FISCAL SURVEY

of the

STATES

April 1991

NATIONAL GOVERNORS' ASSOCIATION · NATIONAL ASSOCIATION OF STATE BUDGET OFFICERS

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by

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Preface

The *Fiscal Survey of the States* is published twice annually by the National Association of State Budget Officers (NASBO) and the National Governors' Association (NGA). The series was started in 1977. The survey presents aggregate and individual data on the states' general fund receipts, expenditures, and balances. While not the totality of state spending, these funds are used to finance most broad-based state services and are the most important elements in determining the fiscal health of the states. A separate survey that includes total state spending also is conducted annually.

The field survey on which this report is based was conducted by the National Association of State Budget Officers in January, February, and March 1991. The surveys were completed by Governors' state budget officers in the fifty states. Due to gubernatorial elections, Alabama and Rhode Island have not yet submitted 1992 budget proposals.

Fiscal 1990 data represent actual figures, fiscal 1991 figures are estimates, and fiscal 1992 data are figures contained in proposed 1992 budgets. In forty-six states, fiscal 1991 will close on June 30, 1991. New York's fiscal year ended March 31, 1991. Texas' fiscal year will end on August 31, 1991, and Alabama and Michigan will close their fiscal years on September 30, 1991.

The *Fiscal Survey of the States* is a cooperative effort of the National Association of State Budget Officers and the National Governors' Association. Marcia Howard of the National Association of State Budget Officers compiled data for the report and prepared the text. Laura Shaw produced the report.

Executive Summary

In September 1990 the *Fiscal Survey of the States* warned that "state fiscal conditions for 1991 are based on budgets that assume slow, but positive, growth. They do not anticipate a recession. If a recession were to occur, states would be in substantially worse condition than the data in this report indicate."

A recession did occur and, consequently, state fiscal conditions in 1991 are the worst in nearly a decade. The most important single indicator of state fiscal health--total balances--has fallen to a level of $5.9 billion, or just 2.0 percent of expenditures. Excluding a large surplus in Alaska, balances are estimated at just 1.5 percent of expenditures. The last time balances were this low was in 1983 when they also dropped to 1.5 percent of expenditures.

States entered this recession in a much weaker position than they entered the recession of the early 1980s. While the underlying economy was worse in the earlier recession, state budgets are faring worse now. As a result, a prolonged recession could batter state budgets very badly. Based on state estimates, ending balances contained in Governors' proposed 1992 budgets will total $6.1 billion. If the recession persists, even this modest improvement will be almost impossible to achieve.

The recession has blurred, but not eliminated, strong regional differences in state fiscal health. The eastern United States is in worse condition than the western United States and northeastern states continue to face the most severe budget crises. While almost every state in the Northeast has faced large budget shortfalls this year, few states west of the Mississippi River have reported significant budget problems.

Even without a recession state fiscal conditions would be weak. Some argue that state tax systems cannot generate sufficient revenues to support current programs. Medicaid, which grew by more than 18 percent in fiscal 1990, is consuming more resources than current state tax levels can provide. This causes one of two things to happen: other programs must be scaled back to pay for increased Medicaid spending or taxes must be increased. In many states both options are being pursued.

Thirty-seven states will spend more on Medicaid than they originally budgeted for fiscal 1991. Until this program is brought under control, state budgets are likely to remain in severe distress and Governors will be forced to scale back or abandon other program initiatives.

Other major findings of this survey include:

- Reflecting the extreme difficulties states face, twenty-nine states have reduced fiscal 1991 budgets by $8 billion.

- Proposed state revenue increases for fiscal 1992 total $6.6 billion. If the recession persists, this amount is likely to grow as states exhaust other balancing options.

- Governors' fiscal 1992 budgets contain growth of just 4.8 percent. This is the lowest rate of growth since 1983 and represents a reduction of services in many states.

- Federal increases in cigarette, alcohol, and gasoline taxes have reduced state tax activity in these areas. The number of states proposing increases in these taxes has declined dramatically since the federal increases were enacted.

I. State Expenditure Developments

Overview

State budgets were projected to grow by 6.5 percent in fiscal 1991. As the year progressed and the nation experienced a recession, state fiscal conditions deteriorated even further and spending was scaled back to avoid deficits. As a result, state spending for fiscal 1991 in now estimated at 5.2 percent, the lowest rate of growth since 1983. Summaries of state spending for fiscal 1990, 1991, and 1992 are contained in Appendix Tables A-1, A-2, and A-3.

Table 1 shows the volatility of state spending over the last fourteen years. The growth in fiscal 1992 budgets--estimated at just 4.8 percent--represents the second lowest level of growth since these data have been collected. The only year with lower growth was 1983, when a severe and prolonged recession drained state resources and spending was actually reduced from the prior year's level. While the current recession has been less severe, state budgets have been hit harder and spending growth has been reduced only months into the downturn.

Table 1
STATE NOMINAL AND REAL ANNUAL BUDGET INCREASES, FISCAL 1979 TO FISCAL 1992

	State General Fund	
Fiscal Year	*Nominal Increase*	*Real Increase*
1992	4.8% (est.)	0.3% (est.)
1991	5.2 (est.)	0.3 (est.)
1990	6.4	1.7
1989	8.7	3.5
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
1979-92 average	**7.7%**	**1.6%**

NOTE: The state and local government implicit price deflator was used for state expenditures in determining real changes.

SOURCE: National Association of State Budget Officers

While no states enacted budgets in 1989 that were lower than the previous year, three did so in 1990, seven did so in 1991, and eight are expected to do so in 1992. This reflects the general weakening in state fiscal conditions over the last two years and the pessimistic outlook for fiscal 1992. Whereas sixteen states had more than 10 percent budget growth in fiscal 1990, Table 2 shows that eleven exceeded 10 percent growth in fiscal 1991 and only seven are expected to exceed in it fiscal 1992.

Table 2
ANNUAL STATE GENERAL FUND EXPENDITURE INCREASES, FISCAL 1991 AND FISCAL 1992

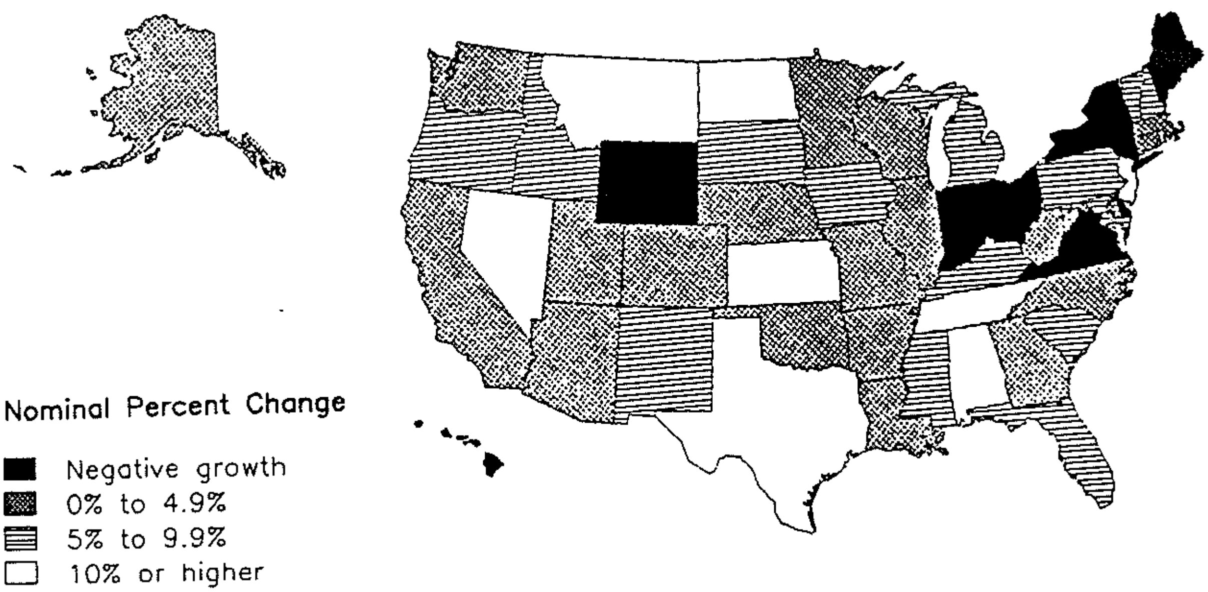
	Number of States	
Spending Growth (percentage)	*Fiscal 1991 (Estimated)*	*Fiscal 1992 (Proposed)**
Negative Growth	7	8
0.0% to 4.9%	15	19
5.0% to 9.9%	17	14
10% or Higher	11	7
Average Growth Rate	5.2%	4.8%

NOTE: Data for Alabama and Rhode Island are not available.

SOURCE: National Association of State Budget Officers

Regional variations in spending growth are beginning to blur, as more states are affected by the slow national economy. Figure 1 shows that no region exhibits remarkably strong growth or steep declines. The majority of states fall into the mid-range of budget growth, with increases near the national average of 4.8 percent.

Figure 1
NOMINAL EXPENDITURE GROWTH IN FISCAL 1992 STATE BUDGETS*



*Data for Alabama and Rhode Island are not available.

SOURCE: National Association of State Budget Officers

Budget Management

States generally strive for balanced budgets and, for the most part, achieve them through spending cuts or revenue increases when those become necessary. In fiscal 1991, states have had to take dramatic action to balance their budgets in order to avoid ending the year with a deficit.

Table 3 lists the states that have reduced their fiscal 1991 budgets and the size of these reductions. In total, budget cuts that have been proposed or enacted amount to more than $8 billion. This amount is alarming because it exceeds the amount of tax and revenue increases proposed in Governors' 1992 budgets, confirming that budget cutting is playing a very important part in balancing state budgets.

Frequently, certain programs will be exempted from cuts. Table 3 also identifies programs that have been exempted this year. These exemptions reflect both legal considerations and Governors' priorities. For example, debt service on bonds is exempted in some states because repayment represents a contractual arrangement. Medicaid is often exempted because it is an entitlement

Table 3
BUDGET CUTS MADE AFTER THE FISCAL 1991 BUDGET PASSED*

State	*Size of Cut (millions)*	*Programs or Expenditures Exempted from Cuts*
Alabama	$90.7	Debt service
Arizona	108.0	K-12 education
California	500.0	Debt services, Proposition 98 (K-14 education), constitutional expenditures
Colorado	43.0	K-12 education (partial and if revenues improve)
Connecticut	56.0	Direct care programs
Delaware	43.9	Federal and state mandated programs
Florida	749.9	Cuts are targeted to less sensitive areas
Georgia	359.0	Law enforcement, prisons, mental health
Illinois	53.9	K-12 education, income assistance, medical benefits for the needy
Indiana	91.9	Reductions are targeted
Iowa	47.5	K-12 education, local aid, entitlements
Maine	160.0	Debt service
Maryland	179.8	Prisons, Medicaid, human resources
Massachusetts	850.0	No generic program areas are exempt
Michigan	750.0	K-12 education, higher education, revenue sharing
Minnesota	197.0	No exemptions
Mississippi	105.0	Medicaid
Missouri	136.9	K-12 education, AFDC, adult basic education, entitlements, certain mental health programs, student financial aid
New Hampshire	50.0	Direct aid to local government, federal programs
New Jersey	600.0	Direct care programs (e.g., human services institutions, corrections,Medicaid)
New York	816.0	Debt service, pledged revenues associated with bond issues
North Carolina	222.2	No exemptions
Ohio	220.6	Human services, education, corrections, revenue-generating programs
Pennsylvania	358.0	No exemptions
Rhode Island	144.3	Core safety net programs such as cash assistance
South Carolina	132.6	Reductions are targeted
Tennessee	201.0	K-12 education, Medicaid
Vermont	40.0	Entitlement programs, education, property tax relief
Virginia	731.2	Aid to individuals, debt service
Total	$8,038.4	

* Includes cuts recommended but not yet implemented.
SOURCE: National Association of State Budget Officers

program with federal regulations attached to it. In other states, programs like education may be a high priority and therefore not subject to reduction.

