



The



Fiscal



Survey



of



States

December 2009

National Governors Association

National Association of State Budget Officers

Copyright 2009 by the National Governors Association and the National Association of State Budget Officers. All rights reserved.

National Association of State Budget Officers

444 North Capitol Street, NW, Suite 642

Washington, DC 20001-1511

Tel: (202) 624-5382 Fax: (202) 624-7745

www.nasbo.org

Price: \$25.00

THE NATIONAL GOVERNORS ASSOCIATION

Founded in 1908, the National Governors Association (NGA) is the instrument through which the nation's Governors collectively influence the development and implementation of national policy and apply creative leadership to state issues. The association's members are the Governors of the fifty states, the Commonwealths of the Northern Mariana Islands and Puerto Rico, and the territories of American Samoa, Guam, and the Virgin Islands. NGA has four standing committees on major issues—Economic Development and Commerce; Education, Early Childhood, and Workforce; Health and Human Services; and Natural Resources. The association serves as a vehicle for sharing knowledge of innovative programs among the states and provides technical assistance and consultant services to Governors on a wide range of management and policy issues.

2009-2010 Executive Committee

Governor James H. Douglas, Vermont, Chair
Governor Joe Manchin, III, West Virginia, Vice Chair
Governor Sonny Perdue, Georgia
Governor Deval Patrick, Massachusetts
Governor Dave Heineman, Nebraska
Governor John Hoeven, North Dakota
Governor Edward G. Rendell, Pennsylvania
Governor Phil Bredesen, Tennessee
Governor Christine O. Gregoire, Washington

Raymond C. Scheppach, Executive Director

THE NATIONAL ASSOCIATION OF STATE BUDGET OFFICERS

Founded in 1945, NASBO is the instrument through which the states collectively advance state budget practices. The major functions of the organization consist of research, policy development, education, training, and technical assistance. These are achieved primarily through NASBO's publications, membership meetings, and training sessions. Association membership is composed of the heads of state finance departments, the states' chief budget officers, and their deputies. All other state budget office staff are associate members. Association membership is organized into four standing committees—Health, Human Services, and Justice; Financial Management, Systems, and Data Reporting; Tax, Commerce, Physical Resources, and Transportation; and Training, Education, and Human Resources Management. NASBO is an independent professional and education association and is also an affiliate of the National Governors Association.

2009-2010 Executive Committee

Bill Newton, Alabama, President
Richard Brown, Virginia, Past President
John Nixon, Utah, President-Elect
Georgina Kawamura, Hawaii, Member-at-Large
John Hicks, Kentucky, Member-at-Large
Rosemary Booth Gallogly, Rhode Island, Eastern Regional Director
J. Pari Sabety, Ohio, Midwestern Regional Director
Lisa Esgar, Colorado, Western Regional Director
David Treasure, Maryland, Southern Regional Director
Linda Luebbering, Missouri, Chair, Health, Human Services, and Justice Committee
Andrew Clinger, Nevada, Chair, Financial Management, Systems, and Data Reporting Committee
Mike Dedmon, Tennessee, Chair, Tax, Commerce, Physical Resources, and Transportation Committee
George Naughton, Oregon, Chair, Training, Education, and Human Resources Management Committee

Scott D. Pattison, Executive Director

Acknowledgments

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

Ann Franklin, Alabama
Michael Crab, Alaska
Duong Nguyen, Arizona
Josh Joyner, Arkansas
Carol Ritter, California
Monica Flowers, California
Alexis Senger, Colorado
Lisa DuBois, Connecticut
Bert Scoglietti, Delaware
Jeanine M. Pumphrey, Florida
Robert Giacomini, Georgia
Georgina Kawamura, Hawaii
Anita Hamman, Idaho
Taneka Simmons, Illinois
Adam Horst, Indiana
Joel Lunde, Iowa
Elaine Frisbee, Kansas
John Hicks, Kentucky
Ternisa Hutchinson, Louisiana
Tom Cusick, Maine
Amber Teitt, Maryland
Robert Dolan, Massachusetts
Colleen Gossman, Michigan
Nancy Rooney, Minnesota
Gerald Joyner, Mississippi
Marty Drewel, Missouri
Amy Carlson, Montana

Lyn Heaton, Nebraska
Reese Tietje, Nevada
Joe Bouchard, New Hampshire
Gary Brune, New Jersey
Cathy Nonamaker, New Jersey
Danette K. Burch, New Mexico
Christopher Warner, New York
Julie Mitchel, North Carolina
Sheila Peterson, North Dakota
Jeff Newman, Ohio
Shelly Paulk, Oklahoma
Linda Ames, Oregon
Ann Bertolino, Pennsylvania
Daniel Orgel, Rhode Island
Brian Gaines, South Carolina
Jim Terwilliger, South Dakota
Charles Brown, Tennessee
Michael Sparks, Texas
Brandon Bowen, Utah
Otto Trautz, Vermont
Manju Robertson, Virginia
Pam Davidson, Washington
Mike McKown, West Virginia
Tammy Scruggs, West Virginia
Caitlin Morgan Frederick, Wisconsin
Folbert Ware, Jr., Wyoming

Contents

Preface	v
Executive Summary	vii
State Expenditure Developments	1
Overview	1
State Spending from All Sources	1
State General Fund Spending	8
State Cash Assistance Under the Temporary Assistance for Needy Families Program	10
Medicaid	10
State Revenue Developments	17
Overview	17
Collections in Fiscal 2009	19
Projected Collections in Fiscal 2010	19
Enacted Fiscal 2010 Revenue Changes	19
Total Balances	25
Appendix Tables	29

Tables and Figures

Tables

1.	Budget Cuts Made During Fiscal 2009 and for Fiscal 2010 Budgets.....	2
1-A.	Fiscal 2009 Program Area Cuts.....	5
1-B.	Fiscal 2010 Program Area Cuts.....	6
2.	State Nominal and Real Annual Budget Increases, Fiscal 1979 to Fiscal 2010	8
3.	State General Fund Expenditure Growth, Fiscal 2009 and Fiscal 2010	9
4.	Enacted Cost-of-Living Changes for Cash Assistance Benefit Levels Under the Temporary Assistance for Needy Families Block Grant, Fiscal 2010	10
5.	Enacted Changes in Aid to Local Governments, Fiscal 2010.....	12
6.	Enacted State Revenue Changes, Fiscal 1979 to Fiscal 2010.....	17
7.	Enacted Fiscal 2010 Revenue Actions by Type of Revenue and Net Increase or Decrease	18
8.	Enacted Changes to Budgeting and Financial Management Practices.....	21
9.	Total Year-End Balances, Fiscal 1979 to Fiscal 2010.....	26
10.	Total Year-End Balances as a Percentage of Expenditures, Fiscal 2008 to Fiscal 2010	26

Figures

Annual Percentage Budget Changes, Fiscal 1979 to Fiscal 2010	9
Enacted State Revenue Changes, Fiscal 1991 to Fiscal 2010.....	20
Total Year-End Balances and Total Year-End Balances as a Percentage of Expenditures, Fiscal 1979 to Fiscal 2010.....	27
Total Year-End Balances as a Percentage of Expenditures, Fiscal 2009	27

Appendix Tables

A-1.	Fiscal 2008 State General Fund, Actual	31
A-2.	Fiscal 2009 State General Fund, Preliminary Actual	34
A-3.	Fiscal 2010 State General Fund, Appropriated	37
A-4.	General Fund Nominal Percentage Expenditure Change, Fiscal 2009 and Fiscal 2010	40
A-5a.	Strategies Used to Reduce or Eliminate Budget Gaps, Fiscal 2009	41
A-5b.	Strategies Used to Reduce or Eliminate Budget Gaps, Fiscal 2010	43
A-6.	Number of Filled Full-Time Equivalent Positions in All Funds at the End of Fiscal 2008 to Fiscal 2010	45
A-7.	Number of States with Revenues Higher, Lower or on Target with Projections	47
A-8.	Fiscal 2009 Tax Collections Compared with Projections Used in Adopting Fiscal 2009 Budgets	48
A-9.	Comparison of Tax Collections in Fiscal 2008, Fiscal 2009, and Enacted Fiscal 2010.....	50
A-9a.	Percentage Changes Comparison of Tax Collections in Fiscal 2008, Fiscal 2009, and Enacted Fiscal 2010.....	52
A-10.	State Employment Compensation Changes, Fiscal 2010.....	53
A-11.	Enacted Revenue Changes by Type of Revenue, Fiscal 2010	57
A-12.	Enacted Revenue Measures, Fiscal 2010.....	67
A-13.	Total Balances and Balances as a Percentage of Expenditures, Fiscal 2008 to Fiscal 2010.....	72

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, NASBO's *State Expenditure Report*, also is conducted annually.

The field survey on which this report is based was conducted by NASBO from August through November 2009. The surveys were completed by Governors' state budget officers in all 50 states. This

survey also includes Puerto Rico; however, their data is not included in the 50 state totals.

Fiscal 2008 data represent actual figures, fiscal 2009 figures are preliminary actuals, and fiscal 2010 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 October to September fiscal years; 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 member Ben Husch compiled the data and prepared the text for the report. Nelle Sandridge provided typesetting services.

Executive Summary

States are currently facing one of the worst, if not the worst, fiscal periods since the Great Depression. Fiscal conditions significantly deteriorated for states during fiscal 2009, with the trend expected to continue through fiscal 2010 and even into 2011 and 2012. The severe national recession drastically reduced tax revenues from every revenue source during fiscal 2009 and revenue collections are expected to continue their decline in fiscal 2010. As state revenue collections historically lag behind any national economic recovery, state revenues will remain depressed throughout fiscal 2010 and likely be sluggish into fiscal years 2011 and 2012. The “official” economic recession, which began in December 2007 and may have recently ended, has significantly affected state spending, as more than half the states decreased their general fund expenditures in fiscal 2009, and over two-thirds of states enacted fiscal 2010 budgets with general fund spending lower than the previous year.

Fiscal 2009 general fund expenditures declined 3.4 percent compared to fiscal 2008 levels. Likewise, enacted budgets for fiscal 2010 show a 5.4 percent decrease in general fund expenditures. These decreases in general fund expenditures would be the largest declines in the history of the Fiscal Survey of States. Prior to 2009, actual state general fund spending had only declined one other time, in 1983, by 0.7 percent.

The weakening of state fiscal conditions is also reflected in the fact that states will have faced \$256 billion in budget gaps between fiscal year 2009 and fiscal year 2011. Of this \$256 billion, states solved \$73.1 billion in budget gaps during fiscal 2009 and \$111.8 billion prior to the enactment of their fiscal 2010 budgets in order to bring them into balance with drastically declining revenues. However, even after solving these gaps, an additional \$14.8 billion in budget gaps currently remain in fiscal 2010 and

states face at least \$21.9 billion in budget gaps for fiscal 2011. In order to help close these gaps, 43 states cut their enacted fiscal 2009 budgets by \$31.3 billion and 36 states cut their fiscal 2010 expenditures by \$55.7 billion. Additionally, states enacted tax and fee increases of \$23.9 billion along with additional increases in other revenue measures of \$7.7 billion for fiscal 2010. In contrast, tax and fee increases in fiscal 2009 were \$1.5 billion along with \$6.6 billion in additional revenue increases.

By providing nearly \$135 billion in flexible emergency funding through the *American Recovery and Reinvestment Act of 2009* (ARRA), the federal government has helped states avoid draconian cuts to state services. Through \$87 billion in additional Medicaid funding via increased Federal Medical Assistance Percentage (FMAP) rates and \$48 billion as part of the State Fiscal Stabilization Fund, states were able to maintain critical funding for education and health and human services. Through fiscal 2010 states will have spent approximately \$150 billion in Recovery Act funds. Of this \$150 billion, \$31.1 billion were funds received as part of the State Fiscal Stabilization Fund. Even with this assistance, states were still forced to cut programs while raising taxes and fees.

This edition of *The Fiscal Survey of States* reflects actual fiscal 2008, preliminary actual fiscal 2009, and enacted fiscal 2010 figures. The data were collected during fall 2009.

State Spending

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

- Forty-three states reduced their enacted budgets in fiscal 2009 by \$31.3 billion while 36 states cut their fiscal 2010 expenditures by \$55.7 billion. These cuts are in stark contrast to the thirteen

states that had to reduce their enacted budgets in fiscal 2008 and the three states that reduced their enacted budgets during 2007. During the last fiscal downturn, the peak years of reductions to enacted budgets occurred in fiscal 2002 and fiscal 2003, well after the national recession had ended and only totaled \$14 billion and \$12 billion, respectively.

- Twenty-eight states had declines in general fund expenditures in fiscal 2009, while 37 states enacted fiscal 2010 budgets with general fund expenditures below fiscal 2009 levels.
- Six states enacted an increase to their fiscal 2010 cash assistance levels under the Temporary Assistance for Needy Families (TANF) program, while four states enacted a decrease.

State Revenue Actions

Enacted tax and fee changes are expected to result in \$23.9 billion in additional revenue for fiscal 2010 budgets. For fiscal 2010, 29 states enacted net increases while nine states enacted net decreases. This amount well exceeds fiscal 2009, when states enacted \$1.5 billion in tax and fee increases, as 20 states enacted net decreases while 14 states enacted net increases. The largest enacted increase for fiscal 2010 was in personal income taxes (\$10.7 billion), while the largest enacted decrease was in corporate income taxes (\$202.2 million).

In fiscal 2009, revenues from all sources which include sales, personal income, corporate income and all other taxes and fees exceeded expectations in four states, were on target in four, and were below expectations in 41 states. In fiscal 2010, five states are exceeding revenue collection estimates, 11 states are on target, while 31 states are below expectations. This is in contrast to fiscal 2008 when 25 states reported that revenue collections exceeded estimates.

Other findings include:

- Fiscal 2009 estimated tax collections of sales, personal income, and corporate income are 7.4 percent lower than actual fiscal 2008 collections. Sales tax collections were 4.7 percent lower and personal income tax collections were 8.2 percent lower. Corporate income tax collections were 16.1 percent lower relative to actual fiscal 2008 collections. Within state budgets, about 40 percent of general fund revenue is from personal income tax, 33 percent is from sales tax, and eight percent is from corporate tax, with the rest from various other sources.
- States are projecting a further decline of 1.4 percent in tax collections for fiscal 2010 relative to fiscal 2009 current year estimates. Compared to fiscal 2009 collections, enacted fiscal 2010 budgets reflect a 0.7 percent increase in sales tax revenue, 2.5 percent decrease in personal income tax revenue, and a 6.3 percent decrease in corporate income tax revenue. However, with 31 states reporting collections below forecasts, the decline in revenues will likely be even greater.

Year-End Balances

Total balances—ending balances and the amounts in budget stabilization “rainy day” funds—are a crucial tool that states heavily rely on during fiscal downturns and budget shortfalls.

- After reaching a peak in fiscal 2006 at \$69 billion or 11.5 percent of general fund expenditures, total balances declined in fiscal 2008 to 8.6 percent. The severe deterioration in state fiscal conditions resulted in balance levels falling significantly during fiscal 2009, representing 4.8 percent of expenditures. However, removing Alaska and Texas from these totals reveals that total balance levels for the remaining 48 states equal only 2.7 percent of general fund expenditures in fiscal 2009. Because states recognize that this economic downturn may last into 2012 they are reluctant to deplete balances.

State Expenditure Developments

CHAPTER ONE

Overview

State finances worsened in 2009 and are forecast to decline further during fiscal 2010 and likely into 2011 and possibly 2012. Nearly every state faced tightening fiscal conditions compared to fiscal 2008, when such fiscal difficulties were seen in about half the states. In fiscal 2009, 43 states reduced enacted budgets by \$31.3 billion, while 36 states have reduced fiscal 2010 expenditures by \$55.7 billion. In comparison, three states cut enacted budgets in fiscal 2007 and 13 states imposed cuts to enacted budgets during fiscal 2008.

At the depth of the previous state fiscal crisis, 37 states in both fiscal 2002 and fiscal 2003 made mid-year budget cuts totaling nearly \$14 billion and \$12 billion, respectively, more than a year after the end of the national recession. The 2009 and 2010 cuts are further indication of the extent and speed of the fiscal deterioration. The downward trend during 2009 resulted predominantly from a significant slowdown in revenue collections. Based on state fiscal data from previous downturns, the impact on state budgets may lag the downturn in the economy. States are expected to take up to several years after the recession has ended to fully recover and begin expansion.

Due to the drastic decline in revenue collections, 42 states and Puerto Rico reported closing budget gaps during fiscal 2009 totaling \$73.1 billion. Thirty-four states reported that they have already closed \$111.8 billion in budget gaps for fiscal 2010. However, even after solving these gaps, an additional \$14.8 billion in budget gaps currently remains in fiscal 2010 and states face at least \$21.9 billion in budget gaps for fiscal 2011.

As a result of declining state fiscal conditions, states were considerably active in addressing budget gaps in fiscal 2009. Two thirds of states relied on targeted cuts, while more than half enacted across-the-board cuts, and half the states used rainy day funds to reduce or eliminate these gaps. Other common strategies included furloughs, layoffs, and reductions in local aid. To eliminate fiscal 2010 budget gaps, nearly two thirds of states have again employed targeted cuts, while nearly half of the states undertook layoffs and 16 states have implemented furloughs. (See Table 1 and Appendix Tables A-5a and A-5b.)

State Spending from All Sources

This report captures only state general fund spending. General fund spending represents the primary component of discretionary expenditures of revenue derived from general sources which has not been earmarked for specific items. According to the most recent edition of NASBO's *State Expenditure Report*, estimated fiscal 2009 spending from all sources (general funds, federal funds, other state funds and bonds) is approximately \$1.59 trillion with the general fund representing 41.7 percent of the total. The components of total state spending for estimated fiscal 2009 are: elementary and secondary education, 21.1 percent; Medicaid, 21.0 percent; higher education, 9.8 percent; transportation, 8.2 percent; corrections, 3.3 percent; public assistance, 1.6 percent; and all other expenditures, 35.1 percent.

For estimated fiscal 2009, components of state spending within the general fund are elementary and secondary education, 35.1 percent; Medicaid, 16.2 percent; higher education, 11.1 percent; corrections, 7.2 percent; transportation, 0.7 percent; public assistance, 1.9 percent; and all other expenditures, 27.8 percent.

TABLE 1

Budget Cuts Made During Fiscal 2009 and for Fiscal 2010 Budgets**

<i>State</i>	<i>FY 2009 Size of Cuts (\$ in Millions)</i>	<i>Programs or Expenditures Exempted from Cuts</i>	<i>FY 2010 Size of Cuts (\$ in Millions)</i>	<i>Programs or Expenditures Exempted from Cuts</i>
Alabama	\$ 697.4	Debt Service and Federal Court Decrees	Yes (Unknown)	
Alaska	11.7	24 hour institutions and the University	\$1,053.4	
Arizona*	554.0		111.0	
Arkansas	64.9	K-12 Education		
California	10,654.5		20,363.5	
Colorado*	144.0		926.5	
Connecticut	341.4	Municipal Aid	52.8	Municipal Aid and Debt Service
Delaware	247.0	Debt Services	751.0	Debt Services
Florida	887.4			
Georgia	2,262.2		2,596.0	
Hawaii	86.2	Debt service; employees retirement system and health insurance; children and adult mental health; emergency medical services; and correctional facilities	315.4	Debt service; employees retirement system and health insurance
Idaho	241.0		99.7	
Illinois	600.0	K-12 Education	500.0	K-12 Education
Indiana*	529.7	K-12 Education, Student Financial Aid, Medicaid, Corrections, Transportation, Legislative and Judicial Branches	672.2	K-12 Education, Student Financial Aid, Corrections, Transportation
Iowa	108.8		564.4	
Kansas	155.3	HHS caseloads	733.4	Debt Service
Kentucky	163.2	K-12 Primary Funding Formula, Medicaid, Mental Health, Corrections, Student Financial Aid, Parks	273.8	K-12 Primary Funding Formula, Medicaid, Mental Health, Corrections, Student Financial Aid, Parks, Prosecutors, Revenue Department
Louisiana	341.0	Constitutional requirements		
Maine	74.1		232.3	
Maryland	470.9	Mandated K-12 expenditures & debt service	448.0	Mandated K-12 expenditures & debt service
Massachusetts	1,271.0	Non-Executive Branch, Local Aid, Debt Service	2,424.0	Non-Executive Branch, Local Aid, Debt Service

TABLE 1 (continued)

Budget Cuts Made During Fiscal 2009 and for Fiscal 2010 Budgets**

<i>State</i>	<i>FY 2009 Size of Cuts (\$ in Millions)</i>	<i>Programs or Expenditures Exempted from Cuts</i>	<i>FY 2010 Size of Cuts (\$ in Millions)</i>	<i>Programs or Expenditures Exempted from Cuts</i>
Michigan*	438.0	Higher Education funding and scholarships, Medicaid eligibility, children's' services, staff needed to process unemployment benefits and public assistance claims, and veterans' homes	1,832.0	
Minnesota	426.3		2,280.3	Military Affairs
Mississippi	199.9	K-12 Chickasaw Interest, IHL Ayers Settlement, Medicaid services, Family & Children Services, Youth Services, Rehab Services Billy A Settlement, Homestead Exemption, and Debt Service	TBD	
Missouri	430.0	K-12 Education, Medicaid	480.0	K-12 Education, Medicaid
Nebraska*				
Nevada	136.0		182.4	
New Hampshire	81.1			
New Jersey	2,000.0	Debt Service	3,284.0	
New Mexico	282.1		539.1	Public Education/Jobs
New York	413.0		6,047.0	
North Carolina	1,221.0	Debt Service	Yes	Debt Service
Ohio	1,093.0			
Oklahoma			471.7	Finance, Transportation, Rehabilitation Services, Veterans Affairs, and Corrections were exempt from cuts.
Oregon	764.0	Non-general fund programs	988.0	Non-general fund programs
Pennsylvania	\$470.4	After budget enactment, the Governor does not have the authority to reduce appropriations to the Attorney General, Auditor General and Treasurer (which are independently elected), the legislature and judiciary	\$1,172.8	
Rhode Island	214.0		415.6	

TABLE 1 (continued)

Budget Cuts Made During Fiscal 2009 and for Fiscal 2010 Budgets**

<i>State</i>	<i>FY 2009 Size of Cuts (\$ in Millions)</i>	<i>Programs or Expenditures Exempted from Cuts</i>	<i>FY 2010 Size of Cuts (\$ in Millions)</i>	<i>Programs or Expenditures Exempted from Cuts</i>
South Carolina	1,106.4	Higher Education Scholarships and Tuition Grants; Southern Regional Education Board Professional Scholarship Programs and Fees; Debt Service; Aid to Fire Districts; First Responder Interoperability; National Guard Pension Fund; Compensation of County Registration Board Members & County Election Commissioners	328.3	Higher Education Scholarships and Tuition Grants; Southern Regional Education Board Professional Scholarship Programs and Fees; Debt Service; Aid to Fire ; Districts; First Responder Interoperability; National Guard Pension Fund; Compensation of County Registration Board Members & County Election Commissioners; Commission on Indigent Defense Legal Services Corporation; Clemson University Public Service Activities Boll Weevil Eradication Program; Department of Revenue; Homestead Exemption Fund
South Dakota	0.4			
Tennessee	127.2	K-12 Education – Local school systems support and higher education	808.3	K-12 Education – Local school systems support and higher education
Utah	571.3		318.6	
Vermont	68.0		98.0	Judiciary, higher education, juvenile rehabilitation center, state police, state veterans' home, correction officers, and state hospitals
Virginia	480.3	K-12 Standards of Quality	854.6	
Washington	255.0	K-12 basic education, debt service, retirement contributions	1,335.0	K-12 basic education, debt service, retirement contributions
West Virginia			\$184.0	Debt service/ programs closely related to children/classrooms
Wisconsin*	635.0		1,917.7	
Total	\$31,318.1	–	\$55,655.0	–

NOTE: *See Notes to Table 1. **Budget cuts for Fiscal 2010 are currently ongoing.

SOURCE: National Association of State Budget Officers.

TABLE 1-A

Fiscal 2009 Program Area Cuts

<i>Region/State</i>	<i>K-12 Education</i>	<i>Higher Education</i>	<i>Public Assistance</i>	<i>Medicaid</i>	<i>Corrections</i>	<i>Transportation</i>	<i>Personnel</i>	<i>Other</i>
NEW ENGLAND								
Connecticut	x	x	x	x	x	x	x	x
Maine	x	x		x		x	x	x
Massachusetts	x		x		x	x	x	x
New Hampshire							x	
Rhode Island	x	x		x			x	
Vermont		x		x	x		x	
MID-ATLANTIC								
Delaware								
Maryland	x	x	x	x	x		x	x
New Jersey	x	x	x	x	x	x	x	x
New York	x	x	x	x	x	x	x	x
Pennsylvania	x	x			x	x	x	x
GREAT LAKES								
Illinois								
Indiana*		x						x
Michigan			x	x	x	x	x	x
Ohio	x	x	x	x	x	x	x	x
Wisconsin*	x	x		x	x	x		x
PLAINS								
Iowa	x	x	x	x	x		x	x
Kansas	x	x	x		x	x		x
Minnesota	x	x	x	x				
Missouri							x	x
Nebraska								
North Dakota								
South Dakota		x						
SOUTHEAST								
Alabama	x	x						
Arkansas		x	x		x			
Florida	x	x	x	x	x	x	x	x
Georgia	x	x	x	x	x	x	x	x
Kentucky	x	x					x	x
Louisiana*	x	x	x	x	x	x	x	x
Mississippi	x	x		x	x	x		x
North Carolina	x	x	x	x	x	x	x	
South Carolina	x	x	x	x	x	x	x	
Tennessee*								x
Virginia		x	x	x	x	x	x	x
West Virginia								
SOUTHWEST								
Arizona	x	x	x	x	x	x	x	x
New Mexico	x	x		x	x			x
Oklahoma								
Texas								
ROCKY MOUNTAIN								
Colorado*	x	x		x	x		x	x
Idaho							x	
Montana								
Utah								
Wyoming								
FAR WEST								
Alaska								x
California	x	x	x	x	x	x	x	x
Hawaii	x	x		x	x		x	x
Nevada	x	x	x	x	x	x	x	x
Oregon	x	x	x	x	x		x	x
Washington	x	x	x	x	x	x	x	x
TERRITORIES								
Puerto Rico								
Total	29	33	22	27	28	21	29	30

NOTE: *See notes to Table 1-A.

SOURCE: National Association of State Budget Officers.

