The Fiscal Survey of States

December 2005

National Governors Association
National Association of State Budget Officers

THE NATIONAL GOVERNORS ASSOCIATION

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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 1979. The survey presents aggregate and individual data on the states' general fund receipts, expenditures and balances. Although not the totality of state spending, these funds are used to finance most broad-based state services and are the most important elements in determining the fiscal health of the states. A separate survey that includes total state spending also is conducted annually.

The field survey on which this report is based was conducted by NASBO from August through November 2005. The surveys were completed by Governors' state budget officers in 50 states.

Fiscal 2004 data represent actual figures, fiscal 2005 figures are preliminary actual, and fiscal 2006 data reflect enacted budgets.

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

NASBO staff members Nick Samuels and Greg Von Behren compiled the data and prepared the text for the report. Dotty Esher of State Services Organization provided typesetting services.

Executive Summary

State fiscal conditions rebounded notably in fiscal 2005. Revenues improved markedly, only six states made mid-year budget cuts, states were able to begin to restore funding to programs they were forced to cut during the downturn, and balances returned to normal. However, remembering how quickly revenue declined in 2001, states are cautious. While revenue increased strongly in fiscal 2005, the estimates in fiscal 2006 enacted budgets are for more modest growth. Expenditure pressure is high: the pent-up demand of programs that were cut, the budgetary strain of Medicaid, and looming issues such as pensions, demographic shifts and infrastructure all are competing for a piece of the state budget pie. Although balances grew in fiscal 2004 and fiscal 2005 roughly to levels considered adequate to deal with another fiscal downturn, they decreased in fiscal 2006, based on enacted budgets.

This edition of *The Fiscal Survey of States* reflects actual fiscal 2004, preliminary actual fiscal 2005, and appropriated fiscal 2006 figures. The data were collected during fall 2005.

State Spending

State general fund spending grew by 6.5 percent in fiscal 2005, slightly above the 28-year average of 6.4 percent. However, several factors have magnified that rate of growth including the restoration of budget cuts made during the fiscal downturn, and one-time revenues from a federal fiscal assistance package that were reflected in fiscal 2005 budgets in many states. For fiscal 2006, state spending is budgeted to grow by 6.3 percent. Expenditures typically include one-time spending from surplus funds, transfers into reserve funds, and payments to local governments to reduce property taxes.

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

In fiscal 2005, six states reduced their enacted budgets by $1.2 billion. By comparison, 37 states cut their previously enacted budgets by $15 billion in fiscal 2002 and 37 states made cuts of nearly $11.8 billion in fiscal 2003.

Medicaid continues to strain state budgets. Twenty-two states experienced Medicaid shortfalls in fiscal 2004 and 26 states anticipated shortfalls in fiscal 2005. The shortfalls as a percentage of the total Medicaid program in fiscal 2004 ranged from 0.2 percent to 11 percent of the program costs, averaging 4 percent. The combined amount of the shortfalls in fiscal 2004 and fiscal 2005 totaled more than $5.9 billion.

Three states report negative budget growth for fiscal 2005 and five states enacted fiscal 2006 budgets that are smaller than the previous year. In fiscal 2003, 21 states enacted negative growth budgets.

States continue to provide supportive services to help families achieve self-sufficiency: in fiscal 2006 eight states increased their cash assistance levels under the Temporary Assistance for Needy Families (TANF) program, ranging from 0.7 percent to 13 percent. No state will decrease benefit levels.

State Revenue Actions

States enacted a net tax and fee increase of $2.5 billion for fiscal 2006. Twenty-five states adopted net increases while 14 states enacted net decreases. Continuing the trend of recent years, the largest net enacted increase was in cigarette and tobacco taxes ($1.2 billion). States also adopted a net decrease in personal income taxes ($739.2 million). Additionally:

In fiscal 2005, revenues exceeded expectations in 45 states and were on target in five states.

Fiscal 2005 revenues were 4.2 percent higher than originally estimated. Specifically, sales taxes were 1.2 percent higher, personal income taxes were 5.7 percent higher, and corporate income taxes were 11.6 percent greater than original estimates.

States budgeted for more moderate revenue growth in their fiscal 2006 budgets.

Year-End Balances

Total balances—ending balances and the amounts in budget stabilization funds—are a crucial tool that states relied on heavily during the recent fiscal downturn.

Total balances were $26.7 billion or 5.1 percent of expenditures in fiscal 2004, $38.5 billion or 6.9 percent of expenditures in fiscal 2005, and based on fiscal 2006 enacted budgets are $27.5 billion or 4.6 percent of expenditures. By comparison, prior to the last economic downturn, in fiscal 2000 total balances were $48.8 billion or 10.4 percent of expenditures.

State Expenditure Developments

CHAPTER ONE

Budget Management in Fiscal 2005

While their finances improved substantially in fiscal 2005, states still face myriad spending challenges. These include pent-up demand from programs cut during the recent fiscal downturn, Medicaid cost pressures, and under-funded employee pension systems. Although revenue rebounded in fiscal 2005 and states were able to begin to restore their budget reserve, six states still were forced to make mid-year budget cuts totaling approximately $1.2 billion. So far in fiscal 2006, three states have cut their enacted budgets by $602 million. In fiscal 2004, 18 states made budget cuts that amounted to $4.8 billion. At the depths of the recent state fiscal crisis in fiscal 2002 and fiscal 2003, 37 states in each year were forced to make mid-year budget cuts that totaled nearly $15 billion and $11.8 billion, respectively.

Most states have used both across-the-board and targeted cuts to stabilize their budgets. Contrasting sharply to recent years when nearly every state did so, only four states made across-the-board budget cuts in fiscal 2005. States used a variety of other budget-balancing tools in fiscal 2005: one state reduced aid to local governments; one reorganized programs; three used their rainy day funds; and other states used a combination of fund shifts, loans, transfers, allotment rescissions, debt restructuring, hiring freezes and the closing of tax loopholes (see Appendix Table A-5).

State Spending for Fiscal 2006

This report captures only state general fund spending, which represents the major component of discretionary expenditures of revenue derived from general sources not earmarked for specific items. According to the most recent edition of NASBO's *State Expenditure Report*, estimated fiscal 2005 spending from all sources (general funds, federal funds, other state funds and bonds) is approximately $1.3 trillion with the general fund representing 42.5 percent of the total. The components of all state spending for estimated fiscal 2005 are: Medicaid, 22.5 percent, elementary and secondary education, 21.9 percent,

TABLE 1

Budget Cuts Made After the Fiscal 2005 Budget Passed

State	*FY 2005 Size of Cuts ($ in Millions)*	*FY 2006 Size of Cuts ($ in Millions)*	*Programs or Expenditures Exempted from Cuts*
Indiana	$70.0	$131.0	In fiscal 2005, general fund tuition support for K-12 education; property tax relief. In fiscal 2006, general fund tuition support for K-12 education; property tax relief; Medicaid.
Michigan	117.0	434.0	In fiscal 2005, exemptions from fiscal 2005 cuts include Medicaid eligibility; benefits for needy families and disabled adults; payment rates for foster care and child caring agencies; veterans' services; environmental protection programs; revenue sharing to cities, villages, and townships; special education funding; and Welfare-to-Work programs. In fiscal 2006, exemptions from cuts in the recently enacted fiscal 2006 budget include benefits for needy families and disabled adults; payment rates for foster care and child caring agencies; veterans' services; environmental protection programs; revenue sharing to cities, villages, and townships; special education funding; and Welfare-to-Work programs.
New Jersey	427.0		State Aid, State Institutions, Debt Service
New York	161.0		All local assistance programs, including school aid and Medicaid.
Ohio	116.3		Debt service, including lease rental contracts and all state office building rent, pension payments made by the Treasurer of State, property tax rollback, homestead exemption and tangible personal property tax exemptions as well as the state's primary job-creation programs; basic aid to primary and secondary education; higher education basic aid and student financial aid; and, the PASSPORT program, which provides in-home care for seniors, and other selected programs.
Total	**$891.3**	**$565.0**	**—**

SOURCE: National Association of State Budget Officers.

higher education, 10.8 percent, transportation, 8.1 percent, corrections, 3.4 percent, public assistance, 2 percent, and all other expenditures, 31.3 percent.

Components of state spending within the general fund specifically are elementary and secondary education, 35.9 percent; Medicaid, 18 percent; higher education, 11.8 percent; corrections, 7.2 percent; public assistance, 2.3 percent; transportation, 0.5 percent; and all other expenditures, 24.3 percent.

State general fund expenditures were $557 billion in fiscal 2005 (preliminary actual), a 6.5 percent increase compared to the previous year. The 28-year historical average rate of growth is 6.4 percent. Contributing to the higher-than-average growth rate are increased spending on programs that were cut during the downturn, general program expenditure increases (especially for Medicaid), and an increase in state funds following a one-time boost from the federal fiscal assistance package (which in many states is reflected in fiscal 2005 budgets). Enacted fiscal 2006 budgets reflect general fund spending that is 6.3 percent higher than the fiscal 2005 level (See Table 2, Figure 1, and Appendix Table A-4).

While fiscal conditions in most states remain relatively healthy, some states still face difficulty. In fiscal 2005, two states experienced a negative change in expenditures. Five states enacted negative growth budgets for fiscal 2006. Expenditures grew by less than 5 percent in 11 states in fiscal 2005, and are budgeted to grow by less than 5 percent in 14 states in fiscal 2006. Fiscal conditions have improved greatly since fiscal 2003, when 21 states reported negative expenditure growth rates, the highest number of states to report a negative nominal percentage expenditure change since the first edition of this report (see Table 3 and Appendix Table A-4).

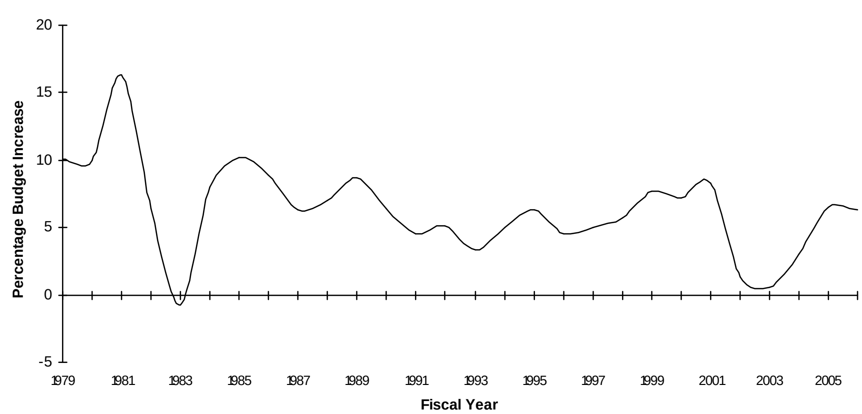
State Cash Assistance Increased Under the Temporary Assistance for Needy Families Program

Since welfare reform was passed in 1996, states have focused on providing supportive services to help families achieve self-sufficiency rather than cash assistance. For enacted budgets for fiscal 2006, 42 states maintain the same cash assistance benefit levels that were in effect in fiscal 2005. Eight states increased cash assistance benefit levels—ranging from 0.7 percent to 13 percent—and one state increased the clothing allowance for children (see Table 4 and Notes to Table 4).

The Temporary Assistance for Needy Families (TANF) program had an original expiration date of September 30, 2002. The program has since been extended through December 31, 2005 at fiscal 2002 levels until the program is reauthorized.

FIGURE 1

Annual Percentage Budget Increases, Fiscal 1979 to Fiscal 2006



SOURCE: National Association of State Budget Officers.

TABLE 2

State Nominal and Real Annual Budget Increases, Fiscal 1979 to Fiscal 2006

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

NOTE: *The state and local government implicit price deflator, Table 1.1.9 (Implicit Price Deflators for Gross Domestic Product) as cited by the Bureau of Economic Analysis in November 2005, is used for state expenditures in determining real changes. Fiscal 2005 figures are based on the change from fiscal 2004 actuals to fiscal 2005 preliminary actual. Fiscal 2006 figures are based on the change from fiscal 2005 estimated to fiscal 2006 appropriated.

SOURCE: National Association of State Budget Officers.

Medicaid and Other Health Care Issues

Medicaid is a means-tested entitlement program financed by the states and the federal government that provides comprehensive and long-term medical care for more than 53 million low-income individuals. Medicaid, estimated at $329 billion in total state and federal funds in 2005, is the largest health program in the nation. Medicaid expenditures are approximately 22 percent of all state spending while overall spending on health care constitutes approximately 32 percent of state spending.

TABLE 3

Annual State General Fund Expenditure Increases, Fiscal 2005 and Fiscal 2006

	Number of States	
Spending Growth	*Fiscal 2005 (Preliminary Actual)*	*Fiscal 2006 (Appropriated)*
Negative growth	3	5
0.0% to 4.9%	12	14
5.0% to 9.9%	21	26
10% or more	14	5

NOTE: Average spending growth for fiscal 2005 (preliminary actual) is 6.5 percent; average spending growth for fiscal 2006 (appropriated) is 6.3 percent.

SOURCE: National Association of State Budget Officers.

Medicaid growth rates. Medicaid spending increased by 7.5 percent in fiscal 2005, according to the most recent survey by the Kaiser Commission on Medicaid and the Uninsured. This level of growth continues to exert pressure on state budgets. States appropriated an increase of 5.5 percent for Medicaid in fiscal 2006 budgets. Based on governors' recommended budgets, the increase in state funds will most likely be larger than the increase in federal funds. The higher growth rates of state funds versus federal funds are attributable to factors such as a change in the amount of federal funds individual states will receive as part of the FMAP formula in current law and the phase-out of the one-time federal special relief.

Medicaid Shortfalls. Even with extensive cost containment and fiscal relief, states have experienced Medicaid expenditures exceeding the amount that had been originally budgeted for the program. Twenty-two states experienced Medicaid shortfalls in fiscal 2004 and 26 states anticipated shortfalls in fiscal 2005. The shortfalls as a percentage of the total Medicaid program in fiscal 2004 ranged from 0.2 percent to 11 percent of the program costs, averaging 4 percent. The combined amount of the shortfalls in fiscal 2004 and fiscal 2005 totaled more than $5.9 billion. Every state implemented some measure to control Medicaid spending in fiscal 2005, such as including supplemental funding and implementing additional cost containment measures.

Medicaid Enrollment. Enrollment increases have played a major role in the increase in Medicaid spending, with enrollment increases of 4 percent in fiscal

TABLE 4

Enacted Cost-of-Living Changes for Cash Assistance Benefit Levels Under the Temporary Assistance For Needy Families Block Grant, Fiscal 2006

State	*Percent Change*
Florida	2.8%
Kansas	0.7
Maryland	1.5
Michigan*	*
Montana	9.0
Ohio	10.0
South Carolina	13.0
South Dakota	1.4
Texas	2.2

*See Note to Table 4.

SOURCE: National Association of State Budget Officers.

NOTE TO TABLE 4

Michigan	The fiscal 2006 enacted budget includes a clothing allowance increase for all children. Currently, all children, from birth through age 18, receive a clothing allowance of $40 per child. Funding within the enacted budget allows a clothing allowance of $45, representing an average level increase of 0.6 percent.

2005, based on the Kaiser Commission survey. While children and families are often the group contributing most to the enrollment change, the elderly and disabled are usually the group contributing most to the increased costs from enrollment changes. The average cost per recipient varies greatly in Medicaid with the elderly and the disabled costing about seven times the amount per recipient as children and adults.

Significant health issues. Challenges in funding health care are among the greatest concerns states face even with a recovery in state revenues. With long-range projections of Medicaid growth between 8 and 9 percent, states are concerned that health care cost increases exceed state revenue growth. States are also concerned about the rising number of the uninsured and the impact on public programs such as Medicaid. Demographic pressures and the costs of providing long term care are also cited as significant issues facing states.

States also face uncertainty and concern about the impact of the new Medicare Part D benefit on Medicaid programs, potential federal changes in Medicaid, and the waiver process under Medicaid. Additionally, states must deal with employee health insurance, unfunded liabilities in state retiree benefit programs, staff shortages in medical personnel, enrollment increases, and costs and access of mental health services.

TABLE 5

Enacted Changes in Aid to Local Governments, Fiscal 2006

California	The 2005 Budget Act suspends the Property Tax Administration grant Program for two years, effective fiscal 2005-2006. The annual funding loss for county assessors is $60 million. The Budget Act anticipates no property tax revenue losses will result, since counties will have an incentive to replace the lost grant monies with local monies, to ensure their share of property tax collections do not decrease. The 2005 Budget Act provides the following: (1) $73.2 million to repay mandated costs incurred by local governments in fiscal 2004-2005, and $46.2 million for mandated costs incurred in fiscal 2005-2006. In accordance with Proposition 1A, which was passed in November 2004, the state has also committed to pay mandated costs incurred by local governments in fiscal years before 2004-2005, but for which payment was never provided. These costs, which total approximately $1.4 billion, will be repaid over a 15-year period beginning in 2006-2007. (2) $1,187 million in one-time monies for early repayment of the Vehicle License Fee (VLF) gap loan, to replace monies local governments did not receive over a four-month period in 2003 when the VLF rate was reduced from two percent to 0.65 percent. The payment is not due until fiscal 2006-2007.
Colorado	Colorado Heritage Grant Program: For the third straight year, the General Assembly failed to provide funding for the Colorado Heritage Planning Grant (CHPG) program in the Office of Smart Growth. This grant program, established in 2000, has awarded almost $1.6 million to local governments working cooperatively around the state to address the impacts of growth and development. Moreover, legislation (HB 04-1417) was passed during the 2004 session that redirected all unencumbered funds in the CHPG Program back into the General Fund effective July 1, 2004. In previous years, the CHPG Program made awards to projects addressing wildfire mitigation, preservation of agricultural land, impact fee studies, landscape codes incorporating water efficiency, transportation planning and the social and economic effects of second homes. Without these grant funds, assistance to local communities attempting to implement growth management policies and plans will be limited.
Connecticut	Connecticut's aid to local governments in fiscal 2006 is projected to increase by $144.0 million (an increase of nearly 6.4 percent), over the amount of state aid provided in fiscal 2005. Mandate - CT enacted legislation that provides a penalty for a town that receives an increase in Education Cost Sharing (ECS) funding and does not provide an appropriation for education in the following year (with respect to local and regional school district budgets) that is no less than the amount appropriated for education in the prior year plus the amount of the increase. A town that does not provide the required level of educational funding is subject to a penalty equal to twice the amount of the funding shortfall. A noncompliant town's ECS grant for the next year must reflect the penalty deduction. Such a penalty deduction would be applicable to fiscal 2007 ECS grants. Other - CT also enacted legislation extending, by two years (i.e. until June 30, 2007), the period of time during which a town may collect a real estate conveyance tax "...at the rate of eleven one-hundredths of one per cent of the for the interest in real property conveyed." Under prior law, the higher rate of conveyance tax this legislation represents was to sunset as of June 30, 2005. It is impossible to quantify the impact of this legislation, by dollar amount or percentage. However, this legislation should provide a substantial increase in local revenues during fiscal 2006 and fiscal 2007.
Delaware	The current PILOT program was extended to all three county seats at an increased cost of $3.5 million.
Georgia	Increase in the state Homeowners Tax Relief Grants which reduce local property taxes. Total funds budgeted in FY 2006 $432.3 million. This is an increase of $52.3 million over the FY 2005 amount. In fiscal 2006, state aid to local government includes $52.3 million or a 13.8 percent increase used for local property tax buy-downs.
Iowa	The state property tax credits were paid in fiscal 2005 from the State's reserve fund. At the end of fiscal 2005, part of the ending balance of the general fund was transferred to another fund, from which the fiscal 2006 state property tax credits will be paid from. The dollar amounts did not change.
Kansas	In response to court order, the Legislature added $289.4 million from the State General Fund for aid to school districts. State General Fund support for schools will increase 10.3 percent in fiscal 2006. Part of the school finance package provides $27.7 million in additional state monies to districts with lower property valuation levels attain similar funding as wealthier districts for the "local option budget." Previously, state aid was equalized to the 75th percentile; now it will be equalized to the 81st percentile.
Maine	Public Law 2005, chapter 457, Part DD, reduces the amount of state-municipal revenue sharing distributed from the Local Government Fund, "Revenue Sharing 1," during fiscal year 2006-2007 by $5,000,000. Part EE requires the State Controller to transfer $2,335,918 in fiscal year 2005-2006 and $2,451,935 in fiscal year 2006-2007 from the Fund for the Efficient Delivery of Local and Regional Services to the unappropriated surplus of the General Fund.
Massachusetts	The FY2006 GAA directed the state to distribute an increasing percentage of the state's lottery surplus revenues to local cities and towns. This uncapping of the lottery revenues provided an additional $53.0 million in revenue to cities and towns for FY2006. Total local aid payments for FY2006 were $4.621 billion.
Michigan	Fiscal 2006 is the eighth year of a 10-year phase-in of a new formula to distribute aid to local governments. Funding is shifted from formulas primarily based upon local millages to formulas based primarily upon taxable value. The new formula is suspended beginning in fiscal 2003 to ensure funding reductions to local governments are uniformly distributed. For fiscal 2006, the enacted budget maintains the fiscal 2005 spending level for revenue sharing payments to cities, villages, and townships. The fiscal 2006 budget also continues to suspend revenue sharing payments to counties under tax law changes effective for fiscal 2005 and subsequent fiscal years. Counties expend the equivalent of revenue sharing payments from individual revenue sharing reserve funds established with early collection of county-allocated property taxes. Suspending county revenue sharing payments reduces state spending by over $180 million annually. It is estimated a similar savings will occur each year through 2008; thereafter, savings will begin to decline as county revenue sharing reserve funds are depleted and state payments are resumed.
Minnesota	A $48 million increase in Local Government Aid beginning in fiscal 2007 (11 percent); extended a reduction in Market Value Credits to 105 cities due to expire in fiscal 2006, a $17.8 million reduction in fiscal 2006; and a $17.5 million reduction in fiscal 2007 (7 percent). State aids to school districts will increase 4.9 percent. School property taxes will increase 24 percent largely due to rising property values, not legislative action.

