                   | 10.9                   |
| <b>GREAT LAKES</b>    |                        |                        |                        |
| Illinois              | 8.8                    | 8.3                    | 9.2                    |
| Indiana               | 10.5                   | 10.3                   | 9.2                    |
| Michigan              | 8.1                    | 8.0                    | 9.8                    |
| Ohio                  | 7.9                    | 7.4                    | 7.3                    |
| Wisconsin             | 6.7                    | 7.0                    | 7.5                    |
| <b>PLAINS</b>         |                        |                        |                        |
| Iowa                  | 7.4                    | 6.4                    | 6.0                    |
| Kansas                | 11.3                   | 8.8                    | 11.3                   |
| Minnesota             | 9.8                    | 8.9                    | 10.8                   |
| Missouri              | 11.2                   | 10.4                   | 10.9                   |
| Nebraska              | 7.4                    | 7.8                    | 7.6                    |
| North Dakota          | 13.1                   | 12.0                   | 11.4                   |
| South Dakota          | 16.2                   | 12.7                   | 13.0                   |
| <b>SOUTHEAST</b>      |                        |                        |                        |
| Alabama               | 3.4                    | 3.1                    | 2.8                    |
| Arkansas              | 5.6                    | 5.8                    | 5.1                    |
| Florida               | 11.7                   | 10.7                   | 12.8                   |
| Georgia               | 8.8                    | 5.9                    | 7.1                    |
| Kentucky              | 9.7                    | 10.8                   | 8.7                    |
| Louisiana             | 8.2                    | 5.2                    | 4.6                    |
| Mississippi           | 9.8                    | 8.7                    | 6.6                    |
| North Carolina        | 8.4                    | 9.1                    | 2.4                    |
| South Carolina        | 8.2                    | 7.5                    | 7.7                    |
| Tennessee             | 6.2                    | 6.6                    | 9.1                    |
| Virginia              | 10.0                   | 12.1                   | 11.3                   |
| West Virginia         | 5.2                    | 5.7                    | 6.9                    |
| <b>SOUTHWEST</b>      |                        |                        |                        |
| Arizona               | 5.7                    | 7.0                    | 7.6                    |
| New Mexico            | 7.7                    | 7.0                    | 5.8                    |
| Oklahoma              | 5.2                    | 5.9                    | 6.5                    |
| Texas                 | 11.1                   | 9.7                    | 10.5                   |
| <b>ROCKY MOUNTAIN</b> |                        |                        |                        |
| Colorado              | 5.9                    | 6.6                    | 6.1                    |
| Idaho                 | 11.2                   | 10.4                   | 13.6                   |
| Montana               | 14.6                   | 13.4                   | 14.1                   |
| Utah                  | 13.3                   | 22.1                   | 11.3                   |
| Wyoming               | 11.7                   | 11.6                   | 9.8                    |
| <b>FAR WEST</b>       |                        |                        |                        |
| Alaska                | 19.2                   | 12.1                   | 14.2                   |
| California            | 5.2                    | 5.8                    | 6.8                    |
| Hawaii                | 9.3                    | 10.0                   | 9.4                    |
| Nevada                | 20.9                   | 11.4                   | 17.9                   |
| Oregon                | 7.9                    | 6.5                    | 6.7                    |
| Washington            | 7.3                    | 8.5                    | 7.8                    |
| <b>ALL STATES</b>     | <b>8.1 %</b>           | <b>7.9 %</b>           | <b>8.2 %</b>           |

Source: National Association of State Budget Officers, 2008 State Expenditure Report

Table 40

## ANNUAL PERCENTAGE CHANGE IN TRANSPORTATION EXPENDITURES

| Region/State          | Fiscal 2007 to 2008 |               |              | Fiscal 2008 to 2009 |               |               |
|-----------------------|---------------------|---------------|--------------|---------------------|---------------|---------------|
|                       | State Funds         | Federal Funds | All Funds    | State Funds         | Federal Funds | All Funds     |
| <b>NEW ENGLAND</b>    |                     |               |              |                     |               |               |
| Connecticut           | 8.1 %               | 27.7 %        | -9.1 %       | -2.7 %              | 21.3 %        | 2.1 %         |
| Maine                 | -0.9                | -7.7          | 3.3          | 8.5                 | 14.1          | 6.3           |
| Massachusetts         | 1.6                 | -12.5         | -1.1         | 6.3                 | 32.5          | 5.9           |
| New Hampshire         | -2.3                | 2.2           | -0.4         | 13.2                | -16.9         | 0.0           |
| Rhode Island          | -15.3               | -18.2         | -17.9        | -9.5                | 51.3          | 30.1          |
| Vermont               | 2.5                 | -3.3          | -0.3         | -9.7                | 24.4          | 9.9           |
| <b>MID-ATLANTIC</b>   |                     |               |              |                     |               |               |
| Delaware              | 15.4                | 37.4          | 18.9         | 8.4                 | 29.1          | 12.2          |
| Maryland              | 3.2                 | -4.6          | 1.4          | -0.2                | 12.0          | 2.4           |
| New Jersey            | 1.4                 | 9.9           | 5.1          | -1.0                | 120.7         | 39.9          |
| New York              | 36.7                | -1.0          | 11.8         | -7.2                | 10.5          | 6.8           |
| Pennsylvania          | 13.4                | 1.4           | 9.5          | 10.1                | 14.5          | 14.9          |
| <b>GREAT LAKES</b>    |                     |               |              |                     |               |               |
| Illinois              | -2.4                | -25.5         | -4.6         | 15.8                | 5.3           | 14.9          |
| Indiana               | 5.1                 | 3.1           | 4.4          | -6.8                | -2.0          | -5.0          |
| Michigan              | 12.3                | -4.0          | 1.5          | 3.3                 | 100.1         | 34.9          |
| Ohio                  | -1.0                | -2.2          | -0.7         | -2.0                | -0.6          | -0.1          |
| Wisconsin             | 13.5                | 7.2           | 11.5         | 2.8                 | 37.7          | 13.5          |
| <b>PLAINS</b>         |                     |               |              |                     |               |               |
| Iowa                  | -14.2               | 8.2           | -6.3         | 31.5                | -38.4         | 3.2           |
| Kansas                | -36.2               | 18.3          | -18.1        | 90.2                | -21.8         | 36.2          |
| Minnesota             | -7.7                | 23.8          | -4.0         | 16.2                | 194.4         | 33.9          |
| Missouri              | 11.9                | -23.8         | -6.3         | 42.8                | 18.8          | 10.6          |
| Nebraska              | 14.6                | 8.6           | 12.2         | 31.3                | 3.8           | 20.6          |
| North Dakota          | 13.0                | -7.0          | -2.5         | 9.4                 | 5.4           | 7.2           |
| South Dakota          | -16.0               | -21.2         | -19.0        | 2.8                 | 22.0          | 13.5          |
| <b>SOUTHEAST</b>      |                     |               |              |                     |               |               |
| Alabama               | -7.7                | 6.0           | -0.9         | 22.2                | -4.0          | 4.7           |
| Arkansas              | 39.3                | -19.3         | 7.7          | -8.8                | 2.8           | -4.1          |
| Florida               | -18.7               | -1.4          | -11.1        | 27.6                | -3.8          | 21.3          |
| Georgia               | -2.1                | -36.2         | -29.7        | 39.4                | 15.7          | 18.1          |
| Kentucky              | 16.3                | 11.9          | 14.8         | -9.8                | -25.8         | -15.3         |
| Louisiana             | -28.0               | -33.3         | -26.5        | -2.2                | 118.8         | -3.9          |
| Mississippi           | 5.5                 | -23.1         | -12.8        | 30.3                | -27.5         | -5.3          |
| North Carolina        | 21.5                | -4.0          | 14.0         | -98.6               | 0.0           | -74.1         |
| South Carolina        | 3.8                 | -21.3         | -4.8         | -6.2                | 20.0          | 1.2           |
| Tennessee             | -7.0                | 29.6          | 14.6         | 6.3                 | 77.0          | 49.2          |
| Virginia              | 16.9                | 39.9          | 22.1         | 0.2                 | -6.6          | -2.1          |
| West Virginia         | 16.0                | -7.3          | 11.1         | 28.1                | 44.8          | 30.1          |
| <b>SOUTHWEST</b>      |                     |               |              |                     |               |               |
| Arizona               | 11.7                | 44.0          | 29.7         | -19.9               | 65.3          | 18.3          |
| New Mexico            | -7.0                | 54.5          | -8.0         | -7.7                | -19.9         | -13.2         |
| Oklahoma              | 17.1                | 26.9          | 21.9         | -1.6                | 26.3          | 12.9          |
| Texas                 | -9.9                | 41.5          | -1.4         | 12.1                | 27.5          | 18.6          |
| <b>ROCKY MOUNTAIN</b> |                     |               |              |                     |               |               |
| Colorado              | 22.4                | 7.0           | 17.7         | -5.3                | 10.7          | -0.8          |
| Idaho                 | -4.5                | 4.5           | -1.0         | 17.6                | 96.1          | 49.9          |
| Montana               | -12.0               | 15.7          | 1.3          | 3.0                 | 8.2           | 5.8           |
| Utah                  | 26.3                | 13.3          | 105.8        | -28.9               | 12.0          | -52.0         |
| Wyoming               | 0.0                 | 0.0           | 0.0          | 21.1                | 20.0          | 21.1          |
| <b>FAR WEST</b>       |                     |               |              |                     |               |               |
| Alaska                | -16.5               | -41.6         | -32.5        | -8.2                | 48.6          | 35.9          |
| California            | 11.5                | 6.0           | 20.1         | -17.3               | 12.2          | 25.8          |
| Hawaii                | 3.1                 | 25.8          | 12.1         | -4.1                | 10.9          | -0.2          |
| Nevada                | -28.1               | -25.5         | -29.5        | 35.4                | 45.7          | 41.6          |
| Oregon                | -8.4                | 3.6           | -8.3         | 9.8                 | 34.5          | 10.5          |
| Washington            | 31.5                | -2.3          | 23.0         | 4.6                 | -19.5         | -5.0          |
| <b>ALL STATES</b>     | <b>3.8 %</b>        | <b>2.3 %</b>  | <b>3.1 %</b> | <b>0.6 %</b>        | <b>21.5 %</b> | <b>10.0 %</b> |

Note: State funds are defined as general funds and other state funds (bonds are excluded).  
Source: National Association of State Budget Officers, 2008 State Expenditure Report

**Table 41**

**ITEMS EXCLUDED FROM TRANSPORTATION EXPENDITURES**

| Region/State          | Employer Contributions to Pensions | Employer Contributions to Health Benefits | Port Authority Operations | Gasoline Tax & Fee Collections | Truck Enforcement Reg. Programs | Train/Railroad Subsidy Programs | Road Assist. Subsidy Prog. for Local Govts. | Motor Vehicle Licensing | State Police/ Highway Patrol |
|-----------------------|------------------------------------|-------------------------------------------|---------------------------|--------------------------------|---------------------------------|---------------------------------|---------------------------------------------|-------------------------|------------------------------|
| <b>NEW ENGLAND</b>    |                                    |                                           |                           |                                |                                 |                                 |                                             |                         |                              |
| Connecticut           |                                    |                                           |                           | X                              |                                 |                                 |                                             |                         | X                            |
| Maine                 |                                    |                                           | X                         | P                              | X                               |                                 |                                             |                         | X                            |
| Massachusetts         | X                                  |                                           | X                         | X                              |                                 |                                 |                                             |                         |                              |
| New Hampshire         |                                    |                                           |                           |                                |                                 |                                 |                                             | X                       | X                            |
| Rhode Island          |                                    |                                           | X                         |                                | X                               | X                               | X                                           | X                       | X                            |
| Vermont               |                                    |                                           | X                         |                                |                                 |                                 |                                             |                         | X                            |
| <b>MID-ATLANTIC</b>   |                                    |                                           |                           |                                |                                 |                                 |                                             |                         |                              |
| Delaware              |                                    |                                           | P                         |                                |                                 |                                 |                                             |                         |                              |
| Maryland              |                                    |                                           |                           | X                              | P                               |                                 |                                             |                         | X                            |
| New Jersey            |                                    |                                           | X                         |                                |                                 |                                 |                                             |                         | X                            |
| New York              | P                                  | P                                         | N/A                       | X                              |                                 |                                 |                                             |                         | X                            |
| Pennsylvania          |                                    |                                           | P                         | P                              |                                 |                                 |                                             |                         | X                            |
| <b>GREAT LAKES</b>    |                                    |                                           |                           |                                |                                 |                                 |                                             |                         |                              |
| Illinois              | P                                  | P                                         | X                         |                                |                                 |                                 |                                             | X                       | X                            |
| Indiana               |                                    |                                           | X                         |                                |                                 |                                 |                                             |                         | X                            |
| Michigan              |                                    |                                           | X                         |                                |                                 |                                 |                                             |                         | X                            |
| Ohio                  |                                    |                                           | X                         | X                              |                                 |                                 |                                             |                         |                              |
| Wisconsin             |                                    |                                           | X                         |                                |                                 |                                 |                                             |                         |                              |
| <b>PLAINS</b>         |                                    |                                           |                           |                                |                                 |                                 |                                             |                         |                              |
| Iowa                  |                                    |                                           |                           |                                |                                 |                                 |                                             |                         |                              |
| Kansas                |                                    |                                           | X                         |                                | X                               |                                 |                                             | X                       | X                            |
| Minnesota             | X                                  | X                                         | X                         |                                |                                 |                                 |                                             |                         | X                            |
| Missouri              |                                    |                                           |                           | X                              |                                 |                                 | X                                           | X                       | X                            |
| Nebraska              |                                    |                                           | X                         |                                |                                 |                                 |                                             |                         | X                            |
| North Dakota          |                                    |                                           | X                         |                                | X                               |                                 |                                             |                         | X                            |
| South Dakota          |                                    |                                           | X                         |                                | X                               | X                               |                                             | X                       | X                            |
| <b>SOUTHEAST</b>      |                                    |                                           |                           |                                |                                 |                                 |                                             |                         |                              |
| Alabama               |                                    |                                           | X                         |                                | P                               | X                               | X                                           | X                       | X                            |
| Arkansas              |                                    |                                           | X                         |                                |                                 | X                               |                                             | X                       | X                            |
| Florida               |                                    |                                           | X                         |                                |                                 |                                 |                                             |                         | X                            |
| Georgia               |                                    |                                           | X                         |                                | X                               |                                 |                                             | X                       | X                            |
| Kentucky              |                                    |                                           | X                         |                                |                                 |                                 |                                             |                         | X                            |
| Louisiana             |                                    |                                           | X                         |                                | 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                            |
| <b>SOUTHWEST</b>      |                                    |                                           |                           |                                |                                 |                                 |                                             |                         |                              |
| Arizona*              |                                    |                                           | P                         |                                |                                 |                                 | P                                           |                         |                              |
| New Mexico            |                                    |                                           | X                         |                                | X                               |                                 | P                                           | X                       | X                            |
| Oklahoma              |                                    |                                           |                           | X                              |                                 |                                 | P                                           |                         |                              |
| Texas                 |                                    |                                           | X                         |                                | P                               |                                 |                                             |                         | X                            |
| <b>ROCKY MOUNTAIN</b> |                                    |                                           |                           |                                |                                 |                                 |                                             |                         |                              |
| Colorado              |                                    |                                           | X                         | X                              | X                               | X                               | X                                           | X                       | X                            |
| Idaho                 |                                    |                                           |                           |                                | X                               |                                 |                                             |                         | X                            |
| Montana               |                                    |                                           | X                         |                                |                                 |                                 |                                             |                         | X                            |
| Utah                  |                                    |                                           |                           |                                |                                 | X                               | P                                           | P                       | X                            |
| Wyoming               |                                    |                                           | X                         |                                |                                 |                                 |                                             |                         |                              |
| <b>FAR WEST</b>       |                                    |                                           |                           |                                |                                 |                                 |                                             |                         |                              |
| Alaska                |                                    |                                           | X                         | X                              |                                 | X                               | X                                           | X                       | X                            |
| California            |                                    |                                           | X                         | X                              | X                               |                                 |                                             |                         | X                            |
| Hawaii*               |                                    |                                           | X                         |                                | X                               | X                               | X                                           | X                       | X                            |
| Nevada                |                                    |                                           | X                         | X                              | X                               | X                               | X                                           | X                       | X                            |
| Oregon                |                                    |                                           | X                         |                                |                                 |                                 |                                             |                         | X                            |
| Washington            |                                    |                                           | X                         |                                | X                               |                                 |                                             |                         | X                            |
| <b>ALL STATES</b>     | <b>4</b>                           | <b>3</b>                                  | <b>39</b>                 | <b>16</b>                      | <b>20</b>                       | <b>13</b>                       | <b>13</b>                                   | <b>19</b>               | <b>41</b>                    |

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

Source: National Association of State Budget Officers, 2008 State Expenditure Report

\*See Transportation Notes for explanation

## **Transportation Notes**

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

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

**Hawaii:** For employer contributions to current employees' pensions and health benefits, general fund amounts are budgeted centrally (except for elementary and secondary education and higher education) and reported in "All Other State Expenditures." For non-general funds, employer contributions are shown in each functional area.

**Michigan:** Federal revenue supported is expected to increase in fiscal 2009 largely due to the appropriation of federal ARRA funding

for state and local transportation programs (\$903.4 million). Actual ARRA expenditures will be recorded with the fiscal 2009 annual financial report.

**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 and Highway Patrol employees in the Department of Public Safety.

**South Carolina:** Estimated capital expenditures are no longer collected. Therefore, no capital expenditure data is included for estimated fiscal 2009.

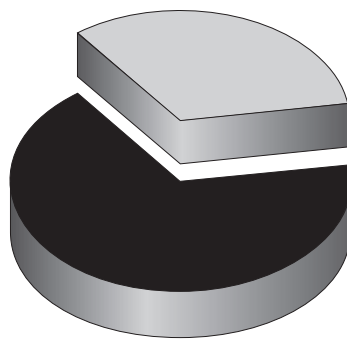
**Tennessee:** Bond estimates represent bond authorizations, while actual bonds represent bond proceeds utilized.

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

# CHAPTER SEVEN

## ALL OTHER EXPENDITURES

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34.6% of State Expenditures

The "All Other" category reflects a substantial amount of state spending not included in the categories described in previous chapters. "All Other" spending in states includes the Children's Health Insurance Program (CHIP), institutional and community care for the mentally ill and developmentally disabled, public health programs, 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 \$519.3 billion for fiscal 2008, or 34.6 percent of total state spending. Total spending in the "All Other" category increased 6.6 percent from fiscal 2007 to fiscal 2008, and is expected to grow by 7.1 percent from fiscal 2008 to fiscal 2009.

### Children's Health Insurance Program

Enacted as part of the *Balanced Budget Act of 1997*, the State Children's Health Insurance Program (SCHIP) expanded health 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. 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 population. In February 2009, the Children's Health Insurance Program Reauthorization Act (CHIPRA) was signed into law. Along with renaming the program, the reauthorization act expanded children's coverage and added \$33 billion in federal funds through 2013, financed mostly by increased federal tobacco taxes.

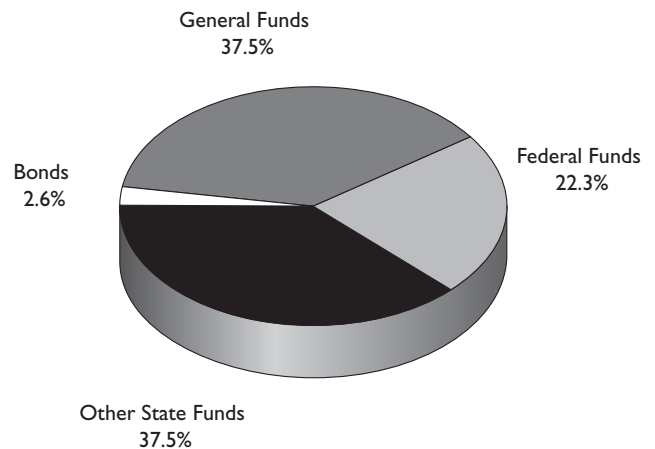
According to the Centers for Medicare and Medicaid Services (CMS), approximately 7.4 million children were covered under

CHIP during fiscal 2008. As shown in Appendix Table A-2, total spending for CHIP was \$8.1 billion in fiscal 2007, \$9.7 billion in fiscal 2008, and is estimated at \$10.9 billion in fiscal 2009.

### Fund Shares

The figure below illustrates fund shares for fiscal 2008.

**Figure 19**  
**STATE EXPENDITURES FOR ALL OTHER PROGRAMS BY FUND SOURCE, FISCAL 2008**



### Regional Expenditures

The following table shows percentage changes for "All Other" expenditures for fiscal 2007-2008 and 2008-2009 by region. For fiscal 2008, the Far West region was well above the national average while the Rocky Mountain region is well below the national average.

**Table 42**  
**REGIONAL PERCENTAGE CHANGE IN STATE ALL OTHER EXPENDITURES, FISCAL 2008 AND 2009**

| Region            | Fiscal 2007 to 2008 |               |              | Fiscal 2008 to 2009 |               |              |
|-------------------|---------------------|---------------|--------------|---------------------|---------------|--------------|
|                   | State Funds         | Federal Funds | All Funds    | State Funds         | Federal Funds | All Funds    |
| New England       | 7.6%                | 3.7%          | 6.7%         | -2.3%               | 25.8%         | 1.6%         |
| Mid-Atlantic      | 5.3                 | 1.6           | 4.9          | -3.4                | 13.2          | 0.2          |
| Great Lakes       | 3.8                 | 16.9          | 5.9          | -8.0                | 24.1          | -1.1         |
| Plains            | 7.7                 | 14.8          | 9.2          | 8.7                 | 29.6          | 14.0         |
| Southeast         | 5.4                 | 3.7           | 4.5          | 6.3                 | 22.9          | 10.1         |
| Southwest         | 7.8                 | 11.1          | 9.4          | 2.4                 | 12.6          | 6.6          |
| Rocky Mountain    | 3.4                 | 5.8           | 3.4          | 16.0                | 58.0          | 25.1         |
| Far West          | 11.5                | -0.2          | 10.7         | -1.4                | 70.8          | 12.5         |
| <b>ALL STATES</b> | <b>6.6 %</b>        | <b>6.0 %</b>  | <b>6.6 %</b> | <b>0.5 %</b>        | <b>29.5 %</b> | <b>7.1 %</b> |