What particular actions are states taking to balance to their budgets? Appendix Table A-9 lists strategies states have implemented or are considering. Only five states plan to close their fiscal 1991 budget gaps through tax increases. The most widely used strategies are targeted reductions (24 states), hiring freezes (22 states), and travel freezes (19 states). In and of themselves, freezes do not generate large savings and are seldom the sole options implemented in a cutback environment.

Targeting reductions to specific programs and agencies allows the Governor to protect programs that he or she deems to be of relatively high priority. In general, targeted reductions take slightly longer to implement since they reflect judgments of the relative worth of programs and therefore may require additional analysis.

Other strategies that states are pursuing include:

- **Across-the-board cuts**. These impose a fixed percentage cut on all state agencies.
- **Layoffs and furloughs**. These involve removing personnel from the state workforce (layoffs) or having state employees take a specified number of days off without pay (furloughs). In New York, employees will work five days without pay in fiscal 1991, with the understanding that they will receive full compensation when they leave state employment.
- **Revenue or tax increases**. These can range from raising fees for services, such as vehicle registration or use of state parks, to increasing taxes.
- **Delay spending**. This can include postponing projects until the next fiscal year or delaying payments to vendors or local governments.
- **Borrowing/bonding**. This can mean two things. Either the state will begin to sell bonds to finance capital spending that is currently funded by general funds or the state will sell bonds to finance its operating deficit.
- **Rainy day funds**. These funds, also known as budget stabilization funds, are established when state revenues are strong to provide a cushion when revenues are weak. States that hold balances in such funds may decide to tap those balances.
- **Reduce/delay pension contributions**. Some states have changed the assumptions for earnings in their state pension funds. This allows them to make smaller state contributions based on the assumption that the rate of earnings of the fund will be higher than previously assumed. Delaying pension contributions is a specific example of deferred spending.

Other Expenditure Issues

Aid to Families with Dependent Children. This survey has followed cost-of-living increases for Aid to Families with Dependent Children (AFDC) for the last few years. The decline in state fiscal condition is reflected in the small number of states proposing increases for fiscal 1992. Whereas twenty-four states increased benefits in fiscal 1991 and twenty-nine increased them in fiscal 1990, this year only twelve Governors have proposed increases. The states where increases have been proposed and the size of the proposed increases are listed on Table 4.

Employee Compensation Increases. More than in previous years, bargaining agreements between states and their employees are still under discussion or being renegotiated. In many states, no pay increases have been recommended for state employees. Appendix Table A-8 lists proposed increases in employee compensation for fiscal 1992.

Table 4
PROPOSED COST-OF-LIVING INCREASES FOR AID TO FAMILIES WITH DEPENDENT CHILDREN, FISCAL 1992

State	*Proposed 1992*	*State*	*Proposed 1992*
Alaska	12.9%	Ohio	1.4%
Arizona	14.0	Oregon	1.6
Hawaii	1.0	South Dakota	5.0
Kansas	7.9	Tennessee	3.8
Nevada*	12.7	Utah	3.0
North Dakota	5.0	Washington	4.4

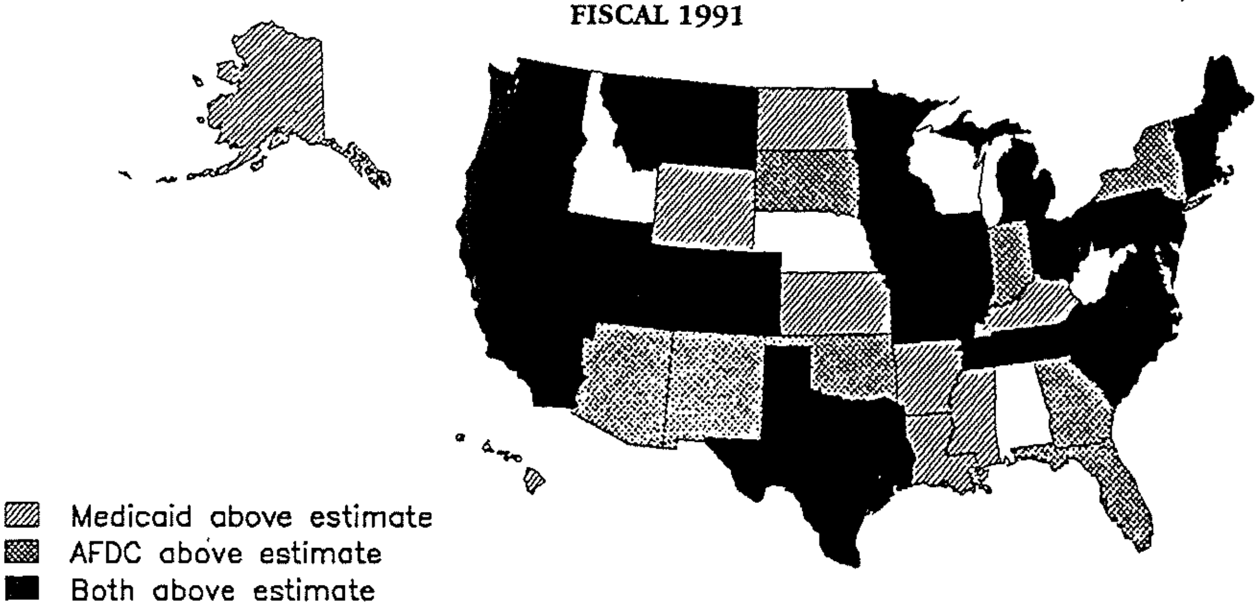
NOTES: Nevada increased its payment from $330 to $370 for those not in public housing.

SOURCE: National Association of State Budget Officers

Aid to Local Government. One of the first cuts states are assumed to make when their budgets are out of balance is aid to local governments. Since this is one of the few spending areas that is largely discretionary, it is often the first to reflect the effects of a weakening state economy. Table 5 reveals the extent to which Governors' are still proposing programs to assist local governments. In a few cases an increase in state aid accompanies an increase in local responsibilities.

Medicaid and AFDC Spending. Although relatively few states are considering increases in AFDC payment levels, states continue to feel the stress of caseload increases and expenditure growth in both AFDC and Medicaid. Figure 2 identifies states that will spend more on AFDC or Medicaid than was originally budgeted for fiscal 1991. Forty-five states will spend more on one or both of the two programs than was originally budgeted and twenty-eight states will exceed their original spending estimates for both programs. Since these programs often are exempted from budget cuts, their high rate of spending growth forces even larger cuts in programs that are not exempted.

Figure 2
MEDICAID AND AFDC SPENDING COMPARED WITH ORIGINAL ESTIMATES, FISCAL 1991



SOURCE: National Association of State Budget Officers

Table 5
PROPOSED NEW SPENDING OR TAX PROGRAMS TO AID LOCAL GOVERNMENT, FISCAL 1992

Alaska	The capital project matching grant program will provide state capital appropriations based on a formula that incorporates a partial match from local communities.
Arkansas	Governor proposed establishing an education trust fund financed with a half-cent increase in the state sales tax rate and extension of the sales tax to the trade difference on vehicles. This will provide $102.8 million to local school districts for education.
California	The Governor has proposed several programs including a $942 million shift of specified mental health and public health programs to counties with an equivalent increase in the vehicle license fee and alcohol tax to fund these or other programs according to county priorities. Another proposal would facilitate passage of bonds for school and criminal justice facilities by lowering the approval requirement from two-thirds to one-half of the voters. Counties would be authorized to increase the sales tax by up to a half cent for drug enforcement and crime prevention purposes. Distribution of growth in sales tax revenues would be on a per capita rather than situs basis to promote greater interjurisdictional equity and better land use decisions. The Governor also has promised to veto any unfunded state mandates and has expressed commitment to eliminate or amend state required programs that are no longer effective or can be demonstrated to unreasonably limit local government decision making.
Connecticut	The Governor has proposed dedicating 2 cents per gallon of the motor fuels tax for local government expenditure on roads and bridges.
Florida	A program to provide revenue flexibility at the local level is under study.
Georgia	The Governor increased the loan program to local governments for water and sewer needs from $20 million to $50 million.
Idaho	The Governor has proposed $10 million in one time property tax relief and $4 million to begin replacing the county medically needy program with a statewide program.
Illinois	The Governor recommends a permanent increase in the dedicated allocation to local government from one-twelfth to one-ninth of net income.
Kansas	The Governor's proposal to broaden the sales tax base is intended to provide property tax relief through increased aid to school districts, assumption of the cost of certain education programs, and enhancement of some direct aid programs. Local option sales taxes also are proposed.
Maryland	The Governor has recommended that the state assume all operations and responsibilities of the Baltimore City jail. The Governor has supported a tax restructuring plan that would make the state's tax system more equitable and progressive and that would result in a $400 million increase in net new local revenues.
Minnesota	The Governor's recommendations will continue the state takeover of local costs associated with income maintenance and court operations enacted in 1989. General local government aid and other property tax relief paid directly to local governments will, however, be reduced and converted to income-related property tax refunds to homeowners.
Montana	The "Big Sky" dividend program would provide up to $29 million in coal trust fund revenues for local government infrastructure improvement grants.
Nevada	The state is transferring responsibility for some of its optional long-term care programs to counties since federal mandates have forced the state to cover recipients (particularly pregnant women and children) who were formerly a county responsibility.