TABLE 5 (continued)

Montana	Entitlement share increase of 2.9% or $2.4 million. Major change in public defender system will take effect in FY 2007, but does not significantly change FY 2006.
North Dakota	A $4.3 million increase in state aid payments to cities and counties for the 2005-2007 biennium (increase based on anticipated increase in sales and use tax collections, a portion of which are allocated to cities and counties based on a statutory formula).
Nebraska	An increase in appropriation of $4.1 million (8.4 percent) to reimburse local governments for property tax revenue lost as a result of a homestead exemption eligible elderly and disabled. An increase via the allocation of gas tax revenue to cities and counties of $5.1 million (3.2 percent). Sales tax exemption for manufacturing machinery and equipment beginning January 1, 2006 is estimated to reduce city local-option sales tax collections by $1.8 million. A clarification of the taxability of installing telephone and cable wiring is estimated to result in a one-time reduction of city local-option sales tax revenue of $317,000. In fiscal 2006, state aid to local government includes $5.1 million or a 8.5 percent increase used for local property tax buy-downs.
New Jersey	Increased funding for Extraordinary Aid program by $2 million (4.9 percent) to $43 million. Extraordinary Aid allocates funds to municipalities experiencing extraordinary circumstances which would cause increases in local purpose tax or reduction in services without special State Aid. Increased distribution of Energy Tax Receipts by $0.8 million (0.1 percent) to provide additional formula funding to municipalities. Municipalities receive energy tax funding in accordance with the provisions of P.L.1999, c. 168 that distribute certain funds from the taxation by the State of New Jersey of gas and electric public utilities and certain telecommunications companies, and of sales of electricity, natural gas and energy transportation service.
New York	The 2005-06 Enacted State budget provides over $1.4 billion in increased assistance and cost savings to local governments. New York City will receive over $693 million in benefits, including school aid, on a State Fiscal Year basis. Counties and cities, towns and villages outside New York City receive $257 million and $71 million respectively. School districts outside New York City will receive almost $368 million in aid increases. The 2005-06 Enacted State Budget provides County Governments and New York City with significant savings through a Medicaid Cap that will limit the local share of Medicaid expenses at 2005 levels, plus increments of 3.5%, 3.25% and 3.0% over the next three consecutive fiscal years. This cap proposal is expected to save Counties and NYC over $630 million in SFY 2006-07. Any Medicaid costs above these growth levels will be paid for by the State. In addition the Enacted Budget includes funding for a new Aid and Incentives for Municipalities program. Cities, excluding New York City, will receive aid increases of 12.75% over fiscal year 2004-05 amounts. Towns and villages receive 3.75% increase in additional aid under this program. An appropriation of $2.75 million has been made available for the administration and payment of new Shared Municipal Services Incentive (SMSI) grants. These competitive grants will be available to any municipality, including school districts, that investigates or enacts a joint services or other sharing agreement with another municipality.
Ohio	The enacted budget eliminates the tangible personal property (TPP) tax on most businesses over four years. In Ohio the TPP tax is an entirely local tax, paid to school districts (70.0 percent) and local governments (30.0 percent). Recognizing that these entities need time to adjust to the elimination of this tax, the budget provides full revenue replacement for several years to school districts and governments and then gradually phases-out those state payments. School districts are held harmless from the elimination by means of a combination of additional state foundation aid and indirect reimbursement payments from the state. Revenues fr0m state reimbursements primarily come from the new commercial activity tax (CAT). After fiscal year 2011, the direct TPP reimbursement payments from the state are gradually phased-out; however, school districts in the aggregate will continue to receive 70.0 percent of annual CAT revenues earmarked for school purposes. The budget also holds local governments harmless from the TPP tax changes through tax year 2010 (tax year 2011 for telephone company property) through state reimbursement payments. As with the school districts, the direct state payments targeted to local governments are then gradually phased out. Like the fiscal 2002-2003 and fiscal 2004-2005 budgets, the fiscal 2006-2007 temporarily replaces the statutory funding mechanism and the county allocation formula for the Local Government Fund and the Local Government Revenue Assistance Fund. Funding will be limited to the lesser of the amount they received last year, or the amount they would receive using the codified distribution percentages in permanent law. This will provide an additional $244.4 million in fiscal 2006 to the state General Revenue Fund.
Oklahoma	Appropriation of $25 million to Dept. of Education for distribution to school districts to replace decreased advalorem tax revenue resulting from a state economic development incentive.
Oregon	K-12 school district support increased by 6.6 percent. Community college support was increased by 2.3 percent. Children and families prevention programs were reduced by 12.5 percent. Juvenile Crime Prevention was held constant. Programs serving people with developmental disabilities grew about 1 percent. Lottery revenues distributed to counties increased by 28 percent. Liquor revenues distributed to cities and counties increased about 7 percent.
Pennsylvania	No impact in 2005-2006. Gaming and property tax reform legislation are expected to reduce local reliance on increased property taxes in future years.
Rhode Island	Motor vehicle excise tax phase-out required the addition of $7.3 million to the base of $105.0 m (7% increase) for the communities, to compensate for lost local property tax revenue. The phase out will continue over several years, effective at the start of each fiscal year. Changed the eligibility criteria for distressed communities, allowing one more community to be classified this way. Program increases $1.4 million or 16%.
Tennessee	Restored one-half of the fiscal 2003-2004 state-shared taxes reduction. The one-half restoration is $20 million. Restored Local Jails Payments to $35, from $32, per day for housing state prisoners in non-contract local jails. The total amount restored is $2.5 million. Restored funds for local parks land acquisition. The amount restored is $2.6 million from the Real Estate Transfer Tax. Increased funding to local education agencies for K-12 education programs. Additional funding is $196.6 million, including $25 million from excess net lottery proceeds for a new Pre-K and Early Childhood Education program and $8 million for After-School programs from lottery unclaimed prizes.

TABLE 5 (continued)

Utah	The legislature annually provides increased appropriations to various local governments largely for jail reimbursement and county health agencies. These standard increases amount to a few million dollars annually and take effect on July 1 of each fiscal year.
Washington	Local Courts: Increased court fees are expected to raise over $19 million for counties and cities. Additionally, the state will use its share ($12.7 million) of the increased court fees for distribution to local governments for salaries for municipal court judges, to expand the parents' representation program for terminations and dependencies, to provide training/technical assistance to counties to improve trial level criminal indigent defense, and to perform a pilot project in one or more counties to improve criminal indigent defense.
Wisconsin	General transportation aids: 2% ($5.5 M) additional aid on FY06. Elderly and disabled transportation aids: 23.9% ($2 M) increase in FY06. Harbor Assistance Program: 242% ($9.7 M) additional funding in 2005-07 biennium. County and municipal Direct Aid Payments:$5 M increase in FY06. Shared Revenue Utility Aid Payments: Increased by 3 percent ($3.1 M) in FY06 to reflect previously enacted changes in distribution formulas as well as increases in production plant capacity. County and municipal levy limits have been enacted for FY06 and FY07 The limits restrict the amount by which a county's or municipality's levy can increase to the % growth due to new construction or 2%, whichever is greater. For the January 2005 assessments, statewide new construction growth was about 2.7%.

State Revenue Developments

CHAPTER TWO

Overview

When the survey for this report was finalized by states, revenues were strong. In every state, fiscal 2005 collections of sales, personal income, and corporate income taxes either met or surpassed budgeted estimates. Even with a brighter revenue picture, significant challenges persist. With the small margin by which collections exceeded anticipated revenues and demand for state spending high, states still face fiscal challenges. States must deal with underfunded employee pensions, accounting changes related to retiree benefits, an aging population and their health care costs, deteriorating infrastructure, and a growing school-age population.

States enacted $2.5 billion in tax and fee increases for fiscal 2006, as well as $1.4 billion of other revenue measures that enhance general fund revenue but that do not affect taxpayer liability.

TABLE 6

Enacted State Revenue Changes, Fiscal 1979 to Fiscal 2006

Fiscal Year	*Revenue Change (Billions)*
2006	$2.5
2005	3.5
2004	9.6
2003	8.3
2002	0.3
2001	-5.8
2000	-5.2
1999	-7.0
1998	-4.6
1997	-4.1
1996	-3.8
1995	-2.6
1994	3.0
1993	3.0
1992	15.0
1991	10.3
1990	4.9
1989	0.8
1988	6.0
1987	0.6
1986	-1.1
1985	0.9
1984	10.1
1983	3.5
1982	3.8
1981	0.4
1980	-2.0
1979	-2.3

SOURCES: Advisory Commission on Intergovernmental Relations, *Significant Features of Fiscal Federalism*, 1985-86 edition, page 77, based on data from the Tax Foundation and the National Conference of State Legislatures. Fiscal 1988--2006 data provided by the National Association of State Budget Officers.

Collections in Fiscal 2005

Collections of sales, personal income, and corporate income taxes exceeded budgeted amounts in 45 states in fiscal 2005 and were on target in five states. No state was short of its revenue targets for that year. By comparison, as recently as fiscal 2002, 42 states reported collecting less revenue than they budgeted to receive. Fiscal 2005 revenue collections were 4.2 percent higher than anticipated in originally enacted budgets. Sales taxes were 1.2 percent higher, personal income taxes were 5.7 percent higher, and corporate income taxes were 11.6 percent above original estimates (See Table A-7).

Projected Collections in Fiscal 2006

Based on adopted fiscal 2006 budgets, states expect that revenues will be 3.3 percent higher than those collected in fiscal 2005. Compared to actual fiscal 2005 collections, enacted fiscal 2006 budgets reflect 4 percent more in sales tax revenue, a 2.8 percent increase in personal income tax revenue, and a 2 percent rise in corporate income tax revenue (See Table A-8).

Enacted Fiscal 2006 Revenue Changes

States enacted net tax and fee changes of $2.5 billion for fiscal 2006. Twenty-five states adopted net tax and fee increases, while 14 adopted decreases. The largest enacted increase is in cigarette and tobacco taxes ($1.2 billion). States also adopted a net decrease in personal income taxes ($739.2 million). Other large net increases were in sales taxes ($994.5 million) and fees ($645 million).

The Fiscal Survey distinguishes between tax and fee increases or decreases (detailed in Table 7 and Table A-10) and revenue measures (described in Table A-11). Tax and fee changes are revisions in cur-

TABLE 7

Enacted Fiscal 2006 Revenue Actions by Type of Revenue and Net Increase or Decrease* (Millions)

State	*Sales*	*Personal Income*	*Corporate Income*	*Cigarettes/ Tobacco*	*Motor Fuels*	*Alcohol*	*Other Taxes*	*Fees*	*Total*
Alabama									$ 0.0
Alaska									0.0
Arizona	-$ 0.6	-$ 14.2	-$ 3.3					$ 1.0	-17.1
Arkansas	-5.1	-49.4	-5.6						-60.1
California									0.0
Colorado				$175.0					175.0
Connecticut			43.4				$167.0	1.3	211.7
Delaware		0.0					-16.7		-16.7
Florida	-51.5		-13.0				-123.8	3.9	-184.4
Georgia	-7.2	-3.4	2.5		-$75.5			-1.5	-85.1
Hawaii							5.0		5.0
Idaho	-176.0								-176.0
Illinois									0.0
Indiana	-27.0							83.8	56.8
Iowa			-3.0					3.9	0.9
Kansas									0.0
Kentucky	-29.0	-142.3	142.9	180.8	15.0	$14.4	-29.5	13.9	166.2
Louisiana	-3.0	-1.0	-18.0					87.0	65.0
Maine	5.2	4.3	5.4	$51.3				4.9	71.1
Maryland		6.2	19.0						25.2
Massachusetts	-15	-240.1	3.5						-251.6
Michigan									0.0
Minnesota	10.0	38.8	31.4	48.2			-1.6	258.3	385.1
Mississippi								5.0	5.0
Missouri								7.7	7.7
Montana							-1.5		-1.5
Nebraska	-7.6							-1.0	-8.6
Nevada							-7.0		-7.0
New Hampshire				43.5					43.5
New Jersey		45.0					30.0		75.0
New Mexico									0.0
New York	632.6	-8.5	16.0				68.2	25.2	733.5
North Carolina	60.7			118.8	-5.6		29.1	16.9	219.9
North Dakota					10.2			38.6	48.8
Ohio	703.1	-321.0	30.0	473.2			-72.5	11.3	824.1
Oklahoma		-42.9		150.0					107.1
Oregon								3.7	3.7
Pennsylvania			-132.8				-10.0		-142.8
Puerto Rico									0.0
Rhode Island		-1.1	6.2	0.7			1.5	4.8	12.1
South Carolina	-1.7	-8.3							-10.0
South Dakota									0.0
Tennessee									0.0
Texas									0.0
Utah		-1.1	-7.0					4.5	-3.6
Vermont							5.3	1.9	7.2
Virginia	-99.1	2.7		-3.4					-99.8
Washington	17.0			11.0	137.0	22.0	50.0	82.0	319.0
West Virginia	-11.3	2.0	2.0				52.0		44.7
Wisconsin		-4.9					-3.8	28.5	19.8
Wyoming									0.0
Total	**$994.5**	**-$739.2**	**$119.6**	**$1,249.1**	**$81.1**	**$36.4**	**$141.7**	**$685.6**	**$2,532.1**

NOTES: *See Appendix Table A-10 for details on specific revenue changes.

SOURCE: National Association of State Budget Officers.

rent law that affect taxpayer liability and that in some instances reflect one-time actions such as sales tax holidays. Revenue measures refer to actions that do not affect taxpayer liability, such as the deferral of a tax increase or decrease or the extension of a tax credit that occurs each year.

Sales Taxes. Six states enacted net sales tax increases for fiscal 2006 while 13 states adopted decreases. The result is a net increase of $994.5 million. Among the increases, New York made changes to the MTA sales and compensating use tax and to its sales tax treatment of clothing, a $632.6 million increase. Ohio made changes to its sales tax rate and to its vendor discount, resulting in a net increase of $703.1 million. In Idaho, a temporary two-year sales tax increase expired and along with an expanded exemption for research and development property reflects a net decrease of $176 million. In Virginia, reducing the sales tax on food provides a $99.1 million decrease.

Personal Income Taxes. Various enacted changes in 19 states reflect a net personal income tax decrease of $739.2 million for fiscal 2006. Ohio made several changes to its personal income tax structure, a decrease of $321 million. Arkansas reduced its income tax surcharge on individual tax liability and made other changes that reflect a net decrease of $49.4 million.

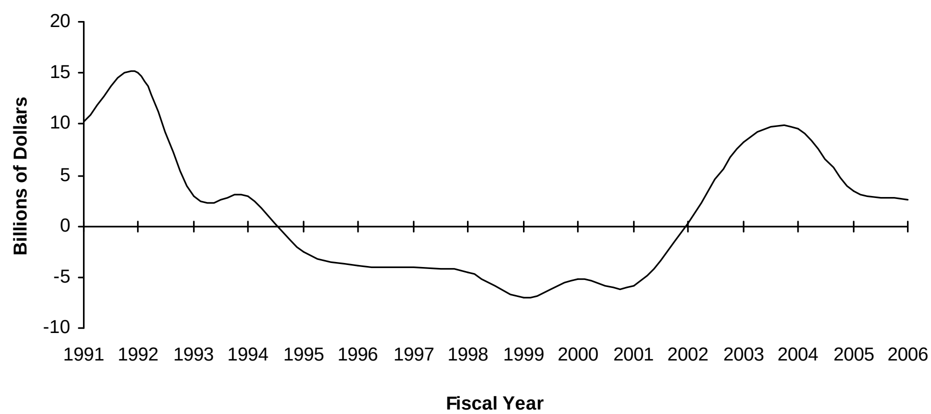
Corporate Income Taxes. Resulting in a net increase of $119.6 million, 18 states adopted changes to their corporate income taxes. Connecticut imposed a 20 percent surcharge in income year 2006, a $43.4 million increase. Pennsylvania continued to phase-out its capital stock and franchise tax, a decrease of $132.8 million in fiscal 2006.

Cigarette, Tobacco and Alcohol Taxes. States continue to raise taxes on cigarettes and other tobacco products. For fiscal 2006, 11 states enacted a $1.2 billion net increase on these products. Colorado increased its tax per pack of cigarettes and the tax on other tobacco products, resulting in a net increase of $175 million. Oklahoma adopted an increase of $150 million for Medicaid and the Insurance Premium Assistance Program for small businesses and other health care programs.