Table 43

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

| Region/State          | Actual Fiscal 2007 |                  |                   |                 |                  | Actual Fiscal 2008 |                  |                   |                 |                  | Estimated Fiscal 2009 |                  |                   |                 |                  |
|-----------------------|--------------------|------------------|-------------------|-----------------|------------------|--------------------|------------------|-------------------|-----------------|------------------|-----------------------|------------------|-------------------|-----------------|------------------|
|                       | General Fund       | Federal Funds    | Other State Funds | Bonds           | Total            | General Fund       | Federal Funds    | Other State Funds | Bonds           | Total            | General Fund          | Federal Funds    | Other State Funds | Bonds           | Total            |
| <b>NEW ENGLAND</b>    |                    |                  |                   |                 |                  |                    |                  |                   |                 |                  |                       |                  |                   |                 |                  |
| Connecticut           | \$8,311            | \$240            | \$1,079           | \$371           | <b>\$10,001</b>  | \$8,946            | \$188            | \$1,417           | \$605           | <b>\$11,156</b>  | \$8,566               | \$313            | \$1,477           | \$511           | <b>\$10,867</b>  |
| Maine                 | 766                | 455              | 1,311             | 23              | <b>2,555</b>     | 829                | 475              | 1,448             | 22              | <b>2,774</b>     | 823                   | 583              | 1,542             | 33              | <b>2,981</b>     |
| Massachusetts         | 11,858             | 1,131            | 5,434             | 1,046           | <b>19,469</b>    | 12,442             | 1,173            | 6,102             | 664             | <b>20,381</b>    | 10,370                | 1,302            | 7,896             | 1,430           | <b>20,998</b>    |
| New Hampshire         | 695                | 381              | 318               | 24              | <b>1,418</b>     | 767                | 438              | 252               | 71              | <b>1,528</b>     | 768                   | 525              | 104               | 21              | <b>1,418</b>     |
| Rhode Island*         | 1,116              | 530              | 791               | 93              | <b>2,530</b>     | 1,152              | 537              | 862               | 96              | <b>2,647</b>     | 1,078                 | 702              | 1,141             | 110             | <b>3,031</b>     |
| Vermont               | 740                | 335              | 1,065             | 28              | <b>2,168</b>     | 744                | 376              | 1,062             | 20              | <b>2,202</b>     | 733                   | 583              | 694               | 35              | <b>2,045</b>     |
| <b>MID-ATLANTIC</b>   |                    |                  |                   |                 |                  |                    |                  |                   |                 |                  |                       |                  |                   |                 |                  |
| Delaware              | 1,301              | 264              | 1,995             | 12              | <b>3,572</b>     | 1,272              | 270              | 2,530             | 40              | <b>4,112</b>     | 1,063                 | 325              | 2,542             | 46              | <b>3,976</b>     |
| Maryland              | 4,330              | 1,268            | 3,064             | 0               | <b>8,662</b>     | 3,813              | 1,280            | 3,037             | 0               | <b>8,130</b>     | 3,527                 | 1,413            | 3,346             | 0               | <b>8,286</b>     |
| New Jersey*           | 10,278             | 1,936            | 3,171             | 86              | <b>15,471</b>    | 12,003             | 1,876            | 3,298             | 156             | <b>17,333</b>    | 9,250                 | 2,469            | 3,205             | 66              | <b>14,990</b>    |
| New York*             | 18,601             | 7,746            | 10,185            | 687             | <b>37,219</b>    | 18,756             | 8,056            | 11,357            | 880             | <b>39,049</b>    | 19,805                | 8,838            | 10,368            | 1,516           | <b>40,527</b>    |
| Pennsylvania          | 6,476              | 4,226            | 6,691             | 327             | <b>17,720</b>    | 6,625              | 4,206            | 6,890             | 351             | <b>18,072</b>    | 6,850                 | 4,720            | 7,289             | 259             | <b>19,118</b>    |
| <b>GREAT LAKES</b>    |                    |                  |                   |                 |                  |                    |                  |                   |                 |                  |                       |                  |                   |                 |                  |
| Illinois              | 5,535              | 3,021            | 7,074             | 321             | <b>15,951</b>    | 5,737              | 3,081            | 5,679             | 108             | <b>14,605</b>    | 2,580                 | 4,161            | 6,887             | 168             | <b>13,796</b>    |
| Indiana               | 3,811              | 1,988            | 1,380             | 0               | <b>7,179</b>     | 4,062              | 2,445            | 1,304             | 0               | <b>7,811</b>     | 3,587                 | 2,448            | 1,539             | 0               | <b>7,574</b>     |
| Michigan*             | 2,634              | 3,687            | 5,439             | 86              | <b>11,846</b>    | 2,759              | 4,018            | 5,628             | 69              | <b>12,474</b>    | 3,263                 | 6,007            | 4,397             | 29              | <b>13,696</b>    |
| Ohio                  | 4,135              | 2,118            | 12,520            | 212             | <b>18,985</b>    | 4,592              | 3,348            | 13,975            | 220             | <b>22,135</b>    | 3,582                 | 3,559            | 13,189            | 429             | <b>20,759</b>    |
| Wisconsin             | 3,111              | 1,937            | 9,703             | 0               | <b>14,751</b>    | 3,427              | 2,010            | 10,306            | 0               | <b>15,743</b>    | 3,260                 | 2,321            | 10,577            | 0               | <b>16,158</b>    |
| <b>PLAINS</b>         |                    |                  |                   |                 |                  |                    |                  |                   |                 |                  |                       |                  |                   |                 |                  |
| Iowa                  | 1,145              | 1,196            | 1,647             | 48              | <b>4,036</b>     | 1,362              | 1,621            | 1,671             | 18              | <b>4,672</b>     | 1,404                 | 1,918            | 2,030             | 65              | <b>5,417</b>     |
| Kansas                | 807                | 672              | 1,040             | 63              | <b>2,582</b>     | 932                | 884              | 1,052             | 89              | <b>2,957</b>     | 1,089                 | 510              | 1,063             | 105             | <b>2,767</b>     |
| Minnesota             | 3,849              | 1,740            | 1,664             | 218             | <b>7,471</b>     | 4,092              | 1,845            | 1,838             | 242             | <b>8,017</b>     | 4,081                 | 3,197            | 2,130             | 250             | <b>9,658</b>     |
| Missouri*             | 2,418              | 293              | 1,631             | 25              | <b>4,367</b>     | 2,524              | 296              | 1,751             | 5               | <b>4,576</b>     | 2,539                 | 275              | 1,207             | 19              | <b>4,040</b>     |
| Nebraska              | 768                | 809              | 1,216             | 0               | <b>2,793</b>     | 778                | 826              | 1,397             | 0               | <b>3,001</b>     | 1,015                 | 1,293            | 2,260             | 0               | <b>4,568</b>     |
| North Dakota          | 231                | 369              | 461               | 2               | <b>1,063</b>     | 335                | 371              | 468               | 0               | <b>1,174</b>     | 344                   | 467              | 585               | 0               | <b>1,396</b>     |
| South Dakota          | 232                | 224              | 312               | 7               | <b>775</b>       | 225                | 245              | 338               | 6               | <b>814</b>       | 250                   | 229              | 407               | 2               | <b>888</b>       |
| <b>SOUTHEAST</b>      |                    |                  |                   |                 |                  |                    |                  |                   |                 |                  |                       |                  |                   |                 |                  |
| Alabama               | 8,082              | 5,041            | 8,438             | 247             | <b>21,808</b>    | 8,881              | 5,462            | 9,300             | 543             | <b>24,186</b>    | 10,461                | 7,431            | 12,653            | 489             | <b>31,034</b>    |
| Arkansas              | 470                | 1,048            | 3,967             | 54              | <b>5,539</b>     | 518                | 1,225            | 4,018             | 63              | <b>5,824</b>     | 555                   | 1,641            | 4,378             | 51              | <b>6,625</b>     |
| Florida               | 6,627              | 5,968            | 7,555             | 1,804           | <b>21,954</b>    | 5,886              | 5,901            | 6,701             | 1,448           | <b>19,936</b>    | 4,783                 | 5,308            | 8,233             | 679             | <b>19,003</b>    |
| Georgia*              | 5,005              | 2,583            | 3,219             | 171             | <b>10,978</b>    | 5,136              | 3,289            | 4,012             | 123             | <b>12,560</b>    | 5,122                 | 3,365            | 3,365             | 208             | <b>12,060</b>    |
| Kentucky              | 2,201              | 1,721            | 1,891             | 0               | <b>5,813</b>     | 2,241              | 1,001            | 1,350             | 0               | <b>4,592</b>     | 2,127                 | 1,900            | 1,224             | 0               | <b>5,251</b>     |
| Louisiana             | 3,231              | 5,758            | 1,679             | 124             | <b>10,792</b>    | 4,147              | 7,236            | 2,700             | 155             | <b>14,238</b>    | 2,897                 | 9,280            | 3,401             | 178             | <b>15,756</b>    |
| Mississippi           | 946                | 2,888            | 1,158             | 351             | <b>5,343</b>     | 1,131              | 2,151            | 1,158             | 146             | <b>4,586</b>     | 1,111                 | 4,380            | 1,595             | 277             | <b>7,363</b>     |
| North Carolina        | 3,921              | 2,406            | 2,983             | 199             | <b>9,509</b>     | 4,474              | 2,171            | 4,097             | 200             | <b>10,942</b>    | 3,930                 | 2,565            | 4,735             | 0               | <b>11,230</b>    |
| South Carolina*       | 2,263              | 1,835            | 1,453             | 4               | <b>5,555</b>     | 2,301              | 1,976            | 1,667             | 0               | <b>5,944</b>     | 2,062                 | 2,456            | 2,041             | 0               | <b>6,559</b>     |
| Tennessee             | 2,436              | 2,540            | 2,300             | 110             | <b>7,386</b>     | 2,822              | 2,662            | 2,334             | 32              | <b>7,850</b>     | 3,042                 | 3,398            | 2,456             | 54              | <b>8,950</b>     |
| Virginia              | 4,526              | 1,473            | 6,556             | 208             | <b>12,763</b>    | 3,342              | 1,481            | 7,739             | 161             | <b>12,723</b>    | 3,751                 | 824              | 7,160             | 302             | <b>12,037</b>    |
| West Virginia         | 968                | 715              | 9,587             | 0               | <b>11,270</b>    | 866                | 694              | 9,579             | 0               | <b>11,139</b>    | 1,100                 | 762              | 10,313            | 0               | <b>12,175</b>    |
| <b>SOUTHWEST</b>      |                    |                  |                   |                 |                  |                    |                  |                   |                 |                  |                       |                  |                   |                 |                  |
| Arizona*              | 2,200              | 1,789            | 2,336             | 0               | <b>6,325</b>     | 2,106              | 1,938            | 2,673             | 0               | <b>6,717</b>     | 1,781                 | 2,038            | 2,885             | 0               | <b>6,704</b>     |
| New Mexico            | 1,741              | 997              | 1,422             | 358             | <b>4,518</b>     | 1,596              | 899              | 1,702             | 448             | <b>4,645</b>     | 1,644                 | 789              | 1,862             | 469             | <b>4,764</b>     |
| Oklahoma              | 1,801              | 4,670            | 1,607             | 40              | <b>8,118</b>     | 1,754              | 4,947            | 1,908             | 49              | <b>8,658</b>     | 1,618                 | 5,187            | 1,707             | 33              | <b>8,545</b>     |
| Texas                 | 8,469              | 8,988            | 3,546             | 0               | <b>21,003</b>    | 9,754              | 10,492           | 3,442             | 0               | <b>23,688</b>    | 10,238                | 12,563           | 3,786             | 0               | <b>26,587</b>    |
| <b>ROCKY MOUNTAIN</b> |                    |                  |                   |                 |                  |                    |                  |                   |                 |                  |                       |                  |                   |                 |                  |
| Colorado              | 1,717              | 1,843            | 5,231             | 0               | <b>8,791</b>     | 1,109              | 1,986            | 5,506             | 0               | <b>8,601</b>     | 1,823                 | 2,578            | 6,774             | 0               | <b>11,175</b>    |
| Idaho                 | 447                | 638              | 326               | 2               | <b>1,413</b>     | 475                | 651              | 415               | 23              | <b>1,564</b>     | 485                   | 690              | 652               | 21              | <b>1,848</b>     |
| Montana               | 555                | 526              | 169               | 0               | <b>1,250</b>     | 689                | 570              | 241               | 0               | <b>1,500</b>     | 570                   | 608              | 236               | 0               | <b>1,414</b>     |
| Utah                  | 1,095              | 544              | 1,176             | 111             | <b>2,926</b>     | 1,289              | 559              | 1,457             | 0               | <b>3,305</b>     | 1,055                 | 802              | 1,814             | 0               | <b>3,671</b>     |
| Wyoming               | 2,569              | 139              | 242               | 0               | <b>2,950</b>     | 2,569              | 139              | 242               | 0               | <b>2,950</b>     | 2,673                 | 1,493            | 142               | 0               | <b>4,308</b>     |
| <b>FAR WEST</b>       |                    |                  |                   |                 |                  |                    |                  |                   |                 |                  |                       |                  |                   |                 |                  |
| Alaska                | 1,666              | 1,004            | 3,028             | 56              | <b>5,754</b>     | 2,551              | 1,109            | 3,549             | 0               | <b>7,209</b>     | 3,400                 | 1,189            | 3,492             | 0               | <b>8,081</b>     |
| California            | 22,376             | 12,999           | 18,157            | 3,784           | <b>57,316</b>    | 23,365             | 12,632           | 19,736            | 5,776           | <b>61,509</b>    | 22,712                | 24,982           | 20,542            | 5,446           | <b>73,682</b>    |
| Hawaii*               | 1,970              | 552              | 1,912             | 336             | <b>4,770</b>     | 1,769              | 503              | 2,225             | 408             | <b>4,905</b>     | 1,635                 | 513              | 2,770             | 302             | <b>5,220</b>     |
| Nevada                | 723                | 608              | 799               | 68              | <b>2,198</b>     | 1,300              | 601              | 2,126             | 34              | <b>4,061</b>     | 1,091                 | 747              | 295               | 93              | <b>2,226</b>     |
| Oregon                | 838                | 1,463            | 6,384             | 53              | <b>8,738</b>     | 1,502              | 1,738            | 7,209             | 38              | <b>10,487</b>    | 1,229                 | 2,168            | 8,201             | 64              | <b>11,662</b>    |
| Washington            | 3,083              | 2,123            | 4,004             | 350             | <b>9,560</b>     | 2,939              | 2,127            | 4,113             | 407             | <b>9,586</b>     | 1,956                 | 2,365            | 4,051             | 745             | <b>9,117</b>     |
| <b>TOTAL</b>          | <b>\$185,074</b>   | <b>\$109,425</b> | <b>\$180,316</b>  | <b>\$12,109</b> | <b>\$486,924</b> | <b>\$194,686</b>   | <b>\$116,005</b> | <b>\$194,861</b>  | <b>\$13,716</b> | <b>\$519,268</b> | <b>\$184,678</b>      | <b>\$150,180</b> | <b>\$206,638</b>  | <b>\$14,505</b> | <b>\$556,001</b> |

Source: National Association of State Budget Officers, 2008 State Expenditure Report

\*See All Other Expenditures Notes for explanation

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

| <b>Region/State</b>   | <b>Fiscal<br/>2007</b> | <b>Fiscal<br/>2008</b> | <b>Fiscal<br/>2009</b> |
|-----------------------|------------------------|------------------------|------------------------|
| <b>NEW ENGLAND</b>    |                        |                        |                        |
| Connecticut           | 43.7 %                 | 45.5 %                 | 43.5 %                 |
| Maine                 | 35.5                   | 37.4                   | 36.8                   |
| Massachusetts         | 46.6                   | 46.2                   | 46.1                   |
| New Hampshire         | 31.2                   | 31.8                   | 29.1                   |
| Rhode Island          | 37.6                   | 37.3                   | 39.9                   |
| Vermont               | 42.1                   | 41.5                   | 38.3                   |
| <b>MID-ATLANTIC</b>   |                        |                        |                        |
| Delaware              | 45.8                   | 47.7                   | 45.5                   |
| Maryland              | 29.9                   | 27.3                   | 26.2                   |
| New Jersey            | 34.1                   | 35.6                   | 30.4                   |
| New York              | 33.0                   | 33.6                   | 33.3                   |
| Pennsylvania          | 31.1                   | 30.8                   | 30.3                   |
| <b>GREAT LAKES</b>    |                        |                        |                        |
| Illinois              | 34.5                   | 31.2                   | 28.5                   |
| Indiana               | 31.5                   | 32.2                   | 29.4                   |
| Michigan              | 27.8                   | 28.4                   | 28.3                   |
| Ohio                  | 35.5                   | 39.0                   | 35.9                   |
| Wisconsin             | 43.1                   | 43.6                   | 42.0                   |
| <b>PLAINS</b>         |                        |                        |                        |
| Iowa                  | 27.2                   | 29.0                   | 30.6                   |
| Kansas                | 21.6                   | 23.3                   | 20.7                   |
| Minnesota             | 27.6                   | 28.2                   | 30.5                   |
| Missouri              | 20.8                   | 21.6                   | 18.0                   |
| Nebraska              | 34.2                   | 34.4                   | 42.2                   |
| North Dakota          | 31.6                   | 32.6                   | 34.5                   |
| South Dakota          | 25.3                   | 25.8                   | 25.4                   |
| <b>SOUTHEAST</b>      |                        |                        |                        |
| Alabama               | 58.8                   | 60.2                   | 66.7                   |
| Arkansas              | 34.4                   | 34.5                   | 36.0                   |
| Florida               | 33.2                   | 31.0                   | 29.0                   |
| Georgia               | 31.2                   | 34.2                   | 33.3                   |
| Kentucky              | 26.1                   | 20.0                   | 21.8                   |
| Louisiana             | 41.6                   | 47.5                   | 48.0                   |
| Mississippi           | 33.7                   | 29.4                   | 38.0                   |
| North Carolina        | 24.1                   | 26.3                   | 27.9                   |
| South Carolina        | 27.8                   | 28.6                   | 31.9                   |
| Tennessee             | 30.1                   | 29.8                   | 31.4                   |
| Virginia              | 36.6                   | 36.0                   | 32.6                   |
| West Virginia         | 60.8                   | 59.5                   | 59.8                   |
| <b>SOUTHWEST</b>      |                        |                        |                        |
| Arizona               | 27.1                   | 27.2                   | 24.8                   |
| New Mexico            | 31.1                   | 31.4                   | 30.8                   |
| Oklahoma              | 43.4                   | 43.4                   | 41.9                   |
| Texas                 | 28.9                   | 28.8                   | 29.6                   |
| <b>ROCKY MOUNTAIN</b> |                        |                        |                        |
| Colorado              | 36.9                   | 34.2                   | 41.5                   |
| Idaho                 | 25.5                   | 26.4                   | 27.3                   |
| Montana               | 30.7                   | 33.5                   | 31.2                   |
| Utah                  | 29.3                   | 26.6                   | 31.6                   |
| Wyoming               | 60.1                   | 59.5                   | 60.5                   |
| <b>FAR WEST</b>       |                        |                        |                        |
| Alaska                | 49.9                   | 58.5                   | 56.5                   |
| California            | 31.3                   | 31.7                   | 35.3                   |
| Hawaii                | 44.9                   | 44.0                   | 44.2                   |
| Nevada                | 30.9                   | 44.0                   | 26.8                   |
| Oregon                | 43.2                   | 46.3                   | 47.6                   |
| Washington            | 31.9                   | 30.2                   | 27.8                   |
| <b>ALL STATES</b>     | <b>34.2 %</b>          | <b>34.6 %</b>          | <b>34.9 %</b>          |

Source: National Association of State Budget Officers, 2008 State Expenditure Report

Table 45

## ANNUAL PERCENTAGE CHANGE IN ALL OTHER EXPENDITURES

| Region/State          | Fiscal 2007 to 2008 |               |              | Fiscal 2008 to 2009 |               |              |
|-----------------------|---------------------|---------------|--------------|---------------------|---------------|--------------|
|                       | State Funds         | Federal Funds | All Funds    | State Funds         | Federal Funds | All Funds    |
| <b>NEW ENGLAND</b>    |                     |               |              |                     |               |              |
| Connecticut           | 10.4 %              | -21.7 %       | 11.5 %       | -3.1 %              | 66.5 %        | -2.6 %       |
| Maine                 | 9.6                 | 4.4           | 8.6          | 3.9                 | 22.7          | 7.5          |
| Massachusetts         | 7.2                 | 3.7           | 4.7          | -1.5                | 11.0          | 3.0          |
| New Hampshire         | 0.6                 | 15.0          | 7.8          | -14.4               | 19.9          | -7.2         |
| Rhode Island          | 5.6                 | 1.3           | 4.6          | 10.2                | 30.7          | 14.5         |
| Vermont               | 0.1                 | 12.2          | 1.6          | -21.0               | 55.1          | -7.1         |
| <b>MID-ATLANTIC</b>   |                     |               |              |                     |               |              |
| Delaware              | 15.4                | 2.3           | 15.1         | -5.2                | 20.4          | -3.3         |
| Maryland              | -7.4                | 0.9           | -6.1         | 0.3                 | 10.4          | 1.9          |
| New Jersey            | 13.8                | -3.1          | 12.0         | -18.6               | 31.6          | -13.5        |
| New York              | 4.6                 | 4.0           | 4.9          | 0.2                 | 9.7           | 3.8          |
| Pennsylvania          | 2.6                 | -0.5          | 2.0          | 4.6                 | 12.2          | 5.8          |
| <b>GREAT LAKES</b>    |                     |               |              |                     |               |              |
| Illinois              | -9.5                | 2.0           | -8.4         | -17.1               | 35.1          | -5.5         |
| Indiana               | 3.4                 | 23.0          | 8.8          | -4.5                | 0.1           | -3.0         |
| Michigan              | 3.9                 | 9.0           | 5.3          | -8.7                | 49.5          | 9.8          |
| Ohio                  | 11.5                | 58.1          | 16.6         | -9.7                | 6.3           | -6.2         |
| Wisconsin             | 7.2                 | 3.8           | 6.7          | 0.8                 | 15.5          | 2.6          |
| <b>PLAINS</b>         |                     |               |              |                     |               |              |
| Iowa                  | 8.6                 | 35.5          | 15.8         | 13.2                | 18.3          | 15.9         |
| Kansas                | 7.4                 | 31.5          | 14.5         | 8.5                 | -42.3         | -6.4         |
| Minnesota             | 7.6                 | 6.0           | 7.3          | 4.7                 | 73.3          | 20.5         |
| Missouri              | 5.6                 | 1.0           | 4.8          | -12.4               | -7.1          | -11.7        |
| Nebraska              | 9.6                 | 2.1           | 7.4          | 50.6                | 56.5          | 52.2         |
| North Dakota          | 16.0                | 0.5           | 10.4         | 15.7                | 25.9          | 18.9         |
| South Dakota          | 3.5                 | 9.4           | 5.0          | 16.7                | -6.5          | 9.1          |
| <b>SOUTHEAST</b>      |                     |               |              |                     |               |              |
| Alabama               | 10.1                | 8.4           | 10.9         | 27.1                | 36.0          | 28.3         |
| Arkansas              | 2.2                 | 16.9          | 5.1          | 8.8                 | 34.0          | 13.8         |
| Florida               | -11.2               | -1.1          | -9.2         | 3.4                 | -10.0         | -4.7         |
| Georgia               | 11.2                | 27.3          | 14.4         | -7.2                | 2.3           | -4.0         |
| Kentucky              | -12.2               | -41.8         | -21.0        | -6.7                | 89.8          | 14.4         |
| Louisiana             | 39.5                | 25.7          | 31.9         | -8.0                | 28.2          | 10.7         |
| Mississippi           | 8.8                 | -25.5         | -14.2        | 18.2                | 103.6         | 60.6         |
| North Carolina        | 24.1                | -9.8          | 15.1         | 1.1                 | 18.1          | 2.6          |
| South Carolina        | 6.8                 | 7.7           | 7.0          | 3.4                 | 24.3          | 10.3         |
| Tennessee             | 8.9                 | 4.8           | 6.3          | 6.6                 | 27.6          | 14.0         |
| Virginia              | 0.0                 | 0.5           | -0.3         | -1.5                | -44.4         | -5.4         |
| West Virginia         | -1.0                | -2.9          | -1.2         | 9.3                 | 9.8           | 9.3          |
| <b>SOUTHWEST</b>      |                     |               |              |                     |               |              |
| Arizona               | 5.4                 | 8.3           | 6.2          | -2.4                | 5.2           | -0.2         |
| New Mexico            | 4.3                 | -9.8          | 2.8          | 6.3                 | -12.2         | 2.6          |
| Oklahoma              | 7.5                 | 5.9           | 6.7          | -9.2                | 4.9           | -1.3         |
| Texas                 | 9.8                 | 16.7          | 12.8         | 6.3                 | 19.7          | 12.2         |
| <b>ROCKY MOUNTAIN</b> |                     |               |              |                     |               |              |
| Colorado              | -4.8                | 7.8           | -2.2         | 30.0                | 29.8          | 29.9         |
| Idaho                 | 15.1                | 2.0           | 10.7         | 27.8                | 6.0           | 18.2         |
| Montana               | 28.5                | 8.4           | 20.0         | -13.3               | 6.7           | -5.7         |
| Utah                  | 20.9                | 2.8           | 13.0         | 4.5                 | 43.5          | 11.1         |
| Wyoming               | 0.0                 | 0.0           | 0.0          | 0.1                 | 974.1         | 46.0         |
| <b>FAR WEST</b>       |                     |               |              |                     |               |              |
| Alaska                | 30.0                | 10.5          | 25.3         | 13.0                | 7.2           | 12.1         |
| California            | 6.3                 | -2.8          | 7.3          | 0.4                 | 97.8          | 19.8         |
| Hawaii                | 2.9                 | -8.9          | 2.8          | 10.3                | 2.0           | 6.4          |
| Nevada                | 125.1               | -1.2          | 84.8         | -59.5               | 24.3          | -45.2        |
| Oregon                | 20.6                | 18.8          | 20.0         | 8.3                 | 24.7          | 11.2         |
| Washington            | -0.5                | 0.2           | 0.3          | -14.8               | 11.2          | -4.9         |
| <b>ALL STATES</b>     | <b>6.6 %</b>        | <b>6.0 %</b>  | <b>6.6 %</b> | <b>0.5 %</b>        | <b>29.5 %</b> | <b>7.1 %</b> |

Note: State funds are defined as general funds and other state funds (bonds are excluded).  
Source: National Association of State Budget Officers, 2008 State Expenditure Report

