

December 1998

National Governors' Association National Association of State Budget Officers

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Founded in 1945, NASBO is the principal organization for enhancing the professional development of its members; for improving the capabilities of staff and information available to state budget officers; and for developing the national fiscal and executive management policies of the National Governors' Association. It is a self-governing affiliate of the National Governors' Association. The association is composed of the heads of state finance departments, the states' chief budget officers, and their deputies. All other state budget office staff are associate members. Association membership is organized into four standing committees—Health, Human Services, and Justice; Financial Management, Systems, and Data Reporting; Tax, Commerce, Physical Resources, and Transportation; and Training, Education, and Human Resources Management.

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National Governors' Association 444 North Capitol Street Suite 267 Washington, D.C. 20001-1512 202/624-5300

National Association of State Budget Officers 444 North Capitol Street Suite 642 Washington, D.C. 20001-1511 202/624-5382

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Preface

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 1977. The survey presents aggregate and individual data on the states' general fund receipts, expenditures, and balances. Although not the totality of state spending, these 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 the National Association of State Budget Officers in August through November 1998. The surveys were completed by Governors' state budget officers in the fifty states and the commonwealth of Puerto Rico.

Each edition of *The Fiscal Survey of States* includes a feature on a state policy or budget issue. This edition includes a feature on the states' use of fiscal 1998 general fund surpluses.

Fiscal 1997 data represent actual figures, fiscal 1998 figures are preliminary actual, and fiscal 1999 data are figures contained in enacted budgets.

In forty-six states, the fiscal year begins in July and ends 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. In addition, twenty states are on a biennial budget cycle.

The Fiscal Survey of States is a cooperative effort of the National Association of State Budget Officers and the National Governors' Association. NASBO staff member Stacey Mazer compiled the data and prepared the text for the report under the overall direction of Gloria Timmer, NASBO executive director. Mary Dingrando, Patrick Casados, and Lezlee Thaeler of the NASBO staff contributed to the text. Editorial assistance was provided by Alicia Aebersold and Karen Glass in NGA's Office of Public Affairs. Nick Samuels of NASBO assisted in production. Dotty Esher of State Services Organization provided typesetting services.

Executive Summary

The better-than-anticipated performance of the national economy combined with cautious state spending means that states are ending fiscal 1998 in a position of fiscal strength. Yet, the recent fluctuations in the stock market and in consumer confidence make for an uncertain future, and analysts are predicting more moderate economic growth in the near future when compared with the past year's robust level of growth.

This edition of *The Fiscal Survey of States* provides an overview of states' use of fiscal 1998 general fund surpluses in addition to the ongoing reporting of state balances that appears in each edition of this report. "Fiscal 1998 general fund surplus" is defined as funds above the amounts assumed when the fiscal 1998 budget was enacted.

General Fund Balances

States completed fiscal 1998 with general fund balances that will aid in weathering the next economic downturn. Over the past several years, states have been building up rainy day funds to help prevent major disruptions in services to citizens when the economy's growth rate eventually slows from its current rapid pace. The cautious environment in states stems from still-painful memories of the rapid fall of balances during economic downturns in both the early 1980s and the early 1990s.

In 1980, states' healthy balances of 9 percent of expenditures rapidly diminished. In fact, balances declined from 9 percent to 4.4 percent in the one-year period from fiscal 1980 to fiscal 1981.

During the early 1990s, states did not have a sufficient level of balances to weather the fiscal storm. In fiscal 1989, before the decline, state balances were at 4.8 percent of expenditures. These balances fell to a low of 1.1 percent by fiscal 1991. Because of their lack of resources, states had to reduce current-year budgets, causing a great deal of uncertainty for those receiving and delivering necessary state services. In fiscal 1992 and fiscal 1993, thirty-five states and twenty-three states, respectively, were forced to reduce current-year budgets because of the serious economic decline. States also had to sharply increase taxes, raising \$25 billion in new revenue over a two-year period.

States' experiences with these rapidly declining balances during the early 1980s and the budget cutting and tax increases required to maintain balanced budgets during the early 1990s has led them to cautiously position themselves to manage the next economic downturn with less disruption to the services that citizens expect from government.

The survey's key findings on fiscal 1998 general fund surpluses are as follows.

- Virtually all states reported a surplus for fiscal 1998. The decisions about using surplus funds were often made in fiscal 1998, with actions occurring in both fiscal 1998 and fiscal 1999.
- About one half of the states used their surpluses to increase rainy day or budget stabilization funds. In many cases, portions of the surplus in fiscal 1998 increased rainy day fund balances and are reflected in the balances that states report for both fiscal 1998 and fiscal 1999.
- Surplus funds also were used for investment in capital construction, elementary and secondary education, higher education, technology, "year 2000" computer compliance, debt reduction, and state endowments.
- States also created other reserve funds. Examples of these funds include tax reform accounts, reserve funds for the Temporary Assistance for Needy Families (TANF) program, and property tax relief funds.

Other key findings of this survey include the following.

State Spending

States estimate an increase in general fund spending of 5.7 percent for fiscal 1998 and 6.3 percent for fiscal 1999. These figures incorporate one-time spending from surplus funds, transfers into budget stabilization funds and other reserve funds, and payments to local governments to reduce property taxes.

Only two states reduced their fiscal 1998 enacted budgets. This number is considerably lower than the number of states that have been forced to reduce their enacted budgets in previous years. As part of the implementation of the Temporary Assistance for Needy Families program, states are moving in new directions to provide support services for families to achieve self-sufficiency. For instance, seven states changed their cash assistance payments for fiscal 1999, mostly to increase benefit levels.

About one half of the states enacted changes affecting local governments. The majority of these changes increase aid to education and offer property tax relief. Other changes include aid to county welfare services, long-term care assistance, relief from personal property taxes levied on vehicles, and assumption of costs for local courts.

Almost all states granted employee compensation increases for fiscal 1999. The average across-the-board increase was approximately 3.8 percent. In addition, eligible employees received additional amounts for merit pay and movements along pay scales.

State Revenue Actions

Net tax and fee changes will decrease fiscal 1999 revenues by \$7.0 billion. These changes reflect both the impact of multiyear tax reductions, such as in Georgia, Maryland, New York, Pennsylvania, and South Carolina, and one-time tax rebates that occurred in Minnesota and Ohio. This is the fifth con-

secutive year that state legislative actions have resulted in a net decrease in state revenues. In contrast, only twice during the 1980s did states have a net reduction in taxes.

The most significant tax reductions are once again to personal income taxes, including reducing rates, increasing deductions and exemptions, assisting the elderly, and providing education tax credits. In addition to tax reductions, some states have constitutional and statutory provisions to provide automatic refunds to citizens based on state revenue limits.

- Fiscal 1998 tax collections are about 3.6 percent higher than the estimates states originally used in adopting their budgets.
- Fiscal 1999 tax collections include an increase of 3.9 percent above fiscal 1998 tax collections. These tax collections represent collections from the sales, personal income, and corporate income taxes.

Year-End Balances

■ Balances as a percentage of expenditures continue at healthy levels. Year-end balances are at 7.9 percent, 8.8 percent, and 7.1 percent in fiscal 1997, fiscal 1998, and fiscal 1999, respectively.

State Expenditure Developments

CHAPTER ONE

Budget Management in Fiscal 1998

Only two states—Alaska and Hawaii—reduced their fiscal 1998 enacted budgets. This number contrasts sharply with the twenty or more states that reduced their enacted budgets during fiscal 1990 to fiscal 1993, the peak period for midyear budget adjustments. During the past five years, thirteen or fewer states have had to reduce their enacted budgets (see Table 1 and Figure 1).

State Spending for Fiscal 1999

State spending in fiscal 1999 is estimated to be 6.3 percent above fiscal 1998 (see Table 2 and Figure 2). About half of the states estimate expenditure growth below 5 percent in fiscal 1998 and in fiscal 1999 (see Table 3 and Appendix Table A-4).

Assistance under the Temporary Assistance for Needy Families Program. For fiscal 1999, forty-three states maintain the same cash assistance benefit levels that were in effect in fiscal 1998. Of the seven states that made adjustments to cash assistance benefit levels, almost all actions result in benefit increases (see Table 4). Most state welfare reform activity centers around restructuring the program rather than adjusting cash assistance payments. Since the enactment of the 1996 welfare reform law, caseloads have declined substantially in nearly every state. Between August 1996 and June 1998, welfare rolls dropped 32 percent nationwide, with sixteen states experiencing caseload declines of more than 40 percent. Specifications in the welfare reform law require states to spend from

75 percent to 80 percent of their 1994 Aid to Families with Dependent Children (AFDC) spending on TANF maintenance of effort. Because of this requirement and the fact that today's national caseloads are only 59 percent of the 1994 caseloads, states are spending more per case. In particular, states must now focus more of their efforts on serving the harder-to-serve recipients. Using some of the resources made available by the declining number of recipients, states are expanding existing programs and developing new and innovative programs to move families toward self-sufficiency.

Medicaid. The Congressional Budget Office (CBO) is projecting an average annual increase of 7.6 percent in Medicaid spending from fiscal 1998 to fiscal 2008. Although this rate is less than the doubledigit rates experienced from 1990 to 1995, it still exceeds the overall growth in state spending. Other trends point to higher health care spending over the next several years, such as an increase in medical care inflation and cost pressures on health maintenance organizations, which could result in higher managed care premiums. As of June 30, 1997, about 15 million Medicaid beneficiaries were enrolled in managed care plans, representing 47 percent of all beneficiaries. Another pressure on Medicaid spending will continue to be the aging of the population. By 2020, it is expected that there will be twice as many Americans ages sixty-five and older who need some type of longterm care services, increasing from 7 million today to more than 14 million. Maintaining the moderate growth rate for Medicaid spending will continue to be a challenge for states.

. TABLE 1

Budget Cuts Made After the Fiscal 1998 Budget Passed

State	Size of Cut (Millions)	Programs or Expenditures Exempted from Cuts
Alaska	\$59.9	Education.
Hawaii	27.1	Elementary and secondary education and University of Hawaii instruction programs, debt service, employees' retirement system and health insurance, unemployment insurance, workers' compensation, correctional facilities, public welfare payments, children and adult mental health.
Total	\$87.0	•

SOURCE: National Association of State Budget Officers.

TABLE 2

State Nominal and Real Annual Budget Increases, Fiscal 1979 to Fiscal 1999

State General Fund

Fiscal Year	Nominal Increase	Real Increase				
1999*	6.3%	3.8%				
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 6	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				
1979–1999 average	6.5%	1.8%				

NOTES: The state and local government implicit price deflator and the consumer price index were used for state expenditures in determining real changes. Fiscal 1998 figures are based on the change from fiscal 1997 actuals to fiscal 1998 preliminary actuals. Fiscal 1999 figures are based on the change from fiscal 1998 preliminary actuals to fiscal 1999 appropriated.

SOURCE: National Association of State Budget Officers.

TABLE 3

Annual State General Fund Expenditure Increases, Fiscal 1998 and Fiscal 1999

Number of States

Spending Growth	Fiscal 1998 (Preliminary Actual)	Fiscal 1999 (Appropriated	
Negative growth	1	5	
0.0% to 4.9%	20	15	
5.0% to 9.9%	26	21	
10% or more	3	9	

NOTE: Average spending growth for fiscal 1998 (preliminary actual) is 5.7 percent; average spending growth for fiscal 1999 (appropriated) is 6.3 percent.

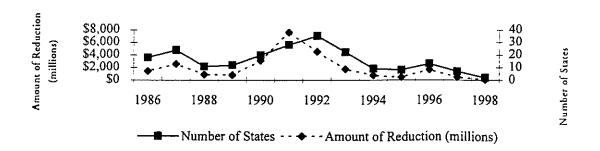
SOURCE: National Association of State Budget Officers.

Aid to Local Governments. About half of the states enacted changes affecting aid to local governments, with the majority of changes increasing aid to education and providing property tax relief. Other changes include aid to county welfare services, long-term care assistance, economic development aid, and assumption of costs for local courts (see Table 5).

Employee Compensation. Almost all states granted employee compensation increases for fiscal 1999. The average across-the-board increase was approximately 3.8 percent. In addition, eligible employees may receive additional amounts for merit pay and movements along pay scales (see Table A-5).

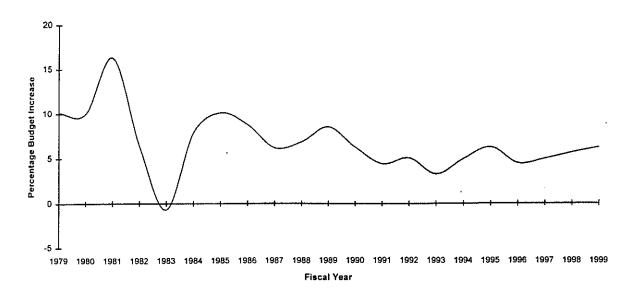
FIGURE 1

Budget Cuts Made After the Budget Passed, Fiscal 1986 to Fiscal 1998



SOURCE: National Association of State Budget Officers.

Annual Budget Increases, Fiscal 1979 to Fiscal 1999



SOURCE: National Association of State Budget Officers.

TABLE 4

Enacted Cost-of-Living Changes for Cash Assistance Benefit Levels under the Temporary Assistance for Needy Families Program, Fiscal 1999

 State	Percent Change	
California*	8.1%	
Louisiana*	7.1	
Maine	5.0	
Maryland	2.9	
Mississippi	-0.5	
North Dakota	2.2	
 Utah	6.0	

NOTES:

California

Represents restoration of a prior 4.9 percent grant reduction and a 2.84 percent cost-of-living compounded adjustment.

Louisiana

Represents the average percent increase in the amount of the monthly TANF cash grant. During the 1998 regular session, the legislature eliminated the former distinction between the amount of the TANF grant for residents of urban and rural areas, and raised the amount of the grant for rural area residents to the level of the grant for urban residents, effective July 1, 1998.

SOURCE:

National Association of State Budget Officers.

Enacted Changes in Aid to Local Governments, Fiscal 1999

Alaska

State aid to local governments decreased by \$2.5 million, or 5 percent. The legislature also enacted a \$250 million debt service reimbursement program for urban school districts and provided additional funding for school repairs.

Arizona

For fiscal 1999, the state funded a portion of the growth in the long-term care program that would have been a county responsibility. The general fund amount provided in fiscal 1999 totals \$12.8 million.

California

The budget includes \$67.8 million as an emergency augmentation for child welfare services without requiring any new county match. This emergency funding is likely to continue until a comprehensive workload/caseload study of child welfare services is completed by an outside consultant. The budget also includes \$33.2 million to expand adult protective services to allow counties to provide greater protection to elderly dependent adults who are in danger of or are victims of abuse, neglect, or exploitation. Also enacted was a \$60 million disproportionate share hospital relief

The fiscal 1999 budget reflects the first full fiscal year of funding for CalWORKS, California's new welfare reform program. Thus, although there are dramatic increases for child care and county performance incentives, those reflect annualized costs rather than new policy.

For trial courts, the state assumed former county costs of \$100 million beginning in fiscal 2000. This is in addition to the \$300 million buyout of county costs and the backfill of \$62 million of revenue loss to cities budgeted in fiscal 1999

Connecticut *

The budget includes an additional \$112 million in education aid (8 percent); an additional \$30 million in payments in lieu of taxes on state-owned property (84 percent); an additional \$15 million in payments in lieu of taxes on private colleges and hospitals (18 percent); and an additional \$10 million in town road aid funding (50 percent). Overall, the budget increased by 10 percent.

Delaware

Increases include the realty transfer tax (\$13 million; \$6.7 million net on going), aid to local law enforcement (\$30 million one time), and municipal street aid (\$1 million one time).

Hawaii

Changes include an increase in the transient accommodations tax (TAT) from 6.0 percent to 7.25 percent effective January 1, 1999, and a change in the tax's revenue distribution. There is approximately a \$12 million decrease in the counties' share, offset by retirement system and health insurance savings, for a net gain of \$37 million for counties in fiscal 1999.

Indiana

Increases include appropriations to replace the motor vehicle excise tax and funds to replace the local inheritance tax. Revenue losses occur because of rate reductions and an increase in the Class "A" exemption.

Kansas

The statewide property tax mill levy was reduced from 27 mills to 20 mills, costing the state \$70 million to replace local resources in fiscal 1999 and another \$50 million in fiscal 2000. This represents 4.6 percent of a 13.7 percent increase in general fund state aid for schools from fiscal 1998 to fiscal 1999.

The City and County Revenue Sharing Fund and Special City and County Highway Fund demand transfers were held to a 2.4 percent increase rather than statutory levels. This reduced the amount transferred to local governments by approximately \$14.1 million.

Kentucky

The budget increased the percentage of coal severance tax proceeds returned to units of local government under the severance tax dedicated programs from 31 percent in fiscal 1998 to 35 percent in fiscal 1999 and to 38 percent in fiscal 2000. This resulted in the \$54.7 million returned in fiscal 1998 increasing to \$58.1 million in fiscal 1999 and to \$64.4 million in fiscal 2000.

Louisiana

Supplemental payments to constables and justices of the peace were increased from \$50 per month to \$75 per month per recipient, a 50 percent increase. Other changes include a 9 percent increase in sales tax dedicated funding from \$23.9 million in fiscal 1998 to \$26 million in fiscal 1999; and a 4.3 percent increase in appropriation for video draw poker revenue receipts, from \$40.9 million in fiscal 1998 to \$42.6 million in fiscal 1999.

Maine

The state enacted a homestead exemption program estimated at \$48.6 million that exempts \$7,000 of property evaluation for primary residences.

Maryland

Enacted changes affecting state aid to local government for fiscal 1999 through fiscal 2002 include: \$16.3 million for targeted improvement grants based on the number of children eligible for free and reduced-price meals; \$10.5 million for teacher development programs; an increase of 170 percent for grants for programs for students with limited English proficiency; a 29 percent increase in funding for extended elementary education; an increase of 138 percent for aging school repairs; and \$3 million for the school library media incentive program.

Additionally, aid to library programs increased from \$9.25 to \$10.75 per capita in fiscal 1999, and to \$11, \$11.50, and \$12 per capita for fiscal 2000 through fiscal 2002 and thereafter.

Massachusetts

The state made an additional distribution of \$62.8 million in lottery revenues to cities and towns because of fiscal 1998 surplus receipts. Marginal increases were also made in several elementary and secondary education programs, including school building and regional transportation, as a part of education reform first implemented in fiscal 1994.

Effective in fiscal 1999, county government in two more of Massachusetts' fourteen counties was abolished (bringing the total of abolished counties to four). The counties' functions, assets, debts, and obligations have been assumed by the state.

Enacted Changes in Aid to Local Governments, Fiscal 1999

Michigan

The state revenue-sharing program, which distributes state-collected sales tax as unrestricted revenue to local governments, was capped by limiting growth to the rate of inflation (2.2 percent Detroit consumer price index). Without the cap, the distribution to cities, villages, townships, and counties would have totaled \$1.4 billion, a \$51 million or 3.8 percent increase over fiscal 1998. The enacted fiscal 1999 budget appropriates \$1.38 billion, a \$30 million, 2.2 percent increase over fiscal 1998.

Public Act 328 of 1998 amended the General Property Tax Act to allow distressed communities to grant personal property tax exemptions of new personal property in specified local areas or districts. For every \$100 million in new personal property that qualifies for an exemption under this bill, local governments are estimated to lose \$2.6 million and local school property tax revenue is estimated to decline by \$1.8 million. The exemption will become effective on the December 31 following the approval of the resolution by the governing body and continue in effect for a period specified in the resolution. The goal of the exemptions is to reduce unemployment, promote economic growth, and increase capital investment in the state.

Minnesota

The 1998 legislative session did not have a significant fiscal impact on state aid to local governments in fiscal 1999. There was one major local government aid appropriation for flood relief. The appropriation was \$10 million in fiscal 1999 and an additional \$5 million in fiscal 2000.

Although not affecting fiscal 1999, the composition of future local government property tax reform was accomplished by compressing property tax class rates. The highest class rate for commercial and industrial property was reduced from 4 percent to 3.5 percent, apartments from 2.9 percent to 2.5 percent, and first-tier single family rental housing from 1.9 percent to 1.25 percent. Increases in homeowner's property tax burdens that would have resulted from the class rate compressions were offset by increasing the state credits to homeowners. These changes will result in lower property taxes from businesses and higher state aids to homeowners beginning in fiscal 2000.

Property taxes were reduced for certain commercial, industrial, and apartment properties. In conjunction with property tax relief, the state extended limits on local governments' ability to increase levies to fiscal 2000.

Missouri

Enacted changes include a \$500,000 (2.3 percent) increase in the ongoing per diem rate for state prisoners; a \$4 million one-time appropriation to assist in construction of the St. Charles convention center; a \$10 million one-time appropriation to assist in construction of the American National Fish and Wildlife Museum in Springfield; a \$200,000 (50 percent) increase in aid to Regional Planning Commissions; \$5 million in one-time funds to assist renovation of the Liberty Memorial in Kansas City; \$500,000 in one-time funds to assist renovation of the Missouri History Museum in St. Louis; \$500,000 in one-time funds to assist renovation of the Missouri Botanical Garden in St. Louis; \$950,000 to assist local port authority construction; \$1.2 million in one-time funds for local bridge and intersection projects of regional interest; \$67,000 in one-time funds to assist in crime lab construction in Kansas City; and \$100,000 in one-time funds to assist in crime lab construction in Cape Girardeau.

Montana

State support for public schools increased by \$31 million in fiscal 1998 (1.2 percent) and \$15.6 million in fiscal 1999 (2.1 percent). Of the amount for fiscal 1998, \$13.5 million of fiscal 1998 was one-time money not included in the percentage calculations.

Nebraska

Significant increases in state aid to local governments include a 21 percent increase in aid to community colleges, a 24 percent increase in school aid, and new programs to aid schools, counties, and fire districts. The state is also assuming the costs of assessors in five counties.

New Jersey

Municipal aid increased by approximately \$5 million, from \$1.559 billion to \$1.564 billion. This represents an increase in utility taxes collected by the state and distributed to municipalities. Aid to local school districts increased by approximately \$602 million. This includes an increase of \$258.2 million in direct aid payments and \$348.8 million in payments made by the state on behalf of local districts for the employers' share of teachers pensions and social security costs.