Other Taxes and Fees. Eighteen states made changes in other taxes for fiscal 2006, a net increase of $141.7 million. Twenty-three states enacted changes to fees that result in an increase of $685.6 million. Revenue from other taxes, such as personal property taxes, provider taxes and levies on hotels and rental cars usually cover the costs for license and regulation enforcement, promote environmental conservation, and generate revenues for health care. Fees most often are associated with motor vehicle and other types of licensing.

FIGURE 2

Enacted State Revenue Changes, Fiscal 1991 to Fiscal 2006



SOURCE: National Association of State Budget Officers.

Total Balances

CHAPTER THREE

Healthy state revenues, even amid substantial spending pressure, have allowed states to begin to rebuild their budget reserves. Recognizing that significant reserve funds were crucial in managing the recent fiscal downturn, states are trying to restore total balances to the levels that many budget observers consider an adequate fiscal cushion (an often cited figure is 5 percent of expenditures). Total balances include both ending balances and the amounts in states' budget stabilization funds; they reflect the funds states may use to respond to unforeseen circumstances after budget obligations have been met. Total balances peaked in fiscal 2000 at $48.8 billion or 10.4 percent of expenditures. Just three years later, at the nadir of the state fiscal crunch, total balances had fallen to $16.4 billion or 3.2 percent of expenditures. Based on the most recent data reported to NASBO, total balances were $26.7 billion in fiscal 2004, or 5.1 percent of total expenditures; $38.5 billion in fiscal 2005 or 6.9 percent of expenditures; and based on enacted budgets are $27.5 billion or 4.6 percent of expenditures for fiscal 2006 (see Table 10 and Tables A-1, A-2, A-3, and A-12).

After the recession of the early 1990s, states worked hard to build their rainy day fund balances and ending balances to safeguard against disruption of services should economic growth slow. The fiscal downturn during those years and during a similar period in the early 1980s caused state balances to fall rapidly. During the one-year period from 1980 to 1981, for example, balances plunged from 9 percent of expenditures to 4.4 percent, forcing states to cut budgets and raise taxes. During the early 1990s, states found themselves lacking balances adequate to manage a fiscal slowdown once again. Before the economy slowed in 1989, state balances equaled 4.8 percent of expenditures. Within two years, balances hit bottom, totaling only 1.1 percent of expenditures in 1991. In fiscal 1992, 35 states were forced to cut current-year budgets. The following year, 23 states were obliged to take that action again, causing uncertainty both for citizens receiving necessary services and for the governments delivering them. To stem these losses, states raised $25 billion in new revenues during the same two-year period. Remembering how swiftly that economic decline transpired, states prepared themselves cautiously to handle the next slowdown, and indeed the most recent 2001-2003 downturn would have caused worse problems had states not built up rainy day funds of more than 10 percent of expenditures in fiscal 2000.

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

TABLE 8

Enacted Changes to Budgeting and Financial Management Practices

NEW ENGLAND	
Maine	Major restructuring of primary government functions include Public Law 2005, chapter 12, Part G, consolidates payroll, personnel and accounting services statewide to achieve savings. Part I requires the Chief Information Officer to review statewide technology functions and systems for savings. Public Law 2005, chapter 457, Part YY establishes the Workforce Cabinet to study the delivery of training and economic and workforce development program in Maine through colocation, consolidation and other efficiencies. Major change in budget processes or authority, including performance budgeting include Public Law 2005, chapter 386, Part O establishes the Commission to Reform the State Budget Process. The Commission shall prepare recommendations on budget related matters including: a) the establishment of a "zero-based" budget, b) modifying the "current services" format used by departments and agencies by including a percent reduction from the previous year's appropriation or allocation and c) proposing adjustments to the current "performance-based" budgeting format.
Massachusetts	The Massachusetts School Building Authority wsa created to finance school construction on a go-forward basis. This has allowed the Commonwealth to control the rate of spending and increased oversight and accountability of the program. FY 2005 is the initial year for reporting for the Commonwealth's new web-based accounting system. This system is the most significant system upgrade for the Commonwealth in almost twenty years.
Rhode Island	Restructuring of non-vested employee retirement benefits; implementation of health care cost contributions; retroactive cost of living salary increases. Continuation of Governor's 'Fiscal Fitness' program to review all aspects of government service delivery and spending.
MID-ATLANTIC	
Delaware	The Budget Office, State Personnel Office and units of the Department of Administrative Services were combined to form the Office of Management and Budget.
New York	The 2005-06 Enacted State Budget provides County Governments and New York City with significant savings through a Medicaid Cap that will limit the local share of Medicaid expenses at 2005 levels, plus increments of 3.5%, 3.25% and 3.0% over the next three consecutive fiscal years. Any Medicaid costs above these growth levels will be paid for by the State.
GREAT LAKES	
Illinois	Since fiscal 2004, the state has consolidated various agencies (and thus functions) in order to reduce administrative costs and redundancy, as well as, provide more effective and efficient services. During fiscal 2005, the state offered a limited and targeted Early Retirement Initiative for non-frontline workers. The continuing reviews and monitors the State's expenditures and revenues, on both an agency-by-agency basis and on a fund-by-fund basis.
Indiana	Creation of Office of Management and Budget. Budget bill requires agency review of expenditures and revenues.
Michigan	Governor Jennifer Granholm continued steps to improve the budget process by building upon citizen input and results-based budgeting principles. The fiscal 2006 Executive Budget process was redesigned to break down department silos and concentrate on government-wide efforts to improve services to citizens, to convert department-specific priorities into government-wide goals directly focused on the results that matter to the public, and to more closely link spending decisions to the desired results. The "Budgeting for Outcomes" process involved cabinet-action planning sessions, cross-disciplinary work groups, input from her guidance team, and interactions with Michigan citizens. Ultimately, the Governor's fiscal 2006 budget was based on six goals that served as her commitment to the people of Michigan. Final budget decisions were guided by the peoples' priorities and intended to achieve maximum results for Michigan citizens. More information is available at http://www.michigan.gov/budget. The Michigan Legislature initially adopted an approach similar to Governor Granholm's "Budgeting for Outcomes". Ultimately, the Michigan Senate used a relatively traditional process to adopt separate budget bills for each state agency. In contrast, the Michigan House of Representatives developed a single "omnibus" budget bill containing funding for all areas of state spending except capital outlay and specific school programs. As part of the agreement reached between the two chambers on items of difference on the fiscal 2006 budget, the legislature enacted a "minibus" budget bill containing 7 budget areas. The remaining 11 budget bills were enacted as separate budget bills.
Wisconsin	Accountability Consolidation and Efficiency Initiative. Enterprise Resource Planning System.
PLAINS	
Kansas	Legislature created Division of Health Policy Finance to consolidate the state's health care expenditures.
Minnesota	Created new IT governance structure, Office of Enterprise Technology, cabinet-level state CIO.
Missouri	Information technology appropriations for most departments were consolidated and authority to control expenditures was given to the Information Technology Services Division within the Office of Administration. Legislation was also adopted rewriting the state's K-12 school funding formula. Legislation was adopted that will generate savings to Missouri's Medicaid program. The bill also established a Medicaid Reform Commission to make recommendations for replacing the current program which is set to expire at the end of fiscal 2008.

TABLE 8 (continued)

SOUTHEAST	
Alabama	Legislation was enacted to change employees' salary pay schedule from biweekly basis to bimonthly basis effective April 2006.
Arkansas	Act 1954 merges the Department of Health into the Department of Human Services. Act 1978 of 2005 creates the Arkansas Agriculture Department. Act 2252 concerning termination, continuance, or re-establishment of the agencies, departments, programs, boards, commissions, and institutions of the state [sunset legislation]. Act 237 of 2005 Repealed Performance Based Budgeting.
Georgia	Legislation was enacted that codified the creation of the State Accounting Office established by executive order of the Governor in October 2004. Realigned state financial reporting and financial system responsibilities under a single State Accounting Officer. SAO is responsible for establishing statewide accounting and reporting standards; preparing the state's Comprehensive Annual Financial Report (CAFR); improve accountability, efficiencies and internal controls.
West Virginia	Privitization of the state Workers' Compensation Program to an employers mutual company beginning January 1, 2006.
SOUTHWEST	
Oklahoma	We are in Phase I of a multi-phase implementation of replacing the state's purchasing, financial and human resources legacy systems with a new integrated ERP system named "CORE Oklahoma". CORE Oklahoma is a joint project of the Office of State Finance, the Department of Central Services, the Office of Personnel Management and the State Department of Commerce.
Texas	The Legislature incorporated several of the governor's recommended changes to agency budget structures, which resulted in more transparent and detailed bill patterns. The changes are reflected in the General Appropriations Act.
ROCKY MOUNTAIN	
Utah	With the election of Governor Jon Huntsman in November 2005, several major changes were made to Utah's government agency structure. 1) HB 109 consolidated all state information technology functions into a new Department of Technology Services (DTS). A new CIO was appointed as the director the new department, approximately 900 IT employoees from all state agencies were transferred to the new department, and DTS absorbed the state's IT internal service fund which previously provided many statewide services. 2) HB 318 moved the Division of Business and Economic Development and the Division of Travel and Tourism into a new Governor's Office of Economic Development. As part of the governor's office, economic development will receive greater emphasis under the direction of a senior policy advisor to the governor. 3) HB 319 will collapse the Department of Human Resource Management into a division within the Department of Administrative Services. All 165 human resource employees in other agencies will become employees of the new division of Human Resource Management, but will continue to be housed in and provide services to their existing agencies. 4) SB 199 dissolved the Office of Energy within the Department of Natural Resources transferring certain functions of the office to the Department of Environmental Quality, the Utah Geological Survey and the Governor's Office. 5) SB 239 created a new Public Lands Policy Coordinating Office responsible for coordinating all state efforts concerning public lands.
FAR WEST	
California	Department of Technology Services: The 2005-2006 Budget restructured the Health and Human Services Data Center (HHSDC) by consolidating the network portion of the HHSDC with the Teale Date Center and creating the new Dept. of Technology Services. In addition, the Office of Strategic Implementation was transferred to be a division within the Health and Human Services Agency itself. Department of Corrections and Rehabilitation: The 2005-2006 Budget also restructured the Youth and Adult Correctional functions by consolidating the Department of Corrections with the Department of the Youth Authority and creating the new Department of Corrections and Rehabilitation. eBudget: Beginning with the 2005-2006 Governor's Budget, interactive budget information was made available over the Internet via the Department of Finance's eBudget website. Copies of the Governor's Budget were no longer available to departments and the public in a printed format. This dramatically changed the Governor's Budget development process from a primarily paper-based process to a primarily electronically-based process. The new Governor's Budget Presentation System (GBPS) extracts information from Excel spreadsheets (certain fiscal data and special displays), mainframe systems (detailed fiscal information), database systems (detailed budget adjustments and narrative information), as well as a web-based system (fund condition statements).
Nevada	Enhanced and expanded Nevada's online budgeting system.

TABLE 9

Total Year-End Balances, Fiscal 1979 to Fiscal 2006

Fiscal Year	*Total Balance (Billions)*	*Total Balance (Percentage of Expenditures)*
2006*	$26.7	5.1%
2005*	38.5	6.9
2004	27.5	4.6
2003	16.4	3.2
2002	18.3	3.7
2001	44.1	9.1
2000	48.8	10.4
1999	39.3	8.4
1998	35.4	9.2
1997	30.7	7.9
1996	25.1	6.8
1995	20.6	5.8
1994	16.9	5.1
1993	13.0	4.2
1992	5.3	1.8
1991	3.1	1.1
1990	9.4	3.4
1989	12.5	4.8
1988	9.8	4.2
1987	6.7	3.1
1986	7.2	3.5
1985	9.7	5.2
1984	6.4	3.8
1983	2.3	1.5
1982	4.5	2.9
1981	6.5	4.4
1980	11.8	9.0
1979	11.2	8.7

NOTE: Figures for fiscal 2005 are estimates; figures for fiscal 2006 are based on recommendations..

SOURCE: National Association of State Budget Officers.

TABLE 10

Total Year-End Balances as a Percentage of Expenditures, Fiscal 2004 to Fiscal 2006

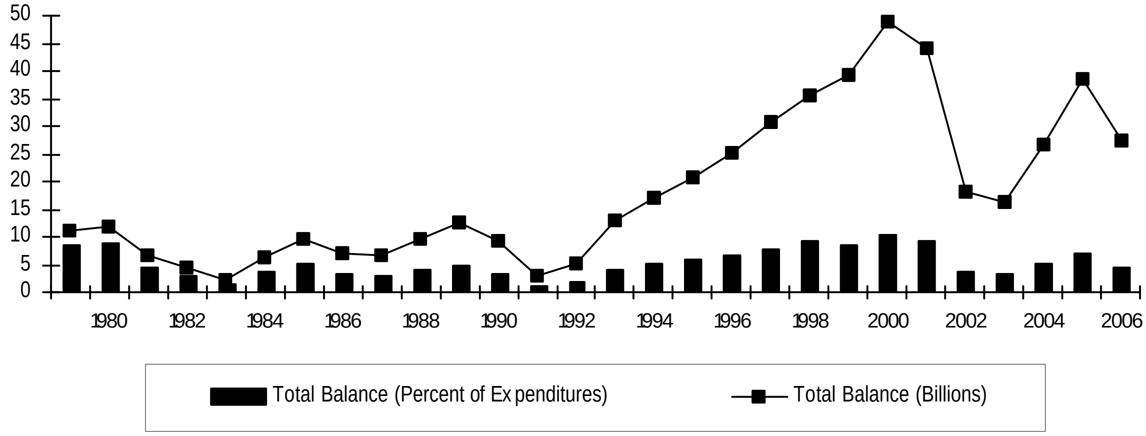
	Number of States		
Percentage	*Fiscal 2004 (Actual)*	*Fiscal 2005 (Estimated)*	*Fiscal 2006 (Recommended)*
Less than 1.0%	3	4	7
1.0% to 2.9%	11	6	7
3.0% to 4.9%	10	7	13
5.0% or more	26	33	23

NOTE: The average for fiscal 2004 (actual) was 5.1 percent; the average for fiscal 2005 (preliminary actual) is 6.9 percent; and the average for fiscal 2006 (appropriated) is 4.6 percent.

SOURCE: National Association of State Budget Officers.

FIGURE 3

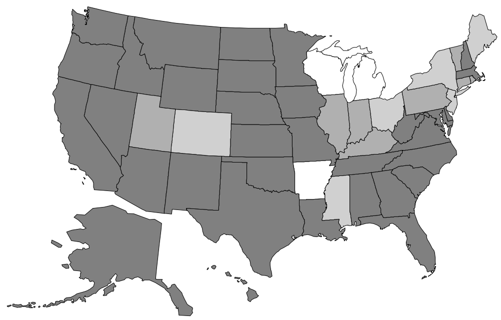
Total Year-End Balances and Total Year-End Balances as a Percentage of Expenditures, Fiscal 1979 to Fiscal 2006



SOURCE: National Association of State Budget Officers.

FIGURE 4

Total Year-End Balances as a Percentage of Expenditures, Fiscal 2005



5.0 percent or more	(33)
3.0 percent to 4.9 percent	(8)
1.0 percent to 2.9 percent	(6)
less than one percent	(3)

SOURCE: National Association of State Budget Officers.

Appendix

TABLE A-1

Fiscal 2004 State General Fund, Actual (Millions)

Region and State	*Beginning Balance*	*Revenues*	*Adjustments*	*Total Resources*	*Expenditures*	*Adjustments*	*Ending Balance*	*Budget Stabilization Fund*
NEW ENGLAND								
Connecticut	$ 0	$12,973	$ 0	$12,973	$12,671	$ 0	$ 302	$ 302
Maine**	29	2,684	-55	2,658	2,643	0	15	33
Massachusetts* **	112	23,988	0	24,100	22,848	0	1,893	1,137
New Hampshire	0	1,311	0	1,311	1,295	0	15	17
Rhode Island**	50	2,767	-56	2,761	2,727	10	24	84
Vermont**	0	922	51	972	915	57	0	45
MID-ATLANTIC								
Delaware*	464	2,736	0	3,200	2,554	0	646	137
Maryland**	123	10,204	376	10,703	10,250	0	453	497
New Jersey*	373	24,776	49	25,198	24,364	0	834	282
New York* **	815	42,327	0	43,142	42,065	0	1,077	794
Pennsylvania**	209	21,813	130	22,152	21,885	190	77	260
GREAT LAKES								
Illinois**	317	23,171	3,652	27,140	23,448	3,510	182	276
Indiana**	137	10,684	423	11,244	11,244	0	0	242
Michigan**	174	7,993	584	8,751	8,751	0	0	82
Ohio**	52	24,031	0	24,083	23,839	87	157	181
Wisconsin* **	-282	10,805	236	10,759	10,784	-131	105	0
PLAINS								
Iowa	0	4,683	0	4,683	4,517	0	166	163
Kansas**	123	4,519	2	4,644	4,317	0	328	0
Minnesota* **	369	14,499	0	14,868	13,600	0	1,269	1,003
Missouri**	216	6,934	0	7,150	6,662	0	488	222
Nebraska**	3	2,720	30	2,752	2,576	0	177	87
North Dakota	15	956	0	971	894	0	77	0
South Dakota**	0	852	40	892	889	3	0	158
SOUTHEAST								
Alabama**	113	5,635	119	5,866	5,483	36	347	104
Arkansas	0	3,526	0	3,526	3,526	0	0	0
Florida	682	23,202	0	23,884	21,427	0	2,457	966
Georgia*	1,105	15,669	0	16,774	15,906	0	869	52
Kentucky* **	163	7,156	302	7,620	7,294	77	250	51
Louisiana**	0	6,765	61	6,826	6,760	22	44	239
Mississippi**	20	3,521	0	3,541	3,591	-54	3	41
North Carolina**	251	14,691	246	15,187	14,704	194	289	267
South Carolina**	46	5,116	0	5,162	4,865	243	55	25
Tennessee**	64	8,865	-19	8,910	8,175	190	545	217
Virginia	86	12,574	0	12,660	12,387	0	274	340
West Virginia	196	3,083	40	3,319	3,019	10	291	54
SOUTHWEST								
Arizona* **	192	6,463	222	6,876	6,516	0	360	14
New Mexico*	245	4,612	0	4,612	4,422	13	447	447
Oklahoma**	34	5,133	-232	4,936	4,869	0	67	218
Texas**	88	30,828	529	31,445	29,390	607	1,448	366
ROCKY MOUNTAIN								
Colorado* **	217	6,045	-227	6,035	5,689	0	346	122
Idaho**	16	2,097	-26	2,087	1,987	0	100	0
Montana	36	1,382	0	1,417	1,282	0	135	0
Utah**	16	3,685	-72	3,628	3,574	0	54	67
Wyoming**	74	389	0	463	453	0	10	247
FAR WEST								
Alaska	0	2,346	0	2,346	2,319	0	27	2,155
California*	5,060	74,762	0	79,822	76,333	0	3,489	0
Hawaii	117	3,908	0	4,025	3,840	0	185	54
Nevada	108	2,503	0	2,610	2,389	0	221	72
Oregon**	114	4,922	0	5,036	5,479	0	-443	0
Washington**	405	11,323	224	11,952	11,452	0	500	0
Total	**$12,743**	**$528,545**	**-**	**$547,672**	**$522,868**	**-**	**$20,654**	**$12,119**

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

SOURCE: National Association of State Budget Officers.