**Table 46**

**ITEMS EXCLUDED FROM ALL OTHER EXPENDITURES**

| Region/State          | Employers<br>Contribution to<br>Pensions | Employer<br>Contributions to<br>Health Benefits | Child<br>Health Insurance<br>Program | Public<br>Health | Community and<br>Institutional for<br>Mental Health | Community and<br>Institutional<br>for Dev. Disabled | Environmental<br>Programs | Parks<br>and<br>Recreation | Housing   | General Aid<br>to Local<br>Government |
|-----------------------|------------------------------------------|-------------------------------------------------|--------------------------------------|------------------|-----------------------------------------------------|-----------------------------------------------------|---------------------------|----------------------------|-----------|---------------------------------------|
| <b>NEW ENGLAND</b>    |                                          |                                                 |                                      |                  |                                                     |                                                     |                           |                            |           |                                       |
| Connecticut           |                                          |                                                 |                                      |                  |                                                     |                                                     |                           |                            |           |                                       |
| Maine                 |                                          |                                                 |                                      |                  |                                                     |                                                     |                           |                            |           |                                       |
| Massachusetts         |                                          |                                                 |                                      |                  |                                                     |                                                     |                           |                            |           |                                       |
| New Hampshire         |                                          |                                                 |                                      |                  |                                                     |                                                     |                           |                            |           |                                       |
| Rhode Island          |                                          |                                                 |                                      |                  |                                                     |                                                     |                           |                            |           |                                       |
| Vermont               |                                          |                                                 |                                      |                  |                                                     |                                                     |                           |                            |           |                                       |
| <b>MID-ATLANTIC</b>   |                                          |                                                 |                                      |                  |                                                     |                                                     |                           |                            |           |                                       |
| Delaware              |                                          |                                                 |                                      |                  |                                                     |                                                     |                           |                            |           |                                       |
| Maryland              |                                          |                                                 |                                      |                  |                                                     |                                                     |                           |                            |           |                                       |
| New Jersey            |                                          |                                                 |                                      |                  |                                                     |                                                     |                           |                            |           |                                       |
| New York*             | P                                        | P                                               |                                      |                  |                                                     |                                                     |                           |                            |           |                                       |
| Pennsylvania          |                                          |                                                 |                                      |                  |                                                     |                                                     |                           |                            |           |                                       |
| <b>GREAT LAKES</b>    |                                          |                                                 |                                      |                  |                                                     |                                                     |                           |                            |           |                                       |
| Illinois              |                                          |                                                 |                                      |                  |                                                     |                                                     |                           |                            | P         | X                                     |
| Indiana               |                                          |                                                 |                                      |                  |                                                     |                                                     |                           |                            |           |                                       |
| Michigan*             |                                          |                                                 |                                      | P                | P                                                   | P                                                   |                           |                            |           |                                       |
| Ohio                  |                                          |                                                 |                                      |                  |                                                     |                                                     |                           |                            | X         |                                       |
| Wisconsin             |                                          |                                                 |                                      |                  |                                                     |                                                     |                           |                            |           |                                       |
| <b>PLAINS</b>         |                                          |                                                 |                                      |                  |                                                     |                                                     |                           |                            |           |                                       |
| Iowa                  |                                          |                                                 |                                      |                  |                                                     |                                                     |                           |                            | X         |                                       |
| Kansas                |                                          |                                                 |                                      |                  |                                                     |                                                     | N/A                       |                            | N/A       |                                       |
| Minnesota             | X                                        | X                                               |                                      |                  |                                                     |                                                     |                           |                            |           |                                       |
| Missouri              |                                          |                                                 |                                      |                  |                                                     |                                                     |                           |                            | X         |                                       |
| Nebraska              |                                          |                                                 |                                      |                  |                                                     |                                                     |                           |                            | X         |                                       |
| North Dakota          |                                          |                                                 |                                      |                  |                                                     |                                                     |                           |                            |           |                                       |
| South Dakota          |                                          |                                                 |                                      |                  |                                                     |                                                     |                           |                            |           | X                                     |
| <b>SOUTHEAST</b>      |                                          |                                                 |                                      |                  |                                                     |                                                     |                           |                            |           |                                       |
| Alabama               |                                          |                                                 |                                      |                  |                                                     |                                                     |                           |                            | P         | P                                     |
| Arkansas              |                                          |                                                 |                                      |                  |                                                     |                                                     |                           |                            |           |                                       |
| Florida               |                                          |                                                 |                                      |                  |                                                     |                                                     |                           |                            |           |                                       |
| Georgia*              |                                          | X                                               |                                      | P                | P                                                   | P                                                   |                           |                            |           |                                       |
| Kentucky              |                                          |                                                 |                                      |                  |                                                     |                                                     |                           |                            |           |                                       |
| Louisiana             |                                          |                                                 |                                      |                  |                                                     |                                                     |                           |                            |           |                                       |
| Mississippi           |                                          |                                                 |                                      |                  |                                                     |                                                     |                           |                            | P         |                                       |
| North Carolina        |                                          |                                                 |                                      |                  |                                                     |                                                     |                           |                            |           |                                       |
| South Carolina        |                                          |                                                 |                                      |                  |                                                     |                                                     |                           |                            |           | P                                     |
| Tennessee             |                                          |                                                 |                                      |                  |                                                     |                                                     |                           |                            |           | X                                     |
| Virginia              |                                          |                                                 |                                      |                  |                                                     |                                                     |                           |                            |           |                                       |
| West Virginia         |                                          |                                                 |                                      |                  |                                                     |                                                     |                           |                            |           |                                       |
| <b>SOUTHWEST</b>      |                                          |                                                 |                                      |                  |                                                     |                                                     |                           |                            |           |                                       |
| Arizona*              |                                          |                                                 |                                      |                  |                                                     |                                                     |                           |                            |           | P                                     |
| New Mexico            |                                          |                                                 |                                      |                  |                                                     |                                                     |                           |                            | P         |                                       |
| Oklahoma              |                                          |                                                 |                                      |                  |                                                     |                                                     |                           |                            | X         | P                                     |
| Texas                 |                                          |                                                 |                                      |                  |                                                     |                                                     |                           |                            |           |                                       |
| <b>ROCKY MOUNTAIN</b> |                                          |                                                 |                                      |                  |                                                     |                                                     |                           |                            |           |                                       |
| Colorado              |                                          |                                                 |                                      |                  |                                                     |                                                     |                           |                            |           |                                       |
| Idaho                 |                                          |                                                 |                                      |                  |                                                     |                                                     |                           |                            | X         | X                                     |
| Montana               |                                          |                                                 |                                      |                  |                                                     |                                                     |                           |                            |           |                                       |
| Utah                  |                                          |                                                 |                                      |                  |                                                     |                                                     |                           |                            |           |                                       |
| Wyoming               |                                          |                                                 |                                      |                  |                                                     |                                                     |                           |                            |           |                                       |
| <b>FAR WEST</b>       |                                          |                                                 |                                      |                  |                                                     |                                                     |                           |                            |           |                                       |
| Alaska                |                                          |                                                 |                                      |                  |                                                     |                                                     | P                         |                            | P         |                                       |
| California            |                                          |                                                 |                                      |                  |                                                     |                                                     |                           |                            |           |                                       |
| Hawaii*               | P                                        | P                                               |                                      |                  |                                                     | P                                                   |                           |                            |           |                                       |
| Nevada                |                                          |                                                 |                                      |                  |                                                     |                                                     |                           |                            |           | X                                     |
| Oregon                |                                          |                                                 |                                      |                  |                                                     |                                                     |                           |                            |           |                                       |
| Washington            |                                          |                                                 |                                      | P                |                                                     |                                                     |                           |                            |           | X                                     |
| <b>ALL STATES</b>     | <b>3</b>                                 | <b>4</b>                                        | <b>0</b>                             | <b>3</b>         | <b>2</b>                                            | <b>3</b>                                            | <b>2</b>                  | <b>0</b>                   | <b>12</b> | <b>10</b>                             |

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

Source: National Association of State Budget Officers, 2008 State Expenditure Report

\*See All Other Expenditures Notes for explanation

## **All Other Expenditure Notes**

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

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

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

**Hawaii:** For employer contributions to current employees' pensions and health benefits, general fund amounts are budgeted centrally (except for elementary and secondary education and higher education) and reported in "All Other State Expenditures." For non-general funds, employer contributions are shown in each functional area.

**Michigan:** Public health and community and institutional care for mentally and developmentally disabled persons are partially reported in the Medicaid totals. Federal revenue support is expected to increase in fiscal 2009 largely due to appropriation of federal ARRA funding for a variety of programs (\$1,228.7 million). Actual ARRA expenditures will be recorded with the fiscal 2009 annual financial report.

**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 and Highway Patrol employees in the Department of Public Safety.

**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.

**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.

**Rhode Island:** Debt service for the Neighborhood Opportunities Program is displayed in the "All Other".

**South Carolina:** Estimated capital expenditures are no longer collected. Therefore, no capital expenditure data is included for estimated fiscal 2009.



# CHAPTER EIGHT

# CAPITAL EXPENDITURES

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Capital expenditures are made for new construction, infrastructure, major repairs and improvements, land purchases and the acquisition of major equipment and existing structures. Minor repairs and routine maintenance are reported as operating expenses. Given the long-term nature of capital projects, states often find it difficult to report capital expenditures for 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 1999 report *Capital Budgeting in the States*, available in the publications section of NASBO's website at [www.nasbo.org](http://www.nasbo.org).

The following chapter includes capital expenditures for higher education, corrections, transportation, environmental projects, housing, and "all other". Due to differences in states' reporting capabilities, or expenditures for items not easily classified, capital expenditures not included in these categories 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. States decreased capital spending in fiscal 2008 by 2.1 percent following four straight years of growth. Unlike some previous declines in capital spending, this

decline is expected to be short-lived. Fiscal 2009 capital spending is estimated to grow 15.9 percent from fiscal 2008 levels. This is partly due to the passage of the *American Recovery and Reinvestment Act of 2009 (ARRA)*. Along with providing increased federal funds to states, ARRA also included a number of bond provisions such as Build America Bonds, Recovery Zone Economic Development Bonds, and School Construction Bonds. While general fund capital spending decreased by 30.7 percent in fiscal 2009, federal funds increased by 34 percent and bonds increased by 21 percent. Capital spending from other state funds is also expected to grow by 11.7 percent in fiscal 2009. Overall, state capital spending totaled \$83.2 billion in fiscal 2007, \$81.5 billion in fiscal 2008, and is estimated to total \$94.5 billion in fiscal 2009.

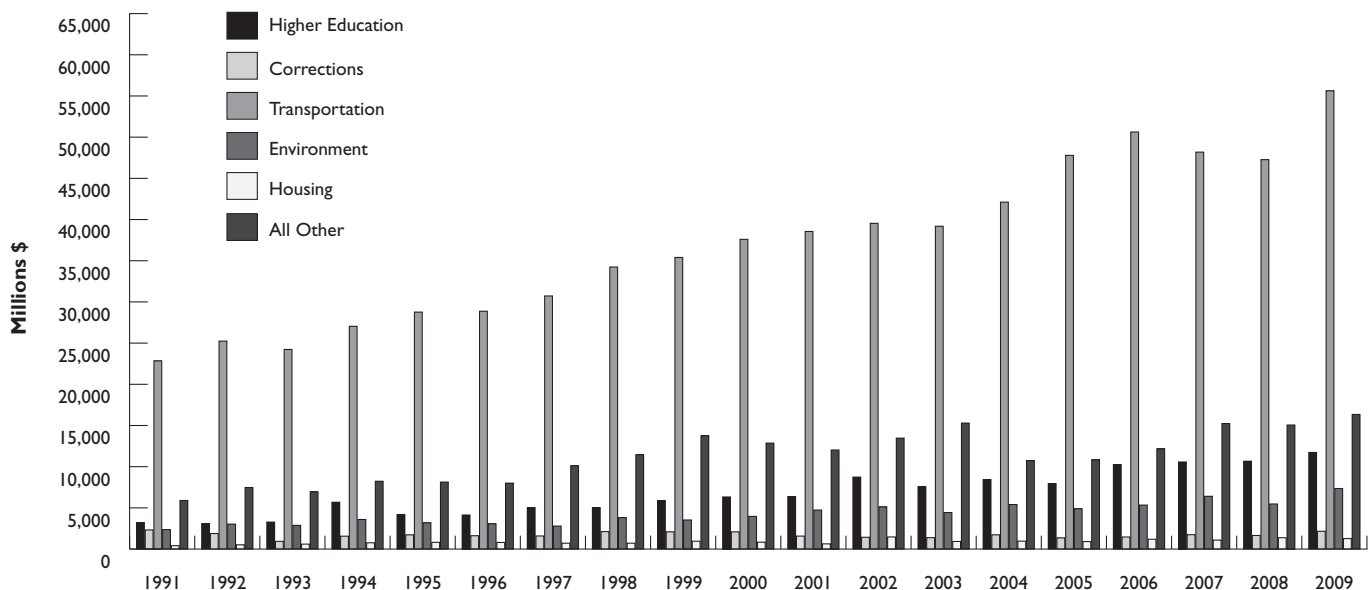
### Capital Fund Sources

State spending on capital projects traditionally has come from non-general fund sources. Other state funds such as dedicated fees and fund surpluses (35.3 percent in fiscal 2008) and bonds (31.6 percent) combine to account for 67 percent of total state spending on capital projects. Federal funds (23.7 percent) and state general funds (9.4 percent) also contribute to capital spending.

### Capital Funds by Use

Comprising 58 percent (\$47.3 billion) of all capital expenditures in fiscal 2008, **transportation** is the largest category of state capital

**Figure 20**  
**CAPITAL EXPENDITURES BY TYPE, FISCAL 1991 TO 2009**





expenditures. Capital spending for transportation decreased by 1.9 percent in fiscal 2008, but is expected to increase by 17.7 percent in fiscal 2009.

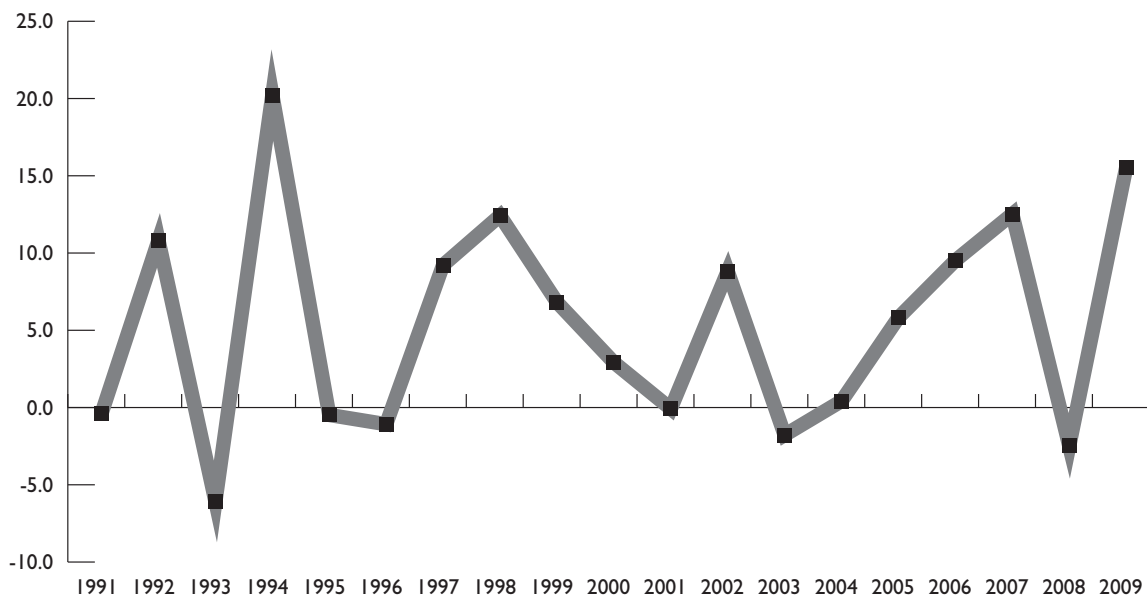
**Higher education** capital expenditures increased by 0.9 percent in fiscal 2008, totaling \$10.7 billion. In fiscal 2009, higher education capital spending is estimated to increase by 10 percent. In fiscal 2008, higher education accounted for 13.1 percent of total state capital outlays.

State capital spending for **environmental** purposes in fiscal 2008 totaled \$5.5 billion, 6.7 percent of total capital spending and a 14.6 percent decrease from fiscal 2007. Environmental capital expenditures are estimated to increase 34.3 percent in fiscal 2009.

**Corrections** capital spending experienced a decrease of 5.2 percent in fiscal 2008, totaling \$1.7 billion. Corrections accounted for 2 percent of total state capital expenditures. Fiscal 2009 estimates indicate spending of \$2.2 billion, a 30.9 percent increase.

**Housing** capital expenditures account for just 1.7 percent of total fiscal 2008 capital spending, at approximately \$1.4 billion. Housing capital spending increased by 26.3 percent in fiscal 2008, but is estimated to decrease by 7.6 percent in fiscal 2009. While the percentage changes for housing capital spending are somewhat large, in actual dollar terms spending only increased by a relatively small \$287 million in fiscal 2008 and decreased by \$104 million in fiscal 2009.

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



State spending for **“all other”** purposes totaled \$15.1 billion in fiscal 2008, or 18.5 percent of total capital spending. This includes capital expenditures not easily classified into one of the other categories. Examples of expenditures in the **“all other”** category 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 2008**

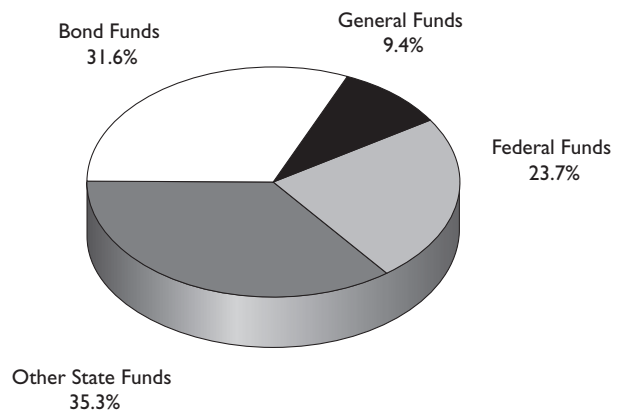


Table 47

## TOTAL CAPITAL EXPENDITURES (\$ IN MILLIONS)

| Region/State          | Actual Fiscal 2007 |                 |                   |                 |                 | Actual Fiscal 2008 |                 |                   |                 |                 | Estimated Fiscal 2009 |                 |                   |                 |                 |
|-----------------------|--------------------|-----------------|-------------------|-----------------|-----------------|--------------------|-----------------|-------------------|-----------------|-----------------|-----------------------|-----------------|-------------------|-----------------|-----------------|
|                       | General Fund       | Federal Funds   | Other State Funds | Bonds           | Total           | General Fund       | Federal Funds   | Other State Funds | Bonds           | Total           | General Fund          | Federal Funds   | Other State Funds | Bonds           | Total           |
| <b>NEW ENGLAND</b>    |                    |                 |                   |                 |                 |                    |                 |                   |                 |                 |                       |                 |                   |                 |                 |
| Connecticut           | \$0                | \$0             | \$0               | \$2,088         | \$2,088         | \$0                | \$0             | \$0               | \$2,032         | \$2,032         | \$0                   | \$0             | \$0               | \$1,852         | \$1,852         |
| Maine                 | 3                  | 132             | 69                | 36              | 240             | 3                  | 110             | 56                | 65              | 234             | 3                     | 122             | 82                | 60              | 267             |
| Massachusetts         | 0                  | 567             | 26                | 1,782           | 2,375           | 0                  | 495             | 72                | 1,420           | 1,987           | 0                     | 660             | 18                | 2,085           | 2,763           |
| New Hampshire         | 0                  | 46              | 186               | 58              | 290             | 0                  | 33              | 187               | 113             | 333             | 0                     | 11              | 168               | 113             | 292             |
| Rhode Island*         | 4                  | 261             | 90                | 182             | 537             | 1                  | 167             | 76                | 185             | 429             | 1                     | 292             | 121               | 221             | 634             |
| Vermont               | 0                  | 157             | 46                | 37              | 240             | 0                  | 139             | 49                | 38              | 226             | 0                     | 168             | 43                | 65              | 276             |
| <b>MID-ATLANTIC</b>   |                    |                 |                   |                 |                 |                    |                 |                   |                 |                 |                       |                 |                   |                 |                 |
| Delaware              | 209                | 104             | 189               | 7               | 509             | 0                  | 156             | 221               | 17              | 394             | 0                     | 201             | 224               | 7               | 432             |
| Maryland              | 149                | 784             | 1,430             | 714             | 3,077           | 27                 | 724             | 1,385             | 842             | 2,978           | 16                    | 802             | 1,265             | 938             | 3,021           |
| New Jersey            | 1,224              | 1,235           | 41                | 1,366           | 3,866           | 1,935              | 1,399           | 51                | 1,508           | 4,893           | 1,383                 | 2,929           | 8                 | 1,587           | 5,907           |
| New York              | 0                  | 1,737           | 1,577             | 2,244           | 5,558           | 0                  | 1,755           | 2,507             | 1,869           | 6,131           | 0                     | 1,852           | 1,826             | 3,153           | 6,833           |
| Pennsylvania          | 0                  | 0               | 0                 | 898             | 898             | 0                  | 0               | 0                 | 738             | 738             | 0                     | 0               | 0                 | 999             | 999             |
| <b>GREAT LAKES</b>    |                    |                 |                   |                 |                 |                    |                 |                   |                 |                 |                       |                 |                   |                 |                 |
| Illinois              | 0                  | 157             | 2,203             | 615             | 2,975           | 0                  | 121             | 1,978             | 278             | 2,378           | 0                     | 125             | 2,443             | 286             | 2,854           |
| Indiana               | 225                | 0               | 33                | 37              | 295             | 280                | 0               | 37                | 161             | 477             | 237                   | 0               | 39                | 98              | 374             |
| Michigan*             | 224                | 989             | 188               | 625             | 2,025           | 231                | 839             | 462               | 300             | 1,833           | 239                   | 997             | 356               | 309             | 1,900           |
| Ohio                  | 4                  | 1,148           | 988               | 1,414           | 3,554           | 2                  | 1,021           | 1,228             | 753             | 3,004           | 1                     | 1,088           | 2,503             | 850             | 4,442           |
| Wisconsin             | 0                  | 0               | 0                 | 0               | 0               | 0                  | 0               | 0                 | 0               | 0               | 0                     | 0               | 0                 | 0               |                 |
| <b>PLAINS</b>         |                    |                 |                   |                 |                 |                    |                 |                   |                 |                 |                       |                 |                   |                 |                 |
| Iowa                  | 0                  | 265             | 329               | 54              | 648             | 0                  | 290             | 282               | 26              | 598             | 0                     | 188             | 431               | 201             | 820             |
| Kansas                | 21                 | 360             | 541               | 91              | 1,013           | 24                 | 424             | 236               | 98              | 782             | 25                    | 312             | 742               | 102             | 1,181           |
| Minnesota             | 63                 | 22              | 879               | 709             | 1,673           | 23                 | 90              | 699               | 691             | 1,503           | 44                    | 158             | 1,089             | 599             | 1,890           |
| Missouri*             | 72                 | 16              | 37                | 29              | 154             | 87                 | 24              | 109               | 3               | 223             | 75                    | 21              | 111               | 0               | 207             |
| Nebraska              | 30                 | 252             | 396               | 0               | 678             | 12                 | 283             | 557               | 0               | 852             | 11                    | 335             | 839               | 0               | 1,186           |
| North Dakota          | 12                 | 231             | 93                | 68              | 404             | 32                 | 213             | 131               | 27              | 403             | 52                    | 249             | 148               | 12              | 461             |
| South Dakota          | 18                 | 2               | 88                | 10              | 118             | 10                 | 3               | 91                | 17              | 121             | 1                     | 3               | 28                | 44              | 76              |
| <b>SOUTHEAST</b>      |                    |                 |                   |                 |                 |                    |                 |                   |                 |                 |                       |                 |                   |                 |                 |
| Alabama*              | 38                 | 475             | 164               | 275             | 952             | 20                 | 486             | 195               | 552             | 1,253           | 0                     | 429             | 266               | 490             | 1,185           |
| Arkansas              | 0                  | 37              | 48                | 15              | 100             | 0                  | 12              | 72                | 23              | 107             | 0                     | 27              | 67                | 14              | 108             |
| Florida*              | 1,211              | 2,567           | 6,996             | 3,319           | 14,093          | 645                | 2,436           | 6,266             | 3,324           | 12,671          | 463                   | 2,525           | 6,872             | 2,945           | 12,805          |
| Georgia               | 7                  | 1,132           | 1,015             | 1,239           | 3,393           | 15                 | 892             | 632               | 1,469           | 3,008           | 3                     | 848             | 726               | 1,012           | 2,589           |
| Kentucky              | 0                  | 0               | 633               | 0               | 633             | 0                  | 0               | 875               | 0               | 875             | 0                     | 0               | 832               | 0               | 832             |
| Louisiana             | 671                | 146             | 1,131             | 233             | 2,181           | 89                 | 15              | 1,116             | 291             | 1,511           | 79                    | 157             | 1,133             | 284             | 1,653           |
| Mississippi           | 27                 | 866             | 289               | 427             | 1,609           | 30                 | 808             | 314               | 234             | 1,385           | 27                    | 429             | 448               | 360             | 1,265           |
| North Carolina        | 207                | 0               | 0                 | 803             | 1,010           | 231                | 0               | 0                 | 200             | 431             | 23                    | 0               | 0                 | 600             | 623             |
| South Carolina*       | 29                 | 32              | 317               | 111             | 489             | 40                 | 33              | 245               | 118             | 436             | 0                     | 0               | 0                 | 0               | 0               |
| Tennessee*            | 74                 | 688             | 598               | 378             | 1,738           | 264                | 866             | 474               | 235             | 1,839           | 52                    | 1,533           | 523               | 262             | 2,370           |
| Virginia              | 176                | 13              | 193               | 911             | 1,294           | 370                | 11              | 175               | 636             | 1,192           | 34                    | 30              | 309               | 1,402           | 1,775           |
| West Virginia         | 21                 | 429             | 506               | 171             | 1,127           | 18                 | 387             | 532               | 154             | 1,091           | 30                    | 565             | 640               | 151             | 1,386           |
| <b>SOUTHWEST</b>      |                    |                 |                   |                 |                 |                    |                 |                   |                 |                 |                       |                 |                   |                 |                 |
| Arizona               | 37                 | 396             | 411               | 328             | 1,172           | 40                 | 563             | 482               | 482             | 1,567           | 51                    | 620             | 358               | 575             | 1,604           |
| New Mexico            | 122                | 0               | 0                 | 844             | 966             | 0                  | 0               | 0                 | 0               | 0               | 0                     | 0               | 0                 | 0               | 0               |
| Oklahoma*             | 156                | 730             | 653               | 9               | 1,548           | 197                | 927             | 779               | 19              | 1,922           | 264                   | 1,196           | 822               | 32              | 2,314           |
| Texas                 | 18                 | 0               | 200               | 38              | 256             | 42                 | 0               | 158               | 48              | 248             | 35                    | 5               | 254               | 65              | 359             |
| <b>ROCKY MOUNTAIN</b> |                    |                 |                   |                 |                 |                    |                 |                   |                 |                 |                       |                 |                   |                 |                 |
| Colorado*             | 639                | 0               | 1,062             | 0               | 1,701           | 557                | 0               | 1,241             | 0               | 1,798           | 255                   | 0               | 1,082             | 0               | 1,338           |
| Idaho                 | 0                  | 220             | 140               | 10              | 370             | 22                 | 226             | 200               | 30              | 478             | 17                    | 453             | 182               | 29              | 681             |
| Montana*              | 0                  | 0               | 0                 | 0               | 0               | 0                  | 0               | 0                 | 0               | 0               | 0                     | 0               | 0                 | 0               |                 |
| Utah                  | 339                | 277             | 737               | 111             | 1,464           | 793                | 274             | 665               | 1,100           | 2,832           | 251                   | 368             | 765               | 43              | 1,428           |
| Wyoming               | 126                | 8               | 103               | 0               | 237             | 126                | 8               | 103               | 0               | 237             | 743                   | 1,037           | 75                | 0               | 1,855           |
| <b>FAR WEST</b>       |                    |                 |                   |                 |                 |                    |                 |                   |                 |                 |                       |                 |                   |                 |                 |
| Alaska                | 933                | 1,323           | 189               | 300             | 2,745           | 1,353              | 864             | 407               | 26              | 2,650           | 675                   | 1,394           | 644               | 345             | 3,058           |
| California            | 300                | 1,662           | 1,420             | 1,339           | 4,721           | 138                | 1,157           | 1,327             | 2,588           | 5,210           | 191                   | 2,656           | 1,342             | 5,465           | 9,654           |
| Hawaii*               | 43                 | 153             | 235               | 474             | 904             | 0                  | 212             | 218               | 617             | 1,047           | 0                     | 240             | 160               | 570             | 970             |
| Nevada                | 0                  | 325             | 768               | 393             | 1,485           | 23                 | 236             | 580               | 401             | 1,240           | 41                    | 344             | 595               | 602             | 1,582           |
| Oregon                | 2                  | 2               | 57                | 246             | 307             | 17                 | 15              | 93                | 210             | 335             | 13                    | 30              | 133               | 322             | 498             |
| Washington            | 0                  | 603             | 1,339             | 1,569           | 3,511           | 0                  | 572             | 1,183             | 1,821           | 3,576           | 0                     | 449             | 1,413             | 2,026           | 3,888           |
| <b>TOTAL*</b>         | <b>\$7,432</b>     | <b>\$20,550</b> | <b>\$28,633</b>   | <b>\$26,607</b> | <b>\$83,222</b> | <b>\$7,697</b>     | <b>\$19,286</b> | <b>\$28,745</b>   | <b>\$25,759</b> | <b>\$81,488</b> | <b>\$5,335</b>        | <b>\$25,849</b> | <b>\$32,124</b>   | <b>\$31,176</b> | <b>\$94,483</b> |