TABLE 1-B

Fiscal 2010 Program Area Cuts

<i>Region/State</i>	<i>K-12 Education</i>	<i>Higher Education</i>	<i>Public Assistance</i>	<i>Medicaid</i>	<i>Corrections</i>	<i>Transportation</i>	<i>Personnel</i>	<i>Other</i>
NEW ENGLAND								
Connecticut	x	x	x	x	x	x	x	x
Maine	x	x		x		x	x	x
Massachusetts*	x		x		x	x	x	x
New Hampshire								
Rhode Island	x	x		x			x	
Vermont				x	x		x	
MID-ATLANTIC								
Delaware	x	x			x	x	x	x
Maryland	x	x	x	x	x			x
New Jersey	x	x	x	x	x	x	x	x
New York	x	x	x	x	x	x	x	x
Pennsylvania	x	x			x	x	x	x
GREAT LAKES								
Illinois					x	x	x	x
Indiana		x		x				x
Michigan	x	x	x	x	x	x	x	x
Ohio								
Wisconsin*	x	x	x	x	x	x	x	x
PLAINS								
Iowa	x	x	x	x	x		x	x
Kansas	x	x	x		x	x		x
Minnesota	x	x	x	x	x	x		
Missouri							x	x
Nebraska				x			x	x
North Dakota								
South Dakota								
SOUTHEAST								
Alabama								
Arkansas								
Florida								
Georgia	x	x	x	x	x	x	x	x
Kentucky	x	x					x	x
Louisiana*	x	x	x	x	x	x	x	x
Mississippi								
North Carolina	x	x	x	x	x	x	x	
South Carolina	x	x	x	x	x	x	x	
Tennessee*				x	x		x	x
Virginia	x	x	x	x	x	x	x	x
West Virginia	x	x	x	x	x	x	x	x
SOUTHWEST								
Arizona	x	x	x	x	x	x	x	x
New Mexico*	x	x		x	x	x		x
Oklahoma*	x	x						
Texas								
ROCKY MOUNTAIN								
Colorado*	x	x		x	x		x	x
Idaho							x	
Montana								
Utah	x	x	x	x	x	x	x	x
Wyoming								
FAR WEST								
Alaska						x		
California	x	x	x	x	x	x	x	x
Hawaii	x	x	x	x	x	x	x	x
Nevada								
Oregon	x	x	x	x	x		x	x
Washington	x	x	x	x	x	x	x	x
TERRITORIES								
Puerto Rico			x		x	x	x	
Total	30	30	22	28	29	25	31	30

NOTE: *See Notes to Table 1-A.

SOURCE: National Association of State Budget Officers.

NOTES TO TABLE 1

Arizona	These are permanent cuts to agencies and do not include other cuts, such as FMAP reductions and K-12 rollover.
Colorado	Reflects \$668 million reduced in FY 2009-2010 during the 2009 Session and the remainder was executed by the Governor on August 25, 2009 to bring FY 2009-2010 into balance again, after the 2009 Legislative Session ended. Cuts to K-12 are limited in some years due to Article IX, Section 17 of the Colorado Constitution (Amendment 23).
Indiana	Cuts do not include general fund reductions made possible by the American Recovery and Reinvestment Act (e.g., Medicaid).
Michigan	The Governor proposed a balanced fiscal 2010 budget, including \$670 million in spending reductions. Additional spending reductions of \$750 million are included in the budgets passed by the legislature and pending the Governor's signature. Once the fiscal 2010 budget is enacted, subsequent spending reductions may be required to meet revenue projections and spending increases for core government functions.
Nebraska	The final appropriations for FY 2010 included a reduction of \$137 million in state general fund appropriations for Medicaid. The final appropriations for FY 2010 included a reduction of \$4.5 million in state general fund appropriations for Public Assistance. These base adjustments were the result of an analysis of the projected needs of the programs relative to the available baseline appropriation as well as due to the availability of enhanced federal FMAP. These base appropriation reductions should not be viewed as a reduction in eligibility, services or provider reimbursements. The final appropriations for FY 2010 included a reduction of \$13.8 million in state general fund appropriations for the state's Homestead Exemption program. This was the result of an analysis of the projected needs of the program relative to the baseline appropriation and was not a reduction in eligibility or level of exemption. The final appropriations for FY 2010 included a reduction of \$27.6 million in state general fund appropriations for the Department of Correctional Services. This was the result of the availability of federal ARRA State Fiscal Stabilization Funds.
Wisconsin	The cuts were based on federal fiscal relief, unspecified reductions, and agency-specific cuts, and an across-the-board 1 percent cut. \$597 million was filled with federal fiscal relief dollars.

NOTES TO TABLE 1-A

Colorado	Refinancing of K-12 Education general fund with State Education Cash Funds, including \$15.7 million for CSAP (testing) and \$27.8 million for public school finance in FY 2009-2010 during 2009 Session. No K-12 reductions were proposed by the Governor for the August 25th FY 2009-2010 balancing. Higher education cuts were offset with federal ARRA funds. Transportation does not receive general fund appropriation/expenditure directly.
Indiana	Most state agencies
Louisiana	Exceptions include the Minimum Foundation Program. Medicaid implemented rate reductions effective February 1, 2009 as a result of Executive Order BJ 2008-114.
Tennessee	Budget cuts in FY 2009 include "Forced" lapses (additional reversion).
Wisconsin	\$597 million Federal Fiscal Relief – Budget in Brief, Table 2 + \$38 million in lapses, Act 2.

NOTES TO TABLE 1-B

Colorado	Higher education cuts were offset with federal ARRA funds. Transportation does not receive general fund appropriation/expenditure directly.
Louisiana	Exceptions include the Minimum Foundation Program. Medicaid implemented rate reduction effective August 1, 2009 due to reduced appropriation levels in Act 10 of 2009 regular legislative session.
Massachusetts	K-12 cannot be unilaterally cut during the fiscal year but can reduce them as we prepare the budget for the next fiscal year.
New Mexico	FY 2010 reductions in K-12 and higher education were restored by Education Stabilization funds.
Oklahoma	Although FY 2010 base cuts were administered to both K-12 and Higher Education, stimulus funding and additional appropriations were provided to restore the cuts.
Tennessee	Budget cuts in FY 2010 apply to nearly every department and agency.
Wisconsin	For FY 2010, it includes 1 percent across-the-board, 5.135 percent across-the-board, Furlough, 2 percent general welfare assistance rollback, agency-specific cuts, lapses, and \$206 million in general cuts (\$363.2 million + \$190.6 million + misc. portion) as well as gaps filled with federal fiscal relief (\$981 million).

State General Fund Spending

State general fund spending in enacted fiscal 2010 budgets totals \$627.9 billion, or 5.4 percent below fiscal 2009 spending. This spending decrease of 5.4 percent is the worst percentage change in the past 32 years. For fiscal 2009, general fund spending decreased by 3.4 percent, the second worst decline in state spending in the past 32 years. (See Table 2, Figure 1, and Appendix Table A-4.)

Contributing to the significant slowdown in state general fund spending is the decline in tax revenue collections due to the ongoing national recession. State revenues were down 4.0 percent in the last quarter of calendar year 2008, and 11.7 and 16.6 percent in the first two quarters of 2009, respectively, according to the Rockefeller Institute of Government.* The current recession, which started in December 2007, has been described as the longest and most severe recession since the Great Depression in the 1930s. Gross Domestic Product (GDP) growth declined significantly during the first two quarters of 2009 and the unemployment level is currently above 10 percent. Additionally, capital gains and investment income has significantly declined as a result of the financial crisis. This lack of economic expansion along with significant job losses have resulted in decreasing sales, personal income, and corporate income tax collections during fiscal 2009.

In response, 37 states had general fund spending in their fiscal 2010 enacted budgets below fiscal 2009 levels, 11 states enacted general fund expenditure growth between 0 and 4.9 percent, and two states enacted general fund spending growth greater than 10 percent. For fiscal 2009, 28 states had general fund spending below fiscal 2008 levels, while 19 states had general fund spending growth between 0 and 4.9 percent, two states had general fund expenditure growth between five and ten percent, and one state had general fund spending growth greater than 10 percent. Highlighting the rapid decline in state fiscal conditions, six states had general fund expenditure declines in 2008, while

17 states had general fund spending growth below 5 percent, 18 states increased spending between 5 and 10 percent, and 9 states increased general fund expenditures greater than 10 percent. In fiscal 2007, only one state had a general fund expenditure decline. (See Table 3 and Appendix Table A-4.)

TABLE 2

State Nominal and Real Annual Budget Increases, Fiscal 1979 to Fiscal 2010

Fiscal Year	General Fund Expenditure Change	
	Nominal Increase	Real Increase
2010*	-5.4%	- %
2009*	-3.4	-2.6
2008*	4.9	-0.6
2007	9.4	4.3
2006	8.7	3.4
2005	6.5	0.2
2004	3.0	-1.0
2003	0.6	-3.6
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
1979-2010 average	5.6%	1.6%

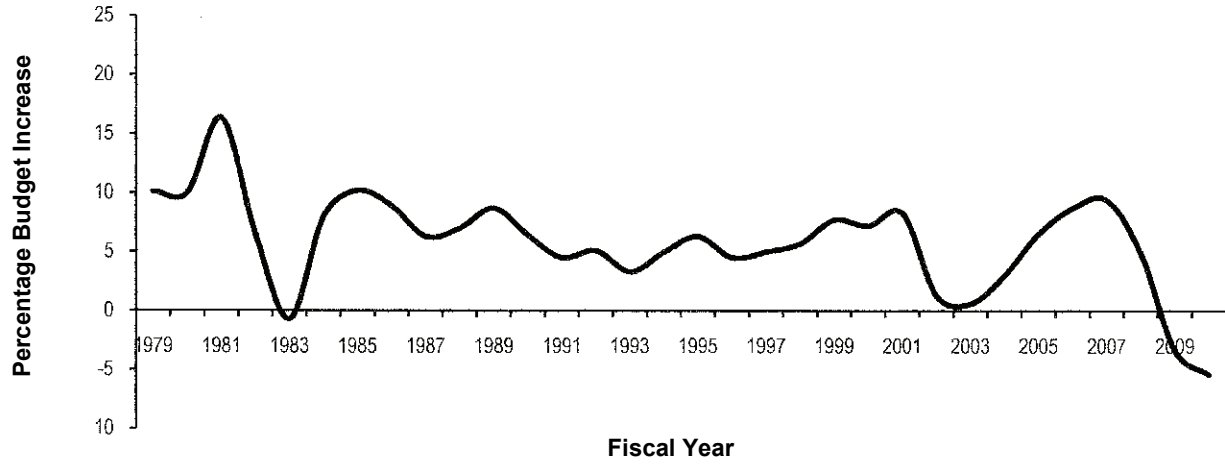
NOTE: *The state and local government implicit price deflator cited by the Bureau of Economic Analysis in November 2009 is used for state expenditures in determining real changes. Fiscal 2009 figures are based on the change from fiscal 2008 actual expenditures to fiscal 2009 preliminary actual. Fiscal 2010 figures are based on the change from fiscal 2009 preliminary actual to fiscal 2010 appropriated.

SOURCE: National Association of State Budget Officers.

*Dadayan, Lucy; Boyd, Donald J. *State Revenue Flash Report*. The Nelson A. Rockefeller Institute of Government, November 23, 2009.

FIGURE 1

Annual Percentage Budget Changes, Fiscal 1979 to Fiscal 2010



SOURCE: National Association of State Budget Officers.

TABLE 3

State General Fund Expenditure Growth, Fiscal 2009 and Fiscal 2010

Spending Growth	Number of States	
	Fiscal 2009 (Preliminary Actual)	Fiscal 2010 (Appropriated)
Negative growth	28	37
0.0% to 4.9%	19	11
5.0% to 9.9%	2	0
10% or more	1	2

NOTE: Average spending growth for fiscal 2009 (preliminary actual) is -3.4 percent; average spending growth for fiscal 2010 (enacted) is -5.4 percent. See Appendix Table A-4 for state-by-state data.

SOURCE: National Association of State Budget Officers.

State Cash Assistance Under the Temporary Assistance for Needy Families Program

The Temporary Assistance for Needy Families (TANF) program was reauthorized under the *Deficit Reduction Act* in February 2006. The TANF block grant is funded at \$16.6 billion each year through 2010. Although the program retains the work participation rates of 50 percent for all families and 90 percent for two-parent families, adjusting the base year for the caseload reduction credit effectively increases the work requirements from the prior levels.

The reauthorized program also includes specific definitions of work, work verification requirements, and penalties if states do not meet the requirements. As a result of these changes, most states have to significantly increase work participation rates. Under the *American Recovery and Reinvestment Act of 2009* (ARRA), however, the workload reduction credit is modified for two years as well as rules governing unspent TANF funds that are carried forth.

Since welfare reform was initially passed in 1996, states have focused on providing supportive services for families to achieve self-sufficiency rather than cash assistance. Since 1996, caseloads have declined significantly. The average monthly number of recipients fell from 12.8 million prior to the enactment of TANF to 4 million by December 2009, a decrease of over two-thirds.

This report has information only on the changes in the cash assistance benefit levels within the program which represents approximately 41 percent of total program costs. For fiscal 2010, 40 states maintained the same cash assistance benefit levels that were in effect in fiscal 2009. Six states enacted increases in cash assistance benefit levels, ranging from 3.0 percent to 14 percent, while four states enacted decreases in cash assistance benefit levels ranging from 3.2 percent to 20 percent. (See Table 4 and Notes to Table 4.)

TABLE 4

Enacted Cost-of-Living Changes for Cash Assistance Benefit Levels Under the Temporary Assistance for Needy Families Block Grant, Fiscal 2010

State	Percent Change
Arizona*	-20.0%
California	-4.0
Florida	-3.2
Hawaii	-6.1
Montana	5.0
Nebraska*	—
New York	10.0
Ohio	5.9
Puerto Rico	14.0
South Carolina	4.4
South Dakota	3.0

NOTE: *See Notes to Table 4.

SOURCE: National Association of State Budget Officers.

NOTES TO TABLE 4

Arizona	During FY 2009, TANF was cut by 20 percent. FY 2010 enacted budget did not cut TANF further, but 20 percent cut reflects best status of Arizona.
Nebraska	No increase in the maximum grant an individual may receive has been enacted for FY 2010. Effective July 1, 2009 Nebraska is increasing the maximum "standard of need" for TANF cash assistance from \$681 to \$710 per month (family of three). This increase is based on a 4.1 percent CPI increase in CY 2007 and 0.1 percent CPI increase in CY 2008.

Medicaid

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 60 million low-income individuals. Medicaid accounted for approximately 21 percent of total state spending in fiscal 2009, according to NASBO's *State Expenditure Report*.

Medicaid spending for fiscal 2009 is estimated at \$335.2 billion, an increase of 7.8 percent over fiscal 2008, according to the *State Expenditure Report*.

This is the largest increase in Medicaid spending in the last several years. While, state funds decreased by 2.2 percent, federal funds increased by 15.9 percent over fiscal 2008 amounts. The large increase in federal funds is attributable to the enactment of the *American Recovery and Reinvestment Act of 2009* (ARRA) which provides a temporary increase in the Federal Medical Assistance Percentage (FMAP) in order to allow states to maintain health care services for low income recipients during the recession.

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

According to an annual survey on state Medicaid budgets by the Kaiser Commission on Medicaid and the Uninsured, Medicaid enrollment increased by an average of 5.4 percent in fiscal 2009, the highest rate in six years. States estimate Medicaid enrollment will grow by 6.6 percent in fiscal 2010, according to the survey.

Medicaid Cost Containment. The weak fiscal conditions of states resulted in numerous actions to control Medicaid spending even with federal relief from ARRA. Twenty-seven states in fiscal 2009 and 28 states in fiscal 2010 made program cuts in Medicaid due to these fiscal difficulties. (See Tables 1-A and 1-B.) Nearly every state implemented at least one plan to control Medicaid spending in fiscal 2009 and fiscal 2010 according to the annual survey on state Medicaid budgets by the Kaiser Commission on Medicaid and the Uninsured. The most common strategy involved reductions to provider reimbursements. Thirty-three states cut or froze provider rates in fiscal 2009 while thirty-nine states are planning to cut or freeze rates for fiscal 2010. As noted by the Kaiser

Commission, provider payment rate changes serve as a barometer of state fiscal conditions.

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

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

Long-Term Health Care Spending. Like Medicaid, total health care spending is projected to increase faster than the economy as a whole. Projections over the next ten years for national health expenditures remain at an average annual rate of about 6.2 percent from fiscal 2008 through fiscal 2018, according to recent estimates by Office of the Actuary in the Centers for Medicare & Medicaid Services. On average, the growth in health care expenditure is estimated to exceed the growth in the overall economy by about 2.1 percent each year. With Medicaid comprising 21 percent of state budgets, these long-term growth rates will continue to strain state budgets.

TABLE 5

Enacted Changes in Aid to Local Governments, Fiscal 2010

Alaska	No change from Revenue Sharing program established in FY 2009. One-third of the fund balance, up to \$60.0 million, is paid annually. For FY 2010, \$60.0 million of Revenue Sharing payments have been authorized for local governments.
California	<p>The amended 2009 Budget Act suspended funding (\$27.8 million general fund) for the Williamson Act Open Space Subventions Program. The funding backfilled property tax revenues cities and counties lose when they enter in to voluntary agreements with the property owners to use their land for the agricultural or open space purposes in exchange for a lower property tax assessment.</p> <p>1) An additional 26 mandates have been suspended in FY 2009 and 2010. This resulted in approximately \$81 million of 51.6 percent of reimbursement payments deferred to future years.</p> <p>2) The amended 2009 Budget Act borrows 1.935 billion in property tax revenues from cities, counties, and special districts. The monies will be used to backfill state general fund expenditures for health care, corrections, trial court, K-12 school bond expenses, and other state programs. The enabling legislation provides for repayment (with interest) by June 30, 2013, and allows local governments to form a Joint Powers Agency to issue bonds securitized by the state's repayment guarantee. The amended 2009 Budget Act also requires redevelopment agencies to shift \$1.7 billion in operating funds to backfill state general fund expenditures for K-12 schools, health care, corrections, trial courts, and other state programs.</p>
Colorado	<p>FY 2008-09 the Local Government Limited Gaming Impact Fund, which provides grants to neighboring communities impacted by gaming activities, was reduced by a total of \$1,050,000. S.B.09-279 transferred \$7.5 million for them Local Government Severance Tax Fund to balance FY 2009-10. On August 25 the following was enacted to balance FY 2009-10: \$7.6 million transfer from the Local Government Severance Tax Fund, \$14.1 million transfer from the Local Government Permanent Fund, \$2.7 million transfer from the waste tire grant funds, and \$5.1 million transfer from the Local Government Limited Gaming Impact Fund.</p> <p>S.B.09-105 Removes limits on counties ability to impose special property tax to generate funds for fighting forest and prairie fires. Previously the tax could not be more than one mill (\$1 for every \$1,000 of taxable value) or \$500,000 per year, whichever was less. Now, as long as the county receives voter approval for the tax, there is no limit to how much it can collect for this purpose. S.B.09-232 – transferred \$17 million from the Local Government Permanent Fund to the Local Government Mineral Impact Fund. This money will be made available to mineral development impacted communities in the form of grants. Priority will be given to those communities most directly impacted by federal mineral development and proposals for multi-jurisdictional projects.</p>
Connecticut	<p>During the 2009 legislative session, the Connecticut General Assembly approved appropriations for the fiscal year commencing July 1, 2009 which totaled \$2.78 billion for state aid to municipalities. This represents a decrease of 1.8 percent over the total amount municipalities received in the prior fiscal year.</p> <p>During the 2009 legislative session, the Connecticut General Assembly did not enact any significant changes with respect to local governments' financial operations.</p>
Delaware	Eliminated funding for Suburban Streets program, \$6.0 million. Suburban Streets program provided state aid for the maintenance of locally maintained roads.
Georgia	The FY 2010 budget eliminated \$428 million to fund the Homeowners Tax Relief Grants used to reduce local property taxes.
Kansas	Eliminated a \$5.0 million transfer to the Special City County Highway Fund; eliminated a \$45.3 million transfer to reduce local property taxes—Business Machinery, & Equipment Slider; eliminated a \$13.5 million transfer to reduce local property taxes—Local Ad Valorem Tax Reduction Fund.
Maine	Amount to Local Government Fund for State-Municipal Revenue Sharing reduced from 5.1 to 5 percent. Impact is \$16.2 million.
Maryland	<p>In FY 2012, a 1 percent inflationary cap is applied to K-12 funding formulas. Beginning in FY 2010 the state share of the cost for nonpublic placements for special education was reduced from 80 percent to 70 percent. Growth in county public library funding formulas was moderated in FY 2010 – FY 2012. The growth in Community College funding formulas was moderated in FY 2010 and 2011. The Disparity Grant was capped at the FY 2010 level. Funding for local highway grants was reduced by \$162 million in FY 2010 and \$102 million in FY 2011.</p> <p>The local jail reimbursement program was changed to a grant program and state responsibility for payment of prior obligations was limited. The responsibility for the retirement costs of certain local employees is now a local responsibility at a cost of approximately \$3 million.</p>

TABLE 5 (continued)

Massachusetts	<p>The fiscal 2010 budget provides \$4.086 billion in state-funded local aid to municipalities. The budget includes state funding for chapter 70 education aid of \$3.870 billion and also includes \$167 million of federal State Fiscal Stabilization Funds, provided through the American Recovery and Reinvestment Act, for Chapter 70 education aid. The \$4.037 billion in state and federal funds for Chapter 70 brings all school districts to the foundation level called for by 1993 education reform legislation, and is an increase of \$89 million over the fiscal 2009 amount of \$3.948 billion. The fiscal 2010 budget also includes \$936 million for unrestricted general government aid, which is a new category of local aid, replacing lottery aid and additional assistance. This amount is \$377 million lower than the total amount funded through lottery aid and additional assistance in fiscal 2009.</p> <p>The fiscal 2010 budget also includes several provisions designed to increase municipal revenues. The budget repealed the property tax exemption for telecommunication poles and wires. Effective August 1, 2009, the permitted ceiling on hotel taxes imposed by cities and towns will be raised from 4 percent to 6 percent (from 4.5 percent to 6.5 percent in Boston). Cities and towns will also be authorized to impose a local option meals tax of 0.75 percent.</p>
Michigan	<p>The fiscal 2010 budget provides an overall decrease of \$100 million—a 9.7 percent reduction from total payments to cities, villages, and townships in fiscal 2009. The individual impact on local units varies from negative 4 percent to negative 11 percent. The fiscal 2010 budget also continues to suspend revenue sharing 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 through fiscal 2008. Thereafter, savings decline as county revenue sharing reserve funds are depleted and state payments are resumed. In fiscal 2010, state payments for 20 counties are reduced by \$10.2 million, representing a 15.6 percent decrease from the fully-restored payment level.</p> <p>Local government financial operations will be affected by the following changes included the fiscal 2010 budget: mental health services funding reductions, increased payments to private child welfare agencies, and reduced funding for county jail programs.</p>
Minnesota	<p>Governor reduced allotments for counties, cities and towns \$99.7 million for FY 2010. This represents at most a 3.31 percent reduction for cities, 1.74 percent for towns and 1.19 percent for counties. Reductions were taken from Local Government aid, County Program aid and Market Value Credits. Other than changes in aid amounts due to allotment reductions listed above, no changes were enacted that affected local governments' financial operations.</p>
Missouri	<p>SB 291 (2009) imposed a requirement on school districts to provide a minimum amount of physical education for students. (The estimated cost for facility construction was \$100,000 and an annual cost of \$100,000 for additional staffing. Several school districts estimated a need for additional facilities, faculty and physical education programming. This legislation also required districts to provide a Parents' Bill of Rights requiring the State Department of Elementary and Secondary Education to develop a publication information parents of children with individualized education programs about their educational rights under federal and state law. The school districts also anticipated increased costs related to implementing these provisions.</p>
Montana	<p>The normal biennial inflationary increases statutorily authorized were not impacted by the tight budget. A onetime biennial (FY 2010 and FY 2011) increase in state expenditures for infrastructure was significant. \$114 million of one-time money was allocated to local government infrastructure.</p> <p>The Recovery Act added several reporting requirements to local governments for the one-time state and federal funds authorized.</p>
Nebraska	<p>State general fund Only: Homestead Exemption Reimbursement Program—\$-13.9 million (-18.2 percent) reduction vs. FY 2009 (see notes); Primary K-12 Education Funding Formula—\$1.4 million (0.2 percent) increase over FY 2009; General Aid to Municipalities—\$0.5 million (4.6 percent) increase over FY 2009. Various minor sales and use tax exemptions affecting local option city sales tax enacted for FY 2010. Dollar impact on cities is expected to be minimal.</p>

TABLE 5 (continued)

New Jersey	Municipal Aid
	<p>Increased the Consolidation Fund program by \$5 million (167 percent) to \$8 million. This discretionary aid program provides financial and technical assistance to encourage consolidation and shared services among local units of government. Reduced combined Consolidated Municipal Property Tax Relief Aid (CMPTRA) and Energy Tax Receipts (ETR) municipal aid by \$32.1 million (2 percent) to \$1.565 billion. Taken together, CMPTRA and ETR provide the vast majority of State Aid to municipalities. Reduced Special Municipal Aid by \$27.9 million (19 percent) to \$117.4 million. This discretionary aid program provides assistance to municipalities facing severe fiscal conditions in recovering from fiscal distress and improving management and financial practices. Reduced Trenton Capital City Aid by \$0.7 million (2 percent) to \$34.9 million. This program provides assistance to the City of Trenton. Reduced Extraordinary Aid by \$0.5 million (2 percent) to \$24.5 million. This discretionary aid program provides aid to municipalities facing unexpected increases in costs that would otherwise lead to an unacceptably high spike in property taxes.</p>
	Other Local Aid
	<p>Increased County College Aid by \$5.1 million (2 percent) to \$226.7 million. This program provides aid to the county college system, including funding for operating aid, fringe benefits, and debt service funding. Reduced Local Transportation Project Aid by \$16 million (7 percent) to \$208.2 million. This program supports transportation improvements on municipal and county roads. Reduced Aid to County Psychiatric Hospitals by \$8.7 million (7 percent) to \$115.1 million. This program supports patients in county psychiatric hospitals by reimbursing allowable costs incurred by counties. Reduced Library Aid by \$1.4 million (8 percent) to \$16.4 million. This program supports operations and improvements at public libraries. Eliminated Enhanced 911 Grants. Previously funded at \$12.4 million, the primary purpose of this program is to upgrade existing local 911 call centers. Grants are provided for general operating assistance, equipment, and consolidation studies. Eliminated Smart Future Planning Grants. Previously funded at \$2.3 million, this program promotes comprehensive smart growth planning at the local level by providing financial assistance for redevelopment projects that are consistent with smart growth principles.</p>
	<p>P.L.2009,c.19 This law provides local governments with the option to reduce their required contributions to the pension system due in April 2009 by 50 percent. A local government is required to adopt a resolution justifying the fiscal necessity of deferring the pension payment. If a local government exercises this option, it will pay back the deferred amount plus interest in level annual payments over 15 years beginning with the payments due in State Fiscal Year 2012.</p>
	<p>P.L.2009,c.90 This law authorizes the creation of both State and local Economic Redevelopment and Growth Grant programs. These State or local grants would pledge up to 75 percent of designated incremental tax revenue increases resulting from a redevelopment project toward filling a developer's project financing gap (up to 20 percent of the total project cost). Eligible local government incremental tax revenues include payments in lieu of taxes, lease payments, property taxes, motor vehicle rental taxes, payroll taxes, parking taxes, taxes from the operation of a public facility, and sales taxes dedicated for use within an Urban Enterprise Zone. However, not all local governments are authorized to impose all these types of taxes. The law also authorizes municipalities with populations over 100,000 that host a commercial airport with over 10 regular flights per day to impose an up to 5 percent motor vehicle rental tax to fund redevelopment activities. It also authorizes certain municipalities to impose an up to \$2 surcharge on admissions to and an up to \$2 surcharge on parking at major places of amusement to fund redevelopment activities.</p>
	<p>P.L.2009,c.118 This law establishes a pilot program in Gloucester County to transfer municipal tax assessment functions to the county level through the appointment of a county assessor and deputy county assessors. The transfer would happen over 3 years and would also involve revaluations in all municipalities within the county to create uniformity in assessment. Gloucester County will pay for the revaluation costs (estimated at \$8.8 million) over the 3-year transition period but will be reimbursed by the State over the 3 years that follow that. Once the consolidation of tax assessment at the county level is complete, the Gloucester County municipalities will realize a cost savings because they will no longer be responsible for the tax assessment function.</p>
New York	<p>The 2009-10 Enacted State Budget will have an estimated \$2.9 billion positive impact on municipalities in local fiscal years ending in 2010—the first full-annual local fiscal year affected by changes in the Enacted Budget. Major program changes include the following:</p> <ul style="list-style-type: none"> ■ Increased Federal funding through the American Recovery and Reinvestment Act of 2009 (ARRA) including: increased funding for School Districts in the 2009-10 school year (\$1.9 billion); and increased FMAP funding for New York City and other Counties (\$1.3 billion). ■ Sales tax collection initiatives are expected to generate \$191 million in additional revenue for municipalities in 2010. ■ Restoring New York City general and municipal aid funding to fiscal year 2006-2007 level (\$82 million). ■ In addition, the Enacted Budget continues more than \$959 million in fiscal relief for counties and New York City under the state's cap on local Medicaid expenditures and takeover of the Family Health Plus program. Counting this assistance, the total positive fiscal impact on local governments in 2010 is more than \$3.8 billion.

