

STATE EXPENDITURE REPORT



State	Actual Fiscal 2010					Actual Fiscal 2011					Estimated Fiscal 2012			
	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
Alabama	17,241	2,482	2,253	61	8,951	2,859	3,000	2,293	123	8,274	3,087	2,649	2,309	61
Alaska	2,866	3,151	15,088	1,835	51,278	1,326	1,929	1,940	145	5,340	1,280	1,648	2,094	86
Arizona	21,874	2,074	1,876	138	7,813	2,956	2,748	2,015	123	7,842	3,139	2,838	2,142	109
Arkansas	1,380	2,813	2,032	74	4,667	744	1,966	2,072	78	4,860	756	1,741	2,287	65
California	2,864	1,865	1,954											



EXAMINING FISCAL 2010-2012 STATE SPENDING

Colorado	3,313	2,973	3,320	0	9,606	3,369	3,622	9,861	0	3,997	9,840	9,994	8,168	13
Connecticut	1,595	1,857	1,394	67	3,834	1,615	1,814	1,568	21	5,018	2,223	1,980	1,975	35
Delaware	1,149	1,726	892			1,167	1,679	957	67	3,870	1,215	1,488	860	
Florida	6,588	8,662	4,983	391	20,604	6,842	8,809	5,078	292	21,021	7,076	8,307	4,950	516
Georgia	4,223	6,894	8,716	89	19,922	4,449	6,960	8,932	143	20,484	4,578	6,296	9,677	135
Idaho	21,216	28,958	10,612	1,264	62,050	23,778	29,351	10,863	1,470	65,462	23,170	25,111	20,059	1,028
Illinois	14,561	14,641	7,014	0	25,941	8,692	9,763	6,978	0	25,433	9,354	8,687	7,628	0
Indiana	8,450	10,477	7,014	641	31,684	4,314	11,696	5,950	266	22,226	4,309	12,813	6,498	380
Iowa	8,816	11,859	5,776	419	22,758	18,503	17,608	14,542	473	51,126	18,893	17,781	15,649	664
Kansas	4,454	12,109	12,583	488	48,747	5,275	9,821	6,988	13	30,097	12,067	13,125	5,462	423
Kentucky	18,513	17,163	6,779	86	19,702	10,536	13,578	5,970	13	42,332	16,986	9,212	15,890	1,284
Louisiana	5,146	7,691	5,484	100	28,449	16,435	9,694	14,839	1,364	21,198	4,053	4,402	14,020	42
Maine	14,989	9,328	15,001	1,456	40,774	3,770	4,460	12,906	62	28,121	8,421	11,287	7,319	568
Maryland	3,704	4,475	12,122	77	20,378	8,306	12,359	6,715	741	28,121	5,432	5,660	4,106	0
Massachusetts	9,016	10,626	7,192	1,112	27,946	5,384	6,121	3,926	0	15,431	5,018	8,326	7,337	421
Michigan	9,016	10,626	7,192	1,112	27,946	5,384	6,121	3,926	0	15,431	5,018	8,326	7,337	421
Minnesota	5,305	5,502	3,961	605	15,373	4,882	9,236	6,714	505	21,337	44,164	30,847	16,027	1,262
Mississippi	4,755	9,356	6,204	559	20,874	42,457	35,901	15,828	1,275	95,461	7,240	7,621	13,218	0
Missouri	39,474	36,673	14,845	1,064	92,056	7,276	8,893	14,746	0	30,917	2,548	2,708	1,656	32
Montana	7,326	9,223	14,515	0	31,064	2,451	2,669	1,450	32	6,602	1,764	2,131	2,024	0
Nebraska	2,338	2,573	1,455	27	6,393	1,701	2,380	2,083	0	6,164	4,743	3,638	4,407	439
Nevada	1,628	2,285	2,136	0	6,049	4,628	3,579	4,115	366	12,688	2,833	1,547	1,748	0
New Hampshire	1,628	2,285	2,136	0	6,049	4,628	3,579	4,115	366	12,688	2,833	1,547	1,748	0
New Jersey	3,607	4,316	303			2,833	1,547	1,749	0	6,129	2,833	1,547	1,748	0

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Preface

Since its inception in 1987, the *State Expenditure Report* has developed into a definitive baseline for the analysis of state spending. This edition of the report includes data from actual fiscal 2010, actual fiscal 2011, and estimated fiscal 2012. 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.

Acknowledgments

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Executive Summary

Overview

State Expenditures have seen tremendous shifts over the past several years due to the ramifications of the recent national recession. Spending from state funds (general funds and other state funds combined) declined in fiscal 2010, marking the first occurrence of an outright spending decline from state funds in the 25-year history of the *State Expenditure Report*. As the national economy slowly improved, spending from state funds once again turned positive, increasing 4.1 percent in fiscal 2011 and an estimated 4.0 percent in fiscal 2012.

While spending from state funds declined in fiscal 2010, spending from federal funds rose sharply, increasing by 21.4 percent. This increase in federal funds was directly attributed to the passage of the *American Recovery and Reinvestment Act of 2009 (ARRA)*, also known as the Recovery Act or stimulus. However, the rapid increase in federal funds was short-lived. Federal funds only increased by 0.7 percent in fiscal 2011 and are estimated to have declined by 8.2 percent in fiscal 2012, due to the wind-down of Recovery Act spending.

This recent combination of state funds slowly increasing and federal funds rapidly declining has created a unique and in some ways unprecedented fiscal situation for states. Total state expenditures from all fund sources grew 5.4 percent in fiscal 2009, slowed somewhat to 3.8 in fiscal 2010, slowed further to 2.8 percent in fiscal 2011, and are estimated to have increased by only 0.1 percent in fiscal 2012. The 0.1 percent increase in total state expenditures in estimated fiscal 2012 marks the lowest total state expenditure growth level since the *State Expenditure Report* was first published in 1987.

This edition of the report includes data from actual fiscal 2010, actual fiscal 2011, and estimated fiscal 2012, while the text of the report focuses on actual fiscal year 2011 data, with a secondary focus on estimated fiscal 2012.

State Spending Trends, Fiscal 2011 and Fiscal 2012

General fund spending, the component of state budgets that comes from revenue sources such as states' income and sales taxes, was most negatively impacted during the downturn. After growing 8.5 percent in fiscal 2007 and 4.2 percent in fiscal 2008, general fund spending declined 2.9 percent in fis-

cal 2009 and an additional 6.5 percent in fiscal 2010. The reduction in general fund spending was due to a rapid decline in state revenue resulting from the economic downturn. During the two-year period from fiscal 2008-2010 state general fund revenues decreased 11.6 percent, or by \$77.6 billion. However, state revenues have begun to recover over the past two years with general fund revenues growing 10.4 percent, or \$61.6 billion, from fiscal 2010-2012. The growth in state revenues has allowed general fund spending to once again turn positive. General fund spending increased 3.1 percent in fiscal 2011 and grew by an estimated 4.3 percent in fiscal 2012.

While general fund spending significantly declined in fiscal 2009 and fiscal 2010, federal fund spending experienced sizable increases. After growing a relatively modest 2.9 percent in fiscal 2007 and 2.4 percent in fiscal 2008, federal fund spending increased 19.3 percent in fiscal 2009 and 21.4 percent in fiscal 2010. The drastic increase in federal funds for states can be traced to the infusion of ARRA or Recovery Act funds. States reported that they spent \$43.2 billion in federal Recovery Act funds in fiscal 2009 and \$118.6 billion in fiscal 2010. The flow of ARRA funds began to slow in fiscal 2011, as states reported that they spent \$93.7 billion in fiscal 2011. ARRA spending is estimated to have declined much further in fiscal 2012, with states reporting that they spent \$27.5 billion in ARRA funds. The swift wind-down of ARRA funds led federal fund spending to grow by only 0.7 percent in fiscal 2011 and to decline by 8.2 percent in fiscal 2012.

The recent improvement in the national economy has not translated to strong growth in total state expenditures. This is largely due to the fact that state revenues have not increased as fast as ARRA funds have declined. Case in point, general fund revenues increased \$61.6 billion from fiscal 2010-2012 while ARRA funds declined \$91.1 billion. This has led to a unique situation in which total state expenditure growth has slowed during the same time that the national economy has been improving. Total state expenditures climbed to \$1.617 trillion in fiscal 2010, a 3.8 percent increase, and reached \$1.663 trillion in fiscal 2011, a 2.8 percent increase. In fiscal 2012, total state expenditure growth is estimated to have remained nearly flat, growing by only 0.1 percent to \$1.665 trillion. Total state expenditure growth during all three years was less than the historical average. Since 1987, total state expenditures have annually increased on average approximately 6 percent.

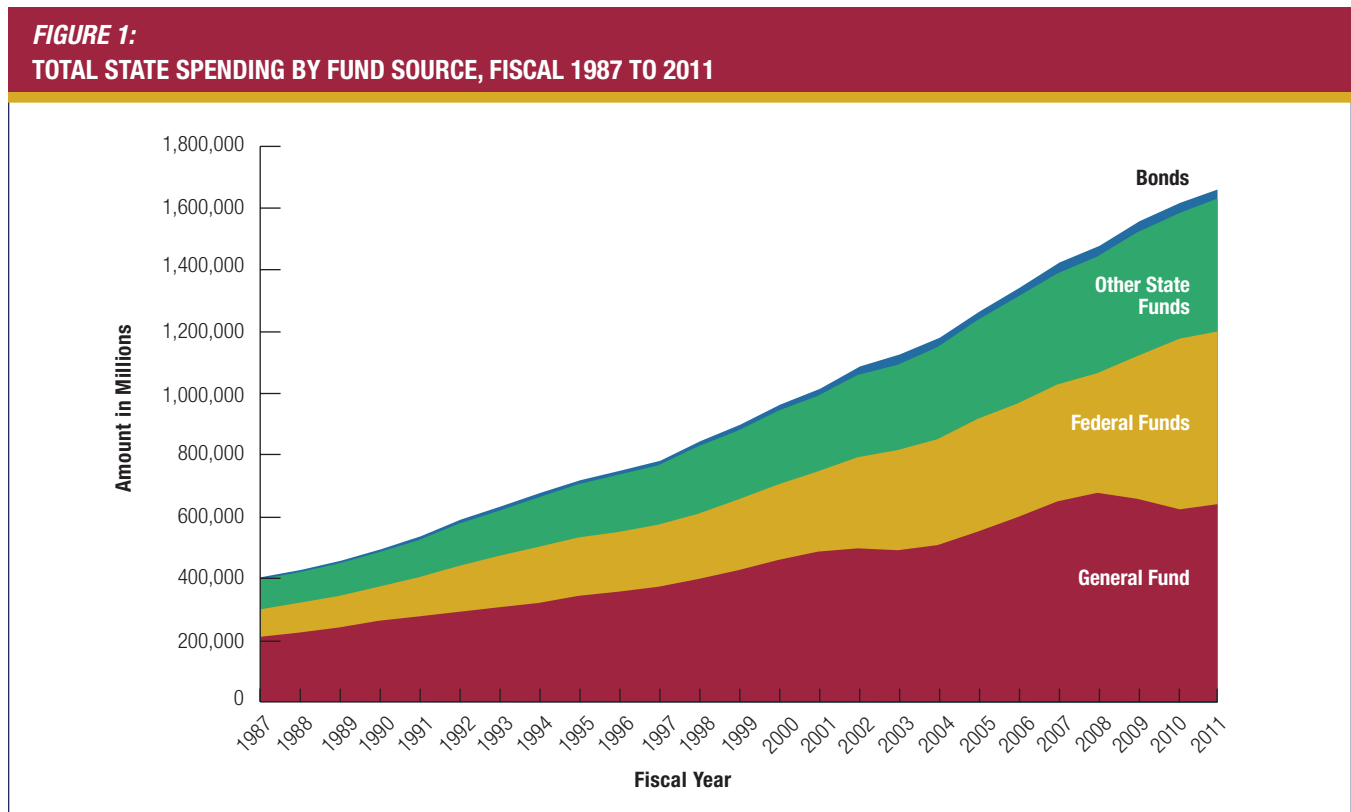
The economic downturn and federal ARRA funds have combined to produce a shift in the funding sources for state expenditures. In fiscal 2008, the last year before ARRA, general funds accounted for 45.9 percent of total state spending, federal funds were 26.3 percent, other state funds were 25.5 percent, and bonds reflected 2.4 percent of the total. By fiscal 2010, general funds accounted for 38.1 percent of total state expenditures, federal funds 34.8 percent, other state funds 24.9, and bonds were 2.2 percent of the total. Therefore, over a two-year period, general funds shrunk from representing 45.9 percent of total state expenditures to 38.1 percent while federal funds rose from 26.3 percent to 34.8 percent. However, due to the rapid decline in ARRA funds, general funds, as expected, are starting to once again make up a larger component of total state expenditures. In fiscal 2012, general funds are estimated to account for 39.8 percent of total state expenditures, federal funds 31.2 percent, other state funds 26.5 percent, and bonds 2.5 percent.

Other details of state expenditures include:

- Medicaid continues to rise as a percentage of total state expenditures. In fiscal 2010 Medicaid represented 22.2 percent of total state expenditures, 23.7 percent in fiscal 2011, and is estimated to represent 23.9

percent in fiscal 2012. At the same time, elementary and secondary education has gone from representing 20.4 percent of total state expenditures in fiscal 2010, to 20.2 percent in fiscal 2011, and an estimated 19.8 percent in fiscal 2012, the first time total state spending on K-12 has fallen below 20 percent.

- While Medicaid continues to represent a greater share of total state expenditures, the growth of total state spending on Medicaid has slowed due to the rapid decline in ARRA funds and cost containment actions at the state level. Total Medicaid spending grew 9.6 percent in fiscal 2011 and an estimated 1.2 percent in fiscal 2012. Federal funds for Medicaid grew 4.1 percent in fiscal 2011 and are estimated to have declined 7.8 percent in fiscal 2012. State funds increased 20.3 percent in fiscal 2011 and are estimated to have grown 16.2 percent in fiscal 2012.
- When looking only at general fund spending, elementary and secondary education remains the largest category in fiscal 2011 at 35.1 percent, with Medicaid second at 16.7 percent. Those two categories, combined with higher education at 11.3 percent, account for nearly two-thirds of general fund spending.

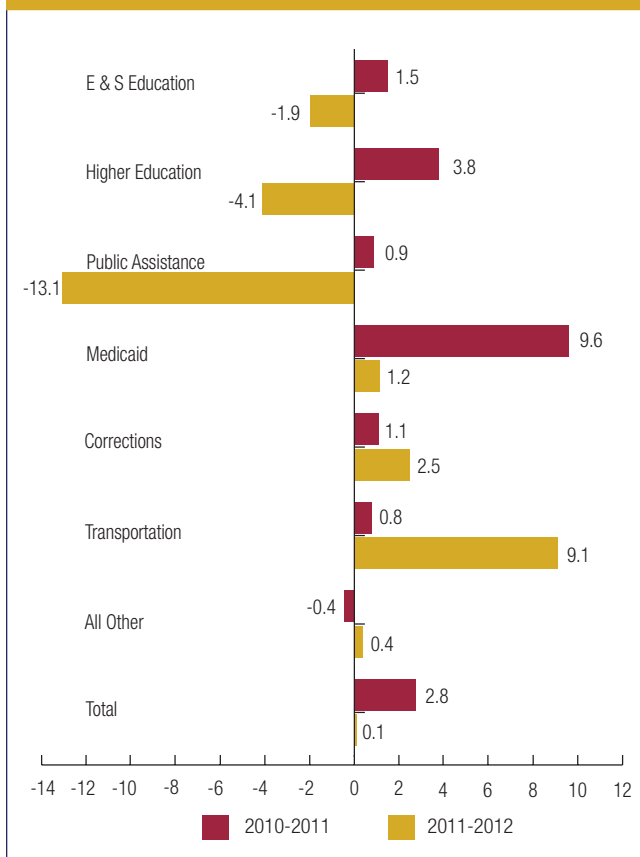


- Elementary and secondary education total expenditures increased by 1.5 percent in fiscal 2011 and declined by 1.9 percent in estimated fiscal 2012. While state funds increased by an estimated 2.9 percent in fiscal 2012, federal funds declined by 19.7 percent due to the reduction in ARRA spending.
- Total expenditures for higher education grew 3.8 percent in fiscal 2011 and are estimated to have declined by 4.1 percent in fiscal 2012. State funds for higher education grew by 5.0 percent in fiscal 2011 and are estimated to have declined by 2.7 percent in fiscal 2012, while federal funds grew 0.4 percent in fiscal 2011 and declined by an estimated 11.4 percent in fiscal 2012.
- Total public assistance grew 0.9 percent in fiscal 2011 and is estimated to have declined by 13.1 percent in fiscal 2012. The spending decline in fiscal 2012 is partly due to California shifting financial

responsibility for certain public assistance programs to counties as part of realignment. Public assistance represented 1.7 percent of total state expenditures in fiscal 2011.

- Total corrections spending increased by 1.1 percent in fiscal 2011 and is estimated to have increased by 2.5 percent in fiscal 2012. As state funds comprise approximately 96 percent of total corrections expenditures, corrections was not as affected by the slow-down of federal Recovery Act spending in fiscal 2012. Corrections accounted for 3.1 percent of total state expenditures in fiscal 2011 and 7.5 percent of general funds.
- Total transportation spending—7.4 percent of total state expenditures—increased by 0.8 percent in fiscal 2011 with state funds increasing by 2.3 percent and federal funds declining by 1.8 percent. In fiscal 2012, total transportation spending is estimated to have grown by 9.1 percent with state funds increasing by 9.3 percent and federal funds increasing by 6.0 percent. The comparably large increase in fiscal 2012 is concentrated in a small number of states.
- Total state spending on capital projects decreased by 2.9 percent in fiscal 2011 and is estimated to have increased by 9.5 percent in 2012. Because capital spending often includes long construction timetables and unforeseen or delayed project costs, capital spending growth frequently fluctuates from one year to the next.

FIGURE 2:
ALL FUNDS PERCENT CHANGES FROM PREVIOUS FISCAL YEAR FOR MAJOR SPENDING CATEGORIES, FISCAL 2011 AND 2012



Explanation of Report Data: Components of State Expenditures

This report includes three years of state expenditure data: actual fiscal 2010, actual fiscal 2011, and estimated fiscal 2012. The text primarily focuses on actual fiscal 2011 with a secondary emphasis on estimated fiscal 2012 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 (CHIP), parks and recreation, natural resources, air transportation, and water transport). Capital spending is included with

operating expenditures within each functional category, unless noted otherwise. Capital expenditures also have been collected separately in the following categories: corrections, environmental projects, higher education, housing, transportation, and “all other”. 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 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 lim-

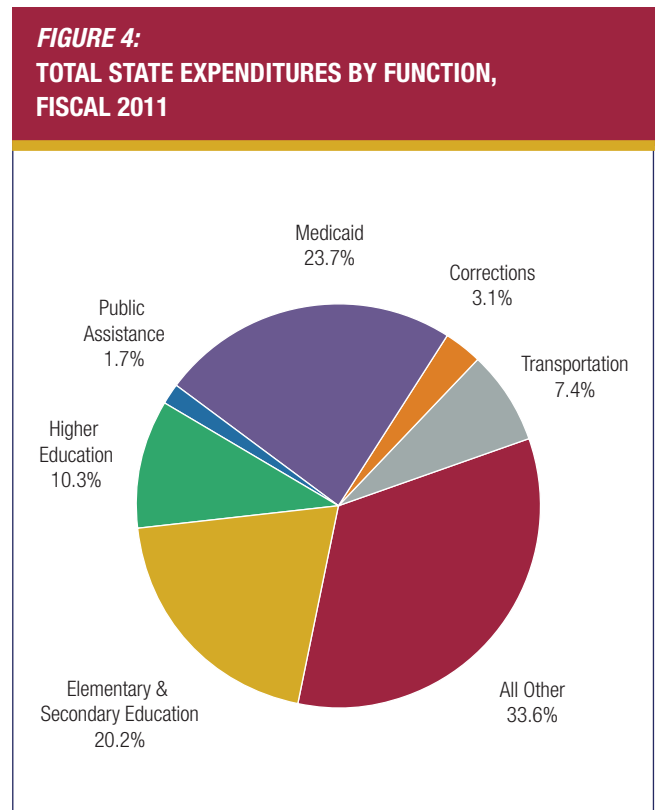
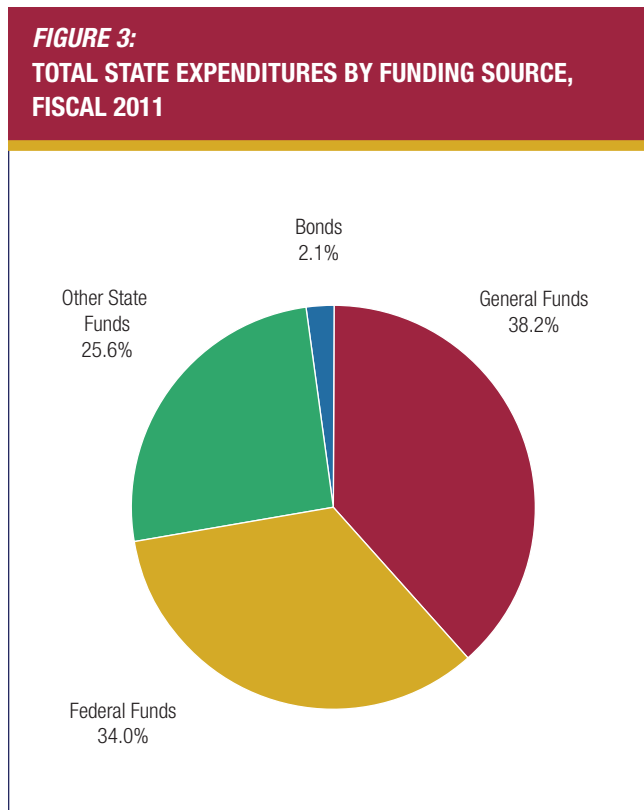
itations than the federal government. An overwhelming majority of states require their governor to submit, and their legislature to pass, a balanced budget. States are required to make spending choices within available resources and must either reduce spending, raise taxes, or use reserves when revenues come in below estimates. For the most part, states do not and cannot incur operating deficits, and manage their finances in ways to keep or improve positive bond ratings.

Explanation of Report Data: Definitions

General Fund: The predominant fund for financing a state’s operations. Revenues are received from broad-based state taxes. However, there are differences in how specific functions are financed from state to state.

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 2011 spending by fund source is detailed in Figure 3. General funds had decreased as an overall percentage of state expenditures since fiscal 2008, going from 45.9 percent of total expenditures in fiscal 2008 to 38.2 percent in fiscal 2011. At the same time, the share of state spending from federal funds grew from 26.3 percent in fiscal 2008 to 34.0 percent in fiscal 2011. The trend began to reverse in fiscal 2012 due to the decline of ARRA funds. In fiscal 2012 it is estimated that general funds comprised 39.8 percent of total expenditures while federal funds comprised 31.2 percent.

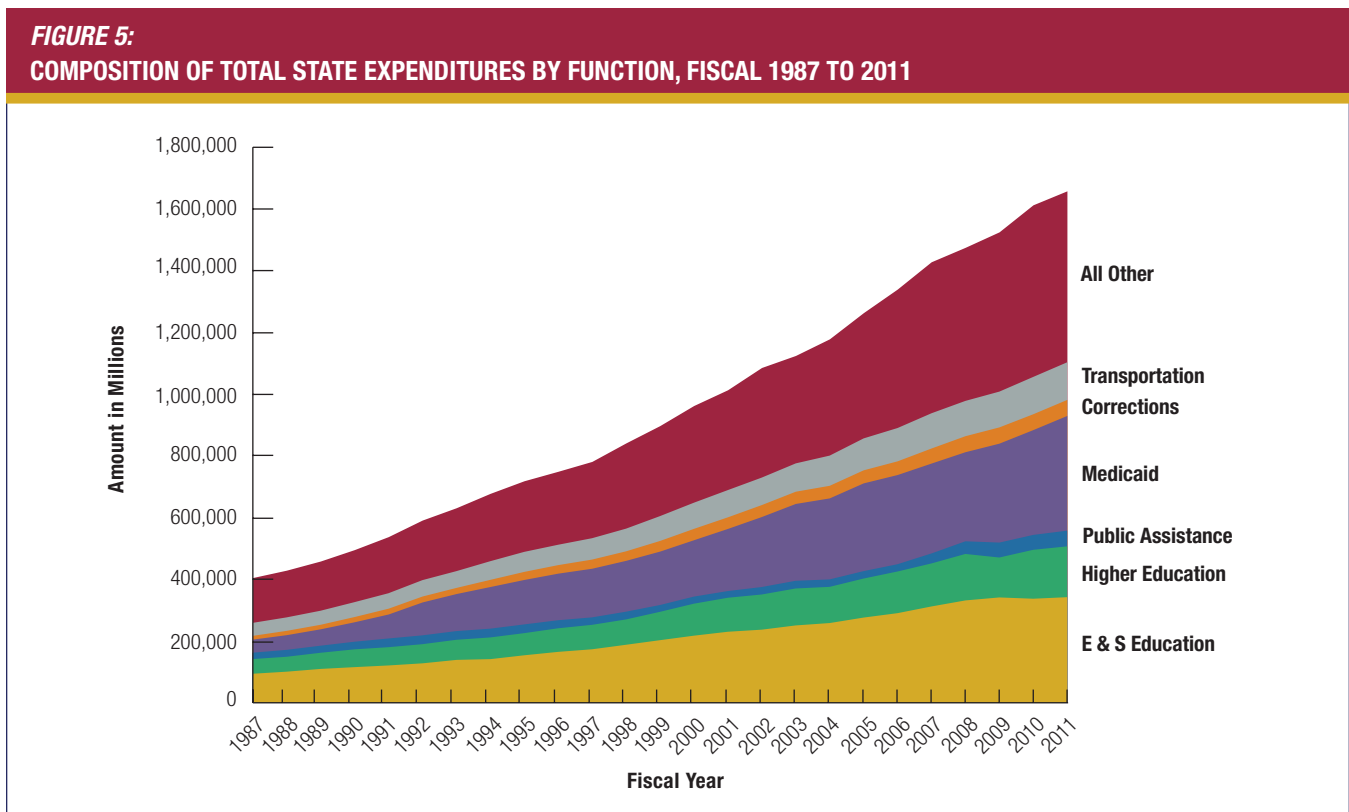
Figure 4 reflects total state expenditures by functional areas. For fiscal 2011, total state spending shares are as follows: 23.7 percent for Medicaid; 20.2 percent for elementary and secondary education; 10.3 percent for higher education; 7.4 percent for transportation; 3.1 percent for corrections; 1.7 percent for public assistance; and 33.6 percent for all other.

The shares of state spending for the seven functional areas tracked in the *State Expenditure Report* have shifted since

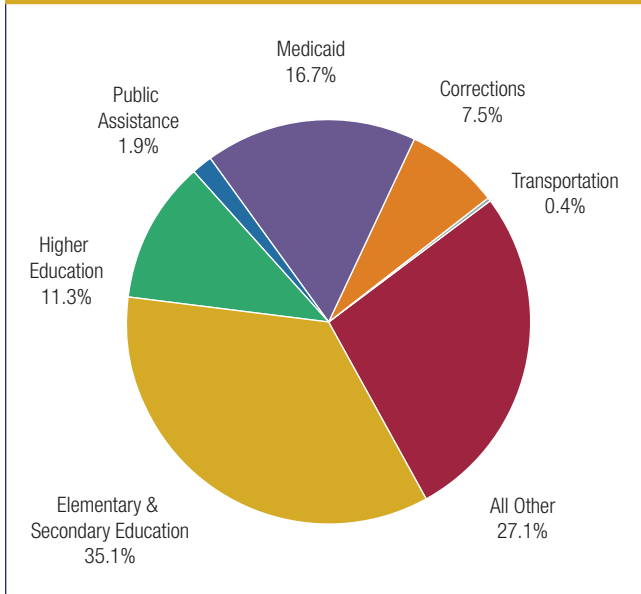
1987, when the report was first published. For example, in total state spending, Medicaid surpassed higher education as the second largest state program in 1990, and in 2003 it became the largest, displacing elementary and secondary education. Since 2003, Medicaid and elementary and secondary education have alternated as the largest share of total state spending. Whereas in fiscal 2008 elementary and secondary education was the largest component, in fiscal 2009 Medicaid represented the largest share, due to increased Medicaid enrollment and spending resulting from the economic decline. In fiscal 2011 Medicaid will continue to grow as a percentage of total state expenditures, representing 23.7 percent, while elementary and secondary education will decline to 20.2 percent. Figure 5 documents the changes in state expenditures by category since 1987. Table 3 reflects shares of state spending in functional areas, by fund source, from 1995 to 2012. Also, Table 5, at the end of the Executive Summary, highlights the share of each state's budget represented by various programs in fiscal 2011 and shows the wide variation among states in their spending patterns.

General Fund Expenditures

Expenditures for elementary and secondary education continue to constitute the largest share of state general fund spending.



**FIGURE 6:
GENERAL FUND EXPENDITURES, FISCAL 2011**



As Figure 6 shows, in fiscal 2011, 35.1 percent of general fund spending went to elementary and secondary education. Medicaid accounted for 16.7 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. The impact of the economic downturn on state spending is clearly illustrated. In fiscal 2011, most categories of general fund spending saw increases after previously experiencing declines in fiscal 2010. Fiscal 2012 estimates show a more varied pattern with four categories of general fund spending experiencing growth and three categories experiencing declines. Overall, general fund spending increased 3.1 percent in fiscal 2011 and is estimated to have increased 4.3 percent in fiscal 2012.

Other State Funds Expenditures

Trailing only the “all other” category, higher education and transportation account for the next largest portions of other state funds spending for fiscal 2011, at 17.2 percent and 16.0 percent respectively. Other state funds are expenditures from revenue sources which are restricted by law for particular governmental functions or activities. For transportation, these funds largely represent receipts from gasoline taxes earmarked for highways (see Table 3).

**FIGURE 7:
PERCENT CHANGE IN GENERAL FUND, FISCAL 2011 AND 2012**

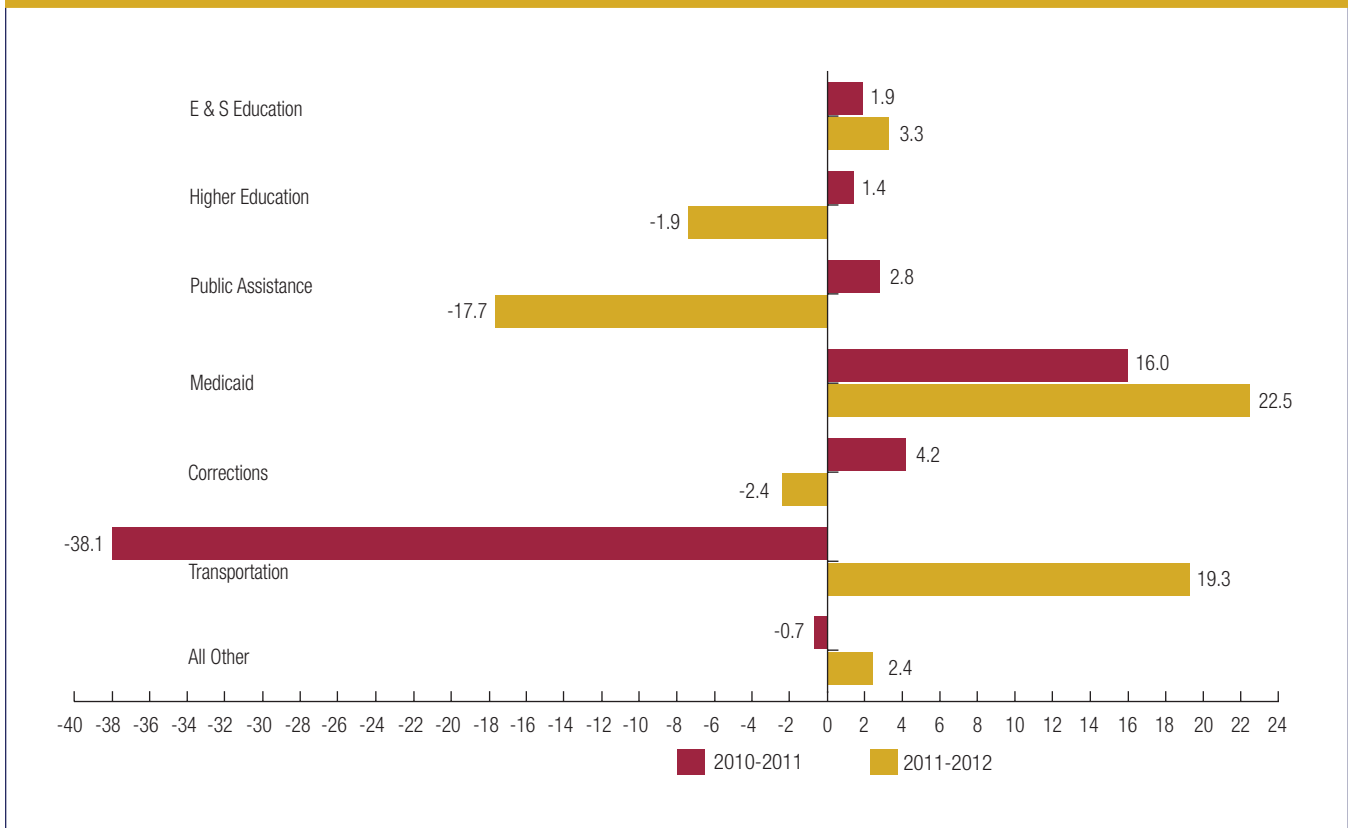


TABLE 1
TOTAL STATE EXPENDITURES—CAPITAL INCLUSIVE (\$ IN MILLIONS)

Region/State	Actual Fiscal 2010					Actual Fiscal 2011					Estimated Fiscal 2012				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$17,241	\$2,482	\$2,817	\$1,819	\$24,359	\$17,925	\$2,574	\$3,064	\$2,381	\$25,944	\$18,781	\$2,562	\$3,173	\$2,359	\$26,875
Maine	2,866	3,151	2,253	81	8,351	2,859	3,000	2,293	122	8,274	3,087	2,649	2,309	61	8,106
Massachusetts	21,874	12,481	15,088	1,835	51,278	22,777	13,088	15,531	1,906	53,302	24,486	11,238	14,311	2,152	52,187
New Hampshire	1,380	2,074	1,876	138	5,468	1,326	1,929	1,940	145	5,340	1,280	1,648	2,094	86	5,108
Rhode Island	2,864	2,813	2,032	104	7,813	2,956	2,748	2,015	123	7,842	3,139	2,838	2,142	109	8,228
Vermont	774	1,865	1,954	74	4,667	744	1,966	2,072	78	4,860	756	1,741	2,287	65	4,849
MID-ATLANTIC															
Delaware	3,077	1,607	3,783	253	8,720	3,271	1,849	3,089	203	8,412	3,592	1,777	3,388	185	8,942
Maryland	13,442	9,825	8,766	1,126	33,159	13,281	9,951	9,452	1,167	33,851	15,041	9,438	10,357	964	35,800
New Jersey	28,285	13,058	5,508	1,669	48,520	27,932	12,044	5,550	1,616	47,142	29,929	12,344	6,126	1,282	49,681
New York	54,262	40,834	30,578	3,263	128,937	53,313	44,707	31,163	3,582	132,765	56,489	40,311	32,843	3,861	133,504
Pennsylvania	24,942	27,669	13,825	1,655	68,091	25,074	29,510	13,678	868	69,130	27,161	25,382	14,394	1,290	68,227
GREAT LAKES															
Illinois	26,316	12,083	10,021	895	49,315	25,237	12,269	9,634	1,959	49,099	29,163	9,937	10,149	2,103	51,352
Indiana	12,915	10,333	3,239	169	26,656	13,037	9,952	3,303	100	26,392	13,579	9,272	3,453	0	26,304
Michigan	7,696	19,542	20,254	267	47,759	8,360	19,919	20,035	266	48,580	8,855	19,550	20,061	162	48,628
Ohio	25,401	14,237	16,864	1,128	57,630	27,635	14,432	17,217	1,016	60,300	31,011	13,144	12,972	778	57,905
Wisconsin	12,824	11,531	15,730	0	40,085	13,565	12,236	17,043	0	42,844	13,381	10,572	17,371	0	41,324
PLAINS															
Iowa	5,302	6,174	6,050	111	17,637	5,354	6,147	6,258	292	18,051	6,010	6,514	6,194	405	19,123
Kansas	5,268	4,532	3,926	318	14,044	5,667	4,472	4,172	374	14,685	6,129	3,891	4,334	380	14,734
Minnesota	15,425	9,370	4,409	746	29,950	16,332	9,200	5,022	847	31,401	18,073	9,009	4,927	671	32,680
Missouri	7,565	8,743	6,370	712	23,390	7,631	7,805	7,220	447	23,103	7,938	7,539	7,887	0	23,364
Nebraska	3,313	2,973	3,320	0	9,606	3,324	3,222	3,261	0	9,807	3,446	2,988	3,443	0	9,877
North Dakota	1,595	1,857	1,394	20	4,866	1,615	1,814	1,568	21	5,018	2,223	1,980	1,975	13	6,191
South Dakota	1,149	1,726	892	67	3,834	1,167	1,679	957	67	3,870	1,215	1,488	960	35	3,698
SOUTHEAST															
Alabama	6,588	8,662	4,963	391	20,604	6,842	8,809	5,078	292	21,021	7,076	8,307	4,950	516	20,849
Arkansas	4,223	6,894	8,716	89	19,922	4,449	6,960	8,932	143	20,484	4,578	6,296	9,677	135	20,686
Florida	21,216	28,958	10,612	1,264	62,050	23,778	29,351	10,863	1,470	65,462	23,170	25,111	20,059	1,028	69,368
Georgia	14,561	14,641	10,381	1,165	40,748	15,630	13,278	10,860	690	40,458	16,511	11,099	10,913	910	39,433
Kentucky	8,450	10,477	7,014	0	25,941	8,692	9,763	6,978	0	25,433	9,334	8,687	7,628	0	25,649
Louisiana	8,816	11,859	10,368	641	31,684	7,784	10,969	11,856	591	31,200	8,374	11,871	12,130	380	32,755
Mississippi	4,454	12,109	5,776	419	22,758	4,314	11,696	5,950	266	22,226	4,309	12,813	6,498	345	23,965
North Carolina	18,513	17,163	12,583	488	48,747	18,503	17,608	14,542	473	51,126	18,893	17,781	15,649	664	52,987
South Carolina	5,146	7,691	6,779	86	19,702	5,275	9,821	6,988	104	22,188	5,456	9,324	7,124	0	21,904
Tennessee	9,914	12,951	5,484	100	28,449	10,536	13,578	5,970	13	30,097	12,067	13,125	5,462	423	31,077
Virginia	14,989	9,328	15,001	1,456	40,774	16,435	9,694	14,839	1,364	42,332	16,986	9,212	15,890	1,284	43,372
West Virginia	3,704	4,475	12,122	77	20,378	3,770	4,460	12,906	62	21,198	4,053	4,402	14,020	42	22,517
SOUTHWEST															
Arizona	9,016	10,626	7,192	1,112	27,946	8,306	12,359	6,715	741	28,121	8,421	11,287	7,319	568	27,595
New Mexico	5,305	5,502	3,961	605	15,373	5,384	6,121	3,926	0	15,431	5,432	5,660	4,106	0	15,198
Oklahoma	4,755	9,356	6,204	559	20,874	4,882	9,236	6,714	505	21,337	5,018	8,326	7,337	421	21,102
Texas	39,474	36,673	14,845	1,064	92,056	42,457	35,901	15,828	1,275	95,461	44,164	30,847	16,027	1,262	92,300
ROCKY MOUNTAIN															
Colorado	7,326	9,223	14,515	0	31,064	7,278	8,893	14,746	0	30,917	7,240	7,621	13,218	0	28,079
Idaho	2,338	2,573	1,455	27	6,393	2,451	2,669	1,450	32	6,602	2,548	2,708	1,656	32	6,944
Montana	1,628	2,285	2,136	0	6,049	1,701	2,380	2,083	0	6,164	1,764	2,131	2,024	0	5,919
Utah	4,372	3,607	4,316	303	12,598	4,628	3,579	4,115	366	12,688	4,743	3,638	4,407	439	13,227
Wyoming	3,836	1,430	2,391	0	7,657	2,833	1,547	1,749	0	6,129	2,833	1,547	1,748	0	6,128
FAR WEST															
Alaska	5,627	2,925	1,209	0	9,761	8,879	3,173	1,643	228	13,923	7,394	3,135	1,305	50	11,884
California	87,237	89,088	23,514	6,250	206,089	91,549	84,764	33,432	6,000	215,745	87,027	78,235	35,010	13,072	213,344
Hawaii	4,838	2,391	3,045	674	10,948	4,969	2,554	3,116	582	11,221	5,509	1,953	3,285	766	11,513
Nevada	3,018	2,792	2,365	109	8,284	3,314	2,642	2,472	78	8,506	3,105	2,351	2,466	27	7,949
Oregon	6,371	8,378	17,347	451	32,547	5,665	8,628	18,609	540	33,442	6,897	7,448	15,438	299	30,082
Washington	15,036	9,238	7,284	2,029	33,587	14,823	8,989	7,784	2,025	33,621	15,114	6,710	8,666	1,748	32,238
TOTAL	\$616,527	\$562,255	\$402,527	\$35,809	\$1,617,118	\$635,509	\$565,935	\$425,681	\$35,420	\$1,662,545	\$662,780	\$519,437	\$441,162	\$41,372	\$1,664,751