Final phase-in of the state takeover of county court operations is in place. The amount of state funding to cover these operations increased by approximately \$90 million, from \$120 million in fiscal 1998 to \$210 million in fiscal 1999. The increase in direct state funding allows for direct taxpayer savings at the county level.

New York

The fiscal 1999 budget will result in net benefits of more than \$1 billion for all classes of local government, when compared with fiscal 1998. The majority of increased aid is for education. Counties (including New York City) will realize savings of \$686 million. School districts (excluding New York City) will gain \$338 million in additional aid. Cities (excluding New York City), towns, and villages will receive a net benefit of \$39 million.

Although the fiscal 1999 budget includes no unfunded mandates, it does include sales tax exemptions expected to cost local governments approximately \$26 million. The budget also continues a state-funded multiyear cut in local school property taxes and the New York City personal income tax.

North Dakota

Statutory changes go into effect on January 1, 1999. As of that date, 4 percent of the one cent sales tax is deposited into the State Aid Distribution Fund. All money in that fund is distributed to local governments through a continuous appropriation. Prior to January 1, 1999, 6 percent of the one cent sales tax was deposited in the State Aid Distriution Fund and the legislature appropriated an amount to be distributed to local government.

Enacted Changes in Aid to Local Governments, Fiscal 1999

Pennsylvania

The Keystone Opportunity Zone program will revive economically distressed urban and rural communities by designating no-tax areas. State and local taxes would be waived for individuals and businesses in the designated areas.

The Main Street Program will provide a new \$2 million for revitalization of central business districts. The Homestead Act provides communities the opportunity to substitute earned income taxes for real property taxes, with some restrictions. Property taxes can be decreased with a homestead exclusion. In fiscal 1999, there is \$6 million available to counties for start-up costs. Some nuisance taxes could also be eliminated.

Other changes include \$5 million for county-based specialized probation services for juveniles, an additional \$4 million for local drug and law enforcement including police training, \$7 million to enhance online capabilities at all public libraries under the Technology for Public Libraries program, and the beginning of state funding of the existing county court system.

Rhode Island

The state enacted a phase-out of the local motor vehicle and inventory property taxes. The state will increase local aid by an equal amount. The estimated fiscal impact is \$30.3 million in fiscal 1999, increasing to \$328.6 million by fiscal 2010.

South Carolina

The budget includes an additional \$12.1 million, or a total of \$240 million, to reimburse local governments for the Property Tax Relief Fund, which will maintain the current homestead exemption for residential school property taxes at \$100,000. Other changes include \$21.1 million to reimburse local governments for the second year of a three-year phase-in to reduce the floor for calculation of manufacturing depreciation from 20 percent to 10 percent. This calculation is used in formulating property taxes paid by manufacturers.

An additional \$10.9 million is included in the budget to fully fund the Local Government Fund. South Carolina statute requires an appropriation of not less than 4.5 percent of the latest completed fiscal year's general fund revenues to the Local Government Fund.

An increase of \$1.4 million is provided to reimburse local governments for a \$20,000 residential homestead exemption for homeowners sixty-five years of age or older.

Act 434 raises the driving-under-the-influence offense fine from \$200 to \$300, increases the assessment, and decreases the percentage of the assessment the municipality retains. The net increase in local revenue to municipalities is estimated to be \$616,000 statewide.

South Dakota

Property tax relief is paid out through state aid to education. The state currently funds 20 percent property tax relief through the state aid formula. In calendar year 1999, the state will provide 25 percent property tax relief, which will increase the commitment of the state by \$10.2 million for fiscal 1999, or \$20.4 million for the calendar year

Tennessee

Local governments with newly constructed convention centers and tourism facilities that create an increase in state and local sales taxes are allowed to use the revenue increase to pay debt service on facilities, not to exceed thirty years. Additional state aid is estimated to exceed \$1 million annually. Also, the state established a comprehensive growth policy that requires local governments to enter into a comprehensive planning process to create a long-term growth policy. This makes extensive changes in the manner to which tax revenues are shared with local governments.

Vermont

After years of debate, the 1997 General Assembly passed education funding reform and property tax relief with major elements of the program beginning in fiscal 1999.

Creation of a statewide property tax of \$1.10 per 100 dollars of equalized education grand list (with transition provisions for towns presently above and below this level) in fiscal 1999 will replace a significant portion of the current local school tax. The state will provide each student in every school district a \$5,282 education grant. The total cost is approximately \$558 million. Towns choosing to spend more than this amount will levy a local share school tax. The local share will be equalized through a yield mechanism that ensures each community that chooses to spend above the education grant an equal return per penny on its tax rate per pupil as in any other community. In fiscal 1999, this yield is guaranteed by the state at a total cost of approximately \$128 million. In addition to this basic level of education funding, the state will provide school districts approximately \$95 million in categorical aid.

Through income sensitivity provisions, the program limits the statewide property tax liability for residents with household income less than \$75,000 to the smaller of 2 percent of household income or the tax on the fair market value of the homestead minus \$15,000. Local share tax, if any, is calculated as a percent of the statewide tax. A property tax rebate program is available where household income is \$47,000 or less. Total estimated fiscal 1999 cost is \$85 million. The state will provide municipalities full reimbursement for lost municipal property tax revenue as a result of use value appraisal, at a cost of approximately \$4 million. State payments to municipalities in lieu of property taxes were funded at \$1 million for fiscal 1999.

Virginia

The adopted bill provides that over the next five calendar years, the commonwealth will pay an increasing share of the personal property tax levied on each personally owned vehicle, up to the maximum of \$20,000 of assessed value. During the phase-in period, the share of tax paid by the commonwealth will be from 12.5 percent in fiscal 1998 to 100 percent in fiscal 2002. For the first year, the commonwealth will reimburse taxpayers directly. Thereafter, the commonwealth will pay localities the applicable share of the tax for that year.

The percentage reimbursement will not increase to the next level if any of three conditions occurs; actual general fund revenues, including transfers, are 0.5 percent or more below projected revenues in the appropriation act for that year; the December general fund revenue forecast, excluding transfers, is less than 5 percent for the preceding year; the December general fund revenue forecast, including transfers, is below the general fund appropriations for either fiscal year included in the appropriation act in effect at the time.

The bill provides that the program is capped at 8.5 percent of total general funds available for appropriation.

The cost of the program is currently projected to grow to \$1,013.5 million over the five-year phase in period, with a growth rate of about 4.6 percent per year thereafter, given continuation of current economic trends.

Amendments to the 1998-2000 budget provide \$55.0 million each year for school construction, additions, infrastructure, site acquisition for public school buildings and facilities, renovations, and debt service payments on school projects that have been completed during the last ten years.

West Virginia

Beginning in fiscal 1997, a portion of the state's oil and gas severance tax revenue is distributed back to local governments in the form of revenue sharing. By fiscal 1999, 10 percent of all annual oil and gas severance tax revenue will be distributed back to local governments for their use. The amount of revenue sharing grows from \$375,000 in fiscal 1997 to \$2 million in fiscal 1999.

State Revenue Developments

CHAPTER TWO

Overview

Net tax and fee changes will decrease revenues by \$7 billion for fiscal 1999 (see Table 6), the fifth consecutive year that state actions result in a decrease in new revenues (see Figure 3). Although the state tax reductions are relatively moderate, they continue the trend in recent years to reduce taxes. Most of the tax reductions have been for personal income taxes.

In addition to legislated tax reductions, some states also grant automatic refunds to taxpayers, often as a result of constitutional and statutory revenue limits. For example, Colorado, Florida, Louisiana, Massachusetts, Michigan, and Missouri limit revenues to the growth in state population or state personal income. Other states, such as Oregon, limit revenue growth to the forecasted amount.

In the past fiscal year, four of these seven states have reached their revenue limits. Colorado, Massachusetts, Missouri, and Oregon have returned or plan to return revenues in excess of their limits through income tax cuts or tax credits. Minnesota and Ohio have enacted legislation to return surpluses to state taxpayers.

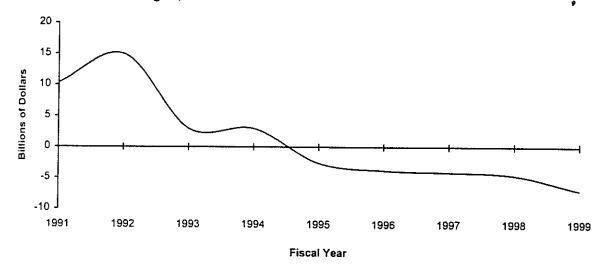
An issue that is likely to affect state tax systems in the future is the growth of sales over the Internet. As more and more transactions occur online and are exempt from sales taxes, the sales tax collections on which states rely will erode.

Revenue Collections in Fiscal 1998

Revenue collections for the sales, personal income, and corporate income taxes for fiscal 1998 match or exceed projections in virtually every state (see Appendix Table A-7). In total, revenue collections were about 3.6 percent higher than the estimates states used in adopting fiscal 1998 budgets. Similar to the federal government, states have experienced revenue collections exceeding original estimates, especially for personal income tax collections. Based on the Congressional Budget Office's analysis of federal revenues collections, some of the same factors may be affecting state revenue collections. These factors include capital gains realization, unexpected growth in partnership income, and the impact of large bonuses.

FIGURE 3

Enacted State Revenue Changes, Fiscal 1991 to Fiscal 1999



SOURCE: National Association of State Budget Officers.

TABLE 6

Enacted State Revenue Changes, Fiscal 1979 to Fiscal 1999

Fiscal Year	Revenue Change (Billions)
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. Data for fiscal 1988, 1989, 1991, 1991, 1992, 1993, 1994, 1995, 1996, 1997, 1998, and 1999 provided by the National Association of State Budget Officers.

Revenue Collections for Fiscal 1999

Projected fiscal 1999 tax collections include an increase of 3.9 percent above fiscal 1998 estimated tax collections. These tax collections represent collections for sales, personal income, and corporate income taxes (see Appendix Table A-8).

Revenue Changes for Fiscal 1999

Thirty-five states enacted net revenue changes for fiscal 1999 that will decrease revenues by \$7.0 billion (see Table 7). This amount represents about 1.6 percent of fiscal 1999 general fund revenues. Tax increases tend to be specific measures, such as raising cigarette or motor fuel taxes. In some cases, the revenue changes include incremental amounts for tax reductions that have been phased in for several years,

such as in Georgia, New York, and South Carolina. Excluded from these amounts are refunds that states make based on constitutional and statutory revenue limits, such as in Colorado and Missouri.

This survey differentiates between tax and fee increases and decreases (shown in Tables 7 and Appendix Table A-9) and revenue measures (shown in Appendix Table A-10). Tax and fee changes reflect changes in current law that affects taxpayer liability. Revenue measures include deferrals of tax increases or decreases that do not affect taxpayer liability. An example of a revenue measure is the extension of a tax credit that occurs each year.

Fiscal 1999 actions are highlighted below and appear in Appendix Table A-9.

Sales Taxes. Nineteen states made sales taxes changes for fiscal 1999, mostly reductions. The most significant changes include Georgia's final year phaseout of the sales tax on groceries and Maine and Nebraska's 0.5-cent reduction in the sales tax. States continue to provide additional sales tax exemptions, often on equipment purchases by businesses and research and development activities.

Personal Income Taxes. Once again, personal income tax reductions dominated tax actions in states. Twenty-nine states reduced personal income taxes by reducing rates, increasing deductions and exemptions, lowering taxes for the elderly, and providing tax credits for higher education. Currently, nine states do not have broad-based personal income taxes—Alaska, Florida, Nevada, New Hampshire, South Dakota, Tennessee, Texas, Washington, and Wyoming.

Corporate Income Taxes. Sixteen states enacted changes in the corporate income tax, including Arizona's changes in apportionment and New York's phase-out of prior-year reductions.

Cigarette and Tobacco Taxes. Only two states increased cigarette taxes—Michigan and New Jersey.

Motor Fuels Taxes. Actions include Connecticut's reduction in its gasoline tax and Wyoming's increase in its gasoline tax.

Other Taxes and Fees. Significant changes in other taxes and fees include Arizona's reduction in its vehicle license tax, California's reduction in vehicle license fees, Kansas' elimination of the inheritance tax, Michigan's phasing out of the intangibles tax, and New York's residential property tax reductions. There were no significant fee increases.

TABLE 7

		Personal	Corporate	Cigarettes/	Motor		Other		
State	Sales	Income	Income	Tobacco	Fuels	Alcohol	Taxes	Fees	Total
Alabama			···		1.10				\$ 0.0
Alaska									0.0
Arizona		\$-30.0	\$-10.0				\$-80.0		-120.0
Arkansas			<u> </u>		······································		Ψ-00.0		0.0
California	\$-11.0	-787.0	-30.0		·····		-3.0	\$-553.0	-1,384.0
Colorado		-31.2							-31.2
Connecticut	-9.9	-45.0	-9.5		-\$13.3		-4.5		-82.2
<u>Delaware</u>		-45.8					-10.3		-56.1
Florida	-42.5		-17.3				-67.6	11.0	-116.4
Georgia	-147.0	-205.0							-352.0
Hawaii		-46.0					-19.0		-65.0
Idaho									0.0
Illinois		-96.0	-21.0						-117.0
Indiana		-42.6	-11.7						-54.3
lowa	-15.0	-70.6							-85.6
Kansas	-32.0	-90.0	-16.0				-18.0		-156.0
Kentucky	-1.0	-1.5					-8.8		-12.3
Louisiana							-14.0		-14.0
Maine*	-39.8	-30.1							-69.9
Maryland		-62.0							-62.0
Massachusetts		-775.0					-14.0		-789.0
Michigan*	-7.4	-180.8	-81.0	\$23.1			-103.8		-349.9
Minnesota	-2.4	-485.4	0.6				11.6	1.5	-474.1
Mississippi									0.0
Missouri	-16.0	-89.0	-52.0						-157.0
Montana		-3,8					-82.0	29.3	-56.5
<u>lebraska</u>	-82.0	-27.6							-109.6
Vevada								•	0.0
New Hampshire									0.0
lew Jersey				200.0					200.0
lew Mexico	-5.0	-15.5							-20.5
łew York	-106.0	-109.0	-109.5				-712.0	-73.1	-1,109.6
lorth Carolina	-18.4	-4.0					-1.3		-23.7
lorth Dakota									0.0
<u> Dhio</u>		-726.9	-41.2				-12.2	•	-780.3
)klahoma		<u>-15.9</u>					-15.2		-31.1
regon									0.0
'ennsylvania	-40.4	-92.0	-18.7				-89.9		-241.0
uerto Rico									0.0
thode Island									0.0
outh Carolina		-10.3	24.4				-4.6		9.5
outh Dakota									0.0
ennessee	-2.0								-2.0
exas									0.0
tah									0.0
ermont								····	0.0
irginia		-5.2	-1.7						-6.9
/ashington	-3.4		-				-18.7		-22.1
/est Virginia									0.0
/isconsin	-1.0	-319.4							-320.4
Noming					35.4				35.4

NOTES: See Notes to Table 7. See Appendix Table A-9 for details on specific revenue changes.

\$-395.6

\$223.1

\$22.1

\$0.0

\$-1,267.3

\$-584.3

\$-7,027

SOURCE: National Association of State Budget Officers.

\$-582.2 \$-4,442.6

Total

NOTES TO TABLE 7

Maine

Sales tax reduction has not been officially recognized by the Revenue Forecasting Committee.

Michigan

Tax changes for the personal income tax, corporate income tax, and cigarette/tobacco tax and phase out of the intangibles tax were adopted prior to the 1998 legislative session, but revenue impacts fiscal 1999.

Total Balances

CHAPTER THREE

The steady growth of the economy has allowed states to build their reserves. Since fiscal 1994, balances have exceeded 5 percent of expenditures.

Balances as a percentage of expenditures in fiscal 1997, fiscal 1998, and fiscal 1999 are among the highest levels in the past twenty years (see Figure 4). Total balances reflect the funds that are available for states to use to respond to unforeseen circumstances. Both ending balances and the balances of budget stabilization funds are included in total balance figures (see Appendix Tables A-1, A-2, A-3, and A-11).

Balances for fiscal 1999 are \$31.1 billion, or 7.1 percent of expenditures (see Table 8). About two thirds of the states estimate balances as a percent of expenditures to be 5 percent or more in fiscal 1999 (see Table 9 and Figure 5). Balances in nineteen states are estimated to exceed 10 percent of expenditures in fiscal 1998, a healthy cushion for economic and other uncertainties. States continue to build up reserves during these strong economic times in order to avoid major disruptions to services should the economy slow considerably. They have learned that balances can quickly erode during an economic downturn. States have not forgotten 1980, when they experienced a 50 percent decrease in balances in one year when balances decreased from 9 percent of expenditures in fiscal 1980 to 4.4 percent of expenditures in fiscal 1981.

TABLE 8

Total Year-End Balances, Fiscal 1979 to Fiscal 1999

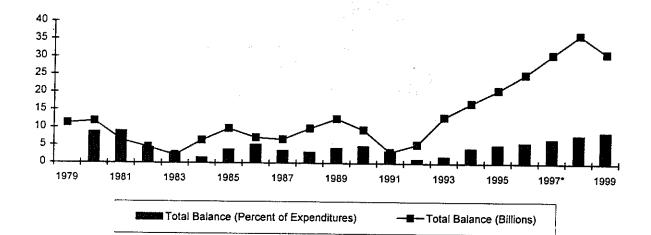
Fiscal Year	Total Balance (Billions)	Total Balance (Percentage of Expenditures)
1999*	\$31.1	7.1%
1998*	36.3	8.8
1997	30.7	7.9
1996	25.1	6.8
1995	20.6	5.8
1994	16.9	5.1
1993	13.0	4.2
1992	5.3	1.8
1991	3.1	1,1
1990	9.4	3.4
1989	12.5	4.8
1988	9.8	4.2
1987	6.7	3.1
1986	7.2	3.5
1985	9.7	5.2
1984	6.4	3.8
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

NOTES: *Figures for fiscal 1998 are preliminary actuals, figures for fiscal 1999 are based on appropriations.

SOURCE: National Association of State Budget Officers.

FIGURE 4

Total Year-End Balances, Fiscal 1979 to Fiscal 1999



Almost all states have some type of budget stabilization fund. These funds may be budget reserve funds, revenue shortfall accounts, or cash flow accounts. About three fifths of the states have a limit on the size of their budget reserve fund, with the limit ranging from 3 percent to 10 percent of appropriations. The most frequent limit is 5 percent of appropriations. Funds above the budget stabilization fund limit generally would increase the state's ending balance.

States often use formulas to determine fund limits as well as the method of deposit and withdrawal for budget stabilization or rainy day funds. Access to budget stabilization funds is often tied to specific formulas such as when actual revenues fall below the forecasted amounts. Or access may be based on a statutory indicator such as a decline in state personal income. Cyclical problems, especially if they are not too severe, are often addressed through the use of budget stabilization or rainy day funds. States must also use their balances for cash-flow purposes.

Reserves are often used to address short-term imbalances between revenues and expenditures. Strategies that states use for long-term solutions include multiyear forecasting, spending affordability limits, and expenditure controls.

TABLE 9

Total Year-End Balances as a Percentage of Expenditures, Fiscal 1997 to Fiscal 1999

Number of States

Percentage of Expenditures	Fiscal 1997 (Actual)	Fiscal 1998 (Preliminary Actual)	Fiscal 1999 (Appropriated)		
Less than 1.0%	1	2	2		
1.0% to 2.9%	6	2	6		
3.0% to 4.9%	9	6	11		
5% or more	34	40	30		

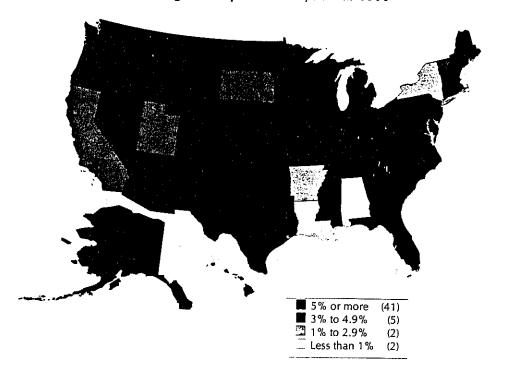
NOTES: The average for fiscal 1997 (actual) was 7.9 percent; the average for fiscal 1998 (preliminary actual) is 8.8 percent; and the average for fiscal 1999 (appropriated) is 7.1 percent.

SOURCE: National Association of State Budget Officers.

Some states have appropriation limits that can serve as a safeguard when revenues fall below expectations. By appropriating less than 100 percent of estimated revenues, as occurs in Delaware, Iowa, Mississippi, Oklahoma, and Rhode Island, states give themselves a cushion for revenue shortfalls. This is preferable to reducing enacted budgets midyear because of decreased revenue.

Figure 5

Total Year-End Balances as a Percentage of Expenditures, Fiscal 1999



Regional Fiscal Outlook

CHAPTER FOUR

The economic outlook for almost all regions is positive, though uncertainties that have surfaced in recent months will affect the economic forecast. International instability and a tight labor market would affect regions differently and to varying degrees.

Population trends differ significantly across regions (see Table 10). States in the Mid-Atlantic, New England, and Great Lakes regions experienced the slowest population growth at 0.2 percent, 0.4 percent, and 0.4 percent, respectively, between July 1996 and July 1997. States in the Southwestern and Rocky Mountain regions continue to experience the greatest influx of people, with an annual growth rate of 1.8 percent between July 1996 and July 1997. The fastest-growing states will continue to be in the Rocky Mountain, Far West, Southwest, and Southeast regions, according to the U.S. Department of Commerce's Bureau of Economic Analysis.

Unemployment rates continue to be at record lows. States in the Plains region experienced the lowest average unemployment rate in August 1998, at 3.0 percent, while states in the Far West had the highest average unemployment rate, at 5.6 percent. Low levels of unemployment have led to labor shortages in some regions.

