



**The**



**Fiscal**



**Survey**



**of**



**States**

**June 2008**

**National Governors Association**

**National Association of State Budget Officers**

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# Contents

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<b>Preface</b> .....	v
<b>Executive Summary</b> .....	vii
<b>State Expenditure Developments</b> .....	1
Overview	1
State Spending from All Sources	1
State General Fund Spending	3
State Cash Assistance Under the Temporary Assistance for Needy Families Program	4
Medicaid Spending, Significant Health Challenges, and Governors' Proposals for Health Care Expansion	5
<b>State Revenue Developments</b> .....	19
Overview	19
Collections in Fiscal 2008	21
Projected Collections in Fiscal 2009	21
Recommended Fiscal 2009 Revenue Changes	21
<b>Total Balances</b> .....	23
<b>Appendix Tables</b> .....	27

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# Tables and Figures

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## Tables

1.	Budget Cuts Made After the Fiscal 2008 Budget Passed.....	2
2.	State Nominal and Real Annual Budget Increases, Fiscal 1979 to Fiscal 2009 .....	4
3.	Annual State General Fund Expenditure Increases, Fiscal 2008 and Fiscal 2009.....	4
4.	Proposed Cost-of-Living Changes for Cash Assistance Benefit Levels Under the Temporary Assistance for Needy Families Block Grant, Fiscal 2009.....	5
5.	Annual Percentage Medicaid Growth Rate.....	6
6-A.	Covering the Uninsured: Recommended Fiscal 2009 Budget Proposals to Reduce the Number of Uninsured State Residents.....	9
6-B.	Elements of Recommended Fiscal 2009 Budget Proposals to Reduce the Number of Uninsured State Residents .....	10
6-C.	Financing Recommended Fiscal 2009 Budget Proposals to Reduce the Number of Uninsured State Residents .....	11
6-D.	Characteristics of Recommended Fiscal 2009 Budget Proposals to Cover Uninsured State Residents.....	13
7.	Significant Health Care Issues Facing the States.....	16
8.	Enacted State Revenue Changes, Fiscal 1979 to Fiscal 2008; and Proposed State Revenue, Fiscal 2009....	19
9.	Proposed Fiscal 2009 Revenue Actions by Type of Revenue and Net Increase or Decrease.....	20
10.	Total Year-End Balances, Fiscal 1979 to Fiscal 2009 .....	24
11.	Total Year-End Balances as a Percentage of Expenditures, Fiscal 2007 to Fiscal 2009.....	24

## Figures

1.	Annual Percentage Budget Increases, Fiscal 1979 to Fiscal 2009.....	3
2.	Enacted State Revenue Changes, Fiscal 1991 to Fiscal 2008, and Proposed State Revenue Change, Fiscal 2009 .....	22
3.	Total Year-End Balances and Total Year-End Balances as a Percentage of Expenditures, Fiscal 1979 to Fiscal 2009.....	25
4.	Total Year-End Balances as a Percentage of Expenditures, Fiscal 2008.....	25

## Appendix Tables

A-1.	Fiscal 2007 General Fund, Actual.....	29
A-2.	Fiscal 2008 General Fund, Estimated .....	32
A-3.	Fiscal 2009 General Fund, Recommended.....	35
A-4.	General Fund Nominal Percentage Expenditure Change, Fiscal 2008 and Fiscal 2009 .....	38
A-5.	Strategies Used to Reduce or Eliminate Budget Gaps, Fiscal 2008 .....	39
A-6.	Fiscal 2008 Tax Collections Compared with Projections Used in Adopting Fiscal 2008 Budgets .....	41
A-7.	Comparison of Tax Collections in Fiscal 2007, Fiscal 2008, and Fiscal 2009 Recommended .....	43
A-8.	Proposed Revenue Changes by Type of Revenue, Fiscal 2009 .....	45
A-9.	Recommended Revenue Measures, Fiscal 2009 .....	50
A-10.	Total Balances and Balances as a Percentage of Expenditures, Fiscal 2007 to Fiscal 2009.....	52



## Preface

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*The Fiscal Survey of States* is published twice annually by the National Association of State Budget Officers (NASBO) and the National Governors Association (NGA). The series was started in 1979. The survey presents aggregate and individual data on the states' general fund receipts, expenditures and balances. Although not the totality of state spending, these general funds are used to finance most broad-based state services and are the most important elements in determining the fiscal health of the states. A separate survey that includes total state spending also is conducted annually.

The field survey on which this report is based was conducted by NASBO from January through May 2008. The surveys were completed by Governors' state budget officers in the 50 states.

Fiscal 2007 data represent actual figures, fiscal 2008 figures are estimated, and fiscal 2009 data reflect recommended budgets.

Forty-six states begin their fiscal years in July and end them in June. The exceptions are Alabama and Michigan, with an October to September fiscal year; New York, with an April to March fiscal year; and Texas, with a September to August fiscal year. Additionally, 20 states operate on a biennial budget cycle.

NASBO project coordinator Brian Cheung compiled the data and NASBO senior staff associate Stacey Mazer prepared the text for this report. Nelle Sandridge of State Services Organization provided typesetting services.



## Executive Summary

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Fiscal 2008 marked a turning point for state finances with a significant increase in states seeing fiscal difficulties, in stark contrast to the preceding several years. As the economy has weakened, so has the state revenue and spending picture. The decline of the housing sector along with a weak manufacturing sector have combined to cause significant declines in revenue for a number of states.

The budget difficulties, however, are not universal with many states currently escaping budget shortfalls. Some states have been insulated from the budget difficulties so far due to high energy and agricultural commodity prices as well as less exposure to declines in the housing sector. Even so, most states are concerned about a continued weakening of the national economy and the impact on their individual state fiscal situations. While state fiscal situations vary now, fiscal 2009 could prove to be more troublesome than fiscal 2008.

The economic downturn is reflected in the expectation of only a 1.0 percent general fund spending increase in governors' recommended budgets for fiscal 2009. This would be the third lowest spending increase in the past thirty-one years and is less than one-sixth of the historical average of 6.7 percent. This is evidence of a significant weakening in state finances although there is still growth in expenditures overall.

The weakening of state fiscal conditions is also reflected in the fiscal 2008 estimated expenditure growth rate of 5.1 percent, a significant drop from the 9.3 percent increase in fiscal 2007 and below the historical average of 6.7 percent. In addition, over a quarter of the states were forced to reduce their enacted budgets for fiscal 2008.

Expenditure pressures continue as demand for increased funding of programs such as Medicaid persist and states deal with looming long-term issues

such as funding pensions, demographic shifts, and maintenance and repair of infrastructure. Unfortunately, when revenue growth declines as a result of a weakened economy, spending pressures for social programs and health care increase.

This edition of *The Fiscal Survey of States* reflects actual fiscal 2007, estimated fiscal 2008, and recommended fiscal 2009 figures. The data were collected during spring 2008.

### State Spending

Findings of this edition of the *Fiscal Survey of States* include the following:

- Thirteen states were forced to reduce enacted budgets in fiscal 2008. This is in stark contrast to the three states that had to reduce their enacted budgets in fiscal 2007. During the last fiscal downturn of the early 2000's, the peak years of reductions to enacted budgets occurred in fiscal 2002 and fiscal 2003, when thirty-seven states each year were forced to make mid-year budget reductions totaling \$14 billion and \$12 billion, respectively. These years of peak cuts occurred after the national economic downturn ended.
- Eighteen states assume negative budget growth for fiscal 2009 governors' recommended general fund budgets, while four states are estimating negative growth budgets for fiscal 2008.
- Medicaid spending from state funds is estimated to increase by 4.4 percent in governors' recommended budgets for fiscal 2009; more than four times the rate of growth for the overall general fund. This increase in health care spending continues to place pressure on state budgets by exceeding overall spending. Even with the weakening of many state fiscal conditions during fiscal 2008, nearly one-half of

the states have proposals to increase coverage to the uninsured in governors' proposed fiscal 2009 budgets. In many cases, the proposals seek to provide additional coverage on an incremental basis due to the costs of providing universal coverage.

- Six states are recommending increases to their fiscal 2009 cash assistance levels under the Temporary Assistance for Needy Families (TANF) program, ranging from 0.1 percent to 30 percent.

### State Revenue Actions

Recommended net tax and fee changes would result in \$726 million in additional revenue based on governors' recommended fiscal 2009 budgets. For fiscal 2009, sixteen states recommend net decreases while eleven states recommend net increases.

Other findings include:

- The number of states experiencing revenue shortfalls increased in fiscal 2008. Revenues from all sources which include sales, personal income, corporate income and all other taxes and fees exceed expectations in fifteen states, are on target in fourteen states, and are below expectations in twenty states. This is a contrast to the previous year when only eight states reported revenue collections lower than estimates.
- Fiscal 2008 estimated tax collections of sales, personal income, and corporate income are 1.7 percent higher than actual fiscal 2007 collections. This average contains a range of performance with considerable weakening of the sales tax and a decrease in corporate tax collections, while personal income tax collections had the strongest performance of the three major sources. Specifically, sales tax collections are 1.5 percent higher and personal income tax collections are 3.3 percent higher.

Corporate income tax collections are 5.5 percent lower for current fiscal 2008 estimates relative to actual fiscal 2007 collections. Within state budgets, 40 percent of general fund revenue is from the personal income tax, 33 percent is from the sales tax, and 8 percent is from the corporate tax with the rest from various other sources.

- States are projecting a growth of 4.4 percent in tax collections for fiscal 2009 recommended budgets relative to fiscal 2008 current year estimates. Compared to fiscal 2008 collections, recommended fiscal 2009 budgets reflect a 3.2 percent increase in sales tax revenue, 5.4 percent increase in personal income tax revenue, and a 3.9 percent increase in corporate income tax revenue.

### Year-End Balances

Total balances—ending balances and the amounts in budget stabilization funds—are a crucial tool that states heavily rely on during fiscal downturns and budget shortfalls. Balance levels are one of the indicators of overall state fiscal health.

- After reaching a peak in fiscal 2006 at \$69 billion or 11.5 percent of expenditures, balances have declined. Fiscal 2007 balances declined slightly to 10.5 percent of expenditures. Based on fiscal 2008 estimates, balances are 8.0 percent of expenditures and are projected to decrease to 7.5 percent of expenditures based on governors' recommended fiscal 2009 budgets. While the balances are declining, they remain above the historical average of 5.8 percent of expenditures. States recognize that an economic downturn may last for more than one year and are reluctant to deplete balances. This is in part due to concerns that the situation may be worse through fiscal 2009.

# State Expenditure Developments

## CHAPTER ONE

### Overview

In stark contrast to the preceding several years, state finances in fiscal 2008 marked a turning point with a significant increase of states with fiscal difficulties. In fiscal 2008, thirteen states reduced enacted budgets by \$5.2 billion. In comparison, two states made cuts in enacted budgets in fiscal 2006 and three states cut enacted budgets in fiscal 2007. This change for 2008 resulted predominantly from a slowdown in revenue collections. The number of states reducing enacted budgets in fiscal 2008 is less than the thirty-seven states in both fiscal 2002 and fiscal 2003 that were forced to make mid-year budget cuts totaling nearly \$14 billion and \$12 billion, respectively, at the depth of the previous state fiscal crisis. However, based on previous downturns, the impact on state budgets may lag the downturn in the economy as states may take up to several years after a recession is over to recover.

States addressing budget gaps in fiscal 2008 relied mostly on targeted cuts, across-the-board cuts, and use of rainy day funds. Other strategies include hiring freezes, purchasing reviews, layoffs, fees, and program reorganizations (see Table 1 and Appendix Table A-5).

### State Spending from All Sources

This report captures only state general fund spending. General fund spending represents the primary component of discretionary expenditures of revenue derived from general sources which has not been earmarked for specific items. According to the most recent edition of NASBO's *State Expenditure Report*, estimated fiscal 2007 spending from all sources (general funds, federal funds, other state funds and bonds) is approximately \$1.46 trillion with the general fund representing 44.6 percent of the total. The components of total state spending for estimated fiscal 2007 are: Medicaid, 21.1 percent; elementary and secondary education, 20.9 percent; higher education, 10.3 percent; transportation, 8.4 percent; corrections, 3.4 percent; public assistance, 1.7 percent; and all other expenditures, 34.1 percent.

For estimated fiscal 2007, components of state spending within the general fund are elementary and secondary education, 34.4 percent; Medicaid, 16.6 percent; higher education, 11.2 percent; corrections, 6.8 percent; transportation, 1 percent; public assistance, 1.9 percent; and all other expenditures, 28.2 percent.

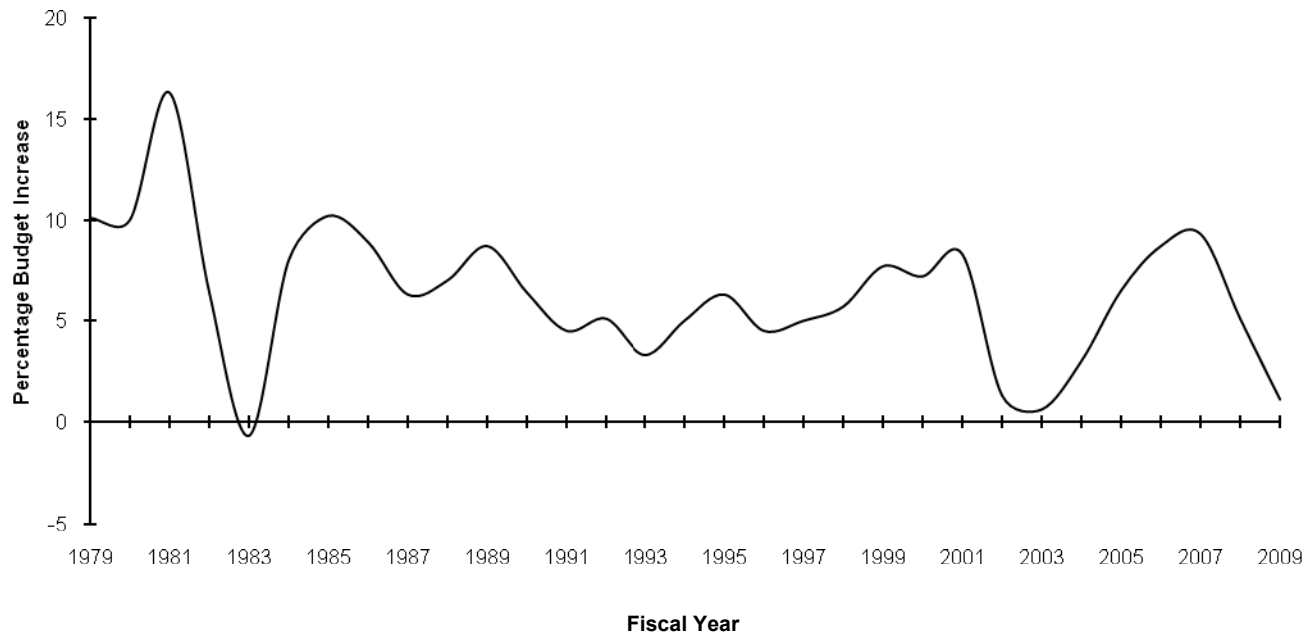
TABLE 1

**Budget Cuts Made After the Fiscal 2008 Budget Passed**

<i>State</i>	<i>Size of Cuts (\$ in Millions)</i>	<i>Programs or Expenditures Exempted from Cuts</i>
Arizona	\$ 311.5	Fundings that are ballot protected, or protected by federal or court requirements.
California	848.9	All programs were considered except debt service payments.
Delaware*	138.7	Debt service, school districts.
Florida	1,500.0	Florida, like many other states, is experiencing a decline in general revenue collections for fiscal 2008. In response to declining revenues, the Legislature passed Senate Bill No. 2-C during Special Session C in October, 2007 and House Bill 7009 during the second week of the 2008 Legislative Session to reduce overall spending by \$1.5 billion. Next year's revenues for the fiscal 2008-2009 budget have also been reduced. The Legislature will take into account the reduced revenue forecast when constructing the budget for the next state fiscal year beginning July, 2008.
Hawaii	6.7	Debt service, employees' retirement system and health insurance, public welfare, education, children and adult mental health, emergency medical services, correctional facilities.
Kentucky	77.0	K-12 formula funding, Medicaid, corrections, adult and child protective services, student financial aid, mental health and mental retardation programs, State Police.
Maine	22.2	Primarily debt service, tax expenditure and retirement (including Teacher Retirement).
Minnesota	341.0	K-12 education, military, veterans, aid to local governments.
Nevada	187.5	—
New Jersey	493.0	Appropriations to institutions, debt service, state aid.
Ohio	400.0	Primary and secondary education foundation, higher education state share of instruction, debt service, tax relief, and health care.
Rhode Island	60.8	State aid for education.
Virginia	769.3	Limited exemption for constitutional requirements and debt obligations as well as for services necessary for the public safety and welfare.
<b>Total</b>	<b>\$5,156.6</b>	

**NOTE:** \*See Notes to Table 1.**SOURCE:** National Association of State Budget Officers.**NOTES TO TABLE 1**

Delaware      These savings were accrued through reductions in agency expenditures, the institution of a hiring freeze, capital project reversions and deauthorizations, and the deposit of otherwise earmarked funds to the General fund. Items exempted from expenditure reductions included public education and debt service.

**FIGURE 1****Annual Percentage Budget Increases, Fiscal 1979 to Fiscal 2009**

**SOURCE:** National Association of State Budget Officers.

### State General Fund Spending

State general fund spending in governors' proposed fiscal 2009 budgets totals \$693.3 billion, or 1.0 percent above fiscal 2008 estimated spending. This spending increase of 1.0 percent is well below the average of 6.7 percent and would be the third lowest expenditure growth in the past thirty-one years. For fiscal 2008, estimated general fund spending increases by 5.1 percent, about a quarter

lower than the thirty-one year average of 6.7 percent (see Table 2, Figure 1, and Appendix Table A-4).

In eighteen states fiscal 2009 recommended general fund spending would be below the previous year. For fiscal 2008, four states are estimating general fund spending below the previous year. In contrast, only one state reported negative expenditure growth for fiscal 2007 (see Table 3 and Appendix Table A-4).

TABLE 2

**State Nominal and Real Annual Budget Increases, Fiscal 1979 to Fiscal 2009**

	<i>State General Fund</i>	
	<i>Nominal Increase</i>	<i>Real Increase</i>
2009*	1.0%	-2.4%
2008*	5.1	1.1
2007	9.3	6.0
2006	8.7	3.3
2005	6.5	0.1
2004	3.0	-0.4
2003	0.6	-3.1
2002	1.3	-1.4
2001	8.3	4.0
2000	7.2	4.0
1999	7.7	5.2
1998	5.7	3.9
1997	5.0	2.3
1996	4.5	1.6
1995	6.3	3.2
1994	5.0	2.3
1993	3.3	0.6
1992	5.1	1.9
1991	4.5	0.7
1990	6.4	2.1
1989	8.7	4.3
1988	7.0	2.9
1987	6.3	2.6
1986	8.9	3.7
1985	10.2	4.6
1984	8.0	3.3
1983	-0.7	-6.3
1982	6.4	-1.1
1981	16.3	6.1
1980	10.0	-0.6
1979	10.1	1.5
<b>1979-2009 average</b>	<b>6.7%</b>	<b>2.0%</b>

**NOTES:** \*The state and local government implicit price deflator, table 1.1.9 (Implicit Price Deflators for Gross Domestic Product) as cited by the Bureau of Economic Analysis in April 2008, is used for state expenditures in determining real changes. Fiscal 2008 figures are based on the change from fiscal 2007 actuals to estimated fiscal 2008. Fiscal 2009 figures are based on the change from estimated fiscal 2008 to recommended fiscal 2009.

**SOURCE:** National Association of State Budget Officers.

TABLE 3

**Annual State General Fund Expenditure Increases, Fiscal 2008 and Fiscal 2009**

<i>Spending Growth</i>	<i>Number of States</i>	
	<i>Fiscal 2008 (Estimated)</i>	<i>Fiscal 2009 (Recommended)</i>
Negative growth	4	18
0.0% to 4.9%	17	21
5.0% to 9.9%	17	10
10% or more	11	0

**NOTE:** Average spending growth for fiscal 2008 (estimated) is 5.1 percent; average spending growth for fiscal 2009 (recommended) is 1.0 percent.