NOTES TO TABLE A-1

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

Alabama	Revenue adjustments reflect $19.7 million of SWAP agreements, $75.6 million of federal fiscal relief funds, and $23.6 million of unrealized capital gains. Expenditure adjustments reflect a $36 million transfer to the Educational Trust Fund Rainy Day Fund.
Arizona	Revenue adjustments represent fund transfers, federal cash assistance, a judicial collections program, a tax amnesty program and settlement monies from a lawsuit.
Colorado	Revenue adjustments include diversions to the Older Coloradan's Program and State Education Fund. The ending balance includes $121.8 million above the 4 percent statutory reserve requirement. Per Colorado statute, these monies will be allocated for transportation and capital construction needs.
Idaho	Revenue adjustments include $0.4 million in transfers from other funds and $26.2 million in transfers to other funds.
Illinois	Revenue adjustments include $2,257 million in general funds and $1,395 million of pension obligation reimbursement transfers-in. Expenditure adjustments include transfers-out of $2,519 million and $991 million for repayment of short-term borrowing.
Indiana	Revenue adjustments represent one-time transfers from dedicated funds, the Federal Jobs & Growth Tax Relief Reconciliation Act of 2003, and the Rainy Day Fund. In addition to the ending and Rainy Day Fund balances noted, Indiana reserves a portion of the General Fund for tuition support payments for K-12 education. In fiscal 2004, that amount was $290.5 million. The ending General Fund balance does not reflect that amount.
Kansas	Revenues have been adjusted for released encumbrances.
Kentucky	Revenues include $110 million in Tobacco Settlement funds and $69 million from the federal fiscal relief package. Revenue adjustments include fund transfers ($200 million), and the Reserve for Continuing Appropriations ($102 million). Expenditure adjustments include funds reserved for continued appropriations.
Louisiana	Revenue adjustments reflect carry forwards of $19.2 million, the use of $29.9 million of bond premiums, other fund balances of $7.6 million, and $ 4 million of non-recurring payments for capital outlay. Expenditure adjustments reflect carry-forwards of $21.5 million.
Maine	Revenue adjustments reflect legislative and statutory authorized transfers. These include $11.3 million of unbudgeted lapsed balances, -$61.9 million of statutory year-end transfers from unappropriated surplus and -$4 million of prior period and other accounting adjustments.
Maryland	Revenue adjustments reflect transfers from other (special) funds.
Massachusetts	Figures include budgeted operating fund balances.
Michigan	Revenue adjustments include federal and state law changes ($49.2 million); unrestricted federal aid ($169 million); a revenue sharing freeze ($275.9 million); cancellation of prior year work projects ($35.1 million); deposits from state restricted revenues ($75 million); and other revenue adjustments (-$20.1 million).
Minnesota	The ending balance includes a budget reserve of $403.7 million.
Mississippi	Expenditure adjustments reflect transfers to the Rainy Day Fund.
Missouri	Revenues are net of refunds. Refunds for fiscal 2004 totaled $1,075.3 million. Revenues include the following: $229.9 million transferred to the General Revenue Fund, $84.7 million from bond proceeds for capital improvement projects, and $274.1 million Federal Fiscal Relief pursuant to the Jobs and Growth Tax Relief Reconciliation Act of 2003.
Nebraska	Revenue adjustments are transfers between the General Fund and other funds.
New York	The ending balance includes $794 million in the tax stabilization reserve fund (rainy day fund), $262 million in the Community Projects Fund and $21 million in reserve funds for litigation risks.
North Carolina	Revenue adjustments include $136.9 of Federal Fiscal Relief and $108.8 million of Disaster Relief funds. Expenditure adjustments include $116.7 million allocated to the Rainy Day Fund and $76.8 million allocated to the Repair & Renovation Reserve.

NOTES TO TABLE A-1 (continued)

Ohio	Federal reimbursements for Medicaid and other human services programs are included in the general revenue fund. Beginning balances are undesignated, unreserved fund balances. The actual cash balances would be higher by the amount reserved for encumbrances and designated transfers from the general revenue fund. Expenditures for fiscal 2004 do not include encumbrances outstanding at the end of the year. Ohio reports expenditures based on disbursements for the general revenue fund. Expenditure adjustments reflect miscellaneous transfers-out of $55.3 million. These transfers-out are adjusted for a net change in encumbrances from fiscal 2003 levels of $31.4 million.
Oklahoma	Revenue adjustments reflect the subtraction out of the Rainy Day Fund deposit of $217 million and the increase in the deposit into the Cash Flow Reserve Fund from fiscal 2004 to fiscal 2005.
Oregon	Oregon budgets on a biennial basis. The constitution requires the state to be balanced at the end of each biennium.
Pennsylvania	Revenue adjustments include $142.5 million in prior year lapses and a -$13 million adjustment to the beginning balance. Expenditure adjustments reflect a statutory transfer to the budget stabilization (rainy day) fund.
Rhode Island	Revenue adjustments reflect a contribution to the budget stabilization fund. Expenditure adjustments reflect the reappropriation of general revenue.
South Carolina	Expenditure adjustments were applied to fiscal 2002 and fiscal 2003 deficits.
South Dakota	Revenue adjustments reflect $22.8 million from one-time receipts, $16 million transferred from the Property Tax Reduction Fund to cover the budget shortfall, and $1.4 million of obligated cash carried forward from fiscal 2003. Expenditure adjustments reflect $1.4 million transferred to the Budget Reserve Fund from the prior year's obligated cash and $1.2 million of obligated cash to the Budget Reserve Fund.
Tennessee	Revenue adjustments reflect a $28 million transfer from the debt service fund reserve, a $25.5 million transfer from debt service fund unexpended appropriations, a -$39 million transfer to the Rainy Day Fund, and $33.6 million reserved for dedicated revenue appropriations. Expenditure adjustments reflect a $25.7 million transfer to the Transportation Equity Fund, a $27.5 million transfer to the capital outlay projects fund, a $130.5 million transfer to the TennCare reserve, and a $6.1 million transfer to dedicated revenue appropriations.
Texas	The beginning balance is from the Comptroller's December 2003 certification estimate. Revenues are from the Comptroller's January 2005 Biennial Revenue Estimate. Revenue adjustments reflect the actual change in dedicated account balances. Total expenditures are 2004 expended, as reported by the Governor's Office. Expenditure adjustments include $594.5 million reserved for transfer to the Rainy Day Fund and other adjustments to reconcile the actual ending balance reported by the Comptroller.
Utah	Revenue adjustments include a $35.6 million reserve from the prior fiscal year, $14 million of lapsing balances from agencies, $10.2 million of transfers from various restricted accounts, a $9.8 million transfer from tobacco settlement funds, a $5.2 million industrial assistance fund reserve from the previous fiscal year, $5.3 million from other miscellaneous revenue sources, a -$1.6 million surplus designated for debt service, a -$4.4 million industrial assistance fund reserve for the following fiscal year, a -$39.3 million transfer to the rainy day fund, and a -$107.2 million reserve for the following fiscal year.
Vermont	Revenue adjustments reflect $28.9 million due to the 2003 Act 68 sales tax implementation; -$1.3 million for Vermont Economic Development Authority debt forgiveness; $17.3 from direct applications and transfers in; and $5.9 million in additional property transfer tax to the General Fund. Expenditure adjustments reflect $1.3 million (net) to the Human Services Caseload Reserve; $4.5 million to the Transportation Fund, $1.7 million to the General Bond Fund; $2 million to the Health Access Trust Fund; $10 million to the Internal Revenue Funds; $1 million to miscellaneous other funds; $20.9 million to the Budget Stabilization Reserve; and $15.6 million to the General Fund Surplus Reserve.
Washington	Revenue adjustments represent transfers from other accounts to the General Fund.
Wisconsin	Revenue adjustments include Indian Gaming ($48 million), inter-fund transfers ($181.6 million, including a $100 million transfer from the Transportation Fund), and designated balances carried forward ($6.4 million). Expenditure adjustments include a designation for continuing balances ($51.2 million) and a transfer to the Medical Assistance Trust Fund ($123.5 million).
Wyoming	The state budgets on a biennial basis. To complete the survey using annual figures, certain assumptions were required. Caution is advised when drawing conclusions or making projections using this information.

TABLE A-2

Fiscal 2005 State General Fund, Preliminary Actual (Millions)

Region and State	*Beginning Balance*	*Revenues*	*Adjustments*	*Resources*	*Expenditures*	*Adjustments*	*Ending Balance*	*Budget Stabilization Fund*
NEW ENGLAND								
Connecticut**	$ 0	$14,212	$ 0	$14,212	$13,909	$ 0	$ 303	$ 606
Maine**	15	2,791	12	2,818	2,784	0	34	47
Massachusetts* **	756	24,373	0	25,129	23,779	0	1,955	1,728
New Hampshire	15	1,392	0	1,407	1,325	0	82	17
Rhode Island**	35	3,033	-61	3,007	2,966	0	41	92
Vermont**	0	1,035	48	1,083	1,038	45	0	46
MID-ATLANTIC								
Delaware*	646	2,878	0	3,524	2,822	0	701	148
Maryland**	453	11,548	438	12,438	11,264	0	1,174	521
New Jersey*	834	27,429	-13	28,250	27,612	0	638	288
New York* **	1,077	43,760	0	44,837	43,619	0	1,218	872
Pennsylvania**	77	23,309	98	23,483	23,105	14	365	330
GREAT LAKES								
Illinois**	182	23,647	2,513	26,342	22,187	3,658	497	276
Indiana**	0	11,488	158	11,647	11,800	-272	119	317
Michigan**	0	8,260	395	8,655	8,655	0	0	0
Ohio**	158	25,551	0	25,708	24,831	739	138	575
Wisconsin* **	105	11,779	5	11,889	11,758	125	6	0
PLAINS								
Iowa**	0	4,826	0	4,826	4,590	160	76	226
Kansas**	328	4,841	2	5,171	4,690	0	481	0
Minnesota**	1,269	14,330	0	15,598	14,595	0	1,003	1,003
Missouri**	488	6,933	0	7,421	7,121	0	300	232
Nebraska**	177	3,032	-84	3,124	2,720	0	403	177
North Dakota**	77	997	0	1,074	906	100	69	100
South Dakota**	0	958	33	991	989	2	0	134
SOUTHEAST								
Alabama**	347	6,273	78	6,697	6,030	-8	675	157
Arkansas	0	3,630	0	3,630	3,630	0	0	0
Florida	2,457	25,254	0	27,711	24,808	0	2,903	988
Georgia*	869	16,789	0	17,657	16,429	0	1,228	223
Kentucky**	250	7,559	279	8,087	7,735	98	255	29
Louisiana**	0	7,164	76	7,240	7,241	-20	19	452
Mississippi**	3	3,941	0	3,945	3,632	-261	52	52
North Carolina**	289	16,327	0	16,616	15,798	324	493	313
South Carolina* **	55	5,591	0	5,646	5,073	105	468	75
Tennessee**	545	9,374	-16	9,904	9,373	88	443	275
Virginia	274	14,168	0	14,442	13,879	0	563	482
West Virginia	291	3,505	8	3,803	3,410	32	361	79
SOUTHWEST								
Arizona* **	360	7,786	158	8,304	7,661	0	643	165
New Mexico*	447	4,969	0	4,969	4,748	13	682	682
Oklahoma**	67	5,377	-301	5,142	4,945	188	10	461
Texas**	1,448	32,655	295	34,398	29,695	1,003	3,700	7
ROCKY MOUNTAIN								
Colorado* **	224	6,397	-257	6,363	6,211	0	152	0
Idaho**	100	2,268	-43	2,325	2,110	0	215	16
Montana	135	1,529	0	1,664	1,367	0	297	0
Utah**	54	3,921	2	3,978	3,978	0	0	146
Wyoming**	10	1,197	0	1,207	1,202	0	5	70
FAR WEST								
Alaska	0	3,055	0	3,055	3,046	0	9	2,274
California* **	3,489	81,947	3,791	89,227	81,728	0	7,499	0
Hawaii	185	4,486	0	4,671	4,185	0	486	53
Nevada	221	2,992	0	3,213	3,076	0	137	122
Oregon**	-443	5,516	0	5,073	4,777	0	296	0
Washington**	500	12,225	471	13,196	12,220	0	977	0
Total	**$18,866**	**$568,294**	**-**	**$594,796**	**$557,052**	**-**	**$32,170**	**$14,855**

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

SOURCE: National Association of State Budget Officers.

NOTES TO TABLE A-2

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

Alabama	Revenue adjustments reflect a $17 million Finance Authority excess, an $18 million supersedeas bond, a $9.5 million surplus in board/commission accounts, $21.4 million of unrealized capital gains, and $12 million from the demutualization of insurance companies. Expenditure adjustments reflect $53 million of transfers to the Education Trust Fund Rainy Day Fund, -$15 million of estimated reversions, reducing debt service payments from the Capital Improvement Trust Fund and the General Fund by -$21.2 million, and -$24.8 million of supplemental appropriations.
Arizona	Revenue adjustments represent fund transfers, a withholding adjustment to compensate for federal withholding changes, and a judicial collections program.
California	Revenue adjustments reflect an adjustment to the fiscal 2005 beginning balance of $3,789.8 million.
Colorado	Revenue adjustments include diversions to the Older Coloradan's Program and State Education Fund.
Connecticut	Expenditures include $639.8 million of surplus funds.
Idaho	Revenue adjustments include $1.7 million in transfers from other funds and $44.8 million in transfers to other funds, $21 million of which was to the Budget Stabilization Fund. Fiscal 2005 revenue came in $112 million higher than the estimate used during the 2006 legislative session. This will undoubtedly result in revising the fiscal 2006 revenue estimate upward.
Illinois	Revenue adjustments include $2,513 million of transfers into general funds. Expenditure adjustments include transfers-out of $3,163 million and $495 million to repay Pension Obligation Bond debt service.
Indiana	Revenue adjustments represent one-time transfers from dedicated funds and transfers to the Rainy Day Fund. Expenditure adjustments represent one-time capital reversions from prior biennia and one-time property tax relief reversions. In addition to the ending and Rainy Day Fund balances noted, Indiana reserves a portion of the General Fund for tuition support payments for K-12 education. In fiscal 2005. that amount was $290.5 million. The ending General Fund balance does not reflect that amount.
Iowa	Expenditure adjustments reflect an appropriation from the general fund ending balance to the property tax credit fund to pay for property tax credits in fiscal 2006.
Kansas	Revenues have been adjusted for released encumbrances.
Kentucky	Revenue includes $109 million in Tobacco Settlement funds. Revenue adjustments include fund transfers ($159 million), and the Reserve for Continuing Appropriations ($120 million). Expenditure adjustments include funds reserved for continued appropriations.
Louisiana	Revenue adjustments reflect carry forwards of $22.8 million, the use of prior year surpluses of $32.9 million, other fund balances of $2.7 million, and $17.3 million of non-recurring payments for capital outlay. Expenditure adjustments reflect the three-year average of reversions, which is $19.5 million. Actual expenditures will not until the CAFR is prepared.
Maine	Revenue adjustments reflect legislative and statutory authorized transfers. These include $14.2 million of unbudgeted lapsed balances, -$37.6 million of statutory year-end transfers from unappropriated surplus, $31.8 million of transfers and $4 million of prior period and other accounting adjustments.
Maryland	Revenue adjustments reflect a $91 million transfer from the Rainy Day Fund and a $383.5 million transfer from other funds. Both are offset by a $37 million reduction to prior year revenues.
Massachusetts	Figures include operating fund balances. The ending balance includes $304.8 million in the Transportation Escrow Fund. Those funds are available for appropriation through June 30, 2006. At that time any remaining balance will be transferred to the Stabilization Fund (Rainy Day Fund).
Michigan	Revenue adjustments include federal and state law changes (-$266.2 million); a revenue sharing freeze ($324 million); suspension of county revenue sharing payments ($182.3 million); escheats enforcement revenue ($2.5 million); a freeze on interfund borrowing rates ($20 million); deposits from state restricted funds ($33.4 million); other revenue adjustments ($3.1 million); and several pending actions including the sale of properties ($12.5 million) and a Rainy Day Fund withdrawal ($83.1 million). The estimated ending balance will likely be expended by fiscal year end close.
Minnesota	The ending balance includes a budget reserve of $653 million and a cash flow account of $350 million.
Mississippi	Expenditure adjustments reflect transfers to the Rainy Day Fund, transfers to the Budget Contingency Fund, and aid to municipalities.
Missouri	Revenues are net of refunds. Refunds for fiscal 2005 totaled $1,071.3 million. Revenues include $175.9 million transferred to the General Revenue Fund and $45.2 million from bond proceeds for capital improvement projects.
Nebraska	Revenue adjustments are transfers between the general fund and other funds. Per Nebraska law, this includes a transfer to the Cash Reserve Fund (Rainy Day Fund) of the amount the prior year's net General Fund receipts exceeded the official forecast.
New York	The ending balance includes $872 million in the tax stabilization reserve fund (rainy day fund), $325 million in the Community Projects Fund and $21 million in reserve funds for litigation risks.

NOTES TO TABLE A-2 (continued)

North Carolina	Expenditure adjustments include $199.1 million allocated to the Rainy Day Fund and $125 million allocated to the Repair & Renovation Reserve.
North Dakota	Expenditure adjustments reflect a transfer from the general fund to the budget stabilization fund.
Ohio	Federal reimbursements for Medicaid and other human services programs are included in the general revenue fund. Beginning balances are undesignated, unreserved fund balances. The actual cash balances would be higher by the amount reserved for encumbrances and designated transfers from the general revenue fund. Expenditures for fiscal 2005 do not include encumbrances outstanding at the end of the year. Ohio reports expenditures based on disbursements for the general revenue fund. Expenditure adjustments reflect a transfer to the Budget Stabilization Fund of $394.2 million and miscellaneous transfers-out of $193.5 million. These transfers-out are adjusted for an anticipated net change in encumbrances from fiscal 2004 levels of $151 million.
Oklahoma	Revenue adjustments reflect the subtraction out of the Rainy Day Fund deposit of $ 243 million and an increase in the deposit into the Cash Flow Reserve Fund from fiscal 005 to fiscal 2006. Expenditure adjustments include law changes from the 2005 Session. HB1193 created the Taxpayer Relief Fund and the Oklahoma Dynamic Economy and Budget Security Fund. The bill directed any excess revenue over the amount needed to reach the 10 percent cap in the Rainy Day Fund to the funds. Each fund receives 50 percent of the excess revenue. For fiscal 2005, there was $188 million in excess over the amount needed ($243 million) to reach the 10 percent cap in the Rainy Day Fund.
Oregon	Oregon budgets on a biennial basis. The constitution requires the state to be balanced at the end of each biennium.
Pennsylvania	Revenue adjustments include $97.2 million in prior year lapses and a -$0.7 million adjustment to the beginning balance. Expenditure adjustments reflect current year lapses of $50.9 million and the transfer of 15 percent of the ending balance to the budget stabilization (rainy day) fund.
Rhode Island	Revenue adjustments reflect a contribution to the budget stabilization fund.
South Carolina	Expenditure adjustments reflect the correction of prior years’ accounting errors.
South Dakota	Revenue adjustments reflect $7.4 million from one-time receipts, $24.6 million transferred from the Property Tax Reduction Fund to cover the budget shortfall and $1.2 million of obligated cash carried forward from fiscal 2004. Expenditure adjustments reflect $1.2 million transferred to the Budget Reserve Fund from the prior year’s obligated cash and $0.8 million of obligated cash to the Budget Reserve Fund.
Tennessee	Revenue adjustments reflect a $42.7 million transfer from debt service unexpended appropriations and a -$58.4 million transfer to the Rainy Day Fund. Expenditure adjustments reflect a $21.6 million transfer to the Transportation Equity Fund, a $58.9 million transfer to the capital outlay projects fund, and $7 million for dedicated revenue appropriations.
Texas	The beginning balance is from the Comptroller’s January 2005 Biennial Revenue Estimate. Revenues are from the Comptroller’s monthly collections report through August 2005. Revenue adjustments reflect the actual change in dedicated account balances. Total expenditures are preliminary 2005 budgeted, as reported by the Legislative Budget Board. Expenditure adjustments include $905 million reserved for transfer to the Rainy Day Fund and other adjustments to reconcile the estimated ending balance.
Utah	Revenue adjustments include a $107.2 million reserve from the prior fiscal year, $11.7 million of transfers from miscellaneous restricted accounts, $5 million of lapsing balances, a $4.4 million industrial assistance fund reserve from the prior fiscal year, a $1.6 million fiscal 2004 surplus set aside for debt service, a -$10.3 million recommended transfer to the rainy day fund, and -$117.6 million held in reserve for the following fiscal year.
Vermont	Revenue adjustments reflect -$2 million for Vermont Economic Development Authority debt forgiveness; $20.6 million in direct applications and transfers-in; a $13.8 million increase in property transfer tax revenue (estimated); and $15.6 million from the General Fund Surplus Reserve. Expenditure adjustments include $4.8 million to the Transportation Fund; $1.7 million from the General Bond Fund; $14.3 to the Health Access Trust Fund, $3.7 million to the Internal Service Funds; $3.1 million to miscellaneous other funds; $1.3 million to the Budget Stabilization Reserve; and $19.6 million to the General Fund Surplus Reserve.
Washington	Revenue adjustments represent transfers from other accounts to the General Fund.
Wisconsin	Revenue adjustments include Indian Gaming ($5.1 million). Expenditures include the compensation reserve ($163 million). Expenditure adjustments include a transfer to the Medical Assistance Trust Fund ($125 million).
Wyoming	The state budgets on a biennial basis. To complete the survey using annual figures, certain assumptions were required. Caution is advised when drawing conclusions or making projections using this information.