TABLE 2
ANNUAL PERCENTAGE CHANGE IN TOTAL STATE EXPENDITURES

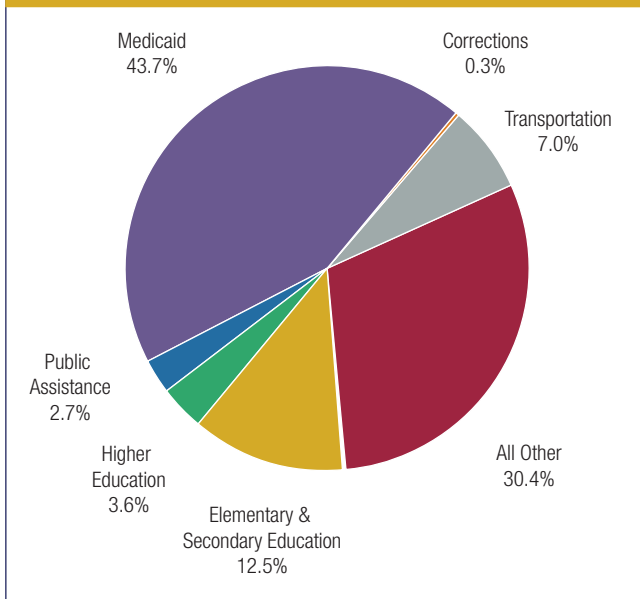
Region/State	Fiscal 2010 to 2011				Fiscal 2011 to 2012			
	General Funds	State Funds	Federal Funds	All Funds	General Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND								
Connecticut	4.0 %	4.6 %	3.7 %	6.5 %	4.8 %	4.6 %	-0.5 %	3.6 %
Maine	-0.2	0.6	-4.8	-0.9	8.0	4.7	-11.7	-2.0
Massachusetts	4.1	3.6	4.9	3.9	7.5	1.3	-14.1	-2.1
New Hampshire	-3.9	0.3	-7.0	-2.3	-3.5	3.3	-14.6	-4.3
Rhode Island	3.2	1.5	-2.3	0.4	6.2	6.2	3.3	4.9
Vermont	-3.9	3.2	5.4	4.1	1.6	8.1	-11.4	-0.2
MID-ATLANTIC								
Delaware	6.3	-7.3	15.1	-3.5	9.8	9.7	-3.9	6.3
Maryland	-1.2	2.4	1.3	2.1	13.3	11.7	-5.2	5.8
New Jersey	-1.2	-0.9	-7.8	-2.8	7.1	7.7	2.5	5.4
New York	-1.7	-0.4	9.5	3.0	6.0	5.7	-9.8	0.6
Pennsylvania	0.5	0.0	6.7	1.5	8.3	7.2	-14.0	-1.3
GREAT LAKES								
Illinois	-4.1	-4.0	1.5	-0.4	15.6	12.7	-19.0	4.6
Indiana	0.9	1.2	-3.7	-1.0	4.2	4.2	-6.8	-0.3
Michigan	8.6	1.6	1.9	1.7	5.9	1.8	-1.9	0.1
Ohio	8.8	6.1	1.4	4.6	12.2	-1.9	-8.9	-4.0
Wisconsin	5.8	7.2	6.1	6.9	-1.4	0.5	-13.6	-3.5
PLAINS								
Iowa	1.0	2.3	-0.4	2.3	12.3	5.1	6.0	5.9
Kansas	7.6	7.0	-1.3	4.6	8.2	6.3	-13.0	0.3
Minnesota	5.9	7.7	-1.8	4.8	10.7	7.7	-2.1	4.1
Missouri	0.9	6.6	-10.7	-1.2	4.0	6.6	-3.4	1.1
Nebraska	0.3	-0.7	8.4	2.1	3.7	4.6	-7.3	0.7
North Dakota	1.3	6.5	-2.3	3.1	37.6	31.9	9.2	23.4
South Dakota	1.6	4.1	-2.7	0.9	4.1	2.4	-11.4	-4.4
SOUTHEAST								
Alabama	3.9	3.2	1.7	2.0	3.4	0.9	-5.7	-0.8
Arkansas	5.4	3.4	1.0	2.8	2.9	6.5	-9.5	1.0
Florida	12.1	8.8	1.4	5.5	-2.6	24.8	-14.4	6.0
Georgia	7.3	6.2	-9.3	-0.7	5.6	3.5	-16.4	-2.5
Kentucky	2.9	1.3	-6.8	-2.0	7.4	8.2	-11.0	0.8
Louisiana	-11.7	2.4	-7.5	-1.5	7.6	4.4	8.2	5.0
Mississippi	-3.1	0.3	-3.4	-2.3	-0.1	5.3	9.6	7.8
North Carolina	-0.1	6.3	2.6	4.9	2.1	4.5	1.0	3.6
South Carolina	2.5	2.8	27.7	12.6	3.4	2.6	-5.1	-1.3
Tennessee	6.3	7.2	4.8	5.8	14.5	6.2	-3.3	3.3
Virginia	9.6	4.3	3.9	3.8	3.4	5.1	-5.0	2.5
West Virginia	1.8	5.4	-0.3	4.0	7.5	8.4	-1.3	6.2
SOUTHWEST								
Arizona	-7.9	-7.3	16.3	0.6	1.4	4.8	-8.7	-1.9
New Mexico	1.5	0.5	11.3	0.4	0.9	2.4	-7.5	-1.5
Oklahoma	2.7	5.8	-1.3	2.2	2.8	6.5	-9.9	-1.1
Texas	7.6	7.3	-2.1	3.7	4.0	3.3	-14.1	-3.3
ROCKY MOUNTAIN								
Colorado	-0.7	0.8	-3.6	-0.5	-0.5	-7.1	-14.3	-9.2
Idaho	4.8	2.8	3.7	3.3	4.0	7.8	1.5	5.2
Montana	4.5	0.5	4.2	1.9	3.7	0.1	-10.5	-4.0
Utah	5.9	0.6	-0.8	0.7	2.5	4.7	1.6	4.2
Wyoming	-26.1	-26.4	8.2	-20.0	0.0	0.0	0.0	0.0
FAR WEST								
Alaska	57.8	53.9	8.5	42.6	-16.7	-17.3	-1.2	-14.6
California	4.9	12.8	-4.9	4.7	-4.9	-2.4	-7.7	-1.1
Hawaii	2.7	2.6	6.8	2.5	10.9	8.8	-23.5	2.6
Nevada	9.8	7.5	-5.4	2.7	-6.3	-3.7	-11.0	-6.5
Oregon	-11.1	2.3	3.0	2.7	21.7	-8.0	-13.7	-10.0
Washington	-1.4	1.3	-2.7	0.1	2.0	5.2	-25.4	-4.1
TOTAL	3.1 %	4.1 %	0.7 %	2.8 %	4.3 %	4.0 %	-8.2 %	0.1 %

TABLE 3

COMPARISON OF SHARES OF STATE SPENDING WITH FUND SOURCES, FISCAL 1995 TO 2012

Fund Type & Year	Elementary & Secondary Education	Higher Education	Public Assistance	Medicaid	Corrections	Transportation	All Other	Total
FY 1995:								
General Funds	33.4	12.9	4.4	14.4	6.7	0.7	27.4	100.0
Other State Funds	9.5	13.3	0.5	6.9	0.8	23.8	45.2	100.0
Federal Funds	9.8	2.7	6.5	42.7	0.1	9.8	28.3	100.0
Bond Funds	4.9	20.8	0.0	0.0	10.2	26.3	37.7	100.0
Total Funds	21.0	10.4	4.0	19.8	3.6	9.1	32.1	100.0
FY 1996:								
General Funds	34.4	12.9	3.9	14.7	6.9	0.6	25.6	100.0
Other State Funds	9.2	13.7	0.4	6.8	0.8	22.9	46.2	100.0
Federal Funds	9.9	2.9	5.9	43.5	0.2	9.5	28.0	100.0
Bond Funds	15.2	21.4	0.0	0.0	6.5	26.1	30.8	100.0
Total Funds	21.5	10.7	3.5	19.9	3.7	8.0	31.8	100.0
FY 1997:								
General Funds	34.5	13.0	3.6	14.6	6.8	0.8	26.7	100.0
Other State Funds	10.1	13.8	0.4	6.4	0.9	23.0	44.6	100.0
Federal Funds	9.8	2.9	5.1	44.1	0.4	8.8	28.9	100.0
Bond Funds	12.5	20.2	0.0	0.0	6.6	26.5	34.2	100.0
Total Funds	21.7	10.7	3.1	20.0	3.7	9.0	31.8	100.0
FY 1998:								
General Funds	35.2	13.1	3.0	14.8	6.9	0.7	26.4	100.0
Other State Funds	9.4	11.3	1.0	6.3	0.8	22.2	49.1	100.0
Federal Funds	10.5	3.4	5.0	43.3	0.4	8.7	28.8	100.0
Bond Funds	12.4	18.4	0.0	0.0	6.0	33.4	29.8	100.0
Total Funds	22.0	10.3	2.9	19.6	3.7	8.8	32.8	100.0
FY 1999:								
General Funds	35.7	12.4	2.7	14.4	7.0	0.9	26.7	100.0
Other State Funds	9.0	13.0	0.6	6.5	1.0	23.4	46.5	100.0
Federal Funds	10.2	5.2	4.3	42.9	0.4	9.3	27.7	100.0
Bond Funds	21.0	17.2	0.0	0.0	6.5	25.6	29.8	100.0
Total Funds	22.3	10.8	2.6	19.5	3.9	9.1	31.8	100.0
FY 2000:								
General Funds	35.7	12.8	2.7	14.4	7.0	0.9	26.7	100.0
Other State Funds	8.6	14.2	0.8	4.2	0.9	22.9	48.4	100.0
Federal Funds	10.3	5.3	4.2	42.8	0.4	9.3	27.7	100.0
Bond Funds	20.2	18.1	0.0	0.0	5.7	26.2	29.8	100.0
Total Funds	22.3	11.4	2.6	19.5	3.9	9.1	31.8	100.0
FY 2001:								
General Funds	35.2	12.7	2.3	15.2	6.9	1.2	26.6	100.0
Other State Funds	9.2	15.0	0.2	5.9	0.9	21.1	47.0	100.0
Federal Funds	10.3	4.8	4.0	42.7	0.3	9.5	28.3	100.0
Bond Funds	18.9	17.5	0.0	0.0	4.0	31.3	28.4	100.0
Total Funds	22.2	11.3	2.2	19.7	3.7	8.8	32.1	100.0
FY 2002:								
General Funds	35.1	12.4	2.3	15.8	6.9	0.7	25.9	100.0
Other State Funds	8.9	13.8	0.3	6.6	0.9	19.4	49.8	100.0
Federal Funds	10.1	5.0	4.2	43.7	0.4	9.2	27.4	100.0
Bond Funds	12.7	20.4	0.0	0.0	3.4	25.0	38.5	100.0
Total Funds	21.3	10.9	2.3	20.7	3.6	8.3	32.9	100.0
FY 2003:								
General Funds	35.8	12.5	2.3	17.2	7.2	0.6	24.5	100.0
Other State Funds	9.2	14.3	0.3	7.5	0.9	20.0	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	0.0	2.5	19.1	33.1	100.0
Total Funds	21.8	11.1	2.2	22	3.5	8.2	31.2	100.0
FY 2004:								
General Funds	35.8	11.7	2.3	16.9	7.0	0.5	25.8	100.0
Other State Funds	8.5	13.6	0.2	7.4	0.7	19.9	49.8	100.0
Federal Funds	11.3	4.7	3.6	44.6	0.7	8.4	26.9	100.0
Bond Funds	20.9	21.2	0.0	0.0	2.6	26.8	28.4	100.0
Total Funds	21.4	10.4	2.2	22.1	3.5	8.3	32.2	100.0
FY 2005:								
General Funds	35.4	11.6	2.2	17.1	6.9	0.5	26.2	100.0
Other State Funds	8.5	14.1	0.1	8.3	0.7	19.5	48.9	100.0
Federal Funds	11.6	4.4	3.2	44.2	0.3	8.7	27.4	100.0
Bond Funds	17.0	25.3	0.0	0.0	2.8	25.5	29.4	100.0
Total Funds	21.4	10.4	1.8	22.3	3.3	8.2	32.4	100.0
FY 2006:								
General Funds	34.4	11.3	2.1	17.4	6.7	0.8	27.2	100.0
Other State Funds	8.1	14.2	0.1	7.3	0.7	18.5	51.1	100.0
Federal Funds	12.1	4.6	3.0	42.9	0.2	8.7	28.5	100.0
Bond Funds	17.9	24.0	0.0	0.0	3.4	26.1	28.6	100.0
Total Funds	21.2	10.5	1.8	21.4	3.3	8.1	33.7	100.0
FY 2007:								
General Funds	34.1	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
Total Funds	21.5	10.2	1.7	20.9	3.4	8.1	34.2	100.0
FY 2008:								
General Funds	35.0	11.7	1.9	16.0	7.0	0.8	27.6	100.0
Other State Funds	10.2	15.2	0.1	7.3	0.7	17.5	49.0	100.0
Federal Funds	11.7	3.7	3.1	43.0	0.2	8.6	29.7	100.0
Bond Funds	9.6	19.2	0.0	0.0	2.7	30.5	37.9	100.0
Total Funds	22.0	10.7	1.7	20.5	3.5	7.8	33.9	100.0
FY 2009:								
General Funds	35.2	11.5	1.9	16.3	7.2	0.7	26.8	100.0
Other State Funds	10.1	15.2	0.1	6.8	0.6	16.4	50.8	100.0
Federal Funds	12.2	4.2	2.9	44.6	0.3	7.8	28.0	100.0
Bond Funds	15.0	20.9	0.0	0.0	3.0	30.0	31.0	100.0
Total Funds	21.5	10.5	1.7	21.9	3.4	7.5	33.4	100.0
FY 2010:								
General Funds	35.5	11.5	1.9	14.8	7.4	0.7	28.1	100.0
Other State Funds	9.8	16.7	0.1	7.6	0.7	16.1	49.0	100.0
Federal Funds	12.2	3.6	2.7	42.2	0.4	7.1	31.7	100.0
Bond Funds	8.3	20.3	0.0	0.0	3.0	34.6	33.8	100.0
Total Funds	20.4	10.2	1.7	22.2	3.2	7.5	34.7	100.0
FY 2011:								
General Funds	35.1	11.3	1.9	16.7	7.5	0.4	27.1	100.0
Other State Funds	8.9	17.2	0.1	9.6	0.5	16.0	47.7	100.0
Federal Funds	12.5	3.6	2.7	43.7	0.3	7.0	30.4	100.0
Bond Funds	10.8	18.3	0.0	0.0	1.9	35.3	33.8	100.0
Total Funds	20.2	10.3	1.7	23.7	3.1	7.4	33.6	100.0
FY 2012:								
General Funds	34.7	10.0	1.5	19.6	7.0	0.5	26.6	100.0
Other State Funds	8.7	16.9	0.1	9.2	1.2	16.8	47.1	100.0
Federal Funds	10.9	3.5	2.6	43.9	0.2	8.0	30.9	100.0
Bond Funds	8.8	13.8	0.0	0.0	1.6	35.7	40.1	100.0
Total Funds	19.8	9.9	1.4	23.9	3.2	8.1	33.7	100.0
FY 1995-12 Combined Total:								
General Funds	35.0	12.0	2.5	15.9	7.0	0.7	26.7	100.0
Other State Funds	9.2	14.4	0.3	7.1	0.8	19.8	48.2	100.0
Federal Funds	11.0	4.1	3.9	43.4	0.3	8.6	28.6	100.0
Bond Funds	14.8	19.6	0.0	0.0	4.2	28.7	32.7	100.0
Total Funds	21.4	10.6	2.3	21.1	3.5	8.3	32.8	100.0

FIGURE 8:
FEDERAL FUND EXPENDITURES, FISCAL 2011



Federal Fund Expenditures

As reflected in Figure 8, Medicaid accounts for the largest portion of state spending from federal funds in fiscal 2011 at 43.7 percent. Elementary and secondary education at 12.5 percent and transportation at 7.0 percent are the next largest categories.

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 2010-2011 growth rate for all states was 2.8 percent in fiscal 2011. In fiscal 2012, total estimated state spending increased 0.1 percent, with the Plains region having the highest growth rate at 3.5 percent and the Rocky Mountain region having the lowest declining 3.5 percent.

FIGURE 9:
REGIONAL PERCENT CHANGE IN STATE FUNDS, FISCAL 2011 AND 2012

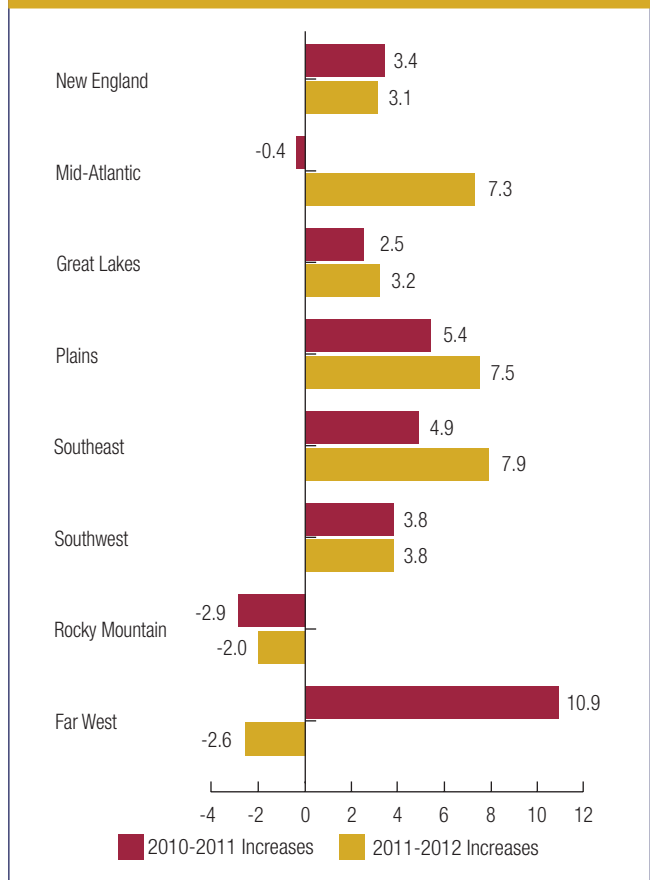


Figure 9 shows the percentage change in state spending from state funds for 2010-2011 and 2011-2012. In fiscal 2011, all but the Mid-Atlantic and Rocky Mountain regions saw increases in spending from state funds while in fiscal 2012 it is estimated that all but the Rocky Mountain and Far West regions saw increases in spending from state funds. Total state expenditure data can be found on Tables 1-5, along with related footnotes at the end of this chapter.

TABLE 4
REGIONAL PERCENTAGE CHANGE IN TOTAL EXPENDITURES, FISCAL 2011 AND 2012

Region	Fiscal 2010 to 2011			Fiscal 2011 to 2012		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	3.4 %	1.8 %	3.6 %	3.1 %	-10.4 %	-0.2 %
Mid-Atlantic	-0.4	5.4	1.3	7.3	-9.0	1.7
Great Lakes	2.5	1.6	2.6	3.2	-9.2	-0.7
Plains	5.4	-2.9	2.5	7.5	-2.7	3.5
Southeast	4.9	0.5	3.0	7.9	-5.5	2.9
Southwest	3.8	2.3	2.6	3.8	-11.8	-2.6
Rocky Mountain	-2.9	-0.3	-2.0	-2.0	-7.5	-3.5
Far West	10.9	-3.5	5.1	-2.6	-9.9	-3.0
ALL STATES	4.1 %	0.7 %	2.8 %	4.0 %	-8.2 %	0.1 %

TABLE 5
STATE SPENDING BY FUNCTION AS A PERCENT OF TOTAL STATE EXPENDITURES, FISCAL 2011

Region/State	Elementary & Secondary Education	Higher Education	Public Assistance	Medicaid	Corrections	Transportation	All Other	Total
NEW ENGLAND								
Connecticut	14.2 %	10.2 %	1.6 %	21.6 %	2.6 %	11.7 %	38.2 %	100.0 %
Maine	13.7	3.3	2.6	28.3	1.8	8.5	41.8	100.0
Massachusetts	11.6	9.9	2.4	19.2	2.3	6.2	48.3	100.0
New Hampshire	22.3	4.0	2.0	25.7	2.0	9.5	34.5	100.0
Rhode Island	14.4	12.4	1.4	25.9	2.3	4.9	38.7	100.0
Vermont	31.9	2.0	2.2	25.5	2.9	10.9	24.5	100.0
MID-ATLANTIC								
Delaware	24.5	4.7	0.3	16.2	3.0	8.3	43.0	100.0
Maryland	21.0	14.5	3.6	22.2	4.3	9.4	24.9	100.0
New Jersey	24.4	8.1	1.1	23.3	3.4	9.2	30.6	100.0
New York	20.7	7.1	2.8	29.1	2.4	6.4	31.4	100.0
Pennsylvania	19.5	3.2	2.1	31.8	3.2	8.8	31.4	100.0
GREAT LAKES								
Illinois	18.9	5.6	1.0	32.9	2.9	11.4	27.4	100.0
Indiana	32.2	7.1	1.4	25.0	2.9	10.9	20.4	100.0
Michigan	27.6	4.4	0.7	24.9	4.5	6.8	31.1	100.0
Ohio	17.7	4.6	1.7	23.2	3.2	4.9	44.7	100.0
Wisconsin	17.3	13.7	0.3	17.0	3.0	6.4	42.2	100.0
PLAINS								
Iowa	17.7	24.6	0.7	19.4	2.2	7.8	27.6	100.0
Kansas	26.0	16.5	0.4	18.2	2.5	10.3	26.0	100.0
Minnesota	22.9	10.2	1.5	25.3	1.6	10.1	28.4	100.0
Missouri	23.1	5.1	0.8	33.1	2.7	11.9	23.4	100.0
Nebraska	16.3	22.8	0.6	16.4	2.3	6.6	34.9	100.0
North Dakota	15.8	20.6	0.1	14.3	1.8	12.4	35.0	100.0
South Dakota	16.3	18.4	0.8	20.7	2.6	15.0	26.1	100.0
SOUTHEAST								
Alabama	24.9	22.5	0.3	24.9	2.9	6.9	17.7	100.0
Arkansas	17.2	15.8	2.2	21.1	2.2	5.2	36.3	100.0
Florida	21.8	8.2	0.3	29.2	4.4	9.6	26.7	100.0
Georgia	25.2	17.1	1.2	20.5	3.0	4.7	28.2	100.0
Kentucky	19.7	23.8	0.9	22.8	2.3	7.9	22.6	100.0
Louisiana	16.6	7.5	0.6	22.1	2.7	6.9	43.7	100.0
Mississippi	14.8	13.0	4.6	18.5	1.5	5.9	41.7	100.0
North Carolina	18.3	12.5	0.5	22.1	2.8	8.7	35.1	100.0
South Carolina	17.3	21.0	0.5	20.7	2.5	5.7	32.3	100.0
Tennessee	17.3	13.3	0.4	29.8	2.6	6.3	30.4	100.0
Virginia	15.8	15.3	0.1	16.9	3.0	10.2	38.6	100.0
West Virginia	10.4	12.8	1.0	12.9	1.0	6.0	56.0	100.0
SOUTHWEST								
Arizona	20.0	13.9	0.2	33.9	3.5	6.2	22.3	100.0
New Mexico	18.9	17.8	0.9	22.9	2.3	5.2	31.9	100.0
Oklahoma	14.6	16.2	1.0	21.2	2.3	7.6	37.2	100.0
Texas	30.0	11.8	0.1	24.6	4.1	7.7	21.6	100.0
ROCKY MOUNTAIN								
Colorado	23.9	13.6	0.0	17.8	2.4	4.7	37.5	100.0
Idaho	25.5	7.6	0.2	28.5	3.3	11.0	23.8	100.0
Montana	15.1	9.8	0.5	15.7	2.9	11.4	44.5	100.0
Utah	23.2	10.8	0.9	14.7	1.8	10.8	37.8	100.0
Wyoming	3.8	5.4	0.0	9.0	4.5	11.0	66.2	100.0
FAR WEST								
Alaska	11.0	8.3	0.9	9.3	2.5	11.9	56.2	100.0
California	19.8	7.7	4.7	24.2	4.5	4.3	34.9	100.0
Hawaii	15.3	9.1	0.9	15.9	2.0	9.2	47.7	100.0
Nevada	21.5	10.0	0.7	18.3	3.5	9.5	36.5	100.0
Oregon	11.0	7.2	0.6	13.3	2.8	5.6	59.4	100.0
Washington	23.3	14.2	1.4	23.5	2.9	8.3	26.3	100.0
ALL STATES	20.2 %	10.3 %	1.7 %	23.7 %	3.1 %	7.4 %	33.6 %	100.0 %

Note: Percentages may not add to 100.

General Notes

In reviewing the tables, please note the following:

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

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

Alabama: Amounts shown in fiscal years 2010 and 2011 are based on actual expenditures during these years, regardless of the year appropriated. Fiscal 2012 amounts shown are equal to actual expenditures through 9 months and then annualized for the year.

Florida: Federal figures for 2010 and 2011 have increased as a result of ARRA expenditures being excluded in prior reporting submissions. ARRA expenditures are reflected in the Federal Funds totals for all years.

Illinois: Fiscal 2012 GRF expenditure includes \$4,135 million for meeting the statutorily required pension obligation. In fiscal 2010 and fiscal 2011 this obligation was met through debt proceeds.

Massachusetts: Commonwealth of Massachusetts does not record estimates for non-budgetary trust fund spending. Therefore, the figures included for Fiscal 2012 under “Other Trust Fund” spending are year-to-date actual spending figures as of mid-July 2012. This means that these figures are more than likely lower than what the full year spending figures are likely to be, as the account payable period for the Commonwealth does not end until late August.

New Jersey: 2010 Actual spending from Casino Control, Casino Revenue, and Gubernatorial Elections Funds have been shifted from “General Funds” to “Other State Funds.”

2010 Actual spending adjusted for the reallocation of fringe benefits to the attributable funding sources.

New York: New York budgets most employer contributions to employee’s benefits and pensions centrally. The portion of employer contributions to employee’s benefits not distributed to an expenditure category has been included in the All Other expenditures category.

North Dakota: \$401 million of the increase in fiscal 2012 relates to transfers from other state funds to the general fund. In previous periods, these expenditures were made directly from the other funds.

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

Texas: Higher Education figures include amounts for Community Colleges that could not be broken out by method of finance. Transportation figures do not include highway construction.

Utah: All numerical information presented represents bond “expenditures”. All bond information included in the report is for General Obligation bonds. Not included in the report is State Building Ownership Authority (SBOA) Revenue Bonds or Board of Regents Revenue Bonds.

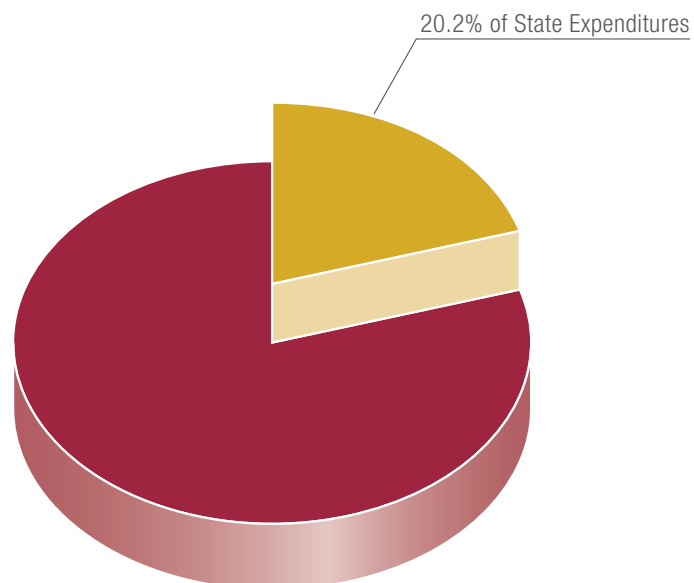
Vermont: In fiscal 2010, the General Fund had \$774 million in expenditures and \$317 million in fund transfers out of the General Fund to Other State funds where the expenditures were recorded. Total expenditures and transfers out for the General Fund where \$1,091 million. In fiscal 2011, the General Fund had \$ 744 million in expenditures and \$400 million in fund transfers out of the General Fund to Other State funds where the expenditures were recorded. Total expenditures and transfers out for the General Fund where \$1,144 million. In estimated fiscal 2012, the General Fund had \$ 756 million in estimated expenditures and \$516 million in estimated fund transfers out of the General Fund to Other State funds where the expenditures were recorded. Total estimated expenditures and transfers out for the General Fund where \$1,272 million.

1

CHAPTER



ELEMENTARY & SECONDARY EDUCATION



Elementary and Secondary Education Expenditures

State elementary and secondary education expenditures totaled \$335.2 billion in fiscal 2011, a 1.5 percent increase over the previous year. This increase resulted from modest growth in both federal funding and state spending on K-12 education. Federal funds increased by 2.4 percent in fiscal 2011, while state funds (general funds and other state funds combined) increased by 0.9 percent. The federal increase came in spite of a net decline in education funds under the *American Recovery and Reinvestment Act of 2009 (ARRA)*. In fiscal 2011, states received \$20.1 billion in ARRA funds for elementary and secondary education, compared to \$24.8 billion in fiscal 2010.

In fiscal 2012, it is estimated that elementary and secondary expenditures declined by 1.9 percent, due to a substantial decline in federal dollars. State funds grew by an estimated 2.9 percent, while federal funds for K-12 education declined by an estimated 19.7 percent in fiscal 2012. This decrease partly resulted from the expiration of most ARRA funds for K-12 education; states received \$7.0 billion in ARRA funds for K-12 in fiscal 2012 compared to \$20.1 billion in fiscal 2011.

In fiscal 2011, general funds comprised 66.5 percent of state elementary and secondary education spending, federal funds comprised 21.0 percent, other states funds comprised 11.3 percent, and bonds comprised 1.1 percent (see Figure 10). Federal funds grew from representing 14.0 percent of overall K-12 expenditures in fiscal 2008, the last year before ARRA, to 21.0 percent in fiscal 2011, demonstrating states' growing reliance on federal dollars to fund elementary and secondary education during this period. As a result of ARRA funds winding down, this trend began to reverse in fiscal 2012, with federal funding comprising an estimated 17.2 percent of overall K-12 expenditures.

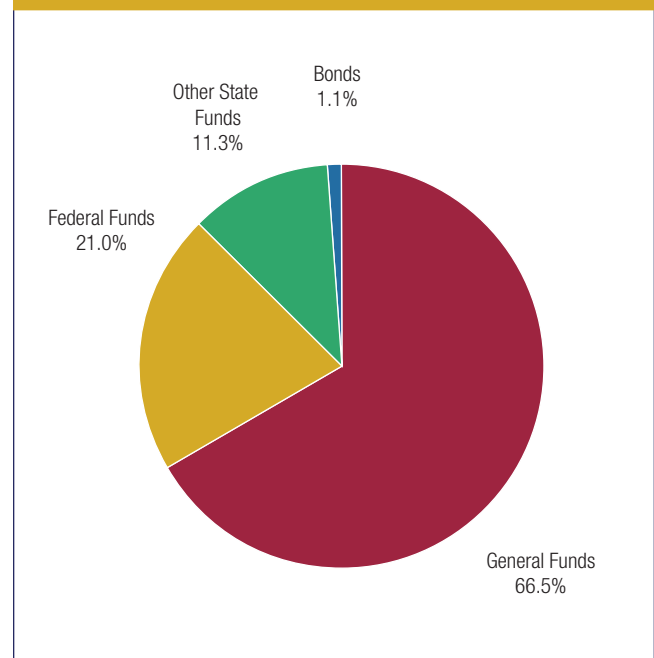
While elementary and secondary education is historically the largest category of total state spending, it was surpassed by Medicaid in fiscal 2009. In fiscal 2011, Medicaid comprised 23.7 percent of total state spending and K-12 represented 20.2 percent. Elementary and secondary education remains by

far the largest component of general fund spending in fiscal 2011 at 35.1 percent compared to 16.7 percent for Medicaid.

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 local governments' reliance on 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 typically a source of supplemental funding for poor school districts and also helps pay the cost of educating children with special needs. However, federal funds through ARRA have mostly been used to maintain basic educational services.

FIGURE 10
STATE EXPENDITURES FOR ELEMENTARY AND SECONDARY EDUCATION BY FUND SOURCE, FISCAL 2011



Regional Expenditures

The following table shows percentage changes in expenditures for elementary and secondary education for fiscal 2010-2011 and 2011-2012 by region.

TABLE 6
REGIONAL PERCENTAGE CHANGE IN STATE ELEMENTARY AND SECONDARY EDUCATION EXPENDITURES, FISCAL 2011 AND 2012

Region	Fiscal 2010 to 2011			Fiscal 2011 to 2012		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	0.9 %	-7.6 %	-2.7 %	3.4 %	-17.2 %	0.1 %
Mid-Atlantic	0.0	9.2	1.7	2.8	-27.2	-3.6
Great Lakes	-2.1	-4.8	-2.6	2.2	-5.6	0.7
Plains	7.3	-3.4	4.9	6.0	-21.2	0.4
Southeast	2.7	5.4	3.1	3.8	-17.7	-1.4
Southwest	4.9	-2.2	3.0	2.1	-28.4	-5.5
Rocky Mountain	-10.4	22.5	-6.4	2.2	-17.6	-1.0
Far West	0.8	3.2	3.5	2.0	-18.0	-2.1
ALL STATES	0.9 %	2.4 %	1.5 %	2.9 %	-19.7 %	-1.9 %

ESEA Reauthorization & Flexibility Requests

The Elementary and Secondary Education Act (ESEA), commonly known as “No Child Left Behind” (NCLB), continues to await reauthorization by Congress. In fall 2011, the U.S. Department of Education announced that it would grant states flexibility from certain NCLB provisions in exchange for implementing various reforms to increase accountability. As of November 1, 2012, 34 states plus the District of Columbia had been approved for NCLB waivers, and 10 states had outstanding requests pending approval.

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, 13 states wholly or partially excluded employer contributions to teacher pensions and 15 states wholly or partially excluded contributions to health benefits. Additionally, other items that are wholly or partially excluded include: day care programs (39 states), school health care (41), Head Start (30), and libraries (27). Summary expenditure data can be found in Tables 7 through 9, accompanied by explanatory notes. Table 10 lists programs excluded from the expenditure data.

TABLE 7

ELEMENTARY AND SECONDARY EDUCATION EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2010					Actual Fiscal 2011					Estimated Fiscal 2012				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$2,663	\$591	\$4	\$700	\$3,958	\$2,708	\$567	\$6	\$404	\$3,685	\$2,769	\$556	\$3	\$506	\$3,834
Maine	1,112	30	0	0	1,142	1,075	57	0	0	1,132	1,046	16	0	0	1,062
Massachusetts	4,302	1,484	731	0	6,517	4,271	1,264	659	0	6,194	4,485	937	674	0	6,096
New Hampshire	0	193	795	50	1,038	0	201	934	57	1,192	0	208	956	7	1,171
Rhode Island	803	260	17	20	1,100	846	260	23	4	1,133	865	251	32	1	1,149
Vermont*	49	181	1,301	10	1,541	56	182	1,306	7	1,551	73	127	1,380	8	1,588
MID-ATLANTIC															
Delaware	1,117	242	531	188	2,078	1,092	243	575	150	2,060	1,156	244	659	138	2,197
Maryland*	5,330	1,610	24	0	6,964	4,982	1,691	446	0	7,119	5,555	1,026	246	0	6,827
New Jersey	9,544	2,156	14	0	11,714	10,127	1,351	15	0	11,493	10,702	870	17	0	11,589
New York*	19,119	4,255	2,969	20	26,363	18,146	6,090	3,277	9	27,522	18,508	4,908	3,009	17	26,442
Pennsylvania	9,119	3,766	629	0	13,514	8,976	3,759	753	0	13,488	9,253	2,512	618	0	12,383
GREAT LAKES															
Illinois	7,272	2,549	25	0	9,846	6,921	2,326	30	0	9,277	6,739	2,447	36	0	9,222
Indiana	7,155	1,377	104	0	8,636	7,256	1,105	149	0	8,510	7,277	1,231	135	0	8,643
Michigan*	51	2,476	10,642	0	13,169	42	2,566	10,811	0	13,419	102	1,902	11,028	0	13,032
Ohio	6,712	2,111	2,831	7	11,661	6,727	2,254	1,661	3	10,645	8,284	2,239	1,285	0	11,808
Wisconsin	5,946	1,131	198	0	7,275	6,249	926	233	0	7,408	5,841	848	231	0	6,920
PLAINS															
Iowa	2,239	533	280	0	3,052	2,525	541	125	0	3,191	2,693	478	29	0	3,200
Kansas	2,710	736	138	0	3,584	2,971	688	165	0	3,824	3,081	478	159	0	3,718
Minnesota	5,338	1,157	43	1	6,539	6,084	1,074	43	1	7,202	6,650	907	43	1	7,601
Missouri	2,559	1,578	1,289	0	5,426	2,646	1,457	1,224	0	5,327	2,770	1,086	1,425	0	5,281
Nebraska	1,071	380	57	0	1,508	1,040	500	63	0	1,603	1,047	395	66	0	1,508
North Dakota	544	239	44	0	827	592	151	49	0	792	620	154	55	0	829
South Dakota	388	196	3	0	587	388	242	2	0	632	358	169	3	0	530
SOUTHEAST															
Alabama*	3,582	1,241	180	0	5,003	3,718	1,339	186	0	5,243	3,900	1,138	185	0	5,223
Arkansas	1,852	699	876	0	3,427	1,943	786	794	0	3,523	2,000	615	765	0	3,380
Florida*	8,224	3,257	1,214	0	12,695	9,136	3,913	1,194	0	14,243	8,830	2,435	1,605	0	12,870
Georgia	6,587	3,036	358	298	10,279	7,066	2,543	419	171	10,199	7,077	1,885	305	167	9,434
Kentucky	3,840	1,169	11	0	5,020	3,917	1,081	11	0	5,009	4,105	909	13	0	5,027
Louisiana	3,231	1,229	828	0	5,288	3,160	1,274	754	0	5,188	3,303	1,447	931	0	5,681
Mississippi	1,906	739	486	0	3,131	1,902	868	521	0	3,291	1,999	827	336	0	3,162
North Carolina	7,487	1,503	429	0	9,419	7,262	1,549	549	0	9,360	7,580	1,422	1,005	0	10,007
South Carolina	1,920	943	611	0	3,474	1,908	1,216	714	0	3,838	1,995	824	690	0	3,509
Tennessee	3,661	1,337	33	0	5,031	3,600	1,557	47	0	5,204	4,070	1,412	70	0	5,552
Virginia	4,853	1,335	641	0	6,829	4,832	1,288	579	0	6,699	4,979	1,358	607	0	6,944
West Virginia	1,728	386	11	23	2,148	1,786	377	15	23	2,201	1,794	365	16	23	2,198
SOUTHWEST															
Arizona	3,275	1,664	1,067	90	6,096	3,577	1,336	619	88	5,620	3,571	1,185	790	113	5,659
New Mexico	2,547	669	1	0	3,217	2,323	593	1	0	2,917	2,402	414	1	0	2,817
Oklahoma	1,438	845	634	0	2,917	1,542	874	689	0	3,105	1,523	825	725	0	3,073
Texas	16,429	7,205	3,238	39	26,911	17,905	7,354	3,379	21	28,659	18,408	4,849	3,255	21	26,533
ROCKY MOUNTAIN															
Colorado*	3,240	629	3,809	0	7,678	2,963	888	3,534	0	7,385	2,833	656	3,781	0	7,270
Idaho	1,166	291	296	0	1,753	1,291	291	101	0	1,683	1,241	305	79	0	1,625
Montana	568	207	137	0	912	618	252	63	0	933	629	173	115	0	917
Utah*	2,271	499	62	0	2,832	2,322	577	41	0	2,940	2,408	503	85	0	2,996
Wyoming	7	93	795	0	895	7	98	130	0	235	7	98	131	0	236
FAR WEST															
Alaska	1,102	203	120	0	1,425	1,240	246	42	0	1,528	1,300	277	46	0	1,623
California	31,269	7,805	86	1,278	40,438	32,040	7,931	92	2,670	42,733	31,976	6,535	95	2,461	41,067
Hawaii*	1,349	317	44	0	1,710	1,336	323	52	1	1,712	1,456	284	56	0	1,796
Nevada	1,270	352	155	0	1,777	1,249	439	140	0	1,828	1,234	399	244	0	1,877
Oregon	2,435	737	614	0	3,786	2,267	826	601	0	3,694	2,967	661	164	0	3,792
Washington	6,496	1,200	236	247	8,179	6,305	1,185	154	202	7,846	6,779	821	123	191	7,914
TOTAL	\$218,876	\$68,821	\$39,641	\$2,971	\$330,309	\$222,935	\$70,499	\$37,970	\$3,811	\$335,215	\$230,240	\$56,611	\$38,307	\$3,654	\$328,812

*See notes at the end of the chapter.