TABLE 5 (continued)

New York (cont'd)	<ul style="list-style-type: none"> ■ School districts outside of New York City will benefit from a \$600 million increase in school aid and other education funding attributable to ARRA for the 2009-2010 school year. ■ New York City will receive a \$1.8 billion net positive increase, including: a \$999 million increase in FMAP; \$622 million in additional school aid; \$120 million in increased revenue from new sales tax collections and modifications to the Personal Income Tax (PIT) and an \$82 million increase in general purpose aid over the prior year. These increases are partially offset by approximately \$21 million in reductions across a range of local assistance program areas. ■ Cities, towns and villages outside of New York City will realize a \$14 million net positive impact, mostly attributable to new sales tax revenues. ■ Counties are expected to experience a \$401 million net positive impact, mostly attributable to: \$335 million from the FMAP increase; \$87 million in additional sales tax revenues; and approximately \$19 million in funding reductions across a range of local assistance program areas. <p>In addition, the Enacted Budget continues more than \$959 million in fiscal relief for counties and New York City under the state's cap on local Medicaid expenditures and takeover of the Family Health Plus program. Counting this assistance, the total positive fiscal impact on local governments in 2010 is more than \$3.8 billion.</p>
Ohio	A temporary reduction in aid provided to local libraries through the public library fund from 2.22 percent to 1.97 percent of total GRF tax revenue. The dollar impact of this is estimated at \$41 million in FY 2010.
Oregon	Total state funding for K-12 schools declined by \$350 million (5.7 percent) for the 2009-2011 biennium compared to the previous biennium. Another \$226 million of ARRA funding was used to prevent further reductions. State support for community colleges was reduced by \$50.9 million (10.1 percent). Local community college districts will determine how the funds are expended. Funding for community corrections decreased \$2.1 million between 2007-2009 and 2009-2011, or 1.0 percent. Funding for Alcohol & Drug Prevention was reduced \$3.0 million; this removes all general funds and represents an overall reduction of 23 percent. Funding for Gambling Addiction, Treatment, and Prevention was reduced \$2.0 million, a 15 percent reduction.
Puerto Rico	No significant changes that affect the help given from the state to municipalities in FY 2010. For FY 2010 the state allocated \$26 million over the amount stipulated by formula of \$335 million to compensate for the loss of revenues resulting from the economic conditions.
Rhode Island	FY 2010 state aid to municipalities of \$184.8 million represents a \$24.8 million reduction from final FY 2009 funding levels. The largest reduction was the result of the elimination of \$25.0 million in general revenue sharing. Enacted FY 2009 funding for this program was over \$55.1 million, but was reduced in the supplemental budget to \$25.0 million. The other major local aid programs, including the motor vehicle excise tax reimbursement program, distressed communities relief fund, and library aid were all basically level funded from the FY 2009 revised funding levels.
South Carolina	Local Government Fund reduced by \$50 million.
Virginia	In FY 2009 and FY 2010 each \$50 million in captured savings to local government programs.
Wisconsin	<p>Reduced school aid (general and categorical aids) in FY 2010 by \$147 million compared to the FY 2009 level, a 2.7 percent reduction; \$49,400 reduction in county probation and parole hold reimbursement, a reduction of 1 percent. \$5,900,500 reduction in youth aids, a 6 percent reduction, but backfilled with federal ARRA funding. \$250,000 reduction to Clean Sweep funding, a reduction of 25 percent. \$811,800 reduction to soil and water resource management funding, a 16 percent reduction. 6 percent reductions to other environmental local assistance funding. Base funding for the Department of Health Services Basic County Allocation will be reduced by roughly 1.4 percent in CY 2010 and 1.0 percent in CY 2011 compared to CY 2009 levels. (\$4.1 million over two years) The two year reduction amount, \$1.4 million over the two calendar years is due to federal revenue reductions. The budget reduces the Alzheimer's Family Care Support grant (\$1.9 million GPR) as counties implement Family Care. Funding for Birth to 3 will also be reduced by 1 percent (\$68,800) in each year as a budget savings measure. County Medicaid Income Maintenance programs were reduced \$3.4 million in CY 2010 (6.6 percent compared to CY 2009 base levels) and \$5.5 million (10.6 percent) in CY 2011. The budget also includes a number of positive funding measures for counties, including continued statewide expansion of Family Care, additional funding for children's long term support services, and expanded funding for community mental health services.</p> <p>Changed state statute to set the allowable school district revenue limit increase at \$200 per pupil in FY 2010 (this is approximately a 2.1 percent increase over FY 2009). Without this law change, the revenue limit increase would have been approximately \$275 per pupil in FY 2010 (a 2.9 percent increase); For municipalities, modified the expenditure restraint program budget test which will affect eligibility; increased a levy limit of 3 percent for 2009(10) property taxes, which is an increase from the prior 2 percent limit; Permitted local governments to carry forward 2 years of unused levy capacity. The Departments of Health and Children and Families changed the timing of contract payments for the Basic County Allocations (BCA) in both departments to generate one time savings in FY 2010. This change will not further reduce the overall BCA contract for the calendar year, but will mean that counties will receive reimbursement later in the contract period.</p>

State Revenue Developments

CHAPTER TWO

Overview

State revenues in fiscal 2009 continued the decline that began in fiscal 2008. In fiscal 2009, sales, personal income and corporate income tax collections all declined by drastic amounts. Total revenue collections came in below estimates for 41 states, were on target in four states and exceeded projections in four states. (See Table A-7.) Additionally, revenue collections in fiscal 2010 are below estimates in 31 states, on target in 11, and exceeding estimates in five states.

In comparison, fiscal 2008 revenue forecasts exceeded expectations in 25 states, were on target in five states and below expectations in 20 states. Although corporate income taxes were the only major source to show an actual decline in fiscal 2008, the growth rate of both sales and personal income tax collections was noticeably slower than in 2007.

Revenue collections are expected to continue to fall throughout 2010 as personal income taxes, the largest source of tax revenue for many states, continue to decline as the unemployment rate steadily increases. After a low of 4.4 percent in March 2007, the unemployment rate has risen 31 out of the past 34 months. The increase over last year has been even more drastic, rising from 6.6 percent in October 2008 to 10.2 percent in October 2009. Additionally, many analysts do not see unemployment beginning to fall until the middle of 2010.

In reaction to the significant reductions in revenue, states enacted tax and fee changes that are expected to raise \$23.9 billion in additional revenue based on enacted FY 2010 budgets. Twenty-nine states enacted net increases while nine states enacted net decreases.

States also enacted \$7.7 billion in other revenue measures for fiscal 2010 that enhance general fund revenue but that do not increase taxpayer liability. These measures may rely on enforcement of existing laws, additional audits and compliance efforts, and increasing fines for late filings.

TABLE 6

Enacted State Revenue Changes, Fiscal 1979 to Fiscal 2010

<i>Fiscal Year</i>	<i>Revenue Change (Billions)</i>
2010	\$23.9
2009	1.5
2008	4.5
2007	-2.1
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 1988–2010 data provided by the National Association of State Budget Officers.

TABLE 7

Enacted Fiscal 2010 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					33.9				33.9
Arizona									0.0
Arkansas	-44.3	-1.1		69.8				1.5	25.9
California	4411.0	4261.0	-330.0					1657.0	9999.0
Colorado								538.9	538.9
Connecticut	-125.1	617.9	110.6	96.5			46.9	61.0	807.8
Delaware		28.3	130.3	16.0			12.1		186.4
Florida	12.3			36.3			12.2	621.6	682.4
Georgia								23.0	23.0
Hawaii		42.8		23.7			38.9		105.4
Idaho									0.0
Illinois									0.0
Indiana	-1.5	-1.7	-27.9						-31.1
Iowa			18.0					16.7	34.7
Kansas			-2.0						-2.0
Kentucky	51.9			106.9					158.8
Louisiana	0.3	-1.0	-3.5						-4.2
Maine	40.7	-32.8		1.6	6.0			1.3	16.8
Maryland							10.5		10.5
Massachusetts	889.7								889.7
Michigan			-68.3						-68.3
Minnesota	0.0	9.0	-2.0				48.8	48.9	104.7
Mississippi				79.8					79.8
Missouri		0.0	-14.6						-14.6
Montana									0.0
Nebraska	-1.3								-1.3
Nevada							257.3	39.1	296.4
New Hampshire				35.2	2.4		58.6	54.3	150.5
New Jersey		1011.0					26.8	20.0	1057.8
New Mexico									0.0
New York	59.8	4145.0	-4.0	26.7		14.0	131.0	1941.4	6313.9
North Carolina	803.0	172.0	23.1	33.2		35.6	-116.3	55.8	1006.4
North Dakota	-4.6	-48.6	-5.0				-5.6		-63.8
Ohio									0.0
Oklahoma									0.0
Oregon		235.8	45.1	1.5			177.0	81.7	541.1
Pennsylvania			-72.7	115.5			200.0		242.8
Rhode Island	2.7	21.8	-14.5	27.5			1.0	27.1	65.6
South Carolina									0.0
South Dakota							1.0	4.6	5.6
Tennessee	13.6		25.8			1.3	137.6		178.3
Texas				67.0			-85.0		-18.0
Utah								79.0	79.0
Vermont	1.0	10.7		5.9		3.2	15.0	0.7	36.5
Virginia									0.0
Washington									0.0
West Virginia		-9.0	-10.6						-19.6
Wisconsin	19.8	278.5		165.0					463.3
Wyoming									0.0
TERRITORIES									
Puerto Rico		76.0	76.0	48.0		11.0	296.0		507.0
Total	\$6,129.0	\$10,739.6	-\$202.2	\$908.1	\$42.3	\$54.1	\$967.8	\$5,273.6	\$23,912.3

NOTE: *See Appendix Table A-11 for details on specific revenue changes.

SOURCE: National Association of State Budget Officers.

Collections in Fiscal 2009

Collections of sales, personal income, and corporate income taxes during fiscal 2009 were 7.4 percent lower than fiscal 2008 collections. Specifically, sales tax collections are 4.7 percent lower and personal income tax collections are 8.2 percent lower than collections in fiscal 2008. Corporate income tax collections are estimated to be 16.1 percent lower relative to actual fiscal 2008 collections. (See Table A-11.)

Projected Collections in Fiscal 2010

Based on enacted FY 2010 budgets, states are projecting a 1.4 percent further decline in tax collections for fiscal 2010 relative to fiscal 2009. Compared to fiscal 2009 collections, sales tax collections are expected to increase by 0.7 percent, while personal income tax collections are forecast to decline by 2.5 percent. Corporate income tax collections are expected to decline an additional 6.3 percent. However, with 31 states reporting collections below forecasts, the decline in revenues will likely be even greater. (See Table A-11.)

Enacted Fiscal 2010 Revenue Changes

Thirty-seven states enacted net tax and fee changes of \$23.9 billion. Twenty-nine states enacted net tax and fee increases while nine states enacted net tax and fee decreases. The largest change will occur in personal income taxes (\$10.7 billion). Of this \$10.7 billion, \$4.3 billion and \$4.1 billion are accounted for in changes enacted in California and New York, respectively. Other tax and fee increases enacted include increases of \$6.1 billion in sales taxes, \$5.3 billion in fees, \$967.8 million in other taxes, \$908.1 million in cigarette and tobacco taxes, \$54.1 million in alcohol taxes, and \$42.3 million in motor fuels taxes. Corporate income taxes were decreased by \$202.2 million.

Sales Taxes. Twelve states enacted sales tax increases while five enacted decreases in their fiscal 2010 budgets. The result is a net revenue increase of \$6.1 billion. Much of this change is due to a rate increase in California that would raise \$4.4 billion.

Personal Income Taxes. Twelve states enacted personal income tax increases while six enacted decreases for a net change of \$10.7 billion. More than half of this change is accounted for in rate increases from California and New York that would increase collections by \$4.3 and \$4.1 billion, respectively.

Corporate Income Taxes. Six states enacted corporate income tax increases while twelve enacted decreases in their fiscal 2010 budgets for a net decline of \$202.2 million.

Cigarette, Tobacco and Alcohol Taxes. Seventeen states enacted cigarette income tax increases for a net change of \$908.1 million. Rate increases in Wisconsin propose to raise over \$160 million, while an increase in the tax rate of \$0.25 per pack in Pennsylvania is forecast to raise \$100 million.

Motor Fuel Taxes. Three states enacted motor fuel tax increases for a net change of \$42.3 million. The expiration of a rate suspension in Alaska is expected to raise \$34 million.

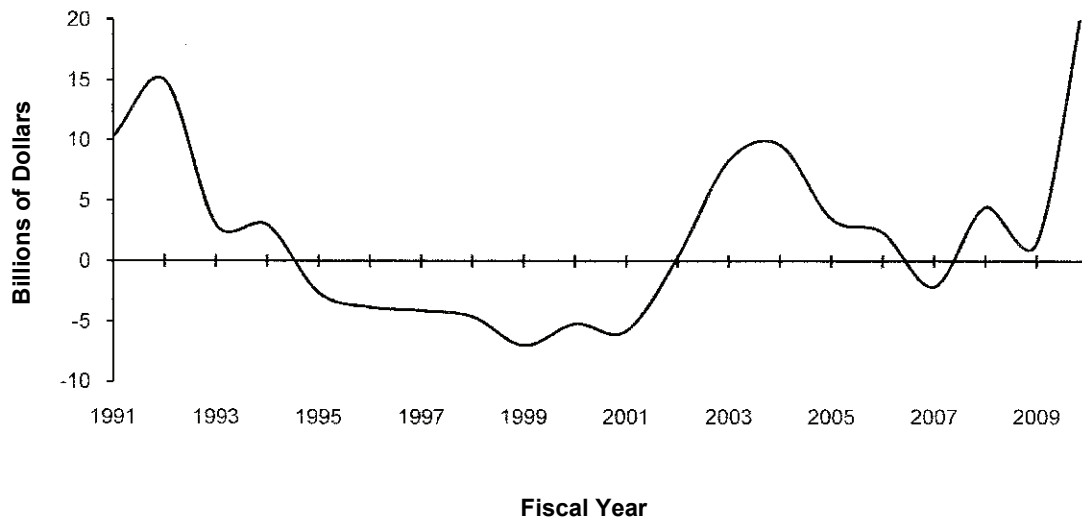
Alcohol Taxes. Four states enacted alcohol tax increases in their fiscal 2010 budgets for a net change of \$54.1 million. Increased tax rates are proposed to raise \$35.6 million in North Carolina.

Other Taxes. Sixteen states enacted other tax increases while three states enacted decreases in their fiscal 2010 budgets for a net change of \$967.8 million. A tax on Health Maintenance Organizations in Tennessee is expected to raise \$137 million.

Fees. Nineteen states recommend fee increases in their fiscal 2010 budgets for a net change of \$5.3 billion. More than 20 enacted fee changes in New York are expected to raise nearly \$2.0 billion.

FIGURE 2

Enacted State Revenue Changes, Fiscal 1991 to Fiscal 2010



SOURCE: National Association of State Budget Officers.

TABLE 8

Enacted Changes to Budgeting and Financial Management Practices*Region and State***NEW ENGLAND**

Connecticut	Public Act 09-214 requires the Office of Policy and Management (OPM) secretary and the Office of Fiscal Analysis (OFA) director to agree on an issue consensus revenue estimates each year by October 15 and to issue any necessary consensus revisions of those estimates in January and April. The estimates must cover the current biennium and the three following years. If the secretary and the director cannot issue a consensus estimate, they must issue separate ones. In such a case, the comptroller must issue the consensus estimate based on the separate estimates. The comptroller's estimate must equal one of the separate estimates or fall between the two.
Massachusetts	<p>Under the act, the consensus revenue estimates and revised estimates must (1) be the basis for the governor's proposed budget and the revenue statement included in the budget act the legislature passes and (2) be included in the annual fiscal accountability reports submitted to the legislature's fiscal committees each November. If the estimates or revised estimates lead to forecasted deficits or increased deficits exceeding certain levels, the act requires the governor and the legislature's fiscal committees to take specified actions to address the estimates.</p> <p>Major transportation reform was undertaken. The fiscal 2010 budget increases employee contributions for all active employees enrolled with the Group Insurance Commission. Previously, employees hired before June 30, 2003 paid 15 percent of their premiums, while those hired after that date paid 20 percent. The fiscal 2010 budget increases premium contributions by 5 percent for all employees. Accordingly, employees hired before June 30, 2003 will pay 20 percent of their premiums, while those hired after that date will pay 25 percent. The change is expected to save the Commonwealth \$45 million in fiscal 2010.</p>
Rhode Island	Pension reform reduced benefits. Director of Administration to assess and review all critical expenditures.

MID-ATLANTIC

Maryland	SB 264 authorizes the state to collectively bargain for union dues from state employees who are not members of the union. HB 268 directs the state to develop a plan for hiring current and former recipients of public assistance. SB 556 requires the creation of a searchable website that provides information on organizations that receive grants from the State.
New Jersey	Mandatory self-directed furlough for non-uniform personnel.
New York	With respect to cash flow management, the 2009-2010 enacted budget provided authorization for the general fund to borrow resources temporarily from other funds for a period not to exceed four months, and provided that resources are returned to those funds prior to the end of the fiscal year. Prior to the enactment of this authorization, the State was not permitted to close a month with a negative general fund balance.
Pennsylvania	Funding for the Pennsylvania Public Television Network, which has operated as a separate agency, was eliminated. Limited funding remains in the budget of the Office of Administration to fund the technology needs of the network. Also, Scotland School for Veterans Children, which has operated as a state owned and operated school for more than 100 years, was unfunded and closed. Also, operation of the Scranton State School for the Deaf was transferred from the Department of Education to the Western Pennsylvania School for the Deaf.

TABLE 8 (continued)

GREAT LAKES	
Indiana	<p>Executive branch implemented reviews of key spending categories, including travel, media and advertising, and personnel. Creation of a Strategic Hiring Committee to review all state hires has resulted in a reduction of more than 1,500 full-time employees in eight months. The Travel Committee has reduced expenditures on out-of-state travel by 65 percent since its inception.</p> <p>Inclusion of performance measures in executive branch budget documents for first time in state's history. As-Passed Budget eliminated funding for more than a dozen underperforming programs, and reduced funding for dozens of other programs that have not produced adequate results.</p> <p>Finally, there was the implementation of new statewide financial management and accounting system scheduled for September 2009.</p>
PLAINS	
Kansas	Kansas is replacing its central accounting system, which will go live July 1, 2010.
Minnesota	Funding for a new budget information system and for a new accounting and procurement system.
Missouri	The Transform Missouri initiative to develop human capital, enhance transportation/information infrastructure, and to spark scientific and technological growth.
South Dakota	In the Governor's first FY 2010 budget recommendation both a salary policy and health insurance increase for state employees were recommended. In his revised budget these increases were not recommended. The Governor proposed an initial budget for FY 2010 as well as a revised budget after revenue collections deteriorated. The revised budget included proposed cuts from both the Governor and state policy leaders from the original Governor's proposed FY 2010 budget.
SOUTHEAST	
Arkansas	<p>A Constitutional Amendment was adopted by the people to allow annual sessions of the General Assembly and limit appropriation to 1 year instead of biennial appropriations.</p> <p>A Health Care Initiative was established to be funded by an increase in the Cigarette tax (specifics of the tax increase are listed in Table a of question 13). The initiative established new funding to improve health care in the State. Programs include the establishment of the Arkansas Trauma System, additional support to Community Health Centers, the Coordinated School Health Program, and many other vital programs.</p>

TABLE 8 (continued)

ROCKY MOUNTAIN	
Idaho	Implemented a 5 percent cut in personnel costs across all agencies for FY 2010 and FY 2011. It was left up to the agencies to decide how to handle the cuts (layoffs, furloughs, vacancies, etc.).
Wyoming	Made reduction to Standard Budgets to prevent any budget gaps.
SOUTHWEST	
New Mexico	Instituted a hiring freeze and froze all meritorious pay increases. Adjusted the contribution to the retirement plan by increasing the employee contribution by 1.5 percent and decreasing the state contribution by 1.5 percent for a two year period.
FAR WEST	
Alaska	There is now a performance-based budgeting emphasis as well as the development of long-range fiscal planning (10 yr).
Washington	Exempt staff can receive no salary increases during Fiscal Year 2010.
TERRITORIES	
Puerto Rico	Act No. 7 of March 2009 indicates on article 38.02, that all economic benefits are temporarily suspended for two years. For example, labor unions agreements, salary raises, etc. Additionally, revenue projections are more conservative than previous years.

Total Balances

CHAPTER THREE

Following declines in revenue collections during previous economic downturns, states began to set aside additional funds in “rainy day” accounts during times of economic expansion to help stabilize budgets from any decline in tax collections. The effort to maintain adequate balances helps mitigate the disruption to state services during an economic downturn. Additionally, rainy day funds are needed to ensure that budgets can be balanced when revenues do not meet expectations in the latter part of the fiscal year when budget cuts and revenue increases do not have enough time to take effect. Though budget experts’ views vary, the informal rule-of-thumb has previously been to build up budget reserve balances to a level that equals at least five percent of total expenditures to provide a relatively adequate fiscal cushion. Even while maintaining adequate balances, states have been forced to cut midyear budgets during both of the last two economic downturns.

Due to strong revenue growth experienced by nearly all states during the middle part of the decade, most states were able to meet or exceed a balance level of five percent. Total balances include both ending balances and the amounts in states’ budget stabilization funds; they reflect the funds that states may use to respond to unforeseen circumstances after budget obligations have been met. State officials often try and avoid drawing down balance levels at the beginning of a downturn, and may also be prohibited from draining all rainy day funds immediately.

Prior to the start of both this most recent recession and the recession in the early part of this decade, states had built up fairly significant balance levels. In fiscal 2000, balances reached 10.4 percent of expenditures. However, by 2003 balance levels had fallen to 3.2 percent of expenditures. Balance levels

were increased during the economic expansion that took place during the middle part of the decade. By fiscal 2006, balance levels had reached 11.5 percent of expenditures. The reduction in state balance levels began in fiscal 2008, when balance levels fell to 8.6 percent of expenditures. Highlighting the dramatic and significant deterioration in state fiscal conditions, fiscal 2009 balance levels declined to 4.8 percent of expenditures. (See Table 9 and Tables A-1, A-2, A-3, and A-10.)

As total state balance levels experienced major declines during fiscal 2009, they have fallen below the historical average of 5.6 percent of expenditures. Highlighting the seriousness of the current situation is that this decline occurred even in light of the fact that states are often hesitant to make substantial draw downs from their rainy day funds early in the downturn. Although the national recession is believed to have ended sometime in the early part of the third quarter of 2009, state fiscal conditions often do not recover until well after the national economy has begun expanding, and therefore some states may not recover until fiscal 2012.

Although total balance levels representing 4.8 percent of general fund expenditures may seem like a significant cushion, when examining balance levels for fiscal 2009 a bit further, a starker picture emerges. For fiscal 2009, total balance levels were \$32 billion. However, balance levels for Texas and Alaska, at \$8.9 billion and \$6.6 billion respectively, combine to represent 48.5 percent of total balance levels. If you remove these two states from total balance levels, then fiscal 2009 balance levels represent only 2.7 percent of expenditures.

Additionally, the view of falling balance levels is reinforced by Table 10 which shows that in fiscal 2008, 20 states had balance levels above 10 percent, 16 states had balance levels above five percent but

below 10 percent, 12 states had balance levels below five percent but above one percent, while two states had balance levels below one percent. In fiscal 2009, these totals declined to 10 states having balance levels above 10 percent, 14 states having balance levels above five percent but below 10 percent, 17 states having balance levels above one percent, but below five percent, and nine states with balance levels below one percent. Based on enacted fiscal 2010 budgets, these totals will decline further with six states having balance levels above five percent

but below 10 percent, 22 states having balance levels above one percent but below five percent, and 11 states having balance levels below one percent.

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

TABLE 9

Total Year-End Balances, Fiscal 1979 to Fiscal 2010

<i>Fiscal Year</i>	<i>Total Balance (Billions)</i>	<i>Total Balance (Percentage of Expenditures)</i>
2010*	\$35.9	5.7%
2009*	32.0	4.8
2008	59.1	8.6
2007	65.9	10.1
2006	69.0	11.5
2005	46.6	8.4
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
Average	—	5.5%

NOTE: *Figures for fiscal 2009 are preliminary actual; figures for fiscal 2010 are based on appropriated data.

SOURCE: National Association of State Budget Officers.