TABLE A-3

Fiscal 2006 State General Fund, Appropriated (Millions)

Region and State	*Beginning Balance*	*Revenues*	*Adjustments*	*Resources*	*Expenditures*	*Adjustments*	*Ending Balance*	*Budget Stabilization Fund*
NEW ENGLAND								
Connecticut	$ 0	$14,134	$ 0	$14,134	$14,132	$ 0	$ 2	$ 0
Maine**	34	2,743	41	2,818	2,811	0	7	0
Massachusetts**	442	25,342	0	25,784	25,576	0	208	2,241
New Hampshire	31	1,295	0	1,325	1,309	0	16	31
Rhode Island**	41	3,166	-64	3,142	3,142	0	0	96
Vermont**	0	1,059	39	1,098	1,054	44	0	52
MID-ATLANTIC								
Delaware* **	701	3,020	0	3,721	3,244	0	477	161
Maryland**	1,174	11,459	139	12,772	12,169	0	603	753
New Jersey*	638	27,331	0	27,968	27,368	0	600	288
New York* **	1,218	46,799	0	48,017	46,205	0	1,812	872
Pennsylvania**	365	23,915	0	24,280	24,278	1	2	337
GREAT LAKES								
Illinois**	497	24,492	2,179	27,168	23,854	2,806	508	276
Indiana**	119	11,987	0	12,106	12,066	0	40	328
Michigan**	0	8,449	529	8,978	8,977	0	0	0
Ohio**	138	25,626	0	25,765	25,531	-215	449	577
Wisconsin* **	6	12,632	119	12,756	12,456	236	65	0
PLAINS								
Iowa**	0	4,988	2	4,990	4,926	0	64	302
Kansas	481	4,937	0	5,418	5,150	0	268	0
Minnesota* **	1,003	15,033	0	16,036	15,020	0	1,016	1,003
Missouri**	300	6,972	0	7,273	7,220	0	52	240
Nebraska**	403	3,186	-266	3,324	2,972	110	241	274
North Dakota	69	957	0	1,026	975	0	51	100
South Dakota**	0	1,002	17	1,019	1,019	0	0	115
SOUTHEAST								
Alabama**	675	6,223	47	6,945	6,619	237	89	350
Arkansas	0	3,825	0	3,825	3,825	0	0	0
Florida	2,903	25,053	0	27,956	26,565	0	1,391	1,080
Georgia* **	1,228	17,415	0	18,643	17,406	9	1,228	223
Kentucky**	255	7,934	232	8,421	8,369	47	4	29
Louisiana**	0	7,272	-10	7,262	7,260	0	2	636
Mississippi**	52	4,014	0	4,066	3,910	-127	30	0
North Carolina	479	16,816	0	17,295	17,181	0	113	313
South Carolina	468	5,617	0	6,085	5,969	0	116	154
Tennessee**	443	9,562	-49	9,956	9,761	137	58	325
Virginia	563	14,192	0	14,755	14,745	0	10	664
West Virginia	361	3,287	28	3,676	3,614	45	17	124
SOUTHWEST								
Arizona* **	643	7,900	16	8,560	8,214	0	345	170
New Mexico*	682	5,281	0	5,281	4,760	6	1,210	1,210
Oklahoma	10	5,620	0	5,629	5,355	0	275	0
Texas**	3,700	31,901	108	35,709	32,107	450	3,152	165
ROCKY MOUNTAIN								
Colorado* **	152	6,682	-84	6,750	6,666	0	84	0
Idaho**	215	2,082	14	2,311	2,181	0	130	16
Montana**	297	1,421	0	1,718	1,473	0	245	0
Utah**	0	4,060	126	4,186	4,176	0	10	170
Wyoming**	5	1,202	0	1,207	1,197	0	10	70
FAR WEST								
Alaska	0	3,078	0	3,078	3,038	0	40	2,308
California*	7,499	84,471	0	91,970	90,026	0	1,944	0
Hawaii	486	4,665	0	5,151	4,612	0	539	63
Nevada	137	2,936	0	3,073	2,905	0	168	159
Oregon**	296	5,545	0	5,842	5,731	0	111	0
Washington**	977	12,296	132	13,405	12,769	0	636	0
Total	**$30,184**	**$580,876**	**-**	**$613,672**	**$591,888**	**-**	**$18,439**	**$16,270**

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

SOURCE: National Association of State Budget Officers.

NOTES TO TABLE A-3

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

Alabama	Revenue adjustments reflect the $47.2 million transfer of tobacco revenue balances to the General Fund. Expenditure adjustments reflect $13 million of preliminary supplemental appropriations, $192.7 million of transfers to rainy day funds, and a $31.5 million cost of living adjustment for state employees.
Arizona	Revenue adjustments represent fund transfers and a change in the lottery distribution.
Colorado	Revenue adjustments include diversions to the Older Coloradan's Program and State Education Fund.
Delaware	Figures reflect the September 2005 meeting of the Delaware Economic and Financial Advisory Council.
Georgia	Expenditure adjustments reflect the governor's veto.
Idaho	Revenue adjustments include $21.3 million in transfers from other funds and $7.6 million in transfers to other funds. The revenue estimate incorporates a $170 million reduction caused by the phase-out of a two-year temporary sales tax increase.
Illinois	Revenue adjustments include $2,179 million of transfers into general funds. Expenditure adjustments include $431 million to repay Pension Obligation Bond debt service and transfers out from general funds of $2,375 million.
Indiana	In addition to the ending and Rainy Day Fund balances noted, Indiana reserves a portion of the General Fund for tuition support payments for K-12 education. In fiscal 2006, that amount is $290.5 million. The ending General Fund balance does not reflect that amount.
Iowa	Revenue adjustments reflect tax credits and various minimal adjustments in fees, fines and miscellaneous receipts.
Kentucky	Revenue includes $109 million in Tobacco Settlement funds. Revenue adjustments include fund transfers ($184 million), and the Reserve for Continuing Appropriations ($47 million). Expenditure adjustments include funds reserved for continued appropriations.
Louisiana	Revenue adjustments consist of an increased statutory dedication due to Act 398.
Maine	Revenue adjustments reflect $41.2 million in legislative and statutory authorized transfers.
Maryland	Revenue adjustments reflect transfers from other (special) funds.
Massachusetts	Figures include budgeted operating fund balances. The Rainy Day Fund balance assumes that no Transitional Escrow Funds are appropriated.
Michigan	Revenue adjustments include federal and state law changes (-$236.2 million); a revenue sharing freeze ($377.8 million); suspension of county revenue sharing payments ($182.3 million); escheats enforcement revenue ($10 million); a freeze on interfund borrowing rates ($20 million); enhanced tax enforcement revenue ($24.6 million); deposits from state restricted funds ($59.1 million); and several pending actions including the sale of properties ($60 million) and interest earnings from the securitization of a portion of the Tobacco Settlement proceeds ($31million).
Minnesota	The ending balance includes a budget reserve of $653 million and a cash flow account of $350 million.
Mississippi	Expenditure adjustments reflect a transfer to the Budget Contingency Fund.
Missouri	Revenues are net of refunds. Estimated refunds for fiscal 2006 total $1,184.2 million. Revenues include $178.2 million transferred to the General Revenue Fund.
Montana	The revenues included are those projected by the Legislature during session. General fund revenues appear stronger than anticipated during legislative session. A higher ending fund balance is anticipated at this time. In fiscal 2006, $46 million of the expenditures are one-time only and will not impact the long-term obligations of the state.
Nebraska	Revenue adjustments are transfers between the General Fund and other funds. Per Nebraska law, includes a transfer to the Cash Reserve Fund (Rainy Day Fund) of the amount the prior year's net General Fund receipts exceeded the official forecast. Expenditure adjustments are carryover appropriations from the prior fiscal year and a small amount reserved for supplemental/deficit appropriations.
New York	The ending balance includes $872 million in the tax stabilization reserve fund (rainy day fund), $601 million in the fiscal stability reserve fund, $316 million in the Community Projects Fund and $21 million in reserve funds for litigation risks.
Ohio	Federal reimbursements for Medicaid and other human services programs are included in the general revenue fund. Beginning balances are undesignated, unreserved fund balances. The actual cash balances would be higher by the amount reserved for encumbrances and designated transfers from the general revenue fund. Expenditures for fiscal 2005 do not include encumbrances outstanding at the end of the year. Ohio reports expenditures based on disbursements for the general revenue fund. Expenditure adjustments reflect projected miscellaneous transfers out of $49.6 million. These transfers out are adjusted for an anticipated net change in encumbrances from fiscal 2005 levels of -$265 million.

NOTES TO TABLE A-3 (continued)

Oregon	Oregon budgets on a biennial basis. The constitution requires the state to be balanced at the end of each biennium.
Pennsylvania	Expenditure adjustments reflect the transfer of 25 percent of the ending balance to the budget stabilization (rainy day) fund.
Rhode Island	Revenue adjustments reflect a contribution to the budget stabilization fund.
South Dakota	Revenue adjustments reflect a $17.4 million transfer from the Property Tax Reduction Fund to cover the anticipated budget shortfall.
Tennessee	Revenue adjustments reflect a -$49.3 million transfer to the Rainy Day Fund. Expenditure adjustments reflect $23.5 million transfer to the Transportation Equity Fund, a $68.8 million transfer to the capital outlay projects fund, a $7.8 million transfer to the debt service fund, a $10 million transfer to the highway fund, a $20 million transfer to the local government fund (state-shared taxes), and a $7 million transfer to dedicated revenue appropriations.
Texas	The beginning balance is a preliminary estimate. Estimated revenues are from the Comptroller's June 20, 2005 and August 12, 2005 certification worksheets. Total expenditures are preliminary 2006 appropriated, as reported by the Legislative Budget Board. Expenditure adjustments of $449.7 million reflect the estimated reserve for transfer to the Rainy Day Fund.
Utah	Revenue adjustments reflect $117.6 million held in reserve from the previous fiscal year, the $25 million repayment of an emergency loan to Washington County, $7 million of one-time revenue from implementing double-weighted sales tax reform, $0.2 million from miscellaneous revenue sources, and a -$24 million transfer to the rainy day fund.
Vermont	Revenue adjustments reflect $7.7 million in direct applications and transfers in; a $11.5 million increase in property transfer tax revenue (estimated); and $19.6 million from the General Fund Surplus Reserve. Expenditure adjustments include $1.3 million from the Human Services Caseload Reserve; $6.1 million to the Budget Stabilization Reserve; and $39.1 million to the General Fund Surplus Reserve.
Washington	Revenue adjustments represent transfers from other accounts to the General Fund.
Wisconsin	Revenue adjustments include Indian Gaming ($118.6 million). Expenditures include the compensation reserve ($90 million). Expenditure adjustments include transfer to the Medical Assistance Trust Fund ($235.4 million).
Wyoming	The state budgets on a biennial basis. To complete the survey using annual figures, certain assumptions were required. Caution is advised when drawing conclusions or making projections using this information.

TABLE A-4

General Fund Nominal Percentage Expenditure Change, Fiscal 2005 and Fiscal 2006*

Region and State	*Fiscal 2005*	*Fiscal 2006*
NEW ENGLAND		
Connecticut	9.8%	1.6%
Maine	5.4	0.9
Massachusetts	4.1	7.6
New Hampshire	2.3	-1.2
Rhode Island	8.8	5.9
Vermont	13.4	1.5
MID-ATLANTIC		
Delaware	10.5	15.0
Maryland	9.9	8.0
New Jersey	13.3	-0.9
New York	3.7	5.9
Pennsylvania	5.6	5.1
GREAT LAKES		
Illinois	-5.4	7.5
Indiana	4.9	2.3
Michigan	-1.1	3.7
Ohio	4.2	2.8
Wisconsin	9.0	5.9
PLAINS		
Iowa	1.6	7.3
Kansas	8.7	9.8
Minnesota	7.3	2.9
Missouri	6.9	1.4
Nebraska	5.6	9.3
North Dakota	1.3	7.6
South Dakota	11.2	3.0
SOUTHEAST		
Alabama	10.0	9.8
Arkansas	2.9	5.4
Florida	15.8	7.1
Georgia	3.3	5.9
Kentucky	6.0	8.2
Louisiana	7.1	0.3
Mississippi	1.2	7.6
North Carolina	7.4	8.8
South Carolina	4.3	17.7
Tennessee	14.7	4.1
Virginia	12.1	6.2
West Virginia	13.0	6.0
SOUTHWEST		
Arizona	17.6	7.2
New Mexico	7.4	0.2
Oklahoma	1.6	8.3
Texas	1.0	8.1
ROCKY MOUNTAIN		
Colorado	9.2	7.3
Idaho	6.2	3.4
Montana	6.6	7.8
Utah	11.3	5.0
Wyoming	165.3	-0.4
FAR WEST		
Alaska	31.3	-0.3
California	7.1	10.2
Hawaii	9.0	10.2
Nevada	28.8	-5.6
Oregon	-12.8	20.0
Washington	6.7	4.5
Average	**6.5%**	**6.3%**

NOTES: *Fiscal 2005 reflects changes from fiscal 2004 expenditures (actual) to fiscal 2005 expenditures (preliminary actual). Fiscal 2006 reflects changes from fiscal 2005 expenditures (preliminary actual) to fiscal 2006 expenditures (appropriated).

TABLE A-5

Strategies Used to Reduce or Eliminate Budget Gaps, Fiscal 2005

Region and State	*Fees*	*Layoffs*	*Furloughs*	*Early Retirement*	*Across-the Board Percentage Cuts*	*Reduce Local Aid*	*Programs* Reorganized	Privatization	*Rainy Day Fund*	*Other*
NEW ENGLAND										
Connecticut										
Maine*										x
Massachusetts										x
New Hampshire*										x
Rhode Island										
Vermont										
MID-ATLANTIC										
Delaware										
Maryland										
New Jersey										
New York*					x		x			x
Pennsylvania										
GREAT LAKES										
Illinois*										x
Indiana*					x					x
Michigan*					x	x			x	x
Ohio*										x
Wisconsin										
PLAINS										
Iowa										
Kansas										
Minnesota*					x					x
Missouri										
Nebraska										
North Dakota										
South Dakota									x	
SOUTHEAST										
Alabama										
Arkansas										
Florida										
Georgia										
Kentucky										
Louisiana										
Mississippi										
North Carolina										
South Carolina										
Tennessee										
Virginia										
West Virginia*										x
SOUTHWEST										
Arizona										
New Mexico										
Oklahoma										
Texas*									x	x
ROCKY MOUNTAIN										
Colorado										
Idaho										
Montana										
Utah										
Wyoming										
FAR WEST										
Alaska										
California										
Hawaii										
Nevada										
Oregon										
Washington										
Total	**0**	**0**	**0**	**0**	**4**	**1**	**1**	**0**	**3**	**11**

NOTES: *See Notes to Table A-5.

SOURCE: National Association of State Budget Officers.

NOTES TO TABLE A-5

Illinois	Program and agency reorganizations, as well as other measures including implementing quarterly performance reports and monthly budget variance reports for each agency; consolidated and merged agencies; cut administrative and operating budgets; and placed tighter controls on hiring and reduced the workforce.
Indiana	Administrative transfer of dedicated funds.
Maine	Strategies used to address budget gap include Budgeted Ending Balance - Prior to 122nd Legislature ($82.6 million); March and June 2005 Revenue Forecasting Committee Revisions ($29.8 million); Health and Human Services Billing Revenue Accrual ($11.5 million); MaineCare Reductions - Nursing Facilities ($3.2 million); Lapsed General Purpose Aid for Local Schools Savings ($2.3 million); Debt Service Savings ($2.5 million); and Other Miscellaneous Savings/Increases to Balance ($7.8 million).
Massachusetts	The fiscal 2005 GAA directed $340 to be transferred from the Stabilization Fund to the General Fund. At year end, $827 million was transferred back to the Stabilization Fund. An additional $304.8 million was placed in the Transitional Escrow Fund. The fiscal 2006 GAA directed $114 million to be transferred from the Stabilization Fund to the General Fund. This amount was based upon an adjusted April 15, 2004 tax estimate of $17.447 billion. On October 24, 2005, the Executive Office for Administration and Finance increased by $509 million to $17.957 billion.
Michigan	Other strategies to address the fiscal 2005 budget gap include: a 4 percent reduction in Medicaid Provider rates, a 4 percent reduction in graduate medical education payments to hospitals, a 6 percent Medicaid Provider tax on specialty prepaid health plans, a coverage waiting period for new day care cases, closure of Corrections camps, higher education reductions, private lease cancellations, information technology reductions, contract reductions, and state agency lapses.
Minnesota	Legislature failed to approve reductions. Executive unallotment did not require legislative approval.
New Hampshire	Other strategies included a hiring delay.
New York	The State closed the 2005 gap through agency cost controls and tax collections which exceeded forecast projections.
Ohio	Selective cuts with different rates applying to different agencies based on state priorities.
Texas	Used surplus balances from 2004-2005.
West Virginia	A budget gap of $20 million was anticipated in December 2003 and across-the-board cuts of 2.9 percent/1.4 percent for higher education were put into place (Legislature, judicial, debt service, Lease Rental Payments, Public Defender Services, CHIP’s, Public Education, Medicaid, Corrections and State Police were excluded from the cuts). At the end of the year, the state actually did not have a budget gap and was $41.5 million over the revenue estimate. However, the across-the-board spending reduction was not lifted.