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

Region/State	Fiscal 2010	Fiscal 2011	Fiscal 2012
NEW ENGLAND			
Connecticut	16.2 %	14.2 %	14.3 %
Maine	13.7	13.7	13.1
Massachusetts	12.7	11.6	11.7
New Hampshire	19.0	22.3	22.9
Rhode Island	14.1	14.4	14.0
Vermont	33.0	31.9	32.7
MID-ATLANTIC			
Delaware	23.8	24.5	24.6
Maryland	21.0	21.0	19.1
New Jersey	24.1	24.4	23.3
New York	20.4	20.7	19.8
Pennsylvania	19.8	19.5	18.1
GREAT LAKES			
Illinois	20.0	18.9	18.0
Indiana	32.4	32.2	32.9
Michigan	27.6	27.6	26.8
Ohio	20.2	17.7	20.4
Wisconsin	18.1	17.3	16.7
PLAINS			
Iowa	17.3	17.7	16.7
Kansas	25.5	26.0	25.2
Minnesota	21.8	22.9	23.3
Missouri	23.2	23.1	22.6
Nebraska	15.7	16.3	15.3
North Dakota	17.0	15.8	13.4
South Dakota	15.3	16.3	14.3
SOUTHEAST			
Alabama	24.3	24.9	25.1
Arkansas	17.2	17.2	16.3
Florida	20.5	21.8	18.6
Georgia	25.2	25.2	23.9
Kentucky	19.4	19.7	19.6
Louisiana	16.7	16.6	17.3
Mississippi	13.8	14.8	13.2
North Carolina	19.3	18.3	18.9
South Carolina	17.6	17.3	16.0
Tennessee	17.7	17.3	17.9
Virginia	16.7	15.8	16.0
West Virginia	10.5	10.4	9.8
SOUTHWEST			
Arizona	21.8	20.0	20.5
New Mexico	20.9	18.9	18.5
Oklahoma	14.0	14.6	14.6
Texas	29.2	30.0	28.7
ROCKY MOUNTAIN			
Colorado	24.7	23.9	25.9
Idaho	27.4	25.5	23.4
Montana	15.1	15.1	15.5
Utah	22.5	23.2	22.7
Wyoming	11.7	3.8	3.9
FAR WEST			
Alaska	14.6	11.0	13.7
California	19.6	19.8	19.2
Hawaii	15.6	15.3	15.6
Nevada	21.5	21.5	23.6
Oregon	11.6	11.0	12.6
Washington	24.4	23.3	24.5
ALL STATES	20.4 %	20.2 %	19.8 %

TABLE 9
ANNUAL PERCENTAGE CHANGE IN ELEMENTARY AND SECONDARY EDUCATION EXPENDITURES

Region/State	Fiscal 2010 to 2011			Fiscal 2011 to 2012		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	1.8 %	-4.1 %	-6.9 %	2.1 %	-1.9 %	4.0 %
Maine	-3.3	90.0	-0.9	-2.7	-71.9	-6.2
Massachusetts	-2.0	-14.8	-5.0	4.6	-25.9	-1.6
New Hampshire	17.5	4.1	14.8	2.4	3.5	-1.8
Rhode Island	6.0	0.0	3.0	3.2	-3.5	1.4
Vermont	0.9	0.6	0.6	6.7	-30.2	2.4
MID-ATLANTIC						
Delaware	1.2	0.4	-0.9	8.9	0.4	6.7
Maryland	1.4	5.0	2.2	6.9	-39.3	-4.1
New Jersey	6.1	-37.3	-1.9	5.7	-35.6	0.8
New York	-3.0	43.1	4.4	0.4	-19.4	-3.9
Pennsylvania	-0.2	-0.2	-0.2	1.5	-33.2	-8.2
GREAT LAKES						
Illinois	-4.7	-8.7	-5.8	-2.5	5.2	-0.6
Indiana	2.0	-19.8	-1.5	0.1	11.4	1.6
Michigan	1.5	3.6	1.9	2.6	-25.9	-2.9
Ohio	-12.1	6.8	-8.7	14.1	-0.7	10.9
Wisconsin	5.5	-18.1	1.8	-6.3	-8.4	-6.6
PLAINS						
Iowa	5.2	1.5	4.6	2.7	-11.6	0.3
Kansas	10.1	-6.5	6.7	3.3	-30.5	-2.8
Minnesota	13.9	-7.2	10.1	9.2	-15.5	5.5
Missouri	0.6	-7.7	-1.8	8.4	-25.5	-0.9
Nebraska	-2.2	31.6	6.3	0.9	-21.0	-5.9
North Dakota	9.0	-36.8	-4.2	5.3	2.0	4.7
South Dakota	-0.3	23.5	7.7	-7.4	-30.2	-16.1
SOUTHEAST						
Alabama	3.8	7.9	4.8	4.6	-15.0	-0.4
Arkansas	0.3	12.4	2.8	1.0	-21.8	-4.1
Florida	9.5	20.1	12.2	1.0	-37.8	-9.6
Georgia	7.8	-16.2	-0.8	-1.4	-25.9	-7.5
Kentucky	2.0	-7.5	-0.2	4.8	-15.9	0.4
Louisiana	-3.6	3.7	-1.9	8.2	13.6	9.5
Mississippi	1.3	17.5	5.1	-3.6	-4.7	-3.9
North Carolina	-1.3	3.1	-0.6	9.9	-8.2	6.9
South Carolina	3.6	29.0	10.5	2.4	-32.2	-8.6
Tennessee	-1.3	16.5	3.4	13.5	-9.3	6.7
Virginia	-1.5	-3.5	-1.9	3.2	5.4	3.7
West Virginia	3.6	-2.3	2.5	0.5	-3.2	-0.1
SOUTHWEST						
Arizona	-3.4	-19.7	-7.8	3.9	-11.3	0.7
New Mexico	-8.8	-11.4	-9.3	3.4	-30.2	-3.4
Oklahoma	7.7	3.4	6.4	0.8	-5.6	-1.0
Texas	8.2	2.1	6.5	1.8	-34.1	-7.4
ROCKY MOUNTAIN						
Colorado	-7.8	41.2	-3.8	1.8	-26.1	-1.6
Idaho	-4.8	0.0	-4.0	-5.2	4.8	-3.4
Montana	-3.4	21.7	2.3	9.3	-31.3	-1.7
Utah	1.3	15.6	3.8	5.5	-12.8	1.9
Wyoming	-82.9	5.4	-73.7	0.7	0.0	0.4
FAR WEST						
Alaska	4.9	21.2	7.2	5.0	12.6	6.2
California	2.5	1.6	5.7	-0.2	-17.6	-3.9
Hawaii	-0.4	1.9	0.1	8.9	-12.1	4.9
Nevada	-2.5	24.7	2.9	6.4	-9.1	2.7
Oregon	-5.9	12.1	-2.4	9.2	-20.0	2.7
Washington	-4.1	-1.3	-4.1	6.9	-30.7	0.9
ALL STATES	0.9 %	2.4 %	1.5 %	2.9 %	-19.7 %	-1.9 %

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

TABLE 10

ITEMS EXCLUDED FROM ELEMENTARY AND SECONDARY EDUCATION EXPENDITURES

Region/State	Employer Contributions to Pensions	Employer Contributions to Health Benefits	Head Start	Libraries	Day Care Programs	School Health Care/ Immunization
NEW ENGLAND						
Connecticut	X	X		X	P	P
Maine			X	X	X	P
Massachusetts	X					
New Hampshire			X	X	X	
Rhode Island			X	X	X	P
Vermont			X	X	X	X
MID-ATLANTIC						
Delaware					X	P
Maryland				X		P
New Jersey		P	X		X	P
New York	P	P	X		X	X
Pennsylvania				X	X	X
GREAT LAKES						
Illinois		P		X	P	
Indiana	P	P	X	P	P	X
Michigan*	P	P	X		X	X
Ohio	X	X		X		X
Wisconsin	X	X				X
PLAINS						
Iowa			X			
Kansas		X	X	X	X	X
Minnesota	P	P				X
Missouri	X	X	X	X	X	X
Nebraska	P	P	X	X	X	X
North Dakota			X	X	X	X
South Dakota					X	X
SOUTHEAST						
Alabama				X	X	X
Arkansas			P		P	P
Florida*			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
SOUTHWEST						
Arizona			X		X	X
New Mexico						P
Oklahoma			X	X	X	X
Texas				P	P	P
ROCKY MOUNTAIN						
Colorado*	P	X	X	P	X	P
Idaho			X		X	X
Montana	P	P	X	P	X	X
Utah			X		X	X
Wyoming						
FAR WEST						
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
ALL STATES	13	15	30	27	39	41

Excluded=X Partially Excluded=P Not Applicable=N/A
 *See notes at the end of the chapter.

Elementary and Secondary Education Notes

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

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

Colorado: School personnel are paid at the school district level—state costs for employer contributions to employee pensions and health benefits only reflect Colorado Dept. of Education personnel. Funds library-related programs across the state.

Florida: For FY 2011-12, Early Childhood Education (Day Care) was moved into the Department of Education. It is included in the Estimated 2011-12 but not in the Actual 2009-10 or 2010-11.

Hawaii: 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.

Maryland: FY 2011 total fund expenditures include \$179 million from the federal Education Jobs Fund. This was a one-time

award required to be spent in FY 2011 and is therefore not included in FY 2012 expenditures. In addition, FY 2011 total fund expenditures include \$125 million in federal Race to the Top awards granted to local education agencies that is not included in the FY 2012 budget. Total fund K-12 expenditures in FY 2012 decrease from FY 2011 as a result of these two items.

Michigan: Elementary and Secondary Education—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. Funding for libraries is included under elementary and secondary education effective for fiscal 2010, reflecting the merger of functions under Executive Order 2009-36. Actual ARRA expenditures will be recorded with the fiscal 2012 annual financial report.

New York: Total expenditures are adjusted to eliminate the impact of delaying the end-of-year school aid payment (\$2.06 billion) from March 2010 to the statutory deadline of June 1, 2010, which was done to carry forward the FY 2010 budget shortfall into FY 2011.

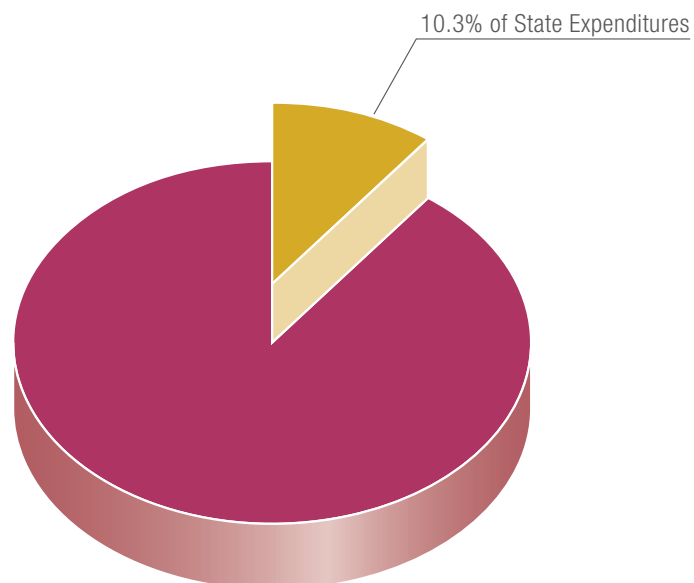
Utah: Included with General Fund is the Education Fund (income tax revenue) which in Utah is restricted by the Utah state constitution for the sole use of public and higher education.

2

CHAPTER



HIGHER EDUCATION EXPENDITURES



Higher Education Expenditures

State higher education spending reflects state financial support of public university systems, community colleges, and vocational education institutions. In fiscal 2011, states spent \$171.8 billion on higher education, 10.3 percent of total state spending, and 11.3 percent of general fund expenditures. General funds account for 41.8 percent of state spending on higher education, other state funds 42.5 percent, federal funds 11.9 percent, and bonds 3.8 percent (see Figure 11 and Table 12).

Overall, total state higher education spending grew by 3.8 percent in fiscal 2011. State funds (general funds plus other state funds) increased by 5.0 percent, while federal funds grew slightly by 0.4 percent. In fiscal 2011, states report that \$3.3 billion of the federal funds for higher education were attributable to the *American Recovery and Reinvestment Act of 2009 (ARRA)*. In fiscal 2012, estimated total state higher education spending declined by 4.1 percent with state funds declining by 2.7 percent and federal funds declining by 11.4 percent. The large decline in federal funds is due primarily to the wind down of ARRA funds, with states estimating that they spent \$0.7 billion in ARRA higher education funds in fiscal 2012, approximately \$2.6 billion less than fiscal 2011.

FIGURE 11
STATE EXPENDITURES FOR HIGHER EDUCATION BY FUND SOURCE, FISCAL 2011

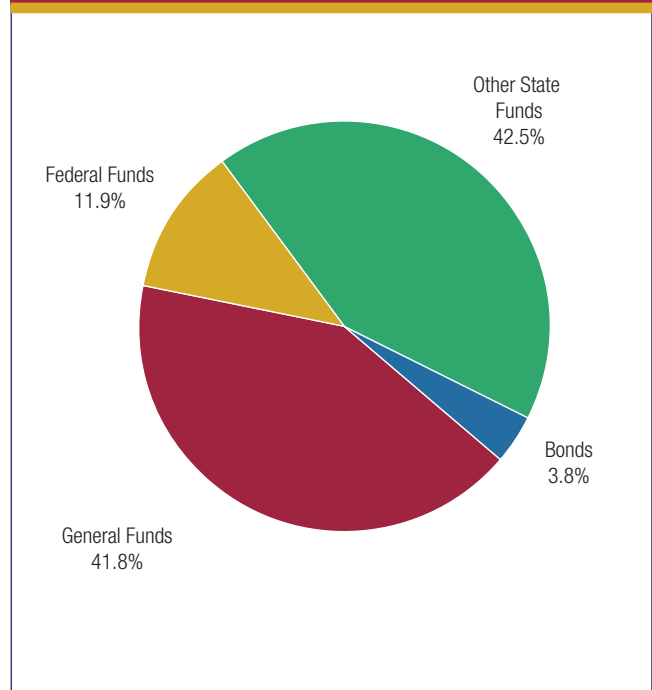


TABLE 11
REGIONAL PERCENTAGE CHANGE IN STATE HIGHER EDUCATION EXPENDITURES, FISCAL 2011 AND 2012

Region	Fiscal 2010 to 2011			Fiscal 2011 to 2012		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	15.5 %	35.4 %	15.5 %	5.0 %	27.0 %	7.1 %
Mid-Atlantic	-0.8	6.2	-0.3	4.1	-28.2	2.3
Great Lakes	0.8	44.3	5.2	-5.2	0.3	-4.8
Plains	2.7	1.6	2.2	3.3	-6.1	1.5
Southeast	5.9	3.2	5.2	1.0	-8.2	-0.4
Southwest	4.3	14.7	3.4	-1.0	-1.7	-1.7
Rocky Mountain	8.1	-48.4	-2.0	-33.1	-30.7	-32.8
Far West	8.7	-9.2	2.3	-16.3	-20.6	-17.7
ALL STATES	5.0 %	0.4 %	3.8 %	-2.7 %	-11.4 %	-4.1 %

Capital Spending

State expenditures for higher education-related construction, renovation and other capital projects decreased by 4.3 percent in fiscal 2011, and are estimated to decrease by 13.7 percent in fiscal 2012 (see Table 48).

Regional Expenditures

In fiscal 2011, the New England region saw the greatest percentage increase in total state higher education spending at 15.5 percent, while the Rocky Mountain region experienced the largest decline, decreasing by 2.0 percent (see Table 11). It should be noted that the decline in state spending in the Rocky Mountain region is largely caused by a change in the way that Colorado records its budget for certain higher education expenditures (specifically employer contributions to pensions and health benefits). (See Higher Education Notes for more details.)

Financing Issues

While state funds for higher education increased in fiscal 2011 and decreased in fiscal 2012, tuition and fees rose both years. According to the College Board, average tuition and fees at four-year public institutions rose 4.6 percent between the

2010-11 and 2011-12 academic years and 3.4 percent between 2011-12 and 2012-13, after adjusting for inflation. In recent years, rising tuition rates and fees have been accompanied by similar increases in student aid. However, based on the College Board data, total aid per student (including grants, federal loans, work-study, and education tax benefits) increased by 5.2 percent between the 2009-10 and 2010-11 academic years but declined by 1.5 percent between 2010-11 and 2011-12, again adjusting for inflation. In response to these trends, a growing number of initiatives led by governors and state legislatures are aiming to increase the affordability of public higher education by curbing institution costs and restricting tuition increases.

Higher Education—Expenditure Exclusions

In calculating higher education expenditures for fiscal 2011, nine states wholly or partially excluded tuition and fees, and 18 states wholly or partially excluded student loan programs. Additionally, other items that are wholly or partially excluded include: university research grants (32 states), vocational education (15), and assistance to private colleges or universities (22). Summary expenditure data can be found in Tables 12 through 14, accompanied by explanatory notes. Table 15 lists programs excluded from the expenditure data.

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

Region/State	Actual Fiscal 2010					Actual Fiscal 2011					Estimated Fiscal 2012				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$744	\$220	\$1,273	\$300	\$2,537	\$745	\$236	\$1,373	\$285	\$2,639	\$662	\$249	\$1,485	\$317	\$2,713
Maine	249	10	3	13	275	256	11	3	4	274	259	2	3	10	274
Massachusetts	843	8	3,119	129	4,099	939	99	4,060	194	5,292	933	176	4,500	271	5,880
New Hampshire	147	21	61	43	272	140	1	49	23	213	60	0	26	47	133
Rhode Island	161	4	737	20	922	164	9	769	27	969	166	25	841	32	1,064
Vermont	93	0	7	4	104	86	0	7	5	98	80	0	7	5	92
MID-ATLANTIC															
Delaware	227	57	80	4	368	220	80	87	5	392	223	73	95	9	400
Maryland	1,554	358	2,556	284	4,752	1,599	360	2,636	325	4,920	1,606	355	2,881	209	5,051
New Jersey*	2,217	97	1,477	0	3,791	2,165	24	1,621	0	3,810	2,106	20	1,686	0	3,812
New York	4,211	399	4,338	738	9,686	3,683	509	4,499	775	9,466	3,739	317	5,099	911	10,066
Pennsylvania	1,888	93	6	270	2,257	1,888	93	7	225	2,213	1,668	0	60	230	1,958
GREAT LAKES															
Illinois	2,216	279	272	60	2,827	2,140	277	213	118	2,748	2,084	282	250	227	2,843
Indiana	1,712	6	17	169	1,904	1,727	30	17	100	1,874	1,691	13	8	0	1,712
Michigan*	1,681	169	210	91	2,151	1,917	108	1	120	2,146	1,290	121	397	104	1,912
Ohio	2,497	32	7	317	2,853	2,499	28	11	261	2,799	2,185	27	23	167	2,402
Wisconsin*	1,279	1,104	2,567	0	4,950	1,395	1,851	2,634	0	5,880	1,159	1,859	2,820	0	5,838
PLAINS															
Iowa	777	528	2,979	16	4,300	773	537	3,106	31	4,447	752	509	3,370	14	4,645
Kansas	752	498	951	57	2,258	751	404	1,208	61	2,424	741	380	1,277	62	2,460
Minnesota	2,904	44	26	227	3,201	2,956	56	31	167	3,210	2,921	7	25	114	3,067
Missouri	870	155	302	0	1,327	822	52	297	0	1,171	790	3	299	0	1,092
Nebraska	647	205	1,296	0	2,148	644	377	1,213	0	2,234	640	383	1,297	0	2,320
North Dakota	330	149	505	20	1,004	348	157	510	18	1,033	356	226	623	13	1,218
South Dakota	190	100	308	64	662	196	123	329	63	711	178	94	352	31	655
SOUTHEAST															
Alabama*	1,430	1,206	1,787	0	4,423	1,431	1,323	1,970	0	4,724	1,490	1,272	2,033	0	4,795
Arkansas	724	35	2,298	0	3,057	763	55	2,421	0	3,239	772	26	2,551	0	3,349
Florida*	3,253	431	927	190	4,801	3,386	476	998	476	5,336	3,209	127	1,196	61	4,593
Georgia	1,950	414	4,002	532	6,898	2,113	63	4,512	221	6,909	2,020	67	4,624	431	7,142
Kentucky	1,210	758	3,850	0	5,818	1,220	834	3,996	0	6,050	1,225	920	4,457	0	6,602
Louisiana	1,181	139	950	58	2,328	1,192	146	942	45	2,325	983	159	1,448	45	2,635
Mississippi	810	182	1,775	13	2,780	738	181	1,952	10	2,881	810	192	2,097	9	3,108
North Carolina	3,545	37	2,480	0	6,062	3,605	41	2,764	0	6,410	3,553	20	3,131	0	6,704
South Carolina	693	672	2,802	85	4,252	593	886	3,068	104	4,651	543	687	2,978	0	4,208
Tennessee	1,483	380	1,857	10	3,730	1,722	239	2,024	10	3,995	1,426	273	2,153	80	3,932
Virginia	1,898	1,033	2,477	964	6,372	1,765	1,169	2,697	855	6,486	1,476	1,191	2,128	828	5,623
West Virginia	503	283	1,644	17	2,447	512	333	1,844	19	2,708	531	343	1,900	19	2,793
SOUTHWEST															
Arizona	1,316	527	1,153	485	3,481	1,025	756	1,793	321	3,895	752	789	2,001	292	3,834
New Mexico	816	534	1,329	69	2,748	762	614	1,376	0	2,752	681	657	1,404	0	2,742
Oklahoma	1,090	476	1,420	422	3,408	1,085	550	1,500	319	3,454	1,080	538	1,600	222	3,440
Texas	6,324	398	4,279	0	11,001	6,298	299	4,644	0	11,241	6,124	198	4,647	0	10,969
ROCKY MOUNTAIN															
Colorado*	463	1,119	2,829	0	4,411	718	499	3,001	0	4,218	635	376	966	0	1,977
Idaho	305	5	179	6	495	304	5	187	6	502	287	5	300	6	598
Montana	157	84	342	0	583	158	90	355	0	603	188	47	347	0	582
Utah*	693	67	513	0	1,273	746	42	579	0	1,367	668	4	554	0	1,226
Wyoming	392	12	2	0	406	246	28	58	0	332	246	28	59	0	333
FAR WEST															
Alaska	345	157	339	0	841	421	136	371	228	1,156	444	171	428	50	1,093
California	9,575	6,237	39	832	16,683	10,425	5,802	35	293	16,555	8,832	4,778	43	318	13,971
Hawaii*	374	37	438	109	958	355	44	471	155	1,025	384	27	567	316	1,294
Nevada	400	188	319	34	941	551	3	250	48	852	473	3	255	14	745
Oregon*	369	198	1,472	288	2,327	339	224	1,555	281	2,399	285	0	11	136	432
Washington	1,395	183	2,540	315	4,433	1,355	150	3,014	270	4,789	1,166	72	3,136	120	4,494
TOTAL	\$70,883	\$20,328	\$67,139	\$7,255	\$165,605	\$71,881	\$20,410	\$73,058	\$6,468	\$171,817	\$66,572	\$18,091	\$74,438	\$5,720	\$164,821

*See notes at the end of the chapter.

TABLE 13
HIGHER EDUCATION EXPENDITURES AS A PERCENT OF
TOTAL EXPENDITURES

Region/State	Fiscal 2010	Fiscal 2011	Fiscal 2012
NEW ENGLAND			
Connecticut	10.4 %	10.2 %	10.1 %
Maine	3.3	3.3	3.4
Massachusetts	8.0	9.9	11.3
New Hampshire	5.0	4.0	2.6
Rhode Island	11.8	12.4	12.9
Vermont	2.2	2.0	1.9
MID-ATLANTIC			
Delaware	4.2	4.7	4.5
Maryland	14.3	14.5	14.1
New Jersey	7.8	8.1	7.7
New York	7.5	7.1	7.5
Pennsylvania	3.3	3.2	2.9
GREAT LAKES			
Illinois	5.7	5.6	5.5
Indiana	7.1	7.1	6.5
Michigan	4.5	4.4	3.9
Ohio	5.0	4.6	4.1
Wisconsin	12.3	13.7	14.1
PLAINS			
Iowa	24.4	24.6	24.3
Kansas	16.1	16.5	16.7
Minnesota	10.7	10.2	9.4
Missouri	5.7	5.1	4.7
Nebraska	22.4	22.8	23.5
North Dakota	20.6	20.6	19.7
South Dakota	17.3	18.4	17.7
SOUTHEAST			
Alabama	21.5	22.5	23.0
Arkansas	15.3	15.8	16.2
Florida	7.7	8.2	6.6
Georgia	16.9	17.1	18.1
Kentucky	22.4	23.8	25.7
Louisiana	7.3	7.5	8.0
Mississippi	12.2	13.0	13.0
North Carolina	12.4	12.5	12.7
South Carolina	21.6	21.0	19.2
Tennessee	13.1	13.3	12.7
Virginia	15.6	15.3	13.0
West Virginia	12.0	12.8	12.4
SOUTHWEST			
Arizona	12.5	13.9	13.9
New Mexico	17.9	17.8	18.0
Oklahoma	16.3	16.2	16.3
Texas	12.0	11.8	11.9
ROCKY MOUNTAIN			
Colorado	14.2	13.6	7.0
Idaho	7.7	7.6	8.6
Montana	9.6	9.8	9.8
Utah	10.1	10.8	9.3
Wyoming	5.3	5.4	5.4
FAR WEST			
Alaska	8.6	8.3	9.2
California	8.1	7.7	6.5
Hawaii	8.8	9.1	11.2
Nevada	11.4	10.0	9.4
Oregon	7.1	7.2	1.4
Washington	13.2	14.2	13.9
ALL STATES	10.2 %	10.3 %	9.9 %

TABLE 14
ANNUAL PERCENTAGE CHANGE IN HIGHER EDUCATION EXPENDITURES

Region/State	Fiscal 2010 to 2011			Fiscal 2011 to 2012		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	5.0 %	7.3 %	4.0 %	1.4 %	5.5 %	2.8 %
Maine	2.8	10.0	-0.4	1.2	-81.8	0.0
Massachusetts	26.2	1,137.5	29.1	8.7	77.8	11.1
New Hampshire	-9.1	-95.2	-21.7	-54.5	-100.0	-37.6
Rhode Island	3.9	125.0	5.1	7.9	177.8	9.8
Vermont	-7.0	---	-5.8	-6.5	---	-6.1
MID-ATLANTIC						
Delaware	0.0	40.4	6.5	3.6	-8.8	2.0
Maryland	3.0	0.6	3.5	6.0	-1.4	2.7
New Jersey	2.5	-75.3	0.5	0.2	-16.7	0.1
New York	-4.3	27.6	-2.3	8.0	-37.7	6.3
Pennsylvania	0.1	0.0	-1.9	-8.8	-100.0	-11.5
GREAT LAKES						
Illinois	-5.4	-0.7	-2.8	-0.8	1.8	3.5
Indiana	0.9	400.0	-1.6	-2.6	-56.7	-8.6
Michigan	1.4	-36.1	-0.2	-12.0	12.0	-10.9
Ohio	0.2	-12.5	-1.9	-12.0	-3.6	-14.2
Wisconsin	4.8	67.7	18.8	-1.2	0.4	-0.7
PLAINS						
Iowa	3.3	1.7	3.4	6.3	-5.2	4.5
Kansas	15.0	-18.9	7.4	3.0	-5.9	1.5
Minnesota	1.9	27.3	0.3	-1.4	-87.5	-4.5
Missouri	-4.5	-66.5	-11.8	-2.7	-94.2	-6.7
Nebraska	-4.4	83.9	4.0	4.3	1.6	3.8
North Dakota	2.8	5.4	2.9	14.1	43.9	17.9
South Dakota	5.4	23.0	7.4	1.0	-23.6	-7.9
SOUTHEAST						
Alabama	5.7	9.7	6.8	3.6	-3.9	1.5
Arkansas	5.4	57.1	6.0	4.4	-52.7	3.4
Florida	4.9	10.4	11.1	0.5	-73.3	-13.9
Georgia	11.3	-84.8	0.2	0.3	6.3	3.4
Kentucky	3.1	10.0	4.0	8.9	10.3	9.1
Louisiana	0.1	5.0	-0.1	13.9	8.9	13.3
Mississippi	4.1	-0.5	3.6	8.1	6.1	7.9
North Carolina	5.7	10.8	5.7	4.9	-51.2	4.6
South Carolina	4.7	31.8	9.4	-3.8	-22.5	-9.5
Tennessee	12.2	-37.1	7.1	-4.5	14.2	-1.6
Virginia	2.0	13.2	1.8	-19.2	1.9	-13.3
West Virginia	9.7	17.7	10.7	3.2	3.0	3.1
SOUTHWEST						
Arizona	14.1	43.5	11.9	-2.3	4.4	-1.6
New Mexico	-0.3	15.0	0.1	-2.5	7.0	-0.4
Oklahoma	3.0	15.5	1.3	3.7	-2.2	-0.4
Texas	3.2	-24.9	2.2	-1.6	-33.8	-2.4
ROCKY MOUNTAIN						
Colorado	13.0	-55.4	-4.4	-57.0	-24.6	-53.1
Idaho	1.4	0.0	1.4	19.6	0.0	19.1
Montana	2.8	7.1	3.4	4.3	-47.8	-3.5
Utah	9.9	-37.3	7.4	-7.8	-90.5	-10.3
Wyoming	-22.8	133.3	-18.2	0.3	0.0	0.3
FAR WEST						
Alaska	15.8	-13.4	37.5	10.1	25.7	-5.4
California	8.8	-7.0	-0.8	-15.2	-17.6	-15.6
Hawaii	1.7	18.9	7.0	15.1	-38.6	26.2
Nevada	11.4	-98.4	-9.5	-9.1	0.0	-12.6
Oregon	2.9	13.1	3.1	-84.4	-100.0	-82.0
Washington	11.0	-18.0	8.0	-1.5	-52.0	-6.2
ALL STATES	5.0 %	0.4 %	3.8 %	-2.7 %	-11.4 %	-4.1 %

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

TABLE 15
ITEMS EXCLUDED FROM HIGHER EDUCATION EXPENDITURES

Region/State	Employer Contributions to Pensions	Employer Contributions to Health Benefits	Tuition and Fees	Student Loan Programs	University Research Grants	Vocational Education	Assistance To Private Colleges & Universities
NEW ENGLAND							
Connecticut						X	
Maine	P	P	X	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	
MID-ATLANTIC							
Delaware					X	X	X
Maryland					P		
New Jersey					X	X	
New York	P	P			P	P	P
Pennsylvania	X	X		P	X	P	
GREAT LAKES							
Illinois	X	X	X		X		
Indiana	P	P	X		X		X
Michigan*	X	X	X	X	P		
Ohio	X	X	X	X	X		
Wisconsin					P		
PLAINS							
Iowa							
Kansas							
Minnesota	P	P			X	X	X
Missouri	X	X	X		X	X	X
Nebraska					X		
North Dakota						X	X
South Dakota							X
SOUTHEAST							
Alabama*							
Arkansas					P		
Florida*				X	P		
Georgia				X	X		X
Kentucky						P	
Louisiana					X		
Mississippi					X		X
North Carolina					X		
South Carolina							
Tennessee					X		
Virginia				X			
West Virginia				X	P	P	
SOUTHWEST							
Arizona							X
New Mexico							P
Oklahoma				P	P	P	P
Texas							
ROCKY MOUNTAIN							
Colorado*	P	P		X	X		X
Idaho				X	X		X
Montana				X	X		
Utah					X		X
Wyoming							
FAR WEST							
Alaska							X
California			X				
Hawaii*				X	X	X	X
Nevada				X	X	X	X
Oregon							
Washington				X	X		X
ALL STATES	13	12	9	18	32	15	22

Excluded=X Partially Excluded=P Not Applicable=N/A
*See notes at the end of the chapter.

Higher Education Notes

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

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

Colorado: For FY 11-12, Higher Education institutions did not record budget related to informational appropriations for tuition and certain fee revenue. FY 11-12 was the first year that the annual budget bill (Long Bill) listed the appropriations as informational only. Thus, there is a large decline in HED. HED colleges and universities pay pension and health benefits out of their allotments, which include but are not limited to, state appropriations/requests. The College Opportunity Fund (COF) provides some (stipend) funds to students who attend private colleges and universities. However, this sum is very small relative to the total expenditure; as such, it is categorized as excluded for purposes of this survey.

Florida: The dollar difference between “Other” for Actual 2009-10 and “Other” for 2010-11 and Estimated 2011-12 is mainly attributable to university tuition. University tuition is included in “Other” for Actual 2010-11 and Estimated 2011-12, but excluded in “Other” for Actual 2009-10. Tuition revenue does not get deposited into our Treasury, but stays at each university. It was not reported as an “Actual” expenditure of the state for 2009-10.

Hawaii: 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: Higher Education—General Fund support in fiscal 2010 and fiscal 2012 reflects a shift to the state School Aid Fund for operating budgets. Federal fund support reflects receipt of TANF revenue for student financial aid: \$78.3 million (fiscal 2010), and \$84.6 million (fiscal 2011), and \$93.8 million (fiscal 2012). A total of \$68.2 million of federal ARRA funding for colleges, universities and postsecondary education programs is included for fiscal 2010.

New Jersey: Higher Education General Funds 2010 Actuals are adjusted to now include related debt service expenses.

Oregon: Beginning in fiscal 2012, the Oregon University System operates as a “public corporation” and as such is no longer considered part of the state budget. The OUS continues to receive General Fund support from the state, as indicated in the survey results, but OF and FF expenditures now only reflect capital expenditures and debt.

Utah: Included with the General Fund is the Education Fund (income tax revenue) which in Utah is restricted by the Utah state constitution for the sole use of public and higher education.

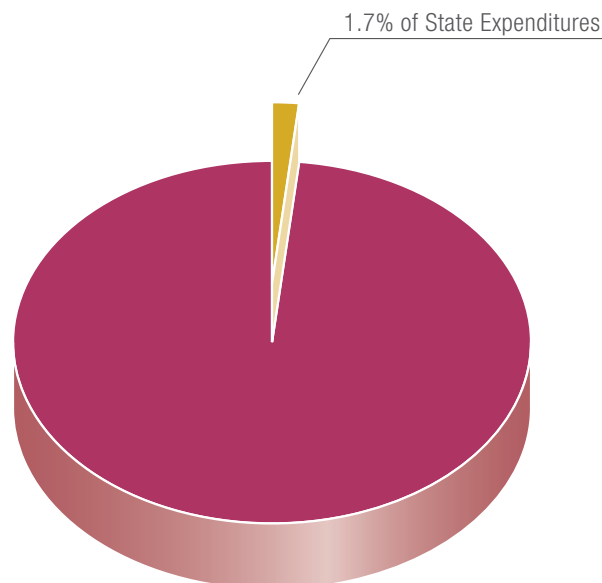
Wisconsin: WI Act 32 consolidated most GPR appropriations into two “block grant” appropriations (classified as state operations). This accounts for the \$20.6M decrease in GPR Aids. Federal appropriations were also consolidated into one “block grant” appropriation (also classified as state operations). This accounts for the \$1,035.9M decrease in FED Aids.

3

CHAPTER



PUBLIC ASSISTANCE 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 \$27.6 billion in fiscal 2011 and represented 1.7 percent of total state expenditures. Spending from all funds for public assistance increased by 0.9 percent from fiscal 2010 to fiscal 2011 with spending from state funds increasing by 2.8 percent and spending from federal funds declining by 0.6 percent from fiscal 2010 to fiscal 2011.

Spending on total public assistance from all funds decreased by 13.1 percent from fiscal 2011 to fiscal 2012 to total \$24.0 billion. State funds decreased by 17.6 percent and federal funds decreased by 9.4 percent. California shifted financial responsibility for certain public assistance programs that were previously funded with state general funds to counties. This was done as part of a major public safety realignment effective July 2011 and accounts for a significant portion of the decrease in funding from fiscal 2011 to fiscal 2012.

The TANF Emergency Fund, authorized under *The American Recovery and Reinvestment Act of 2009 (ARRA)*, provided up to \$5 billion to states, tribes, and territories through September 30, 2010. States spent approximately \$2 billion in ARRA funds in both fiscal 2010 and fiscal 2011 and approximately \$131 million in fiscal 2012. The large decrease in federal funds from fiscal 2011 to fiscal 2012 is attributable to the expiration of the ARRA funds.

The primary sources of public assistance funding for fiscal 2011 are federal funds, providing 54.8 percent, followed by general funds at 43.9 percent (see Figure 12). For estimated fiscal 2012, federal funds represent 57.1 percent of the total while general funds are 41.5 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 under the *Deficit Reduction Act* in February 2006. The TANF block grant is funded at \$16.6 billion each year and is currently authorized under a continuing resolution. 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.

States have wide flexibility under TANF to determine their own eligibility criteria, benefit levels, and the type of services and benefits available to TANF recipients. States must maintain a historical level of state spending or maintenance of effort requirement and must meet minimum work participation rate requirements. In addition, families that have received federally funded assistance under TANF for five cumulative years are not eligible for federally funded assistance, though states have considerable flexibility in determining how time limits apply to individual families. This report has information only on the cash assistance benefit levels within the program and does not reflect total TANF spending.

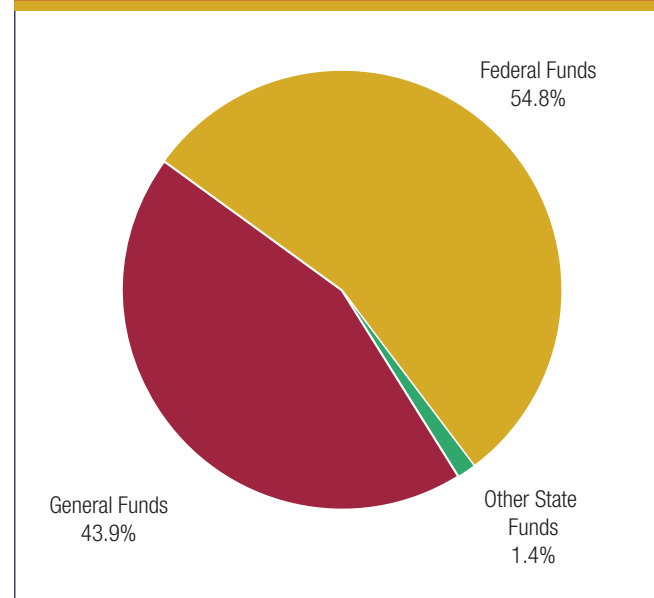
Since welfare reform was initially passed in 1996, states have focused on providing supportive services for families to achieve self-sufficiency rather than cash assistance. Since 1996, case-loads have declined significantly. The average monthly number of recipients fell from 12.8 million prior to the enactment of TANF to 4.4 million on average in 2011, a decrease of over two-thirds.

Expenditure data on total cash assistance, TANF cash assistance, and other cash assistance can be found on Tables 16-26, accompanied by explanatory notes.

Fund Shares

The figure below provides fund shares for fiscal 2011.

FIGURE 12
STATE EXPENDITURES FOR TOTAL PUBLIC ASSISTANCE
BY FUND SOURCE, FISCAL 2011



Regional Expenditures

The following table shows regional percentage changes in expenditures for total cash assistance for fiscal 2010-2011 and 2011-2012 by region.