New England

Economic conditions in New England are mixed, with retail sales experiencing strong growth while manufacturing is experiencing some weaknesses. Strengths in this region include information and communication technologies, mail-order apparel, office supplies, and office technology products. This region has been affected by the uncertainty in the stock market, most notably in creating a more cautious environment for real estate transactions. High-income states, such as Connecticut and Massachusetts, are also more affected by losses from a turbulent stock market. Consumer spending is moderate to strong throughout the region. Tourism and spending related to travel have been very strong in New England, especially around Boston.

Unemployment in this region, at 3.3 percent in August 1998, is below the national average of 4.1 percent, ranging from a low of 2.1 percent in New Hampshire to a high of 4.8 percent in Rhode Island.

The fiscal 1998 balances in this region are below the national totals. Most states in this region reduced taxes, with the majority of changes in the personal income tax. Spending for fiscal 1999 is below the national average.

Mid-Atlantic

Over the past several months, economic growth has slowed somewhat in this region. New York has experienced some weakening in real estate, especially around the New York City area. Job market conditions in this region are mixed, with layoffs in major Wall Street firms in the New York City area. The outlook for firms in this region is for modest growth. Deregulation and consolidation in banking, health care services, utilities, and telecommunications will limit employment gains in this region. Consumer confidence in New York, New Jersey, and Pennsylvania declined in October.

The unemployment rate of 4.3 percent in August 1998 is slightly above the national average of 4.1 percent. Unemployment rates range from a low of 3.5 percent in Delaware to a high of 5.3 percent in New York. Ending balances in this region are below the national average, reflecting the more moderate growth in this region over the past few years relative to the nation. Almost all states in this region reduced taxes for fiscal 1999, mirroring the national trend. Fiscal 1999 spending exceeds the national average.

Great Lakes

The Great Lakes region is enjoying a relatively low unemployment rate of 3.8 percent, 0.3 percent below the national average of 4.1 percent. The labor market continues to be tight, particularly for skilled craftsmen in the construction industry. Manufacturing employment has been trending downward. Financial services jobs have seen little effect from the recent turmoil in the stock market, continuing to rise at nearly twice the rate of overall employment, particularly in Chicago. In the agricultural economy, the Great Lakes states have enjoyed a high level of crop production and quality, but farmers continue to be affected by low grain prices. Manufacturing activity is mixed in some industries but strong overall. In the areas of banking and finance, continued low interest

Regional Budget and Economic Indicators

Region	Weighted Unemployment Rate*	Average Annual Percentage Change in Personal Income**	Annual Percentage Change in Population***	Fiscal 1998 Total Balances as a Percentage of Expenditures	Recommended 1999 General Fund Budget Growth (Percent)	Number of States in Region
New England	3.3%	6.5%	0.4%	7.0%	5.0%	6
Mid-Atlantic	4.3	5.4	0.2	5.5	6.7	5
Great Lakes	3.8	5.3	0.4	9.1	6.7	_
Plains	3.0	5.1	0.6	17.3		5
Southeast	4.3	5.9	1.2	6.8	8.6	. /
Southwest	4.9	6.9	1.8	11.8	6.6	12
Rocky Mountain	3.8	6.9	1.8		3.0	4
Far West	5.6	6.2	1.5	10.9	8.5	5
Average	4.1%	6.0%	0.9%	9.1 8.8%	6.3 6.3%	6

NOTES:

- U.S. Department of Labor, Bureau of Labor Statistics, October 1998.
- ** U.S. Department of Commerce, Bureau of Economic Analysis, August 1998.
- U.S. Department of Commerce, Bureau of the Census, December 1997.

SOURCE: National Association of State Budget Officers.

rates have kept new mortgage and refinancing activity brisk.

Because of the relatively strong economies of the states in the Great Lakes region, all of the states in the region have enacted revenue action for fiscal 1999, such as tax reductions, that will decrease revenues. The region has total balances as a percent of expenditures that are slightly above the national average.

Plains

The Plains region has the lowest regional unemployment rate in the nation of 3.0 percent, 1.1 percent below the national average of 4.1 percent. The labor market remains tight for construction workers, information technology workers, entry-level and sales workers in retail, and skilled laborers such as welders and machinists in manufacturing. In the area of agriculture, most of the Plains region experienced excellent crops, but poor prices for grains, cattle, and hogs could create serious problems for the region. Manufacturing has been mixed, with some parts of the region experiencing slight growth and some parts experiencing slight slowing of activity. The natural resources/energy output for the region is stable with little new leasing or drilling, and nonferrous mines continue to have stable output. Banking in the Plains region is varied by locality. Banks with commercial and residential real estate markets are doing well and banks in rural areas are having difficulty. The demand

for residential home mortgages and home equity loans is up significantly because of low interest rates and home refinancings.

Five of the seven states in the Plains region have enacted revenue actions that will decrease revenues available for expenditures. This revenue action may in large part be because of healthy regional average balances as a percent of expenditures of 17.3 percent, well above the national average of 8.8 percent.

Southeast

Hurricanes, tropical storms, wildfires, and droughts have made it necessary for many states in the Southeast region to seek federal disaster relief. Wildfires in Florida resulted in some setbacks in the hospitality and tourist industries. Hurricanes and tropical storms caused varying degrees of property damage and hotel or convention cancellations in Alabama, Florida, Louisiana, Mississippi, North Carolina, South Carolina, and Virginia. In parts of Kentucky, dry conditions have limited the overall size of crops. Lack of rainfall in Arkansas and Kentucky has caused pasture conditions to deteriorate, and many farmers are feeding their livestock from winter hay stocks; however, at this time hay supplies seem adequate because of the bumper hay crop from last year. In Florida, domestic tourism has remained stable but international tourism has declined, primarily because of weakness in the Latin American economies.

Unemployment rates in the Southeast region are 4.3 percent, close to the national average of 4.1 percent. Growth rates for employment are mostly positive in the Southeast. Florida is adding jobs at a faster rate than the nation and Georgia's rapidly expanding service sector is pushing up its job growth rate. Several factors have spurred job growth in the Atlanta area. In recent years, many corporations have relocated their headquarters to or expanded their operations in the area, and the city is likely to continue to grow because of its ability to attract high-skilled workers. In Alabama, job growth is sluggish. However, manufacturing jobs are shifting toward more sophisticated technical industries, primarily because of military and space-related contracts awarded in the northern portion of the state. Mississippi's construction industry is strong, although job growth rates are lagging behind other states in the region. Job growth in Tennessee is decelerating because of a drop in the growth rate of services.

Nine out of twelve states in the Southeast enacted tax cuts in fiscal 1999. Spending appropriated for fiscal 1999 in the Southeast is 6.6 percent above the prior year and is slightly above the national average of 6.3 percent. Balances in the Southeast, at 6.8 percent in fiscal 1998, are below the national average of 8.8 percent.

Southwest

Severe drought conditions have plagued farmers in the Southwest region. The dry weather has had a significant impact on cotton crops, row crops, rangeland, and dairy production. In Texas, estimates are that as many as 25 percent of the region's producers (particularly small to mid-size farms with no off-farm income source) will discontinue production over the next year.

In the Southwest, unemployment rates are 4.9 percent, slightly higher than the national average of 4.1 percent. Spending growth for fiscal 1999 is 3.0 percent, while ending balances for fiscal 1998 are 11.8 percent. Three out of four states in the Southwest enacted tax cuts.

Rocky Mountain and Far West

The Rocky Mountain and Far West regions have prospered with higher-than-average population growth and low unemployment. Economic forecasters expect these trends to continue, but at a slower economic pace.

Population growth in the Rocky Mountain region grew by 1.8 percent over last year (double the national average), while the Far West grew by 1.5 percent. This growth continued to fuel the regional economy, as evidenced by the fund balances as a percentage of expenditures of 10.9 percent for the Rocky Mountain region and 9.1 percent for the Far West region for fiscal 1998. Likewise, this growth has resulted in above-average growth in general fund budget appropriations of 8.5 percent for the Rocky Mountain region, compared with a 6.3 percent national increase in general fund appropriations.

The unemployment rate in the Far West was the highest in the nation at 5.6 percent, above the national average of 4.1 percent. Unemployment was particularly high in Hawaii, with rates as high as 6.2 percent as late as September and attributed to fewer jobs in the construction and business service industries. The Rocky Mountain region remained below the national average in unemployment rates, at 3.8 percent. In fact, growth in employment in the Rocky Mountain region has been the highest in the nation since 1995, attributable to the expansion and diversification of the region's economy through high technology industries and business information services.

Both regions also have become increasingly dependent on exports to the Asian Rim, as exports accounted for 4.3 percent of the gross state product, as compared with 2.4 percent nationally. According to Standards and Poor's/DRI, this dependence is expected to create a short-term decline in gross state product during the first half of 1999. Merchandise exports, for example, have dropped by 3.1 percent over this time last year. States hit hardest by falling exports include Arizona, Hawaii, and Nevada.

In spite of these declines, the Rocky Mountain and Far West regions are expected to continue to exceed the national average in employment growth. The Standard and Poor's forecasts indicate an increase in employment to continue above the 3.2 percent level, while the gross state product is expected to exceed 3.9 percent.

California, Colorado, and Utah are forecasted to lead the nation in employment and gross state product growth for the regions, while the Nevada economy is forecasted to slow as casino development reaches its saturation point. Wyoming is expected to lag behind the national average in employment growth as outmigration will continue to affect the nonmanufacturing industry.

Strategic Directions of States

CHAPTER FIVE

Changes enacted by states in the last legislative session that will affect their budgeting and financial management practices involve some restructuring of services. The majority of these changes revolve around implementing new budgeting and financial management systems and taking steps with regard to program and performance-based budgeting. Examples of restructuring include:

- eliminating the department of commerce and economic development, creating a new commerce and economic growth commission, and transfering programs to other departments or the new commission in New Jersey; and
- restructuring juvenile justice in North Carolina.

To reduce personnel costs, many states have reduced their number of positions or have offered early retirement incentives. Examples of recent state changes in workforce policies include:

- continuing the phase-in of the forty-hour work week for a number of employees, and converting to an early retirement program to make permanent reductions in Connecticut; and
- implementing an early retirement system for employees at age fifty-five with twenty-five years of service, allowing them to retire with 75 percent of their average salary in Puerto Rico.

States are conducting statewide reviews of expenditures and revenues as part of an effort to maintain long-term balance in their budgets. These efforts may take the form of a statewide commission to review overall operations. Examples include:

- developing plans to change the state's accounting, procurement, and budgeting systems and implementing a performance-based budgeting system in Hawaii; and
- reviewing and implementing recommendations from a commission report on improving efficiency of state operations through a process of deciding to privatize, retain, innovate, modify, and eliminate (PRIME) operations; and implementing changes to the state's procurement code in Pennsylvania.

Performance-based budgeting continues to be the most significant trend in state budgeting. States often

proceed incrementally by establishing a strategic plan, assessing goals and objectives for agencies and programs, and developing performance measures. Many states have been working on some type of performance budgeting for several years, recognizing that systemic change requires a multiyear commitment. Other changes involve installing new automated budget and financial management systems to improve the efficiency of budget preparation and analysis. Examples include:

- shifting over three years to the first phase of program budgeting and development of an automated budget submittal system in Arizona;
- implementing a budget-for-results program in Iowa;
- delaying full implementation of performance budgeting until the 2000-2003 biennium in Maine;
- implementing "managing for results" statewide in July 1997, with mission, vision, and key goals for all state agencies in fiscal 1999 and detailed performance data for all programs by fiscal 2001 in Maryland;
- raising the statutory ceiling on the budget stabilization fund from 5 percent to 7.5 percent of total budgetary revenue of the completed fiscal year in Massachusetts;
- identifying twenty-three outcomes desired by the Governor and called "show-me results" to focus the budget and legislation; and implementing a new financial management system in Missouri;
- installing a new automated budget system in Montana;
- installing a new automated budget system in Nebraska;
- implementing a performance-based pilot project in New Hampshire;
- adding restrictions on budget transfer authority in New Mexico;
- replacing statewide payroll and personnel systems in New York;

-#/r/g-

- instituting reforms in education funding including adding accountability measures for school districts and revising the funding formula for schools in Ohio;
- shifting the funding for teachers' retirement from a dedicated revenue source to the general fund beginning in fiscal 2000 in Oklahoma;
- requiring debt service to be budgeted in a central agency rather than allocated to agencies and moving forward with pilot projects at several depart-

- ments for a statewide financial management system in Rhode Island;
- continuing planning for a new financial management system in fiscal 2000, including an integrated accounting/performance budgeting capability in Vermont; and
- requiring two state agencies to prepare their 1999-2001 budget requests using performance measures for their programs in Wisconsin.

Special Feature: Use of General Fund Surpluses in Fiscal 1998

This edition of *The Fiscal Survey of States* provides a special view of states' general fund fiscal 1998 surpluses. States were asked about how they used their fiscal 1998 general fund surpluses, defined as funds above the amounts assumed when the fiscal 1998 budget was enacted. In many cases, states used portions of this surplus to increase rainy day fund balances—these funds are reflected in the balances that states report for both fiscal 1998 and fiscal 1999.

States, on average, reported that their revenues for fiscal 1998 exceeded their estimates by approximately 3.6 percent. In the past four years, revenues, on average, have exceeded estimates by approximately 2 percent each year.

Decisions about surplus funds were often made in fiscal 1998, with spending occurring in both fiscal 1998 and fiscal 1999. In other cases, states plan to make decisions about the use of fiscal 1998 surplus funds during 1999 legislative sessions.

States used surplus funds in a variety of ways (see Table 11). The most common use was to increase savings in preparation for potential future economic downturns. Key survey results are as follows.

- Twenty-two states used their surpluses to increase their rainy day fund.
- Fifteen states invested in elementary and secondary education and higher education.
- Fourteen states invested in capital construction, including schools and roads.

- Thirteen states reduced taxes.
- Thirteen states invested in technology, including addressing "year 2000" computer problems.
- Ten states provided additional support to local governments.
- Six states used funds for economic development projects.
- Four states funded endowments.
- Four states reduced debt.

Other uses included providing rebates to taxpayers, offering natural disaster relief, enhancing health and welfare services, reducing property taxes, and using funds to balance the fiscal 1999 budget.

States also used the surpluses to create other reserve funds (see Table 12). Examples of these funds include:

- tax reform accounts;
- reserve funds for the Temporary Assistance for Needy Families program;
- property tax relief funds;
- contingency funds for litigation;
- building replacement funds; and
- human service contingency funds.

Uses of Fiscal 1998 State General Fund Surpluses

	•			Endowment Rainy			
	Capital	School	Road	Economic			Rainy Day
·	Construction	Construction	Construction		Fund	Debt	Fund
NEW ENGLAND	0011017017	OCHSCI BUILDII	Construction	Development	investment	Reduction	Investment
Connecticut*							
Maine*					X	X	X
Massachusetts*	X						
New Hampshire	<u> </u>				X		X
Rhode Island							
Vermont*							
MID-ATLANTIC						X	X
Delaware	Х						
Maryland*						X	
New Jersey*			X				X
New York*							X
Pennsylvania							X
GREAT LAKES							X
_lllinois**							
Indiana	X		X	X			
Michigan							
Ohio*		X					
Wisconsin*							
PLAINS							
<u>lowa</u>							
Kansas							
Minnesota*	X						Х
Missouri	X			X			X
Nebraska	x						
North Dakota				*			X
South Dakota*							X
SOUTHEAST							X
Alabama							
Arkansas*							
Florida*							X
Georgia	X						
Kentucky	X	Χ			X		X
Louisiana	<u> </u>		X	X	X		
Mississippi*							-
North Carolina*	X			X			X
South Carolina*							^
Tennessee*	X			X		X	X
Virginia*							
West Virginia*							^
SOUTHWEST							
Arizona*							
New Mexico							X
Oklahoma*							X
Texas							
ROCKY MOUNTAIN							
Colorado							
ldaho*							X
Montana*							
Utah*				X			X
Wyoming*							
FAR WEST							
Alaska							
California*							X
Hawaii*							
Vevada*	X						
Oregon							
Washington*							X
ERRITORY							
uerto Rico*							X
<u>fotal</u>	12	2	3	6	4	4	22
			•				

TABLE 11 (continued)

Uses of Fiscal 1998 State General Fund Surpluses

Higher

	V 42	K-12 Education Aid to Local						
	K-12	Education				T C	045	
	Investment	Investment	Technology	Year 2000	Governments	Tax Cuts	Other	
NEW ENGLAND								
Connecticut*				X	X		X	
Maine*							X	
Massachusetts*			·····			X	X	
New Hampshire	X		· · · · · · · · · · · · · · · · · · ·					
Rhode Island	X	X			X			
Vermont*							X	
MID-ATLANTIC								
Delaware	X		X		X	X		
Maryland*							X	
New Jersey*	X	x		X				
New York*						X	X	
Pennsylvania						 		
GREAT LAKES							· · · · · · · · · · · · · · · · · · ·	
Illinois*						×		
Indiana*		X	X	X	X	X	X	
Michigan						×	X	
Ohio*							Х	
Wisconsin*						X		
PLAINS								
lowa						X		
Kansas	X	•4	X			X		
Minnesota*	X	X			X	X	X	
Missouri	X	X	X		X			
Nebraska						X		
North Dakota								
South Dakota*	· · · · · · · · · · · · · · · · · · ·						X	
SOUTHEAST			·					
Alabama	1						··	
Arkansas*	· · · · · · · · · · · · · · · · · · ·						X	
Florida*							X	
Georgia				X 				
Kentucky	X	X X	X	X	X			
Louisiana	X	Х	X		X			
Mississippi*							X	
North Carolina*	X	<u>X</u>	X	X	X	X	X	
South Carolina*		X	••		X		X	
<u>Tennessee*</u>	X	X	X	X	X		<u> </u>	
Virginia*								
West Virginia*							X	
SOUTHWEST								
Arizona*						X	X	
New Mexico								
Oklahoma*								
Texas	***************************************							
ROCKY MOUNTAIN								
Colorado								
ldaho*	·						<u>X</u>	
Montana*	Υ		· · · · · · · · · · · · · · · · · · ·				X	
Utah*	X		X	X			X	
Wyoming*		*					X	
FAR WEST								
Alaska	X		* +					
California*	X X							
Hawaii*	X						X	
Nevada*	 						X	
Oregon								
Washington*	<u></u>			X		X	X	
TERRITORY								
Puerto Rico*			_				X	
Total	13	10	9	9	10	13	28	

See Notes to Table 11

NOTES TO TABLE 11

Arizona Other uses include school capital financing.

Arkansas Surplus funds are held in a reserve fund pending the 1999 legislative session.

California Surplus funds are scheduled to be used in fiscal 1999 for debt reduction; higher education; aid to local governments, tax cuts (ongoing); and increases in various health and welfare programs, including providing Supplemental Security Income/State Supplementation Payment grants, expanding food and grant programs for legal immigrants, increasing developmental center staffing, reforming foster care, expanding services to elders, augmenting child welfare services,

promoting safe drinking water, and supporting cancer research

Connecticut Other uses include taxpayer rebates and elderly circuit breaker. Florida Other uses include natural disaster relief.

Hawaii Surplus funds support other program costs.

Idaho Other uses include prison housing costs and natural disaster relief.

Illinois Surplus funds are used to maintain a higher cash balance and cushion against future costs.

The budget for fiscal 1998 and fiscal 1999, enacted in fiscal 1997, appropriated estimated surpluses for fiscal 1998 Indiana and fiscal 1999 for the motor vehicle excise tax and property tax cuts, a reduction of the unfunded liability in the Teachers' Retirement Fund, the state's Year 2000 effort, and state and local road construction.

Maine Surplus funds are used to balance the biennial budget in fiscal 1999.

Maryland Surplus funds may be used to formulate the fiscal 2000 budget.

Massachusetts Other uses include environmental programs. The teachers' endowment was established and funded to upgrade the quality of programs at Massachusetts' institutions of higher education that train elementary and secondary education

teachers.

New York

Minnesota Other uses include property tax reform and property tax recognition shift.

Mississippi The general fund balance is carried forward to subsequent years for budgetary purposes.

Montana Surplus funds remain in the general fund until the 1999 legislative session.

Nevada Priorities for surplus funds are one-time appropriations for state-supported activities, including elementary and

secondary education, higher education, and technology enhancements.

There is no direct identification of where these surplus funds were applied; however, the program areas noted did New Jersey receive increases. Of the total, \$438 in surplus funds was used to support fiscal 1999 appropriations.

Surplus funds are used for an additional payroll cycle in fiscal 1999 and an additional Medicaid cycle in fiscal 1999. North Carolina

Other uses include the Clean Water Management Trust; the Bailey-Emerson-Patton case retiree refund, equal to \$400

million pursuant to a consent order; nonrecurring program funds; and nonrecurring operating expenses.

Ohio Other uses include the school district solvency assistance fund.

Oklahoma General fund collections above the certified estimate are "surplus," which is credited to the rainy day fund.

Puerto Rico Other uses include funding health and welfare services.

South Carolina Other uses include \$81.8 million in undesignated cash surplus.

South Dakota Surplus funds are used to increase the balance in the property tax reduction fund.

Tennessee Surplus funds are used for the following purposes: \$30 million for a one-time bonus and 401K matches; \$6 million for health and human services; \$12 million for automobile registration; \$3 million for disaster relief grants match; and

\$33 million for miscellaneous purposes.

Utah Other uses include wildland fire suppression services.

Other uses include property tax reductions and funding the human services caseload management reserve. Vermont

Other uses are the Water Quality Fund and \$33 million available for appropriation in the 1999 legislative session. Virginia

Washington Other surplus funds are retained for future spending and to cover an economic downturn.

Wisconsin Surplus funds include a required 1 percent balance.

West Virginia Other uses include appropriations to various agencies.

Wyoming Surplus funds are applied to upcoming appropriations.

Other Reserve Funds

Arizona Tobacco taxes were used to support a medically needy services stabilization fund.

Georgia The midyear adjustment reserve is primarily for the elementary and secondary education student count taken each

September.

Hawaii Limited funds are available for the Governor's contingency and major disaster funds.

Indiana Surplus funds are used for the rainy day fund and tuition reserve fund.

Kentucky Applies up to 25 percent of the rainy day fund balance for revenue shortfalls.

A revenue stabilization mineral trust fund to be used as a rainy day fund was established in 1990 but is inactive. A Louisiana

pending referendum would change the name of the fund to the budget stabilization fund and deposit 25 percent of

nonrecurring revenue into the fund.