TABLE A-6

Number of Filled Full-Time Equivalent Positions at the End of Fiscal 2004 to Fiscal 2005, in All Funds**

Region and State	*Fiscal 2004*	*Fiscal 2005*	*Fiscal 2006*	*Percent Change, 2004-2005*	*Percent Change, 2005-2006*	*Includes Higher Education Faculty*	*State-Administered Welfare System*
NEW ENGLAND							
Connecticut	50,287	51,713	52,231	2.84%	1.00%	X	X
Maine	14,427	14,391	14,279	-0.25%	-0.78%		
Massachusetts	62,019	64,513	66,232	4.02%	2.66%	X	X
New Hampshire	12,320	12,581	13,131	2.12%	4.37%		
Rhode Island*	14,933	15,006	16,349	0.49%	8.95%	X	X
Vermont	7,953	7,947	8,001	-0.08%	0.68%		X
MID-ATLANTIC							
Delaware*	28,318	28,543	30,554	0.80%	7.05%		X
Maryland	78,125	78,092	78,088	-0.04%	-0.01%	X	X
New Jersey	76,766	79,295	81,962	3.29%	3.36%		
New York*	187,900	189,600	191,900	0.90%	1.21%	X	
Pennsylvania	84,606	84,879	83,373	0.32%	-1.77%		X
GREAT LAKES							
Illinois	59,460	57,047	58,749	-4.06%	2.98%		X
Indiana	37,194	35,814	34,027	-3.71%	-4.99%		X
Michigan	51,119	50,719	50,720	-0.78%	0.00%		X
Ohio	57,048	57,187	57,187	0.24%	0.00%		
Wisconsin	41,170	40,378	40,281	-1.92%	-0.24%		
PLAINS							
Iowa	66,022	66,042	65,886	0.03%	-0.24%	X	X
Kansas	40,931	41,179	41,376	0.61%	0.48%	X	X
Minnesota*	33,279	33,288	NA	0.03%	NA		
Missouri*	62,523	61,255	60,170	-2.03%	-1.77%		X
Nebraska*	16,504	16,312	NA	-1.16%	NA		X
North Dakota	7,336	7,282	7,714	-0.74%	5.93%		
South Dakota	13,127	13,226	13,862	0.75%	4.80%	X	
SOUTHEAST							
Alabama	36,896	37,163	37,000	0.72%	-0.44%		X
Arkansas	29,571	29,784	30,311	0.72%	1.77%		X
Florida	116,241	116,266	116,233	0.02%	-0.03%		X
Georgia	100,114	98,538	98,663	-1.57%	0.13%	X	X
Kentucky	35,800	35,300	35,500	-1.40%	0.57%		
Louisiana*	88,871	88,336	88,624	-0.60%	0.33%	X	X
Mississippi	NA	NA	NA	NA	NA		
North Carolina	NA	NA	NA	NA	NA	X	
South Carolina	60,617	60,459	60,579	-0.26%	0.20%	X	X
Tennessee	44,099	45,205	46,000	2.51%	1.76%		X
Virginia	109,496	112,099	113,436	2.38%	1.19%	X	
West Virginia	34,149	35,685	35,695	4.50%	0.03%	X	X
SOUTHWEST							
Arizona	NA	NA	NA	NA	NA		X
New Mexico	22,543	23,482	25,316	4.17%	7.81%		X
Oklahoma	65,431	66,728	64,802	1.98%	-2.89%	X	
Texas	215,910	222,860	221,353	3.22%	-0.68%	X	X
ROCKY MOUNTAIN							
Colorado*	45,906	46,633	46,576	1.58%	-0.12%		
Idaho	17,233	17,513	17,748	1.62%	1.34%	X	X
Montana	11,241	11,285	11,534	0.39%	2.20%		X
Utah	20,779	20,924	20,408	0.70%	-2.47%		X
Wyoming	6,685	7,529	7,529	12.63%	0.00%	X	X
FAR WEST							
Alaska	19,586	19,226	19,687	-1.84%	2.40%	X	X
California*	316,860	322,449	329,093	1.76%	2.06%	X	X
Hawaii*	44,403	44,040	44,202	-0.82%	0.37%	X	X
Nevada	24,430	24,430	24,322	0.00%	-0.44%	X	X
Oregon	47,141	47,567	47,132	0.90%	-0.91%	X	X
Washington	105,078	106,767	106,210	1.61%	-0.52%	X	X
Total* **	**2,672,664**	**2,696,957**	**2,714,025**	**0.9%**	**0.6%**		

NOTES: N/A indicates data are not available. *See Notes to Table A-6. **Unless otherwise noted, fiscal 2004 reflects actual figures, fiscal 2005 reflects preliminary actuals and fiscal 2006 reflects appropriated figures. ***Totals exclude states that were unable to provide data for all three years.

SOURCE: National Association of State Budget Officers.

NOTES TO TABLE A-6

California	The counties administer the welfare system with state oversight.
Colorado	All data except for fiscal 2003-2004 data is considered preliminary. We will update this information once it becomes available.
Delaware	This large increase due almost entirely to rebasing of employees in school districts. All figures are for authorized positions.
Hawaii	Data for fiscal years 2004, 2005, and 2006 reflect appropriated positions.
Louisiana	These amounts are based upon FTE and not all FTEs are appropriated. Estimates are as of July 29, 2005.
Minnesota	Fiscal 2004 and fiscal 2005 totals do not include the Legislature or Higher Education Institutions. Fiscal 2006 is not available since the state does not have complement or position control.
Missouri	Amounts are the authorized full-time equivalent positions.
Nebraska	Appropriations bills do not limit authorized positions.
New York	State employees are counted as full-time equivalent employees funded from All Funds including part-time and temporary employees but excluding seasonal, legislative and judicial employees.
Rhode Island	Actual 2004 figures reflect enacted cap of 15,289.4 does not include 319.8 higher education sponsored research positions. Preliminary Actual 2005 figures reflect enacted cap of 16,227.2 includes 781 higher education sponsored research positions. Appropriated 2006 figures reflect enacted cap of 16,349.1 includes 785 higher education sponsored research positions.

TABLE A-7

Fiscal 2005 Tax Collections Compared with Projections Used in Adopting Fiscal 2005 Budgets (Millions)**

Region and State	*Sales Tax* Original Estimate	*Sales Tax* Current Estimate	*Personal Income Tax* Original Estimate	*Personal Income Tax* Current Estimate	*Corporate Income Tax* Original Estimate	*Corporate Income Tax* Current Estimate	*Total* Revenue Collection***
NEW ENGLAND							
Connecticut	$3,320	$3,290	$5,131	$5,571	$502	$679	H
Maine	944	941	1,260	1,270	123	136	H
Massachusetts	3,803	3,886	8,572	9,690	1,067	1,063	H
New Hampshire	N/A	N/A	N/A	N/A	N/A	N/A	H
Rhode Island	849	N/A	981	N/A	112	N/A	T
Vermont	195	207	448	501	41	60	H
MID-ATLANTIC							
Delaware	N/A	N/A	824	883	96	114	H
Maryland	2,954	3,129	5,292	5,661	339	512	H
New Jersey	6,600	6,520	8,855	9,550	2,632	2,403	H
New York*	10,492	10,587	26,738	28,100	1,751	1,858	H
Pennsylvania	8,001	8,000	8,595	8,748	1,951	1,921	T
GREAT LAKES							
Illinois	6,431	6,595	7,565	7,979	858	1,172	H
Indiana	5,122	4,960	4,033	4,213	578	825	H
Michigan*	6,801	6,625	6,022	6,016	1,918	1,886	T
Ohio*	7,866	7,827	8,103	8,599	900	1,052	H
Wisconsin	4,107	4,039	5,796	5,700	554	764	T
PLAINS							
Iowa	1,767	1,798	2,620	2,750	185	254	H
Kansas	1,892	1,892	2,040	2,051	205	226	H
Minnesota	4,226	4,239	6,176	6,359	829	927	H
Missouri	1,922	1,913	4,016	4,107	261	328	H
Nebraska	1,173	1,231	1,263	1,400	149	198	H
North Dakota	418	442	223	240	46	63	H
South Dakota	534	534	N/A	N/A	N/A	N/A	T
SOUTHEAST							
Alabama	1,726	1,796	2,100	2,306	250	300	H
Arkansas	1,886	1,945	1,726	1,875	180	264	H
Florida	16,491	17,622	N/A	N/A	1,435	1,730	H
Georgia	5,249	5,216	7,242	7,276	536	730	H
Kentucky	2,577	2,577	2,947	2,947	398	398	H
Louisiana	N/A	N/A	N/A	N/A	N/A	N/A	H
Mississippi	1,493	1,544	1,062	1,100	316	321	H
North Carolina	4,359	4,477	8,106	8,409	881	1,194	H
South Carolina	2,250	2,319	1,979	2,215	120	186	H
Tennessee	6,097	6,094	142	155	1,146	1,367	H
Virginia	2,852	2,946	7,774	9,587	408	617	H
West Virginia	946	960	1,101	1,170	173	281	H
SOUTHWEST							
Arizona	3,627	3,661	2,665	2,967	691	702	H
New Mexico	1,514	1,557	1,023	1,086	123	243	H
Oklahoma	1,545	1,556	2,271	2,499	134	184	H
Texas	15,432	16,248	N/A	N/A	N/A	N/A	H
ROCKY MOUNTAIN							
Colorado	1,862	1,855	3,553	3,712	251	315	H
Idaho	903	951	954	1,036	116	140	H
Montana	11	13	578	706	69	96	H
Utah	1,497	1,590	1,713	1,830	184	190	H
Wyoming	351	351	N/A	N/A	N/A	N/A	H
FAR WEST							
Alaska	N/A	N/A	N/A	N/A	250	436	H
California	25,146	25,233	38,974	42,032	7,573	7,674	H
Hawaii	1,950	2,131	1,233	1,381	35	86	H
Nevada	791	914	N/A	N/A	N/A	N/A	H
Oregon	N/A	N/A	4,906	4,723	296	323	H
Washington	6,577	6,618	N/A	N/A	N/A	N/A	H
Total	**$186,548**	**$188,829**	**$206,602**	**$218,400**	**$30,664**	**$34,217**	-

NOTES: N/A indicates data are not available because, in most cases, these states do not have this type of tax.

*See Notes to Table A-7.
**Unless otherwise noted, original estimates reflect the figures used when the fiscal 2004 budget was adopted, and current estimates reflect preliminary actual tax collections.

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

SOURCE: National Association of State Budget Officers.

NOTES TO TABLE A-7

Michigan	The original fiscal 2005 budget has been modified and is based on the special August 2005 consensus estimates and is net of all enacted tax changes. Tax estimates represent total tax collections. Sales tax collections are for the Michigan sales tax only and do not include collections from Michigan use tax. Michigan does not have a Corporate Income tax; estimates are for Michigan's Single Business Tax.
	The fiscal 2005 revenues are on target with the August 2005 consensus revenue estimates; final revenue figures will be available when the State of Michigan Comprehensive Annual Financial Report is published in December 2005.
	The fiscal 2006 Executive Budget has been modified and is based on the special August 2005 consensus estimates and is net of all enacted tax changes. Tax estimates represent total tax collections. Sales tax collections are for the Michigan sales tax only and do not include collections from Michigan use tax. Michigan does not have a Corporate Income Tax; estimates are for Michigan's Single Business Tax.
	The fiscal 2006 revenues are on target with the August 2005 consensus revenue estimates; updated fiscal 2006 revenue figures will be released at the next regularly scheduled consensus revenue conference in January 2006.
New York	Reported personal income tax collections include dedicated personal income tax receipts that flow through the revenue bond tax fund. Reported sales tax collections include dedicated sales tax receipts that flow through the Local Government Assistance Corporation.
Ohio	Revenues estimates for fiscal 2005 were revised in July 2004.

TABLE A-8

Fiscal 2005 Tax Collections Compared with Projections Used in Adopting Fiscal 2006 Budgets (Millions)

	Sales Tax		*Personal Income Tax*		*Corporate Income Tax*	
Region and State	*Fiscal 2005*	*Fiscal 2006*	*Fiscal 2005*	*Fiscal 2006*	*Fiscal 2005*	*Fiscal 2006*
NEW ENGLAND						
Connecticut	$3,290	$3,432	$5,571	$5,786	$679	$646
Maine	941	1,011	1,270	1,168	136	119
Massachusetts	3,886	4,066	9,690	9,787	1,063	1,156
New Hampshire	N/A	N/A	N/A	N/A	N/A	N/A
Rhode Island	N/A	888	N/A	1,034	N/A	110
Vermont	207	211	501	491	60	46
MID-ATLANTIC						
Delaware	N/A	N/A	883	953	114	131
Maryland	3,129	3,109	5,661	5,416	512	451
New Jersey	6,520	6,850	9,550	10,275	2,403	2,502
New York*	10,587	10,611	28,100	30,345	1,858	2,024
Pennsylvania	8,000	8,269	8,748	9,182	1,921	2,059
GREAT LAKES						
Illinois	6,595	6,873	7,979	8,235	1,172	1,266
Indiana	4,960	5,187	4,213	4,309	825	755
Michigan	6,625	6,905	6,016	6,176	1,886	1,914
Ohio	7,827	7,481	8,599	8,674	1,052	953
Wisconsin	4,039	4,139	5,700	6,141	764	683
PLAINS						
Iowa	1,798	1,850	2,750	2,791	254	296
Kansas	1,892	1,950	2,051	2,130	226	210
Minnesota	4,239	4,395	6,359	6,566	927	768
Missouri*	1,913	1,948	4,107	4,184	328	342
Nebraska	1,231	1,252	1,400	1,440	198	186
North Dakota	442	432	240	227	63	42
South Dakota	534	565	N/A	N/A	N/A	N/A
SOUTHEAST						
Alabama	1,796	1,873	2,306	2,405	300	314
Arkansas	1,945	1,999	1,875	1,879	264	271
Florida	17,622	18,642	N/A	N/A	1,730	1,841
Georgia	5,216	5,637	7,276	7,748	730	564
Kentucky	2,577	2,717	2,947	3,089	398	331
Louisiana	N/A	N/A	N/A	N/A	N/A	N/A
Mississippi	1,544	1,558	1,100	1,100	321	341
North Carolina	4,477	4,693	8,409	8,840	1,194	906
South Carolina	2,319	2,396	2,215	2,158	186	143
Tennessee*	6,094	6,346	155	162	1,367	1,359
Virginia	2,946	2,828	9,587	8,335	617	508
West Virginia	960	972	1,170	1,153	281	245
SOUTHWEST						
Arizona	3,661	3,866	2,967	2,875	702	820
New Mexico	1,557	1,597	1,086	1,012	243	210
Oklahoma	1,556	1,624	2,499	2,486	184	183
Texas	16,248	16,558	N/A	N/A	N/A	N/A
ROCKY MOUNTAIN						
Colorado	1,855	1,955	3,712	3,884	315	305
Idaho	951	784	1,036	1,046	140	134
Montana	13	13	706	607	96	81
Utah	1,590	1,614	1,830	1,940	190	203
Wyoming	351	353	N/A	N/A	N/A	N/A
FAR WEST						
Alaska	N/A	N/A	N/A	N/A	436	329
California	25,233	26,951	42,032	42,230	7,674	8,822
Hawaii	2,131	2,144	1,381	1,400	86	71
Nevada	914	926	N/A	N/A	N/A	N/A
Oregon	N/A	N/A	4,723	4,942	323	261
Washington	6,618	6,851	N/A	N/A	N/A	N/A
Total	**$188,829**	**$196,321**	**$218,400**	**$224,598**	**$34,217**	**$34,896**

NOTES: N/A indicates data are not available because, in most cases, these states do not have this type of tax.

*See Note to Table A-8

**Unless otherwise noted, fiscal 2005 figures reflect preliminary actual tax collection estimates as shown in Table A-7, and fiscal 2006 figures reflect the estimates used in enacted budgets.

SOURCE: National Association of State Budget Officers.

NOTE TO TABLE A-8

New York	Reported personal income tax collections include dedicated personal income tax receipts that flow through the revenue bond tax fund. Reported sales tax collections include dedicated sales tax receipts that flow through the Local Government Assistance Corporation.

TABLE A-9

State Employment Compensation Changes, Fiscal 2006

Region/State	*Across-the-Board*	*Merit*	*Other*	*Notes*
NEW ENGLAND				
Connecticut	3.0%	1.0%		Varies with some employees receiving across the board and others taking a wage freeze. Not all collective bargaining units have settled.
Maine	3.0	3.5-5		Across-the-board excludes Law Enforcement at this time. Merit includes only those employees not at the top of their scale.
New Hampshire	4.0			A 2 percent in July 2005, 2 percent in January 2006.
Rhode Island	4.0		2.0	The 4.0% COLA increase is offset by a contribution to employee health premiums of 2.5% of SALARY for settled union employees; and, 4.0% COLA less 2.5% of health care PREMIUM for non-union classified employees beginning in FY 2005. The total FY 2006 cost to the state for the COLA less the health care co-pay is still being calculated at this time. The 2.0% in the 'Other' category relates to the approximate annual growth in salaries due to steps and longevities.
Vermont	2.0		2.0	Two percent COLA (cost of living adjustment). Also, per the state employee contract, about 56 percent of employees receive annual step increases worth in aggregate about 2 percent of statewide salary costs.
MID-ATLANTIC				
Delaware	2.0	3.0		The across the board increase is for all employees and includes a minimum raise of $1100. The Merit increase if for state agency employees and is based on the midpoint of the employees paygrade range. Education and Del Tech employees received a step increase where eligible.
Maryland	1.5	2-4*		*All employees receive a merit step if performance meets standards. These are awarded either July 1 or January 1depending on the employee's anniversary.
New Jersey	4.0		2.0	Some contracting unions receive a 4 percent increase at the beginning of the fiscal year, and others receive a 2 percent increase semi-annually.
New York	2.8		1.0	There are a series of step increases within each pay grade until reaching a salary threshold. Approximately 45% of the work force is eligible to receive such increase (i.e. not at job rate).
Pennsylvania	3.0			Most employees received a 3 percent general pay increase on July 1, 2005.
GREAT LAKES				
Indiana				Indiana provides general salary adjustments effective January 1st. At this time the January 1, 2006 general salary adjustment is unknown.
Michigan	1*	NA	NA	Some classified employees will receive step increases. Other employees may be eligible for promotion to a higher classification grade and pay level. Career employees receive an annual longevity payment following completion of 6 years of continuous full-time service. The amount of the longevity payment varies depending on the number of years of full-time service and is increased in four-year increments. *Effective dates are 10/1/2005 and 4/9/2006.
Ohio	4.0			Annual step increases were frozen from July 2003 through June 2005, but were resumed in July 2005.
Wisconsin	2.0			Non-represented only; represented subject to bargaining.