Table 5 (continued)
PROPOSED NEW SPENDING OR TAX PROGRAMS TO AID LOCAL GOVERNMENT, FISCAL 1992

New Jersey	Based on the income tax increase that took effective January 1, 1991, the state will increase aid to school districts ($1.2 billion), increase homestead rebates ($296.4 million), take over county and local costs related to the operation of state mental hospitals and developmentally disabled centers ($128.6 million), take over welfare payments ($94.3 million), take over county mental hospitals ($40.9 million), and take over out-of-home placements ($25.2 million).
New York	The Governor has proposed several programs including enhanced local revenue authority ($875 million), a Medicaid cost containment package ($105.7 million), mandate relief ($391 million), an environmental infrastructure fund ($190 million), a transportation fund ($500 million), and sales tax base broadeners ($29.5 million).
North Carolina	The Governor recommends that local governments be granted the option to levy a half-cent sales tax in lieu of a state appropriation for local aid. A bond referendum also is proposed.
North Dakota	By statute, 12 percent of all sales tax collections go to aid local government. For the 1991-93 biennium this amounts to $63 million. The Governor recommends that $6.25 million of the $63 million be used at the state level by the Department of Human Services to avoid shifting costs to counties for human service programs.
Oklahoma	The Governor's proposals include new funds for local economic development grants.
Oregon	The Governor proposes to use $20 million of cigarette tax revenue to fund a light rail project (one-time).
Tennessee	The Governor's education reform package includes a new Basic Education Program for K-12 education with a 70/30 state/local match, a tax equalization formula, and a 27 percent increase in first-year funding.
Wyoming	The Governor recommends an increase in the number of education classroom units and, consequently, in state funding for local schools. He also recommends $1.8 million for a 4.3 percent salary increase for community colleges.

SOURCE: National Association of State Budget Officers

II. State Revenue Developments

Overview

Much of current state fiscal troubles are due to weak revenue growth. Twenty-nine states estimate that their tax collections for the current year will be lower than the estimates they used in formulating their budgets. States now estimate that fiscal 1991 revenues will grow by 5.1 percent over fiscal 1990 revenues and that fiscal 1992 revenues will grow by 6.3 percent. The 1992 increase incorporates tax increases amounting to $6.6 billion, though some of these new revenues will not be credited to state general funds. Table 6 places proposed 1992 revenue increases in historical perspective.

Table 6
STATE REVENUE INCREASES, FISCAL 1978 TO FISCAL 1992

Fiscal Year	*Revenue Increase ($ in billions)*	*Fiscal Year*	*Revenue Increase ($ in billions)*
1992	$6.7 (est.)	1984	$10.1
1991	10.3	1983	3.5
1990	4.9	1982	3.8
1989	0.8	1981	0.4
1988	6.0	1980	-2.0
1987	0.6	1979	-2.3
1986	-1.1	1978	0.5
1985	0.9		

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, 1989, 1990, and 1991 data provided by the National Association of State Budget Officers.

Revenue Collections for Fiscal 1991

The three major state tax sources--personal income taxes, sales taxes, and corporate income taxes--are performing below expectation for many states. All three have generated less revenue than they originally estimated for fiscal 1991. Appendix Table A-2 lists current state estimates for total general fund revenues for fiscal 1992, and A-6 lists current estimates and original estimates for each of these three taxes for each state.

Of the three, the corporate income tax continues to be the weakest, with thirty-one out of forty-six states reporting collections below estimates. Since the corporate tax is frequently the first tax to reveal weakness in the underlying economy, it is not surprising that most states are having to reduce their original estimates. Twenty-seven out of forty-two states have reduced their personal income tax estimates and twenty-four out of forty-five have reduced their sales tax estimates.

Only thirteen states report that revenue collections are higher than estimated this year. All but one are located west of the Mississippi River. This confirms that eastern states continue to be more negatively affected by the national recession than western states. In particular, the Rocky Mountain and Plains states exhibit strength, with the majority of states in these regions reporting stronger-than-anticipated revenue growth.

Fiscal 1992 Tax Changes

Tax activity in fiscal 1991 was significant, with twenty-six states increasing net taxes by $10.3 billion. Most of that activity was centered in northeastern states, with three states in that area accounting for almost half of the increase. Table 7 summarizes state revenue proposals for fiscal 1992 and Appendix Table A-7 provides additional detail on specific changes Governors have recommended.

Given the high level of tax activity in fiscal 1991 and the perception that voters are unwilling to support higher state taxes, there has been some doubt as to whether states would seek to address current budget difficulties through tax increases. The answer to this question is still uncertain.

Although revenue proposals for fiscal 1992 total $6.6 billion, activity is again focused on a handful of states. Three northeastern states--Connecticut, New York, and Pennsylvania--account for half of the total proposed increase. Also, the level of proposed tax increase is less than the amount of budget cuts enacted. Thus, revenue increases are playing a smaller role in budget balancing than might be expected.

In all, twenty-three states have proposed net tax increases and none have proposed net decreases. The majority of activity is proposed in sales taxes (twelve states), miscellaneous taxes and fees (twelve states), and personal income taxes (eleven states).

Sales Tax

The net increase from sales tax proposals totals $523.6 million in fiscal 1992. This number reflects a $933.2 million reduction in Connecticut's sales tax that would be offset by the introduction of a broad-based income tax. The Governor's proposal would reduce the state sales tax rate from 8 percent to 4.25 percent.

The largest sales tax increase proposal comes from Kansas, where the Governor has proposed eliminating several exemptions to the sales tax, expanding the tax base, and increasing revenues by $478.4 million in fiscal 1992. There is also a proposal to introduce a sales tax in Oregon, but this was not a component of the Governor's budget proposal.

In Tennessee, a major tax reform package has been proposed that would introduce a state personal income tax and roll back the combined state and local sales tax rate from 8.25 percent to 6 percent. The sales tax revenue impact associated with this proposal is not yet available.

Personal Income Tax

The personal income tax is the single largest source of tax increase proposals for fiscal 1992. It accounts for more than 37 percent of total proposed revenue increases. A proposal to introduce an income tax in Connecticut would increase state revenues by $1.8 billion. This represents almost three-fourths of total proposed income tax increases.

Another significant income tax proposal has been made in Tennessee, where a broad-based income tax does not currently exist. This proposal is part of a broader tax reform package that would increase total state revenues by $702 million in fiscal 1992. The portion of the increase attributable to the introduction of an income tax is not yet available, but would potentially rival the magnitude of the Connecticut increase.

Corporate Income Tax

There is little action in the area of corporate tax increases. An initiative to increase Pennsylvania's tax by 2 percent would increase state revenues by $334 million. This represents the vast majority of proposed net increases totaling $346.4 million. Connecticut's tax reform proposal contains the only proposed corporate income tax decrease.

Table 7

SUMMARY OF PROPOSED FISCAL 1992 REVENUE INCREASES BY TYPE OF REVENUE AND NET INCREASE OR DECREASE*

($ in millions)

State	*Sales*	*Personal Income*	*Corporate Income*	*Cigarette/ Tobacco*	*Motor Fuels*	*Alcohol*	*Others*	*Total*
Alabama								0.0
Alaska								0.0
Arizona								0.0
Arkansas	170.0	-14.2						155.8
California	283.0	370.0				17.0	85.0	755.0
Colorado								0.0
Connecticut	-933.1	1,834.0	-55.0		30.5			876.4
Delaware								0.0
Florida	55.9						332.9	388.8
Georgia								0.0
Hawaii								0.0
Idaho					35.0		29.0	64.0
Illinois								0.0
Indiana								0.0
Iowa				25.6		2.4		28.0
Kansas	478.4							478.4
Kentucky								0.0
Louisiana								0.0
Maine	10.0	6.0	21.7				26.3	64.0
Maryland								0.0
Massachusetts								0.0
Michigan							101.0	101.0
Minnesota	3.0	36.0	3.0	77.0		11.0		130.0
Mississippi								0.0
Missouri								0.0
Montana		9.9					-4.2	5.7
Nebraska								0.0
Nevada				20.7			136.5	157.2
New Hampshire					5.0			5.0
New Jersey								0.0
New Mexico								0.0
New York	69.0		25.0		500.0		189.0	783.0
North Carolina						4.6		4.6
North Dakota								0.0
Ohio	61.3	31.2	1.7	3.8				98.0
Oklahoma								0.0
Oregon		70.0	11.0	-10.4			0.4	71.0
Pennsylvania	288.0		334.0	300.0			773.0	1,695.0
Rhode Island		102.0	5.0		20.4			127.4
South Carolina								0.0
South Dakota								0.0
Tennessee#	-	+					-	703.0
Texas							500.0	500.0
Utah								0.0
Vermont	38.1	37.4		2.7				78.2
Virginia								0.0
Washington							96.4	96.4
West Virginia								0.0
Wisconsin								0.0
Wyoming								0.0
Total	$523.6	$2,482.3	$346.4	$419.4	$590.9	$35.0	$2,265.3	$6,662.9

* See Table A-7 for details on specific revenue increases.

Taxes proposed to increase or decrease are shown with the direction of the change. Specific numbers are not yet available.

Cigarette and Tobacco Taxes

The federal government adopted a cigarette tax increase that incorporates two increases — one effective in December 1990 and the other in December 1991. A number of state officials argued at that time that federal increases in this tax would make it more difficult for states to increase the cigarette tax.

That concern is borne out in 1992 tax proposals. Whereas states raised cigarette taxes by more than $500 million in fiscal 1991, proposals for 1992 total $419.4 million, of which more than 70 percent comes from Pennsylvania. There, a proposal to raise the tax by 30 cents per pack would increase state revenues by $300 million. In all, only seven states are considering cigarette tax increases.

Motor Fuel Taxes

The federal government also raised motor fuel taxes in December 1990. As with the cigarette tax, federal increases have coincided with reduced state activity in this tax area. Only five states have proposed gasoline tax increases and New York accounts for $500 million of the total $590.9 million proposed. In fiscal 1991, state gasoline tax increases amounted to more than $1.4 billion.

Alcohol Taxes

Alcohol taxes are the last shared tax that the federal government raised in 1990. Again, the impact of federal increases on state action is apparent. Only four states have proposals to increase alcohol taxes and these proposals total just $35 million. This compares with increases of nearly $200 million in fiscal 1991.

Miscellaneous Taxes

Miscellaneous tax and revenue increases represent the growth area of state taxation. As public reluctance to support sales and income tax increases grows, states have begun to focus their efforts on increasing other areas of the state tax base. As a result, taxes and fees in this category are proposed to increase by more than $2.2 billion. Revenues included in this category include vehicle registration fees, franchise taxes, and bank taxes.

III. Year-End Balances

Total state balances are the best measure of a state's fiscal condition. These balances measure the amount of resources states have available to use if the condition of the economy declines. In general, state balances grow during periods of economic expansion and decline during periods of economic contraction (see Table 8).

During the most recent business cycle, state balances peaked in 1989, when they totaled $12.5 billion and represented 4.8 percent of total state general fund expenditures. Since then, balances have been steadily and rapidly declining and are estimated to be just $5.9 billion at the close of fiscal 1991, or less than half their level of two years earlier.