TABLE 16
REGIONAL PERCENTAGE CHANGE IN STATE TOTAL CASH ASSISTANCE EXPENDITURES,
FISCAL 2011 AND 2012

Region	Fiscal 2010 to 2011			Fiscal 2011 to 2012		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	3.5 %	1.6 %	3.2 %	-3.5 %	-15.2 %	-5.2 %
Mid-Atlantic	-5.4	2.4	-0.1	5.2	-0.9	1.0
Great Lakes	19.8	-3.1	4.7	-10.9	-10.0	-10.3
Plains	4.7	4.9	4.8	3.1	-16.6	-9.1
Southeast	-0.5	-2.8	-2.3	-2.1	-18.5	-14.8
Southwest	-8.7	-15.9	-13.9	-1.9	-11.4	-8.5
Rocky Mountain	-28.6	-5.1	-13.3	2.2	-1.8	-0.6
Far West	4.4	-0.7	2.1	-34.2	-11.5	-24.3
ALL STATES	2.8 %	-0.6 %	0.9 %	-17.6 %	-9.4 %	-13.1 %

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

State and federal funds for TANF cash assistance expenditures totaled \$17.6 billion in fiscal 2011, a decrease of 0.3 percent from 2010 to 2011 (see Table 23). State funds increased by 6.4 percent and federal funds decreased by 3.1 percent from fiscal 2010 to fiscal 2011. For fiscal 2012, total spending for TANF cash assistance expenditures decreased by 18.1 percent to \$14.4 billion with federal funds declining by 12.2 percent and state spending declining by 30.7 percent. Cash assistance payments under TANF comprise approximately 29 percent of total TANF spending.

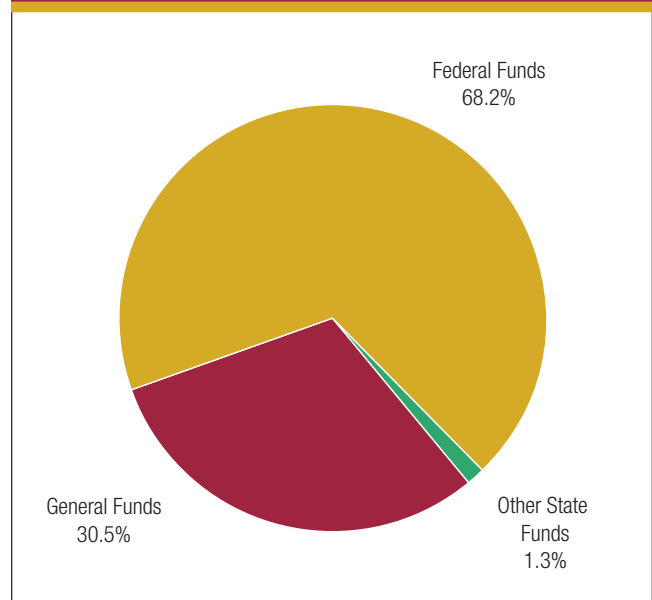
States have provided funding for programs to address child-care services, subsidized employment, training and education, transportation needs, transitional rental assistance, substance abuse, job readiness and job retention training, and domestic violence. As cash assistance has declined, these supportive 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 2011.

FIGURE 13
STATE EXPENDITURES FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES BY FUND SOURCE, FISCAL 2011



Regional Expenditures

The following table shows percentage changes in expenditures for TANF cash assistance for fiscal 2010-2011 and 2011-2012 by region.

TABLE 17
REGIONAL PERCENTAGE CHANGE IN STATE TANF EXPENDITURES,
FISCAL 2011 AND 2012

Region	Fiscal 2010 to 2011			Fiscal 2011 to 2012		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	6.3 %	-8.5 %	3.7 %	-6.0 %	-5.0 %	-5.9 %
Mid-Atlantic	3.8	-3.9	-2.6	-44.0	-4.4	-11.6
Great Lakes	13.9	-14.9	-6.2	0.3	2.3	1.6
Plains	4.4	4.7	4.6	3.1	-16.6	-11.7
Southeast	-10.1	1.5	-0.8	2.9	-25.4	-20.3
Southwest	-11.4	-19.9	-17.9	-2.8	-15.9	-12.4
Rocky Mountain	-31.9	-5.1	-12.7	0.0	-1.8	-1.4
Far West	11.4	-0.7	3.5	-53.8	-14.2	-29.2
ALL STATES	6.4 %	-3.1 %	-0.3 %	-30.7 %	-12.2 %	-18.1 %

Expenditures for Other Cash Assistance

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

Other cash assistance programs accounted for 0.6 percent of total state spending in fiscal 2011. States spent \$10.0 billion for other cash assistance, with 67.5 percent of that amount funded from state general funds in fiscal 2011. 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 2010				Actual Fiscal 2011				Estimated Fiscal 2012			
	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total
NEW ENGLAND												
Connecticut*	\$381	\$0	\$0	\$381	\$408	\$0	\$0	\$408	379	0	0	379
Maine	46	77	89	212	43	80	94	217	46	71	90	207
Massachusetts	1,221	28	0	1,249	1,237	44	0	1,281	1,212	18	0	1,230
New Hampshire	58	42	0	100	72	35	0	107	56	40	0	96
Rhode Island	31	84	0	115	32	79	0	111	31	78	0	109
Vermont	26	79	0	105	30	77	0	107	35	60	0	95
MID-ATLANTIC												
Delaware	22	23	1	46	18	8	0	26	24	0	1	25
Maryland*	93	928	18	1,039	47	1,147	17	1,211	83	1,205	12	1,300
New Jersey	274	165	0	439	365	131	0	496	286	162	0	448
New York	1,188	2,721	0	3,909	1,044	2,674	0	3,718	1,267	2,520	0	3,787
Pennsylvania	621	860	5	1,486	606	850	4	1,460	534	879	4	1,417
GREAT LAKES												
Illinois	143	57	0	200	248	219	0	467	124	94	0	218
Indiana	69	304	9	382	69	304	9	382	66	320	0	386
Michigan	180	291	72	543	214	76	71	361	248	143	75	466
Ohio	236	791	0	1,027	246	782	0	1,028	236	680	0	916
Wisconsin	55	58	12	125	64	74	9	147	65	73	15	153
PLAINS												
Iowa	47	65	14	126	47	65	12	124	67	42	15	124
Kansas	23	38	0	61	33	28	0	61	20	23	0	43
Minnesota	147	292	0	439	175	293	0	468	173	257	0	430
Missouri	33	112	29	174	25	134	31	190	33	110	32	175
Nebraska	32	29	0	61	19	40	0	59	17	35	0	52
North Dakota	4	0	3	7	1	1	5	7	0	0	2	2
South Dakota	9	20	0	29	9	22	0	31	9	19	0	28
SOUTHEAST												
Alabama	3	40	6	49	4	44	6	54	2	49	4	55
Arkansas	139	290	19	448	152	277	20	449	155	304	26	485
Florida	141	73	0	214	152	54	0	206	154	57	0	211
Georgia	166	390	0	556	93	410	0	503	93	357	0	450
Kentucky	73	134	0	207	73	154	3	230	72	154	0	226
Louisiana	0	174	0	174	0	178	0	178	0	167	0	167
Mississippi	26	925	12	963	34	981	4	1,019	34	425	2	461
North Carolina	61	180	1	242	61	183	1	245	65	178	1	244
South Carolina	28	83	1	112	30	35	44	109	32	65	0	97
Tennessee	5	127	4	136	0	126	4	130	21	102	4	127
Virginia	51	171	0	222	46	0	0	46	48	132	0	180
West Virginia	31	95	0	126	36	166	0	202	34	136	0	170
SOUTHWEST												
Arizona	14	75	0	89	3	62	0	65	0	54	0	54
New Mexico	12	180	2	194	7	132	3	142	7	115	3	125
Oklahoma	78	129	0	207	78	125	0	203	78	128	0	206
Texas	66	56	0	122	66	51	0	117	66	31	0	97
ROCKY MOUNTAIN												
Colorado	0	0	0	0	0	0	0	0	0	0	0	0
Idaho	9	7	0	16	9	7	0	16	9	7	0	16
Montana	12	25	0	37	12	21	0	33	12	20	0	32
Utah	14	86	28	128	6	84	18	108	7	83	18	108
Wyoming	0	0	0	0	0	0	0	0	0	0	0	0
FAR WEST												
Alaska	89	9	20	118	90	15	22	127	94	12	22	128
California*	5,466	4,548	20	10,034	5,646	4,501	0	10,147	3,724	3,942	0	7,666
Hawaii*	57	36	0	93	58	40	0	98	58	40	0	98
Nevada	24	32	0	56	24	32	0	56	26	21	0	47
Oregon	30	84	0	114	134	82	0	216	63	115	0	178
Washington	266	205	0	471	260	210	0	470	113	188	0	301
TOTAL	\$11,800	\$15,218	\$365	\$27,383	\$12,126	\$15,133	\$377	\$27,636	\$9,978	\$13,711	\$326	\$24,015

Note: This table reflects TANF and other cash assistance expenditures. *See notes at the end of the chapter.

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

Region/State	Fiscal 2010	Fiscal 2011	Fiscal 2012
NEW ENGLAND			
Connecticut	1.6 %	1.6 %	1.4 %
Maine	2.5	2.6	2.6
Massachusetts	2.4	2.4	2.4
New Hampshire	1.8	2.0	1.9
Rhode Island	1.5	1.4	1.3
Vermont	2.2	2.2	2.0
MID-ATLANTIC			
Delaware	0.5	0.3	0.3
Maryland	3.1	3.6	3.6
New Jersey	0.9	1.1	0.9
New York	3.0	2.8	2.8
Pennsylvania	2.2	2.1	2.1
GREAT LAKES			
Illinois	0.4	1.0	0.4
Indiana	1.4	1.4	1.5
Michigan	1.1	0.7	1.0
Ohio	1.8	1.7	1.6
Wisconsin	0.3	0.3	0.4
PLAINS			
Iowa	0.7	0.7	0.6
Kansas	0.4	0.4	0.3
Minnesota	1.5	1.5	1.3
Missouri	0.7	0.8	0.7
Nebraska	0.6	0.6	0.5
North Dakota	0.1	0.1	0.0
South Dakota	0.8	0.8	0.8
SOUTHEAST			
Alabama	0.2	0.3	0.3
Arkansas	2.2	2.2	2.3
Florida	0.3	0.3	0.3
Georgia	1.4	1.2	1.1
Kentucky	0.8	0.9	0.9
Louisiana	0.5	0.6	0.5
Mississippi	4.2	4.6	1.9
North Carolina	0.5	0.5	0.5
South Carolina	0.6	0.5	0.4
Tennessee	0.5	0.4	0.4
Virginia	0.5	0.1	0.4
West Virginia	0.6	1.0	0.8
SOUTHWEST			
Arizona	0.3	0.2	0.2
New Mexico	1.3	0.9	0.8
Oklahoma	1.0	1.0	1.0
Texas	0.1	0.1	0.1
ROCKY MOUNTAIN			
Colorado	0.0	0.0	0.0
Idaho	0.3	0.2	0.2
Montana	0.6	0.5	0.5
Utah	1.0	0.9	0.8
Wyoming	0.0	0.0	0.0
FAR WEST			
Alaska	1.2	0.9	1.1
California	4.9	4.7	3.6
Hawaii	0.8	0.9	0.9
Nevada	0.7	0.7	0.6
Oregon	0.4	0.6	0.6
Washington	1.4	1.4	0.9
ALL STATES	1.7 %	1.7 %	1.4 %

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

TABLE 20
ANNUAL PERCENTAGE CHANGE IN TOTAL PUBLIC ASSISTANCE EXPENDITURES

Region/State	Fiscal 2010 to 2011			Fiscal 2011 to 2012		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	7.1 %	— %	7.1 %	-7.1 %	— %	-7.1 %
Maine	1.5	3.9	2.4	-0.7	-11.3	-4.6
Massachusetts	1.3	57.1	2.6	-2.0	-59.1	-4.0
New Hampshire	24.1	-16.7	7.0	-22.2	14.3	-10.3
Rhode Island	3.2	-6.0	-3.5	-3.1	-1.3	-1.8
Vermont	15.4	-2.5	1.9	16.7	-22.1	-11.2
MID-ATLANTIC						
Delaware	-21.7	-65.2	-43.5	38.9	-100.0	-3.8
Maryland	-42.3	23.6	16.6	48.4	5.1	7.3
New Jersey	33.2	-20.6	13.0	-21.6	23.7	-9.7
New York	-12.1	-1.7	-4.9	21.4	-5.8	1.9
Pennsylvania	-2.6	-1.2	-1.7	-11.8	3.4	-2.9
GREAT LAKES						
Illinois	73.4	284.2	133.5	-50.0	-57.1	-53.3
Indiana	0.0	0.0	0.0	-15.4	5.3	1.0
Michigan	13.1	-73.9	-33.5	13.3	88.2	29.1
Ohio	4.2	-1.1	0.1	-4.1	-13.0	-10.9
Wisconsin	9.0	27.6	17.6	9.6	-1.4	4.1
PLAINS						
Iowa	-3.3	0.0	-1.6	39.0	-35.4	0.0
Kansas	43.5	-26.3	0.0	-39.4	-17.9	-29.5
Minnesota	19.0	0.3	6.6	-1.1	-12.3	-8.1
Missouri	-9.7	19.6	9.2	16.1	-17.9	-7.9
Nebraska	-40.6	37.9	-3.3	-10.5	-12.5	-11.9
North Dakota	-14.3	---	0.0	-66.7	-100.0	-71.4
South Dakota	0.0	10.0	6.9	0.0	-13.6	-9.7
SOUTHEAST						
Alabama	11.1	10.0	10.2	-40.0	11.4	1.9
Arkansas	8.9	-4.5	0.2	5.2	9.7	8.0
Florida	7.8	-26.0	-3.7	1.3	5.6	2.4
Georgia	-44.0	5.1	-9.5	0.0	-12.9	-10.5
Kentucky	4.1	14.9	11.1	-5.3	0.0	-1.7
Louisiana	—	2.3	2.3	—	-6.2	-6.2
Mississippi	0.0	6.1	5.8	-5.3	-56.7	-54.8
North Carolina	0.0	1.7	1.2	6.5	-2.7	-0.4
South Carolina	155.2	-57.8	-2.7	-56.8	85.7	-11.0
Tennessee	-55.6	-0.8	-4.4	525.0	-19.0	-2.3
Virginia	-9.8	-100.0	-79.3	4.3	—	291.3
West Virginia	16.1	74.7	60.3	-5.6	-18.1	-15.8
SOUTHWEST						
Arizona	-78.6	-17.3	-27.0	-100.0	-12.9	-16.9
New Mexico	-28.6	-26.7	-26.8	0.0	-12.9	-12.0
Oklahoma	0.0	-3.1	-1.9	0.0	2.4	1.5
Texas	0.0	-8.9	-4.1	0.0	-39.2	-17.1
ROCKY MOUNTAIN						
Colorado	—	—	—	—	—	—
Idaho	0.0	0.0	0.0	0.0	0.0	0.0
Montana	0.0	-16.0	-10.8	0.0	-4.8	-3.0
Utah	-42.9	-2.3	-15.6	4.2	-1.2	0.0
Wyoming	—	—	—	—	—	—
FAR WEST						
Alaska	2.8	66.7	7.6	3.6	-20.0	0.8
California	2.9	-1.0	1.1	-34.0	-12.4	-24.5
Hawaii	1.8	11.1	5.4	0.0	0.0	0.0
Nevada	0.0	0.0	0.0	8.3	-34.4	-16.1
Oregon	346.7	-2.4	89.5	-53.0	40.2	-17.6
Washington	-2.3	2.4	-0.2	-56.5	—	-36.0
ALL STATES	2.8 %	-0.6 %	0.9 %	-17.6 %	-9.4 %	-13.1 %

Notes: State funds are defined as general funds and other state funds (bonds are excluded). This table reflects TANF and other cash assistance expenditures.

TABLE 21

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

Region/State	Actual Fiscal 2010				Actual Fiscal 2011				Estimated Fiscal 2012			
	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total
NEW ENGLAND												
Connecticut	\$269	\$0	\$0	\$269	\$296	\$0	\$0	\$296	\$267	\$0	\$0	\$267
Maine	26	58	89	173	25	63	91	179	22	51	89	162
Massachusetts	395	0	0	395	399	0	0	399	393	0	0	393
New Hampshire	33	42	0	75	48	35	0	83	35	40	0	75
Rhode Island	0	44	0	44	0	39	0	39	0	40	0	40
Vermont	14	32	0	46	19	24	0	43	19	22	0	41
MID-ATLANTIC												
Delaware	16	22	0	38	14	8	0	22	20	0	1	21
Maryland*	51	90	11	152	0	152	10	162	33	120	7	160
New Jersey	8	105	0	113	91	36	0	127	42	70	0	112
New York	271	2,721	0	2,992	284	2,674	0	2,958	64	2,520	0	2,584
Pennsylvania	324	393	5	722	309	332	4	645	228	350	4	582
GREAT LAKES												
Illinois	86	16	0	102	96	49	0	145	93	87	0	180
Indiana	32	163	7	202	32	163	7	202	29	168	0	197
Michigan	79	278	60	417	114	62	58	234	146	127	65	338
Ohio	236	791	0	1,027	246	782	0	1,028	236	680	0	916
Wisconsin	42	18	3	63	60	21	8	89	48	40	6	94
PLAINS												
Iowa	31	65	13	109	31	65	12	108	50	42	11	103
Kansas	19	38	0	57	30	28	0	58	20	23	0	43
Minnesota	71	292	0	363	91	293	0	384	86	257	0	343
Missouri	8	112	0	120	0	134	0	134	8	110	0	118
Nebraska	25	27	0	52	12	37	0	49	11	33	0	44
North Dakota*	4	0	3	7	1	1	5	7	0	0	2	2
South Dakota	9	20	0	29	9	22	0	31	9	19	0	28
SOUTHEAST												
Alabama	3	40	6	49	4	44	6	54	2	49	4	55
Arkansas	10	73	6	89	15	77	1	93	14	66	2	82
Florida	125	63	0	188	135	43	0	178	135	42	0	177
Georgia	166	390	0	556	93	410	0	503	93	357	0	450
Kentucky	73	134	0	207	73	154	3	230	72	154	0	226
Louisiana	0	174	0	174	0	178	0	178	0	167	0	167
Mississippi	26	925	12	963	34	981	4	1,019	34	425	2	461
North Carolina	61	180	1	242	61	183	1	245	65	178	1	244
South Carolina	0	47	0	47	6	0	0	6	4	31	0	35
Tennessee	5	127	4	136	0	126	4	130	21	102	4	127
Virginia	48	78	0	126	44	0	0	44	48	56	0	104
West Virginia	26	95	0	121	30	166	0	196	28	136	0	164
SOUTHWEST												
Arizona	14	75	0	89	3	62	0	65	0	54	0	54
New Mexico	4	180	0	184	1	132	0	133	1	115	0	116
Oklahoma	39	75	0	114	39	64	0	103	39	60	0	99
Texas	66	56	0	122	66	51	0	117	66	31	0	97
ROCKY MOUNTAIN												
Colorado	0	0	0	0	0	0	0	0	0	0	0	0
Idaho	0	7	0	7	0	7	0	7	0	7	0	7
Montana	12	25	0	37	12	21	0	33	12	20	0	32
Utah	7	86	28	121	2	84	18	104	2	83	18	103
Wyoming	0	0	0	0	0	0	0	0	0	0	0	0
FAR WEST												
Alaska	16	8	2	26	13	14	2	29	15	10	2	27
California	2,031	3,893	20	5,944	2,239	3,850	0	6,089	992	3,251	0	4,243
Hawaii	28	36	0	64	29	40	0	69	29	40	0	69
Nevada	24	32	0	56	24	32	0	56	26	21	0	47
Oregon	30	77	0	107	134	74	0	208	63	108	0	171
Washington	146	203	0	349	118	208	0	326	56	188	0	244
TOTAL	\$5,009	\$12,406	\$270	\$17,685	\$5,382	\$12,021	\$234	\$17,637	\$3,676	\$10,550	\$218	\$14,444

*See notes at the end of the chapter.

TABLE 22
TANF EXPENDITURES FOR CASH ASSISTANCE AS A PERCENT OF
TOTAL EXPENDITURES

Region/State	Fiscal 2010		Fiscal 2011		Fiscal 2012
NEW ENGLAND					
Connecticut	1.1	%	1.1	%	1.0
Maine	2.1		2.2		2.0
Massachusetts	0.8		0.7		0.8
New Hampshire	1.4		1.6		1.5
Rhode Island	0.6		0.5		0.5
Vermont	1.0		0.9		0.8
MID-ATLANTIC					
Delaware	0.4		0.3		0.2
Maryland	0.5		0.5		0.4
New Jersey	0.2		0.3		0.2
New York	2.3		2.2		1.9
Pennsylvania	1.1		0.9		0.9
GREAT LAKES					
Illinois	0.2		0.3		0.4
Indiana	0.8		0.8		0.7
Michigan	0.9		0.5		0.7
Ohio	1.8		1.7		1.6
Wisconsin	0.2		0.2		0.2
PLAINS					
Iowa	0.6		0.6		0.5
Kansas	0.4		0.4		0.3
Minnesota	1.2		1.2		1.0
Missouri	0.5		0.6		0.5
Nebraska	0.5		0.5		0.4
North Dakota	0.1		0.1		0.0
South Dakota	0.8		0.8		0.8
SOUTHEAST					
Alabama	0.2		0.3		0.3
Arkansas	0.4		0.5		0.4
Florida	0.3		0.3		0.3
Georgia	1.4		1.2		1.1
Kentucky	0.8		0.9		0.9
Louisiana	0.5		0.6		0.5
Mississippi	4.2		4.6		1.9
North Carolina	0.5		0.5		0.5
South Carolina	0.2		0.0		0.2
Tennessee	0.5		0.4		0.4
Virginia	0.3		0.1		0.2
West Virginia	0.6		0.9		0.7
SOUTHWEST					
Arizona	0.3		0.2		0.2
New Mexico	1.2		0.9		0.8
Oklahoma	0.5		0.5		0.5
Texas	0.1		0.1		0.1
ROCKY MOUNTAIN					
Colorado	0.0		0.0		0.0
Idaho	0.1		0.1		0.1
Montana	0.6		0.5		0.5
Utah	1.0		0.8		0.8
Wyoming	0.0		0.0		0.0
FAR WEST					
Alaska	0.3		0.2		0.2
California	2.9		2.8		2.0
Hawaii	0.6		0.6		0.6
Nevada	0.7		0.7		0.6
Oregon	0.3		0.6		0.6
Washington	1.0		1.0		0.8
ALL STATES	1.1	%	1.1	%	0.9

TABLE 23

ANNUAL PERCENTAGE CHANGE IN TANF CASH ASSISTANCE EXPENDITURES

Region/State	Fiscal 2010 to 2011			Fiscal 2011 to 2012		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	10.0 %	— %	10.0 %	-9.8 %	— %	-9.8 %
Maine	0.9	8.6	3.5	-4.3	-19.0	-9.5
Massachusetts	1.0	—	1.0	-1.5	—	-1.5
New Hampshire	45.5	-16.7	10.7	-27.1	14.3	-9.6
Rhode Island	—	-11.4	-11.4	—	2.6	2.6
Vermont	35.7	-25.0	-6.5	0.0	-8.3	-4.7
MID-ATLANTIC						
Delaware	-12.5	-63.6	-42.1	50.0	-100.0	-4.5
Maryland	-83.9	68.9	6.6	300.0	-21.1	-1.2
New Jersey	1,037.5	-65.7	12.4	-53.8	94.4	-11.8
New York	4.8	-1.7	-1.1	-77.5	-5.8	-12.6
Pennsylvania	-4.9	-15.5	-10.7	-25.9	5.4	-9.8
GREAT LAKES						
Illinois	11.6	206.3	42.2	-3.1	77.6	24.1
Indiana	0.0	0.0	0.0	-25.6	3.1	-2.5
Michigan	23.7	-77.7	-43.9	22.7	104.8	44.4
Ohio	4.2	-1.1	0.1	-4.1	-13.0	-10.9
Wisconsin	51.1	16.7	41.3	-20.6	90.5	5.6
PLAINS						
Iowa	-2.3	0.0	-0.9	41.9	-35.4	-4.6
Kansas	57.9	-26.3	1.8	-33.3	-17.9	-25.9
Minnesota	28.2	0.3	5.8	-5.5	-12.3	-10.7
Missouri	-100.0	19.6	11.7	—	-17.9	-11.9
Nebraska	-52.0	37.0	-5.8	-8.3	-10.8	-10.2
North Dakota	-14.3	—	0.0	-66.7	-100.0	-71.4
South Dakota	0.0	10.0	6.9	0.0	-13.6	-9.7
SOUTHEAST						
Alabama	11.1	10.0	10.2	-40.0	11.4	1.9
Arkansas	0.0	5.5	4.5	0.0	-14.3	-11.8
Florida	8.0	-31.7	-5.3	0.0	-2.3	-0.6
Georgia	-44.0	5.1	-9.5	0.0	-12.9	-10.5
Kentucky	4.1	14.9	11.1	-5.3	0.0	-1.7
Louisiana	—	2.3	2.3	—	-6.2	-6.2
Mississippi	0.0	6.1	5.8	-5.3	-56.7	-54.8
North Carolina	0.0	1.7	1.2	6.5	-2.7	-0.4
South Carolina	—	-100.0	-87.2	-33.3	—	483.3
Tennessee	-55.6	-0.8	-4.4	525.0	-19.0	-2.3
Virginia	-8.3	-100.0	-65.1	9.1	—	136.4
West Virginia	15.4	74.7	62.0	-6.7	-18.1	-16.3
SOUTHWEST						
Arizona	-78.6	-17.3	-27.0	-100.0	-12.9	-16.9
New Mexico	-75.0	-26.7	-27.7	0.0	-12.9	-12.8
Oklahoma	0.0	-14.7	-9.6	0.0	-6.3	-3.9
Texas	0.0	-8.9	-4.1	0.0	-39.2	-17.1
ROCKY MOUNTAIN						
Colorado	—	—	—	—	—	—
Idaho	—	0.0	0.0	—	0.0	0.0
Montana	0.0	-16.0	-10.8	0.0	-4.8	-3.0
Utah	-42.9	-2.3	-14.0	0.0	-1.2	-1.0
Wyoming	—	—	—	—	—	—
FAR WEST						
Alaska	-16.7	75.0	11.5	13.3	-28.6	-6.9
California	9.2	-1.1	2.4	-55.7	-15.6	-30.3
Hawaii	3.6	11.1	7.8	0.0	0.0	0.0
Nevada	0.0	0.0	0.0	8.3	-34.4	-16.1
Oregon	346.7	-3.9	94.4	-53.0	45.9	-17.8
Washington	-19.2	2.5	-6.6	-52.5	-9.6	-25.2
ALL STATES	6.4 %	-3.1 %	-0.3 %	-30.7 %	-12.2 %	-18.1 %

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

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

Region/State	Actual Fiscal 2010				Actual Fiscal 2011				Estimated Fiscal 2012			
	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total
NEW ENGLAND												
Connecticut	\$112	\$0	\$0	\$112	\$112	\$0	\$0	\$112	\$112	\$0	\$0	\$112
Maine	20	19	0	39	18	17	3	38	24	20	1	45
Massachusetts	826	28	0	854	838	44	0	882	818	18	0	836
New Hampshire	25	0	0	25	24	0	0	24	21	0	0	21
Rhode Island	31	40	0	71	32	40	0	72	31	38	0	69
Vermont	12	47	0	59	11	53	0	64	16	38	0	54
MID-ATLANTIC												
Delaware	6	1	1	8	4	0	0	4	4	0	0	4
Maryland	42	838	7	887	47	995	7	1,049	50	1,085	5	1,140
New Jersey	266	60	0	326	274	95	0	369	244	92	0	336
New York	917	0	0	917	760	0	0	760	1,203	0	0	1,203
Pennsylvania	297	467	0	764	297	518	0	815	306	529	0	835
GREAT LAKES												
Illinois	57	41	0	98	151	170	0	321	31	6	0	37
Indiana	37	141	2	180	37	141	2	180	37	152	0	189
Michigan*	101	14	12	127	100	14	12	126	102	17	11	130
Ohio	0	0	0	0	0	0	0	0	0	0	0	0
Wisconsin	13	41	9	63	4	52	2	58	17	33	9	59
PLAINS												
Iowa	16	0	1	17	16	0	0	16	17	0	4	21
Kansas	4	0	0	4	3	0	0	3	0	0	0	0
Minnesota	76	0	0	76	84	0	0	84	87	0	0	87
Missouri	25	0	29	54	25	0	31	56	25	0	32	57
Nebraska	7	2	0	9	7	3	0	10	7	2	0	9
North Dakota	0	0	0	0	0	0	0	0	0	0	0	0
South Dakota	0	0	0	0	0	0	0	0	0	0	0	0
SOUTHEAST												
Alabama	0	0	0	0	0	0	0	0	0	0	0	0
Arkansas	129	217	13	359	137	200	19	356	141	238	24	403
Florida	16	10	0	26	17	11	0	28	19	15	0	34
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	28	36	1	65	24	35	44	103	28	34	0	62
Tennessee	0	0	0	0	0	0	0	0	0	0	0	0
Virginia	3	93	0	96	2	0	0	2	1	76	0	77
West Virginia*	5	0	0	5	6	0	0	6	6	0	0	6
SOUTHWEST												
Arizona	0	0	0	0	0	0	0	0	0	0	0	0
New Mexico	8	0	2	10	6	0	3	9	6	0	3	9
Oklahoma	39	54	0	93	39	61	0	100	39	68	0	107
Texas	0	0	0	0	0	0	0	0	0	0	0	0
ROCKY MOUNTAIN												
Colorado	0	0	0	0	0	0	0	0	0	0	0	0
Idaho	9	0	0	9	9	0	0	9	9	0	0	9
Montana	0	0	0	0	0	0	0	0	0	0	0	0
Utah	7	0	0	7	4	0	0	4	5	0	0	5
Wyoming	0	0	0	0	0	0	0	0	0	0	0	0
FAR WEST												
Alaska	73	1	18	92	77	1	20	98	79	2	20	101
California	3,435	655	0	4,090	3,407	651	0	4,058	2,732	691	0	3,423
Hawaii	29	0	0	29	29	0	0	29	29	0	0	29
Nevada	0	0	0	0	0	0	0	0	0	0	0	0
Oregon	0	7	0	7	0	8	0	8	0	7	0	7
Washington	120	2	0	122	142	2	0	144	57	0	0	57
TOTAL	\$6,791	\$2,814	\$95	\$9,700	\$6,743	\$3,111	\$143	\$9,997	\$6,303	\$3,161	\$109	\$9,573

*See notes at the end of the chapter.

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

Region/State	Fiscal 2010		Fiscal 2011		Fiscal 2012
NEW ENGLAND					
Connecticut	0.5	%	0.4	%	0.4
Maine	0.5		0.5		0.6
Massachusetts	1.7		1.7		1.6
New Hampshire	0.5		0.4		0.4
Rhode Island	0.9		0.9		0.8
Vermont	1.3		1.3		1.1
MID-ATLANTIC					
Delaware	0.1		0.0		0.0
Maryland	2.7		3.1		3.2
New Jersey	0.7		0.8		0.7
New York	0.7		0.6		0.9
Pennsylvania	1.1		1.2		1.2
GREAT LAKES					
Illinois	0.2		0.7		0.1
Indiana	0.7		0.7		0.7
Michigan	0.3		0.3		0.3
Ohio	0.0		0.0		0.0
Wisconsin	0.2		0.1		0.1
PLAINS					
Iowa	0.1		0.1		0.1
Kansas	0.0		0.0		0.0
Minnesota	0.3		0.3		0.3
Missouri	0.2		0.2		0.2
Nebraska	0.1		0.1		0.1
North Dakota	0.0		0.0		0.0
South Dakota	0.0		0.0		0.0
SOUTHEAST					
Alabama	0.0		0.0		0.0
Arkansas	1.8		1.7		1.9
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	0.3		0.5		0.3
Tennessee	0.0		0.0		0.0
Virginia	0.2		0.0		0.2
West Virginia	0.0		0.0		0.0
SOUTHWEST					
Arizona	0.0		0.0		0.0
New Mexico	0.1		0.1		0.1
Oklahoma	0.4		0.5		0.5
Texas	0.0		0.0		0.0
ROCKY MOUNTAIN					
Colorado	0.0		0.0		0.0
Idaho	0.1		0.1		0.1
Montana	0.0		0.0		0.0
Utah	0.1		0.0		0.0
Wyoming	0.0		0.0		0.0
FAR WEST					
Alaska	0.9		0.7		0.8
California	2.0		1.9		1.6
Hawaii	0.3		0.3		0.3
Nevada	0.0		0.0		0.0
Oregon	0.0		0.0		0.0
Washington	0.4		0.4		0.2
ALL STATES	0.6	%	0.6	%	0.6

TABLE 26
ANNUAL PERCENTAGE CHANGE IN OTHER CASH ASSISTANCE EXPENDITURES

Region/State	Fiscal 2010 to 2011			Fiscal 2011 to 2012		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	0.0 %	— %	0.0 %	0.0 %	— %	0.0 %
Maine	5.0	-10.5	-2.6	19.0	17.6	18.4
Massachusetts	1.5	57.1	3.3	-2.4	-59.1	-5.2
New Hampshire	-4.0	—	-4.0	-12.5	—	-12.5
Rhode Island	3.2	0.0	1.4	-3.1	-5.0	-4.2
Vermont	-8.3	12.8	8.5	45.5	-28.3	-15.6
MID-ATLANTIC						
Delaware	-42.9	-100.0	-50.0	0.0	—	0.0
Maryland	10.2	18.7	18.3	1.9	9.0	8.7
New Jersey	3.0	58.3	13.2	-10.9	-3.2	-8.9
New York	-17.1	—	-17.1	58.3	—	58.3
Pennsylvania	0.0	10.9	6.7	3.0	2.1	2.5
GREAT LAKES						
Illinois	164.9	314.6	227.6	-79.5	-96.5	-88.5
Indiana	0.0	0.0	0.0	-5.1	7.8	5.0
Michigan	-0.9	0.0	-0.8	0.9	21.4	3.2
Ohio	—	—	—	—	—	—
Wisconsin	-72.7	26.8	-7.9	333.3	-36.5	1.7
PLAINS						
Iowa	-5.9	—	-5.9	31.3	—	31.3
Kansas	-25.0	—	-25.0	-100.0	—	-100.0
Minnesota	10.5	—	10.5	3.6	—	3.6
Missouri	3.7	—	3.7	1.8	—	1.8
Nebraska	0.0	50.0	11.1	0.0	-33.3	-10.0
North Dakota	—	—	—	—	—	—
South Dakota	—	—	—	—	—	—
SOUTHEAST						
Alabama	—	—	—	—	—	—
Arkansas	9.9	-7.8	-0.8	5.8	19.0	13.2
Florida	6.3	10.0	7.7	11.8	36.4	21.4
Georgia	—	—	—	—	—	—
Kentucky	—	—	—	—	—	—
Louisiana	—	—	—	—	—	—
Mississippi	—	—	—	—	—	—
North Carolina	—	—	—	—	—	—
South Carolina	134.5	-2.8	58.5	-58.8	-2.9	-39.8
Tennessee	—	—	—	—	—	—
Virginia	-33.3	-100.0	-97.9	-50.0	—	3,750.0
West Virginia	20.0	—	20.0	0.0	—	0.0
SOUTHWEST						
Arizona	—	—	—	—	—	—
New Mexico	-10.0	—	-10.0	0.0	—	0.0
Oklahoma	0.0	13.0	7.5	0.0	11.5	7.0
Texas	—	—	—	—	—	—
ROCKY MOUNTAIN						
Colorado	—	—	—	—	—	—
Idaho	0.0	—	0.0	0.0	—	0.0
Montana	—	—	—	—	—	—
Utah	-42.9	—	-42.9	25.0	—	25.0
Wyoming	—	—	—	—	—	—
FAR WEST						
Alaska	6.6	0.0	6.5	2.1	100.0	3.1
California	-0.8	-0.6	-0.8	-19.8	6.1	-15.6
Hawaii	0.0	—	0.0	0.0	—	0.0
Nevada	—	—	—	—	—	—
Oregon	—	14.3	14.3	—	-12.5	-12.5
Washington	18.3	0.0	18.0	-59.9	-100.0	-60.4
ALL STATES	0.0 %	10.6 %	3.1 %	-6.9 %	1.6 %	-4.2 %

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

Public Assistance Notes

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

California: Effective July 2011, financial responsibility for certain public assistance programs previously funded with state General Fund was fully shifted to counties as part of a major public safety realignment. Realigned public assistance programs included Foster Care and Adoption Assistance. General Fund expenditures in the TANF program are also impacted by realignment, although the program was technically not realigned.

Connecticut: Public Assistance figures exclude medical assistance under the State Administered General Assistance (SAGA) Program; amount for that purpose were \$182 million in fiscal 2010. SAGA clients are now served under the Medicaid expansion for Low Income Adults with expenditures under Medicaid of \$447 million in fiscal 2011 and \$495 million in fiscal 2012.

Hawaii: 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.

Maryland: The TANF supported Public Assistance Program figures are primarily a reflection of the ramping up and then

leveling off of the Temporary Cash Assistance caseload. Emergency Assistance for Families with Children decreased in FY 12, as did Welfare Avoidance grants.

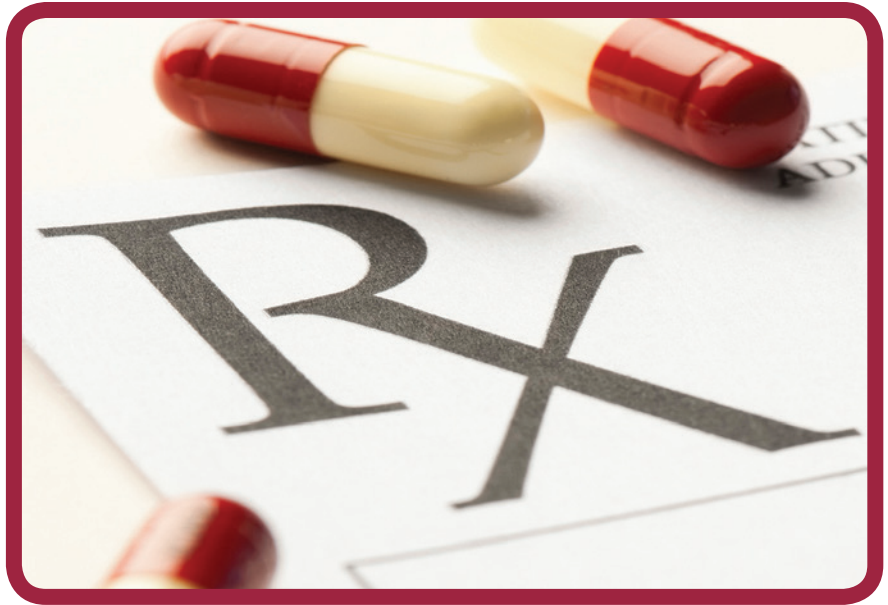
Michigan: "Other Cash Assistance" figures do not include expenditures for child development and care programs, a large part of Michigan's public assistance program. Child development and care expenditures total \$225.8 million in fiscal 2010; \$191.4 million in fiscal 2011; and estimated at \$189.8 million in fiscal 2012. Actual ARRA expenditures will be recorded with the fiscal 2012 annual financial report.

North Dakota: TANF—Cash Assistance includes only the direct cash benefit payments made to TANF recipients. It does not include other grant payments funded with the federal TANF grant.

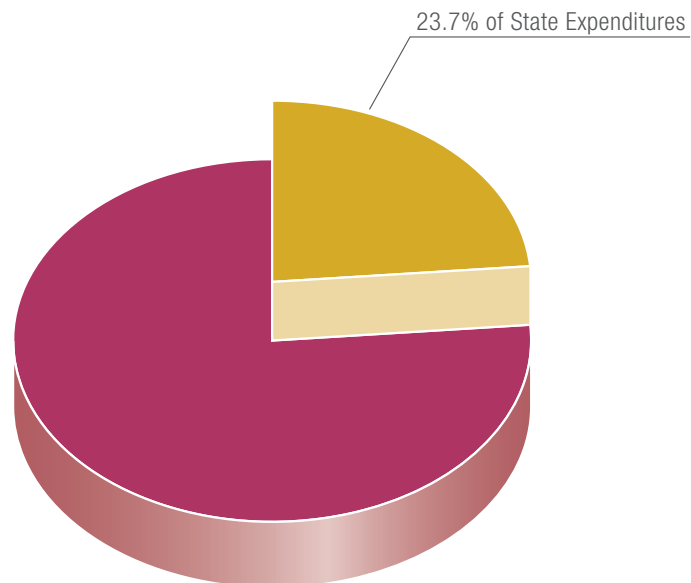
West Virginia: The Other Cash Assistance figures include Non-TANF EA expenditures which total approximately \$645,000 to \$755,000 per year and the WV Works Separate State program costs for two-parent families and college. The expenditures for the Two-Parent Families program were \$3,387,028 in 2010, \$4,560,208 in 2011 and an estimated \$4,191,071 in 2012. For the College assistance program, the expenditures were approximately \$871,429 in 2010, \$1,110,230 in 2011 and an estimated \$1,108,776 in 2012. These programs are not claimed on the TANF report and are 100% state funded. The total Other Cash Assistance expenditures are approximately \$5,013,457 for 2010, \$6,425,438 for 2011, and an estimated \$5,299,847 for 2012.