TABLE 10

Total Year-End Balances as a Percentage of Expenditures, Fiscal 2008 to Fiscal 2010

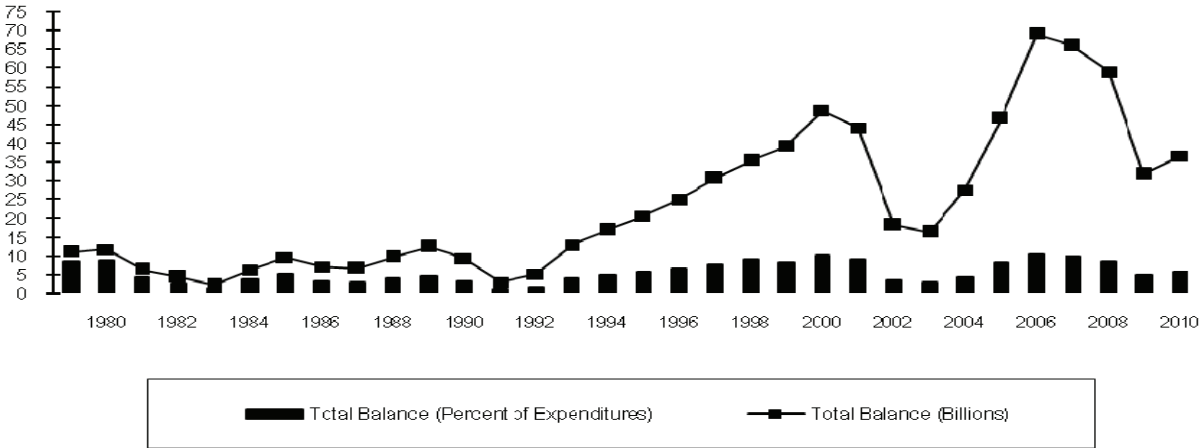
<i>Percentage</i>	<i>Number of States</i>		
	<i>Fiscal 2008 (Actual)</i>	<i>Fiscal 2009 (Preliminary Actual)</i>	<i>Fiscal 2010 (Appropriated)</i>
Less than 1.0%	2	9	11
1.0% to 4.9%	12	17	22
5.0% to 9.9%	16	14	6
10% or more	20	10	11

NOTE: The average for fiscal 2008 (actual) was 8.6 percent; the average for fiscal 2009 (preliminary actual) is 4.9 percent; and the average for fiscal 2010 (appropriated) is 5.8 percent.

SOURCE: National Association of State Budget Officers.

FIGURE 3

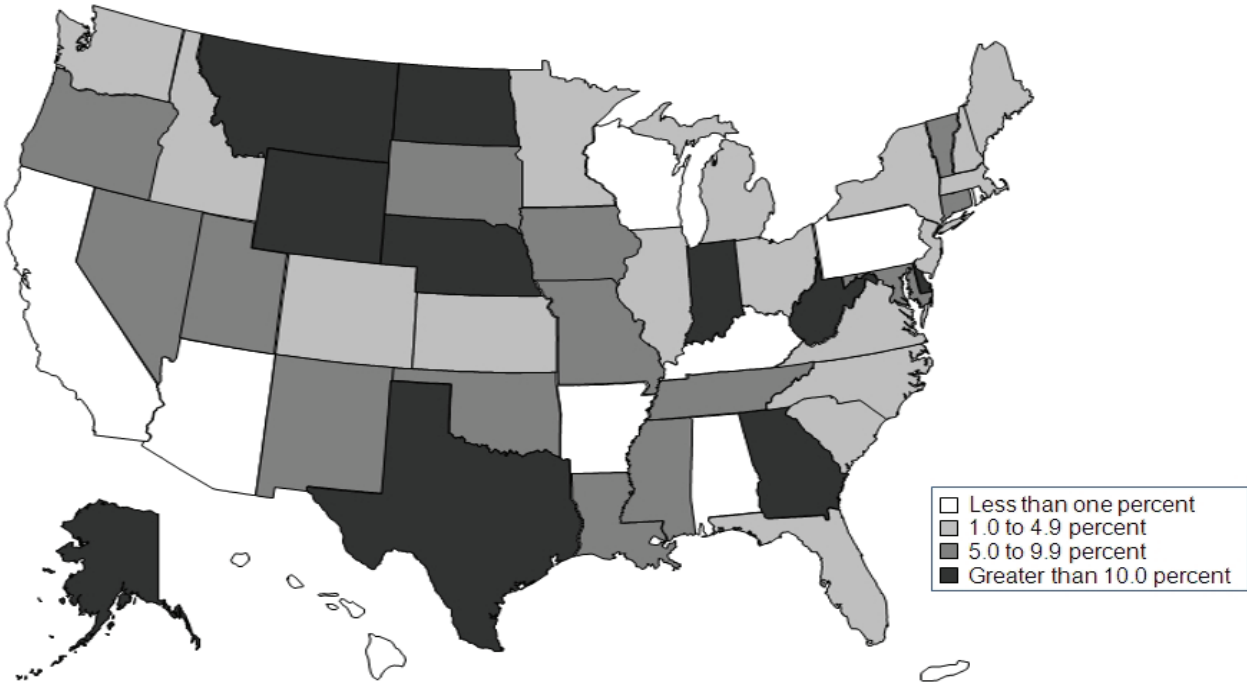
Total Year-End Balances and Total Year-End Balances as a Percentage of Expenditures, Fiscal 1979 to Fiscal 2010



SOURCE: National Association of State Budget Officers.

FIGURE 4

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



SOURCE: National Association of State Budget Officers.

Appendix

TABLE A-1

Fiscal 2008 State General Fund, Actual (Millions)

Region/State	Beginning Balance	Revenues	Adjustments	Total Resources	Expenditures	Adjustments	Ending Balance	Budget Stabilization Fund
NEW ENGLAND								
Connecticut	\$ 0	\$ 16,419	\$ 0	\$ 16,419	\$ 16,319	\$ 0	\$ 99	\$ 1,382
Maine**	36	3,041	54	3,131	3,129	0	1	130
Massachusetts***	2,901	32,360	0	35,261	33,035	0	2,226	2,119
New Hampshire	62	1,484	0	1,546	1,528	0	17	89
Rhode Island**	4	3,429	-69	3,364	3,405	0	-41	103
Vermont**	0	1,200	31	1,230	1,200	30	0	58
MID-ATLANTIC								
Delaware*	591	3,357	0	3,948	3,422	0	526	183
Maryland**	285	13,546	1,096	14,926	14,439	0	487	685
New Jersey***	2,586	32,738	0	35,324	33,112	908	1,303	735
New York***	3,045	53,094	0	56,139	53,385	0	2,754	1,206
Pennsylvania**	531	26,878	142	27,551	26,968	0	583	742
GREAT LAKES								
Illinois**	642	27,759	1,900	30,301	27,153	3,007	141	276
Indiana**	941	13,051	152	14,144	12,730	364	1,050	363
Michigan**	259	8,168	1,916	10,343	9,885	0	458	2
Ohio	1,433	26,659	0	28,092	26,410	0	1,682	1,012
Wisconsin**	66	13,043	568	13,678	13,526	21	131	0
PLAINS								
Iowa**	0	6,084	0	6,084	5,888	148	48	592
Kansas	935	5,693	0	6,628	6,102	0	527	0
Minnesota***	2,245	16,680	0	18,925	17,005	0	1,920	1,222
Missouri**	753	8,004	153	8,910	8,074	0	836	279
Nebraska**	591	3,501	-260	3,832	3,248	0	584	546
North Dakota**	296	1,246	115	1,657	1,204	0	453	200
South Dakota**	0	1,144	32	1,177	1,176	0	0	107
SOUTHEAST								
Alabama**	515	7,758	476	8,748	8,612	-83	219	248
Arkansas	0	4,353	0	4,353	4,353	0	0	0
Florida	3,434	24,595	0	28,029	27,708	0	321	1,345
Georgia***	2,786	18,728	141	21,655	19,438	0	2,217	1,025
Kentucky**	579	8,779	457	9,816	9,450	280	86	215
Louisiana**	1,015	10,181	130	11,326	9,633	828	866	776
Mississippi	226	4,954	0	5,181	5,145	0	36	365
North Carolina	1,221	19,824	145	21,190	20,521	70	599	787
South Carolina*	1,081	6,392	0	7,473	7,149	0	324	95
Tennessee**	1,006	10,756	210	11,972	10,973	652	348	750
Virginia	326	17,250	0	17,576	17,263	0	313	1,015
West Virginia**	432	3,928	0	4,361	3,757	53	550	581
SOUTHWEST								
Arizona**	390	8,790	859	10,038	10,037	0	1	219
New Mexico***	651	6,114	93	6,858	6,008	115	735	735
Oklahoma**	196	6,575	-35	6,737	6,447	0	290	597
Texas**	7,253	41,669	0	48,922	39,647	2,242	7,034	4,355
ROCKY MOUNTAIN								
Colorado***	267	7,743	-243	7,767	7,440	0	327	284
Idaho**	255	2,910	-131	3,033	2,794	0	240	141
Montana	545	1,957	0	2,502	2,069	0	434	0
Utah**	242	5,213	488	5,943	5,784	159	0	414
Wyoming**	5	1,818	0	1,823	1,813	0	10	296
FAR WEST								
Alaska**	0	9,454	270	9,723	5,463	4,261	0	5,601
California	2,787	102,574	0	105,361	102,986	0	2,376	0
Hawaii**	493	5,245	-1	5,737	5,407	0	330	74
Nevada	138	3,614	0	3,752	3,436	0	316	73
Oregon**	1,437	5,867	-319	6,985	6,980	0	5	622
Washington**	781	14,614	11	15,405	14,616	0	790	303
TERRITORIES								
Puerto Rico**	0	9,227	-824	8,403	9,087	0	-684	0
Total	\$42,262	\$680,231	-	\$734,875	\$687,269	-	\$34,550	\$32,943

NOTES: NA 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 include release of prior year Debt Service Reserve and Public School and College Authority repayment for Enterprise School. Expenditure adjustments are reversions.
Alaska	Revenue Adjustments include: \$250 million Oil & Gas Tax Credits and \$19.9 million Reappropriations and Carry Forward. Expenditure Adjustments are deposits to the Constitutional Budget Reserve, the Statutory Budget Reserve, the Community Revenue Sharing Fund, the Marine Highway Stabilization Fund and a Public Education Fund Adjustment.
Arizona	Adjustments to revenues include \$560 million Rainy Day fund transfer, \$290 million agency fund transfers, and \$8.7 million other adjustments.
Colorado	Revenue adjustments include general fund diversion (which are not counted as expenditures) to fund the State's transportation needs, as well as transfers to the State Veterans Trust Fund and the Older Coloradans Cash Fund. The difference between the rainy day fund balance and the ending GF balance is allocated to capital construction and transportation purposes in the following fiscal year.
Georgia	Adjustment is agency surplus returned to Treasury as reported by State Accounting Office.
Hawaii	Incorrect recording of general excise taxes.
Idaho	Transfers included: \$19,059,100 to Budget Stabilization Fund; \$351,500 to the Public School Permanent Fund for prior year unclaimed property, escheats, and interest amounts inadvertently transferred to the General Fund; \$5,300,000 to Disaster Emergency Account; \$1,328,000 to Water Resources; \$60,000,000 to the Economic Recovery Reserve Fund; \$10,000,000 for Opportunity Scholarship Fund; and a \$1,500,000 transfer to DEQ to fund the Community Reinvestment pilot program created during the 2006 legislative session without funding; \$10,000,000 to the Water Board Revolving Development Fund; \$69,300 for Hazardous Substance Emergency Response Fund; \$255,000 Agriculture Pest Control Fund; and \$21,500,000 to the Fire Suppression Fund.
Illinois	Revenue adjustments include \$1,900 million in transfers to General Funds. Expenditure adjustments include \$2,735.0 million in transfers out, \$467 million for Pension Obligation Bond Debt Service, \$3 million in interest payments on general obligation bond short-term borrowing and a \$198 million increase in the end of year accounts payable.
Indiana	Revenue Adjustments: Property Tax Reform Revenues; Expenditure Adjustments: Local Option Income Tax Distributions, Reversal of Payment Delays, PTRF Adjust for Abstracts, Property Tax Reform (HEA 1001 - 2008) Appropriations.
Iowa	Expenditure Adjustments include \$99.8 million was appropriated from the ending balance of the general fund to the Property Tax Credit fund to pay for property tax credits in FY 2008. \$48.3 million of the ending balance was credited to the Senior Living Trust Fund.
Kentucky	Revenue includes \$115.1 million in Tobacco Settlement funds. Adjustment for Revenues includes \$288.6 million that represents appropriation balances carried over from the prior fiscal year, and \$168.4 million from fund transfers into the General Fund. Adjustment to Expenditures represents appropriation balances forwarded to the next fiscal year.
Louisiana	Revenue-Fiscal Year 2007-2008: Carry-forward of mid-year adjustments \$114.7 million; Act 208 of 2007 transferred \$3 million from the Incentive Fund and \$9.9 million from the Higher Education Initiatives Fund; Interim Emergency Board carry-forward of \$1.5 million; re-appropriation of Capital Outlay per Act 28 of 2007 \$1.2 million. Expenditures-Fiscal Year 2007-2008: Interim Emergency Board carry-forward balance \$3.3 million; Carry-forward mid-year adjustments \$91.2 million; Capital Outlay carry-forwards \$733.6 million
Maine	Revenue and expenditure adjustments reflect legislatively authorized transfers.
Maryland	Revenue adjustments reflect a \$14 million reimbursement from the reserve for Heritage Tax Credits, \$6 million reimbursement from the reserve for Biotechnology Tax Credits, and transfers of \$1,078 million from the State Reserve Fund.
Massachusetts	Includes budgeted fund balances.
Michigan	FY 2008 revenue adjustments include the impact of federal and state law changes (\$1,192.1 million); revenue sharing law changes (\$589.3 million); sale of properties (\$23 million); and other revenue adjustments (\$111.6 million).
Minnesota	Ending balance includes budget reserve of \$654.9 million, cash flow account of \$350 million and appropriations carried forward of \$217.2 million.
Missouri	Revenue adjustments: includes on-going transfers from other funds into GR.
Nebraska	Revenue adjustments are transfers between the General Fund and other funds. Per Nebraska law, includes a transfer of \$191.4 million to the Cash Reserve Fund (Rainy Day Fund) of the amount the prior year's net General Fund receipts exceeded the official forecast. The Revenue adjustment also includes a \$105 million transfer from the General Fund to the Property Tax Credit Cash Fund.
New Jersey	Transfers to other funds and budget vs. GAAP adjustment. In keeping with past practice, and to ensure consistency in survey results over time, the figures above exclude New Jersey's Casino Revenue Fund, Casino Control Fund and Gubernatorial Elections Fund.
New Mexico	All adjustments are transfers between reserve accounts, except for \$22.4 million transferred out from Tobacco Settlement Permanent Fund, a reserve account to the Tobacco Settlement Program Fund, a nonreserve account.

NOTES TO TABLE A-1 (continued)

New York	The ending balance includes \$1.2 billion in rainy day reserve funds, \$1.1 billion reserved for labor settlements and other risks, \$340 million in a community projects fund, \$122 million reserved for debt reduction and \$21 million in a reserve for litigation risks.
North Dakota	Revenue adjustments are a \$115 million transfer from the permanent oil tax trust fund to the general fund.
Oklahoma	Revenue adjustments include the Rainy Day Fund deposit of \$25 million and the cash flow difference of \$9.6 million. No spillover money was appropriated.
Oregon	Oregon budgets on a biennial basis. The constitution requires the state to be balanced at the end of each biennium. Revenues are after \$1.1 billion "kicker" refunds were returned to taxpayers. Revenue adjustment is the transfer of revenues to the new Rainy Day Fund.
Pennsylvania	Revenue adjustment reflects \$142.1 million in prior year lapses. The year-end transfer to the Rainy Day Fund (25 percent of the ending balance) was suspended for FY 2008.
Puerto Rico	Revenues adjusted due to economic conditions.
Rhode Island	Opening balance includes a free surplus of \$0 and reappropriations of \$3.6 million from the prior year. Adjustments to revenues represent a transfer to the Budget Stabilization (Rainy Day) Fund of \$68.6 million.
South Dakota	Adjustments in Revenues: \$6.5 million was from one-time receipts, \$25.7 million was transferred from the Property Tax Reduction Fund to cover the budget shortfall, and \$0.2 million was obligated cash carried forward from FY 2007. Adjustments in Expenditures: \$0.2 million was transferred to the Budget Reserve Fund from the prior year's obligated cash, and \$0.2 million was obligated cash to the Budget Reserve Fund
Tennessee	Revenue adjustments include \$106 million transfer from debt service fund unexpended appropriations, \$284.2 million transfer from statutory and other reserves, -\$207.1 million transfer to Rainy Day Fund, and \$26.5 million transfer from other dedicated revenue reserves. Expenditure adjustments include \$293.0 million transfer to capital outlay projects fund, \$15.1 million transfer to Highway Fund, and \$343.9 million transfer to reserves for dedicated revenue appropriations.
Texas	Revenue adjustment related to transfer of General Funds to dedicated accounts. Expenditure adjustment related to transfers to the Rainy Day Fund.
Utah	Includes transfers from previous year balance, to/from Rainy Day Fund, and special revenue funds.
Vermont	Revenue adjustments include \$16.6 million for direct applications and transfers in, \$3.2 million increase in property transfer tax revenue estimate, and \$10.9 million from the General Fund Surplus Reserve. Expenditure adjustments include \$4.7 million from the Education Fund, \$0.3 million Federal "Part D" refund, \$3.5 million to Catamount Fund, \$0.5 million to Internal Service Funds, \$8 million to miscellaneous other funds, \$2.6 million to the Budget Stabilization Reserve, \$19.9 million to the General Fund Surplus Reserve and other reserves.
Washington	Fund transfers between General Fund and other accounts, and balancing to the final audited ending balance.
West Virginia	Fiscal Year 2008 Beginning balance includes \$287.1 million in Reappropriations, Unappropriated Surplus Balance of \$106.8 million, and FY 2007 13th month expenditures of \$38.2 million. Expenditures include Regular, Surplus and Reappropriated and \$38.2 million of 31 day prior year expenditures. Revenue adjustment are from prior year redeposit. Expenditure adjustment represents the amount transferred to the Rainy Day Fund.
Wisconsin	Revenue adjustments include Transfers In General Fund, \$242.9 million, Other Revenue, \$307.5 million, Tribal Gaming, \$18 million. Expenditure Adjustments Include Designation for Continuing Balances, \$27.4 million and Unreserved Designated Balance, -\$6.8 million.
Wyoming	Wyoming budgets on a biennial basis, to arrive at annual figures assumptions and estimates were required.

TABLE A-2

Fiscal 2009 State General Fund, Preliminary Actual (Millions)

Region/State	Beginning Balance	Revenues	Adjustments	Resources	Expenditures	Adjustments	Ending Balance	Budget Stabilization Fund
NEW ENGLAND								
Connecticut	\$ 0	\$ 15,701	\$ 179	\$ 15,880	\$ 16,828	\$ 0	-\$ 948	\$ 1,382
Maine**	1	2,855	244	3,100	3,018	30	52	0
Massachusetts**	2,406	30,850	0	33,256	32,421	0	835	766
New Hampshire	17	1,474	0	1,491	1,560	-69	0	20
Rhode Island**	-41	3,023	-44	2,938	2,999	0	-61	80
Vermont**	0	1,103	66	1,168	1,146	22	0	60
MID-ATLANTIC								
Delaware*	526	3,148	0	3,674	3,296	0	379	186
Maryland**	487	12,901	1,008	14,396	14,309	0	87	692
New Jersey**	1,304	28,700	365	30,369	29,612	23	734	0
New York**	2,754	53,801	0	56,555	54,607	0	1,948	1,206
Pennsylvania**	583	24,305	166	25,054	27,084	0	-2,030	755
GREAT LAKES								
Illinois**	141	27,551	1,593	29,285	29,961	-955	279	276
Indiana**	1,050	13,063	0	14,113	13,019	130	964	365
Michigan**	458	7,224	1,048	8,731	8,520	0	210	2
Ohio**	1,682	26,685	0	28,367	27,632	0	735	0
Wisconsin**	131	12,113	573	12,817	12,744	-17	90	0
PLAINS								
Iowa**	0	5,889	45	5,934	5,934	0	0	519
Kansas	527	5,710	0	6,236	6,164	0	73	0
Minnesota**	1,920	15,536	0	17,456	16,918	494	538	350
Missouri**	836	7,451	425	8,712	8,454	0	258	273
Nebraska**	584	3,351	-182	3,753	3,329	0	424	578
North Dakota**	453	1,354	0	1,807	1,237	208	362	325
South Dakota**	0	1,141	13	1,154	1,153	0	0	107
SOUTHEAST								
Alabama**	219	6,739	557	7,515	7,465	0	50	0
Arkansas	0	4,435	0	4,435	4,435	0	0	0
Florida	321	23,953	0	24,274	23,973	0	301	274
Georgia**	2,217	16,767	653	19,638	17,455	0	2,183	240
Kentucky**	86	8,553	625	9,263	9,158	66	40	7
Louisiana**	866	9,386	119	10,370	7,382	912	76	776
Mississippi**	36	4,931	0	4,967	5,178	-218	7	334
North Carolina	599	19,146	0	19,745	19,653	0	92	150
South Carolina*	324	5,544	0	5,869	5,748	0	121	0
Tennessee**	348	9,899	646	10,893	10,802	90	0	587
Virginia	313	15,769	0	16,082	15,943	0	139	575
West Virginia**	550	3,902	27	4,479	3,980	18	481	473
SOUTHWEST								
Arizona**	1	6,966	1,310	8,277	8,775	0	-499	0
New Mexico**	735	5,846	170	6,750	6,051	218	481	481
Oklahoma**	290	6,147	131	6,567	6,534	0	33	597
Texas**	7,034	38,817	-28	45,823	42,629	1,060	2,134	6,739
ROCKY MOUNTAIN								
Colorado**	284	6,681	640	7,605	7,456	0	148	148
Idaho**	240	2,466	15	2,720	2,720	-50	50	102
Montana	434	1,816	0	2,250	1,858	0	392	0
Utah**	0	4,529	487	5,016	4,817	200	0	419
Wyoming**	10	1,825	0	1,835	1,830	0	5	296
FAR WEST								
Alaska**	0	5,858	801	6,659	5,152	1,507	0	6,551
California	2,376	84,098	1,260	87,733	91,547	-435	-3,379	0
Hawaii	330	5,008	0	5,338	5,375	0	-37	60
Nevada	316	3,468	0	3,783	3,570	0	213	1
Oregon	5	5,849	0	5,854	5,843	0	11	338
Washington**	790	13,092	930	14,811	14,617	0	194	24
TERRITORIES								
Puerto Rico**	0	9,488	-728	8,761	9,484	0	-723	0
Total	\$34,539	\$626,484	-	\$674,794	\$663,890	-	\$8,165	\$27,111

NOTES: NA 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 include one-time revenue, Tobacco Funds transfer, transfer from the ETF Proration Prevention Account and the ETF Rainy Day Fund.
Alaska	Revenue Adjustments include: \$787.3 million draw from the Constitutional Budget Reserve and \$14 million of Reappropriations and Carry Forward. Expenditure Adjustments include: payment of a one-time Resource Rebate, deposits to the Public Education Fund, the Constitutional Budget Reserve, and the Oil & Gas Tax Credit Fund.
Arizona	Adjustments to revenues include \$152 million Rainy Day fund transfer, \$709 million agency fund transfers, \$103.5 million other transfers, and \$344 million proceeds from prior year's lease purchase financing of school buildings.
Colorado	Revenue and revenue adjustments above reflect what was published in the Legislative Council forecast on June 22, 2009, plus additional cash fund transfers to the General Fund to eliminate the budgetary shortfall. These additional transfers were allowable pursuant to the passage of SB 09-279, which authorized the Governor to transfer additional cash funds into the General Fund (for one day only) to ensure that the FY 2008-2009 fiscal year could close without a deficit. Figures above therefore reflect the minimum amount needed to preserve the 2 percent GF reserve requirement at fiscal year end for FY 2008-2009.
Georgia	Revenue adjustments include \$187.3 million for Mid Year Adjustment Reserve and \$200 million from Revenue Shortfall Reserve. \$266 million early return of surplus to Treasury.
Idaho	Transfers included: \$5,645,200 to the Permanent Building Fund, \$20,000,000 to Water Resources aquifer study \$1,000,000 for Health and Welfare Community Health Center Grant; \$10,000,000 Opportunity Scholarship Fund; and \$1,800,000 for the Water Resource Board Revolving Development Fund. Transfers in include: \$920,100 from Geo Thermal royalties; \$12,000,000 from the Water Resources aquifer study; \$5,000,000 from the Capitol Commission; \$2,200,000 from the Attorney General's Office - Consumer Protection; and \$11,950,200 from the Permanent Building Fund.
Illinois	Revenue adjustments include \$1,593 million in transfers to General Funds. Expenditure adjustments include \$2,532 million in transfers out and \$467 million for Pension Obligation Bond Debt Service; net "failure of revenue" borrowing proceeds of \$976 and a \$2,978 million increase in accounts payable.
Indiana	The full impact of Property Tax Reform (HEA 1001-2008) revenues and expenditures have been incorporated into the FY 2009 and FY 2010 figures, as the State of Indiana recently assumed more than \$1 billion of expenses from the local level. Expenditure Adjustments: Local Option Income Tax Distributions, Reversal of Payment Delays, PTRF Adjust for Abstracts.
Iowa	Revenue adjustments are for the \$45.3 million transfer from the Economic Emergency Fund to the General Fund per Executive Order 18. An additional \$56 million was appropriated from the Economic Emergency Fund to pay for disaster related expenses relating to the 2008 flood/storm disaster.
Kentucky	Revenue includes \$126.5 million in Tobacco Settlement funds. Adjustment for Revenues includes \$280.2 million that represents appropriation balances carried over from the prior fiscal year, and \$344.5 million from fund transfers into the General Fund. Adjustment to Expenditures represents appropriation balances forwarded to the next fiscal year.
Louisiana	Revenue – Deficit Reduction Plan transfer of statutory dedications approved by the Joint Legislative Committee on the Budget January 9, 2009, \$24.4 million; Fiscal Year 2007-2008 carryforward into Fiscal Year 2008-2009 \$92.2 million; Capital Outlay re-appropriation of various prior years balances \$2.0 million. - Expenditures - Utilization of prior years surplus for debt service, Capital Outlay and required transfer to the Budget Stabilization Fund \$864.7 million; payment of carryforward expenditures \$47.7 million.
Maine	Revenue and expenditure adjustments reflect legislatively authorized transfers.
Maryland	Revenue adjustments reflect a \$13.2 million reimbursement from the reserve for Heritage Tax Credits, \$6 million reimbursement from the reserve for Biotechnology Tax Credits, transfer of \$170 million from the State Reserve Fund, transfer of \$380.2 million from Accounting Reserves, and transfers of \$439 million from other special funds.
Massachusetts	Includes budgeted fund balances.
Michigan	FY 2009 revenue adjustments include the impact of federal and state law changes (\$210.9 million); revenue sharing law changes (\$538.3 million); deposits from state restricted revenues (\$238.4 million); and pending revenue options (\$60.6 million).
Minnesota	Ending balance includes cash flow account of \$350 million. FY 2009 includes \$494.2 in federal stimulus funds that were used to offset general fund spending.
Mississippi	Expenditure adjustment includes \$199.9 million for budget cuts, \$11.6 million in general fund lapses and reappropriations, and \$6.8 million for other adjustments.
Missouri	Revenue Adjustments: includes on-going transfers from other funds into GR and a one-time transfer from federal budget stabilization funds into GR.
Nebraska	Revenue adjustments are transfers between the General Fund and other funds. Per Nebraska law, includes a transfer of \$117 million to the Cash Reserve Fund (Rainy Day Fund) of the amount the prior year's net General Fund receipts exceeded the official forecast. The Revenue adjustment also includes a \$115 million transfer from the General Fund to the Property Tax Credit Cash Fund.
New Jersey	Transfer from and to other funds. In keeping with past practice, and to ensure consistency in survey results over time, the figures above exclude New Jersey's Casino Revenue Fund, Casino Control Fund and Gubernatorial Elections Fund.