Table 8
SIZE OF TOTAL YEAR-END BALANCES, FISCAL 1979 TO FISCAL 1992

Fiscal Year	*Total Balance ($ in billions)*	*Total Balance (As % of Expenditures)*
1992	$6.1 (est.)	2.0%
1991	5.9 (est.)	2.0
1990	10.2	3.7
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

SOURCE: National Association of State Budget Officers

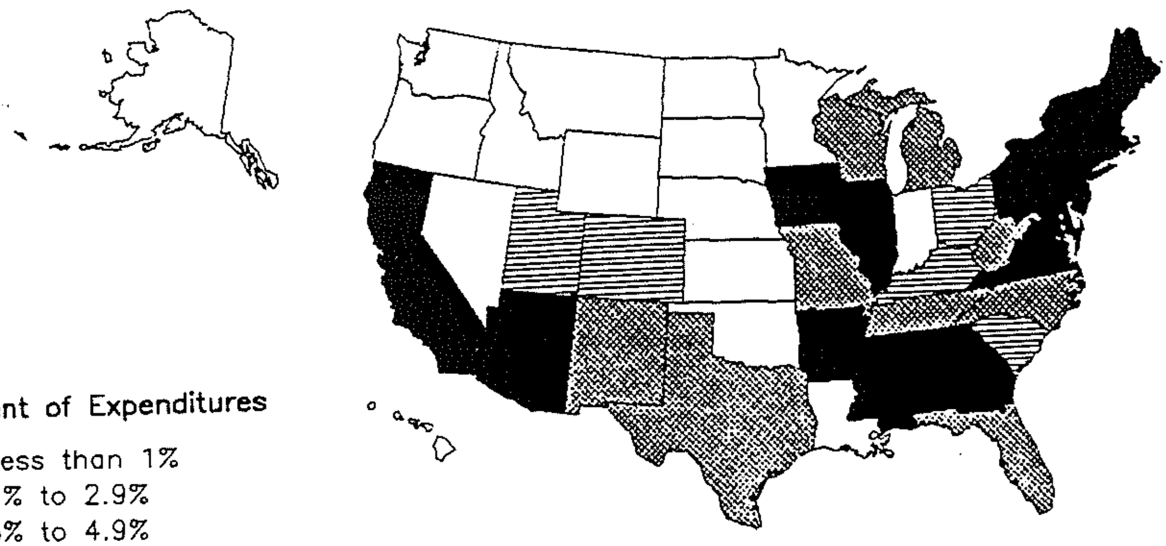
When fiscal 1991 budgets were originally enacted, total state balances were estimated at $7.4 billion. A decline of $1.5 billion between enactment and current estimates reflects a decline in the national economy that is forcing states to utilize their reserves. Based on current estimates, reserves will represent only 2.0 percent of total state expenditures for the current year.

Fiscal 1992 looks no better. While reserves are proposed to increase to $6.2 billion, they will still represent only 2.0 percent of state spending. If the national recession persists, this level of balances will probably prove to be too optimistic.

Alaska serves to bolster state balances considerably. A robust state economy has greatly expanded its reserves so that its total balances for fiscal 1991 are estimated at 77.8 percent of state spending. For fiscal 1992, balances are estimated at 64.2 percent of expenditures.

Because Alaska's economy is so volatile, it is sometimes removed from national totals on state fiscal condition. Excluding Alaska, state balances for fiscal 1991 decline to only $4.3 billion, or 1.5 percent of state spending. For 1992, they drop to $4.7 billion, or 1.6 percent of state spending.

Figure 3
TOTAL YEAR-END BALANCES AS A PERCENT OF EXPENDITURES, FISCAL 1991



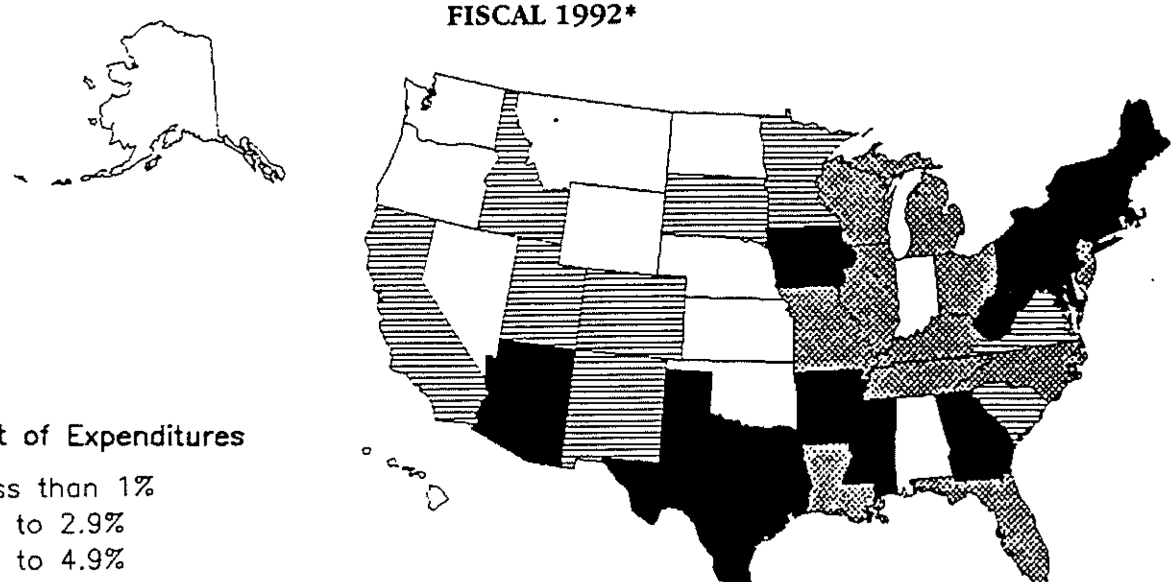
Percent of Expenditures

- Less than 1%
- 1% to 2.9%
- 3% to 4.9%
- 5% or More

SOURCE: National Association of State Budget Officers

Figure 3 and Figure 4 show the distinction between the fiscal condition in the East and the West. While few states east of the Mississippi River hold balances greater than 5 percent of expenditures, several west of the Mississippi River do. The South is the area with the greatest variation in state fiscal condition. A continued decline in the national economy could accelerate the spread of poor fiscal conditions, though fiscal 1992 budgets do not reflect this.

Figure 4
TOTAL YEAR-END BALANCES AS A PERCENT OF EXPENDITURES, FISCAL 1992*



Percent of Expenditures

- Less than 1%
- 1% to 2.9%
- 3% to 4.9%
- 5% or More

*Data for Alabama and Rhode Island are not available.

SOURCE: National Association of State Budget Officers

Table 9 shows the decline in fiscal condition since 1990. Many states had budget problems in fiscal 1990, and ten ended the year with balances of less than 3 percent of expenditures. As the national recession set in, the number of states holding balances this low increased. The number is expected to nearly double in fiscal 1991.

The table shows a significant split in state fiscal conditions. Few states hold balances in the middle ranges in fiscal 1991, while nineteen (including almost every northeastern state) hold less than 1 percent and seventeen (predominantly western states) hold 5 percent or more. Delaware is the only northeastern state that has managed to maintain a balance of more than 5 percent throughout this downturn.

In 1992 state fiscal conditions will begin to equalize. Fewer states anticipate holding balances below 1 percent and fewer anticipate holding 5 percent or more. Consequently, the number of states holding balances in the middle ranges increases. Total state balances remain unchanged from fiscal 1991, at 2.1 percent.

How does the current condition of state balances compare with the recession of the early 1980s? Total balances for fiscal 1991, excluding Alaska's large surplus, represent the same percentage of expenditures as balances in 1983, the last year of a long and deep recession. Including Alaska's surplus, both fiscal 1991 and fiscal 1992 balances register 2.0 percent of expenditures, the lowest percentage since 1983.

Table 9
TOTAL YEAR-END BALANCES AS A PERCENT OF EXPENDITURES, FISCAL 1990 TO FISCAL 1992

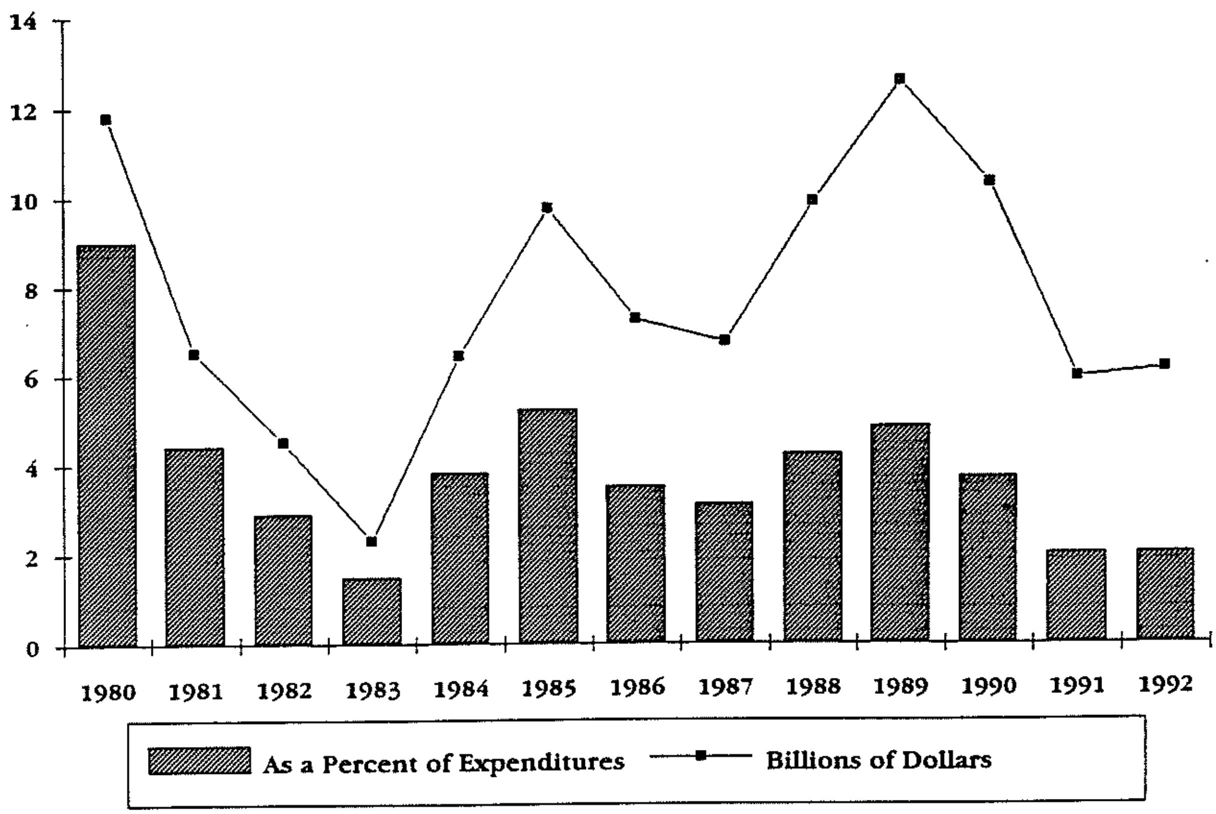
	Number of States		
Percentage	*Fiscal 1990 (Actual)*	*Fiscal 1991 (Estimated)*	*Fiscal 1992 (Proposed)*
Less than 1.0%	10	19	15
1.0% to 2.9%	10	9	11
3.0% to 4.9%	7	5	9
5% or More	23	17	13
Average Percent	**3.7%**	**2.0%**	**2.0%**

SOURCE: National Association of State Budget Officers

Figure 5 graphically illustrates of the impact of the national economy on state budgets. The dramatic decline in balances during the 1980-83 period is paralleled in 1989-92. While the dollar level of state balances is higher now than it was in the early 1980s, the percent of state spending those balances represent is roughly the same.