Source: National Association of State Budget Officers, 2008 State Expenditure Report

\*See Capital Spending Notes for explanation

Table 48

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

| Region/State          | Actual Fiscal 2007 |               |                   |                |                 | Actual Fiscal 2008 |               |                   |                |                 | Estimated Fiscal 2009 |                |                   |                |                 |
|-----------------------|--------------------|---------------|-------------------|----------------|-----------------|--------------------|---------------|-------------------|----------------|-----------------|-----------------------|----------------|-------------------|----------------|-----------------|
|                       | General Fund       | Federal Funds | Other State Funds | Bonds          | Total           | General Fund       | Federal Funds | Other State Funds | Bonds          | Total           | General Fund          | Federal Funds  | Other State Funds | Bonds          | Total           |
| <b>NEW ENGLAND</b>    |                    |               |                   |                |                 |                    |               |                   |                |                 |                       |                |                   |                |                 |
| Connecticut           | \$0                | \$0           | \$0               | \$243          | \$243           | \$0                | \$0           | \$0               | \$211          | \$211           | \$0                   | \$0            | \$0               | \$257          | \$257           |
| Maine                 | 0                  | 0             | 0                 | 0              | 0               | 0                  | 0             | 0                 | 0              | 0               | 0                     | 0              | 0                 | 0              |                 |
| Massachusetts         | 0                  | 0             | 0                 | 47             | 47              | 0                  | 0             | 0                 | 43             | 43              | 0                     | 0              | 0                 | 39             | 39              |
| New Hampshire         | 0                  | 0             | 0                 | 22             | 22              | 0                  | 0             | 0                 | 34             | 34              | 0                     | 0              | 0                 | 41             | 41              |
| Rhode Island          | 0                  | 0             | 9                 | 42             | 51              | 0                  | 3             | 17                | 54             | 74              | 0                     | 0              | 18                | 53             | 71              |
| Vermont               | 0                  | 0             | 0                 | 4              | 4               | 0                  | 0             | 0                 | 5              | 5               | 0                     | 0              | 0                 | 3              | 3               |
| <b>MID-ATLANTIC</b>   |                    |               |                   |                |                 |                    |               |                   |                |                 |                       |                |                   |                |                 |
| Delaware              | 4                  | 0             | 0                 | 3              | 7               | 0                  | 0             | 0                 | 10             | 10              | 0                     | 0              | 0                 | 1              | 1               |
| Maryland              | 19                 | 0             | 25                | 235            | 279             | 0                  | 0             | 30                | 229            | 259             | 0                     | 0              | 33                | 264            | 297             |
| New Jersey            | 0                  | 0             | 0                 | 0              | 0               | 0                  | 0             | 0                 | 0              | 0               | 0                     | 0              | 0                 | 0              |                 |
| New York              | 0                  | 0             | 54                | 526            | 580             | 0                  | 0             | 66                | 520            | 586             | 0                     | 0              | 67                | 528            | 595             |
| Pennsylvania          | 0                  | 0             | 0                 | 244            | 244             | 0                  | 0             | 0                 | 201            | 201             | 0                     | 0              | 0                 | 270            | 270             |
| <b>GREAT LAKES</b>    |                    |               |                   |                |                 |                    |               |                   |                |                 |                       |                |                   |                |                 |
| Illinois              | 0                  | 0             | 0                 | 114            | 114             | 0                  | 0             | 0                 | 56             | 56              | 0                     | 0              | 0                 | 45             | 45              |
| Indiana               | 31                 | 0             | 0                 | 37             | 68              | 72                 | 0             | 0                 | 161            | 233             | 31                    | 0              | 0                 | 98             | 129             |
| Michigan*             | 114                | 0             | 0                 | 168            | 282             | 119                | 0             | 0                 | 93             | 212             | 127                   | 0              | 0                 | 50             | 177             |
| Ohio                  | 0                  | 0             | 0                 | 274            | 274             | 0                  | 0             | 161               | 123            | 284             | 0                     | 0              | 288               | 0              | 288             |
| Wisconsin             | 0                  | 0             | 0                 | 0              | 0               | 0                  | 0             | 0                 | 0              | 0               | 0                     | 0              | 0                 | 0              |                 |
| <b>PLAINS</b>         |                    |               |                   |                |                 |                    |               |                   |                |                 |                       |                |                   |                |                 |
| Iowa                  | 0                  | 0             | 19                | 8              | 27              | 0                  | 0             | 17                | 7              | 24              | 0                     | 0              | 56                | 47             | 103             |
| Kansas                | 3                  | 3             | 50                | 21             | 77              | 4                  | 0             | 72                | 28             | 104             | 5                     | 10             | 73                | 30             | 118             |
| Minnesota             | 0                  | 0             | 0                 | 256            | 256             | 0                  | 0             | 0                 | 232            | 232             | 0                     | 0              | 0                 | 192            | 192             |
| Missouri              | 0                  | 0             | 1                 | 18             | 19              | 0                  | 0             | 68                | 0              | 68              | 3                     | 0              | 75                | 0              | 78              |
| Nebraska              | 18                 | 1             | 68                | 0              | 87              | 9                  | 1             | 159               | 0              | 169             | 7                     | 1              | 193               | 0              | 201             |
| North Dakota          | 4                  | 0             | 19                | 51             | 74              | 10                 | 0             | 23                | 27             | 60              | 24                    | 5              | 47                | 12             | 88              |
| South Dakota          | 0                  | 0             | 0                 | 3              | 3               | 0                  | 0             | 0                 | 11             | 11              | 0                     | 0              | 0                 | 42             | 42              |
| <b>SOUTHEAST</b>      |                    |               |                   |                |                 |                    |               |                   |                |                 |                       |                |                   |                |                 |
| Alabama*              | 0                  | 0             | 0                 | 0              | 0               | 0                  | 0             | 0                 | 0              | 0               | 0                     | 0              | 0                 | 0              | 0               |
| Arkansas              | 0                  | 0             | 12                | 0              | 12              | 0                  | 0             | 9                 | 0              | 9               | 0                     | 0              | 9                 | 0              | 9               |
| Florida*              | 32                 | 0             | 157               | 843            | 1,032           | 111                | 0             | 138               | 1,124          | 1,373           | 9                     | 0              | 52                | 1,058          | 1,119           |
| Georgia               | 0                  | 0             | 0                 | 355            | 355             | 5                  | 0             | 0                 | 342            | 347             | 0                     | 0              | 0                 | 432            | 432             |
| Kentucky              | 0                  | 0             | 221               | 0              | 221             | 0                  | 0             | 446               | 0              | 446             | 0                     | 0              | 498               | 0              | 498             |
| Louisiana             | 14                 | 0             | 19                | 37             | 70              | 5                  | 1             | 10                | 50             | 66              | 0                     | 6              | 37                | 67             | 110             |
| Mississippi           | 19                 | 5             | 77                | 9              | 110             | 21                 | 7             | 79                | 12             | 119             | 19                    | 7              | 91                | 19             | 136             |
| North Carolina        | 140                | 0             | 0                 | 604            | 744             | 126                | 0             | 0                 | 0              | 126             | 0                     | 0              | 0                 | 400            | 400             |
| South Carolina        | 14                 | 1             | 272               | 106            | 393             | 19                 | 3             | 179               | 116            | 317             | 0                     | 0              | 0                 | 0              | 0               |
| Tennessee             | 28                 | 0             | 0                 | 228            | 256             | 206                | 0             | 10                | 84             | 300             | 16                    | 0              | 0                 | 6              | 22              |
| Virginia              | 144                | 2             | 155               | 591            | 892             | 254                | 1             | 80                | 422            | 757             | 24                    | 16             | 195               | 1,164          | 1,399           |
| West Virginia         | 0                  | 0             | 270               | 137            | 407             | 0                  | 0             | 279               | 76             | 355             | 0                     | 0              | 287               | 79             | 366             |
| <b>SOUTHWEST</b>      |                    |               |                   |                |                 |                    |               |                   |                |                 |                       |                |                   |                |                 |
| Arizona               | 35                 | 12            | 14                | 157            | 218             | 35                 | 11            | 11                | 175            | 232             | 48                    | 12             | 15                | 135            | 210             |
| New Mexico            | 54                 | 0             | 0                 | 199            | 253             | 0                  | 0             | 0                 | 0              | 0               | 0                     | 0              | 0                 | 0              | 0               |
| Oklahoma              | 92                 | 58            | 74                | 9              | 233             | 114                | 77            | 102               | 15             | 308             | 167                   | 103            | 129               | 30             | 429             |
| Texas                 | 0                  | 0             | 0                 | 0              | 0               | 0                  | 0             | 0                 | 0              | 0               | 0                     | 0              | 0                 | 0              |                 |
| <b>ROCKY MOUNTAIN</b> |                    |               |                   |                |                 |                    |               |                   |                |                 |                       |                |                   |                |                 |
| Colorado              | 35                 | 0             | 204               | 0              | 239             | 99                 | 0             | 213               | 0              | 312             | 115                   | 0              | 160               | 0              | 275             |
| Idaho                 | 0                  | 0             | 18                | 5              | 23              | 14                 | 0             | 8                 | 5              | 27              | 15                    | 0              | 9                 | 7              | 31              |
| Montana               | 0                  | 0             | 0                 | 0              | 0               | 0                  | 0             | 0                 | 0              | 0               | 0                     | 0              | 0                 | 0              |                 |
| Utah                  | 71                 | 0             | 0                 | 0              | 71              | 79                 | 0             | 2                 | 0              | 81              | 26                    | 0              | 1                 | 43             | 70              |
| Wyoming               | 27                 | 1             | 0                 | 0              | 28              | 27                 | 1             | 0                 | 0              | 28              | 139                   | 942            | 1                 | 0              | 1,082           |
| <b>FAR WEST</b>       |                    |               |                   |                |                 |                    |               |                   |                |                 |                       |                |                   |                |                 |
| Alaska                | 17                 | 2             | 3                 | 94             | 116             | 59                 | 21            | 36                | 0              | 116             | 14                    | 120            | 80                | 0              | 214             |
| California            | 0                  | 0             | 0                 | 1,143          | 1,143           | 0                  | 0             | 0                 | 1,311          | 1,311           | 0                     | 0              | 0                 | 578            | 578             |
| Hawaii                | 43                 | 0             | 0                 | 69             | 112             | 0                  | 0             | 0                 | 90             | 90              | 0                     | 0              | 0                 | 145            | 145             |
| Nevada                | 0                  | 0             | 96                | 144            | 240             | 0                  | 0             | 120               | 177            | 297             | 0                     | 0              | 13                | 183            | 196             |
| Oregon                | 0                  | 0             | 38                | 79             | 117             | 17                 | 0             | 72                | 140            | 229             | 12                    | 0              | 107               | 238            | 357             |
| Washington            | 0                  | 0             | 127               | 400            | 527             | 0                  | 0             | 143               | 400            | 543             | 0                     | 0              | 189               | 426            | 615             |
| <b>TOTAL</b>          | <b>\$958</b>       | <b>\$85</b>   | <b>\$2,002</b>    | <b>\$7,525</b> | <b>\$10,570</b> | <b>\$1,405</b>     | <b>\$126</b>  | <b>\$2,550</b>    | <b>\$6,584</b> | <b>\$10,665</b> | <b>\$801</b>          | <b>\$1,222</b> | <b>\$2,723</b>    | <b>\$6,982</b> | <b>\$11,728</b> |

Source: National Association of State Budget Officers, 2008 State Expenditure Report

\*See Capital Spending Notes for explanation

Table 49

## CORRECTIONS CAPITAL EXPENDITURES (\$ IN MILLIONS)

| Region/State          | Actual Fiscal 2007 |               |                   |                |                | Actual Fiscal 2008 |               |                   |              |                | Estimated Fiscal 2009 |               |                   |                |                |
|-----------------------|--------------------|---------------|-------------------|----------------|----------------|--------------------|---------------|-------------------|--------------|----------------|-----------------------|---------------|-------------------|----------------|----------------|
|                       | General Fund       | Federal Funds | Other State Funds | Bonds          | Total          | General Fund       | Federal Funds | Other State Funds | Bonds        | Total          | General Fund          | Federal Funds | Other State Funds | Bonds          | Total          |
| <b>NEW ENGLAND</b>    |                    |               |                   |                |                |                    |               |                   |              |                |                       |               |                   |                |                |
| Connecticut           | \$0                | \$0           | \$0               | \$13           | \$13           | \$0                | \$0           | \$0               | \$3          | \$3            | \$0                   | \$0           | \$0               | \$24           | \$24           |
| 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                 | 2              | 2              | 0                  | 0             | 0                 | 1            | 1              | 0                     | 0             | 0                 | 3              | 3              |
| Rhode Island          | 0                  | 3             | 5                 | 0              | 8              | 0                  | 4             | 3                 | 0            | 7              | 0                     | 0             | 4                 | 0              | 4              |
| Vermont               | 0                  | 0             | 0                 | 1              | 1              | 0                  | 0             | 0                 | 3            | 3              | 0                     | 0             | 0                 | 2              | 2              |
| <b>MID-ATLANTIC</b>   |                    |               |                   |                |                |                    |               |                   |              |                |                       |               |                   |                |                |
| Delaware              | 2                  | 0             | 5                 | 0              | 7              | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0              | 0              |
| Maryland              | 1                  | 0             | 36                | 4              | 41             | 0                  | 0             | 0                 | 68           | 68             | 0                     | 0             | 0                 | 49             | 49             |
| New Jersey            | -1                 | 0             | 0                 | 0              | -1             | 0                  | 1             | 0                 | 0            | 1              | 2                     | 0             | 0                 | 0              | 2              |
| New York              | 0                  | 0             | 0                 | 212            | 212            | 0                  | 0             | 0                 | 254          | 254            | 0                     | 0             | 0                 | 279            | 279            |
| Pennsylvania          | 0                  | 0             | 0                 | 177            | 177            | 0                  | 0             | 0                 | 36           | 36             | 0                     | 0             | 0                 | 90             | 90             |
| <b>GREAT LAKES</b>    |                    |               |                   |                |                |                    |               |                   |              |                |                       |               |                   |                |                |
| Illinois              | 0                  | 0             | 0                 | 20             | 20             | 0                  | 0             | 0                 | 12           | 12             | 0                     | 0             | 0                 | 8              | 8              |
| Indiana               | 56                 | 0             | 12                | 0              | 68             | 53                 | 0             | 16                | 0            | 69             | 55                    | 0             | 14                | 0              | 69             |
| Michigan              | 48                 | 0             | 0                 | 6              | 54             | 48                 | 0             | 0                 | 3            | 51             | 48                    | 0             | 0                 | 0              | 48             |
| Ohio                  | 0                  | 0             | 0                 | 25             | 25             | 0                  | 0             | 0                 | 14           | 14             | 0                     | 0             | 0                 | 36             | 36             |
| Wisconsin             | 0                  | 0             | 0                 | 0              | 0              | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0              | 0              |
| <b>PLAINS</b>         |                    |               |                   |                |                |                    |               |                   |              |                |                       |               |                   |                |                |
| Iowa                  | 0                  | 0             | 1                 | 13             | 14             | 0                  | 0             | 7                 | 4            | 11             | 0                     | 0             | 6                 | 101            | 107            |
| Kansas                | 3                  | 0             | 2                 | 7              | 12             | 4                  | 0             | 2                 | 8            | 14             | 3                     | 0             | 5                 | 7              | 15             |
| Minnesota             | 13                 | 1             | 0                 | 77             | 91             | 4                  | 1             | 1                 | 45           | 51             | 10                    | 0             | 0                 | 26             | 36             |
| Missouri              | 0                  | 4             | 0                 | 5              | 9              | 0                  | 14            | 0                 | 2            | 16             | 0                     | 5             | 0                 | 0              | 5              |
| Nebraska              | 1                  | 0             | 2                 | 0              | 3              | 1                  | 0             | 0                 | 0            | 1              | 0                     | 0             | 3                 | 0              | 3              |
| North Dakota          | 1                  | 0             | 0                 | 0              | 1              | 2                  | 0             | 0                 | 0            | 2              | 3                     | 0             | 0                 | 0              | 3              |
| South Dakota          | 0                  | 0             | 0                 | 0              | 0              | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0              | 0              |
| <b>SOUTHEAST</b>      |                    |               |                   |                |                |                    |               |                   |              |                |                       |               |                   |                |                |
| Alabama               | 3                  | 0             | 1                 | 1              | 5              | 16                 | 0             | 1                 | 1            | 18             | 0                     | 0             | 3                 | 1              | 4              |
| Arkansas              | 0                  | 0             | 1                 | 0              | 1              | 0                  | 0             | 2                 | 0            | 2              | 0                     | 0             | 5                 | 0              | 5              |
| Florida               | 149                | 4             | 2                 | 0              | 155            | 202                | 1             | 0                 | 0            | 203            | 342                   | 0             | 0                 | 0              | 342            |
| Georgia               | 1                  | 0             | 0                 | 19             | 20             | 0                  | 0             | 0                 | 14           | 14             | 0                     | 0             | 0                 | 28             | 28             |
| Kentucky              | 0                  | 0             | 9                 | 0              | 9              | 0                  | 0             | 6                 | 0            | 6              | 0                     | 0             | 9                 | 0              | 9              |
| Louisiana             | 0                  | 14            | 1                 | 2              | 17             | 0                  | 2             | 2                 | 2            | 6              | 0                     | 1             | 1                 | 4              | 6              |
| Mississippi           | 1                  | 0             | 1                 | 0              | 2              | 2                  | 0             | 0                 | 0            | 2              | 1                     | 0             | 0                 | 0              | 1              |
| North Carolina        | 0                  | 0             | 0                 | 0              | 0              | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 200            | 200            |
| South Carolina        | 2                  | 5             | 1                 | 1              | 9              | 5                  | 3             | 3                 | 2            | 13             | 0                     | 0             | 0                 | 0              | 0              |
| Tennessee             | 3                  | 0             | 24                | 40             | 67             | 3                  | 0             | 29                | 35           | 67             | 0                     | 0             | 85                | 0              | 85             |
| Virginia              | 10                 | 9             | 1                 | 168            | 188            | 40                 | 2             | 4                 | 88           | 134            | 1                     | 10            | 1                 | 22             | 34             |
| West Virginia         | 3                  | 0             | 0                 | 9              | 12             | 3                  | 0             | 1                 | 1            | 5              | 2                     | 0             | 1                 | 16             | 19             |
| <b>SOUTHWEST</b>      |                    |               |                   |                |                |                    |               |                   |              |                |                       |               |                   |                |                |
| Arizona               | 1                  | 0             | 1                 | 1              | 3              | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0              | 0              |
| New Mexico            | 3                  | 0             | 0                 | 1              | 4              | 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                 | 18                 | 0             | 2                 | 38             | 58             | 41                 | 0             | 1                 | 48           | 90             | 34                    | 0             | 1                 | 65             | 100            |
| <b>ROCKY MOUNTAIN</b> |                    |               |                   |                |                |                    |               |                   |              |                |                       |               |                   |                |                |
| Colorado              | 2                  | 0             | 16                | 0              | 18             | 21                 | 0             | 29                | 0            | 50             | 25                    | 0             | 81                | 0              | 106            |
| Idaho                 | 0                  | 0             | 23                | 3              | 26             | 8                  | 0             | 3                 | 3            | 14             | 2                     | 0             | 3                 | 2              | 7              |
| Montana               | 0                  | 0             | 0                 | 0              | 0              | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0              | 0              |
| Utah                  | 20                 | 0             | 0                 | 0              | 20             | 0                  | 0             | 0                 | 0            | 0              | 3                     | 0             | 0                 | 0              | 3              |
| Wyoming               | 0                  | 0             | 0                 | 0              | 0              | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0              | 0              |
| <b>FAR WEST</b>       |                    |               |                   |                |                |                    |               |                   |              |                |                       |               |                   |                |                |
| Alaska                | 6                  | 0             | 0                 | 0              | 6              | 9                  | 0             | 0                 | 0            | 9              | 13                    | 0             | 15                | 0              | 28             |
| California            | 66                 | 0             | 0                 | 0              | 66             | 101                | 0             | 0                 | 1            | 102            | 114                   | 0             | 0                 | 0              | 114            |
| Hawaii                | 0                  | 0             | 0                 | 0              | 0              | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0              | 0              |
| Nevada                | 0                  | 0             | 0                 | 14             | 14             | 0                  | 0             | 0                 | 98           | 98             | 0                     | 0             | 0                 | 161            | 161            |
| Oregon                | 0                  | 0             | 0                 | 112            | 112            | 0                  | 0             | 0                 | 31           | 31             | 0                     | 0             | 0                 | 15             | 15             |
| Washington            | 0                  | 0             | 2                 | 172            | 174            | 0                  | 0             | 3                 | 171          | 174            | 0                     | 0             | 4                 | 108            | 112            |
| <b>TOTAL</b>          | <b>\$412</b>       | <b>\$40</b>   | <b>\$148</b>      | <b>\$1,143</b> | <b>\$1,743</b> | <b>\$563</b>       | <b>\$28</b>   | <b>\$113</b>      | <b>\$948</b> | <b>\$1,652</b> | <b>\$658</b>          | <b>\$16</b>   | <b>\$241</b>      | <b>\$1,247</b> | <b>\$2,162</b> |

Source: National Association of State Budget Officers, 2008 State Expenditure Report