NOTES TO TABLE A-2 (continued)

New Mexico	All adjustments are transfers between reserve accounts, except for \$48.6 million transferred out from Tobacco Settlement Permanent Fund, a reserve account to the Tobacco Settlement Program Fund, a nonreserve account.
New York	The ending balance includes \$1.2 billion in rainy day reserve funds, \$503 million reserved for timing-related changes and other risks, \$145 million in a community projects fund, \$73 million reserved for debt reduction and \$21 million in a reserve for litigation risks.
North Dakota	Expenditure adjustments are \$77 million of expenditure authority carried over to the 2009-2011 biennium, obligating an equal amount of the general fund balance. The balance shown is the unobligated balance after subtracting all expenditures and obligations. Also included in the adjustments are a \$125 million transfer to the budget stabilization fund and \$6 million of other transfers from the general fund.
Ohio	Rainy day fund was required in order to balance the FY 2009 budget.
Oklahoma	Revenue adjustment is the Cash flow difference of \$130.5 million. No Rainy Day Fund deposit was made.
Pennsylvania	Revenue adjustment includes a \$2.5 million adjustment to the beginning balance and \$163.8 million in prior year lapses.
Puerto Rico	Revenues adjusted due to economic conditions
Rhode Island	Opening balance includes a free surplus of \$43 million and reappropriations of \$1.7 million from the prior year. Adjustments to revenues reflect a net transfer to the Budget Stabilization Fund, consisting of a transfer-in of \$66.1 million and an appropriation of \$22.0 million from the fund to partially cover the FY 2008 closing shortfall.
South Dakota	Adjustments in Revenues: \$12.8 million was from one-time receipts and \$0.2 million was obligated cash carried forward from FY 2008. Adjustments in Expenditures: \$0.2 million was transferred to the Budget Reserve Fund from the prior year's unobligated cash.
Tennessee	Revenue adjustments include \$124.8 million transfer from debt service fund unexpended appropriations, \$126.5 million transfer from TennCare reserve, \$190.2 million transfer from capital outlay projects fund, \$41.2 million transfer from other agency reserves, and \$163.5 million transfer from Rainy Day Fund. Expenditure adjustments include \$70.5 million transfer to capital outlay projects fund and \$19.8 million for dedicated revenue appropriations.
Texas	Expenditure adjustment related to transfers to the Rainy Day Fund.
Utah	Includes transfers from previous year balance, to/from Rainy Day Fund, and special revenue funds.
Vermont	Revenue adjustments include \$37.7 million for direct applications and transfers in, \$7.7 million other bills revenue, \$1.3 million increase in property transfer tax revenue estimate, and \$19.1 million from the General Fund Surplus Reserve. Expenditure adjustments include 0.7 million to the Education Fund, \$3.7 million from the Tobacco Settlement Fund, \$7.3 million to the Next Generation Fund, \$1 million from Human Services Caseload Reserve, \$3.1 million to Internal Service Funds, \$3.9 million from miscellaneous other funds, \$2.2 million to the Budget Stabilization Reserve, and \$17.2 million to the General Fund Surplus Reserve and other reserves.
Washington	Fund transfers between General Fund and other accounts.
West Virginia	Fiscal Year 2009 Beginning balance includes \$409.6 million in Reappropriations, Unappropriated Surplus Balance of \$35.3 million, and FY 2008 13th month expenditures of \$105.5 million. Expenditures include Regular, Surplus and Reappropriated and \$105.5 million of 31 day prior year expenditures. Revenue adjustment are from prior year redeposit and expirations from Civil Contingent Fund for Flood Relief. Expenditure adjustment represents the amount transferred to the Rainy Day Fund.
Wisconsin	Revenue adjustments include Transfers In General Fund, \$151.7 million, Other Revenue, \$327.6 million, and Tribal Gaming, \$93.9 million. Expenditure Adjustments Include Designation for Continuing Balances, \$10.6 million and Unreserved Designated Balance, -\$27.4 million.
Wyoming	Wyoming budgets on a biennial basis, to arrive at annual figures assumptions and estimates were required.

TABLE A-3
Fiscal 2010 State General Fund, Appropriated (Millions)

Region/State	Beginning Balance	Revenues	Adjustments	Resources	Expenditures	Adjustments	Ending Balance	Budget Stabilization Fund
NEW ENGLAND								
Connecticut	\$ 0	\$ 17,375	\$ 0	\$ 17,375	\$ 17,375	\$ 0	\$ 1	\$ 342
Maine**	52	2,865	46	2,963	2,928	25	11	0
Massachusetts***	941	31,362	0	32,304	31,605	0	699	571
New Hampshire	0	1,563	0	1,563	1,561	0	2	20
Rhode Island**	-61	3,077	-72	2,944	3,000	0	-57	117
Vermont**	0	1,051	34	1,085	1,088	-3	0	57
MID-ATLANTIC								
Delaware***	373	3,191	0	3,564	3,237	0	327	186
Maryland**	87	12,314	718	13,120	13,349	0	-229	647
New Jersey**	734	28,351	0	29,085	28,577	7	501	0
New York***	1,948	54,338	0	56,286	54,908	0	1,378	1,206
Pennsylvania**	-2,030	27,564	0	25,533	25,179	0	354	1
GREAT LAKES								
Illinois**	279	27,078	2,221	29,578	25,133	4,166	279	276
Indiana**	964	12,892	0	13,856	12,890	0	966	371
Michigan**	210	6,895	1,152	8,257	8,081	0	176	2
Ohio	389	25,555	0	25,944	25,770	0	174	0
Wisconsin**	90	12,346	831	13,267	13,341	-545	470	0
PLAINS								
Iowa**	0	5,438	0	5,438	5,768	-519	189	419
Kansas	73	5,536	0	5,608	5,614	0	-5	0
Minnesota***	538	14,854	0	15,392	15,054	1,610	338	350
Missouri**	258	7,376	189	7,823	7,859	-77	41	260
Nebraska**	424	3,409	-31	3,802	3,381	266	156	465
North Dakota**	362	1,270	295	1,927	1,592	0	335	325
South Dakota**	0	1,130	4	1,134	1,134	0	0	107
SOUTHEAST								
Alabama	50	7,108	0	7,158	7,158	0	0	0
Arkansas	0	4,509	0	4,509	4,509	0	0	0
Florida	301	21,562	0	21,862	21,195	0	667	274
Georgia**	2,183	16,994	259	19,436	17,253	0	2,183	240
Kentucky**	40	8,408	147	8,595	8,584	11	0	0
Louisiana**	0	8,060	954	9,013	9,011	0	2	854
Mississippi	7	4,899	0	4,906	4,906	0	0	250
North Carolina	92	18,927	0	19,019	19,015	0	4	150
South Carolina*	121	5,778	0	5,899	5,805	0	94	192
Tennessee**	0	10,000	55	10,055	9,997	58	0	532
Virginia	139	15,755	0	15,894	15,844	0	50	584
West Virginia**	481	3,788	0	4,269	3,812	11	446	538
SOUTHWEST								
Arizona**	0	7,117	1,072	8,188	8,772	0	-583	0
New Mexico***	481	5,111	607	6,199	5,513	690	-4	-5
Oklahoma	33	6,049	0	6,082	5,853	0	229	0
Texas**	2,134	37,532	0	39,665	36,041	741	2,884	8,053
ROCKY MOUNTAIN								
Colorado***	148	6,766	162	7,076	6,940	0	136	136
Idaho**	50	2,539	-40	2,548	2,507	0	42	77
Montana	392	1,773	0	2,165	1,859	0	306	0
Utah**	0	4,365	200	4,564	4,498	36	30	419
Wyoming**	5	1,825	0	1,830	1,830	0	0	279
FAR WEST								
Alaska**	0	3,211	1,124	4,335	4,335	0	0	6,902
California	-3,379	89,541	0	86,162	84,583	0	1,579	0
Hawaii	-37	4,664	0	4,627	4,602	0	25	57
Nevada	213	3,205	0	3,418	3,250	0	168	1
Oregon**	0	6,490	0	6,490	6,928	0	-438	219
Washington**	194	14,396	418	15,008	14,848	0	160	108
TERRITORIES								
Puerto Rico**	0	7,670	0	7,670	7,670	0	0	0
Total	\$9,279.3	\$627,198.2	-	\$646,820.0	\$627,869.7	-	\$14,084.8	\$25,583.3

NOTES: NA 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.

Alaska	Revenue Adjustments include: \$12 million Reappropriations and Carry Forward, not capitalizing the Public Education Fund for FY 2011 totaling \$1,053.4 million, and a draw of \$58.6 million from the Constitutional Budget Reserve.
Arizona	Adjustments to revenues include \$236 million agency fund transfers, \$735 million State asset sale/lease back and \$100 million in prison concession revenues.
Colorado	Represents Governor's Plan for Budget Balancing executed/submitted August 25, 2009. The revenues and revenue adjustments noted above reflect what was published in the Legislative Council Staff Economic forecast on June 22, 2009 (used as the basis for FY 2009-2010 appropriations by the legislature and the Governor). These figures were as adjusted in Column D by the following: (1) Within the LCS Forecast: +\$280.8 million transfers to the GF, +\$81.9 million Medicaid ARRA and Governor's Discretionary Fund, -\$10.9 million for sales taxes to Older Coloradans Fund and other measures; (2) State Controller Preliminary (8/4/09) Closing Estimates of the following: Excess GF at year end beyond reserve of +\$269.0 million pursuant to SB 09-279 less reduction of -\$458.1 million required payback of SB 09-279 for FY 2008-2009 balancing plus adjustment of +\$2.8 million from Gaming; and (3) OSPB Governor's Office initiatives of the following: (a) reduction of -\$45.4 million in revenue from \$81.9 million Medicaid ARRA and Governor's Discretionary Funds (these are instead used as offsets to the DOC GF expenditures in FY 2009-2010); +\$40.6 million proposed new CF transfers to the GF; and +\$800,000 procurement card proposal. The ending reserve balance represents the statutory requirement of 2.0 percent of GF appropriations; this sum is 2.0 percent of a lower number because of balancing efforts put forward by the Governor on August 25, 2009.
Delaware	FY 2010 revenues are reported as per enactment of appropriations legislation in July 2009 and are not updated for subsequent revisions by the Delaware Economic and Financial Advisory Council. FY 2010 expenditure does reflect estimate as of September DEFAC
Georgia	Appropriation from Revenue Shortfall Reserve
Idaho	Transfers in included: \$30 million from the Budget Stabilization Fund; \$10 million from the Permanent Building Fund; \$1,680,000 from the Division of Human Resources cash on hand; \$1 million from Department of Agriculture; \$446,900 from Dept. of Labor – Rural Broadband; \$618,500 from the Attorney General – Consumer Protection; transfers \$1,172,100 stimulus dollars to the General Fund for Professional-Technical Education, and transfer \$2.6 million from the Bond Levy Equalization. Transfer out include \$85.1 the Public Education Stabilization Fund.
Illinois	Revenue adjustments include \$2,221 million in transfers to General Funds. Expenditure adjustments include \$2,321 million in transfers out and \$520 million for Pension Obligation Bond Debt Service; \$1,045 million in interest payments on general obligation bond short-term borrowing and a \$279 million paydown in accounts payable.
Indiana	The full impact of Property Tax Reform (HEA 1001-2008) revenues and expenditures have been incorporated into the FY 2009 and FY 2010 figures, as the State of Indiana recently assumed more than \$1 billion of expenses from the local level.
Iowa	Revenue is based upon the Revenue Estimating Conference estimates made on October 7, 2009. Expenditures are adjusted for the statutory appropriation to repay the \$45.3 million transfer in FY2009 and the 10 percent across the board reduction of -\$564.4 million ordered by Governor Culver in Executive Order 19 issued after the REC meeting which reduced General Fund revenues for FY2010 by \$414.1 million. Cash Reserve Fund is reduced by appropriations made for 2008 Flood Disaster related expenses and property tax credits.
Kentucky	Revenue includes \$112.3 million in Tobacco Settlement funds. Adjustment for Revenues includes \$17.7 million that represents appropriation balances carried over from the prior fiscal year, and \$129.2 million from fund transfers into the General Fund. Adjustment to Expenditures represents appropriation balances forwarded to the next fiscal year.
Louisiana	Revenue-Fiscal Year 2009-2010: Act 226 of 2009 transferred \$3.9 million from the Incentive Fund, \$13.5 million from the Rapid Response Fund, and \$75.6 million from the Insure Louisiana Incentive Program Fund; Act 20 of 2009 appropriated 782.3 million of non-recurring revenues for capital outlay projects; Act 122 of 2009 authorized utilization of \$86.2 million from the Budget Stabilization Fund; Act 478 of 2009 provides for \$8 million in tax credits. Expenditures-Fiscal Year 2009-2010: Interim Emergency Board carry-forward balance \$3.3 million; Carry-forward mid-year adjustments \$91.2 million; Capital Outlay carry-forwards \$733.6 million
Maine	Revenue and expenditure adjustments reflect legislatively authorized transfers.
Maryland	Revenue adjustments reflect a \$18.5 million reimbursement from the reserve for Heritage Tax Credits, \$6 million reimbursement from the reserve for Biotechnology Tax Credits, transfer of \$210 million from the State Reserve Fund, approved transfers of \$216.3 million, and proposed transfers of \$267.3 million from other special funds.
Massachusetts	Includes budgeted fund balances.
Michigan	FY 2010 revenue adjustments include the impact of federal and state law changes (\$55.1 million); revenue sharing law changes (\$513.9 million); deposits from state restricted revenue (\$527.6 million); and pending revenue options (\$55.3 million).
Minnesota	Ending balance includes cash flow account of \$350 million. FY 2010 includes \$1,610.3 million in federal stimulus funds that were used to offset general fund spending.
Missouri	Revenue Adjustments: includes on-going transfers from other funds into GR Expenditure Adjustments: reflects the amount of expenditure restrictions placed on appropriations.

NOTES TO TABLE A-3 (continued)

Nebraska	Revenue adjustments are transfers between the General Fund and other funds. The Revenue adjustment also includes a \$112 million transfer from the General Fund to the Property Tax Credit Cash Fund. Expenditure adjustments are reappropriations (\$265.6 million) of the unexpended balance of appropriations allowed by the Legislature to be carried over into FY2010 to offset restrained growth in new appropriations.
New Jersey	Transfer to other funds. In keeping with past practice, and to ensure consistency in survey results over time, the figures above exclude New Jersey's Casino Revenue Fund, Casino Control Fund and Gubernatorial Elections Fund.
New Mexico	All adjustments are transfers between reserve accounts, except for (1) \$48.6 million transferred out from Tobacco Settlement Permanent Fund, a reserve account to the Tobacco Settlement Program Fund, a nonreserve account; (2) \$15 million transferred from the appropriation account to the College Affordability Fund; and (3) \$20 million transferred from the appropriation account to the public school capital outlay fund.
New York	The ending balance includes \$1.2 billion in rainy day reserve funds, \$78 million in a community projects fund, \$73 million reserved for debt reduction and \$21 million in a reserve for litigation risks.
North Dakota	Revenue adjustments are a \$295 million transfer from the permanent oil tax trust fund to the general fund.
Oregon	Oregon budgets on a biennial basis. The constitution requires the state to be balanced at the end of each biennium. Revenues include recently passed income tax increases. These tax increases could be referred to the voters through the referendum process, resulting in a special January 2010 election.
Pennsylvania	The FY 2010 enacted budget transfers \$755 million from the Rainy Day Fund to the General Fund. This amount is included in FY2010 revenues.
Puerto Rico	The General Fund Budget excludes a \$2.5 billion Stabilization Fund that will facilitate the orderly implementation of certain expense reduction measures adopted by the government of the Commonwealth pursuant to Act No. 7 of March 9, 2009. The Stabilization Fund will provide (i) \$1 billion to finance the cost of transitioning public employees to non-governmental sectors and providing vouchers for re-training, self-employment, relocation and salary subsidy alternatives, and (ii) \$1.5 billion to cover payroll and operating expenses that are expected to be reduced through fiscal year 2010, but whose savings will not be realized in such fiscal year. The Stabilization Fund will be funded with proceeds from the bonds issued by the Puerto Rico Sales Tax Financing Corporation.
Rhode Island	Opening balance includes a free surplus of (\$61.8) million and reappropriations of \$998,144 from the prior year. Adjustments to revenues reflect transfers to the Budget Stabilization Fund.
South Dakota	Adjustments in Revenues: \$3.9 million was from one-time receipts.
Tennessee	Revenue adjustments include \$55 million transfer from Rainy Day Fund. Expenditure adjustments include \$40.1 million transfer to capital outlay projects fund and \$17.8 million transfer to dedicated revenue appropriations.
Texas	Expenditure adjustment related to transfers to the Rainy Day Fund.
Utah	Includes transfers from previous year balance, to/from Rainy Day Fund, and special revenue funds.
Vermont	Revenue adjustments include -\$0.5 million VEDA debt forgiveness, \$15.7 million for direct applications and transfers in, \$13.1 other bills revenue, \$5.5 million increase in property transfer tax revenue estimate. Expenditure adjustments include \$3.3 million to the Next Generation Fund, \$1.2 from the Bond Issuance Premium Reserve, \$3.1 million from Human Services Caseload Reserve, \$0.4 million to Internal Service Funds, \$2.7 million from the Budget Stabilization Reserves.
Washington	Fund transfers between General Fund and other accounts.
West Virginia	Fiscal Year 2010 Beginning balance includes \$432.6 million in Reappropriations, Unappropriated Surplus Balance of \$22.2 million, and FY 2009 13th month expenditures of \$26 million. Expenditures include Regular appropriations and \$26 million of 31 day prior year expenditures. Ending Balance is the amount that is available for appropriation (From FY 2010 revenue estimate and from surplus {previous year} general revenue) and reappropriations carried forward from FY 2009. Historically some carried forward reappropriation amounts will remain and be reappropriated to the next fiscal year.
Wisconsin	Act 28 Budget Bill. Revenue adjustments include Tribal Gaming, \$19.5 million, and Other, \$811.8 million. Expenditure Adjustments include estimated lapses, -\$592 million, and Compensation Reserve, \$47.3 million.
Wyoming	Wyoming budgets on a biennial basis, to arrive at annual figures assumptions and estimates were required.

TABLE A-4

**General Fund Nominal Percentage Expenditure Change,
Fiscal 2009 and Fiscal 2010***

<i>Region/State</i>	<i>Fiscal 2009</i>	<i>Fiscal 2010</i>
NEW ENGLAND		
Connecticut	3.1%	3.2%
Maine	-3.6	-3.0
Massachusetts	-1.9	-2.5
New Hampshire	2.1	0.1
Rhode Island	-11.9	0.0
Vermont	-4.5	-5.1
MID-ATLANTIC		
Delaware	-3.7	-1.8
Maryland	-0.9	-6.7
New Jersey	-10.6	-3.5
New York	2.3	0.6
Pennsylvania	0.4	-7.0
GREAT LAKES		
Illinois	10.3	-16.1
Indiana	2.3	-1.0
Michigan	-13.8	-5.2
Ohio	4.6	-6.7
Wisconsin	-5.8	4.7
PLAINS		
Iowa	0.8	-2.8
Kansas	1.0	-8.9
Minnesota	-0.5	-11.0
Missouri	4.7	-7.0
Nebraska	2.5	1.6
North Dakota	2.7	28.7
South Dakota	-1.9	-1.7
SOUTHEAST		
Alabama	-13.3	-4.1
Arkansas	1.9	1.7
Florida	-13.5	-11.6
Georgia	-10.2	-1.2
Kentucky	-3.1	-6.3
Louisiana	-2.6	-3.9
Mississippi	0.6	-5.3
North Carolina	-4.2	-3.2
South Carolina	-19.6	1.0
Tennessee	-1.6	-7.5
Virginia	-7.6	-0.6
West Virginia	5.9	-4.2
SOUTHWEST		
Arizona	-12.6	0.0
New Mexico	0.7	-8.9
Oklahoma	1.4	-10.4
Texas	7.5	-15.5
ROCKY MOUNTAIN		
Colorado	0.2	-6.9
Idaho	-2.6	-7.8
Montana	-10.2	0.0
Utah	-16.7	-6.6
Wyoming	0.9	0.0
FAR WEST		
Alaska	-5.7	-15.9
California	-11.1	-7.6
Hawaii	-0.6	-14.4
Nevada	3.9	-9.0
Oregon	-16.3	18.6
Washington	0.0	1.6
TERRITORIES		
Puerto Rico	4.4	-19.1
Average	-3.4%	-5.4%

NOTE: *Fiscal 2009 reflects changes from fiscal 2008 expenditures (actual) to fiscal 2009 expenditures (preliminary actual). Fiscal 2010 reflects changes from fiscal 2009 expenditures (preliminary actual) to fiscal 2010 expenditures (appropriated).

SOURCE: National Association of State Budget Officers.

TABLE A-5a
Strategies Used to Reduce or Eliminate Budget Gaps, Fiscal 2009

Region/State	User Fees	Higher Education Related Fees	Court Related Fees	Transportation/ Motor Vehicle Related Fees	Business Related Fees	Layoffs	Furloughs	Early Retirement	Salary Reductions	Cuts to State Employee Benefits	Across-the-Board % Cuts	Targeted Cuts	Reduce Local Aid	Reorganize Agencies	Privatization	Rainy Day Fund	Lottery Expansion	Gaming/ Gambling Expansion	Other (Specify)	
NEW ENGLAND																				
Connecticut							X	X			X	X								
Maine													X			X				
Massachusetts	X			X		X	X		X	X	X	X	X	X						
New Hampshire*										X	X	X	X							X
Rhode Island*										X	X	X	X							X
Vermont*		X	X	X					X	X	X	X	X	X						X
MID-ATLANTIC																				
Delaware*											X	X								X
Maryland						X	X		X	X	X	X	X		X					
New Jersey*		X		X					X	X	X	X	X							X
New York*		X							X	X	X	X	X							X
Pennsylvania*		X								X	X	X	X							X
GREAT LAKES																				
Illinois	X			X			X			X	X	X	X			X				
Indiana*										X	X	X	X		X					X
Michigan*						X	X			X	X	X	X							X
Ohio						X	X	X	X	X	X	X	X				X			X
Wisconsin*	X	X	X	X	X	X	X			X	X	X	X	X						X
PLAINS																				
Iowa										X	X	X								
Kansas										X	X	X	X							
Minnesota*										X	X	X	X			X				
Missouri										X	X	X	X							
Nebraska*						X				X	X	X	X							
North Dakota										X	X	X	X							
South Dakota*										X	X	X	X							X
SOUTHEAST																				
Alabama										X	X	X	X			X				
Arkansas										X	X	X	X			X				
Florida			X	X						X	X	X	X			X				
Georgia						X	X			X	X	X	X	X		X				X
Kentucky						X	X			X	X	X	X			X				X
Louisiana						X	X	X		X	X	X	X			X				X
Mississippi										X	X	X	X			X				X
North Carolina*									X	X	X	X	X			X				X
South Carolina						X	X	X	X	X	X	X	X			X				X
Tennessee*										X	X	X	X			X				X
Virginia	X									X	X	X	X	X	X	X				X
West Virginia*										X	X	X	X			X				X
SOUTHWEST																				
Arizona*	X		X	X	X	X	X			X	X	X	X			X				X
New Mexico*										X	X	X	X			X				X
Oklahoma										X	X	X	X			X				X
Texas*										X	X	X	X			X				X
ROCKY MOUNTAIN																				
Colorado*	X									X	X	X	X			X				X
Idaho		X				X	X			X	X	X	X			X				X
Montana*										X	X	X	X			X				X
Utah										X	X	X	X			X				X
Wyoming										X	X	X	X			X				X
FAR WEST																				
Alaska										X	X	X	X			X				X
California*		X				X	X			X	X	X	X	X		X				X
Hawaii*										X	X	X	X			X				X
Nevada	X				X	X	X	X	X	X	X	X	X		X	X				X
Oregon						X	X	X	X	X	X	X	X			X				X
Washington*						X	X	X	X	X	X	X	X			X				X
TERRITORIES																				
Puerto Rico										X	X	X	X			X				X
Total	8	6	5	8	3	19	15	6	9	6	29	33	17	7	3	26	1	0	16	

NOTE: * See Notes to Table A-5a.
SOURCE: National Association of State Budget Officers.

NOTES TO TABLE A-5a

Delaware	Across the board and targeted reductions to existing agency appropriations. Use surpluses from special funds and deauthorize capital projects.
Georgia	FY 2009 strategies include Super Speeder fine
Hawaii	In 2009 the Legislature appropriated monies from the Emergency and Budget Reserve Fund (Rainy Day Fund) for Adult Mental Health services and the Hawaii Health Systems Corporation. Other actions included Carry-over balance from prior fiscal year; restrict general funds CIP; restructure debt service; across-the-Board restrictions taken before the beginning of the fiscal year; delay payments for Medicaid benefits, employee pension contributions, and employee and retiree health benefits from June 2009 to July 2009; allow processing of summary warrant voucher payments and encumbrances only for critical services that preserve health and safety.
Michigan	FY 2009 strategies include administrative economies and efficiencies, closure of adult prison and juvenile facilities, transitioning individuals from nursing homes to community settings, prescription drug rebates, reduced funding for education and training programs, use of restricted revenue funds, revised caseload estimates, increased Federal Medical Assistance Percentage (FMAP) rate, and federal ARRA State Fiscal Stabilization Fund revenue.
New Hampshire	Executive Orders establishing general fund freezes on hiring, out of state travel, and equipment purchases was initiated.
New Jersey	FY 2009 Budget assumed a \$25 million reduction across all departments for procurement reform.
New Mexico	Reserves in FY 2009 reduced from 10 percent target to 8 percent. Transfer of undesignated balances in earmarked state agency accounts to the general fund; a significant portion of the cuts in Medicaid were replaced in both FYs by Tobacco Settlement revenue.
New York	FY 2009 strategies also include Federal Aid (ARRA)
North Carolina	FY 2009 strategies also include ARRA Funds.
Pennsylvania	FY 2009 strategies also include Federal ARRA funds, budgetary freeze (lapses) and a salary freeze for management employees effective 1/1/2009.
Rhode Island	FY 2009 strategies also include one furlough day through labor negotiations. Increases in employee medical benefit co-shares resulting from labor negotiations and Deferred actuarial funding of retiree health benefits. Across the board reductions of 5 percent, 5 percent, and 10 percent for personnel, operating, and contract services, respectively, but applied only to partial-year appropriations. Shift Medicaid expenditures and education aid to federal stimulus (ARRA).
South Dakota	FY 2009 strategies also include use of the State Fiscal Stabilization Fund.
Tennessee	FY 2009 strategies also include U. S. Economic Recovery Funds; transfer from Capital Outlay and Debt Service Funds; reserve transfers; and additional agency reversion.
Vermont	FY 2009 strategies also include vacant position elimination and use of the American Recovery and Reinvestment Act.
Wisconsin	Combined Reporting (\$27.7 million), Tax on software (\$9.4 million), Use of Fed funds for TANF (\$22.5 million), Hospital Assessment, \$78.5 million, Federal Medical Assistance, Required Ending Balance (\$65 million), Streamlined sales and use tax changes enacted to go in effect Oct. 1, 2009, federal fiscal relief, \$597 million.