Only six months into this recession, states are at nearly the same level of distress as they were after more than a year of recession in fiscal 1983. Clearly, the pressures on state spending from programs like Medicaid make states much more vulnerable to this recession than to the last one. If the recession persists well into fiscal 1992, the levels of state budget cuts, tax increases, and balances are likely to be far worse than they are now estimated to be.

Figure 5
SIZE OF TOTAL YEAR - END BALANCES, FISCAL 1980 TO FISCAL 1992



SOURCE: National Association of State Budget Officers

IV. Regional Fiscal Outlook

Overview

The strong regional patterns of state fiscal decline are beginning to blur but have not disappeared. Western states continue to outperform the national average with the exception of California, where significant budget problems have emerged over the last few years. The Plains and Rocky Mountain regions are the strongest, with both the lowest unemployment rates and the highest balances in the country. For the third year in a row, New England continues to have the weakest performance.

The data in Table 10 reveal an overall weakening in the economy. Each of the variables shown has declined since this report was last published. Unemployment is higher, and income growth, population growth, balances, and budget growth are all lower than they were six months ago.

Table 10
REGIONAL BUDGET AND ECONOMIC INDICATORS

Region	*Weighted Unemployment Rate*[a]	*Annual % Change in Personal Income*[b]	*Annual % Change in Population*[c]	*Fiscal 1991 Total Balances as a Percent of Expenditures*	*Proposed 1992 General Fund Budget Growth (%)*	*Number of States in Region*
New England	6.1%	3.3%	1.5%	-3.2%	2.4%	6
Mideast	5.5	5.6	0.2	-0.3	4.8	5
Great Lakes	5.7	5.5	-0.3	2.6	1.7	5
Plains	5.0	6.2	-0.7	5.5	5.2	7
Southeast	5.9	7.2	0.3	1.9	5.0	12
Southwest	6.4	7.3	0.5	3.0	15.1	4
Rocky Mountain	4.6	7.1	-0.2	6.3	4.8	5
Far West	6.2	7.4	2.7	4.1	3.6	6
Average	5.8%	6.3%	0.6%	2.0%	4.8%	50

SOURCES:
a. U.S. Department of Labor, Bureau of Labor Statistics, February 1990.
b. Survey of Current Business, January 1991, 1989.3-1990.3, p. 41.
c. FFIS Issue Brief 90-21, Population of the States and Regions, 1989-1990, p.2.

New England

The situation in New England remains roughly the same. A few states had budget troubles in fiscal 1988, several had them in fiscal 1989, and every state has struggled in both 1990 and 1991. Whereas this region had distinctly lower unemployment rates and higher income growth rates than the rest of the country throughout the mid-1980s, it now underperforms the nation in both areas. Three of the six states in the region will end fiscal 1991 with deficits and 1992 budget growth is estimated at just half the national average.

Mideast

This region followed New England in entering a recession. By fiscal 1990 almost every state was dealing with budget imbalances, and in fiscal 1991 every state has taken action to balance its budget.

Only one state, Delaware, plans to have a significant balance at the end of fiscal 1991. Like New England, unemployment rates and personal income growth in the Mideast have worsened relative to the national average over the last few years. Budget growth for 1992 equals the national averages of 4.8 percent.

Great Lakes

The Great Lakes region is the latest to slip into a recession. Whereas fiscal 1990 balances were estimated at 6.2 percent in the last survey, fiscal 1991 balances are now estimated at just 2.6 percent. Only Michigan had to take action to reduce its 1990 budget, while every state in the region has reduced its 1991 budget. Fiscal 1992 budget growth is estimated at just 1.7 percent, the lowest growth rate in the country. This reflects few proposals to increase revenues and the resulting need to restrain spending growth in order to maintain balanced budgets. It also reflects a reduction in balances available to finance expenditure growth.

Plains

Although the economic indicators in the Plains region have declined since the last survey, the region now, as then, continues to outperform other regions. It has the second lowest unemployment rate in the nation and is the only region to hold more than 5 percent of expenditures in balances. In fact, three of the seven states will hold balances of more than 10 percent at the end of the year. Fiscal 1992 spending growth, at 5 percent, exceeds the national average but is moderate relative to spending growth over the last few years. Like the Great Lakes and Rocky Mountain regions, the Plains region has experienced a decline in population over the last year.

Southeast

This is a region full of variety. Because it encompasses twelve states, it is difficult to generalize about the Southeast. Only one state in the region, Louisiana, plans to hold balances of more than 5 percent of expenditures at the end of fiscal 1991 and most of the states in the region will hold closer to 1 percent. The region's unemployment rate and expenditure growth rate are approximately the national average, while personal income growth rate exceeds the national average. Five states in the region have proposed spending growth for fiscal 1992 that exceeds 5 percent and one, Virginia, has proposed spending that is lower than fiscal 1991.

Southwest

Economic indicators for the Southwest tend to be carried by Texas, since it is by far the largest of the four states in the region. The region shows the highest spending growth for fiscal 1992, but this is due to proposed growth of more than 21 percent in Texas, where education funding reform is placing significant pressure on state spending. The other three states in the region plan to increase spending by 4.5-5.1 percent. While the region plans to hold balances of 3 percent of expenditures in fiscal 1991, in 1992 balances will decline significantly as Texas struggles with balancing its budget.

Rocky Mountain

Like the Plains region, the Rocky Mountain region continues to exceed the economic performance of the nation while losing population. As a region it plans to hold the highest percentage of spending in balances at the end of fiscal 1991. It also has the lowest unemployment rate in the country. For fiscal 1992, spending growth in the Rocky Mountains is estimated at 4.8 percent, exactly the national average. This average masks a very high increase in Montana (25.4 percent) and a decrease in Wyoming (-4.1 percent).

Far West

As Texas dominated the Southwest, so California dominates the Far West region. In the current year, this serves to paint a far more pessimistic picture of the region than would exist if California were excluded from region totals. For example, a $700 million deficit in California at the end of the year pulls the region's balances down to 4.1 percent of expenditures. In fact, every other state in the region will hold more than 5 percent in balances. Alaska's fortunes are as bright as California's are bleak. It's balances at the end of fiscal 1991 will represent almost 78 percent of expenditures. The region continues to show the strongest population and personal income growth in the nation. On the other hand, its proposed spending growth for fiscal 1992 is only 3.6 percent, below the national average of 4.8 percent.

APPENDIX

Table A-1
FISCAL 1990 STATE GENERAL FUND, ACTUAL
($ in millions)

Region/State	Beginning Balance	Revenues	Resources	Expenditures	Ending Balance	Budget Stabilization Fund
NEW ENGLAND						
Connecticut	$0	$6,112	$6,112	$6,372	-$260	$102
Maine	169	1,500	1,669	1,608	61	1
Massachusetts	147	10,266	10,413	11,692	-1,279	
New Hampshire*	6	591	596	607	-11	
Rhode Island	14	1,476	1,489	1,489	0	6
Vermont*	11	576	587	590	-3	12
MIDEAST						
Delaware	185	1,157	1,342	1,170	172	*
Maryland	390	5,707	6,098	6,041	57	*
New Jersey*	411	11,400	11,812	11,811	1	
New York*	0	29,229	29,229	29,229	0	
Pennsylvania*	385	11,571	11,956	11,820	136	127
GREAT LAKES						
Illinois	541	12,841	13,382	12,987	395	
Indiana	425	5,459	5,884	5,512	372	318
Michigan	61	7,446	7,507	7,817	-310	386
Ohio	475	9,382	9,857	9,412	445	364
Wisconsin*	375	5,751	6,126	5,820	306	
PLAINS						
Iowa	95	2,828	2,923	2,852	72	
Kansas	373	2,301	2,673	2,400	273	
Minnesota	946	6,631	7,577	6,692	885	*
Missouri	110	4,050	4,160	4,103	57	
Nebraska	290	1,163	1,453	1,194	259	40
North Dakota	40	543	583	529	54	21
South Dakota	39	444	484	446	38	
SOUTHEAST						
Alabama	53	3,232	3,285	3,220	65	33
Arkansas	0	1,812	1,812	1,812	0	
Florida	199	10,003	10,202	9,947	255	*
Georgia	224	7,196	7,420	7,363	57	
Kentucky	48	3,573	3,621	3,533	87	
Louisiana	655	4,386	5,041	4,339	702	
Mississippi	84	1,850	1,934	1,929	5	17
North Carolina*	157	6,988	7,145	6,923	222	*
South Carolina	217	3,326	3,543	3,407	136	*
Tennessee	228	3,682	3,910	3,742	168	*
Virginia*	0	5,273	5,273	5,273	0	
West Virginia	66	1,746	1,812	1,712	100	
SOUTHWEST						
Arizona	1	3,095	3,097	3,062	34	
New Mexico	0	1,783	1,783	1,780	*	108
Oklahoma*	157	2,697	2,854	2,707	147	151
Texas	187	13,927	14,114	13,647	467	19
ROCKY MOUNTAIN						
Colorado	134	2,484	2,619	2,485	134	*
Idaho	77	857	934	884	50	35
Montana*	67	454	521	432	89	
Utah	71	1,630	1,701	1,624	77	52
Wyoming	54	363	417	317	101	35
FAR WEST						
Alaska	167	2,501	2,668	2,368	300	867
California	1,252	38,750	40,002	39,455	547	
Hawaii	629	2,452	3,081	2,625	456	
Nevada	27	812	839	763	76	40
Oregon*	298	2,217	2,515	2,188	327	
Washington	518	6,517	7,035	6,136	899	260
TOTAL	$11,059	$272,030	$283,089	$275,865	$7,221	$2,995

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.

Colorado	Ending balance includes required reserve of $99.1 million.
Delaware	Ending balance includes budget stabilization fund of $ 62.5 million.
Florida	Ending balance includes reserve of $163.3 million.
Maryland	Ending balance includes budget stabilization fund of $118.1 million.
Minnesota	Ending balance includes budget stabilization fund of $550 million.
Montana	Revenues include adjustments.
New Hampshire	Revenues include transfer from budget stabilization fund.
New Jersey	Figures include property tax relief fund.
New Mexico	Ending balance is held in a budget stabilization fund.
New York	Revenues reflect a $460 million reduction for impoundment of 1988-89 deficit notes and receipt of $775 million in proceeds from 1989-90 deficit notes.
North Carolina	Revenues include tax and non-tax revenues, transfers, and bonding. The ending balance includes $141 million budget stabilization fund.
Oklahoma	Expenditures include transfer to budget stabilization fund.
Oregon	Expenditure information has been estimated by assuming 48 percent of the budget is spent in the first fiscal year of the biennium and 52 percent is spent in the second year. Year-to-year comparisons of this information may be misleading.
Pennsylvania	Revenues include $112 million in lapses. In addition to its budget stabilization fund, Pennsylvania has a $58 million "sunny day fund" for economic development.
South Carolina	Ending balance includes $88 million budget stabilization fund.
Tennessee	Ending balance includes $100 million budget stabilization fund.
Vermont	Deficit was eliminated through transfer of $2.6 million from the budget stabilization fund.
Virginia	Ending balance represents the undesignated fund balance.
Wisconsin	Ending balance represents the undesignated fund balance.