Maryland Surplus funds are used to establish a \$15.7 million reserve for welfare.

Massachusetts

Upon the closing of the fiscal 1998 books by the comptroller, surplus revenues that were not appropriated during the fiscal year are reserved as a carry-forward flow to the rainy day fund (60 percent) and to a capital projects fund (40 percent), as per statute. In fiscal 1998, \$279 million, net of the carry-forward to fiscal 1999, is thus distributed. If the rainy and fundamental to the tax reduction fund. The cap was not

reached in fiscal 1998.

Michigan The budget stabilization fund is the only reserve fund for contingencies. However, a portion of the fund balance,

currently \$572.6 million, is set aside for future expenditures of the school aid fund, which supports elementary and

secondary education throughout the state.

Minnesota Surplus funds are used for a property tax reform account.

Mississippi Surplus funds are used for a working cash stabilization fund established in 1994,

Missouri Surplus funds are used for Medicaid, corrections, welfare, and youth corrections assistance.

The state used surplus funds to create a \$50 million Temporary Assistance for Needy Families (TANF) reserve and Montana

a \$600 million coal trust fund that can be used with a three-quarters vote of the legislature.

Nebraska Excess receipts have been deposited in the rainy day fund since 1996.

New Hampshire Surplus funds are used for an education betterment fund.

The Fiscal 1999 Appropriations Act includes a \$46 million work first contingency fund to cover any increase above the projected welfare caseload, if that should occur. **New Jersey**

New York Surplus funds are used for a contingency reserve fund for litigation costs.

In addition to the statutory reserve for budget stabilization, 6.5 percent of surplus funds goes to the clean water management trust and 3 percent of general fund building replacement value for repairs and renovations. Work first North Carolina

reserve: 25 percent of unexpended state program funds up to \$50 million.

Surplus funds are used for a human services stabilization fund: \$100 million is set aside for human services contingencies. Ohio also has TANF reserves with the federal government. Ohio

Puerto Rico Surplus funds are used for an emergency fund: automatic appropriation of 1 percent of the general fund revenues.

South Dakota Surplus funds are used for a property tax redemption fund, which ensures the state's commitment to provide property

tax relief

Tennessee Surplus funds are used for a Medicaid/TennCare reserve.

Utah The Medicaid transition account was established to lapse all unexpended general funds that are appropriated to the division of health care finance into the account at the end of each fiscal year for use in the future expansion of medical

assistance coverage.

The cost of each capital construction project includes a contingency fund of approximately 5 percent of the project's total construction cost. This contingency fund covers unexpected costs of site preparation and construction, including

emergencies and unforeseen conditions.

The TANF rainy day fund is the amount of the state's federal TANF grant that is unspent and therefore available for

use in future years of the six-year federal grant.

Vermont Surplus funds are used for a human services caseload management reserve and a debt service reserve to reduce

authorized but unissued bonds.

Virginia Surplus funds are used for an economic contingency fund of \$2.0 million and reserves for necessary capital repairs

of \$3.1 million.

West Virginia Surplus funds are used for a rainy day fund and income tax refund reserve.

Surplus funds are used for a legislative royalty impact account and the omnibus land income fund. Wyoming

Appendix

Fiscal 1997 State General Fund, Actual (Millions).

599 125 104 157 400 22 289 2,046 369 12 30 197 53 0 774 161 159 492 556	4,588 5,623 8,334 2,425 5,013 3,033 4,093 25,069 4,679 1,392 997 2,849 461 2,484 49,220 3,161 1,353 4,173 9,070 5,682 \$394,886	48 0 57 -277 0 1 8 0 37 10 0 148	5,187 5,796 8,438 2,640 5,413 3,054 4,105 27,115 5,048 1,405 1,035 3,046 551 2,494 49,994 3,322 1,660 4,666 9,626 5,699	4,613 5,500 8,183 2,457 4,827 2,975 3,880 24,736 4,534 1,392 1,002 2,981 499 2,419 49,088 3,186 1,319 3,866 9,113 5,681	20 0 34 70 0 0 0 0 0 234	574 276 255 149 516 80 225 2,379 514 13 33 65 52 75 906 136 107 800 513 18 9,101	309 8 309 8 NA 79 3,297 0 129 11
599 125 104 157 400 22 289 2,046 369 12 30 197 53 0 774 161 159 492 556	4,588 5,623 8,334 2,425 5,013 3,033 4,093 25,069 4,679 1,392 997 2,849 461 2,484 49,220 3,161 1,353 4,173 9,070	48 0 57 -277 0 1 8 0 37 10	5,187 5,796 8,438 2,640 5,413 3,054 4,105 27,115 5,048 1,405 1,035 3,046 551 2,494 49,994 3,322 1,660 4,666 9,626	5,500 8,183 2,457 4,827 2,975 3,880 24,736 4,534 1,392 1,002 2,981 499 2,419 49,088 3,186 1,319 3,866	0 34 70 0 0 0 0 0 0	276 255 149 516 80 225 2,379 514 13 33 65 52 75 906 136 107 800	309 8 246 309 8 28 NA 79
599 125 104 157 400 22 289 2,046 369 12 30 197 53 0 774 161 159 492	4,588 5,623 8,334 2,425 5,013 3,033 4,093 25,069 4,679 1,392 997 2,849 461 2,484 49,220 3,161 1,353 4,173	48 0 57 -277 0 1 8 0 37 10	5,187 5,796 8,438 2,640 5,413 3,054 4,105 27,115 5,048 1,405 1,035 3,046 551 2,494 49,994 3,322 1,660 4,666	5,500 8,183 2,457 4,827 2,975 3,880 24,736 4,534 1,392 1,002 2,981 499 2,419 49,088 3,186 1,319 3,866	0 34 70 0 0 0 0 0 0	276 255 149 516 80 225 2,379 514 13 33 65 52 75 906 136 107 800	309 8 246 309 8 28 NA 79
599 125 104 157 400 22 289 2,046 369 12 30 197 53 0 774 161 159 492	4,588 5,623 8,334 2,425 5,013 3,033 4,093 25,069 4,679 1,392 997 2,849 461 2,484 49,220 3,161 1,353	48 0 57 -277 0 1 8 0 37 10	5,187 5,796 8,438 2,640 5,413 3,054 4,105 27,115 5,048 1,405 1,035 3,046 551 2,494 49,994 3,322 1,660	5,500 8,183 2,457 4,827 2,975 3,880 24,736 4,534 1,392 1,002 2,981 499 2,419 49,088 3,186 1,319	0 34 70 0 0 0 0	276 255 149 516 80 225 2,379 514 13 33 65 52 75 906 136	309 8 246 309 8 28 NA 79
599 125 104 157 400 22 289 2,046 369 12 30 197 53 0 774 161	4,588 5,623 8,334 2,425 5,013 3,033 4,093 25,069 4,679 1,392 997 2,849 461 2,484 49,220 3,161	48 0 57 -277 0 1 8 0 37 10	5,187 5,796 8,438 2,640 5,413 3,054 4,105 27,115 5,048 1,405 1,035 3,046 551 2,494 49,994 3,322	5,500 8,183 2,457 4,827 2,975 3,880 24,736 4,534 1,392 1,002 2,981 499 2,419 49,088 3,186	0 34 70 0 0 0 0	276 255 149 516 80 225 2,379 514 13 33 65 52 75 906 136	309 8 246 309 8
599 125 104 157 400 22 289 2,046 369 12 30 197 53	4,588 5,623 8,334 2,425 5,013 3,033 4,093 25,069 4,679 1,392 997 2,849 461 2,484 49,220	48 0 57 -277 0 1 8 0 37	5,187 5,796 8,438 2,640 5,413 3,054 4,105 27,115 5,048 1,405 1,035 3,046 551 2,494 49,994	5,500 8,183 2,457 4,827 2,975 3,880 24,736 4,534 1,392 1,002 2,981 499 2,419 49,088	0 34 70 0 0	276 255 149 516 80 225 2,379 514 13 33 65 52 75 906	309 8 246 309 8 28 NA 79
599 125 104 157 400 22 289 2,046 369 12 30 197 53	4,588 5,623 8,334 2,425 5,013 3,033 4,093 25,069 4,679 1,392 997 2,849 461 2,484	-277 0 1 8 0 37	5,187 5,796 8,438 2,640 5,413 3,054 4,105 27,115 5,048 1,405 1,035 3,046 551	5,500 8,183 2,457 4,827 2,975 3,880 24,736 4,534 1,392 1,002 2,981 499	0 34 70 0	276 255 149 516 80 225 2,379 514 13 33 65 52	309 8 246 28 NA 79
599 125 104 157 400 22 289 2,046 369 12 30 197 53	4,588 5,623 8,334 2,425 5,013 3,033 4,093 25,069 4,679 1,392 997 2,849 461	-277 0 1 8 0 37	5,187 5,796 8,438 2,640 5,413 3,054 4,105 27,115 5,048 1,405 1,035 3,046 551	5,500 8,183 2,457 4,827 2,975 3,880 24,736 4,534 1,392 1,002 2,981 499	0 34 70 0	276 255 149 516 80 225 2,379 514 13 33 65 52	309 8 228 NA
599 125 104 157 400 22 289 2,046 369 12 30 197	4,588 5,623 8,334 2,425 5,013 3,033 4,093 25,069 4,679 1,392 997 2,849	-277 0 1 8 0	5,187 5,796 8,438 2,640 5,413 3,054 4,105 27,115 5,048 1,405 1,035 3,046	5,500 8,183 2,457 4,827 2,975 3,880 24,736 4,534 1,392 1,002 2,981	0 34 70 0	276 255 149 516 80 225 2,379 514 13 33 65	309 8 228
599 125 104 157 400 22 289 2,046 369 12 30 197	4,588 5,623 8,334 2,425 5,013 3,033 4,093 25,069 4,679 1,392 997 2,849	-277 0 1 8 0	5,187 5,796 8,438 2,640 5,413 3,054 4,105 27,115 5,048 1,405 1,035 3,046	5,500 8,183 2,457 4,827 2,975 3,880 24,736 4,534 1,392 1,002 2,981	0 34 70 0	276 255 149 516 80 225 2,379 514 13 33 65	309 8 228
599 125 104 157 400 22 289 2,046 369 12 30	4,588 5,623 8,334 2,425 5,013 3,033 4,093 25,069 4,679 1,392 997	-277 0	5,187 5,796 8,438 2,640 5,413 3,054 4,105 27,115 5,048 1,405 1,035	5,500 8,183 2,457 4,827 2,975 3,880 24,736 4,534 1,392 1,002	0 34 70 0	276 255 149 516 80 225 2,379 514 13	309 8
599 125 104 157 400 22 289 2,046 369 12	4,588 5,623 8,334 2,425 5,013 3,033 4,093 25,069 4,679 1,392	48 0 57	5,187 5,796 8,438 2,640 5,413 3,054 4,105 27,115 5,048 1,405	5,500 8,183 2,457 4,827 2,975 3,880 24,736 4,534 1,392	0 34 70	276 255 149 516 80 225 2,379 514	157 68 246 309 8
599 125 104 157 400 22 289 2,046	4,588 5,623 8,334 2,425 5,013 3,033 4,093 25,069 4,679	48 0 57	5,187 5,796 8,438 2,640 5,413 3,054 4,105 27,115 5,048	5,500 8,183 2,457 4,827 2,975 3,880 24,736 4,534	0 34 70	276 255 149 516 80 225 2,379	157 68 246
599 125 104 157 400 22 289 2,046	4,588 5,623 8,334 2,425 5,013 3,033 4,093 25,069	48 0 57	5,187 5,796 8,438 2,640 5,413 3,054 4,105 27,115	5,500 8,183 2,457 4,827 2,975 3,880 24,736	0 34 70	276 255 149 516 80 225	157 68 246
599 125 104 157 400 22 289	4,588 5,623 8,334 2,425 5,013 3,033 4,093	48 0 57	5,187 5,796 8,438 2,640 5,413 3,054 4,105	5,500 8,183 2,457 4,827 2,975 3,880	0 34 70	276 255 149 516 80 225	157 68 246
599 125 104 157 400 22 289	4,588 5,623 8,334 2,425 5,013 3,033 4,093	48 0 57	5,187 5,796 8,438 2,640 5,413 3,054 4,105	5,500 8,183 2,457 4,827 2,975	34	276 255 149 516 80	157 68 246
599 125 104 157 400 22	4,588 5,623 8,334 2,425 5,013 3,033	48 0 57	5,187 5,796 8,438 2,640 5,413 3,054	5,500 8,183 2,457 4,827	34	276 255 149 516	157 68
599 125 104 157 400	4,588 5,623 8,334 2,425 5,013	48 0	5,187 5,796 8,438 2,640	5,500 8,183 2,457	0 34	276 255 149	157 68
599 125 104 157	4,588 5,623 8,334 2,425	48 0	5,187 5,796 8,438	5,500 8,183	0	276 255	157
599 125 104	4,588 5,623 8,334	48 0	5,187 5,796 8,438	5,500 8,183	0	276 255	157
599 125 104	4,588 5,623 8,334	48	5,187 5,796	5,500		276	•
599 125	4,588 5,623		5,187		20		+
599				4 613		E74	
				10,40/	441		501
291		2					210
86		10					0
318							200
		280				735	334
						689	603
						87	0
						23	0
SR.	4 4 4 0						
	645	5	649	639	10	0	25
						82	
		-32		1,870		355	41
				6,482	0		121
				9,551			584
		3	4,066	3,538			430
			4,471	4,014	109	349	430
404		*				<u>02</u> /	
653_	8,804	150	9,607	9.283	3		863
		0	17,504	16,404			1,152
		0	8,367		0		1,152
		0	9,069	7,538	393		466
			19,280	18.474		808	NA
					-10/	403	411
<u>156</u>	16,781	121			-107		
287	33,043				-26		
867							490
379	1 770		2 450				
	171	<u> </u>	771	771	0	0	3:
					0	46	5:
				848	0	. 1	21
				17,645	418		79
				1,769	\$ 27		4 03
				\$ 9,320		\$ 263	\$ 33
• •							
Daignice	revenues	Aajustments	Resources	Expenditures	Adjustments	Balance	Fund
	Povesues	A attack	_			Ending	Budge Stabiliza
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NOTE: NA indicates data are not available.

^{*}See Notes to Table A-1.

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.

Alaska Adjustments reflect insurance settlements.

Arizona Adjustments reflect school capital finance reserve.

California The ending balance includes a budget stabilization fund of \$461 million.

Colorado The ending balance includes a budget stabilization fund of \$166.7 million.

Connecticut Figures include federal reimbursements, such as Medicaid

Delaware The ending balance reflects a budget stabilization fund of \$92.9 million.

indiana Expenditure adjustments include those for "Year 2000" projects, auto excise tax distribution, local property tax relief,

and pensions.

lowa

The beginning balance represents the excess balances in the economic emergency fund more than the 5 percent required by current law. Revenue and expenditures reflect \$69.6 million in gaming revenues diverted to the Rebuild lowa Infrastructure Fund, \$7 million to reduce personal income tax rates, and \$2.2 million in other changes. Expenditures also reflect \$108.9 million in property tax relief for fiscal 1997 and \$15 million for technology assistance

to local schools.

Kansas Revenue adjustments reflect released encumbrances.

Revenue adjustments are continued appropriations carried forward from previous fiscal years. Expenditure Kentucky

adjustments are the continued appropriations reserve.

Louisiana Revenue adjustments include carry-forward balances. Expenditure adjustments include comprehensive annual

financial report reconciliation.

Maine Adjustments are to prior-year transactions and balances.

Massachusetts These figures incorporate data for Massachusetts' three major funds—the general fund, the highway fund, and the local aid fund. Massachusetts uses all three funds in the same manner as most other states, which typically have far

fewer dedicated funds and use just their general fund. Expenditure adjustments are for both unspent, lapsed

appropriations and appropriations continued into the succeeding fiscal year.

Montana Revenue adjustments reflect inventory adjustments. Expenditure adjustments reflect a decrease in inventory.

Nebraska Revenue adjustments are transfers between the general fund and other funds. Expenditure adjustments are

carryovers.

Revenue adjustments reflect revisions from prior years. Expenditure adjustments reflect costs of legislative sessions, Nevada

capital improvement projects, restoration of fund balances, supplemental and one-time appropriations, and

adjustments to prior fund balances.

New Hampshire The balance in the health care transition fund is \$50.8 million.

New Jersey The ending balance includes a budget stabilization fund of \$388.4 million.

New York The ending balance reflects a budget stabilization fund of \$317 million.

North Carolina Revenue adjustments reflect a transfer of \$1.6 million from the reserve for disproportionate share receipts to

availability authorized by the general assembly. Expenditure adjustments are authorized transfers to reserves from the unexpended cash balance, including \$156 million to the intangible tax refund reserve, \$174.3 million to the repair and renovation reserve, \$49.4 million to the clean water management trust fund, and \$61 million to the railroad

purchase reserve.

North Dakota The ending balance includes a budget stabilization fund of \$17 million.

Ohio The general fund includes federal reimbursements for Medicaid, Temporary Assistance for Needy Families, and

several other human services programs. The beginning balance is an undesignated, unreserved fund balance. The actual cash balance would be higher by the amount reserved for encumbrances and various beginning-year transfers in each year. Expenditures do not include encumbrances outstanding at the end of the year. Ohio reports expenditures based on disbursements from the general fund. Expenditure adjustments reflect a transfer to the income tax reduction fund of \$262.9 million, a transfer to the budget stabilization fund of \$34.4 million, a transfer to the SchoolNet Plus fund of \$94.4 million, a transfer to the school building assistance fund of \$250 million, a transfer to the instructional education materials fund of \$35 million, a transfer to the distance-learning fund of \$9.2 million, and other miscellaneous transfers-out totaling \$89.8 million. These transfers-out are adjusted for an estimated net change in

encumbrances from fiscal 1996 levels of \$175.6 million.

Oklahoma Revenue adjustments are for a transfer to the rainy day fund and the cash flow reserve fund.

Total expenditures are based on the biennial budget, prorated 48 percent the first year and 52 percent the second Oregon year. One expenditure adjustment is made for the legislative transfer of general fund from the prior biennium. The "rainy day" fund balance reflects the general purpose emergency fund at the start of the fiscal year. The appropriated

fund balance is also included in total expenditures.

Revenue adjustments include adjustments to the beginning balance (\$2 million) and lapses from the prior-year appropriations (\$119 million). Expenditures reflect the total of the amounts appropriated. Expenditure adjustments include the addition of current year lapses (\$82 million) less the transfer to the rainy day fund (\$189) million, which Pennsylvania

actually occurs in the following fiscal year.

NOTES TO TABLE A-1 (continued)

Rhode Island The general fund reflects general revenue receipts and expenditures only. Total revenues are net transfers to the budget reserve fund.

South Carolina The ending balance reflects a budget stabilization fund of \$127 million.

Revenue adjustments include transfers from the budget reserve fund and obligated cash carried forward. Expenditure adjustments include transfers to the budget reserve fund, property tax relocation fund, and other funds. Also included in expenditures are future obligations against cash. South Dakota

Adjustments include a \$42 million transfer to general fund from the debt service fund unexpended appropriations, a \$6 million transfer to general fund reserves, and a \$20 million transfer to the capital projects fund from general fund revenues. The ending balance includes a budget stabilization fund of \$101 million. Tennessee

Total expenditures include a \$35.12 million transfer to the general fund budget stabilization reserve; a \$4.9 million transfer to the transportation fund; a \$7.0 million transfer to the education fund budget stabilization reserve; and a Vermont \$2.89 million transfer to a debt service reserve.

Revenues reflect \$0.2 million in prior-year redeposits, a \$3.1 million transfer from special revenue, and a \$54 million West Virginia transfer from the budget stabilization fund.

The ending balance reflects a budget stabilization fund of \$9.6 million. Revenue adjustments are interfund transfers Wyoming

from the budget reserve account, the legislative royalty impact account, and the statutory reserve account.

Fiscal 1998 State General Fund, Preliminary Actual (Millions)

	Beginning						Ending	Budget Stabilization
Region/State	Balance	Revenues	Adjustments	Resources	Expenditures	Adjustments	Balance	Fund
NEW ENGLAND								
Connecticut*	\$ O	\$10,142		\$10,142	\$ 9,829		\$ 313	\$ 499
Maine	21	1,975	\$ -11	1,985	1,898	\$ -12	98	92
Massachusetts*	176	17,652	0	17,828	17,234	392	201	972
New Hampshire*	1	964	-4	959	918	0	41	20
Rhode Island*	46	1,961	00	2,007	1,879	0	128	60
Vermont*	0	876	-52	824	876	-52	0	36
MID-ATLANTIC	200						500	
Delaware*	393	2,046		2,439	1,900		539	
Maryland	207	8,029	0	8,236	7,816	0	420	618
New Jersey* New York*	1,108 433	16,679 34,552		17,787	16,662	-12	1,138 638	•
Pennsylvania*	403	17,213	103	34,985	34,347	165	265	654
GREAT LAKES	403	17,213	103	17,719	17,289	105	265	554
Illinois	806	19,984		20,790	19,588		1,202	NA
Indiana*	1,138	8,480	0	9,618	19,566 7,894	404	1,319	496
Michigan	53	8,592	0	8,646	8,646	404 D	1,319	1,113
Ohio*	149	18,138	0	18,287	17,087	1,061	139	907
Wisconsin	327	9,528	445	10,300	9,694	1,061	552	907
PLAINS	ULI	3,02.0	770	10,300	3,034		332	
lowa*	340	4,648	-184	4,804	4,319	45	440	440
Kansas*	528	4,019	4	4,551	3,802		749	0
Minnesota*	1,995	10,365		12,360	10,171		2,189	1,415
Missouri	234	6,650	0	6,884	6,617	0	267	128
Nebraska*	355	2,106	-98	2,363	1,932		431	133
North Dakota*	82	743		825	728		97	•
South Dakota	0	718	6	723	702	21	0	30
SOUTHEAST								
Alabama	23	4,681		4,704	4,669		35	0
Arkansas	0	2,903		2,903	2,844		59	0
Florida	689	16,790		17,479	17,078		401	1,042
Georgia	735	11,671		12,406	11,705		701	351
Kentucky*	284	6,151	254	6,689	5,958	365	0	366
Louisiana	135	5,684	19	5,838	5,838		0	0
Mississippi*	94	2,994		3,088	2,916	13	159	222
North Carolina*	319	11,727	259	12,305	11,436	754	115	523
South Carolina*	574	4,846		5,420	4,904		517	•
Tennessee*	276	5,959	79	6,314	5,912		402 •	•
Virginia	255	8,999	0	9,254	8,822	0	432	215
West Virginia*	149	2,503	26	2,678	2,543	10	125	6 5
SOUTHWEST			_				_	
Arizona*	516	5,263	0	5,779	5,255		523	291
New Mexico	81	3,228		3,309	3,061		248	
Oklahoma*	225	4,341	-193	4,373	4,200	<u>_</u>	174	297
Texas	2,379	27,379	0	29,758	26,733	00	3,025	58
ROCKY MOUNTAIN								
Colorado*	514	5,328		5,842	4,734	297	824	
Idaho*	13	1,482	-13	1,482	1,446	0	36	36
Montana*	30	1,057	17	1,104	1,027		<u>78</u>	NA NA
Utah	65	3,019	0	3,084	3,042	0	42	88
Wyoming*	52	506	26	584	518		66	
FAR WEST	75	1.000	. 200	0.404	2 424		^	2 404
Alaska*	75	1,969	390	2,434 FF F74	2,434		0	3,464
California*	906	54,664 3,333	1	55,571	53,344		2,227	~ .
Hawaii	136	3,232	0	3,368	3,214	0	154	0
Nevada*	107	1,413	30	1,550	1,450	2	99	129
Oregon*	800	4,006		4,806	4,206		599	38
Washington*	513	9,637	0	10,150	9,325	00	825	
TERRITORIES	4.0	6 4 40		0 400	£ 006		70	
Puerto Rico	18 \$18,738	6,148		6,166	6,096 \$410,440		70 \$23,034	34
Total	310,/38	\$417,491		\$437,333	\$410,440		\$23,031	\$14,795

NOTE: NA indicates data are not available.