4

CHAPTER



MEDICAID EXPENDITURES



Medicaid Expenditures

Medicaid, a means-tested entitlement program financed by the states and the federal government, provides comprehensive and long-term medical care for more than 60 million low-income individuals. Total Medicaid spending in fiscal 2011 was \$393.9 billion, excluding administrative costs, which represents a 9.6 percent increase over fiscal 2010. State funds increased by 20.3 percent and federal funds increased by 4.1 percent over fiscal 2010 amounts.

Medicaid spending for fiscal 2012 is estimated at \$398.4 billion, an increase of 1.2 percent over fiscal 2011. State funds increased by an estimated 16.2 percent while federal funds decreased by 7.8 percent over fiscal 2011 amounts. Fiscal 2012 growth rates in the Medicaid program are significantly below historical trends and reflect many factors including extensive state cost containment actions.

The significant increase in state spending in fiscal 2011 and fiscal 2012 and the significant decrease in federal funding for fiscal 2012 reflect the end of the enhanced Medicaid match rate from the *American Recovery and Reinvestment Act of 2009 (ARRA)*. Under ARRA, all states received a temporary increase in their FMAP as well as additional amounts for those states facing the highest unemployment rates. ARRA was estimated to provide approximately \$100 billion to states through the temporary increase in FMAP payments beginning in October 2008 and ending in June 2011. The January 2011 through June 2011 amount was a six-month scaled back extension from what was originally enacted under ARRA.

States estimate that \$37.8 billion in fiscal 2010 and \$36.2 billion in fiscal 2011 are attributable to the temporary increase in the FMAP under ARRA. In fiscal 2012, states estimate that \$2.5 billion was spent from ARRA funds as the temporary FMAP increase expired. In order to receive the federal funds, states were required to adhere to maintenance of effort requirements (MOE) that included not having more restrictive standards, methodologies and procedures in place than were in place on 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 included in 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 \$5.3 billion in fiscal 2010, \$6.2 billion in fiscal 2011, and are estimated at \$8.1 billion for fiscal 2012.

Medicaid spending accounted for 23.7 percent of total state spending in fiscal 2011, the single largest portion of *total* state expenditures, and 16.7 percent of general fund expenditures. In fiscal 2012, it is estimated to be 23.9 percent of total state spending and 19.6 percent of general fund expenditures.

Medicaid Enrollment. The downturn in the economy resulted in significant increases in Medicaid enrollment as it has in previous economic slowdowns though enrollment growth has subsided from its peak of 7.8 percent during the height of the recession. Enrollment growth averaged 4.4 percent in fiscal 2011 with states projecting Medicaid enrollment to grow by an additional 3.2 percent in fiscal 2012, according to the Kaiser Commission on Medicaid and the Uninsured.

Medicaid Cost Containment. In fiscal 2012, 48 states implemented at least one new policy to control Medicaid costs, and 47 planned to do so in fiscal 2013 according to the Kaiser Commission on Medicaid and the Uninsured’s 2012 annual survey on Medicaid and state budgets. The report notes that cost pressure and cost containment were still dominant themes, though states were also able to implement program changes, payment and delivery system reforms and re-orient long-term care programs to community-based care models.

National Health Care Reform. The *Affordable Care Act*, enacted in March 2010, has a significant impact on states and especially on state Medicaid programs. In the Supreme Court’s ruling to uphold the constitutionality of the *Affordable Care Act*, the Court ruled that the Medicaid expansion is constitutional though the federal government could not withhold existing Medicaid funding for states that opted not to participate in the expansion. Beginning January 1, 2014, state Medicaid programs will have the option to expand to cover non-pregnant, non-elderly individuals with incomes up to 133 percent of the federal poverty level. The cost for those newly eligible for coverage will be fully federally funded in calendar years 2014, 2015, and 2016 with federal financing phasing down to 90 percent by 2020. States are required to apply a 5 percent income disregard when determining Medicaid eligibility, effectively bringing the new Medicaid minimum eligibility level to 138 percent of the federal poverty level.

The *Affordable Care Act* imposes a maintenance of effort (MOE) requirement on eligibility standards, methodologies, and procedures for adults until an exchange is fully operational in

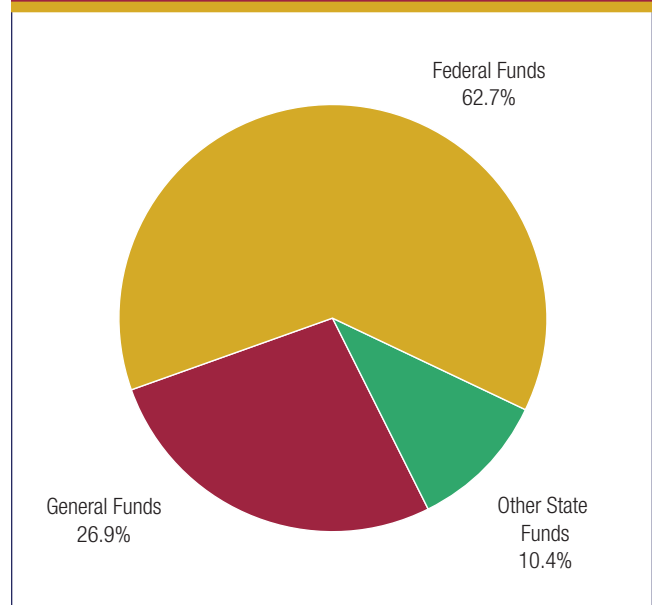
2014 and for children in Medicaid and CHIP through 2019. There is a limited exception during the period January 1, 2011 through December 31, 2013 for a state that certifies it has a budget deficit on or after December 31, 2010.

Challenges and Opportunities in Implementing the Affordable Care Act. There are many challenges and opportunities ahead as states move forward with the implementation of the *Affordable Care Act*. Some of the most significant challenges cited by states include upgrading current Medicaid eligibility systems and integrating with health insurance exchanges, and accommodating the significant number of new enrollees under Medicaid. Other challenges cited include changing to the modified adjusted gross income eligibility criteria, funding existing programs, the lack of clarity about the federal exchange option, estimating the number of new Medicaid enrollees, and the sheer number of initiatives that need to be implemented in a tight timeframe with reduced workforce capacity. Opportunities cited include the increased federal match for Medicaid eligibility systems, reducing the number of uninsured individuals, reducing premiums for individuals and small businesses, lowering uncompensated care costs, modernizing business processes, and new options for payment and delivery of health care.

Fund Shares

The figure below provides fund shares for 2011.

FIGURE 14
STATE EXPENDITURES FOR MEDICAID BY FUND SOURCE, FISCAL 2011



Regional Expenditures

The following table shows percentage changes in expenditures for Medicaid for fiscal 2010-2011 and 2011-2012 by region. For 2011, the Far West region is above the national average while the Southeast region is 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 2011 AND 2012

Region	Fiscal 2010 to 2011			Fiscal 2011 to 2012		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	12.8 %	2.5 %	7.7 %	15.7 %	-15.6 %	1.1 %
Mid-Atlantic	6.3	6.2	6.2	27.0	-10.6	2.2
Great Lakes	18.1	3.4	9.7	12.1	-14.4	-2.1
Plains	9.5	0.2	3.7	25.3	-4.5	7.4
Southeast	13.4	-0.3	3.4	32.6	-2.9	7.6
Southwest	21.9	6.8	11.0	25.2	-12.1	-0.7
Rocky Mountain	23.3	7.7	13.4	23.1	-7.0	4.9
Far West	61.5	8.4	25.3	-13.6	-3.0	-7.3
ALL STATES	20.3 %	4.1 %	9.6 %	16.2 %	-7.8 %	1.2 %

TABLE 28
MEDICAID EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2010				Actual Fiscal 2011				Estimated Fiscal 2012			
	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total	General Fund	Federal Funds	Other State Funds	Total
NEW ENGLAND												
Connecticut*	\$5,000	\$0	\$0	\$5,000	\$5,595	\$0	\$0	\$5,595	\$5,752	\$0	\$0	\$5,752
Maine	387	1,801	175	2,363	440	1,696	205	2,341	661	1,443	230	2,334
Massachusetts	3,567	5,721	0	9,288	4,125	6,113	0	10,238	5,216	5,217	105	10,538
New Hampshire	385	797	180	1,362	437	791	145	1,373	470	584	133	1,187
Rhode Island	715	1,234	7	1,956	799	1,221	9	2,029	930	987	11	1,928
Vermont*	147	834	229	1,210	164	825	252	1,241	248	751	327	1,326
MID-ATLANTIC												
Delaware	481	777	0	1,258	518	846	0	1,364	637	784	0	1,421
Maryland	1,997	4,185	557	6,739	2,475	4,468	579	7,522	2,921	3,838	828	7,587
New Jersey*	3,436	6,315	818	10,569	3,854	6,377	739	10,970	4,772	5,664	780	11,216
New York*	6,296	26,057	4,672	37,025	6,963	27,224	4,437	38,624	9,783	24,478	4,996	39,257
Pennsylvania	5,697	12,678	1,776	20,151	5,690	14,182	2,103	21,975	7,658	12,704	2,381	22,743
GREAT LAKES												
Illinois	3,327	8,397	2,571	14,295	4,311	9,006	2,832	16,149	4,672	6,242	2,807	13,721
Indiana	1,186	4,554	432	6,172	1,292	4,879	432	6,603	1,717	4,716	745	7,178
Michigan*	1,485	8,435	1,650	11,570	1,687	8,610	1,779	12,076	1,861	8,338	2,138	12,337
Ohio	8,611	3,024	658	12,293	10,777	2,590	598	13,965	11,698	2,434	869	15,001
Wisconsin	1,241	4,742	817	6,800	1,432	5,044	819	7,295	1,794	4,070	797	6,661
PLAINS												
Iowa	602	2,165	522	3,289	403	2,229	867	3,499	904	2,105	754	3,763
Kansas	713	1,860	70	2,643	833	1,776	61	2,670	1,114	1,682	81	2,877
Minnesota	2,745	4,748	67	7,560	3,057	4,817	68	7,942	4,229	4,448	63	8,740
Missouri*	1,422	4,019	1,921	7,362	1,531	4,018	2,091	7,640	1,719	4,245	2,224	8,188
Nebraska	532	1,095	22	1,649	507	1,085	21	1,613	683	935	31	1,649
North Dakota	188	467	7	662	218	493	5	716	303	416	5	724
South Dakota	225	604	0	829	233	567	0	800	287	487	0	774
SOUTHEAST												
Alabama*	315	3,957	1,122	5,394	400	3,857	987	5,244	532	4,123	1,359	6,014
Arkansas	602	3,209	179	3,990	635	3,424	258	4,317	629	3,161	665	4,455
Florida*	2,564	12,189	3,166	17,919	3,902	12,359	2,840	19,101	4,278	11,983	4,933	21,194
Georgia	1,663	5,832	389	7,884	1,690	6,077	540	8,307	2,364	5,665	468	8,497
Kentucky	811	4,499	383	5,693	911	4,537	360	5,808	1,319	4,090	373	5,782
Louisiana	722	5,634	479	6,835	583	5,220	1,081	6,884	1,335	5,027	675	7,037
Mississippi	139	3,199	849	4,187	176	3,061	877	4,114	70	3,709	1,049	4,828
North Carolina	2,319	8,113	1,364	11,796	2,466	7,660	1,172	11,298	3,027	7,806	3,039	13,872
South Carolina	529	3,521	546	4,596	680	3,302	605	4,587	637	3,425	584	4,646
Tennessee*	1,632	6,227	322	8,181	1,890	6,391	687	8,968	2,820	5,872	271	8,963
Virginia	2,590	3,963	0	6,553	2,977	4,197	0	7,174	3,569	3,465	0	7,034
West Virginia	252	2,100	211	2,563	334	2,187	210	2,731	556	2,123	257	2,936
SOUTHWEST												
Arizona	1,187	5,608	868	7,663	1,792	7,195	552	9,539	1,997	6,083	496	8,576
New Mexico	539	2,705	118	3,362	665	2,742	127	3,534	886	2,456	138	3,480
Oklahoma	550	3,141	617	4,308	700	3,126	702	4,528	912	2,686	1,093	4,691
Texas*	6,420	15,269	0	21,689	8,018	15,489	0	23,507	10,194	13,876	0	24,070
ROCKY MOUNTAIN												
Colorado*	1,120	2,533	1,115	4,768	1,271	2,804	1,435	5,510	1,693	2,591	1,686	5,970
Idaho	288	1,069	111	1,468	300	1,279	304	1,883	438	1,199	178	1,815
Montana	137	728	65	930	152	741	72	965	230	675	91	996
Utah	229	1,370	185	1,784	258	1,350	261	1,869	365	1,294	297	1,956
Wyoming	212	347	0	559	217	336	0	553	278	294	0	572
FAR WEST												
Alaska	341	823	7	1,171	398	889	5	1,292	540	868	17	1,425
California	10,319	28,075	757	39,151	12,478	30,884	8,821	52,183	15,408	30,532	1,786	47,726
Hawaii*	499	957	0	1,456	606	1,180	0	1,786	606	1,180	0	1,786
Nevada	424	944	107	1,475	450	974	135	1,559	534	920	238	1,692
Oregon	808	3,037	404	4,249	894	3,003	556	4,453	670	2,150	598	3,418
Washington	3,754	3,870	108	7,732	3,825	3,943	141	7,909	3,933	3,984	141	8,058
ALL STATES	\$91,350	\$237,428	\$30,623	\$359,401	\$106,009	\$247,064	\$40,770	\$393,843	\$129,849	\$227,805	\$40,737	\$398,391

*See notes at the end of the chapter.

TABLE 29
MEDICAID EXPENDITURES AS A PERCENT OF
TOTAL EXPENDITURES

Region/State	Fiscal 2010	Fiscal 2011	Fiscal 2012
NEW ENGLAND			
Connecticut	20.5 %	21.6 %	21.4 %
Maine	28.3	28.3	28.8
Massachusetts	18.1	19.2	20.2
New Hampshire	24.9	25.7	23.2
Rhode Island	25.0	25.9	23.4
Vermont	25.9	25.5	27.3
MID-ATLANTIC			
Delaware	14.4	16.2	15.9
Maryland	20.3	22.2	21.2
New Jersey	21.8	23.3	22.6
New York	28.7	29.1	29.4
Pennsylvania	29.6	31.8	33.3
GREAT LAKES			
Illinois	29.0	32.9	26.7
Indiana	23.2	25.0	27.3
Michigan	24.2	24.9	25.4
Ohio	21.3	23.2	25.9
Wisconsin	17.0	17.0	16.1
PLAINS			
Iowa	18.6	19.4	19.7
Kansas	18.8	18.2	19.5
Minnesota	25.2	25.3	26.7
Missouri	31.5	33.1	35.0
Nebraska	17.2	16.4	16.7
North Dakota	13.6	14.3	11.7
South Dakota	21.6	20.7	20.9
SOUTHEAST			
Alabama	26.2	24.9	28.8
Arkansas	20.0	21.1	21.5
Florida	28.9	29.2	30.6
Georgia	19.3	20.5	21.5
Kentucky	21.9	22.8	22.5
Louisiana	21.6	22.1	21.5
Mississippi	18.4	18.5	20.1
North Carolina	24.2	22.1	26.2
South Carolina	23.3	20.7	21.2
Tennessee	28.8	29.8	28.8
Virginia	16.1	16.9	16.2
West Virginia	12.6	12.9	13.0
SOUTHWEST			
Arizona	27.4	33.9	31.1
New Mexico	21.9	22.9	22.9
Oklahoma	20.6	21.2	22.2
Texas	23.6	24.6	26.1
ROCKY MOUNTAIN			
Colorado	15.3	17.8	21.3
Idaho	23.0	28.5	26.1
Montana	15.4	15.7	16.8
Utah	14.2	14.7	14.8
Wyoming	7.3	9.0	9.3
FAR WEST			
Alaska	12.0	9.3	12.0
California	19.0	24.2	22.4
Hawaii	13.3	15.9	15.5
Nevada	17.8	18.3	21.3
Oregon	13.1	13.3	11.4
Washington	23.0	23.5	25.0
ALL STATES	22.2 %	23.7 %	23.9 %

TABLE 30
ANNUAL PERCENTAGE CHANGE IN MEDICAID EXPENDITURES

Region/State	Fiscal 2010 to 2011			Fiscal 2011 to 2012		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	11.9 %	— %	11.9 %	2.8 %	— %	2.8 %
Maine	14.8	-5.8	-0.9	38.1	-14.9	-0.3
Massachusetts	15.6	6.9	10.2	29.0	-14.7	2.9
New Hampshire	3.0	-0.8	0.8	3.6	-26.2	-13.5
Rhode Island	11.9	-1.1	3.7	16.5	-19.2	-5.0
Vermont	10.6	-1.1	2.6	38.2	-9.0	6.8
MID-ATLANTIC						
Delaware	7.7	8.9	8.4	23.0	-7.3	4.2
Maryland	19.6	6.8	11.6	22.8	-14.1	0.9
New Jersey	8.0	1.0	3.8	20.9	-11.2	2.2
New York	3.9	4.5	4.3	29.6	-10.1	1.6
Pennsylvania	4.3	11.9	9.1	28.8	-10.4	3.5
GREAT LAKES						
Illinois	21.1	7.3	13.0	4.7	-30.7	-15.0
Indiana	6.6	7.1	7.0	42.8	-3.3	8.7
Michigan	10.6	2.1	4.4	15.4	-3.2	2.2
Ohio	22.7	-14.4	13.6	10.5	-6.0	7.4
Wisconsin	9.4	6.4	7.3	15.1	-19.3	-8.7
PLAINS						
Iowa	13.0	3.0	6.4	30.6	-5.6	7.5
Kansas	14.2	-4.5	1.0	33.7	-5.3	7.8
Minnesota	11.1	1.5	5.1	37.3	-7.7	10.0
Missouri	8.3	0.0	3.8	8.9	5.6	7.2
Nebraska	-4.7	-0.9	-2.2	35.2	-13.8	2.2
North Dakota	14.4	5.6	8.2	38.1	-15.6	1.1
South Dakota	3.6	-6.1	-3.5	23.2	-14.1	-3.3
SOUTHEAST						
Alabama	-3.5	-2.5	-2.8	36.3	6.9	14.7
Arkansas	14.3	6.7	8.2	44.9	-7.7	3.2
Florida	17.7	1.4	6.6	36.6	-3.0	11.0
Georgia	8.7	4.2	5.4	27.0	-6.8	2.3
Kentucky	6.4	0.8	2.0	33.1	-9.9	-0.4
Louisiana	38.6	-7.3	0.7	20.8	-3.7	2.2
Mississippi	6.6	-4.3	-1.7	6.3	21.2	17.4
North Carolina	-1.2	-5.6	-4.2	66.7	1.9	22.8
South Carolina	19.5	-6.2	-0.2	-5.0	3.7	1.3
Tennessee	31.9	2.6	9.6	19.9	-8.1	-0.1
Virginia	14.9	5.9	9.5	19.9	-17.4	-2.0
West Virginia	17.5	4.1	6.6	49.4	-2.9	7.5
SOUTHWEST						
Arizona	14.1	28.3	24.5	6.4	-15.5	-10.1
New Mexico	20.5	1.4	5.1	29.3	-10.4	-1.5
Oklahoma	20.1	-0.5	5.1	43.0	-14.1	3.6
Texas	24.9	1.4	8.4	27.1	-10.4	2.4
ROCKY MOUNTAIN						
Colorado	21.1	10.7	15.6	24.9	-7.6	8.3
Idaho	51.4	19.6	28.3	2.0	-6.3	-3.6
Montana	10.9	1.8	3.8	43.3	-8.9	3.2
Utah	25.4	-1.5	4.8	27.6	-4.1	4.7
Wyoming	2.4	-3.2	-1.1	28.1	-12.5	3.4
FAR WEST						
Alaska	15.8	8.0	10.3	38.2	-2.4	10.3
California	92.3	10.0	33.3	-19.3	-1.1	-8.5
Hawaii	21.4	23.3	22.7	0.0	0.0	0.0
Nevada	10.2	3.2	5.7	32.0	-5.5	8.5
Oregon	19.6	-1.1	4.8	-12.6	-28.4	-23.2
Washington	2.7	1.9	2.3	2.7	1.0	1.9
ALL STATES	20.3 %	4.1 %	9.6 %	16.2 %	-7.8 %	1.2 %

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

Medicaid Notes

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

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 2010 through fiscal 2012 Other State Funds includes provider taxes in the amounts of \$270 million, \$303 million, and \$319 million, respectively.

Colorado: Included in “Medicaid” expenditures, all part of the Department of Health Care Policy and Financing

Connecticut: Medicaid appropriation is “gross funded”—Federal funds are deposited directly to the State Treasury. Connecticut’s FMAP is currently at 50 percent, excluding enhanced FMAP available under ARRA (\$536 million in fiscal 2010 and \$481 million in fiscal 2011). Excludes state portion of Qualified Medicare Beneficiaries and School Based Child Health as those expenditures are netted out of federal Medicaid reimbursement. Also excludes provider taxes, which are deposited directly to the State Treasury.

Florida: Prior year survey responses did not reflect Admin Costs that should have been included in the total Medicaid Expenditures. This is reflected in an increase to reported expenditures to 2010 and 2011 Actual Expenditures in all categories.

Hawaii: 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: Other state funds include local funds of \$62.0 million, and provider taxes of \$860.0 million for fiscal 2010; local funds of \$81.0 million and provider taxes of \$882.0 million for fiscal 2011; and local funds of \$71.0 million and provider taxes of \$955.0 million for fiscal 2012. Federal revenue support

includes federal ARRA/FMAP funding (\$1,213.8 million for fiscal 2010, \$659.0 million for fiscal 2011, and \$15.0 million for fiscal 2012). Actual ARRA expenditures will be recorded with the fiscal 2012 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 expenditure figures above are from budget office’s total state Medicaid report. Total Medicaid expenditures based on MoHealthNet’s CMS 64 reports including local funds are: FY 10-\$8,786; FY 11-\$9,113; FY 12 \$10,757.

New Jersey: All Medicaid 2010 Actuals adjusted for revised CMS data and to be consistent with 2011 and 2012 amounts.

New York: Total Medicaid expenditures in FY 2012 reflect the expiration of enhanced FMAP in June 2011, which shifted approximately \$3 billion from a Federal to State share of Medicaid costs.

Tennessee: Regarding Premium Revenue: fiscal 2010 totals \$221 million, fiscal 2011 totals \$325 million, and fiscal 2012 totals \$300 million. Regarding Certified Public Expenditures – Local fund from Hospitals: fiscal 2010 totals \$426 million, fiscal 2011 totals \$374 million, and fiscal 2012 totals \$374 million. Regarding Nursing Home Tax: fiscal 2010 totals \$87 million, fiscal 2011 totals \$85 million, and fiscal 2012 totals \$85 million. Regarding ICF/MR 6 percent Gross Receipts Tax: fiscal 2010 totals \$12 million, fiscal 2011 totals \$12 million, and fiscal 2012 totals \$12 million. Regarding Intergovernmental Transfers: fiscal 2010 totals \$0 million, fiscal 2011 totals \$0 million, and fiscal 2012 totals \$0 million.

Texas: Increases in General Funds amounts in 2011 and 2012 are due in part to phase out of ARRA.

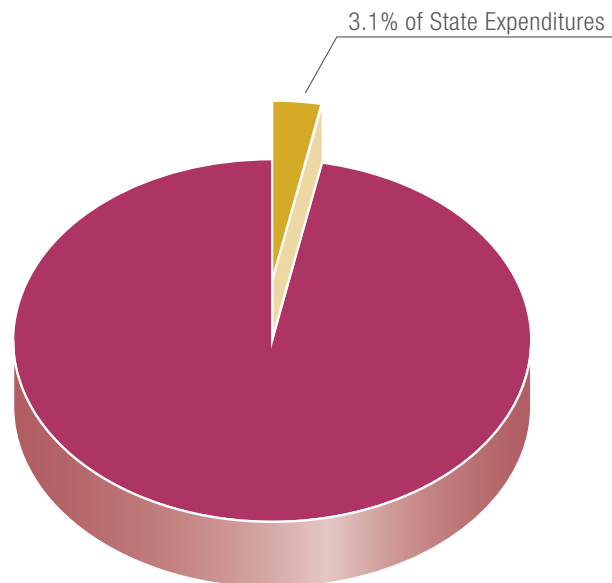
Vermont: The large variance from 2012 over 2011 in General Funds and Other State Funds is attributable to compensating for the loss of ARRA funding as well as leveraging alternative funding streams to meet the State’s Medicaid matching obligation. The breakdown of local funds, etc. included in Other State Funds is as follows for fiscal 2011: provider tax \$112,399,373; employee assessment \$9,316,000; local match provided by schools \$11,451,916; tobacco litigation settlement funds \$35,848,876; other \$82,516,597. The breakdown is as follows for estimated fiscal 2012: provider tax \$144,415,197; employee assessment \$11,168,000; local match provided by schools \$16,151,589; tobacco litigation settlement funds \$36,978,473, other \$118,054,327.

5

CHAPTER



CORRECTIONS EXPENDITURES



Corrections Expenditures

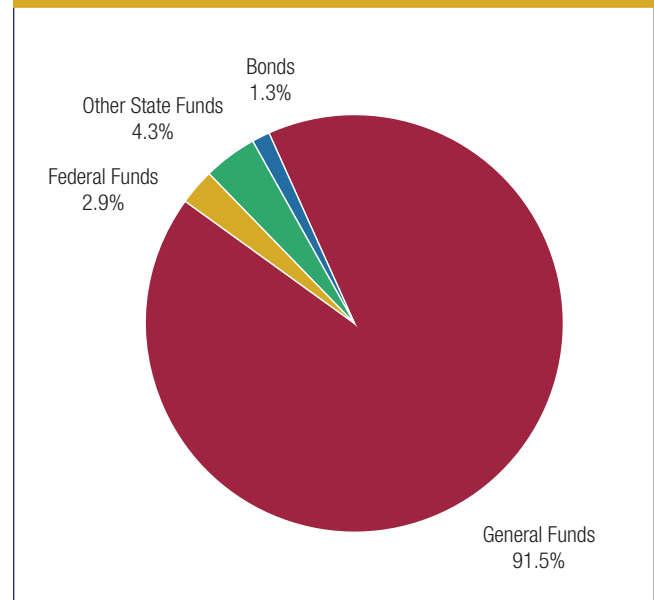
State spending on corrections reflects the costs to build and operate prison systems and may include spending on juvenile justice programs and alternatives to incarceration such as probation and parole. State spending for corrections totaled \$52.0 billion in fiscal 2011, a 1.1 percent increase compared to fiscal 2010. State spending on corrections in fiscal 2012 is estimated to total \$53.3 billion, a 2.5 percent increase from fiscal 2011. As with other areas of the state budget, spending growth on corrections has slowed considerably over the past several years; as recently as fiscal 2007 state spending on corrections grew by 10.1 percent. Some of the actions states took to rein in corrections spending included closing prisons and other correctional facilities, the early release of prisoners, sentencing reform and employee furloughs.

In fiscal 2011, corrections spending represented 3.1 percent of total state spending and 7.5 percent of general fund spending.

General fund dollars are used primarily to fund state corrections spending and account for \$47.6 billion, or 91.5 percent, of all fiscal 2011 state corrections spending. State funds (general funds and other state funds combined, but excluding bonds) accounted for 95.8 percent of total state corrections spending in fiscal 2011. Federal funds accounted for 2.9 percent and bonds accounted for 1.3 percent. Federal funds grew sharply in fiscal 2010 by 39.2 percent, due to the *American Recovery and Reinvestment Act of 2009 (ARRA)*, which provided \$1.9 billion in corrections funds. However, in fiscal 2011 federal funds are estimated to decline by 26.0 percent as ARRA corrections spending slows to \$783 million. Federal funds for corrections are estimated to decline even further in fiscal 2012 by 39.4 percent as ARRA corrections spending is reduced to \$433 million.

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

FIGURE 15
STATE EXPENDITURES FOR CORRECTIONS BY FUND SOURCE, FISCAL 2011



Regional Expenditures

Table 31 shows changes in corrections expenditures by region between fiscal 2010 and fiscal 2011 and between fiscal 2011 and estimated fiscal 2012. Of note, fiscal 2011 corrections spending in the Far West region increased by 12.7 percent, while corrections spending in the Mid-Atlantic region declined by 6.1 percent.

Corrections—Expenditures Exclusions

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

TABLE 31
REGIONAL PERCENTAGE CHANGE IN STATE CORRECTIONS EXPENDITURES,
FISCAL 2011 AND 2012

Region	Fiscal 2010 to 2011			Fiscal 2011 to 2012		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	-0.5 %	0.0 %	-0.3 %	0.0 %	-16.7 %	0.2 %
Mid-Atlantic	-2.8	-4.0	-6.1	2.8	-57.8	0.0
Great Lakes	0.9	-13.1	0.7	-2.1	6.5	-2.1
Plains	-2.4	-37.3	-2.2	8.8	-67.6	6.2
Southeast	1.2	-21.8	-1.3	2.4	-56.1	-0.3
Southwest	-0.8	-54.5	-1.9	0.7	9.1	0.9
Rocky Mountain	-3.1	51.0	0.2	5.5	3.9	5.3
Far West	16.4	-62.9	12.7	10.7	-26.7	9.9
ALL STATES	3.1 %	-26.0 %	1.1 %	3.9 %	-39.4 %	2.5 %

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

Region/State	Actual Fiscal 2010					Actual Fiscal 2011					Estimated Fiscal 2012				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$663	\$5	\$0	\$1	\$669	\$676	\$4	\$0	\$0	\$680	\$671	\$4	\$0	\$0	\$675
Maine	149	3	7	0	159	144	2	7	0	153	133	1	7	0	141
Massachusetts	1,216	1	22	11	1,250	1,201	2	3	18	1,224	1,212	2	3	21	1,238
New Hampshire	98	1	4	3	106	98	1	4	2	105	95	0	5	3	103
Rhode Island	170	2	2	2	176	178	3	3	0	184	186	3	5	0	194
Vermont	129	0	7	0	136	133	0	8	1	142	130	0	8	3	141
MID-ATLANTIC															
Delaware	238	9	5	0	252	245	1	6	0	252	262	1	6	0	269
Maryland*	1,213	83	154	84	1,534	1,206	103	150	11	1,470	1,293	40	154	17	1,504
New Jersey	1,519	51	94	0	1,664	1,481	15	91	1	1,588	1,502	18	86	0	1,606
New York	3,035	117	69	264	3,485	2,771	122	66	216	3,175	2,648	102	81	240	3,071
Pennsylvania	1,832	192	74	224	2,322	1,907	193	79	32	2,211	2,114	22	78	32	2,246
GREAT LAKES															
Illinois	1,272	0	76	7	1,355	1,324	0	73	6	1,403	1,329	0	80	7	1,416
Indiana	708	1	53	0	762	703	1	57	0	761	694	5	53	0	752
Michigan*	2,061	117	64	1	2,243	2,018	113	60	2	2,193	2,085	124	67	0	2,276
Ohio	1,879	26	2	33	1,940	1,887	22	1	40	1,950	1,736	17	2	24	1,779
Wisconsin	1,080	16	128	0	1,224	1,138	3	129	0	1,270	1,083	2	109	0	1,194
PLAINS															
Iowa	329	22	68	1	420	335	2	0	64	401	354	0	81	98	533
Kansas	278	48	32	9	367	289	57	15	10	371	341	10	13	10	374
Minnesota	417	41	17	14	489	472	4	14	14	504	456	4	18	14	492
Missouri	625	4	47	0	676	571	3	43	0	617	577	6	35	0	618
Nebraska	159	35	26	0	220	172	21	31	0	224	197	2	25	0	224
North Dakota	74	4	8	0	86	80	4	8	0	92	79	4	33	0	116
South Dakota	77	23	6	0	106	75	20	7	0	102	80	10	8	0	98
SOUTHEAST															
Alabama	378	141	81	5	605	394	120	85	2	601	478	29	100	3	610
Arkansas	343	4	78	0	425	366	1	75	0	442	391	1	63	0	455
Florida*	2,652	84	215	182	3,133	2,638	87	53	86	2,864	2,374	91	88	60	2,613
Georgia	999	104	61	35	1,199	1,027	96	65	25	1,213	1,083	4	28	10	1,125
Kentucky	441	90	40	0	571	505	35	45	0	585	533	14	58	0	605
Louisiana	761	2	89	5	857	757	2	88	1	848	733	2	123	1	859
Mississippi	238	5	94	0	337	313	1	19	0	333	311	1	28	0	340
North Carolina	1,264	7	141	0	1,412	1,288	5	150	0	1,443	1,365	13	164	0	1,542
South Carolina	434	37	106	0	577	402	57	99	0	558	465	9	120	0	594
Tennessee	558	48	46	0	652	720	1	49	0	770	810	1	53	0	864
Virginia	1,132	19	77	70	1,298	1,133	19	92	25	1,269	1,136	21	96	17	1,270
West Virginia	200	1	18	0	219	207	0	1	0	208	218	0	2	0	220
SOUTHWEST															
Arizona	871	65	77	0	1,013	899	12	70	0	981	954	18	95	0	1,067
New Mexico	349	23	23	0	395	327	3	24	0	354	318	2	24	0	344
Oklahoma	487	1	41	0	529	452	2	33	0	487	398	3	121	0	522
Texas	3,839	32	4	37	3,912	3,839	38	4	37	3,918	3,774	37	4	46	3,861
ROCKY MOUNTAIN															
Colorado*	584	92	131	0	807	665	3	80	0	748	668	7	98	0	773
Idaho	178	5	31	0	214	182	5	34	0	221	195	7	44	0	246
Montana	167	2	11	0	180	167	2	11	0	180	170	1	12	0	183
Utah*	306	3	24	0	333	236	1	-5	0	232	237	1	26	0	264
Wyoming	114	0	6	0	120	125	143	9	0	277	126	144	10	0	280
FAR WEST															
Alaska	280	4	31	0	315	309	5	31	0	345	315	5	38	0	358
California	7,905	124	46	1	8,076	9,482	83	46	0	9,611	7,935	94	2,704	0	10,733
Hawaii*	207	5	11	0	223	207	2	12	0	221	218	2	10	0	230
Nevada	183	76	32	34	325	254	2	31	10	297	246	4	31	4	285
Oregon	767	69	125	15	976	692	75	125	37	929	817	16	221	14	1,068
Washington	788	185	53	46	1,072	875	5	70	27	977	890	5	8	25	928
TOTAL	\$45,646	\$2,029	\$2,657	\$1,084	\$51,416	\$47,565	\$1,501	\$2,251	\$667	\$51,984	\$46,415	\$909	\$5,326	\$649	\$53,299

*See notes at the end of the chapter.

TABLE 33
CORRECTIONS EXPENDITURES AS A PERCENT OF
TOTAL EXPENDITURES

Region/State	Fiscal 2010	Fiscal 2011	Fiscal 2012
NEW ENGLAND			
Connecticut	2.7 %	2.6 %	2.5 %
Maine	1.9	1.8	1.7
Massachusetts	2.4	2.3	2.4
New Hampshire	1.9	2.0	2.0
Rhode Island	2.3	2.3	2.4
Vermont	2.9	2.9	2.9
MID-ATLANTIC			
Delaware	2.9	3.0	3.0
Maryland	4.6	4.3	4.2
New Jersey	3.4	3.4	3.2
New York	2.7	2.4	2.3
Pennsylvania	3.4	3.2	3.3
GREAT LAKES			
Illinois	2.7	2.9	2.8
Indiana	2.9	2.9	2.9
Michigan	4.7	4.5	4.7
Ohio	3.4	3.2	3.1
Wisconsin	3.1	3.0	2.9
PLAINS			
Iowa	2.4	2.2	2.8
Kansas	2.6	2.5	2.5
Minnesota	1.6	1.6	1.5
Missouri	2.9	2.7	2.6
Nebraska	2.3	2.3	2.3
North Dakota	1.8	1.8	1.9
South Dakota	2.8	2.6	2.7
SOUTHEAST			
Alabama	2.9	2.9	2.9
Arkansas	2.1	2.2	2.2
Florida	5.0	4.4	3.8
Georgia	2.9	3.0	2.9
Kentucky	2.2	2.3	2.4
Louisiana	2.7	2.7	2.6
Mississippi	1.5	1.5	1.4
North Carolina	2.9	2.8	2.9
South Carolina	2.9	2.5	2.7
Tennessee	2.3	2.6	2.8
Virginia	3.2	3.0	2.9
West Virginia	1.1	1.0	1.0
SOUTHWEST			
Arizona	3.6	3.5	3.9
New Mexico	2.6	2.3	2.3
Oklahoma	2.5	2.3	2.5
Texas	4.2	4.1	4.2
ROCKY MOUNTAIN			
Colorado	2.6	2.4	2.8
Idaho	3.3	3.3	3.5
Montana	3.0	2.9	3.1
Utah	2.6	1.8	2.0
Wyoming	1.6	4.5	4.6
FAR WEST			
Alaska	3.2	2.5	3.0
California	3.9	4.5	5.0
Hawaii	2.0	2.0	2.0
Nevada	3.9	3.5	3.6
Oregon	3.0	2.8	3.6
Washington	3.2	2.9	2.9
ALL STATES	3.2 %	3.1 %	3.2 %

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

Region/State	Fiscal 2010	Fiscal 2011	Fiscal 2012
NEW ENGLAND			
Connecticut	3.8 %	3.8 %	3.6 %
Maine	5.2	5.0	4.3
Massachusetts	5.6	5.3	4.9
New Hampshire	7.1	7.4	7.4
Rhode Island	5.9	6.0	5.9
Vermont	16.7	17.9	17.2
MID-ATLANTIC			
Delaware	7.7	7.5	7.3
Maryland	9.0	9.1	8.6
New Jersey	5.4	5.3	5.0
New York	5.6	5.2	4.7
Pennsylvania	7.3	7.6	7.8
GREAT LAKES			
Illinois	4.8	5.2	4.6
Indiana	5.5	5.4	5.1
Michigan	26.8	24.1	23.5
Ohio	7.4	6.8	5.6
Wisconsin	8.4	8.4	8.1
PLAINS			
Iowa	6.2	6.3	5.9
Kansas	5.3	5.1	5.6
Minnesota	2.7	2.9	2.5
Missouri	8.3	7.5	7.3
Nebraska	4.8	5.2	5.7
North Dakota	4.6	5.0	3.6
South Dakota	6.7	6.4	6.6
SOUTHEAST			
Alabama	5.7	5.8	6.8
Arkansas	8.1	8.2	8.5
Florida	12.5	11.1	10.2
Georgia	6.9	6.6	6.6
Kentucky	5.2	5.8	5.7
Louisiana	8.6	9.7	8.8
Mississippi	5.3	7.3	7.2
North Carolina	6.8	7.0	7.2
South Carolina	8.4	7.6	8.5
Tennessee	5.6	6.8	6.7
Virginia	7.6	6.9	6.7
West Virginia	5.4	5.5	5.4
SOUTHWEST			
Arizona	9.7	10.8	11.3
New Mexico	6.6	6.1	5.9
Oklahoma	10.2	9.3	7.9
Texas	9.7	9.0	8.5
ROCKY MOUNTAIN			
Colorado	8.0	9.1	9.2
Idaho	7.6	7.4	7.7
Montana	10.3	9.8	9.6
Utah	7.0	5.1	5.0
Wyoming	3.0	4.4	4.4
FAR WEST			
Alaska	5.0	3.5	4.3
California	9.1	10.4	9.1
Hawaii	4.3	4.2	4.0
Nevada	6.1	7.7	7.9
Oregon	12.0	12.2	11.8
Washington	5.2	5.9	5.9
ALL STATES	7.4 %	7.5 %	7.0 %

TABLE 35
ANNUAL PERCENTAGE CHANGE IN CORRECTIONS EXPENDITURES

Region/State	Fiscal 2010 to 2011			Fiscal 2011 to 2012		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	2.0 %	-20.0 %	1.6 %	-0.7 %	0.0 %	-0.7 %
Maine	-3.2	-33.3	-3.8	-7.3	-50.0	-7.8
Massachusetts	-2.7	100.0	-2.1	0.9	0.0	1.1
New Hampshire	0.0	0.0	-0.9	-2.0	-100.0	-1.9
Rhode Island	5.2	50.0	4.5	5.5	0.0	5.4
Vermont	3.7	—	4.4	-2.1	—	-0.7
MID-ATLANTIC						
Delaware	3.3	-88.9	0.0	6.8	0.0	6.7
Maryland	-0.8	24.1	-4.2	6.7	-61.2	2.3
New Jersey	-2.5	-70.6	-4.6	1.0	20.0	1.1
New York	-8.6	4.3	-8.9	-3.8	-16.4	-3.3
Pennsylvania	4.2	0.5	-4.8	10.4	-88.6	1.6
GREAT LAKES						
Illinois	3.6	—	3.5	0.9	—	0.9
Indiana	-0.1	0.0	-0.1	-1.7	400.0	-1.2
Michigan	-2.2	-3.4	-2.2	3.6	9.7	3.8
Ohio	0.4	-15.4	0.5	-7.9	-22.7	-8.8
Wisconsin	4.9	-81.3	3.8	-5.9	-33.3	-6.0
PLAINS						
Iowa	-15.6	-90.9	-4.5	29.9	-100.0	32.9
Kansas	-1.9	18.8	1.1	16.4	-82.5	0.8
Minnesota	12.0	-90.2	3.1	-2.5	0.0	-2.4
Missouri	-8.6	-25.0	-8.7	-0.3	100.0	0.2
Nebraska	9.7	-40.0	1.8	9.4	-90.5	0.0
North Dakota	7.3	0.0	7.0	27.3	0.0	26.1
South Dakota	-1.2	-13.0	-3.8	7.3	-50.0	-3.9
SOUTHEAST						
Alabama	4.4	-14.9	-0.7	20.7	-75.8	1.5
Arkansas	4.8	-75.0	4.0	2.9	0.0	2.9
Florida	-6.1	3.6	-8.6	-8.5	4.6	-8.8
Georgia	3.0	-7.7	1.2	1.7	-95.8	-7.3
Kentucky	14.3	-61.1	2.5	7.5	-60.0	3.4
Louisiana	-0.6	0.0	-1.1	1.3	0.0	1.3
Mississippi	0.0	-80.0	-1.2	2.1	0.0	2.1
North Carolina	2.3	-28.6	2.2	6.3	160.0	6.9
South Carolina	-7.2	54.1	-3.3	16.8	-84.2	6.5
Tennessee	27.3	-97.9	18.1	12.2	0.0	12.2
Virginia	1.3	0.0	-2.2	0.6	10.5	0.1
West Virginia	-4.6	-100.0	-5.0	5.8	—	5.8
SOUTHWEST						
Arizona	2.2	-81.5	-3.2	8.3	50.0	8.8
New Mexico	-5.6	-87.0	-10.4	-2.6	-33.3	-2.8
Oklahoma	-8.1	100.0	-7.9	7.0	50.0	7.2
Texas	0.0	18.8	0.2	-1.7	-2.6	-1.5
ROCKY MOUNTAIN						
Colorado	4.2	-96.7	-7.3	2.8	133.3	3.3
Idaho	3.3	0.0	3.3	10.6	40.0	11.3
Montana	0.0	0.0	0.0	2.2	-50.0	1.7
Utah	-30.0	-66.7	-30.3	13.9	0.0	13.8
Wyoming	11.7	—	130.8	1.5	0.7	1.1
FAR WEST						
Alaska	9.3	25.0	9.5	3.8	0.0	3.8
California	19.8	-33.1	19.0	11.7	13.3	11.7
Hawaii	0.5	-60.0	-0.9	4.1	0.0	4.1
Nevada	32.6	-97.4	-8.6	-2.8	100.0	-4.0
Oregon	-8.4	8.7	-4.8	27.1	-78.7	15.0
Washington	12.4	-97.3	-8.9	-5.0	0.0	-5.0
ALL STATES	3.1 %	-26.0 %	1.1 %	3.9 %	-39.4 %	2.5 %

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

TABLE 36
ITEMS EXCLUDED FROM CORRECTIONS EXPENDITURES

Region/State	Employer Contributions to Pensions	Employer Contributions to Health Benefits	Juvenile Delinquency Counseling	Juvenile Institutions	Aid to Local Govts. for Jails	Drug Abuse Rehab. Centers	Institutions for the Criminally Insane
NEW ENGLAND							
Connecticut	X	X			X	P	X
Maine			X	P		X	X
Massachusetts	X					X	X
New Hampshire			X	X	X		
Rhode Island			X	X	X		X
Vermont			X	X	X	P	X
MID-ATLANTIC							
Delaware					X		
Maryland							X
New Jersey							X
New York	P	P	P	X	X		X
Pennsylvania							
GREAT LAKES							
Illinois	P	P				P	X
Indiana					X	P	X
Michigan*			P			X	X
Ohio							X
Wisconsin							
PLAINS							
Iowa							
Kansas							
Minnesota			P		X	P	X
Missouri	X	X	X	X		P	X
Nebraska						X	X
North Dakota							X
South Dakota					X		X
SOUTHEAST							
Alabama					X		X
Arkansas			X	X			X
Florida*					X	P	X
Georgia			X	X			X
Kentucky							X
Louisiana						P	X
Mississippi			X	X			X
North Carolina					X		
South Carolina							
Tennessee			X	X			P
Virginia							
West Virginia		X	X	X	X	X	X
SOUTHWEST							
Arizona			X	X			X
New Mexico			X	X	X		X
Oklahoma			X	X		X	X
Texas	P	P			X		
ROCKY MOUNTAIN							
Colorado*			X	P			P
Idaho							X
Montana						P	X
Utah			X			X	X
Wyoming			X				X
FAR WEST							
Alaska			P			X	X
California						P	X
Hawaii*	P	P	X	X	X		X
Nevada			X	X	X		X
Oregon						P	X
Washington					X	X	X
ALL STATES	7	7	22	17	18	20	40

Excluded=X Partially Excluded=P Not Applicable=N/A
*See notes at the end of the chapter.