**SOURCE:** National Association of State Budget Officers.

**State Cash Assistance Under the Temporary Assistance for Needy Families Program**

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

Since welfare reform was initially passed in 1996, states have focused on providing supportive services for families to achieve self-sufficiency rather than cash assistance. This report has information only on the changes in the cash assistance benefit levels within the program which represents approximately 36 percent of total program costs. For governors' recommended budgets for fiscal 2009, 44 states maintain the same cash assistance benefit levels that were in effect in fiscal 2008. Six states propose increases in cash assistance benefit levels, ranging from 0.1 percent to 30 percent (see Table 4 and Notes to Table 4).



**TABLE 4****Proposed Cost-of-Living Changes for Cash Assistance Benefit Levels Under the Temporary Assistance For Needy Families Block Grant, Fiscal 2009**

<i>State</i>	<i>Percent Change</i>
California	4.3%
Colorado	30.0
Michigan*	2.0
Nebraska*	
Ohio*	
Oregon	1.6
South Dakota	3.0
Texas	0.1

**NOTE:** \*See Notes to Table 4.**SOURCE:** National Association of State Budget Officers.**NOTES TO TABLE 4**

Michigan	In addition to the 2 percent increase for TANF cash assistance, the Governor recommends a clothing allowance increase for all children from birth through age 18. Currently, the clothing allowance is \$43 per child. Under the Fiscal 2009 Executive Budget proposal, the clothing allowance is increased to \$75, representing an average benefit increase of 3 percent when combined with cash assistance.
Nebraska	No increase in the maximum grant an individual may receive has been enacted for fiscal 2009. Per State Statute (Sec. 43-513), Nebraska will not increase the maximum standard of need in fiscal 2009. The next standard of need increase is due July 1, 2009.
Ohio	COLA increase—aligned with Social Security.

**Medicaid Spending, Significant Health Challenges, and Governors' Proposals for Health Care Expansion**

Medicaid is a means-tested entitlement program financed by the states and the federal government that provides comprehensive and long-term medical care for more than 62 million low-income individuals. Medicaid spending is approximately 22 percent of total state spending and is the single largest portion of total state spending. Even with the weakening of many state fiscal conditions during

fiscal 2008, about one-half of the states had proposals to increase coverage to the uninsured in governors' proposed fiscal 2009 budgets. Most state plans to reduce the number of uninsured use Medicaid as a building block for additional coverage and financing. As the economy weakens, state officials are becoming increasingly concerned that covering the long term costs of health care programs will become very difficult with each passing year.

**Medicaid growth rates.** While Medicaid spending rates have moderated from historical levels, the growth rates still exceed overall general fund spending increases. Medicaid spending is estimated to increase by 3.7 percent in governors' recommended budgets for fiscal 2009, with state funds increasing by 4.4 percent and federal funds increasing by 3.3 (see Table 5). Within these average growth figures, there is a great deal of variance among states in growth rates with some states proposing to spend less in 2009 than the previous year. In fiscal 2008, total Medicaid spending is estimated to increase by 6.4 percent with state funds increasing by 6.3 percent and federal funds by 6.7 percent. Since Medicaid makes up such a large portion of state budgets, the growth rates relative to overall budget increases have a significant impact on the allocation of state spending.

States were asked to provide the percentage change figures for Medicaid excluding the impact of the "clawback," statutorily known as the phased down state contribution. Beginning in January 2006, the prescription drug costs for those eligible for both Medicare and Medicaid were no longer part of the Medicaid program. Instead these costs are now part of Medicare Part D. States finance these benefits by providing a payment to the federal Medicare trust fund—commonly known as "clawback" payments.

States have been aggressive over the past five years in pursuing cost containment measures to help moderate spending increases. According to the Kaiser Commission on Medicaid and the Uninsured, every state instituted cost containment measures during this period with the majority centered on freezing or reducing provider payments and

TABLE 5

## Annual Percentage Medicaid Growth Rate

Region and State	Fiscal 2007 (Actual)			Fiscal 2008 (Estimated)			Fiscal 2009 (Recommended)		
	State Funds	Federal Funds	Total Funds	State Funds	Federal Funds	Total Funds	State Funds	Federal Funds	Total Funds
<b>NEW ENGLAND</b>									
Connecticut	NA	NA	-2.0%	NA	NA	12.9%	NA	NA	5.6%
Maine	-5.7	-6.1	-6.0	3.3	15.6	11.1	-9.2	-2.7	-4.9
Massachusetts	7.7	7.7	7.7	6.4	6.4	6.4	5.2	5.2	5.2
New Hampshire	-5.4	5.8	3.7	2.0	9.8	27.0	37.0	0.4	6.0
Rhode Island	4.7	4.5	4.6	-1.9	0.8	-0.4	-1.2	-3.2	-2.3
Vermont*	NA	NA	NA	12.7	11.2	11.7	8.1	7.2	7.5
<b>MID-ATLANTIC</b>									
Delaware	7.7	7.2	7.4	9.5	8.8	9.1	7.6	7.6	7.6
Maryland	2.3	4.4	3.3	6.3	5.7	6.0	9.5	9.9	9.7
New Jersey	2.0	2.0	1.6	5.0	6.0	5.2	-1.0	-1.0	-1.2
New York	7.8	6.2	9.0	-2.0	-3.5	-3.3	4.5	2.0	2.3
Pennsylvania	-3.3	3.7	1.6	4.6	4.8	4.9	3.8	-0.3	1.5
<b>GREAT LAKES</b>									
Illinois*	6.3	9.1	7.6	12.3	10.8	11.6	-4.4	-6.7	-5.5
Indiana	6.7	1.9	2.5	4.7	6.4	6.3	1.5	9.1	6.4
Michigan	6.7	5.7	10.3	5.3	12.2	8.9	-2.6	7.0	3.0
Ohio	4.0	-2.0	0.4	7.8	5.5	6.5	11.8	8.0	9.6
Wisconsin	4.8	2.2	3.3	1.0	3.4	2.4	3.5	7.8	6.1
<b>PLAINS</b>									
Iowa	-1.1	-4.5	-2.4	9.8	7.2	3.9	3.9	5.0	5.5
Kansas	8.5	2.9	4.5	6.1	6.2	6.2	5.3	2.5	3.3
Minnesota	3.0	6.8	5.1	10.0	10.1	9.6	11.5	9.5	9.6
Missouri	-3.5	-0.9	-1.9	9.0	12.0	10.9	7.4	10.0	9.1
Nebraska*	1.2	4.0	3.0	9.7	4.3	6.3	2.0	3.2	2.7
North Dakota	1.6	-3.5	-1.8	15.5	9.2	11.4	8.4	3.9	5.5
South Dakota	4.0	-2.8	-0.6	15.9	10.1	12.1	1.5	11.4	7.9
<b>SOUTHEAST</b>									
Alabama	10.4	5.0	6.6	2.9	-4.3	-3.9	0.1	1.4	4.2
Arkansas	8.0	5.1	5.8	10.8	8.2	8.9	11.7	10.8	11.0
Florida	2.6	1.9	2.2	8.4	0.4	3.7	9.0	3.2	5.7
Georgia	4.0	8.6	6.8	7.4	11.9	10.2	-5.9	-0.8	-2.7
Kentucky	4.3	0.0	1.2	6.4	5.6	5.8	1.3	3.6	2.8
Louisiana	26.1	3.9	8.6	18.6	19.0	18.9	20.0	5.6	9.1
Mississippi	-2.3	-5.1	-4.5	-9.2	15.0	13.0	5.0	8.0	7.0
North Carolina	2.8	1.5	3.5	3.7	7.4	5.9	7.6	9.5	8.7
South Carolina	-1.9	12.7	12.8	14.8	13.9	12.4	2.8	3.0	3.0
Tennessee	4.6	2.4	1.0	20.0	1.8	7.1	-0.7	0.5	-0.6
Virginia	3.7	3.3	3.5	4.5	3.1	3.8	3.1	3.6	3.4
West Virginia	3.0	0.0	1.0	5.0	12.0	1.0	5.0	4.0	4.0
<b>SOUTHWEST</b>									
Arizona	7.1	5.0	5.7	14.5	12.8	13.4	12.3	10.3	11.0
New Mexico	10.1	8.6	9.0	2.0	0.2	0.7	26.6	22.5	23.6
Oklahoma	7.0	10.2	9.1	7.8	10.8	9.7	10.8	5.4	7.3
Texas	14.1	14.2	14.3	7.2	6.0	6.5	9.1	4.2	6.1
<b>ROCKY MOUNTAIN</b>									
Colorado*	1.0	1.6	1.3	5.4	6.8	6.1	7.0	6.5	6.7
Idaho	1.6	1.6	2.0	11.0	7.6	8.2	5.9	8.8	8.0
Montana	7.0	0.0	2.0	10.0	11.0	11.0	7.0	8.0	7.0
Utah	5.3	2.0	3.1	4.1	10.8	8.5	1.8	1.7	1.8
Wyoming	44.4	9.5	8.4	21.6	-0.1	9.5	-4.2	-4.3	-4.3
<b>FAR WEST</b>									
Alaska	2.0	-2.0	-1.0	10.0	-14.0	-4.0	10.0	4.0	6.0
California	1.3	12.2	7.4	5.9	13.9	10.6	-3.3	-2.1	-2.6
Hawaii	10.0	4.3	6.5	14.4	-2.7	4.1	3.5	3.2	3.4
Nevada	14.0	5.7	9.3	11.6	4.7	7.8	6.0	-4.7	0.3
Oregon	3.0	-0.9	0.6	3.1	3.7	3.5	16.9	10.3	12.9
Washington	0.5	-0.1	0.2	5.0	9.5	8.3	6.4	6.9	7.1
<b>Average**</b>	<b>4.6%</b>	<b>5.3%</b>	<b>5.3%</b>	<b>6.3%</b>	<b>6.7%</b>	<b>6.4%</b>	<b>4.4%</b>	<b>3.3%</b>	<b>3.7%</b>

NOTES: NA indicates data not available \*See Notes to Table 5. \*\* Average percent changes are weighted averages.

SOURCE: National Association of State Budget Officers.

## NOTES TO TABLE 5

Colorado	Source of figures: Department of Health Care Policy & Financing fiscal 2008-09 (November 1, 2007) budget request, Schedule 2A. "Medicaid Spending" is all Title XIX funding including the administrative costs, Medical services premiums (the actual cost of providing medical services to clients), Medicaid mental health services, and Medicaid services provided by the Department of Human Services. Fiscal 2007-08 figures are equal to the appropriation plus the Governor's supplemental request for medical services premiums and mental health as of February 15, 2008. Fiscal 2008-09 figures represent the Governor's budget request as of November 1, 2007 and budget amendments for medical services premiums, mental health, and the Title XIX portion of the Health Care Reform request submitted as February 15, 2008.
Illinois	All values for fiscal 2007, fiscal 2008, and fiscal 2009 total funds include a payment of two year's worth of a three-year hospital provider assessment program made within the same fiscal year, fiscal 2008; they therefore reflect cash availability for spending in fiscal 2008 and not an increase in program costs. The growth rates reflected above are based on multi-agency spending on Title XIX and XXI programs, including spending using non-state fund sources, such as an IGA with the County of Cook. Because of its extensive use of a variety of non-state funding sources as additional support for its medical programs (e.g. the aforementioned IGA with Cook County, a hospital provider assessment program), Illinois generally measures programmatic growth not through growth in overall spending but through growth in costs related to state-based funds and associated federal matching funds. This measurement excludes both the base spending and federal match of "self-funded" programs like those indicated above, better measuring the more direct programmatic fiscal effects of medical programs on the state. By this measurement, estimated medical costs change by 4.6 percent in fiscal 2007, 7.4 percent in fiscal 2008 and a projected 7.2 percent in fiscal 2009.
Nebraska	Fiscal 2007 represents actual expenditures. Fiscal 2008 and fiscal 2009 represent appropriations.
Vermont	Due to a change in Vermont's Medicaid financing in fiscal 2006, percentage changes are not comparable from 2006 to 2007.

managing prescription drug costs. Long range projections for national health expenditures are estimated to increase approximately 6.7 percent annually on average, according to the Centers for Medicare and Medicaid Services (CMS) and will continue to rise as a percentage of the nation's gross domestic product.

**Significant health challenges facing states.** States face a number of challenges in funding and providing health care both within the Medicaid program and throughout state government (see Table 7). Among the issues of greatest concern for states include expanding access to health care for the uninsured (governors' proposals are discussed below); health care cost increases and greater utilization of services; the aging population and the impact on long-term care financing; regulatory actions at the federal level that would limit federal participation for key services; workforce shortages such as nurses; hospital finances; pressure to raise physician rates in order to maintain participation in the Medicaid program; State Children's Health Insurance Program (SCHIP) funding; mental health funding and access; and generally the pressure to maintain health care spending that on average consumes a greater share of state budgets over time.

Even with more moderating growth rates in health care spending from the height of the recession, projections over the next decade remain at an average annual rate of about 8 percent from fiscal 2008 through fiscal 2018, according to the most recent estimates by the Congressional Budget Office. With Medicaid comprising 22 percent of total state spending, these long-term growth rates will continue to strain state budgets.

**Governors' proposals for health care expansion.**

Even with declining fiscal conditions, states continue to work on strategies to address the number of individuals lacking health insurance. Almost one-half of the states included plans to expand health care coverage in governors' proposed fiscal 2009 budgets as shown in Table 6-A. Tables 6-A, 6-B, and 6-C show key characteristics of governors' proposed health expansions, including the number of individuals covered; target of coverage; method to use in the expansion, such as Medicaid and/or SCHIP; funding sources; and whether proposals include such provisions as employer and/or individual mandates and personal responsibility elements. Other features highlighted in the tables include whether the proposals use tax credits, have a quality improvement component, contain a mechanism to control costs, premium

subsidies, and if they seek changes in insurance regulations.

Governors' proposals vary widely from proposals to cover all of the uninsured in the state to targeted expansions for specific groups such as uninsured children and employees of small businesses. In many cases, the proposals seek to provide additional coverage on an incremental basis due to the costs of providing universal coverage.

The approximate number of additional people that would be covered under governors' proposals varies significantly across states and is highly dependent on the scope of the proposal, the population of the state, and the percentage of the state's population that is uninsured.

Six states reported the goal of covering all of their residents though resource commitments, strategies and timelines may vary significantly. The majority of state proposals include specific target groups that include childless adults, low wage workers, parents, small business employees, and children as shown in Table 6-A. Proposals for fiscal 2008 were more heavily focused on covering children than proposals for fiscal 2009.

The methods that states are planning to use for health care expansions include Medicaid, SCHIP, Medicaid waivers, state programs, flexibilities under the Deficit Reduction Act (DRA), public-private partnerships, and a combination of other approaches. The most frequent methods rely on both traditional Medicaid and Medicaid waivers. In many cases, states plan on using a combination of funding sources that may also include employer and individual contributions, tobacco funds, and provider taxes and fees (see Tables 6-B and 6-C).

The most frequent features of the expansions include premium subsidies, cost control measures, quality improvement, personal responsibility requirements, and a state administered health plan. Other features include individual or employer mandates, consumer directed plans, tax credits, and changes to insurance regulations (see Table 6-B).

Total funding for the health care expansion proposals in governors' proposed fiscal 2009 budgets is \$5.1 billion as shown in Table 6-C. The majority of states are assuming that Medicaid would provide funding for expansions with about two-thirds of the \$5.1 billion of additional funds coming from state and federal Medicaid dollars. Other funding sources assumed for health care expansions are SCHIP, provider taxes or fees, tobacco taxes, state general funds, and contributions from participants and employers.

About one-fifth of the states have plans to conduct outreach and streamline eligibility in Medicaid and SCHIP in order to attain greater participation in these programs. This is to address concerns about those currently eligible but who have not enrolled in Medicaid and SCHIP programs.

Proposals to cover the uninsured are affected by the deterioration of the revenue outlook in many states as well as lack of additional funding under the extensions of the SCHIP program. While about one-half of the states have proposals to cover the uninsured for fiscal 2009, more than two-thirds of the states had proposals in last year's governors proposed budgets to expand health care coverage. In eighteen states, proposals to cover the uninsured were enacted, partially enacted, or partially implemented through administrative order in fiscal 2008.

Health care proposals to expand coverage at the state level are continuing in spite of the declining fiscal conditions in many states. While many proposals may not be enacted this year or may be scaled down considerably, it is clear that covering the uninsured is a high priority across many state governments and many of the proposals have come from governors of both parties. In many cases, changes to expand health care take more than one budget cycle to achieve and proposals to address the uninsured will be expected to surface over the years to come.

TABLE 6-A

**Covering the Uninsured: Recommended Fiscal 2009 Budget Proposals to Reduce the Number of Uninsured State Residents**

<i>Region and State</i>	<i>Approximate Number of People Covered under Proposal</i>	<i>Target Population</i>	<i>Main Vehicle for Proposal</i>
<b>NEW ENGLAND</b>			
Connecticut	Over 32,800 when fully implemented	Childless adults; Low-Wage Workers	State Program
Massachusetts	225,000	All Residents	Combination
Vermont	8,464	All Residents	Medicaid waiver; State Program
<b>MID-ATLANTIC</b>			
Maryland*	46,000 in Fiscal 2009; 100,000 when fully phased in	Parents; Small Business Employees	Traditional Medicaid; State Program; Combination (Traditional Medicaid is the largest piece of the proposal)
New York*	1.3 million	All Residents	Traditional Medicaid; Medicaid Waiver; SCHIP; State Program
Pennsylvania*	149,500	Parents; Childless adults; Low-Wage Workers; Small Business Employees	Medicaid Waiver
<b>GREAT LAKES</b>			
Illinois	All uninsured	All residents	Combination
Indiana	More than 130,000	Children; Parents; Childless adults; Small Business Employees	Traditional Medicaid; Medicaid waiver; SCHIP; Public Private Partnership
Ohio	25,000	Children; Parents; Aged/disabled	Combination
Wisconsin	To be determined	Childless adults	Medicaid waiver; Deficit Reduction Act flexibility; Combination
<b>PLAINS</b>			
Iowa	7,500	Children	Traditional Medicaid; SCHIP
Kansas	71,000	Children; Low-Wage Workers; Small Business Employees	Traditional Medicaid; State Program
Missouri	189,787	Parents; Childless adults; Low-Wage Workers; Small Business Employees	Traditional Medicaid; Medicaid waiver; Deficit Reduction Act flexibility
<b>SOUTHEAST</b>			
Florida	Potentially 60,000 per year	All Residents	Low Income Pool
Louisiana*	30,598	Children	Traditional Medicaid; SCHIP
Mississippi	150,000	Small Business Employees	Other
North Carolina*	Up to 15,000	Children	SCHIP
South Carolina*			
Virginia	5,000	Low-Wage Workers	State Program
West Virginia*			
<b>SOUTHWEST</b>			
New Mexico*	17,000	Children; Parents; Childless adults; Low-Wage Workers; Small business Employees	Traditional Medicaid; SCHIP
Texas	Unknown	Parents	Medicaid waiver; Public Private Partnership
<b>ROCKY MOUNTAIN</b>			
Colorado*	38,950	Children	Traditional Medicaid; SCHIP
Utah	131,636	All Residents	Medicaid waiver
<b>FAR WEST</b>			
Hawaii	3,500	Childless adults	Medicaid waiver
Nevada*	298	Parents; Aged/Disabled	Traditional Medicaid; Medicaid Waiver