**TABLE A-5b
Strategies Used to Reduce or Eliminate Budget Gaps, Fiscal 2010**

Region/State	User Fees	Higher Education Related Fees	Court Related Fees	Transportation/ Motor Vehicle Related Fees	Business Related Fees	Layoffs	Furloughs	Retirement	Early Salary Reductions	Cuts to State Employee Benefits	Across-the-Board % Cuts	Targeted Cuts	Reduce Local Aid	Reorganize Agencies	Privatization	Reiny Day Fund	Lottery Expansion	Gaming/ Gambling Expansion	Other (Specify)	
NEW ENGLAND																				
Connecticut																				
Maine	X			X		X	X	X	X	X	X									
Massachusetts													X							X
New Hampshire*																X				X
Rhode Island*		X	X				X					X								X
Vermont*				X								X								X
MID-ATLANTIC																				
Delaware*	X				X				X			X	X	X			X			X
Maryland						X	X	X	X	X	X	X	X			X				X
New Jersey*		X				X	X		X	X	X	X	X							X
New York*		X			X	X	X		X	X	X	X	X							X
Pennsylvania*					X	X	X		X	X	X	X	X							X
GREAT LAKES																				
Illinois	X			X		X	X		X	X	X	X	X							X
Indiana*						X	X		X	X	X	X	X							X
Michigan*		X				X	X		X	X	X	X	X							X
Ohio	X	X	X			X	X	X	X	X	X	X	X				X			X
Wisconsin*	X	X	X			X	X		X	X	X	X	X							X
PLAINS																				
Iowa										X	X	X	X							X
Kansas										X	X	X	X							X
Minnesota*	X				X				X	X	X	X	X							X
Missouri						X			X	X	X	X	X							X
Nebraska*						X			X	X	X	X	X							X
North Dakota						X			X	X	X	X	X							X
South Dakota*	X			X					X	X	X	X	X							X
SOUTHEAST																				
Alabama										X	X	X	X							X
Arkansas																				
Florida																				
Georgia						X	X		X	X	X	X	X							X
Kentucky						X	X		X	X	X	X	X							X
Louisiana						X	X	X	X	X	X	X	X							X
Mississippi						X	X		X	X	X	X	X							X
North Carolina*						X	X		X	X	X	X	X							X
South Carolina						X	X		X	X	X	X	X							X
Tennessee*						X	X		X	X	X	X	X							X
Virginia	X			X		X	X		X	X	X	X	X							X
West Virginia*						X	X		X	X	X	X	X							X
SOUTHWEST																				
Arizona*	X			X	X	X	X		X	X	X	X	X							X
New Mexico*									X	X	X	X	X							X
Oklahoma									X	X	X	X	X							X
Texas*									X	X	X	X	X							X
ROCKY MOUNTAIN																				
Colorado*	X			X		X	X		X	X	X	X	X							X
Idaho						X	X		X	X	X	X	X							X
Montana*						X	X		X	X	X	X	X							X
Utah	X			X		X	X		X	X	X	X	X							X
Wyoming						X	X		X	X	X	X	X							X
FAR WEST																				
Alaska																				X
California*		X				X	X		X	X	X	X	X							X
Hawaii*						X	X		X	X	X	X	X							X
Nevada	X				X	X	X		X	X	X	X	X							X
Oregon	X			X		X	X		X	X	X	X	X							X
Washington*						X	X		X	X	X	X	X							X
TERRITORIES																				
Puerto Rico										X	X	X	X							X
Total	13	7	9	15	10	23	16	5	12	11	23	31	20	12	4	17	2	3	23	X

NOTE: * See Notes to Table A-5b.
SOURCE: National Association of State Budget Officers.

NOTES TO TABLE A-5b

Arizona	FY 2010 strategies also include asset sale/lease back.
California	FY 2010 strategies also include borrowing and fund shifts.
Colorado	In FY 2009-2010 the 2 percent of GF spending was of a lower number due to cuts. This lower reserve level was part of the balancing but it is not checked off here since the fund was not "tapped," the perceived point of the question. ARRA FMAP funds were moved into expenditure base to offset GF expenditures at the appropriations level.
Delaware	Across the board and targeted reductions to existing agency appropriations. Use surpluses from special funds and deauthorize capital projects.
Hawaii	Other actions include carry-over balance from prior fiscal year; restrict general funds CIP; restructure debt service; projected furlough savings imposed before the beginning of the fiscal year; and proposed layoff of various positions.
Indiana	Strategies implemented in FY 2010 have been taken proactively to prevent a gap.
Michigan	FY 2010 strategies include employee concessions (specifics to be determined); closure of state-operated facilities, elimination of state support for non-core state functions, elimination of pilot programs and programs targeted to specific geographic areas; reductions in K-12 education and university operations; and increased Federal Medical Assistance Percentage (FMAP) rate.
Minnesota	FY 2010 strategies also include K-12 payment deferrals, administrative actions, and unallotments.
Montana	FY 2010 strategies also include Federal ARRA funds helped to fill some budget holes.
Nebraska	The employee salary increase level ultimately negotiated/approved for most state employees for FY 2010 was equivalent to a 2.9 percent annual increase. The increase in the employer share of the cost of employee health insurance was calculated at 10 percent for the fiscal year. With just a few exceptions, the final appropriations for FY 2010 included adjustments to offset the cost of employee salary and health insurance increases in an effort to provide no or minimal net increase in appropriations. Agencies will address these budget adjustments in different ways. However, given the proportion that employee salary and benefit costs are of total agency budgets it is reasonable to assume there will be some position eliminations. No general inflationary increases were provided which will require further internalizing of costs.
New Hampshire	Executive Orders maintaining a general fund freeze on hiring, out of state travel, and equipment purchases have been continued, as well as a freeze on all centrally managed purchases with a waiver process available for exceptions.
New Jersey	FY 2010 strategies also include a salary freeze that is assumed through FY 2010. The FY 2010 Budget applies a similar cut of \$25 million as well as an additional reduction of \$40 million for management efficiencies which will affect all departments.
New Mexico	Shifted 1.5 percent of the employer retirement contribution to employees for 2 years (FY 2010 and FY 2011), so net effect is not a cut in benefits received. Transfer of undesignated balances in earmarked state agency accounts to the general fund; a significant portion of the cuts in Medicaid were replaced in both FYs by Tobacco Settlement revenue.
New York	FY 2010 strategies also include Federal Aid (ARRA).
North Carolina	FY 2010 strategies also include ARRA Funds.
Pennsylvania	FY 2010 strategies also include Federal ARRA funds, maintain management salary freeze through FY 2010 and enactment of various one-time revenues and non-broad-based tax increases/ revenue measures.
Rhode Island	Negotiations for FY 2010 furloughs are in progress. Deferred actuarial funding of retiree health benefits and pension reform by restricting minimum age of retirement to 62 with "proportionality" for current employees. Reductions to operating, personnel and contract services of 6.25 percent, 6.25 percent, and 10 percent, respectively. Shift Medicaid expenditures and education aid to federal stimulus (ARRA).
South Dakota	FY 2010 strategies also include use of the State Fiscal Stabilization Fund.
Tennessee	FY 2010 strategies also include tax adjustments; U. S. Economic Recovery Funds; base budget reductions; and additional agency reversion.
Texas	FY 2010 strategies also include use of American Recovery and Reinvestment Act funds.
Vermont	FY 2010 strategies also include retirement incentive, Human Services Caseload Reserve funds, and the American Recovery and Reinvestment Act.
Washington	Salaries were not increased rather than reduced.
West Virginia	Backfill education reductions with federal stabilization funds.
Wisconsin	Combined Reporting (\$75.6 million), Streamlined sales and use tax (\$4.0 million), Tax on Digital Products (\$4.2 million), Software Tax (\$28.3 million).

TABLE A-6

Number of Filled Full-Time Equivalent Positions in All Funds at the End of Fiscal 2008 to Fiscal 2010**

<i>Region/State</i>	<i>Fiscal 2008</i>	<i>Fiscal 2009</i>	<i>Fiscal 2010</i>	<i>Percent Change, 2008-2009</i>	<i>Percent Change, 2009-2010</i>	<i>Includes Higher Education Faculty</i>	<i>State-Administered Welfare System</i>
NEW ENGLAND							
Connecticut	55,588	55,688	NA	0.18%	NA	X	X
Maine	14,169	14,007	13,895	-1.15%	-0.79%		
Massachusetts	68,959	66,108	66,108	-4.13%	0.00%	X	X
New Hampshire	11,394	11,294	11,100	-0.88%	-1.72%		X
Rhode Island*	13,632	12,873	14,078	-5.57%	9.36%	X	X
Vermont	8,383	8,078	7,728	-3.64%	-4.33%		X
MID-ATLANTIC							
Delaware*	31,603	31,693	30,823	0.29%	-2.75%	X	X
Maryland	77,111	76,344	75,803	-0.99%	-0.71%	X	X
New Jersey*	78,335	75,514	NA	-3.60%	NA		
New York	199,800	199,900	190,300	0.05%	-4.80%	X	
Pennsylvania*	83,809	83,887	81,237	0.09%	-3.16%		X
GREAT LAKES							
Illinois	54,617	53,350	55,655	-2.32%	4.32%		X
Indiana	32,157	30,648	30,000	-4.69%	-2.11%		X
Michigan	49,625	49,088	49,500	-1.08%	0.84%		X
Ohio	61,000	59,000	58,000	-3.28%	-1.69%		
Wisconsin*	61,428	61,984	61,935	0.91%	-0.08%	X	
PLAINS							
Iowa	44,519	44,872	46,537	0.79%	3.71%	X	X
Kansas	42,904	43,232	43,023	0.76%	-0.48%	X	X
Minnesota	35,782	34,034	NA	-4.89%	NA		
Missouri	58,944	58,989	58,628	0.08%	-0.61%		X
Nebraska*	17,463	17,833	NA	2.12%	NA		X
North Dakota	7,513	7,586	8,195	0.97%	8.03%	X	X
South Dakota	13,699	13,775	14,466	0.56%	5.01%	X	X
SOUTHEAST							
Alabama	39,736	39,353	39,350	-0.96%	-0.01%		X
Arkansas	31,195	31,658	34,644	1.48%	9.43%		X
Florida*	114,757	114,061	128,131	-0.61%	12.34%		X
Georgia	109,604	103,392	100,643	-5.67%	-2.66%	X	X
Kentucky	33,900	32,100	31,500	-5.31%	-1.87%		
Louisiana	45,205	45,215	43,870	0.02%	-2.97%		X
Mississippi	32,784	32,247	NA	-1.64%	NA		X
North Carolina	NA	NA	NA	NA	NA		
South Carolina	62,927	61,197	61,135	-2.75%	-0.10%	X	X
Tennessee	47,233	44,663	44,700	-5.44%	0.08%		X
Virginia	117,130	114,724	114,601	-2.05%	-0.11%	X	X
West Virginia	35,694	36,358	36,594	1.86%	0.65%	X	X
SOUTHWEST							
Arizona*	51,904	52,420	48,773	0.99%	-6.96%	X	X
New Mexico	24,952	24,723	27,333	-0.92%	10.56%		X
Oklahoma*	38,920	39,417	38,066	1.28%	-3.43%		
Texas	226,127	238,204	237,389	5.34%	-0.34%	X	X
ROCKY							
Colorado*	49,489	50,946	52,430	2.94%	2.91%	X	
Idaho	18,214	18,444	18,470	1.26%	0.14%	X	X
Montana	13,825	13,904	13,543	0.57%	-2.60%		X
Utah	20,619	20,527	20,097	-0.44%	-2.10%		X
Wyoming	7,413	7,158	7,158	-3.44%	0.00%	X	X
FAR WEST							
Alaska	21,192	21,453	21,534	1.23%	0.38%	X	X
California	359,277	363,734	362,714	1.24%	-0.28%	X	X
Hawaii*	45,908	46,535	46,408	1.37%	-0.27%	X	X
Nevada	26,408	25,966	25,389	-1.67%	-2.22%	X	X
Oregon	49,403	49,915	49,839	1.04%	-0.15%	X	X
Washington	111,420	112,521	108,921	0.99%	-3.20%	X	X
TERRITORIES							
Puerto Rico	212,879	213,502	211,469	0.29%	-0.95%	X	X
Total***	2,637,717	2,635,297	2,630,242				

NOTES: NA indicates data are not available.

*See Notes to Table A-6. **Unless otherwise noted, fiscal 2008 reflects actual figures, fiscal 2009 reflects preliminary actuals and fiscal 2010 reflects appropriated figures. ***Totals exclude states that were not able to provide data for all three years.

SOURCE: National Association of State Budget Officers.

NOTES TO TABLE A-6

Arizona	The reductions did not actually reduce the authorized FTE counts.
Delaware	Includes a legislatively mandated FTE reduction during the course of the fiscal year.
Colorado	Reflects appropriation, not actual.
Florida	The increase in positions is a result of bringing the County Health Units and Office of Disability Determinations back on-line and are accounted for in the General Appropriations Act for Fiscal Year 2009-2010.
Hawaii	Data reflect appropriated permanent positions.
Nebraska	Appropriations bills do not limit authorized FTE to a specific number.
New Jersey	Continued attrition and management efficiencies will reduce the FY 2009 Actual.
Oklahoma	This is the year-to-date average. Employees are not counted within state administered welfare program outside of the TANF program.
Pennsylvania	Figures reflect total authorized positions on a full-time equivalent basis.
Rhode Island	Excludes research positions supported by 3rd party funds.
Wisconsin	PMIS reporting of filled positions for PP13-09 (FY 2009) as reported to the Legislative Audit Bureau and June 16 UW vacancy report. Totally authorized positions for FY 2010 is 69,350.

TABLE A-7

Number of States with Revenues Higher, Lower or on Target with Projections*

	<i>Fiscal 2009</i>	<i>Fiscal 2010</i>
Lower	41	31
On Target	4	11
Higher	4	5

NOTE: *Fiscal 2009 reflects whether revenues from all sources came in higher, lower, or on target with projections. Fiscal 2010 reflects whether 2009 collections thus far have been coming in higher, lower, or on target with projections. Not all states reported data for Fiscal 2009 and Fiscal 2010.

SOURCE: National Association of State Budget Officers.

TABLE A-8

Fiscal 2009 Tax Collections Compared with Projections Used in Adopting Fiscal 2009 Budgets (Millions)**

Region/State	Sales Tax		Personal Income Tax		Corporate Income Tax		Revenue Collection***
	Original Estimate	Current Estimate	Original Estimate	Current Estimate	Original Estimate	Current Estimate	
NEW ENGLAND							
Connecticut	\$ 3,748	\$ 3,319	\$ 7,676	\$ 6,386	\$ 792	\$ 616	L
Maine	983	975	1,282	1,243	149	143	L
Massachusetts	4,286	3,869	12,762	10,584	1,705	1,549	L
New Hampshire	NA	NA	NA	NA	320	250	L
Rhode Island	823	808	971	941	112	104	L
Vermont	229	214	588	530	59	66	L
MID-ATLANTIC							
Delaware	NA	NA	1,038	913	92	134	L
Maryland	4,034	3,611	7,445	6,782	673	582	L
New Jersey*	9,136	*	12,700	*	2,898	*	*
New York	10,914	10,274	38,149	36,840	6,559	5,556	L
Pennsylvania	8,731	8,136	11,489	10,199	2,321	1,980	L
GREAT LAKES							
Illinois	7,297	6,773	10,432	9,223	1,937	1,710	L
Indiana*	6,726	6,153	4,934	4,314	947	839	L
Michigan*	6,645	6,212	7,010	6,058	2,661	2,160	L
Ohio	7,948	7,113	9,201	7,628	522	521	L
Wisconsin	4,479	4,084	7,106	6,223	860	630	T
PLAINS							
Iowa	2,055	2,327	351	3,331	424	417	L
Kansas	1,940	1,925	2,775	2,682	255	240	L
Minnesota	4,601	4,378	7,767	7,012	969	710	L
Missouri	1,937	1,813	5,448	4,876	471	358	L
Nebraska	1,359	1,326	1,750	1,600	215	199	L
North Dakota	537	622	255	375	70	99	H
South Dakota	676	659	NA	NA	NA	NA	L
SOUTHEAST							
Alabama	2,114	1,796	3,245	2,661	481	427	L
Arkansas	2,185	2,081	2,295	2,239	306	334	L
Florida	19,093	16,531	NA	NA	2,223	1,833	L
Georgia	5,594	5,343	8,479	7,815	729	695	L
Kentucky	2,978	2,858	3,473	3,315	513	268	L
Louisiana	2,891	2,841	2,873	2,831	969	881	T
Mississippi	2,019	1,922	1,617	1,475	528	422	L
North Carolina	5,049	4,678	10,895	9,470	1,095	836	L
South Carolina	2,699	2,248	2,970	2,327	249	207	L
Tennessee*	7,019	6,331	262	221	1,664	1,369	L
Virginia	3,226	2,961	10,777	9,697	706	685	L
West Virginia	1,222	1,159	1,585	1,653	315	285	T
SOUTHWEST							
Arizona	4,644	3,756	3,615	2,568	841	592	L
New Mexico	2,404	2,310	1,140	1,015	399	200	L
Oklahoma	1,701	1,647	2,165	2,014	289	266	L
Texas	21,167	21,700	NA	NA	NA	NA	H
ROCKY MOUNTAIN							
Colorado	1,929	1,931	4,239	4,333	331	293	H
Idaho	1,042	1,022	1,223	1,168	157	141	L
Montana	16	15	853	815	157	166	L
Utah	1,821	1,544	2,769	2,323	330	281	T
Wyoming	485	522	NA	NA	NA	NA	H
FAR WEST							
Alaska	NA	NA	NA	NA	\$810	\$685	L
California	26,813		54,380		11,926		L
Hawaii	2,590	2,418	1,529	1,338	83	54	L
Nevada	1,164		NA	NA	NA	NA	L
Oregon	NA	NA	6,375	5,117	432	244	L
Washington	8,508	7,330	NA	NA	NA	NA	L
TERRITORIES							
Puerto Rico	911	865	2,770	2,614	1,751	1,364	L
Total****	\$182,341	\$169,534	\$210,807	\$192,133	\$ 35,729	\$ 30,026	-

NOTES: NA indicates data are not available because, in most cases, these states do not have that type of tax. *See Notes to Table A-8. **Unless otherwise noted, original estimates reflect the figures used when the fiscal 2009 budget was adopted, and current estimates reflect preliminary actual tax collections. ***Refers to whether preliminary actual fiscal 2009 collections of Sales, Personal Income and Corporate Income Taxes were higher than, lower than, or on target with original estimates. **** Totals include only those states with data for both original and current estimates for fiscal 2009. 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-8

Indiana	Sales tax revenues include revenue from the one penny increase in the sales tax rate effective April 1, 2008. The increase was part of the property tax reform plan that shifted over \$1 billion of expenses from local units to state government.
Michigan	The fiscal 2010 enacted budget is based on the May 2009 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 the Michigan Business Tax that replaced Michigan's Single Business Tax effective December 2007. The fiscal 2010 revenues appear to be lower than May 2009 consensus revenue estimates; updated fiscal 2010 revenue figures will be released at the next regularly scheduled consensus revenue conference in January 2010.
New Jersey	These numbers are still being developed and researched.
Tennessee	Corporate Income Tax includes excise tax and franchise tax. Sales tax, personal income tax and corporate excise tax are shared with local governments.

TABLE A-9

Comparison of Tax Collections in Fiscal 2008, Fiscal 2009, and Enacted Fiscal 2010 (Millions)**

Region/State	Sales Tax			Personal Income Tax			Corporate Income Tax		
	Fiscal 2008	Fiscal 2009	Fiscal 2010	Fiscal 2008	Fiscal 2009	Fiscal 2010	Fiscal 2008	Fiscal 2009	Fiscal 2010
NEW ENGLAND									
Connecticut	\$ 3,582	\$ 3,319	\$ 3,167	\$ 7,513	\$ 6,386	\$ 6,631	\$ 734	\$ 616	\$ 722
Maine	1,035	975	995	1,444	1,243	1,445	185	143	145
Massachusetts	4,087	3,869	4,664	12,484	10,584	10,380	1,513	1,549	1,455
New Hampshire	NA	NA	NA	NA	NA	NA	317	250	258
Rhode Island	844	808	815	1,074	941	963	150	104	113
Vermont	226	214	211	622	530	502	75	66	48
MID-ATLANTIC									
Delaware	NA	NA	NA	1,007	913	936	179	134	47
Maryland	3,675	3,611	3,605	6,940	6,782	6,602	552	582	556
New Jersey*	8,916	*	8,579	12,606	*	10,393	3,133	*	2,440
New York	10,592	10,274	10,389	36,564	36,840	37,239	6,018	5,556	5,495
Pennsylvania	8,497	8,136	8,391	10,908	10,199	10,277	2,418	1,980	1,878
GREAT LAKES									
Illinois	7,215	6,773	6,394	10,320	9,223	9,206	1,860	1,710	1,133
Indiana	5,686	6,153	6,132	4,838	4,314	4,289	910	839	800
Michigan	6,773	6,212	6,067	7,226	6,058	5,354	2,466	2,160	2,214
Ohio	7,614	7,113	7,000	9,115	7,628	7,053	753	521	100
Wisconsin*	4,268	4,084	4,089	6,714	6,223	6,231	838	630	717
PLAINS									
Iowa	2,000	2,327	2,398	3,360	3,331	3,311	484	417	394
Kansas	1,958	1,925	1,931	2,897	2,682	2,775	432	240	268
Minnesota	4,571	4,378	4,157	7,759	7,012	7,043	1,020	710	448
Missouri	1,931	1,813	1,861	5,210	4,876	5,122	459	358	410
Nebraska	1,322	1,326	1,344	1,726	1,600	1,675	233	199	170
North Dakota	555	622	598	307	375	321	141	99	120
South Dakota	645	659	659	NA	NA	NA	NA	NA	NA
SOUTHEAST									
Alabama	2,067	1,796	1,959	2,971	2,661	2,883	501	427	347
Arkansas	2,110	2,081	2,139	2,345	2,239	2,189	318	334	324
Florida	18,429	16,531	15,902	NA	NA	NA	2,217	1,833	1,508
Georgia	5,797	5,343	5,213	8,830	7,815	8,338	942	695	543
Kentucky	2,878	2,858	3,067	3,483	3,315	3,630	435	268	506
Louisiana	2,864	2,841	2,614	3,169	2,831	2,557	940	881	517
Mississippi	1,947	1,922	1,924	1,542	1,475	1,535	501	422	379
North Carolina	4,982	4,678	5,374	10,902	9,470	11,386	1,112	836	1,192
South Carolina	2,463	2,248	2,192	2,864	2,327	2,469	269	207	129
Tennessee	6,851	6,331	6,414	292	221	188	1,620	1,369	1,340
Virginia	3,076	2,961	3,157	10,115	9,697	1,034	808	685	724
West Virginia	1,155	1,159	1,194	1,614	1,653	1,617	400	285	235
SOUTHWEST									
Arizona	4,354	3,756	3,800	3,407	2,568	2,577	785	592	597
New Mexico	2,323	2,310	2,428	1,214	1,015	1,237	355	200	273
Oklahoma	1,612	1,647	1,754	2,239	2,014	2,044	279	266	307
Texas	21,604	21,700	21,812	NA	NA	NA	0	NA	NA
ROCKY MOUNTAIN									
Colorado	2,127	1,931	2,031	4,974	4,333	4,281	508	293	285
Idaho	1,142	1,022	1,026	1,430	1,168	1,212	190	141	162
Montana	17	15	17	867	815	841	160	166	116
Utah	1,739	1,544	1,473	2,612	2,323	2,260	416	281	274
Wyoming	505	522	506	NA	NA	NA	NA	NA	NA
FAR WEST									
Alaska	NA	NA	NA	NA	NA	NA	789	685	510
California	26,613		24,612	54,182		45,275	11,849		9,783
Hawaii	2,619	2,418	2,279	1,544	1,338	1,352	85	54	60
Nevada	986		815	NA	NA	NA	NA	NA	NA
Oregon	0	NA	NA	4,973	5,117	5,496	441	244	324
Washington	8,216	7,330	7,551	NA	NA	NA	NA	NA	NA
TERRITORIES									
Puerto Rico	911	865	606	\$2,793	2,614	2,614	1,566	1,364	1,541
Total***	\$177,951	\$169,534	\$170,690	\$208,404	\$191,220	\$186,479	\$ 35,803	\$ 30,026	\$ 28,141

NOTES: NA indicates data are not available because, in most cases, these states do not have that type of tax. *See Notes to Table A-9. **Unless otherwise noted, fiscal 2008 figures reflect actual tax collections, 2009 figures reflect preliminary actual tax collections estimates, and fiscal 2010 figures reflect the estimates used in enacted budgets. ***Totals include only those states with data for all years.

SOURCE: National Association of State Budget Officers.

NOTES TO TABLE A-9

New Jersey	These numbers are still being developed and researched.
Wisconsin	Preliminary Actuals FY 2009 from FY 2009 AFR Exhibit A-1. FY 2010 estimates from Table 7, 2009 Wisconsin Act 28 2009-11 State Budget Summary Tables and charts.