Corrections Notes

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

Colorado: Juvenile delinquent counseling programs are funded in the Colorado Department of Human Services, Division of Youth Corrections (DYC). Funding for the Youthful Offender System (youths convicted as adults) is in the Colorado Department of Corrections. Regarding institutions for the criminally insane, San Carlos services significantly mentally ill inmates, but note that the Colorado Dept of Human Services Forensics Institute serves mentally ill people including those found not guilty by reason of insanity.

Florida: Expenditures for FY 2009-10 and FY 2010-11 adjusted to exclude expenditures for drug abuse rehabilitation programs per the instructions. These funds were inadvertently included in the prior year submission.

Hawaii: 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.

Maryland: Although operating budget funding increased from FY 10 to FY 11, and then from FY 11 to FY 12, Capital bond funds decreased from \$84 million in FY 10 to \$11 million in FY 11. The amount of Capital bond funds increased from \$11 million to \$17 million in FY 12. The decrease in Capital bond funds is the reason that Corrections funding in FY 11 and FY 12 is lower than FY 10.

Michigan: Figures include adult inmate and juvenile justice expenditures. The reduction in spending from fiscal 2010 to fiscal 2011 reflects the continued drop in inmate population levels of over 700 (1.8%) and operational efficiencies. For fiscal 2012, the projected expenditure increase is largely due to statewide funding adjustments for other post-employment benefits.

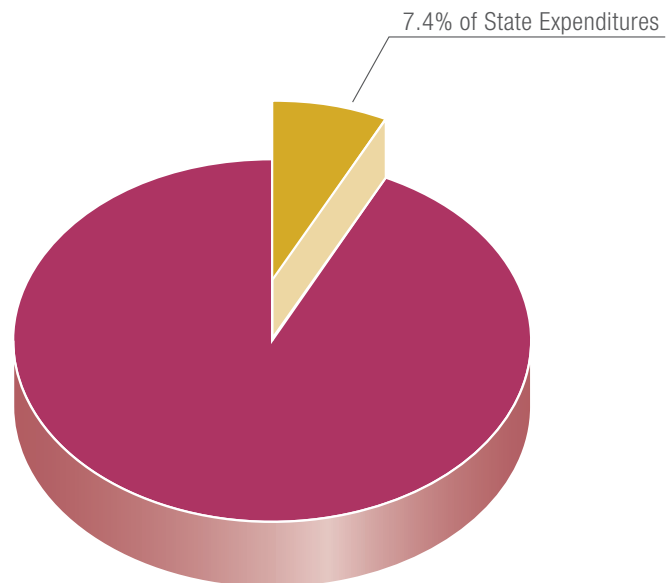
Utah: Expenditure amounts for Corrections do not include any amounts for prison industries. In Utah, Prison Industries is operated as an enterprise fund and does not usually receive support from state appropriations. The prison industry program has been self-sufficient for the last 10 to 15 years.

6

CHAPTER



TRANSPORTATION EXPENDITURES



Transportation Expenditures

Transportation expenditures totaled \$122.8 billion in fiscal 2011, 7.4 percent of total state spending and an increase of 0.8 percent over the previous year. State funds for transportation increased 2.3 percent in fiscal 2011, while federal funds declined 1.8 percent. In fiscal 2012, total state expenditures for transportation are estimated to grow by 9.1 percent. Much of this increase is due to California, which saw total state transportation expenditures increase by an estimated 62.5 percent in fiscal 2012. North Dakota also experienced a large growth in transportation spending with total state expenditures increasing by 46.3 percent.

Approximately 55.5 percent of fiscal 2011 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 2011, federal funds accounted for 32.1 percent of total transportation spending, with bonds (10.2 percent) and general funds (2.3 percent) comprising the remaining amount. Federal funds have grown from representing 28.9 percent of overall transportation expenditures in fiscal 2008, the last year before the *American Recov-*

ery and Reinvestment Act (ARRA), to 32.1 percent in fiscal 2011. States reported that they received \$11.9 billion in ARRA transportation funds in fiscal 2010, \$8.6 billion in fiscal 2011, and an estimated \$5.5 billion in fiscal 2012.

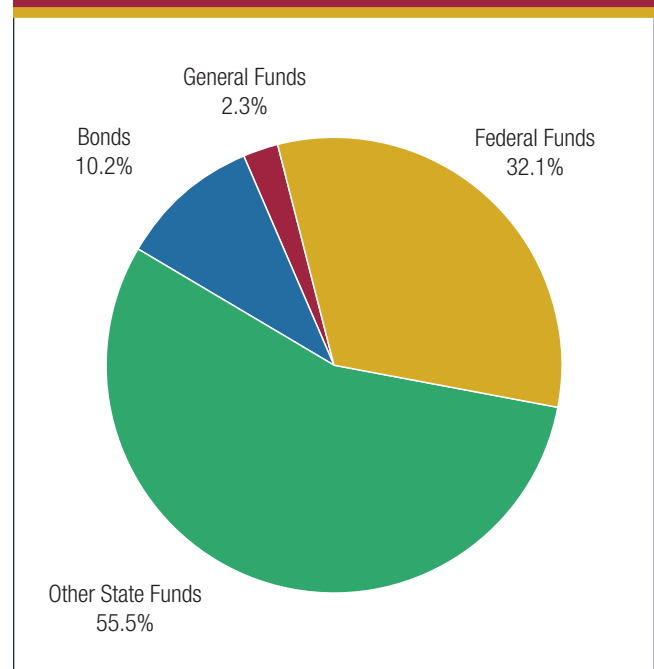
Federal Transportation Funding

On July 6, 2012, President Obama signed into law the *Moving Ahead for Progress in the 21st Century Act (MAP-21)*. The legislation (P.L. 112-141) marks the first long-term reauthorization for surface transportation programs passed since the 2005 Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). Federal-aid highway programs had been operating under a series of temporary extensions since SAFETEA-LU expired in 2009. MAP-21 covers highway programs through September 2014 at current spending levels and restructures programs to consolidate and offer more flexibility to states to decide how to allocate funds. MAP-21 funds surface transportation programs at over \$105 billion for federal fiscal years 2013 and 2014.

Fund Shares

The figure below provides fund shares for fiscal 2011.

FIGURE 16
STATE EXPENDITURES FOR TRANSPORTATION BY FUND SOURCE, FISCAL 2011



Regional Expenditures

Table 37 shows percentage changes in transportation expenditures by region between fiscal 2010 and fiscal 2011 and between fiscal 2011 and estimated fiscal 2012.

TABLE 37
REGIONAL PERCENTAGE CHANGE IN STATE TRANSPORTATION EXPENDITURES,
FISCAL 2011 AND 2012

Region	Fiscal 2010 to 2011			Fiscal 2011 to 2012		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	4.5 %	-4.9 %	7.2 %	3.2 %	8.7 %	0.7 %
Mid-Atlantic	-0.8	-2.0	-2.0	8.9	11.3	7.0
Great Lakes	-0.9	-2.8	3.5	3.5	-3.6	-1.0
Plains	27.4	-3.7	13.2	14.8	-4.1	5.6
Southeast	7.9	1.2	5.1	12.1	3.9	9.2
Southwest	4.4	5.3	0.0	5.5	-6.5	-2.0
Rocky Mountain	-9.1	-8.3	-8.8	13.7	-0.5	8.6
Far West	-10.3	-6.8	-9.6	9.8	29.1	35.7
ALL STATES	2.3 %	-1.8 %	0.8 %	9.3 %	6.0 %	9.1 %

Transportation—Expenditure Exclusions

Forty-one states wholly exclude state police and highway patrols from the transportation expenditures contained within the report. Additionally, forty states wholly or partially exclude port authority operations, twenty-two states exclude truck enforcement regulation programs, twenty states omit motor vehicle licensing, and fourteen states exclude gasoline tax and fee collections. For details, see Table 41.

TABLE 38
TRANSPORTATION EXPENDITURES—CAPITAL INCLUSIVE (\$ IN MILLIONS)

Region/State	Actual Fiscal 2010					Actual Fiscal 2011					Estimated Fiscal 2012				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$0	\$784	\$1,111	\$588	\$2,483	\$0	\$750	\$1,193	\$1,087	\$3,030	\$0	\$736	\$1,193	\$687	\$2,616
Maine	0	246	345	34	625	7	222	404	68	701	0	239	435	25	699
Massachusetts	199	814	1,485	913	3,411	370	707	1,344	888	3,309	364	701	1,446	1,057	3,568
New Hampshire	0	174	330	0	504	1	167	339	0	507	0	153	349	0	502
Rhode Island	0	242	133	37	412	0	230	115	38	383	0	338	103	43	484
Vermont	0	252	205	2	459	0	312	205	13	530	0	428	217	1	646
MID-ATLANTIC															
Delaware	0	239	511	0	750	14	200	488	0	702	0	209	585	0	794
Maryland*	0	805	2,358	0	3,163	0	800	2,389	0	3,189	0	882	2,669	0	3,551
New Jersey	1,288	1,404	435	1,582	4,709	1,310	1,164	354	1,528	4,356	1,462	1,733	900	1,154	5,249
New York	66	1,519	5,413	885	7,883	99	1,750	5,823	885	8,557	99	1,500	5,762	969	8,330
Pennsylvania	11	2,054	4,409	390	6,864	2	1,987	3,902	204	6,095	8	2,245	4,174	153	6,580
GREAT LAKES															
Illinois	74	102	4,300	431	4,907	78	117	4,036	1,387	5,618	17	116	4,083	1,135	5,351
Indiana	0	1,315	1,508	0	2,823	0	1,260	1,605	0	2,865	41	1,048	1,369	0	2,458
Michigan*	0	1,532	1,889	103	3,524	0	1,471	1,742	74	3,287	0	1,463	2,029	33	3,525
Ohio	17	1,207	992	589	2,805	13	1,437	1,033	496	2,979	10	1,611	1,091	445	3,157
Wisconsin	22	1,230	1,604	0	2,856	26	952	1,783	0	2,761	26	811	2,006	0	2,843
PLAINS															
Iowa	0	623	981	0	1,604	0	581	830	0	1,411	0	531	962	0	1,493
Kansas	9	460	522	170	1,161	16	620	702	181	1,519	16	428	1,004	184	1,632
Minnesota	89	548	1,950	177	2,764	62	380	2,397	318	3,157	55	472	2,527	459	3,513
Missouri	12	386	1,028	712	2,138	10	310	1,993	447	2,760	9	163	2,249	0	2,421
Nebraska	1	284	426	0	711	1	256	395	0	652	1	303	436	0	740
North Dakota	0	328	218	0	546	0	360	260	0	620	2	496	409	0	907
South Dakota	0	375	151	0	526	0	385	197	0	582	0	380	209	0	589
SOUTHEAST															
Alabama	0	1,021	671	0	1,692	0	923	520	0	1,443	0	1,001	504	0	1,505
Arkansas	1	467	500	0	968	2	531	480	59	1,072	3	576	534	81	1,194
Florida	0	1,607	3,858	374	5,839	1	1,662	4,193	399	6,255	0	1,674	5,907	406	7,987
Georgia	10	1,691	718	60	2,479	6	1,145	721	36	1,908	6	1,292	846	102	2,246
Kentucky	4	813	1,268	0	2,085	5	743	1,269	0	2,017	5	827	1,456	0	2,288
Louisiana	1	18	1,651	377	2,047	0	19	1,830	297	2,146	0	17	1,598	152	1,767
Mississippi	0	681	621	36	1,338	0	630	653	37	1,320	0	530	665	42	1,237
North Carolina	0	833	2,632	0	3,465	0	1,327	3,106	0	4,433	0	1,237	2,887	0	4,124
South Carolina	5	669	578	0	1,252	1	676	593	0	1,270	0	906	643	0	1,549
Tennessee*	0	912	904	0	1,816	0	942	940	0	1,882	0	904	751	161	1,816
Virginia	27	944	2,747	23	3,741	46	1,180	3,058	25	4,309	136	1,151	3,601	28	4,916
West Virginia	6	524	620	37	1,187	6	525	716	20	1,267	11	586	781	0	1,378
SOUTHWEST															
Arizona	0	583	744	537	1,864	0	756	655	332	1,743	0	823	635	163	1,621
New Mexico	0	359	447	536	1,342	0	401	402	0	803	0	419	404	0	823
Oklahoma	0	1,064	377	119	1,560	0	875	590	165	1,630	0	746	669	175	1,590
Texas	32	2,692	3,203	861	6,788	43	2,915	3,325	1,092	7,375	95	2,636	3,490	1,063	7,284
ROCKY MOUNTAIN															
Colorado*	0	631	785	0	1,416	0	695	769	0	1,464	0	616	916	0	1,532
Idaho	0	319	345	0	664	0	328	399	0	727	0	378	447	0	825
Montana	8	435	253	0	696	10	439	255	0	704	8	457	286	0	751
Utah	1	421	1,213	0	1,635	2	180	1,191	0	1,373	3	182	1,401	0	1,586
Wyoming	573	109	328	0	1,010	191	114	369	0	674	192	114	369	0	675
FAR WEST															
Alaska	551	751	356	0	1,658	394	899	361	0	1,654	696	873	402	0	1,971
California	1,520	4,415	3,255	1,765	10,955	83	3,915	4,040	1,250	9,288	83	5,575	4,689	4,748	15,095
Hawaii*	0	229	755	80	1,064	0	205	773	54	1,032	0	211	848	90	1,149
Nevada	0	391	332	21	744	0	374	433	0	807	0	448	462	0	910
Oregon	8	53	1,761	8	1,830	9	49	1,774	48	1,880	1	62	1,676	69	1,808
Washington	1	569	1,540	940	3,050	1	529	1,176	1,086	2,792	1	537	1,071	1,138	2,747
TOTAL	\$4,536	\$40,124	\$64,766	\$12,387	\$121,813	\$2,809	\$39,395	\$68,120	\$12,514	\$122,838	\$3,350	\$41,764	\$74,145	\$14,763	\$134,022

*See notes at the end of the chapter.

TABLE 39
TRANSPORTATION EXPENDITURES AS A PERCENT OF
TOTAL EXPENDITURES

Region/State	Fiscal 2010	Fiscal 2011	Fiscal 2012
NEW ENGLAND			
Connecticut	10.2 %	11.7 %	9.7 %
Maine	7.5	8.5	8.6
Massachusetts	6.7	6.2	6.8
New Hampshire	9.2	9.5	9.8
Rhode Island	5.3	4.9	5.9
Vermont	9.8	10.9	13.3
MID-ATLANTIC			
Delaware	8.6	8.3	8.9
Maryland	9.5	9.4	9.9
New Jersey	9.7	9.2	10.6
New York	6.1	6.4	6.2
Pennsylvania	10.1	8.8	9.6
GREAT LAKES			
Illinois	10.0	11.4	10.4
Indiana	10.6	10.9	9.3
Michigan	7.4	6.8	7.2
Ohio	4.9	4.9	5.5
Wisconsin	7.1	6.4	6.9
PLAINS			
Iowa	9.1	7.8	7.8
Kansas	8.3	10.3	11.1
Minnesota	9.2	10.1	10.7
Missouri	9.1	11.9	10.4
Nebraska	7.4	6.6	7.5
North Dakota	11.2	12.4	14.7
South Dakota	13.7	15.0	15.9
SOUTHEAST			
Alabama	8.2	6.9	7.2
Arkansas	4.9	5.2	5.8
Florida	9.4	9.6	11.5
Georgia	6.1	4.7	5.7
Kentucky	8.0	7.9	8.9
Louisiana	6.5	6.9	5.4
Mississippi	5.9	5.9	5.2
North Carolina	7.1	8.7	7.8
South Carolina	6.4	5.7	7.1
Tennessee	6.4	6.3	5.8
Virginia	9.2	10.2	11.3
West Virginia	5.8	6.0	6.1
SOUTHWEST			
Arizona	6.7	6.2	5.9
New Mexico	8.7	5.2	5.4
Oklahoma	7.5	7.6	7.5
Texas	7.4	7.7	7.9
ROCKY MOUNTAIN			
Colorado	4.6	4.7	5.5
Idaho	10.4	11.0	11.9
Montana	11.5	11.4	12.7
Utah	13.0	10.8	12.0
Wyoming	13.2	11.0	11.0
FAR WEST			
Alaska	17.0	11.9	16.6
California	5.3	4.3	7.1
Hawaii	9.7	9.2	10.0
Nevada	9.0	9.5	11.4
Oregon	5.6	5.6	6.0
Washington	9.1	8.3	8.5
ALL STATES	7.5 %	7.4 %	8.1 %

TABLE 40
ANNUAL PERCENTAGE CHANGE IN TRANSPORTATION EXPENDITURES

Region/State	Fiscal 2010 to 2011			Fiscal 2011 to 2012		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	7.4 %	-4.3 %	22.0 %	0.0 %	-1.9 %	-13.7 %
Maine	19.1	-9.8	12.2	5.8	7.7	-0.3
Massachusetts	1.8	-13.1	-3.0	5.6	-0.8	7.8
New Hampshire	3.0	-4.0	0.6	2.6	-8.4	-1.0
Rhode Island	-13.5	-5.0	-7.0	-10.4	47.0	26.4
Vermont	0.0	23.8	15.5	5.9	37.2	21.9
MID-ATLANTIC						
Delaware	-1.8	-16.3	-6.4	16.5	4.5	13.1
Maryland	1.3	-0.6	0.8	11.7	10.3	11.4
New Jersey	-3.4	-17.1	-7.5	41.9	48.9	20.5
New York	8.1	15.2	8.6	-1.0	-14.3	-2.7
Pennsylvania	-11.7	-3.3	-11.2	7.1	13.0	8.0
GREAT LAKES						
Illinois	-5.9	14.7	14.5	-0.3	-0.9	-4.8
Indiana	6.4	-4.2	1.5	-12.1	-16.8	-14.2
Michigan	-7.8	-4.0	-6.7	16.5	-0.5	7.2
Ohio	3.7	19.1	6.2	5.3	12.1	6.0
Wisconsin	11.3	-22.6	-3.3	12.3	-14.8	3.0
PLAINS						
Iowa	-15.4	-6.7	-12.0	15.9	-8.6	5.8
Kansas	35.2	34.8	30.8	42.1	-31.0	7.4
Minnesota	20.6	-30.7	14.2	5.0	24.2	11.3
Missouri	92.6	-19.7	29.1	12.7	-47.4	-12.3
Nebraska	-7.3	-9.9	-8.3	10.4	18.4	13.5
North Dakota	19.3	9.8	13.6	58.1	37.8	46.3
South Dakota	30.5	2.7	10.6	6.1	-1.3	1.2
SOUTHEAST						
Alabama	-22.5	-9.6	-14.7	-3.1	8.5	4.3
Arkansas	-3.8	13.7	10.7	11.4	8.5	11.4
Florida	8.7	3.4	7.1	40.8	0.7	27.7
Georgia	-0.1	-32.3	-23.0	17.2	12.8	17.7
Kentucky	0.2	-8.6	-3.3	14.7	11.3	13.4
Louisiana	10.8	5.6	4.8	-12.7	-10.5	-17.7
Mississippi	5.2	-7.5	-1.3	1.8	-15.9	-6.3
North Carolina	18.0	59.3	27.9	-7.1	-6.8	-7.0
South Carolina	1.9	1.0	1.4	8.2	34.0	22.0
Tennessee	4.0	3.3	3.6	-20.1	-4.0	-3.5
Virginia	11.9	25.0	15.2	20.4	-2.5	14.1
West Virginia	15.3	0.2	6.7	9.7	11.6	8.8
SOUTHWEST						
Arizona	-12.0	29.7	-6.5	-3.1	8.9	-7.0
New Mexico	-10.1	11.7	-40.2	0.5	4.5	2.5
Oklahoma	56.5	-17.8	4.5	13.4	-14.7	-2.5
Texas	4.1	8.3	8.6	6.4	-9.6	-1.2
ROCKY MOUNTAIN						
Colorado	-2.0	10.1	3.4	19.1	-11.4	4.6
Idaho	15.7	2.8	9.5	12.0	15.2	13.5
Montana	1.5	0.9	1.1	10.9	4.1	6.7
Utah	-1.7	-57.2	-16.0	17.7	1.1	15.5
Wyoming	-37.8	4.6	-33.3	0.2	0.0	0.1
FAR WEST						
Alaska	-16.8	19.7	-0.2	45.4	-2.9	19.2
California	-13.7	-11.3	-15.2	15.7	42.4	62.5
Hawaii	2.4	-10.5	-3.0	9.7	2.9	11.3
Nevada	30.4	-4.3	8.5	6.7	19.8	12.8
Oregon	0.8	-7.5	2.7	-5.9	26.5	-3.8
Washington	-23.6	-7.0	-8.5	-8.9	1.5	-1.6
ALL STATES	2.3 %	-1.8 %	0.8 %	9.3 %	6.0 %	9.1 %

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

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. Authority Subsidy Prog. for Local Govts.	Motor Vehicle Licensing	State Police/ Highway Patrol
NEW ENGLAND									
Connecticut			X	X	X			X	X
Maine			X		X				X
Massachusetts	X		X	X					
New Hampshire								X	X
Rhode Island			X		X	X	X	X	X
Vermont			X						X
MID-ATLANTIC									
Delaware			X						
Maryland									P
New Jersey			X						X
New York	P	P	N/A	X					X
Pennsylvania			P	P					X
GREAT LAKES									
Illinois	P	P	X	X				X	P
Indiana			X						X
Michigan			X						X
Ohio			X						
Wisconsin			X						
PLAINS									
Iowa									
Kansas			X		X			X	X
Minnesota			X						
Missouri				X			X	X	X
Nebraska			X		P				X
North Dakota			X		X				X
South Dakota			X		X			X	X
SOUTHEAST									
Alabama			X		P	X	X	X	X
Arkansas			X			X		X	X
Florida			X	X	X			X	X
Georgia			X	X	P			X	X
Kentucky			X						X
Louisiana			X		P	X	X	X	X
Mississippi				P		X		X	X
North Carolina			X						
South Carolina			X		X	X	X	X	X
Tennessee				X	X			X	X
Virginia									X
West Virginia			P	X	X	X	X		X
SOUTHWEST									
Arizona			P				P		
New Mexico			X		X	X	X	X	X
Oklahoma	X		X	P	X			X	X
Texas									X
ROCKY MOUNTAIN									
Colorado*			X	X	X	X	X	X	X
Idaho					X				X
Montana			X						X
Utah						X	P	P	X
Wyoming			X						
FAR WEST									
Alaska			X		X	X	X		X
California			X	X	X				X
Hawaii*			X		X	X	X	X	X
Nevada			X			X	X		X
Oregon			X						X
Washington			X		X				X
ALL STATES	4	2	40	14	22	13	13	20	41

Excluded=X Partially Excluded=P Not Applicable=N/A
*See notes at the end of the chapter.

Transportation Notes

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

Colorado: Per the Office of the State Controller, last year the presentation of the Department of Transportation's budget related to highway operations was changed from capital to operating. It had been included as capital previously. The estimate provided for the 2010 survey was reflected on the former capital basis. Port authority operations, gasoline tax and fee collections, and motor vehicle licensing are at Department of Revenue, not Transportation. State police/highway patrol are funded at the Department of Public Safety.

Hawaii: 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.

Maryland: Transportation Capital expenditures were inadvertently omitted last year. Construction debt service and information technology projects are included. Highway User Revenue has been included as an operating expenditure. Correction from last year: Transportation's "Other Bond Funds" should be 0.

Michigan: Actual ARRA expenditures will be recorded with the fiscal 2012 annual financial report.

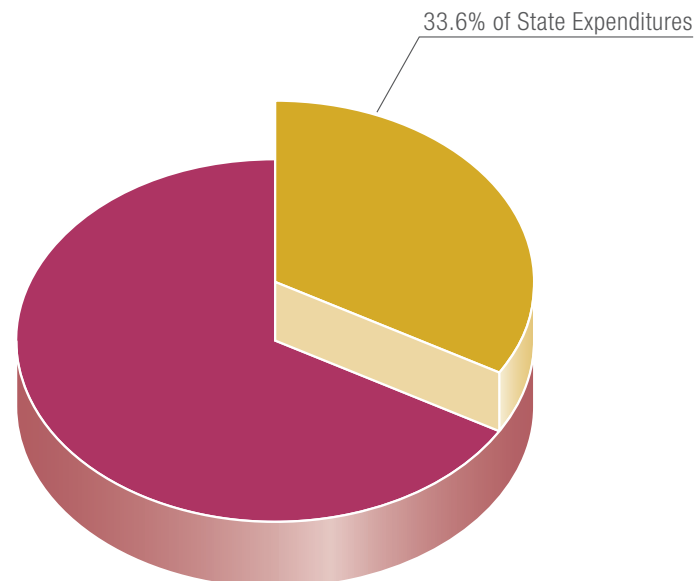
Tennessee: Bond estimates represent bond authorizations, while actual bonds represent bond proceeds utilized.

7

CHAPTER



ALL OTHER EXPENDITURES



All Other Expenditures

The “All Other” category reflects a substantial amount of state spending not included in the categories described in previous chapters. “All Other” spending in states includes the 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 \$559.2 billion for fiscal 2011, or 33.6 percent of total state spending. Total spending in the “All Other” category declined by 0.4 percent in fiscal 2011 and increased by an estimated 0.4 percent in fiscal 2012. While state funds (general funds and other state funds combined) grew by 1.2 percent in fiscal 2011 and by an estimated 2.4 percent in fiscal 2012, federal funds declined by 3.6 percent in fiscal 2011 and by 6.6 percent in fiscal 2012. The declines in federal funds for the “All Other” category can be traced to a reduction in *American Recovery and Reinvestment Act (ARRA)* funds. States reported \$32.9 billion in “All Other” ARRA spending in fiscal 2010, \$21.4 billion in fiscal 2011, and an estimated \$10.7 billion in fiscal 2012.

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

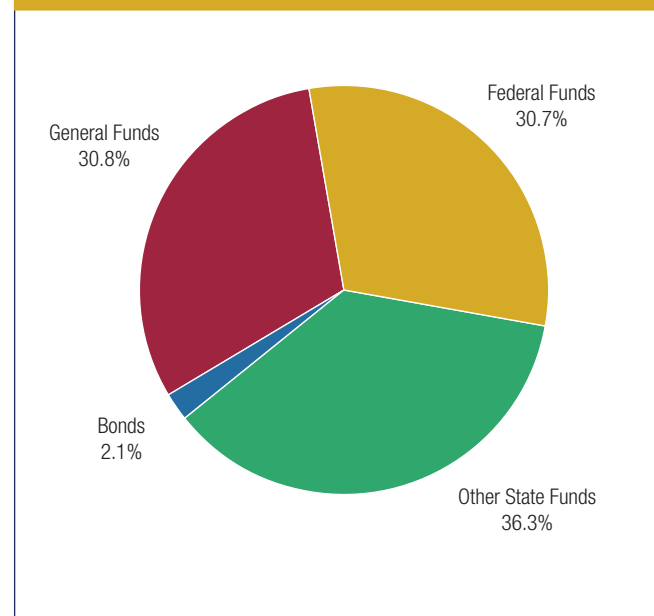
coverage for previously uninsured children. The program is targeted toward children from families with incomes too high to qualify for Medicaid but too low to afford private insurance. SCHIP’s original ten-year authorization ran through September 30, 2007. Legislation was signed in January 2008 that 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 7.7 million children were enrolled under CHIP during fiscal 2010. As shown in Appendix Table A-2, total spending for CHIP was \$11.3 billion in fiscal 2010, \$11.5 billion in fiscal 2011, and is estimated at \$11.6 billion in fiscal 2012.

Fund Shares

The figure below illustrates fund shares for fiscal 2011.

FIGURE 17
STATE EXPENDITURES FOR ALL OTHER PROGRAMS BY FUND SOURCE, FISCAL 2011



Regional Expenditures

The following table shows percentage changes for “All Other” expenditures for fiscal 2010-2011 and 2011-2012 by region. For fiscal 2011, the Southeast region was above the national average while the Southwest region was below the national average.

TABLE 42
REGIONAL PERCENTAGE CHANGE IN STATE ALL OTHER EXPENDITURES,
FISCAL 2011 AND 2012

Region	Fiscal 2010 to 2011			Fiscal 2011 to 2012		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
New England	-1.1 %	4.8 %	1.1 %	-1.3 %	-8.6 %	-2.4 %
Mid-Atlantic	-2.4	4.5	-0.9	3.6	1.6	3.5
Great Lakes	0.8	0.4	0.8	2.5	-5.8	0.6
Plains	-1.5	-7.6	-3.0	-0.1	11.9	3.2
Southeast	3.4	-0.2	1.8	6.6	-4.7	2.8
Southwest	-4.8	-3.0	-4.0	-1.4	-4.4	-2.7
Rocky Mountain	-5.1	-2.1	-3.9	-3.0	-5.0	-3.3
Far West	8.2	-12.9	-0.9	1.2	-18.1	-2.6
ALL STATES	1.2 %	-3.6 %	-0.4 %	2.4 %	-6.6 %	0.4 %

TABLE 43

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

Region/State	Actual Fiscal 2010					Actual Fiscal 2011					Estimated Fiscal 2012				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$7,790	\$882	\$429	\$230	\$9,331	\$7,793	\$1,017	\$492	\$605	\$9,907	\$8,548	\$1,017	\$492	\$849	\$10,906
Maine	923	984	1,634	34	3,575	894	932	1,580	50	3,456	942	877	1,544	26	3,389
Massachusetts	10,527	4,425	9,732	782	25,466	10,635	4,859	9,466	806	25,766	11,064	4,188	7,584	803	23,639
New Hampshire	692	846	506	42	2,086	578	733	469	63	1,843	599	663	625	29	1,916
Rhode Island	984	987	1,136	25	3,132	937	946	1,096	54	3,033	961	1,156	1,150	33	3,300
Vermont*	330	519	205	58	1,112	275	570	294	52	1,191	190	375	348	48	961
MID-ATLANTIC															
Delaware	992	260	2,655	61	3,968	1,164	471	1,933	48	3,616	1,290	466	2,042	38	3,836
Maryland	3,255	1,856	3,099	758	8,968	2,972	1,382	3,235	831	8,420	3,583	2,092	3,567	738	9,980
New Jersey	10,007	2,870	2,670	87	15,634	8,630	2,982	2,730	87	14,429	9,099	3,877	2,657	128	15,761
New York*	20,347	5,766	13,117	1,356	40,586	20,607	6,338	13,061	1,697	41,703	20,445	6,486	13,896	1,724	42,551
Pennsylvania	5,774	8,026	6,926	771	21,497	6,005	8,446	6,830	407	21,688	5,926	7,020	7,079	875	20,900
GREAT LAKES															
Illinois*	12,012	699	2,777	397	15,885	10,215	324	2,450	448	13,437	14,198	756	2,893	734	18,581
Indiana	2,085	2,776	1,116	0	5,977	1,990	2,373	1,034	0	5,397	2,093	1,939	1,143	0	5,175
Michigan*	2,239	6,522	5,727	71	14,559	2,483	6,977	5,572	70	15,102	3,268	7,459	4,327	25	15,079
Ohio	5,449	7,046	12,374	182	25,051	5,486	7,319	13,913	216	26,934	6,862	6,136	9,702	142	22,842
Wisconsin	3,200	3,251	10,404	0	16,855	3,260	3,386	11,437	0	18,083	3,413	2,909	11,392	0	17,714
PLAINS															
Iowa	1,308	2,238	1,206	94	4,846	1,271	2,192	1,318	197	4,978	1,240	2,849	983	293	5,365
Kansas	783	892	2,213	82	3,970	774	899	2,021	122	3,816	816	890	1,800	124	3,630
Minnesota	3,785	2,540	2,306	327	8,958	3,526	2,576	2,469	347	8,918	3,589	2,914	2,251	83	8,837
Missouri	2,043	2,488	1,755	0	6,286	2,025	1,831	1,541	0	5,397	2,040	1,926	1,623	0	5,589
Nebraska	871	945	1,493	0	3,309	941	943	1,538	0	3,422	862	937	1,588	0	3,387
North Dakota	455	670	609	0	1,734	376	648	731	3	1,758	863	684	848	0	2,395
South Dakota	260	408	424	3	1,095	266	320	422	4	1,012	303	329	388	4	1,024
SOUTHEAST															
Alabama	880	1,056	1,116	386	3,438	895	1,203	1,324	290	3,712	674	695	765	513	2,647
Arkansas	562	2,190	4,766	89	7,607	588	1,886	4,884	84	7,442	628	1,613	5,073	54	7,368
Florida	4,382	11,317	1,232	518	17,449	4,563	10,800	1,585	509	17,457	4,325	8,744	6,330	501	19,900
Georgia	3,186	3,174	4,853	240	11,453	3,635	2,944	4,603	237	11,419	3,869	1,829	4,642	200	10,540
Kentucky	2,071	3,014	1,462	0	6,547	2,062	2,380	1,296	0	5,738	2,076	1,773	1,272	0	5,121
Louisiana	2,920	4,663	6,371	201	14,155	2,092	4,130	7,161	248	13,631	2,020	5,052	7,356	182	14,610
Mississippi	1,335	6,378	1,940	371	10,024	1,152	5,974	1,924	220	9,270	1,085	7,129	2,321	294	10,829
North Carolina	3,837	6,490	5,536	488	16,351	3,821	6,843	6,800	473	17,937	3,303	7,105	5,422	664	16,494
South Carolina	1,537	1,766	2,135	1	5,439	1,661	3,649	1,865	0	7,175	1,784	3,408	2,109	0	7,301
Tennessee	2,575	3,920	2,318	90	8,903	2,604	4,322	2,219	3	9,148	2,920	4,561	2,160	182	9,823
Virginia	4,439	1,863	9,059	399	15,760	5,637	1,841	8,412	459	16,349	5,642	1,895	9,458	411	17,406
West Virginia	984	1,086	9,618	0	11,688	889	872	10,120	0	11,881	909	849	11,064	0	12,822
SOUTHWEST															
Arizona	2,353	2,104	3,283	0	7,740	1,010	2,242	3,026	0	6,278	1,147	2,335	3,302	0	6,784
New Mexico	1,042	1,032	2,041	0	4,115	1,300	1,636	1,993	0	4,929	1,138	1,597	2,132	0	4,867
Oklahoma	1,112	3,700	3,115	18	7,945	1,025	3,684	3,200	21	7,930	1,027	3,400	3,129	24	7,580
Texas	6,364	11,021	4,121	127	21,633	6,288	9,754	4,476	125	20,643	5,504	9,219	4,631	132	19,486
ROCKY MOUNTAIN															
Colorado	1,919	4,219	5,846	0	11,984	1,659	4,004	5,927	0	11,590	1,411	3,375	5,771	0	10,557
Idaho	392	877	493	21	1,783	365	755	425	26	1,571	378	808	609	26	1,821
Montana	579	804	1,328	0	2,711	584	835	1,327	0	2,746	527	758	1,173	0	2,458
Utah	858	1,161	2,291	303	4,613	1,058	1,345	2,030	366	4,799	1,055	1,571	2,026	439	5,091
Wyoming	2,538	869	1,260	0	4,667	2,047	828	1,183	0	4,058	1,984	869	1,179	0	4,032
FAR WEST															
Alaska	2,919	978	336	0	4,233	6,027	983	811	0	7,821	4,005	929	352	0	5,286
California	21,183	37,884	19,311	2,374	80,752	21,395	31,648	20,398	1,787	75,228	19,069	26,779	25,693	5,545	77,086
Hawaii*	2,352	810	1,797	485	5,444	2,407	760	1,808	372	5,347	2,787	209	1,804	360	5,160
Nevada	717	809	1,420	20	2,966	786	818	1,483	20	3,107	592	556	1,236	9	2,393
Oregon	1,954	4,200	12,971	141	19,266	1,331	4,370	13,998	174	19,873	2,094	4,444	12,769	80	19,387
Washington	2,336	3,026	2,807	481	8,650	2,202	2,967	3,229	440	8,838	2,232	1,103	4,187	274	7,796
TOTAL	\$173,437	\$178,307	\$197,339	\$12,113	\$561,196	\$172,186	\$171,937	\$203,139	\$11,961	\$559,223	\$176,379	\$160,550	\$207,887	\$16,586	\$561,402

*See notes at the end of the chapter.