^{*}See 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.

Alaska

Adjustments reflect insurance settlements.

Arizona

Adjustments reflect school capital finance reserve.

California

The ending balance includes a budget stabilization fund of \$1,782 million. Revenue adjustments reflect adjustments to the beginning balance.

Colorado

The ending balance includes a budget stabilization fund of \$177 million. Revenue adjustments include a \$154.4 million transfer to capital construction and \$142.1 million excess reserve from the Taxpayer Bill of Rights Amendment.

Connecticut

Figures include federal reimbursements, such as Medicaid. Per the state constitution, at the close of the fiscal year, \$161.7 million of the unappropriated surplus will be transferred to the budget reserve fund filling it to its statutory level of 5 percent of net general fund appropriations for fiscal 1999. The remaining \$151.2 million will be used for the retirement of state debt.

The ending balance reflects a budget stabilization fund of \$100.9 million.

Delaware idaho

Revenue adjustments reflect a \$8.5 million transfer to the budget reserve fund, a \$3.5 million transfer to the disaster emergency fund, and a \$1.0 million transfer to the Natural Restoration Fund.

Indiana

Expenditure adjustments include those for "Year 2000" projects, auto excise tax distribution, local property tax relief, and pensions.

lowa

The beginning balance represents the excess balances in the economic emergency fund more than the 5 percent required by current law. Revenue and expenditure adjustments reflect \$79.9 million in gaming revenues diverted to the Rebuild lowa Infrastructure Fund, \$94 million to reduce personal income taxes, \$47.1 million additional revenue because of federal tax legislation, \$10.7 million to reduce inheritance taxes, a \$4 million sales tax reduction on machinery and equipment, a \$33.4 million reduction for mental health institution health funding changes, a \$2.8 million reduction to conform to federal changes, and \$4.1 million in other tax reductions. In addition to the property tax relief enacted in fiscal 1997, expenditures also reflect an additional \$45.3 million enacted for fiscal 1998. The ending balance includes \$1.5 million to be deposited in the cash reserve and economic emergency funds and \$442.2 million to be returned to the general fund in fiscal 1999.

Kansas

Revenue adjustments reflect released encumbrances.

Kentucky

Revenue adjustments are continued appropriations carried forward from previous fiscal years. Expenditure adjustments are the continued appropriations.

Massachusetts

These figures incorporate data for Massachusetts' three major funds—the general fund, the highway fund, and the local aid fund. Massachusetts uses all three funds in the same manner as most other states, which typically have far fewer dedicated funds and use just their general fund. Expenditure adjustments are for both unspent, lapsed appropriations and appropriations continued into the succeeding fiscal year.

Minnesota

Ending balance includes a cash flow account of \$350 million, a budget reserve of \$513 million, and a property tax reserve account of \$552 million. One-time property tax rebates are included in revenues as a reduction to individual income taxes.

Mississippi

Expenditure adjustments reflect statutory additions to the working cash stabilization fund.

Montana

Revenue adjustments reflect inventory adjustments.

Nebraska

Revenue adjustments are transfers between the general fund and other funds. Expenditure adjustments are carryovers.

Nevada

Revenue adjustments reflect revisions from prior years. Expenditure adjustments reflect costs of legislative sessions, capital improvement projects, restoration of fund balances, supplemental and one-time appropriations, and adjustments to prior fund balances.

The balance in the health care transition fund is \$38.2 million. New Hampshire

New Jersey

The ending balance includes a budget stabilization fund of \$500.7 million.

New York

The ending balance reflects a budget stabilization fund of \$400 million.

North Carolina

Revenue adjustments reflect the authorized transfer of \$174.3 million from the reserve for repairs and renovations, \$49.3 from the clean water management trust fund, and 1997-1998 receipts transferred to the reserve for disproportionate share receipts. Expenditure adjustments reflect authorized transfers to statutory reserves, including 3 percent of the replacement value of general fund buildings, estimated at \$145 million, from the repair and renovations reserve; a transfer to meet the statutory balance equal to 5 percent of the preceding year appropriation, estimated at \$21.6 million from the reserve for budget stabilization; and 6.5 percent of the ending cash balance of the clean water management trust fund,

North Dakota

The ending balance includes a budget stabilization fund of \$17 million.

NOTES TO TABLE A-2 (continued)

Ohio

The general fund includes federal reimbursements for Medicaid, Temporary Assistance for Needy Families, and several other human services programs. The beginning balance is an undesignated, unreserved fund balance. The actual cash balance would be higher by the amount reserved for encumbrances and various beginning-year transfers in each year. Expenditures do not include encumbrances outstanding at the end of the year. Ohio reports expenditures based on disbursements from the general fund. Expenditure adjustments reflect a transfer to the income tax reduction fund of \$701.4 million, a transfer to the budget stabilization fund of \$44.2 million, a transfer to the school building assistance fund of \$170 million, a transfer to the school district solvency assistance fund of \$30 million, and other miscellaneous transfers-out totaling \$83.7 million. These transfers-out are adjusted for an estimated net change in encumbrances from fiscal 1997 levels of \$31.7 million.

Oklahoma

Revenue adjustments are for a transfer to the rainy day fund and the cash flow reserve fund.

Oregon

Fiscal 1998 revenues reflect the September 1998 forecast. Revenue adjustments reflect estimated general fund reversions based on agency estimates of lower expectations. Total expenditures are based on biennial budget, prorated 48 percent the first year and 52 percent the second year. One expenditure adjustment is made for legislative transfer of general funds from the prior biennium. The "rainy day" fund balance reflects the general purpose emergency fund at the start of the fiscal year. The appropriated fund balance is also included in total expenditures.

Pennsylvania

Revenue adjustments include adjustments to the beginning balance (-\$400,000) and lapses from prior-year appropriations (\$103 million). Expenditures reflect total amounts appropriated. Expenditure adjustments include the current year lapses (\$59 million) and the transfer to the rainy day fund (\$223 million) that actually occurs in the following fiscal year.

Rhode Island

The general fund reflects general revenue receipts and expenditures only. Total revenues are net transfers to the budget reserve fund.

South Carolina

The ending balance reflects a budget stabilization fund of \$130.4 million.

Tennessee

Revenue adjustments reflect a \$43 million transfer to the general fund from the Tennessee Housing Development Authority reserves and earmarked tax revenue and a \$36 million transfer to the general fund from debt service fund unexpended appropriations. The ending balance includes a budget stabilization fund of \$101 million.

Vermont

Total expenditures include a \$0.92 million transfer to the general fund budget stabilization reserve; a \$1.94 million transfer to the transportation fund; a \$59.1 million transfer to the education fund budget stabilization reserve; a \$13.03 million transfer to a debt service reserve; and a \$7.39 million transfer to the human services caseload management reserve.

Expenditure adjustments reflect education reform revenues that offset a concomitant amount of expenditures, both of which are reflected in the newly created education fund in fiscal 1999.

Washington

The ending balance reflects a budget stabilization fund of \$300.2 million.

West Virginia

Revenues reflect \$0.2 million in prior-year redeposits, a \$20 million transfer from the income tax refund reserve, and a \$5.4 million transfer from special revenue.

Wyoming

The ending balance reflects a budget stabilization fund of \$22.3 million. Revenue adjustments are interfund transfers from the budget reserve account, the legislative royalty impact account, and the statutory reserve account.

Fiscal 1999 State General Fund, Appropriated (Millions)

Region/State	Beginning Balance	Revenues	Adjustments	Resources	Expenditures	Adjustment	Ending s Balance	Budget Stabilization
NEW ENGLAND						Adjustments	o Dalalice	Fund
Connecticut* Maine	\$ 0	\$ 9,992		\$ 9,992	\$ 9,972		\$ 20	\$ 499
Massachusetts*	98		\$ 80	2,187	2,167		20	99
New Hampshire*	201	18,357	0	18,558	18,385	\$ 32	141	1,032
Rhode Island	41 128	973	-62	952	950	0	2	20
Vermont*	128	1,941 801	0_	2,070	2,044	0	26	63
MID-ATLANTIC		001	0_	801	<u>763</u>	0	38	38
Delaware*	539	2,119		2,658	2.250			
Maryland*	420	7,976	185	8,581	2,256		402	•
New Jersey*	1,138	17,301		18,438	8,464 17,739	0	117	635
New York*	638	37,810		38,448	36,779		700 1,669	
Pennsylvania*	265	17,854		18,119	17,994	19	106	707
GREAT LAKES							100	707
illinois +	1,202	21,384		22,586	21,386		1,200	N/A
Indiana*	1,319	8,716		10,035	8,443	446	1,146	<u>NA</u> 511
Michigan Ohio*	0	8,803	0	8,803	8,792	. 0	11	1,133
Wisconsin	139 552	18,784	0	18,923	18,478	50	395	939
PLAINS		9,538	151	10,241	10,048	0	193	0
lowa*	438	4,775	-407					
Kansas	749	3,968	-407	4,805	4,509	7	289	436
Minnesota*	2,189	10,613		4,717	4,193		524	0
Missouri	267	6,704	0	12,802 6,971	11,375		1,427	1,294
Nebraska*	431	2,103	-28	2,506	6,905 2,229	0 -137	66	136
North Dakota*	97	742		839	761	-13/	141 78	146
South Dakota	0	739	16	755	734	16	4	35
SOUTHEAST							<u> </u>	
Alabama Arkansas*	35	4,822		4,857	4,828		29	0
Florida	0	2,992	54	3,046	3,009		37	0
Georgia*	401 701	17,701		18,102	18,059		43	1,141
Kentucky*	366	12,201 6,239	-352	12,550	12,550		0	366
Louisiana*	0	5,803	200 4	6,805	6,547	170	58	230
Mississippi*	159	3,049	0	5,807 3,208	5,805		2	0
North Carolina*	115	12,369	683	<u>3,208</u> <u>13,167</u>	3,119 12,519	12	77	234
South Carolina*	517	5,005	-354	5,168	4.804	647	0	523
Tennessee*	402	6,158		6,560	6,320	13	364	*
Virginia	432	9,514	0	9,946	9,923	0	227 22	200
West Virginia*	125	2,587	15	2,728	2,721	5	2	339 66
OUTHWEST	_					<u>-</u>		00
Arizona*	523	5,492	-128	5,887	5,874		13	385
New Mexico Oklahoma*	247	3,149		3,396	3,147		249	•
Texas*	174	4,566	-30	4,710	4,484		226	297
OCKY MOUNTAIN	3,026	27,260	320	30,606	26,906	0	3,700	61
Colorado*	824	5,570						
Idaho	36	1,597	-2	6,394	5,282	691	421	•
Montana*	21	1,028	14	1,631 1,062	1,611	0	20	36
Utah	42	3,196	0	3,237	1,038 3,237	0	25	NA NA
Wyoming*	66	481	50	597	518	<u></u> 0	<u>0</u> 	99
AR WEST					<u> </u>			
Alaska*	0	1,631	685	2,316	2,316		0	3,015
California*	2,227	56,985	-	59,212	57,262		1,950	0,010
Hawaii Nevadot	154	3,289	0	3,443	3,194	0	249	0
Nevada* Oregon*	<u>80</u>	1,536	21	1,638	1,534	13	92	129
Washington*	599 825	4,351		4,953	4,557	1	395	13
ERRITORIES	825	9,837	0	<u>10,663</u>	9,759	0	904	•
Puerto Rico	70	6,556		6 600	6.000			•
otal	\$22,949	\$432,407		6,626 \$456,474	6,626 \$436,289		0	24
		7		¥700,7/7	+400,203	(\$17,897	\$14,655

NOTE: NA indicates data are not available.

^{*}See 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.

Alaska Adjustments reflect insurance settlements.

Arkansas A balanced budget reserve fund was created by the 81st General Assembly and consists of one-time monies for

agency operations.

Arizona Adjustments reflect school capital finance reserve.

California The ending balance includes a budget stabilization fund of \$1,255 million.

Colorado The ending balance includes a budget stabilization fund of \$187.7 million. Revenue adjustments include a \$162 million

additional capital construction transfer and \$528.8 million excess from the Taxpayer Bill of Rights Amendments.

Connecticut Figures include federal reimbursements, such as Medicaid.

Delaware The ending balance reflects a budget stabilization fund of \$114.1 million.

Georgia Revenue adjustments reflect the impact of the phaseout on the sales tax on groceries and the increase in the standard

deduction.

Indiana Expenditure adjustments include those for "Year 2000" projects, auto excise tax distribution, local property tax relief,

and pensions.

lowa

The beginning balance represents the excess in the economic emergency fund more than the 5 percent required by current law. Revenue and expenditure adjustments reflect \$89.4 million in gaming revenues diverted to the Rebuild lowa Infrastructure Fund, \$126.6 million to reduce personal income taxes, \$82.3 million to reduce personal income taxes, a \$34.4 million reduction in inheritance taxes, a \$26.1 million reduction for mental health institution funding changes, \$18.5 million reduction in revenue because of federal tax legislation, a \$15 million reduction in the sales tax to exempt the Internet, and \$0.9 million in other tax reductions. In addition to the tax relief for fiscal 1997 and fiscal 1998, expenditures also reflect an additional \$7.4 million for fiscal 1999 recommended by the Governor. The ending balance includes \$1.5 million to be deposited in the cash reserve fund. \$14.3 million to be set aside in an economic balance includes \$1.5 million to be deposited in the cash reserve fund, \$14.3 million to be set aside in an economic

emergency fund, and \$260.1 million to be returned to the general fund in fiscal 2000.

Revenue adjustments are continued appropriations carried forward from previous fiscal years. Expenditure adjustments are the continued appropriations reserve. A portion of the reserve for the surplus expenditure plan is an Kentucky

additional \$30 million for the budget reserve trust fund.

Louisiana The tax change has been adopted into the official revenue forecast as of August 7, 1998.

Maryland Revenue adjustments reflect a transfer from the budget stabilization fund.

Massachusetts These figures incorporate data for Massachusetts' three major funds—the general fund, the highway fund, and the

local aid fund. Massachusetts uses all three funds in the same manner as most other states, which typically have far fewer dedicated funds and use just their general fund. Expenditure adjustments are for both unspent, lapsed

appropriations and appropriations continued into the succeeding fiscal year.

Minnesota Ending balance includes a cash flow account of \$350 million, a budget reserve of \$613 million, and a property tax reserve account of \$331 million. One-time property tax rebates are included in revenues as a reduction to individual

income taxes.

Mississippi Expenditure adjustments reflect statutory additions to the working cash stabilization fund.

Montana Revenue adjustments reflect inventory adjustments.

Nebraska Revenue adjustments are transfers between the general fund and other funds. Expenditure adjustments are

carryovers.

Nevada Revenue adjustments reflect revisions from prior years. Expenditure adjustments reflect costs of legislative sessions,

capital improvement projects, restoration of fund balances, supplemental and one-time appropriations, and

adjustments to prior fund balances.

New Hampshire The balance in the health care transition fund is \$38.2 million.

New Jersey The ending balance includes a budget stabilization fund of \$500.7 million.

New York The ending balance reflects a budget stabilization fund of \$400 million.

North Carolina

Revenue adjustments reflect reserves authorized for expenditure in fiscal 1999, including use of unexpended fiscal 1998 appropriations for public infrastructure of \$55 million, repair and renovations of \$145 million, clean water management trust fund of \$47.4 million, refunds to state and federal retirees per consent order of \$400 million, and disproportionate share reserve of \$35.4 million. Expenditure adjustments reflect repair and renovation appropriations of \$145 million, clean water management trust fund appropriations of \$47.4 million, refunds to state and federal retirees per consent order appropriations of \$400 million, and the authorized expenditure of reserve-public

infrastructure of \$55 million.

North Dakota The ending balance includes a budget stabilization fund of \$17 million.

NOTES TO TABLE A-3 (continued)

Ohio

The general fund includes federal reimbursements for Medicaid, Temporary Assistance for Needy Families, and several other human services programs. The beginning balance is undesignated, unreserved fund balance. The actual cash balance would be higher by the amount reserved for encumbrances and various beginning-year transfers in each year. Expenditures do not include encumbrances outstanding at the end of the year. Ohio reports expenditures based on disbursements from the general fund. Expenditure adjustments reflect a projected transfer to the budget stabilization fund of \$32.2 million and projected other miscellaneous transfers-out of \$66.2 million. These transfers-out are adjusted for an estimated net change in encumbrances from fiscal 1998 levels of -\$48.4 million.

Oklahoma

Revenue adjustments are for a transfer to the rainy day fund and the cash flow reserve fund.

Oregon

Fiscal 1999 revenues reflect the September 1998 forecast. Revenue adjustments reflect estimated general fund reversions, based on agency estimates of lower expectations. Total expenditures are based on the biennial budget, prorated 48 percent the first year and 52 percent the second year. One expenditure adjustment is made for legislative transfer of general fund from the prior biennium. The rainy day fund balance reflects the general purpose emergency fund at the start of the fiscal year. The appropriated fund balance is also included in total expenditures.

Pennsylvania

Expenditures reflect total amounts appropriated. Expenditure adjustments include the projected transfer to the rainy day fund (\$19 million) that actually occurs in the following fiscal year.

Rhode Island

The general fund reflects general revenue receipts and expenditures only. Total revenues are net transfers to the budget reserve fund. Fiscal 1999 includes reappropriations recommended by the Governor from fiscal 1998.

South Carolina

The ending balance reflects a budget stabilization fund of \$137.7 million. The Fiscal 1999 Appropriation Act contains a provision that creates the Trust Fund for Tax Relief and transfers \$354.3 million to the general fund for various property tax relief initiatives.

property tax relief initiatives.

Tennessee

Expenditure adjustments reflect a \$13 million transfer to capital projects fund from general fund revenues. The ending balance includes a budget stabilization fund of \$127 million.

Texas

Revenue adjustments reflect a delay in the transfer of motor fuels tax collections out of general revenue into the highway fund.

Vermont

Total expenditures include a \$1.66 million transfer to the general fund budget stabilization reserve; a \$.54 million transfer to the transportation fund; a \$1.0 million transfer to the education fund budget stabilization reserve; and a \$2.0 million transfer to a debt service reserve.

Washington

The ending balance reflects a budget stabilization fund of \$321 million.

West Virginia

Revenues reflect \$0.1 million in prior-year redeposits, a \$7.5 million transfer from the budget stabilization fund, and a \$7.5 million transfer from the income tax refund reserve.

Wyoming

The ending balance reflects a budget stabilization fund of \$50.2 million. Revenue adjustments are interfund transfers from the budget reserve account, the legislative royalty impact account, and the statutory reserve account.

Nominal Percentage Expenditure Change, Fiscal 1998 and Fiscal 1999**

	Fiscal	Fiscal
Region/State	1998	1999
NEW ENGLAND		
Connecticut	5.5%	1.5%
Maine Massachusetts	7.3 -2.3	14.2 6.7
New Hampshire	8.2	3.5
Rhode Island	6.1	8.8
Vermont*	13.6	-12.9
MID-ATLANTIC Delay/are	7.6	18.8
Maryland	6.0	8.3
New Jersey	5.1	6.5
New York	4.4	7.1
Pennsylvania GREAT LAKES	4.5	4.1
Illinois	6.0	9.2
Indiana	4.7	6.9
Michigan	4.0	1.7
Ohio* Wisconsin	4.2 7.4	81
PLAINS	1.4	3.7
lowa	.5.8	4.1
Kansas	7.5	10.3
<u>Minnesota</u>	6.5	11.8
Missouri Nebraska	2.1 3.3	<u>4.4</u> 15.4
North Dakota	6.3	15,4 4,5
South Dakota	9.9	4.6
SOUTHEAST		
Alabama	4.3	3.4
Arkansas Florida	5.9 10.6	<u>5.8</u> 5.7
Georgia	6.0	7.2
Kentucky	5.5	9.9
Louisiana	<u>0.0</u>	-0.6
Mississippi North Carolina	2.2	7.0 9.5
South Carolina	9.3 6.3	-2.0
Tennessee	7.5	6.9
Virginia	7.8	12.5
West Virginia SOUTHWEST	3.5	7.0
Arizona	8.9	11.8
New Mexico	2.9	2.8
Oklahoma	8.2	6.8
Texas	8.1	0.6
ROCKY MOUNTAIN Colorado	4.4	11.6
idaho*	3.9	11.4
Montana	2.5	1.1
Utah	2.0	6.4
Wyoming FAR WEST	3.9	0.0
Alaska	0.6	-4.0
California	8.7	7.3
<u> Hawaii</u>	0.9	-0.6
Nevada	9.9	5.8
Oregon Washington	8.8	8.3
TERRITORIES	2.3	4.7
Puerto Rico	7.3	8.7
Average	5.7%	6.3%

NOTES: See Notes to Table A-4.