TABLE A-9a

Percentage Changes Comparison of Tax Collections in Fiscal 2008, Fiscal 2009, and Enacted Fiscal 2010*

Region/State	Sales Tax			Personal Income Tax			Corporate Income Tax		
	Fiscal 2008	Fiscal 2009	Fiscal 2010	Fiscal 2008	Fiscal 2009	Fiscal 2010	Fiscal 2008	Fiscal 2009	Fiscal 2010
NEW ENGLAND									
Connecticut	2.5%	-7.4%	-4.6%	11.3%	-15.0%	3.8%	-17.6%	-16.1%	17.2%
Maine	1.4%	-5.8%	2.0%	6.6%	-13.9%	16.3%	0.3%	-22.4%	1.1%
Massachusetts	0.5%	-5.3%	20.6%	9.5%	-15.2%	-1.9%	-4.7%	2.4%	-6.0%
New Hampshire	NA	NA	NA	NA	NA	NA	10.4%	-21.1%	3.0%
Rhode Island	-3.3%	-4.3%	0.9%	0.8%	-12.4%	2.4%	1.6%	-30.6%	8.2%
Vermont	1.4%	-5.1%	-1.7%	7.1%	-14.8%	-5.4%	2.5%	-11.3%	-27.2%
MID-ATLANTIC									
Delaware	NA	NA	NA	-0.1%	-9.3%		27.2%	-24.8%	-65.0%
Maryland	7.5%	-1.7%	-0.2%	3.9%	-2.3%	-2.6%	-6.5%	5.5%	-4.6%
New Jersey	3.6%	*	*	7.5%	*	*	-2.3%	*	*
New York	5.4%	-3.0%	1.1%	5.7%	0.8%	1.1%	-7.0%	-7.7%	-1.1%
Pennsylvania	-1.1%	-4.2%	3.1%	6.3%	-6.5%	0.8%	-3.0%	-18.1%	-5.2%
GREAT LAKES									
Illinois	1.1%	-6.1%	-5.6%	9.7%	-10.6%	-0.2%	6.3%	-8.1%	-33.7%
Indiana	5.7%	8.2%	-0.3%	4.8%	-10.8%	-0.6%	-7.9%	-7.8%	-4.6%
Michigan	3.4%	-8.3%	-2.3%	12.2%	-16.2%	-11.6%	35.8%	-12.4%	2.5%
Ohio	2.6%	-6.6%	-1.6%	2.6%	-16.3%	-7.5%	-30.1%	-30.8%	-80.8%
Wisconsin	2.6%	-4.3%	0.1%	2.1%	-7.3%	0.1%	-5.9%	-24.8%	13.8%
PLAINS									
Iowa	4.7%	16.4%	3.0%	8.9%	-0.9%	-0.6%	13.9%	-13.9%	-5.4%
Kansas	-4.6%	-1.7%	0.3%	6.9%	-7.4%	3.5%	-2.3%	-44.4%	11.6%
Minnesota	1.4%	-4.2%	-5.1%	7.3%	-9.6%	0.4%	-12.9%	-30.4%	-37.0%
Missouri	-1.2%	-6.1%	2.6%	5.9%	-6.4%	5.0%	0.2%	-22.0%	14.5%
Nebraska	1.4%	0.3%	1.3%	4.6%	-7.3%	4.7%	9.3%	-14.8%	-14.5%
North Dakota	8.6%	12.1%	-3.9%	-2.5%	22.1%	-14.4%	16.5%	-29.8%	21.2%
South Dakota	6.9%	2.2%	0.1%	NA	NA	NA	NA	NA	NA
SOUTHEAST									
Alabama	-1.0%	-13.1%	9.1%	1.1%	-10.4%	8.3%	10.2%	-14.8%	-18.7%
Arkansas	-3.5%	-1.4%	2.8%	8.1%	-4.5%	-2.2%	-5.9%	5.1%	-3.1%
Florida	-5.2%	-10.3%	-3.8%	NA	NA	NA	-9.3%	-17.3%	-17.8%
Georgia	-2.0%	-7.8%	-2.4%	0.1%	-11.5%	6.7%	-7.6%	-26.2%	-21.9%
Kentucky	2.1%	-0.7%	7.3%	14.5%	-4.8%	9.5%	-56.0%	-38.4%	88.8%
Louisiana	-9.2%	-0.8%	-8.0%	-2.7%	-10.7%	-9.7%	-10.7%	-6.2%	-41.3%
Mississippi	0.9%	-1.3%	0.1%	4.5%	-4.4%	4.1%	3.3%	-15.7%	-10.3%
North Carolina	-0.3%	-6.1%	14.9%	3.8%	-13.1%	20.2%	-23.4%	-24.8%	42.6%
South Carolina	-6.4%	-8.7%	-2.5%	-0.6%	-18.8%	6.1%	2.7%	-22.9%	-37.7%
Tennessee	0.5%	-7.6%	1.3%	17.7%	-24.2%	-15.0%	-8.3%	-15.5%	-2.1%
Virginia	0.9%	-3.7%	6.6%	3.3%	-4.1%	-89.3%	-8.2%	-15.2%	5.7%
West Virginia	11.6%	0.3%	3.0%	14.2%	2.4%	-2.1%	8.6%	-28.9%	-17.4%
SOUTHWEST									
Arizona	-2.3%	-13.7%	1.2%	-8.8%	-24.6%	0.3%	-20.5%	-24.5%	0.8%
New Mexico	0.4%	-0.6%	5.1%	2.8%	-16.4%	21.8%	-22.9%	-43.6%	36.6%
Oklahoma	5.3%	2.2%	6.5%	-4.2%	-10.1%	1.5%	-35.9%	-4.8%	15.7%
Texas	7.0%	0.4%	0.5%	NA	NA	NA	NA	NA	NA
ROCKY MOUNTAIN									
Colorado	-3.8%	-9.2%	5.2%	2.1%	-12.9%	-1.2%	2.0%	-42.4%	-2.5%
Idaho	6.0%	-10.5%	0.4%	2.1%	-18.3%	3.8%	-0.3%	-25.7%	14.9%
Montana	0.9%	-7.1%	7.7%	4.8%	-5.9%	3.1%	-9.7%	3.8%	-30.5%
Utah	-6.4%	-11.2%	-4.6%	1.5%	-11.1%	-2.7%	-2.2%	-32.5%	-2.5%
Wyoming	5.4%	3.4%	-3.1%	NA	NA	NA	NA	NA	NA
FAR WEST									
Alaska	NA	NA	NA	NA	NA	NA	2.2%	-13.1%	-25.5%
California	-3.0%			4.3%			6.2%		
Hawaii	2.4%	-7.7%	-5.7%	-1.0%	-13.4%	1.0%	4.0%	-37.1%	12.1%
Nevada	-1.4%			NA	NA	NA	NA	NA	NA
Oregon	NA	NA	NA	-11.1%	2.9%	7.4%	8.6%	-44.7%	32.9%
Washington	4.1%	-10.8%	3.0%	NA	NA	NA	NA	NA	NA
TERRITORIES									
Puerto Rico	NA	-5.1%	-29.9%	NA	-6.4%	0.0%	NA	-12.9%	13.0%
Total**	1.2%	-4.7%	0.7%	4.7%	-8.2%	-2.5%	-6.2%	-16.1%	-6.3%

NOTES: NA indicates data are not available because, in most cases, these states do not have that type of tax. *Unless otherwise noted, fiscal 2008 figures reflect actual tax collections, 2009 figures reflect preliminary actual tax collections estimates, and fiscal 2010 figures reflect the estimates used in enacted budgets. **Totals include only those states with data for all years.

SOURCE: National Association of State Budget Officers.

TABLE A-10

State Employment Compensation Changes, Fiscal 2010

<i>Region/State</i>	<i>Across-the-Board (percent)</i>	<i>Merit (percent)</i>	<i>Other (percent)</i>	<i>Notes</i>
NEW ENGLAND				
Connecticut	–	2.5	3.3	
Maine	–	–	–	Union members agreed to a 0.0 percent wage increase for FY 2010.
Massachusetts	1.0	–	–	1.0 percent – Unionized employees starting July 1, 2009. Managers do not have a merit pool in FY 2010.
New Hampshire	–	–	–	No changes to employee compensation packages have been negotiated that impacted FY 2010. Step increases are included for employees with average amount of 3.5 percent per year.
Rhode Island	2.5	–	1.7	Other represents historical average growth due to step and longevity increases. Negotiations are underway to provide personnel savings in FY 2010 through pay reduction days.
Vermont	1.8	–	1.7	The 1.8 percent increase is a COLA increase. Also, per the state employee contract, about 56 percent of employees receive annual step increases worth in aggregate 1.7 percent of statewide salary costs.
MID-ATLANTIC				
Delaware	-2.5	–	–	Employees were provided 5 days additional leave as a result of the decrease in salary.
Maryland	–	–	Varied	State Employees will receive salary reductions of approximately 1-4 percent based on their salary level as a result of salary reductions associated with closing State government for 5 days and furloughs of 3-5 days.
New Jersey	–	–	2.0	Most employees did not receive an across-the-board increase. Only a small group (about 200 employees) received a 3.75 percent increase. The ATB increase of 3.5 percent is being deferred until January 2011. Collective bargaining negotiations continue with some labor unions.
New York	3.0	–	–	The State recently reached new labor contracts with most of the State employee labor unions, which run from 2007 through 2011. There are a series of step increases within each pay grade until reaching the maximum salary for the grade. Approximately 33 percent of the workforce is eligible to receive such increase (i.e., employees who have not reached the job rate). As part of the 2009-10 Enacted Budget, Management/Confidential (M/C) employees were withheld their annual salary increase and performance advancement for the 2009-10 fiscal year. This action exempted most M/C employees from being subject to statewide workforce reduction plans. Other compensation changes are driven by personnel transactions, such as reallocations and reclassifications. An additional employee compensation amount is usually pro-rated to agencies with M/C employees, allowing those agencies to give merit awards at their discretion. No M/C employee can receive more than 5 percent of their annual salary in the form of merit awards and the agency allocation cannot be divided equally amongst all M/C employees. The awards are lump sums and are not added to base salary.
Pennsylvania	3.0		2.3	Across-the-board: Non-management employees received a 3 percent increase effective July 1, 2009. Other: Non-management employees will receive a 2.25 percent service increment in January 2010.

TABLE A-10 (continued)

State Employment Compensation Changes, Fiscal 2010

<i>Region/State</i>	<i>Across-the-Board (percent)</i>	<i>Merit (percent)</i>	<i>Other (percent)</i>	<i>Notes</i>
GREAT LAKES				
Indiana	–	–	–	Not yet determined
Illinois	–	–	–	
Michigan	1 percent for most classified employees; contract negotiations with enlisted state police personnel are in progress.	–	–	Some classified employees will receive step increases; pay adjustments for satisfactory performance in the amounts and at intervals provided for in the compensation schedule for the employee's classification level. 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.
Ohio	–	–	–	Ohio's package freezes all hourly pay at FY 2009 levels and requires all employees to take 10 unpaid leave days during the year. The net impact of these unpaid leave days is to reduce pay by 3.8 percent.
Wisconsin	–	–	–	
PLAINS				
Iowa	–	Various	–	Merit increases are provided on the employee's annual review date until the maximum of the pay plan is reached, than no additional merit increases are provided. Since many employees are at the maximum of the pay scale, adding the across the board and merit increases together provides a misleading total amount.
Kansas	–	–	2.5–20	As part of a three-year compensation review, those employees in classifications most under market in salary comparisons received between 2.5 percent and 20.0 percent pay increase.
Minnesota	–	–	–	
Missouri	–	–	–	
Nebraska	2.9–4.9	–	–	Across-the-board: Most employees covered by collective bargaining and supervisory/management staff received a 2.9 percent increase effective 7/1/2009; law enforcement employees and related supervisory/management staff received an average 4.9 percent increase effective 7/1/2009; employees covered by the Engineering, Science, and Resources Unit of NAPE/AFSCME received a 4.87 percent increase effective 7/1/2009.
North Dakota	–	–	5.0	\$100 per month minimum; salary increases are to be given based on merit and equity and are not to be given across-the-board.
South Dakota	–	–	–	No employee compensation was adopted for FY 2010.

TABLE A-10 (continued)

State Employment Compensation Changes, Fiscal 2010

<i>Region/State</i>	<i>Across-the-Board (percent)</i>	<i>Merit (percent)</i>	<i>Other (percent)</i>	<i>Notes</i>
SOUTHEAST				
Alabama	–	5	–	Annual merit raises have been frozen since January 1, 2009 and are currently projected to resume January 1, 2010.
Arkansas	5.5	up to 12	–	Merit reflect – Exceeds Standards 2.25 percent/ Above Average 1.5 percent/ Satisfactory .75 percent/ Unsatisfactory 0.0 percent and Promotion 10.0 percent. Promotion from Career Service Pay Plan to Executive Pay Plan 12 percent. Across-the-board average from pay plan implementation was 5.5 percent.
Florida	–	–	–	
Georgia	–	–	–	Agencies will have 3 furlough days by the end of calendar year 2009 to reduce payroll costs.
Kentucky	1.0	–	–	
Louisiana	–	4.0	–	
North Carolina	–	–	–	
South Carolina	–	–	–	
Tennessee	–	–	–	
Virginia	–	–	–	Due to budget reductions.
West Virginia	–	–	–	Every eligible employee with a total of three (3) or more years of service as of July 1 of each year receives an annual salary increment equal to \$60 times the employee's years of service. The final year of a 3 year pay package (\$1,008 ATB for FY 2010) was approved for employees of the Division of Corrections, Division of Juvenile Services and Regional Jail and Correctional Facility Authority.
SOUTHWEST				
Arizona	–	–	–	
Oklahoma	–	–	–	Oklahoma state employees receive a longevity payment based on years of service. Agencies have discretion to grant merit pay, with/OPM approval and within certain guidelines.
New Mexico	–	–	–	Due to declining revenue projections, the state did not appropriate a compensation package for FY 2010.
Texas	3.5	–	–	Limited to state employees associated with Public Safety and Criminal Justice.
ROCKY MOUNTAIN				
Colorado	–	–	–	State Employees did not receive salary survey increases or performance based pay.
Idaho	–	–	–	
Montana	–	–	–	State health insurance contributions increased by 6 percent per year.
Utah	–	–	–	
Wyoming	4.0	–	–	

TABLE A-10 (continued)

State Employment Compensation Changes, Fiscal 2010

<i>Region/State</i>	<i>Across-the-Board (percent)</i>	<i>Merit (percent)</i>	<i>Other (percent)</i>	<i>Notes</i>
FAR WEST				
Alaska	3.0	1.5 – 5.0	**	3 percent COLA, merit increases range from 1.5 percent to 5.0 percent dependent on ratified union contracts. ** Additional contributions for health insurance, risk management, terminal leave, unemployment insurance and life insurance (minimal impact on total salary).
California	–	–	-13.8	1 of 21 bargaining units under contract for 2009-2010. All bargaining units except Highway patrol, are current in negotiation due to expire contracts and will take 3 furlough days each month this year. Highway patrol to receive increases based on salary surveys.
Hawaii	–	–	-5.8	
Nevada	–	–	–	No COLA adjustments were included in the budget and all merit increases have been suspended.
Oregon	–	–	-2.8	The 2.8 percent decline is the effect of seven furlough days in 2009-10 for most employees.
Washington	–	–	–	All salary increases are suspended.
TERRITORIES				
Puerto Rico	–	–	–	All economic benefits are frozen for a period of two years (FY 2010 and 2011).

TABLE A-11

Enacted Revenue Changes by Type of Revenue, Fiscal 2010

State	Tax Change Description	Effective Date	Fiscal 2010 Revenue Changes (\$ in Millions)
SALES TAXES			
Arkansas	Decrease in state sales tax rate applied to food for home consumption from 3 percent to 2 percent.	07-09	-\$40.5
	Decrease in state sales tax rate applied to manufacturing electricity and natural gas usage from 4 percent to 3.25 percent.	07-09	-3.8
California	One percent increase in state rate.	04-09	4,411.0
Connecticut	Reduction of the sales tax rate from 6 percent to 5.5 percent, effective 1/1/2010—\$129.5 million revenue loss.	01-10	-125.1
Florida	Impact of cigarette tax surcharge.	07-09	12.3
Indiana	Change in sales tax exemption for aircraft; Repeal sales tax exemption for media equipment.	07-09	-1.5
Kentucky	Applied sales tax to sales of packaged liquor.		51.9
Louisiana	Makes permanent an expiring exclusion from state & local sales taxes for purchases/leases of educational materials/equip. by non-public schools. b) Imposes state & local sales taxes to 46 percent of the price of manufactured homes.	a) Effective June 30, 2009 b) Effective June 30, 2009	0.3
Maine	Tax reform.		40.7
Massachusetts	The budget also includes an increase in the sales and use tax rates from 5 percent to 6.25 percent, effective August 1, 2009, which is estimated to produce an additional \$759 million in fiscal 2010, of which \$275 million is dedicated to transportation. The budget eliminates the sales tax exemption for sales of alcohol, which is estimated to produce \$78.8 million in fiscal 2010. The budget also includes a new tax on direct broadcast satellite service, which is estimated to produce \$25.9 million in fiscal 2010. The estimate of total state taxes expected to be received in fiscal 2010 resulting from changes in tax law is \$889.7 million.	08-09	889.7
Nebraska	Exemption for certain wind energy investments.	08-09	-1.3
New York	Expanded the definition of vendor to preclude sellers from avoiding sales and use tax nexus through entity isolation schemes.	06-09	12.0
	Eliminated certain abusive tax avoidance schemes.	06-09	6.3
	Increased the prepaid sales tax rate on cigarettes.	06-09	2.3
	Imposed sales tax on certain transportation services (i.e. black car and limo).	06-09	34.2
	Amended empire zone provisions.	06-09	5.0
North Carolina	Increase in sales and use tax by one percent.	10-09	803.0
North Dakota	Exemption for expanding or construction telecommunications infrastructure.		-2.4
	Exemption for motor vehicle manufacturers incentives and discounts.		-2.2
Rhode Island	Increase Cigarette excise tax by \$1.00 while retaining minimum price markup.	04-09	2.7
Tennessee	Software maintenance contracts and in-house computer software subject to tax. Limited wine shipments into state authorized subject to sales tax.	07-09	13.6
Vermont	Sale and use tax extended to digital downloads.	07-09	1.0
Wisconsin	Requires similar treatment of sales and individual income tax for business entities of parent corporations (disregards).		19.8
Total Revenue Changes—Sales Tax			\$6,129.0

TABLE A-11 (continued)

Enacted Revenue Changes by Type of Revenue, Fiscal 2010

State	Tax Change Description	Effective Date	Fiscal 2010 Revenue Changes (\$ in Millions)
PERSONAL INCOME TAXES			
Arkansas	Income tax credit for rehabilitation of historic structures located in Arkansas.	1-Jan-09 thru 31-Dec-15	-\$1.1
California	(1) 1/4 percent increase in marginal rates. (2) Reduce dependent exemption credit. (3) Homebuyer credit.	January 2009 & March 2009	4,261.0
Connecticut	Increase Personal Income Tax rate from 5 percent to 6.5 percent for income greater than \$500,000 for singles and married filing separately, \$800,000 for head of household filers, and \$1 million for joint filers—\$594 million. Also, delay increase in singles exemption—\$23.9 million.	01-09	617.9
Delaware	Increase by one percentage point the personal income tax rate for taxable income in excess of \$60,000.	01-10	28.3
Hawaii	Phase-out of personal exemption.	07-09	10.5
	Temporarily increases income tax rates for high income brackets.	05-09	32.3
Indiana	Income tax deduction for solar roof vents/fans.	07-09	-1.7
Louisiana	Exemption from personal income tax the net capital gains from the sale or exchange of an equity interest or substantially all of the assets of a non-publicly traded business in Louisiana. Effective January 1, 2010.	01-10	-1.0
Maine	Tax reform.		-32.8
Missouri	Phases in, over six years, an exemption for military pensions. Will cost \$16 million in FY 2011, but nothing in future years, as an existing phase-in of an exemption on all retirement income has a larger effect.	01-10	0.0
Minnesota	Federal conformity provisions.	04-09	10.2
	5-year carry back of 2008 net operating losses.	05-09	-2.9
	50 percent bonus depreciation with 80 percent add back and 5-year recovery.	05-09	1.7
New Jersey	One year tax rate increase to 8 percent for income \$400,000 to \$500,000.	01-09	83.0
	One year tax rate increase to 10.25 percent for income \$500,000 to \$1,000,000.	01-09	620.0
	One year tax rate increase to 10.75 percent for income greater than \$1,000,000.	01-09	200.0
	One year elimination of property tax deduction for non-seniors with income greater than \$250,000 and one year limited property tax deduction up to \$5,000 for income levels \$150,000 to \$250,000.	01-09	100.0
	Income tax on Lottery winnings over \$10,000.	01-09	8.0
New York	Limited itemized deduction by only allowing charitable contributions for incomes above \$1 million.	01-09	140.0
	Implemented temporary rate increase by raising the top bracket to 8.97 percent for incomes above \$500,000.	01-09	3,955.0
	Established non-LLC partnership fee.	01-09	50.0

TABLE A-11 (continued)

Enacted Revenue Changes by Type of Revenue, Fiscal 2010

<i>State</i>	<i>Tax Change Description</i>	<i>Effective Date</i>	<i>Fiscal 2010 Revenue Changes (\$ in Millions)</i>
PERSONAL INCOME TAXES (continued)			
North Carolina	Income tax surcharge.	01-09	\$172.0
North Dakota	Income tax rate reduction.		-45.0
	Credit for renaissance zone investments.		-1.3
	Tax reduction for qualified dividends.		-2.3
Oregon	Marginal rate change.	01-09	235.8
Puerto Rico	Alternative contribution and special contribution (5 percent).		76.0
Rhode Island	Increase weekly unemployment compensation by \$25.00.	01-09	-1.8
	Capital Gains taxed as ordinary income.	01-10	23.6
Vermont	Personal income tax rate decrease.	01-09	-21.0
	Decrease in capital gains exclusion.	07-09	31.7
West Virginia	ARRA Federal Adjusted Gross Income Definition Tax Update & CY 2010 AMT repeal.		-9.0
Wisconsin	Creates new tax bracket with a 7.75 percent marginal tax rate for very high income earners (\$225 thousand single, \$300 thousand married filing jointly; \$150 thousand married filing separately); Decrease capital gains exclusion from 60 percent to 30 percent, except retain current 60 percent exclusion for gains on sales of farm assets.		278.5
Total Revenue Changes—Personal Income Taxes			\$10,739.6
CORPORATE INCOME TAXES			
California	(1) Jobs credit. (2) Film credits. (3) Single sales apportionment.	January 2009 & January 2011	-\$330.0
Connecticut	10 percent surcharge on the Corporate Income Tax for Income Years 2009, 2010, 2011 for firms with over \$100 million in gross federal income—\$74.1 million. Decouple from the Federal Domestic Production Deduction—\$27.5 million. Increase the Preference Tax from \$250,000 to \$500,000—\$9 million.	01-09	110.6
Delaware	Increases certain General Fund business and occupational gross receipts tax rates.	Various	5.6
	Increases various corporate revenues.	Various	124.7
Indiana	Federal revenue code update; Reduction of allowable media production tax credit.	01-09	-27.9
Iowa	Elimination of loss carry back provision.	01-09	18.0
Kansas	Promoting Employment Access Kansas Act (PEAK) allows certain new business to retain 95 percent of withholding taxes on new employees.	07-09	-2.0

TABLE A-11 (continued)

Enacted Revenue Changes by Type of Revenue, Fiscal 2010

State	Tax Change Description	Effective Date	Fiscal 2010 Revenue Changes (\$ in Millions)
CORPORATE INCOME TAXES (continued)			
Louisiana	Provides two port-related credits: 1) an investor credit: 5 percent per year for 20 years of total capital costs of qualifying port infrastructure projects; 2) a tonnage credit: \$5 per ton for all qualifying tonnage moving through Louisiana ports.	07-09	-\$3.5
Michigan	Tax base changes & decouple from accelerated depreciation.	01-09	-68.3
Minnesota	50 percent bonus depreciation with 80 percent add back and 5-year recovery.	05-09	3.9
	Federal conformity provisions.	04-09	-5.9
Missouri	Raised exemption level on corporate franchise tax from \$1 million of assets to \$10 million.	01-10	-14.6
New York	Expand the Low Income Housing Tax Credit Program.	04-09	-4.0
North Carolina	Income tax surcharge.	01-09	23.1
North Dakota	Rate reduction.		-5.0
Oregon	Rate change and corporate minimum increase.	01-09	45.1
Pennsylvania	Change in sales factor and net operating loss carryforward provisions.	01-09	-72.7
Puerto Rico	Special contribution (5 percent).		76.0
Rhode Island	Reduce rate to 7.5 percent from 9.0 percent.	01-10	-14.5
Tennessee	Family-Owned Non-Corporate Entities (FONCE) subject to F&E taxes.	07-09	25.8
West Virginia	ARRA Federal Taxable Income Definition Tax Update.		-10.6
Total Revenue Changes—Corporate Income Taxes			-\$202.2
ALCOHOLIC BEVERAGES			
New York	Increase Beer and Wine Tax Rate.	05-09	\$14.0
North Carolina	Increase Tax.	09-09	35.6
Puerto Rico	Increase tax.		11
Tennessee	Limited direct wine shipments permitted and subject to alcohol and sales taxes.	07-09	1.3
Vermont	Subject to 6 percent sales tax.		3.2
Total Revenue Changes—Alcoholic Beverages			\$54.1

TABLE A-11 (continued)

Enacted Revenue Changes by Type of Revenue, Fiscal 2010

<i>State</i>	<i>Tax Change Description</i>	<i>Effective Date</i>	<i>Fiscal 2010 Revenue Changes (\$ in Millions)</i>
CIGARETTE AND TOBACCO TAXES			
Arkansas	Increase in cigarette tax rate from 59 cents to \$1.15 per package of 20 cigarettes. Increase in tax rate for other tobacco products.	03-09	\$69.8
Connecticut	Increase Cigarette Tax from \$2 to \$3 per pack—\$94.9 million, as well as an increase in the Other Tobacco Products Tax from 20 percent to 27.5 percent of the wholesale price—\$1.6 million.	10-09	96.5
Delaware	45 cents per pack increase.	07-09	16.0
Florida	\$1 per pack surcharge.	07-09	36.3
Hawaii	Increases per-cigarette tax starting on effective date.	06-09	22.5
	Increases tobacco tax on tobacco products other than cigarettes.	05-09	1.2
Kentucky	Raised cigarette tax by 30 cents per pack and doubled tax on other tobacco products.		106.9
Maine	Change of tax methodology on smokeless tobacco.		1.6
Mississippi	Increase of \$0.24 per pack for manufacturers participating in the tobacco settlement with the State and \$0.43 for non-participating manufacturers.	07-09	79.8
New Hampshire	Increase of tobacco tax by \$.45 from \$1.33 to \$1.78	07-09	35.2
New York	Increased the tobacco products tax from 37 percent to 46 percent of the wholesale price.	04-09	10.0
	Increased cigarette and tobacco retail registration fees.	01-09	16.7
North Carolina	Increase tax.	09-09	33.2
Oregon	Increase for moist snuff.	07-09	1.5
	Increase Cigarette excise tax to \$3.46 while retaining minimum price markup.	04-09	27.5
Pennsylvania	25 cents per pack increase in the cigarette tax to \$1.60 per pack.	11-09	99.9
	Implement tax on little cigars (8 cents per small cigar or \$1.60 per pack of 20).	11-09	15.6
Puerto Rico	Increase Tax.		48.0
Texas	Changed the manner in which smokeless tobacco is taxed	9-09	67.0
Vermont	25 cents increase per pack.	07-09	5.9
Wisconsin	Increases cigarette tax rate by \$0.75 per pack. Convert the snuff tax to manufacturer's price and increase tax on other tobacco products from 50 percent to 71 percent of manufacturer's price.		165.0
Total Revenue Changes—Cigarette and Tobacco Taxes			\$908.1

TABLE A-11 (continued)