Table 50

## TRANSPORTATION CAPITAL EXPENDITURES (\$ IN MILLIONS)

| Region/State          | Actual Fiscal 2007 |                 |                   |                |                 | Actual Fiscal 2008 |                 |                   |                |                 | Estimated Fiscal 2009 |                 |                   |                 |                 |
|-----------------------|--------------------|-----------------|-------------------|----------------|-----------------|--------------------|-----------------|-------------------|----------------|-----------------|-----------------------|-----------------|-------------------|-----------------|-----------------|
|                       | General Fund       | Federal Funds   | Other State Funds | Bonds          | Total           | General Fund       | Federal Funds   | Other State Funds | Bonds          | Total           | General Fund          | Federal Funds   | Other State Funds | Bonds           | Total           |
| <b>NEW ENGLAND</b>    |                    |                 |                   |                |                 |                    |                 |                   |                |                 |                       |                 |                   |                 |                 |
| Connecticut           | \$0                | \$0             | \$0               | \$789          | \$789           | \$0                | \$0             | \$0               | \$477          | \$477           | \$0                   | \$0             | \$0               | \$418           | \$418           |
| Maine                 | 0                  | 118             | 65                | 30             | 213             | 0                  | 105             | 52                | 57             | 214             | 0                     | 112             | 78                | 47              | 237             |
| Massachusetts         | 0                  | 567             | 26                | 689            | 1,282           | 0                  | 495             | 72                | 713            | 1,280           | 0                     | 660             | 18                | 616             | 1,294           |
| New Hampshire         | 0                  | 46              | 186               | 0              | 232             | 0                  | 33              | 187               | 0              | 220             | 0                     | 11              | 168               | 0               | 179             |
| Rhode Island          | 0                  | 173             | 10                | 40             | 223             | 0                  | 126             | 2                 | 30             | 158             | 0                     | 203             | 8                 | 45              | 256             |
| Vermont               | 0                  | 157             | 46                | 0              | 203             | 0                  | 139             | 49                | 0              | 188             | 0                     | 168             | 43                | 15              | 226             |
| <b>MID-ATLANTIC</b>   |                    |                 |                   |                |                 |                    |                 |                   |                |                 |                       |                 |                   |                 |                 |
| Delaware              | 0                  | 104             | 184               | 0              | 288             | 0                  | 156             | 221               | 0              | 377             | 0                     | 201             | 224               | 0               | 425             |
| Maryland              | 0                  | 707             | 795               | 0              | 1,502           | 0                  | 665             | 821               | 0              | 1,486           | 0                     | 737             | 796               | 0               | 1,533           |
| New Jersey            | 895                | 1,182           | 21                | 1,280          | 3,378           | 895                | 1,303           | 27                | 1,352          | 3,577           | 895                   | 2,915           | 3                 | 1,521           | 5,334           |
| New York              | 0                  | 1,511           | 1,080             | 774            | 3,365           | 0                  | 1,495           | 1,833             | 198            | 3,526           | 0                     | 1,646           | 1,325             | 823             | 3,794           |
| Pennsylvania          | 0                  | 0               | 0                 | 150            | 150             | 0                  | 0               | 0                 | 150            | 150             | 0                     | 0               | 0                 | 380             | 380             |
| <b>GREAT LAKES</b>    |                    |                 |                   |                |                 |                    |                 |                   |                |                 |                       |                 |                   |                 |                 |
| Illinois              | 0                  | 151             | 1,938             | 127            | 2,216           | 0                  | 113             | 1,772             | 72             | 1,957           | 0                     | 120             | 2,197             | 62              | 2,379           |
| Indiana               | 1                  | 0               | 0                 | 0              | 1               | 2                  | 0               | 0                 | 0              | 2               | 2                     | 0               | 0                 | 0               | 2               |
| Michigan              | 0                  | 818             | 71                | 365            | 1,254           | 0                  | 676             | 335               | 135            | 1,146           | 0                     | 635             | 233               | 229             | 1,097           |
| Ohio                  | 3                  | 1,148           | 767               | 307            | 2,225           | 0                  | 1,021           | 782               | 329            | 2,132           | 0                     | 1,088           | 797               | 385             | 2,270           |
| Wisconsin             | 0                  | 0               | 0                 | 0              | 0               | 0                  | 0               | 0                 | 0              | 0               | 0                     | 0               | 0                 | 0               | 0               |
| <b>PLAINS</b>         |                    |                 |                   |                |                 |                    |                 |                   |                |                 |                       |                 |                   |                 |                 |
| Iowa                  | 0                  | 265             | 259               | 0              | 524             | 0                  | 290             | 182               | 0              | 472             | 0                     | 188             | 248               | 0               | 436             |
| Kansas                | 0                  | 339             | 489               | 53             | 881             | 7                  | 415             | 162               | 50             | 634             | 7                     | 296             | 664               | 53              | 1,020           |
| Minnesota             | 0                  | 8               | 832               | 144            | 984             | 0                  | 49              | 664               | 158            | 871             | 1                     | 73              | 1,009             | 124             | 1,207           |
| Missouri*             | 0                  | 0               | 0                 | 0              | 0               | 1                  | 0               | 0                 | 0              | 1               | 4                     | 0               | 0                 | 0               | 4               |
| Nebraska              | 0                  | 239             | 301               | 0              | 540             | 0                  | 259             | 354               | 0              | 613             | 0                     | 268             | 465               | 0               | 733             |
| North Dakota          | 0                  | 216             | 52                | 15             | 283             | 0                  | 187             | 81                | 0              | 268             | 0                     | 211             | 72                | 0               | 283             |
| South Dakota          | 0                  | 0               | 36                | 0              | 36              | 0                  | 1               | 15                | 0              | 16              | 0                     | 0               | 18                | 0               | 18              |
| <b>SOUTHEAST</b>      |                    |                 |                   |                |                 |                    |                 |                   |                |                 |                       |                 |                   |                 |                 |
| Alabama               | 0                  | 475             | 110               | 27             | 612             | 0                  | 486             | 113               | 8              | 607             | 0                     | 429             | 138               | 0               | 567             |
| Arkansas              | 0                  | 0               | 0                 | 0              | 0               | 0                  | 0               | 0                 | 0              | 0               | 0                     | 0               | 0                 | 0               | 0               |
| Florida               | 0                  | 2,210           | 3,889             | 672            | 6,771           | 85                 | 2,180           | 2,859             | 752            | 5,876           | 0                     | 2,097           | 3,977             | 1,208           | 7,282           |
| Georgia               | 0                  | 1,125           | 1,015             | 251            | 2,391           | 0                  | 880             | 632               | 326            | 1,838           | 0                     | 844             | 726               | 239             | 1,809           |
| Kentucky              | 0                  | 0               | 10                | 0              | 10              | 0                  | 0               | 14                | 0              | 14              | 0                     | 0               | 17                | 0               | 17              |
| Louisiana             | 643                | 5               | 973               | 70             | 1,691           | 17                 | 5               | 970               | 84             | 1,076           | 0                     | 6               | 878               | 35              | 919             |
| Mississippi           | 0                  | 813             | 164               | 59             | 1,036           | 0                  | 577             | 176               | 69             | 822             | 0                     | 354             | 254               | 60              | 668             |
| 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                  | 1               | 14                | 0              | 15              | 0                     | 0               | 0                 | 0               | 0               |
| Tennessee             | 0                  | 668             | 574               | 0              | 1,242           | 0                  | 866             | 435               | 84             | 1,385           | 0                     | 1,533           | 438               | 226             | 2,197           |
| Virginia              | 0                  | 0               | 22                | 61             | 83              | 0                  | 0               | 70                | 52             | 122             | 0                     | 0               | 70                | 43              | 113             |
| West Virginia         | 4                  | 403             | 184               | 25             | 616             | 3                  | 373             | 215               | 77             | 668             | 6                     | 537             | 299               | 56              | 898             |
| <b>SOUTHWEST</b>      |                    |                 |                   |                |                 |                    |                 |                   |                |                 |                       |                 |                   |                 |                 |
| Arizona               | 0                  | 382             | 394               | 170            | 946             | 0                  | 550             | 466               | 307            | 1,323           | 0                     | 606             | 339               | 440             | 1,385           |
| New Mexico            | 65                 | 0               | 0                 | 286            | 351             | 0                  | 0               | 0                 | 0              | 0               | 0                     | 0               | 0                 | 0               | 0               |
| Oklahoma              | 0                  | 476             | 490               | 0              | 966             | 0                  | 604             | 574               | 0              | 1,178           | 0                     | 763             | 565               | 2               | 1,330           |
| Texas                 | 0                  | 0               | 185               | 0              | 185             | 0                  | 0               | 143               | 0              | 143             | 0                     | 5               | 240               | 0               | 245             |
| <b>ROCKY MOUNTAIN</b> |                    |                 |                   |                |                 |                    |                 |                   |                |                 |                       |                 |                   |                 |                 |
| Colorado              | 0                  | 0               | 766               | 0              | 766             | 25                 | 0               | 907               | 0              | 932             | 29                    | 0               | 825               | 0               | 854             |
| Idaho                 | 0                  | 220             | 87                | 0              | 307             | 0                  | 226             | 64                | 0              | 290             | 0                     | 453             | 114               | 0               | 567             |
| Montana               | 0                  | 0               | 0                 | 0              | 0               | 0                  | 0               | 0                 | 0              | 0               | 0                     | 0               | 0                 | 0               | 0               |
| Utah                  | 35                 | 255             | 757               | 0              | 1,047           | 384                | 270             | 644               | 1,100          | 2,398           | 32                    | 366             | 647               | 0               | 1,045           |
| Wyoming               | 87                 | 2               | 99                | 0              | 188             | 87                 | 2               | 99                | 0              | 188             | 47                    | 2               | 74                | 0               | 123             |
| <b>FAR WEST</b>       |                    |                 |                   |                |                 |                    |                 |                   |                |                 |                       |                 |                   |                 |                 |
| Alaska                | 453                | 1,020           | 102               | 150            | 1,725           | 255                | 595             | 112               | 26             | 988             | 96                    | 883             | 161               | 345             | 1,485           |
| California            | 0                  | 1,530           | 1,997             | 0              | 3,527           | 0                  | 1,078           | 2,652             | 913            | 4,643           | 0                     | 1,632           | 2,444             | 3,307           | 7,383           |
| Hawaii                | 0                  | 144             | 77                | 69             | 290             | 0                  | 189             | 82                | 119            | 390             | 0                     | 229             | 58                | 123             | 410             |
| Nevada                | 0                  | 314             | 659               | 167            | 1,140           | 23                 | 234             | 447               | 92             | 796             | 41                    | 341             | 571               | 165             | 1,118           |
| Oregon                | 0                  | 0               | 0                 | 2              | 2               | 0                  | 3               | 0                 | 1              | 4               | 0                     | 4               | 0                 | 5               | 9               |
| Washington            | 0                  | 491             | 585               | 647            | 1,723           | 0                  | 482             | 485               | 843            | 1,810           | 0                     | 367             | 566               | 747             | 1,680           |
| <b>TOTAL</b>          | <b>\$2,186</b>     | <b>\$18,282</b> | <b>\$20,297</b>   | <b>\$7,419</b> | <b>\$48,184</b> | <b>\$1,784</b>     | <b>\$17,129</b> | <b>\$19,784</b>   | <b>\$8,574</b> | <b>\$47,271</b> | <b>\$1,160</b>        | <b>\$20,983</b> | <b>\$21,767</b>   | <b>\$11,719</b> | <b>\$55,629</b> |

Source: National Association of State Budget Officers, 2008 State Expenditure Report

\*See Capital Spending Notes for explanation

Table 51

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

| Region/State          | Actual Fiscal 2007 |               |                   |                |                | Actual Fiscal 2008 |               |                   |                |                | Estimated Fiscal 2009 |               |                   |                |                |
|-----------------------|--------------------|---------------|-------------------|----------------|----------------|--------------------|---------------|-------------------|----------------|----------------|-----------------------|---------------|-------------------|----------------|----------------|
|                       | General Fund       | Federal Funds | Other State Funds | Bonds          | Total          | General Fund       | Federal Funds | Other State Funds | Bonds          | Total          | General Fund          | Federal Funds | Other State Funds | Bonds          | Total          |
| <b>NEW ENGLAND</b>    |                    |               |                   |                |                |                    |               |                   |                |                |                       |               |                   |                |                |
| Connecticut           | \$0                | \$0           | \$0               | \$136          | \$136          | \$0                | \$0           | \$0               | \$372          | \$372          | \$0                   | \$0           | \$0               | \$366          | \$366          |
| Maine                 | 0                  | 0             | 0                 | 0              | 0              | 0                  | 0             | 0                 | 0              | 0              | 0                     | 0             | 1                 | 0              | 1              |
| Massachusetts         | 0                  | 0             | 0                 | 166            | 166            | 0                  | 0             | 0                 | 204            | 204            | 0                     | 0             | 0                 | 218            | 218            |
| New Hampshire         | 0                  | 0             | 0                 | 5              | 5              | 0                  | 0             | 0                 | 5              | 5              | 0                     | 0             | 0                 | 4              | 4              |
| Rhode Island          | 4                  | 13            | 2                 | 18             | 37             | 1                  | 4             | 6                 | 26             | 37             | 1                     | 52            | 4                 | 35             | 92             |
| Vermont               | 0                  | 0             | 0                 | 6              | 6              | 0                  | 0             | 0                 | 7              | 7              | 0                     | 0             | 0                 | 11             | 11             |
| <b>MID-ATLANTIC</b>   |                    |               |                   |                |                |                    |               |                   |                |                |                       |               |                   |                |                |
| Delaware              | 11                 | 0             | 0                 | 4              | 15             | 0                  | 0             | 0                 | 3              | 3              | 0                     | 0             | 0                 | 2              | 2              |
| Maryland              | 15                 | 47            | 532               | 43             | 637            | 7                  | 36            | 495               | 30             | 568            | 8                     | 48            | 361               | 58             | 475            |
| New Jersey            | 93                 | 5             | 6                 | 60             | 164            | 86                 | 6             | 6                 | 60             | 158            | 45                    | 0             | 5                 | 41             | 91             |
| New York              | 0                  | 109           | 237               | 202            | 548            | 0                  | 129           | 353               | 129            | 611            | 0                     | 86            | 154               | 353            | 593            |
| Pennsylvania          | 0                  | 0             | 0                 | 0              | 0              | 0                  | 0             | 0                 | 7              | 7              | 0                     | 0             | 0                 | 0              | 0              |
| <b>GREAT LAKES</b>    |                    |               |                   |                |                |                    |               |                   |                |                |                       |               |                   |                |                |
| Illinois              | 0                  | 6             | 237               | 43             | 286            | 0                  | 8             | 204               | 20             | 232            | 0                     | 5             | 231               | 30             | 266            |
| Indiana               | 35                 | 0             | 2                 | 0              | 37             | 38                 | 0             | 2                 | 0              | 40             | 40                    | 0             | 2                 | 0              | 42             |
| Michigan              | 9                  | 9             | 55                | 35             | 108            | 9                  | 9             | 52                | 37             | 107            | 5                     | 28            | 70                | 4              | 107            |
| Ohio                  | 1                  | 0             | 0                 | 139            | 140            | 1                  | 0             | 0                 | 87             | 88             | 0                     | 0             | 33                | 156            | 189            |
| Wisconsin             | 0                  | 0             | 0                 | 0              | 0              | 0                  | 0             | 0                 | 0              | 0              | 0                     | 0             | 0                 | 0              | 0              |
| <b>PLAINS</b>         |                    |               |                   |                |                |                    |               |                   |                |                |                       |               |                   |                |                |
| Iowa                  | 0                  | 0             | 16                | 1              | 17             | 0                  | 0             | 15                | 0              | 15             | 0                     | 0             | 19                | 19             | 38             |
| Kansas                | N/A                | N/A           | N/A               | N/A            | N/A            | N/A                | N/A           | N/A               | N/A            | N/A            | N/A                   | N/A           | N/A               | N/A            | N/A            |
| Minnesota             | 12                 | 5             | 30                | 28             | 75             | 8                  | 4             | 18                | 15             | 45             | 10                    | 13            | 38                | 11             | 72             |
| 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          | 1                  | 4             | 14                | 2              | 21             | 2                  | 12            | 15                | 0              | 29             | 2                     | 11            | 15                | 0              | 28             |
| South Dakota          | 0                  | 0             | 0                 | 0              | 0              | 0                  | 0             | 0                 | 0              | 0              | 0                     | 0             | 0                 | 0              | 0              |
| <b>SOUTHEAST</b>      |                    |               |                   |                |                |                    |               |                   |                |                |                       |               |                   |                |                |
| Alabama*              | 0                  | 0             | 29                | 8              | 37             | 0                  | 0             | 42                | 29             | 71             | 0                     | 0             | 32                | 16             | 48             |
| Arkansas              | 0                  | 0             | 0                 | 0              | 0              | 0                  | 0             | 0                 | 0              | 0              | 0                     | 0             | 0                 | 0              | 0              |
| Florida               | 850                | 353           | 994               | 384            | 2,581          | 71                 | 255           | 1,111             | 398            | 1,835          | 36                    | 428           | 879               | 442            | 1,785          |
| Georgia               | 6                  | 7             | 0                 | 56             | 69             | 10                 | 12            | 0                 | 28             | 50             | 3                     | 4             | 0                 | 85             | 92             |
| Kentucky              | 0                  | 0             | 3                 | 0              | 3              | 0                  | 0             | 5                 | 0              | 5              | 0                     | 0             | 0                 | 0              | 0              |
| Louisiana             | 0                  | 0             | 0                 | 0              | 0              | 0                  | 0             | 0                 | 0              | 0              | 0                     | 0             | 0                 | 0              | 0              |
| Mississippi           | 1                  | 9             | 5                 | 15             | 30             | 0                  | 5             | 7                 | 4              | 16             | 1                     | 0             | 10                | 14             | 25             |
| North Carolina        | 38                 | 0             | 0                 | 99             | 137            | 50                 | 0             | 0                 | 0              | 50             | 23                    | 0             | 0                 | 0              | 23             |
| South Carolina        | 0                  | 9             | 14                | 0              | 23             | 0                  | 14            | 23                | 0              | 37             | 0                     | 0             | 0                 | 0              | 0              |
| Tennessee             | 0                  | 0             | 0                 | 0              | 0              | 0                  | 0             | 0                 | 0              | 0              | 2                     | 0             | 0                 | 0              | 2              |
| Virginia              | 5                  | 3             | 4                 | 17             | 29             | 1                  | 6             | 3                 | 20             | 30             | 0                     | 3             | 11                | 21             | 35             |
| West Virginia         | 0                  | 14            | 22                | 0              | 36             | 0                  | 10            | 10                | 0              | 20             | 0                     | 12            | 13                | 0              | 25             |
| <b>SOUTHWEST</b>      |                    |               |                   |                |                |                    |               |                   |                |                |                       |               |                   |                |                |
| Arizona               | 0                  | 0             | 0                 | 0              | 0              | 0                  | 0             | 0                 | 0              | 0              | 0                     | 0             | 0                 | 0              | 0              |
| New Mexico            | 0                  | 0             | 0                 | 31             | 31             | 0                  | 0             | 0                 | 0              | 0              | 0                     | 0             | 0                 | 0              | 0              |
| Oklahoma              | 9                  | 50            | 39                | 0              | 98             | 4                  | 21            | 16                | 0              | 41             | 8                     | 45            | 35                | 0              | 88             |
| Texas                 | 0                  | 0             | 13                | 0              | 13             | 1                  | 0             | 14                | 0              | 15             | 1                     | 0             | 13                | 0              | 14             |
| <b>ROCKY MOUNTAIN</b> |                    |               |                   |                |                |                    |               |                   |                |                |                       |               |                   |                |                |
| Colorado*             | 0                  | 0             | 0                 | 0              | 0              | 0                  | 0             | 0                 | 0              | 0              | 0                     | 0             | 0                 | 0              | 0              |
| Idaho                 | 0                  | 0             | 0                 | 0              | 0              | 0                  | 0             | 0                 | 0              | 0              | 0                     | 0             | 0                 | 0              | 0              |
| Montana               | 0                  | 0             | 0                 | 0              | 0              | 0                  | 0             | 0                 | 0              | 0              | 0                     | 0             | 0                 | 0              | 0              |
| Utah                  | 0                  | 0             | 0                 | 0              | 0              | 0                  | 0             | 0                 | 0              | 0              | 0                     | 0             | 0                 | 0              | 0              |
| Wyoming               | 0                  | 0             | 0                 | 0              | 0              | 0                  | 0             | 0                 | 0              | 0              | 0                     | 0             | 0                 | 0              | 0              |
| <b>FAR WEST</b>       |                    |               |                   |                |                |                    |               |                   |                |                |                       |               |                   |                |                |
| Alaska                | 30                 | 75            | 1                 | 0              | 106            | 40                 | 56            | 3                 | 0              | 99             | 47                    | 149           | 1                 | 0              | 197            |
| California            | 219                | 4             | 12                | 159            | 394            | 21                 | 4             | 0                 | 344            | 369            | 62                    | 32            | 75                | 1,754          | 1,923          |
| Hawaii*               | 0                  | 0             | 0                 | 0              | 0              | 0                  | 0             | 0                 | 3              | 3              | 0                     | 0             | 0                 | 7              | 7              |
| Nevada                | 0                  | 0             | 0                 | 6              | 6              | 0                  | 0             | 0                 | 5              | 5              | 0                     | 0             | 0                 | 5              | 5              |
| Oregon                | 0                  | 0             | 0                 | 0              | 0              | 0                  | 0             | 0                 | 0              | 0              | 0                     | 0             | 0                 | 0              | 0              |
| Washington            | 0                  | 84            | 194               | 137            | 415            | 0                  | 53            | 113               | 133            | 299            | 0                     | 59            | 178               | 249            | 486            |
| <b>TOTAL</b>          | <b>\$1,339</b>     | <b>\$806</b>  | <b>\$2,461</b>    | <b>\$1,800</b> | <b>\$6,406</b> | <b>\$350</b>       | <b>\$644</b>  | <b>\$2,513</b>    | <b>\$1,966</b> | <b>\$5,473</b> | <b>\$294</b>          | <b>\$975</b>  | <b>\$2,180</b>    | <b>\$3,901</b> | <b>\$7,350</b> |

Source: National Association of State Budget Officers, 2008 State Expenditure Report