**Fiscal 1998 reflects changes from fiscal 1997 expenditures (actual) to fiscal 1998 expenditures (preliminary actual). Fiscal 1999 reflects changes from fiscal 1998 expenditures (preliminary actual) to fiscal 1999 expenditures (appropriated).

idaho

Approximately one third of the fiscal 1999 budget increase can be attributed to an accounting change. In that year, \$54.7 million in property tax relief was shifted from a sales tax diversion to a general fund appropriation.

Ohio

The fiscal 1998 and fiscal 1999 growth rates reflect actual fiscal 1998 spending levels substantially below originally budgeted levels.

Vermont

These percentage figures are based on fiscal 1998 expenditures that include a \$59 million transfer to the education fund and other general fund appropriations that will become a separate education fund in fiscal 1999.

TABLE A-5

Region/State	Across- the-Board	Merit	Other	Notes
NEW ENGLAND				
Connecticut	2.1%	2.1%		The across-the-board percentage increase average is based on a range from 1.5 percent to 3 percent. Employees who are not at the maximum step of the range for their salary groups are eligible for anniversary increases.
Maine	2.0%	1.4%	***	Merit is a weighted average. Employees who reach the top step in their range do not receive further merit increases.
Massachusetts	•			Collective bargaining agreements covering 90 percent of classified employees, excluding those in public higher education, provide for across-the-board increases effective during fiscal 1999 averaging 3.3 percent, in addition to various bonuses and other economic benefits. Most classified employees are eligible for annual increases that are tied to performance evaluations.
New Hampshire	*	•	•	The total increase is 5 percent.
Rhode Island	3.0%			
Vermont	3.0%		•	An across-the-board increase of 3 percent is effective July 1998. Per the contract, about 60 percent of employees receive step increases annually, in aggregate worth about 1.8 percent of statewide salary costs.
MID-ATLANTIC				
Delaware	3.0%			A 3 percent raise for each state employee is provided, unless the employee is near or above maximum salary. In that case, the employee's salary is increased a percentage to move to the maximum or 1.5 percent, whichever is greater. An additional \$400 is provided for each employee below the maximum or the amount that would increase his or her salary to maximum, whichever is less. The minimum salary is \$15,000.
Maryland	*	***	***	3.5 percent was the estimated average of a phased-in flat rate adjustment of \$900 in July 1998 and \$375 in January 1999.
New Jersey	*			Across-the-board represents a \$1,365 annualized raise (\$840 in July 1998 and \$525 in January 1999).
				Union employees are eligible for incremental step or anniversary increases ranging from 3.7 percent to 5.0 percent of salary depending on step in the range, for up to eight years in a given range.
New York	3.5%	1.0%		Most state employees will receive a 3.5 percent across-the-board increase in October 1998. A small number of state employees will receive a 3.0 percent general salary increase in October 1998.
Pennsylvania	3.0%		2.2%	Most employees received a 3 percent across-the-board increase effective on July 1, 1998. Those employees who are not at the maximum pay step will receive a 2.2 percent longevity increase effective January 1, 1999.

Region/State	Across- the-Board	Merit	Other	· Notes		
GREAT LAKES						
Illinois		•	•	This includes a 3 percent cost-of-living adjustment for bargaining unit employees and an average increase of 3 percent for merit employees. Additionally, eligible bargaining unit employees will receive an average step increase of 4.2 percent on their anniversaries.		
Indiana	*		***	Increases are based on an employee's current pay level and range from 4 percent to 8 percent, for an overall increase of 4.7 percent.		
Michigan	3.0%			Nonrepresented employees will receive a \$150 lump sum paym Uniformed police command officers will receive a \$175 cleaning alloward nonuniformed police command officers will receive a \$300 clot allowance. Benefit changes include increases in state health deductibles and a raise in the annual out-of-pocket maximum for represented employees.		
Ohio •	3.0%		2.0%	"Other" represents the average step increase for state employees. Steps are usually 4 percent, but only about 50 percent of the state's workforce is estimated to be eligible for step increases in any given year.		
Wisconsin	3.0%		1.5%	Performance Recognition Award (PRA) amounts are available for eligible employees. Awards may be made any time during the year based on merit. The total annual pay increase from across-the-board increases and a PRA may not exceed 10 percent.		
PLAINS				mey not exceed to percent.		
lowa	3.0%	0.8%				
Kansas	1.5%		2.5%	The 2.5 percent under "other" is for step movement on the pay matrix.		
Minnesota	3.0%	0.5%	0.1%	· ·		
Missouri	1.0%		3.0%	"Other" is a marketplace within-grade increase given to successful employees with at least eighteen months of service who are not at the top of their pay range. Individuals who are two steps or more below marketplace get two steps (average 2 percent per step). Individuals who are one step below, at, or above the marketplace receive a one step increase.		
Nebraska	•			The collective bargaining agreement includes an increase of 2.75 percent for the fiscal year beginning July 1, 1998. All agencies except higher education were funded at that level with a reduction for savings in health insurance costs. Higher education salaries were funded at 3 percent.		
North Dakota	3.0%			The average increase is 3 percent, with \$30 across the board and the remaining amount used for merit and equity increases.		
South Dakota	3.0%	•	2.5%	"Other" represents movement to job worth for employees who are below the midpoint of their job class. These other salary enhancements are only available to exempt and career service employees.		

TABLE A-6 (continued)

Region/State	Across- the-Board	Merit	Other	Notes
SOUTHEAST				
Alabama	8.0%	5.0%	•	Merit raises are based on employee performance and may range from 0 percent to 5 percent based on actual evaluation. Longevity pay ranges from \$300 to \$600 per employee per year, based on the number of years of state service.
Arkansas	3.2%	***	2.0%	Act 532 of 1997 provides a 3.2 percent increase for all employees on July 1. An additional 2 percent increase was also provided on July 1, after sufficient general revenues were certified by the chief fiscal officer of the state as being available. However, none of these increases may cause an employee's salary to exceed pay level IV of an assigned grade.
				Act 899 of 1997 established the Incentive Pay Program for classified employees. The legislation established uniform performance evaluation categories as well as provided monetary awards ranging from 0 percent to 5.5 percent for an employee's evaluation of exceeds standards should the Governor determine sufficient funds are available to initiate the program.
Florida	•	***	***	Employees with salaries less than \$20,001 receive a \$1,200 increase. Employees with salaries between \$20,001 and \$36,000 receive a \$1,000 increase. Employees with salaries greater than \$36,000 receive a 2.78 percent increase.
Georgia	***		•	Georgia has a pay-for-performance system, with pay increases ranging from 0 percent to 7 percent.
				The increase is 0 percent for those who do not meet expectations, 4.0 percent for those who meet expectations, 5.5 percent for those who exceed expectations, and 7.0 percent for those who far exceed expectations.
				The funding was based on a 2 percent, 83 percent, 10 percent, and 5 percent occurrence rate, respectively. This is based on industry averages for this type of pay-for-performance system.
Kentucky	5.0%		***	
Louisiana		4.0%	***	All eligible employees are eligible to receive an annual merit increase of 4 percent if such merit increases are warranted. Approximately 4 percent of the classified employees have reached their maximum salary and are no longer eligible for merit increases.
Mississippi		***	3.8%	Direct care workers and information technology personnel received special realignments. Other employees received realignments of between \$600 and \$900 annually.
North Carolina	•		***	Pay increases include 8 percent for public school teachers (including incentive supplements) and 8.7 percent for principals and assistant principals; 3 percent plus a 1 percent bonus for university and community college employees; and a 1 percent across-the-board, a 2 percent career growth, and a 1 percent bonus to university SPA and other state employees.
South Carolina	2.5%			The increase is effective July 1, 1998.
Tennessee	2.0%	•••	2.0%	The 2 percent cost-of-living adjustment is effective January 1, 1999. "Other" represents 1 percent for upgrading salaries for correction security, direct health care, highway maintenance, food service, labor and trades, and secretarial classes; and 1 percent for one-time bonus of \$50 per year for up to twenty-five years or \$1,250 with a three-year minimum.
Virginia	***	3.7%		Employees rated "exceptional" or "exceeding expectations" receive a two- step (4.55 percent) increase to their base salary and employees rated as "meets expectations" receive a one-step (2.25 percent) increase. The increase occurs on November 25, 1998.
West Virginia	•	***		State employees receive a \$756 across-the-board pay increase.

Region/State	Across- the-Board	Merit	Other	Notes
SOUTHWEST				
Arizona	***	2.5%	*	The merit pay is funded January 1, 1998, for all employees.
New Mexico		•	*	The increase is an average 3.5 percent variable pay-for-performance salary increase.
Oklahoma	•			This includes a 4 percent across-the-board increase with a minimum of \$1,250 and a maximum of \$2,000, and provides for one half of a dependent's medical insurance or an increase of \$37.50 for those with no dependent health care.
Texas	N/A	N/A	N/A	
ROCKY MOUNTAIN				
Colorado	4.0%	1.9%	400	Only about 40 percent to 45 percent of the workforce is eligible for anniversary increases.
Idaho		5.0%		State employees received no increase in fiscal 1998.
Montana	1.0%	***	1.0%	Employees below the midpoint of the range for their pay grade receive an increase based on years of service. The average for all employees is 2 percent.
Utah		3.5%		·
Wyoming	*			40 percent of general fund reversions are set aside for salary increases, as determined by the compensation commission.

TABLE A-5 (continued)

Region/State	Across- the-Board	Merit	Other	Notes
FAR WEST				
Alaska	•		•	There are no across-the-board increases. Most employees received a 0.4 percent salary increase. However, members of bargaining units for policing officers and general government supervisory personnel (together about 10 percent of total full-time employees) received a 1.5 percent salar increase. Some employees did not receive any salary increase, bargaining instead for higher employer contributions to health insurance premiums.
				Employer health insurance costs per employee increased (from 6 percent to 11 percent) for about 65 percent of employees, varying by bargaining unit. Employer contributions for the other 15 percent of employees remains unchanged from fiscal 1998.
California	•	•	•	Of the twenty-one bargaining units for state employees, four bargaining units representing approximately 31,891 employees have reached agreements for fiscal 1999. Two of the bargaining units representing approximately 4,355 employees are scheduled to receive general salary increases of 3 percent, the possibility of an additional merit increase of either 5 percent or 10 percent, and other recruitment and retention incentives in fiscal 1999. Two other bargaining units, representing approximately 27,536 employees, are scheduled to receive a general salary increase of 5 percent, an employer contribution of 2 percent of their salary into a defined contribution plan, and other recruitment and retention incentives in 1998-1999. No increase has been adopted for all remaining employees.
				Merit salary increases of 5 percent are available to employees performing successfully and within an established salary range. Once an employee reaches the maximum within an established salary range for a position, additional merit adjustments are not possible. Except for the 4,355 employees identified above, and specific program areas, additional merit salary adjustments for all other employees will not be separately funded in 1998-1999.
Hawaii		•	•	An agreement was reached for two bargaining units for retroactive increases back to fiscal 1996 and fiscal 1997; for other units, an agreement was reached for a 5.06 percent increase over fiscal 1998 and fiscal 1999; however, the 1998 legislature adjourned without approving funds for the increase. The cost items will be resubmitted to the 1999 legislature.
Nevada	3.0%	4.2%		All employees received a 3 percent across-the-board increase. Those employees not at the maximum allowed and who receive a standard or above-performance evaluation received a merit increase.
Oregon	3.0%	1.3%	3.0%	The average across-the-board increase applies to all employees. In addition to these increases, step ("merit") increases are funded in agency budgets. About one half of all state employees are expected to be eligible for merit increases of an average 5 percent per year. The merit increases take effect on an individual employee's salary eligibility date, which means the statewide increase for a given year is about 1.25 percent. The other category reflects various selective increases that were made to specific job classifications (e.g., information technology class) that were below market.
Vashington				
ERRITORIES				
uerto Rico				The fiscal 1999 budget includes funding to cover the Christmas bonus adjustment of 6 percent of base salary, up to \$8,000 per year.

Region/State	Across- the-Board	Merit	Other	Notes
FAR WEST				
Alaska	•	•••	•	There are no across-the-board increases. Most employees received a 0. percent salary increase. However, members of bargaining units for polic officers and general government supervisory personnel (together about 10 percent of total full-time employees) received a 1.5 percent salar increase. Some employees did not receive any salary increase, bargaining instead for higher employer contributions to health insurance premiums.
				Employer health insurance costs per employee increased (from 6 percento 11 percent) for about 65 percent of employees, varying by bargaining unit. Employer contributions for the other 15 percent of employees remains unchanged from fiscal 1998.
California	•	•	•	Of the twenty-one bargaining units for state employees, four bargaining units representing approximately 31,891 employees have reached agreements for fiscal 1999. Two of the bargaining units representing approximately 4,355 employees are scheduled to receive general salary increases of 3 percent, the possibility of an additional merit increase of either 5 percent or 10 percent, and other recruitment and retention incentives in fiscal 1999. Two other bargaining units, representing approximately 27,536 employees, are scheduled to receive a general salary increase of 5 percent, an employer contribution of 2 percent of their salary into a defined contribution plan, and other recruitment and retention incentives in 1998-1999. No increase has been adopted for all remaining employees.
				Merit salary increases of 5 percent are available to employees performing successfully and within an established salary range. Once an employee reaches the maximum within an established salary range for a position, additional merit adjustments are not possible. Except for the 4,355 employees identified above, and specific program areas, additional merit salary adjustments for all other employees will not be separately funded in 1998-1999.
Hawaii	•	•	•	An agreement was reached for two bargaining units for retroactive increases back to fiscal 1996 and fiscal 1997; for other units, an agreement was reached for a 5.06 percent increase over fiscal 1998 and fiscal 1999; however, the 1998 legislature adjourned without approving funds for the increase. The cost items will be resubmitted to the 1999 legislature.
Nevada	3.0%	4.2%		All employees received a 3 percent across-the-board increase. Those employees not at the maximum allowed and who receive a standard or above-performance evaluation received a merit increase.
Oregon	3.0%	1.3%	3.0%	The average across-the-board increase applies to all employees. In addition to these increases, step ("merit") increases are funded in agency budgets. About one half of all state employees are expected to be eligible for merit increases of an average 5 percent per year. The merit increases take effect on an individual employee's salary eligibility date, which means the statewide increase for a given year is about 1.25 percent. The other category reflects various selective increases that were made to specific job classifications (e.g., information technology class) that were below market.
Vashington		***		
ERRITORIES				
uerto Rico				The fiscal 1999 budget includes funding to cover the Christmas bonus adjustment of 6 percent of base salary, up to \$8,000 per year.

Number of Filled Full-Time Equivalent Positions at the End of Fiscal 1997 to Fiscal 1999, in All Funds**

	Fiscal	Fiscal	Fiscal	Percent Change,	Percent Change,	includes Higher	State-Administered
Region/State	1997	1998	1999	1997-1999	1998-1999	Education Faculty	Welfare System
NEW ENGLAND							· · · · · · · · · · · · · · · · · · ·
Connecticut	39,550	38,367	41,076	3.86%	7,06%		X
Maine	12,242	12,298	12,325	0.68%	0.22%		X
Massachusetts*		67.011	68,559	5.73%	2.31%	X	Χ
New Hampshire		NA NA	NA NA	NA NA	NANA		
Rhode Island* Vermont*	15,949	<u>15,796</u>	15,986	0.23%	1.20%	X	X
MID-ATLANTIC	7.014	7,158	7,246	3.31%	1.23%		
Delaware*	25,247	25 022	20.740	C 0 404 .			
Maryland	82,680	25,922 70,935	<u>26,746</u>	5.94%	3.18%	X	<u> </u>
New Jersey*	68,628	79,935 69,434	83,404	0.88%	4.34%		X
New York*	228,500	228,700	69,200 228,700	0.83%	-0.34%		
Pennsylvania	85,500	85,520	84,136	-1.60%	0.00%	X	
GREAT LAKES		00.020	04,130	-1.00%	-1.62%		X
Illinois	67,134	NA	NA	NA	NA		v
Indiana	36,594	38,104	37,832	3.38%	-0.71%		X
Michigan	54,978	55,769	55,798	1.49%	0.05%		. X
Ohio	61,923	61,795	62,000	0.12%	0.33%		X
Wisconsin	62,981	63,204	63,656	1.00%	0.72%		
PLAINS	7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7	77177		1.00 %	0.72.8		
lowa	21,790	22,148	23,698	8.76%	7.00%		
Kansas	43,302	42,645	42,197	-2.55%	-1.05%	X	Х
Minnesota	32,946	32,784	33,000	0.16%	0.66%		
Missouri*	55,656	57,296	59,723	7.31%	4.24%		X
Nebraska	15,636	15,802	NA	NA	NA		- x
North Dakota	11,696	11,706	11,382	-2.68%	-2.77%	X	
South Dakota	13,181	12,954	12,842	-2.57%	-0.86%	X	X
SOUTHEAST							
Alabama	35,721	34,567	34,567	-3,23%	0.00%		X
Arkansas	27.323	26,968	26,968	-1.30%	0.00%		
Florida	125,478	125,401	127,331	1.48%	1.54%		X
Georgia	90.788	87,402	91,270	0,53%	4.43%	X	X
Kentucky	33,831	34,163	38,299	13.21%	12.11%		X
Louisiana	58,429	59,552	59,459	1.76%	-0.16%		X
Mississippi	29,643	30,211	30,815	3.95%	2.00%		X
North Carolina	243,925	245,958	250,278	2.60%	1.76%	×	X
South Carolina	68,292	68,872	68,872	0.85%	0.00%	X	x
Tennessee	41.121	39,983	39,983	-2.77%	0.00%		X
Virginia*	94,253	96,900	99,146	5.19%	2.32%	X	
West Virginia	31.159	30,912	31,367	0.67%	1.47%	X	X
SOUTHWEST							
Arizona	60,117	62,724	63,961	6.40%	1.97%	X	X
New Mexico	23.215	22,989	22,884	-1.43%	-0.46%		X
Oklahoma*	40,312	38,634	31,634	-21.53%	-18.12%		
Texas	264,944	265.342	265,024	0.03%	-0.12%	X	
ROCKY MOUNTAIN		05 400			70 400		
Colorado*	24,336	<u>25,486</u>	43,884	80.33%	72.19%	X	
Idaho	16,309	16,514	16,769	2.82%	1.54%	X	X
Montana Utah	9,995	10,194	10,235	2.41%	0.40%		X
	18,669 13,500	19,417	19,626	5.13%	1.08%		X
FAR WEST	12,500	12,511	13,438	7.50%	7.41%	X	X
Alaska	17,454	17,397	17 451	0.020	0.210	v	
California	271,966	281,675	17,451	-0.02% 4.31%	0.31%		X
Hawaii	40,744		283,679 41,589	4.31%	0.71%	Ž	
Nevada	19,164	41,603 20,198	41,588 20,336	2.07%	-0.04%	- X	<u>x</u>
Oregon	41.925		20,336	6.12%	0.68%	, X	<u> </u>
Washington	93,682	43,914 95,029	43,943 96 198	4.81% 2.69%	0.07%	X	- X
TERRITORIES	33,002	33,023	96,198	4.0976	1.23%	X	X
Puerto Rico	240,703	235,594	228,690	-4.99%	-2.93%	~	~
Total	. 2,943,263	2,898,863	2,928,510	2.4%		X	X
1 V M I	. 2,070,200	2,000,000	L,320,0 10	4.77	1.6%	44	. 36

NOTES: NA indicates data are not available.

^{*}See Notes to Table A-6.

^{**}Unless otherwise noted, fiscal 1997 reflects actual figures, fiscal 1998 reflects preliminary actual figures, and fiscal 1999 reflects appropriated figures.

Colorado Full-time positions include higher education faculty for fiscal 1999.

Delaware Full-time positions include those in public education as well as in higher education.

Massachusetts Full-time equivalent figures reflect budgetary funds only. The fiscal 1999 figure reflects the September 1998 actual

Missouri Figures reflect appropriated full-time equivalent positions.

New Jersey Figures reflect full-time employees, not equivalents, and include the county courts.

Full-time equivalent figures reflect end-of-year counts for annual and nonannual salaried full-time equivalent employees in the executive, legislative, and judicial branches. New York

The state's welfare system is state-supervised but locally administered.

Oklahoma The large percentage decrease is primarily because of the privatization of the university hospital that occurred in January 1998. The hospital employees are no longer state employees.

Rhode Island Figures reflect an authorized position cap.

Vermont Positions include those in the executive, judicial, and legislative branches.

Virginia A statewide hiring freeze is still in effect.