**NOTES:** \*See Notes to Table 6-A.**SOURCE:** National Association of State Budget Officers.

TABLE 6-B

### Elements of Recommended Fiscal 2009 Budget Proposals to Reduce the Number of Uninsured State Residents

*Proposal Includes the Following:*

<i>Region and State</i>	<i>Individual Mandate</i>	<i>Employer Mandate</i>	<i>Consumer Directed Plans</i>	<i>Personal Responsibility</i>	<i>Tax Credits</i>	<i>State- Administered Health Plan</i>	<i>Quality Improvement</i>	<i>Cost Control</i>	<i>Premium Subsidies</i>	<i>Changes to Insurance Regs</i>
<b>NEW ENGLAND</b>										
Connecticut				Considering		X	X	X	X	Under Review
Massachusetts	X			X		X	X	X	X	
Vermont*		X				X	X	X	X	
<b>MID-ATLANTIC</b>										
Maryland*								X	X	
New York						X	X	X	X	X
Pennsylvania							X	X	X	X
<b>GREAT LAKES</b>										
Illinois		X		X		X	X	X	X	X
Indiana			X	X	X					
Ohio						X		X		
Wisconsin				X		X	X		X	
<b>PLAINS</b>										
Iowa										
Kansas							X	X	X	X
Missouri				X					X	
<b>SOUTHEAST</b>										
Florida										
Louisiana										
Mississippi			X				X			
North Carolina							X	X	X	
South Carolina										
Virginia									X	X
West Virginia										
<b>SOUTHWEST</b>										
New Mexico				X		X			X	
Texas			X	X			X	X	X	Considering
<b>ROCKY MOUNTAIN</b>										
Colorado							X	X		X
Utah			X	X	X			X	X	X
<b>FAR WEST</b>										
Hawaii						X				
Nevada*								X		

**NOTES:** \*See Notes to Table 6-B.

**SOURCE:** National Association of State Budget Officers.

TABLE 6-C

**Financing Recommended Fiscal 2009 Budget Proposals to Reduce the Number of Uninsured State Residents**
*Revenue Sources for Proposal (in millions)*

Region and State	General Funds			Federal Funds		
	Medicaid	SCHIP	Other	Medicaid	SCHIP	Other
<b>NEW ENGLAND</b>						
Connecticut*			\$ 53.0			
Massachusetts	978.8	56.7	75.0	888.2	56.7	
Vermont			7.5			
<b>MID-ATLANTIC</b>						
Maryland				47.3		
New York	4.0	25.0		4.0		
Pennsylvania*				191.2		
<b>GREAT LAKES</b>						
Illinois*				X		
Indiana				149.5		
Ohio	41.4			36.5		
Wisconsin	TBD			TBD		
<b>PLAINS</b>						
Iowa	3.2	1.2		4.9	1.9	
Kansas			71.0	65.0		
Missouri	46.8			257.0		
<b>SOUTHEAST</b>						
Florida				35.4		
Louisiana	7.1	2.8	0.2	15.5	12.0	
Mississippi	1.5					
North Carolina*		6.6				
Virginia*			2.5			
<b>SOUTHWEST</b>						
New Mexico*	68.8			210.0		
Texas*				TBD		
<b>ROCKY MOUNTAIN</b>						
Colorado*	25.7	3.7		27.1		
Utah			14.0			32.0
<b>FAR WEST</b>						
Hawaii	2.8			3.5		
Nevada*	1.1			1.1		
<b>Total</b>	<b>\$1,181.2</b>	<b>\$ 96.0</b>	<b>\$ 223.2</b>	<b>\$1,936.2</b>	<b>\$ 70.6</b>	<b>\$ 32.0</b>

**NOTES:** \*See Notes to Table 6-C.

**SOURCE:** National Association of State Budget Officers.

TABLE 6-C, continued

**Financing Recommended Fiscal 2009 Budget Proposals to Reduce the Number of Uninsured State Residents**

<i>Other Revenue Sources for Proposal</i>					
<i>Region and State</i>	<i>Tobacco Tax</i>	<i>Provider Tax/Fee</i>	<i>Contribution from Participants</i>	<i>Other</i>	<i>TOTAL (all sources and funds)</i>
<b>NEW ENGLAND</b>					
Connecticut*				\$ 12.0	\$ 65.0
Massachusetts		320.0	80.0		2,455.3
Vermont*	9.8		3.7	9.8	30.8
<b>MID-ATLANTIC</b>					
Maryland				77.3	124.6
New York					33.0
Pennsylvania*	114.1		77.5	173.4	556.2
<b>GREAT LAKES</b>					
Illinois*			X	417.0	417.0
Indiana	92.5				242.0
Ohio			19.4		97.3
Wisconsin				TBD	TBD
<b>PLAINS</b>					
Iowa					11.2
Kansas					136.0
Missouri		113.1			416.9
<b>SOUTHEAST</b>					
Florida	28.5				63.9
Louisiana					37.6
Mississippi					1.5
North Carolina*					6.6
Virginia*			2.5	2.5	7.5
<b>SOUTHWEST</b>					
New Mexico*					278.0
Texas*				*	
<b>ROCKY MOUNTAIN</b>					
Colorado*	11.5		0.1		87.6
Utah					46.0
<b>FAR WEST</b>					
Hawaii					6.3
Nevada*				0.1	2.2
<b>Total</b>	<b>\$ 256.4</b>	<b>\$ 433.1</b>	<b>\$ 183.1</b>	<b>\$ 692.1</b>	<b>\$5,122.5</b>

NOTES: \*See Notes to Table 6-C, continued.

SOURCE: National Association of State Budget Officers.



TABLE 6-D

**Characteristics of Recommended Fiscal 2009 Budget Proposals to Cover Uninsured State Residents**

<i>Region and State</i>	<i>Funded through reduction in coverage**</i>	<i>Includes Outreach/ Streamlined Eligibility***</i>	<i>Cost Containment Coverage Restrictions****</i>	<i>Cause of proposals to cover/restrict coverage*****</i>
<b>NEW ENGLAND</b>				
Massachusetts		X		
Vermont*		X		D, R
<b>MID-ATLANTIC</b>				
Maryland		X		R
New York		X		G, D
<b>GREAT LAKES</b>				
Illinois				F, G, E
Ohio				F, D, E, R
Wisconsin				G
<b>PLAINS</b>				
Iowa		X		
Kansas		X		
<b>SOUTHEAST</b>				
Louisiana		X		G
North Carolina				F, G
<b>SOUTHWEST</b>				
Arizona				E, R
New Mexico				F, E, R
Texas		X		
<b>ROCKY MOUNTAIN</b>				
Colorado		X		F
Idaho*		X		
Montana*				
Utah*				
Wyoming				
<b>FAR WEST</b>				
Nevada*				E, R
Oregon*				F, G, E

**NOTES:** \*See Notes to Table 6-D. \*\*Proposal is funded from savings associated with a reduction in coverage or increase in cost-sharing for existing Medicaid/SCHIP enrollees. \*\*\*Proposal includes outreach and streamlined enrollment elements to reduce the number of unenrolled eligibles. \*\*\*\*Number of individuals expected to lose coverage due to cost containment measures that would restrict coverage under Medicaid/SCHIP. \*\*\*\*\*Code: F=Lack of funding beyond current levels; G=New CMS SCHIP Guidance; D=Disapproval from CMS for Medicaid/SCHIP; E=Changes in the economy; R=Changes in State Revenues.

**SOURCE:** National Association of State Budget Officers.

**NOTES TO TABLE 6-A**

Colorado	Proposals to reduce the number of uninsured include the fiscal 2008-09 decision item for additional CHIP marketing and outreach and fiscal 2008-09 budget amendment for Health Care Reform issues. Total number of uninsured receiving coverage in fiscal 2008-09 includes base increases to the Medicaid and CHIP program as of February 15, 2008 plus the two proposals listed above.
Louisiana	Children < 200 percent federal poverty level – 21,765; Children 200-250 percent federal poverty level – 6,996 (new) and 1,231 (annualization); Family Opportunity Act – 202 (new) and 404 (annualization).
Maryland	Expand Medicaid coverage for parents in households with income up to 116% of the federal poverty level. Provide subsidies to small businesses and to their employees for the provision of health insurance.
Nevada	In fiscal 2008, Medicaid was to be extended to certain populations of working disabled persons; periodontal services were extended to pregnant women. In fiscal 2009, Waiver services were to be extended to TBI patients.
New Mexico	The Governor proposed a path to universal health care that includes an expansion to Medicaid to cover 53,500 more adults and children. The Governor's fiscal 2009 budget proposed to begin implementing this initiative by expanding Medicaid to cover 9,000 more children; in addition, the proposed budget funded an estimated base enrollment growth of 8,000 children and adults. The target population and main vehicle for proposal include the Governor's health care proposal outside of the budget proposal.
New York	The State fiscal year 2008-09 budget continues a multi-year plan, building upon efforts begun in the previous budget year to reach an estimated 1.3 million uninsured New Yorkers. Specifically the SCHIP expansion in New York State provides access to comprehensive health care for an estimated 70,000 uninsured children in families with incomes above 250 percent of the federal poverty level. SCHIP actions related to the expansion will begin in September 2008 and will be implemented without federal participation.
North Carolina	The plan was originally proposed last year, but delays occurred in implementation. The new proposal is an amendment of last year's proposal. The Governor's Kids' Care proposal last year was to originally serve kids 0-18 between 200%-300% either through Deficit Reduction Act flexibility or a waiver. When finally passed, the General Assembly also asked the administration to consider SCHIP as a viable alternative.
Pennsylvania	The Governor's health care proposal will cover an estimated 149,500 enrollees in fiscal 2009, with projected growth to more than 266,000 enrollees within three years.
South Carolina	Per the fiscal 2008-09 Executive Budget, 97 percent of all businesses in South Carolina are classified as small businesses and more than half of the state's workers are employed by small businesses. Also noted in the fiscal 2009 Executive Budget, affordability was the major reason why small businesses did not purchase health insurance. The Governor's Executive Budget includes a proposal to pass legislation to create purchasing pools to help small businesses obtain more affordable health insurance for their employees. Specifics related to the impact on Medicaid are unknown at this time.
West Virginia	No proposal to reduce the number of uninsured state residents, but funding recommended to assist uninsured residents with additional funding to free clinics.

**NOTES TO TABLE 6-B**

Maryland	Small employer must offer a "wellness" package to be eligible for subsidies.
Nevada	Efforts to control costs for periodontal benefits for pregnant women.
Vermont	Contribution from employers.

**NOTES TO TABLE 6-C**


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Colorado	"State Funds" include General Fund, cash funds, and cash funds exempt (tobacco settlement funds, tobacco tax funds matched for Medicaid purposes, General Funds transferred from other state agencies, etc.).
Connecticut	Contribution from participants is on a sliding scale – premium assistance. "Other" refers to tobacco settlement funds of \$12 million for one year only.
Illinois	"Other" includes \$417.0 million in employer contributions.
Nevada	"Other" refers to premiums.
New Mexico	Federal funds is a composite of SCHIP and Medicaid FMAP.
North Carolina	SCHIP funds from the General Fund were appropriated in the last state budget for SFY 2008, in the Kids' Care proposal. Program implementation is contingent on federal SHIP reauthorization, and available federal funding to support the program. There is no new funding for this program, as the program was originally put in place last year with a \$7.0 million recurring appropriation, with \$368,000 of it to be used for program administration.
Pennsylvania	\$2 million contribution from employers; \$171.4 million Community Health Reinvestment and Tobacco Settlement Funds. The \$556.2 million in anticipated revenue exceeds the estimated funding requirements by \$76.7 million. The excess revenue will be expended in subsequent years as enrollment grows.
Texas	HB 1751; \$5 per person fee on sexually oriented businesses, with some amount going to support premium payment subsidies.
Virginia	\$2.5 million in contributions from employers.

**NOTES TO TABLE 6-D**


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Idaho	Current efforts underway to increase efficiencies within existing application processes; Benchmark plan direct appropriate benefits based on health needs; Deficit Reduction Act use of selective contracting contains costs.
Montana	CHIP expansion was proposed by a legislator and adopted by the Governor.
Nevada	Budget reductions implemented after adoption of Fiscal 2009 budget.
Oregon	New Medicaid regulations.
Utah	Children whose parents qualify for a subsidy to buy health insurance would be required to be under that coverage instead of on CHIP.
Vermont	Premium increases in fiscal 2009 proposed budget may dampen enrollment growth forecast associated with marketing outreach and earlier premium decreases. CMS disapproved proposal to cover 200-300 percent federal poverty level. State continued the coverage and absorbed the full cost. Cigarette tax revenue estimate write-down reduced Catamount fund balance.

TABLE 7

**Significant Health Care Issues Facing the States***Region and State***NEW ENGLAND**

Connecticut	Meeting the needs for a growing number of uninsured individuals.
Maine	Health care costs that continue to increase at a substantial pace and resources—public and private—are under stress. State government is challenged to maintain access to quality services for those Mainers most in need, while operating in the context of shrinking local revenues and severe reductions in the level of federal participation in paying for care for vulnerable populations.
Massachusetts	a. Rising health care costs; b. Enrolling the uninsured.
New Hampshire	Federal legislation reducing benefits; growth in cost & utilization of medical services; state-wide revenue shortfalls.
Rhode Island	Financing general revenue share.
Vermont	Medical cost growth rate exceeds growth rate of revenues; aging population; goal to cover 96 percent of population with health insurance; access/efficiency across geographically dispersed population.

**MID-ATLANTIC**

Delaware	Maintaining current population and services within framework of budget tightening.
Maryland	Access to dental care; workforce shortages in particular specialties and regions; Health IT; recruitment and retention in State programs; rebalancing of long term care supports; proposed federal restrictions on Medicaid/SCHIP funding.
New Jersey	Uninsured population; hospital finances.
New York	Reducing the number of uninsured; reducing fraud, waste, and abuse; reforming hospital, clinic, and long-term care reimbursement systems; hospital consolidation; and controlling rising prescription drug prices.
Pennsylvania	Accessibility, affordability and quality of health care for the uninsured.

**GREAT LAKES**

Illinois	Ever increasing cost of healthcare for all residents, reduction in employer-based coverage, reductions in federal funding.
Indiana	High rate of uninsured—especially adults. >700,000 total Hoosiers without health insurance; increasing costs for healthcare for employers and individuals; high degree of variability in quality and quantity of services delivered; improving the safety and quality outcomes of healthcare – move toward a value-driven system.
Ohio	The increasing shift of federal expenses to the states, medical coverage for the uninsured, cost containment in long term care.
Wisconsin	Identifying state funding sources for current benefit and eligibility levels and finding ways to finance moderate expansions.

**PLAINS**

Iowa	Federal changes in Medicaid policies and providing health care to all Iowa children.
Kansas	Provide all Kansans with access to affordable health care, promoting personal responsibility, and promoting medical homes and paying for prevention.
Minnesota	Health care spending continues to rise as a percentage of total general fund expenditures – in fiscal 2000 it was 17.8 percent, in fiscal 2007 it reached 23.3 percent. While the rate of the uninsured is relatively low, more and more people are being covered by public programs. From 2000 to 2005, the percentage of the population covered by public programs grew from 22.4 to 25.1 percent, while the percentage with private coverage fell from 72 to 67.5 percent. Private Insurance premiums grew by 83 percent per enrollee between 2000 and 2006, while average wages grew 19 percent.
Missouri	Growth in the number of uninsured.
Nebraska	Medicaid and employee health insurance expenditure growth relative to State revenue growth.
North Dakota	Continued need for new and expanded Home and Community Based Services, CMS changes to rehabilitation services and CMS regulations for Targeted Case Management.
South Dakota	Maintaining adequate reimbursement to ensure access to services. Managing the numerous federal regulations and policy changes (Graduate Medical Education, targeted case management, psychiatric residential treatment, etc.) that are shifting costs to the state. Managing SCHIP funding. As a SCHIP shortfall state, we are challenged to fund services with inadequate funding under the continuing resolution. A study of the Long Term Care needs of our elderly indicates South Dakota will see a dramatic increase in the elderly population over the next two years with a declining younger workforce to provide services. In addition, capacity is not aligned where the growth will occur and a major initiative is underway to adopt several policy recommendations from the study to meet the care needs of our elderly citizens. Provisions of adequate healthcare for American Indians living on the Indian Reservations in South Dakota.

TABLE 7 (continued)

<b>SOUTHEAST</b>	
Alabama	1) Providing Affordable Health Insurance (small business tax incentive for health care); 2) Increasing access to Health Care in all areas (especially in rural areas); 3) Lowering the rate of obesity (especially with children).
Arkansas	State financing and proposed federal rules for available federal funds, Medicaid and SCHIP.
Florida	1. Like many other states, Florida is currently facing a projected shortfall in revenues and must find creative solutions in order to balance the budget. Health care costs continue to rise, with Medicaid expenditures representing approximately 22 percent of the state's budget. Florida's challenge is to develop a budget reduction strategy that minimizes the impact on health care and Medicaid services. 2. The growing number of uninsured individuals continues to present a challenge to Florida. As a result of increased health care costs, even more Floridians find themselves unwilling or unable to afford health care insurance.
Georgia	Increase in the number of uninsured.
Louisiana	The most significant issues that Medicaid is facing in the State of Louisiana are reducing the expenditure growth rate while improving patient outcomes, patient compliance and health literacy, reduction of the uninsured population, and improving access to and delivery of quality mental health services.
Mississippi	Funding
North Carolina	Mental health reform, health care for uninsured
South Carolina	Balancing the need to maintain the financial solvency and sustainability of the Medicaid Program with the continuing pressure to expand Medicaid to address the uninsured issue.
Tennessee	Addressing the proposed CMS regulations—CPE, Graduate Medical Education, Targeted Case Management, provider tax reduction, etc.
Virginia	The uninsured, costs of long-term care, health care workforce, and the increasing costs of providing health care.
West Virginia	State: Obesity and Diabetes Medicaid: pending Federal legislation, opponents of change.
<b>SOUTHWEST</b>	
Arizona	Controlling medical inflation driven by new technologies, medications, and procedures, and the growing elderly population.
New Mexico	The main health care challenge in New Mexico is the high rate of uninsured persons.
Oklahoma	The ongoing issue of the uninsured; lack of federal approval to move forward with some innovations to address that area.
Texas	Managing increasing caseloads and costs.
<b>ROCKY MOUNTAIN</b>	
Colorado	SCHIP reauthorization and federal allotment; CMS rule to disallow DSH payment for indigent care providers by changing the definition of "public" hospitals; coverage of 780,000 uninsured Colorado residents; rising costs of health care including pharmaceuticals; improvement of quality and value.
Idaho	Approximately 15.5 percent of the state's population is uninsured; health care costs continue to climb and Idaho faces significant workforce shortages (physicians and nurses as well as other key professionals).
Montana	The uninsured, mental health, and potential federal changes to programs such as CHIP and Medicaid.
Utah	Rising costs, and lack of coverage.
Wyoming	Rising health costs and reduction in the federal match rate and increasing enrollment.

TABLE 7 (continued)

**FAR WEST**

Alaska	Medicare Access and Rates, Center for Medicaid and Medicare Services (CMS) inconsistency on funding “rules”, Rural Alaska challenges associated with transportation, preventive and follow-up health care, Cost of Care for an aging population, Preventative care related to immunization and screening, Distinguishing “cost” from “investment”, Identifying and eliminating waste in health care, Electronic medical records—an investment that may not see return for several years, Special interest groups impacting state run program budgets.
California	The state is facing a budget crisis which makes reductions in spending for health care programs necessary. The 2008-09 Governor’s Budget proposal included an across-the-board ten percent General Fund reduction for state operations and local assistance funding for all health programs, with few exceptions. For the state’s Medicaid program (Medi-Cal) the total proposed budget reduction was \$2.1 billion (\$1.0 billion General Fund) consisting primarily of provider payment reductions of \$1.2 billion (\$594 million General Fund), elimination of optional benefits for adults \$268 million (\$134 million General Fund), and restoration of Quarterly Income Status Reports \$184.4 million (\$92.2 million General Fund). The reductions did not include any changes in eligibility requirements.
Hawaii	Reduced hospital reimbursements by Medicare.
Nevada	Budget reductions causing reduction in planned medical services and health care administration staffing. Access to health care.
Oregon	Economic outlook and ability to expand coverage to uninsured. Funding for long term care and developing a primary care home model.  Recent Medicaid regulatory changes (a total of 6) will have a significant effect on health care at the state and local level.  The estimated costs below reflect the shift from Federal to State dollars. The 6 regulations are:  School-based Services - estimated reduction of cost for one year \$10.3 million  Rehabilitation Services—estimated reduction of cost for one year \$72.9 million  Targeted Case Management—estimated reduction of cost for one year \$52 million  Cost Limits for Providers—estimated reduction of cost for one year \$6.2 million  Graduate Medical Education—estimated reduction of cost for one year \$21.1 million  Provider Tax—estimated reduction of cost for one year \$8.5 million
Washington	Washington continues to explore and analyze various options to a stronger state-wide approach to providing access to healthcare for all residents. The state is being deliberative in its approach to health care reform, continuing to promote efficiency through evidence-based policy decisions, improving our information technology infrastructure for data sharing, as well as balancing perceived levels of social responsibility and personal responsibility in the areas of financing and health promotion.