\*See Capital Spending Notes for explanation

Table 52

## HOUSING CAPITAL EXPENDITURES (\$ IN MILLIONS)

| Region/State          | Actual Fiscal 2007 |               |                   |              |                | Actual Fiscal 2008 |               |                   |              |                | Estimated Fiscal 2009 |               |                   |              |                |
|-----------------------|--------------------|---------------|-------------------|--------------|----------------|--------------------|---------------|-------------------|--------------|----------------|-----------------------|---------------|-------------------|--------------|----------------|
|                       | General Fund       | Federal Funds | Other State Funds | Bonds        | Total          | General Fund       | Federal Funds | Other State Funds | Bonds        | Total          | General Fund          | Federal Funds | Other State Funds | Bonds        | Total          |
| <b>NEW ENGLAND</b>    |                    |               |                   |              |                |                    |               |                   |              |                |                       |               |                   |              |                |
| Connecticut           | \$0                | \$0           | \$0               | \$17         | \$17           | \$0                | \$0           | \$0               | \$16         | \$16           | \$0                   | \$0           | \$0               | \$10         | \$10           |
| Maine                 | 0                  | 0             | 0                 | 0            | 0              | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0            | 0              |
| Massachusetts         | 0                  | 0             | 0                 | 151          | 151            | 0                  | 0             | 0                 | 172          | 172            | 0                     | 0             | 0                 | 186          | 186            |
| 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              |
| <b>MID-ATLANTIC</b>   |                    |               |                   |              |                |                    |               |                   |              |                |                       |               |                   |              |                |
| Delaware              | 0                  | 0             | 0                 | 0            | 0              | 0                  | 0             | 0                 | 4            | 4              | 0                     | 0             | 0                 | 4            | 4              |
| Maryland              | 39                 | 17            | 23                | 1            | 80             | 8                  | 16            | 36                | 7            | 67             | 7                     | 15            | 37                | 8            | 67             |
| New Jersey            | 0                  | 0             | 0                 | 0            | 0              | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0            | 0              |
| New York              | 0                  | 1             | 1                 | 117          | 119            | 0                  | 3             | 0                 | 129          | 132            | 0                     | 3             | 0                 | 139          | 142            |
| Pennsylvania          | 0                  | 0             | 0                 | 0            | 0              | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0            | 0              |
| <b>GREAT LAKES</b>    |                    |               |                   |              |                |                    |               |                   |              |                |                       |               |                   |              |                |
| Illinois              | 0                  | 0             | 0                 | 0            | 0              | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0            | 0              |
| Indiana               | 0                  | 0             | 0                 | 0            | 0              | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0            | 0              |
| Michigan              | 0                  | 132           | 26                | 2            | 160            | 2                  | 140           | 30                | 5            | 177            | 0                     | 313           | 12                | 2            | 327            |
| Ohio                  | 0                  | 0             | 0                 | 1            | 1              | 0                  | 0             | 0                 | 1            | 1              | 0                     | 0             | 0                 | 0            | 0              |
| Wisconsin             | 0                  | 0             | 0                 | 0            | 0              | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0            | 0              |
| <b>PLAINS</b>         |                    |               |                   |              |                |                    |               |                   |              |                |                       |               |                   |              |                |
| Iowa                  | 0                  | 0             | 0                 | 0            | 0              | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0            | 0              |
| Kansas                | N/A                | N/A           | N/A               | N/A          | N/A            | N/A                | N/A           | N/A               | N/A          | N/A            | N/A                   | N/A           | N/A               | N/A          | N/A            |
| Minnesota             | 0                  | 0             | 0                 | 0            | 0              | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0            | 0              |
| Missouri*             | 0                  | 0             | 0                 | 0            | 0              | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0            | 0              |
| Nebraska              | 0                  | 0             | 0                 | 0            | 0              | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0            | 0              |
| North Dakota          | 0                  | 0             | 0                 | 0            | 0              | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0            | 0              |
| South Dakota          | 0                  | 0             | 0                 | 0            | 0              | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0            | 0              |
| <b>SOUTHEAST</b>      |                    |               |                   |              |                |                    |               |                   |              |                |                       |               |                   |              |                |
| Alabama               | 0                  | 0             | 0                 | 0            | 0              | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0            | 0              |
| Arkansas              | 0                  | 0             | 0                 | 0            | 0              | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0            | 0              |
| Florida               | 0                  | 0             | 433               | 0            | 433            | 0                  | 0             | 390               | 0            | 390            | 0                     | 0             | 280               | 0            | 280            |
| Georgia               | 0                  | 0             | 0                 | 0            | 0              | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0            | 0              |
| Kentucky              | 0                  | 0             | 0                 | 0            | 0              | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0            | 0              |
| Louisiana             | 0                  | 0             | 0                 | 0            | 0              | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0            | 0              |
| Mississippi           | 0                  | 0             | 0                 | 1            | 1              | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 1            | 1              |
| North Carolina        | 0                  | 0             | 0                 | 0            | 0              | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0            | 0              |
| South Carolina        | 0                  | 0             | 0                 | 0            | 0              | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0            | 0              |
| Tennessee             | 0                  | 0             | 0                 | 0            | 0              | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0            | 0              |
| Virginia              | 0                  | 0             | 0                 | 0            | 0              | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0            | 0              |
| West Virginia         | 0                  | 0             | 0                 | 0            | 0              | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0            | 0              |
| <b>SOUTHWEST</b>      |                    |               |                   |              |                |                    |               |                   |              |                |                       |               |                   |              |                |
| Arizona               | 0                  | 0             | 0                 | 0            | 0              | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0            | 0              |
| New Mexico            | 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              |
| <b>ROCKY MOUNTAIN</b> |                    |               |                   |              |                |                    |               |                   |              |                |                       |               |                   |              |                |
| Colorado*             | 0                  | 0             | 0                 | 0            | 0              | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0            | 0              |
| Idaho                 | 0                  | 0             | 0                 | 0            | 0              | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0            | 0              |
| Montana               | 0                  | 0             | 0                 | 0            | 0              | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0            | 0              |
| Utah                  | 0                  | 0             | 0                 | 0            | 0              | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0            | 0              |
| Wyoming               | 0                  | 0             | 0                 | 0            | 0              | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0            | 0              |
| <b>FAR WEST</b>       |                    |               |                   |              |                |                    |               |                   |              |                |                       |               |                   |              |                |
| Alaska                | 0                  | 28            | 29                | 0            | 57             | 300                | 23            | 35                | 0            | 358            | 1                     | 90            | 47                | 0            | 138            |
| California            | 0                  | 0             | 0                 | 0            | 0              | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0            | 0              |
| Hawaii*               | 0                  | 0             | 0                 | 0            | 0              | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0            | 0              |
| Nevada                | 0                  | 0             | 0                 | 0            | 0              | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0            | 0              |
| Oregon                | 0                  | 0             | 0                 | 0            | 0              | 0                  | 0             | 0                 | 0            | 0              | 0                     | 0             | 0                 | 0            | 0              |
| Washington            | 0                  | 0             | 9                 | 60           | 69             | 0                  | 0             | 7                 | 51           | 58             | 0                     | 0             | 3                 | 114          | 117            |
| <b>TOTAL</b>          | <b>\$39</b>        | <b>\$178</b>  | <b>\$521</b>      | <b>\$352</b> | <b>\$1,090</b> | <b>\$310</b>       | <b>\$182</b>  | <b>\$498</b>      | <b>\$387</b> | <b>\$1,377</b> | <b>\$8</b>            | <b>\$421</b>  | <b>\$379</b>      | <b>\$465</b> | <b>\$1,273</b> |

Source: National Association of State Budget Officers, 2008 State Expenditure Report

\*See Capital Spending Notes for explanation

Table 53

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

| Region/State          | Actual Fiscal 2007 |                |                   |                |                 | Actual Fiscal 2008 |                |                   |                |                 | Estimated Fiscal 2009 |                |                   |                |                 |
|-----------------------|--------------------|----------------|-------------------|----------------|-----------------|--------------------|----------------|-------------------|----------------|-----------------|-----------------------|----------------|-------------------|----------------|-----------------|
|                       | General Fund       | Federal Funds  | Other State Funds | Bonds          | Total           | General Fund       | Federal Funds  | Other State Funds | Bonds          | Total           | General Fund          | Federal Funds  | Other State Funds | Bonds          | Total           |
| <b>NEW ENGLAND</b>    |                    |                |                   |                |                 |                    |                |                   |                |                 |                       |                |                   |                |                 |
| Connecticut           | \$0                | \$0            | \$0               | \$890          | \$890           | \$0                | \$0            | \$0               | \$953          | \$953           | \$0                   | \$0            | \$0               | \$777          | \$777           |
| Maine                 | 3                  | 14             | 4                 | 6              | 27              | 3                  | 5              | 4                 | 8              | 20              | 3                     | 10             | 3                 | 13             | 29              |
| Massachusetts         | 0                  | 0              | 0                 | 729            | 729             | 0                  | 0              | 0                 | 288            | 288             | 0                     | 0              | 0                 | 1,026          | 1,026           |
| New Hampshire         | 0                  | 0              | 0                 | 29             | 29              | 0                  | 0              | 0                 | 73             | 73              | 0                     | 0              | 0                 | 65             | 65              |
| Rhode Island*         | 0                  | 73             | 65                | 82             | 220             | 0                  | 30             | 48                | 75             | 153             | 0                     | 37             | 86                | 88             | 211             |
| Vermont               | 0                  | 0              | 0                 | 24             | 24              | 0                  | 0              | 0                 | 21             | 21              | 0                     | 0              | 0                 | 33             | 33              |
| <b>MID-ATLANTIC</b>   |                    |                |                   |                |                 |                    |                |                   |                |                 |                       |                |                   |                |                 |
| Delaware              | 192                | 0              | 0                 | 0              | 192             | 0                  | 0              | 0                 | 0              | 0               | 0                     | 0              | 0                 | 0              | 0               |
| Maryland              | 75                 | 13             | 19                | 431            | 538             | 12                 | 7              | 3                 | 508            | 530             | 1                     | 2              | 38                | 559            | 600             |
| New Jersey            | 237                | 48             | 14                | 26             | 325             | 954                | 89             | 18                | 96             | 1,157           | 441                   | 14             | 0                 | 25             | 480             |
| New York              | 0                  | 116            | 205               | 413            | 734             | 0                  | 128            | 255               | 639            | 1,022           | 0                     | 117            | 280               | 1,031          | 1,428           |
| Pennsylvania          | 0                  | 0              | 0                 | 327            | 327             | 0                  | 0              | 0                 | 344            | 344             | 0                     | 0              | 0                 | 259            | 259             |
| <b>GREAT LAKES</b>    |                    |                |                   |                |                 |                    |                |                   |                |                 |                       |                |                   |                |                 |
| Illinois              | 0                  | 0              | 28                | 310            | 338             | 0                  | 0              | 3                 | 118            | 121             | 0                     | 0              | 15                | 141            | 156             |
| Indiana               | 102                | 0              | 19                | 0              | 121             | 115                | 0              | 18                | 0              | 133             | 108                   | 0              | 23                | 0              | 131             |
| Michigan              | 53                 | 30             | 37                | 49             | 169             | 54                 | 14             | 46                | 28             | 142             | 59                    | 20             | 40                | 24             | 143             |
| Ohio                  | 0                  | 0              | 221               | 668            | 889             | 1                  | 0              | 285               | 199            | 485             | 1                     | 0              | 1,385             | 273            | 1,659           |
| Wisconsin             | 0                  | 0              | 0                 | 0              | 0               | 0                  | 0              | 0                 | 0              | 0               | 0                     | 0              | 0                 | 0              | 0               |
| <b>PLAINS</b>         |                    |                |                   |                |                 |                    |                |                   |                |                 |                       |                |                   |                |                 |
| Iowa                  | 0                  | 0              | 34                | 32             | 66              | 0                  | 0              | 61                | 15             | 76              | 0                     | 0              | 102               | 34             | 136             |
| Kansas                | 15                 | 18             | 0                 | 10             | 43              | 9                  | 9              | 0                 | 12             | 30              | 10                    | 6              | 0                 | 12             | 28              |
| Minnesota             | 38                 | 8              | 17                | 204            | 267             | 11                 | 36             | 16                | 241            | 304             | 23                    | 72             | 42                | 246            | 383             |
| Missouri              | 72                 | 12             | 36                | 6              | 126             | 86                 | 10             | 41                | 1              | 138             | 68                    | 16             | 36                | 0              | 120             |
| Nebraska              | 11                 | 12             | 25                | 0              | 48              | 2                  | 23             | 43                | 0              | 68              | 4                     | 67             | 178               | 0              | 249             |
| North Dakota          | 6                  | 11             | 8                 | 0              | 25              | 18                 | 14             | 12                | 0              | 44              | 23                    | 22             | 14                | 0              | 59              |
| South Dakota          | 18                 | 2              | 52                | 7              | 79              | 10                 | 2              | 76                | 6              | 94              | 1                     | 3              | 10                | 2              | 16              |
| <b>SOUTHEAST</b>      |                    |                |                   |                |                 |                    |                |                   |                |                 |                       |                |                   |                |                 |
| Alabama*              | 35                 | 0              | 24                | 239            | 298             | 4                  | 0              | 39                | 514            | 557             | 0                     | 0              | 93                | 473            | 56              |
| Arkansas              | 0                  | 37             | 35                | 15             | 87              | 0                  | 12             | 61                | 23             | 96              | 0                     | 27             | 53                | 14             | 94              |
| Florida               | 180                | 0              | 1,521             | 1,420          | 3,121           | 176                | 0              | 1,768             | 1,050          | 2,994           | 76                    | 0              | 1,684             | 237            | 1,997           |
| Georgia               | 0                  | 0              | 0                 | 558            | 558             | 0                  | 0              | 0                 | 759            | 759             | 0                     | 0              | 0                 | 228            | 228             |
| Kentucky              | 0                  | 0              | 390               | 0              | 390             | 0                  | 0              | 404               | 0              | 404             | 0                     | 0              | 308               | 0              | 308             |
| Louisiana             | 14                 | 127            | 138               | 124            | 403             | 67                 | 7              | 134               | 155            | 363             | 79                    | 144            | 217               | 178            | 618             |
| Mississippi           | 7                  | 38             | 41                | 343            | 429             | 8                  | 219            | 52                | 149            | 428             | 6                     | 68             | 93                | 266            | 433             |
| North Carolina        | 29                 | 0              | 0                 | 100            | 129             | 55                 | 0              | 0                 | 200            | 255             | 0                     | 0              | 0                 | 0              | 0               |
| South Carolina        | 13                 | 17             | 30                | 4              | 64              | 16                 | 12             | 26                | 0              | 54              | 0                     | 0              | 0                 | 0              | 0               |
| Tennessee             | 43                 | 20             | 0                 | 110            | 173             | 55                 | 0              | 0                 | 32             | 87              | 34                    | 0              | 0                 | 30             | 64              |
| Virginia              | 16                 | 0              | 12                | 75             | 103             | 75                 | 3              | 18                | 54             | 150             | 9                     | 0              | 33                | 152            | 194             |
| West Virginia         | 14                 | 12             | 30                | 0              | 56              | 12                 | 4              | 27                | 0              | 43              | 22                    | 16             | 40                | 0              | 78              |
| <b>SOUTHWEST</b>      |                    |                |                   |                |                 |                    |                |                   |                |                 |                       |                |                   |                |                 |
| Arizona               | 1                  | 2              | 2                 | 0              | 5               | 5                  | 2              | 5                 | 0              | 12              | 3                     | 2              | 4                 | 0              | 9               |
| New Mexico            | 0                  | 0              | 0                 | 327            | 327             | 0                  | 0              | 0                 | 0              | 0               | 0                     | 0              | 0                 | 0              | 0               |
| Oklahoma              | 55                 | 146            | 50                | 0              | 251             | 79                 | 225            | 87                | 4              | 395             | 89                    | 285            | 93                | 0              | 467             |
| Texas                 | 0                  | 0              | 0                 | 0              | 0               | 0                  | 0              | 0                 | 0              | 0               | 0                     | 0              | 0                 | 0              | 0               |
| <b>ROCKY MOUNTAIN</b> |                    |                |                   |                |                 |                    |                |                   |                |                 |                       |                |                   |                |                 |
| Colorado              | 602                | 0              | 76                | 0              | 678             | 412                | 0              | 93                | 0              | 505             | 86                    | 0              | 16                | 0              | 102             |
| Idaho                 | 0                  | 0              | 12                | 2              | 14              | 0                  | 0              | 125               | 23             | 148             | 0                     | 0              | 56                | 21             | 77              |
| Montana               | 0                  | 0              | 0                 | 0              | 0               | 0                  | 0              | 0                 | 0              | 0               | 0                     | 0              | 0                 | 0              | 0               |
| Utah                  | 213                | 22             | -20               | 111            | 326             | 330                | 4              | 19                | 0              | 353             | 191                   | 2              | 117               | 0              | 310             |
| Wyoming               | 12                 | 6              | 5                 | 0              | 23              | 12                 | 6              | 5                 | 0              | 23              | 557                   | 93             | 0                 | 0              | 650             |
| <b>FAR WEST</b>       |                    |                |                   |                |                 |                    |                |                   |                |                 |                       |                |                   |                |                 |
| Alaska                | 427                | 198            | 54                | 56             | 735             | 690                | 169            | 221               | 0              | 1,080           | 504                   | 152            | 340               | 0              | 996             |
| California            | 15                 | 128            | -589              | 37             | -409            | 16                 | 75             | -1,325            | 19             | -1,215          | 15                    | 992            | -1,177            | -174           | -344            |
| Hawaii*               | 0                  | 9              | 159               | 336            | 504             | 0                  | 23             | 136               | 405            | 564             | 0                     | 11             | 102               | 295            | 408             |
| Nevada                | 0                  | 10             | 13                | 62             | 85              | 0                  | 2              | 13                | 30             | 45              | 0                     | 3              | 11                | 89             | 103             |
| Oregon                | 2                  | 2              | 19                | 53             | 76              | 0                  | 12             | 21                | 38             | 71              | 1                     | 26             | 26                | 64             | 117             |
| Washington            | 0                  | 28             | 422               | 153            | 603             | 0                  | 37             | 432               | 223            | 692             | 0                     | 23             | 473               | 382            | 878             |
| <b>TOTAL*</b>         | <b>\$2,500</b>     | <b>\$1,159</b> | <b>\$3,208</b>    | <b>\$8,368</b> | <b>\$15,235</b> | <b>\$3,287</b>     | <b>\$1,179</b> | <b>\$3,290</b>    | <b>\$7,303</b> | <b>\$15,059</b> | <b>\$2,414</b>        | <b>\$2,230</b> | <b>\$4,834</b>    | <b>\$6,862</b> | <b>\$16,340</b> |

Source: National Association of State Budget Officers, 2008 State Expenditure Report

\*See Capital Spending Notes for explanation



## Capital Spending Notes

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

**Colorado:** Colorado financial reports (Colorado Comprehensive Annual Financial Report) do not break expenditures down by program, only by department. Hence, housing and environmental spending may occur within a department but it is not noted here due to the way the information is reported. Capital expenditures of federal funds are not published/available.

**Florida:** Higher education funds are included in this survey that have not been reported in prior surveys. These funds are generated by university student fees, which Florida appropriates "budget authority" for universities to use for fixed capital needs. Fees do not get deposited into the state's Treasury, but stay at each university. The amounts are now included in both the higher education expenditures chapter and the higher education capital expenditures table. The amounts, identified as bonds, are \$13,230,000 for fiscal 2006-07, \$20,770,000 for fiscal 2007-08, and \$141,000,000 for fiscal 2008-09. The \$141 million represents appropriated authority to spend that amount, if generated, yet actual expenditures have been lower at \$13 million and \$21 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. Road maintenance and construction expenditures are included in the operating figures for the Department of Transportation.

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

**Oklahoma:** Capital expenditure funding sources are based on the same percentages as funding sources in the prior chapters.

**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 (RIHMFC). Both are quasi-public agencies. Debt service for the Neighborhood Opportunities Program is displayed in the "All Other" category. Issuance and expenditure of GO Bond proceeds totaling \$25.0 million to finance RIHMFC's deferred payment loan program for affordable housing are not displayed in the capital expenditures category.

**South Carolina:** Estimated capital expenditures are no longer collected. Therefore, no capital expenditure data is included for estimated fiscal 2009.

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



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

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General fund revenue, the source of most state expenditures, totaled \$670.5 billion in fiscal 2008. The three main sources of general fund revenue, personal income taxes, sales and compensating use taxes, and corporate income taxes accounted for 79.4 percent of general fund collections. Specifically, personal income taxes accounted for 40.9 percent of the total, sales and compensating use taxes for 31.1 percent, and corporate income taxes for 7.4 percent of total general fund revenues in 2008. Other taxes and fees represent 19.9 percent of general fund revenues, while gaming taxes were 0.7 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 positive revenue growth in fiscal 2008 with total general fund revenues growing by 4.2 percent. However, revenue growth in fiscal 2008 was below the growth level of prior years. Revenues grew by 8.9 percent in fiscal 2006 and by 5.4 percent in fiscal 2007.

Unlike fiscal 2008 when state revenues increased, albeit at a lesser rate than prior years, estimated fiscal 2009 revenues illustrate the severity of the economic downturn. General fund revenues dropped from \$670.5 billion in fiscal 2008 to \$608.8 billion in fiscal 2009, a 9.2 percent decline. All sources of state revenue experienced year-to-year declines, with corporate income tax registering the largest drop at 18.2 percent, followed by other taxes and fees at 12.3 percent, personal income tax at 9.4 percent, gaming tax at 5.0 percent, and sales tax at 4.8 percent.