Fiscal 1998 Tax Collections Compared With Projections Used in Adopting Fiscal 1998 Budgets (Millions)*

Region/State		Sai	Sales Tax		Income Tax	Corporate	Corporate Income Tax		
Region/State		Original	Current				·	Total	
Connecticut \$2,695		Estimate	Estimate						
Massachusetts 2,876 2,963 7,162 8,032 900 1,067 H									
Massachusetts							\$ 664	Н Н	
New Hampshire NA									
Rhode Island 504 530 635 724 63 772 772 772 772 772 773 772 773 773 774 774 775 77			the same of the sa						
Vermont*									
MID-ATLANTIC NA									
Maryland		. 104	130	524	300	45	51	Н	
Maryland	Delaware	NA	NA	708	761	03	95	u	
New Jersey	Maryland								
New York*		4,550	4,748						
Pennsylvania									
Illinois 5,140 5,274 6,375 6,847 1,100 1,136 H Indiana 3,263 3,251 3,362 3,435 1,040 1,016 H Indiana 3,263 1,465 1,447 4,541 4,690 2,390 2,290 H Ohio 5,170 5,266 5,645 6,213 1,160 1,197 H Wisconsin 3,000 3,047 4,920 5,047 6,45 627 H Indiana 1,320 1,272 2,145 2,288 295 291 T Kansas 1,290 1,352 1,522 1,742 2330 282 H Minnesota 3,199 3,216 4,160 4,525 697 782 H Indiana 1,270 1,686 3,531 3,765 510 449 H North Dakota 321 320 163 178 45 66 H South Dakota 321 320 163 178 45 66 H South Dakota 321 320 163 178 45 66 H South Dakota 1,270 1,249 1,710 1,760 190 196 H Arkansas 1,452 1,466 1,465 1,570 238 272 H Florida 1,268 1,2975 NA NA NA NA H Georgia 4,102 4,070 5,104 1,750 238 272 H Florida 1,268 1,2975 NA NA NA 1,286 1,386 H Georgia 4,102 4,070 5,103 1,268 1,386 H Mississippi 1,183 1,228 841 686 1,570 238 272 H Mississippi 1,183 1,228 841 686 153 304 H Louislana 1,976 1,981 2,208 2,428 309 334 H Louislana 1,903 1,919 4,811 5,405 385 346 H West Virginia 1,903 1,919 4,811 5,405 385 341 H West Virginia 1,903 1,919 4,811 5,405 385 44 North Carolina 3,249 3,255 5,46 1,860 1,865 1,468		6,146	6,152	5,820					
Indiana		_	_						
Michigan					6,847	1,100	1,136	н	
Chic 5,170 5,266 5,645 6,213 1,160 1,197 H								Н	
Wisconsin 3,000 3,047 4,920 5,047 645 627 H									
Decoration Plants Plants									
Name		3,000	3,047	4,920	5,047	645	627	Н	
Minnesota 1,290 1,352 1,522 1,242 230 282 H		1 320	1 272	2 4 45	2.200	205	201	_	
Minnesota 3,199 3,216 4,150 4,525 597 752 H Missouri 1,577 1,696 3,531 3,765 510 449 H Missouri 1,577 1,696 3,531 3,765 510 449 H Missouri 1,577 1,696 3,531 3,765 510 449 H Missouri 1,570 3,804 695 982 133 142 H Missouri 386 389 NA NA NA NA NA NA MA MA									
Missouri			3 216						
North Dakota 193 804 895 992 133 142 H					3 765				
North Dakota 321 320 163 178 45 666 H									
South Dakota 386 389	North Dakota								
Alabama		386	389	NA					
Arkansas 1,452 1,466 1,496 1,570 238 272 H Florida 12,808 12,975 NA NA 1,286 1,396 H Georgia 4,102 4,070 5,192 5,317 725 762 T Kentucky 1,976 1,981 2,208 2,428 309 334 H Louisiana 1,959 2,010 1,338 1,412 381 366 H Mississippi 1,183 1,228 841 888 284 286 H North Carolina 3,249 3,255 5,547 6,029 680 696 H South Carolina 1,706 1,742 2,019 2,088 225 194 H Tennessee* 4,070 4,103 128 160 918 914 H Virginia 1,903 1,919 4,811 5,405 396 4551 H West Virginia 802		******					,,,,		
Arkansas 1,452 1,466 1,496 1,570 238 272 H Florida 12,808 12,975 NA NA 1,286 1,396 H Georgia 4,102 4,070 5,192 5,317 725 762 T Kentucky 1,976 1,981 2,208 2,428 309 334 H Louisiana 1,959 2,010 1,338 1,412 381 386 H Mississippi 1,183 1,228 841 888 284 286 H North Carolina 3,249 3,255 5,547 6,029 680 696 H South Carolina 1,706 1,742 2,019 2,088 225 194 H South Carolina 1,706 1,742 2,019 2,088 225 194 H Tennessee 4,070 4,103 128 160 918 914 H Virginia 1,903 1,919 4,811 5,405 395 451 H West Virginia 802 794 814 866 153 140 H SOUTHWEST Arizona 2,210 2,375 1,560 1,865 485 540 H New Mexico 1,343 1,340 723 797 160 180 H Oklahoma 1,250 1,245 1,835 1,880 201 223 H Texas 11,775 12,433 NA NA 1,832 1,938 H ROCKY MOUNTAIN Colorado 1,369 1,414 3,030 2,792 271 212 H Idaho 514 497 732 776 123 117 H Montana NA NA 420 444 70 70 70 H Utah 1,280 1,250 1,323 1,346 179 188 H Wyoning 224 225 NA NA NA NA NA NA NA H FAR WEST Alaska NA NA NA A20 444 70 70 70 H Utah 1,280 1,250 1,323 1,346 179 188 H Wyoning 224 225 NA NA NA NA NA NA NA NA H FAR WEST Alaska NA						190	196	н	
Georgia					1,570	238	272		
Rentucky								Н	
Louisiana								T	
Mississippi			1,981						
North Carolina 3,249 3,255 5,547 6,029 680 696 H			2,010						
South Carolina									
Tennessee*				2,347					
Virginia 1,903 1,919 4,811 5,405 395 451 H West Virginia 802 794 814 866 153 140 H SOUTHWEST Arizona 2,210 2,375 1,560 1,865 485 540 H New Mexico 1,343 1,340 723 797 160 180 H Oklahoma 1,250 1,245 1,835 1,880 201 223 H Texas 11,775 12,433 NA NA NA 1,832 1,938 H ROCKY MOUNTAIN 1,369 1,414 3,030 2,792 271 212 H Idaho 514 497 732 776 123 117 H Montana NA NA 420 444 70 70 H Utah 1,280 1,250 1,323 1,346 179 188 H									
West Virginia 802 794 814 866 153 140 H SOUTHWEST Arizona 2,210 2,375 1,560 1,865 485 540 H New Mexico 1,343 1,340 723 797 160 180 H Oklahoma 1,250 1,245 1,835 1,880 201 223 H Texas 11,775 12,433 NA NA 1,832 1,938 H ROCKY MOUNTAIN Colorado 1,369 1,414 3,030 2,792 271 212 H Idaho 514 497 732 776 123 117 H Montana NA NA 420 444 70 70 H Utah 1,280 1,250 1,323 1,366 179 188 H Wyoming 224 225 NA NA NA NA NA NA NA		1.903							
SOUTHWEST									
New Mexico							140		
New Mexico 1,343 1,340 723 797 160 180 H Oklahoma 1,250 1,245 1,835 1,880 201 223 H Texas 11,775 12,433 NA NA NA 1,832 1,938 H ROCKY MOUNTAIN Colorado 1,369 1,414 3,030 2,792 271 212 H Idaho 514 497 732 776 123 117 H Montana NA NA NA 420 444 70 70 H Utah 1,280 1,250 1,323 1,346 179 188 H Wyoming 224 225 NA NA NA NA NA NA NA NA H Alaska NA NA NA NA NA NA 215 254 L California* 17,330 17,715 2	Arizona	2,210	2,375	1,560	1,865	485	540	н	
Oklahoma 1,250 1,245 1,835 1,880 201 223 H Texas 11,775 12,433 NA NA 1,832 1,938 H ROCKY MOUNTAIN Colorado 1,369 1,414 3,030 2,792 271 212 H Idaho 514 497 732 776 123 117 H Montana NA NA 420 444 70 70 H Utah 1,280 1,250 1,323 1,346 179 188 H Wyoming 224 225 NA NA NA NA NA NA H FAR WEST Alaska NA H Hawaii 1,489 1,425 1,047 1,083 55 46 L Nevada 533 513 NA NA NA		1,343	1,340	723		160			
ROCKY MOUNTAIN Colorado		1,250		1,835	1,880		223		
Colorado 1,369 1,414 3,030 2,792 271 212 H Idaho 514 497 732 776 123 117 H Montana NA NA NA 420 444 70 70 H Utah 1,280 1,250 1,323 1,346 179 188 H Wyoming 224 225 NA H H H H H H H H H H H H H H H NA		11,775	12,433	NA NA	NA NA	1,832			
Idaho		4							
Montana NA NA 420 444 70 70 H Utah 1,280 1,250 1,323 1,346 179 188 H Wyoming 224 225 NA <									
Utah 1,280 1,250 1,323 1,346 179 188 H Wyoming 224 225 NA NA NA NA NA NA H FAR WEST Alaska NA NA NA NA NA NA 215 254 L California* 17,330 17,715 25,522 27,450 6,028 5,885 H Hawaii 1,489 1,425 1,047 1,083 55 46 L Nevada 533 513 NA NA NA NA NA L Oregon NA NA 3,235 3,420 322 278 H Washington 4,596 4,657 0 0 0 0 0 H TERRITORIES Puerto Rico 469 461 1,995 2,028 1,402 1,533 H									
Wyoming 224 225 NA NA NA NA NA H FAR WEST Alaska NA NA NA NA NA 215 254 L California* 17,330 17,715 25,522 27,450 6,028 5,885 H Hawaii 1,489 1,425 1,047 1,083 55 46 L Nevada 533 513 NA NA NA NA NA L Oregon NA NA 3,235 3,420 322 278 H Washington 4,596 4,657 0 0 0 0 0 H TERRITORIES Puerto Rico 469 461 1,995 2,028 1,402 1,533 H								H	
FAR WEST Alaska NA NA NA NA 215 254 L California* 17,330 17,715 25,522 27,450 6,028 5,885 H Hawaii 1,489 1,425 1,047 1,083 55 46 L Nevada 533 513 NA NA NA NA NA L Oregon NA NA 3,235 3,420 322 278 H Washington 4,596 4,657 0 0 0 0 H TERRITORIES Puerto Rico 469 461 1,995 2,028 1,402 1,533 H									
Alaska NA NA NA NA 215 254 L California* 17,330 17,715 25,522 27,450 6,028 5,885 H Hawaii 1,489 1,425 1,047 1,083 55 46 L Nevada 533 513 NA NA NA NA NA NA L Oregon NA NA NA 3,235 3,420 322 278 H Washington 4,596 4,657 0 0 0 0 H TERRITORIES Puerto Rico 469 461 1,995 2,028 1,402 1,533 H		447	. 440	INA	NA NA	IVA IVA	NA	n	
California* 17,330 17,715 25,522 27,450 6,028 5,885 H Hawaii 1,489 1,425 1,047 1,083 55 46 L Nevada 533 513 NA NA NA NA NA NA L Oregon NA NA NA NA NA NA NA H Washington 4,596 4,657 0 0 0 0 H TERRITORIES Puerto Rico 469 461 1,995 2,028 1,402 1,533 H		NA	NA	NΔ	NΔ	215	254		
Hawaii 1,489 1,425 1,047 1,083 55 46 L Nevada 533 513 NA NA NA NA NA NA L Oregon NA NA NA 3,235 3,420 322 278 H Washington 4,596 4,657 0 0 0 0 H TERRITORIES Puerto Rico 469 461 1,995 2,028 1,402 1,533 H				25 522					
Nevada 533 513 NA NA NA NA NA L Oregon NA NA NA 3,235 3,420 322 278 H Washington 4,596 4,657 0 0 0 0 H TERRITORIES Puerto Rico 469 461 1,995 2,028 1,402 1,533 H									
Oregon NA NA 3,235 3,420 322 278 H Washington 4,596 4,657 0 0 0 0 H TERRITORIES Puerto Rico 469 461 1,995 2,028 1,402 1,533 H	Nevada							Ī	
Washington 4,596 4,657 0 0 0 0 H TERRITORIES Puerto Rico 469 461 1,995 2,028 1,402 1,533 H		NA	NA					 H	
TERRITORIES Puerto Rico 469 461 1,995 2,028 1,402 1,533 H		4,596							
Total \$134,427 \$136,783 \$149,035 \$157,432 \$33,510 \$34,157								<u> </u>	
	lotal	\$134,427	\$136,783	\$149,035	\$157,432	\$33,510	\$34,157	**	

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, original estimates reflect the figures used when the fiscal 1998 budget was adopted, and current estimates reflect the most recent figures.

^{***}KEY: L=Revenues lower than estimates. H=Revenues higher than estimates. T=Revenues on target.

California Tax collections are for the general fund only.

The personal income tax is capped. The balance is transferred to the Tax Relief Fund for Maine Residents (\$137.2 million in fiscal 1998). Maine

Actual fiscal 1998 reflects an accounting adjustment that artificially reduces the personal income tax revenue value by \$1.9 million. **New York**

Tennessee Tax collections are shared with local governments. The corporate income tax includes the corporate franchise tax.

Fiscal 1998 corporate tax collections include approximately \$7.9 million of revenue associated with property tax reform tax increases destined to be transferred to the education fund in fiscal 1999. Vermont

Fiscal 1998 Tax Collections Compared With Projections Used in Adopting Fiscal 1999 Budgets (Millions)**

	Sale	s Tax	Personal	income Tax	Corporate Income Tax		
Region/State	Fiscal 1998 Fiscal 1999		Fiscal 1998	Fiscal 1999			
NEW ENGLAND			. 1000 7330	Fiscal 1999	Fiscal 1998	Fiscal 199	
Connecticut	\$ 2,772	\$ 2,879	\$ 3,596	\$ 3,400	• •••		
Maine*	791	769	724	759	\$ 664	\$ 586	
Massachusetts	2,963	3,091	8,032	7,598	102	99	
New Hampshire	NA	NA	NA NA	7,398 NA	1,067	1,025	
Rhode Island	530	548	724	731	238	240	
Vermont*	195	196	366	344	72	66	
MID-ATLANTIC				344	51	41	
Delaware	NA	NA NA	761	823			
Maryland	2,161	2,245	4,156	4,188	85	101	
New Jersey	4,748	5,005	5,592	5,933	269	249	
New York"	7,256	7,531	17,759	21,242	1,316	1,423	
Pennsylvania	6,152	6,276	6,236		2,081	2,040	
GREAT LAKES			0,230	6,384	3,998	4,014	
Illinois	5,274	5,480	6,847	** ^~~			
Indiana	3,251	3,263		7,075	<u>1,136</u>	1,140	
Michigan	1,447	1,505	3,435	3,362	1,016	1,040	
Ohio*	5,266	5,490	4,690	4,879	2,290	2,370	
Wisconsin	3,047	3,134	6,213	6,151	1,197	1,112	
PLAINS		J, 1J4	5,047	5,052	627	654	
lowa	1,272	1 334					
Kansas	1,352	1,331	2,288	2,349	291	310	
Minnesota	3,216	1,350	1,742	1,685	282	292	
Missouri	1,696	3,379	4,525	4,699	782	771	
Nebraska		1,625	3,765	3,840	449	505	
North Dakota	804 320	764	982	1,028	142	138	
South Dakota		353	178	169	66	46	
OUTHEAST	389	413	NA	NA	NA	NA.	
Alabama	4 - 4-			•		170	
Arkansas	1,249	1,278	1 <u>,</u> 760	1,843	196	205	
	1,466	1,556	1,570	1,620	272	271	
Florida	12,975	13,814	NA	NA	1,396	1,411	
Georgia	4,070	4,082	5,317	5,225	762	752	
Kentucky	1,981	2,071	2,428	2,505	334	345	
Louisiana	2,010	2,080	1,412	1,496	368	363	
Mississippi	1,228	1,255	888	889	286	308	
North Carolina	3,255	3,350	6,029	6,358	696		
South Carolina	1,742	1,806	2,088	2,215	194	743	
Tennessee*	4,103	4,279	160	155	914	209	
Virginia	1,919	2,032	5,405	5,605		1,004	
West Virginia	794	828	866	892	451	454	
OUTHWEST			000	052	140	170	
Arizona	2,375	2,428	1,865	4 979			
New Mexico	1,340	1,396	797	1,878	540	700	
Oklahoma	1,245	1,323		743	180	185	
Texas	12,433	12,248	1,880	2,002	223	227	
OCKY MOUNTAIN		14,470	NA NA	NA NA	1,938	1,902	
Colorado	1,414	AtA	0.700				
Idaho*	497	NA 576	2,792	NA NA	212	NA NA	
Montana	NA NA		776	811	117	121	
Utah		NA 1 204	444	440	70	70	
Wyoming	1,250	1,301	1,346	1,478	188	190	
R WEST	225	231	NA NA	NA	NA	NA NA	
	•••	•	******			1771	
Alaska	NA NA	NA NA	NA	NA NA	254	217	
California*	17,715	18,739	27,450	28,963	5,885	6,100	
Hawaii	1,425	1,485	1,083	1,040	46	60	
Nevada	513	580	NA	NA	NA NA	NA NA	
Oregon	NA	NA	3,420	3,735	278	336	
Washington	4,657	4,929	0	0,700	0	336	
RRITORIES				<u> </u>	U	0	
Puerto Rico	461	517	2,028	2,280	1 E22	4.074	
tai	\$136,783	\$140,294	\$157,432	\$161,581	1,533	1,671	

NOTES: NA indicates data are not available because, in most cases, these states do not have this type of tax.
*See Notes to Table A-8.

^{**}Unless otherwise noted, fiscal 1998 figures reflect preliminary actual tax collection estimates as shown in Table A-7, and fiscal 1999 figures reflect the estimates used in the enacted budgets.

Tax collections are for the general fund only. California

Approximately \$55 million of the \$79 million increase in sales tax revenue is the result of an accounting change. In fiscal 1999, the legislature decided to shift the way it displays property tax relief from a sales tax diversion to a general Idaho

fund appropriation.

The personal income tax is capped. The balance is transferred to the Tax Relief Fund for Maine Residents (\$137.2 million in fiscal 1998). Maine

Actual fiscal 1998 reflects an accounting adjustment that artificially reduces the personal income tax revenue value **New York**

by \$1.9 million.

Ohio

Estimates are the most recent revisions and not those from June 1997 when the biennial budget was enacted. The expected reduction in personal income tax collections in fiscal 1999 is a manifestation of the state's income tax reduction fund surplus rebate mechanism. At the end of fiscal 1998, \$701.4 million was deposited to this fund based on fiscal 1998 surpluses. This amount will be used to support a 9.3 percent reduction to income tax rates for 1998. A transfer of funds from the income tax reduction fund to the general revenue fund will offset the impact this has on tax

collections.

Tennessee Tax collections are shared with local governments. The corporate income tax includes the corporate franchise tax.

Fiscal 1998 corporate tax collections include approximately \$7.9 million of revenue associated with property tax reform tax increases destined to be transferred to the education fund in fiscal 1999. The July 15, 1998, revised revenue Vermont

estimate is \$376.3 million for the personal income tax in fiscal 1999.

TABLE A-9

State	Tax Change Description	Effective Date	Fiscal 1999 Revenue Chang (Millions)
	SALES TAXES		(100013)
California	Creates new exemptions for space launches, teleproduction and perennials.	1/99	
Connecticut	Exempts trade-ins, coupons, deposits, newspapers, and discounts.	7/98	\$-11.0
Florida	Extends 3 percent tax rate on farm equipment to other agricultural equipment.	7/98	-9.9 -3.7
	Creates retroactive exemption or refunds for chambers of commerce.	7/98	-1.1
	Exempts machinery and equipment for expanding printing facilities.	7/98	-2.2
	Exempts sales, leases, and repair parts for large aircraft.	7/98	-4 9
	Exempts certain pollution control equipment used in manufacturing.	7/98	-5.5
	Revises current exemption for manufacturing electricity and steam power.	7/98	-3.9
	Creates one-time sales tax holiday on clothing items less than \$50.	7/98	-19.2
	Exempts silicon technology production and research and development expenditures.	7/98	-2.0
Georgia	Removes sales tax on groceries (final year of three-year phase-out).	NA	-147.0
lowa	Creates a hospital exemption.	NA	-15.0
Kansas	Expands exemptions.	7/98	-4.0
	Exempts residential remodeling.	7/98	-15.0
	Provides food rebate.	7/98	-13.0
Kentucky	Exempts agricultural fuels used on farms.	NA	-1.0
Maine	Statutorily requires 0.5 percent reduction in the sales tax.	10/98	-39.8
Michigan	Provides vending exemption retroactive to 1995.	4/98	-4.6
	Exempts church construction.	8/98	-2.8
Ainnesota	Exempts ready-mixed concrete trucks.	7/98	2.8
	Phases-out farm machinery tax.	various	-1.7
	Exempts St. Paul arena construction materials.	various	-1.2
	Extends amnesty for sales tax on garbage collections.	NA	-2.3
Aissouri	Reflects miscellaneous sales tax exemptions.	8/98	-16.0
iebraska	Reduces the state sales tax rate from 5 percent to 4.5 percent for fiscal 1999.	7/99	-82.0
lew Mexico	Provides gross receipts tax deduction for prescription drugs and medical services.	1/99	-5.0
lew York	Creates two week sales tax holiday on clothing and footwear.	various	-16.1
	Creates various sales tax exemptions.	various	-26,9
	Decreases passenger vehicle registration fees by 25 percent.	7/98	-47
	Reduces truck mileage tax by 25 percent.	1/99	-5
	Reduces beer tax by 2.5 cents.	1/99	-1.1
	Current year phase of prior tax cuts	various	-9.9
orth Carolina	Repeals food tax. Fiscal 2000 impact is \$-184.5 million.	5/99	-18.4
	Provides refund for schools. Fiscal 2000 impact is \$-14.8 million.	7/99	0.0
klahoma	Increases ceiling of eligibility for refund of sales tax on food of \$40 per person. The source of the refund is individual income tax collections and the refund will not affect state revenue until income tax is filed in 2000.	1/99	0.0
ennsylvania	Expands exemptions to include vending machine sales, mailing lists, and exempt organization personal property.	7/98 ·	-40.4
ennessee	Exempts farm equipment and machinery, replacement parts, and labor to repair farm machinery.	NA	-2.0
ashington/	Repeals sales tax on coin-operated laundromats.	NA	-2.3
	Removes sales tax on dental appliances.	NA.	-1.1
isconsin	Exempts prepackaged meals and sandwiches.	8/98	-0.8
	Exempts county fair admissions.	8/98	-0.2
	Taxes prepaid calling cards at point of sale instead of point of use.	8/98	0.1
tal Bauanus A	hanges—Sales Taxes	0,00	0.1

TABLE A-9 (continued)