TABLE A-9 (continued)

State Employment Compensation Changes, Fiscal 2006

Region/State	*Across-the-Board*	*Merit*	*Other*	*Notes*
PLAINS				
Iowa		4.5	2.5	Other 2.5 percent is added to the top of most pay plans.
Kansas	2.5			An increase of 1.25 percent for the first half; another 1.25 percent for the second half.
Minnesota	2.0		3.5	About 50 percent of employees are eligible for annual 3.5 percent step increases.
Nebraska	3.0			Salary increase of 3 percent for most State employees effective July 1, 2005. Members of the State Law Enforcement Bargaining Council negotiated an annual salary increase averaging about 6.9 percent effective July 1, 2005.
North Dakota	4.0			---
South Dakota	2.3		2.5	Other compensation represents the movement to job worth for employees who are under the midpoint of their job classification.
SOUTHEAST				
Alabama	6	5.0*	**	Across-the-board cost of living adjustment effective fiscal 2006. *Merit raises are based on employee performance and status in classification as to whether an employee can receive such raise that could range from 0 percent to 5 percent. ** Longevity pay ranges from $300 to $600 per year based on the number of years of state service.
Arkansas	1.5 to 3.0	Up to 8*		*law allows up to 8 percent bonus upon recommendation of supervisor/director.
Florida	3.6			Salary increases for state court system (Deputy Clerk Personnel, Court Security Personnel, Maintenance Personnel, Library Personnel, Supreme Court Staff Attorney Personnel); Critical Class (Retention Adjustments) - Professional Health Care; Salary Increases for Department of Revenue - Technology-Based Pay Package; Salary Compression Adjustment for Highway Safety and Motor Vehicles - Florida Highway Patrol; Salary Increases (Retention Adjustment) - Security Services Personnel; Salary Increases - County Judges; Salary Equalization - State Attorneys/Public Defenders.
Georgia		2.0		Increase effective September 1, 2005 for teachers. This increase is in addition to a 2 percent increase to certified personnel through the normal progression on the teacher salary schedule. 2% increase for executive, legislative and judicial employees effective January 1, 2006.
Kentucky	3.0			---
Louisiana		4.0		---
North Carolina	2% or $850			Funds were provided for the greater of a 2 percent salary increase or $850 increase.
South Carolina	4.0			Law enforcement salary increase was 2-6 percent, effective October 1, 2004.
Tennessee	3.0			---
virginia	3.0		Average of 4.4	Salary compression - $50 for each year of contiuious service for full time employees with five or more years of service.
West Virginia				All state employees, unless otherwise exempt (salary set by statute, tenure less than 6 months) received a $900 across-the-board increase. Employees in certain targeted job classifications received $1,350. The effective date for the across-the-board is November 1, 2005.

TABLE A-9 (continued)

State Employment Compensation Changes, Fiscal 2006

Region/State	*Across-the-Board*	*Merit*	*Other*	*Notes*
SOUTHWEST				
Arizona	1.7			---
New Mexico	1.5		5.0	The across-the-board increase reflects classified and judicial employees. Other reflects comissioned state police officers and district attorneys. Public school employee increases are 1.25 percent, and 2 percent for higher education employees.
Oklahoma	*			*Across the board salary increases to employees of $1,400 annually beginning on Jan. 1, 2005 (FY-2005) with an additional $700 annually beginning on July 1, 2005 (FY-2006). The annualization of this increase for fiscal 2006 was $1,400 per employee and cost approximately $48 million.
Texas	4.0			An across-the-board salary increase for general state employees of 4 percent with a minimum increase of $100 per month took effect on September 1, 2005 (fiscal 2006). Another salary increase of 3 percent with a minimum increase of $50 will take effect on September 1, 2006 (fiscal 2007).
ROCKY MOUNTAIN				
Colorado	3.0			---
Idaho		1.0	0.0	This is a one-time salary increase. The appropriation was contingent on the fiscal 2005 General Fund ending balance exceeding $124 million. Since the actual balance was $214 million, the one-time salary increase will be provided.
Montana	3.5			Employees receive additional longevity increments every 5 years.
Utah	2.5		4.3	Across-the-board was a 2.5% COLA for all state employees. The 4.3% outlined in other includes 2.0% for health and dental insurance premium increases, and 2.3% for market comparability adjustments affecting 65% of state employees whose salary was 15% or more below market on average.
Wyoming	3.0			---
FAR WEST				
Alaska		3	*	Most employees receive an annual merit increase. *Most bargaining units receive $78-$80 towards increased health insurance costs plus a 1.5 percent-2 percent wage increase; 6 percent wage increase for marine bargaining units.
California	0.0	0.0	1.5	Approximately 32 percent of the workforce will receive GSI of various levels. Of the state's 21 bargaining units, 12 have expired contracts and negotiations are ongoing. The Administration is pursuing a number of employee compensation reforms in these negotiations which are projected to save $40 million in 2005-2006.
Hawaii	3.5 -5.06		1.37-2.67	Employees with 1, 2, 3, or 4 years of service move to the next highest step in the pay range. One step equals approximately 4 percent.
Nevada	2.0			---
Oregon	2.0	1.7		The merit (step) increase for an individual is usually about 5 percent, but not all employees receive them.
Washington	3.2			Across-the-board: all employees received a COLA of 3.2 percent. However, this raise was effective on 7/1/2005 for employees represented by unions, but not until 9/1/2005 for nonrepresented employees. Merit: Classified employees receive annual merit increases until they reach step K, at which point they no longer receive merit increases. Other: Our state's salary survey was partially implemented, with those jobs more than 25 percent below market in the 2002 salary survey receiving increases to bring them up to no more than 25 percent below market.

TABLE A-10

Enacted Revenue Changes by Type of Revenue, Fiscal 2006

State	*Tax Change Description*	*Effective Date*	*Fiscal 2006 Revenue Changes ($ in Millions)*
	SALES TAXES		
Arizona	Reflects a motion picture tax incentive.		-0.6
Arkansas	Amends various economic development programs.	7/05	-3.2
	Reflects sales tax credits and payroll rebates for qualified nonprofit organizations.	6/05	-1.9
Florida	Reflects a sales tax holiday on clothing and books costing less than $50 and school supplies costing less than $10.	7/05	-31.2
	Reflects a sales tax holiday on hurricane supplies.	5/05	-7.9
	Exempts 100 percent of the tax on agricultural equipment, including generators.	7/05	-9.3
	Exempts solar energy systems.	5/05	-1
	Extends Enterprise Zones.	7/05	-2.1
Georgia	Caps the maximum tax a company can incur during a calendar year at $15 million.	7/05	-7.2
Idaho	Reflects the expiration of a two-year temporary sales tax increase.	7/05	-170
	Expands the state's exemption for research and development property.	7/05	-6
Indiana	Reflects tax credits for research and development.	7/05	-22.2
	Reflects tax credits for venture capital.	7/05	-2.5
	Partially repeals the sales tax on recreational vehicles.	7/05	-2.3
Kentucky		6/05 & 1/06	-29
Louisiana	Reflects various credits.	7/05	-3
Maine	Applies the 7 percent sales tax on lodging to the casual rental of living quarters for more than 14 days in a calendar year.	7/05	3.9
	Increases the sales tax attributable to increases in the cigarette tax by $1 to $2 per pack.	7/05	1.3
Massachusetts	Reflects a sales tax holiday, the federal telecommunications Internet access tax moratorium, and tax loophole closings.		15
Minnesota	Relfects changes related to the Streamlined Sales Tax.	7/05	9.8
	Reflects upfront payment of sales tax on leased motor vehicles.	10/05	18.9
	Reflects cigarette sales.	8/05	-54.4
	Reflects natural gas pipelines.	8/05	9.1
	Repeals the December 31, 2005 repeal of the special 12.7 percent car rental sales tax.	1/06	4.8
	Reflects sales tax on wire, cable, poles, and conduit.	8/05	1.5
	Reflects the 2.5 percent gross receipts tax on retail liquor sales.	1/06	23.7
	Reflects various exemptions.	Various	-3.4
Nebraska	Exempts manufacturing machinery and equipment.	1/06	-7.6
New York	Increases the MTA Sales and Compensating Use Tax, and replaces the permanent clothing exemption with two $250 week-long holidays and offers a local option.	6/05	632.6
North Carolina	Reflects the streamlined sales tax.	7/05	60.7
Ohio	Increased the state sales tax rate from 5 percent to 6 percent for fiscal years 2004-2005. The fiscal 2006-2007 budget reduces the tax rate back to 5.5 percent for fiscal year 2006 and subsequent years.	7/05	712
	The vendor discount, which is essentially a portion of the sales tax that vendors are allowed to keep to cover costs associated with collecting and filing the tax, was maintained at 0.9 percent for fiscal years 2006 and 2007. The statutory discount is 0.75 percent, but it was raised to 0.9 percent for fiscal years 2004 and 2005, and will be temporarily maintained at the higher rate for two more years.	7/05	-8.9
South Carolina	Exempts rheumatoid arthritis medications.	7/05	-1.7
Virginia	Reduces the sales tax on food by an additional 1 percent.	7/05	-99.1
Washington	Extends the warranty sales tax.	7/05	17
West Virginia	Reduces the tax rate on groceries for home comsumption from 6 percent to 5 percent.	1/06	-11.3
Total Revenue Changes—Sales Taxes			**$994.5**

TABLE A-10 (continued)

Enacted Revenue Changes by Type of Revenue, Fiscal 2006

State	*Tax Change Description*	*Effective Date*	*Fiscal 2006 Revenue Changes ($ in Millions)*
	PERSONAL INCOME TAXES		
Arizona	Eliminates the marriage penalty, indexes the standard deduction, and reflects IRS conformity.		-$14.2
Arkansas	Repeals the 3 percent income tax surcharge on individual tax liability.	1/05	-48.2
	Reflects an income tax credit of $15 per ton of rice straw purchased and used by end user.	1/06	-1.2
Delaware	Creates an Earned Income Tax credit equal to 20 percent of the federal EITC.	1/05	0.0
Georgia	Reflects a School Supply Tax exemption for teachers and an income tax credit National Guard members.	1/05	-3.4
Kentucky		1/05	-142.3
Louisiana	Reflects a tax credit for digital interactive media productions.	7/05	-1.0
Maine	Establishes general conformity with the Internal Revenue Code.	1/05	-6.8
	Extends through tax years beginning in 2007 Maine's nonconformity with federal increases in the Section 179 business expensing deduction.	1/05	2.6
	Makes permanent Maine's nonconformity with federal increases in the standard deduction for married joint returns.	1/05	6.1
	Delays the educational attainment credit and recruitment credit for two years.	1/05	1.1
	Provides that under the income tax, for nonresident individuals a gain or loss from the sale of a partnership interest is sourced to Maine in the same proportion as the proportion of partnership tangible property.	1/05	1.3
Maryland	Reflects the increased tax rate on non-resident pass through entities.	1/05	6.2
Massachusetts	Reflects an increase in the personal exemption with the amount based on fiscal 2006 tax revenues, senior citizen property tax relief, home heating and energy tax relief, film production tax incentives, federal conformity, Peterson Capitol Gains refunds, and tax loophole closings.		-240.1
Minnesota	Reflects quarterly withholding for non-residential partnerships and S-corporations.	1/06	13.2
	Requires 2 percent withholding on payments to self-employed construction subcontractors.	1/06	1.3
	Reflects federal conformity.	Various	-5.5
	Reflects changes regarding abusive tax shelters.	7/05	29.8
New Jersey	Eliminates the $20,000 pension exclusion for taxpayers with more than $100,000 of income.	7/05	45.0
New York	Reflects a deduction for payers of nursing home assessments, and a change in the long term care insurance credit calculation.	1/05	-8.5
Ohio	All personal income tax rates will be cut by 21 percent over five years, with the cuts evenly phased in at 4.2 percent per year. The change not only will reduce the current top rate from 7.5 percent to 5.925 percent but cut all tax rates in the same proportion. Also provided is a new low-income credit that results in taxpayers with Ohio Taxable Income of less than $10,000 paying zero Ohio income tax.	7/05	-340.0
	Makes permanent the tax on accumulated trust income.	7/05	19.0
Oklahoma	Reduces the top rate for Method I from 6.65 percent to 6.25 percent.	1/06	-42.9
Rhode Island	Repeals the ISO Certification Tax Credit amd increases the Earned Income Tax Credit 5 percent to 10 percent.	1/05	-1.1
South Carolina	Reduces the 7 percent tax rate to 5 percent over four years for sole proprietors, partnerships, and limited liability corporations	1/06	-2.2
	Increases compensation to motion picture production companies from 5 percent to 15 percent.	7/05	-2.8
	Reflects tax conformity.	7/05	-3.3
Utah	Allows a one-time individual income tax credit for certain military officers on active duty.	7/05	-1.1
Virginia	Reflects federal conformity.	1/05	2.7
Wisconsin	Reflects a deduction for higher tuition expenses.	1/05	-4.9
West Virginia	Eliminates the new capital company tax credit.	7/05	2.0
Total Revenue Changes—Personal Income Taxes			**-$739.2**

TABLE A-10 (continued)

Enacted Revenue Changes by Type of Revenue, Fiscal 2006

State	*Tax Change Description*	*Effective Date*	*Fiscal 2006 Revenue Changes ($ in Millions)*
	CORPORATE INCOME TAXES		
Arizona	Reflects a National Guard tax credit and IRS conformity.		-3.3
Arkansas	Repeals the 3 percent income tax surcharge on corporate tax liability.	1/05	-5.6
Connecticut	Imposes a 20 percent surcharge in income year 2006 .	1/06	43.4
Florida	Reflects the community contribution tax credit.	7/05	-9.6
	Reflects the statute of limitations on corporate refunds.	7/05	-3.4
Georgia	Reflects single sales apportionment for the corporate income tax.	1/05	20.4
	Reflects the small business development credit.	1/05	-16.0
	Reflects the School Teachers' Supply Credit.	1/05	-1.9
Iowa	Reflects new tax credits for economic development.		-3.0
Kentucky		1/05	142.9
Louisiana	Reflects eight new tax credits, primarily for investments in Louisiana Community Development Financial Institutions, and for investments in recycling equipment.	7/05	-18.0
Maine	Establishes general conformity with the Internal Revenue Code.	1/05	-2.0
	Provides for nonconformity with the new federal deduction for certain domestic production activities beginning with tax years in 2005.	1/05	2.1
	Alters the income tax calculation for multistate corporations to make the calculation consistent with the calculation of nonresident individual income tax.	1/05	5.3
Maryland	Decouples from the federal tax change for qualified production activities.	1/05	19.0
Massachusetts	Reflects closing tax loopholes.	11/05	3.5
Minnesota	Reflects federal conformity.	Various	4.2
	Reflects foreign operations.	1/05	1.8
	Reflects changes regarding abusive tax shelters.	7/05	25.4
New York	Reduces the small business rate, reflects the Qualified Emerging Technology Credit (QETC), and increases the corporate tax capital base.	1/05	16.0
Ohio	The corporate franchise tax will be eliminated over five years--except for the special net worth tax paid by financial institutions--phasing it down by 20 percent per year over a five year period, beginning with tax year 2006 and ending with tax year 2010.	7/05	-191.2
	Removes the manufacturing and equipment credit on new purchases.	7/05	7.2
	A new commercial activity tax (CAT) will be phased-in over five years, with taxpayers paying 20 percent of the "full-strength" tax in fiscal year 2006, 40 percent in fiscal year 2007, etc. until it is fully phased-in for fiscal year 2010. The CAT is a tax on the gross revenues of all business entities, whatever their form of organization (C-corporation, S-corporation, limited liability corporation, partnership, sole proprietorship). Business entities that have less than $150,000 in annual gross receipts will pay no tax. Business entities with annual gross revenues greater than or equal to $150,000, but less than $1 million, will pay a "minimum tax" of $150 annually. Business entities with gross receipts above $1 million annually will pay $150 plus 0.26% of their gross receipts in excess of $1 million. The tax will be imposed on the gross revenues of the company, based on its books and records, on a quarterly basis. Financial institutions will not be subject to the CAT. They will continue to pay the corporate franchise tax. Revenue from the CAT will be credited to the School District and Local Government	7/05	214.0
	Property Tax Replacement funds and to the General Revenue Fund.		
Pennsylvania	Continues the phase-out of the Capital Stock and Franchise Tax.	1/06	-$132.8
Rhode Island	Repeals the Corporate Income ISO Certification Tax Credit and repeals tax exempt status for a local insurance company.	7/05	6.2
Utah	Allows corporations to use a double-weighted sales factor when calculating taxes.	7/06	-7.0
West Virginia	Eliminates the new capital company tax credit.	7/05	2.0
Total Revenue Changes—Corporate Income Taxes			**$119.6**

TABLE A-10 (continued)

Enacted Revenue Changes by Type of Revenue, Fiscal 2006

State	*Tax Change Description*	*Effective Date*	*Fiscal 2006 Revenue Changes ($ in Millions)*
	CIGARETTE AND TOBACCO TAXES		
Colorado	Increases the tax per pack of ciagrettes by 64 cents (up from 20 cents to 84 cents per pack), and increases the tax on all other tobacco products by 20 percent, for health care.	1/05	175
Kentucky		6/05	180.8
Maine	Increases the cigarette tax by $1 to $2 per pack.		51.3
Minnesota	Decreases the excise tax from 48 cents per pack to zero.	8/05	-20.8
	Reflects the wholesale tax.	8/05	69.0
New Hampshore	Increases the cigarette tax by 28 cents per pack.	7/05	43.5
North Carolina	Increase the cigarette tax rate from $.05/pack to $.	7/05	118.8
Ohio	Increases the cigarette tax from 55 cents per pack to $1.25 per pack. Also establishes additional discounts to cigarette vendors (on top of the existing 1.8 percent stamping discount), and exempts from the Ohio cigarette excise tax up to $300 per month of cigarettes purchased outside Ohio but transported into the state.	9/05	473.2
Oklahoma	Reflects an increase in cigarette and other tobacco taxes, for use in Medicaid and the Insurance PremiumAssistance Program for small businesses and other health care programs.	1/05	150
Rhode Island	Increases the "other tobacco" product tax from 30 percent to 40 percent.	7/05	0.7
Virginia	Makes several changes to the tobacco products tax including requiring licensure of distributors who (i) sell tobacco products in Virginia; (ii) bring or cause to be brought tobacco products into Virginia; (iii) manufactures or stores tobacco products in Virginia; or (iv) who possesses in Virginia for retail sale untaxed tobacco products and changing the basis upon which the tax is computed.	7/05	-3.4
Washington	Reflects the tobacco products tax.	7/05	3.0
	Reflects the cigarette tax agreement with the Puyallup tribe.	7/05	8.0
Total Revenue Changes—Cigarette and Tobacco Taxes			**$1,249.1**
	ALCOHOLIC BEVERAGES		
Kentucky		6/05	$14.4
Washington	Reflects the liquor liter tax.	7/05	22.0
Total Revenue Changes—Alcoholic Beverages			**$36.4**
	MOTOR FUELS TAXES		
Georgia	Reflects the 30-day suspension of the motor fuels tax.	9/05	-75.5
North Carolina	Reflects changes to motor and aviation fuels taxes.		-5.6
North Dakota	Reflects a 2 cent per gallon increase in fuel taxes.	8/05	10.2
Washington	Increases the gas tax by 9.5 cents over four years.	7/05	137
Total Revenue Changes—Motor Fuels Taxes			**$81.1**

TABLE A-10 (continued)