**SOURCE:** National Association of State Budget Officers.

# State Revenue Developments

## CHAPTER TWO

### Overview

For many states, revenues began weakening in fiscal 2008. Revenues from all sources which include sales, personal income, corporate income and all other taxes and fees exceed expectations in fifteen states, are on target in fourteen states, and are below expectations in twenty states (see Table A-6). This is a contrast to the previous year where eight states reported revenue collections lower than estimates.

Recommended net tax and fee changes would result in \$726 million in additional revenue based on governors' recommended budgets. For fiscal 2009, sixteen states recommend net decreases while eleven states recommend net increases. Of this total, \$796 million reflects tax and fee changes that were enacted during a special session in Maryland in the fall of 2007 and in 2008.

States also recommend \$3.4 billion of other revenue measures for fiscal 2009 that enhance general fund revenue but that do not affect taxpayer liability. These measures may rely on enforcement of existing laws, additional audits and compliance efforts, and increasing fines for late filings. These initiatives to improve revenue collection under existing laws exceed the recommended change of revenues that would be done statutorily for fiscal 2009.

**TABLE 8**

**Enacted State Revenue Changes, Fiscal 1979 to Fiscal 2008; and Proposed State Revenue, Fiscal 2009**

<i>Fiscal Year</i>	<i>Revenue Change (Billions)</i>
2009	\$0.7
2008	4.5
2007	-2.1
2006	2.4
2005	3.5
2004	9.6
2003	8.3
2002	0.3
2001	-5.8
2000	-5.2
1999	-7.0
1998	-4.6
1997	-4.1
1996	-3.8
1995	-2.6
1994	3.0
1993	3.0
1992	15.0
1991	10.3
1990	4.9
1989	0.8
1988	6.0
1987	0.6
1986	-1.1
1985	0.9
1984	10.1
1983	3.5
1982	3.8
1981	0.4
1980	-2.0
1979	-2.3

**SOURCES:** Advisory Commission on Intergovernmental Relations, *Significant Features of Fiscal Federalism*, 1985-86 edition, page 77, based on data from the Tax Foundation and the National Conference of State Legislatures. Fiscal 1988-2009 data provided by the National Association of State Budget Officers.

TABLE 9

**Proposed Fiscal 2009 Revenue Actions by Type of Revenue and Net Increase or Decrease\*\* (Millions)**

State	Sales	Personal Income	Corporate Income	Cigarettes/ Tobacco	Motor Fuels	Alcohol	Other Taxes	Fees	Total
Alabama		-\$ 17.4	-\$6.7				\$ 40.0		\$ 15.9
Alaska							-1.8	-2.5	-4.3
Arizona									0.0
Arkansas	-10.3								-10.3
California	21.0								21.0
Colorado									0.0
Connecticut	-23.0		-35.0						-58.0
Delaware									0.0
Florida	-28.7		-11.5						-40.2
Georgia									0.0
Hawaii		-17.0							-17.0
Idaho		-23.8							-23.8
Illinois									0.0
Indiana	928.0						-1708.0		-780.0
Iowa			75.0					34.7	109.7
Kansas									0.0
Kentucky									0.0
Louisiana	-69.0	-10.0							-79.0
Maine									0.0
Maryland	371.9	162.1	82.9	179.0					795.9
Massachusetts									0.0
Michigan			-34.8						-34.8
Minnesota	-77.3	11.0	99.2				1.5	27.0	61.4
Mississippi									0.0
Missouri	-1.1	-36.3							-37.4
Montana*									0.0
Nebraska									0.0
Nevada									0.0
New Hampshire									0.0
New Jersey	-60.0								-60.0
New Mexico	-0.7	-0.9	-0.8						-2.4
New York	80.8	374.0	458.0	3.6		15.0	20.7		952.1
North Carolina	-1.5			99.0		66.0		1.0	164.5
North Dakota									0.0
Ohio									0.0
Oklahoma									0.0
Oregon									0.0
Pennsylvania							-240.4		-240.4
Rhode Island								32.7	32.7
South Carolina		-107.3		107.3					0.0
South Dakota									0.0
Tennessee									0.0
Texas									0.0
Utah								23.3	23.3
Vermont								7.0	7.0
Virginia	-1.5								-1.5
Washington							-1.0		-1.0
West Virginia	-25.9	-13.6	-20.6				-8.1		-68.2
Wisconsin		-14.3	15.0						0.7
Wyoming									0.0
<b>Total</b>	<b>\$1,102.7</b>	<b>\$306.5</b>	<b>\$620.7</b>	<b>\$388.9</b>	<b>\$0.0</b>	<b>\$81.0</b>	<b>(\$1,897.1)</b>	<b>\$123.2</b>	<b>\$725.9</b>

NOTE: \*See Notes to Table 9. \*\*See Table A-8 for details on specific revenue changes.

SOURCE: National Association of State Budget Officers.

**NOTE TO TABLE 9**

Montana has biennial legislative sessions. There are no Governor's recommendations at this time.



## Collections in Fiscal 2008

Fiscal 2008 estimated tax collections of sales, personal income, and corporate income are 1.7 percent higher than actual fiscal 2007 collections. This average contains a range of performance with considerable weakening of the sales tax and a decrease in corporate tax collections, and personal income tax collections having the strongest performance of the three major sources. Specifically, sales tax collections are 1.5 percent higher and personal income tax collections are 3.3 percent higher. Corporate income tax collections are 5.5 percent lower for current fiscal 2008 estimates relative to actual fiscal 2007 collections. (See Table A-7).

## Projected Collections in Fiscal 2009

States are projecting a 4.4 percent growth in tax collections for fiscal 2009 recommended budgets relative to fiscal 2008 current year estimates. Compared to fiscal 2008 collections, recommended fiscal 2009 budgets reflect a 3.2 percent increase in sales tax revenue, 5.4 percent increase in personal income tax revenue, and a 3.9 percent more in corporate income tax revenue. (See Table A-7).

## Recommended Fiscal 2009 Revenue Changes

In twenty-seven states, governors are recommending net tax and fee changes of \$726 million. Eleven states recommend net tax and fee increases while sixteen states recommend net tax and fee decreases. The largest change would occur in other taxes (-\$1.9 billion) which is partially offset by a net proposed increase in the sales tax (\$1.1 billion). Other net changes proposed include increases of \$307 million in personal income taxes, \$621 million in corporate taxes, \$389 million in cigarette and tobacco taxes, and an increase in fees of \$123 million. No changes in motor fuels were recommended.

The Fiscal Survey of States distinguishes between tax and fee changes (detailed in Table 9 and Table A-8) and revenue measures (detailed in Table A-9). Tax and fee changes are revisions in current law that affect taxpayer liability and that in some instances reflect one-time actions such as sales tax holidays. Revenue measures refer to actions that do not affect taxpayer liability, such as the deferral of a tax increase or decrease or the extension of a tax credit that occurs each year. Also included in this category is greater enforcement of existing laws.

**Sales Taxes.** Four states recommend sales tax increases while eleven recommend decreases in sales taxes in their fiscal 2009 governors recommended budgets. The result is a net revenue increase of \$1.1 billion. Indiana is recommending an increase in the sales tax from 6 to 7 percent in order for the state to assume costs for elementary and secondary education and other services that would be more than offset by a decrease in property taxes for a net recommended tax decrease of \$780 million. Maryland in its 2007 special session increased the sales tax rate from 5 to 6 percent.

**Personal Income Taxes.** Recommended changes by twelve states would increase personal income taxes by \$307 million in governors' recommended budgets for fiscal 2009.

**Corporate Income Taxes.** Eleven states propose changes to corporate income taxes with a net revenue change of \$621 million. New York proposes to make changes including tax health maintenance organizations under the premiums based insurance tax instead of the corporation franchise tax, Minnesota proposes changes in foreign operating corporations, and Iowa proposes to institute combined tax reporting.

**Cigarette, Tobacco and Alcohol Taxes.** Four states recommend increases to cigarettes and other tobacco products to raise revenue by \$389 million. This includes the increase from \$1.00 to \$2.00 a pack for cigarettes in Maryland and an increase of 30 cents

per pack on cigarettes in South Carolina. Two states recommend increases to alcohol taxes that would raise revenue by \$81 million.

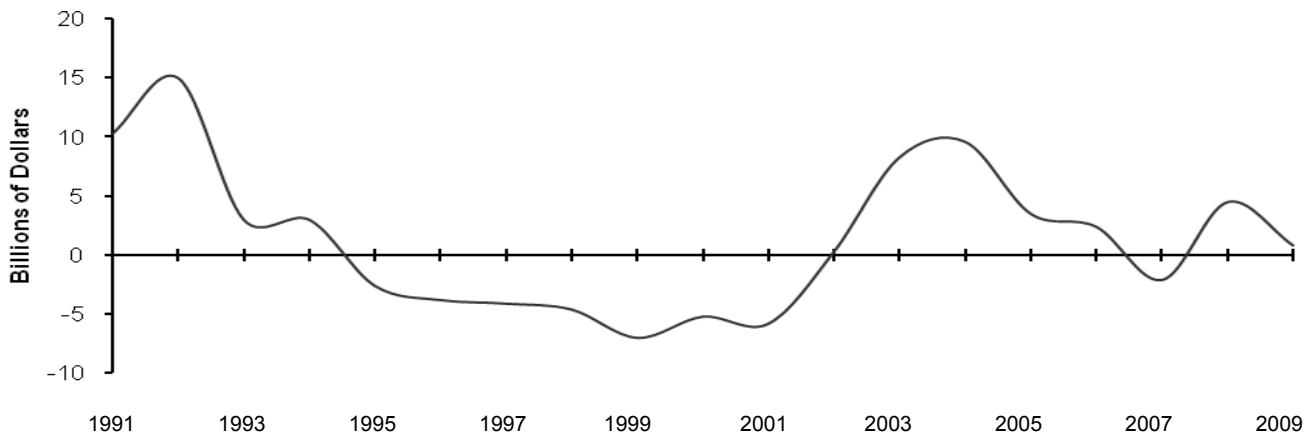
**Motor Fuel Taxes.** There were no proposed changes to motor fuel taxes.

**Other Taxes and Fees.** Revenue from other taxes, such as personal property taxes, provider taxes and

levies on hotels and rental cars, usually cover the costs for license and regulation enforcement, promote environmental conservation, and generate revenues for health care. The most significant changes would be the decrease in property taxes in Indiana. Fees are most often associated with motor vehicle and other types of licensing.

**FIGURE 2**

**Enacted State Revenue Changes, Fiscal 1991 to Fiscal 2008, and Proposed State Revenue Change, Fiscal 2009**



**SOURCE:** National Association of State Budget Officers.

# Total Balances

## CHAPTER THREE

In the aftermath of the early 2000's when nearly every state was experiencing distressed fiscal conditions, states recognized how important it was to have budget reserve balances to address fiscal downturns. The effort to maintain adequate balances helps mitigate the disruption to state services during an economic downturn. Even while maintaining adequate balances, states have been forced to cut midyear budgets during both of the last two economic downturns. Though budget experts' views vary, the informal rule-of-thumb has previously been to build-up budget reserve balances to a level that equals at least 5 percent of total expenditures to provide a relatively adequate fiscal cushion. Total balances include both ending balances and the amounts in states' budget stabilization funds; they reflect the funds that states may use to respond to unforeseen circumstances after budget obligations have been met. State officials tend to be cautious about the use of their reserves and often do not use them at the beginning of a downturn.

After reaching a peak in fiscal 2006 at \$69 billion or 11.5 percent of expenditures, balances have declined. Fiscal 2007 balances, at 10.5 percent of expenditures were still well above historical averages. Based on fiscal 2008 estimates, balances are 8.0 percent of expenditures and are projected to go down to 7.5 percent based on governors' recommended fiscal 2009 budgets. While the balances are declining, they remain above the historical average of 5.8 percent of expenditures. States recognize that an economic downturn may last for more than one year and are reluctant to deplete balances (see Table 10 and Tables A-1, A-2, A-3, and A-10).

Prior to the fiscal downturn of the early 2000s, states were experiencing record ending balances. In fiscal 2000, for example, ending balances reached 10.4 percent of expenditures and were 9.1 percent of expenditures the following year. The downturn from 2001 to 2003 was dramatic, with total balances falling by nearly \$30 billion over a two-year period. From fiscal 2001 to fiscal 2002, total balances fell by \$25.8 billion, and went from 9.1 percent of expenditures to 3.7 percent of expenditures. By fiscal 2003, total balances had fallen to 3.2 percent of expenditures. To ameliorate the effects of the downturn and balance budgets, states relied on rainy day funds and spending cuts. Many states were also forced to enact tax increases to prevent massive shutdowns and lags in state services.

During the last few years, as revenues and economic conditions have rebounded, states have built up their rainy day funds to shield against the next fiscal downturn, which states have learned is inevitable in the face of a cyclical fiscal environment. Many states have already begun drawing on their rainy day funds to address budget shortfalls caused by lower than anticipated revenues, and the decline of total balances into fiscal 2009 suggests this trend will continue.

Forty-eight states have budget stabilization funds, which may be budget reserve funds, revenue-shortfall accounts, or cash-flow accounts. About three-fifths of the states have limits on the size of their budget reserve funds, ranging from 3 percent to 10 percent of appropriations. Ordinarily, funds above those limits remain in a state's ending balances.

TABLE 10

**Total Year-End Balances, Fiscal 1979 to Fiscal 2009**

<i>Fiscal Year</i>	<i>Total Balance (Billions)</i>	<i>Total Balance (Percentage of Expenditures)</i>
2009*	\$51.7	7.5%
2008*	55.0	8.0
2007	68.5	10.5
2006	69.0	11.5
2005	48.0	8.7
2004	26.7	5.1
2003	16.4	3.2
2002	18.3	3.7
2001	44.1	9.1
2000	48.8	10.4
1999	39.3	8.4
1998	35.4	9.2
1997	30.7	7.9
1996	25.1	6.8
1995	20.6	5.8
1994	16.9	5.1
1993	13.0	4.2
1992	5.3	1.8
1991	3.1	1.1
1990	9.4	3.4
1989	12.5	4.8
1988	9.8	4.2
1987	6.7	3.1
1986	7.2	3.5
1985	9.7	5.2
1984	6.4	3.8
1983	2.3	1.5
1982	4.5	2.9
1981	6.5	4.4
1980	11.8	9.0
1979	11.2	8.7
<b>Average</b>	<b>—</b>	<b>5.8%</b>

**NOTE:** \*Figures for fiscal 2007 are estimates; figures for fiscal 2008 are based on recommendations.

**SOURCE:** National Association of State Budget Officers.

TABLE 11

**Total Year-End Balances as a Percentage of Expenditures, Fiscal 2007 to Fiscal 2009**

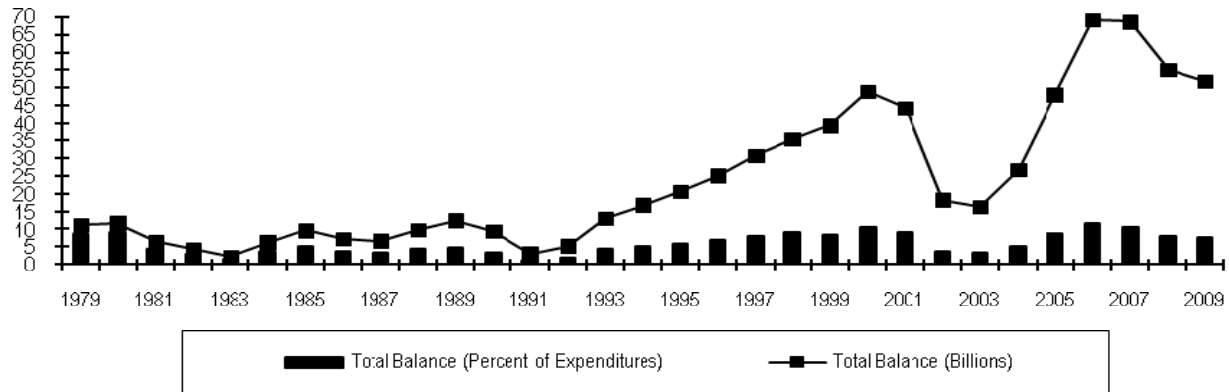
<i>Percentage</i>	<i>Number of States</i>		
	<i>Fiscal 2007 (Actual)</i>	<i>Fiscal 2008 (Estimated)</i>	<i>Fiscal 2009 (Recommended)</i>
Less than 1.0%	2	5	4
1.0% to 4.9%	8	11	19
5.0% to 9.9%	7	19	17
10% or more	33	15	10

**NOTE:** The average for fiscal 2007 (actual) was 10.5 percent; the average for fiscal 2008 (estimated) is 8.0 percent; and the average for fiscal 2009 (recommended) is 7.5 percent.