TABLE 44
ALL OTHER EXPENDITURES AS A PERCENT OF
TOTAL EXPENDITURES

Region/State	Fiscal 2010	Fiscal 2011	Fiscal 2012
NEW ENGLAND			
Connecticut	38.3 %	38.2 %	40.6 %
Maine	42.8	41.8	41.8
Massachusetts	49.7	48.3	45.3
New Hampshire	38.1	34.5	37.5
Rhode Island	40.1	38.7	40.1
Vermont	23.8	24.5	19.8
MID-ATLANTIC			
Delaware	45.5	43.0	42.9
Maryland	27.0	24.9	27.9
New Jersey	32.2	30.6	31.7
New York	31.5	31.4	31.9
Pennsylvania	31.6	31.4	30.6
GREAT LAKES			
Illinois	32.2	27.4	36.2
Indiana	22.4	20.4	19.7
Michigan	30.5	31.1	31.0
Ohio	43.5	44.7	39.4
Wisconsin	42.0	42.2	42.9
PLAINS			
Iowa	27.5	27.6	28.1
Kansas	28.3	26.0	24.6
Minnesota	29.9	28.4	27.0
Missouri	26.9	23.4	23.9
Nebraska	34.4	34.9	34.3
North Dakota	35.6	35.0	38.7
South Dakota	28.6	26.1	27.7
SOUTHEAST			
Alabama	16.7	17.7	12.7
Arkansas	38.2	36.3	35.6
Florida	28.1	26.7	28.7
Georgia	28.1	28.2	26.7
Kentucky	25.2	22.6	20.0
Louisiana	44.7	43.7	44.6
Mississippi	44.0	41.7	45.2
North Carolina	33.5	35.1	31.1
South Carolina	27.6	32.3	33.3
Tennessee	31.3	30.4	31.6
Virginia	38.7	38.6	40.1
West Virginia	57.4	56.0	56.9
SOUTHWEST			
Arizona	27.7	22.3	24.6
New Mexico	26.8	31.9	32.0
Oklahoma	38.1	37.2	35.9
Texas	23.5	21.6	21.1
ROCKY MOUNTAIN			
Colorado	38.6	37.5	37.6
Idaho	27.9	23.8	26.2
Montana	44.8	44.5	41.5
Utah	36.6	37.8	38.5
Wyoming	61.0	66.2	65.8
FAR WEST			
Alaska	43.4	56.2	44.5
California	39.2	34.9	36.1
Hawaii	49.7	47.7	44.8
Nevada	35.8	36.5	30.1
Oregon	59.2	59.4	64.4
Washington	25.8	26.3	24.2
ALL STATES	34.7 %	33.6 %	33.7 %

TABLE 45
ANNUAL PERCENTAGE CHANGE IN ALL OTHER EXPENDITURES

Region/State	Fiscal 2010 to 2011			Fiscal 2011 to 2012		
	State Funds	Federal Funds	All Funds	State Funds	Federal Funds	All Funds
NEW ENGLAND						
Connecticut	0.8 %	15.3 %	6.2 %	9.1 %	0.0 %	10.1 %
Maine	-3.2	-5.3	-3.3	0.5	-5.9	-1.9
Massachusetts	-0.8	9.8	1.2	-7.2	-13.8	-8.3
New Hampshire	-12.6	-13.4	-11.6	16.9	-9.5	4.0
Rhode Island	-4.1	-4.2	-3.2	3.8	22.2	8.8
Vermont	6.4	9.8	7.1	-5.4	-34.2	-19.3
MID-ATLANTIC						
Delaware	-15.1	81.2	-8.9	7.6	-1.1	6.1
Maryland	-2.3	-25.5	-6.1	15.2	51.4	18.5
New Jersey	-10.4	3.9	-7.7	3.5	30.0	9.2
New York	0.6	9.9	2.8	2.0	2.3	2.0
Pennsylvania	1.1	5.2	0.9	1.3	-16.9	-3.6
GREAT LAKES						
Illinois	-14.4	-53.6	-15.4	34.9	133.3	38.3
Indiana	-5.5	-14.5	-9.7	7.0	-18.3	-4.1
Michigan	1.1	7.0	3.7	-5.7	6.9	-0.2
Ohio	8.8	3.9	7.5	-14.6	-16.2	-15.2
Wisconsin	8.0	4.2	7.3	0.7	-14.1	-2.0
PLAINS						
Iowa	3.0	-2.1	2.7	-14.1	30.0	7.8
Kansas	-6.7	0.8	-3.9	-6.4	-1.0	-4.9
Minnesota	-1.6	1.4	-0.4	-2.6	13.1	-0.9
Missouri	-6.1	-26.4	-14.1	2.7	5.2	3.6
Nebraska	4.9	-0.2	3.4	-1.2	-0.6	-1.0
North Dakota	4.0	-3.3	1.4	54.6	5.6	36.2
South Dakota	0.6	-21.6	-7.6	0.4	2.8	1.2
SOUTHEAST						
Alabama	11.2	13.9	8.0	-35.2	-42.2	-28.7
Arkansas	2.7	-13.9	-2.2	4.2	-14.5	-1.0
Florida	9.5	-4.6	0.0	73.3	-19.0	14.0
Georgia	2.5	-7.2	-0.3	3.3	-37.9	-7.7
Kentucky	-5.0	-21.0	-12.4	-0.3	-25.5	-10.8
Louisiana	-0.4	-11.4	-3.7	1.3	22.3	7.2
Mississippi	-6.1	-6.3	-7.5	10.7	19.3	16.8
North Carolina	13.3	5.4	9.7	-17.9	3.8	-8.0
South Carolina	-4.0	106.6	31.9	10.4	-6.6	1.8
Tennessee	-1.4	10.3	2.8	5.3	5.5	7.4
Virginia	4.1	-1.2	3.7	7.5	2.9	6.5
West Virginia	3.8	-19.7	1.7	8.8	-2.6	7.9
SOUTHWEST						
Arizona	-28.4	6.6	-18.9	10.2	4.1	8.1
New Mexico	6.8	58.5	19.8	-0.7	-2.4	-1.3
Oklahoma	0.0	-0.4	-0.2	-1.6	-7.7	-4.4
Texas	2.7	-11.5	-4.6	-5.8	-5.5	-5.6
ROCKY MOUNTAIN						
Colorado	-2.3	-5.1	-3.3	-5.3	-15.7	-8.9
Idaho	-10.7	-13.9	-11.9	24.9	7.0	15.9
Montana	0.2	3.9	1.3	-11.0	-9.2	-10.5
Utah	-1.9	15.8	4.0	-0.2	16.8	6.1
Wyoming	-15.0	-4.7	-13.0	-2.1	5.0	-0.6
FAR WEST						
Alaska	110.1	0.5	84.8	-36.3	-5.5	-32.4
California	3.2	-16.5	-6.8	7.1	-15.4	2.5
Hawaii	1.6	-6.2	-1.8	8.9	-72.5	-3.5
Nevada	6.2	1.1	4.8	-19.4	-32.0	-23.0
Oregon	2.7	4.0	3.2	-3.0	1.7	-2.4
Washington	5.6	-1.9	2.2	18.2	-62.8	-11.8
ALL STATES	1.2	-3.6	-0.4	2.4	-6.6	0.4

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

TABLE 46
ITEMS EXCLUDED FROM ALL OTHER EXPENDITURES

Region/State	Employers Contribution to Pensions	Employer Contributions to Health Benefits	Child Health Insurance Program	Public Health	Community and Institutional for Mental Health	Community and Institutional for Dev. Disabled	Environmental Programs	Parks and Recreation	Housing	General Aid to Local Government
NEW ENGLAND										
Connecticut										
Maine										
Massachusetts										
New Hampshire										
Rhode Island									X	
Vermont				P	P	X				
MID-ATLANTIC										
Delaware										
Maryland										
New Jersey										
New York*	P	P								
Pennsylvania										
GREAT LAKES										
Illinois									P	
Indiana										
Michigan*				P	P	P				
Ohio									X	
Wisconsin										
PLAINS										
Iowa									X	
Kansas							N/A		N/A	
Minnesota										
Missouri									X	
Nebraska									X	
North Dakota										
South Dakota										X
SOUTHEAST										
Alabama									P	P
Arkansas										
Florida										
Georgia				P	P	P				
Kentucky										
Louisiana										
Mississippi									P	
North Carolina										
South Carolina										X
Tennessee										X
Virginia										
West Virginia										
SOUTHWEST										
Arizona										
New Mexico										
Oklahoma									P	P
Texas										
ROCKY MOUNTAIN										
Colorado*										
Idaho									X	X
Montana										
Utah										
Wyoming			X							
FAR WEST										
Alaska							P		P	
California									X	
Hawaii*	P	P								
Nevada										X
Oregon										
Washington				P						X
ALL STATES	2	2	1	4	3	3	2	0	13	8

Excluded=X Partially Excluded=P Not Applicable=N/A
*See notes at the end of the chapter.

All Other Expenditure Notes

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

Colorado: CHIP is included in “Medicaid” expenditures, all part of the Department of Health Care Policy and Financing.

Hawaii: 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.

Illinois: Fiscal 2012 GRF expenditure includes \$4,135 million for meeting the statutorily required pension obligation. In fiscal 2010 and fiscal 2011 this obligation was met through debt proceeds.

Michigan: Public health and community and institutional care for mentally and developmentally disabled persons are partially reported in the Medicaid totals. Actual ARRA expenditures will be recorded with the fiscal 2012 annual financial report.

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

8

CHAPTER



CAPITAL EXPENDITURES

Capital Expenditures

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

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 the nature of capital spending includes 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 by 2.9 percent in fiscal 2011, but increased capital spending by an estimated 9.5 percent in fiscal 2012. Overall, state capital spending totaled \$85.9 billion in fiscal 2010, \$83.4 billion in fiscal 2011, and is estimated to total \$91.3 billion in fiscal 2012. Capital spending has been partly financed over the past several years by 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.

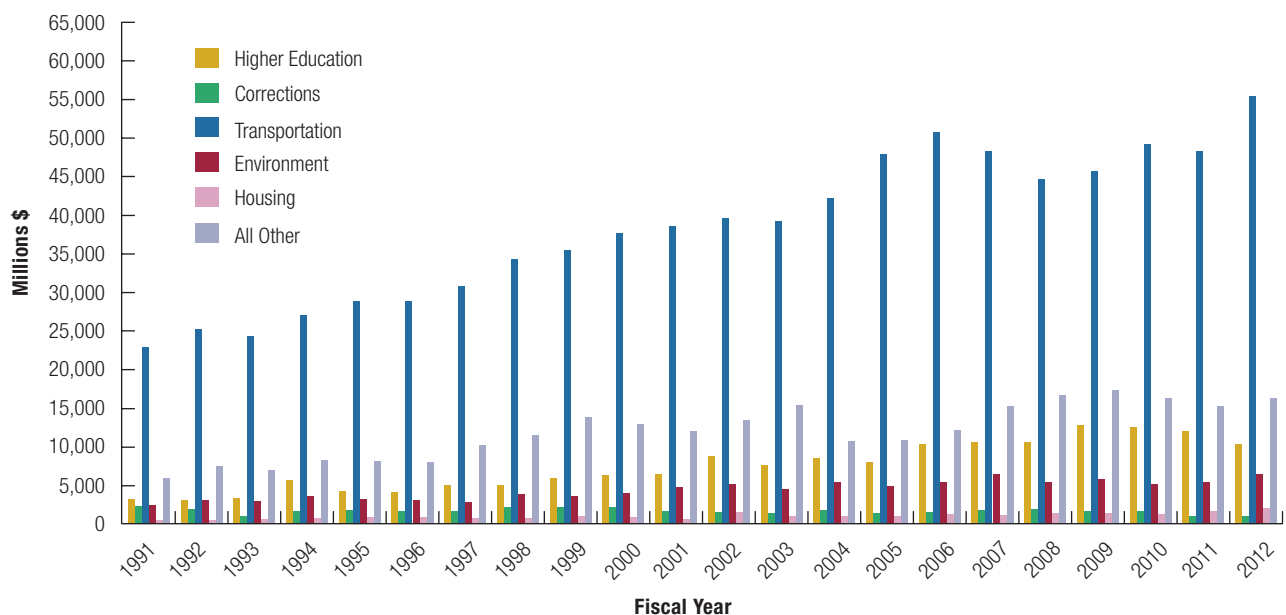
Capital Fund Sources

State spending on capital projects traditionally has come from non-general fund sources. Bonds (33.5 percent in fiscal 2011) and other state funds such as dedicated fees and fund surpluses (33.3 percent) combine to account for 66.8 percent of total state spending on capital projects. Federal funds (28.8 percent) and state general funds (4.4 percent) also contribute to capital spending.

Capital Funds by Use

Comprising 57.8 percent (\$48.2 billion) of all capital expenditures in fiscal 2011, **transportation** is the largest category of

FIGURE 18:
CAPITAL EXPENDITURES BY TYPE, FISCAL 1991 TO 2012



state capital expenditures. Capital spending for transportation declined by 2 percent in fiscal 2011, and is expected to increase by 14.9 percent in fiscal 2012.

Higher education capital expenditures decreased by 4.3 percent in fiscal 2011, totaling \$12.0 billion, and accounting for 14.4 percent of total state capital outlays. In fiscal 2012, higher education capital spending is estimated to decrease by 13.7 percent.

State capital spending for **environmental** purposes in fiscal 2011 totaled \$5.4 billion, 6.4 percent of total capital spending and a 5.7 percent increase from fiscal 2010. Environmental capital expenditures are estimated to increase 19.2 percent in fiscal 2012, due mostly to increased expenditures in California.

Housing capital expenditures account for just 2.0 percent of total fiscal 2011 capital spending, at approximately \$1.7 billion. Housing capital spending increased by 28.9 percent in fiscal 2011, and is estimated to increase by 18.2 percent in fiscal 2012, rising to \$2.0 billion.

Corrections capital spending experienced a decrease of 34.8 percent in fiscal 2011, totaling \$1.01 billion. Corrections accounted for only 1.2 percent of total state capital expenditures. Fiscal 2012 estimates indicate spending of \$1.03 billion, a 1.9 percent increase.

State spending for **“all other”** purposes totaled \$15.2 billion in fiscal 2011, or 18.2 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. In fiscal 2012, “all other” capital spending is estimated to increase by 6.8 percent to \$16.2 billion.

FIGURE 20
TOTAL CAPITAL EXPENDITURES BY FUNDING SOURCE, FISCAL 2011

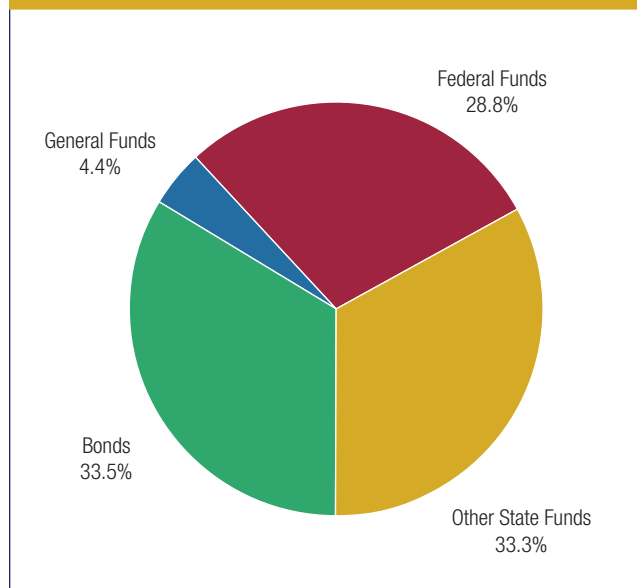


FIGURE 19:
ANNUAL PERCENTAGE CHANGE IN TOTAL CAPITAL EXPENDITURES

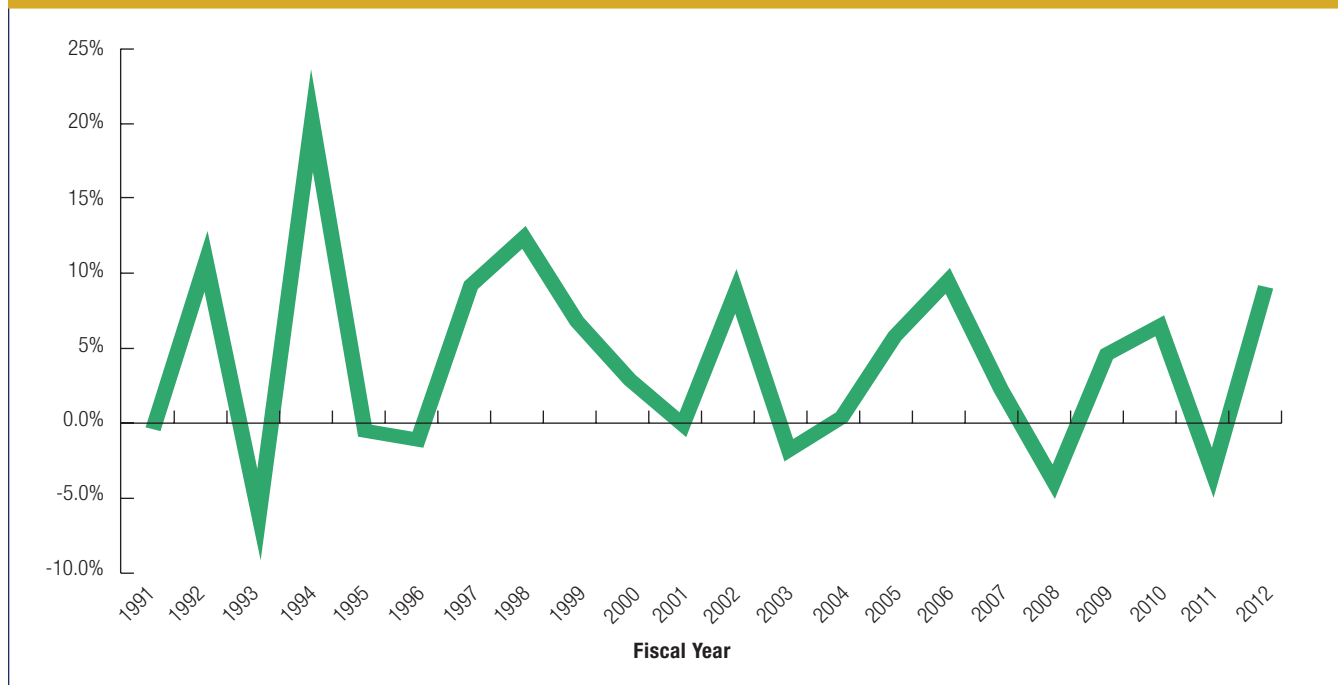


TABLE 47
TOTAL CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2010					Actual Fiscal 2011					Estimated Fiscal 2012				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$0	\$585	\$16	\$1,819	\$2,420	\$0	\$550	\$24	\$2,381	\$2,955	\$0	\$567	\$30	\$2,359	\$2,956
Maine	0	181	76	41	298	7	165	123	68	363	0	171	130	26	327
Massachusetts	0	795	42	1,835	2,672	0	677	5	1,906	2,588	0	666	26	2,152	2,844
New Hampshire	0	8	143	138	289	0	11	143	145	299	0	16	128	86	230
Rhode Island	5	192	97	104	398	9	175	67	123	374	4	225	71	109	409
Vermont	0	177	42	74	293	0	220	44	78	342	0	330	51	65	446
MID-ATLANTIC															
Delaware	0	239	170	253	662	0	199	141	204	544	0	209	227	185	621
Maryland	0	963	1,124	1,126	3,213	1	840	1,036	1,167	3,044	48	1,010	1,375	964	3,397
New Jersey*	1,146	1,666	121	1,669	4,602	1,215	1,314	37	1,616	4,182	1,324	1,718	83	1,282	4,407
New York	0	1,727	2,122	3,263	7,112	0	2,143	2,120	3,582	7,845	0	1,824	2,151	3,861	7,836
Pennsylvania	0	0	0	1,655	1,655	0	0	0	868	868	0	0	0	1,290	1,290
GREAT LAKES															
Illinois	0	108	2,722	895	3,725	0	124	2,610	1,959	4,693	0	124	2,604	2,103	4,831
Indiana	219	0	59	169	447	214	28	44	100	386	158	4	51	0	213
Michigan	233	1,714	445	264	2,656	235	1,803	394	248	2,680	247	1,798	352	162	2,559
Ohio	0	1,000	1,455	1,128	3,583	0	1,239	1,368	1,016	3,623	0	1,388	1,055	778	3,221
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PLAINS															
Iowa	0	362	463	67	892	0	407	201	148	756	0	429	326	171	926
Kansas	9	457	236	143	845	41	622	326	167	1,156	46	518	593	181	1,338
Minnesota	21	102	742	746	1,611	42	61	1,009	847	1,959	10	51	916	671	1,648
Missouri	33	50	119	0	202	33	68	64	0	165	89	11	33	0	133
Nebraska	15	307	600	0	922	15	292	503	0	810	15	329	539	0	883
North Dakota	79	319	161	20	579	80	340	139	21	580	81	476	339	13	909
South Dakota	7	6	46	67	126	12	7	31	67	117	3	7	34	35	79
SOUTHEAST															
Alabama	9	607	154	391	1,161	3	439	174	292	908	3	792	134	516	1,445
Arkansas	0	45	86	47	178	0	32	63	35	130	0	23	56	14	93
Florida	66	2,312	4,647	1,264	8,289	158	2,081	5,177	1,470	8,886	164	2,048	6,809	1,028	10,049
Georgia	0	1,277	282	1,148	2,707	0	755	296	663	1,714	0	866	361	907	2,134
Kentucky	0	0	1,071	0	1,071	0	0	667	0	667	0	0	876	0	876
Louisiana	162	87	1,466	641	2,356	199	51	1,655	591	2,496	125	65	1,293	380	1,863
Mississippi	25	514	378	419	1,336	32	499	436	266	1,233	36	408	438	345	1,226
North Carolina	5	0	0	488	493	11	0	0	473	484	4	0	0	664	668
South Carolina	52	17	205	86	360	51	27	199	104	381	0	0	0	0	0
Tennessee*	40	914	620	100	1,674	136	947	435	13	1,531	55	920	309	415	1,699
Virginia	7	26	183	1,166	1,381	3	21	66	1,057	1,146	2	14	114	992	1,121
West Virginia	24	627	485	58	1,194	24	592	603	39	1,258	36	679	744	19	1,478
SOUTHWEST															
Arizona	37	520	240	1,022	1,819	34	662	208	652	1,556	73	754	246	453	1,526
New Mexico	0	0	0	43	43	0	0	0	86	86	0	0	0	147	147
Oklahoma	4	1,269	563	559	2,395	4	1,040	894	505	2,443	3	770	816	421	2,010
Texas*	126	395	2,263	150	3,090	147	597	2,252	141	3,293	140	632	2,152	141	3,213
ROCKY MOUNTAIN															
Colorado	132	0	1,078	0	1,209	57	0	407	0	464	100	0	405	0	505
Idaho	8	288	73	27	396	12	294	122	33	461	11	345	177	33	565
Montana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Utah*	75	393	972	0	1,440	181	270	887	0	1,338	60	155	1,191	0	1,406
Wyoming	215	40	98	0	353	88	51	153	0	292	89	51	153	0	293
FAR WEST															
Alaska	866	1,187	105	0	2,158	609	1,010	496	228	2,343	1,661	1,096	158	50	2,965
California	41	1,762	1,186	2,400	5,389	28	2,029	641	1,236	3,934	34	3,663	601	4,876	9,174
Hawaii*	0	240	264	674	1,178	0	221	241	582	1,044	0	203	273	766	1,242
Nevada	6	394	155	109	664	3	379	247	78	707	0	462	266	27	755
Oregon	5	43	108	468	624	4	47	120	543	714	0	22	30	299	351
Washington	0	699	1,013	2,029	3,741	0	654	830	2,064	3,548	0	651	625	1,748	3,024
TOTAL*	\$3,671	\$24,613	\$28,695	\$28,764	\$85,900	\$3,688	\$23,984	\$27,696	\$27,862	\$83,386	\$4,620	\$26,488	\$29,340	\$30,733	\$91,330

*See notes at the end of the chapter.

TABLE 48

HIGHER EDUCATION CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2010					Actual Fiscal 2011					Estimated Fiscal 2012				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$0	\$0	\$0	\$300	\$300	\$0	\$0	\$0	\$285	\$285	\$0	\$0	\$0	\$317	\$317
Maine	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Massachusetts	0	0	0	129	129	0	0	0	194	194	0	0	0	271	271
New Hampshire	0	0	0	43	43	0	0	0	23	23	0	0	0	47	47
Rhode Island	0	1	21	20	42	0	8	28	27	63	1	24	28	32	85
Vermont	0	0	0	4	4	0	0	0	5	5	0	0	0	5	5
MID-ATLANTIC															
Delaware	0	0	0	4	4	0	0	0	5	5	0	0	0	9	9
Maryland	0	0	27	284	311	0	0	27	325	352	0	0	27	209	236
New Jersey	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New York	0	0	83	734	817	0	0	87	775	862	0	0	135	911	1,046
Pennsylvania	0	0	0	270	270	0	0	0	225	225	0	0	0	230	230
GREAT LAKES															
Illinois	0	0	0	60	60	0	0	0	118	118	0	0	0	227	227
Indiana	0	0	0	169	169	0	23	0	100	123	0	4	0	0	4
Michigan*	132	0	0	91	223	133	0	0	120	253	135	0	0	104	239
Ohio	0	0	0	317	317	0	0	0	261	261	0	0	0	167	167
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PLAINS															
Iowa	0	0	22	16	38	0	0	14	28	42	0	0	6	10	16
Kansas	2	12	73	33	120	5	17	47	31	100	4	14	68	33	119
Minnesota	0	0	0	227	227	0	0	0	167	167	0	0	0	114	114
Missouri	4	6	67	0	77	2	6	28	0	36	0	0	2	0	2
Nebraska	12	1	186	0	199	12	4	134	0	150	12	4	129	0	145
North Dakota	37	6	34	20	97	38	9	25	18	90	34	2	13	13	62
South Dakota	0	0	0	64	64	0	0	0	63	63	0	0	0	31	31
SOUTHEAST															
Alabama*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Arkansas	0	0	19	0	19	0	0	16	0	16	0	0	16	0	16
Florida	11	0	140	190	341	2	0	260	476	738	29	0	58	61	148
Georgia	0	0	0	532	532	0	0	0	221	221	0	0	0	431	431
Kentucky	0	0	486	0	486	0	0	312	0	312	0	0	329	0	329
Louisiana	28	0	13	58	99	47	0	24	45	116	44	0	4	45	93
Mississippi	21	4	82	13	120	25	5	128	10	168	28	3	120	9	160
North Carolina	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
South Carolina	8	3	159	85	255	21	18	172	104	315	0	0	0	0	0
Tennessee	2	0	0	10	12	69	0	0	10	79	20	0	0	80	100
Virginia	3	1	164	937	1,105	1	0	12	827	840	0	1	78	794	873
West Virginia	0	0	179	21	200	0	0	312	19	331	0	0	321	19	340
SOUTHWEST															
Arizona	35	1	50	485	571	30	23	90	320	463	23	17	82	292	414
New Mexico	0	0	0	4	4	0	0	0	0	0	0	0	0	11	11
Oklahoma	0	3	196	422	621	0	12	155	319	486	0	9	75	222	306
Texas*	84	88	2,183	0	2,511	114	101	2,140	0	2,511	108	95	2,027	0	2,378
ROCKY MOUNTAIN															
Colorado	34	0	184	0	218	13	0	206	0	219	11	0	177	0	188
Idaho	7	0	13	6	26	10	0	10	6	26	11	0	15	6	32
Montana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utah	0	0	0	0	0	109	0	0	0	109	0	0	0	0	0
Wyoming	39	1	0	0	40	1	0	0	0	1	1	0	0	0	1
FAR WEST															
Alaska	4	30	0	0	34	69	1	0	228	298	80	30	0	50	160
California	0	0	0	832	832	0	0	0	293	293	0	0	0	318	318
Hawaii	0	0	7	109	116	0	0	0	155	155	0	0	0	316	316
Nevada	4	0	49	34	87	1	0	10	48	59	0	0	2	14	16
Oregon	5	1	87	288	381	4	2	94	281	381	0	0	0	136	136
Washington	0	0	78	315	393	0	0	149	270	419	0	0	79	120	199
TOTAL	\$472	\$158	\$4,602	\$7,126	\$12,514	\$706	\$229	\$4,480	\$6,402	\$11,973	\$541	\$203	\$3,791	\$5,654	\$10,337

*See notes at the end of the chapter.

TABLE 49
CORRECTIONS CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2010					Actual Fiscal 2011					Estimated Fiscal 2012				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$0	\$0	\$0	\$1	\$1	\$0	\$0	\$0	\$17	\$17	\$0	\$0	\$0	\$26	\$26
Maine	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Massachusetts	0	0	0	11	11	0	0	0	18	18	0	0	0	21	21
New Hampshire	0	0	0	3	3	0	0	0	2	2	0	0	0	3	3
Rhode Island	0	0	2	2	4	0	0	3	0	3	0	0	5	0	5
Vermont	0	0	0	0	0	0	0	0	1	1	0	0	0	3	3
MID-ATLANTIC															
Delaware	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Maryland	0	10	0	84	94	0	0	0	11	11	0	0	0	17	17
New Jersey	4	0	0	0	4	7	0	0	1	8	2	0	0	0	2
New York	0	0	0	264	264	0	0	0	216	216	0	0	0	240	240
Pennsylvania	0	0	0	224	224	0	0	0	32	32	0	0	0	32	32
GREAT LAKES															
Illinois	0	0	0	7	7	0	0	0	6	6	0	0	0	7	7
Indiana	55	0	12	0	67	56	0	15	0	71	56	0	13	0	69
Michigan	47	0	0	1	48	45	0	0	2	47	37	0	0	0	37
Ohio	0	0	0	33	33	0	0	0	40	40	0	0	0	24	24
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PLAINS															
Iowa	0	0	1	21	22	0	0	2	64	66	0	0	25	98	123
Kansas	2	0	3	7	12	3	0	3	6	12	2	0	3	7	12
Minnesota	4	0	0	14	18	10	0	0	14	24	1	0	0	14	15
Missouri	0	0	6	0	6	0	0	1	0	1	0	0	1	0	1
Nebraska	1	0	1	0	2	1	0	1	0	2	1	0	1	0	2
North Dakota	2	0	1	0	3	12	0	0	0	12	4	0	24	0	28
South Dakota	4	0	0	0	4	1	0	1	0	2	1	0	1	0	2
SOUTHEAST															
Alabama	6	0	2	5	13	0	13	0	2	15	0	8	1	3	12
Arkansas	0	0	9	0	9	0	0	1	0	1	0	0	2	0	2
Florida	6	0	0	182	188	0	0	0	86	86	1	0	0	60	61
Georgia	0	0	0	35	35	0	0	0	25	25	0	0	0	10	10
Kentucky	0	0	4	0	4	0	0	12	0	12	0	0	27	0	27
Louisiana	0	0	0	5	5	0	0	0	1	1	0	0	0	1	1
Mississippi	1	0	1	0	2	1	0	2	0	3	1	0	1	0	2
North Carolina	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
South Carolina	2	0	8	0	10	1	0	4	0	5	0	0	0	0	0
Tennessee	0	0	30	0	30	0	0	32	0	32	0	0	35	0	35
Virginia	3	2	4	70	79	0	1	1	25	27	0	3	3	17	23
West Virginia	3	71	6	0	80	2	0	3	0	5	5	0	6	0	11
SOUTHWEST															
Arizona	0	0	0	0	0	0	0	0	0	0	0	6	1	0	7
New Mexico	0	0	0	3	3	0	0	0	21	21	0	0	0	4	4
Oklahoma	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Texas	21	0	0	36	57	9	1	0	37	47	19	0	0	45	64
ROCKY MOUNTAIN															
Colorado	21	0	64	0	85	9	0	14	0	23	20	0	0	0	20
Idaho	1	0	1	0	2	2	0	1	0	3	1	1	1	0	3
Montana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utah	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Wyoming	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FAR WEST															
Alaska	7	0	0	0	7	22	0	0	0	22	14	0	0	0	14
California	22	0	0	1	23	20	0	0	0	20	24	0	0	0	24
Hawaii	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Nevada	0	0	0	34	34	0	0	0	10	10	0	0	0	4	4
Oregon	0	0	0	15	15	0	0	0	37	37	0	0	0	14	14
Washington	0	0	0	46	46	0	0	0	27	27	0	0	0	25	25
TOTAL	\$212	\$83	\$155	\$1,104	\$1,554	\$201	\$15	\$96	\$701	\$1,013	\$189	\$18	\$150	\$675	\$1,032

*See notes at the end of the chapter.

TABLE 50
TRANSPORTATION CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2010					Actual Fiscal 2011					Estimated Fiscal 2012				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$0	\$585	\$16	\$588	\$1,189	\$0	\$550	\$24	\$1,087	\$1,661	\$0	\$567	\$30	\$687	\$1,284
Maine	0	172	72	28	272	7	154	118	60	339	0	161	122	22	305
Massachusetts	0	795	42	942	1,779	0	677	5	1,016	1,698	0	666	26	1,057	1,749
New Hampshire	0	8	143	0	151	0	11	143	0	154	0	16	128	0	144
Rhode Island	0	182	7	37	226	0	159	4	38	201	0	191	2	43	236
Vermont	0	177	42	2	221	0	220	44	13	277	0	330	51	1	382
MID-ATLANTIC															
Delaware	0	239	170	0	409	0	199	141	0	340	0	209	227	0	436
Maryland*	0	714	720	0	1,434	0	776	709	0	1,485	0	854	1,037	0	1,891
New Jersey	895	1,394	95	1,582	3,966	895	1,153	15	1,528	3,591	1,035	1,702	76	1,154	3,967
New York	0	1,459	1,523	885	3,867	0	1,681	1,538	885	4,104	0	1,437	1,492	969	3,898
Pennsylvania	0	0	0	390	390	0	0	0	204	204	0	0	0	153	153
GREAT LAKES															
Illinois	0	101	2,341	431	2,873	0	117	2,038	1,387	3,542	0	115	2,018	1,135	3,268
Indiana	0	0	21	0	21	0	0	6	0	6	0	0	14	0	14
Michigan*	0	1,448	340	100	1,888	0	1,403	283	56	1,742	0	1,417	168	33	1,618
Ohio	0	1,000	463	589	2,052	0	1,239	462	496	2,197	0	1,388	520	445	2,353
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PLAINS															
Iowa	0	362	382	0	744	0	407	156	28	591	0	429	240	22	691
Kansas	0	436	152	100	688	8	596	276	105	985	8	470	522	110	1,110
Minnesota	0	36	673	177	886	0	16	904	318	1,238	0	6	866	459	1,331
Missouri	6	8	0	0	14	1	0	0	0	1	0	0	0	0	0
Nebraska	0	280	360	0	640	0	256	322	0	578	0	302	369	0	671
North Dakota	0	278	88	0	366	0	304	90	0	394	0	419	192	0	611
South Dakota	0	0	12	0	12	0	1	21	0	22	0	2	22	0	24
SOUTHEAST															
Alabama	0	607	57	0	664	0	426	88	0	514	0	784	65	0	849
Arkansas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Florida	0	1,607	2,908	374	4,889	1	1,662	3,253	399	5,315	0	1,674	4,955	406	7,035
Georgia	0	1,277	282	44	1,603	0	755	296	9	1,060	0	866	361	99	1,326
Kentucky	0	0	24	0	24	0	0	17	0	17	0	0	18	0	18
Louisiana	0	1	1,128	377	1,506	0	2	1,329	297	1,628	0	1	1,103	152	1,256
Mississippi	0	488	213	36	737	0	447	244	37	728	0	336	206	42	584
North Carolina	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
South Carolina	0	0	2	0	2	0	0	1	0	1	0	0	0	0	0
Tennessee	0	912	588	0	1,500	0	942	403	0	1,345	0	904	273	161	1,338
Virginia	0	0	18	4	22	0	0	34	16	50	0	0	11	28	39
West Virginia	2	506	212	37	757	3	513	223	20	759	6	571	310	0	887
SOUTHWEST															
Arizona	0	517	185	537	1,239	0	639	55	332	1,026	0	731	146	161	1,038
New Mexico	0	0	0	0	0	0	0	0	0	0	0	0	0	35	35
Oklahoma	0	1,021	234	119	1,374	0	788	504	165	1,457	0	567	508	175	1,250
Texas*	0	0	75	0	75	0	0	105	0	105	0	0	115	0	115
ROCKY MOUNTAIN															
Colorado*	0	0	711	0	711	0	0	1	0	1	0	0	0	0	0
Idaho	0	288	40	0	328	0	294	90	0	384	0	344	135	0	479
Montana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utah	1	390	947	0	1,338	2	153	910	0	1,065	3	153	1,144	0	1,300
Wyoming	154	29	88	0	271	75	45	146	0	266	76	45	146	0	267
FAR WEST															
Alaska	296	748	60	0	1,104	120	896	49	0	1,065	392	867	81	0	1,340
California	0	1,730	977	1,256	3,963	0	2,000	487	707	3,194	0	3,461	560	3,039	7,060
Hawaii	0	202	71	80	353	0	181	89	54	324	0	190	81	90	361
Nevada	0	391	104	21	516	0	374	232	0	606	0	448	260	0	708
Oregon	0	0	0	8	8	0	0	0	48	48	0	0	0	69	69
Washington	0	542	630	940	2,112	0	500	305	1,086	1,891	0	510	247	1,138	1,895
TOTAL	\$1,354	\$20,930	\$17,216	\$9,684	\$49,184	\$1,112	\$20,536	\$16,160	\$10,391	\$48,199	\$1,520	\$23,133	\$18,847	\$11,885	\$55,385

*See notes at the end of the chapter.

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

Region/State	Actual Fiscal 2010					Actual Fiscal 2011					Estimated Fiscal 2012				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$0	\$0	\$0	\$10	\$10	\$0	\$0	\$0	\$335	\$335	\$0	\$0	\$0	\$374	\$374
Maine	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Massachusetts	0	0	0	158	158	0	0	0	142	142	0	0	0	131	131
New Hampshire	0	0	0	5	5	0	0	0	8	8	0	0	0	9	9
Rhode Island	0	4	3	8	15	0	3	2	12	17	0	3	5	21	29
Vermont	0	0	0	5	5	0	0	0	5	5	0	0	0	12	12
MID-ATLANTIC															
Delaware	0	0	0	2	2	0	0	0	8	8	0	0	0	1	1
Maryland	0	168	350	158	676	1	46	277	320	644	0	57	291	260	608
New Jersey	90	219	9	60	378	80	80	5	56	221	92	0	6	70	168
New York	0	114	293	171	578	0	307	285	136	728	0	291	223	171	685
Pennsylvania	0	0	0	5	5	0	0	0	0	0	0	0	0	0	0
GREAT LAKES															
Illinois	0	7	359	13	379	0	7	571	72	650	0	9	423	62	494
Indiana	34	0	2	0	36	30	0	2	0	32	18	0	2	0	20
Michigan	2	19	50	25	96	2	15	56	0	73	8	18	112	11	149
Ohio	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PLAINS															
Iowa	0	0	4	6	10	0	0	1	9	10	0	0	14	13	27
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	8	9	58	14	89	7	14	83	11	115	4	2	39	23	68
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	6	11	29	0	46	4	9	11	0	24	17	17	82	0	116
South Dakota	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SOUTHEAST															
Alabama*	0	0	49	17	66	0	0	22	0	22	0	0	20	0	20
Arkansas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Florida	2	705	220	439	1,366	65	419	268	443	1,195	42	374	303	455	1,174
Georgia	0	0	0	45	45	0	0	0	34	34	0	0	0	50	50
Kentucky	0	0	30	0	30	0	0	35	0	35	0	0	41	0	41
Louisiana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mississippi	0	6	5	6	17	0	7	13	3	23	0	4	11	2	17
North Carolina	5	0	0	0	5	11	0	0	0	11	4	0	0	0	4
South Carolina	4	1	9	1	15	1	5	3	0	9	0	0	0	0	0
Tennessee	0	0	0	0	0	5	0	0	0	5	3	0	0	5	8
Virginia	0	10	6	39	55	0	11	5	21	37	0	4	4	11	19
West Virginia	0	21	13	0	34	0	20	13	0	33	0	25	15	0	40
SOUTHWEST															
Arizona	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Mexico	0	0	0	1	1	0	0	0	19	19	0	0	0	9	9
Oklahoma	2	60	51	7	120	2	60	35	9	106	1	31	23	10	65
Texas	18	0	0	0	18	21	0	0	0	21	10	0	0	0	10
ROCKY MOUNTAIN															
Colorado	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Idaho	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Montana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utah*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Wyoming	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FAR WEST															
Alaska	37	52	6	0	95	36	39	6	0	81	31	42	7	0	80
California	10	32	17	282	341	7	29	9	233	278	4	58	23	1,513	1,598
Hawaii*	0	0	0	0	0	0	0	0	8	8	0	0	0	11	11
Nevada	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Oregon	0	0	0	17	17	0	0	0	4	4	0	0	0	3	3
Washington	0	93	125	145	363	0	89	126	218	433	0	78	144	136	358
TOTAL	\$218	\$1,531	\$1,688	\$1,639	\$5,076	\$272	\$1,160	\$1,828	\$2,106	\$5,366	\$234	\$1,013	\$1,788	\$3,363	\$6,398

*See notes at the end of the chapter.