Table A-2
FISCAL 1991 STATE GENERAL FUND, ESTIMATED
($ in millions)

Region/State	Beginning Balance	Revenues	Resources	Expenditures	Ending Balance	Budget Stabilization Fund
NEW ENGLAND						
Connecticut	-$157	$6,042	$5,885	$6,593	-$707	
Maine	61	1,570	1,631	1,627	4	1
Massachusetts	-1,279	12,604	11,325	11,279	46	
New Hampshire	-11	635	624	624	0	
Rhode Island	0	1,428	1,428	1,450	-22	
Vermont*	0	601	601	630	-29	8
MIDEAST						
Delaware	172	1,156	1,328	1,223	105	*
Maryland	57	5,904	5,961	5,959	2	*
New Jersey*	1	12,217	12,218	12,217	1	
New York*	0	29,204	29,204	29,204	0	
Pennsylvania*	136	11,871	12,007	12,322	-315	
GREAT LAKES						
Illinois	395	13,453	13,848	13,748	100	
Indiana	372	5,521	5,894	5,820	74	321
Michigan*	-310	7,900	7,590	7,590	0	203
Ohio	445	9,859	10,304	10,251	53	300
Wisconsin	307	6,157	6,463	6,355	109	
PLAINS						
Iowa	72	3,083	3,155	3,137	18	
Kansas	273	2,382	2,655	2,501	154	*
Minnesota	885	6,889	7,774	7,274	500	*
Missouri	57	4,276	4,333	4,280	53	
Nebraska	259	1,397	1,656	1,489	167	32
North Dakota	54	573	627	523	104	22
South Dakota	38	485	524	483	40	
SOUTHEAST						
Alabama*	65	3,382	3,447	3,450	-3	
Arkansas	0	1,862	1,862	1,862	0	
Florida	255	10,433	10,688	10,539	149	*
Georgia*	57	7,426	7,632	7,632	0	
Kentucky	87	4,381	4,468	4,286	182	*
Louisiana	702	4,233	4,935	4,498	437	
Mississippi	5	1,956	1,961	1,960	0	17
North Carolina*	222	7,647	7,869	7,762	107	
South Carolina	136	3,460	3,596	3,453	143	*
Tennessee	168	3,738	3,906	3,857	49	*
Virginia*	0	6,246	6,246	6,246	0	
West Virginia	100	1,836	1,936	1,914	21	
SOUTHWEST						
Arizona	34	3,348	3,382	3,382	0	
New Mexico*	0	1,875	1,875	1,926	-50	96
Oklahoma*	147	3,030	3,177	2,992	185	157
Texas	467	13,910	14,376	14,247	129	166
ROCKY MOUNTAIN						
Colorado*	117	2,618	2,734	2,654	80	*
Idaho	50	907	957	935	22	35
Montana	89	433	522	459	63	
Utah	76	1,685	1,761	1,745	16	56
Wyoming	101	359	460	422	38	85
FAR WEST						
Alaska	300	2,826	3,126	2,288	838	941
California	547	40,438	40,985	41,720	-735	
Hawaii	456	2,574	3,030	2,796	234	
Nevada	76	881	957	939	18	40
Oregon*	327	2,389	2,716	2,371	345	
Washington	899	6,777	7,676	7,286	390	260
TOTAL	$7,308	$285,858	$293,315	$290,202	$3,113	$2,740

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	Revenues include a $33.3 million transfer from the budget stabilization fund.
Colorado	Beginning balance reflects provision that 50 percent of the balance in excess of the required reserve be transferred to the capital construction fund ($134.2 - 99.1 = 35.1 X 50% = 17.5 to capital construction fund). Ending balance reflects required reserve of $80.1 million.
Delaware	Ending balance includes budget stabilization fund of $65.4 million.
Florida	Ending balance includes reserve of $148.9 million.
Georgia	Total resources include $149 million gain from cash to bond conversion.
Kansas	Figures reflect Governor's proposal. Ending balance includes a reserve of $145.1 million created by the 1990 legislature.
Maryland	Ending balance includes budget stabilization fund of $55.6 million.
Michigan	Figures reflect Governor's proposals. Ending balance would be achieved through use of $213 million budget stabilization fund, $750 million expenditure reduction, and $398 million in accounting changes and one-time revenue sources.
Minnesota	Ending balance includes budget stabilization fund of $500 million.
New Jersey	Figures include property tax relief fund.
New York	Revenues reflect a $775 million reduction for impoundment of 1989-90 deficit notes and receipt of $905 million in proceeds from planned 1990-91 deficit notes. Does not reflect the impact of Local Government Assistance Corporation bond proceeds.
North Carolina	Revenues include tax and non-tax revenues, transfers, and bonding.
Oklahoma	Expenditures include transfer to budget stabilization fund.
Oregon	Expenditure information has been estimated by assuming 48 percent of the budget is spent in the first fiscal year of the biennium and 52 percent is spent in the second year. Year-to-year comparisons of this information may be misleading.
Pennsylvania	Revenues include a $133.8 million transfer from the budget stabilization fund. Pennsylvania also has a $23 million "sunny day fund" for economic development.
South Carolina	Ending balance includes a $94 million budget stabilization fund.
Tennessee	Ending balance includes a $49 million budget stabilization fund.
Vermont	Deficit will be reduced by $8.2 million transfer from budget stabilization fund.
Virginia	Ending balance represents the undesignated fund balance.

Table A-3
FISCAL 1992 STATE GENERAL FUND, PROPOSED
($ in millions)

Region/State	Beginning Balance	Revenues	Resources	Expenditures	Ending Balance	Budget Stabilization Fund
NEW ENGLAND						
Connecticut*	$0	$6,835	$6,835	$6,835	$0	
Maine	4	1,570	1,574	1,569	5	1
Massachusetts	45	11,530	11,575	11,530	45	
New Hampshire	0	665	665	665	0	
Rhode Island				Not available		
Vermont	-21	663	642	662	-20	
MIDEAST						
Delaware	105	1,201	1,306	1,205	101	•
Maryland	2	6,512	6,514	6,512	2	•
New Jersey*	1	14,191	14,192	13,918	274	
New York*	0	29,189	29,189	29,145	•	44
Pennsylvania*	-315	13,407	13,092	13,090	2	42
GREAT LAKES						
Illinois	100	14,278	14,378	14,178	200	
Indiana	74	5,703	5,777	5,741	36	331
Michigan*	0	8,073	8,073	8,057	16	218
Ohio	53	10,192	10,245	10,179	66	150
Wisconsin	109	6,361	6,470	6,367	103	
PLAINS						
Iowa	18	3,345	3,363	3,358	5	
Kansas	154	2,956	3,110	2,902	208	•
Minnesota	500	7,254	7,754	7,413	341	•
Missouri	53	4,445	4,497	4,442	55	2
Nebraska	167	1,454	1,621	1,489	132	32
North Dakota	104	534	638	583	55	23
South Dakota*	20	498	519	519	0	20
SOUTHEAST						
Alabama				Not available		
Arkansas	0	1,938	1,938	1,938	0	
Florida	149	11,537	11,686	11,522	163	•
Georgia	0	7,900	7,900	7,900	0	
Kentucky	182	4,541	4,723	4,676	92	•
Louisiana	437	4,168	4,605	4,554	51	
Mississippi	0	2,137	2,137	2,136	1	17
North Carolina	107	7,680	7,787	7,787	0	95
South Carolina	111	3,654	3,765	3,649	116	•
Tennessee	49	4,491	4,540	4,491	49	•
Virginia	0	6,288	6,288	6,074	214	•
West Virginia	21	1,965	1,986	1,986	1	
SOUTHWEST						
Arizona	0	3,545	3,545	3,540	5	
New Mexico	0	2,040	2,040	2,024	•	96
Oklahoma	185	3,169	3,354	3,128	226	157
Texas*	129	14,798	14,927	17,259	-2,331	181
ROCKY MOUNTAIN						
Colorado	80	2,765	2,845	2,763	82	•
Idaho	22	971	993	993	0	35
Montana	63	572	635	576	59	
Utah	15	1,762	1,777	1,777	0	60
Wyoming	38	367	405	405	1	53
FAR WEST						
Alaska*	0	2,378	2,378	2,378	0	1,526
California	-737	45,771	45,034	43,282	1,752	•
Hawaii	234	2,714	2,948	2,763	185	
Nevada	18	1,065	1,083	1,068	15	40
Oregon*	345	2,377	2,722	2,548	174	
Washington	390	7,252	7,642	7,415	227	260
TOTAL	$3,011	$298,700	$301,711	$298,989	$2,706	$3,383

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	Beginning balance reflects transfer of $838.2 million to a budget stabilization fund. Revenues include transfer of $253.5 million from this fund.
California	Ending balance includes budget stabilization fund balance of $1,401 million.
Colorado	Ending balance includes required reserve of $82 million.
Delaware	Ending balance includes budget stabilization fund of $65 million.
Connecticut	Revenues exclude $287.1 million, of which $272.1 million is being dedicated to finance the first year of a three-year deficit elimination program aimed at financing the cumulative 1990-91 deficit. The remaining $15 million is being transferred to the Department of Revenue Services for administration of the new personal income tax.
Florida	Ending balance includes reserve of $163.4 million.
Kansas	Ending balance includes reserve of $159.3 million created by the 1990 legislature.
Kentucky	In addition to the ending balance, there is $43.5 million (biennial) included in a budget stabilization fund.
Maryland	Ending balance includes budget stabilization fund of $75.4 million.
Michigan	Expenditures for fiscal 1992 are based on fiscal 1991 current services baseline reflecting the Governor's recommendations for solving the current year deficit. Revenues for fiscal 1992 reflect Governor's proposal to implement an investment tax credit to replace the Capital Acquisition Deduction (CAD) to the Single Business Tax.
Minnesota	Ending balance includes budget stabilization fund of $550 million.
New Jersey	Figures include property tax relief fund.
New Mexico	Ending balance is held in a budget stabilization fund of $95.8 million.
New York	Revenues reflect a $905 million impoundment of 1990-91 deficit notes. Ending balance is held in the tax stabilization reserve fund.
Oregon	Expenditure information has been estimated by assuming 48 percent of the budget is spent in the first fiscal year of the biennium and 52 percent is spent in the second year. Year-to-year comparisons of this information may be misleading.
Pennsylvania	In addition to its budget stabilization fund, Pennsylvania has a $3 million "sunny day fund" for economic development.
South Carolina	Ending balance includes a $99 million budget stabilization fund.
South Dakota	The Governor has introduced legislation to create a budget reserve fund in fiscal 1992. The beginning balance reflects the transfer of $20 million into this fund at the end of fiscal 1991.
Tennessee	Ending balance includes a $49 million budget stabilization fund.