**SOURCE:** National Association of State Budget Officers.

FIGURE 3

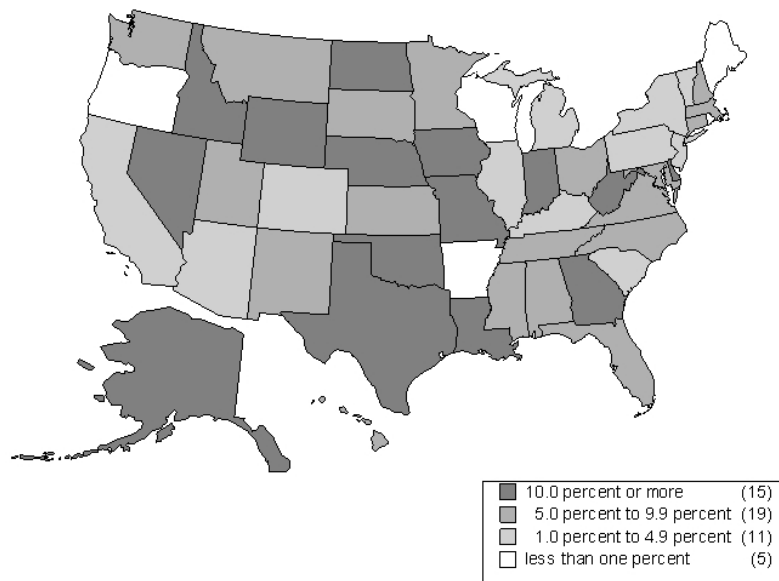
**Total Year-End Balances and Total Year-End Balances as a Percentage of Expenditures, Fiscal 1979 to Fiscal 2009**



**SOURCE:** National Association of State Budget Officers.

FIGURE 4

**Total Year-End Balances as a Percentage of Expenditures, Fiscal 2008**



**SOURCE:** National Association of State Budget Officers.



## Appendix





TABLE A-1

## Fiscal 2007 General Fund, Actual (Millions)

Region/State	Beginning Balance	Revenues	Adjustments	Total Resources	Expenditures	Adjustments	Ending Balance	Budget Stabilization Fund
<b>NEW ENGLAND</b>								
Connecticut*	\$0	\$15,784	-\$80	\$15,704	\$15,434	\$0	\$269	\$1,382
Maine*	15	3,020	26	3,060	3,024	0	36	0
Massachusetts* **	3,208	27,281	0	30,489	27,588	0	2,901	2,335
New Hampshire*	26	1,422	0	1,448	1,366	20	62	89
Rhode Island*	56	3,231	-65	3,221	3,218	0	4	79
Vermont*	0	1,151	56	1,207	1,160	47	0	55
<b>MID-ATLANTIC</b>								
Delaware**	691	3,290	0	3,981	3,390	0	591	175
Maryland*	1,362	12,937	160	14,459	14,174	0	285	1,432
New Jersey* **	1,779	31,202	0	32,981	30,284	111	2,586	485
New York* **	3,257	51,379	0	54,636	51,591	0	3,045	1,031
Pennsylvania*	514	26,399	93	27,006	26,298	177	531	714
<b>GREAT LAKES</b>								
Illinois*	590	26,394	2,246	29,230	25,604	2,985	641	276
Indiana*	815	12,704	0	13,115	12,247	331	942	344
Michigan*	3	8,280	963	9,245	8,986	0	259	2
Ohio*	1,529	25,778	0	27,307	25,874	0	1,433	1,012
Wisconsin*	49	12,618	494	13,161	13,105	-11	66	54
<b>PLAINS</b>								
Iowa*	0	5,613	34	5,646	5,385	185	76	535
Kansas*	734	5,809	0	6,543	5,608	0	935	0
Minnesota* **	1,813	16,379	0	18,192	15,947	0	2,245	1,145
Missouri*	695	7,921	0	8,616	7,863	0	753	268
Nebraska*	566	3,404	-253	3,716	3,125	0	591	516
North Dakota*	197	1,224	0	1,421	1,012	113	296	200
South Dakota*	0	1,080	12	1,092	1,091	1	0	133
<b>SOUTHEAST</b>								
Alabama*	950	7,477	20	8,447	7,972	-40	515	677
Arkansas	0	4,059	0	4,059	4,059	0	0	0
Florida	4,990	26,660	0	31,650	28,216	0	3,434	1,237
Georgia* **	1,958	19,896	98	21,952	19,167	0	2,786	1,545
Kentucky*	681	8,682	291	9,654	8,786	289	579	232
Louisiana*	0	9,681	872	10,553	8,459	1,006	1,088	683
Mississippi*	35	4,790	0	4,825	4,372	0	453	54
North Carolina*	749	19,460	NA	20,209	18,662	326	1,221	787
South Carolina**	988	6,659	0	7,646	6,565	0	1,081	168
Tennessee*	745	10,737	-166	11,317	9,776	535	1,007	543
Virginia	1,804	16,455	0	18,260	17,934	0	326	1,190
West Virginia*	469	3,753	0	4,222	3,701	89	432	515
<b>SOUTHWEST</b>								
Arizona*	1,023	9,558	-2	10,579	10,201	0	378	674
New Mexico* **	798	5,828	193	6,819	5,966	211	642	642
Oklahoma	134	6,547	-89	6,592	6,256	140	196	572
Texas*	7,073	37,635	88	44,795	35,860	948	7,987	1,331
<b>ROCKY MOUNTAIN</b>								
Colorado* **	252	7,540	0	7,792	7,047	229	516	267
Idaho	302	2,813	-283	2,831	2,577	0	255	122
Montana	409	1,838	0	2,247	1,697	0	550	0
Utah*	308	5,308	-383	5,233	4,992	0	242	313
Wyoming*	10	1,818	0	1,828	1,823	0	5	295
<b>FAR WEST</b>								
Alaska*	0	4,912	592	5,505	5,505	0	0	3,015
California**	9,898	95,415	0	105,313	101,413	0	3,900	472
Hawaii	732	5,142	0	5,874	5,381	0	493	62
Nevada	351	3,375	0	3,726	3,588	0	138	268
Oregon*	538	6,430	0	6,968	5,532	0	1,437	0
Washington*	699	14,443	-218	14,924	14,144	0	781	293
<b>Total</b>	<b>\$53,794</b>	<b>\$651,208</b>	<b>-</b>	<b>\$709,295</b>	<b>\$653,021</b>	<b>-</b>	<b>\$48,986</b>	<b>\$28,215</b>

NOTES: NA Indicates data are not available. \*See Notes to Table A-1. \*\*In these states, the ending balance includes the balance in the budget stabilization fund.

SOURCE: National Association of State Budget Officers.

**NOTES TO TABLE A-1**

**For all states, unless otherwise noted, transfers into budget stabilization funds are counted as expenditures, and transfers from budget stabilization funds are counted as revenues.**

Alabama	Revenue adjustments include release of prior year debt service reserve and tobacco settlement transfers. Expenditure adjustments include reversions and reserve for general obligation debt service payment.
Alaska	Revenues adjustments include: \$592.4 million in reappropriations and carry forward.
Arizona	Adjustments to revenues include School Facilities Board building renewal transfer, excess balance transfer from the Rainy Day Fund (amount that's above the statutory cap), and Ladewig lawsuit payments.
Colorado	All figures are per page 3 of the 3/20/08 OSPB Forecast. Adjustments represent the S.B. 97-1 "diversion"—expenditure for transportation. This diversion is an expenditure (transfer) from the revenues received; the diversion does not reduce total state General Fund revenues—it comes after the revenues are received by the state. The ending balance herein represents the 4 percent General Fund reserve and the HB 02-1310 sum. Pursuant to the definition provided by NASBO, the 4 percent General Fund appropriations reserve meets the criteria/definition "(available for appropriation if the specific restrictions on the use of this fund are met)."
Connecticut	\$80 million in fiscal 2007 revenue was transferred for use in fiscal year 2009.
Georgia	Adjustment for fiscal 2007 is agency surplus returned to Treasury as reported by State Accounting Office.
Illinois	Adjustments for revenues are transfers in; total expenditures includes change in accounts payable; adjustments for expenditures are transfers out and interest on short term borrowing.
Indiana	Expenditure adjustments: local option income tax distributions, reversal of payment delay, Property Tax Replacement Fund (PTRF) adjust for abstracts.
Iowa	Fiscal 2007 revenue adjustments include \$33.7 million for the increase in cigarette and tobacco taxes that took effect March 2007. Expenditure adjustments include \$131.9 million appropriated from the ending balance of the General Fund to the Property Tax Credit fund to pay for property tax credits in fiscal 2008. \$53.5 million of the ending balance is credited to the Senior Living Trust Fund. The remaining ending balance in the General Fund is transferred to the Cash Reserve Fund at the start of fiscal 2008. Rainy Day funds are an estimated \$401.3 million in the Cash Reserve Fund and \$133.8 million in the Economic Emergency Fund.
Kansas	Kansas does not have a "Rainy Day" fund. However, the balanced budget provision of the constitution requires revenues to finance the approved budget.
Kentucky	Revenue: includes \$108 million in tobacco settlement funds. Adjustments (revenue): includes fund transfers (\$114 million), and reserve for continuing appropriations (\$177 million). Adjustments (expenditures): includes funds reserved for continued appropriations.
Louisiana	Adjustments: \$14.3 million bond premium dedication; \$3 million Act 640 of 2006 transfer; \$3 million Mineral Resources Operating Funds transfer; \$827.3 million fiscal 2006 surplus revenue; \$23 million fiscal 2006 carry forward BA-7s; \$1.3 million carry forward Interim Emergency Board (IEB) prior appropriations; \$0.6 million Act 27 of 2006 SGF previously appropriated in Act 26 of 2005.
Maine	Adjustment reflects year end adjustments to fund balance.
Maryland	Adjustments reflect a \$2.9 million reimbursement from the reserve for Heritage Tax Credits and \$154.2 million from the local income tax reserve.
Massachusetts	Includes balances in all budgeted funds included in the state's definition of fiscal balance.
Michigan	Fiscal 2007 revenue adjustments include the impact of federal and state law changes (\$38.0 million); revenue sharing law changes (\$540.8 million); tobacco securitization proceeds (\$207.2 million); and other revenue adjustments (\$176.5 million).
Minnesota	Ending balance includes budget reserve of \$653 million, cash flow account of \$350 million, tax relief account of \$109.7 million and reserve for appropriations carried forward of \$32.6 million.
Mississippi	General Fund ending balance was distributed as follows: \$750,000 provided for aid to municipalities, \$226.9 million transferred to the Working Cash Stabilization Fund (Rainy Day Fund), and remainder becomes fiscal 2008 beginning balance.
Missouri	Revenues are net of refunds. Refunds for fiscal 2007 totaled \$1,208.8 million. Revenues include \$204.3 million transferred to the General Revenue Fund.
Nebraska	Revenue adjustments are transfers between the General Fund and other funds. Per Nebraska law, includes a transfer of \$259.9 million to the Cash Reserve Fund (Rainy Day Fund) of the amount the prior year's net General Fund receipts exceeded the official forecast.
New Hampshire	\$20.0 million transfer to Rainy Day Fund.
New Jersey	Budget vs. GAAP adjustment.
New Mexico	All adjustments are transfers between reserve accounts, except for \$18.1 million transferred out from Tobacco Settlement Permanent Fund, a reserve account to the Tobacco Settlement Program Fund, a nonreserve account.
New York	The ending balance includes \$1.7 billion from prior year reserves, \$1 billion in rainy day reserve funds, \$278 million in a community projects fund and \$21 million in a reserve for litigation risks.

**NOTES TO TABLE A-1 (continued)**

North Carolina	\$145 million increase to Repair & Renovation Reserve and \$181.2 million increase to Rainy Day Reserve and \$6.2 million usage of available credit balance.
North Dakota	Expenditure adjustment of \$112.8 million represents a \$100.5 million transfer to the Budget Stabilization Fund and \$12.3 million of adjustments for cash certifications and unspent obligations as of the end of biennium.
Ohio	Fiscal 2007 General Revenue Fund amounts are actual disbursements only and do not include encumbrances at the end of fiscal 2007. The expenditure of those encumbrances is reflected in fiscal 2008 disbursement/expenditure estimates.
Oregon	Oregon budgets on a biennial basis. The constitution requires the state to be balanced at the end of each biennium.
Pennsylvania	Revenue adjustments include an \$8.1 million adjustment to beginning balance and \$84.5 million in prior year lapses. Expenditure adjustments reflect a transfer of \$177.0 million (25 percent of the ending balance) to the Rainy Day Fund.
Rhode Island	Adjustments to revenues represent transfers to the Budget Stabilization (Rainy Day) Fund.
South Dakota	Revenue adjustments include \$6.6 million from one-time receipts, \$4.9 million transferred from the Property Tax Reduction Fund to cover the budget shortfall, and \$0.3 million in obligated cash carried forward from fiscal 2006. Expenditure adjustments include \$0.3 million transferred to the Budget Reserve Fund from the prior year's obligated cash and \$0.2 million in obligated cash to the Budget Reserve Fund.
Tennessee	Revenue adjustments include \$100.0 million transfer from debt service fund for unexpended appropriations; -\$218.2 million transfer to Rainy Day Fund; -\$47.9 million reserved for dedicated revenue appropriations. Expenditure adjustments include \$48.7 million transfer to Transportation Equity Fund; \$103.5 million transfer to capital outlay projects fund; \$163.7 million transfer to TennCare reserve; \$50.3 million transfer to CoverTN – Health Safety Net reserves; \$48.5 million transfer to systems development projects; and \$120.0 million transfer to dedicated revenue appropriations.
Texas	General revenue fund adjustment is a transfer to dedicated account balances. Total expenditures are reported by the Legislative Budget Board. Other information is reported by the Comptroller's Office in the Biennial Revenue Estimate. Expenditure adjustment is to reconcile the actual ending balance with the Comptroller's Biennial Revenue Estimate.
Utah	Revenue adjustments include the following: \$460.1 million reserve from prior fiscal year, \$1.4 million reserve from surplus for Industrial Assistance Fund, \$0.08 million other funds, (\$1.5 million) reserve from surplus for Industrial Assistance Fund, \$1.2 million surplus reserved for other uses, (\$45.4 million) Surplus transferred to the rainy day fund, (\$22.1 million) for the Disaster Recovery Fund, and (\$787.3 million) funds held in reserve for the following fiscal year.
Vermont	Adjustments to revenues include: \$25.7 million direct applications and transfers in; \$8.3 million increase in property transfer tax revenue estimate; \$21.8 million from the General Fund Surplus Reserve. Adjustments to expenditures include \$8.0 million to the Transportation Fund; \$13.7 million to the Education Fund; \$0.2 million reserve for the fiscal 2006 bond issuance premium; -\$8.5 million federal funds – Part D refund; \$6.3 million to Internal Service Funds; \$5.0 million to miscellaneous other funds; \$3.4 million to the Budget Stabilization Reserve; \$8.5 million to the Human Services Caseload Reserve; and \$10.6 million to the General Fund Surplus Reserve.
Washington	Revenue adjustment of \$218.1 million is a net of transfers between other accounts and the General Fund, and other miscellaneous adjustments.
West Virginia	Fiscal 2007 beginning balance includes \$266.4 million in reappropriations, unappropriated surplus balance of \$177.6 million, and fiscal 2006 13th month expenditures of \$25 million. Revenue adjustments are from prior year redeposit. Expenditure adjustment represents the amount transferred to the Rainy Day Fund.
Wisconsin	Revenue adjustments include: Transfers-in General Fund (+\$154.2 million); Other Revenue (+\$317.3 million); Tribal Gaming (+\$22.1 million). Expenditure Adjustments include: Continuing balances (+\$6.8 million); Transfers to MA (+\$25.4 million); Unreserved Designated Balance (-\$43.1 million).
Wyoming	Wyoming budgets on a biennial basis. To arrive at annual figures certain assumptions and estimates were required.

TABLE A-2

## Fiscal 2008 General Fund, Estimated (Millions)

<i>Region/State</i>	<i>Beginning Balance</i>	<i>Revenues</i>	<i>Adjustments</i>	<i>Resources</i>	<i>Expenditures</i>	<i>Adjustments</i>	<i>Ending Balance</i>	<i>Budget Stabilization Fund</i>
<b>NEW ENGLAND</b>								
Connecticut	\$0	\$16,613	\$0	\$16,613	\$16,370	\$0	\$242	\$1,624
Maine*	36	3,041	50	3,127	3,126	0	1	0
Massachusetts* **	2,901	26,556	0	29,457	27,205	0	2,252	2,123
New Hampshire	62	1,448	0	1,509	1,478	0	31	89
Rhode Island*	4	3,440	-69	3,375	3,374	0	1	103
Vermont*	0	1,186	33	1,219	1,193	26	0	58
<b>MID-ATLANTIC</b>								
Delaware**	591	3,296	0	3,887	3,414	0	473	183
Maryland*	285	13,614	1,098	14,997	14,462	0	535	682
New Jersey**	2,586	31,485	0	34,071	32,638	0	1,433	481
New York* **	3,045	53,167	0	56,212	53,586	0	2,626	1,206
Pennsylvania*	531	27,118	80	27,729	27,206	123	400	747
<b>GREAT LAKES</b>								
Illinois*	641	27,532	2,738	30,911	27,043	3,152	716	276
Indiana*	942	12,983	0	13,520	12,800	186	938	360
Michigan*	259	8,094	1,672	10,025	9,900	0	126	102
Ohio*	1,433	26,657	0	28,090	27,288	0	802	1,012
Wisconsin*	66	12,868	740	13,674	13,799	-206	81	0
<b>PLAINS</b>								
Iowa*	0	5,884	100	5,983	5,847	82	55	592
Kansas*	935	5,713	0	6,648	6,112	0	536	0
Minnesota* **	2,245	16,266	0	18,511	17,139	0	1,372	1,003
Missouri*	753	8,118	0	8,871	8,203	0	668	277
Nebraska*	591	3,458	-250	3,799	3,311	171	317	542
North Dakota	296	1,275	0	1,570	1,204	0	366	200
South Dakota*	0	1,149	35	1,184	1,184	0	0	104
<b>SOUTHEAST</b>								
Alabama*	515	7,793	451	8,758	8,573	0	185	312
Arkansas	0	4,346	0	4,346	4,346	0	0	0
Florida*	3,434	25,096	0	28,530	28,207	0	323	1,342
Georgia* **	2,786	20,545	0	23,331	20,735	0	2,596	1,355
Kentucky*	579	8,754	460	9,793	9,458	272	63	232
Louisiana*	0	9,997	128	10,124	8,680	18	1,427	776
Mississippi*	226	4,933	0	5,159	5,094	0	66	383
North Carolina	1,221	19,756	NA	20,977	20,660	NA	317	787
South Carolina**	1,081	6,742	0	7,823	7,511	0	312	187
Tennessee*	1,007	10,829	164	12,000	11,363	299	338	750
Virginia	326	17,250	0	17,576	17,263	0	313	1,008
West Virginia*	432	3,819	0	4,252	4,134	53	64	558
<b>SOUTHWEST</b>								
Arizona*	378	9,138	787	10,303	10,145	0	158	213
New Mexico* **	642	5,999	50	6,691	6,033	70	587	587
Oklahoma*	196	6,457	-7	6,646	6,359	0	287	572
Texas*	7,987	38,209	0	46,197	40,033	0	6,163	3,032
<b>ROCKY MOUNTAIN</b>								
Colorado* **	267	7,726	0	7,993	7,455	197	341	284
Idaho	255	2,862	-126	2,991	2,814	0	177	141
Montana*	550	1,773	0	2,323	2,149	0	173	0
Utah*	242	5,404	241	5,887	5,887	0	0	393
Wyoming*	5	1,818	0	1,823	1,813	0	10	296
<b>FAR WEST</b>								
Alaska*	0	8,578	884	9,461	5,732	3,729	0	6,128
California**	3,900	101,230	0	105,131	103,373	0	1,757	0
Hawaii	493	5,287	0	5,780	5,360	0	420	50
Nevada	138	3,392	0	3,530	3,415	0	116	268
Oregon*	1,437	5,774	-319	6,891	7,258	0	-367	330
Washington*	781	14,588	18	15,387	14,482	0	905	429
<b>Total</b>	<b>\$47,077</b>	<b>\$669,053</b>	<b>-</b>	<b>\$724,681</b>	<b>\$686,213</b>	<b>-</b>	<b>\$30,699</b>	<b>\$32,176</b>

**NOTES:** NA Indicates data are not available. \*See Notes to Table A-2. \*\*In these states, the ending balance includes the balance in the budget stabilization fund.