Enacted Revenue Changes by Type of Revenue, Fiscal 2006

State	*Tax Change Description*	*Effective Date*	*Fiscal 2006 Revenue Changes ($ in Millions)*
	OTHER TAXES		
Connecticut	Imposes a nursing home provider tax.	7/05	134.7
	Imposes a uniform gift and estate tax.	1/05	111.3
	Repeals the succession tax.	1/05	-63.6
	Repeals the gift tax.	1/05	-15.4
Delaware	Cuts the gross receipts tax across-the-board by 20 percent, except for automobile manufacturers, who receive a 25 percent cut. Also raises the monthly exemption to $80,000.	1/06	-16.7
Florida	Cuts the intangibles tax rate.	1/06	-123.8
Hawaii	Increases the real property conveyance tax.	7/05	5
Kentucky		1/05	-29.5
Maine	Reflects increases of Inland Fish and Wildlife license fees.		2.2
	Established a milk handling fee.		1.2
	Establishes or increases fees for various certifications for teachers, educational technicians and administrators.		1.5
Minnesota	Reflects insurance gross earnings stop loss policies.	1/06	1.4
	Reflects insurance gross earnings life insurance policies.	1/06	-1.0
	Reflects nursing facility medical assistance surcharges.	7/05	-2.0
Montana	Reduces business equipment subject to property tax.		-2.5
	Changes registration periods and eliminates pro-rata registrations.		1.0
Nebraska	Apportions estate tax liability based on the amount of in-state property in the entire estate.	6/05	-1.0
New Jersey	Modifies the insurance premiums tax treatement of health service corporations.	7/05	30.0
Nevada	Reflects a reduction in the modified business tax rate from 0.65 percent of taxable payroll to 0.63 percent.	7/05	-7.0
New York	Regarding motor vehicle fees, increases the dealer issued temporary registration fee, increases the dealer/transporter registration fee, reflects the expansion of the insurance buyback program, and reflects title fees.	10/05	68.2
North Carolina	Reflects estate tax conformity with federal sunset provisions.		29.1
Ohio	The portion of the Ohio estate tax that under former federal law allowed Ohio to obtain some additional estate tax revenue from high-value estates at the expense of the federal government is eliminated. The change will result in a $40 million annual reduction in revenue, with $8 million of the loss falling on the state and $32 million falling on townships, cities, and villages. Due to the timing of the federal change, fiscal year 2006 is only a partial-year loss, with an impact of $2 million to the state and $8 million to cities and townships.	7/05	-2.0
	The enacted budget eliminates the tangible personal property tax (TPP) on most businesses over four years. The tax is phased-out through reductions in the assessment percentages applied to all categories of TPP: manufacturing machinery and equipment, inventory, and all other tangible personal property. The assessment rates are reduced from their current 25 percent level to 18.75 percent in tax year 2006, 12.5 percent in tax year 2007, 6.25 percent in tax year 2008, and 0 percent in tax year 2009.	7/05	-70.5
Pennsylvania	Reflects the Film Production Tax Credit.	7/05	-10.0
Rhode Island	Increases various motor vehicle operator license and registration fees (excise tax).	7/05	1.5
Vermont	Changes the criteria for the homeowner's rebate, reducing property tax revenue.	7/05	-10.0
	Health Care Provider Tax. To special fund (Medicaid).	7/05	15.3
	Reflects the health care provider tax.	7/05	N/A

TABLE A-10 (continued)

Enacted Revenue Changes by Type of Revenue, Fiscal 2006

State	*Tax Change Description*	*Effective Date*	*Fiscal 2006 Revenue Changes ($ in Millions)*
Washington	Applies the estate tax to estates greater than $2 million. Funding is used for K-12 and higher education.	7/05	40.0
	Revises the High Tech Business and Occupation Tax Credit.	7/05	11.0
	Reflects the real estate excise tax.	7/05	3.0
	Reflects the commute reduction tax credit.	7/05	-1.0
	Exempts fruit and vegetable processing from the business and occupation tax.	7/05	-3.0
Wisconsin	Limits the levy for the state forestry mill.	1/06	-3.8
West Virginia	Eliminates the new capital company tax credit, and imposes new severance taxes on coal (0.56 cents per ton), natural gas (4.7 cents) and timber (2.78 percent of gross receipts), to provide funds for workers' compensation debt.	7/05	52.0
Total Revenue Changes—Other Taxes			**$145.6**
	FEES		
Arizona	Increases DUI fines.		1
Connecticut	Increases the Insurance Producer Renewal Fee.	1/06	$1.3
Florida	Reflects various changes to Article V fees.	7/05	3.9
Georgia	Exempts National Guard members from fee renewals while on active duty for 90 or more days.	1/05	-1.5
Indiana	Reflects judicial salary, court administration, DNA sample processing, and public defense fees.	7/05	16.7
	Reflects the Medicaid Health Facility Quality Assessment.	7/05	67.1
Iowa	Reflects new filing fees for agricultural co-ops and new civil penalties.		3.9
Kentucky		7/05	13.9
Louisiana	Reflects provider fees from non-state, non-rural hospitals.	7/05	87.0
Minnesota	Reflects a health impact fee of 75 cents per pack of cigarettes.	8/05	209.3
	Increases the motor vehicle transfer fee by $4 and driver license records fee by $2.50 per electronic transaction.	8/05	7.8
	Increases the real estate recording fee.	7/05	9.6
	Reflects regional treatment center collections.	7/05	1.7
	Increases the criminal filing surcharge by $10.	7/05	5.9
	Reflects public/private enhancement funding.	7/05	1.5
	Keeps the existing special assessment of unemployment insurance taxes at 0.1 percent for two more years (was to sunset on 6/30/05), then drops to 0.85 percent instead of 0.75 percent.	7/05	5.4
	Increases the fee by 25 cents for each customer access line for 911 emergency telecommunications service.	7/05	17.1
Mississippi	Adjusts the sales tax rate to cover costs for casual sales of motor vehicles.	7/05	5.0
Missouri	Allows the Board of Probation and Parole to collect fees from offenders on probation or parole to mitigate the costs of their supervision and related program expenses.		1.2
	Allows the Department of Economic Development to charge a fee of up to 2.5 percent on most tax credit programs to cover administrative costs. The maximum estimated collections in fiscal 2006 are $6.5 million.		6.5
New York	Increases the racing fee by 0.5 percent.	4/05	2.8
	Increases insurance service of process fees.	4/05	1.4
	Increases the insurance agent license fee.	4/05	2.5
	Increases the ENCON ATV license fee.	4/05	2.5
	Increases the DMV data search fee.	10/05	9.8
	Increases the DMV photo image fee.	10/05	6.2
North Dakota	Reflects motor vehicle registration fees.	8/05	1.9
North Carolina	Reflects increases to justice and public safety fees.		16.9

TABLE A-10 (continued)

Enacted Revenue Changes by Type of Revenue, Fiscal 2006

State	*Tax Change Description*	*Effective Date*	*Fiscal 2006 Revenue Changes ($ in Millions)*
Ohio	Reflects new indigent application fee of $25.	7/05	2.2
	Reflects increases in Ohio Legal Aid Filing Fee surcharges: legal aid filing fee surcharge increase from $15 to $25; small claims increase from $7 to $10 and new $25 surcharge for decendent estate filing.	7/05	6.3
	Reflects new driver training certificate fee of $8.	7/05	1.3
	Reflects increase in plant industry fees as follows: fertilizer increase from $0.12 per ton to $0.25 per ton; feed increase from $0.10 to $0.25 per ton; agricultural conveyance inspections will go from $65 to a fee based on the actual cost of the program; and pesticide will increase from $100 to $150.	7/05	1.5
Oregon	Reflects increases in criminal/court fees.	7/05	3.7
Rhode Island	Institutes overnight camping at state beaches ($350,000); change the Historic Preservation Tax Credit processing fee from $2,000 to 2.25 percent of expenditures per project ($3.6 million); increases court fines for speeding violations ($0.9 million).		4.8
Utah	Reflects miscellaneous fee increases.	7/05	4.5
Vermont	Reflects various fees for banking, securities, workers' compensation administration, criminal justice academy training, hazardous chemical storage, application fees for construction plans (fire prevention), explosives handlers' license, agriculture feeds and pesticide registration fees, professional regulation fees, the surcharge on criminal and traffic convictions (for crime victim assistance and victim compensation programs), and (voluntary) aquatic nuisance stickers for milfoll control.	7/05	1.9
Washington	Reflects various vehicle fees (weight fee, motor home fee, trucks, and driver service fees).	7/05	82.0
Wisconsin	Reflects the justice information system surcharge.	7/05	1.0
	Reflects continuation of the land records fee.	7/05	3.4
	Reflects the foreign corporation filing fee.	7/05	2.4
	Reflects hunting and fishing license fees.	7/05	6.3
	Reflects the vehicle environmental impact fee.	12/05	6.8
	Reflects public library system aid.	7/05	2.1
	Reflects vehicle title fees.	10/05	11.3
	Reflects the vehicle rental fee.	10/05	1.6
	Reflects the petroleum inspection fee.	5/06	-6.4
Total Revenue Changes—Fees			**$645.0**

SOURCE: National Association of State Budget Officers.

TABLE A-11

Enacted Revenue Measures, Fiscal 2006

State	*Description*	*Effective Date*	*Fiscal 2006 Enacted Changes (Millions)*
Arkansas	Reflects a transfer from the Property Tax Relief Trust Fund to general revenue.	7/05	$18.2
California	Reflects increased personal income tax collections due to increased audit staff.	7/05	16.0
	Reflects increased corporate income tax collections due to increased audit staff.	7/05	5.0
Connecticut	Delays an increase in the singles exemption.	1/05	7.0
	Increases the property tax credit from $350 to $400.	1/06	105.0
	Reflects Department of Revenue Services audit enhancements.	1/08	12.0
	Reflects the Department of Administrative Services Cause of Action Initiative for domestic insurers.	9/05	10.0
Delaware	Earmarks $10 million annually to farmland preservation.	7/05	-10.0
Florida	Diverts the documentary stamp tax to trust funds for growth management issues.	7/05	-750.0
	Reflects debt service for new Florida Forever bond series.	7/05	-3.5
	Reflects debt service for new Everglades bond series.	7/05	-5.9
Illinois	Reflects sales tax audit enhancements.	7/05	7.4
	Reflects corporate income tax audit enhancements.	7/05	11.0
Indiana	Reflects a sales tax amnesty program.	7/05	21.4
	Reflects a personal income tax amnesty program.	7/05	7.8
	Reflects a corporate income tax amnesty program.	7/05	35.8
	Reflects a change in the distribution of alcohol server training.	7/05	2.4
	Reflects homestead tax credits.	7/05	-13.3
	Reflects matching dollars for charter facilities from Common School Fund interest.	7/05	-5.0
	Reflects abandoned property revenue.	7/05	25.0
	Reflects juvenile debt arrearage.	7/05	9.1
Kansas	The collection of the franchise tax was transferred from the Secretary of State's Office to the Department of Revenue. Although the change wasn't expected to generate "new" revenue, it was anticipated that compliance with paying the tax would be increased. Kansas' revenue estimates were increased for fiscal 2006 by $6 million.	1/05	6.0
Minnesota	Directs the solid waste tax to the environmental fund.	7/05	-12.2
	Reflects the deposit of cigarette taxes in a special revenue fund for an academic health center and for medical education research.	7/05	-1.8
	Retains unclaimed property securities for one year rather than three years.	7/05	27.0
Mississippi	Delays diversion of the sales tax.	7/05	30.0
	Regarding the corporate income tax, reflect additional auditors.	7/05	10.0
Montana	Extends the sunset of the $10 court automation fee from June 30, 2005 to June 30, 2009.		1.6
	Eliminates a fee charged to the income and corporate taxes to pay for a new computer system.		2.6
	Regarding the corporate income tax, reflects additional compliance officers.		1.1
Nebraska	Reflects tax refunds due to clarification of the taxability of installing telephone or cable lines.	6/05	-1.4
New Jersey	Reflects enhanced enforcement collections.	7/05	113.0
	Reflects participation in the Streamlined Sales and Use Tax Agreement.	10/05	40.0
	Reflects the sale of state assets to private entities.		200.0
	Refinances and restructures the 2003 Tobacco Bond issue.		150.0

TABLE A-11 (continued)

Enacted Revenue Measures, Fiscal 2006

State	*Description*	*Effective Date*	*Fiscal 2006 Enacted Changes (Millions)*
New York	Adopts corporate tax shelter provisions and extends higher limited liability corporation fees.	1/05	47.0
	Temporarily increases the nursing home reimbursable assessment.	4/05	69.2
	Reestablishes the 0.7 percent assessment on hospital receipts.	4/05	106.0
North Carolina	Maintains the 4.5 percent sales tax rate.	7/05	417.1
	Extends the 8.25 percent individual income tax rate for two years and continues the use tax line on the individual income tax return.	7/05	43.0
	Reflects estate tax conformity with federal sunset provisions.	1/06	29.1
Oklahoma	Eliminates Method II, increases the standard deduction for single and married filers, and increases the retirement income exemption from $7,500 to $10,000.	1/06	-15.4
	Exempts Oklahoma source capital gains from the corporate income tax.	1/06	-2.0
Oregon	Reflects increased personal income tax audits and compliance.	7/05	1.6
	Reflects corporate income tax federal conformity.	7/05	6.8
Rhode Island	Reflects prepayment of the sales tax on the retail sale of cigarettes.	7/05	1.9
	Reinstitutes the hospital licensing fee at 3.56 percent. Allows exam providers to collect Certified Nursing Assistant fees directly. Enhances collection activity of court fines. Reallocates reimbursements for dederal detainees from Restricted Receipt account. Recalculates DSH payments with new base year. Increase indirect Cost Recovery rate from 7 percent to 10 percent. Decreases Rhode Island Pharmaceutical Assistance to the Elderly pharmaceutical rebate collections. Reduces unclaimed property transfers due to the increase of the Indirect Cost Recovery rate. Increases the transfer to the Rhode Island Public Transit Authority from the General Fund by $0.01. Reflects the transfer of retained earnings from the Rhode Island Resource Recovery Corporation. Reflects the transfer of retained earnings from the Underground Storage Tank fund.	7/05	74.7
South Carolina	Reallocates revenue from motor fuel fees and fines to the Department of Transportation State Non-Federal Aid Highway Fund.	7/05	-27.9
	Increases the allocation of admissions tax revenue to the Department of Commerce from the General Fund for South Carolina Motion Picture Incentive Act.	7/05	-3.4
Texas	Extends the existing Telecommunications Infrastructure Fund assessment until 2011.	9/05	200.0
	Temporarily transfers certain driver-related fee revenue from the Texas Mobility Fund to general revenue.	9/05	153.1
	Implements a "model fines" program to increase collections of court costs and fees.	9/05	5.7
Wisconsin	Requires withholding by pass-through entities.	1/05	7.5
	Authorizes the disclosure of information to the Department of Revenue.	7/05	1.8
	Publishes a list of delinquent taxpayers on the Internet.	7/05	1.5
West Virginia	Reflects transfers to the old Workers' Compensation Fund.	1/05	-30.0
	Reflects changes to the personal income tax after decoupling from the federal tax change regarding the new deduction for domestic manufacturing income.	1/06	0.5
	Reflects changes to the corporation net income/business franchise tax after decoupling from the federal tax change regarding the new deduction for domestic manufacturing income.	1/05	9.5
Total			**$1,447.3**

SOURCE: National Association of State Budget Officers.

TABLE A-12

Total Balances and Balances as a Percentage of Expenditures, Fiscal 2004 to Fiscal 2006*

	Total Balances (Millions)**			Balances as a Percentage of Expenditures		
Region and State	*Fiscal 2004*	*Fiscal 2005*	*Fiscal 2006*	*Fiscal 2004*	*Fiscal 2005*	*Fiscal 2006*
NEW ENGLAND						
Connecticut	$ 302	$ 606	$ 2	2.4%	4.4%	0.0%
Maine	48	81	7	1.8	2.9	0.3
Massachusetts	1,893	2,487	2,448	8.3	10.5	9.6
New Hampshire	33	99	47	2.5	7.5	3.6
Rhode Island	109	133	96	4.0	4.5	3.1
Vermont	45	46	52	4.9	4.4	4.9
MID-ATLANTIC						
Delaware	646	701	477	25.3	24.8	14.7
Maryland	949	1,696	1,356	9.3	15.1	11.1
New Jersey	834	638	600	3.4	2.3	2.2
New York	1,077	1,218	1,812	2.6	2.8	3.9
Pennsylvania	337	694	338	1.5	3.0	1.4
GREAT LAKES						
Illinois	458	773	784	2.0	3.5	3.3
Indiana	242	435	368	2.2	3.7	3.1
Michigan	82	0	0	0.9	0.0	0.0
Ohio	338	713	1,026	1.4	2.9	4.0
Wisconsin	105	6	65	1.0	0.0	0.5
PLAINS						
Iowa	329	302	366	7.3	6.6	7.4
Kansas	328	481	268	7.6	10.3	5.2
Minnesota	1,269	1,003	1,016	9.3	6.9	6.8
Missouri	710	532	292	10.7	7.5	4.0
Nebraska	264	581	515	10.2	21.3	17.3
North Dakota	77	168	150	8.6	18.6	15.4
South Dakota	158	134	115	17.8	13.6	11.2
SOUTHEAST						
Alabama	451	832	439	8.2	13.8	6.6
Arkansas	0	0	0	0.0	0.0	0.0
Florida	3,424	3,891	2,471	16.0	15.7	9.3
Georgia	869	1,228	1,228	5.5	7.5	7.1
Kentucky	300	283	33	4.1	3.7	0.4
Louisiana	283	470	638	4.2	6.5	8.8
Mississippi	45	104	30	1.2	2.9	0.8
North Carolina	556	806	426	3.8	5.1	2.5
South Carolina	55	468	116	1.1	9.2	1.9
Tennessee	762	718	383	9.3	7.7	3.9
Virginia	614	1,045	674	5.0	7.5	4.6
West Virginia	344	440	142	11.4	12.9	3.9
SOUTHWEST						
Arizona	374	808	515	5.7	10.5	6.3
New Mexico	447	682	1,210	10.1	14.4	25.4
Oklahoma	284	471	275	5.8	9.5	5.1
Texas	1,813	3,707	3,317	6.2	12.5	10.3
ROCKY MOUNTAIN						
Colorado	346	152	84	6.1	2.5	1.3
Idaho	100	231	146	5.0	10.9	6.7
Montana	135	297	245	10.5	21.8	16.6
Utah	121	146	180	3.4	3.7	4.3
Wyoming	257	75	80	56.7	6.3	6.7
FAR WEST						
Alaska	2,182	2,283	2,348	94.1	74.9	77.3
California	3,489	7,499	1,944	4.6	9.2	2.2
Hawaii	239	539	602	6.2	12.9	13.0
Nevada	293	259	327	12.3	8.4	11.3
Oregon	-443	296	111	-8.1	6.2	1.9
Washington	500	977	636	4.4	8.0	5.0
Total	**$26,658**	**$38,527**	**$27,481**	**5.1%**	**6.9%**	**4.6%**

NOTES: *Fiscal 2004 are actual figures, fiscal 2005 are preliminary actual figures, and fiscal 2006 are appropriated figures.
**Total balances include both the ending balance and balances in budget stabilization funds.

SOURCE: National Association of State Budget Officers.

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