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

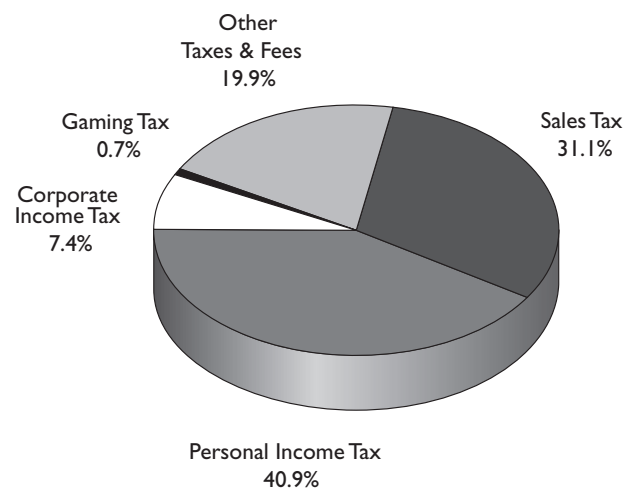


Table 54

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

| Region/state          | Actual Fiscal 2007 |                  |                 |                |                  |                  | Actual Fiscal 2008 |                  |                 |                |                  |                  | Estimated Fiscal 2009 |                  |                 |                |                  |                  |  |
|-----------------------|--------------------|------------------|-----------------|----------------|------------------|------------------|--------------------|------------------|-----------------|----------------|------------------|------------------|-----------------------|------------------|-----------------|----------------|------------------|------------------|--|
|                       | Personal           |                  | Corp.           | Other          |                  |                  | Personal           |                  | Corp.           | Other          |                  |                  | Personal              |                  | Corp.           | Other          |                  |                  |  |
|                       | Sales Tax          | Income Tax       | Income Tax      | Gaming Tax     | Taxes & Fees     | Total            | Sales Tax          | Income Tax       | Income Tax      | Gaming Tax     | Taxes & Fees     | Total            | Sales Tax             | Income Tax       | Income Tax      | Gaming Tax     | Taxes & Fees     | Total            |  |
| <b>NEW ENGLAND</b>    |                    |                  |                 |                |                  |                  |                    |                  |                 |                |                  |                  |                       |                  |                 |                |                  |                  |  |
| Connecticut           | \$3,496            | \$6,749          | \$891           | \$714          | \$3,893          | \$15,743         | \$3,582            | \$7,513          | \$734           | \$411          | \$4,179          | \$16,419         | \$3,319               | \$6,386          | \$616           | \$378          | \$5,002          | \$15,701         |  |
| Maine                 | 1,021              | 1,354            | 184             | 0              | 461              | 3,020            | 1,035              | 1,444            | 185             | 0              | 424              | 3,088            | 975                   | 1,243            | 143             | 0              | 450              | 2,811            |  |
| Massachusetts         | 4,068              | 11,400           | 1,588           | 0              | 2,680            | 19,736           | 4,087              | 12,484           | 1,512           | 0              | 2,796            | 20,879           | 3,869                 | 10,584           | 1,549           | 0              | 2,258            | 18,260           |  |
| New Hampshire         | 0                  | 0                | 599             | 3              | 1,689            | 2,291            | 0                  | 0                | 618             | 3              | 1,746            | 2,367            | 0                     | 0                | 488             | 2              | 1,730            | 2,220            |  |
| Rhode Island          | 873                | 1,065            | 148             | 324            | 801              | 3,212            | 844                | 1,074            | 150             | 357            | 1,004            | 3,429            | 823                   | 971              | 112             | 341            | 842              | 3,088            |  |
| Vermont               | 222                | 581              | 73              | 0              | 275              | 1,151            | 226                | 622              | 75              | 0              | 278              | 1,201            | 214                   | 530              | 66              | 0              | 294              | 1,104            |  |
| <b>MID-ATLANTIC</b>   |                    |                  |                 |                |                  |                  |                    |                  |                 |                |                  |                  |                       |                  |                 |                |                  |                  |  |
| Delaware              | 0                  | 1,008            | 140             | 0              | 2,142            | 3,290            | 0                  | 1,007            | 179             | 0              | 2,171            | 3,357            | 0                     | 911              | 152             | 0              | 2,085            | 3,148            |  |
| Maryland              | 3,420              | 6,679            | 590             | 0              | 2,251            | 12,940           | 3,675              | 6,940            | 552             | 0              | 2,379            | 13,546           | 3,611                 | 6,781            | 582             | 0              | 2,274            | 13,248           |  |
| New Jersey            | 8,610              | 11,727           | 3,208           | 850            | 6,807            | 31,202           | 8,916              | 12,606           | 3,133           | 902            | 7,181            | 32,738           | 8,448                 | 11,309           | 2,497           | 910            | 6,374            | 29,538           |  |
| New York              | 10,050             | 34,580           | 6,468           | 21             | 2,723            | 53,842           | 10,592             | 36,564           | 6,018           | 23             | 2,670            | 55,867           | 10,274                | 36,840           | 5,556           | 22             | 2,521            | 55,213           |  |
| Pennsylvania          | 8,591              | 10,262           | 2,493           | 0              | 6,103            | 27,449           | 8,497              | 10,908           | 2,418           | 0              | 6,105            | 27,928           | 8,275                 | 10,756           | 2,037           | 0              | 5,590            | 26,658           |  |
| <b>GREAT LAKES</b>    |                    |                  |                 |                |                  |                  |                    |                  |                 |                |                  |                  |                       |                  |                 |                |                  |                  |  |
| Illinois              | 7,136              | 9,409            | 1,750           | 685            | 4,953            | 23,933           | 7,215              | 10,320           | 1,860           | 564            | 4,886            | 24,845           | 6,715                 | 9,228            | 1,635           | 470            | 4,660            | 22,708           |  |
| Indiana*              | 5,379              | 4,616            | 987             | 625            | 1,019            | 12,626           | 5,686              | 4,838            | 909             | 583            | 1,066            | 13,082           | 6,153                 | 4,314            | 839             | 608            | 1,021            | 12,935           |  |
| Michigan*             | 1,003              | 4,331            | 1,816           | 46             | 1,122            | 8,318            | 988                | 5,107            | 2,125           | 15             | 1,123            | 9,358            | 801                   | 4,157            | 1,431           | 3              | 1,044            | 7,436            |  |
| Ohio                  | 7,432              | 8,863            | 1,584           | 0              | 8,052            | 25,931           | 7,614              | 9,115            | 754             | 0              | 9,176            | 26,659           | 7,113                 | 7,628            | 521             | 0              | 11,423           | 26,685           |  |
| Wisconsin             | 4,159              | 6,574            | 890             | 0              | 995              | 12,618           | 4,268              | 6,714            | 838             | 0              | 1,223            | 13,043           | 4,085                 | 6,224            | 630             | 0              | 1,176            | 12,115           |  |
| <b>PLAINS</b>         |                    |                  |                 |                |                  |                  |                    |                  |                 |                |                  |                  |                       |                  |                 |                |                  |                  |  |
| Iowa                  | 1,863              | 2,667            | 325             | 117            | 674              | 5,646            | 1,954              | 2,849            | 347             | 115            | 820              | 6,085            | 2,339                 | 2,805            | 246             | 113            | 467              | 5,970            |  |
| Kansas                | 2,052              | 2,709            | 442             | 0              | 591              | 5,794            | 1,958              | 2,897            | 432             | 0              | 620              | 5,907            | 1,935                 | 2,890            | 340             | 0              | 602              | 5,767            |  |
| Minnesota             | 4,506              | 7,231            | 1,171           | 54             | 2,946            | 15,908           | 4,571              | 7,759            | 1,020           | 48             | 2,838            | 16,236           | 4,378                 | 7,208            | 652             | 44             | 2,672            | 14,954           |  |
| Missouri*             | 1,955              | 4,918            | 458             | 0              | 386              | 7,717            | 1,931              | 5,210            | 459             | 0              | 404              | 8,004            | 1,813                 | 4,876            | 358             | 0              | 404              | 7,451            |  |
| Nebraska              | 1,304              | 1,651            | 213             | 1              | 239              | 3,408            | 1,322              | 1,726            | 233             | 1              | 224              | 3,506            | 1,326                 | 1,600            | 199             | 1              | 231              | 3,357            |  |
| North Dakota          | 511                | 315              | 121             | 9              | 268              | 1,224            | 555                | 307              | 140             | 10             | 349              | 1,361            | 622                   | 375              | 99              | 10             | 248              | 1,354            |  |
| South Dakota          | 603                | 0                | 0               | 0              | 489              | 1,092            | 645                | 0                | 0               | 0              | 532              | 1,177            | 645                   | 0                | 0               | 0              | 509              | 1,154            |  |
| <b>SOUTHEAST</b>      |                    |                  |                 |                |                  |                  |                    |                  |                 |                |                  |                  |                       |                  |                 |                |                  |                  |  |
| Alabama*              | 2,087              | 2,938            | 456             | 3              | 2,005            | 7,489            | 2,085              | 2,971            | 501             | 3              | 2,669            | 8,229            | 2,084                 | 2,897            | 345             | 2              | 2,275            | 7,603            |  |
| Arkansas              | 2,188              | 2,536            | 391             | 8              | 317              | 5,440            | 2,110              | 2,763            | 354             | 11             | 337              | 5,575            | 2,081                 | 2,706            | 383             | 11             | 380              | 5,561            |  |
| Florida               | 19,435             | 0                | 2,444           | 32             | 4,493            | 26,404           | 18,429             | 0                | 2,217           | 27             | 3,440            | 24,112           | 16,576                | 0                | 1,749           | 18             | 2,602            | 20,945           |  |
| Georgia               | 5,915              | 8,820            | 1,019           | 0              | 3,086            | 18,840           | 5,796              | 8,829            | 942             | 0              | 3,161            | 18,728           | 5,354                 | 8,054            | 670             | 0              | 3,102            | 17,180           |  |
| Kentucky              | 2,818              | 3,042            | 988             | 0              | 1,706            | 8,554            | 2,878              | 3,483            | 435             | 0              | 1,868            | 8,664            | 2,858                 | 3,315            | 268             | 0              | 1,985            | 8,426            |  |
| Louisiana             | 3,156              | 3,257            | 1,052           | 413            | 1,802            | 9,680            | 3,165              | 3,169            | 940             | 429            | 2,529            | 10,232           | 3,055                 | 2,831            | 881             | 413            | 2,181            | 9,361            |  |
| Mississippi           | 1,931              | 1,475            | 485             | 186            | 712              | 4,789            | 1,947              | 1,542            | 501             | 194            | 754              | 4,938            | 1,993                 | 1,569            | 507             | 194            | 768              | 5,031            |  |
| North Carolina        | 4,996              | 10,508           | 1,451           | 0              | 1,757            | 18,712           | 4,982              | 10,902           | 1,112           | 0              | 1,836            | 18,832           | 4,678                 | 9,470            | 836             | 0              | 1,795            | 16,779           |  |
| South Carolina        | 2,631              | 2,882            | 262             | 0              | 884              | 6,659            | 2,463              | 2,864            | 269             | 0              | 796              | 6,392            | 2,282                 | 2,490            | 126             | 0              | 747              | 5,645            |  |
| Tennessee             | 6,500              | 163              | 946             | 0              | 2,586            | 10,195           | 6,459              | 192              | 790             | 0              | 2,816            | 10,257           | 6,108                 | 135              | 584             | 0              | 2,552            | 9,379            |  |
| Virginia              | 3,049              | 9,788            | 880             | 0              | 1,850            | 15,567           | 3,076              | 10,115           | 808             | 0              | 1,769            | 15,767           | 2,903                 | 9,481            | 648             | 0              | 1,283            | 14,315           |  |
| West Virginia         | 1,003              | 1,361            | 358             | 0              | 1,031            | 3,753            | 992                | 1,519            | 388             | 0              | 1,030            | 3,929            | 1,181                 | 1,490            | 301             | 0              | 931              | 3,903            |  |
| <b>SOUTHWEST</b>      |                    |                  |                 |                |                  |                  |                    |                  |                 |                |                  |                  |                       |                  |                 |                |                  |                  |  |
| Arizona*              | 4,533              | 3,736            | 986             | 0              | 298              | 9,553            | 4,490              | 3,555            | 832             | 0              | 710              | 9,587            | 3,756                 | 2,568            | 592             | 0              | 1,360            | 8,276            |  |
| New Mexico            | 1,902              | 1,180            | 460             | 71             | 2,215            | 5,828            | 1,923              | 1,214            | 355             | 56             | 2,567            | 6,114            | 1,910                 | 1,015            | 200             | 70             | 2,651            | 5,846            |  |
| Oklahoma              | 1,667              | 2,338            | 435             | 3              | 1,523            | 5,966            | 1,750              | 2,239            | 279             | 2              | 1,711            | 5,981            | 1,805                 | 2,014            | 266             | 14             | 1,446            | 5,545            |  |
| Texas                 | 20,183             | 0                | 0               | 0              | 19,079           | 39,262           | 21,516             | 0                | 0               | 0              | 20,153           | 41,669           | 21,612                | 0                | 0               | 0              | 17,206           | 38,818           |  |
| <b>ROCKY MOUNTAIN</b> |                    |                  |                 |                |                  |                  |                    |                  |                 |                |                  |                  |                       |                  |                 |                |                  |                  |  |
| Colorado              | 2,210              | 4,871            | 498             | 7              | 350              | 7,935            | 2,318              | 4,974            | 508             | 0              | 351              | 8,151            | 2,113                 | 4,300            | 281             | 4              | 334              | 7,032            |  |
| Idaho                 | 1,077              | 1,400            | 190             | 0              | 144              | 2,811            | 1,142              | 1,430            | 190             | 0              | 147              | 2,909            | 1,042                 | 1,223            | 156             | 0              | 139              | 2,560            |  |
| Montana               | 16                 | 827              | 178             | 61             | 757              | 1,838            | 17                 | 867              | 160             | 63             | 847              | 1,954            | 15                    | 815              | 166             | 62             | 749              | 1,808            |  |
| Utah                  | 1,858              | 2,573            | 425             | 0              | 452              | 5,308            | 1,739              | 2,612            | 416             | 0              | 446              | 5,213            | 1,544                 | 2,323            | 281             | 0              | 381              | 4,529            |  |
| Wyoming               | 479                | 0                | 0               | 0              | 591              | 1,070            | 505                | 0                | 0               | 0              | 815              | 1,320            | 522                   | 0                | 0               | 0              | 419              | 941              |  |
| <b>FAR WEST</b>       |                    |                  |                 |                |                  |                  |                    |                  |                 |                |                  |                  |                       |                  |                 |                |                  |                  |  |
| Alaska                | 156                | 0                | 771             | 3              | 4,171            | 5,101            | 164                | 0                | 789             | 10             | 9,544            | 10,507           | 131                   | 0                | 685             | 10             | 4,784            | 5,610            |  |
| California            | 27,445             | 51,971           | 11,158          | 2              | 4,893            | 95,469           | 26,613             | 54,182           | 11,849          | 2              | 9,876            | 102,522          | 24,612                | 45,275           | 9,783           | 2              | 4,426            | 84,098           |  |
| Hawaii*               | 2,558              | 1,560            | 82              | 0              | 942              | 5,142            | 2,619              | 1,544            | 85              | 0              | 997              | 5,245            | 2,418                 | 1,338            | 54              | 0              | 1,242            | 5,052            |  |
| Nevada                | 1,021              | 0                | 0               | 859            | 1,266            | 3,145            | 986                | 0                | 0               | 804            | 1,265            | 3,054            | 873                   | 9                | 0               | 700            | 1,179            | 2,761            |  |
| Oregon                | 0                  | 5,597            | 406             | 0              | 427              | 6,430            | 0                  | 4,973            | 441             | 0              | 475              | 5,889            | 0                     | 5,133            | 246             | 0              | 490              | 5,869            |  |
| Washington            | 7,892              | 0                | 0               | 0              | 6,288            | 14,180           | 8,216              | 0                | 0               | 0              | 6,398            | 14,614           | 7,330                 | 0                | 0               | 0              | 5,762            | 13,092           |  |
| <b>ALL STATES</b>     | <b>\$206,960</b>   | <b>\$261,512</b> | <b>\$52,459</b> | <b>\$5,096</b> | <b>\$117,184</b> | <b>\$643,211</b> | <b>\$208,539</b>   | <b>\$273,942</b> | <b>\$49,852</b> | <b>\$4,633</b> | <b>\$133,500</b> | <b>\$670,466</b> | <b>\$198,570</b>      | <b>\$248,067</b> | <b>\$40,756</b> | <b>\$4,401</b> | <b>\$117,045</b> | <b>\$608,840</b> |  |

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

Table 55

ITEMS EXCLUDED FROM REVENUE SOURCES

| Region/State          | Sales and<br>Compensating Use<br>Taxes | Personal<br>Income<br>Taxes | Corporate<br>Income<br>Taxes | Gaming<br>Taxes | Lottery<br>Funds | Cigarette and<br>Tobacco<br>Taxes | Motor<br>Fuel<br>Taxes | Alcoholic<br>Beverage<br>Taxes | Insurance<br>Premium<br>Taxes | Property<br>Taxes | Utility<br>Taxes | Severance<br>Taxes | Federal<br>Funds | Licenses<br>and<br>Fees | Other     |
|-----------------------|----------------------------------------|-----------------------------|------------------------------|-----------------|------------------|-----------------------------------|------------------------|--------------------------------|-------------------------------|-------------------|------------------|--------------------|------------------|-------------------------|-----------|
| <b>NEW ENGLAND</b>    |                                        |                             |                              |                 |                  |                                   |                        |                                |                               |                   |                  |                    |                  |                         |           |
| Connecticut           |                                        |                             |                              |                 |                  |                                   | X                      |                                |                               | X                 |                  |                    |                  |                         |           |
| Maine                 |                                        |                             |                              |                 |                  |                                   | P                      |                                |                               |                   |                  | X                  | X                | P                       |           |
| Massachusetts         |                                        |                             |                              |                 |                  |                                   |                        |                                |                               | X                 |                  | X                  | X                | X                       |           |
| New Hampshire         | X                                      | X                           |                              |                 |                  |                                   |                        |                                |                               |                   |                  | X                  |                  |                         |           |
| Rhode Island          |                                        |                             |                              |                 |                  |                                   | P                      |                                |                               | X                 |                  | X                  | X                |                         |           |
| Vermont               | P                                      |                             |                              | X               | X                | X                                 | X                      |                                |                               | P                 | P                | X                  | X                |                         |           |
| <b>MID-ATLANTIC</b>   |                                        |                             |                              |                 |                  |                                   |                        |                                |                               |                   |                  |                    |                  |                         |           |
| Delaware              | X                                      |                             |                              | X               |                  |                                   |                        |                                |                               |                   |                  | X                  | X                |                         |           |
| Maryland              |                                        |                             |                              | X               |                  |                                   | P                      |                                |                               | X                 |                  | X                  | X                |                         |           |
| New Jersey            | P                                      |                             | P                            | X               |                  | P                                 |                        |                                |                               | X                 | P                | X                  | X                | P                       |           |
| New York              |                                        |                             |                              |                 | X                |                                   | X                      | P                              |                               | X                 |                  | X                  | X                | X                       | X         |
| Pennsylvania          | P                                      |                             |                              | X               | X                | P                                 | X                      |                                | P                             | P                 |                  | X                  | X                | P                       | P         |
| <b>GREAT LAKES</b>    |                                        |                             |                              |                 |                  |                                   |                        |                                |                               |                   |                  |                    |                  |                         |           |
| Illinois              |                                        |                             |                              |                 |                  |                                   | P                      |                                |                               | X                 |                  | X                  | X                |                         |           |
| 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                       |           |
| <b>PLAINS</b>         |                                        |                             |                              |                 |                  |                                   |                        |                                |                               |                   |                  |                    |                  |                         |           |
| Iowa                  |                                        |                             |                              | P               |                  |                                   | X                      |                                |                               | X                 |                  |                    | X                |                         |           |
| Kansas                |                                        |                             |                              | P               | X                |                                   | X                      |                                |                               | P                 | X                |                    | X                | P                       | P         |
| Minnesota             |                                        |                             |                              |                 | X                |                                   |                        |                                |                               | X                 | X                | P                  |                  |                         |           |
| Missouri              |                                        |                             |                              | X               | X                | X                                 | X                      |                                | P                             | X                 | X                | X                  | P                | P                       | P         |
| Nebraska              |                                        |                             |                              | P               | X                | P                                 | X                      |                                | P                             | X                 | P                | P                  | X                | P                       | P         |
| North Dakota          |                                        |                             |                              |                 |                  |                                   | X                      |                                |                               | X                 | X                |                    | X                |                         |           |
| South Dakota          |                                        | X                           | X                            |                 |                  |                                   | X                      |                                |                               | X                 | X                |                    | X                |                         |           |
| <b>SOUTHEAST</b>      |                                        |                             |                              |                 |                  |                                   |                        |                                |                               |                   |                  |                    |                  |                         |           |
| Alabama               |                                        |                             |                              |                 | X                |                                   | X                      |                                |                               | P                 |                  |                    | X                |                         |           |
| Arkansas              |                                        |                             |                              |                 | X                |                                   |                        |                                |                               | X                 |                  |                    |                  |                         |           |
| Florida               |                                        | X                           |                              |                 | X                |                                   | X                      |                                |                               | X                 | X                |                    | X                | P                       | X         |
| 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                |                         |           |
| <b>SOUTHWEST</b>      |                                        |                             |                              |                 |                  |                                   |                        |                                |                               |                   |                  |                    |                  |                         |           |
| Arizona               |                                        |                             |                              | X               |                  | P                                 | X                      | P                              |                               |                   |                  |                    | X                |                         |           |
| New Mexico            |                                        |                             |                              |                 | X                |                                   | X                      |                                |                               | X                 |                  |                    | X                |                         |           |
| Oklahoma              | P                                      | P                           | P                            | P               | X                | P                                 | P                      | P                              | P                             | X                 | X                | P                  | X                | P                       |           |
| Texas                 |                                        | X                           | X                            | X               |                  |                                   |                        |                                |                               | X                 |                  |                    | X                |                         |           |
| <b>ROCKY MOUNTAIN</b> |                                        |                             |                              |                 |                  |                                   |                        |                                |                               |                   |                  |                    |                  |                         |           |
| Colorado              |                                        | P                           | P                            | P               | X                |                                   | X                      |                                |                               | P                 | X                | X                  | X                | X                       |           |
| Idaho                 |                                        |                             |                              | X               | X                | P                                 | X                      | P                              |                               | X                 | X                | X                  | X                | X                       | X         |
| Montana               | N/A                                    |                             |                              |                 |                  | P                                 | X                      | P                              | P                             | P                 |                  | P                  | P                | P                       | P         |
| Utah                  |                                        |                             |                              | X               | X                |                                   |                        |                                |                               | P                 |                  |                    |                  |                         |           |
| Wyoming               |                                        | X                           | X                            | X               | X                |                                   |                        |                                |                               |                   |                  |                    |                  |                         |           |
| <b>FAR WEST</b>       |                                        |                             |                              |                 |                  |                                   |                        |                                |                               |                   |                  |                    |                  |                         |           |
| Alaska                |                                        | X                           |                              |                 | X                |                                   |                        |                                |                               |                   |                  |                    | X                |                         |           |
| California            | P                                      | P                           |                              | P               | X                | P                                 | X                      |                                |                               | X                 | X                | X                  | X                | P                       | P         |
| Hawaii*               | P                                      |                             |                              | 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                       |           |
| <b>ALL STATES</b>     | <b>12</b>                              | <b>12</b>                   | <b>9</b>                     | <b>31</b>       | <b>33</b>        | <b>15</b>                         | <b>37</b>              | <b>6</b>                       | <b>7</b>                      | <b>39</b>         | <b>22</b>        | <b>29</b>          | <b>41</b>        | <b>22</b>               | <b>12</b> |

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

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

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

**Alabama:** Fiscal 2009 estimated revenue amounts exclude a transfer from the Proration Prevention Fund of \$129,590 and a transfer from the Education Trust Fund Rainy Day Account of \$221,136,679.

**Arizona:** Estimated fiscal 2009 Other Taxes and Fees includes Rainy Day Fund transfers as well as transfers from other funds.

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

**Indiana:** Revenue figures for "2008 Actual—Sales and Compensating Use Taxes" include 2 months of sales tax revenue at 7%, rather than 6% (\$151.6 million). The sales tax was increased from 6% to 7% on April 1, 2008 as part of HEA 1001 (2008), the Governor's property tax reform legislation whereby the state assumed the responsibility for funding a number of levies previously supported by local property taxes. Revenue figures for "2009 Estimated—Sales and Compensating Use Taxes" include a full year of sales tax revenue at 7%, rather than 6% (\$879.0 million). The sales tax was increased from 6% to 7% on April 1, 2008 as part of HEA 1001 (2008), the Governor's property tax reform legislation whereby the state assumed the responsibility for funding a number of levies previously supported by local property taxes. Revenue figures for "2009

Estimated—Gaming Taxes" include \$62.8 million of Racino Wagering Taxes collected between January 1st and June 30th of 2009. HEA 1001 (2008) directed these revenues to the General Fund beginning January 1, 2009, as part of the Governor's property tax reform legislation. Revenue figures for "2009 Estimated—Other Taxes and Fees" include \$25.8 million of revenues from HEA 1001 (2008), including \$12.8 million from the Riverboat Admissions Tax and \$13.0 million from the Motor Vehicle Excise Tax and FIT. HEA 1001 (2008) directed these revenues to the General Fund beginning January 1, 2009, as part of the Governor's property tax reform legislation.

**Michigan:** Actual fiscal 2007 and fiscal 2008 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 2009 estimates are the May 2009 consensus revenue estimates.

**Missouri:** Revenue sources exclude refunds of \$1,208 million in fiscal 2007, \$1,258 million in fiscal 2008, and \$1,441 million in fiscal 2009.

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





# APPENDIX

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Table A-1

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

| Region/State          | Actual Fiscal 2007 |                  |                       | Actual Fiscal 2008 |                  |                       | Estimated Fiscal 2009 |                  |                       |
|-----------------------|--------------------|------------------|-----------------------|--------------------|------------------|-----------------------|-----------------------|------------------|-----------------------|
|                       | State Funds        | Federal Funds    | State & Federal Funds | State Funds        | Federal Funds    | State & Federal Funds | State Funds           | Federal Funds    | State & Federal Funds |
| <b>NEW ENGLAND</b>    |                    |                  |                       |                    |                  |                       |                       |                  |                       |
| Connecticut           | \$19,266           | \$1,540          | <b>\$20,806</b>       | \$20,870           | \$1,634          | <b>\$22,504</b>       | \$21,176              | \$1,982          | <b>\$23,158</b>       |
| Maine                 | 4,935              | 2,190            | <b>7,125</b>          | 5,137              | 2,182            | <b>7,319</b>          | 5,204                 | 2,778            | <b>7,982</b>          |
| Massachusetts         | 37,444             | 2,558            | <b>40,002</b>         | 40,201             | 2,525            | <b>42,726</b>         | 40,597                | 2,841            | <b>43,438</b>         |
| New Hampshire         | 3,073              | 1,409            | <b>4,482</b>          | 3,194              | 1,498            | <b>4,692</b>          | 3,158                 | 1,600            | <b>4,758</b>          |
| Rhode Island          | 4,699              | 1,847            | <b>6,546</b>          | 4,989              | 1,923            | <b>6,912</b>          | 4,951                 | 2,415            | <b>7,366</b>          |
| Vermont               | 3,861              | 1,250            | <b>5,111</b>          | 3,959              | 1,312            | <b>5,271</b>          | 3,582                 | 1,694            | <b>2,414</b>          |
| <b>MID-ATLANTIC</b>   |                    |                  |                       |                    |                  |                       |                       |                  |                       |
| Delaware              | 6,522              | 1,055            | <b>7,577</b>          | 7,233              | 1,113            | <b>8,346</b>          | 7,204                 | 1,256            | <b>8,460</b>          |
| Maryland              | 22,393             | 6,363            | <b>28,756</b>         | 23,008             | 6,561            | <b>29,569</b>         | 23,531                | 7,791            | <b>31,322</b>         |
| New Jersey            | 35,275             | 8,751            | <b>44,026</b>         | 38,345             | 8,851            | <b>47,196</b>         | 35,688                | 11,980           | <b>47,668</b>         |
| New York              | 75,067             | 35,453           | <b>110,520</b>        | 79,507             | 34,680           | <b>114,187</b>        | 79,993                | 38,425           | <b>118,418</b>        |
| Pennsylvania          | 38,204             | 17,820           | <b>56,024</b>         | 39,921             | 18,037           | <b>57,958</b>         | 41,458                | 20,552           | <b>62,010</b>         |
| <b>GREAT LAKES</b>    |                    |                  |                       |                    |                  |                       |                       |                  |                       |
| Illinois              | 34,209             | 11,398           | <b>45,607</b>         | 34,731             | 11,867           | <b>46,598</b>         | 33,675                | 14,417           | <b>48,092</b>         |
| Indiana               | 15,653             | 7,107            | <b>22,760</b>         | 16,260             | 7,818            | <b>24,078</b>         | 16,561                | 9,061            | <b>25,622</b>         |
| Michigan              | 30,093             | 11,853           | <b>41,946</b>         | 30,903             | 12,660           | <b>43,563</b>         | 28,574                | 19,464           | <b>48,038</b>         |
| Ohio                  | 43,684             | 8,350            | <b>52,034</b>         | 46,355             | 9,655            | <b>56,010</b>         | 46,602                | 10,342           | <b>56,944</b>         |
| Wisconsin             | 27,008             | 7,244            | <b>34,252</b>         | 28,556             | 7,535            | <b>36,091</b>         | 28,734                | 9,711            | <b>38,445</b>         |
| <b>PLAINS</b>         |                    |                  |                       |                    |                  |                       |                       |                  |                       |
| Iowa                  | 10,816             | 3,959            | <b>14,775</b>         | 11,535             | 4,565            | <b>16,100</b>         | 12,530                | 4,970            | <b>17,500</b>         |
| Kansas                | 8,593              | 3,131            | <b>11,724</b>         | 8,889              | 3,522            | <b>12,411</b>         | 9,715                 | 3,366            | <b>13,081</b>         |
| Minnesota             | 20,426             | 5,965            | <b>26,391</b>         | 21,491             | 6,264            | <b>27,755</b>         | 22,123                | 8,910            | <b>31,033</b>         |
| Missouri              | 14,783             | 5,328            | <b>20,111</b>         | 15,005             | 5,619            | <b>20,624</b>         | 16,038                | 6,280            | <b>22,318</b>         |
| Nebraska              | 5,796              | 2,366            | <b>8,162</b>          | 6,301              | 2,411            | <b>8,712</b>          | 7,708                 | 3,128            | <b>10,836</b>         |
| North Dakota          | 2,062              | 1,239            | <b>3,301</b>          | 2,329              | 1,241            | <b>3,570</b>          | 2,633                 | 1,405            | <b>4,038</b>          |
| South Dakota          | 1,849              | 1,200            | <b>3,049</b>          | 1,952              | 1,181            | <b>3,133</b>          | 2,056                 | 1,396            | <b>3,452</b>          |
| <b>SOUTHEAST</b>      |                    |                  |                       |                    |                  |                       |                       |                  |                       |
| Alabama               | 26,173             | 10,660           | <b>36,833</b>         | 28,674             | 10,933           | <b>39,607</b>         | 32,361                | 13,704           | <b>46,065</b>         |
| Arkansas              | 11,465             | 4,594            | <b>16,059</b>         | 12,030             | 4,806            | <b>16,836</b>         | 12,836                | 5,516            | <b>18,352</b>         |
| Florida               | 43,907             | 18,886           | <b>62,793</b>         | 42,182             | 18,873           | <b>61,055</b>         | 43,719                | 18,853           | <b>62,572</b>         |
| Georgia               | 22,950             | 10,573           | <b>33,523</b>         | 24,590             | 10,692           | <b>35,282</b>         | 23,086                | 12,105           | <b>35,191</b>         |
| Kentucky              | 15,229             | 7,051            | <b>22,280</b>         | 16,275             | 6,720            | <b>22,995</b>         | 15,824                | 8,233            | <b>24,057</b>         |
| Louisiana             | 14,584             | 11,151           | <b>25,735</b>         | 16,805             | 12,899           | <b>29,704</b>         | 16,400                | 16,139           | <b>32,539</b>         |
| Mississippi           | 7,864              | 7,580            | <b>15,444</b>         | 8,927              | 6,438            | <b>15,365</b>         | 9,855                 | 9,165            | <b>19,020</b>         |
| North Carolina        | 27,795             | 10,908           | <b>38,703</b>         | 30,474             | 10,913           | <b>41,387</b>         | 27,822                | 11,855           | <b>39,677</b>         |
| South Carolina        | 13,198             | 6,680            | <b>19,878</b>         | 14,015             | 6,654            | <b>20,669</b>         | 12,922                | 7,621            | <b>20,543</b>         |
| Tennessee             | 15,196             | 8,965            | <b>24,161</b>         | 16,714             | 9,375            | <b>26,089</b>         | 17,279                | 10,953           | <b>28,232</b>         |
| Virginia              | 27,493             | 6,244            | <b>33,737</b>         | 28,139             | 6,342            | <b>34,481</b>         | 28,559                | 6,772            | <b>35,331</b>         |
| West Virginia         | 15,056             | 3,263            | <b>18,319</b>         | 15,246             | 3,287            | <b>18,533</b>         | 16,303                | 3,878            | <b>20,181</b>         |
| <b>SOUTHWEST</b>      |                    |                  |                       |                    |                  |                       |                       |                  |                       |
| Arizona               | 15,654             | 7,228            | <b>22,882</b>         | 16,280             | 7,855            | <b>24,135</b>         | 15,737                | 10,662           | <b>26,399</b>         |
| New Mexico            | 9,452              | 4,226            | <b>13,678</b>         | 9,701              | 4,506            | <b>14,207</b>         | 9,903                 | 4,946            | <b>14,849</b>         |
| Oklahoma              | 9,806              | 8,780            | <b>18,586</b>         | 10,458             | 9,324            | <b>19,782</b>         | 10,286                | 9,930            | <b>20,216</b>         |
| Texas                 | 47,695             | 22,299           | <b>69,994</b>         | 54,531             | 25,406           | <b>79,937</b>         | 58,254                | 29,051           | <b>87,305</b>         |
| <b>ROCKY MOUNTAIN</b> |                    |                  |                       |                    |                  |                       |                       |                  |                       |
| Colorado              | 19,411             | 4,386            | <b>23,797</b>         | 20,390             | 4,739            | <b>25,129</b>         | 20,681                | 6,247            | <b>26,928</b>         |
| Idaho                 | 3,665              | 1,863            | <b>5,528</b>          | 3,895              | 2,005            | <b>5,900</b>          | 4,291                 | 2,460            | <b>6,751</b>          |
| Montana               | 2,528              | 1,538            | <b>4,066</b>          | 2,831              | 1,646            | <b>4,477</b>          | 2,706                 | 1,827            | <b>4,533</b>          |
| Utah                  | 7,504              | 2,370            | <b>9,874</b>          | 8,817              | 2,503            | <b>11,320</b>         | 8,353                 | 3,205            | <b>11,558</b>         |
| Wyoming               | 4,449              | 457              | <b>4,906</b>          | 4,483              | 475              | <b>4,958</b>          | 5,238                 | 1,885            | <b>7,123</b>          |
| <b>FAR WEST</b>       |                    |                  |                       |                    |                  |                       |                       |                  |                       |
| Alaska                | 8,238              | 3,004            | <b>11,242</b>         | 9,640              | 2,656            | <b>12,296</b>         | 10,536                | 3,434            | <b>13,970</b>         |
| California            | 123,967            | 52,935           | <b>176,902</b>        | 129,660            | 56,211           | <b>185,871</b>        | 118,077               | 76,629           | <b>194,706</b>        |
| Hawaii                | 8,506              | 1,648            | <b>10,154</b>         | 8,783              | 1,760            | <b>10,543</b>         | 9,333                 | 1,919            | <b>11,252</b>         |
| Nevada                | 4,866              | 1,861            | <b>6,727</b>          | 7,059              | 1,780            | <b>8,839</b>          | 5,495                 | 2,203            | <b>7,698</b>          |
| Oregon                | 15,557             | 4,419            | <b>19,976</b>         | 17,734             | 4,700            | <b>22,434</b>         | 18,370                | 5,790            | <b>24,160</b>         |
| Washington            | 22,049             | 6,326            | <b>28,375</b>         | 23,233             | 6,678            | <b>29,911</b>         | 23,168                | 7,623            | <b>30,791</b>         |
| <b>TOTAL</b>          | <b>\$1,009,968</b> | <b>\$379,271</b> | <b>\$1,389,239</b>    | <b>\$1,072,237</b> | <b>\$394,830</b> | <b>\$1,467,067</b>    | <b>\$1,070,885</b>    | <b>\$478,369</b> | <b>\$1,549,254</b>    |