**SOURCE:** National Association of State Budget Officers.

**NOTES TO TABLE A-2**

**For all states, unless otherwise noted, transfers into budget stabilization funds are counted as expenditures, and transfers from budget stabilization funds are counted as revenues.**

Alabama	Revenue adjustments include release of prior year debt service reserve, public school and college authority repayment for Enterprise School (\$32), clarification of Corporate Add Back Statute (\$26), transfer from Proration Prevention Account (\$376), and estimated tobacco settlement transfers.
Alaska	Revenue Adjustments include: \$250.0 million Oil & Gas tax credits and \$633.5 million reappropriations and carry forward. Expenditure adjustments are deposits to the Constitutional Budget Reserve and the Statutory Budget Reserve.
Arizona	Adjustments to revenues include transfer from the Rainy Day Fund and agency fund transfers. Rainy Day Fund balance is estimated to exceed \$700 million by fiscal 2008 year-end before any transfer.
Colorado	All figures are per page 4 of the 12/20/07 OSPB Forecast. Adjustments represent the S.B. 97-1 "diversion"—expenditure for transportation. This diversion is an expenditure (transfer) from the revenues received; the diversion does not reduce total state General Fund revenues—it comes after the revenues are received by the state. The ending balance herein represents the 4 percent General Fund reserve and the HB 02-1310 sum. Pursuant to the definition provided by NASBO, the 4 percent General Fund appropriations reserve meets the criteria/definition "(available for appropriation if the specific restrictions on the use of this fund are met.)"
Florida	Florida, like many other states is experiencing a decline in general revenue collections for FY 2008. In response to declining revenues, the Legislature passed Senate Bill No. 2-C during Special Session C in October, 2007 and House Bill 7009 during the second week of the 2008 Legislative Session to reduce overall spending by \$1.5 billion. Next year's revenues for the 2008-2009 budget have also been reduced. The Legislature will take into account the reduced revenue forecast when constructing the budget for the next state fiscal year beginning July, 2008.
Georgia	Fiscal 2008 estimated revenues assume a projected shortfall of \$190 million to be taken from reserves at year-end.
Illinois	Adjustments for revenues are transfers in; total expenditures includes change in accounts payable; adjustments for expenditures are transfers out and interest on short term borrowing.
Indiana	Expenditure adjustments: Property Tax Replacement Fund (PTRF) adjust for abstracts, reversal of payment delay.
Iowa	Fiscal 2008 revenue adjustments include \$99.6 million for the annualized increase in cigarette and tobacco taxes that took effect March 2007. Expenditure adjustments include a Governor's recommendation of \$81.7 million to be appropriated from the ending balance of the General Fund to the Property Tax Credit fund to pay for property tax credits in fiscal 2009. The remaining ending balance in the General Fund is transferred to the Cash Reserve Fund at the start of fiscal 2009. Rainy Day funds are an estimated \$444.3 million in the Cash Reserve Fund and \$148.1 million in the Economic Emergency Fund.
Kansas	Kansas does not have a "Rainy Day" fund. However, the balanced budget provision of the constitution requires revenues to finance the approved budget.
Kentucky	Revenue: includes \$117 million in tobacco settlement funds. Adjustments (revenue): includes fund transfers (\$171 million), and Reserve for Continuing Appropriations (\$289 million). Adjustments (expenditures): includes funds reserved for continued appropriations.
Louisiana	\$114.7 million carry forward balances; Act 208 of 2007R Transfer of \$3 million from Incentive Fund and \$9.9 million from Higher Education Initiatives Fund.
Maine	Revenue & expenditure adjustments reflect legislatively authorized transfers.
Maryland	Adjustments reflect a \$14.0 million reimbursement from the reserve for Heritage Tax Credits, \$6 million reimbursement from the reserve for Biotechnology Tax Credits, and transfers of \$1,078 million from the State Reserve Fund.
Massachusetts	Includes balances in all budgeted funds included in the state's definition of fiscal balance.
Michigan	Fiscal 2008 revenue adjustments include the impact of federal and state law changes of \$1,153.0 million (\$725.3 income tax increase and \$427.7 million in other changes); revenue sharing law changes (\$557.6 million); property sale proceeds (\$22.9 million); deposits from state restricted revenues (\$24.8 million); and several pending actions including tax policy changes and revenue options (\$14.1 million) and deposit to the "rainy day fund" (-\$100.0 million).
Minnesota	Ending balance includes budget reserve of \$653 million and cash flow account of \$350 million.
Mississippi	General Fund Ending Balance was distributed as follows: \$750,000 provided for aid to municipalities, \$32.9 million transferred to the Working Cash Stabilization Fund (Rainy Day Fund), and remainder becomes fiscal 2008 Beginning Balance. \$82.5 million is to be transferred from the Hurricane Disaster Relief Fund by June 30, 2008 to fund the Rainy Day Fund at the statutory limit.
Missouri	Revenues are net of refunds. Estimated refunds for fiscal 2008 total \$1,320 million. Revenues include \$160.9 million transferred to the General Revenue Fund
Montana	Fiscal 2008 includes \$414 million of one-time expenditures for infrastructure, tax rebates, and other investments.

**NOTES TO TABLE A-2 (continued)**

Nebraska	Revenue adjustments are transfers between the General Fund and other funds. Per Nebraska law, includes a transfer of \$191.4 million to the Cash Reserve Fund (Rainy Day Fund) of the amount the prior year's net General Fund receipts exceeded the official forecast. Expenditure adjustments are reappropriations (\$171 million) of unexpended balance of appropriations from the first fiscal year of the biennium. The revenue forecasts for FY2008 and FY2009 have been revised since the amounts shown were included in the Governor's budget recommendations. Revenue estimates have decreased by \$51.0 million for FY2008 and by \$75.0 million for FY2009.
New Mexico	All adjustments are transfers between reserve accounts, except for \$20.4 million transferred out from Tobacco Settlement Permanent Fund, a reserve account to the Tobacco Settlement Program Fund, a nonreserve account.
New York	The projected ending balance includes \$1.2 billion in rainy day reserve funds, \$1.0 billion reserved for labor settlements and other risks, \$354 million in a community projects fund and \$21 million in a reserve for litigation risks.
Ohio	Fiscal 2008 includes a budget recalibration plan whereby revenue estimates were reduced by \$336.9 million in fiscal 2008 and estimated expenditures were reduced by \$204.5 million.
Oklahoma	Only includes money that was appropriated in fiscal 2008. Since cash appropriations and supplementals had not been made as of 3/24/08 they are not included. 2. No Rainy Day Fund deposit is expected; the balance remains the same from fiscal 2007.
Oregon	Revenues are after \$1.1 billion "kicker" refunds were returned to taxpayers. Revenue adjustment is the transfer of revenues to the new Rainy Day Fund.
Pennsylvania	Revenue adjustments include \$80.0 million in estimated prior year lapses. Expenditure adjustments include \$10 million in estimated current year lapses and an estimated transfer of \$133.3 million (25 percent of the ending balance) to the Rainy Day Fund. Also, it is proposed that \$130 million from the Rainy Day Fund be used to fund a one-time tax rebate to low-income working families.
Rhode Island	Adjustments to revenues represent transfers to the Budget Stabilization (Rainy Day) Fund.
South Dakota	Revenue adjustments include \$6.5 million from one-time receipts, a \$28.2 million estimated transfer from the Property Tax Reduction fund to cover the budget shortfall and \$0.2 million in obligated cash carried forward from fiscal 2007. Expenditure adjustments include \$0.2 million estimated to be transferred to the Budget Reserve Fund from the prior year's obligated cash.
Tennessee	Revenue adjustments include \$106.0 million transfer from debt service fund unexpected appropriations; \$265.5 million transfer from statutory and other reserves; -\$207.1 million transfer to Rainy Day Fund. Expenditure adjustments include \$264.1 million transfer to capital outlay projects fund; \$15.1 million transfer to Highway Fund; and \$19.7 million for dedicated revenue appropriations.
Texas	The revenue/balance data is from the Comptroller's Revenue Estimate. Total expenditures are 2008 appropriated, as reported by the Legislative Budget Board. Expenditure adjustment is to reconcile the ending balance with the revenue estimate.
Utah	Revenue adjustments include the following: \$787.3 million funds held in reserve from fiscal 2006 for use in fiscal 2007, (\$10 million) for severance tax account, (\$80.0 million) transfer to rainy day funds, and (\$460.4 million) held in reserve for next fiscal year.
Vermont	Revenue adjustments include \$17.6 million direct applications and transfers in; \$4.4 million increase in property transfer tax revenue estimate; and \$10.9 million from the General Fund Surplus Reserve. Expenditure adjustments include -\$4.7 million from the Education fund; \$3.5 million to the Catamount Fund; \$0.5 million to the Internal Service Funds; \$7.5 million to miscellaneous other funds; \$2.6 million to the Budget Stabilization Reserve; and \$16.4 million to the General Fund Surplus Reserve.
Washington	Revenue adjustment of \$17.9 million is a net of transfers between other accounts and the General Fund.
West Virginia	Fiscal 2008 beginning balance includes \$287.1 million in reappropriations, unappropriated surplus balance of \$106.8 million, and fiscal 2007 13th month expenditures of \$38.2 million. Expenditures include regular, surplus and reappropriated and \$37.9 million of 31 day prior year expenditures. Total expenditures for fiscal year 2008 assume all appropriations will be expended (no reappropriations to carry forward). However, historically amounts will remain and be reappropriated to the next fiscal year. Ending balance is the amount that is available for appropriation (from fiscal 2008 revenue estimate and from surplus {previous year} general revenue) during current Regular Session.
Wisconsin	Revenue adjustments include: Other Revenue (\$643.1 million); Tribal Gaming (\$96.7 million). Expenditure adjustments include: Estimated Lapses (-\$268.3); Compensation Reserve (\$62.8 million) as noted in the Act 226 (Budget Adjustment Bill).
Wyoming	Wyoming budgets on a biennial basis. To arrive at annual figures certain assumptions and estimates were required.

TABLE A-3

## Fiscal 2009 General Fund, Recommended (Millions)

Region/State	Beginning Balance	Revenues	Adjustments	Resources	Expenditures	Adjustments	Ending Balance	Budget Stabilization Fund
<b>NEW ENGLAND</b>								
Connecticut	\$0	\$17,175	\$0	\$17,175	\$17,172	\$0	\$3	\$1,627
Maine*	1	3,073	4	3,078	3,061	16	1	0
Massachusetts* **	2,252	27,914	0	30,165	28,165	0	2,001	1,867
New Hampshire	31	1,544	0	1,575	1,556	0	19	89
Rhode Island*	1	3,348	-74	3,275	3,273	0	2	114
Vermont*	0	1,184	51	1,236	1,218	18	0	60
<b>MID-ATLANTIC</b>								
Delaware* **	473	3,311	24	3,807	3,638	0	170	191
Maryland*	535	14,515	177	15,228	15,000	0	228	739
New Jersey* **	1,433	31,967	0	33,399	32,462	337	600	481
New York* **	2,626	55,984	0	58,610	56,384	0	2,226	1,206
Pennsylvania*	400	27,940	0	28,340	28,337	1	2	780
<b>GREAT LAKES</b>								
Illinois*	716	28,700	2,969	32,385	28,379	3,285	721	276
Indiana*	938	13,235	0	13,800	13,234	137	804	379
Michigan*	126	8,164	1,571	9,860	9,849	0	11	107
Ohio*	802	27,510	0	28,312	28,077	0	235	1,012
Wisconsin*	81	13,287	561	13,928	14,118	-297	106	0
<b>PLAINS</b>								
Iowa*	0	6,140	333	6,473	6,387	43	43	647
Kansas*	536	6,175	0	6,712	6,394	0	318	0
Minnesota* **	1,372	16,638	0	18,010	17,255	0	754	753
Missouri*	668	8,345	0	9,012	8,962	0	50	282
Nebraska*	317	3,589	-149	3,757	3,536	5	216	465
North Dakota*	366	1,073	0	1,439	1,253	70	116	270
South Dakota*	0	1,193	15	1,208	1,208	0	0	100
<b>SOUTHEAST</b>								
Alabama*	186	8,004	94	8,283	8,283	0	0	248
Arkansas	0	4,518	0	4,518	4,518	0	0	0
Florida*	323	24,983	781	26,086	25,623	0	463	1,320
Georgia* **	2,786	21,180	0	23,966	21,325	0	2,641	1,210
Kentucky*	63	8,984	495	9,542	9,299	233	10	215
Louisiana	0	9,703	0	9,703	9,231	0	472	776
Mississippi	32	5,076	0	5,108	5,108	0	0	N/A
North Carolina*	317	21,040	302	21,659	21,532	127	NA	848
South Carolina**	312	6,896	0	7,208	6,875	0	333	200
Tennessee*	338	11,016	0	11,354	11,285	69	0	750
Virginia	313	16,667	0	16,980	16,956	0	24	1,071
West Virginia*	64	3,903	0	3,967	3,902	0	65	575
<b>SOUTHWEST</b>								
Arizona*	158	9,263	635	10,056	10,053	0	4	113
New Mexico* **	587	6,091	0	6,679	6,054	21	604	604
Oklahoma*	287	6,525	0	6,812	6,547	0	265	NA
Texas*	6,158	39,278	0	45,436	39,918	0	5,518	4,265
<b>ROCKY MOUNTAIN</b>								
Colorado* **	284	8,051	0	8,334	7,799	130	406	301
Idaho	177	2,872	-38	3,011	2,959	0	52	141
Montana*	173	1,875	0	2,049	1,926	0	123	0
Utah*	0	5,544	454	5,998	5,980	0	18	393
Wyoming*	10	1,738	0	1,748	1,748	0	0	229
<b>FAR WEST</b>								
Alaska*	0	7,123	400	7,523	5,286	2,238	0	8,905
California**	1,757	102,904	0	104,662	100,998	0	3,663	0
Hawaii	420	5,478	0	5,898	5,719	0	179	62
Nevada	116	3,725	0	3,841	3,664	0	177	36
Oregon*	-367	7,095	0	6,728	6,699	0	29	345
Washington*	905	14,875	-114	15,665	15,141	0	524	429
<b>Total</b>	<b>\$29,069</b>	<b>\$686,410</b>	<b>-</b>	<b>\$723,594</b>	<b>\$693,343</b>	<b>-</b>	<b>\$24,195</b>	<b>\$34,480</b>

**NOTES:** NA Indicates data are not available. \*See Notes to Table A-3. \*\*In these states, the ending balance includes the balance in the budget stabilization fund.

**SOURCE:** National Association of State Budget Officers.

**NOTES TO TABLE A-3**

**For all states, unless otherwise noted, transfers into budget stabilization funds are counted as expenditures, and transfers from budget stabilization funds are counted as revenues.**

Alabama	Revenue adjustments include proposed transfer from Proration Prevention Account (\$64), Clarification of Corporate Add Back Statute (\$41), proposed Middle Class Tax Relief Act (\$-17.4), and proposed Small Business Health Insurance Act (\$-6.7).
Alaska	Revenue adjustments include: \$400.0 million Oil & Gas tax credits. Expenditure adjustments are deposits to the Constitutional Budget Reserve.
Arizona	Adjustments to revenues include transfer from the Rainy Day Fund, agency fund transfers, and increased revenue from recommended non-tax-increase revenue generators.
Colorado	All figures are per page 4 of the 12/20/07 OSPB Forecast. Adjustments represent the S.B. 97-1 "diversion"—expenditure for transportation. This diversion is an expenditure (transfer) from the revenues received; the diversion does not reduce total state General Fund revenues—it comes after the revenues are received by the state. The ending balance herein represents the 4 percent General Fund reserve and the HB 02-1310 sum. Pursuant to the definition provided by NASBO, the 4 percent General Fund appropriations reserve meets the criteria/definition "(available for appropriation if the specific restrictions on the use of this fund are met.)"
Delaware	The figures shown for fiscal 2009 recommended reflect the Governor's recommended budget as proposed in January, 2008 as well as the May 2008 adjusted Delaware Economic and Financial Advisory Council revenue estimates. As the revenue estimates have been reduced since January, the resulting balance calculations should be considered preliminary. The figure under adjustments reflects the transfer of \$24.0 million in earmarked revenue to General Fund.
Florida	Adjustments to revenues (\$781.0 million) includes \$448.1 million of unobligated cash balance amounts from specific trust funds to the General Revenue Fund as authorized during the 2008 Legislative Session; \$332.9 million redirect of Documentary Stamp Revenue from the Department of Transportation Work Program and Environmental Programs to the General Revenue Fund. For Adjustments to Expenditures, the Fiscal Year (FY) 2008-09 General Appropriations Act (GAA) was passed by the Legislature on May 2, 2008. This bill has not yet been presented to the Governor for signature. The Governor has line item veto authority and may exercise this authority before signing the GAA. Therefore, expenditure information provided for fiscal 2008-09 is preliminary and may change due to vetoes before enactment of the GAA. Further adjustments to revenues and expenditures may be necessary once all substantive bills and the GAA have been signed (or vetoed) by the Governor.
Georgia	Fiscal 2009 Estimated revenues assume a projected shortfall of \$145 million to be taken from reserves at year-end or cut in the AFY09 budget if the revenue projection does not change.
Illinois	Adjustments for revenues are transfers in; total expenditures includes change in accounts payable; Adjustments for expenditures are transfers out and interest on short term borrowing.
Indiana	Expenditure adjustments: reversal of payment delay.
Iowa	Revenue adjustments are based upon the Governor's recommendation of combined corporate reporting, increase and expansion of the bottle deposit, and revenue and fund transfers. Expenditure adjustments \$42.8 million of the ending balance credited to the Senior Living Trust Fund. The remaining ending balance in the General Fund is transferred to the Cash Reserve Fund at the start of fiscal 2010. Rainy Day funds are an estimated \$485.4 million in the Cash Reserve Fund and \$161.8 million in the Economic Emergency Fund.
Kansas	Kansas does not have a "Rainy Day" fund. However, the balanced budget provision of the constitution requires revenues to finance the approved budget.
Kentucky	Revenue: includes \$120 million in Tobacco Settlement funds. Adjustments (Revenue): includes fund transfers (\$262 million), and Reserve for Continuing Appropriations (\$233 million). Adjustments (Expenditures): includes funds reserved for continued appropriations.
Maine	Revenue & expenditure adjustments reflect legislatively authorized transfers.
Maryland	Adjustments reflect a \$21.2 million reimbursement from the reserve for Heritage Tax Credits, \$6 million reimbursement from the reserve for Biotechnology Tax Credits, a transfer of \$125 million from the State Reserve Fund, and a transfer of \$25 million from the Central Collection Unit fund balance
Massachusetts	Includes balances in all budgeted funds included in the state's definition of fiscal balance.
Michigan	Fiscal 2009 revenue adjustments include the impact of previously enacted federal and state law changes of \$1,029.8 (\$642.3 income tax increase and \$387.5 million in other changes); revenue sharing law changes (\$542.9 million); property sale proceeds (\$6.5 million); deposits from state restricted revenues (\$45.0 million); and several pending actions including tax policy changes and revenue options (-\$53.4 million).
Minnesota	Ending balance includes budget reserve of \$403 million and cash flow account of \$350 million.
Missouri	Revenues are net of refunds. Estimated refunds for fiscal 2009 total \$1,356 million. Revenues include \$152.3 million transferred to the General Revenue Fund.
Montana	Fiscal 2009 includes \$128 million of one-time expenditures for infrastructure and other investments.



**NOTES TO TABLE A-3 (continued)**

Nebraska	Revenue adjustments are transfers between the General Fund and other funds. Per Nebraska law, includes a transfer of \$68.8 million to the Cash Reserve Fund (Rainy Day Fund) of the amount the prior year's net General Fund receipts are estimated to exceed the official forecast. Expenditure adjustments include a small amount (\$5 million) reserved for supplemental/deficit appropriations. The revenue forecasts for fiscal 2008 and fiscal 2009 have been revised since the amounts shown were included in the Governor's budget recommendations. Revenue estimates have decreased by \$51.0 million for fiscal 2008 and by \$75.0 million for fiscal 2009.
New Jersey	Transfers to other funds / reserves.
New Mexico	All adjustments are transfers between reserve accounts, except for \$20.7 million transferred out from Tobacco Settlement Permanent Fund, a reserve account to the Tobacco Settlement Program Fund, a nonreserve account.
New York	The projected ending balance includes \$1.2 billion in rainy day reserve funds, \$708 million reserved for labor settlements and other risks, \$291 million in a community projects fund and \$21 million in a reserve for litigation risks.
North Carolina	Revenue adjustments include \$151.5 of anticipated over collected revenues and \$150 of anticipated reversions. Expenditure adjustments include \$61.5 increase to Savings Reserve and \$65 million transfer to Repair and Renovation Reserve.
North Dakota	Statutorily required transfer to Budget Stabilization Fund of end of biennium balance in excess of \$65 million up to Budget Stabilization Fund cap of 10 percent of appropriations (adjustment based on estimated 2009-11 biennium appropriations).
Ohio	Fiscal 2009 also includes a budget recalibration plan whereby revenue estimates were increased by \$83.7 million due to increased federal reimbursement of the GRF for Medicaid and expenditures were reduced by \$89.7 million.
Oklahoma	The legislature has not appropriated General Revenue Fund money as of 3/24/08. This report assumes that they will spend everything available.
Oregon	Because Oregon budgets on a biennial basis, the sum of fiscal 2008 and fiscal 2009 expenditures are already set in law, in the 2007-09 Legislatively Adopted Budget.
Pennsylvania	Expenditure adjustments reflect a projected transfer of \$0.7 million (25 percent of the ending balance) to the Rainy Day Fund.
Rhode Island	Adjustments to revenues represent transfers to the Budget Stabilization (Rainy Day) Fund.
South Dakota	Revenue adjustments include \$10.2 million of from one-time receipts and \$4.6 million from the Property Tax Reduction Fund to cover the projected budget shortfall.
Tennessee	Expenditure adjustments include \$52.2 million transfer to capital outlay projects fund and \$16.7 million transfer to dedicated revenue appropriations.
Texas	The revenue/ balance data is from the Comptroller's Revenue Estimate. Total expenditures are 2009 appropriated, as reported by the Legislative budget board. Expenditure adjustment is the estimated reserve for transfer to the Rainy Day Fund.
Utah	Revenue adjustments include the following: \$460.4 million fiscal 2007 reserve held for fiscal 2008, \$30.0 million one-time add back for transportation, \$9.0 million for Economic Incentive Fund, (\$15.5 million) for Education Vouchers, and (\$30.0 million) for health system reform.
Vermont	Revenue adjustments include \$0.3 million revenue changes – Fee Bill; -\$0.3 million from streamlining sales tax and other tax credits; -\$2.9 million from a funding change to the General Fund to the Special Fund – Judicial; \$27.4 million of direct applications and transfers in; \$10.0 million estimated increase in property transfer tax revenue; and \$16.4 million from the General Fund Surplus Reserve. Revenue adjustments include \$7.5 million to the Catamount Fund; \$0.5 million to Internal Service Funds; \$8.0 million to miscellaneous other Funds; and \$1.8 million to the Budget Stabilization Reserve.
Washington	Revenue adjustment of \$114.2 million is a net of transfers between other accounts and the General Fund.
West Virginia	Fiscal 2009 Beginning balance assumes that all funds appropriated in fiscal 2008 are expended.
Wisconsin	Revenue adjustments include: Other Revenue (\$514.1 million); Tribal Gaming (\$46.3 million). Expenditure adjustments include: Estimated Lapses (-\$429.3 million); Compensation Reserve (\$132.6 million) as noted in Act 226 (Budget Adjustment Bill).
Wyoming	Wyoming budgets on a biennial basis. To arrive at annual figures certain assumptions and estimates were required.