TABLE 52
HOUSING CAPITAL EXPENDITURES (\$ IN MILLIONS)

Region/State	Actual Fiscal 2010					Actual Fiscal 2011					Estimated Fiscal 2012				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$0	\$0	\$0	\$22	\$22	\$0	\$0	\$0	\$32	\$32	\$0	\$0	\$0	\$103	\$103
Maine	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Massachusetts	0	0	0	174	174	0	0	0	174	174	0	0	0	185	185
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	6	6	0	0	0	6	6	0	0	0	4	4
MID-ATLANTIC															
Delaware	0	0	0	2	2	0	0	0	3	3	0	0	0	3	3
Maryland	0	52	27	19	98	0	18	23	37	78	0	27	20	30	77
New Jersey	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New York	0	3	0	143	146	0	3	0	139	142	0	2	0	125	127
Pennsylvania	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
GREAT LAKES															
Illinois	0	0	0	0	0	0	0	0	0	0	0	0	0	34	34
Indiana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Michigan	0	230	42	10	282	0	380	47	10	437	0	359	50	9	418
Ohio	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
PLAINS															
Iowa	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kansas	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
SOUTHEAST															
Alabama	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Arkansas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Florida	0	0	31	0	31	0	0	38	0	38	0	0	207	0	207
Georgia	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Kentucky	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Louisiana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mississippi	0	0	0	1	1	0	0	0	1	1	0	0	0	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
SOUTHWEST															
Arizona	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
New Mexico	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Oklahoma	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Texas	0	306	5	110	421	0	493	7	90	590	0	535	10	87	632
ROCKY MOUNTAIN															
Colorado	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Idaho	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Montana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Utah*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Wyoming	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FAR WEST															
Alaska	2	21	38	0	61	40	17	9	0	66	138	14	1	0	153
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	5	40	45	0	0	11	83	94	0	0	5	15	20
TOTAL	\$2	\$612	\$148	\$527	\$1,289	\$40	\$911	\$135	\$575	\$1,661	\$138	\$937	\$293	\$596	\$1,964

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

Region/State	Actual Fiscal 2010					Actual Fiscal 2011					Estimated Fiscal 2012				
	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total	General Fund	Federal Funds	Other State Funds	Bonds	Total
NEW ENGLAND															
Connecticut	\$0	\$0	\$0	\$898	\$898	\$0	\$0	\$0	\$625	\$625	\$0	\$0	\$0	\$852	\$852
Maine	0	9	4	13	26	0	11	5	8	24	0	10	8	4	22
Massachusetts	0	0	0	421	421	0	0	0	362	362	0	0	0	487	487
New Hampshire	0	0	0	87	87	0	0	0	112	112	0	0	0	27	27
Rhode Island	5	5	64	37	111	9	5	30	46	90	3	7	31	13	54
Vermont	0	0	0	57	57	0	0	0	48	48	0	0	0	40	40
MID-ATLANTIC															
Delaware	0	0	0	245	245	0	0	0	188	188	0	0	0	172	172
Maryland	0	19	0	581	600	0	0	0	474	474	48	72	0	448	568
New Jersey	157	53	17	27	254	233	81	17	31	362	195	16	1	58	270
New York	0	151	223	1,066	1,440	0	152	210	1,431	1,793	0	94	301	1,445	1,840
Pennsylvania	0	0	0	766	766	0	0	0	407	407	0	0	0	875	875
GREAT LAKES															
Illinois	0	0	22	384	406	0	0	1	376	377	0	0	163	638	801
Indiana	130	0	24	0	154	128	5	21	0	154	84	0	22	0	106
Michigan	52	17	13	36	118	55	5	8	60	128	67	4	22	5	98
Ohio	0	0	992	189	1,181	0	0	906	219	1,125	0	0	535	142	677
Wisconsin	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
PLAINS															
Iowa	0	0	54	24	78	0	0	28	19	47	0	0	41	28	69
Kansas	5	9	8	3	25	25	9	0	25	59	32	34	0	31	97
Minnesota	9	57	11	314	391	25	31	22	337	415	5	43	11	61	120
Missouri	23	35	46	0	104	30	62	34	0	126	88	11	30	0	129
Nebraska	2	26	53	0	81	2	32	46	0	80	2	23	41	0	66
North Dakota	34	24	9	0	67	26	18	13	3	60	26	38	28	0	92
South Dakota	3	6	34	3	46	11	6	9	4	30	2	5	11	4	22
SOUTHEAST															
Alabama*	3	0	46	369	418	3	0	64	290	357	3	0	48	513	564
Arkansas	0	45	58	47	150	0	32	46	35	113	0	23	38	14	75
Florida	47	0	1,348	79	1,474	90	0	1,358	66	1,514	92	0	1,286	46	1,424
Georgia	0	0	0	492	492	0	0	0	374	374	0	0	0	317	317
Kentucky	0	0	527	0	527	0	0	292	0	292	0	0	461	0	461
Louisiana	134	86	325	201	746	152	49	302	248	751	81	64	186	182	513
Mississippi	3	17	77	364	461	6	40	50	217	313	7	65	100	291	463
North Carolina	0	0	0	488	488	0	0	0	473	473	0	0	0	664	664
South Carolina	38	13	27	0	78	28	4	19	0	51	0	0	0	0	
Tennessee	38	2	2	90	132	62	5	0	3	70	32	16	1	169	218
Virginia	1	13	-9	116	121	2	9	14	168	193	1	6	18	142	167
West Virginia	19	29	75	0	123	19	59	52	0	130	25	83	92	0	200
SOUTHWEST															
Arizona	2	2	5	0	9	4	0	63	0	67	50	0	17	0	67
New Mexico	0	0	0	35	35	0	0	0	46	46	0	0	0	89	89
Oklahoma	2	185	82	11	280	2	180	200	12	394	2	163	210	14	389
Texas	3	1	0	4	8	3	2	0	14	19	3	2	0	9	14
ROCKY MOUNTAIN															
Colorado	77	0	119	0	196	35	0	186	0	221	69	0	228	0	297
Idaho	0	0	19	21	40	0	0	21	26	47	0	0	25	26	51
Montana	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Utah	74	3	25	0	102	70	117	-23	0	164	57	2	47	0	106
Wyoming	22	10	10	0	42	12	6	7	0	25	12	6	7	25	
FAR WEST															
Alaska	520	336	1	0	857	322	57	432	0	811	1,006	143	69	0	1,218
California	9	0	192	29	230	1	0	145	3	149	6	144	18	6	174
Hawaii*	0	38	186	485	709	0	40	152	365	557	0	13	192	349	554
Nevada	2	3	2	20	27	2	5	5	20	32	0	14	4	9	27
Oregon	0	42	21	141	204	0	45	26	174	245	0	22	30	76	128
Washington	0	64	175	543	782	0	65	239	380	684	0	63	150	314	527
TOTAL*	\$1,414	\$1,300	\$4,887	\$8,686	\$16,287	\$1,357	\$1,132	\$5,000	\$7,689	\$15,178	\$1,998	\$1,186	\$4,472	\$8,560	\$16,216

Capital Spending Notes

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

Colorado: Per the Office of the State Controller, last year the presentation of the Department of Transportation's budget related to highway operations was changed from capital to operating. It had been included as capital previously. The estimate provided for the 2010 survey was reflected on the former capital basis.

Hawaii: Unable to separate federal funds and other state funds capital expenditures into the Housing and Environmental functional areas; included in "All Other State Expenditures."

Maryland: Transportation Capital expenditures were inadvertently omitted last year. Construction debt service and information technology projects are included.

Michigan: Higher education capital expenditures made from non-state funds are excluded. Effective with fiscal 2010, transportation capital expenditures reflect funding for local projects. Historically these expenditures were reported under total transportation expenditures but not as a component of capital spending.

New Jersey: General Funds 2010 Actual capital expenditures revised to include "Additions, Improvements and Equipment" spending.

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

Texas: Transportation figures do not include highway construction. Higher education figures include amounts for Community Colleges that could not be broken out by method of finance.

Utah: All numerical information presented represents bond "expenditures". All bond information included in the report is for General Obligation bonds. Not included in the report is State Building Ownership Authority (SBOA) Revenue Bonds or Board of Regents Revenue Bonds.

Numerous revolving loan programs have been established by the State of Utah. These loan funds are typically provided start-up General Fund appropriations when established. Some loan funds receive periodic General Fund appropriations to enhance the loan programs. Once established, loan repayments generally remain within the loan programs in order to provide additional monies for future loans. Regarding Housing, one revolving loan program provides low-interest loans and grants to Utah residents for low-income housing. This loan fund is the Olene Walker Housing Trust Fund (\$10 million available in 2010, \$4 million available in 2011, and \$7 million projected available for 2012). These funds were shown under capital for housing in previous years, but were reclassified in the 2002 expenditure report to a footnote. Regarding Environmental, several revolving loan programs provide low-interest loans to local governments, such as cities and counties, to provide water and sewer systems. These loan funds include: 1) Water Resources Construction Fund (\$4 million available in 2010, \$8 million available in 2011, and \$12 million projected available for 2012); 2) Water Resources Cities Water Loan Fund (\$2 million available in 2010, \$1 million available in 2011, and \$4 million projected available for 2012); 3) Water Resources Conservation and Development Fund (\$58 million available in 2010, \$40 million available in 2011, and \$51 million projected available for 2012); 4) Water Quality Loan Fund (\$53 million available in 2010, \$51 million available in 2011, and \$24 million projected available for 2012); and 5) Drinking Water Loan Fund (\$20 million available in 2010, \$31 million available in 2011, and \$27 million projected available for 2012).

9

CHAPTER



REVENUE SOURCES IN THE GENERAL FUND

Revenue Sources in the General Fund

General fund revenue, the source of most state expenditures, totaled \$637.2 billion in fiscal 2011. The three main sources of general fund revenue, personal income taxes, sales and compensating use taxes, and corporate income taxes accounted for 79 percent of general fund collections. Specifically, personal income taxes accounted for 40.3 percent of the total, sales and compensating use taxes for 32.1 percent, and corporate income taxes for 6.5 percent of total general fund revenues in 2011. Other taxes and fees represent 20.4 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 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

State general fund revenues declined sharply in fiscal 2009 and fiscal 2010 due to the downturn in the national economy. States collected \$670.5 billion in general fund revenues in fiscal 2008, but that total fell to \$603.3 billion in fiscal 2009 and fell even further in fiscal 2010 to \$592.8 billion. In total, revenues declined \$77.6 billion during the two-year period, or 11.6 percent.

Revenue conditions noticeably improved for states in fiscal 2011 compared to fiscal 2010, with total general fund revenues increasing 7.5 percent. With the exception of gaming taxes, all of the other various sources of state revenue increased in fiscal 2011. Corporate income taxes and personal income taxes experienced the largest increases at 10.5 percent and 9.7 percent respectively, while other taxes and fees grew 6.3 percent, sales taxes grew 5.3 percent, and gaming taxes declined by 3.9 percent.

State general fund revenues again increased in fiscal 2012, increasing by 2.7 percent compared to fiscal 2011. However, the growth rate in fiscal 2012 noticeably slowed compared to the prior fiscal year and fiscal 2012 total state general fund revenues remain \$16 billion, or 2.4 percent below fiscal 2008 levels.

FIGURE 21
REVENUE SOURCES IN THE GENERAL FUND

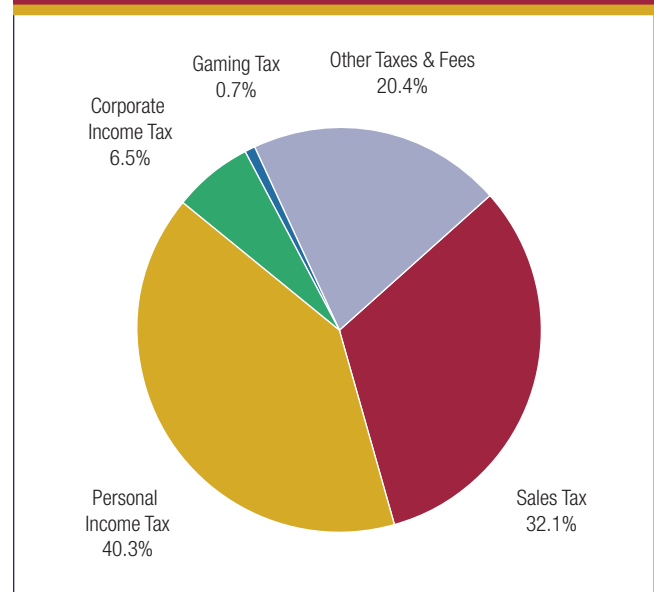


TABLE 54
REVENUE SOURCES IN THE GENERAL FUND (\$ IN MILLIONS)

Region/state	Actual Fiscal 2010						Actual Fiscal 2011						Estimated Fiscal 2012					
	Sales Tax	Personal Income Tax	Corporate Income Tax	Gaming Tax	Other Taxes & Fees	Total	Sales Tax	Personal Income Tax	Corporate Income Tax	Gaming Tax	Other Taxes & Fees	Total	Sales Tax	Personal Income Tax	Corporate Income Tax	Gaming Tax	Other Taxes & Fees	Total
NEW ENGLAND																		
Connecticut	3,204	6,586	667	674	6,558	17,689	3,353	7,246	794	653	5,661	17,707	3,852	8,284	722	658	5,022	18,538
Maine	954	1,298	175	0	329	2,756	972	1,393	193	0	338	2,896	1,030	1,434	232	0	320	3,016
Massachusetts	4,612	10,110	1,600	0	2,222	18,544	4,905	11,576	1,951	0	2,085	20,517	5,059	11,914	1,771	0	2,373	21,117
New Hampshire	0	0	504	3	1,737	2,244	0	0	490	1	1,704	2,195	0	0	512	4	1,664	2,180
Rhode Island	803	898	147	1	1,167	3,017	813	1,021	85	1	1,164	3,084	846	1,046	132	1	1,232	3,257
Vermont	209	500	59	0	282	1,050	217	551	94	0	313	1,175	228	597	86	0	286	1,197
MID-ATLANTIC																		
Delaware	0	853	88	0	2,294	3,235	0	997	168	0	2,366	3,531	0	1,042	54	0	2,263	3,359
Maryland	3,523	6,178	689	0	2,197	12,587	3,656	6,643	571	0	2,667	13,537	4,019	6,998	580	0	2,431	14,028
New Jersey	7,898	10,323	2,275	940	6,708	28,144	8,144	10,617	2,463	949	6,740	28,913	8,214	10,900	2,438	990	6,564	29,106
New York	9,871	34,752	5,371	19	2,041	52,054	10,782	36,209	5,279	17	2,510	54,797	11,125	38,768	5,760	17	2,399	58,069
Pennsylvania	8,029	9,969	1,791	0	7,859	27,648	8,590	10,436	2,131	0	6,340	27,497	8,754	10,815	1,892	0	5,661	27,122
GREAT LAKES																		
Illinois	6,308	8,510	1,360	383	4,607	21,168	6,833	11,225	1,851	324	4,868	25,101	7,226	15,512	2,461	340	4,577	30,116
Indiana	5,915	3,876	592	659	1,145	12,187	6,218	4,586	705	660	1,106	13,275	6,622	4,766	959	614	1,164	14,125
Michigan*	1,785	3,695	1,137	0	1,063	7,680	1,801	4,445	1,347	0	1,221	8,814	1,899	4,862	1,182	0	1,121	9,064
Ohio	7,077	7,247	142	0	10,484	24,950	7,578	8,120	237	0	11,828	27,763	8,087	8,433	117	0	10,549	27,186
Wisconsin	3,944	6,089	835	0	1,264	12,132	4,109	6,701	853	0	1,249	12,912	4,289	7,042	907	0	1,278	13,515
PLAINS																		
Iowa	1,868	2,633	245	121	767	5,634	1,941	2,852	251	133	722	5,899	1,983	2,976	345	138	610	6,052
Kansas	1,858	2,418	225	0	690	5,191	2,253	2,710	225	0	694	5,882	2,450	2,955	250	0	749	6,404
Minnesota	4,177	6,531	664	40	2,759	14,171	4,403	7,529	925	42	2,764	15,663	4,624	7,877	947	37	2,632	16,117
Missouri	1,732	4,434	288	0	321	6,774	1,760	4,640	386	0	324	7,110	1,845	4,914	341	0	241	7,341
Nebraska	1,290	1,515	154	1	245	3,205	1,373	1,735	155	1	236	3,500	1,437	1,823	235	1	201	3,697
North Dakota	610	302	88	8	529	1,536	782	428	147	8	343	1,707	1,154	430	199	6	732	2,520
South Dakota	652	0	0	1	479	1,132	710	0	0	1	437	1,148	744	0	0	1	537	1,282
SOUTHEAST																		
Alabama*	1,882	2,486	415	2	1,700	6,485	1,925	2,693	291	2	1,911	6,822	2,010	2,957	405	2	1,885	7,259
Arkansas	1,966	2,579	424	13	448	5,430	2,056	2,739	392	19	468	5,674	2,111	2,895	435	31	451	5,924
Florida	16,015	0	1,790	315	3,403	21,523	16,638	0	1,875	171	3,868	22,552	17,270	0	1,959	169	3,843	23,241
Georgia	4,865	7,016	685	0	2,650	15,216	5,081	7,659	670	0	3,149	16,559	5,298	8,119	627	0	3,219	17,263
Kentucky	2,794	3,154	238	0	2,039	8,225	2,896	3,418	301	0	2,144	8,759	3,052	3,512	374	0	2,153	9,091
Louisiana	2,548	2,212	175	386	1,852	7,174	2,838	2,405	262	388	1,876	7,770	2,890	2,486	141	391	1,954	7,862
Mississippi	1,781	1,340	403	155	818	4,497	1,791	1,383	448	147	831	4,600	1,810	1,411	448	150	843	4,662
North Carolina	5,565	9,048	1,198	0	1,934	17,745	5,872	9,735	1,014	0	1,760	18,381	5,253	10,276	1,133	0	1,800	18,462
South Carolina	2,191	2,144	149	0	771	5,255	2,245	2,396	183	0	809	5,633	2,354	2,592	212	0	700	5,858
Tennessee	6,037	119	668	0	3,193	10,017	6,112	123	898	0	3,112	10,245	6,408	132	766	0	3,383	10,689
Virginia	3,083	9,088	807	0	1,232	14,209	3,012	9,944	822	0	1,261	15,040	3,066	10,526	828	0	1,303	15,723
West Virginia	1,095	1,447	233	0	983	3,758	1,148	1,593	303	0	1,020	4,064	1,178	1,647	174	0	1,017	4,016
SOUTHWEST																		
Arizona	3,382	2,416	413	0	2,114	8,325	3,467	2,864	560	0	1,490	8,381	3,655	3,092	648	0	1,419	8,814
New Mexico	2,058	957	125	64	1,594	4,798	2,333	1,061	230	66	1,719	5,409	2,377	1,090	310	70	1,686	5,533
Oklahoma	1,643	1,709	168	16	1,139	4,675	1,818	1,832	274	17	1,253	5,194	2,004	2,107	343	15	1,158	5,627
Texas*	19,560	0	0	0	15,810	35,370	21,401	0	0	0	18,367	39,768	22,542	0	0	0	18,610	41,152
ROCKY MOUNTAIN																		
Colorado*	1,981	4,084	372	16	5	6,458	2,234	4,496	394	20	-58	7,086	2,295	4,956	449	20	-80	7,640
Idaho	956	1,062	97	0	150	2,265	972	1,153	169	0	150	2,444	1,013	1,220	177	0	143	2,553
Montana	66	718	88	52	703	1,627	65	816	119	50	733	1,783	60	899	128	54	730	1,871
Utah	1,403	2,105	258	0	427	4,193	1,601	2,298	261	0	499	4,659	1,575	2,435	238	0	526	4,774
Wyoming	413	0	0	0	633	1,046	471	0	0	0	704	1,175	490	0	0	0	538	1,028
FAR WEST																		
Alaska	0	0	528	3	4,799	5,330	0	0	700	8	6,965	7,673	0	0	715	8	9,147	9,870
California*	26,741	44,852	9,115	1	6,337	87,046	26,983	49,445	9,614	1	7,400	93,443	18,921	52,958	8,208	1	6,742	86,830
Hawaii*	2,316	1,528	59	0	950	4,853	2,496	1,247	35	0	1,344	5,122	2,698	1,541	73	0	1,354	5,666
Nevada	784	0	0	668	1,555	3,007	826	0	0	684	1,665	3,175	833	0	0	696	1,454	2,983
Oregon	0	4,943	359	0	715	6,017	0	5,524	469	0	512	6,504	0	5,804	419	0	603	6,826
Washington*	6,840	0	0	0	6,731	13,571	7,154	0	0	0	7,494	14,648	7,206	0	0	0	7,628	14,834
ALL STATES	\$194,283	\$233,724	\$37,861	\$4,542	\$122,431	\$592,842	\$204,628	\$256,485	\$41,584	\$4,364	\$130,125	\$637,185	\$203,857	\$276,043	\$41,329	\$4,414	\$128,814	\$654,456

*See notes at the end of the chapter.

TABLE 55
ITEMS EXCLUDED FROM REVENUE SOURCES

Region/State	Sales and Compensating Use Taxes	Personal Income Taxes	Corporate Income Taxes	Gaming Taxes	Lottery Funds	Cigarette and Tobacco Taxes	Motor Fuel Taxes	Alcoholic Beverage Taxes	Insurance Premium Taxes	Property Taxes	Utility Taxes	Severance Taxes	Federal Funds	Licenses and Fees	Other
NEW ENGLAND															
Connecticut							X			X					
Maine								P		P		X	X	P	
Massachusetts										X		X	X	X	
New Hampshire	X	X										X			
Rhode Island							X			X		X	X		
Vermont	P			X	X	X	X			P	P	X	X		
MID-ATLANTIC															
Delaware	X			X			X			X		X	X		
Maryland				X			P			X		X	X		
New Jersey	P		P	X		P		P	P	X	P	X	X	P	
New York	P		P		X	P	X		P	X	P	X	X	X	X
Pennsylvania	P			P	X	P	X		P	P		X	X	P	P
GREAT LAKES															
Illinois							X			X		X	X		
Indiana					X		X			X	P	X	X		
Michigan*	P	P	P	X	X	P	X	P		X			P	P	P
Ohio				X	X		X			X		X			
Wisconsin				X	X		X			X		X	X	X	
PLAINS															
Iowa				P		P	X			X			X		
Kansas				P	P		X			P	X		X	P	P
Minnesota					X					X	X	P			
Missouri	P			X	X	X	X	P	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	P			X			X	X		X		
SOUTHEAST															
Alabama					X	P	X	P		P			X	P	
Arkansas					X					X					
Florida		X			X	P	X			X	X	P	X	P	
Georgia				X	X							X	X		X
Kentucky				N/A			X						X	X	
Louisiana					X	P	X			X	X		X	X	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	P	
West Virginia				X	P		X				X		X		
SOUTHWEST															
Arizona				X		P	X	P		P			P		
New Mexico					X		X			X	X		X		
Oklahoma	P	P	P	P	X	P	P	P	P	X	X	P	X	P	P
Texas*		X	X	X						X			X		
ROCKY MOUNTAIN															
Colorado*		P	P	P	X	P	X			X	X	X	X	P	P
Idaho				X	X	P	X	P		X	X	X	X	X	
Montana							X						X		
Utah				X	X					P					
Wyoming		X	X	X	X										
FAR WEST															
Alaska	X	X			X						X	X	X		
California*	P	P		P	X	P	X		P	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	P	
Oregon	X			X	X	P	X	P		X	X		X		
Washington		X	X	X	X	P	X					X	X	P	
ALL STATES	13	12	10	31	34	20	36	9	8	41	25	29	41	23	12

Excluded=X Partially Excluded=P Not Applicable=N/A
*See notes at the end of the chapter.

Revenue Sources in the General Fund

Alabama: Fiscal 2010 revenue amount includes a \$162 million transfer from General Fund Rainy Day Account in Other Taxes and Fees.

California: Horse racing is partially excluded under gaming taxes.

Colorado: The source of fiscal 2010 revenue figures is Table 2 of June 2011 OSPB forecast, while the source for fiscal 2011 and fiscal 2012 is Table 2 of June 2012 OSPB forecast. This “other taxes” area reflects cigarette, tobacco, liquor, estate, insurance, interest income, pari-mutuel, court receipts, and other income. This income is offset by a diversion to the State Education Fund of one-third of 1% of Colorado taxable income, which is required by the Colorado Constitution to be transferred. This sum reduces the amount of “other taxes and fees” by its inclusion in this category. The SEF diversion was estimated at \$448.9M in FY 11-12, was \$393.9M in FY 10-11, and \$372.1M in FY 09-10. Regarding personal income taxes and corporate income taxes, one-third of 1% of Colorado taxable income is required to be transferred to a special fund for education each year. Thus, not all income tax revenue is credited to the General Fund.

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

Michigan: Actual fiscal 2010 and fiscal 2011 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 2012 estimates are the May 2012 consensus revenue estimates.

Texas: Texas has no personal/corporate income tax, gaming taxes, or statewide property tax.

Washington: Fiscal 2010 totals are based on the November 2011 revenue forecast document while fiscal 2011 and estimated fiscal 2012 are based on the June 2012 revenue forecast document.

APPENDIX

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

Region/State	Actual Fiscal 2010			Actual Fiscal 2011			Estimated Fiscal 2012		
	State Funds	Federal Funds	State & Federal Funds	State Funds	Federal Funds	State & Federal Funds	State Funds	Federal Funds	State & Federal Funds
NEW ENGLAND									
Connecticut	\$20,058	\$2,482	\$22,540	\$20,989	\$2,574	\$23,563	\$21,954	\$2,562	\$24,516
Maine	5,119	3,151	8,270	5,152	3,000	8,152	5,396	2,649	8,045
Massachusetts	36,962	12,481	49,443	38,308	13,088	51,396	38,797	11,238	50,035
New Hampshire	3,256	2,074	5,330	3,266	1,929	5,195	3,374	1,648	5,022
Rhode Island	4,896	2,813	7,709	4,971	2,748	7,719	5,281	2,838	8,119
Vermont	2,728	1,865	4,593	2,816	1,966	4,782	3,043	1,741	4,784
MID-ATLANTIC									
Delaware	6,860	1,607	8,467	6,360	1,849	8,209	6,980	1,777	8,757
Maryland	22,208	9,825	32,033	22,733	9,951	32,684	25,398	9,438	34,836
New Jersey	33,793	13,058	46,851	33,482	12,044	45,526	36,055	12,344	48,399
New York	84,840	40,834	125,674	84,476	44,707	129,183	89,332	40,311	129,643
Pennsylvania	38,767	27,669	66,436	38,752	29,510	68,262	41,555	25,382	66,937
GREAT LAKES									
Illinois	36,337	12,083	48,420	34,871	12,269	47,140	39,312	9,937	49,249
Indiana	16,154	10,333	26,487	16,340	9,952	26,292	17,032	9,272	26,304
Michigan	27,950	19,542	47,492	28,395	19,919	48,314	28,916	19,550	48,466
Ohio	42,265	14,237	56,502	44,852	14,432	59,284	43,983	13,144	57,127
Wisconsin	28,554	11,531	40,085	30,608	12,236	42,844	30,752	10,572	41,324
PLAINS									
Iowa	11,352	6,174	17,526	11,612	6,147	17,759	12,204	6,514	18,718
Kansas	9,194	4,532	13,726	9,839	4,472	14,311	10,463	3,891	14,354
Minnesota	19,834	9,370	29,204	21,354	9,200	30,554	23,000	9,009	32,009
Missouri	13,935	8,743	22,678	14,851	7,805	22,656	15,825	7,539	23,364
Nebraska	6,633	2,973	9,606	6,585	3,222	9,807	6,889	2,988	9,877
North Dakota	2,989	1,857	4,846	3,183	1,814	4,997	4,198	1,980	6,178
South Dakota	2,041	1,726	3,767	2,124	1,679	3,803	2,175	1,488	3,663
SOUTHEAST									
Alabama	11,551	8,662	20,213	11,920	8,809	20,729	12,026	8,307	20,333
Arkansas	12,939	6,894	19,833	13,381	6,960	20,341	14,255	6,296	20,551
Florida	31,828	28,958	60,786	34,641	29,351	63,992	43,229	25,111	68,340
Georgia	24,942	14,641	39,583	26,490	13,278	39,768	27,424	11,099	38,523
Kentucky	15,464	10,477	25,941	15,670	9,763	25,433	16,962	8,687	25,649
Louisiana	19,184	11,859	31,043	19,640	10,969	30,609	20,504	11,871	32,375
Mississippi	10,230	12,109	22,339	10,264	11,696	21,960	10,807	12,813	23,620
North Carolina	31,096	17,163	48,259	33,045	17,608	50,653	34,542	17,781	52,323
South Carolina	11,925	7,691	19,616	12,263	9,821	22,084	12,580	9,324	21,904
Tennessee	15,398	12,951	28,349	16,506	13,578	30,084	17,529	13,125	30,654
Virginia	29,990	9,328	39,318	31,274	9,694	40,968	32,876	9,212	42,088
West Virginia	15,826	4,475	20,301	16,676	4,460	21,136	18,073	4,402	22,475
SOUTHWEST									
Arizona	16,208	10,626	26,834	15,021	12,359	27,380	15,740	11,287	27,027
New Mexico	9,266	5,502	14,768	9,310	6,121	15,431	9,538	5,660	15,198
Oklahoma	10,959	9,356	20,315	11,596	9,236	20,832	12,355	8,326	20,681
Texas	54,319	36,673	90,992	58,285	35,901	94,186	60,191	30,847	91,038
ROCKY MOUNTAIN									
Colorado	21,841	9,223	31,064	22,024	8,893	30,917	20,458	7,621	28,079
Idaho	3,793	2,573	6,366	3,901	2,669	6,570	4,204	2,708	6,912
Montana	3,764	2,285	6,049	3,784	2,380	6,164	3,788	2,131	5,919
Utah	8,688	3,607	12,295	8,743	3,579	12,322	9,150	3,638	12,788
Wyoming	6,227	1,430	7,657	4,582	1,547	6,129	4,581	1,547	6,128
FAR WEST									
Alaska	6,836	2,925	9,761	10,522	3,173	13,695	8,699	3,135	11,834
California	110,751	89,088	199,839	124,981	84,764	209,745	122,037	78,235	200,272
Hawaii	7,883	2,391	10,274	8,085	2,554	10,639	8,794	1,953	10,747
Nevada	5,383	2,792	8,175	5,786	2,642	8,428	5,571	2,351	7,922
Oregon	23,718	8,378	32,096	24,274	8,628	32,902	22,335	7,448	29,783
Washington	22,320	9,238	31,558	22,607	8,989	31,596	23,780	6,710	30,490
TOTAL	\$1,019,054	\$562,255	\$1,581,309	\$1,061,190	\$565,935	\$1,627,125	\$1,103,942	\$519,437	\$1,623,379

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

TABLE A-2
CHILDREN'S HEALTH INSURANCE BLOCK GRANTS (\$ IN MILLIONS)

Region/State	Actual Fiscal 2010				Actual Fiscal 2011				Estimated Fiscal 2012			
	General Fund	Other State Funds	Federal Funds	Total	General Fund	Other State Funds	Federal Funds	Total	General Fund	Other State Funds	Federal Funds	Total
NEW ENGLAND												
Connecticut*	35	0	0	35	36	0	0	36	24	0	0	24
Maine	12	0	37	49	10	0	31	41	10	0	28	38
Massachusetts*	420	0	298	718	425	0	313	738	423	0	70	493
New Hampshire	6	0	11	17	7	0	12	19	8	0	14	22
Rhode Island	12	0	25	37	13	0	27	40	17	0	34	51
Vermont	2	0	6	8	2	0	6	8	2	0	9	11
MID-ATLANTIC												
Delaware	4	3	12	19	0	7	12	19	0	7	12	19
Maryland	60	7	125	192	60	6	119	185	67	7	136	210
New Jersey*	190	89	518	797	242	100	636	978	195	122	589	906
New York	0	325	421	746	0	348	567	915	0	350	507	857
Pennsylvania	99	29	294	422	100	28	297	425	102	36	311	449
GREAT LAKES												
Illinois	123	6	242	371	127	9	253	389	133	9	264	406
Indiana	0	33	100	133	0	35	109	144	0	37	84	121
Michigan*	25	13	106	143	21	0	66	88	16	0	52	68
Ohio	89	0	254	343	99	0	295	394	104	0	275	379
Wisconsin	19	6	97	122	30	2	101	133	28	0	89	118
PLAINS												
Iowa	24	0	71	95	34	0	82	116	34	0	89	123
Kansas	17	2	48	67	16	5	52	73	15	6	48	69
Minnesota	9	0	20	28	8	0	20	28	6	0	28	35
Missouri	22	15	113	150	23	16	116	155	28	16	129	173
Nebraska	6	6	34	46	9	5	37	51	7	9	38	54
North Dakota	2	0	7	9	3	0	7	10	4	0	9	13
South Dakota	6	0	18	24	7	0	18	25	7	0	18	25
SOUTHEAST												
Alabama	32	5	133	170	35	4	153	192	8	35	177	220
Arkansas	19	0	83	102	22	0	90	112	25	0	99	124
Florida	45	99	297	441	50	101	298	449	61	109	350	520
Georgia	63	5	208	276	65	2	211	278	73	2	248	323
Kentucky	32	0	121	153	33	0	130	163	36	0	141	176
Louisiana	52	0	184	236	56	0	170	226	59	0	161	220
Mississippi	31	0	153	184	34	0	158	192	35	0	168	203
North Carolina	77	0	223	300	87	2	228	317	77	3	256	336
South Carolina	24	0	92	116	25	0	95	120	25	0	97	122
Tennessee*	48	1	143	192	50	1	159	210	53	5	169	227
Virginia	71	14	163	248	78	16	177	272	70	16	163	248
West Virginia	10	0	38	48	11	0	42	53	12	0	46	58
SOUTHWEST												
Arizona	21	11	67	99	11	6	38	55	7	3	23	33
New Mexico	96	0	359	455	49	0	184	233	41	0	155	196
Oklahoma	34	3	112	149	26	2	87	115	29	2	93	124
Texas	354	0	767	1121	314	0	807	1121	337	0	820	1157
ROCKY MOUNTAIN												
Colorado*	9	57	119	184	15	57	117	190	29	39	120	188
Idaho	10	0	36	46	10	0	39	49	11	0	41	52
Montana	1	10	37	47	2	12	44	58	2	14	52	67
Utah	1	18	58	77	3	12	56	71	5	14	67	86
Wyoming	5	0	9	14	5	0	10	15	5	0	10	15
FAR WEST												
Alaska	9	0	17	26	9	0	18	27	10	0	20	30
California	639	0	1187	1826	299	308	1137	1744	479	191	1240	1910
Hawaii	0	0	0	0	0	0	0	0	0	0	0	0
Nevada	11	2	21	34	11	2	22	35	10	2	24	36
Oregon	14	18	90	122	-2	40	109	147	29	16	129	174
Washington	6	0	17	23	17	0	26	43	13	1	25	39
TOTAL	\$2,896	\$777	\$7,588	\$11,261	\$2,587	\$1,125	\$7,783	\$11,495	\$2,771	\$1,050	\$7,726	\$11,547

*See notes at the end of the chapter.

Children's Health Insurance Block Grants

Colorado: Fiscal 2012 is an actual figure rather than an estimate.

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

Massachusetts: Revenue includes prior year adjustments.

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. As of January 1,

2010, the ABW program was converted to a Medicaid (Title XIX) financed waiver. Enrollment in the traditional program for children ("MIChild") has grown from an average 30,200 in fiscal 2010 to 37,700 in the third quarter of fiscal 2012.

New Jersey: 2010 Actual adjusted for revised CMS data and to be consistent with 2011 and 2012 amounts.

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

**TABLE A-3
MEDICARE PART D CLAWBACK PAYMENTS (\$ IN MILLIONS)**

Region/State	Actual Fiscal 2010			Actual Fiscal 2011			Estimated Fiscal 2012		
	General Fund	Other State Funds	Total	General Fund	Other State Funds	Total	General Fund	Other State Funds	Total
NEW ENGLAND									
Connecticut	88	0	88	96	0	96	135	0	135
Maine	35	0	35	28	0	28	50	0	50
Massachusetts	168	0	168	211	0	211	286	0	286
New Hampshire	23	0	23	26	0	26	34	0	34
Rhode Island	26	0	26	36	0	36	47	0	47
Vermont	13	0	13	18	0	18	24	0	24
MID-ATLANTIC									
Delaware	13	0	13	13	0	13	15	0	15
Maryland	72	0	72	89	0	89	125	0	125
New Jersey	199	0	199	261	0	261	335	0	335
New York	839	0	839	907	0	907	890	0	890
Pennsylvania	375	0	375	312	0	312	486	0	486
GREAT LAKES									
Illinois	247	0	247	313	0	313	458	0	458
Indiana	71	0	71	55	0	55	92	0	92
Michigan	87	0	87	139	0	139	177	0	177
Ohio	174	0	174	188	0	188	262	0	262
Wisconsin	115	0	115	115	0	115	160	0	160
PLAINS									
Iowa	47	0	47	59	0	59	80	0	80
Kansas	8	27	35	7	34	41	4	50	54
Minnesota	108	0	108	132	0	132	173	0	173
Missouri	106	0	106	139	0	139	186	0	186
Nebraska	34	0	34	35	0	35	47	0	47
North Dakota	7	1	8	8	0	8	11	0	11
South Dakota	10	0	10	12	0	12	15	0	15
SOUTHEAST									
Alabama	0	34	34	4	46	50	9	58	67
Arkansas	24	2	26	24	2	26	39	3	42
Florida	257	0	257	371	0	371	494	0	494
Georgia	70	0	70	79	0	79	131	0	131
Kentucky	47	0	47	53	0	53	78	0	78
Louisiana	59	0	59	43	0	43	50	0	50
Mississippi	29	0	29	20	0	20	42	0	42
North Carolina	144	0	144	185	0	185	212	0	212
South Carolina	48	2	50	44	0	44	73	0	73
Tennessee	82	0	82	117	0	117	164	0	164
Virginia	117	0	117	144	0	144	191	0	191
West Virginia	24	0	24	18	0	18	35	0	35
SOUTHWEST									
Arizona	29	7	36	48	0	48	74	0	74
New Mexico	15	0	15	12	0	12	25	0	25
Oklahoma	40	0	40	69	0	69	75	0	75
Texas	195	0	195	270	0	270	375	0	375
ROCKY MOUNTAIN									
Colorado*	58	0	58	72	0	72	94		94
Idaho	14	0	14	13	0	13	23	0	23
Montana	5	0	5	10	0	10	15	0	15
Utah*	17	0	17	14	0	14	29	0	29
Wyoming	9	0	9	9	0	9	12	0	12
FAR WEST									
Alaska	14	0	14	19	0	19	23	0	23
California	865	0	865	1050	0	1050	1400	0	1400
Hawaii	0	0	0	0	0	0	0	0	0
Nevada	21	0	21	19	0	19	25	0	25
Oregon	45	0	45	50	0	50	70	0	70
Washington	100	0	100	137	0	137	177	0	177
TOTAL	\$5,193	\$73	\$5,266	\$6,093	\$82	\$6,175	\$8,027	\$111	\$8,138

*See notes at the end of the chapter.

Medicare Part D Clawback Notes

Colorado: Fiscal 2012 is an actual figure rather than an estimate.

Utah: The FY 2012 numbers are actual amounts. The amounts reported for FY 2010 and FY 2011 were less because the federal government determined these expenditures were entitled to ARRA funding so they calculated the amount and posted a retroactive amount in February 2010 for January 2010 billing. Therefore, DOH did not owe money to the federal government because they had a credit balance for half of 2010 and one quarter of 2011. In addition, state finance processed one claim at the end of FY 2011 as a FY 2012 payment.

Methodology

The Fiscal Year 2011 State Expenditure Report reflects three years of data: actual fiscal year 2010, actual fiscal year 2011, and estimated fiscal year 2012. The text of this report focuses on actual fiscal year 2011 data, with a secondary focus on estimated fiscal 2012.

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 typically 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

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.