State	Tax Change Description	Effective Date	Fiscal 1999 Revenue Change: (Millions)
	PERSONAL INCOME TAXES		
Arizona	Provides 2.5 percent reduction over two years.	NA	\$-30.0
California	Reflects federal conformity.	. 1/98	-42.0
	Reinstates renter's credit.	1/98	-133.0
	Increases credit for dependents.	1/98	-612.0
Colorado	Provides a tax credit for child care expenses.	1/98	-31.2
Connecticut	Increases from \$285 to \$350 the maximum credit that can be taken against the personal income tax for property taxes paid on a primary residence and/or automobile.	1/98	-45.0
Delaware	Reduces rates and increases standard deduction.	1/99	-45.8
Georgia	Increases standard deduction of all filers to the federal standard deduction.		-205
Hawaii	Reduces income tax rates over four years, repeals the food tax credit, and provides a low-income refundable tax credit.		-46.0
Illinois	Phases in a doubling of personal exemption over three years	NA	-96.0
Indiana	Increases low-income and dependent deductions.	N/A	-42.6
lowa	Reduces capital gains tax.	NA	-18.0
	Creates tuition credit.	NA	-3.8
	Reduces tax on pensions.	NA	-20.0
	Creates a personnel exemption.	NA	-28.8
Kansas	Accelerates single taxpayer equity.	7/98	-23.0
	Increases standard deduction.	7/98	-18.0
	Increases personal exemption.	7/98	-36.0
	Adds new earned income credit.	7/98	-13.0
Kentucky	Provides deduction for long-term care insurance premiums.	NA	-1.5
Maine	Increases personal exemption to federal level.	1/98	-30.1
Maryland	Accelerates previously enacted multiyear tax cut.	1/98	-45.0
	Makes earned income credit refundable.	1/98	-17.0
Massachusetts	Doubles personal exemptions, phased in over two years beginning with tax year 1998.	1/98	-600.0
	Allows income exclusion for contributions to "403b" annuity plans (pension plans for nonprofit/public school employees).	1/98	-55.0
	Exempts earnings and distributions for Roth and education individual retirement accounts (to bring state tax law into conformity with Internal Revenue Service code).	1/98	-1.0
	Provides capital gains exclusions of \$250,000 for single filers or \$500,000 for joint filers for sale of principal residence (to bring state tax law into conformity with Internal Revenue Service code).	1/98	-2.0
	Reduces tax rate on interest and dividend income from 12 percent to 5.95 percent (the tax rate on earned income such as salaries and wages).	1/99	-117.0
Michigan*	Increases personal exemption, indexed to inflation.	3/95	-30.0
	Increases personal exemption by \$200.	7/97	-60.0
	Increases senior citizen dividend and interest deduction; indexed to inflation beginning in fiscal 1998.	12/95	-42.9
	Provides credit for percentage of tuition and fees paid to institution of higher learning.	7/97	-18.5
	Adds deduction for dependent children.	7/97	-29.4
Minnesota	Provides income tax rebate.	Based on 1998 property tax liability	-467.5
	Expenses for tax exempt income.	1/98	1.5
	Reflects federal update.	various	-9.7
	Adds Bank S corporation dividend deduction.	1/98	-5.3
	Provides working family credit.	1/98	-4.4

TABLE A-9 (continued)

State	Tax Change Description	Effective Date	Fiscal 1999 Revenue Changes (Millions)
	PERSONAL INCOME TAXES (continued)		
Missouri	Increases dependent deduction from \$400 to \$1,200.	1/98	-65.0
	Provides an additional \$1,000 deduction for a dependent who is at least sixty-five years of age who resides in the taxpayer's home or the dependent's home, or if the dependent does not receive Medicaid or state funding, while residing in certain care situations.	1/98	-3.0
	Expands current senior citizen and disabled circuit breaker property tax credit.	1/98	-21.0
Montana	Reflects inheritance tax and deductible health insurance.	7/99	-3.8
Nebraska	Makes permanent several income tax reductions that were scheduled to expire during fiscal 1999. The amount shown is the additional impact in fiscal 1999 because the reduction is permanent.	1/98	-27.6
New Mexico	Reduces top personal income tax rate from 8.5 percent to 8.2 percent; Increases and expands the low-income comprehensive tax rebate.	1/99	-15.5
New York	Current year phase of prior tax cuts.	various	-106.0
	Accelerates farmer's tax credit.	1/98	-3.0
North Carolina	Creates child health insurance credit. Fiscal 2000 impact is \$-64.5 million.	1/99	0.0
	Creates long-term insurance credit. Fiscal 2000 impact is \$-8.0 million.	1/99	0.0
	Limits nonresident withholding.	1/98	-4.0
	Creates nonitemized charity credit. Fiscal 2000 impact is \$-7.6 million.	1/99	0.0
Ohio*	Reflects annual income tax reduction based on surpluses.	NA	-701.4
	Reflects changes in personal income tax exemption.	NA	-25.5
Oklahoma	Decreases individual income tax marginal rate from 7.0 percent to 6.75 percent.	1/99	-15.9
'ennsylvania	Expands the tax exemption for low-income taxpayers and exempts gains from sale of a residence.	1/98	-92.0
outh Carolina	Provides a deduction of \$3,000 of retirement income until age sixty-five (at which time the allowable deduction is \$10,000).	1/98	-3.3
	College freshmen and sophomores who do not qualify for the LIFE scholarships (up to \$2,000) will receive an individual income tax credit equal to 25 percent of tuition paid, not to exceed \$850 during a taxable year if attending a qualified four-year institution, and not to exceed \$350 if attending a qualified two-year institution. The tax credit will be extended to college juniors and seniors over the next two years.	1/98	-7.0
irginia	Creates a higher education tuition trust fund tax credit.	7/98	-2.5
	Creates small business enterprise zones.	7/98	-2.7
/isconsin	Reduces tax rates by 2.5 percent.	1/98	-133.2
	Creates a working families tax credit to eliminate tax liability for low-income taxpayers.	1/98	-25.3
	Increases married couple credit.	1/98	-6.0
	Exempts intra-family sale of business assets from capital gains.	1/98	-5.0
	Creates long-term care insurance deduction.	1/98	-3.0
	Extends credit to partners and proprietors for sales tax on fuel and electricity used in manufacturing.	1/98	-1.8
	Creates higher education tuition deduction.	1/98	-20.1
	Increases school property tax rent credit by 45 percent.	1/98	-125.0
ital Revenue Cl	hanges—Personal Income Taxes		\$-4,442.6

^{*}Tax changes in Michigan for the personal income tax, corporate income tax, cigarette and tobacco taxes, and phase out of intangibles tax were adopted prior to the 1998 legislative session, but revenue impacts fiscal 1999.

^{*}Legislation passed in Ohio in both 1995 and 1996 modified the personal exemption to the state income tax on a phased-in basis. The amounts shown represent the incremental reduction in income taxes because of the phase-in process.

State	Tax Change Description	Effective Date	Fiscal 1999 Revenue Changes (Millions)
	CORPORATE INCOME TAXES	· · · · · · · · · · · · · · · · · · ·	
Arizona	Decreases corporate tax rate from 9 percent to 8 percent; apportionment changes; extends personal property exemption to multiple locations.	NA	\$-10.0
California	Reflects federal conformity.	1/98	8.0
	Creates enterprise zones, health insurance, child care, research and development, and software manufacturing credits.	1/98	-38.0
Connecticut	Provides for a single factor apportionment formula for financial services companies and excludes financial service companies from capital base.	7/98	5.3
	Establishes an exemption for passive investment companies.	7/98	-14.0
	Exempts domestic insurers from the tax.	7/98	-7.0
	Restricts the deductability of certain intangible expenses and certain interest expenses with a related member.	7/98	6.2
Florida	Provides a tax credit for child care facility start-up costs.	7/98	-2.0
	Increases community contribution tax credit.	7/98	-2.7
	Creates exemption for certain research and development expenditures in conjunction with a state university.	7/98	-3.2
	Creates a tax credit for dry-clean solvent clean-up expenditures.	7/98	-1.2
	Exempts limited liability companies from tax.	7/98	-8.2
	Reduces bank income tax credit because of repeal of intangible personal property tax on banks.	7/98	0.0
llinois	Changes formula for apportioning income to Illinois for multistate companies (three-year phase-in).	NA	-21.0
ndiana	Updates the tax codes to comply with changes in federal tax law.	N/A	-11.7 ·
Kansas	Provides credit on business equipment.	7/98	-16.0 ·
Kentucky	Provides tax credit for worker training.	NA	-1.0
/lichigan*	Changes single business tax apportionment formula for 1997 and tax years after 1998.	1/96	-54.2
	Increases small business credit income limit beginning in 1998.	1/96	-21.6
	Provides credit for expenses paid to, or on behalf of, an apprentice from sixteen to twenty years of age, without a high school diploma.	1/97	-5.2
Ainnesota	Reflects federal update.	various	0.6
Aissouri	Creates tax credits as incentives for businesses to locate and invest in distressed communities.	1/98	-39.0
	Reflects miscellaneous tax credits.	1/98	-13.0
lew York	Creates investment tax credits for securities firms and banks.	10/98	-20.0
	Creates alternative minimum tax rate reduction.	7/98	-1.0
	Current year phase of prior tax cuts.	various	-88.5
Ohio	Reduces corporate franchise net worth component and the financial institutions tax.	NA	-41.2
ennsylvania	Increases recovery period for net operating loss carry forward from three to ten years.	1/98	-18.7
outh Carolina	Replaces the enterprise impact zone investment tax credit of 5 percent with a graduated scale from 1 percent to 5 percent, with certain limitations based on the investment's useful life.	7/98	24.4
'irginia	Creates small business enterprise zones.	7/98	-1.7
otal Revenue C	hanges—Corporate Income Taxes		\$-395.6

^{*}Tax changes in Michigan for the personal income tax, corporate income tax, cigarette and tobacco taxes, and phase out of intangibles tax were adopted prior to the 1998 legislative session, but revenue impacts fiscal 1999.

State	Tax Change Description	Effective Date	Fiscal 1999 Revenue Change (Millions)	
	CIGARETTE AND TOBACCO TAXES		(
Michigan*	Reflects stamping.	12/97	\$ 23.1	
New Jersey	Increases taxes from \$.40 per pack to \$.80 per pack	1/98	200.0	
Total Revenue	e Changes—Cigarette and Tobacco Taxes		****	
*Tax changes	in Michigan for the personal income tax, corporate income tax, cigarette and tobac	co taxes, and of	#ZZJ. I IASO OUT Of Intancible	
tax were adopt	ed prior to the 1998 legislative session, but revenue impacts fiscal 1999.	oo taxes, and pr	ase out of intangible	
	MOTOR FUEL TAXES			
Connecticut	Reduces the gas tax from \$0.33 per gallon to \$0.32 per gallon.	7/98	\$-13.3	
Wyoming	Increases motor fuel tax by \$.05 per gallon.	NA NA	35.4	
<u>Totai Revenue</u>	Changes—Motor Fuel Taxes	II.	\$22.1	
	OTHER TAXES		744.1	
Arizona	Provides a 16 percent reduction in the vehicle license tax.	8/98	\$-80.0	
California	Conforms to estate tax interest rate.	NA		
Connecticut	Eliminates the application of the insurance premiums tax on premiums received from policies written for Medicaid managed care plans and health care for uninsured kids and youth (HUSKY) plans.	4/98	-3.0 -4.5	
Delaware	increases exclusions from gross receipts tax.	1/99	2.0	
	Reduces realty transfer tax from 2 percent to 1.5 percent.		-3.6	
Florida	Creates tax credit for insurance company investments in certified capital	1/99 7/98	-6.7	
	companies.	7790	0.0	
	Reduces premiums tax credit because of repeal of intangible personal property tax in insurance companies.	7/98	0.0	
	Provides various intangible personal property tax reductions (e.g., exempts banks and insurance companies, creates partial exemption for accounts receivable, increases minimum tax required for return to be filed).	7/98	-57.9	
	Creates various pari-mutuels tax rate reductions and exemptions.	7/98	-9.7	
lawaii	Revises public service company tax.	6/98	-4.0	
	Provides a general excise tax exemption on wholesale sales of imported personal property.	7/98	-10.0	
	Increases the transient accommodations tax from 6.0 percent to 7.25 percent; changes revenue distribution.	1/99	-3.0	
ansas	Exempts general excise tax for management company receipts from a related entity providing or selling telecommunications services.	7/98	-2.0	
ansas	Provides privilege tax adjustment	7/98	16.0	
	Repeals inheritance tax.	7/98	-31.0	
4. · · · · · · · ·	Provides severance tax exemptions.	7/98	-3.0	
entucky	Changes computation of bank franchise tax.	NA	-2.0	
!=!=	Changes the taxable value of a motor vehicle.	NA	-6.8	
ouisiana	Phases out inheritance tax	NA	-6.0	
iahiaa	Provides a credit for insurance companies on their insurance premium tax liability for investing in capital companies	NA .	-8.0	
ichigan*	Modifies estate tax to federal law.	1/98	-3.8	
	Phases-out intangibles tax.	3/96	-100.0	
innesota	Reflects estate tax federal update.	1/98	-0.9	
	Reduces rate on lawful gambling.	7/98	-2.7	
	Adjusts health maintenance organization surcharge.	8/97	-1.8	
	Reflects special premiums tax.	4/97	17.0	
ontana	Ceases reappraisal of residential property (biennium).	7/97	-82.0	
w Jersey	Revises taxation of public utilities from a gross receipts and franchise tax to sales and corporations tax and a transitional assessment.	NA	0.0	
w York	Authorizes conformity with federal estate tax law.	immed.	-3.0	
-	Implements state-funded local school residential property tax reductions.	7/98	-704.0	
	Current year phase-in of prior tax cuts.	various	· - 5.0	
rth Carolina	Repeals inheritance tax. Fiscal year 2000 impact is \$-52.5 million.	1/99	0.0	
	Repeals wholesale licenses.	7/98	-1.3	
io	Changes insurance tax by eliminating domestic preference.	NA	-12.2	

State	Tax Change Description	Effective Date	Fiscal 1999 Revenue Changes (Millions)
	OTHER TAXES (continued)		
Oklahoma	Increases in-state estate tax exemption.	1/99	0.0
	Provides a temporary rate decrease of unemployment trust fund. These moneys are not appropriated.	1/99	\$-15.2
Pennsylvania	Lowers the rate on capital stock and franchise tax.	1/98	-73.3
	Provides miscellaneous other changes and new tax credits.	1/98	-16.6
South Carolina	Phases out soft drinks tax. (Fiscal 1999 is the third step of a six-year phase-out.)	7/98	-4.6
Washington	Creates various tax exemptions or rate reductions on the business and occupation tax.	NA	-18.7
Total Revenue C	Changes—Other Taxes		\$-1,267.3

*Tax changes in Michigan for the personal income tax, corporate income tax, cigarette and tobacco taxes, and phase out of intangibles tax were adopted prior to the 1998 legislative session, but revenue impacts fiscal 1999.

	FEES		
California	Reduces vehicle license fees.	1/99	\$-533.0
	Reduces horse-racing license fees.	1/99	-20.0
Florida	Enhances collection of court costs.	7/98	5.5
	Extends length of licensing period for concealed weapons.	7/98	-1.9
	Increases employee contributions to health insurance plan.	7/98	10.5
	Exempts certain radiation therapy centers from hospital assessments.	7/98	-3.1
Minnesota	Restructures criminal fees.	1/99	1.5
Montana	Provides various fees.		29.3
New York	Current year phase of assessment rate cuts on medical facility providers.	various	-56.3
	Accelerates phase-out of previous assessment cuts.	12/98	-16.8
Total Revenue Changes—Fees			\$-584.3

NOTE: NA indicates data are not available.

TABLE A-10

Enacted Revenue Measures, Fiscal 1999

State	Description	Effective Date	Fiscal 1999 Changes (Millions)
Florida	Shifts general revenue to pay debt service on cancer research center.	7/98	\$ -4.5
	Shifts general revenue to a trust to pay additional debt service on environmental bonds.	7/98	-5.0
	Shifts general revenue to a trust to fund beach renourishment activities.	7/98	-10.0
Hawaii	Extends energy conservation tax credit until July 2003.	7/98	-2.5
idaho	The state changed the way it displays replacement funds for a reduction in the school district property tax levy. From fiscal 1996 through fiscal 1998, it was treated as a diversion from the sales tax. Beginning in fiscal 1999, the money will first go to the general fund and then be appropriated to the public schools.	7/98	54.7
Kansas *	Extends unemployment contribution moratorium for another year.	7/98	-87.0
	Reduces transfer from state gaming revenue fund	6/98	0.0
Michigan	Revises sales/use tax payment schedule, which reflects a loss of interest earnings and a higher collection fee paid to retailers.	1/99	-1.4
lew Jersey	Deregulation of public utilities created a new tax structure.	7/97	32.1
lew York	Authorizes extension of pari-mutuel tax cut.	7/98	-3.0
kiahoma	Sends delinquent sales tax accounts to collection agency sooner.	7/98	4.7
	Creates withholding remittance twice monthly for businesses paying more than \$100,000.	1/99	20.8
	Sends delinquent personal income tax accounts to collection agency sooner.	1/99	5.8
	Field business registration.	1/99	3.1
hode Island	Extends hospital licensing fee at current rate of 2 percent.	7/98	37.4
	Increases retention of real estate conveyance tax by cities and towns.	NA	-4.8
	Records the value of one cent of gas tax historically recorded as motor fuel in the "gas tax transfer." The amount equals \$4.5 million.		
	Transfers the value of an additional two cents of the gas tax to the Rhode Island Public Transit Authority.	7/98	-9.0
	Transfers the value of an additional one-half cent of the gas tax to the department of transportation.	7/98	-2.3
	Transfers a portion of retained earnings of Rhode Island Resource Recovery Corporation to the general fund.	7/98	4.0

NOTE: NA indicates data are not available.

TABLE A-11

Total Balances and Balances as a Percentage of Expenditures, Fiscal 1997 to Fiscal 1999*

	Tota	l Balances (Millio	ns)**	Balances as a Percent of Expenditu		
Region/State	Fiscal 1997	Fiscal 1998	Fiscal 1999	Fiscal 1997	Fiscal 1998	Fiscal 1999
NEW ENGLAND Connecticut	\$ 504	\$ 650	\$ 519	5.4%	6,6%	5.2%
Maine	67	190	118	3.8	10.0	5.5
Massachusetts	976	1,174	1,173	5.5	6.8	6.4
New Hampshire	21	61	22	2.5	6.7	2.3
Rhode Island	101	189	89	5.7	10.0	4.3
Vermont	35	36	75	4.6	4.1	9.9
MID-ATLANTIC Delaware	393	539	402	22.2	28.4	17.8
Maryland	697	1,038	752	9.5	13.3	8.9
New Jersey	1,108	1,138	700	7.0	6.8	3.9
New York	433	638	1,669	1.3	1.9	4.5
Pennsylvania	814	919	813	4.9	5.3	4.5
GREAT LAKES	017		3,3			
Illinois	806	1,202	1,200	4.4	6.1	5.6
Indiana***	1,844	1,815	1,657	23.2	23.0	19.6
Michigan	1,206	1,113	1,144	14.5	12.9	13.0
	1,012	1,046	1,334	6.2	6.1	7.2
Ohio Wisconsin	327	552	1,334	3.5	5.7	1.9
	321	332	19	3.3	<u> </u>	1,5
PLAINS	770	970	705	19.4	20.4	16.1
lowa	779	879 740	725 524	14.9	19.7	12.5
Kansas	528 4005	749	524		21.5	12.5
Minnesota	1995	2,189	1,427	20.9	6.0	2.9
Missouri	355	395	202	5.5	29.2	12.9
<u>Nebraska</u>	396	564	287	21.2		10.2
North Dakota	82	97	78	12.0	13.3	
South Dakota	25	30	40	3.9	4.2	5.4
SOUTHEAST						
Alabama	23	35	29	0.5	0.7	0.6
<u>Arkansas</u>	87	59	37	3.2	2.1	1.2
Florida	1,292	1,443	1,185	8.4	8.5	6.6
Georgia	1.069	1.052	366	9.7	9.0	2.9
Kentucky	484	366	288	8.6	6.1	4.4
Louisiana	135	0	2	2.3	0,0	0.0
Mississippi	303	382	311	10.6	13.1	10.0
North Carolina	820	638	523	7.8	5.6	4.2
South Carolina	574	517	364	12.4	10.5	7.6
Tennessee	276	402	227	5.0	6.8	3.6
Virginia	411	647	361	5.0	7.3	3.6
West Virginia	217	190	67	8,8	7,5	2.5
SOUTHWEST						•
Arizona	762	814	398	15.8	15.5	6.8
New Mexico	80	248	249	2.7	8.1	7,9
Oklahoma	534	471	523	13.8	11.2	11.7
Texas	2,387	3,083	3,761	9.6	11.5	14.0
ROCKY MOUNTAIN						
Colorado	514	824	421	11.3	17.4	8.0
idaho	41	72	56	2.9	5.0	3.5
Montana	33	78	25	3.3	7.6	2.4
Utah	144	130	99	4.8	4.3	3.1
Wyoming	52	66	78	10.4	12.6	15.1
FAR WEST	<u> </u>		······································	70.4	12.0	
Alaska	3,372	3,464	3,015	139.4	142.3	130.2
California	906	2,227	1,950	1.8	4.2	3.4
					4.8	7.8
Hawaii Nevede	136 236	154 228	249 221	4.3 17.9	15.7	14.4
Nevada						
Oregon	811	638	408	21.0	15.2	9.0 9.3
Washington	513	825	904	5.6	8.9	9.3
TERRITORIES Puerto Rico	80	34	24	1,4	0.6	0.4
Total	\$30,715	\$36,251	\$31,078	7.9%	8.8%	7.1%

NOTES: NA indicates data are not available.

^{*}Fiscal 1997 are actual figures, fiscal 1998 are preliminary actual figures, and fiscal 1999 are appropriated figures.

^{**}Total balances include both the ending balance and balances in budget stabilization funds.

^{***}For Indiana, total balance includes \$240 million of tuition reserve. Tuition reserve is the amount from the general fund reserved for the July tuition support distribution to local elementary and secondary schools.