TABLE A-4

**General Fund Nominal Percentage Expenditure Change, Fiscal 2008 and Fiscal 2009\***

<i>Region/State</i>	<i>Fiscal 2008</i>	<i>Fiscal 2009</i>
<b>NEW ENGLAND</b>		
Connecticut	6.1%	4.9%
Maine	3.4	-2.1
Massachusetts	-1.4	3.5
New Hampshire	8.2	5.3
Rhode Island	4.9	-3.0
Vermont	2.9	2.1
<b>MID-ATLANTIC</b>		
Delaware	0.7	6.6
Maryland	2.0	3.7
New Jersey	7.8	-0.5
New York	3.9	5.2
Pennsylvania	3.5	4.2
<b>GREAT LAKES</b>		
Illinois	5.6	4.9
Indiana	4.5	3.4
Michigan	10.2	-0.5
Ohio	5.5	2.9
Wisconsin	5.3	2.3
<b>PLAINS</b>		
Iowa	8.6	9.2
Kansas	9.0	4.6
Minnesota	7.5	0.7
Missouri	4.3	9.3
Nebraska	6.0	6.8
North Dakota	18.9	4.1
South Dakota	8.5	2.0
<b>SOUTHEAST</b>		
Alabama	7.5	-3.4
Arkansas	7.1	4.0
Florida	0.0	-9.2
Georgia	8.2	2.8
Kentucky	7.6	-1.7
Louisiana	2.6	6.3
Mississippi	16.5	0.3
North Carolina	10.7	4.2
South Carolina	14.4	-8.5
Tennessee	16.2	-0.7
Virginia	-3.7	-1.8
West Virginia	11.7	-5.6
<b>SOUTHWEST</b>		
Arizona	-0.5	-0.9
New Mexico	1.1	0.3
Oklahoma	1.6	3.0
Texas	11.6	-0.3
<b>ROCKY MOUNTAIN</b>		
Colorado	5.8	4.6
Idaho	9.2	5.2
Montana	26.6	-10.4
Utah	17.9	1.6
Wyoming	-0.5	-3.6
<b>FAR WEST</b>		
Alaska	4.1	-7.8
California	1.9	-2.3
Hawaii	-0.4	6.7
Nevada	-4.8	7.3
Oregon	31.2	-7.7
Washington	2.4	4.5
<b>Average</b>	<b>5.1%</b>	<b>1.0%</b>

\*Fiscal 2008 reflects changes from fiscal 2007 expenditures (actual) to fiscal 2008 expenditures (estimated). Fiscal 2009 reflects changes from fiscal 2008 expenditures (estimated) to fiscal 2009 expenditures (recommended).

**SOURCE:** National Association of State Budget Officers.

TABLE A-5

## Strategies Used to Reduce or Eliminate Budget Gaps, Fiscal 2008

Region/State	Fees	Layoffs	Furloughs	Early Retirement	Across-the-Board Percentage Cuts	Targeted Cuts	Reduce Local Aid	Programs Reorganized	Privatization	Rainy Day Fund	Other
<b>NEW ENGLAND</b>											
Connecticut											
Maine		x				x		x	x		x
Massachusetts											
New Hampshire											
Rhode Island*	x		x		x		x			x	
Vermont											
<b>MID-ATLANTIC</b>											
Delaware*					x	x					x
Maryland											
New Jersey											
New York											
Pennsylvania											
<b>GREAT LAKES</b>											
Illinois											
Indiana											
Michigan*											x
Ohio*		x		x		x		x			x
Wisconsin										x	x
<b>PLAINS</b>											
Iowa											
Kansas											
Minnesota*	x				x	x				x	
Missouri											
Nebraska											
North Dakota											
South Dakota*										x	
<b>SOUTHEAST</b>											
Alabama										x	
Arkansas											
Florida						x					
Georgia										x	
Kentucky					x	x					
Louisiana											
Mississippi											
North Carolina											
South Carolina											
Tennessee*											x
Virginia		x				x				x	
West Virginia											
<b>SOUTHWEST</b>											
Arizona*						x				x	x
New Mexico											
Oklahoma											
Texas											
<b>ROCKY MOUNTAIN</b>											
Colorado											
Idaho											
Montana											
Utah											
Wyoming											
<b>FAR WEST</b>											
Alaska											
California*						x					x
Hawaii*					x						x
Nevada*					x						
Oregon											
Washington											
<b>Total</b>	<b>2</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>6</b>	<b>9</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>8</b>	<b>9</b>

NOTE: \*See Notes to Table A-5.

SOURCE: National Association of State Budget Officers.

**NOTES TO TABLE A-5**


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Arizona	Estimated shortfall before Budget Management Plan. The above fiscal 2008 Estimated included Budget Management Plan. "Other" strategies include agency fund transfers, K-12 rollover.
California	Deficit bonds sold in February of 2008 (\$3.313 billion) and miscellaneous strategies (\$28.5 million). Fiscal 2008 budget gap of \$ 4.1904 billion.
Delaware	Hiring freeze, purchase order review.
Hawaii	Carry-over balance from prior year; conversion of capital improvement project funding from general fund to general obligation bond funds.
Michigan	An estimated budget gap of \$230 million is due to revenue and spending issues that have occurred since the fiscal 2008 balanced budget was enacted. Nearly \$80 million of the gap is caused by the moratorium of several Medicaid rule changes, set to expire in May and June 2008, and the impact of the federal stimulus package. Strategies to address the budget gap are pending in the legislature.
Minnesota	The budget gap is based on the 2008-09 biennium.
Nevada	Fiscal 2008 budget gap of \$187.5 million.
Ohio	Equipment purchasing controls and controls on unnecessary travel.
Rhode Island	Fees: \$275,000 in charges for court costs relating to good driving dismissals; Furloughs: Six uncompensated leave days, generating \$14.8 million in general revenue savings; Across-the-board cuts: 2.7 percent reduction from enacted financing for operating, contract services, and grants; generating savings of \$33.5 million; Reduced local aid: Includes reductions of \$10.0 million in General Revenue Sharing and \$2.5 million in Motor Vehicle Excise Tax Reimbursements; Rainy Day Fund: \$19.4 million from the Budget Stabilization Fund utilized to attain balance in FY 2008.
South Dakota	Fiscal 2008 budget gap of \$28.2 million.
Tennessee	Fiscal 2007 surplus; fiscal 2008 unexpended appropriations.

TABLE A-6

**Fiscal 2008 Tax Collections Compared with Projections Used in Adopting Fiscal 2008 Budgets (Millions)\*\***

Region and State	Sales Tax		Personal Income Tax		Corporate Income Tax		Total
	Original Estimate	Current Estimate	Original Estimate	Current Estimate	Original Estimate	Current Estimate	Revenue Collection***
NEW ENGLAND							
Connecticut	\$3,599	\$3,599	\$7,194	\$7,570	\$870	\$719	H
Maine	1,008	978	1,387	1,401	212	182	L
Massachusetts	4,215	4,139	11,605	12,039	1,519	1,471	H
New Hampshire	NA	NA	NA	NA	301	301	T
Rhode Island	909	865	1,083	1,070	167	164	L
Vermont	239	229	577	603	55	39	T
MID-ATLANTIC							
Delaware	NA	NA	1,055	1,018	156	113	L
Maryland	3,623	3,692	7,041	6,986	598	559	L
New Jersey	8,900	8,972	12,379	12,172	2,753	2,885	T
New York	10,495	10,480	36,820	36,401	6,679	6,300	L
Pennsylvania	8,529	8,556	10,750	11,097	2,578	2,522	T
GREAT LAKES							
Illinois	NA	NA	NA	NA	NA	NA	NA
Indiana	5,578	5,601	4,681	4,681	924	957	T
Michigan	6,661	6,530	7,052	7,082	2,637	2,522	T
Ohio	7,681	7,640	9,147	9,149	833	763	L
Wisconsin	4,310	4,210	6,759	6,660	888	810	L
PLAINS							
Iowa	2,023	1,963	3,150	3,293	421	447	T
Kansas	2,020	1,975	2,783	2,930	373	415	H
Minnesota*	4,616	4,575	7,551	7,589	1,141	903	L
Missouri	2,002	1,929	5,145	5,211	422	449	H
Nebraska	1,293	1,309	1,630	1,681	241	241	L
North Dakota	493	527	243	263	79	103	H
South Dakota	642	646	NA	NA	NA	NA	T
SOUTHEAST							
Alabama	2,223	2,132	3,110	3,050	647	467	L
Arkansas	2,120	2,120	2,193	2,193	298	298	H
Florida	20,367	18,626	NA	NA	2,704	2,326	L
Georgia	6,394	6,031	8,994	9,288	884	1,007	L
Kentucky	2,890	2,898	3,235	3,370	868	645	L
Louisiana	3,186	3,174	2,569	3,145	805	1,036	H
Mississippi	2,044	1,989	1,497	1,552	475	485	T
North Carolina	5,049	5,068	10,895	10,966	1,095	1,110	H
South Carolina	2,600	2,600	2,927	2,927	285	285	T
Tennessee*	7,093	6,866	263	292	1,821	1,650	L
Virginia	3,315	3,096	10,189	10,173	780	699	T
West Virginia	1,203	1,181	1,504	1,565	374	382	H
SOUTHWEST							
Arizona	4,900	4,491	3,972	3,555	995	832	L
New Mexico	2,392	2,382	1,127	1,148	401	440	T
Oklahoma	1,907	1,919	2,681	2,669	583	366	T
Texas	20,335	20,809	NA	NA	NA	NA	H
ROCKY MOUNTAIN							
Colorado	2,196	2,158	4,899	5,058	473	505	T
Idaho	1,197	1,166	1,255	1,379	213	169	L
Montana	15	NA	797	NA	161	161	H
Utah	1,746	1,828	2,545	2,751	421	402	H
Wyoming	405	486	NA	NA	NA	NA	H
FAR WEST							
Alaska	NA	NA	NA	NA	565	758	H
California	28,820	27,689	55,236	52,681	11,055	10,675	L
Hawaii	2,701	2,680	1,631	1,602	138	90	L
Nevada	1,065	990	NA	NA	NA	NA	L
Oregon	NA	NA	4,808	4,917	489	439	L
Washington	8,040	8,285	NA	NA	NA	NA	H
Total	\$213,038	\$209,077	\$264,357	\$263,174	\$50,377	\$48,089	-

**NOTES:** NA indicates data are not available because, in most cases, these states do not have that type of tax. \*See Notes to Table A-6.

\*\*Unless otherwise noted, original estimates reflect the figures used when the fiscal 2008 budget was adopted, and current estimates reflect preliminary actual tax collections. \*\*\*Key: L=Revenues lower than estimates. H=Revenues higher than estimates. T=Revenues on target.

**SOURCE:** National Association of State Budget Officers.

**NOTES TO TABLE A-6**

Minnesota February 2007 Forecast.

Tennessee Corporate income tax includes excise tax and franchise tax. Sales tax, personal income tax and corporate excise tax are shared with local governments.

TABLE A-7

**Comparison of Tax Collections in Fiscal 2007, Fiscal 2008, and Fiscal 2009 Recommended (Millions)\*\***

Region/State	Sales Tax			Personal Income Tax			Corporate Income Tax		
	Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2007	Fiscal 2008	Fiscal 2009
<b>NEW ENGLAND</b>									
Connecticut	\$3,496	\$3,599	\$3,678	\$6,750	\$7,570	\$7,930	\$891	\$719	\$687
Maine	972	978	1,007	1,354	1,401	1,395	184	182	189
Massachusetts	4,065	4,139	4,278	11,399	12,039	12,740	1,588	1,471	1,405
New Hampshire	NA	NA	NA	NA	NA	NA	287	301	320
Rhode Island	873	865	888	1,065	1,070	1,100	148	164	160
Vermont	223	229	236	581	603	598	73	39	58
<b>MID-ATLANTIC</b>									
Delaware	NA	NA	NA	1,008	1,018	1,045	140	113	86
Maryland*	3,420	3,692	4,183	6,679	6,986	7,278	590	559	673
New Jersey	8,610	8,972	9,222	11,727	12,172	12,866	3,208	2,885	2,682
New York	10,050	10,480	10,763	34,580	36,401	38,530	6,468	6,300	7,128
Pennsylvania	8,591	8,556	8,844	10,262	11,097	11,670	2,493	2,522	2,520
<b>GREAT LAKES</b>									
Illinois	NA	NA	NA	NA	NA	NA	NA	NA	NA
Indiana	5,379	5,601	5,738	4,616	4,681	4,781	987	957	970
Michigan	6,552	6,530	6,582	6,442	7,082	7,036	1,816	2,522	2,911
Ohio	7,425	7,640	7,792	8,885	9,149	9,096	1,077	763	470
Wisconsin	4,159	4,210	4,295	6,574	6,660	6,965	890	810	815
<b>PLAINS</b>									
Iowa	1,910	1,963	2,001	3,086	3,293	3,451	425	447	417
Kansas	2,052	1,975	2,010	2,709	2,930	3,105	442	415	390
Minnesota*	4,506	4,575	4,570	7,231	7,589	7,756	1,171	903	857
Missouri	1,955	1,929	1,937	4,918	5,211	5,448	458	449	471
Nebraska	1,304	1,309	1,380	1,651	1,681	1,770	213	241	238
North Dakota	512	527	538	315	263	255	121	103	70
South Dakota	604	646	678	NA	NA	NA	NA	NA	NA
<b>SOUTHEAST</b>									
Alabama	2,087	2,132	2,196	2,938	3,050	3,245	455	467	481
Arkansas	2,188	2,120	2,185	2,169	2,193	2,295	338	298	306
Florida	19,435	18,626	19,093	NA	NA	NA	2,444	2,326	2,223
Georgia	5,916	6,031	6,231	8,821	9,288	9,696	1,019	1,007	1,048
Kentucky	2,818	2,898	2,969	3,041	3,370	3,473	1,000	645	622
Louisiana	3,197	3,174	3,237	3,257	3,145	2,873	1,052	1,036	969
Mississippi	1,931	1,989	2,054	1,475	1,552	1,582	485	485	504
North Carolina	4,996	5,068	5,469	10,508	10,966	11,427	1,451	1,110	1,212
South Carolina	2,631	2,600	2,750	2,882	2,927	3,010	262	285	257
Tennessee*	6,815	6,866	7,019	248	292	262	1,766	1,650	1,650
Virginia	3,049	3,096	3,227	9,857	10,173	10,780	890	699	704
West Virginia	1,162	1,181	1,223	1,414	1,565	1,581	368	382	311
<b>SOUTHWEST</b>									
Arizona	4,458	4,491	4,576	3,736	3,555	3,667	986	832	875
New Mexico	2,315	2,382	2,459	1,180	1,148	1,174	460	440	450
Oklahoma	1,801	1,919	2,028	2,713	2,669	2,765	558	366	353
Texas	20,183	20,809	21,167	NA	NA	NA	NA	NA	NA
<b>ROCKY MOUNTAIN</b>									
Colorado	2,028	2,158	2,259	4,871	5,058	5,264	498	505	494
Idaho	1,078	1,166	1,223	1,400	1,379	1,385	190	169	185
Montana	13	NA	13	827	NA	851	178	161	167
Utah	1,858	1,828	1,874	2,573	2,751	2,854	425	402	393
Wyoming	479	486	485	NA	NA	NA	NA	NA	NA
<b>FAR WEST</b>									
Alaska	NA	NA	NA	NA	NA	NA	771	758	810
California	27,445	27,689	29,215	51,943	52,681	56,458	11,158	10,675	11,937
Hawaii	2,558	2,680	2,773	1,560	1,602	1,685	82	90	92
Nevada	1,000	990	1,048	NA	NA	NA	NA	NA	NA
Oregon	NA	NA	NA	5,597	4,917	6,276	406	439	419
Washington	7,892	8,285	8,445	NA	NA	NA	NA	NA	NA
<b>Total</b>	<b>\$205,987</b>	<b>\$209,077</b>	<b>\$215,863</b>	<b>\$254,842</b>	<b>\$263,174</b>	<b>\$277,420</b>	<b>\$50,911</b>	<b>\$48,089</b>	<b>\$49,978</b>

**NOTES:** NA indicates data are not available because, in most cases, these states do not have that type of tax. \*See Notes to Table A-7.

\*\* Unless otherwise noted, fiscal 2007 figures reflect actual tax collections, fiscal 2008 figures reflect the current estimates, and fiscal 2009 figures are projections.

**SOURCE:** National Association of State Budget Officers.

**NOTES TO TABLE A-7**

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Maryland	Fiscal 2008 and fiscal 2009 sales tax revenue is the Bureau of Revenue Estimate from March 2008. Revenue measures enacted in the 2008 Session are not reflected in these estimates. March 2008 revenue estimates are lower than projected in December, 2007 and estimates from March 2007, when the budget was adopted.
Minnesota	February 2008 Forecast.
Tennessee	Corporate income tax includes excise tax and franchise tax. Sales tax, personal income tax and corporate excise tax are shared with local governments.