NOTES TO TABLE A-3(con't)

Texas	Expenditures are based on a "current services" budget prepared by the legislative budget board staff.
Virginia	Ending balance includes $200 million revenue reserve.

Table A-6
TAX COLLECTIONS COMPARED WITH PROJECTIONS USED IN ADOPTING FISCAL 1991 BUDGET
($ in millions)

Region/State	Sales Tax		Personal Income Tax		Corporate Income Tax		Total Revenue Collection #
	Original Estimate	Current Estimate	Original Estimate	Current Estimate	Original Estimate	Current Estimate	
NEW ENGLAND							
Connecticut*	$2,624	$2,473	$667	$621	$958	$743	L
Maine	525	470	602	573	85	79	
Massachusetts	2,163	1,869	5,342	4,995	679	555	L
New Hampshire	N/A	N/A	N/A	N/A	159	141	L
Rhode Island*	491	430	458	419	54	45	L
Vermont	130	129	296	264	27	27	T
MIDEAST							
Delaware	N/A	N/A	499	474	72	61	L
Maryland	1,701	1,580	3,136	3,019	178	132	L
New Jersey	4,605	4,140	3,862	3,862	1,085	1,085	L
New York*	6,158	5,830	15,560	14,552	1,515	1,513	L
Pennsylvania	4,477	4,303	3,512	3,470	1,128	1,073	L
GREAT LAKES							
Illinois	4,040	3,980	4,274	4,274	592	592	T
Indiana	2,326	2,236	2,204	2,174	810	653	L
Michigan*	2,919	2,773	3,771	3,692	2,022	1,895	L
Ohio	3,549	3,380	3,863	3,805	897	765	L
Wisconsin	2,114	2,045	2,965	3,000	430	430	L
PLAINS							
Iowa	757	772	1,540	1,547	267	238	L
Kansas*	854	861	892	908	170	147	H
Minnesota	1,979	1,949	2,959	2,860	412	468	L
Missouri	1,303	1,264	2,216	2,157	334	263	L
Nebraska	562	562	603	624	55	73	H
North Dakota	255	243	124	125	32	57	H
South Dakota	243	248	N/A	N/A	N/A	N/A	H
SOUTHEAST							
Alabama	830	830	1,170	1,150	190	165	L
Arkansas	853	866	882	882	143	143	T
Florida	7,495	7,046	N/A	N/A	896	810	L
Georgia*	2,731	2,759	3,107	3,029	480	460	L
Kentucky	1,305	1,305	1,757	1,757	340	340	T
Louisiana	1,444	1,472	791	803	312	355	H
Mississippi	853	853	486	459	205	165	L
North Carolina	1,801	1,739	3,891	3,706	690	614	L
South Carolina	1,205	1,198	1,513	1,477	207	152	L
Tennessee	2,458	2,400	102	111	385	313	L
Virginia	1,460	1,339	3,704	3,267	300	273	L
West Virginia	502	524	527	546	140	143	H
SOUTHWEST							
Arizona	1,498	1,452	1,231	1,202	237	188	L
New Mexico	727	731	433	398	59	40	L
Oklahoma	925	927	1,180	1,146	99	122	T
Texas*	7,764	8,154	N/A	N/A	N/A	N/A	H
ROCKY MOUNTAIN							
Colorado	767	778	1,533	1,512	165	103	L
Idaho	339	344	400	429	70	62	H
Montana	N/A	N/A	146	152	38	45	H
Utah	730	732	645	690	93	90	H
Wyoming	101	108	N/A	N/A	N/A	N/A	H
FAR WEST							
Alaska	N/A	N/A	N/A	N/A	210	210	L
California	14,485	13,830	18,709	17,620	5,905	5,370	L
Hawaii	1,143	1,162	871	819	88	79	L
Nevada	283	302	N/A	N/A	N/A	N/A	H
Oregon	N/A	N/A	2,097	1,990	148	145	H
Washington*	2,936	3,208	N/A	N/A	1,053	1,209	T
TOTAL	$98,406	$95,596	$104,516	$100,559	$24,415	$22,629	

\# L = revenues lower than estimates; H = revenues higher than estimates; and T = revenues on target.

NOTES TO TABLE A-6

Connecticut	Personal income tax includes capital gains, dividends, and interest tax only.
Georgia	Current sales tax estimate includes $116 million not in original estimate. A limited food exemption was halted by a court challenge.
Kansas	Current personal income tax estimate is the consensus revenue estimate adjusted by the Governor's recommendation.
Michigan	The Single Business Tax is reported under corporate income tax.
New York	Current sales tax estimate does not reflect anticipated change in payment schedule.
Rhode Island	Current estimates exclude tax increases passed on February 14, 1991 that amount to $28 million for the sales tax, $3 million for the personal income tax, and $5 million for the corporate income tax.
Texas	The sales tax rate was increased from 6 percent to 6.25 percent effective July 1990 during a special legislative session.
Washington	Figures reported under corporate income tax are for the corporate business and occupations tax.

Table A-7
PROPOSED 1992 REVENUE CHANGES BY TYPE OF REVENUE

State	*Tax Change Description*	*Effective Date(s)*	*Fiscal 1992 Revenue Change ($ in millions)*
SALES TAX			
Arkansas	Increase from 4.0 percent to 4.5 percent.	5/91	$121.9
	Apply tax to used cars ($2,000 floor).	5/91	48.1
California	Eliminate certain exemptions.	4/91	283.0
Connecticut	Reduce rate from 8 percent to 4.25 percent and expand base to include clothing under $75 in value, children's clothing, gasoline, movies and amusements, magazines and newspapers, and other items.	7/91	-933.1
Florida	Close loopholes and institute administrative adjustments.	7/91	55.9
Kansas	Broaden tax base to include certain services.	7/91	478.4
Maine	Freeze manufacturers fuel tax rate at 2 percent.	7/91	10.0
Minnesota	Realize increase due to cigarette tax increase.	7/91	3.0
New York	Expand base to include interstate and international telecommunications, certain moving services, non-custom computer software, the "shipping" portion of shipping and handling, telephone answering services provided by individuals, mandatory gratuities, and certain food sold to airlines.	9/91	69.0
Ohio	Eliminate early payment discount.	7/91	53.4
	Cap receipts going to local governments.	12/91	7.9
Pennsylvania	Include cable TV and interstate phone use; include liquor at retail rather than wholesale.	7/91	288.0
Tennessee	Exempt food.	1/92	N/A
	Reduce combined state and local rate from 8.25 percent to 6 percent.	7/92	N/A
Vermont	Increase rate from 4 percent to 5 percent and broaden base to include soda, beer, wine, and snack foods. Provision expires December 31, 1993.	3/91	38.1
Wisconsin	Redefine taxable telecommunications services and materials removed from state.	7/91	3.5
PERSONAL INCOME TAX			
Arkansas	Remove low-income households from tax rolls.	1/91	-$14.2
California	Change in certain withholding (generally one-time revenues).	1/91	370.0
Connecticut	Institute tax of 6 percent of federal adjusted gross income with a $12,500 exemption for single filers and a $25,000 exemption for joint filers.	7/91	2,360.0
	Eliminate separate tax on capital gains, dividends, and interest, and incorporate these items into the new personal income tax.	7/91	-526.0
Illinois	Make surcharge permanent. No revenue increase.		

Table A-7 (continued)
PROPOSED 1992 REVENUE CHANGES BY TYPE OF REVENUE

State	*Tax Change Description*	*Effective Date(s)*	*Fiscal 1992 Revenue Change ($ in millions)*
Kansas	Acceleration of payment dates for one-time gain in fiscal 1991.	5/91	8.0(FY91)
Maine	Revise alternative minimum tax.	1/91	3.4
	Accelerate withholding payments for large employers.	5/91	0.6
	Delay investment tax credit.	7/91	2.0
Minnesota	Conform to federal internal revenue code.	1/91	36.0
Montana	Subject retirement income to tax.	7/91	9.9
New York	Extend freeze of tax rate cut scheduled for 1990 and continue 1989 rates. No revenue increase.		
Ohio	Change employer withholding schedule.	7/91	10.0
	Cap receipts going to local governments.	12/91	21.2
Oregon	Repeal "2 percent kicker" law and reconnect to the federal income tax code.	7/91	70.0
Rhode Island	Increase rate from 22.96 percent of federal liability to 27.5 percent of federal liability.	3/91	102.0
Tennessee	Introduce a 4 percent tax and repeal existing tax on investments.	1/92	N/A
Vermont	Increase tax rate by one percentage point and extend 3 percentage point surcharge; 4 percentage point increase for taxpayers with federal liability exceeding $16,000. Provision expires December 31, 1993.	1/91	37.4
CORPORATE TAXES			
Connecticut	Eliminate 20 percent surcharge so that effective rate drops from 13.8 percent to 11.5 percent.	1/92	-$55.0
Maine	Revise alternative minimum tax.	1/91	2.1
	Delay investment tax credit.	7/91	18.1
	Delay biomass investment tax credit.	1/91	1.5
Michigan	Replace Capital Acquisition Deduction (CAD), which was ruled unconstitutional, with an investment tax credit. The policy is revenue neutral but timing differences result in gain.	3/91	50.0
Minnesota	Conform to federal internal revenue code.	1/91	3.0
New York	Eliminate tax expenditure that allows certain corporations to allocate income to states that cannot tax that income.	1/91	25.0
Ohio	Cap receipts going to local governments.	12/91	1.7
Oregon	Reconnect to the federal income tax base and eliminate pollution control facility credit.	7/91	11.0
Pennsylvania	Rate increase of 2 percent; federal treatment of dividends.	1/91	334.0
Rhode Island	Impose 11 percent surcharge until January 1, 1993.	3/91	5.0
Wisconsin	Remove pari-mutuel and "carline" exemption.	7/91	2.2
	Conform to federal tax code.	7/91	0.7

Table A-7 (continued)
PROPOSED 1992 REVENUE CHANGES BY TYPE OF REVENUE

State	*Tax Change Description*	*Effective Date(s)*	*Fiscal 1992 Revenue Change ($ in millions)*
CIGARETTE AND TOBACCO TAXES			
Iowa	Increase of 10 cents/pack.	3/91	$25.6
Minnesota	Increase of 24 cents/pack.	7/91	77.0
Nevada	Eliminate sunset on 1989 increase.	7/91	20.7
Ohio	Eliminate stamp discounts to dealers.	7/91	3.8
Oregon	Dedicate $20 million in cigarette tax revenues to the Westside light rail project. Loss to general fund.	7/91	-10.4
Pennsylvania	Increase of 30 cents/pack.	7/91	300.0
Vermont	Increase of 4 cents/pack.	3/91	2.7
MOTOR FUEL TAXES			
Connecticut	Increase of 2 cents/gallon dedicated to local government infrastructure projects.	7/91	$30.5
Idaho	Increase of 6 cents/gallon (with half dedicated to local governments).	4/91	35.0
New Hampshire	Increase of 2 cents/gallon.	7/91	5.0
New York	Increase of 10 cents/gallon to fund a dedicated highway fund.	5/91	500.0
Rhode Island	Increase of 5 cents/gallon.	4/91	20.4
ALCOHOLIC BEVERAGES			
California	Increase tax rate.	7/91	$17.0
Iowa	Tax beer as liquor.	3/91	2.4
Minnesota	Increase beer and wine taxes to levels more comparable to liquor tax.	7/91	11.0
North Carolina	Increase beer tax and licenses.	7/91	4.6
MISCELLANEOUS TAXES			
California	Change depreciation schedule for vehicle registration fees.	N/A	$12.0
	Rate increase for driver's license and vehicle registration fees.	N/A	73.0
Florida	Increase user fees.	7/91	226.2
	Increase educational tuition.	7/91	96.5
	Increase license plate renewal fees.	7/91	10.2
Idaho	Double vehicle registration fees and truck trip permits (with half dedicated to local governments).	7/91	29.0
Kansas	Acceleration of liquor, privilege, and mineral taxes for one-time gain in fiscal 1991.	5/91	13.8(FY91)
Maine	Increase audit staff.	7/91	4.0
	Modify property tax and rent refund program.	8/91	9.4
	Delay homestead property tax exemption.	4/91	12.9
Michigan	Various fee increases.	N/A	31.0
	Contributions from hospitals providing Medicaid services.	N/A	70.0
Montana	Introduce oil and gas incentives.	7/91	-4.2