Enacted Revenue Changes by Type of Revenue, Fiscal 2010

State	Tax Change Description	Effective Date	Fiscal 2010 Revenue Changes (\$ in Millions)
MOTOR FUEL TAXES			
Alaska	Expiration of 1 yr Tax Suspension.	09-09	\$33.9
Maine	Amends Highway Fund gasoline and special fuel taxes.		6.0
New Hampshire	Insurance company and agents fee increase for motor vehicle records by \$4 for electronic and \$7 for all others from \$8 to \$12 and \$15 respectively.	07-09	2.4
Oregon	A \$0.06 gas tax increase, but it is not anticipated to generate any revenue in FY 2010.		0.0
Total Revenue Changes—Motor Fuel Taxes			\$42.3
OTHER			
Connecticut	Estate and Gift Tax: Tax now due within 6 months rather than 9 months—\$44.0 million. In addition, reduce estate and gift tax rates by 25 percent for a revenue loss of \$2.9 million as well as fix the estate tax cliff effective January 1, 2010 for a revenue loss of \$2.7 million. Repeal exemption for foreclosure transactions—\$8.5 million.	7/2009 and 1/2010	\$46.9
Delaware	Adds direct-to-home satellite services to the public utility tax base and increases tax rates on public utilities other than cable television.	07-09	7.1
	Reinstates Delaware's estate tax.	07-09	5.0
Florida	Real estate transfer taxes.	07-09	12.2
Hawaii	Increases conveyance tax on certain properties.	07-09	10.1
	Temporarily increases TAT (Transient Accommodation Tax).	07-09	28.8
Maryland	Reduced the Mined Coal Tax Credit for the Franchise Tax.	06-09	4.5
	Extends authority to operate electronic instant bingo machines and tax winnings.	06-09	7.0
	Certain inheritance tax exemptions relating to domestic partners.	06-09	-1.0
Minnesota	Tax Compliance.	07-09	13.8
	Modify Wisconsin tax reciprocity.	07-09	35.0
Nevada	Various tax changes.		257.3
New Hampshire	Increases in room and meals tax. A new tax on gambling winnings, an increase in the tax on transfer of real property, a change in Business Profits Tax Filing Threshold, and changes to Interest and Dividends Tax.	07-09	58.6
New Jersey	Insurance Premium Tax—one year increase to 5 percent for Surplus Lines Carriers.	01-09	22.0
	Mental Health Hospital County Share: increase from 12.5 percent to 15 percent.	01-10	4.8
New York	Increased the auto rental tax from 5 to 6 percent.	06-09	10.0
	Imposed a auto rental tax of 5 percent in the Metropolitan Commuter Transportation District.	06-09	36.0
	Imposed a tax of 50 cents per ride on taxicab rides in NY City.	12-09	85.0

TABLE A-11 (continued)

Enacted Revenue Changes by Type of Revenue, Fiscal 2010

<i>State</i>	<i>Tax Change Description</i>	<i>Effective Date</i>	<i>Fiscal 2010 Revenue Changes (\$ in Millions)</i>
OTHER (continued)			
North Carolina	IRC conformity.	01-09	-\$116.3
North Dakota	Credit against coal conversion taxes for qualifying facilities.		-3.7
	Reduction in gaming excise taxes.		-1.9
Oregon	Extend and restructure provider tax. None of this revenue goes to the General Fund.	10-09	177.0
Pennsylvania	Implementation of table games in licensed slot machine venues (final legislation not yet enacted at time of survey completion).	Unknown (not yet enacted at time of survey completion)	200.0
Puerto Rico	Property tax and credits moratorium.		296.0
Rhode Island	Increase Health Care Insurers Gross Premiums Rate to 2.00 percent.	01-09	3.8
	Eliminate Exemption from Gross Premium Tax for Medicaid Managed Care Plans.	07-09	9.8
	Eliminate Health Care Provider Assessment for Group Homes.	05-09	-11.1
	Increase Estate tax exemption amount to \$1.0 million.	01-10	-1.5
Tennessee	Health maintenance organization (HMO) tax increased from 2.2 percent to 5.5 percent. Privilege tax applied to professional athletes (\$1.0 million).	07-09	137.6
Texas	Reduced taxes on approximately 40,000 small businesses by increasing the ceiling for which revenue is exempt from taxation.	1-10	-85.0
South Dakota	Additional Gaming tax of 1 percent on Deadwood casinos.	07-09	1.0
Vermont	Motor fuel transportation infrastructure assessment.	07-09	15.0
Total Revenue Changes—Other Taxes			\$967.8
FEES			
Arkansas	Increase in permit fees for alcoholic beverages and related activities.	2010-2011 renewal and permit period	\$1.5
California	0.5 percent increase in Vehicle License Fee rate.		1,657.0
Colorado	Allowance for the Division of Insurance to increase fees (included in SB 09-259).	05-09	2.5
	New hospital provider fee created to be used for expanding coverage of medical benefits to low-income families (HB 09-1293).	04-09	336.4
	Fee increase on licensing and registration for vehicles to create a dedicated revenue source for transportation infrastructure (SB 09-208).	03-09	200.0
Connecticut	Increase various fees.	10-09	61.0
Georgia	Super Speeder Fine.		23.0
Florida	Various highway safety and court related fees.	Various	621.6
Iowa	Increase of various judicial fees.	05-09	16.7
Maine	Inland Fisheries & Wildlife license fee increases.		1.3

TABLE A-11 (continued)

Enacted Revenue Changes by Type of Revenue, Fiscal 2010

State	Tax Change Description	Effective Date	Fiscal 2010 Revenue Changes (\$ in Millions)
FEES (continued)			
Minnesota	Health Department—Vital Records Technology Improvement Fee. Extends the current \$2 surcharge on all vital records to ensure system upgrades scheduled to be implemented in 2010 continue, and future costs are recovered.	07-09	\$1.2
	Human Services Dept—Increase and restructure State Operated Services collections.	07-09	12.1
	Dept of Natural Resources—mining permits.	07-09	1.2
	Agriculture Dept.—Increase pesticide fees.	07-09	2.6
	Pollution Control Agency—sewage treatment system professionals training and certification fee increase.	07-09	1.2
	Dept of Employment & Economic Development—workforce development fee.	07-09	6.5
	Dept of Public Safety—parking surcharge increase.	07-09	3.0
	Dept of Public Safety—court fee increases.	07-09	11.7
	Dept of Public Safety—criminal and traffic offenders surcharge increase.	07-09	2.6
	Supreme Court—attorney license fee increase.	07-09	1.0
	Enterprise Technology Office—surcharge for electronic licensing system.	07-09	5.8
Nevada			39.1
New Hampshire	Increases to the administrative fees for the Dept. of Environmental Services Revolving loan fund. Increases to Judicial Branch penalty assessments for fines which dedicates a percentage of the increase to Information Technology. An increase in boat registration fees based on length, an increase in the fees charged for motor vehicle vanity license plates, and an increase in the fees charged for motor vehicle registrations.	All fees effective 7/2009 except Boat Fee increase effective 9/2009	54.3
New Jersey	Motor Vehicle fee increase.	01-09	20.0
New York	Increased most registration fees by 25 percent.	09-09	103.7
	Increased license fees by 25 percent.	09-09	37.6
	Imposed a supplemental fee of \$25 on most registrations in the Metropolitan Commuter Transportation District.	09-09	181.6
	Imposed a supplemental fee of \$25 on licenses in the Metropolitan Commuter Transportation District.	09-09	26.7
	Increased the cost of a license plate from \$15 to \$25.	04-10	129.0
	Increase Various Agriculture and Markets Fees.	04-09	3.3
	Increase Nuclear Power Plant Fee.	04-09	2.7
	Increase License Termination Fees.	04-09	13.4
	Increase Various ENCON Fees.	04-09	33.0
	Increase Certificate of Need Fees.	04-09	4.0
	Increase Hospital Surcharges.	04-09	126.0
	Increase Covered Lives Assessments.	04-09	240.0

TABLE A-11 (continued)

Enacted Revenue Changes by Type of Revenue, Fiscal 2010

<i>State</i>	<i>Tax Change Description</i>	<i>Effective Date</i>	<i>Fiscal 2010 Revenue Changes (\$ in Millions)</i>
FEES (continued)			
New York (cont'd)	Increase Insurance Assessment for Public Health Programs.	04-09	\$399.5
	Increase Various Department of Labor Fees.	04-09	8.2
	Increase Real Property Transfer Fee.	04-09	14.3
	Increase Administrative Parks Fees.	04-09	6.5
	Increase Utility Assessment.	04-09	557.0
	Establish Horse Entrance Fee.	04-09	1.0
	Increase Surcharge on Auto Insurance.	04-09	48.4
	Establish Bad Check Fee.	04-09	1.5
	Establish Tax Preparer Fee.	04-09	4.0
North Carolina	Increase General Government, Justice & Public Safety, and Health Services Regulation fees.	Various effective dates	55.8
Oregon	Various registration, title, and permit fees for vehicles. None of revenue goes to General Fund.	Various	81.7
Rhode Island	Increase Hospital License Fee to 5.237 percent on 2008 Base Year.	07-09	17.4
	DBR Professional License Fees Increased by 20 percent.	07-09	1.6
	Motor Vehicle Fee Increases: Reinstatement Fee for DUI MV Operator's License from \$75 to \$350; Reinstatement Fee for All Other MV Operator's License from \$75 to \$150; MV Certificate of Title Fee from \$25 to \$50.	04-09	6.9
	Add \$100 Fee for Expungement of criminal records.	06-09	1.2
South Dakota	Increases in licensing, registration and inspection fees in Dept. of Health; Increases in parole supervision fees in Dept. of Corrections; Increases in coin laundry fees, alcohol brand registration fees and alcohol licensing fees in the Dept. of Revenue; Increases in business registration and licensing fees within the Secretary of State. Increases in licensing and permit fees within the Dept. of Agriculture. Increases in park related fees within the Dept. of Game Fish and Parks. Increases in license and registration fees within the Dept. of Environment and Natural Resources.	07-09	4.6
Utah	Fee Increases for: Notary License and Apostille, Court Civil filing, Franchise License, Commercial, Real Estate, and Securities Code Enforcement, Motor Vehicle Registration, Motor Vehicle Transaction, Temporary Motor Vehicle Permit.	07-09	79.0
Vermont	Various Fees.	07-09	0.7
Total Revenue Changes—Fees			\$5,273.6

SOURCE: National Association of State Budget Officers.

NOTES TO TABLE A-11

Colorado	Colorado cannot raise taxes without voter approval. These revenue measures were passed by the General Assembly. A March 17, 2009 Colorado Supreme Court decision on Mesa County Board of County Commissioners vs. State of Colorado found that the elimination of a tax exemption did not constitute a "tax increase" under Article 10, Section 20 of the Colorado Constitution. Therefore, these revenue measures do not constitute a tax increase.
Nebraska	A number of legislative bills were adopted and signed by the Governor which reduced the tax burden on Nebraska citizens and businesses. However, all were small in scope relative to the total state budget and only the item listed involved more than \$1 million in revenue.
Wisconsin	State Tax and Fee Modifications Included in 2009 Act 28, LFB, July 8, 2009

TABLE A-12

Enacted Revenue Measures, Fiscal 2010

<i>State</i>	<i>Description</i>	<i>Effective Date</i>	<i>Fiscal 2010 Recommended Changes (\$in Millions)</i>
California	Sales – Compliance: Non-retailer use tax registration	07-09	\$ 26.0
	Personal Income – Acceleration: (1) Estimated Payments. (2) Increase withholding rate. Compliance: Backup withholding	November 2009 & January 2010	1,982.0
	Corporate Income – Acceleration (Estimated Payments)	01-10	360.0
Colorado	Sales – Eliminate portion of State sales tax vendors retained for administrative costs associated with collection process (SB 09-212 & SB 09-275).	07-09	68.2
	Sales – Increases penalties associated with vendors that are tardy or misrepresent the amount owed in State sales taxes (HB 09-1101).	03-09	1.2
	Personal Income – Revises Colorado tax policy on capital gains (HB 09-1366).	01-10	7.1
	Personal Income – Revises Colorado tax policy on fuel efficient vehicle tax credits (HB 09-1331).	06-09	1.8
	Corporate Income – Tax credit for corporations that create at least 20 new jobs in Colorado that are paid at 110 percent above the regional average wage level (HB 09-1001)	08-09	-2.9
	Corporate Income – Reduces the amount of interest the State will pay for corporate tax filings that are in excess of final tax liability (HB 09-1219).	03-09	2.3
	Cigarette – Eliminate state cigarette sales tax exemption – was \$0.84 per pack (HB 09-1342).	07-09	31.0
Connecticut	Sales – Department of Revenue Services Settlement of Outstanding Taxes	09-09	33.5
	Personal Income – Department of Revenue Services Settlement of Outstanding Taxes	09-09	22.5
	Corporate Income – Department of Revenue Services Settlement of Outstanding Taxes	09-09	19.0
Delaware	Other – Increase state share of Lottery and establish sports betting.	Enactment	55.0
	Other – Tax Amnesty		10.0
Florida	Sales – Additional auditors	07-09	4.4
	Other – Trust fund redirects	07-09	155.1
Hawaii	Sales – Changes the filing deadlines for GET.	07-09	40.0
Idaho	Personal – Income tax, internal revenue code, estate and trust change and IRC conformity	07-09	-11.4
	Corporate – Internal Revenue code change	07-09	-3.1
	Cigarette – Bond levy equalization reduce tax distribution; one-time adjustment	07-09	2.6
Indiana	Fees – Change in Quality Assessment Fee distribution for FY 2009-2011 due to ARRA	10-08	19.7

TABLE A-12 (continued)

Enacted Revenue Measures, Fiscal 2010

<i>State</i>	<i>Description</i>	<i>Effective Date</i>	<i>Fiscal 2010 Recommended Changes (\$in Millions)</i>
Kansas	Sales – Settlement authority of back taxes	07-09	\$2.0
	Sales – Reducing the sales and use tax statute of limitations from three years to one.	07-09	13.7
	Personal Income – Settlement authority of back taxes	07-09	2.0
	Personal Income – Increase in state minimum wage	07-09	2.5
	Personal Income – 10 percent cut to tax credits	07-09	4.0
	Personal Income – Change tax credit statute of limitations.	07-09	2.0
	Corporate Income – Settlement authority of back taxes	07-09	30.0
	Corporate Income – 10 percent cut to tax credits	07-09	5.2
	Corporate Income – Suspend film production tax credit.	07-09	1.0
	Corporate income – Change tax credit statute of limitations.	07-09	2.0
Maine	Other – Settlement authority of back taxes	07-09	1.0
	Sales – Tax enforcement initiatives		5.3
	Personal Income – Mostly tax enforcement initiatives		23.4
	Corporate Income – Adjusts certain tax calculation methods.		10.1
	Alcohol – Expand Agency Liquor Stores.		1.0
Maryland	Other – Changes to Tax Reimbursement Programs		35.4
	Sales – Diverts a portion of revenue from the Chesapeake Bay 2010 Fund to the General Fund.	06-09	13.1
	Personal Income – Provides for an amnesty period to encourage payment of taxes owed.	06-09	1.2
	Motor Fuels – Diverts a portion of revenue from the Chesapeake Bay 2010 Fund to the General Fund.	06-09	8.4
	Fees – Adjusts commission level for lottery sales agents from 5.5 percent to 5.0 percent of ticket sales.	06-09	8.6
Minnesota	Fees – Dept of Labor & Industry – Move to a biennial licensure and registration process and stagger the renewal cycles to save agency operating costs.	07-09	2.7
Nevada	Other – Redirection of existing taxes to the state general fund	07-09	86.4
	Fees		7.1
New Jersey	Corporate Business – Extend 4 percent surcharge that was to expire.	01-09	80.0
	Other – Audit and Enforcement Collections	07-09	40.0

TABLE A-12 (continued)

Enacted Revenue Measures, Fiscal 2010

<i>State</i>	<i>Description</i>	<i>Effective Date</i>	<i>Fiscal 2010 Recommended Changes (\$in Millions)</i>
New York	Sales – Initiated a tax compliance program.	04-09	\$34.2
	Personal Income – Enacted reciprocal vendor offset fee with the Feds and other states to collect delinquent tax debts.	04-09	2.5
	Personal Income – Reformed Empire Zones program.	04-09	28.0
	Corporate Income – Change filing requirement for overcapitalized captive insurance companies.	01-09	31.0
	Corporate Income – Impose Insurance Premiums Tax for -Profit HMOs.	01-09	131.0
	Corporate Income – Reform the Empire Zones Program.	01-08	39.0
	Corporate Income – Increase Prepayment to 40 percent.	01-10	333.0
	Corporate Income – Underutilized Tax Credits	01-09	2.0
	Fees – Remove Cap on DMV Surcharges.	04-09	6.0
	Fees – Reinststitute Hospital Assessment.	04-09	124.3
	Fees – Reinststitute Home Care Assessment.	04-09	14.2
	Fees – Extend the Covered Lives Assessment.	04-09	5.0
Ohio	Sales – Extend sales and use tax to include managed care plan to replace expiration of a fee on those plans.		138.0
	Personal Income – Tax credit on film production, exempt certain unemployment benefits		-70.0
	Other – Extend insurance tax to replace managed care fee expiration.		25.0
	Fees – Increase multiple fees to non-GRF to offset reduced tax revenue.		53.0
Oklahoma	Sales – \$0.2 million Internet Tax Initiative; \$0.2 million 3rd party placement of delinquent accounts action	11-1-09; 7-1-09	0.4
	Personal – \$5.3 million Internet Tax Initiative; \$8.6 million 3rd party placement of delinquent accounts; \$23.1 million Employer Withholding Modification	11-1-09; 7-1-09; 11-1-09	37.0
	Corporate – Increased Quality Jobs Incentives.	01-09	-0.3
	Other – Motor Vehicle Tax – Increased penalty for late registration.	07-09	16.4
	Fees – CompSource Market Equalization	01-10	5.3
Pennsylvania	Personal Income – Standardization with federal withholding requirements will provide a one-time revenue increase.	07-09	159.1
	Cigarette – Eliminate transfer of 25 cents per pack of the cigarette tax to the Health Care Provider Retention Account.	07-09	170.9
	Other – Implementation of a tax amnesty program; various taxes will be impacted.	07-09	190.0
	Other – Reduction in various tax credits awarded	07-09	38.3
	Other – Shift 2 percent of slot machine gross terminal revenue from Race Horse Development Fund to General Fund (final legislation not yet enacted at time of survey completion).	07-09	38.9
	Other – Suspend the phase-out of the Capital Stock and Franchise Tax.	01-09	373.9

TABLE A-12 (continued)

Enacted Revenue Measures, Fiscal 2010

<i>State</i>	<i>Description</i>	<i>Effective Date</i>	<i>Fiscal 2010 Recommended Changes (\$in Millions)</i>
Pennsylvania (cont'd)	Other – Transfer from Rainy Day Fund to the General Fund	10-09	755.0
	Other – Transfer from Health Care Provider Retention Account to the General Fund	10-09	\$708.0
	Other – Transfer from Oil & Gas Lease Fund to the General Fund	10-09	203.0
	Other – Transfer from Tobacco Settlement Endowment Account to the General Fund	10-09	150.0
	Other – Transfer from Medical Care Availability and Reduction of Error Fund to the General Fund	10-09	100.0
	Other – Transfers from various other special funds to the General Fund	10-09	90.5
	Other – Transfer of special fund moving violation surcharges to the General Fund	07-09	44.0
Rhode Island	Motor Fuel – Transfer of \$0.01 general revenue share of \$0.30 Gas Tax to Department of Transportation	07-09	-4.4
	Other – Reduce Nursing Home Tax Revenue due to Medicaid Reductions in Long-Term Care.	07-09	-1.6
	Other – Extend gaming operations to 24/3 at Twin River and Newport Grand Casinos.	07-09	7.6
	Other – Extend gaming operations to 24/7 at Twin River Casino.	07-09	3.1
	Fees – Reinstated Hospital Licensing Fee.	06-09	111.4
South Dakota	Cigarette – Prior to FY 2010, some cigarette revenue was appropriated through other fund expenditure authority. For FY 2010, this revenue has been directed to the state general fund.		8.3
Utah	Corporate Income – Sole proprietors pay less	01-09	-8.0
Vermont	Sales – Sales tax holiday for items for personal use	8/22/2009 & 3/6/2010	-1.8
	Other – Estate tax exclusion remains at \$2 million.	01-09	3.0
Virginia	Sales – Tax remittance program	06-10	97.8
	Sales – Tax Amnesty	10-09	9.5
	Personal Income – Tax Amnesty	10-09	19.0
	Personal Income – Cap Land Preservation Tax Credit \$50 million reduction to refunds	01-10	50.0
	Corporate Income – Captive REIT	01-09	5.0
	Other – Interest from Tax Amnesty	10-09	9.5
Washington	Other – Hiring of additional revenue auditors to collect unpaid taxes.	07-09	16.0

TABLE A-12 (continued)

Enacted Revenue Measures, Fiscal 2010

<i>State</i>	<i>Description</i>	<i>Effective Date</i>	<i>Fiscal 2010 Recommended Changes (\$in Millions)</i>
Wisconsin	Sales – Delay sales tax exemption for alternative energy; Expand definition of nexus for sales and use tax purposes.		\$2.8
	Personal Income – Adopt the IRC change in the federal Worker, Retiree and Employer Recovery Act that waives the minimum distribution amount for federal tax-deferred retirement accounts for calendar year 2009; Extend the requirement for pass-through entities to make quarterly estimated withholding tax payments to include payments for nonresident individuals.		20.4
	Corporate Income – Eliminate IRC references that provide a deduction for domestic production activities income; Modify throwback sales apportionment formula; Modify the combined group tax credit sharing regarding research credit.		68.8
	Other – Postpone the phase-in of the deductions for certain health insurance premiums and certain medical care insurance premiums; Delay the initial applicability of the deduction for certain child and dependent care expenses, electronic medical records credit and community rehabilitation program tax credit.		40.9
	Fees – Impose a \$1,000 limit on the amount a retailer may deduct under the retailer's discount for filing a sale and use tax return with DOR.		5.2
Total			\$7,651.2

SOURCE: National Association of State Budget Officers.

NOTES TO TABLE A-12

New Jersey The following legislation enacted in 2008-2009 had a negative effect on state revenues. In each case, that impact was thought to exceed \$1 million, however no firm estimate was determined. Net operating loss provision on the Corporation Business Tax (CBT) was extended from 7 to 20 years. The throw out of receipts in determining taxable net income under the CBT was eliminated. The requirement to maintain a regular place of business outside of New Jersey in order to apportion taxable income subject to the CBT was rescinded. The pre-selling corporation lifetime cap of \$10 million was raised to \$15 million for the High Technology Unused Tax Benefit Tax Transfer Program.

TABLE A-13

Total Balances and Balances as a Percentage of Expenditures, Fiscal 2008 to Fiscal 2010*

Region/State	Total Balance (\$ in Millions)**			Balances as a Percent of Expenditures		
	Fiscal 2008	Fiscal 2009	Fiscal 2010	Fiscal 2008	Fiscal 2009	Fiscal 2010
NEW ENGLAND						
Connecticut	\$ 1,481	\$ 1,382	\$ 343	9.1%	8.2%	2.0%
Maine	131	52	11	4.2%	1.7%	0.4%
Massachusetts	2,226	835	699	6.7%	2.6%	2.2%
New Hampshire	106	20	22	6.9%	1.3%	1.4%
Rhode Island	62	19	60	1.8%	0.6%	2.0%
Vermont	58	60	57	4.8%	5.2%	5.2%
MID-ATLANTIC						
Delaware	526	379	327	15.4%	11.5%	10.1%
Maryland	1,172	779	418	8.1%	5.4%	3.1%
New Jersey	1,303	734	501	3.9%	2.5%	1.8%
New York	2,754	1,948	1,378	5.2%	3.6%	2.5%
Pennsylvania	583	-2,030	354	2.2%	-7.5%	1.4%
GREAT LAKES						
Illinois	417	\$555	555	1.5%	1.9%	2.2%
Indiana	1,413	1,329	1,337	11.1%	10.2%	10.4%
Michigan	460	213	178	4.7%	2.5%	2.2%
Ohio	2,694	735	174	10.2%	2.7%	0.7%
Wisconsin	131	90	470	1.0%	0.7%	3.5%
PLAINS						
Iowa	641	519	608	10.9%	8.7%	10.5%
Kansas	527	73	-5	8.6%	1.2%	-0.1%
Minnesota	1,920	538	338	11.3%	3.2%	2.2%
Missouri	1,115	530	301	13.8%	6.3%	3.8%
Nebraska	1,130	1,002	621	34.8%	30.1%	18.4%
North Dakota	653	687	660	54.2%	55.5%	41.5%
South Dakota	107	107	107	9.1%	9.3%	9.4%
SOUTHEAST						
Alabama	467	50	0	5.4%	0.7%	0.0%
Arkansas	0	0	0	0.0%	0.0%	0.0%
Florida	1,666	575	941	6.0%	2.4%	4.4%
Georgia	2,217	2,183	2,183	11.4%	12.5%	12.7%
Kentucky	300	47	0	3.2%	0.5%	0.0%
Louisiana	1,641	776	2	17.0%	9.1	0.0%
Mississippi	401	341	250	7.8%	6.6%	5.1%
North Carolina	1,386	242	154	6.8%	1.2%	0.8%
South Carolina	324	121	94	4.5%	2.1%	1.6%
Tennessee	1,098	587	532	10.0%	5.4%	5.3%
Virginia	1,328	714	634	7.7%	4.5%	4.0%
West Virginia	1,132	953	984	30.1%	24.0%	25.8%
SOUTHWEST						
Arizona	220	-499	-583	2.2%	-5.7%	-6.7%
New Mexico	735	481	-4	12.2%	8.0%	-0.1%
Oklahoma	886	630	229	13.7%	9.6%	3.9%
Texas	11,389	8,873	10,937	28.7%	20.8%	30.3%
ROCKY MOUNTAIN						
Colorado	327	148	136	4.4%	2.0%	2.0%
Idaho	380	50	119	13.6%	1.8%	4.7%
Montana	434	392	306	21.0%	21.1%	16.5%
Utah	414	419	449	7.2%	8.7%	10.0%
Wyoming	306	301	279	16.9%	16.4%	15.2%
FAR WEST						
Alaska	5,601	6,551	6,902	102.5%	127.1%	159.2%
California	2,376	-3,379	1,579	2.3%	-3.7%	1.9%
Hawaii	404	23	82	7.5%	0.4%	1.8%
Nevada	388	214	168	11.3%	6.0%	5.2%
Oregon	627	349	-219	9.0%	6.0%	-3.2%
Washington	1,093	218	269	7.5%	1.5%	1.8%
TERRITORIES						
Puerto Rico	-684	-723	0	-7.5%	-7.6%	0.0%
Total**	\$59,148	\$31,989	\$35,936	8.6%	4.8%	5.7%

NOTES: NA indicates data not available. *Fiscal 2008 are actual figures, fiscal 2009 are preliminary actual figures, and fiscal 2010 are appropriated figures. **Total balances include both the ending balance and balances in budget stabilization funds.

SOURCE: National Association of State Budget Officers.