TABLE A-8

## Proposed Revenue Changes by Type of Revenue, Fiscal 2009

<i>State</i>	<i>Tax Change Description</i>	<i>Effective Date</i>	<i>Fiscal 2009 Revenue Changes (\$ in Millions)</i>
<b>SALES TAXES</b>			
Arkansas	Reduce sales tax rate on manufacturers' natural gas & elec. from 4.5 percent to 4 percent for fiscal 2008. This is the second step in a two year reduction. Fiscal 2007 reduction was from 6 percent to 4.5 percent.	1/07	-\$10.3
California	Use tax on vehicles, vessels, and aircraft. Reinstate the required holding period for vehicles, vessels, and aircraft purchased out-of-state to one year before they are not subject to the Use Tax when brought into California. The current required out-of-state holding period is 90 days.	Upon enactment.	21.0
Connecticut	Continuation of the exemption of energy star appliances.	7/08	-23.0
Florida	Sales tax holiday on clothes and school supplies.	7/08	-27.8
	Sales tax exemption for wind turbines.	7/08	-0.9
Indiana	Increase from 6 percent to 7 percent in order for state to assume the costs of K-12 operating, and care for abused, neglected and delinquent children currently paid by local taxpayers (property taxes).	4/08	928.0
Louisiana	Repeal of the suspension of an exemption for sales tax on business utilities derived from electricity, natural gas, water, steam, butane and propane.	7/08	-69.0
Maryland	Increased the tax rate from 5 to 6% and caps vendor credit for timely filed returns. Legislation enacted in the 2007 Special Session to expand the base to computer services was repealed in the 2008 Session.	1/08	371.9
Minnesota	Sales tax rate reduced by 0.125 percent.	7/08	-77.3
Missouri	Energy Star Appliance Holiday.	8/08	-1.1
New Jersey	Expanded State EITC program from 20% to 22.5% of the federal earned income tax credit for tax year 2008.	1/08	-60.0
New Mexico	Reduce racetrack gaming tax rate.		-0.7
New York	Sales Tax Nexus creates an evidentiary presumption that certain sellers using New York residents to solicit sales in the State are vendors required to collect sales and use tax.	4/08	50.0
	Repeal a 2006 law that allows a third party credit card company to apply for credit when they issue a store branded card.	6/08	7.0
	Curtail certain abusive tax avoidance schemes including the creation of a new business to avoid sales and use tax and companies who supply transportation to a close affiliate.	6/08	4.0
	Require non-profit tax-exempt organizations to collect sales tax on additional retail sales and rentals or leases of tangible personal property.	9/08	6.8
	Impose a tax on illegal drugs.	9/08	13.0
North Carolina	Sales tax holiday for the month of October, 2008 for Energy Star Rated appliances.	10/08	-1.5
Virginia	Exemption for computer equipment purchased by data centers that meet certain investment and job creation criteria.	7/08	-1.5
West Virginia	Reduce sales tax rate on food for home consumption from 4 percent to 3 percent and Energy Star Sales Tax Holiday during first week of September.	7/08	-25.9
<b>Total Revenue Changes—Sales Taxes</b>			<b>\$1,102.7</b>

TABLE A-8 (continued)

## Proposed Revenue Changes by Type of Revenue, Fiscal 2009

State	Tax Change Description	Effective Date	Fiscal 2009 Revenue Changes (\$ in Millions)
<b>PERSONAL INCOME TAXES</b>			
Alabama	Middle Class Tax Relief— increases filing threshold.	1/09	-\$17.4
Hawaii	Additional personal exemption for children aged 18 and under; increases the amount of qualifying expenses for the dependent care tax credit to \$5,000 per qualified dependent (-\$9.0 million).	1/09	-9.0
	Refundable tax credit for modifying homes for “aging in place.” (-\$8.0 million)	1/08	-8.0
Idaho	Increase the grocery tax credit for low-income individuals and families.	7/08	-23.8
Louisiana	Reauthorization of transferable corporate or personal income tax credits for New Market Tax Credits for projects eligible for the federal program of the same name.	7/08	-10.0
Maryland	Legislation enacted in the 2007 special session, established 3 new tax brackets at high levels of income with rates of 5.0, 5.25 and 5.5 percent, increased the refundable earned income credit to 25 percent of the federal credit and established variable personal exemptions based on federal adjusted gross income. Legislation enacted in the 2008 session established a 6.25 percent bracket on net taxable income over \$1 million for tax years 2008-2010.	1/08 7/08 (6.25 percent bracket)	162.1
Minnesota	Would require financial institutions to participate in a data-matching process with the state on tax debtors. The state could then levy against the asset.	7/08	10.0
	Requires employers in the construction industry to withhold 2 percent of payments made to independent contractors.	1/09	1.0
Missouri	Exclude military pension income from taxable income.	8/08	-22.5
	Increase agricultural production tax credits.	8/08	-6.0
	Establish Venture Capital Enhancement tax credit.	8/08	-5.0
	Tax credits for Renewable Fuel usage.	8/08	-2.8
New Mexico	Tax credit for purchase of energy-efficient home heating and cooling equipment.		-0.9
New York	Restructure fees on limited liability companies.	1/08	35.0
	Various reductions to the STAR property tax relief.	9/09	339.0
South Carolina	Personal Income Tax Reduction Based on Flat Tax	1/08	-107.3
West Virginia	Conformity to Federal Economic Stimulus Act of 2008 (-\$3.6), final phase-in of Low-Income Family Tax Credit (-\$10).	1/08	-13.6
Wisconsin	Retirement exclusion; deduction for Health Insurance Premiums.		-14.3
<b>Total Revenue Changes—Personal Income Taxes</b>			<b>\$306.5</b>

TABLE A-8 (continued)

## Proposed Revenue Changes by Type of Revenue, Fiscal 2009

<i>State</i>	<i>Tax Change Description</i>	<i>Effective Date</i>	<i>Fiscal 2009 Revenue Changes (\$ in Millions)</i>
<b>CORPORATE INCOME TAXES</b>			
Alabama	Increases deduction for health insurance for small businesses.	1/09	-\$6.7
Connecticut	Elimination of the Business Entity Tax.	1/08	-35.0
Florida	Tax incentives for investments in green energy-related infrastructure.	7/08	-11.5
Iowa	Institute combined corporate tax reporting.	1/08	75.0
Maryland	Increased the tax rate from 7 percent to 8.25 percent and altered the distribution of revenues.	1/08	82.9
Michigan	Credit for new jobs created in key industries.	5/08	-34.8
Minnesota	Foreign operating corporations.	1/08	102.2
	Provides tax credits to investors in regional investment funds.	7/08	-3.0
New Mexico	High wage jobs tax credit revisions.		-0.8
New York	Impose the bank tax on credit card operations conducting a certain amount of economic activity in NYS.	1/08	95.0
	Tax HMOs under the premiums-based insurance tax, instead of the corporation franchise tax.	1/08	155.0
	Remove the limitation on corporate franchise tax calculated under this base for non-manufacturers, lower the rate from 0.178 percent to 0.15 percent, clarify that utilities do not meet the definition of "manufacturers."	1/08	98.0
	Require taxpayers to add back, for State tax purposes, amounts deducted on their Federal return under the Section 199 rules for Qualified Production Activity Income.	1/08	56.0
	Change computation of minimum taxes to a New York State gross income-based calculation, and eliminate or reduce incorporation and foreign filing fees.	1/08	43.0
	Allow the Investment Tax Credit to expire on 9/30/2008.	4/08	35.0
	Increase the Empire State Film Production Tax credit percentage from 10 percent to 15 percent, make additional taxpayer expenses eligible, and increase the annual aggregate credit cap from \$60 million to \$75 million over a three-year period.	4/08	-5.0
	Extend the Power for Jobs Program for one additional year.	4/08	-15.0
	Two-year extension on tax credit for making taxis accessible to individuals with disabilities (first year cost already accounted for in State Financial Plan).	4/08	0.0
	Authorize the allocation of \$4 million in low-income housing credits to projects, where each project can claim its share of credits every year for 10 years, for a total cost of \$40 million.	4/08	-4.0
West Virginia	Conformity to Federal Economic Stimulus Act of 2008, reduction in the corporate net income tax rate from 8.75 percent to 8.5 percent as of 1/1/2009 and reduction in the business franchise tax rate from 0.55 percent to 0.48 percent as of 1/1/2009.	1/08	-20.6
Wisconsin	Real Estate Investment Trust (\$6.0)	7/08	15.0
<b>Total Revenue Changes—Corporate Income Taxes</b>			<b>\$620.7</b>

TABLE A-8 (continued)

## Proposed Revenue Changes by Type of Revenue, Fiscal 2008

<i>State</i>	<i>Tax Change Description</i>	<i>Effective Date</i>	<i>Fiscal 2008 Revenue Changes (\$ in Millions)</i>
<b>CIGARETTE AND TOBACCO TAXES</b>			
Maryland	Increased rate from \$1.00 to \$2.00 per pack.	1/08	\$179.0
New York	Tax Little Cigars at the same rate as cigarettes	7/08	3.6
North Carolina	Cigarette tax increase to help the goal of bringing teacher pay to national average.	9/08	99.0
South Carolina	30 cent cigarette tax increase.	1/08	107.3
<b>Total Revenue Changes—Cigarette and Tobacco Taxes</b>			<b>\$388.9</b>
<b>ALCOHOLIC BEVERAGES</b>			
New York	Tax flavored malt beverages at low liquor rate rather than beer rate.	4/08	\$15.0
North Carolina	Alcohol tax increase to fund a mental health initiatives.	9/08	66.0
<b>Total Revenue Changes—Alcoholic Beverages</b>			<b>\$81.0</b>
<b>OTHER</b>			
Alabama	Natural Gas Tax revenue increase — adjustable base tax rate proposed.	10/08	\$40.0
Alaska	Tire Tax Repeal.	7/07	-1.8
Indiana	Property Tax Reduction; \$600 million of the \$1,708 million is forced spending cuts for local units of government.	5/08	-1708.0
Missouri	Surplus-lines insurance stamping office.	1/09	1.5
New York	Merge the motor fuel tax and the sales tax on motor fuel and diesel motor fuel into the petroleum business tax.	12/08	13.2
	The Commissioner of Taxation and Finance can work and enter into agreement with transportation-related agencies to use technology (i.e. license plate recognition software) to reduce the bootlegging of fuel.	9/08	7.5
Pennsylvania	Continued phase out of the Capital Stock and Franchise Tax with a proposed modified rate reduction from 2.89 mills to 2.49 mills (rather than 1.89 mills).	1/09	-240.4
Washington	B&O tax exemption for cleaning up radioactive waste.		-1.0
West Virginia	Repeal of corporate license tax and elimination of requirement for annual renewal of business licenses.	7/08	-8.1
<b>Total Revenue Changes—Other Taxes</b>			<b>-\$1,897.1</b>

TABLE A-8 (continued)

**Proposed Revenue Changes by Type of Revenue, Fiscal 2008**

<i>State</i>	<i>Tax Change Description</i>	<i>Effective Date</i>	<i>Fiscal 2008 Revenue Changes (\$ in Millions)</i>
<b>FEES</b>			
Alaska	Business license fee reduction.	10/08	-\$2.5
Iowa	Expansion and increase in the bottle deposit program.	7/08	34.7
Minnesota	Repeals the 2003 county-owned nursing home payment adjustment and the 2003 intergovernmental transfer from certain counties.	Day following final enactment	2.3
	Require counties to reimburse the state for overspending in the developmental disabled waiver program in 2004 and 2005.	1/09	4.2
	Removes the cap on securities registration fees collected from securities companies.	6/08	20.5
North Carolina	Health services regulation fee increase.		1.0
Rhode Island	Increase hospital licensing fee rate from 3.56 percent to 4.94 percent.	7/08	32.7
	Other fee related revenue increases expected to increase or reduce revenues by less than \$1.0 million each.	7/08	0.0
Utah	Fee increases on approximately 150 misc. regulatory fees to cover.		23.3
Vermont	To various special funds.		6.5
	To transportation fund.		0.2
	To general fund.		0.3
<b>Total Revenue Changes—Fees</b>			<b>\$123.2</b>

**SOURCE:** National Association of State Budget Officers.

TABLE A-9

## Recommended Revenue Measures, Fiscal 2009

<i>State</i>	<i>Description</i>	<i>Effective Date</i>	<i>Fiscal 2009 Recommended Changes (\$ in Millions)</i>
California	Tax enforcement of sales tax.	Upon enactment.	\$ 62.0
	Tax enforcement of personal income tax.	Upon enactment.	102.0
	Accrual conformity to GAAP.	1/09	1,154.0
	Tax enforcement of corporate income tax.	Upon enactment.	14.0
	Accrual conformity to GAAP.	1/09	847.0
	Tax enforcement of cigarette tax.	Upon enactment.	4.0
Colorado	Budget request initiative in the Department of Revenue to increase out-of-state audits. This initiative does not raise taxes but it will result in increased collections of tax dollars already due the State. These are taxes on large, multistate or multinational companies. This is expected to bring in an additional \$37.8 million over 5 years.		2.2
Connecticut	Increase the oil companies transfer to the Special Transportation Fund	7/08	-20.0
	Reimbursement for vaccine purchases (Increase of \$4.9 million), Impact of recommended federal grants expenditure changes (loss of \$4.1 million).	7/08	0.8
Florida	Change in corporate tax return due date from July 1 to June 30.	7/08	99.4
	Update in fines charged to overweight trucks.	7/08	34.8
Iowa	Change the allocation of gaming receipts from the Rebuild Iowa Infrastructure Fund to the General Fund.		90.0
	Improved court fine collections.		18.0
	Institute collection of unclaimed gift certificates.		5.0
Louisiana	Phase-in of a dedication of vehicle sales tax revenue for transportation projects.	7/08	-32.4
	Acceleration of the phased-in dedication of truck and trailer licenses to rural highway projects.	7/08	-10.0
Maine	Reductions in general operating expenditures at the Lottery Commission will result in a net increase in General Fund undedicated revenue from the Lottery.		0.6
	The standardization of commissions to retail lottery agents for instant ticket sales decreases the cost of goods sold resulting in increased revenue to the general fund of \$1.6 million.		1.6
	Increases General Fund undedicated revenue from increased investment earnings through a change in policy that allows the Treasurer's Office to retain a larger portion of the investment float for the General Fund.		1.0
	Recognizes \$600,000 as one-time undedicated revenue to the General Fund from the sales of real property owned by the state.		0.6
	Various other miscellaneous revenues.		0.8

TABLE A-9 (continued)

## Recommended Revenue Measures, Fiscal 2009

State	Description	Effective Date	Fiscal 2009 Recommended Changes (\$ in Millions)
Massachusetts	Repealed the aircraft and parts sales tax exemption as well as the pesticides sales tax exemption (\$8.8 million and \$3 million respectively).		\$ 11.8
	Clarifies that the earned income tax credit is available only to Massachusetts residents.		2.0
	"Combined reporting": This reform prevents multi-state businesses from shifting income away from corporations doing business in Massachusetts to affiliates in low-tax jurisdictions, thus reducing their taxes paid to Massachusetts. It requires affiliated corporations engaged in unitary business activities to combine their incomes and file as one entity (\$188 million).		289.0
	"Check-the-box conformity": This prevents businesses from filing federal and other-state tax forms as corporations while claiming another status on their Massachusetts tax returns (\$101 million).		
	Enhanced Enforcement of the Cigarette Excise Tax (\$12 million), Taxing Cigars and Smoking Tobacco at the Wholesale Level (\$11 million), Prepaid Sales Tax on Cigarettes (\$10 million).		33.0
	Prevents Internet retail agents from avoiding the hotel/motel tax on the full price of a room as charged to the consumer.		5.6
	A myriad of other revenue generating measures such as an increase to the fine for late filing taxpayers, wage enforcement, etc.		121.6
Minnesota	June accelerated payments changed from 78 percent to 85 percent on sales, cigarette, tobacco and alcoholic beverages taxes.	6/09	21.7
	Withhold county federal administrative earnings when county receivables for state operated services are over 90 days past due.	7/08	2.2
New York	Voluntary disclosure and compliance.	4/08	30.0
	Vendors must register and pay a \$50 fee except for new registrations or small businesses (\$10 million) effective 11/2008.	11/08	10.0
	Recover federal fee for refund offsets from taxpayers (\$1 million). Enact a compliance enhancement program (\$175 million). Recover state debts from STAR rebates (\$5 million).	Immediate	181.0
	Enhance audit and compliance efforts by allocating additional human and technological resources (\$75 million). Technical amendments to 2007 statutory changes that closed REITs/RICs loophole (\$0 million). Extends the MTA surcharge for four additional years (\$0 million). Increases the amount of tax liability required to be pre-paid with the previous year's return from 25 to 30 percent for certain taxpayers (\$90 million).	1/08	165.0
New Mexico	Divert revenue from unclaimed property to public campaign financing.		-4.2
North Carolina	Extend tax credits for research and development and NC ports.	7/08	-4.0
Rhode Island	Cap historic tax credits usage at \$40.0 million.	1/07	18.2
	Insurance tax: cap historic tax credits usage at \$40.0 million.	1/07	2.1
	Audit adjustment-financial institutions.	7/07	19.0
	Transfer from resource recovery.	6/08	4.0
	Other tax related revenue measures expected to increase or reduce revenues by less than \$1.0 million each.	7/08	2.9
	Reinstitute hospital licensing fee.	7/08	78.0
	Charge court costs for good driving dismissals.	4/08	1.1
	Convert newborn testing fees to restricted receipts.	7/08	-1.7
	Convert energy grants to restricted receipts.	7/08	-2.1
South Carolina	Redirect taxes and fees from the Redevelopment Authorities (RDAs) to the General Fund.	7/08	2.9
<b>Total</b>			<b>\$3,364.5</b>

SOURCE: National Association of State Budget Officers.

TABLE A-10

## Total Balances and Balances as a Percentage of Expenditures, Fiscal 2007 to Fiscal 2009\*

Region/State	Total Balance (\$ in Millions)**			Balances as a Percent of Expenditures		
	Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2007	Fiscal 2008	Fiscal 2009
<b>NEW ENGLAND</b>						
Connecticut	\$1,382	\$1,624	\$1,627	9.0%	9.9%	9.5%
Maine	36	1	1	1.2	0.0	0.0
Massachusetts	2,901	2,252	2,001	10.5	8.3	7.1
New Hampshire	151	120	108	11.0	8.1	7.0
Rhode Island	82	1	116	2.6	0.0	3.5
Vermont	55	58	60	4.8	4.8	4.9
<b>MID-ATLANTIC</b>						
Delaware	591	473	170	17.4	13.8	4.7
Maryland	1,717	1,217	967	12.1	8.4	6.4
New Jersey	2,586	1,433	600	8.5	4.4	1.8
New York	3,045	2,626	2,226	5.9	4.9	3.9
Pennsylvania	1,244	1,147	782	4.7	4.2	2.8
<b>GREAT LAKES</b>						
Illinois	917	992	997	3.6	3.7	3.5
Indiana	1,286	1,298	1,183	10.5	10.1	8.9
Michigan	261	228	117	2.9	2.3	1.2
Ohio	2,445	1,814	1,247	9.5	6.6	4.4
Wisconsin	66	81	106	0.5	0.6	0.8
<b>PLAINS</b>						
Iowa	611	647	690	11.4	11.1	10.8
Kansas	935	536	318	16.7	8.8	5.0
Minnesota	2,245	1,372	754	14.1	8.0	4.4
Missouri	1,021	945	332	13.0	11.5	3.7
Nebraska	1,107	859	681	35.4	25.9	19.3
North Dakota	496	566	386	48.9	47.0	30.8
South Dakota	133	104	100	12.1	8.8	8.3
<b>SOUTHEAST</b>						
Alabama	1,191	497	248	14.9	5.8	3.0
Arkansas	0	0	0	0.0	0.0	0.0
Florida	4,670	1,665	1,783	16.6	5.9	7.0
Georgia	2,786	2,596	2,641	14.5	12.5	12.4
Kentucky	811	295	225	9.2	3.1	2.4
Louisiana	1,771	2,203	1,248	20.9	25.4	13.5
Mississippi	507	449	0	11.6	8.8	0.0
North Carolina	2,008	1,104	848	10.8	5.3	3.9
South Carolina	1,081	312	333	16.5	4.1	4.8
Tennessee	1,549	1,088	750	15.8	9.6	6.6
Virginia	1,516	1,321	1,095	8.5	7.7	6.5
West Virginia	947	622	640	25.6	15.0	16.4
<b>SOUTHWEST</b>						
Arizona	1,052	371	117	10.3	3.7	1.2
New Mexico	642	587	604	10.8	9.7	10.0
Oklahoma	768	858	265	12.3	13.5	4.1
Texas	9,318	9,195	9,783	26.0	23.0	24.5
<b>ROCKY MOUNTAIN</b>						
Colorado	516	341	406	7.3	4.6	5.2
Idaho	376	318	192	14.6	11.3	6.5
Montana	550	173	123	32.4	8.1	6.4
Utah	555	394	411	11.1	6.7	6.9
Wyoming	300	306	229	16.5	16.9	13.1
<b>FAR WEST</b>						
Alaska	3,015	6,128	8,905	54.8	106.9	168.5
California	3,900	1,757	3,663	3.8	1.7	3.6
Hawaii	555	470	241	10.3	8.8	4.2
Nevada	406	384	213	11.3	11.2	5.8
Oregon	1,437	-37	374	26.0	-0.5	5.6
Washington	1,074	1,334	954	7.6	9.2	6.3
<b>Total</b>	<b>\$68,614</b>	<b>\$55,121</b>	<b>\$51,859</b>	<b>10.5%</b>	<b>8.0%</b>	<b>7.5%</b>

NOTES: NA indicates data not available. \*Fiscal 2007 are actual figures, fiscal 2008 are estimated figures, and fiscal 2009 are recommended figures. \*\* Total balances include both the ending balance and balances in budget stabilization funds.

SOURCE: National Association of State Budget Officers.