Table A-7 (continued)
PROPOSED 1992 REVENUE CHANGES BY TYPE OF REVENUE

State	*Tax Change Description*	*Effective Date(s)*	*Fiscal 1992 Revenue Change ($ in millions)*
Nevada	Impose business activity tax and business license fee.	7/91	129.5
	Change basis of scot route operators gaming assessment fee.	7/91	7.0
New York	Convert weight-based vehicle registrations to an ad valorem basis and increase motor vehicle fees that will be offset by other changes in this category.	9/91	12.0
	Eliminate certain tax expenditures under bank tax.	1/91	10.0
	Revise estate tax rates and credits.	enactment	40.0
	Impose $5 tax on tires to help finance Environmental Infrastructure Fund.	enactment	50.0
	Enact administrative and technical changes to reform withholding, reverse court decisions, etc.	enactment	77.0
Oregon	Redefine the tax base for the amusement device tax.	7/91	0.4

Table A-8
PROPOSED STATE EMPLOYMENT COMPENSATION CHANGES, FISCAL 1992

State and Region	Across the Board	Merit	Other	Notes
New England				
Connecticut	*	—	—	Although half of the collective bargaining units have settled contracts for fiscal 1992, the Governor's recommended budget was reduced by $417 million to reflect anticipated savings from collective bargaining negotiations with employee unions. The negotiations, which are taking place at this time, include wages.
Maine	7.0%	2.0%	—	An additional 5 percent for confidential and supervisory unit is effective 10/1/91. Compensation package for fiscal 1992 was ratified by state and union but was not funded.
Massachusetts	—	—	—	Employee compensation package is still under discussion.
New Hampshire	—	—	—	Employee compensation package is still under discussion.
Rhode Island	—	—	—	No increases are recommended.
Vermont	3.25	—	—	In addition, all eligible employees receive step increases.
Mideast				
Delaware	—	—	—	No increases are recommended.
Maryland	—	—	—	No increases are recommended.
New Jersey	5.5%	3.0%	—	Merit increases range from 3.5 percent to 5.0 percent, depending on employee step and range, except at maximum of range no merit increase is given. Estimated cost is 3.0 percent on average. Although the contract is agreed to, because of fiscal situation this contract is not funded in fiscal 1992.
New York	—	—	—	Compensation package has not been negotiated yet.
Pennsylvania	—	—	—	Compensation package has not been negotiated yet.
Great Lakes				
Illinois	—	—	—	Compensation package has not been negotiated yet and Governor's budget assumes no pay increase as well as contract take-backs.
Indiana	—	—	—	No increase is recommended.
Michigan	4.0%	—	-	Governor's 1992 budget recommends rejecting pay raise.
Ohio	4.0	—	—	Collective bargaining contracts for 1991 and 1992 will be renegotiated.
Wisconsin	—	—	—	Compensation package has not yet been negotiated.

Table A-8 (continued)
PROPOSED STATE EMPLOYMENT COMPENSATION CHANGES, FISCAL 1992

State and Region	*Across the Board*	*Merit*	*Other*	*Notes*
Plains				
Iowa	—	—	—	Increases are not yet determined.
Kansas	1.5%	—	2.5%	ATB is for the last half of fiscal 1992. Other is based on movement from step to step on the classified pay matrix.
Minnesota	—	—	—	No specific package has been recommended, nor has separate funding been set aside for labor contracts currently under negotiation. Any increases will be funded within existing budget levels.
Missouri	—	—	—	No increase is recommended.
Nebraska	3.0	—	*	All employees receive 3.0 percent on July 1, an additional 1.5 percent on anniversary date, and an additional 1.0 percent if employed 10 years with the state and below the midpoint of salary range (subject to satisfactory performance).
North Dakota	4.0	—	—	The package includes 4.0 percent or $50 per month, whichever is greater.
South Dakota	4.0	—	*	The Governor has recommended longevity increases based on all years of service, adjustments for certain pay grades that range from 0.3 percent to 8.9 percent, and an adjustment of 2.5 percent for employees below the midpoint of their pay range.
Southeast				
Alabama	*	5%	*	ATB recommendations have not yet been made. Merit raises based on employee performance and may range from 0-5 percent based on evaluation. Longevity pay ranges from $300-$600 per employee per year based on years of service.
Arkansas	2.5	2.5	—	Employees are eligible for a 2.5 percent merit increase on their anniversary date.
Florida	3.0	—	—	Nurses are to receive an average increase of 15 percent of minimum pay; child welfare classes are to receive 12.5 percent; judiciary law enforcement investigators are to receive $3,000.
Georgia	—	—	—	Although there is no policy against in-step salary increases, restrictions on agency budgets will limit their availability.
Kentucky	5.0	1.5	2.0	There is an appropriation of $13.5 million to address market, recruitment, and retention needs in state government.
Louisiana	—	3.6	—	Approximately 10 percent of the workforce is at the top of its pay grade and not eligible for a merit increase. Therefore, a 4 percent increases averages 3.6 percent.
Mississippi	—	—	—	No increase is recommended.
North Carolina	—	2.0	—	A 2 percent performance pay increase is effective January 1992.

Table A-8 (continued)
PROPOSED STATE EMPLOYMENT COMPENSATION CHANGES, FISCAL 1992

State and Region	*Across the Board*	*Merit*	*Other*	*Notes*
South Carolina	—	—	—	All proposed increases are to "annualize" increases implemented in fiscal 1991 for a portion of the year.
Tennessee	4.0	—	—	Funding is subject to economic recovery.
Virginia	—	—	—	No increase is recommended.
West Virginia	—	—	—	No increase is recommended.
Southwest				
Arizona	—	—	—	No increases are recommended.
New Mexico	*	—	5.0%	Employees would receive enhanced benefits and take home increase totalling 3 percent across the board.
Oklahoma	—	2.4	—	Governor has proposed a performance pay package that would average 2.4 percent if given to all employees. Since it is targeted to certain employees, the individual increases will be larger.
Texas	—	—	—	In the past few years, employee pay increases have been added to the budget during the last days of the legislative session.
Rocky Mountain				
Colorado	3.3%	1.3%	—	Correctional officers classification is under study but there is no planned increase.
Idaho	—	5.0	0.3	"Other" is to move employees with 5 or more years in the same position with satisfactory performance toward the mid-point of the salary schedule.
Montana	3.0	—	1.5	"Other" is an average "progression increase" to move salaries closer to market level. In addition, state is increasing the insurance contribution by $180 per year.
Utah	—	3.0	2.0	"Other" is to cover benefit cost increases.
Wyoming	—	2.5	3.8	Most employees will receive a merit increase after an increase in health insurance contribution of $50 per month for employees earning less than $20,000 per year and $40 per month for those earning more than $20,000. State contribution to retirement system will increase from 66 percent to 90 percent.
Far West				
Alaska	5.0%	3.0%	—	
California	—	*	—	Merit salary adjustments are provided within departments and range from 0-5 percent. Costs for these increases are absorbed within existing budgeted resources.
Hawaii	4.0-5.0	—	—	
Nevada	4.0	2.5	—	Annual merit increase of 5.0 percent is available to those qualifying and not at top of pay grade. Fiscal year equivalency is 2.5 percent.

Table A-8 (continued)
PROPOSED STATE EMPLOYMENT COMPENSATION CHANGES, FISCAL 1992

State and Region	*Across the Board*	*Merit*	*Other*	*Notes*
Oregon	—	*	—	Almost all employees receive a merit increase unless they are at the top of their salary range. Very few are at the top because state just implemented a new classification system and most employees' salary ranges increased.
Washington	4.6	—	0.6	About 26,000 of 60,000 classified employees will receive increases for "comparable worth." In additional, about 45 percent of all classified employees will receive an annual step increase of 5.0 percent.

Table A-9
BUDGET REDUCTION STRATEGIES IMPLEMENTED OR UNDER CONSIDERATION, FISCAL 1991

State	*A-T-B Cuts*	*Targeted Cuts*	*Lay-offs*	*Fur-loughs*	*Taxes*	*Other Revenues*	*Delay Spending*	*Borrow/ Bond*	*Rainy Day Fund*	*Reduce/Delay Pension Fndng*	*Hiring Freeze*	*Travel Freeze*
Alabama	I								I			
Alaska												
Arizona		I									I	I
Arkansas												
California	I				I	I	I		I		I	
Colorado							I					
Connecticut		I	X					X			I	I
Delaware		I					I				P	
Florida		I							I			
Georgia	I	I							I	I	I	I
Hawaii												
Idaho												
Illinois		I										
Indiana		I									I	P
Iowa		I			I		I				I	I
Kansas												
Kentucky												
Louisiana												
Maine	X	X	X	X		X				X	X	X
Maryland		I				I			I		I	I
Massachusetts	I	I	I	I		I	I			I	I	I
Michigan	I	I,X	I				I		X		I	
Minnesota		I				I				I	I	I
Mississippi	I	I							I		I	I
Missouri	I	I				I	I				I	I
Montana												
Nebraska												
Nevada												
New Hampshire	X	X	X	X								
New Jersey	I	I	I				I				I	I
New Mexico												
New York		I	I			I	I	I		I	I	I
North Carolina	I						I		I	I	I	I
North Dakota												
Ohio	I	I	I			I			I	I	I	I
Oklahoma												
Oregon												
Pennsylvania	I	I		I	X	X	I		I	X	I	I
Rhode Island		I	I	I	I	I	I		I	I	I	I
South Carolina		I							I			
South Dakota												
Tennessee	I					I	I		I		I	I
Texas												
Utah												
Vermont	I	I	I	I	I				I		I	I
Virginia	I	I	I	I						I		
Washington												
West Virginia												
Wisconsin												
Wyoming												
Total	16	24	11	7	5	11	13	2	14	10	22	19

Key: X=Strategy proposed I= Strategy implemented P=Strategy partly implemented.