Note: State funds are defined as general funds and other state funds (bonds are excluded).  
Source: National Association of State Budget Officers, 2008 State Expenditure Report

Table A-2

## CHILDREN'S HEALTH INSURANCE BLOCK GRANTS (\$ IN MILLIONS)

| Regions/state         | Actual Fiscal 2007 |                   |                |                | Actual Fiscal 2008 |                   |                |                | Estimated Fiscal 2009 |                   |                |                 |
|-----------------------|--------------------|-------------------|----------------|----------------|--------------------|-------------------|----------------|----------------|-----------------------|-------------------|----------------|-----------------|
|                       | General Fund       | Other State Funds | Federal Funds  | Total          | General Fund       | Other State Funds | Federal Funds  | Total          | General Fund          | Other State Funds | Federal Funds  | Total           |
| <b>NEW ENGLAND</b>    |                    |                   |                |                |                    |                   |                |                |                       |                   |                |                 |
| Connecticut*          | 32                 | 0                 | 0              | 32             | 33                 | 0                 | 0              | 33             | 35                    | 0                 | 0              | 35              |
| Maine                 | 10                 | 0                 | 28             | 37             | 11                 | 0                 | 32             | 43             | 11                    | 0                 | 32             | 43              |
| Massachusetts         | 316                | 0                 | 206            | 522            | 371                | 0                 | 241            | 612            | 401                   | 0                 | 261            | 662             |
| New Hampshire         | 4                  | 0                 | 8              | 12             | 5                  | 0                 | 9              | 14             | 5                     | 0                 | 10             | 15              |
| Rhode Island          | 26                 | 0                 | 52             | 78             | 27                 | 0                 | 53             | 80             | 20                    | 0                 | 40             | 60              |
| Vermont               | 2                  | 0                 | 5              | 7              | 2                  | 0                 | 6              | 8              | 2                     | 0                 | 7              | 9               |
| <b>MID-ATLANTIC</b>   |                    |                   |                |                |                    |                   |                |                |                       |                   |                |                 |
| Delaware              | 3                  | 1                 | 6              | 10             | 4                  | 0                 | 10             | 14             | 4                     | 1                 | 10             | 15              |
| Maryland              | 60                 | 3                 | 115            | 179            | 64                 | 1                 | 118            | 183            | 67                    | 2                 | 124            | 192             |
| New Jersey            | 120                | 63                | 256            | 439            | 152                | 60                | 301            | 513            | 207                   | 69                | 372            | 648             |
| New York              | 0                  | 335               | 316            | 651            | 0                  | 306               | 326            | 632            | 0                     | 345               | 357            | 702             |
| Pennsylvania          | 50                 | 36                | 182            | 268            | 69                 | 37                | 219            | 325            | 90                    | 26                | 253            | 369             |
| <b>GREAT LAKES</b>    |                    |                   |                |                |                    |                   |                |                |                       |                   |                |                 |
| Illinois              | 174                | 5                 | 0              | 179            | 174                | 7                 | 0              | 181            | 174                   | 7                 | 0              | 181             |
| Indiana               | 0                  | 28                | 81             | 109            | 0                  | 30                | 85             | 115            | 0                     | 30                | 88             | 118             |
| Michigan*             | 36                 | 32                | 155            | 223            | 55                 | 13                | 164            | 232            | 49                    | 13                | 160            | 222             |
| Ohio                  | 76                 | 0                 | 191            | 267            | 82                 | 0                 | 216            | 298            | 97                    | 0                 | 362            | 459             |
| Wisconsin             | 82                 | 7                 | 126            | 215            | 75                 | 9                 | 142            | 226            | 93                    | 28                | 178            | 299             |
| <b>PLAINS</b>         |                    |                   |                |                |                    |                   |                |                |                       |                   |                |                 |
| Iowa                  | 18                 | 0                 | 50             | 68             | 15                 | 5                 | 54             | 74             | 14                    | 7                 | 56             | 77              |
| Kansas                | 15                 | 2                 | 46             | 63             | 15                 | 2                 | 44             | 61             | 16                    | 2                 | 46             | 64              |
| Minnesota             | 8                  | 23                | 58             | 89             | 9                  | 27                | 66             | 102            | 9                     | 20                | 50             | 79              |
| Missouri*             | 23                 | 6                 | 79             | 108            | 20                 | 8                 | 78             | 106            | 30                    | 21                | 137            | 188             |
| Nebraska              | 7                  | 5                 | 31             | 43             | 11                 | 5                 | 32             | 48             | 12                    | 5                 | 32             | 49              |
| North Dakota          | 2                  | 0                 | 6              | 8              | 2                  | 0                 | 7              | 9              | 2                     | 0                 | 6              | 8               |
| South Dakota          | 4                  | 0                 | 10             | 14             | 5                  | 0                 | 14             | 19             | 6                     | 0                 | 15             | 21              |
| <b>SOUTHEAST</b>      |                    |                   |                |                |                    |                   |                |                |                       |                   |                |                 |
| Alabama               | 21                 | 5                 | 101            | 127            | 27                 | 5                 | 114            | 146            | 34                    | 5                 | 139            | 178             |
| Arkansas              | 19                 | 0                 | 83             | 101            | 22                 | 0                 | 95             | 117            | 18                    | 0                 | 79             | 97              |
| Florida               | 9                  | 74                | 228            | 311            | 29                 | 92                | 261            | 382            | 30                    | 96                | 262            | 388             |
| Georgia               | 65                 | 24                | 267            | 356            | 83                 | 19                | 267            | 369            | 52                    | 16                | 206            | 274             |
| Kentucky              | 20                 | 3                 | 78             | 101            | 20                 | 3                 | 85             | 108            | 32                    | 0                 | 107            | 139             |
| Louisiana             | 28                 | 3                 | 113            | 144            | 36                 | 0                 | 150            | 186            | 44                    | 0                 | 176            | 220             |
| Mississippi           | 21                 | 0                 | 108            | 129            | 27                 | 0                 | 132            | 159            | 30                    | 0                 | 150            | 180             |
| North Carolina        | 50                 | 2                 | 157            | 209            | 59                 | 1                 | 158            | 218            | 67                    | 0                 | 202            | 269             |
| South Carolina*       | 9                  | 0                 | 31             | 40             | 15                 | 0                 | 56             | 71             | 22                    | 0                 | 83             | 105             |
| Tennessee*            | 2                  | 0                 | 1              | 3              | 21                 | 0                 | 54             | 75             | 40                    | 0                 | 119            | 159             |
| Virginia              | 41                 | 14                | 103            | 159            | 51                 | 14                | 120            | 185            | 62                    | 14                | 141            | 217             |
| West Virginia         | 7                  | 0                 | 37             | 44             | 8                  | 0                 | 36             | 44             | 8                     | 0                 | 38             | 46              |
| <b>SOUTHWEST</b>      |                    |                   |                |                |                    |                   |                |                |                       |                   |                |                 |
| Arizona               | 32                 | 0                 | 105            | 137            | 35                 | 0                 | 110            | 145            | 28                    | 0                 | 98             | 126             |
| New Mexico            | 13                 | 0                 | 40             | 54             | 12                 | 0                 | 37             | 50             | 26                    | 0                 | 104            | 130             |
| Oklahoma              | 25                 | 1                 | 91             | 117            | 26                 | 2                 | 94             | 122            | 31                    | 2                 | 105            | 138             |
| Texas                 | 164                | 0                 | 358            | 522            | 316                | 0                 | 630            | 946            | 378                   | 0                 | 723            | 1101            |
| <b>ROCKY MOUNTAIN</b> |                    |                   |                |                |                    |                   |                |                |                       |                   |                |                 |
| Colorado              | 0                  | 37                | 65             | 102            | 0                  | 43                | 77             | 120            | 0                     | 49                | 87             | 136             |
| Idaho                 | 5                  | 2                 | 26             | 33             | 6                  | 3                 | 33             | 42             | 8                     | 3                 | 40             | 51              |
| Montana               | 0                  | 4                 | 16             | 21             | 0                  | 5                 | 18             | 23             | 0                     | 7                 | 24             | 31              |
| Utah                  | 0                  | 12                | 41             | 53             | 2                  | 11                | 45             | 58             | 2                     | 15                | 59             | 76              |
| Wyoming               | 4                  | 0                 | 8              | 12             | 5                  | 0                 | 10             | 15             | 5                     | 0                 | 10             | 15              |
| <b>FAR WEST</b>       |                    |                   |                |                |                    |                   |                |                |                       |                   |                |                 |
| Alaska                | 7                  | 0                 | 17             | 24             | 7                  | 0                 | 15             | 22             | 9                     | 0                 | 17             | 26              |
| California*           | 558                | 0                 | 981            | 1539           | 707                | 0                 | 1259           | 1966           | 713                   | 41                | 1344           | 2098            |
| Hawaii                | 8                  | 0                 | 19             | 27             | 8                  | 0                 | 18             | 26             | 8                     | 0                 | 18             | 26              |
| Nevada                | 15                 | 0                 | 29             | 43             | 11                 | 9                 | 26             | 37             | 11                    | 0                 | 25             | 36              |
| Oregon                | 1                  | 14                | 40             | 55             | -1                 | 21                | 52             | 72             | 0                     | 25                | 69             | 94              |
| Washington            | 6                  | 8                 | 25             | 39             | 7                  | 8                 | 28             | 43             | 8                     | 9                 | 33             | 50              |
| <b>TOTAL</b>          | <b>\$2,198</b>     | <b>\$749</b>      | <b>\$5,174</b> | <b>\$8,121</b> | <b>\$2,740</b>     | <b>\$745</b>      | <b>\$6,198</b> | <b>\$9,674</b> | <b>\$3,009</b>        | <b>\$858</b>      | <b>\$7,054</b> | <b>\$10,921</b> |

\*See Children's Health Insurance Block Grants Notes for explanation

## **Children's Health Insurance Block Grants**

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**California:** Due to accounting matters, included in the actual general fund amount for FFY 2007 and 2008 are prenatal expenditures from the Cigarette and Tobacco Products Surtax Fund which are used to match federal funds. Estimated fiscal 2009 data are based on November 2008 estimate.

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

**Michigan:** Michigan received federal approval of the Adult Benefit Waiver (ABW) to expand health care coverage to childless adults using SCHIP funds in fiscal 2004. ABW enrollment averaged 60,000 in fiscal 2007 and 59,600 in fiscal 2008. In fiscal 2009, ABW

enrollment is expected to average 62,000. Enrollment in the traditional program for children ("MIChild") has grown from an average 29,800 in fiscal 2008 to 33,400 in the second quarter of fiscal 2009.

**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.

**South Carolina:** Combined total: SC CHIPS-Regular Program is a Medicaid Expansion; CHIPS -Standalone Program was created per legislation in state fiscal year 2008.

**Tennessee:** Tennessee began receiving funds for the Children's Health Insurance Block Grant in fiscal 2007.

Table A-3

## MEDICARE PART D CLAWBACK PAYMENTS (\$ IN MILLIONS)

| Region/State          | Actual Fiscal 2007 |                   |                | Actual Fiscal 2008 |                   |                | Estimated Fiscal 2009 |                   |                |
|-----------------------|--------------------|-------------------|----------------|--------------------|-------------------|----------------|-----------------------|-------------------|----------------|
|                       | General Fund       | Other State Funds | Total          | General Fund       | Other State Funds | Total          | General Fund          | Other State Funds | Total          |
| <b>NEW ENGLAND</b>    |                    |                   |                |                    |                   |                |                       |                   |                |
| Connecticut           | 113                | 0                 | 113            | 117                | 0                 | 117            | 126                   | 0                 | 126            |
| Maine                 | 44                 | 0                 | 44             | 44                 | 0                 | 44             | 45                    | 0                 | 45             |
| Massachusetts         | 227                | 0                 | 227            | 223                | 0                 | 223            | 259                   | 0                 | 259            |
| New Hampshire         | 27                 | 0                 | 27             | 29                 | 0                 | 29             | 30                    | 0                 | 30             |
| Rhode Island          | 39                 | 0                 | 39             | 40                 | 0                 | 40             | 42                    | 0                 | 42             |
| Vermont               | 19                 | 0                 | 19             | 20                 | 0                 | 20             | 21                    | 0                 | 21             |
| <b>MID-ATLANTIC</b>   |                    |                   |                |                    |                   |                |                       |                   |                |
| Delaware              | 13                 | 0                 | 13             | 13                 | 0                 | 13             | 13                    | 0                 | 13             |
| Maryland              | 92                 | 0                 | 92             | 92                 | 0                 | 92             | 95                    | 0                 | 95             |
| New Jersey            | 267                | 0                 | 267            | 279                | 0                 | 279            | 296                   | 0                 | 296            |
| New York              | 814                | 0                 | 814            | 738                | 0                 | 738            | 697                   | 0                 | 697            |
| Pennsylvania          | 339                | 0                 | 339            | 384                | 0                 | 384            | 419                   | 0                 | 419            |
| <b>GREAT LAKES</b>    |                    |                   |                |                    |                   |                |                       |                   |                |
| Illinois              | 353                | 0                 | 353            | 348                | 0                 | 348            | 355                   | 0                 | 355            |
| Indiana               | 85                 | 0                 | 85             | 89                 | 0                 | 89             | 91                    | 0                 | 91             |
| Michigan              | 175                | 0                 | 175            | 177                | 0                 | 177            | 183                   | 0                 | 183            |
| Ohio                  | 236                | 0                 | 236            | 243                | 0                 | 243            | 251                   | 0                 | 251            |
| Wisconsin             | 146                | 0                 | 146            | 140                | 0                 | 140            | 130                   | 0                 | 130            |
| <b>PLAINS</b>         |                    |                   |                |                    |                   |                |                       |                   |                |
| Iowa                  | 63                 | 0                 | 63             | 67                 | 0                 | 67             | 71                    | 0                 | 71             |
| Kansas                | 0                  | 41                | 41             | 0                  | 47                | 47             | 0                     | 48                | 48             |
| Minnesota             | 137                | 0                 | 137            | 143                | 0                 | 143            | 150                   | 0                 | 150            |
| Missouri              | 175                | 0                 | 175            | 169                | 0                 | 169            | 175                   | 0                 | 175            |
| Nebraska              | 39                 | 0                 | 39             | 40                 | 0                 | 40             | 40                    | 0                 | 40             |
| North Dakota          | 8                  | 0                 | 8              | 8                  | 1                 | 9              | 9                     | 1                 | 10             |
| South Dakota          | 8                  | 0                 | 8              | 14                 | 0                 | 14             | 14                    | 0                 | 14             |
| <b>SOUTHEAST</b>      |                    |                   |                |                    |                   |                |                       |                   |                |
| Alabama               | 0                  | 61                | 61             | 0                  | 64                | 64             | 0                     | 64                | 64             |
| Arkansas              | 32                 | 2                 | 34             | 33                 | 2                 | 36             | 35                    | 2                 | 37             |
| Florida               | 357                | 0                 | 357            | 382                | 0                 | 382            | 414                   | 0                 | 414            |
| Georgia               | 119                | 0                 | 119            | 127                | 0                 | 127            | 115                   | 0                 | 115            |
| Kentucky              | 85                 | 0                 | 85             | 75                 | 0                 | 75             | 86                    | 0                 | 86             |
| Louisiana             | 73                 | 0                 | 73             | 74                 | 0                 | 74             | 78                    | 0                 | 78             |
| Mississippi           | 25                 | 0                 | 25             | 37                 | 0                 | 37             | 44                    | 0                 | 44             |
| North Carolina        | 224                | 0                 | 224            | 232                | 0                 | 232            | 241                   | 0                 | 241            |
| South Carolina        | 68                 | 0                 | 68             | 70                 | 0                 | 70             | 66                    | 6                 | 72             |
| Tennessee             | 221                | 0                 | 221            | 232                | 0                 | 232            | 250                   | 0                 | 250            |
| Virginia              | 152                | 0                 | 152            | 157                | 0                 | 157            | 164                   | 0                 | 164            |
| West Virginia         | 29                 | 0                 | 29             | 29                 | 0                 | 29             | 30                    | 0                 | 30             |
| <b>SOUTHWEST</b>      |                    |                   |                |                    |                   |                |                       |                   |                |
| Arizona               | 45                 | 9                 | 54             | 48                 | 10                | 58             | 53                    | 9                 | 62             |
| New Mexico            | 18                 | 0                 | 18             | 19                 | 0                 | 19             | 22                    | 0                 | 22             |
| Oklahoma              | 53                 | 0                 | 53             | 58                 | 0                 | 58             | 63                    | 0                 | 63             |
| Texas                 | 289                | 0                 | 289            | 302                | 0                 | 302            | 322                   | 0                 | 322            |
| <b>ROCKY MOUNTAIN</b> |                    |                   |                |                    |                   |                |                       |                   |                |
| Colorado              | 73                 | 0                 | 73             | 71                 | 0                 | 71             | 74                    | 0                 | 74             |
| Idaho                 | 17                 | 0                 | 17             | 17                 | 0                 | 17             | 20                    | 0                 | 20             |
| Montana               | 11                 | 0                 | 11             | 12                 | 0                 | 12             | 13                    | 0                 | 13             |
| Utah                  | 22                 | 0                 | 22             | 23                 | 0                 | 23             | 25                    | 0                 | 25             |
| Wyoming               | 8                  | 0                 | 8              | 10                 | 0                 | 10             | 10                    | 0                 | 10             |
| <b>FAR WEST</b>       |                    |                   |                |                    |                   |                |                       |                   |                |
| Alaska                | 16                 | 0                 | 16             | 18                 | 0                 | 18             | 17                    | 0                 | 17             |
| California            | 1149               | 0                 | 1149           | 1214               | 0                 | 1214           | 1324                  | 0                 | 1324           |
| Hawaii                | 24                 | 0                 | 24             | 23                 | 0                 | 23             | 24                    | 0                 | 24             |
| Nevada                | 22                 | 0                 | 22             | 22                 | 0                 | 22             | 26                    | 0                 | 26             |
| Oregon                | 57                 | 0                 | 57             | 61                 | 0                 | 61             | 60                    | 0                 | 60             |
| Washington            | 135                | 0                 | 135            | 137                | 0                 | 137            | 145                   | 0                 | 145            |
| <b>TOTAL</b>          | <b>\$6,743</b>     | <b>\$114</b>      | <b>\$6,856</b> | <b>\$6,900</b>     | <b>\$124</b>      | <b>\$7,024</b> | <b>\$7,232</b>        | <b>\$130</b>      | <b>\$7,362</b> |

## Methodology

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The Fiscal Year 2008 State Expenditure Report reflects three years of data: actual fiscal year 2007, actual fiscal year 2008, and estimated fiscal year 2009. The text of this report focuses on actual fiscal year 2008 data, with a secondary focus on estimated fiscal 2009.

This report documents state expenditures in six functional categories: elementary and secondary education, higher education, public assistance including Temporary Assistance for Needy Families and other cash assistance, Medicaid, corrections, and transportation. All other expenditures make up a seventh category. The report includes expenditures from four fund sources, including general funds, federal funds, other state funds, and bonds. States were asked to include spending from the *American Recovery and Reinvestment Act of 2009 (ARRA)* in the federal funds totals for the seven categories. Data for each category usually 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 exclude administrative costs, but include spending from state funds, federal matching funds and other funds and revenue sources used as a Medicaid match such as provider taxes, fees, assessments, donations, and local funds. Medicare Part D clawback payments are included in a state's overall Medicaid expenditures, and are also listed separately in the Appendix.

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

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 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 Texas, the fiscal year begins on September 1; in Alabama and Michigan the fiscal year begins on October 1; and in New York, the fiscal year begins on April 1. Additionally, the length of budget cycles vary among states, with more than half of the states budgeting annually and the remainder enacting biennial budgets.

## Definitions

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

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

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

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

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

